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U.S. Department of Justice

Federal Bureau of Investigation
Washington, D.C. 20535

July 1, 2019

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

FOIPA REQUEST NO.: 1392090-001
SUBJECT: STEVENS, THEODORE

Dear Mr. Greenewald:

The enclosed 5,659 pages of records were determined to be responsive to your subject and were previously processed and released pursuant to the Freedom of Information Act (FOIA). Please see the selected paragraphs below for relevant information specific to your request as well as the enclosed FBI FOIPA Addendum for standard responses applicable to all requests.

☑ In an effort to provide you with responsive records as expeditiously as possible, we are releasing documents from previous requests regarding your subject. We consider your request fulfilled. Since we relied on previous results, additional records potentially responsive to your subject may exist. If this release of previously processed material does not satisfy your request, you may request an additional search for records. Submit your request by mail or fax to – Work Process Unit, 170 Marcel Drive, Winchester, VA 22602, fax number (540) 868-4997. Please cite the FOIPA Request Number in your correspondence.

☐ Please be advised that additional records responsive to your subject exist. If this release of previously processed material does not satisfy your request, you must advise us that you want the additional records processed. Please submit your response within thirty (30) days by mail or fax to—Work Processing Unit, 170 Marcel Drive, Winchester, VA 22602, fax number (540) 868-4997. Please cite the FOIPA Request Number in your correspondence. **If we do not receive your decision within thirty (30) days of the date of this notification, your request will be closed.**

☐ One or more of the enclosed records were transferred to the National Archives and Records Administration (NARA). Although we retained a version of the records previously processed pursuant to the FOIA, the original records are no longer in our possession.

If this release of the previously processed material does not satisfy your request, you may make a request to NARA at the following address:

National Archives and Records Administration
8601 Adelphi Road
College Park, MD 20740-6001

☐ Records potentially responsive to your request were transferred to the National Archives and Records Administration (NARA), and they were not previously processed pursuant to the FOIA. You may file a request with NARA using the address above.

☑ One or more of the enclosed records were destroyed. Although we retained a version of the records previously processed pursuant to the FOIA, the original records are no longer in our possession. Record retention and disposal is carried out under supervision of the National Archives and Records Administration (NARA) , Title 44, United States Code, Section 3301 as implemented by Title 36, Code of Federal Regulations, Part 1228; Title 44, United States Code, Section 3310 as implemented by Title 36, Code of Federal Regulations, Part 1229.10.

☐ Records potentially responsive to your request were destroyed. Since this material could not be reviewed, it is not known if it was responsive to your request. Record retention and disposal is carried out under supervision of the National Archives and Records Administration (NARA) according to Title 44 United States Code Section 3301, Title 36 Code of Federal Regulations (CFR) Chapter 12 Sub-chapter B Part 1228, and 36 CFR 1229.10.

☑ Documents or information referred to other Government agencies were not included in this release.

Please refer to the enclosed FBI FOIPA Addendum for additional standard responses applicable to your request. **"Part 1"** of the Addendum includes standard responses that apply to all requests. **"Part 2"** includes additional standard responses that apply to all requests for records on individuals. **"Part 3"** includes general information about FBI records that you may find useful. Also enclosed is our Explanation of Exemptions.

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

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

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

Sincerely,

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

Enclosure(s)

FBI FOIPA Addendum

As referenced in our letter responding to your Freedom of Information/Privacy Acts (FOIPA) request, the FBI FOIPA Addendum includes information applicable to your request. Part 1 of the Addendum includes standard responses that apply to all requests. Part 2 includes additional standard responses that apply to all requests for records on individuals. Part 3 includes general information about FBI records. For questions regarding Parts 1, 2, or 3, visit the www.fbi.gov/foia website under "Contact Us." Previously mentioned appeal and dispute resolution services are also available at the web address.

Part 1: The standard responses below apply to all requests:

(i) **5 U.S.C. § 552(c).** Congress excluded three categories of law enforcement and national security records from the requirements of the FOIA [5 U.S.C. § 552(c) (2006 & Supp. IV (2010)]. FBI responses are limited to those records subject to the requirements of the FOIA. Additional information about the FBI and the FOIPA can be found on the www.fbi.gov/foia website.

(ii) **National Security/Intelligence Records**. The FBI can neither confirm nor deny the existence of national security and foreign intelligence records pursuant to FOIA exemptions (b)(1), (b)(3), and PA exemption (j)(2) as applicable to requests for records about individuals [5 U.S.C. §§ 552/552a (b)(1), (b)(3), and (j)(2); 50 U.S.C § 3024(i)(1)]. The mere acknowledgment of the existence or nonexistence of such records is itself a classified fact protected by FOIA exemption (b)(1) and/or would reveal intelligence sources, methods, or activities protected by exemption (b)(3) [50 USC § 3024(i)(1)]. This is a standard response and should not be read to indicate that national security or foreign intelligence records do or do not exist.

Part 2: The standard responses below apply to all requests for records on individuals:

(i) **Requests for Records about any Individual—Watch Lists.** The FBI can neither confirm nor deny the existence of any individual's name on a watch list pursuant to FOIA exemption (b)(7)(E) and PA exemption (j)(2) [5 U.S.C. §§ 552/552a (b)(7)(E), (j)(2)]. This is a standard response and should not be read to indicate that watch list records do or do not exist.

(ii) **Requests for Records for Incarcerated Individuals.** The FBI can neither confirm nor deny the existence of records which could reasonably be expected to endanger the life or physical safety of any incarcerated individual pursuant to FOIA exemptions (b)(7)(E), (b)(7)(F), and PA exemption (j)(2) [5 U.S.C. §§ 552/552a (b)(7)(E), (b)(7)(F), and (j)(2)]. This is a standard response and should not be read to indicate that such records do or do not exist.

Part 3: General Information:

(i) **Record Searches.** The Record/Information Dissemination Section (RIDS) searches for reasonably described records by searching those systems or locations where responsive records would reasonably be found. Most requests are satisfied by searching the Central Records System (CRS), an extensive system of records consisting of applicant, investigative, intelligence, personnel, administrative, and general files compiled and maintained by the FBI in the course of fulfilling its dual law enforcement and intelligence mission as well as the performance of agency administrative and personnel functions. The CRS spans the entire FBI organization and encompasses the records of FBI Headquarters (FBIHQ), FBI Field Offices, and FBI Legal Attaché Offices (Legats) worldwide. A CRS search includes Electronic Surveillance (ELSUR) records.

(ii) **FBI Records.** Founded in 1908, the FBI carries out a dual law enforcement and national security mission. As part of this dual mission, the FBI creates and maintains records on various subjects; however, the FBI does not maintain records on every person, subject, or entity.

(iii) **Requests for Criminal History Records or Rap Sheets.** The Criminal Justice Information Services (CJIS) Division provides Identity History Summary Checks – often referred to as a criminal history record or rap sheets. These criminal history records are not the same as material in an investigative "FBI file." An Identity History Summary Check is a listing of information taken from fingerprint cards and documents submitted to the FBI in connection with arrests, federal employment, naturalization, or military service. For a fee, individuals can request a copy of their Identity History Summary Check. Forms and directions can be accessed at www.fbi.gov/about-us/cjis/identity-history-summary-checks. Additionally, requests can be submitted electronically at www.edo.cjis.gov. For additional information, please contact CJIS directly at (304) 625-5590.

(iv) **The National Name Check Program (NNCP).** The mission of NNCP is to analyze and report information in response to name check requests received from federal agencies, for the purpose of protecting the United States from foreign and domestic threats to national security. Please be advised that this is a service provided to other federal agencies. Private citizens cannot request a name check.

EXPLANATION OF EXEMPTIONS

SUBSECTIONS OF TITLE 5, UNITED STATES CODE, SECTION 552

(b)(1) (A) specifically authorized under criteria established by an Executive order to be kept secret in the interest of national defense or foreign policy and (B) are in fact properly classified to such Executive order;

(b)(2) related solely to the internal personnel rules and practices of an agency;

(b)(3) specifically exempted from disclosure by statute (other than section 552b of this title), provided that such statute (A) requires that the matters be withheld from the public in such a manner as to leave no discretion on issue, or (B) establishes particular criteria for withholding or refers to particular types of matters to be withheld;

(b)(4) trade secrets and commercial or financial information obtained from a person and privileged or confidential;

(b)(5) inter-agency or intra-agency memorandums or letters which would not be available by law to a party other than an agency in litigation with the agency;

(b)(6) personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy;

(b)(7) records or information compiled for law enforcement purposes, but only to the extent that the production of such law enforcement records or information (A) could reasonably be expected to interfere with enforcement proceedings, (B) would deprive a person of a right to a fair trial or an impartial adjudication, (C) could reasonably be expected to constitute an unwarranted invasion of personal privacy, (D) could reasonably be expected to disclose the identity of confidential source, including a State, local, or foreign agency or authority or any private institution which furnished information on a confidential basis, and, in the case of record or information compiled by a criminal law enforcement authority in the course of a criminal investigation, or by an agency conducting a lawful national security intelligence investigation, information furnished by a confidential source, (E) would disclose techniques and procedures for law enforcement investigations or prosecutions, or would disclose guidelines for law enforcement investigations or prosecutions if such disclosure could reasonably be expected to risk circumvention of the law, or (F) could reasonably be expected to endanger the life or physical safety of any individual;

(b)(8) contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of an agency responsible for the regulation or supervision of financial institutions; or

(b)(9) geological and geophysical information and data, including maps, concerning wells.

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

(d)(5) information compiled in reasonable anticipation of a civil action proceeding;

(j)(2) material reporting investigative efforts pertaining to the enforcement of criminal law including efforts to prevent, control, or reduce crime or apprehend criminals;

(k)(1) information which is currently and properly classified pursuant to an Executive order in the interest of the national defense or foreign policy, for example, information involving intelligence sources or methods;

(k)(2) investigatory material compiled for law enforcement purposes, other than criminal, which did not result in loss of a right, benefit or privilege under Federal programs, or which would identify a source who furnished information pursuant to a promise that his/her identity would be held in confidence;

(k)(3) material maintained in connection with providing protective services to the President of the United States or any other individual pursuant to the authority of Title 18, United States Code, Section 3056;

(k)(4) required by statute to be maintained and used solely as statistical records;

(k)(5) investigatory material compiled solely for the purpose of determining suitability, eligibility, or qualifications for Federal civilian employment or for access to classified information, the disclosure of which would reveal the identity of the person who furnished information pursuant to a promise that his/her identity would be held in confidence;

(k)(6) testing or examination material used to determine individual qualifications for appointment or promotion in Federal Government service the release of which would compromise the testing or examination process;

(k)(7) material used to determine potential for promotion in the armed services, the disclosure of which would reveal the identity of the person who furnished the material pursuant to a promise that his/her identity would be held in confidence.

FBI/DOJ

X AIRTEL

4/13/82

TO: DIRECTOR, FBI

FROM: SAC, WFO (9A-4751)(P)(C-4)

CHANGED
[redacted], aka
[redacted]
Threatening Letters Against various
Government Officials Including
Senator LARRY PRESSLER- VICTIM,
Senator ROBERT DOLE- VICTIM, and
Senator TED STEVENS- VICTIM;
EXTORTION
(OO:KC)

b6
b7C

Title marked "Changed" to include Senator Ted Stevens- Victim.

Re WFO airtel to KC, 3/29/82.

Enclosed for Springfield, Mo. RA is a threat letter signed [redacted] and envelope addressed to Senator Ted Stevens, WDC, postmarked Springfield, Mo., 3/23/82; return address [redacted] P.O. Box 4000, Springfield, Mo. 65802.

b6
b7C

The enclosed letter is being provided to the Springfield, Mo. RA to be used for presentment to U.S. Attorney.

FBI - Stevens-3624

2-Bureau
2-Kansas City (Enc. 1)
1-WFO

VRO:pep (5)

9-4751-4

SEARCHED INDEXED
SERIALIZED FILED
APR 14 1982
FBI-WASH FIELD OFFICE
[redacted]

Hey Dick Breath!

I am going to kill your fucking Ass so if you believe in God then you had better give your head and soul to him cause your ass is mine. Its for that I wait where you call your wife well I am going to kill her also but for $500,000.00 you can live and for your wife to live $1,000,000.00

[redacted]

b6
b7C

FBI - Stevens-3625

Rec'd from [redacted]
1655 hours
3-25-82
Rm 127
RSOB by [illegible]

P.O. BOX 4000
SPRINGFIELD, MISSOURI 65802

SPRINGFIELD, MO 658
PM
MAR 23
1982

Fire Pumper
1800s
USA 200

b6
b7C

Senator Ted Stevens
Senate Office Building
Washington, D.C.

FBI - Stevens-3626

x AIRTEL

10/19/82

TO: SAC, KANSAS CITY

FROM: SAC, WFO (9A-4751) (P) (C-4)

[redacted] AKA [redacted]

b6
b7C

THREATINING LETTERS AGAINST
VARIOUS GOVERNMENT OFFICIALS
INCLUDING SENATOR LARRY PRESSLER-VICTIM;
SENATOR ROBERT DOLE-VICTIM;
SENATOR TED STEVENS-VICTIM;
SENATOR HOWARD BAKER-VICTIM;
EXTORTION (A)
00:KC

Re WFO airtel to Director, 9/2/82.

For information of KC, WFO has received recent inquires from United States Capitol Police, Washington, D. C., and USSS, Washington, D. C., concerning prosecutive status of captioned matter. WFO requests that KC determine the prosecutive intentions of United States Attorney, in the Western District of Missouri.

LEADS

KANSAS CITY

AT SPRINGFIELD, MISSOURI. KC is requested to contact United States Attorney in the Western District of Missouri and advised WFO of prosecutive status in captioned matter.

2 - Kansas City
1 - WFO

VRO:dgk
(3) dgk

9-4751-8
Searched
Serialized
Indexed
Filed
10/19/82

FD-36 (Rev. 5-22-78)

FBI

TRANSMIT VIA:
- [ ] Teletype
- [ ] Facsimile
- [x] AIRTEL

PRECEDENCE:
- [ ] Immediate
- [ ] Priority
- [ ] Routine

CLASSIFICATION:
- [ ] TOP SECRET
- [ ] SECRET
- [ ] CONFIDENTIAL
- [ ] UNCLAS E F T O
- [ ] UNCLAS

Date 1/5/83

TO: WASHINGTON FIELD OFFICE (9A-4751)

FROM: SAC, KANSAS CITY (9A-3440)(SPDRA)(P)

[redacted] aka

b6
b7C

THREATENING LETTERS AGAINST VARIOUS
GOVERNMENT OFFICIALS, INCLUDING
SENATOR LARRY PRESSLER - VICTIM;
SENATOR ROBERT DOLE - VICTIM;
SENATOR TED STEVENS - VICTIM;
SENATOR HOWARD BAKER - VICTIM;
EXTORTION (A)
OO: KC

Re WFO's airtel to Kansas City, dated 10/19/82.

For information of WFO, on 9/15/82, a true bill was returned by Federal Grand Jury, Western District of Missouri, Kansas City, Missouri, charging [redacted] with four counts of violation, Title 18, USC, Section 876. [redacted] appeared in U. S. District Court, Springfield, Missouri, at which time a mental evaluation was ordered under the provisions of Title 18, USC, Section 4244.

On 12/8/82, AUSA [redacted] Western District of Missouri, Springfield, Missouri, advised it was determined by medical officials at the United States Medical Center for Federal Prisoners, captioned subject was not mentally competent at the time he wrote the threatening and currently is not competent to stand trial.

As a result of this determination, AUSA [redacted] stated he will request the indictment of [redacted] be dismissed in the near future.

b6
b7C

On 12/8/82, [redacted] U. S. Medical Center for Federal Prisoners, advised as soon as the indictment

C-4

9-4751-9

(2) - WFO
2 - Kansas City
PAV/mac
(4)

- MAKE NOTIFICATIONS
- CLOSE ON MEMO

1

SEARCHED ___ INDEXED ___
SERIALIZED ___ FILED ___
JAN 11 1983
FBI-WFO

Approved: D/WH

Transmitted -P- (Number)

Per

L7

FBI - Stevens-3628

of 9/15/82, is dismissed, [redacted] will be released to Tennessee State Authorities, and will be transferred to the State Mental Institution at Moccasin Bend, Tennessee. b6 b7C

It is noted [redacted] mandatory release date from Federal custody was 11/10/82.

Upon dismissal of indictment, Kansas City will submit FD-515.

Memorandum

To : SAC, WFO (9A-4751) (C-4) -RUC Date 1/12/83

From : SA [redacted]

Subject [redacted] aka

THREATENING LETTERS AGAINST VARIOUS
GOVERNMENT OFFICIALS, INCLUDING
SENATOR LARRY PRESSLER-VICTIM;
SENATOR ROBERT DOLE-VICTIM;
SENATOR TED STEVENS-VICTIM;
SENATOR HOWARD BAKER-VICTIM;
EXTORTION (A)
OO:KC

b6
b7C

RE WFO TELCAL TO KC, SA [redacted] 1/5/83 and
KC AIRTEL TO WFO 1/5/83.

On 1/12/83, the writer contacted the following individuals and advised them of the outcome of captioned matter:

U.S. CAPITOL POLICE, DET. [redacted]
USSS SA [redacted]
MPD INTELLIGENCE CAP. [redacted]

IN VIEW THAT ALL LOGICAL INVESTIGATION HAS BEEN CONDUCTED THIS CASE IS BEING PLACED IN AN RUC STATUS.

FBI - Stevens-3630

1-12-83

1-WFO
VRO

9-4751-10

JAN 1 1983

FBI/DOJ

1-336 (Rev. 10-26-79)

FEDERAL BUREAU OF INVESTIGATION

Washington, D. C. 20537

REPORT

of the

LATENT FINGERPRINT SECTION
IDENTIFICATION DIVISION

CC 4

YOUR FILE NO.
FBI FILE NO. 9-68722
LATENT CASE NO. C-43871

March 11, 1985

TO: SAC, WFO

RE: UNSUB.; REPRESENTATIVE DON YOUNG - VICTIM
EXTORTION

0 see alt

UNSUB.;
SENATOR TED STEVENS - VICTIM
EXTORTION

9- 4751*

SEARCHED ___ INDEXED ___
SERIALIZED ___ FILED ___
MAR 13 1 25 PM 1985
FBI

REFERENCE: Airtels 1/19/85
EXAMINATION REQUESTED BY: WFO
SPECIMENS: Two envelopes, Q1 and Q3
Two letters, Q2 and Q4
Sheet of white paper

The Q specimens are further described in a separate Laboratory report.

Five latent fingerprints of value were developed on the envelope, Q1, and letter, Q2, which were sent to Representative Don Young. No latent prints of value were developed on the remaining items which were sent to Senator Ted Stevens.

Searches were conducted in the single fingerprint file without effecting an identification.

The specimens are being forwarded to the Los Angeles Division as requested.

9A-4751-11

2 - Los Angeles - Enc. (5)

SEARCHED ___ INDEXED ___
SERIALIZED ___ FILED ___
MAR 12 1985
FBI WASH FIELD OFFICE

FBI - Stevens-3631

THIS REPORT IS FURNISHED FOR OFFICIAL USE ONLY

Called & Chaired by Senator Ted Stevens.

AGENDA

DRUG ABUSE MINI-CONFERENCE

Wednesday, August 25, 1988
10:00 a.m. to 12:00 noon
Alyeska Lodge Conference Room

attended by SAC + ASAC.

1. Introductory comments by Senator Stevens

2. Introduction of participants

   a. Education and Prevention
   b. Law Enforcement
   c. Treatment Providers
   d. Parent Groups
   e. Government

3. Alcoholism

   a. Consumption
   b. Effects on Alaska Natives
   c. Comments from Participants

4. Drug Abuse

   a. Marijuana
   b. Cocaine
   c. Crack
   d. Heroin
   e. Hallucinogens
   f. Effects on Students
   g. Crime
   h. Comments from Participants

5. What We Can Do

   a. Drug Abuse Resistance Education (DARE)
   b. Drug Free America Week
   c. McGruff, the Crime Dog
   d. Anti-Drug Abuse Act of 1988
   e. Comments from Participants

80-195-1
~~126-159-8~~

SEARCHED ___ INDEXED ___
SERIALIZED LAS FILED LAS
SEP 6 1988
FBI—ANCHORAGE

1. INTRODUCTORY COMMENTS BY SENATOR STEVENS

a. "In this crusade, let us not forget who we are. Drug abuse is a repudiation of everything America is. The destructiveness and human wreckage mock our heritage." President Ronald Reagan -- September 14, 1986

b. The consequences of illegal drug use and alcohol abuse have reached epidemic proportions.

-- Drug and alcohol abuse are major public health problems and pose a threat at every level of American society. They are two of the leading causes of preventable disease, disability and death.

-- According to the National Association of State and Alcohol and Drug Abuse Directors, drug abuse costs American society $116 billion in lost productivity a year while alcohol results in a loss of nearly $60 billion in productivity.

c. The scourge of drug and alcohol addiction knows no age or socioeconomic barriers. According to research, children are particularly susceptible.

-- Nearly 23 million Americans of all ages, colors, and nationalities are regular users of illegal drugs.

-- A recent survey of 4th graders conducted by Weekly Reader found that 34% of those surveyed reported peer pressure to try wine coolers, 41% to smoke, and 24% to use crack or cocaine.

2. INTRODUCTION OF PARTICIPANTS

a. EDUCATION AND PREVENTION

-- [redacted] National Council on Alcoholism
-- [redacted] Alaska Council on Prevention of Alcohol & Drug Abuse
-- [redacted] Mat-Su Council on Prevention of Alcoholism and Drug Abuse
-- [redacted] RuralCap
-- [redacted], Alaska Department of Education
-- [redacted] Mat-Su School District
-- [redacted] Anchorage School District
-- [redacted] McLaughlin Youth Center
-- [redacted] Anchorage Juvenile Crime Commission

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b7C

b. LAW ENFORCEMENT

-- Mike Spaan, U.S. Attorney for Alaska
-- [redacted] DEA
-- [redacted] Demand Reduction Officer, FBI
-- [redacted] Anchorage Police Department — [redacted]
-- [redacted], State Troopers

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b7C

c. TREATMENT PROVIDERS

-- [redacted] The Salvation Army
-- [redacted] Alaska Addiction Rehabilitation Services (Nugen's Ranch)
-- [redacted] Center for Drug Problems
-- [redacted] Akeela House
-- [redacted] UAA Center for Alcohol & Addiction Studies

d. PARENT GROUPS

-- [redacted] Alaskans for Drug Free Youth

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b7C

e. GOVERNMENT

-- [redacted] and [redacted] Office of Alcoholism and Drug Abuse, Alaska Dept. of Health and Social Services
-- [redacted], Volunteers of America
-- [redacted] (pronounced [redacted] formerly your legislative [redacted] National Campaign for a Drug Free America

3. ALCOHOLISM

a. CONSUMPTION -- Alaskans consume more alcohol than almost any other group both nationally and internationally.

-- Among the world's consumers of hard liquor, Alaska's per capita consumption of 1.08 gallons for every man, woman, and child would rank 4th if we were a country. Only the communist nations of Hungary, East Germany, and Poland rank higher. The United States as a whole ranks 10th, consuming an average of .72 gallons per person.

-- Alaskans rank 3rd nationwide in the consumption of alcohol, behind only Nevada, where casinos give out free drinks to gamblers, and New Hampshire, which does a brisk business in selling its cheaper alcohol to residents of surrounding states.

-- Alaskans consume 3.78 gallons of hard liquor, wine, and beer a year compared with a national average of only 2.62 gallons per person.

b. EFFECTS ON ALASKA NATIVES -- Alaska's Native community has been devastated by the effects of alcohol.

-- The Native suicide rate is 10 times the national average. Many of the suicides can be traced to alcohol.

-- The rate of fetal alcohol syndrome among Alaska Natives is 2.5 times the national average and more than twice the rate among other Indian populations.

-- While Natives comprise only 16% of the Alaskan population, they account for 34% of prison inmates. The majority of the crimes for which they are incarcerated are committed while under the influence of alcohol and other drugs.

-- The problem is not limited to the villages. While only 5% of Anchorage's population is Native, they account for 27% of all persons being treated for alcohol and drug abuse in the community.

-- Anchorage's small Native population accounts for 40% of all fatal accidents in Anchorage. The majority of those accidents are alcohol-related.

-- Of the 12,000 Alaska Natives who live in Anchorage, about 400 are chronic alcoholics.

c. COMMENTS FROM PARTICIPANTS

4. DRUG ABUSE

a. MARIJUANA -- Marijuana continues to be the drug of choice for both young people and mainstream adults in Alaska.

-- Most of the marijuana being seized by DEA in Alaska is "home-grown" in indoor hydroponic gardens, although it is also imported from Hawaii and California.

-- In Southeastern Alaska, marijuana is cultivated in the Tongass National Forest.

-- According to the Department of Justice, Alaska's liberal marijuana law jeopardizes our ability to continue to receive federal funding for treatment and education programs.

b. COCAINE -- According to the Report on Drug Control published by the Bureau of Justice Statistics, cocaine availability has steadily been on the rise in Alaska.

-- 77% of Alaska's law enforcement leaders report that cocaine has replaced marijuana as the drug of choice in the last 5 years.

-- Cocaine related admissions to treatment in Alaska tripled between 1983 and 1986.

-- The majority of Alaska high school principals surveyed feel that marijuana is the most abused drug among students, followed by cocaine and LSD, but that cocaine is rapidly becoming the drug of choice.

c. CRACK -- Gangs from the lower 48 have begun to import crack into Alaska, but it is not generally available according to the DEA. The Report on Drug Control indicates that only small amounts of crack were sold in Alaska in mid-1987, but recent indicators show that use and sales are increasing.

d. HEROIN -- Black tar, a potent form of heroin from Mexico, has begun to find its way to Alaska.

e. HALLUCINOGENS -- Alaska reports a steady increase in the availability and use of LSD, and recently methamphetamine has turned up in quantity.

f. EFFECTS ON STUDENTS -- A survey of Alaska principals showed that 60% of the students dropping out of school and an estimated 50% of the students failing have drug abuse problems.

g. CRIME -- There is a strong link between crime and drug abuse, but the majority of drug violations in Alaska are not enforced.

-- An Anchorage Police Department study showed that 80% of their 1986 street crime was attributed directly to drug trafficking, use, and abuse.

-- Law enforcement leaders in Alaska estimate that less than 5% of the drug violations in their communities come to their attention.

h. ENFORCEMENT -- More drugs have been seized in Alaska so far in 1988 than were seized in all of 1987.

-- Marijuana seizures more than doubled during the last year (in part because TS got an additional DEA agent in Alaska). 6 kilos of marijuana were confiscated by DEA and the Alaska State Troopers in 1987. So far this year, 11 kilos have been seized along with 1,100 live plants which, if harvested, would have yielded at least 1,100 pounds of marijuana.

-- Cocaine seizures are also up. In 1987 19 kilos of cocaine were confiscated in Alaska. So far this year 20 kilos have been discovered.

-- Arrests for drug trafficking are also on the rise in Alaska. In 1987 43 persons were arrested for drug offenses. So far this year 51 persons have been taken into custody.

-- Alaska began a coordinated effort to combat drug trafficking and abuse in 1983. Improvements made since that time include the formation of drug metro teams, creation of airport interdiction units in Anchorage and Fairbanks and the institution of a computerized statewide narcotics intelligence unit. Most of this enforcement activity has been directed at the lower levels of trafficking.

-- Alaska will use federal funds provided by the Anti-Drug Abuse Act of 1986 to implement a Major Drug Offender Enforcement Unit to apprehend and prosecute major drug traffickers. The goals of the unit are to investigate, prosecute and convict major drug traffickers; locate, seize, and seek forfeitures of illegally gained assets and assets used in criminal enterprises; encourage multi-jurisdictional involvement in the national effort; and provide maximum coordination between all Federal, state, and local drug enforcement agencies and prosecution.

i. COMMENTS FROM PARTICIPANTS

5. WHAT WE CAN DO

a. PROGRESS -- Statistics show are we are beginning -- just beginning -- to turn the tide of illegal drug use.

-- Use of marijuana by high school seniors is at its lowest level in 10 years. In 1978, one senior in nine smoked marijuana on a daily basis. In 1987 only one senior in 30 used marijuana on a regular basis.

-- In 1987, for the first time, there was a significant drop in cocaine use.

-- Illicit use of stimulants and sedatives continues to decline among high school seniors, college students, and young adults in general.

-- Although progress has been made, we still have a long way to go.

b. DRUG ABUSE RESISTANCE EDUCATION (DARE)

-- The DARE program is a partnership between the schools and law enforcement. Trained officers are sent into 5th and 6th grade classrooms every week for 17 weeks to teach students HOW to refuse drugs and alcohol. The LA PD provides training at a cost of $50 per officer.

-- Separate components have been developed to introduce K through 4th graders to the program and to follow-up in junior and senior high school.

-- The program follows a carefully structured curriculum which focuses on personal safety, drug use and misuse, consequences of behavior, resisting peer pressure, building self-esteem, assertiveness training, managing stress without drugs, media images of drug use, role models, and support systems. The curriculum is available free of charge.

-- Studies have shown that the DARE curriculum has significantly reduced substance abuse, sharply decreased school vandalism, improved student study habits, reduced tensions between ethnic groups, and instilled respect for with police and teachers in the students.

-- We have DARE Program Briefs and DARE Implementation Manuals on display.

-- You cosponsored National DARE Day which will occur in September.

c. DRUG FREE AMERICA WEEK

-- You and Congressman Young sponsored legislation designating the last week in October as Drug Free America Week. The resolution passed the Senate and is pending in the House.

-- HHS has created a special office to run the Campaign for a Drug Free America. Gena Feind from Ketchikan and formerly of your staff helps coordinate the office and is willing to provide technical support to Alaskans who want to organize events during the week.

-- [redacted] can explain the program. We've also got materials on display explaining how to develop events to promote drug-free schools, workplaces, and communities, and how to raise funds to finance those events.

b6
b7C

d. McGRUFF, THE CRIME DOG

-- The National Crime Prevention Council has developed anti-drug materials for kids using McGruff the Crime Dog as its spokesman. 97% of all kids say they try to do what McGruff tells them.

-- We've got samples of the McGruff materials on display including posters, brochures for parents and educators, the McGruff video, the Just Say No cassette, a drug abuse computer game for kids, camera-ready educational materials for teachers, and Public Service Announcements that the Alaska media can use.

e. ANTI-DRUG ABUSE ACT OF 1988

-- The Senate is developing a drug bill which will be introduced shortly after we return from the recess and will be debated sometime in September.

-- A summary of the latest complete draft is available for each participant.

-- Actual bill language on the section on state and local law enforcement is available for the law enforcement officers and Mike Spaan.

-- We can ask each participant to review the drafts and provide us with suggestions for improvement by September 2nd. In the meantime, they can offer their ideas on how the federal government can assist them more effectively in their work.

f. COMMENTS FROM PARTICIPANTS

JOHN C. STENNIS, MISSISSIPPI, CHAIRMAN

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FRANCIS J. SULLIVAN, STAFF DIRECTOR
J. KEITH KENNEDY, MINORITY STAFF DIRECTOR

United States Senate

COMMITTEE ON APPROPRIATIONS
WASHINGTON, DC 20510-6025

December 16, 1988

Rec'd & search & return
pls. J.

Charles Lontor
Federal Bureau of Investigation
U.S. Department of Justice
701 C Street, Box 5
Anchorage, Alaska 99513

Dear Charles:

Enclosed is a copy of Public Law 100-459, the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act of 1989. In addition, I am including the Senate and House reports which accompanied the legislation. I thought you and your staff might be able to use this information in your work.

kept in SAC's book case. J.

With best wishes,

Cordially,

U.S. Senator Ted Stevens
TED STEVENS

Enclosures

89A-83*
29-343-12
46-1361-41
19D-76*
9A-309*
66F-36-65B
194C-33 SubC-326p2
245C-51-2p5
89A-90*
9A-313*

197-00-4
Appropriations for Justice, State, Judiciary + related agencies.
66-24* Appropriations - 1989
12-159-8 IX

80-195-2
open
Re: Sen. Stevens.

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JAN 04 1989
FBI - ANCHORAGE

Also put xerox copy of 12-159-8 into this ~~file~~ new dead 80. J.

U.S. Department of Justice

Federal Bureau of Investigation

Post Office Box 100560
Anchorage, Alaska 99510

In Reply, Please Refer to
File No.

January 19, 1989

The Honorable U.S. Senator Ted Stevens
State of Alaska
United States Senate
Committee on Appropriations
Washington, D.C. 20510-6025

Dear Senator Stevens:

Just a note to thank you for thinking of us and sending us copies of Public Law 100-459 regarding Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act of 1989, and related Senate and House reports.

I would also like to take this opportunity to thank you for all of the other support you have given the Federal Bureau of Investigation (FBI) in the recent past, i.e., Anti-Drug legislation and the conversion of certain FBI employees to the Senior Executive Service (SES).

You may also be interested to know that since your meeting at Alyeska regarding the Anti-Drug movement in Alaska, we have expanded our effort, from both a deterrence and enforcement standpoint, and hope to do more. We have found a great deal of enthusiasm throughout the State for this effort.

8/88

Your meeting was an important first step in this regard, and becoming acquainted with other important members of the community involved in the campaign toward a Drug-Free America was equally important.

I remain in these and all other matters of mutual interest,

Sincerely,

CHARLES LONTOR
Special Agent in Charge

80-1953

1 - Addressee
1 - Anchorage ( )
CL/krs
(2) krs

FBI - Stevens-2901

SEARCHED
SERIALIZED
INDEXED
FILED

JUN 2 1988

Honorable Ted Stevens
United States Senate
Washington, D. C. 20510

Dear Senator Stevens:

We in the FBI are most appreciative of your efforts in connection with the Bill to establish a Senior Executive Service for the FBI and the DEA. The passage of this bill greatly benefits FBI/DEA executives while it addresses the special and unique nature of each of our missions.

I recognize that a great deal of work went into the creation and passage of this Bill, and I want you to know of my personal gratitude for your support.

Sincerely yours,

William S. Sessions

William S. Sessions
Director

1 - Anchorage

FOIPA reg. JR

80-195-4

[redacted]

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JUN 10 1988

FBI—ANCHORAGE

ASAC LZM

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JAMES H. ENGLISH, STAFF DIRECTOR
J. KEITH KENNEDY, MINORITY STAFF DIRECTOR

United States Senate

COMMITTEE ON APPROPRIATIONS
WASHINGTON, DC 20510-6025

May 25, 1989

Chuck Lontor
Director
Federal Bureau of Investigation
701 C Street
Anchorage, Alaska 99513

Dear Mr. Lontor:

Enclosed is information sent to me from an inmate at Spring Creek Correctional Center in Seward, Alaska regarding his experiences with the Federal Bureau of Investigation. I contacted you on April 14, 1989 regarding this matter and thought I'd provide you with additional information for your files.

Thanks for your help.

With best wishes,

Cordially,

Ted Stevens

TED STEVENS

Enclosure

cc: Pl. search match & return to

[redacted]

b6
b7C

80-195-5

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SERIALIZED ____ FILED ____

JUN - 6 1989

FBI - Stevens-2903

enc. in 44-6467

U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to
File No.

Post Office Box 100560
Anchorage, Alaska 99510
June 8, 1989

The Honorable U.S. Senator Ted Stevens
State of Alaska
United States Senate
Committee on Appropriations
Washington, D.C. 20510-6025

Dear Senator Stevens:

With regard to your letters dated April 14, 1989, and May 25, 1989, with information in reference to [redacted]

b6
b7C

For some reason I did not directly receive your letter dated April 14, but instead received a copy via FBI Headquarters. As a result, I furnished them with information in reference to [redacted] so that they would be able to furnish you with an appropriate response. Therefore, I am not addressing your request herein in order to avoid duplication. But, I did wish to respond to your letter dated May 25, which I did receive directly, by thanking you for attempting to keep me informed with regard to potential citizen complaints in reference to the conduct of our activities, which we always wish to address promptly. Let me assure you that [redacted] and his activities are well known to this division, and unfortunately, his letter writing will probably continue. Unfortunate I say because he can be abusive, vulgar, and always without foundation.

It's always nice hearing from you, and good luck with the many problems facing our country and state today.

Sincerely yours,

FBI - Stevens-2904

CHARLES LONTOR
Special Agent in Charge

1 - Addressee
2 - Anchorage
(1 - 80-195)
(1 - 44-6467)
CL/bjg
(3)

Searched
Serialized
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80-195-6

June 9, 1989

Honorable Ted Stevens
United States Senate
Washington, D.C. 20510

Dear Senator Stevens:

This is in further response to your communication of April 14, 1989, on behalf of [redacted].

In the copy of the letter you enclosed from him, [redacted] provided his opinion regarding the need for assault rifles with teflon-coated bullets, stating that with the help of a state judge, he was kidnaped off the street, had a trial and proved "they" were lying. [redacted] makes other comments alleging that his rights have been violated and he refers to previous contacts with representatives of the FBI. b6 b7C

Our records show that [redacted] was convicted of Assault in the Second Degree on [redacted] and is currently incarcerated at the Spring Creek Correctional Center in Seward, Alaska. He has been corresponding with our Anchorage Office and with FBI Headquarters since January, 1988, and in many of his letters he alludes to difficulties he has had with local law enforcement authorities.

In response to prior letters to the FBI, he has been advised to contact our local office and to furnish complete details, and his complaints of civil rights violations have been referred to the Civil Rights Division of the Department of Justice for its review.

We are, therefore, taking no additional action with regard to [redacted] letter. I hope this information will assist you in responding to your constituent.

Sincerely yours,

William M. Baker

FBI - Stevens-2905

William M. Baker
Assistant Director
Criminal Investigative Division

1 - Anchorage (44B-203, 44B-AN-6467)
Reurairtel 5/23/89.

80-195-7

JUN 15 1989

FBI—

org. in 44-6467 1.

ROBERT C. BYRD, WEST VIRGINIA, CHAIRMAN

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J. KEITH KENNEDY, MINORITY STAFF DIRECTOR

United States Senate
COMMITTEE ON APPROPRIATIONS
WASHINGTON, DC 20510-6025

August 9, 1989

Charles Lontor
Special Agent in Charge
Anchorage Field Office
222 West 7th Avenue, #6
Anchorage, AK 99513-7598

Dear Charles:

As we all know, drug abuse is one of the most critical problems facing our nation today. Congress enacted a comprehensive drug bill last year, and a special post to conduct the war against drugs is now operating at the cabinet level. So, once again this year I am planning a meeting with Alaskan experts in the fields of law enforcement, drug treatment and prevention to discuss these new developments. Our similar meeting in Girdwood last year was very helpful and I look forward to this opportunity to continue our exchange.

We've reserved the conference room at Alyeska Lodge from 9:00-1:00 pm Monday, August 28th, to meet with you and others in these fields. There will be a no-host lunch served during the meeting at about 12:00 noon.

If you are able to join us on August 28th, please contact my Anchorage office at 271-5915.

I look forward to seeing you there.

With best wishes,

Cordially,

TED STEVENS

80-195-8
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AUG 16 1989
FBI—ANCHORAGE
ASAC

1 SAC advised

cc in 12-159

Plan to attend
will leave around 8

FBI - Stevens-2906

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JAMES H. ENGLISH, STAFF DIRECTOR
J. KEITH KENNEDY, MINORITY STAFF DIRECTOR

United States Senate

COMMITTEE ON APPROPRIATIONS
WASHINGTON, DC 20510-6025

November 14, 1989

Lontor
C. ~~Fanton~~
Federal Bureau of Investigation
701 C Street
Anchorage, AK 99513

Dear Mr. Fanton:

One of the concerns raised during our meeting in Girdwood last August was the suspicion that large amounts of drugs going into Alaska's rural areas are shipped through the U.S. mail.

During recent consideration of a legislative package to implement the President's National Drug Control Strategy, I offered an amendment to increase the penalties for drug mail shipments and secure greater cooperation in drug mail surveillance by the Post Office. It was adopted by the Senate.

Currently, Federal law authorizes a penalty of up to 4 years and $30,000 in fines for shipping drugs through the mail. The amendment increases the possible sentence to ten years and $60,000 for first offenders. Repeat offenders can expect as much as fifteen years in jail and $90,000 in fines.

Furthermore, the amendment directs the Post Office to cooperate with Federal, State and local law enforcement officials in detecting drugs that are being shipped through the mail. Such cooperation includes increased use of narcotics or "sniffer" dogs in postal facilities.

80-195-9

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FBI—ANCHORAGE

Since the House and President have yet to act on this bill, all of its provisions are subject to modification.

There are other useful provisions in this bill and it is my hope that it can be enacted before the end of this Session of Congress.

With best wishes,

Cordially,

Ted Stevens 90-195

TED STEVENS

Enclosure

United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 101st CONGRESS, FIRST SESSION

Vol. 135 WASHINGTON, TUESDAY, OCTOBER 3, 1989 No. 130

Senate

AMENDMENT NO. 927

(Purpose: To make clear the penalties for and to facilitate the detection of the use of the mails to send controlled substances)

Mr. STEVENS. Mr. President, I have an amendment I send to the desk.

The PRESIDING OFFICER. The pending business is the Biden amendment.

Mr. BIDEN. I ask unanimous consent that the Biden amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. I thank the distinguished manager of the bill.

The PRESIDING OFFICER. The clerk will report.

Assistant legislative clerk read as follows:

The Senator from Alaska [Mr. STEVENS,] proposes an amendment numbered 927.

Mr. STEVENS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill insert the following new section:

SEC. . USE OF THE MAILS TO SEND CONTROLLED SUBSTANCES.

(a) AMENDMENT OF TITLE 18, UNITED STATES CODE.—Section 1716 of title 18, United States Code, is amended—

(A) in subsection (a) by inserting "all controlled substances (as that term is defined in section 102(6) of the Controlled Substances Act (21 U.S.C. 802(6))," immediately following "reptiles,"; and

(B) in the second undesignated paragraph of subsection (h) by striking the period at the end thereof and inserting ", or if the nonmailable matter was a controlled substance (as that term is defined in section 102(6) of the Controlled Substances Act (21 U.S.C. 802(6)), shall be fined not more than $60,000 or imprisoned not more than 10 years, or both, or in the case of a second or subsequent violation in which the nonmailable matter was a controlled substance, shall be fined not more than $90,000 or imprisoned not more than 15 years, or both.".

(b) AMENDMENT OF CONTROLLED SUBSTANCES ACT.—Section 403(c) of the Controlled Substances Act (21 U.S.C. 843(c)) is amended—

(1) by striking "$30,000, or both" and inserting "$30,000, or both, or if the communication facility used was the mail, a term of imprisonment of not more than 10 years, a fine of not more than $60,000, or both"; and

(2) by striking "$60,000, or both" and inserting "$60,000, or both, or if the communication facility used was the mail, a term of imprisonment of not more than 15 years, a fine of not more than $90,000, or both".

(c) INCREASED COOPERATION WITH FEDERAL, STATE, AND LOCAL AUTHORITIES.—The United States Postal Service shall assist to the fullest extent possible Federal, State, and local authorities in the implementation of this Act and any other Act dealing with controlled substances.

Mr. STEVENS. Mr. President, I am pleased to join with others in these efforts to combat illegal drugs. The amendment I offer attacks one important aspect of the drug problem, that is, the use of our public mail system in the drug trade. This amendment would substantially increase the criminal penalties for distributing controlled substances through the mail. It would also direct the Post Office to cooperate to the fullest extent possible with drug interdictions, especially the Office of National Drug Control Policy to reduce the use of the mail system in this drug trade.

On a recent trip home, I spoke with over 30 officials who have responsibilities for drug interdiction, treatment, and prevention programs in Alaska. They are very worried. The drug problem in Alaska continues to fester and is spreading throughout our rural areas.

One way to get drugs into the rural areas of Alaska and throughout the country is through the use of mail. My State is one-fifth the size of the total land area of the United States. Fully 75 percent of all the community post offices in Alaska can be reached only by air or water. In these areas, the primary means of shipping goods is through the U.S. parcel post. In the absence of rural transportation, increased drug use has meant increased drug shipments through the mail.

Currently, under one statute, shipping drugs through the mail can be punished by no more than 1 year in jail and a $1,000 fine. Under another law, the punishment is no more than 4 years in jail and a $3,000 fine. My amendment would increase the penalties to no more then 10 years in jail and $60,000 in fines. For a second offense, the new penalty would be up to 15 years and $90,000 in fines.

In Alaska, private parcel carriers now permit law enforcement agencies to use narcotics or "sniffer" dogs to detect drug shipments. President Bush's national drug control strategy pledges administration efforts to "expand the use of sniffer dogs" at U.S. Ports of Entry. The techniques is an accurate, efficient way to search for drugs.

The amendment would direct the U.S. Postal Service to cooperate completely with law enforcement authorities to stop drug mail shipments. This would include the use of narcotics dogs.

Constitutionally, this use of dog sniffing detection is sound. Since dogs respond or alert to odors that are already in the public domain, no intrusion into sealed packages occurs. Thus, probable cause is not needed to permit dog sniffing.

If a dog reacts to drug odors in a package, probable cause may be established to justify a search warrant for a more complete inspection. This amendment would not negate the need for search warrants.

The amendment would also ensure additional tracking of suspicious mailings—also constitutionally permissible. Such tracking consists of looking at the origin and destination written on the outside of parcels for patterns of suspicious shipments.

It is the responsibility of the Post Office to increase the interception of illegal drug mail shipments and reduce the use of the mail for other drug trade activiites. This amendment will ensure the Post Office works with all law enforcement authorities, starting with the Office of National Drug Control Policy right down to local law enforcement agencies, to stop illegal drug mail.

Mr. President, nothing in this amendment would infringe upon the traditional privacy rights afforded Americans and their sealed mail under Federal statutes and the Constitution. The amendment would, however, ensure a more certain justice and a heavier price for those that use the national mail system to furhter the drug trade.

I urge its adoption.

OFFICE OF U.S. SENATOR TED STEVENS
WASHINGTON, D.C. 20510
FAX TRANSMISSION

216-4441

TO: Joseph P. Schultz Jr.

LOCATION: FBI - Anchorage

FROM: [redacted] b6 b7C

MESSAGE:

Original faxed to SAC

(Senator Stevens' Office Fax #202-224-1044)

cc to Thomas

FCC 1W 13-157

80-195-10
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FBI - ANCHORAGE
SAC

ROBERT C. BYRD, WEST VIRGINIA, CHAIRMAN

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JAMES H. ENGLISH, STAFF DIRECTOR
J. KEITH KENNEDY, MINORITY STAFF DIRECTOR

United States Senate
COMMITTEE ON APPROPRIATIONS
WASHINGTON, DC 20510-6025

December 27, 1989

Joseph P. Schulte, Jr.
Special Agent in Charge
Anchorage Field Office
222 West 7th Avenue #6
Anchorage, Alaska 99513-7598

Dear Joseph:

As we all know, drug abuse is one of the most critical problems facing our nation today. Congress enacted a comprehensive drug bill last year, and a special post to conduct the war on drugs is now operating at the cabinet level. I am planning a meeting in Fairbanks with Alaskan experts in the fields of law enforcement, drug treatment and prevention to discuss some of these new developments, similar to those I have held previously in Girdwood in August. The meetings in Girdwood have proven very helpful, and I look forward to continuing this exchange.

We've reserved the Rampart Room at the Westmark Hotel in Fairbanks on Noble Street from 9:00-11:30 a.m. Thursday, January 4th, to meet with you and with others in these fields. If you are able to join us on January 4th, please contact my Fairbanks office at 456-0261. I look forward to seeing you there.

With best wishes,

Cordially,

Ted Stevens

TED STEVENS

FBI - Stevens-2911

December 15, 1989

Honorable Ted Stevens
United States Senator
Number 2
222 West 7th Avenue
Anchorage, Alaska 99513

Dear Senator Stevens:

This is in response to your letter dated November 13, 1989, in behalf of your constituent [redacted], concerning career opportunities with the Federal Bureau of Investigation.

I am enclosing career material, along with applications, relative to our various entrance positions, which you may forward to your constituent for his review. If [redacted] is interested in and qualified for any of these positions, it is necessary for him to submit his completed application to the Applicant Coordinator of our Anchorage FBI Field Office in order to initiate processing.

If [redacted] should have any further questions regarding career opportunities within the Federal Bureau of Investigation, he should contact the Applicant Coordinator of that office.

b6
b7C

The interest you have displayed in contacting this Bureau in [redacted] behalf is appreciated, and you may be assured that every consideration will be afforded him consistent with his overall qualifications and our existing vacancies upon receipt of his application.

Sincerely yours,

[redacted]
Personnel Officer

Enclosures (8)
1 - SAC, Anchorage - Enclosure (Copy of Incoming)

SA [redacted]

80-195-11

SEARCHED ___ INDEXED ___
SERIALIZED ___ FILED ___
JAN 0 9 1990

FBI - Stevens-2912

ROBERT C BYRD WEST VIRGINIA CHAIRMAN

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JAMES H ENGLISH STAFF DIRECTOR
J KEITH KENNEDY MINORITY STAFF DIRECTOR

United States Senate

COMMITTEE ON APPROPRIATIONS
WASHINGTON, DC 20510-6025

November 13, 1989

The Hon. William S. Sessions
Director
Federal Bureau of Investigation
U.S. Department of Justice
J. Edgar Hoover Building
Washington, D.C. 20535

Dear Mr. Sessions:

I know a young college student by the name of [redacted] who is interested in future employment with the Federal Bureau of Investigation. I would appreciate it very much if you could have someone on your staff mail an application form and brochures to my Anchorage office for him:

b6
b7C

Office of Senator Ted Stevens
(Attention: [redacted]
222 W. 7th Avenue, #2
Anchorage, Alaska 99513

Thank you very much for your help on this request.

With best wishes,

Cordially,

Ted Stevens

TED STEVENS
United States Senator

Memorandum

To : THE FILE (66-127) Date 1/9/90

From : SAC JOSEPH P. SCHULTE, JR.

Subject: FAIRBANKS RESIDENT AGENCY

On 1/3/90, ASAC Matthews and I travelled to Fairbanks to inspect the RA and to attend a meeting on 1/4/90 called by Senator Ted Stevens to discuss the war on drugs. During my visit to Fairbanks, I also met with the following individuals:

Assistant to Congressman Young, [redacted]

Assistant to Congressman Young, [redacted]

Assistant to Senator Stevens, [redacted]

Assistant to Senator Murkowski, [redacted]

b6
b7C

Richard L. Cummings, NA 118, Chief of Police, Fairbanks Police Department

Lt. [redacted], NA 158, Fairbanks Police Department (I presented Lt. [redacted] NA Graduation photograph with Director Sessions.)

The RA is moving into new space. I toured the old space and observed the final touches of construction in the new space. The new space is outstanding, which the FBI will be proud to display.

P.S. The temperature was 20° below 0°.

FBI - Stevens-2914

3 - Anchorage
(1 - 66-127)
(1 - 80-195)
(1 - 12G-159)
JPS/bjc BC
(3)

80-195-12

SEARCHED ____ INDEXED ____
SERIALIZED R FILED R

JAN 09 1990

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United States Senate

COMMITTEE ON APPROPRIATIONS
WASHINGTON, DC 20510-6025

January 16, 1991

Joe Schulte, Jr.
Special Agent in Charge
Federal Bureau of Investigation
U.S. Department of Justice
P.O. Box 560
Anchorage, Alaska 99510

Dear Joe:

Enclosed is a copy of Public Law 101-515, the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1991. I am also including the accompanying reports. Portions of this public law might be of interest to you and your staff.

With best wishes,

Cordially,

TED STEVENS

Enclosures

80-195-13

JAN 22 1991

FBI - Stevens-2915

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United States Senate

COMMITTEE ON APPROPRIATIONS
WASHINGTON, DC 20510-6025

February 15, 1996

Marshall Bratton
Special Agent In Charge
Federal Bureau of Investigation
U.S. Department of Justice
101 E. Sixth Avenue
Anchorage, Alaska 99501

Dear Marshall:

My staff and I want to thank your agency for the help and assistance you have provided. We appreciate your responses to inquiries from Alaskans, and we look forward to working with you in the coming year.

Enclosed is a 1996, We The People calendar with hopes for an enjoyable new year.

With best wishes,

Cordially,

TED STEVENS

Enclosure

CRM

FBI - Stevens-2916

80-195-14

Searched CRM Indexed
Serialized Filed FOIMS
FEB 21 1996
FBI-ANCHORAGE

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JAMES H. ENGLISH, MINORITY STAFF DIRECTOR

United States Senate

COMMITTEE ON APPROPRIATIONS
WASHINGTON, DC 20510-6025

May 17, 1996

Marshall Bratton
Special Agent In Charge
Federal Bureau of Investigation
U.S. Department of Justice
101 E. Sixth Avenue
Anchorage, Alaska 99501

Dear Marshall:

Enclosed is a copy of a letter I received from my constituent, [redacted] requesting assistance with his request to expedite his wife's fingerprint processing. I would appreciate it if you can review his concerns, and provide me with any information on which I may base a response. b6 b7C

Please send your reply to me at 222 West 7th Avenue, #2, Anchorage, Alaska 99513. Thank you for your assistance on this matter.

With best wishes,

Cordially,

TED STEVENS
United States Senator

Enclosure

80-AN-195-15

Searched ✓ Indexed ✓
Serialized ✓ Filed ✓ FOIPS

MAY 21 1996
FBI-ANCHORAGE

#4

FBI - Stevens-2917

To: Senator Ted Stevens

From: [redacted]

Dear Senator Stevens,

b6
b7C

My name is [redacted] I was talking to [redacted] and they gave me your name and number and said you might be able to help me. On November 16th 1995 I went to the Philippines where I was married to [redacted] her name is now [redacted] After returning from the Philippines I immediately sent the paperwork (temp / permanent immigration as a spouse of a U.S. citizen) to the Immigrations office so I could start the process of bringing my wife home.

At the present time my paperwork has all been approved and it is in Manila awaiting processing, but now we find out that we need to send finger prints to the FBI in Washington DC, which we did immediately. The finger prints were sent to the FBI on 4/22/96. We now find out that it will take 3 to 4 months for the FBI to process the paperwork. I would appreciate it if you could help us expedite the paperwork with the FBI. There number is (202) 324-3000 I-Dent, case # [redacted] I'm sure you have a busy schedule, but if you could find time to help us expedite the paperwork it would be greatly appreciated.

Thank you!!

[redacted]

b6
b7C

Home Phone # [redacted]
Work Phone #

U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to
File No.

101 East 6th Avenue
Anchorage, Alaska 99501
May 22, 1996

Senator Ted Stevens
United States Senator
222 West 7th Avenue, #2
Anchorage, Alaska 99513

Dear Senator Stevens:

I am in receipt of your letter and accompanying documentation of May 17, 1996, wherein [redacted] requested assistance in expediting his new wife's citizenship and naturalization fingerprint examination process through the FBI. b6 b7C

[redacted] situation is one in which the FBI has limited ability to currently expedite. The FBI fingerprinting analysis and processing will take from 60 to 90 days. The FBI Identification Division is currently being relocated to West Virginia from Washington D.C. They are making every effort to handle these requests as expeditiously as possible. The further expediting of any INS naturalization or citizenship procedures is beyond the powers and scope of the FBI to address.

If I can be of further assistance to you please don't hesitate to contact me at anytime.

Sincerely

Marshall S. Bratton
Special Agent in Charge

FBI - Stevens-2919

80-AN-195-16
Searched Indexed
Serialized Filed FBIMS
MAY 29 1996
FBI-ANCHORAGE

File - Serial Charge Out
FD-5 (Rev. 6-17-70)

File 80 195 _____ Date _____
Class. Case No. Last Serial

☐ Pending ☐ Closed

Serial No.	Description of Serial	Date Charged
	Letter (F) Ted Stevens (A) 12/15/89	1/10/90

Employee

RECHARGE Date _____

To _____ From _____

Initials of Clerk { _____ _____ _____

Date { _____ _____ _____

Date charged

Employee

Location

GPO : 1988 0 - 202-042

FBI - Stevens-2920

MARK O. HATFIELD, OREGON, CHAIRMAN

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JAMES H. ENGLISH, MINORITY STAFF DIRECTOR

United States Senate

COMMITTEE ON APPROPRIATIONS
WASHINGTON, DC 20510-6025

June 28, 1996

Marshall Bratton
Special Agent In Charge
Federal Bureau of Investigation
U.S. Department of Justice
101 E. Sixth Avenue
Anchorage, Alaska 99501

Dear Marshall:

Enclosed is a copy of a letter I received from my constituent, [redacted] requesting assistance with the progress of the investigation regarding [redacted] Joseph Massey Jr. I would appreciate it if you can review [redacted] concerns, and provide me with any information on which I may base a response.

b6
b7C

Please send your reply to me at 222 West 7th Avenue, #2, Anchorage, Alaska 99513. Thank you for your assistance on this matter.

With best wishes,

Cordially,

TED STEVENS

Enclosure

AN 80-195-1

Dan

Response sent 7/3/96

Searched ___ Indexed ___
Serialized ___ Filed ___ FOIMS ___
JUL 1 1996
FBI-ANCHORAGE

FBI - Stevens-3649

JUN 2 1 1996

[redacted]

Philadelphia, PA [redacted]

b6
b7C

June 18, 1996

United States Senator Ted Stevens
222 West 7th Avenue
Ankorage, Alaska 99513

Dear Honorable Stevens:

On March 1, 1996 [redacted] Joseph Massey Jr was shot in an alleged drive-by shooting. On March 2, 1996 he died. There is an investigation pending, however; I have not received the response I had hoped for in an effort to find out what happened and who is responsible.

I have spoken to the Ankorage Police Department on several occasions. Detective [redacted] is handling the investigation [redacted]. During our last conversation she advised me that she had several leads/suspects but not enough evidence. I have also spoken to [redacted] the [redacted] of Victims for Justice [redacted] [redacted] and [redacted] the [redacted] of Crime Stoppers in Ankorage.

b6
b7C

[redacted] leaves behind a wife who was stationed at Fort Richards in Ankorage and both his parents. I am writing you in hopes that you can help move the investigation along so that we can get some answers and in hopes that the responsible person or persons can be caught.

Thanking you in advance for your time and any assistance that you can provide.

Sincerely,

[redacted]

b6
b7C

U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to
File No.

101 East 6th Avenue
Anchorage, Alaska 99501
July 3, 1996

Senator Ted Stevens
United States Senator
222 West 7th Avenue, #2
Anchorage, Alaska 99513

Dear Senator Stevens:

I am in receipt of your letter and accompanying documentation of June 28, 1996, wherein [redacted] requested assistance in obtaining information about, and the expediting of, an ongoing investigation into [redacted] death. According to [redacted] letter, [redacted] death was the result of a "drive-by shooting" which occurred in Anchorage, Alaska, on March 2, 1996. b6 b7C

[redacted] situation is one in which the FBI has no authority or jurisdiction to conduct investigations or release any information, as this is an ongoing local criminal investigation being conducted by the Anchorage Police Department. I have been assured that the Anchorage Police Department is conducting as thorough a criminal investigation as possible. A death or homicide investigation is not an investigation that can or should be rushed, but must be conducted properly to insure the guilty are punished appropriately.

The only advice that I can provide is to strongly encourage [redacted] to remain in contact with the Anchorage authorities to provide whatever assistance that they may need. I will forward a copy of [redacted] letter to Anchorage Police Chief Kevin O'Leary for his information.

If I can be of further assistance to you please don't hesitate to contact me at anytime.

Sincerely,
Marshall S. Bratton
Special Agent in Charge
By:

[redacted]
Supervisory Special Agent

b6 b7C

80-195-2
Searched Indexed
Serialized 1425 Filed 92 FOIMS
JUL 24 1996
FBI-ANCHORAGE

80-195-2

FBI - Stevens-3652

184DEE01.0TH

U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to
File No.

101 East 6th Avenue
Anchorage, Alaska 99501
July 3, 1996

Kevin M. O'Leary
Chief of Police
Anchorage Police Department
4501 South Bragaw Street
Anchorage, Alaska 99507-1599

Dear Chief O'Leary:

I am enclosing a copy of a letter of June 28, 1996, wherein [redacted] requested assistance in obtaining information about, and the expediting of, an ongoing investigation into his son's death. According to [redacted] letter, [redacted] death was the result of a "drive-by shooting" which occurred in Anchorage, Alaska, on March 2, 1996. b6 b7C

In my response to the inquiry, I advised that [redacted] [redacted] situation is one in which the FBI has no authority or jurisdiction to conduct investigations or release any information, as this is an ongoing local criminal investigation being conducted by the Anchorage Police Department. I assured [redacted] that the Anchorage Police Department is conducting as thorough a criminal investigation as possible. A death or homicide investigation is not an investigation that can or should be rushed, but must be conducted properly to insure the guilty are punished appropriately.

I strongly encouraged [redacted] to remain in contact with your department to provide whatever assistance that you may need.

If I can be of further assistance to your department please don't hesitate to contact me at anytime.

Sincerely,
Marshall S. Bratton
Special Agent in Charge
By: b6 b7C

[redacted]
Supervisory Special Agent

80-195-3

Searched ___ Indexed ___
Serialized ___ Filed ___ FOIMS ___
JUL 24 1996
FBI-ANCHORAGE

FBI - Stevens-3653

80-195-3

194DEE02.8TH

ANCHORAGE POLICE DEPARTMENT

4501 South Bragaw Street • Anchorage, Alaska 99507-1599
Telephone (907) 786-8500

Rick Mystrom,
Mayor

POLICE ANCHORAGE ALASKA

Service since 1921

July 8, 1996

[redacted] Supervisory Special Agent
Federal Bureau of Investigation
101 East Sixth Avenue
Anchorage, AK 99501

Dear Agent [redacted]

Thank you for your response to the inquiry of [redacted] regarding the death of [redacted]. As you have noted, we are indeed conducting a thorough investigation of this homicide.

b6
b7C

[redacted] as witnessed by the attached letter, has written to Senator Ted Stevens and to Anchorage Mayor Rick Mystrom, as well as to you, for assistance in this case. For your information, we have been in regular telephone contact with him, and have kept him apprised of the status of the investigation. Although suspects and witnesses have been developed, the case will not be prosecuted until the District Attorney is satisfied that enough evidence has been gathered to proffer charges.

I appreciate the time you have taken to answer [redacted] and to inform me of your reply.

Sincerely,

Kevin M. O'Leary

Kevin M. O'Leary
Chief of Police

80-195-4

Searched ____ Indexed ____
Serialized GKS Filed GKS FOIPS ____

JUL 1 1 1996

FBI-ANCHORAGE

MARK O. HATFIELD, OREGON, CHAIRMAN

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United States Senate

COMMITTEE ON APPROPRIATIONS
WASHINGTON, DC 20510-6025

November 7, 1996

Marshall Bratton
Special Agent In Charge
Federal Bureau of Investigation
U.S. Department of Justice
101 E. Sixth Avenue
Anchorage, Alaska 99501

Dear Marshall:

Thank you for your assistance in the case of the inquiry by [redacted]. He sent an additional letter, of which I am enclosing a copy for your information and files.

With best wishes,

Cordially,

b6
b7C

TED STEVENS

Enclosure

AN 80-0

AN indices negative on [redacted]

80-AN-195-5

Searched CAT Indexed
Serialized GRS Filed GRS FOIMS
NOV 13 1996
FBI-ANCHORAGE

#4

NOV 1 · 1996

To/ Sen. Ted Stevens

In response to the letter from Major [redacted] about the incident at the [redacted] This response is not a good one ,in fact I think it is a bunch of SHIT!!!

Maybe this type of thing goes on so often that it is not very dramatic to the officers involved but it sure as HELL is when you happen to be on the receiving end of one of these so called lawful entries!!

b6
b7C

Maybe you should contact the [redacted] and ask them just how dramatic it was for them. I am sure you will hear a much different story!!

At this time the [redacted] have the right to know charges, case number and basically what is going on. They still have no idea or are being told what charges are being made against them.

The so called legal officials in this matter have had more then enough time to decide what,if anything they are going to do. I think it is time to "Shit or get off the Pot." It is going on ten months that is way to long!!

And would you please explain to me how this whole thing can be ordered sealed unless someone is trying to hide a major screw up on someones part???

As I said in my previous letter the [redacted] should at the very least be told what is going on, and as of this day no one will even talk to them!!!

WHAT THE HELL KIND OF SYSTEM IS THIS ??????

I am going to send a letter to all the local newspapers this week and see what the public thinks and if they would like this to happen to them!!!

b6
b7C

Sincerely

[redacted]

Where was the crime?

I am writing about an incident that happened on Dec. 28, 1995.

The Alaska State Troopers and the statewide drug enforcement unit invaded a friend's home with a search warrant. I know they can do anything with a warrant and call it legal. Whether it is or not is a good question.

They seized several items, of which they seemed to pick and choose what they wanted. As of this date there are still no charges filed or a case number assigned. Now keep in mind, this has only been about 10 months. How long does or should it take for charges to be filed or a case to be dismissed?

I've been told that no drugs were found on the premises, so what is the problem?

I have written to several officials about this problem and have received responses from two of them, but not to my satisfaction.

My friends involved in this were not arrested, but were photographed and fingerprinted. Can this be legal procedure if you're not under arrest or charged with a crime?

I think this whole thing stinks! I would be very interested in public opinion on this matter. And maybe it would be of interest to an investigative reporter or two!

— *Bernard McRoberts*

Palmer

Anch Daily News - 11-6-96

FBI - Stevens-3656

(Rev. 01-31-2003)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE **Date:** 01/08/2006

To: Anchorage

From: Anchorage
Squad 4
Contact: SA [redacted]

Approved By: [redacted]

Drafted By: [redacted] cej

Case ID #: 194A-AN-~~NEW~~ 14699 - 1
194A-AN-13620

Title: [redacted]
[redacted] ADVANCE NORTH, LLC;
[redacted] STEVENS & ASSOCIATES;
CSLPO

Synopsis: To open and assign new Case ID # to separate captioned investigation of [redacted] as it relates to the Alaska Fisheries Marketing Board and fishery-related businesses and individuals, from the main Polar Pen case (194-AN-13620).

b6
b7C

Details:

<u>Background</u>

POLAR PEN, 194A-AN-13620, was opened on July 1, 2003, to investigate allegations involving a private prison company and a lobbyist/consultant that were corruptly influencing state legislators. The case has blossomed into a far-reaching public corruption investigation, with the most recent portion of the investigation centering around VECO Corporation and its illegal influence on state and federal public officials.

During the week of August 30, 2006, a large portion of the POLAR PEN investigation went overt with the execution of search warrants, interviews, and service of subpoenas, including service of a search warrant on [redacted] home and offices. Since that time, another aspect of the case involving [redacted] has begun to unfold. This portion of the investigation involved [redacted] Ted Stevens, [redacted]

b2 SA [redacted]

CPI: CPOL

1/11/07

DIIcei01.cc

194A-AN-14699 - 1

[redacted] the Alaska Fisheries Marketing Board (AFMB), Advance North LLC, Stevens & Associates, and a large number of fishing-related businesses and individuals. b6 b7C

Although captioned case will remain under the umbrella of the Polar Pen investigation, to facilitate case management and handling of evidence, writer recommends a new case number be assigned to this aspect of the investigation.

[redacted]

[redacted] is a white male, born [redacted] He was an appointed [redacted]

[redacted] considers himself a business consultant and has been paid by a variety of organizations, including [redacted] Corporation, for these purported consulting services. [redacted] has also held other [redacted]

Ted Stevens

United States Senator Ted Stevens (Sen. Stevens), who represents Alaska, [redacted] Sen. Stevens has been a member of the United States Senate for 37 years and until January 2007 held the position of Senate President Pro Tempore. The President Pro Tempore is a member of the party leadership team.

Stevens' tenure in the Senate makes him the fourth-most senior member among his colleagues, and first

among Republicans. Sen. Stevens was, again until January 2007, the Chairman of the Senate Committee on Commerce, Science, and Transportation, which oversees the Departments of Commerce and Transportation. In addition, the Committee's broad jurisdiction covers issues including telecommunications, fisheries, oceans and maritime policy, the Coast Guard, aviation (including the Transportation Security Administration), rail, highway safety, global climate change, interstate commerce, space, science, technology, economic development, trade, tourism, consumer issues, product safety, and sports.

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Sen. Stevens had previously chaired the Senate's Ethics, Rules, and Governmental Affairs Committees. From 1997 through 2004, Sen. Stevens held the position of Chairman of the Senate Appropriations Committee.

Sen. Stevens has been a vocal advocate for Alaska fishing industry interests and crafted monumental legislation, including the American Fisheries Act (AFA) and the Magnuson-Stevens Fishery Conservation and Management Act. Sen. Stevens' key [redacted] have included [redacted] and [redacted] Sen. Stevens' name and legislative acts continue to appear in interviews, relevant press articles, and intelligence gathering relative to this portion of the public corruption investigation.

Alaska Fisheries Marketing Board (AFMB)

Pursuant to Title II, Department of Commerce and Related Agencies, Section 209 of the Consolidated Appropriations Resolution of 2003 (Public Law 108-7), the AFMB was established to award grants to market, develop, and promote Alaska seafood. It is believed Sen. Stevens crafted this portion of the legislation.

The AFMB is a private, nonprofit organization that was created under Federal Statute and which receives Federal funding appropriations. Its leadership is comprised of 11 board members, appointed by the Secretary of Commerce. Its mission is to serve as a catalyst to market, develop, and promote Alaska seafood and improve related technology and transportation.

The funds utilized by the AFMB were appropriated by Congress. Between fiscal years (FY) 2003 and 2005, the AFMB received $24.2 million. In FY 2006, the AFMB awarded $7.8 million in grants. The funds originated from duties imposed on the importation of foreign seafood products collected under

the Saltonstall-Kennedy Act (S-K Act), which was enacted in 1954 to assist the U.S. fishing industry. Imported seafood products compete directly with U.S. fishery products and the S-K Act provides that a portion of the duties collected will be made available as direct industry grants to assist U.S. fisheries to expand domestic and foreign markets. Congress directed the AFMB to use a portion of these funds to market Alaska seafood.

There are three basic types of grants available through AFMB: 1)Formula-based grants, 2)Grants via Requests for Proposal (RFP), and 3)Grants to "Projects Meriting Special Consideration" (PMSC). The Formula-based grants are for processors of Alaska salmon and the formula is based upon the percentage of total pounds purchased and processed. RFPs grants are designed for creative proposals to develop new products and/or innovative marketing ideas. PMSC grants are for projects that do not comport with the other two available grants. An example of a PMSC grant was the $500,000 grant to Alaska Airlines to paint a giant salmon on a jet and call it a "Salmon thirty Salmon."

Each of the 11 board members are appointed for a three-year term. The board members can be reappointed to successive terms by the Secretary of Commerce. The Executive Director is a federal employee. Public Law 108-447, section 206 (2) states that, "...the Secretary may appoint, assign, or otherwise designate as Executive Director an employee of the Department of Commerce, who may serve in an official capacity in such position, with or without reimbursement, and such appointment or assignment shall be without interruption or loss of civil service status or privilege..."

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Advance North, LLC

On or about [redacted] Advance North, LLC, which was [redacted]. Advance North, LLC was operated as a consulting and lobbying firm. [redacted] to Sen. Stevens and [redacted] Sen. Stevens draft the American Fisheries Act.

Fishing-related companies and associations hired Advance North, LLC to lobby for the passage of federal and/or state legislation, [redacted] Sen. Stevens, that would be beneficial to their interests within the fishing industry. From 2003 to mid-2006, Advance North, LLC received over $400,000 from six fishing-related organizations.

Beginning January 2005, Advance North, LLC [redacted] of Advance North, LLC and to be paid [redacted] per month. It is unclear why [redacted] had this contract with Advance North, LLC. [redacted] interest of Advance North, LLC to [redacted] effective October 1, 2005.

Stevens & Associates, Inc.

Stevens & Associates, Inc. [redacted] to provide consulting services, often related to the Alaskan fishing industry. Between December 2000 and July 2005, the company received approximately $313,000 from Adak Fisheries, LLC; $58,000 from Glacier Fish Company; $98,000 from the North Pacific Crab Association; and $71,000 from Yardarm Knot, Inc. [redacted] these companies is further detailed in the following sections.

Investigation to Date

Anchorage has assembled a team of Special Agents (SAs) from several agencies and FBI Investigative Analysts (IAs) to investigate this matter. The team includes fishing industry experts from the National Marine Fisheries Service (NMFS) Enforcement Division; Internal Revenue Service, Criminal Investigations; and the Department of Commerce, Office of Inspector General. Anchorage is taking the lead on the investigation and all other agencies are assisting as necessary.

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Anchorage's investigation has shown that [redacted] his relationship with Sen. Ted Stevens, and [redacted] the Aleut Corporation and the AFMB. In addition to [redacted] other individuals and businesses may become targets as the investigation progresses.

The United States Attorney's Office, District of Alaska, and the DOJ Public Integrity Section is aware of and fully supports this investigation. Anchorage is investigating [redacted]

Investigative Activities

The investigation to date has included search warrants of [redacted] residence and [redacted] offices and [redacted] office. Anchorage also has served subpoenas and conducted interviews of a variety of individuals. The following sections provide a synopsis of key organizations involved in the investigation.

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Southeast Alaska Seiners Association (SEAS) & Purse Seine Vessel Owners Association (PSVOA)

SEAS was formed in 1968 by a group of concerned Ketchikan, Alaska commercial salmon purse seiners. SEAS claims to be the preeminent local, species specific, regionally based commercial fishing association in Alaska with a focus on Pacific Salmon Treaty, Board of Fisheries issues, Marketing Funding, Fleet Consolidation, Regulatory and Administrative Access to SE Salmon Resources and Conservation Principles. SEAS is a non-profit organization association funded solely through membership dues.

As a sister organization to SEAS, PSVOA is a non-profit Washington organization established in 1936 to further the interests of the commercial fishing fleet. PSVOA is the largest trade group in the State of Washington representing over 400 vessel owners operating in various fisheries throughout the West Coast of Alaska. PSVOA is ruled by 13 Directors, nine elected by membership from various Puget Sound fishing ports and four at-large positions elected by the entire membership.

Purse seiners harvest salmon, herring, squid, tuna and other pelagic species along the West Coast and Alaska. The vessels encircle the fish with net (seine) and draw (purse) the bottom closed to capture the fish.

SEAS and PSVOA formed the Southeast Revitalization Association (SRA) and received a $150,000 grant from Congress to study a fleet consolidation plan. It appears $50,000 of this grant may have been used to pay for Advance North LLC [redacted] to lobby Sen. Stevens, which would be in violation of the grant requirements. Anchorage is investigating the source and actual purpose of these payments.

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Global Seas/Research Vessel (R/V) Mt. Mitchell

Global Seas, LLC is a private management company, the parent company of which, Nina Fisheries, Inc., was formed

FBI - Stevens-10783

in 1994 to oversee and manage its holdings in the seafood industry. Since that time, Nina Fisheries, Inc. has grown and evolved into an internationally diverse entity with a portfolio of investments spanning the globe and representing a variety of industries, including the harvesting, processing and marketing of seafood, maritime equipment sales, real estate development, and survey and charter vessels.

The *R/V Mt. Mitchell* is a 231' Oceanographic Research Vessel managed and operated by Global Seas, LLC. The vessel is newly refurbished and is available for charter.

Global Seas contracted with Advance North LLC to sell or charter the *R/V Mt. Mitchell*. Advance North, LLC received over $167,000 from Global Seas. The *R/V Mt. Mitchell* is still available for charter. Anchorage is investigating the source and actual purpose of these payments.

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F/V Patricia Lee/Icelander

[redacted] crab catcher/processor *Patricia Lee* and crab harvesting vessel *Icelander*. [redacted] all or part of the two vessels and the catch history, individual fishing quotas (IFQs), and individual processing quotas (IPQs) associated with the vessels. Advance North, LLC was to be paid $15,000 per month to assist with this. Anchorage is investigating the source and actual purpose of these payments.

Aleut Corporation & *Adak Fisheries, LLC*

Adak is an Aleutian island in the middle of one of the world's richest fishing regions and home to a seafood processing and cold storage plant. The plant processes cod, crab, halibut and other bottom fish.

In December 2001, a [redacted] partnered with Icicle Seafoods, Inc. to create Adak Fisheries, LLC, a business designed to process fish. The Aleut Corporation, an Alaska Native corporation, owned the Adak seafood plant. The Aleut Corporation agreed to lease the facilities to Adak Fisheries, LLC.

[redacted] recognized that [redacted] could be a powerful ally. [redacted] by Adak Fisheries, LLC. [redacted] crab issues before the Federal North Pacific Fishery Management Council and the State Board of Fisheries. [redacted] claims [redacted] lobbied the State Fish Board on his behalf

[redacted] Between 2003 and 2005, Adak Fisheries LLC paid Stevens & Associates approximately $313,000.

Aleut Enterprise, LLC is a subsidiary of the Aleut Corporation. [redacted] Adak Fisheries, LLC at the same time [redacted] Sen. Stevens, was creating a special Aleutian Islands fishery that would supply the company with pollock worth millions of dollars a year.

The pollock allocation alone was projected to provide Adak Fisheries, LLC with $1.5 million in profits this year and $3.7 million in 2006. Under his deal, [redacted] the profits of the company. During the time [redacted] the company grew in value from about $2 million to at least $8.5 million.

The secret option was a surprise to officials of the Aleut Corporation, the intended beneficiary of the pollock fishery when they learned of it. [redacted] the pollock rights to Adak Fisheries, LLC [redacted] and argued against the Aleut Corporation claiming a larger share of the profits. [redacted] stake in Adak Fisheries, LLC for an immediate payment [redacted]

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At that time Sen. Ted Stevens was Chairman of the Senate Appropriations Committee, from which he was able to push legislation through Congress. By attaching a "rider" (*i.e.* unrelated legislation) to a vital spending bill he could bypass the usual process of introduction, committee hearings and waiting for debate to be scheduled on the Senate floor -- stopping points where opponents could slow, change or kill the measure. The pollock allocation to the Aleut Corporation was such a rider.

On October 24, 2003, the rider allocating pollock rights to the Aleut Corporation was still pending in Congress but expected to pass. Aleut Enterprise, LLC agreed to transfer the rights to those fish, worth an estimated $10 million a year, to Adak Fisheries, LLC as part of the lease agreement between the companies.

During one Aleut Corporation meeting, the CEO asked [redacted]

[redacted] was uncovered, [redacted] told the press that he had no requirement to disclose the option to Aleut Enterprise, LLC.

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North Pacific Crab Association (NPCA)

The NPCA, a non-profit association registered in Washington State, was formed in 2001 by Bering Sea king and snow crab processing companies to push for Federal legislation to divide the fisheries into individual shares, or quotas, for boat owners and processing plant owners.

During Fiscal Years 2003-2005, AFMB gave Ocean Beauty, Icicle Seafoods, Peter Pan, Trident, NorQuest, North Pacific Processors, Western Alaska, Snopac, and Yardarm Knot over $9 million in Federal grant funds. These nine companies constitute NPCA. NPCA paid Stevens & Associates $98,000 in an effort to research and obtain federal legislation on crab rationalization. Last year, Sen. Ted Stevens pushed through legislation that created the individual quotas, which are tradable and highly valuable. Anchorage is investigating the source and actual purpose of these payments.

Bristol Bay Economic Development Corporation (BBEDC)

BBEDC is one of six Community Development Quota (CDQ) programs in Alaska. BBEDC's home office is located in Dillingham, Alaska. BBEDC's purpose is to promote economic growth and opportunities for residents of its member communities through sustainable use of the Bering Sea resources.

Shortly after receiving an AFMB grant, BBEDC contracted with Advance North, LLC to develop amendments to the Magnuson-Stevens Fishery Conservation and Management Act. BBEDC was to pay Advance North, LLC $5,000 per month. Anchorage is investigating the source and actual purpose of these payments.

Yukon Delta Fisheries Development Association (YDFDA)

YDFDA is another of the CDQ programs in Alaska. YDFDA's major goal is to create a self-sustaining, independent fishing company that will create income and employment opportunities for Yukon Delta residents.

YDFDA and BBEDC contracted with Advance North, LLC to develop amendments to the Magnuson-Stevens Fishery

Conservation and Management Act. Each organization was to pay Advance North LLC $5,000 per month. Anchorage is investigating the source and actual purpose of these payments.

Glacier Fish Company

Glacier Fish Company produces frozen-at-sea groundfish products. Glacier Fish Company paid Stevens & Associates Inc. over $58,000 between 2003 and 2005. The purpose of the payments is still undetermined.

Yardarm Knot/Highland Light

Highland Light is part of the Yardarm Knot Group, which was established in 1988 by Washington fishermen to harvest and process Alaska crab, salmon, and groundfish. The *C/P Highland Light* vessel is designed to process and package headed and gutted fish, fish roe and fillets. Highland Light entered into an agreement with Coastal Villages Region Fund, a CDQ group, to harvest and process CDQ pollock beginning in the year 2000. Shortly after receiving an AFMB grant, Yardarm Knot established a contract with Stevens. Yardarm Knot paid Stevens & Associates approximately $71,000 between 2003 and 2005. Anchorage is investigating the source and actual purpose of these payments.

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[redacted], a.k.a [redacted] is a National Oceanic and Atmospheric Administration (NOAA) employee and also is the [redacted] His previous positions include: [redacted] and [redacted]

An employee of NOAA, who worked with [redacted] has alleged that [redacted] to certain NOAA employees using [redacted] This employee [redacted]" In addition, the FBI was advised that [redacted] had enormous cell phone bills on his [redacted] phone and upon POLAR PEN going overt, [redacted] converted his [redacted] cell phone into a personal cell phone. Also, [redacted] official has advised that [redacted] Anchorage is

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investigating [redacted] use of [redacted] funds to determine whether he has converted funds to his benefit or to the benefit of others to whom the funds should not have been allocated.

Based on the foregoing, writer requests that captioned case be opened and assigned to writer. As noted above, captioned case will continue to fall under the "Polar Pen" umbrella and will be investigated in coordination with the overall Polar Pen investigation.

Subfiles

To facilitate organization of captioned investigation, writer requests that the following subfiles be opened at the same time as captioned case:

194A-AN-XXX-SUBPOENAS
SUBPOENAS
194A-AN-XXX-SOURCES
SOURCES
194A-AN-XXX-[redacted]
[redacted]
194A-AN-XXX-AFMB
ALASKA FISHERIES MARKETING BOARD
194A-AN-XXX-ADAK
ADAK/ALEUT/ICICLE/ALEUTIAN SPRAY
194A-AN-XXX-[redacted]
[redacted]

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194A-AN-XXX-TSTEVENS
TED STEVENS
194A-AN-XXX-SEASPSVOA
SEAS & PSVOA
194A-AN-XXX-GLOBALSEAS
GLOBAL SEAS/MT. MITCHELL
194A-AN-XXX-[redacted]ICE
[redacted]ICELANDER
194A-AN-XXX-NPCA
NORTH PACIFIC CRAB ASSOCIATION
194A-AN-XXX-BBEDC
BRISTOL BAY ECONOMIC DEVELOPMENT CORP.
194A-AN-XXX-YDFDA
YUKON DELTA FISHERY DEVELOPMENT ASSOC.
194A-AN-XXX-GLACIER
GLACIER FISH COMPANY
194A-AN-XXX-ATSEA
AT-SEA PROCESSORS ASSOCIATION
194A-AN-XXX-HIGHYARD
HIGHLAND LIGHT/YARDARM KNOT
194A-AN-XXX-PRESS

PRESS ARTICLES

♦♦

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

b6 Per Commerce
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Date of transcription 01/17/2007

[redacted] born [redacted] employed by the NATIONAL MARINE FISHERIES SERVICE (NMFS) as an [redacted] work telephone number [redacted] was interviewed telephonically. Also present telephonically was [redacted] After being advised of the identities of the interviewing agents and the nature of the interview, [redacted] provided the following information:

[redacted] moved to Alaska in [redacted] and was [redacted] moved to [redacted] and in [redacted] graduated from the University of Alaska Fairbanks (UAF) in Juneau. [redacted] began working for the NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION (NOAA) [redacted] Initially, [redacted] was a [redacted] After approximately [redacted] year, [redacted] became the [redacted] and other [redacted] staff, which included [redacted]

Initially, [redacted] thought [redacted] was the [redacted] for approximately [redacted] year in [redacted]. Prior to [redacted] becoming the [redacted] only worked with [redacted] After [redacted] left NOAA, [redacted] handled all of [redacted]

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[redacted] was not sure that [redacted] had a federal job title. [redacted] only worked for the [redacted] did not have an annual performance appraisal or work like a normal federal employee. [redacted] direct supervisor was [redacted] was seen in the NOAA office as a [redacted] because [redacted] and because [redacted] from the NOAA office. [redacted] had office space in the [redacted] building for [redacted] utilizing his [redacted] cell phone, or out of an [redacted] office in [redacted]

FBI - Stevens-10790

Investigation on 01/12/2007 at Anchorage, Alaska (telephonically)

File # 194A-AN-14699-[redacted] 194A-AN-14699-AFMB Date dictated Typed 01/17/2007

by SA [redacted] cej

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This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

Other than handling [redacted] only performed two other functions for [redacted] On one occasion, [redacted] performed the task, except it required a payment and she would not use a government purchase card. [redacted] pay for the fee. The second job [redacted] performed was around [redacted] advised the current [redacted] was different from the one she set up but had some similarities.

On or about [redacted] an [redacted] contacted the [redacted] and asked for advice regarding the [redacted] was unsure but said, "Cool! Keep it." [redacted] for advice. [redacted] said, "you could have [redacted] and no one would be the wiser." [redacted] asked [redacted] for advice. [redacted] agreed with [redacted] that she should [redacted]

On [redacted] called [redacted] and informed him [redacted] he wanted, he could go through the proper government channels and [redacted] but [redacted] the way he tried to give it to her. [redacted] was unsure if anyone else got [redacted] from [redacted]

[redacted] was a government employee paid to be the [redacted] was the [redacted] of the [redacted] dealt with most of the administrative affairs of [redacted]

[redacted] with TED STEVENS. [redacted] TED STEVENS [redacted] on [redacted] on several occasions. [redacted] also had TED STEVENS [redacted]

[redacted] met with [redacted] representatives a lot. [redacted]. [redacted] also traveled to [redacted] to work with [redacted] Executives. [redacted] was working on getting [redacted] in [redacted] stores in [redacted] believed he succeeded in getting it in [redacted] stores.

[redacted] believed [redacted] was not a [redacted] was paid by the federal government. [redacted] was supposed to repay NOAA for [redacted] does not know for certain whether NOAA was reimbursed. [redacted] believed [redacted] would know if the [redacted] were reimbursed. [redacted] was billed through the Regional Administrators Office. [redacted] estimates the amount for [redacted] would be between $10,000 and $20,000. At first NOAA paid for all [redacted] Later, [redacted] only billed NOAA for per [redacted] and at some point, the [redacted] paid for all of [redacted]

Initially, [redacted]. After a while [redacted] slowly took over that function. [redacted]. Sometimes [redacted] would want something extra that NOAA could not pay for. For example, one time [redacted]. [redacted], saying he could not bill the government for the full cost of [redacted] was pretty sure he got what he wanted. The purpose for all his [redacted] [redacted] [redacted] got the sense that [redacted] was always holding something back, especially regarding [redacted] would sometimes tell [redacted] "don't say anything to anyone."

For the majority of the time, [redacted] worked out [redacted]. He also sometime worked out [redacted] and sometimes out [redacted] even had an [redacted] in Anchorage he used. [redacted] had a [redacted] cell phone. He replaced it a couple of times. One time it was replaced because it broke. Other times, [redacted] recently had a blackberry.

[redacted] advised that [redacted] is not married [redacted] described [redacted] as a warm, friendly, kind, nice, generous man and would give someone the shirt off his back if someone asked.

[redacted] left the NOAA [redacted] around [redacted]

[redacted] provided an email dated [redacted] that contains [redacted] verbiage regarding the establishment and funding of [redacted] and [redacted] These documents are attached hereto and made apart hereof.

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FAX TRANSMISSION

Date: 1/12/2007

Number of pages to follow: 2

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TO: FBI

b6 Per Commerce
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Routing Code:

Telephone Number:

FAX:

FAX

FROM:

Routing Code:

Telephone Number:

FAX:

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b7C

MESSAGE: Let me know if you need anything else.

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[redacted]

Organization [redacted]
To: [redacted]

[redacted]

-------- Original Message --------
Subject: special language
Date: Mon, 01 Dec 2003 11:10:03 -0900

[redacted]

SEC. 208. Of the amount available from the fund entitled "Promote and Develop Fishery Products and Research Pertaining to American Fisheries", $10,000,000 shall be provided to the Alaska Fisheries Marketing Board, $2,000,000 shall be available to the Gulf and South Atlantic Fisheries Foundation, $2,000,000 shall be available to the South Carolina Seafood Alliance, $1,500,000 shall be available to the Oregon Trawl Commission, and $1,500,000 shall be available to the Oregon State University Seafood Laboratory: Provided, That (1) the Alaska Fisheries Marketing Board (hereinafter "the Board") shall be a nonprofit organization and not an agency or establishment of the United States, (2) the Secretary may appoint, assign, or otherwise designate as Executive Director an employee of the Department of Commerce, who may serve in an official capacity in such position, with or without reimbursement, and such appointment or assignment shall be without interruption or loss of civil service status or privilege, and (3) the Board may adopt bylaws consistent with the purposes of this section, and may undertake other acts necessary to carry out the provisions of this section.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/29/2007

[redacted] (hereafter [redacted], Date of Birth (DOB) [redacted] Social Security Administration Number (SSAN) [redacted] current residential and business address of [redacted] Juneau, AK [redacted] was interviewed at the FBI Anchorage Field Office. [redacted] reported he recently purchased a home located at [redacted] and that he would be moving to that residence address effective approximately [redacted] Also present during the interview was United States Department of Commerce, National Marine Fisheries Service (NMFS) Special Agent [redacted] After being advised of the identities of the interviewing agents and the nature of the interview, [redacted] provided the following information:

[redacted] reported that he has been married since [redacted] who currently reside in Seattle, Washington with [redacted]. [redacted] has a degree in [redacted] and attended [redacted] stated that he passed the [redacted]

[redacted] and is now in his [redacted] season of said operation. He further stated that [redacted] a company called ICICLE SEAFOODS (hereafter "ICICLE"). [redacted] was good friends with United States Senator TED STEVENS (hereafter "T. STEVENS") in the 1970s. For that reason, [redacted] knows T. STEVENS. In approximately [redacted] with T. STEVENS, [redacted], T. STEVENS' aide, and a SOUTHEAST ALASKA SEINERS ASSOCIATION (SEAS) lobbyist named [redacted] (hereafter [redacted]. [redacted] was lobbying T. STEVENS for a SEAS buyback program. At the conclusion of the lunch, T. STEVENS was interested in helping [redacted], would not let the Senator assist.

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Investigation on 01/18/2007 at Anchorage, Alaska

File # 194A-AN-14699-SEAS/PSVQA -16

SA [redacted]

by SA [redacted]

Date dictated 01/19/2007

FBI - Stevens-10797

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

S:drafts/[redacted]/291aa01.302

Southeast Alaska Seiners Association (SEAS)

[redacted] SOUTHEAST ALASKA SEINERS ASSOCIATION (SEAS). Prior to [redacted] with SEAS in [redacted] stated that [redacted] as he believed there was a threat of Canadians taking SEAS members' fish away. [redacted] reported that [redacted] and that he did not do a [redacted] for SEAS in [redacted] during that time period. [redacted] percent of SEAS budget went towards [redacted]

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SEAS is a non-profit organization, whose board of directors is comprised of 13 members. SEAS also has a general membership of approximately 100 members. Dues for SEAS membership are $750 per year. Before this current year, dues were only $600. Approximately 70 percent of SEAS members are also members of PSVOA. SEAS is also one of 34 members of the United Fisherman of Alaska (hereafter "UFA"), of which [redacted] provided the following information about SEAS' sources of income, which were given in the approximate amounts:

SEAS nets about $10,000 per year from Pull-Tab Gaming; between $8,000 and $9,000 per year from UFA; $5,000 per month from the Southeast Revitalization Association (hereafter "SRA") in order to work towards the Buyback; and Certificates of Deposit (CDs) that yield approximately $2,000 to $3,000 per year. [redacted] advised that PSVOA also writes checks to SEAS for contracting costs that they share equally. Further, without specifying the amount, [redacted] stated that between 1994 and 2004, SEAS received cost recovery funds, but that SEAS did not have any cost-recovery funds coming in for 2005 through 2006. [redacted] stated that since [redacted] of SEAS [redacted] 22 cost-recovery contracts. SEAS' general members pay dues of $750 per year. SEAS is also comprised of 44 "business members," whose dues are $250 per year each and 10 "lifetime members," whose dues for the years 2004, 2005, 2006 brought SEAS over its usual income by about $50,000.

In [redacted] (hereafter [redacted] the Alaska Fisheries Building, 410 Calhoun Avenue, Juneau, AK 99801. [redacted] originally purchased the building [redacted] sold a one-fourth interest to SEAS and gave a [redacted] ownership to [redacted] in exchange for maintaining the building. [redacted] reported that the purchase price of the property was $306,000, and that there were $60,000 worth of upgrades put in to the building. [redacted] stated that rent for both SEAS and PSVOA was previously $800 per month for each.

[redacted] the Pacific Salmon Commission, for which [redacted] on the hatchery board in Juneau, Alaska.

A vessel buyback had been a priority of SEAS dating back to the 1980s. SEAS had hired [redacted] O'Connor & Hannan, a Washington D.C. lobbying firm. [redacted] had proposed a $53 million buyback to be funded by the federal government; $38 million would come as a grant and $15 million would come as a loan with a one percent interest rate. However, after going through the legislative process, they were only successful in obtaining $150,000 to work on a buyback, which was less than [redacted]. This $150,000 had originally been intended as a loan guarantee for the $53 million buyback. [redacted] said that even if this amount had gone through, either the interest rate would have been unfeasibly low or payment rate would have been too large for fishermen to afford. At that point, [redacted] believed that SEAS needed to hire someone else who would achieve something realistic, and he began looking at B. STEVENS and Associates, [redacted] would limit competition with the likely opponents of the buyback. Further, [redacted] believed that [redacted] was against the idea of buybacks and if [redacted] might possibly change his [redacted] view thereon.

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Purse Seine Vessel Owners Association ("PSVOA")

[redacted] advised that PSVOA is an organization similar in nature to SEAS, only on a much larger scale. [redacted] is executive director of PSVOA. [redacted] advised that many people belong to PSVOA, due to its favorable insurance options. In [redacted] PSVOA in order to take advantage of the attractive insurance benefits. [redacted] and

[redacted] (the 410 Calhoun, Juneau, AK property).

Alaska Fisheries Marketing Board ("AFMB")

The AFMB is a non-profit organization that was funded by T. STEVENS. [redacted] AK, had the original idea of an Alaska fisheries marketing board and currently sits on the board of directors. In [redacted] to the AFMB. The purpose of the organization was to jump start salmon marketing in Alaska. Most of the money given out by AFMB is to Alaska seafood companies and is based upon the amount of salmon that they process. A smaller amount is given in the form of discretionary grants which are based on marketing proposals, and $6.5 million is given to the Alaska Seafood Marketing Institute (hereafter "ASMI").

[redacted] advised that the AFMB awarded grants to organizations that fulfilled the requirements and goals of the AFMB. [redacted] did not believe AFMB ever awarded a grant to an organization that did not deserve the grant and that AFMB board members acted appropriately when discussing and awarding grants. Specifically, [redacted] advised that [redacted] did not steer any AFMB grants to any organization or misuse his [redacted] the AFMB. [redacted] is not aware of any AFMB board member, [redacted] receiving any benefit in return for an AFMB grant.

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Southeast Revitalization Association ("SRA")

SRA is a non-profit organization which is comprised of seven (7) Board members who are initially appointed by SEAS and PSVOA. The purpose of the SRA was to administer a Southeast seiner buyback program and it was founded to meet state statutes regarding the administration of a buyback. SRA members are either part of SEAS or PSVOA. SRA enters into contracts with the Alaska Seine Boat Owners (hereafter "ASBO"), which is part of PSVOA, and SEAS. The Boards of Directors of SEAS and SRA meet together. SEAS often holds meetings at various ports for SRA.

[redacted] initially did not believe any lobbying occurred with the use of SRA funds. However, upon further inquiry and review with [redacted] on what he and others did, [redacted]

stated that [redacted] the SRA, [redacted] members and groups to discuss the buyback, answered questions from various groups and individuals, huddled the masses, and flew to Washington D.C. to meet with NMFS and Alaska congressional staff to discuss buyback issues and pursue the buyback legislation on multiple occasions. [redacted] said that if SRA grant money was used for the lobbying, [redacted]

CONTRACT BETWEEN SEAS AND ADVANCE NORTH

On [redacted] (hereafter [redacted] for breakfast in order to engage in discussions of SEAS possibly hiring ADVANCE NORTH, LLC. (hereafter "ADVANCE NORTH") for lobbying and consulting services. ADVANCE NORTH was a Limited Liability Company whose [redacted] (hereafter [redacted] stated that the successful Alaska crab boat buyback program prompted [redacted] to consider hiring [redacted]

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On [redacted] SEAS, entered into the contract with [redacted] of ADVANCE NORTH. On June 12, 2004, the SEAS Board of Directors voted on, and approved the contract. The contract provided that SEAS pay ADVANCE NORTH $5,000 per month for what [redacted] understood be lobbying and consulting services, with a provision of the contract price increasing to $10,000 per month if the buyback program was obtained. [redacted] advised that provision was an incentive and was only enforceable if [redacted] obtained the buyback program exactly as SEAS wanted it, which was unlikely. [redacted] negotiated the contract on behalf of SEAS and all of the contract negotiations were directly with [redacted] [redacted] prepared the contract and determined the terms thereof. Checks were written to the order of ADVANCE NORTH by SEAS. [redacted] advised that [redacted] percent of the work with ADVANCE NORTH.

In approximately [redacted] with an amended contract [redacted] which had a signature line for [redacted]. [redacted] believed that the purpose of the amended contract was only to change the way payment under the contract was directed. After the amended contract, [redacted] stated that instead of one $5,000 check to ADVANCE NORTH, SEAS payed [redacted]

per month to the order of [redacted] per month to [redacted] believed that all of the same services that were to be provided to SEAS under the original contract were still in effect under the revised contract. [redacted] did not recall if the amended contract had actually ever been executed. He did believe that the amended contracted had been back-dated.

[redacted] reported that after his contract negotiations with [redacted] and the ultimate hiring of ADVANCE NORTH, [redacted] had no further conversations with [redacted] The conversations regarding a buyback were with [redacted] and [redacted] believed that [redacted] Initially, this upset [redacted] because he thought [redacted] not [redacted] further stated that he was not aware of anything [redacted] did to further SEAS' interest. Specifically, [redacted] stated "as far as I know, [redacted] did everything." [redacted] commented that the only time he ever saw and/or spoke to [redacted] was at AFMB, but that they did not discuss the SEAS-ADVANCE NORTH business matters. [redacted] does believe that [redacted] may have had some communication with [redacted] believed that if [redacted] had been more active under the contract with SEAS, it would have appeared that [redacted] had reached [redacted] (T. STEVENS) for assistance. [redacted] reported that since [redacted], SEAS has hired the services of [redacted] for a fee of [redacted] per month.

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[redacted] stated that SEAS member dues and cost-recovery contracts were what was allowing SEAS to be able to pay ADVANCE NORTH, however there was always an implicit understanding that PSVOA would assist SEAS in paying ADVANCE NORTH if that became necessary.

[redacted]

[redacted] stated, that with respect to [redacted] and to his knowledge, there were no requests by anyone asking [redacted] to perform "state" work. Further, he does not believe that any grant money was used for lobbying purposes, and that none of the $150,000 grant (previously representing the 1% loan guarantee) was used by SEAS to pay for [redacted] also stated that he was not aware of any promises or compensation made to any Federal official, or the like for obtaining the buyback.

[redacted] recalled that there were sometimes "fights" (arguments) between [redacted] AFMB, and [redacted]

[redacted] also stated that [redacted] with respect to the issue of the "secret option contract" with Adak Fisheries (hereafter "ADAK"), and that he believed that [redacted] "would've been wiser to have side-stepped these things." [redacted] stated that [redacted] "freaked out" about letters written by [redacted]

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BENEFITS TO PUBLIC OFFICIALS

In [redacted] to Governor FRANK MURKOWSKI for his birthday. The gift was a personal one, and not given on behalf of any organization.

[redacted] has never participated or attended any fish/seafood golf invitationals and is not aware of any parties where there were door prizes or raffles in which prizes were awarded to attendees, to include public officials.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/22/2008

[redacted] date of birth [redacted] Social Security Account Number [redacted] home address [redacted] Alaska (AK), telephone number [redacted] and cellular telephone number [redacted] was interviewed [redacted] located in [redacted] AK. [redacted] was also present during the interview. After being advised of the identities of the agents and the nature of the interview, [redacted] provided the following information:

In [redacted] the KNATAK TRIBAL COUNSEL and shortly thereafter in [redacted] of that same year, [redacted] COASTAL VILLAGES REGION FUND (CVRF) [redacted] According to [redacted] CVRF has between 60-70 employees, is based in Anchorage, AK but has some rural offices throughout Alaska.

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[redacted] of CVRF. [redacted] left his position at CVRF in [redacted] did not get along with the CVRF [redacted]

Approximately [redacted] was hired as the CVRF [redacted] Shortly after [redacted] was hired, he made organizational changes and placed [redacted]

Before [redacted] was hire by CVRF, [redacted] until the date he was hired. [redacted] American Fisheries and Marketing Board (AFMB).

[redacted] recalled a couple of years ago when she was told by [redacted] that CVRF was receiving $60,000 from AFMB

Investigation on 08/08/2008 at Wasilla, Alaska

File # 194A-AN-14699-[redacted] - 69 Date dictated N/A

by SAs [redacted] and [redacted] mjh

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[redacted] a proposal to cover the receipt of the grant monies. [redacted]

[redacted] advised she believes that the money was given as a direct result of [redacted] as well as [redacted] CVRF. Providing the money to CVRF would keep [redacted] satisfied as well as cover some of [redacted] consulting fees which were high. [redacted] recalled seeing [redacted] checks written out to the [redacted] LAW OFFICE and were sometimes cut bi-weekly. The frequency of the checks were dependent on whether or not [redacted] was traveling to Washington D.C. to lobby SENATORs THEODORE STEVENS and LISA MURKOWSKI.

[redacted] stated that some of the AFMB money was utilized for a marketing project. This project included the production of mini dvds for use at fish trade shows. A portion was used for travel expenses incurred for the fisheries director to attend a fish trade show in Boston and it also provided some funding for PACIFIC HARVEST representatives who attended an international trade show in Brussels. PACIFIC HARVEST sells fish products produced by CVRF.

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Sometime [redacted] overheard [redacted] (phonetic) speaking with [redacted] asked [redacted] about the recent Anchorage Daily News article regarding property [redacted] in Seward, Alaska to the Alaska Sea Life Center. [redacted] did not continue to discuss the matter and [redacted] has never spoken to him about this subject.

[redacted] advised that [redacted] consulting company, MARRS & COMPANY, was recently released as a consultant for CVRF and was also hired by same. [redacted] consulting fees were high.

[redacted] advised that CVRF owns 46% of American Seafood based out of Seattle, Washington.

United States Department of the Interior
Office of Inspector General

INVESTIGATIVE ACTIVITY REPORT

Case Title	Case Number
Alaska Sea Life Center	OI-OR-07-0234-I
Reporting Office	**Report Date**
Portland Resident Office	07/05/2007

Report Subject
Interview – Willard Dunham – Seward Vice Mayor and SAAMS Secretary

SYNOPSIS

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On 06/12/07 federal Investigators interviewed Seward Vice-Mayor and Seward Association for the Advancement of Marine Science (SAAMS) Secretary Willard Dunham. He provided background on the relationship between SAAMS dba Alaska Sea Life Center (ASLC) lobbyist Brad Gilman and Trevor McCabe and provided new details on the last meeting between the City of Seward delegation and Senator Stevens prior to the passing of amended legislation that gave money to the ASLC. He also denied that ASLC Executive Director Tylan Schrock told the SAAMS Board that receipt of the previously referenced federal funds was contingent upon the ASLC purchase of the Arcade property.

DETAILS

On 06/12/2007 at 1430 hours Department of Commerce Office of Inspector General (DOC/OIG) Special Agent [redacted] and I met with Willard Dunham and his counsel, Attorney [redacted] of the firm Birch Horton Bittner and Cherot[1] at the Alaska Sea Life Center in Seward, AK. Dunham voluntarily provided the following information:

Willard has served on the Seward City Council for the past five years and currently holds the position of Vice-Mayor on the council.

He has served on the SAAMS Board of Directors since its inception in 1990 or 1991 and prior to that sat on the Board's precursor, the Seward Marine Science Board with the University of Alaska since the 1960's. While on the SAAMS Board, Dunham has held the position of President and has held his current position as Secretary for eight years.

[1] I was advised by Main Justice Attorney [redacted] tha [redacted] a primary partner in this law firm, is Senator Ted Steven's brother-in-law. Attorney [redacted] has advised that this firm will represent all ASLC employees and SAAMS Board Members in this investigation. [redacted] was present during my interview with ASLC Executive Director Tylan Schrock on 05/08/2007 and my interview with SAAMS Treasure [redacted] on 06/11/2007. [redacted] is another associate partner in this firm.

Reporting Official/Title	Signature
SA [redacted]	

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dunham 109

Several years ago Dunham traveled to Washington D.C. as part of a local Seward steering group to push the idea of a multi-agency facility and conference center. He was surprised at the unusual gathering of agencies that had the idea to band together to create this facility.

Approximately two years ago he traveled to Washington D.C. with Seward Mayor Vanta Shafer and City Manager [redacted] to meet with Senators Stevens and Murkowski and Alaska Congressman Young. The purpose of their meeting with Senator Stevens was to express concern over language he had placed in an Appropriations Bill[2] that required the City of Seward to vacate Washington Street. Dunham's understanding of this provision was that the federal money set aside for the construction of the Mary Lowell Center (MLC) could not be released until after Washington Street was vacated and he felt that it was a physical impossibility to enact this provision within the limited time frame listed in the Public Law. The fear was that failure to enact this provision in a timely manner would forfeit their ability to receive the federal construction funds.

The meeting took place in Senator Stevens' Office with Senator Ted Stevens [redacted] and a few other staff members. Shafer, Dunham [redacted] and lobbyists [redacted][3] were also present. The Seward contingent advised Senator Stevens that the vacation of Washington Street was facing some opposition and might not happen for a long period of time. They requested that the vacation language be taken out of the Bill so the rest of the project might move forward in a timely manner.[4]

Dunham believed that during further discussions (contemporaneous with the Senator's meeting) with City lobbyists [redacted] and [redacted] they never discussed the possibility that the leftover NPS land acquisition money might be moved from the City to the ASLC. [redacted] and [redacted] are two of three federal lobbyists from Brad Gilman's lobbying firm[5] that dealt with City of Seward issues. Under ordinary circumstances they would have met with Gilman but he was unavailable that week due to a death in his family. Dunham indicated that The City of Seward was under contract with Gilman's firm as their primary federal lobbyist and that they (the City) had provided this firm with a list of priority development projects for which they were seeking federal funding assistance. Dunham believed that the Mary Lowell Center was on that priority list. Dunham's understanding was that Gilman was being paid by the City to lobby specifically for Mary Lowell Center Project funding.

Dunham was aware that Gilman's firm was also being retained by the ASLC for similar purposes but did not see it as a conflict of interest for Gilman since the City of Seward and the ASLC had similar

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[2] Public Law 108-447 enacted on 12/08/2004 directed the NPS to transfer to the City of Seward "any remaining balance of previously appropriated funds not necessary for property acquisition (for the MLC) and design upon the vacation by the City of Seward of Washington Street between 4th Avenue and 5th Avenue..., provided that the City of Seward uses such funds for the related waterfront planning, pavilions, boardwalks, trails, or related purposes that compliment the new federal facility."

[3] Dunham could not recall the true name of the individual he nicknamed [redacted]

[4] During the interview attorney [redacted] interjected that Dunham had told him that [redacted] fell asleep in [redacted] Office during this meeting and angered the Senator to the point where he felt the City of Seward might not be capable of managing federal funds. [redacted] inferred that this might have been the reason that Stevens amended Public Law 108-447 on 07/26/2005 which redirected left over NPS land acquisition money from the City of Seward the Alaska Sea Life Center. [redacted] lobbying firm is Robertson, Monagle and Eastaugh; Dunham was unable to remember the name of the firm during the interview.

goals and the land the ASLC sits on is actually owned by the City of Seward.

Dunham advised that Brad Gilman had grown up in Seward, AK and was childhood friends with Trevor McCabe.

Dunham believes he was alerted that the leftover NPS federal acquisition funds were being redirected from the City of Seward to the ASLC by Seward Mayor Vanta Shafer and recalls being rather "surprised" by the news. However, Dunham felt that the ASLC was much better geared toward handling federal appropriation money and the City did not have a plan in place on how they wanted to spend that money had it come to them. He believed that the money was ultimately a gift to ASLC, who was hurting for space.

[redacted] described Seward [redacted] as divisive. He indicated that [redacted] had publicly accused Senator Stevens of "malfeasance". According to Dunham [redacted] refused to participate in ASLC/SAAMS Board Meetings even after he was told three times that as City Manager his attendance was mandatory. Members of the City Council finally asked [redacted] to vacate his position with the City. Dunham was not clear on whether [redacted] was fired or resigned his position but did state tha [redacted] no longer has a job with the City of Seward. Dunham believed [redacted] still had property in Seward but was not sure if [redacted] still lived in the City.

He expressed surprise that the National Park Service did not buy the Arcade Property from the Centennial Group but was not that familiar with the negotiations between NPS and the Centennial Group.

Dunham couldn't remember how it came about that the Arcade Property was available to the ASLC for purchase. Dunham was on the SAAMS Executive Committee when ASLC Executive Director Tylan Schrock approached the Committee and gave a presentation recommending ASLC buy the Arcade Property using the leftover NPS federal land acquisition funds. Dunham did not remember if ASLC Executive Director Tylan Schrock presented specific information to the SAAMS Board about the possible purchase of the Arcade Property but stated there was "no question it was a good deal if we got the opportunity to buy it". When asked if Schrock or anyone ever indicated to the SAAMS Board that the transfer of federal funds to the ASLC was conditional upon the purchase of the Arcade Property, Dunham responded, "absolutely not!" According to Dunham, the Committee did tell Schrock that the purchase of the Arcade property would be conditional upon the demolition of the building. Dunham didn't remember discussion of the potential sales price for the Arcade Building.

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Dunham intimated that 'everyone" on the Board knew that Trevor McCabe was part owner of the Arcade Property and it wasn't seen as an issue.

He advised that the Board had not yet reached a conclusion on the most appropriate use of the Arcade Property and had no concrete plans in place for potential development of the site.

Regarding the contract between ASLC and Alaska Northern Outfitters (ANO)[6], Dunham stated that at some point the SAAMS Board was "made aware" of an offer by ANO to run a day charter business from ASLC via a portable floating dock that would run interpretive science tours. ANO offered to provide the boat if ASLC would provide personnel for the tours and sign a lease with the City of

[6] A business owned by Trevor McCabe [redacted]

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Seward for the portable dock. Dunham's understanding was that the dock lease with the City expired June 1, 2007 and he does not know how much the lease cost ASLC.

Dunham related that the SAAMS Board knew of Trevor McCabe's connection to this deal as part owner of ANO.

According to Dunham, ASLC had tried this venture once before with Kenai Fjords Tours but it didn't work out due to poor logistics.

Dunham related that ASLC/SAAMS purchased real property on one occasion prior to the Arcade Property acquisition. The Chugach Native Corporation approached ASLC with an offer to buy or lease the Railroad Depot, a property adjacent to the ASLC. The Corporation was allegedly in financial trouble after sinking a lot of money into the Depot to create a theater. SAAMS entered into a 5 year lease agreement with Chugach for the property and purchased the property 3 years into the lease agreement. The property was financed, although Dunham was not aware of what funds are being used to make the monthly payments.

PERSONAL HISTORY DATA

Willard Dunham

[redacted]

(H) [redacted]
(Cell) [redacted]

DOB [redacted]
SSN [redacted]

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United States Department of the Interior
Office of Inspector General

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INVESTIGATIVE ACTIVITY REPORT

Case Title	Case Number
Alaska Sea Life Center	OI-OR-07-0234-I
Reporting Office	**Report Date**
Portland Resident Office	07/18/2007

Report Subject
Interview - [redacted] former ASLC Accounting Manager

SYNOPSIS

On 06/12/07 federal Investigators interviewed former Alaska Sea Life Center (ASLC) Accounting Manager [redacted] at [redacted] provided background on how federal funds are administered at the Sea Life Center and specifics about when/how federal money was received at ASLC from the National Park Service (NPS) pursuant to Congressional direction.

DETAILS

On 06/12/07 Department of Commerce Office of Inspector General (DOC/OIG) Special Agent [redacted] and I met with [redacted] at [redacted] residence located at [redacted] voluntarily provided the following information:

[redacted]

Prior to [redacted] current position [redacted] held a full time position with ASLC as their Accounting Manager. [redacted] held that position from [redacted] direct supervisor was Financial Director [redacted] who reported directly to Executive Director Tylan Schrock. During [redacted] time at ASLC, [redacted] supervised the accounting staff, worked closely with the Grants administrative staff and with Grants and Contracts Manager [redacted] Schrock also asked [redacted] to lead a "Management Team" which focused on Operational Staff issues. [redacted] sat on a Human Resources Committee and worked on personnel and communications issues and wrote policy. [redacted] also started [redacted] own initiative called the Performance Management Committee and wrote the current ASLC accounting manual that had a section in it on Grants management.

[redacted] left ASLC due to "management differences" and [redacted] view that there was no room for professional growth or advancement opportunities.

Reporting Official/Title	Signature
SA [redacted]	

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[redacted] didn't feel that [redacted] had ever personally observed any inappropriate uses of federal funding at ASLC.

[redacted] did not attend Seward Association for the Advancement of Marine Science (SAAMS) dba ASLC Board Meetings but indicated that ASLC General Manager [redacted] and Finance Director [redacted] would have attended these meetings. Schrock's Administrative Assistant [redacted] would also have been present to take meeting minutes.

According to [redacted] ASLC utilized the accounting software program "Solomon IV" to organize and track of all the various federal funds they received. The program also recognized revenue and receivables. Every grant had a project code assigned to it so it could be identified in the system.

The ASLC had one checking account (a sweep account) and several investment accounts. All deposits and payments went through the checking account. This system had been realigned during the time that [redacted] was employed with ASLC. When [redacted] arrived at ASLC in 2002, the account structure was more in line with the financial accounting requirements set up in the Cooperative Agreement with the City of Seward.[1] It was [redacted] understanding that after the Bond debt to the City was paid off in 03/2001[2] ASLC General Manager [redacted] gave authorization to remove/replace some of the old accounts and restructure their accounting system.

The ASLC investment accounts referenced above consisted of two money market accounts. One was established after ASLC won a construction lawsuit judgement of $10 million. The other was a reserve account established to "get them through the winter". Items such as indirect grant cost payments (32% indirect cost rate) went into the reserve account. [redacted] does not believe that much money currently goes into either account.

The accounting team submitted project reports to [redacted] on a monthly basis for each project code.

ASLC used the federal "ASAP" system to drawdown payments for most of their grant programs. They would make these drawdowns approximately once a week after receiving a weekly report from their accounts payable section indicating what checks had been written for the week.

Many grant recipients utilized space in the ASLC to carry out their federally funded projects and rent was charged to each project code based upon a square footage calculation on how much space each project used. According to [redacted] this calculation was done by [redacted] The rent calculation also differed based upon what type of space was being utilized. Lab or outdoor pool space cost more to rent than administrative or office space.

[redacted] described how grant initiations were handled. Under usual circumstances, the ASLC would receive a letter telling them they were slated to get a certain amount of federal grant money from a specific agency for a specific research purpose. Even when a grant was received as the result of a

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[1] The Original "Agreement for Financing, Lease, Construction, Operation and Maintenance of the Alaska Sea Life Center", dated 04/29/1995 was a cooperative agreement between the City of Seward and the ASLC. It required the ASLC to maintain separate and distinct accounts labeled the "Revenue Fund", the "Renewal and Replacement Fund", and the "Termination Fund". The First Amendment to this agreement, signed 05/01/96, indicated that these accounts/funds would need to be maintained so long as any construction bonds purchased by the City remained outstanding.

[2] DOC/OIG SA [redacted] provided information that the Bond debt referenced above was paid off through an appropriation by Senator Ted Stevens that passed through the Department of Commerce in 03/2001.

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"hard-earmark" from a member of Congress, ASLC was still required to submit a non-competitive grant proposal and were still bound by normal federal regulations affecting grant recipients.

Regarding ASLC's receipt of leftover federal land acquisition monies from NPS, [redacted] recalled that the money came in "overnight" in the Fall of 2005 and they were not prepared to receive it because they had not established any financial codes for the money. Schrock entered [redacted] office and told [redacted] "they want to send $1.6 million over here and I'm confused." [redacted] was told to treat the NPS money like a grant fund with normal OMB restrictions even though they didn't necessarily apply in this case. [redacted] was not aware of any other time when ASLC had received money under these circumstances [redacted] did not recall establishing a "grant code" to track the expenditure of this money but surmised that it must have been done after she resigned from her position in January, 2006.

[redacted] did recall cutting a check for $100,000 at Schrock's request with the NPS funds to put in an escrow account for the Arcade Property.

[redacted] had no other discussions with Schrock about the NPS money or the Arcade Property.

PERSONAL HISTORY DATA

[redacted]

(H) [redacted]
(Cell) [redacted]

DOB [redacted]
SSN [redacted]

United States Department of the Interior
Office of Inspector General

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INVESTIGATIVE ACTIVITY REPORT

Case Title	Case Number
Alaska Sea Life Center	PI-OR-07-0234-I
Reporting Office	**Report Date**
Portland Resident Office	08/08/2007

Report Subject
Interview – Jeff Mow – NPS Superintendent, Kenai Fjords National Park

SYNOPSIS

On 06/13/07 federal Investigators interviewed National Park Service (NPS) Kenai Fjords National Park Superintendent Jeff Mow in Anchorage, AK. He described his role during the NPS/Centennial Group land acquisition negotiations in Seward and described his current role in Seward and his relationships with members of the Alaska Sea Life Center (ASLC) and the City of Seward [redacted]

DETAILS

On 06/13/07 Department of Commerce Office of Inspector General (DOC/OIG) Special Agent [redacted] and I met with Jeff Mow at the NPS Alaska Region Office Building, 240 West 5th Avenue, Anchorage, AK. Jeff Mow signed a consent to search for his computer and was advised of his Garrity rights prior to the beginning of the interview. He then voluntarily provided the following information:

His current position is NPS Superintendent with the Kenai Fjords National Park and he has held that position for 2 ½ years, starting in December, 2004. He has been employed by NPS for about 20 years.

Mow took over for prior Superintendent Anne Castellina and acting Superintendent Peter Armato.

He advised that there are still boxes of Castellina's files that he hasn't been through but did indicate that he hadn't seen any notebooks in the files he had reviewed.[1]

[1] During a phone interview with Anne Castellina on 05/16/2007 she indicated that she maintained detailed notebooks of her daily activities while Superintendent and she left those behind in some file cabinets within the Superintendent's Office when she left the position.

Reporting Official/Title	Signature
SA [redacted]	

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Mow approached Trevor McCabe in McCabe's Office in February or March 2004 in order to introduce himself to his "landlord". According to Mow, during this visit the land acquisition negotiations between the Centennial Group and the NPS were not discussed.

Mow "got to know" ASLC Executive Director Tylan Schrock "early on". He advised that Schrock was his neighbor and described their interactions as a day to day working relationship. Some of his communications with Schrock include matters involving the development of the Mary Lowell Center (MLC) due to Schrock's role "representing the City's interest in the MLC".

Mow denied having any communications with Senator Stevens or members of Senator Steven's staff.

Mow understood that Senator Steven's former [redacted] used to come to Seward on a regular basis and visit with former Kenai Fjords National Park Superintendent Anne Castellina, with whom [redacted] had a personal friendship/relationship. Mow had met [redacted] once before when he was participating in a two year Bevinetto Fellowship in Washington D.C. with NPS. Mow spent one year of this fellowship with the Senate Energy and Natural Resources Committee and one year in NPS Legislative Affairs.

Mow denied having any advance knowledge that the legislation would be changed moving leftover NPS land acquisition funds from the City of Seward to the ASLC.[2] He didn't believe NPS had even been given an opportunity to comment on the proposed legislation before it was passed.

Mow contacted Schrock and expressed surprise at the newly modified legislation. Schrock remarked that he had no idea that this was coming and indicated that the ASLC would place the newly appropriated money into a separate account he called the "waterfront account". Schrock didn't mention the Arcade property during this conversation but Mow suspected that some of the ASLC appropriation would go toward purchasing the Arcade. He knew that Schrock's vision for the waterfront plan included the Arcade Building.

Mow had several conversations with City of Seward officials about the revised legislation. When he spoke with Assistant City Manage [redacted] she expressed surprise and told him they would find out what happened to the money from their lobbyist, Brad Gilman.

[redacted]

could be released.

Schrock informed Mow he was going to use some of the new federal money to hire the Portico Group[3]

[2] Section 438 of Public Law 109-54 passed 07/26/2005.

[3] The Portico Group is a design firm that originally contracted with NPS to determine a suitable location for the MLC. The Group conducted and published a study entitled "the Waterfront Study".

to design some possible structures for the Arcade Property that would compliment the MLC.

Mow had several conversations with Schrock concerning the Seward Saloon Property[4] owned by the [redacted] Schrock was considering going in with the City of Seward to purchase this property using more of the newly acquired federal funding and discussing the possibility of either having the City donate the property to the NPS for the MLC project or exchanging this property with another property the NPS already owns. He figured this deal would benefit the City of Seward because then they could relocate the MLC project and they wouldn't have to vacate Washington Street. He also told Mow the City would benefit because then they would be considered true "equity partners" in the MLC project. Mow indicated that the only way NPS could build on that property was if it was donated by the City or exchanged because NPS had to be the title holder for the property.

Mow spoke with [redacted] who, according to him, is an NPS Administrative employee who works under Marcia Blaszak in Anchorage. [redacted] expressed concern about the Kenai Fjords National Park Rae Building Lease in Seward. [redacted] indicated that if NPS moved out of the Rae Building and into the new MLC, the Park could lose the base increase that had paid for the Rae Building lease. Mow was not familiar with the legislation behind the Park's base increase.

[4] This property is in the middle of several pieces of property NPS has already obtained for the MLC. It was not originally available when the NPS was seeking for prospective land for acquisition.

United States Department of the Interior
Office of Inspector General

INVESTIGATIVE ACTIVITY REPORT

Case Title	Case Number
Alaska Sea Life Center	PI-OR-07-0234-I
Reporting Office	**Report Date**
Portland Resident Office	08/15/2007

Report Subject
Interview – Brad Gilman – Lobbyist/Attorney Robertson, Monagle, and Eastaugh

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DETAILS

On 08/01/07 Department of Commerce Office of Inspector General (DOI/OIG) Special Agent [redacted] and I met with Brad Gilman at the law offices of Hogan and Hartson LLP, Columbia Square 555 Thirteenth St. NW Washington D.C. Gilman was represented by Attorney [redacted] Hogan and Hartson Staff Attorney [redacted] was also present. Gilman voluntarily provided the following information:

He is a Vice President in the law and lobbying firm of Robertson, Monagle and Eastaugh (RME). RME has offices in Kenai, AK, Juneau, AK and Washington D.C. The Office in Kenai has one President and five Vice President partners. The office in Juneau has two people on staff. He maintains his office in Washington D.C. with managing Director [redacted] who is a lobbyist but not a lawyer, and [redacted] who is a subcontractor working on retainer for the firm. [redacted] has worked out of the Washington D.C. Office since 2001.

He has been with RME since 1988 and has some legal clients, with whom he typically gives advice on federal procurement issues. However, the vast majority of his clients hire him for federal lobbying work and interaction on their behalf with federal agencies such as NOAA. Most of his client base consists of fisheries and fish processing facilities. He has clients nationwide but does most of the "Alaska work" for RME. Some of the specific clients Gilman mentioned included the Interstate Marine Fisheries Organization and the United Space Alliance.

He advised that he spends about 30% to 40% of his time on Capital Hill lobbying the Alaska delegation, which consists of Senator Ted Stevens, Senator Lisa Murkowski, and Congressman Don Young. He does lobby other state delegations and does not have a set visiting schedule. His schedule and who he lobbies is dictated by his clients and their needs, the time of year, and what issues or topics are "hot". When he does communicate with the Alaska delegation, he has relatively little face to face

Reporting Official/Title	Signature
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interaction with them due to scheduling difficulties and time conflicts. When his clients are in town he does try to schedule time with the various state delegations for personal meetings between the client and the delegate. He does attend these meetings when possible or has someone else from RME attend.

In 1996 Gilman took on the City of Seward as a client. He shares this lobbying contract with [redacted] a lobbyist with the Blank and Rome firm. They gained Seward as a client by submitting a joint lobbying proposal in response to a public solicitation for lobbying proposals.

He couldn't remember what year he gained the Alaska Sea Life Center (ASLC) as a lobbying client. He does recall that the City of Seward asked him to help get the ASLC established as a client due to their vested interest in obtaining federal funding for the facility. The City was financially vested in the ASLC through construction bonds that they had fronted the facility during the building process. The City also owns the land that ASLC sits on. The ASLC remained on the City's list of lobbying interests for 6 or 7 years after it was built. Gilman recalled that in 2002 or 2003 Seward [redacted] finally told ASLC that it needed to retain its own lobbying services and removed ASLC from the City's list of lobbying priorities.

Schrock actually approached Gilman and asked him to begin lobbying on ASLC's behalf. Their lobbying priority list consisted of issues such as marine mammal research, sea otters, and steller and eider birds. Although ASLC Executive Director Tylan Schrock was part of the Waterfront Committee and took an interest in the various Seward waterfront improvement projects, he never requested that Gilman lobby on behalf of ASLC on those issues. Schrock never requested Gilman to lobby for the Mary Lowell Center (MLC) project for ASLC. Gilman viewed all the waterfront improvement issues as Seward City issues and whenever Schrock brought any MLC issues to his attention he would refer Schrock back to the City for resolution.

When the original legislation came out directing the National Park Service (NPS) to purchase the Centennial Group[1] properties among a package of 7 properties Gilman was stunned. The legislation[2] contained language that directly affected his client, the City of Seward, and he had never seen the Bill before. His subcontractor [redacted] brought the Bill to his attention. He opined that it was very unusual for him not to assist with Bill language on a client's issue. However, Gilman didn't object to the Bill because it affected his client in a positive way. Gilman assumed Trevor McCabe wrote the Bill language because McCabe had commented weeks before about the possibility of Seward vacating Washington Street. McCabe told Gilman the City should be compensated somehow for vacating the Street. Gilman told him "If you've got good ideas, run them by the City." Gilman commented that at the time the legislation was passed he recalled thinking that McCabe was "pretty ballsy" for getting the Centennial Group's property parcel numbers placed in the legislation.

Gilman denied Willard Dunham's previous assertion that he and McCabe were childhood friends and grew up together in Seward.[3] Gilman indicated that they were a generation apart and that he was in

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[1] The Centennial Group LLC was a partnership consisting of Trevor McCabe, Dale Lindsey, and [redacted] In April, 2003, the Group purchased the Arcade and Old Solly's Buildings in Seward, AK for possible inclusion in the MLC.

[2] Public Law 108-447, enacted on 12/08/2004 directed the NPS to transfer to the City of Seward "any remaining balance of previously appropriated funds not necessary for property acquisition (for the MLC) and design upon the vacation by the City of Seward of Washington Street between 4th Avenue and 5th Avenue....provided that the City of Seward uses such funds for the related waterfront planning, pavilions, boardwalks, trails, or related purposes that compliment the new federal facility."

[3] Dunham was interviewed by agents on 06/12/07 and the results were reported in an interview IAR.

high school when McCabe was still a small child. McCabe introduced himself to Gilman when Gilman was an established lobbyist and McCabe was working in Senator Steven's Office in Washington D.C.

Gilman also previously worked for Senator Ted Stevens. From 1978 – 1980 he was a part-time paid intern for Stevens while in school. In 1982, Gilman worked in the Senate Post Office "pitching mail". In 1983, Gilman worked as a letter writer in Stevens Office and in 1984, he held positions on the Senate Commerce Committee. Finally, from 1984 to 1987 he worked with Stevens as the Counsel for Merchant Marine and Maritime issues.

Gilman advised that there are only 7 or 8 federal lobbyists in total that work on fisheries issues. He explained that sometimes the lobbyists create alliances to help push issues through Congress and sometimes they fight with one another depending on their clients' positions on pending legislation.

Gilman indicated that the only time that Trevor McCabe and he had worked for the same client was the Mt. Mitchell. When I inquired if he and McCabe had also shared [redacted] Yardarm Knot/Highland Light as a client he responded "not to his knowledge".[4] He stated tha[redacted] and Trevor McCabe were close friends bu[redacted] never told him that he had McCabe on retainer.

Gilman described the way he retained his lobbying clients. There are no signed contracts. He works based upon a "handshake deal". His clients pay a monthly fixed fee retainer that ranges from $1500/month for some of the Native Corporations he works with up to $20,000/month for the United Space Alliance. The ASLC pays $6300/month for his services and the City of Seward pays $5800/month which is split - $2400 goes to CJ Zane and the remaining $3400 goes to Gilman. The communities he represents do create "engagement letters" for his services, as opposed to actual contracts.

A couple of weeks before the Seward delegation was slated to come to Washington D.C. in July, 2005 Gilman received a phone call from Seward Mayor Vanta Shafer. Shafer told Gilman the City was having a local problem with opposition to the Washington Street vacation and that the City felt intimidated by Stevens. Shafer was wondering if Senator Stevens would be willing to remove the vacation language from the legislation. Gilman responded that he didn't think it was Senator Steven's intent to create those kinds of problems and felt confident that if they discussed the issue with the Senator he would want to fix the problem. Gilman never discussed deleting the reference in the Bill language to the City of Seward all together. He thought it was great the City was getting the residual land acquisition money.

Gilman spoke with Seward City Manage[redacted] by phone on 07/18/05 when the Seward delegation arrived in Washington D.C. Gilman had scheduled meetings for the delegation with Department of Interior representative Drue Pearce and Senator Stevens' Office, among others. Gilman's intention was to go with the delegation to these meetings but he received news later that day that his [redacted] had passed away and left Washington D.C. to be with his family. According to Gilman, [redacted] took his place in the 07/19/05 delegation meeting with Senator Stevens.

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[4] Yardarm Knot Fisheries was listed as a lobbying client for Robertson, Monagle and Eastaugh for the first time in 2006, according to the Opensecrets.org lobbying database. This is also confirmed through required lobbying disclosure reports filed with Congress by Robertson, Monagle and Eastaugh. During an FBI Interview with Trevor McCabe on 08/31/2006, McCabe acknowledged that Yardarm Knot was one of his lobbying clients.

Gilman indicated that he never did talk to the City of Seward about how they were going to spend the residual monies when they received them and didn't know if they had a plan in place for these potential expenditures.

Gilman's first day back at work after his [redacted] funeral was 07/25/05, the day before the amended legislation was passed, moving the residual NPS land acquisition money from the City of Seward to ASLC.[5] McCabe and Schrock had provided him with emails showing that McCabe had crafted the amended legislation so that ASLC could buy the Arcade Property. Gilman was angry with ASLC Executive Director Tylan Schrock and with Trevor McCabe for putting him in a bad situation. They both knew that he represented both the ASLC and the City of Seward and that this action would hurt his client, the City of Seward. Gilman resented being put in the middle.

Gilman related the substance of a telephone conversation he had the same day (07/25/05) with [redacted] one of Senator Steven's staff members on the Appropriations Committee. According to Gilman, [redacted] called him and asked him if the City of Seward had put the Arcade Building on its list of waterfront projects it intended to acquire/complete with the residual NPS land acquisition monies. Gilman responded that he didn't think it would be likely that the City could purchase the Arcade property without a lengthy public vetting process. [redacted] hen asked if the ASLC were given the residual monies would they buy the Arcade property? Gilman responded "definitely". He recounted a recent conversation with Schrock when Schrock had told him, "If I had the damn money I would buy the Arcade." Gilman concluded from this conversation that Senator Stevens and his staff were going to change the legislation and move the residual NPS land acquisition money to ASLC. According to Gilman [redacted] did not mention Senator Stevens [redacted] or Trevor McCabe during this conversation.

Gilman acknowledged that he did not contact any of the City representatives that day to let them know about his correspondence with [redacted] and Schrock because he felt that there was nothing anyone could say or do at that point to prevent the legislation changes from happening. Gilman further acknowledged "being a little dishonest" with the City the next day when he contacted them to let them know about the legislative changes. Gilman did not disclose to the City his prior knowledge of these changes nor did he disclose his communications with [redacted] McCabe and Schrock regarding the residual NPS monies. When asked if he felt his actions were appropriate given that he accepted money from the City of Seward to represent them on MLC/waterfront development issues, he shrugged his shoulders and responded "I'll let you reach your own conclusions on that".

Gilman recalled Seward Mayor Vanta Shafer's angry response to the legislative changes. Shafer told Gilman she felt she had been mistreated by Senator Steven's [redacted] during [redacted] visit to D.C. Gilman recalled hearing rumors that something had happened between Shafer and [redacted] during their meeting in Senator Steven's Office and advised that the two [redacted] still don't have good things to say about each other. Shafer expressed concern to Gilman that the reason the City lost the money to ASLC was because [redacted]

Gilman had a telephone conversation with Schrock after all this occurred and told him "its' not a smart thing to have the City and the ASLC angry with each other". He recommended that Schrock set up a process with the City to jointly work on waterfront improvements using the federal funding provided to ASLC.

[5] Section 438 of Public Law 109-54 passed on 07/26/05.

During a separate conversation with Gilman Schrock expressed reservations about purchasing the Arcade Property. He wanted to purchase the property but was fearful that McCabe wanted too much money. Schrock asked Gilman if he was required to buy the Arcade property at any cost. Gilman responded that he did not have to buy the property. Schrock advised Gilman that he would have to do this "by the books". According to Gilman, Schrock was worried about potential audits surrounding the Arcade Property purchase.

Gilman advised he has never spoken with Senator Stevens about the legislative changes and has avoided [redacted] as [redacted] has strong opinions and can be very difficult to work with.

Gilman acknowledged seeking financial contributions from people for Senator Steven's re-election campaign. Gilman does not hold a formal, paid position on Steven's campaign staff but has attended fundraiser meetings held by Ed Rahall, the D.C. fundraiser Coordinator on Steven's campaign staff.

In November or December of last year Gilman attended such a fundraiser meeting. During this meeting, all the participants were requested to go out and raise as much money as possible in a six week time frame to coincide with Senator Steven's anticipated formal candidacy announcement. As part of this push, Gilman admitted requesting money from two of his clients, [redacted] of Yardarm Knot and [redacted] for Trident Seafoods. [6] Gilman did not recall asking anyone else to contribute to Senator Steven's re-election campaign during this time period and could not recall what other clients he may have asked to give campaign contributions in the past. He did recall previously asking the Kodiak Fisherman and Processors to participate in political fundraising.

Even though the campaign request to [redacted] came while legislation was pending that had an impact on [redacted] company, Gilman inferred that the Bill "had already taken on a life of its own" and the political contributions given by [redacted] had "nothing to do with the Bill". [redacted] requested Gilman's advice on what he could do to increase his profile and recognizability with Senator Stevens. Gilman told [redacted] one way to do this was to help raise money for Stevens' campaign.

Gilman advised he handed [redacted] and [redacted] political contribution checks to someone with Steven's campaign but couldn't remember who that person was. He said it was possible that the money [redacted] contributed might have gone to the people handling Senator Steven's leadership PAC, called "Northern Lights". Gilman was confident that the money [redacted] raised went to the Stevens for Senate campaign and [redacted] might have even brought the checks directly to the Washington D.C. "event".

Gilman understood that [redacted] is currently a paid staff member for Senator Stevens' re-election campaign and that [redacted] is currently working from [redacted] home.
Gilman has not gone to any political fundraisers held by Trevor McCabe nor has he advised any of his

[6] Brad Gilman asked [redacted] Yardarm Knot to contribute to Senator Steven's re-election campaign in November, 2006. [redacted] and 5 others contributed the maximum allowable amount to Senator Stevens and this information was forwarded by Gilman to individuals on Senator Steven's staff in December, 2006 with the request that the Senator be informed of [redacted] contributions. On January 16, 2007 – Section 122 of Public Law 109-479 (crab rationalization plan) passed which primarily benefited one company, Yardarm Knot. Brad Gilman similarly asked [redacted] /Trident Seafoods to contribute to the Senator's re-election campaign in November, 2006. [redacted] also contributed and Gilman passed this information to Senator Steven's staff in December, 2006. A New York Times newspaper article dated 08/01/07 describes a $3.5 million earmark tucked into fiscal year 2008 Transportation-HUD spending bill (S1789) on 07/12/2007. The earmark is for an airstrip on a remote Aleutian Island that would almost exclusively benefit Trident Seafoods.

lobbying/consulting clients to attend a fundraiser sponsored by McCabe.

Gilman routinely donates the maximum legally allowable amount to all three Alaska delegation campaigns.

United States Department of the Interior
Office of Inspector General

INVESTIGATIVE ACTIVITY REPORT

Case Title	Case Number
Alaska Sea Life Center	PI-OR-07-0234-I
Reporting Office	**Report Date**
Portland Resident Office	08/22/2007

Report Subject
Interview –Drue Pearce, former Senior Advisor to the Secretary of Interior for Alaska Affairs

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DETAILS

On 07/31/07 Department of Interior Office of Inspector General (DOI/OIG) Special Agent [redacted] and I met with Drue Pearce at her office located at 1101 Pennsylvania Ave, NW, Seventh Floor, Washington D.C. 20004. Pearce voluntarily provided the following information:

Pearce currently holds a Presidential Appointee position as the Federal Coordinator for Alaska Natural Gas Transportation Projects in the Office of the Federal Coordinator. She is the first individual to hold this newly created position. According to Pearce, the enabling legislation for this position was published in October, 2004 and was attached to a Department of Defense appropriation Bill (Public Law 108-324 section C). The Bill language actually came from the Senate Energy Committee. Pearce was nominated for the position and confirmed by Congress in August, 2006 and sworn in on 12/12/2006.

From 06/18/2001 until 12/2006 Pearce was the Department of Interior (DOI) Senior Advisor to the Secretary for Alaska Affairs. She worked in the immediate Office of the Secretary and functionally reported directly to the Secretary. She worked closely with DOI Chief of Staff Brian Wademan, Steve Griles, and P. Lynn Scarlett. [redacted] worked for her in administrative capacities. She also worked with Cam Toohey, the Special Assistant to the Secretary for Alaska Affairs. Toohey was permanently assigned in Anchorage, AK. It is Pearce's understanding that he resigned from DOI in January, 2006 and took a position with Shell Oil.

From 1984 until 2001 Drue Pearce was an elected Alaska State Legislator. She spent 4 years in the Alaska House of Representatives and 13 years in the Alaska State Senate. She was President of the Senate twice and when she vacated her position to take her job with DOI, Ben Stevens, Senator Ted Stevens' son, was elected to take her position. While in this position, she would see Congressman Don Young about twice a year when he scheduled formal meetings with the group of State legislators. The two Senators, Ted Stevens and then Senator Frank Murkowski would appear before the State House

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once a year for a formal speech. Access to the federal law makers was limited beyond that to occasional "courtesy calls" to their offices while in Washington D.C. Pearce did acknowledge working a little more closely with Senator Frank Murkowski during the Alaska National Wildlife Refuge (ANWR) debates because of his position with the Senate Energy Committee.

While at DOI, Pearce pulled together weekly reports on prevalent DOI Alaska issues and distributed them to the Secretary and Senior staff members. She fielded phone calls from Alaska citizens and business owners and conducted liaison work between these citizens and the various DOI Bureaus and entities.

She did have occasion to work with Paul Hoffman, then DOI Deputy Assistant Secretary on Fish and Parks. If Alaska specific issues came in to DOI in Washington D.C., DOI Secretary Chief of Staff Brian Wademan wouldn't sign off on correspondence unless the documents had been through Pearce's Office and had been "surnamed" by her office. Therefore, most of the Assistant Secretaries would come to Pearce first for advice before attempting to respond to Alaska based issues. Pearce explained that Fran Manilla, DOI Parks Director, was difficult to contact. Hoffman became the default "go to" guy for Alaska issues with the Parks. Pearce additionally consulted with [redacted], Acting Associate Solicitor for Parks, Fish, and Wildlife on Alaska Parks' problems.

Pearce also discussed Alaska issues with people in the "Congressional Hallway" at DOI. She worked with some of the DOI liaison and career staff who did work on DOI legislation and Bills. She participated in a bi-weekly teleconference on DOI Alaska issues that included people in the Congressional hallway. She would help expedite federal registrar packages if she had notice that they were coming to D.C. and she helped DOI with the research on the ANWR debate.

Occasionally Pearce did deal directly with members of the Alaska delegation, which consisted of Senator Ted Stevens, Senator Lisa Murkowski, and Congressman Don Young. Every once and a while they, or members of their staff would call Pearce seeking additional information on an Alaska based issue with DOI. The delegation also tended to "cc" Pearce on letters they wrote to the Secretary. Pearce attended all the meetings where Alaska delegation members met with the Secretary. Pearce could only recall three times in recent memory when Senator Stevens had a personal meeting with the DOI Secretary. Pearce also saw members of the delegation while attending various political events.

Pearce recalled two specific events when Senator Stevens called her directly for advice or information. One time Stevens called her to ask for clarification on an ethics issue. Stevens wanted to know how the Department of Interior defined ownership of a lease. He wasn't sure if he could privately invest in a particular arena if he was the one doing the appropriation of funds. Pearce thought this was an oil and gas venture somewhere in 2004 or 2005. Pearce didn't have any further information on the nature of the investment. She responded to this request by obtaining the appropriate definition from the Solicitor's Office. On a separate occasion, Stevens had a constituent issue and contacted Cam Toohey, who then called Pearce. Stevens had been requested by a constituent to look into a child custody issue. The U.S. Fish and Wildlife Service (USFWS) had items in their possession which were relevant to the custody dispute and Senator Stevens requested the items from USFWS through DOI. Pearce obtained the relevant items from USFWS after consulting with the DOI Solicitor's Office and released them to Senator Stevens.

Pearce had more frequent contact with some of Senator Stevens' staff members. Pearce would contact them periodically to get updates on DOI specific issues. She had occasional but not frequent contact

with [redacted] because she was on the Appropriations and Commerce Committees. She typically contacted [redacted] via e-mail since she almost never answered her phone and her voice mail was usually full. Pearce has not had any contact with [redacted] since she moved to the Commerce Committee. Pearce almost never had contact with staff member [redacted] Pearce spoke with Stevens' personal staff member [redacted] and others on his personal staff on a monthly basis.

Pearce advised that she met Trevor McCabe for the first time when she was in the Alaska State legislature and McCabe was working on Senator Steven's staff and traveling with him. Pearce knows who he is and what his background is due to the small community nature of Alaska and Alaska politics. Pearce did see McCabe briefly at one or two of the North Pacific Research Board (NPRB) meetings in Alaska when she was the designated DOI representative on the Board. Pearce denied interacting socially with McCabe.

Pearce also had some past interaction with Alaska Sea Life Center (ASLC) Executive Director Tylan Schrock. While part of the Alaska State legislature, the legislature appropriated about $17.5 million in Exxon Valdez Oil Spill (EVOS) compensation money to the ASLC. Later, while serving as the EVOS DOI Trustee, Pearce had some contact with Schrock through ASLC grants monitoring, research plans, and annual ASLC presentations before the EVOS Council. She also had some contact with Schrock through the NPRB during the brief time in 2004 and 2005 when she was the Board DOI representative. Schrock did call her occasionally when the EVOS trustee council did something he didn't like with regards to ASLC.

Pearce stated that she never had any communication regarding the Park Service properties with Trevor McCabe or Tylan Schrock during the period of time when the National Park Service (NPS) was negotiating with the Centennial Group[1] to purchase the Arcade and Old Solly's properties or later when Schrock/ASLC agreed to buy the Arcade Property. She did state that Trevor McCabe contacted Cam Toohey and asked for his help during the negotiation process but stated that no preference was given McCabe by DOI. Toohey shared with Pearce that McCabe said "the money is there, the language is there – NPS should be buying the property".

Pearce had an opportunity to view the original legislation[2] in draft form in the weeks before it was published and was alarmed that seven parcel numbers had been inserted in the language for acquisition by NPS. In communications with NPS employees Chuck Gilbert, Marcia Blaszak, [redacted] and Anne Castellina she was under the impression that NPS had already determined that they only needed to purchase three properties for the Mary Lowell Center (MLC). Pearce was aware that [redacted] had written the Bill language and she (Pearce) spoke with then Kenai Fjords National Park Superintendent Anne Castellina when Castellina brought the language to DOI. Pearce told Castellina "you can't let that get put in the law – it's awful. [redacted]

After the legislation was passed and it became clear that the NPS "wasn't falling all over itself" to buy the Arcade and Old Solly's properties, Pearce recalled receiving a phone call from Senator Steven's staff member [redacted] wanted to know why NPS wasn't purchasing the two properties.

[1] Formed 2003 by Trevor McCabe, Dale Lindsey, and [redacted]
[2] Public Law 108-447, enacted 12/08/2004 mandated NPS to purchase seven specific parcels of property (listed by tax identification numbers in the Bill) in Seward, AK for the new multi-agency facility to be called the Mary Lowell Center.

Pearce explained that the owners were asking too much money, well over appraised value and NPS didn't need to acquire that much land to build the MLC. Pearce felt that the Senator's personal staff understood the dilemma, although the Senator's Appropriations staff did not.

Pearce took issue with the NPS policy of paying above appraised value to acquire properties under $500,000 when other DOI agencies such as Bureau of Land Management and USFWS could not. She did not care for the inconsistency and complained about the policy to NPS. She also called the newly created DOI Appraisal Services Directorate and spoke with Brian Holly about the pending MLC land acquisitions and asked him to take a look at the negotiations.

Lobbyist Brad Gilman did set up a meeting between Pearce and the visiting Seward delegation of Mayor Vanta Shafer, Vice-Mayor Willard Dunham and City Manager [redacted] although she doesn't recall Gilman actually attending the meeting. The City delegation wanted to discuss the NPS stance on the Washington Street vacation language that was inserted in Section 344 of Public Law 108-447.[3] Pearce told them it was her understanding that the NPS needed to have that street vacated in order to proceed with construction plans for the MLC.

Pearce recalled being shocked a week later when Public Law 108-447 was amended[4] and the leftover NPS land acquisition monies that had been slated to go to the City of Seward were transferred to the ASLC. NPS and DOI were not given an opportunity to comment on the Bill before it was published and no one knew that it was coming. Pearce didn't remember having a conversation with any of Senator Stevens' staff members after the amended legislation passed. She said she could only speculate that it looked like "they got pissed off and tried to find another way to get someone to buy the properties."

Pearce had a conversation with NPS Regional Director Marcia Blaszak after the amended legislation passed when they agreed to stay at "arms length" and not get in the middle of this issue between the ASLC, the Senator's Office and the City of Seward. It was out of the Park Service's hands.

Pearce acknowledged feeling that Anne Castellina was entirely too close to this project and she continued working behind the scenes with Lisa Sutherland to make sure that the project remained in the forefront. Castellina continued to be an advocate pushing for the MLC project. Castellina and Sutherland were personal friends and Castellina traveled to Washington D.C. frequently. Pearce never knew why she was there or who she was representing (she was on the Seward City Council). Things would just appear in Appropriations Bills and DOI would have to ask NPS what the appropriations were for. However, Pearce couched this by saying that all the NPS Alaska Park superintendents visited Congress frequently and it was common practice in Alaska to speak with committee members directly or have them contact the Parks staff directly with funding questions.

Marcia Blaszak or Chuck Gilbert told Pearce that prior to the passing of the original legislation [redacted] told NPS staff that she had in her possession the Centennial Group's appraisals on the Arcade and Old Solly's properties and she was questioning why they were so different from the Governments' appraisals.

Pearce knew that NPS Chuck Gilbert felt a lot of pressure from the Senator's Office to comply with the

[3] The same law that mandated NPS to purchase the seven parcels of property in Seward for the MLC also required that the City of Seward vacate a portion of Washington Street for the construction of the MLC.
[4] Section 438 of Public Law 109-54 passed 07/26/2005.

legislation and he felt caught in the middle.

Pearce had no additional information and the interview was ended. A digital recording was made of the interview with the knowledge and consent of Drue Pearce and this recording will be placed into evidence.

United States Department of the Interior
Office of Inspector General

INVESTIGATIVE ACTIVITY REPORT

Case Title	Case Number
Alaska Sea Life Center	OI-OR-07-0234-I
Reporting Office	**Report Date**
Portland Resident Office	06/18/2007

Report Subject
Interview - [redacted] Treasurer Seward Association for Advancement for Marine Science

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SYNOPSIS

On 06/11/07 Seward Association for the Advancement of Marine Science (SAAMS) Treasurer [redacted] was interviewed by Investigators and gave details surrounding the relationship between SAAMS Board and the Alaska Sea Life Center (ASLC) and how the decision was made for SAAMS/ASLC to purchase the Arcade Property.

DETAILS

On 06/11/2007 at 1500 hours [redacted] and his counsel, Attorney [redacted] of the firm Birch Horton Bittner and Cherot[1] met with me and Department of Commerce Office of Inspector General (DOC/OIG) Special Agent [redacted] at [redacted] voluntarily provided the following information:

[redacted]

He has been on the SAAMS Board of Directors since approximately [redacted] and has been in the elected position as SAAMS Treasurer for [redacted] Prior to [redacted] he participated in a SAAMS Fund Raising Committee for an unspecified period of time.

In his position as SAAMS Treasurer, he advised he works with the ASLC Comptroller to make sure they are managing their money with efficacy and in a proper manner. He looks at all the ASLC

[1] I was advised by Main Justice Attorney [redacted] that [redacted] a primary partner in this law firm, is Senator Ted Steven's brother-in-law. Attorney [redacted] has advised that this firm will represent all ASLC employees and SAAMS Board Members in this investigation. [redacted] was present during my interview with ASLC Executive Director Tylan Schrock on 05/08/2007.

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financial reports including budgets and quarterly statements before they are distributed to outside sources or to other Board Members to make sure funds are being allocated appropriately. He also looks at the financial statements submitted to the audit firm KPMG for their required annual audit.[2] According to [redacted] his position differs from that of ASLC CFO [redacted] in that he is not "hands on" or a "number cruncher". He does not check the veracity of ASLC's accounting but is merely a point of contact between the ASLC Administration and the SAAMS Board on financial issues. [redacted] does not spend a lot of time on SAAMS Treasury issues in comparison with his other businesses.

[redacted] was not aware of any non-compliance issues with the audit firm KPMG since he had been the SAAMS Treasurer.

He advised that SAAMS/ASLC was evaluating their long term space needs and were currently in the 2nd or 3rd round of drafting a Master Plan for the facility. During the current draft, they had retained an outside evaluation agency using federal waterfront development funds.

When ASLC Executive Director Tylan Schrock presented the SAAMS Board with the proposal to purchase the Railroad Depot from the Chugach Native Corporation several years ago, the Board was aware that the ASLC had space needs. The Board did not seek out this property but recognized the need to expand. [redacted] opined that requests of that nature would generally originate with the ASLC Executive Director as opposed to origination with the SAAMS Board [redacted] advised that the Depot purchase was a lease with an option to buy and they did take the option but could not recall what funds were used to lease/purchase the Railroad Depot.

Regarding the Arcade property [redacted] recalled that Schrock approached the SAAMS Board on an unknown date and advised that there may be an opportunity for additional federal funding. Schrock advised that although the purchase of the Arcade property was not a requirement for the funding, SAAMS/ASLC might want to take a look at the property because it would fold into the Master Plan for the facility. "The question was how do we pay for it? Part of it was that there was this other funding and there could be a residual available for it." According to [redacted] the Board looked at this as two separate issues/decisions. The first issue was actually receiving the federal funds, the second issue was what to do with the money.

[redacted] explained that at the time that the ASLC received the leftover NPS federal land acquisition money the City of Seward "didn't have its act together and was challenged by their City Manager".

[redacted] opined that the SAAMS Board was not initially made aware that the Arcade Property was partially owned by Trevor McCabe and Dale Lindsey [redacted] indicated that he had very limited exposure to McCabe since McCabe was only on the SAAMS Board for a brief period of time. [redacted] knew Lindsey better and respected him from his years on the SAAMS Board. [redacted] was also not immediately cognizant of the connection between McCabe and Senator Ted Stevens.

According to [redacted], the Board was concerned about potential conflicts of interest and potential liabilities with regard to the purchase of the Arcade Property. Specifically, the Board didn't want any liability concerning the needed environmental remediation of the Arcade. There was also concern due

[2] OMB Circular A-133 requires grant recipients that expend $500,000 or more a year in federal funds to have an independent auditor perform an annual single audit of all their finances.

to Dale Lindsey's previous relationship with the SAAMS Board and McCabe's links to Senator Stevens. "We knew because of the players that this would be open to scrutiny." The Board consensus was that full disclosure would be important and the Board needed to create an "arms length transaction". [redacted] believed that the Board wanted to take a look at the fair market value of the property through some kind of independent assessment but recalled that this was a challenge due to the lack of comparable properties around Seward. He thought that Schrock had a 3rd party look at the comparable properties but couldn't recall who the 3rd party was.[3] He indicated that the Board did not pay for a separate appraisal of the Arcade Property. After this assessment was complete, Schrock brought some type of written assessment to the Board's Executive Committee that led the Committee to agree on an appropriate asking price [redacted] said the Board was very "circumspect" about paying a fair price and that subsequent property negotiations between Schrock and the Centennial Group[4] were "tough". The Board required that any offer for the Arcade property force the sellers to complete environmental cleanup as part of the sale.

[redacted] advised that currently there are no plans in place for building on the Arcade property because the Board doesn't want to rush the creation of the ASLC Master Plan. Although formal plans for the property haven't been introduced to the Board, an architect is in the process of creating draft proposals for the site.

When asked about Senator Steven's interest and support of the Sea Life Center [redacted] indicated that the support was material and significant. [redacted] guessed that 80% - 90% of all federal earmark money coming to the ASLC was allocated by Senator Stevens through grants and "grant-like" distributions. He stated that the vast majority of federal funding was non-discretionary in nature and was tied to specific research at the ASLC facilities. He didn't believe that Stevens or any of his staff had ever appeared before the SAAMS Board.

[redacted] was not aware of any money directed to the ASLC from the Alaska Fisheries Marketing Board (AFMB)[5] but did state that the ASLC had received funding from the North Pacific Research Board (NPRB)[6].

He opined that very little funding went toward lobbying efforts for the ASLC. He was aware of one issue several years ago that required federal lobbying efforts. ASLC had a debt issue and lobbying efforts garnered Senator Steven's help in alleviating the debt through some kind of federal appropriation. The appropriation was used to pay off the construction debt on the building the ASLC is housed in. [redacted] indicated that they did maintain a federal lobbyist to keep good communication between Senator Steven's Office and the ASLC. He could not recall who the ASLC federal lobbyist was but did list the State lobbyist as Kent Dawson.

According to [redacted] although the SAAMS Board would have made the decisions on how the

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[3] During the interview with Tylan Schrock on 05/14/2007, he advised that he had used copies of the NPS appraisal and the Centennial Group appraisal in order to determine fair market value for the Arcade property. He did not hire a 3rd party assessor.

[4] A Limited Liability Company consisting of members Trevor McCabe, Dale Lindsey, and [redacted]

[5] The Alaska Fisheries Marketing Board (AFMB) was created by Senator Stevens in 2002 through an appropriation in Public Law 108-7 to market, develop and promote Alaska seafood. Trevor McCabe and Ben Stevens (Senator Steven's son) sat on the AFMB Board of Directors for a time.

[6] The NPRB was established and funded through Appropriations by Senator Stevens in September, 2001 under section 5008 of Public Law 106-291. The Board is administered at the ASLC and Executive Director Tylan Schrock sits on the NPRB Board.

lobbyist(s) should be used and how much money should be spent on lobbying efforts, Tylan Schrock would have directed the lobbyists' efforts and would have been the point of contact for the lobbyists.

[redacted] discussed the Board's role in approving the venture between ASLC and Alaska Northern Outfitters (ANO) to provide educational boat tours from a portable dock at the Center. According to [redacted] Schrock brought the concept to the Board as part of an ongoing discussion about the ASLC waterfront and what could be done with a dock. [redacted] believed that ASLC only provided a limited amount of funding for the project, estimated between $15,000 - $30,000, to be used to develop education programs specific to a boat. [redacted] expressed the view that ASLC had very little exposure or liability on this venture. Schrock explained to the Board that ANO had approached him with the proposal that they would buy and operate a boat and build the temporary dock at the ASLC if the Sea Life Center would provide scientific staff on the vessel to teach the passengers during the tour. [redacted] believed that the revenues from this project would be divided through some kind of revenue share. He was not aware that McCabe owned part of ANO until "later" and it was a concern for the Board.

Cook Inlet Region, Inc. complained that the agreement between ASLC and ANO had been reached without any kind of competitive bidding process.

[redacted] indicated that the contract between ANO and ASLC was cancelled earlier this year because ANO had asked ASLC to absorb more of the overhead costs surrounding the operation and the Board was not prepared to do this.

[redacted] demurred that ASLC had signed the new Tidelands lease agreement with the City of Seward and that permitted ANO to install the portable dock at the Center. He believed that the agreement was in place primarily to keep up the relationship between the City of Seward and the ASLC and the lease agreement was minimal, perhaps $1 per year.

PERSONAL HISTORY DATA

[redacted]

(W [redacted]
(Cell [redacted]

[redacted]

DOB [redacted]
SSN [redacted]

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States Department of the Interior
Office of Inspector General

INVESTIGATIVE ACTIVITY REPORT

Case Title	Case Number
Alaska Sea Life Center	OI-OR-07-0234-I
Reporting Office	**Report Date**
Portland Resident Office	06/21/2007

Report Subject
Interview – Dale Lindsey – Centennial Group LLC Partner

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SYNOPSIS

On 06/12/07 federal Investigators interviewed Centennial Group LLC partner Dale Lindsey and he provided information concerning his relationship(s) with Trevor McCab[redacted] Tylan Schrock[redacted] and Senator Ted Stevens. He also provided background on his association with the Alaska Sea Life Center (ASLC), the Northrim Bank and his role in the Centennial Group. He further provided background on the formation, purpose, and dynamics of the Group and their dealings with the National Park Service (NPS).

DETAILS

On 06/12/2007 at 1030 hours Department of Commerce Office of Inspector General (DOC/OIG) Special Agent[redacted] and I met with Centennial Group partner Dale Lindsey at his residence located a[redacted] Lindsey voluntarily provided the following information:

Lindsey is the Chairman of Harbor Enterprises Inc., a petroleum marketing and distribution company that he and his wif[redacted] own. The company has affiliate companies including Petro Marine Services and they own 11 fuel bulk plants in Alaska and Canada.

Lindsey was a founding member of Northrim Bank and sat on their Board of Directors for 13 years. Lindsey acknowledged close ties to the Bank and even admitted to an economic venture[redacted] of the current Northrim Bank Board President. Lindsey created Eagle Enterprises Inc. to "hel[redacted] get his feet on the ground".[1]

Lindsey indicated that even though he was the one with the strong relationship to the Bank, it was [redacted] that hired Northrim Bank to conduct an appraisal of the Old Solly's and Arcade Properties through the Centennial Group.[2] According to Lindsey, McCabe was aware of his

[1] According to the State of Alaska Department of Commerce websit[redacted]s listed as the [redacted] and Dale Lindsey is listed as the Secretary, Treasurer, and Director of Eagle Enterprises, Inc.
[2] NPS records indicate that the Centennial Group hired Northrim Bank to conduct appraisals on the Arcade and Old Solly's

Reporting Official/Title	Signature
SA[redacted]	

Authentication Number: 00000000000000000000000000000000

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connection to the Bank. *Agents note – It is unclear why the Centennial Group chose to go through any bank for this appraisal since no financing was needed or used to obtain the properties.*

DAL CAR LLC is the personal investment arm of Lindsey's companies utilized for his and his wife's personal financial investments. They set it up as a Limited Liability Company and a Revocable Trust in order to maximize profit while adhering to federal estate tax laws.

Lindsey acknowledged partnership in an additional Limited Liability Company entitled Resurrection Bodyworks, LLC.[3] He stated that this was a healthclub and although he owned the building he was never part of the day to day operations of the facility. He sold the building to [redacted] at a $30,000.00 loss around 12/31/2006. He reasoned that it was worth it to take the loss in order to help his good friends attempt to "make a go of it". The [redacted] do some of his yardwork and janitorial services for some of his other businesses.[4]

Lindsey described his relationship with Trevor McCabe. He knew [redacted] Trevor's parents, reasonably well and socialized with them in Seward years ago. He never thought about Trevor until after he became a part of Senator Steven's staff and went through Georgetown Law School. After McCabe returned to Alaska Lindsey started to bump into him more often on fisheries related issues. Lindsey owned several crab boats in the Bering Sea for a time and McCabe was heavily involved in fisheries regulation and lobbying. According to Lindsey, people "knew McCabe had influence".

Lindsey's fishing vessels were independent but did sell to larger processing plants including Trident and Icicle.[5] Lindsey indicated that he would run into McCabe and Brad Gilman[6], childhood friends, on issues such as fish quotas and problems with the North Pacific Fisheries Council. He advised that he never got heavily involved with fishing because his core business was petroleum and the two did not necessarily mix well. Lindsey sold his boats and left the fishing industry around 5 years ago. He sold his last boat to the boat's skipper, [redacted] Lindsey never had any dealings with the Alaska Fisheries Marketing Board (AFMB).[7]

Lindsey also described his relationship with Senator Ted Stevens. He recalled knowing Stevens from the time before he became a Senator when he was a state Prosecutor. Lindsey's relationship with Stevens was such that he could pick up the phone and the Senator would return his call. That being said, Lindsey expressed the opinion that he had never attempted to exercise any undue influence on the Senator.

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properties. On 03/17/2004 Northrim Bank contracted with [redacted] of the Howard and Wing Appraisal Firm to complete the appraisals.

[3] The Alaska Department of Commerce website lists Lindsey as a 20% partner of Resurrection Bodyworks, LLC along with fellow members [redacted] (51%), TMT Corporation (20% - also own Kenai Fjords Tours, LTd.) [redacted] (6%), and [redacted] (3%).

[4] Personal observations show that the Resurrection Bodyworks healthclub is less than a block up the street from the buildings the NPS purchased to build the Mary Lowell Center.

[5] Icicle Seafoods is a Partner Company in the Bristol Bay Economic Development Corporation, for which Trevor McCabe is the registered lobbyist. Trident Seafoods is a member of the At-Sea Processors Association, which Trevor McCabe directed.

[6] Brad Gilman is a lobbyist specializing in fisheries issues and is the lobbyist of record for both the City of Seward and the Alaska Sea Life Center.

[7] The Alaska Fisheries Marketing Board was created by Senator Stevens under Public Law 108-7 and Trevor McCabe is a former member of the Board of Directors.

Lindsey did not recall any time when he would have made a personal request of Stevens to influence Congress on an issue that would have affected him financially. Lindsey made three trips to Washington D.C. to lobby against the BP acquisition of Arco Oil seven or eight years ago because he thought the deal would be bad for Alaska. During that trip, he testified before the Senate Energy Committee that Alaska Senator Frank Murkowski chaired and met with "key players" including John Katz, Alaska Director of State and Federal Relations and Special Counsel to the Governor in WDC. Although he met with Senator Stevens twice during these trips, he didn't believe that the Senator ever took a stand on the issue.

Lindsey did accompany McCabe once when McCabe met with Senator Stevens in Steven's Anchorage Office. The conversation lasted about 15 minutes and Lindsey couldn't recall if Centennial Group issues were discussed. He did indicate that it seemed very natural for McCabe to ask the Senator for favors.

Lindsey didn't know but didn't believe that Senator Stevens would have transferred federal money purely to benefit McCabe. His understanding was that someone had angered Sutherland and she was the one who had the leftover NPS land acquisition money moved through amended legislation from the City of Seward to the ASLC.

Lindsey admitted he and [redacted] have supported Stevens financially for as long as he has been in office by making the maximum allowable annual political contributions to Steven's campaign.

Lindsey named Mark Hickey as his Alaska/Juneau based lobbyist on oil and gas issues. He tried to hire Brad Gilman's firm to represent his lobbying interests on Capital Hill but Gilman declared some sort of conflict and referred him to another firm.

Lindsey acknowledged sitting on the SAAMS Board at the Sea Life Center for a time right after the facility opened. He described the facilities'prospects as "bleak" during this time due to lack of revenue sources and even donated $450,000 of his personal money to the ASLC around seven or eight years ago. He indicated that current ASLC Executive Director Tylan Schrock was aware of this donation.

Lindsey described his relationship with Schrock as "good" although they don't see much of each other. Lindsey expressed pride in Schrock and stated that the ASLC was fortunate to have him. Lindsey further described Schrock as a sharp and ethical person. Lindsey was on the Executive Search Committee at the ASLC during the time when Schrock was hired to fill the vacant position as Executive Director but stated that he was not instrumental in selecting Schrock for the job.

Lindsey surmised that it would have made sense for the Centennial Group to approach Schrock with the idea of purchasing the Arcade property for the ASLC prior to the transfer of federal funds to the ASLC but Lindsey could not confirm that this actually happened.

Lindsey described McCabe's relationship with Schrock as "cordial" and stated that they sat on the ASLC/SAAMS Board together.

A couple of years before the Centennial Group purchased Old Solly's and the Arcade, Lindsey made an offer to purchase Old Solly's from Blazy Construction Company because he had previously leased office space in that building and wanted to update the building himself and lease office space to others. This original offer was rejected by [redacted] and Lindsey didn't pursue it further. Lindsey believed that

[redacted] told McCabe about his former interest in the building and that is why McCabe sought him out to form the Centennial Group.

When McCabe approached Lindsey with the idea of creating the Centennial Group, McCabe had already placed options to purchase on both the Old Solly's and Arcade buildings and hired an architect to create plans for a multi-agency facility on the site. McCabe's plan was to purchase the buildings, tear down the current structures, build the new facility, and lease it back to NPS. Lindsey showed me the architectural drawings commissioned by McCabe. The drawing was signed "Thor Erickson – 03" and Lindsey believed that the architectural firm hired by McCabe was Livingston Sloan.

Lindsey described former NPS Kenai Fjords National Park Superintendent Anne Castellina as a personal friend of his and indicated that she was not fond of the idea of a lease-back situation.

Lindsey believed that each member of the Centennial Group put $50,000 front money into the venture when the LLC was created. He did believe, however, that McCabe could have completed the property purchases without his financial assistance.

Lindsey advised that McCabe was the person that opened the checking account for the Centennial Group and was the only person with access to the account.

Lindsey purchased both the Old Solly's and Arcade Buildings using cash from his DAL CAR LLC account and nothing was financed. Lindsey believed they purchased the Arcade Building for $220,000. No appraisals were done on the properties prior to purchase. When the Arcade was purchased, the building was run down and largely vacant of tenants except for a pawn shop. Lindsey described his interest in the venture as a desire to clean up downtown Seward. He characterized the Centennial Group formation as one of the worst business deals he ever got involved in. He was unaccustomed to dealing with the Federal Government over real property sales and expressed frustration with the slowness of the process. He did not anticipate having his money tied up in this venture for years and blamed NPS for not coming to terms in the negotiation process with the Centennial Group. However, Lindsey described his role in the negotiation process as minimal. According to Lindsey, he fronted the money while [redacted] and Trevor McCabe took more active roles in the land negotiations.

Lindsey confirmed that during the negotiation process with NPS the Centennial Group did place an option on the Legends Property in order to provide more leverage in dealing with NPS. The option was for right of refusal and when it was clear that the "package offer" to sell all three properties to NPS was not received well Lindsey advised the Group to rescind their offer on Legends.[8]

According to Lindsey, Senator Steven' [redacted] visited Seward several times during the development of the Mary Lowell Center concept and seemed very interested in doing something with the waterfront area. [redacted] even had sketches of [redacted] own showing [redacted] vision for Seward waterfront development.

[8] Legends was one of the seven property parcels that NPS was required to purchase under Public Law 108-447. According to Title Company documents, The Centennial Group purchased an option on the Legends Property on 02/10/04 for an option period of 02/10/04 – 04/30/04. It appears that they cancelled the option on this property around 02/18/04. However, in a letter to NPS [redacted] on 03/19/04, the Group offered all three properties to NPS at the package price of $2,050,000.

At one point in the process [redacted] joined representatives from the City of Seward, NPS, the U.S. Forest Service and the University of Alaska on a waterfront cruise aboard Lindsey's yacht.[9] After the boating excursion, part of the group, to include [redacted] and Trevor McCabe, met in Lindsey's conference room to discuss waterfront development as a whole. Lindsey did not recall discussing the Centennial Group properties during this meeting but was not with [redacted] and Trevor McCabe for the entire meeting.

Each time [redacted] visited Seward Lindsey met with [redacted] Topics of conversation included a dock concept presented by [redacted] on the Seward waterfront beside the Sea Life Center where a new NOAA research vessel could dock. The research vessel would replace the boat the University of Alaska was currently using for research. He advised that they might have discussed the Centennial Group properties during these visits but he couldn't recall the precise nature of the conversations.

Lindsey described [redacted] relationship with McCabe as "pretty close" but didn't elaborate further other than to say that they had worked closely together in Steven's Office.

Lindsey conceded that McCabe told him he had discussed the Arcade property deal with [redacted] on multiple occasions and Lindsey knew that McCabe traveled to Washington D.C. several times during the course of the property negotiations with NPS. Lindsey did not accompany McCabe on these trips and didn't know how often Centennial Group issues were on his agenda.

Lindsey was not entirely trusting of his partners in the Centennial Group and expressed concerns that McCabe and [redacted] "talked in circles" with him. He advised that McCabe "walked the line" and "pushed the envelope" ethically and stated he would not conduct business with him again.

During one meeting, Lindsey described a heated exchange between the Centennial Group members. McCabe wanted to add some additional environmental costs to the contract between the Centennial Group and the ASLC for the Arcade property. Lindsey told him "no – we took on this responsibility and you will honor whatever we originally agreed to – there will be no splitting of hairs." He further told his partners that chances were good that anything they did would eventually be audited by the Government and they better make sure everything on this transaction was "above board" and "kosher". He made it clear that he didn't want anything done that would embarrass him, the Senator, or the Sea Life Center.

Lindsey briefly discussed the demolition of the Arcade building. He felt comfortable hiring [redacted] [redacted][10] as the foreman for the demolition to represent the Centennial Group on a daily basis at the site.

PERSONAL HISTORY DATA

Dale Lindsey
CEO/owner Harbor Enterprises Inc. and Petro Marine

[9] This boat trip was previously reported in the Peter Armato interview IAR report dated 05/03/07. According to Armato, this trip took place on 08/05/04, during which Trevor McCabe and [redacted] drafted a version of Public Law 108-447.

[10] [redacted] is a business partner/co-owner of Alaska Northern Outfitters (ANO) with Trevor McCabe. ANO received a sole source contract with ASLC in 2005 to conduct educational boat tours from the Sea Life Center.

[redacted]

(H) [redacted]

DOB [redacted]
SSN

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United States Department of the Interior
Office of Inspector General

INVESTIGATIVE ACTIVITY REPORT

Case Title	Case Number
Alaska Sea Life Center	OI-OR-07-0234-I
Reporting Office	**Report Date**
Portland Resident Office	09/25/2007
Report Subject	
Document Review – Zantaz files	

SYNOPSIS

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Between 05/23/2007 and 05/29/2007 Department of Interior Office of Inspector General (DOI/OIG) Special Agent [redacted] reviewed the emails of Drue Pearce, former DOI Office of the Secretary Senior Advisor to the Secretary for Alaska Affairs. [redacted] Criminal Research Analyst, Program Integrity Division, DOI/OIG, Washington, D.C. obtained the e-mails through Zantaz, Inc. Information Retention & Discovery Management Solutions, a government contractor dealing in e-mail archiving. The emails included all email received or sent by Pearce between the dates of April 1, 2003 and December 30, 2005 from her government email account.

DETAILS

A search of the email was conducted using the following key words:

[redacted]
Trevor McCabe
Senator Stevens
Stevens
Seward
Kenai Fjords National Park
[redacted]
Anne Castellina
ASLC
Alaska Sea Life Center
SAAMS
Seward Association for the Advancement of Marine Science
Arcade
Centennial Group
Dale Lindsey

Reporting Official/Title	Signature
SA [redacted]	

Authentication Number: 8E92C975FA37C2FCD3128CC636175387

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Tylan Schrock
Vanta Shafer
Brad Gilman

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The following documents were found with potential relevance to this investigation:

1. An e-mail dated 05/28/2003 from Drue Pearce t[redacted] with carbon copies to various individuals including Trevor McCabe regarding the North Pacific Research Board (NPRB) Investment Policy. Pearce admonished [redacted] for prematurely approaching Senator Stevens for a "legislative fix" concerning the way MMS was investing/managing NPRB funds in the "EIRF" fund.
2. An e-mail dated 03/03/2004 from Drue Pearce t[redacted] regarding the upcoming ACIA (Arctic Climate Impact Assessment) workshop slated for 03/08/2004 at the Alaska Sea Life Center (ASLC) in Seward, AK. Attached to the e-mail was a draft invitation list. Some of the "invitees" included Drue Pearce, Tylan Schrock, and Trevor McCabe.
3. An e-mail dated 04/08/2004 from the Resource Development Council to Drue Pearce, subject "RDC Event and Issue Update". Listed among three upcoming RDC events was a 04/15/2004 meeting at the Petroleum Club in Anchorage, AK during which Trevor McCabe, Project Coordinator, was supposed to speak on the topic, "Renewing Alaska's Economy: A New Forest Products Venture for the Railbelt."
4. An e-mail dated 04/08/2004 from USGS [redacted] to Drue Pearce listing the 61 projects funded by the North Pacific Research Board (NPRB) through the Environmental Improvement and Restoration Fund (EIRF) between 2002 and 2004. One of the recipients for funding was the Alaska Sea Life Center. The funding list was sent to multiple people including Tylan Schrock, Trevor McCabe, and Senator Steven's staff members [redacted] and [redacted]
5. E-mail communications dated 07/21/2004 between Drue Pearce, her assistan[redacted] and DOI Employee [redacted] regarding ethics reporting requirements surrounding Pearce's participation in Senator Steven's fishing tournament in Alaska on July 4.
6. An e-mail dated 08/19/2004 from [redacted] to [redacted] confirming her intent to attend the September 29 – 30 NPRB Board Meeting in Anchorage on behalf of DOI.
7. E-mail correspondence dated 09/08/2004 and 09/09/2004 between various DOI employees including Drue Pearce about the DOI seat on the NPRB. They discuss Senator Steven's role in the creation and the funding of the NPRB and who should take Pearce's place as the DOI representative on the Board.
8. E-mail correspondence dated 09/23/2004 between Drue Pearce, and NPS employees Anne Castellina and Chuck Gilbert regarding NPS authority to pay in excess of appraised value on land acquisitions. Gilbert advised that Congress reprogrammed the guidelines regarding over-appraisal acquisitions in 2001 in House Conference Report 107-234 and Revised Section 301(3) of Public Law 91-646. This change allowed NPS to acquire properties appraised at less than $500,000 for more than appraised value without submitting a prior request for approval to the Congressional Appropriations Committees. According to Gilbert, NPS policy requires that any over-appraisal recommendations be submitted to the WASO Land Resources Division Chief for approval. Pearce responded that "it doesn't matter if Congress says okay if you cannot get it out of this building." Pearce referred Castellina and Gilbert to Brian Holly to

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review the appraisals. She warned Castellina, "We are better off to stay away from Seward – let the Forest Service deal with the purchase and keep DOI out of it. I don't think you'll get a purchase much above appraisal through at this point."

9. An e-mail dated 11/18/2004 from NPS Marcia Blaszak to Drue Pearce and [redacted] cc: Anne Castellina, Subject: Fw: [redacted] version of KEFJ language. Attached was a draft version of future Section 344 of Public Law 108-447, written b[redacted] Senate Appropriations Committee Staff. This version states that NPS "should buy as many of the seven parcels of real property in Seward, AK identified by tax identification numbers.....that are required for the Mary Lowell Center (MLC), provided the owners of such parcels are willing sellers." [redacted] indicated that she preferred this version to the version that [redacted] Senator Steven's personal staff, wrote. Attached was previous correspondence from [redacted] to [redacted] and Anne Castellina asking Castellina and [redacted] to get together and make any necessary changes to the Bill draft language.
10. An e-mail response to item #9 dated 11/19/2004 from Drue Pearce to Marcia Blaszak, CC: Anne Castellina. Pearce states, "I just want to make sure we get those tax ID numbers out of there – you don't want or need to buy all that property. Anne, will you please double check with [redacted] today and make sure the language conforms?"
11. A string of e-mail correspondence dated 01/21/2005 through 01/24/2005 between Drue Pearce, DOI employee [redacted] and NPS employees [redacted] Jeff Mow, and Vic Knox. Attached was an MLC Briefing/Project status statement written by Jeff Mow, dated 01/20/2005. Under the Current Status section of the briefing statement, it said that due to the provision in the Interior and Relates Agencies Appropriations Act of 2005, the NPS is now required to utilize combined funds to purchase the seven parcels within 60 days. Pearce sent an e-mail to various NPS employees seeking clarification on the briefing statement. She expressed her understanding that NPS wasn't going to buy land it didn't need. Vic Knox responded that "We're proceeding with the direction Congress gave us, which is to buy all seven parcels within 60 days." **Pearce replies, "I thought there was a verbal understanding with the Senator's office that we weren't going to purchase all seven..."**
12. A forwarded e-mail dated 02/25/2005 from DOI [redacted] to Drue Pearce, subject: Some thoughts on Seward Multi-Agency Facility (from Trevor McCabe). The original e-mail was sent from Trevor McCabe to NPS Chuck Gilbert and DOI employee Cam Toohey. McCabe presented an argument to DOI/NPS for why his Centennial Group properties were key to the MLC project and the requested price was appropriate. He stated, "You have a great plan for the NPS, visitors, and for Seward. It just seems like it's time to get it done."
13. An e-mail dated 03/01/2005 from Drue Pearce to Marcia Blaszak and Vic Knox with CC's to Cam Toohey and Brian Holly, subject: Seward land Purchase for Mary Lowell Center. Pearce cautioned Blaszak and Knox to fully brief DOI/MAI Chief Appraiser Brian Holly on the Seward land purchases as soon as possible. She again expressed concern that NPS would be forced to purchase land they didn't need for the MLC. She advised that one of the land owners had been in contact with DOI Cam Toohey and expressed displeasure with the NPS offering price for his property even though the offer was above appraised value. **She stated that "I do not intend for the decisions regarding these sales to be made at a political level and I do not want the Park Service or the Secretary to be embarrassed."**
14. An e-mail dated 03/18/2005 from Drue Pearce to DOI Office of Solicitor [redacted] subject: RE: Centennial Group proposals and letters to committees. [redacted] forwarded a draft letter(s) addressed to the Chairmen of the Senate Subcommittee on Interior and Related Agencies, the Committee on Appropriations, and the House Subcommittee on Interior and Related Agencies and requested comments. The drafts indicated that NPS had multiple concerns surrounding the

MLC land acquisition negotiations between NPS and the Centennial Group, one of those concerns being the inflated asking price(s) by the Group. The letter also indicated that NPS had already acquired enough property without the Arcade and Old Sollys parcels to proceed with MLC construction and design. Pearce replied that [redacted] should stress the percent above appraised value being asked by the Centennial Group and the fact that NPS had already acquired sufficient property for the project.

15. On 04/01/2005 Pearce sent a follow-up e-mail to [redacted] to inquire if the Committee letters referenced in Item 14 went out.
16. E-mail correspondence dated 04/11/2005 from [redacted] to Drue Pearce shows that Pearce received and declined an invitation to attend a reception to welcome [redacted] into [redacted] new position on the Commerce Committee.
17. E-mail correspondence dated 05/02/2005 from Drue Pearce to [redacted] and [redacted] Subject: Trip to Juneau. Pearce referenced a recent telephone conversation with [redacted] Alaska Senate President about her potential testimony before a State Joint Committee hearing.
18. An e-mail dated 05/09/2005 from DOI Cam Toohey to [redacted] cc: Drue Pearce requesting an update on the status of the NPS Seward letter to Congress.
19. On 05/10/2005 Pearce sent an e-mail to Senator Stevens staffer [redacted] in response to [redacted] inquiry on the status of the purchase of the remaining property for the MLC. [redacted] expressed the importance of getting this done in order to obtain construction funds for the project. Pearce was not aware of the status but said she would inquire.
20. An e-mail dated 05/10/2005 from [redacted] to Drue Pearce. Pearce was attempting to make an ethics determination on whether she could attend a luncheon on 05/18/05 benefiting the NPS Morris Thompson Cultural and Visitors Center. The event was hosted by Senator Ted Stevens, Senator Lisa Murkowski, Congressman Don Young, and Alaska Governor Frank Murkowski and the invitation was extended by BP.
21. An e-mail dated 06/03/2005 from Paul Hoffman to Drue Pearce, subject: Re: Seward Land Deal. Pearce and Hoffman discussed the final editing efforts by [redacted] on the Seward Congressional Committee letters. Pearce asked Hoffman if NPS should go back and make one final offer to the Centennial Group. Hoffman voiced [redacted] uncertainty about whether the transfer of surplus funds to the City of Seward was contingent upon the City vacating Washington Street.
22. E-mail correspondence dated 07/12/2005 and 07/13/2005 between City of Seward lobbyist Brad Gilman, [redacted] and Drue Pearce regarding the upcoming Washington D.C. visit by Seward Mayor Vanta Shafer. The attached schedule showed that Shafer was slated to meet with Senator Stevens at 2 pm on 07/20/2005. Gilman scheduled time for Shafer to meet with Pearce (in lieu of Anne Castellina who recently retired) to discuss the status of the proposed NPS facility in Seward. Gilman indicated hearing rumors that Pearce and DOI Cam Toohey were "very unhappy with the lobbying efforts of one of the owner groups on Capital Hill." Pearce responded that she didn't have a problem with "Dale and Trevor, the two she knew – trying to get the best deal possible for their property." She did comment that she felt they speculated a bit further than was wise when they purchased the properties. She expressed frustration with the inconsistency between DOI agencies on their ability or inability to make above appraisal offers on properties. Pearce also made the claim that **"We also were unhappy with legislation that tried to force DOI to buy all seven properties when we only needed three. It appeared that the Park Service had perhaps actually supported that language."**
23. E-mail correspondence dated 06/17/2005 from Chuck Gilbert to Drue Pearce and others regarding the 06/08/2005 final offer to the Centennial Group. Gilbert referenced a telephone call he received from Centennial Group member [redacted] that day indicating that the

Group would deal with their properties separately, keeping the Arcade and possibly selling Old Solly's to NPS. [redacted] submitted a counter-offer on Old Solly's of $495,000.

24. E-mail correspondence dated 06/28/2005 from Marcia Blaszak to Chuck Gilbert, CC: Drue Pearce and others, subject: Re: Old Solly's offer. Gilbert advised [redacted] on behalf of the Centennial Group, agreed to sell the Old Sollys property for $455,000. Blaszak offered to help edit/update the still pending letter to the Congressional Appropriations Committees to reflect this deal.

25. An e-mail dated 07/20/2005 from Drue Pearce to Marcia Blaszak, subject: Seward. Pearce described a recent meeting she had with Seward Mayor Vanta Shafer, the City Manager and an ASLC Board Member in the absence of their lobbyist, Brad Gilman [redacted] Shafer gave Pearce the impression that they would ask Senator Stevens to repeal the Bill language requiring the City of Seward to vacate Washington Street. Pearce told Shafer that under current law, the remaining land acquisition funds could not be transferred to the City until the street was vacated. Pearce advised Shafer that the letter from DOI to the Congressional Appropriations Committees regarding the status of the NPS Seward land acquisitions was still at DOI and hadn't gone to the Committees yet.

26. An e-mail dated 07/22/2005 from Marcia Blaszak to Senator Stevens' Appropriations Committee staffer [redacted] with cc's to Pearce, Hoffman [redacted] and others, subject: Seward Property update. Blaszak attached a copy of the draft letter she anticipated would be sent out next week by DOI to Chairman Burns advising him of the status of the NPS efforts to purchase MLC properties in compliance with Public Law 108-477. Blaszak also attached for reference a worksheet showing property valuations, owner's asking price, and offer amounts made by NPS on all potential MLC properties.

27. An e-mail dated 07/25/2005 from Marcia Blaszak in which she recounts separate conversations she had with Ted Stevens' staffers [redacted] and [redacted] advised Blaszak "they" had a meeting scheduled with Senator Stevens to go over the information she (Blaszak) provided them regarding the Seward land purchases. [redacted] sked Blaszak if NPS had acquired adequate land for the MLC project and indicated an awareness of the need to change the Bill language to remove the Washington Street vacation language. [redacted] turned down Blaszak's offer to assist in correcting the Bill language.

28. An e-mail dated 07/27/2005 from Drue Pearce to [redacted] subject: Re: McCain, et al. [redacted] in the NPS Congressional Office was trying to line up a trip to Kenai Fjords on August 17 for an unidentified group of individuals. [redacted] replied, "I hear Trevor McCabe is taking them fishing."

29. E-mail correspondence dated 07/28/2005 and 07/29/2005 between Drue Pearce, Chuck Gilbert, [redacted] and Senator Stevens' staffer [redacted] Schrooten and Gilbert were trying to determine Senator Stevens' final position on the Arcade Property before presenting the MLC preferred concept design alternatives in a public forum on 08/10/05. [redacted] confirmed they could move forward but wanted to discuss the related new language in the Interior Appropriations Bill with Pearce.

30. E-mail correspondence dated 07/29/05 between [redacted] and Pearce and forwarded to Gilbert and Knox, subject: proposed language with an attachment titled: 7-26-05 interior amendment nps.doc. [redacted] **states that the Interior Bill "merely modifies existing law to say that NPS does not have to purchase all of the properties listed in the FYO5 Omnibus and allows the remaining funds to go to the Sealife Center for their projects related to waterfront development."** Pearce responded, "the City is expecting the excess funds – that was the deal all along. Why the change to the SeaLife Center? I don't want in the middle but this will make some folks really angry, I think. City still wants to complete the rest of the redevelopment plan

– which includes a library, etc." Pearce then forwards the message to Gilbert and Knox with the comment, **"Expect some fireworks. I don't think the City knows about this. Maybe SeaLife Center is going to buy Old Solly's – now that would be a sweetheart deal of ever there was one!"**

31. An e-mail dated 10/28/2005 from NPS Jeff Mow to Drue Pearce advising her of a lengthy conversation he had with ADN Investigative Reporter Tom Kizzia regarding MLC.

United States Department of the Interior
Office of Inspector General

INVESTIGATIVE ACTIVITY REPORT

Case Title	Case Number
Alaska Sea Life Center	OI-OR-07-0234-I
Reporting Office	**Report Date**
Portland Resident Office	10/02/2007

Report Subject
Document Review – Paul Hoffman Zantaz files

b6 Per Interior
b7C

SYNOPSIS

Between 05/23/2007 and 05/29/2007 Department of Interior Office of Inspector General (DOI/OIG) Special Agent [redacted] reviewed the emails of Paul Hoffman, then National Park Service (NPS) Deputy Assistant Secretary for Fish and Wildlife and Parks. [redacted] Criminal Research Analyst, Program Integrity Division, DOI/OIG, Washington, D.C. obtained the e-mails through Zantaz, Inc. Information Retention & Discovery Management Solutions, a government contractor dealing in e-mail archiving. The emails included all email received or sent by Hoffman between the dates of April 1, 2003 and December 30, 2005 from his government email account.

DETAILS

A search of the email was conducted using the following key words:

[redacted]
Trevor McCabe
Senator Stevens
Stevens
Seward
Kenai Fiords National Park
[redacted]
Anne Castellina
ASLC
Alaska Sea Life Center
SAAMS
Seward Association for the Advancement of Marine Science
Arcade
Centennial Group
Dale Lindsey

Reporting Official/Title	Signature
SA [redacted]	

Authentication Number: 81594D3E7DF60EC419C967AA8CEA6DFB

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Tylan Schrock
Vanta Shafer
Brad Gilman

b6 Per Interior
b7C

The following documents were found with potential relevance to this investigation:

1. An e-mail dated 06/03/2005 from Paul Hoffman to NPS employee Marcia Blaszak, subject: Re: Seward Properties. Hoffman attached a draft letter addressed to the Senate Chairman of the Subcommittee on Interior and Related Agencies and the Committee on Appropriations concerning the NPS Mary Lowell Center (MLC) land acquisition status. Hoffman incorporated technical changes provided by NPS employees Chuck Gilbert and [redacted] and inserted some of his own language in the closing paragraphs. Among the additions included the sentences, "Until such time as we can negotiate purchases at prices that are much closer to fair market value as determined by an appraisal prepared in accordance with UASFLA, we feel strongly that the NPS should not purchase the Arcade and Old Solly parcels. However, any of the remaining funds appropriated for this project could be transferred to the City of Seward for its use as provided by law."
2. An e-mail dated 06/28/2005 from Paul Hoffman to Drue Pearce, subject: Re: Old Solly's offer. Hoffman advised Pearce he would be out of town the 6th through the 16th of the month and was leaving any additional updates or follow-up on the draft Congressional letter[1] to Marcia Blaszak and Drue Pearce.

[1] See item 1.

United States Department of the Interior
Office of Inspector General

INVESTIGATIVE ACTIVITY REPORT

Case Title	Case Number
Alaska Sea Life Center	OI-OR-07-0234-I
Reporting Office	**Report Date**
Portland Resident Office	10/05/2007

Report Subject
Document Review – NPS Anne Castellina files and notebooks

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SYNOPSIS

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During a telephonic interview with retired Kenai Fjords National Park Superintendent Anne Castellina on 05/16/2007 she revealed the existence of personal notebooks and journals she left at the Park when she transferred to Washington D.C.

On 09/17/2007 current Kenai Fjords National Park Superintendent Jeff Mow contacted me and advised he had located a binder of Anne Castellina's titled "Seward Waterfront Committee and Multi-Agency Visitor Center Project". He offered to forward the original binder to me after making copies for himself.

On 09/25/2007 the binder arrived at the Department of Interior Office of Inspector General (DOI/OIG) Portland Resident Office via Fed Ex tracking number 8613 6663 4695.

DETAILS

The binder was a three ring binder with the following tabbed sections: Membership, Meetings, Portico, Maps, In Water Projects, VC Sites, University, Resolutions, NPS Stuff, Seward Exercise, Funding, Compliance, Acquisition, and Public Comment. In addition, there were various papers and free floating business cards contained in the front and back binder folders. The contents of the binder were examined and the following documents were found with potential relevance to this investigation:

1. An e-mail dated 09/02/2003 from NPS landscape architect and Multi-Agency facility project manager [redacted] to Anne Castellina filed under the "Meetings" tab. [redacted] advised he had not returned a phone message he received the previous week from Centennial Group member Dale Lindsey. [redacted] inquired if Castellina had spoken with Lindsey in the interim.
2. Handwritten notes written on two 6" by 9" torn pieces of steno book paper with a date of 05/30/2003 and filed under the "Meetings" tab. One of the notations states "Approach triangle

Reporting Official/Title	Signature
S. [redacted]	

Authentication Number: C9D6D09ED2501119B1FB7E81AC1CCC31

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castel.log

OI-003 (04/07)

(1)

owners re: passing property through to us for what they paid go with Mayor and Chuck. Will need appraisals before we can get an option to buy. Can get agreement to have them sell at appraised value though."[1] A third page of notes appears to contain meeting minutes from a 05/20/2003 teleconference with "Ted and staff [redacted][2] The notes continue, "Not all in one year – over 3 years – [redacted] pushed for $12M - $4M - $4M - $4M Didn't get too specific w/what would be bought other than mentioning conference center and multi-agency center. Was deliberately vague. Jim W. Morhard is new Chief of Staff for App. Committee. Will be visiting Seward in 1-2 weeks."

3. A document entitled "Seward Waterfront Committee Organizational Meeting, Thursday February 20, 2003, City Council Chambers" located under the "Meetings" tab. The Committee was officially organized on this date and tasked by Seward Mayor Stu Clark with finding a site for the multi-agency facility. Malcolm Brown, City Planner, was charged with arranging for all committee meetings to be tape recorded. The boundaries of the site selection study were also determined.
4. A document entitled "Seward Waterfront Study, A National Park Service Planning Strategy" filed under the "Meetings" tab. Under the paragraph titled "A New Direction", the document expounds on the existence of a proposed commercial dock as part of the downtown Seward waterfront redevelopment plan. Further in the paper under the heading "Tentative Schedule" the firm Peratovich, Nottingham and Drage, Inc. is identified as the company the City of Seward has contracted with to build this commercial dock.
5. A document titled "Seward Waterfront Study, Pre-Design Requirements" dated March 1, 2003, written by NPS Alaska Support Office for the Portico Group. This document was filed under the tab "Portico". On page 13, NPS tasks the Portico Group with submitting a preliminary analysis of eventual facility ownership alternatives including Government construct to own or long term lease options.
6. A 10 page written proposal titled "Downtown Seward Arcade/Solly Multi-Agency Facility Proposal Lindsey/McCabe [redacted] March 24, 2003".[3] Proposal offered a "Build to Suit" concept which included the architectural firm Livingston Slone[4] and listed design highlights to include 33,000 square feet for Office/Visitor and 11,000 square feet for Indoor parking. This document was filed under the tab "VC Sites".
7. A proposal and cover letter dated November 11, 2002 from MacSwain Associates to Anne Castellina/Kenai Fjords National Park, also filed under the tab "VC Sites". [redacted] requested that Castellina consider his parcels of property for the proposed Multi-agency facility and listed the various attributes of the property.[5]

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[1] On other documents in this binder the Centennial Group properties (Old Solly's and Arcade) are referred to as "the triangle properties".

[2] Likely refers to Senator Ted Stevens and his staff, [redacted]

[3] Future Centennial Group members [redacted] Trevor McCabe and [redacted] Proposal written BEFORE the Centennial Group was officially formed/incorporated on 04/14/2003 and before McCabe exercised his option(s) to buy the Arcade and Old Solly's buildings on 04/30/2003.

[4] Reference is made to my interview with Seward appraiser and property owne [redacted] on 08/07/2007. [redacted] advised Livingston Slone denied his request to create a Multi-agency facility for his property in 2002 and sited conflict of interest because Trevor McCabe had already hired the firm for the same purpose. Further reference is made to my interview with Centennial Group partner Dale Lindsey on 06/21/2007. During the interview Lindsey showed me some architectural renderings of a building he said was commissioned by Trevor McCabe through the architectural firm Livingston Slone. Per Lindsey, the architectural drawings were of a multi-agency facility that McCabe wanted to build and lease back to NPS.

[5] During an interview with [redacted] on 08/07/2007 [redacted] expressed doubt that his property was adequately considered by Castellina for the Multi-agency facility.

8. A letter dated October 15, 2002 from [redacted] of the University of Alaska to Robert Arnberger, NPS Alaska Regional Director and Dave Gibbons, US Forest Service (USFS) Forest Supervisor, Chugach National Forest. The letter was filed under the tab "University". In the letter [redacted] references a letter he received from NPS and USFS dated 09/19/2002 wherein unlisted concerns were expressed. Near the conclusion of the letter [redacted] makes the statement, "It appears unlikely that the university will decide to simply sell the property. This does not imply that the Park Service and Forest Service interests cannot be met in conjunction with those of the University and others in Seward. The university is still open to sharing possibilities and looking at various options that may be possible, but simply too much time has passed to invoke the earlier intentions of the university for a simple sale."
9. A copy of a newspaper article titled "UA reconsiders plan to sell Rae Building". There is no date on the article, but the attached fax transmission sheet from Anne Castellina to Marcia Blaszak dated 10/11/02 indicated that it was an article published the same week in the Seward Phoenix Log. The article was filed under the tab "University". The first few lines of the article state "The University of Alaska seems to be getting cold feet about the idea of selling the K.M. Rae Building at Third and Railway to the federal government for use as a multi-agency facility." The article implied that any new searches for building sites for a new multi-agency facility would be outside the Seward city limits. According to the article, Craig Dorman, Vice President of Research, University of Alaska, statewide university system, made the decision not to sell the K.M. Rae Building to NPS and USFS in early August, 2002 and discussed his decision with various people including Alaska Sea Life Center Executive Director Tylan Schrock, Seward Mayor Edgar Blatchford, Seward City Manager Scott Janke, and unnamed "federal officials" in Washington D.C.[6]
10. An e-mail dated 10/01/2002 from [redacted] to Anne Castellina filed under the tab "University". [redacted] advised Castellina that the University was reconsidering selling the Rae Building.
11. A letter dated September 19, 2002 from NPS Alaska Regional Director Robert Arnberger and USFS Chugach National Forest Supervisor Dave Gibbons to [redacted] University of Alaska. The letter was filed under the tab "University". The letter stated NPS and USFS's understanding that the University was reconsidering its decision to sell the K.M. Rae Building in Seward, AK for the construction of a multi-agency visitor and administrative facility. The letter outlined government expenses paid to date in furtherance of the expected acquisition of the Rae Building.
12. City of Seward, Alaska Resolution 2003-16, dated 01/27/2003 and titled "A Resolution of the City Council of the City of Seward, Alaska, Approving the City of Seward's Calendar Year 2003 Revised Federal Legislative Priorities." This document was filed under the tab "Resolutions". Among the list of projects that were considered top legislative priorities for the 2003 legislative session was "$8 million for construction of the Interagency (multi-agency) Facility". The resolution passed and was approved by Seward City Council on 01/27/2003.
13. E-mail correspondence dated 06/16/2003 through 06/18/2003 between [redacted] Anne Castellina, and Portico Group member [redacted] filed under the tab "NPS Stuff". [redacted] makes the statement that placing the administrative offices on the second floor of the proposed facility may preclude them from using a simple build-lease option. [redacted] seems to mirror this concern. [redacted] queried [redacted] on whether the Depot Building, owned by the Chugach Alaska Corporation and leased by ASLC, should be listed as an available project

[6] Trevor McCabe placed options to purchase the Arcade Property and Old Solly's property in 6/85 the city limits on 11/04/2002.

property parcel in the Waterfront Study report. She states, "We can go either way, or we can give it its own special category, **but as it may have political implications** we should have direction from you or Anne."

14. A letter dated April 4, 2003 from Senator Ted Stevens to Fran Mainella, NPS Director, filed under the tab "NPS Stuff". The letter stated, "It has come to my attention that the Seward City Council has asked the Park Service to participate in a plan to redevelop the city's waterfront area. This partnership provides the Park Service with a unique opportunity to integrate its plan for the development of the Center with Seward's waterfront redevelopment project. ...In order to ensure the success of this partnership, I request that of the funds appropriated to the Park Service for the planning and design of the Center, $1 million be directed for its efforts to coordinate the waterfront redevelopment process....In addition, the Park Service should retain the $1.63 million appropriated for land acquisition in order to facilitate the timely acquisition of land within the waterfront redevelopment zone. I also urge the Park Service to revise its plan, design and construction budget for the Center in order to conform with the overall waterfront redevelopment project."
15. A response letter dated June 11, 2003 from NPS Director Fran Mainella to Senator Ted Stevens in reply to his letter dated April 4, 2003[7], filed under the tab "NPS Stuff". The letter informed Stevens that the superintendent of Kenai Fjords National Park was serving on the Seward Waterfront Committee. The letter further described funding limitations to include the fact that only $850,000 in un-obligated funds remained from previously appropriated planning monies for the proposed multi-agency facility. Site acquisition money was appropriated to USFS, not NPS and construction funding remained under consideration within the NPS overall budget formulation for FY 2005. The letter was signed by Donald Murphy for Fran Mainella.
16. Copy of newspaper article dated May 15, 2003 from Seward Phoenix Log titled "Waterfront development committee to look at sites". The article was filed under the tab "NPS Stuff". It described the pending Portico Group arrival, schedule and public accessibility during the week of 05/19/2003 in regard to the narrowing of potential multi-agency facility sites.
17. A briefing statement dated January 29, 2003, prepared by Anne Castellina. This document was filed under the tab "NPS Stuff". The Subject line was "Kenai Fjords National Park multi-agency center project" and the Purpose line was "Change in Project Status and proposed land acquisition." The document read, in part, "NPS has been asked to participate in a community effort to redevelop waterfront facilities by the City Council...if authorized by congressional mandate and funding, NPS could provide the coordination for the entire array of waterfront development stakeholders and administer the management of the planning and design services through the A/E contractor.[8] ...In order to facilitate the planning process and provide coordination services for the community waterfront redevelopment, NPS will need the following direction or guidance:

    - Utilize the remaining $1,000,000 from the planning and design funds that have been appropriated thus far to facilitate the waterfront redevelopment planning and coordination; unused portions of these funds would be applied to the planning and design of the Seward Multi-agency center
    - Revise the scope and preliminary program of the Seward Multi-agency Center in order to establish a new budget for planning, design and construction
    - Enter into a memorandum of understanding with the City of Seward, USFS, and other

[7] See item 14.
[8] The Portico Group was the A/E contractor.

partnering entities to properly expend the appropriated funds on the behalf of all parties

- Retain (within USFS or NPS) the $1,630,000 appropriated for land acquisition so that as a site within the waterfront redevelopment zone is selected, timely appraisal and negotiation can be concluded as quickly as possible[9]

18. Fax transmittal cover sheets dated 09/30/02 to DOI Cam Toohey and Senator Steven's staff person [redacted] from Anne Castellina. Under the comments section Castellina identified the attached document as the "Background Briefing statement and letter to UAF re: NPS and USFS concerns re acquisition of land and building for new facilities in Seward."[10]
19. E-mail correspondence on 10/28/2002 and 10/29/2002 between Anne Castellina, NPS Desk Officer [redacted] and Senator Steven's staff member [redacted] This document was filed under the tab "NPS Stuff". [redacted], through [redacted] was requesting to meet with Senator Steven's staff member [redacted] while she was in Washington D.C. on November 14 or 15th, 2002 to discuss the Seward multi-agency center. Castellina informed [redacted] that she had already cleared the visit with NPS Rob Arnberger. Castellina further advised [redacted] that "**Last time she [redacted] was here she floated this grand plan that had us smack in the middle of a major waterfront development instead of on the University land we've been negotiating to buy.** Well, the University site is probably dead in the water at this point so we are looking for a new "home" for the building. The waterfront site she is proposing would be a perfect second choice for us."
20. E-mail correspondence from Anne Castellina to [redacted] dated 11/04/2002 and filed under the tab "NPS Stuff". It states, "Here's the latest. **I just got back from meeting with Trevor McCabe. He is NOT going to be back to DC as he thought so let's stick with the [redacted] scenario you have going and hopefully I'll get in to see [redacted] that way."**
21. E-mail correspondence between [redacted] and [redacted] dated 01/30/2003 and filed under the tab "NPS Stuff". [redacted] relayed a meeting she had with NPS Marcia Blaszak and Senator Steven's staff member [redacted] on 01/28/2003. During the meeting Blaszak and [redacted] provided [redacted] with the Seward briefing statement[11] and advised they would need a letter from the Senator authorizing NPS to use "P&D" monies for the expanded waterfront development project.
22. Handwritten notes on two pieces of 6" x 9" lined steno paper that appear to be notes from a teleconference between Anne Castellina, Chuck Gilbert, [redacted] and [redacted] in 2003 ***Agents note:** date obscured by hole punch.* A portion of the notes reads as follows, "If we get $ in next month we will be ready to move immediately. Need to make sure he is not perceived as our "agent". Will begin talking with land owners as soon as Resolution passes. **..Tell Dale if $ doesn't get transferred – we might do lease."**[12] This document was filed under the tab "funding".
23. Handwritten notes on a piece of 6" x 9" lined steno paper dated 9/9/03 and titled "Phone Messages". This document was filed under the tab "funding". The first message listed was from Dale Lindsey. The following is an exerpt of the notes that followed his name, "wants to support concept but be open to private sector proposal – interested in a build/buy with a very short lease option – will use Portico Group – no problem with that – Do not want to cause problems". The notation at the bottom of this page indicates that a meeting was scheduled with

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[9] These bullet points are repeated almost verbatim in the letter Senator Stevens wrote to NPS Director Fran Mainella on April 4, 2003 (See Item 14)
[10] See item 17.
[11] See item 17.
[12] This is a likely reference to Centennial Group member Dale Lindsey.

Dale Lindsey for "Monday".

24. A business card fo[redacted] of NorthStar Paving and Construction, Inc. in Soldotna, AK.[13] The business card was filed in the back inside vinyl pocket of the 3 ring binder.
25. A business card fo[redacted] Livingston Slone Architectural Firm.[14]

[13] According to documents seized from Trevor McCabe by the FBI in 2006, A Company named NorthStar Services was paid by the Centennial Group to do some maintenance and snow removal work on the Arcade Building.
[14] See item 6 and footnote 4.

United States Department of the Interior
Office of Inspector General

INVESTIGATIVE ACTIVITY REPORT

Case Title	Case Number
Alaska Sea Life Center	OI-OR-07-0234-I
Reporting Office	**Report Date**
Portland Resident Office	09/27/2007
Report Subject	
Document Review – Zantaz files	

b6 Per Interior
b7C

SYNOPSIS

Between 05/23/2007 and 05/29/2007 Department of Interior Office of Inspector General (DOI/OIG) Special Agent [redacted] reviewed the emails of Cam Toohey, former DOI Office of the Secretary Special Assistant to the Secretary for Alaska Affairs in Anchorage, AK. [redacted] Criminal Research Analyst, Program Integrity Division, DOI/OIG, Washington, D.C. obtained the e-mails through Zantaz, Inc. Information Retention & Discovery Management Solutions, a government contractor dealing in e-mail archiving. The emails included all email received or sent by Toohey between the dates of April 1, 2003 and December 30, 2005 from his government email account.

p 1, 2, 3

DETAILS

A search of the email was conducted using the following key words:

[redacted]
Trevor McCabe
Senator Stevens
Stevens
Seward
Kenai Fjords National Park
[redacted]
Anne Castellina
ASLC
Alaska Sea Life Center
SAAMS
Seward Association for the Advancement of Marine Science
Arcade
Centennial Group
Dale Lindsey

Reporting Official/Title	Signature
SA [redacted]	

Authentication Number: BD6DF0BF354895EACC443CEF417DA162

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The following documents were found with potential relevance to this investigation:

1. An e-mail dated 04/28/2003 from Cam Toohey to DOI employee [redacted] in which Toohey forwarded original correspondence between Drue Pearce and Mining and Minerals Management Service (MMS) employee Walter Cruickshank, subject: A Dinkum Sands goat rope. In the original correspondence Pearce was seeking additional information concerning how MMS manages monies designated for the North Pacific Research Board (NPRB). Pearce provided historical background on how the NPRB and its funding mechanisms were established by Senator Ted Stevens. Pearce described the NPRB as a "pet project" of Stevens. Pearce indicated that she hadn't contacted Stevens about the funding issue because she wasn't sure what investment rules MMS was required to follow.
2. E-mail correspondence dated 05/27/2003 through 05/30/2003 between Drue Pearce [redacted] Executive Director US Arctic Research Commission, [redacted] North Pacific Research Advisory Board, and [redacted] with CC's to Cam Toohey, Trevor McCabe and others. Discussed was the NPRB investment policy. NPRB Exective Director [redacted] suggested going directly to Senator Stevens to request a legislative fix for their problem. Pearce admonished [redacted] that solutions without legislation are always the best way to go. Pearce also advised Stevens may not be able to help because the NPRB cash flow was from a wholly federal account, verses the "EVOS" money which was a joint state/federal court settlement.
3. An e-mail dated 07/24/2003 from then Kenai Fjords National Park Superintendent Anne Castellina to Drue Pearce with CC's to Cam Toohey [redacted] and Marcia Blaszak, subject: Re: Meeting wit [redacted] next week. Castellina was clarifying issues for the proposed Multi-Agency facility in Seward. Castellina confirmed that NPS had already purchased six lots near the former University proposed site which they could use for parking for the new project site. Castellina stated, **"When I told [redacted] last year that the University had not only pulled their spaces out of the project but that they had also decided not to sell the land and building to us, [redacted] wasn't too concerned, [redacted] never liked the University site anyway."** Castellina continued, **"Senator Stevens sent NPS a letter saying that we were OK to use some of our planning and design money to bring our A&E firm (The Portico Group from Seattle) into this new expanded venture."** Castellina expounded on [redacted] role in this venture while describing the site plan, **which included a conference center because [redacted] told us [redacted] wanted us to include one in our planning for our facility".** Castellina finally described the City of Seward's position on the proposed facilities when she stated "Seward has made construction of our facility their number one legislative priority. They have been lobbying hard for it in DC and I expect them to continue to do so."
4. An e-mail dated 09/24/2003 from Drue Pearce to Cam Toohey, subject: Re: Senate Passage of 2004 Interior Appropriations Bill. Pearce responded to an unidentified statement, "no! And according to [redacted] Senator Stevens will try to jettison the House language."
5. An e-mail dated 02/20/2004 from DOI [redacted] to Cam Toohey, subject: [redacted]

Borough Manager, Matanuska-Susitna (Mat-Su) Borough. [redacted] recounted a meeting between him, Toohey, and Mat-Su Borough Manager [redacted] briefed them on the Borough's partnership with NPS and the State of Alaska on "Southside Development planning activities" and projects which included a road upgrade/improvement project @ $16 million and a Visitor's Center @ $18 million. [redacted] discussed a planned meeting in DC with Senator Stevens, Congressman Young and [redacted] to discuss projects on 02/25/2004 and 02/26/2004.

6. An e-mail dated 10/31/2003 from Senator Stevens' staffer [redacted] to Cam Toohey, subject: FW: Committee Approves FY04 Interior Appropriations Bill [redacted] attached and old Interior Appropriations press release from Stevens' Press Office that was published on 07/10/2003 with the caveat that a more recent version may be forthcoming. The press release subject was "Committee Approves FY 04 Interior Appropriations Bill" and listed items requested by Senator Stevens and approved by the Senate Appropriations Committee for FY 04. Stevens appropriated $900,000 to the Fish and Wildlife Service for the Alaska Sea Life Center (ASLC) Eider duck recovery and another $900,000 for sea otter research through the ASLC. There was no mention of any appropriated monies for the Multi-Agency Center project in Seward, AK.[1]
7. E-mail correspondence dated 06/08/2005 and 06/09/2005 between Chuck Gilbert, Drue Pearce, [redacted] subject: Fw: Final Offer to Centennial Group. Gilbert advised that **NPS "may well need to use some of the funds remaining after land acquisition for design, as provided for in the legislation."** In other strands of this e-mail chain NPS solicitor [redacted] voiced concern that NPS may not be able to reject the Centennial Groups' Old Sollys property simply because the Centennial Group wouldn't accept NPS' maximum price on the Arcade property.
8. An e-mail dated 05/25/2005 from [redacted] to Cam Toohey, subject: Seward multi-agency facility. [redacted] forwarded e-mail correspondence between Drue Pearce and Senator Stevens' staffer [redacted] written the same day. Pearce described the dilemma faced by NPS if they were to purchase land in Seward in excess of what was needed for the Mary Lowell Center (MLC). Pearce further commented, "**Anne Castellina says she begged [redacted] to change the prescriptive language that required NPS to buy all the lots last year, to no avail."** [redacted] advised that Senator Stevens would be traveling to Seward the next week. [redacted] wanted to know the status of the MLC facility and whether DOI had cleared the purchase of the remaining buildings. [redacted] advised, **"We would like to have this done before the boss gets there. He is not very pleased with NPS at the moment."**
9. E-mail correspondence dated 06/02/2005 through 06/06/2005 between [redacted] Marcia Blaszak, Drue Pearce, Anne Castellina, and Paul Hoffman. Pearce had a discussion with Senator Stevens' staffer [redacted] about the status of the Centennial Group properties in Seward. According to Pearce, [redacted] was comfortable with NPS making a final offer to purchase the properties and, if the offer was rejected, transferring any remaining acquisition monies to the City of Seward so that the City could decide what to do with the Centennial Group properties. NPS was to determine a reasonable final asking price and get Paul Hoffman's approval before contacting the Centennial Group. Hoffman admonished Jeff Mow not to get "too far in front before we have our policy ducks in a row." Castellina indicated that

[1] $2.3 million was appropriated in FY 04 Omnibus/Transportation Appropriations Bill for Kenai Fjords National Park Resurrection Bay Trail and Parking Improvements in Seward, AK (Public Law 108-199, Section 115). The statute provided that funds made available under Section 115 may be transferred by the Transportation Secretary to another Federal agency to carry out a project funded under this section, such funds to then be administered by the procedures of the Federal agency to which such funds may be transferred. Senator Stevens then made a floor statement (Congressional Record Senate – January 22, 2004) that made Section 115 funds available to NPS for the acquisition of a specific parcel of property for the Seward multi-agency visitor center in Seward, AK.

the Centennial Group properties were still the preferred location for the project due to the view, proximity to the Sea Life Center and waterfront, and potential low "O & M" costs for the new facility.

10. An e-mail dated 06/17/2005 from Chuck Gilbert to Drue Pearce and other DOI and NPS employees, subject: Fw: Final Offer to Centennial Group. Doc. Gilbert recounted a conversation earlier the same day with Centennial Group membe[redacted] advised there was a possibility that they would split the properties and sell just Old Solly's, keeping the Arcade and remediating or rehabilitating it for some other use. He characterized NPS's final offer on the Arcade property as "too low" and advised the Group would "take a bath" if they sold for that amount.
11. An e-mail dated 06/29/2005 from [redacted] to Marcia Blaszak and Chuck Gilbert, subject: RE: Old Solly's offer. Senator Steven's staffe[redacted] acknowledged notification that NPS had a signed offer with the Centennial Group on the Old Solly's property. Her response was "It will be nice to get the land acquisitions out of the way so we can move on to construction."
12. An e-mail dated 07/22/2005 from Marcia Blaszak to Senator Steven's staffe[redacted] subject: Seward Property Update. Blaszak forwarded a copy of the draft letter to Chairman Burns of the Appropriations Committee which detailed the final status of the NPS MLC land acquisitions which she anticipated would be sent to the Committee the next week. She also forwarded a worksheet that detailed all the MLC property appraisals, both Government and private entity, the owner's asking price, and the offer amounts made by NPS. The attached draft letter did state that NPS intended to take no further action to acquire the Arcade property parcel.
13. An e-mail dated 07/22/2005 from Marcia Blaszak to Cam Toohey, Drue Pearce, and Victor Knox, subject: Fw: Seward Property Update. Blaszak related the details of a conversation she had wi[redacted] that day concerning the materials she forwarded to fellow Senator Steven's staffe[redacted] earlier that day.[2] Blaszak told [redacted] forwarded the materials a[redacted] request. When Braniff made the request of Blaszak, [redacted] told Blaszak **"Senator Stevens was unhappy with NPS and their failure to follow the instructions in the law to acquire the identified properties within 60 days and that Senator Stevens might need to take action during the conference on the Appropriations bill to fix the problem."** [redacted] expressed confusion as she thought that NPS was through with the MLC acquisitions following the most recent notification that NPS had purchased the Old Solly's property. [redacted] indicated [redacted] would check with Senator Stevens and [redacted] for clarification.
14. An e-mail dated 07/29/2005 from Drue Pearce to Marcia Blaszak with an earlier conversation thread dated 07/28/2005 from Marcia Blaszak to Drue Pearce. In the 07/28/2005 e-mail, Blaszak indicates that [redacted] hasn't heard from Senator Steven's staffer [redacted] egarding the MLC land acquisition clarification issues posed to Senator Stevens.[3] Blaszak indicated that when she last spoke to [redacted] she "knew language was needed to allow the remaining funds to be transferred to the City and the only question she shared from the Senator was whether they (NPS) had adequate properties for the project." Blaszak opined that she thought NPS might have heard back from [redacted] if something was going to show up in the conference bill.

[2] See Item 12.
[3] See Item 13.

(Rev. 06-04-2007)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE **Date:** 11/27/2007

To: Anchorage

From: Anchorage
Squad 4
Contact: SA [redacted]

Approved By: [redacted]

Drafted By: [redacted] mjh

Case ID #: 194A-AN-14699-SLC (Pending) -23

Title: [redacted];
[redacted] ADVANCE NORTH, LLC;
STEVENS & ASSOCIATES;
CSLPO

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Synopsis: Provide information as a result of interviews conducted the week of November 5-9, 2007 with Department of Interior (DOI) Special Agent (SA) [redacted]

Details: On November 5, 2007 SA [redacted] met with DOI SA [redacted] to conduct interviews concerning the appropriation of federal earmarked monies to the Alaskan Sea Life Center (ASLC) utilized to purchase two pieces of property in Seward, AK owned by former SENATOR TED STEVENS [redacted]. It should be noted that SA [redacted] recorded each of the interviews and advised she would provide the FBI a copy of her DOI reports after they were completed. Below is a short paragraph describing each interview.

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The first interview conducted on 11/05/2007 was with [redacted] [redacted]. The interview took place at the law firm of BIRCH, HORTON, and BITTNER and CHEROT, 1127 West Seventh, Anchorage, AK.

On 11/07/2007 the following interview was conducted with [redacted] at the Law Office of BIRCH, HORTON, BITTNER, CHEROT [redacted] who resides at [redacted] [redacted] with a date of birth of [redacted] and Social Security Account Number [redacted] advised she primarily handles issues associated with [redacted] is also the DON YOUNG FISHING INVITATIONAL

which occurs every August in Seward, AK.

Also interviewed on 11/07/2007 was Anchorage, AK and has a date of birth of and Social Security Account Number of is has been on the since received earmarked legislation for the purchase of properties owned by she asked ASLC to be sure to do due diligence on both properties to avoid any scrutiny from the community. According to she was comfortable with answers to the board regarding properties and felt the necessary due diligence had been completed.

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On 11/08/2007, was interviewed at the ASLC in Seward, AK. resides at Seward, AK. Also present was attorney of BIRCH, HORTON, BITTNER and CHEROT. primary role at the is as the She also works provided information regarding concluded that neither side made any money off of the partnership and shared that information with

On 11/08/2007, was interviewed at the in Seward, AK. resides at Seward, AK with a home phone number of . Also present for the interview was attorney of BIRCH, HORTON, BITTNER and CHEROT. advised that his responsibilities consist of managing and supervising the advised he knows and has had some contact with SENATOR TED STEVENS. main contact regarding the Arcade property at the had approximately a dozen contacts with during the period of the Arcade acquisition. completed some due diligence on the property before it was purchased to determine . In doing so,

that the Centennial Group [redacted] was offering a fair market value on the property.

[redacted] had several concerns regarding the purchase of the property, mainly because of SENATOR STEVENS involvement. [redacted] According to [redacted] that the project had been fully vetted by SENATOR STEVENS' office. At the end of the interview, SA [redacted] regarding the purchase of the Arcade property.

Lastly, on 11/08/2007, [redacted] was interviewed at the [redacted] in Seward, AK. [redacted] had previously been interviewed by SA [redacted] and had not been forthright regarding his knowledge of [redacted] advised that he did not feel he had not been truthful during his last interview but that after being served a federal Grand Jury Subpoena and reviewing certain information his memory had been jogged. [redacted] felt he now had a clearer picture as to [redacted] SA [redacted] showed [redacted] a [redacted]

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United States Department of the Interior
Office of Inspector General

INVESTIGATIVE ACTIVITY REPORT

Case Title	Case Number
Alaska Sea Life Center	PI-OR-07-0234-I
Reporting Office	**Report Date**
Portland Resident Office	12/17/2007

Report Subject
Interview – [redacted] – Centennial Group member

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DETAILS

On 11/07/2007 Department of the Interior Office of Inspector General (DOI/OIG) Special Agent (SA) [redacted], Federal Bureau of Investigation (FBI) SA [redacted] and I met with [redacted] at [redacted] law office located at 813 W. 3rd Avenue Anchorage, AK. Attorney [redacted] arranged the meeting at the behest of his client, [redacted] and was present during the interview. [redacted] voluntarily provided the following information:

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[redacted]

[redacted] met McCabe in [redacted] when McCabe was the head of the At Sea Processor's Association and that organization leased office space from [redacted] at the 7th and E building in Anchorage. McCabe's office was on the same floor as [redacted] and the two often chatted about

Reporting Official/Title	Signature
SA [redacted]	

Authentication Number: 09A835F61AF50624ADC1C31774B690DC

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FBI - Stevens-10864

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common interests including the real estate market.

In September or October [redacted] McCabe approached [redacted] and asked him to invest in some waterfront property in Seward that he (McCabe) had an interest in developing. McCabe sought [redacted] participation because of his real estate and remodeling experience. McCabe had already identified two specific properties in Seward[1] and placed options on them when he approached [redacted] Together they discussed some of the development possibilities for the properties including building condominiums or remodeling for use as office/business/retail space as part of a waterfront redevelopment plan. Given the facts, [redacted] felt the purchase of the subject properties in Seward was a good investment. Real estate prices in Anchorage had gone "through the roof" and [redacted] felt that other Alaska communities were following suit.

McCabe told [redacted] that the DOI was looking for a site in Seward to build a visitor's center and they discussed the idea of building the visitor's center on their properties and leasing it back to DOI. [redacted] opined that the fact that the visitor center site selection process had started over was "no secret" following the collapse of negotiations with the University of Alaska for a different site.

Shortly after this McCabe formed the Centennial Group LLC[2] and opened a bank account for the company. [redacted] initially invested $50,000 and understood that each additional partner, McCabe and Dale Lindsey did the same. McCabe was the only member that had access to the bank account. Dale Lindsey agreed to lend the money to the Centennial Group to purchase the subject properties.

[redacted] had not met Dale Lindsey and had no knowledge of him prior to the Centennial Group. He knew that McCabe brought Lindsey into the partnership for financial reasons but had limited information about McCabe's prior associations with Lindsey. During the first stages of the partnership all three would meet at least once a month to discuss strategy. [redacted] became the point of contact for all Centennial Group issues that arose in Anchorage because it was most convenient for him. McCabe was in Seward a lot and Lindsey lived in Seward.

The Group felt that of all their property options, the option to sell their property to the federal Government was considered the most lucrative and financially beneficial. McCabe asked someone from the National Park Service (NPS) in Seward to provide him with information about the type of building they were looking for, how many offices they would need and how many people they planned to house in the building. According to McCabe, NPS actually gave him the build/lease back concept. It had recently been done in Anchorage by NPS for their new Regional Office building. Additionally, McCabe had already successfully entered into a separate lease agreement with NPS in Seward for the Ray Building.

McCabe and Lindsey came up with the idea to hire the architectural firm Livingston Slone (LS) to do some conceptual drawings for a visitor's center on the Centennial Group properties. Lindsey had used the firm before as part of a separate real estate deal. [redacted] estimated that the Group paid LS between $5,000 and $10,000 for the preliminary drawings. The Group did not have LS do conceptual drawings for their other proposed property options due to the expense. [redacted] believed that LS was paid from the Centennial Group bank account. He did not recall the dates when LS was hired and when they produced their final rendering. However, he believed that LS traveled with the Group to Seward in

[1] In November, 2002 McCabe placed options on the Arcade and Old Sollys properties in Seward, AK.
[2] The Centennial Group LLC was officially formed in April, 2003.

January, 2003 to present their concept to NPS. He recalled that DOI representative Cam Toohey was at the presentation along with Kenai Fjords National Park Superintendent Anne Castellina and 3 or 4 other potential developers. He also recalled that the meeting had been announced publicly by NPS along with the NPS intent to hear new ideas for the proposed Multi-agency facility in Seward. There was a sign in sheet at the meeting and someone was taking notes. [redacted] could not recall who the other developers were.

[redacted] didn't give much thought to obtaining appraisals for the subject properties before the Group purchased them. He felt the properties were definitely worth their sales prices.

There was frustration among the Centennial Group members about the protracted process that NPS engaged in to identify, select and purchase the parcels of land for the proposed multi-agency facility in Seward. NPS hired the Portico Group to conduct the waterfront study and determine the most suitable area for the new facility. The Portico Group recommended against a build/lease-back option and caused NPS to oppose concepts that followed the lease-back model [redacted] elieved that the Portico Group, as a competing developer, had ulterior motives for their recommendation. The Centennial Group evicted all remaining tenants in the subject buildings at the end of the summer after the waterfront study was completed in anticipation of development or sale to NPS. However, no one realized the delay of doing business with the Government; the Government repeatedly got 30 day extensions. This resulted in loss of rental income for the Centennial Group.

Once the Centennial Group realized that NPS would not engage with them on a build to suit/lease-back option, they negotiated with NPS on a simple sale of the properties.

The Group was concerned by unidentified "issues" and delays that kept coming up with the Government during the acquisition negotiations and decided that they should seek independent appraisals on their properties in case they didn't like the Government appraisal. Lindsey was frustrated with the process and kept threatening to cash out and call in his property loans to the Group. [redacted] decided to go through a bank to get the appraisal in case they needed to refinance the properties. [redacted] decided to go with Northrim Bank for the appraisals becaus [redacted] had previously obtained loans from Northrim and Lindsey had prior "dealings" with the Bank.[3]

[redacted] was shown a letter he sent to NPS Realty Specialist [redacted] on 03/19/2004.[4] This letter advised that the Centennial Group had recently obtained an option to purchase the Legends property and also contained a proposal to sell all three properties to NPS for $2,050,000 "on an expedited basis" with a purchase deadline of 05/31/2004. Attached was an earnest money agreement. [redacted] explained that after speaking to the Portico Group, the Centennial Group was concerned that the Arcade and Old Solly's properties by themselves would not be sufficient to accommodate the new federal facility and address parking concerns. Therefore, they approached the adjacent property owners at Legends and obtained the option. The amount of the offer was determined by adding up the cost of all three properties and adding in a profit margin. The time limit was placed on the offer because of concerns about Lindsey's continued financial backing and additional costs associated with project time delays.

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[3] Reference is made to the 06/21/2007 Dale Lindsey interview IAR. Lindsey acknowledged that he was a founding member of Northrim Bank, sat on its Board of Directors for 13 years, and had continued close ties with the Bank and its current Board President. Lindsey stated that McCabe went to the bank for the appraisals.

[4] This offer was submitted after the Government initiated its property appraisal but before the appraisals were completed.

[redacted] was shown meeting notes written by NPS [redacted] on 03/22/2004 following a meeting between [redacted] NPS Chuck Gilbert, Trevor McCabe and [redacted] stated, "They [redacted] are persuaded that the USDOT money: $2.3 million (?) was intended by Senator Stevens for the purchase of Old Solly's and the Arcade. Trevor committed to sending me the language from both the bill and the Senator's floor statement so we can better understand where they are coming from." [redacted] was also shown the fax copies of the legislation and the floor statement McCabe sent to Wohlwend as follow-up to this meeting. The page containing the floor statement reference was titled pg. S154, Congressional Record – Senate dated January 22, 2004 and the specific language reference was circled in the first column. It stated: "The Transportation bill included $2.3 million for "trail and parking improvements" for the Seward multi-agency visitor center in Seward, AK. Those funds are also available, if necessary, for the acquisition and completion of the plaza between Washington Street and the beginning of the historic Iditarod Trail in the Park Service/Portico Group plan." The original bill language, from Public Law 108-199, dated November 25, 2003 simply listed $2,300,000 available to Kenai Fjords National Park Resurrection Bay Trail and Parking Improvements, Seward, AK. [redacted] initially expressed doubt that the Senator's floor statement contained a specific reference to the Arcade and Old Solly's properties. When shown a picture depicting the Old Solly's and Arcade properties as the only two properties in the Portico Group plan that were between Washington Street and the beginning of the Iditarod Trail [redacted] conceded that McCabe had more knowledge about the legislation than he did. He opined that he never suspected that McCabe's information was "not public or not legal". He stated that it seemed in the meetings that everyone knew that the transportation money was coming and what it was for.[5]

[redacted] and the other Group members objected to the low Government appraisals of their properties and claimed bias on the part of the Government's appraiser, [redacted] felt [redacted] was not objective and had been unduly influenced by [redacted] an area appraiser and competing land owner. [redacted] wrote letters to NPS and expressed his concerns about the appraisals. He couldn't believe that the appraisals could come in lower than the price the Centennial Group paid for the Arcade property two years earlier.

[redacted] was asked how much knowledge he had about the passing of Section 344, Public Law 108-447; the Interior Appropriations Bill that required the NPS to purchase the Centennial Group properties among a group of 7 properties identified by tax identification numbers. [redacted] expressed little knowledge of the Appropriations process in general and deferred to McCabe's expertise as a lobbyist. [redacted] advised that "Trevor informed me of what appropriations were and how they work. Trevor told me that money was appropriated for the acquisition of lands for NPS."

When asked if he had knowledge of McCabe's involvement in the passing of the above referenced legislation, Zelener responded that it was his understanding that McCabe used work as an aide to Senator Stevens and had maintained good relationships with Senator Stevens and most of his assistants. McCabe traveled to Washington DC frequently on lobbying business and [redacted] was sure that McCabe stopped in at the Senator's office while he was in town although McCabe had never discussed this with him. [redacted] continued that he had been told that the entire Alaska Congressional delegation had expressed a desire to develop the Seward visitor's center over the past 10 years. He believed that unidentified people in Ted Steven's Office had been pushing for completion of the multi-

[5] E-mail correspondence between NPS employees [redacted], Anne Castellina, [redacted] and [redacted] between 03/17/2004 and 03/23/2004 details the unsuccessful efforts of NPS employees to determine the specific intent behind the $2.3 million Transportation appropriation.

[6] Bill passed 12/08/2004.

agency center. He obtained this understanding through public meetings, newspaper articles, and discussions with McCabe, who told him that Senator Stevens had worked on this issue for a long time.

[redacted] was shown an e-mail dated 02/11/2005 from NPS Chuck Gilbert to NPS Victor Knox which memorialized a conversation Gilbert had with [redacted] the previous day. In the e-mail Gilbert states that [redacted] and his partners interpret Section 344 to mean that NPS must buy the properties and there is sufficient funding to do so. He [redacted] said apparently the NPS reads Sec 344 differently." Zelener responded that he got his information on Section 344 from McCabe and his understanding was that McCabe received his information from public sources, the internet, or Ted Stevens' office.

Regarding the deal between the Alaska Sea Life Center (ASLC) and the Centennial Group to purchase the Arcade property lot [redacted] claimed little direct knowledge. McCabe negotiated the deal with ASLC within two months of the Old Solly's sale to NPS and [redacted] was not involved in this process. [redacted] understanding was that ASLC had the money for the purchase but wanted the building demolished before the purchase. [redacted] also had no direct involvement with the Arcade property demolition process. He believed that McCabe contacted a number of local contractors and received competitive bids from a number of sources for the project.

[redacted] did not know who made the initial approach to sell/purchase the Arcade property, ASLC or McCabe. However [redacted] did vaguely recall that someone from ASLC did approach the Centennial Group shortly after the Group started the negotiation process with NPS and expressed an interest in using the Arcade property for ASLC personnel housing. The Group did not pursue this inquiry at the time because of assurances by NPS that a sale was forthcoming.

[redacted] acknowledged that their seemed to be substantial involvement by Senator Steven's Office in the multi-agency facility project in Seward but countered that although Senator Stevens was "pushing this along" it "didn't make a difference" and the facility legislation passed by Stevens hadn't had any significant impact. In his estimation, at three years, this was the longest real estate transaction he had ever been involved in and the Centennial Group lost money every day that the transaction dragged on. In the end, [redacted] thinks he was paid about $50,000 profit from this venture which didn't even compensate him for the estimated 600 hours of time he put into the project.

[redacted] had nothing further to contribute and the interview was terminated.

United States Department of the Interior
Office of Inspector General

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INVESTIGATIVE ACTIVITY REPORT

Case Title	Case Number
Alaska Sea Life Center	PI-OR-07-0234-I
Reporting Office	**Report Date**
Portland Resident Office	01/03/2008

Report Subject
Interview [redacted] - Former Seward City Manager

DETAILS

On 12/04/2007 Federal Bureau of Investigation (FBI) Special Agent [redacted] and I met with [redacted] at the [redacted] [redacted] [redacted] He voluntarily provided the following information:

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[redacted] confirmed that while he held the position as Seward City Manager he traveled to Washington DC with then Seward Mayor Vanta Shafer and City Council Member Willard Dunham the week of July 19, 2005. According to [redacted] the intent of the trip was to visit with all the members of the Alaska delegation (Senators Murkowski and Stevens and Congressman Young) and discuss on-going and proposed capital improvements projects in Seward.

[redacted] stated that he, Shafer and Dunham met with Senator Stevens in Steven's Office for about 15 or 20 minutes at the end of one of the days that week. Also present were staff member [redacted] [redacted] [redacted], and a few other staff/personnel that [redacted] was unfamiliar with. [redacted] made about 75% of the inquiries on current projects and gave [redacted] the impression that she was more "up to speed" on Seward issues than Senator Stevens although Senator Stevens interjected occasional comments.

[redacted] believed that [redacted] actually brought up the issue of the Washington Street vacation[1] by asking for a progression timeline projection. Both Shafer and Dunham provided positive responses to

[1] Section 344 of Public Law 108-447, published 12/08/2004 through Senator Steven's Office, required the City of Seward to vacate a portion of Washington Street for the Mary Lowell Center.

Reporting Official/Title	Signature
[redacted] Special Agent	

Authentication Number: 45A3D9D003DA1F8CD8D0083794EDB231

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the inquiry. Shafer did raise a concern about the legislative language surrounding the Washington Street vacation but didn't dwell on the issue. She asked about getting the legislative language changed and [redacted] responded that they would have to look into that and that they might be able to make something happen. There were no heated exchanges bu[redacted] believed he detected a certain antipathy on [redacted] part toward Shafer which he assumed was the result of a possible prior meeting between the two. However, [redacted] had no knowledge of any actual prior meetings between [redacted] and Shafer.

[redacted] was asked if he fell asleep during the meeting with Stevens.[2] [redacted] responded that he had not fallen asleep during the meeting but had more than likely engaged in a long term behavioral "quirk" of his where he closes his eyes and steeples his fingers when listening intently, deliberating a response, or attempting to recall a memory. He did not recall anything in Senator Stevens' words or actions that would have indicated that Steven's was annoyed or displeased with his [redacted] behavior. He did recall, however, that Shafer "beat him up" after the trip for his perceived inattentiveness during the meeting.

Lobbyist [redacted] provided the introductions between the two parties prior to the meeting but did not actively participate in the verbal exchanges between Senator Stevens and his staff and the Seward delegation. He stayed throughout the meeting and was the last to leave the Office, perhaps a minute or two behind the rest of the delegation.

The meeting broke up when Senator Stevens left the office to go to another meeting. [redacted] stayed behind for about 5 minutes and engaged in small talk with the group before ushering them out.

[redacted] opined that the Senator's participation in the meeting was limited and seemed consistant with someone who is unwell or exhausted. Stevens made neutral statements and did not make any commitments to the group. He refrained from any comments about the Washington Street vacation legislation concerns.

[redacted] had met Senator Stevens on one or two previous occasions while he was the [redacted] but doubted that Stevens remembered him.

He and [redacted] had also met on several prior occasions and both knew each other as acquaintances.

[redacted] never met Trevor McCabe until after the trip to Washington DC in 2005. He was introduced to McCabe in a Seward restaurant following a public meeting on the Washington Street vacation issue. During the Arcade property demolitio[redacted] ran into McCabe again in Christo's Restaurant in Seward. [redacted] asked [redacted] how the asbestos abatement was going on the Arcade property [redacted] did not recall McCabe making any substantial comments on the demolition progress.

[redacted] heard second or third hand that someone in Senator Steven's Office had a great desire for the City to use the federal monies made available to the City through Public Law 108-447 to purchase the Arcade Property. [redacted] could not recall the source of this information. He acknowledged

[2] During an interview with Willard Dunham on 06/12/07, Dunham claimed that during this meeting [redacted] fell asleep, angering the Senator and resulting in legislation that was unfavorable to the City of Seward.

hearing from Assistant City Manager [redacted] of an "11th hour" conversation between City lobbyist Brad Gilman and someone in Senator Stevens' Office. The individual in Senator Steven's Office asked Gilman if the City would guarantee to purchase the Arcade property with the federal funds. Gilman subsequently relayed this conversation to Vessel. When [redacted] spoke to Gilman less than 10 days after a legislative change[3] moved the above referenced federal funds from the City of Seward to ASLC [redacted] asked Gilman why the sudden change? Gilman responded that he didn't know.

[redacted] was asked about his relationships with employees of the Alaska Sea Life Center (ASLC) to include Executive Director Tylan Schrock.

[redacted] stated he was the first Seward City Official to see the entire Tidelands lease proposal submitted by ASLC in 2005.[4] He felt that the lease was very incomplete and failed to address necessary issues. He was concerned that Schrock was holding very closely the identity of his partner in a proposed boat venture from the City owned Tidelands.

[redacted] acknowledged drafting a letter to Schrock specifically to address his concerns about the terrific push on the part of ASLC to get the Tidelands lease signed very quickly. He was concerned that the rush would result in circumventing necessary safeguards in the process such as the Seward Planning Department. [redacted] wanted to prevent "improprieties" he felt were about to be committed. He claimed careful crafting of the letter so as not to provoke or antagonize Schrock.

[redacted] admitted that although the City Manager had a seat on the Seward Association for Marine Science (SAAMS) Board, he attended perhaps six of these meetings during his tenure and deferred the duty the remainder of the time to Assistant City Manager [redacted]

[redacted] wanted to take a closer look at the Cooperative Agreements in place between ASLC, the City, and the Alaska Department of Fish and Game (ADFG) which govern how ASLC is supposed to operate. He wanted to understand these relationships better so as to be able to determine what was appropriate and inappropriate for ASLC. One of his primary concerns was with property ownership. [redacted] questioned whether ASLC or their governing Board, the Seward Association for the Advancement of Marine Science (SAAMS) could own property under the terms of the Cooperative Agreements in place with the City and ADFG.[5] According to [redacted] Schrock has played that issue "both ways" depending on what was most convenient.

[redacted] stated that Seward Mayor Shafer gave him orders to expedite and short cut the ASLC Tidelands lease process and ordered him to eliminate several City employees to include City Planner [redacted] for their rigorous adherence of known procedures [redacted]

[3] Section 438 of Public Law 109-54 passed on 07/26/2005. This amended Section 344 of Public Law 108-447 and moved left over NPS land acquisition monies slated for the City to ASLC.

[4] The Tidelands lease request submitted to the City of Seward by ASLC in 10/2005 did not contain a reference to the proposed agreement between Alaska Northern Outfitters (Trevor McCabe, [redacted]) and ASLC to conduct boat tours from a dock within the requested leased lands.

[5] ASLC/SAAMS currently owns two pieces of property, the Arcade property and the Depot property.

[redacted]

[redacted]

[redacted] could not recall any further relevant information and the interview was terminated.

b6 Per Interior
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United States Department of the Interior
Office of Inspector General

INVESTIGATIVE ACTIVITY REPORT

Case Title	Case Number
Alaska Sea Life Center	PI-OR-07-0234-I
Reporting Office	**Report Date**
Program Integrity Division	January 31, 2008
Report Subject	
Interview o[redacted]	

About 1000, January 24, 2008, FBI Special Agent [redacted] and I interviewed [redacted] for Senator Ted Stevens, Anchorage, AK, regarding [redacted] knowledge of legislation related to the acquisition of land by the National Parks Service (NPS) in Seward, AK.

[redacted]

1-7
MJA

[redacted] worked in the Senator's Washington, D.C. office from [redacted] until [redacted] left for the Anchorage office in [redacted] During the time tha[redacted] worked in Washington, D.C. [redacted] normally traveled to Alaska about 5 times per year.

[redacted]

[redacted] said that Senator Stevens normally traveled to Alaska every 4-6 weeks. He generally returns during every congressional recess and for some special occasions, such as events involving local soldiers. The duration of these trips varies from a short weekend trip to more than a week.

[redacted] said that the number of staffers varies somewhat depending on the budget, but the Senator usually carries a staff of about 30. This staff consists of at least four Legislative Correspondents (LC's), Legislative Assistants (LA's), a Chief of Staff, and a Legislative Director.

[redacted] said [redacted] worked with [redacted] when she was on the Senator's Appropriations Committee. [redacted] said they worked closely together; they evaluated funding requests from Alaskans

Reporting Official/Title	Signature
[redacted] Special Agent	

Authentication Number: F5B9588A019F634157D1443197832C35

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and decided which requests merited recommendation to the Senator. [redacted] said [redacted] was aware that [redacted] was currently a lobbyist, but that [redacted] assisted Senator Stevens on his campaign for reelection.

[redacted] said that [redacted] was a Legislative Assistant who was hired after [redacted] was. Stevens hired [redacted] because he wanted a staffer to oversee Alaska appropriations. [redacted] worked with [redacted] and [redacted]

[redacted] said [redacted] never worked with Trevor McCabe, but [redacted] knew that he worked primarily on "fish issues" and had also done work with the Alaska Sea Life Center. [redacted] said that McCabe was not a personal friend and said they do not socialize; however, McCabe still had friends on the Senator's staff. [redacted] recalled attending "one or two" staff dinners that McCabe attended. [redacted] said they last spoke about eighteen months prior. [redacted] only official dealings with McCabe pertained to conversations about the NPS/National Forest Service (NFS) multi-agency visitor center.

[redacted] said that [redacted] had a close relationship with [redacted] was the legislative director when [redacted] was hired and [redacted] viewed [redacted] as a mentor.

[redacted] described [redacted] as the Senator's scheduler and "right hand woman". [redacted] said [redacted] was friendly with [redacted] in the office and liked her personally; but said they did not have a close relationship outside the office.

[redacted] said each of Senator Stevens' offices had an optional guestbook; but the books were not monitored and guests were not required to sign in. [redacted] added there would not necessarily be any record of visitors.

When asked who on the Senator's staff was responsible for drafting legislation, [redacted] replied that it depended on the subject of the legislation. In general terms, staffers worked on drafting the legislation and presented it to the Senator for review. The Senator typically reviewed the draft and made editorial comments before presenting it to committee. [redacted] said that at times, there were a great deal of changes and at times the legislation was presented as written.

[redacted] was asked to describe the appropriations process. [redacted] said that when the Senator's office received a request from a constituent, the staff mailed an appropriations request form to the requesting Alaskan. The requestor then submitted the request back to the staff, who then divided all of the requests amongst themselves for review. Once they had compiled a list of reasonable requests, they went over the list with [redacted] and decided which requests passed "the smell test". After refining the list with [redacted] they submitted the list to the Senator for his concurrence. Senator Stevens then gave [redacted] his approved list of appropriations requests. [redacted] then submitted the Senator's list to the appropriations committee. [redacted] said there was typically some negotiation between [redacted] and the appropriations committee staff as to which requests should actually go to the committee.

[redacted] added that the process changed somewhat when [redacted] was hired. According to [redacted] did not ask for as much input from the Senator's personal staff.

When describing [redacted] work on the Sea Life Center, [redacted] said it had already been built when [redacted] was hired.

[redacted] said the National Park Service/US Forest Service multi-agency visitor center had been in the works for several years when [redacted] became a permanent member of the Senator's staff. [redacted] said that a primary hold up for the project had been property acquisition. [redacted] believed the idea for the project had come from former NPS Regional Director Anne Castellina. [redacted] described the project as a "win/win" because she felt it was beneficial to both the Federal services involved and the city of Seward.

[redacted] said the multi-agency visitor center, later named the Mary Lowell Center, had gone through multiple land options. Originally, they had planned to put the facility on University property in Seward, but ultimately the University backed out of the deal and decided not to sell the property. They had then gone through several other proposed sites, but complications with earthquake zoning prevented them from selecting those sites. At that point, [redacted] believed the project was about eight years old and Castellina decided to put the facility in downtown Seward. Ultimately, NPS settled on seven properties in downtown Seward for the center.

[redacted] said that in 2003 and 2004, [redacted] met with Castellina, both alone and with [redacted] regarding the visitor center. [redacted] said the funding for the property acquisition was approved in the Fiscal Year 2004 billing cycle/budget.

[redacted] could not recall ever discussing the Mary Lowell Center with Senator Stevens. [redacted] worked with [redacted] on the project, but [redacted] said that the project was more [redacted] than [redacted] thought that [redacted] was so heavily involved because [redacted] liked the project and because it fit all of the criteria of what the Senator wanted to accomplish; it would spur economic growth in Seward and it would be good for the Federal Government.

When asked when [redacted] became aware that McCabe was actually with the Centennial group, [redacted] said it was generally well known among the staff that Trevor McCabe owned two of the properties in Seward to be purchased by NPS. [redacted] initially didn't feel there was any conflict of interest with the Senator just because McCabe was a former staffer; however, after the other properties had been purchased and the only remaining properties were McCabe's, she thought the staff should pull back from intervening with NPS.

[redacted] acknowledged there had been some discussion amongst the staff about McCabe's involvement with the properties, particularly since the onset of the investigation. [redacted] still felt that the project was a good one and makes sense for all involved. [redacted] said that if the excess money had gone to the city of Seward as initially written, everything would have been fine.

[redacted] said that NPS identified the seven properties themselves and when the money became available, they relied on appraisals to determine the value of the properties. It was then NPS's responsibility to negotiate the actual purchase price with the landowners. [redacted] felt that the appraisals on the property were "lowball appraisals", which was likely the reason that McCabe would not sell his property at the Government's price.

[redacted] believed the NPS had been able to negotiate the purchase of all of the properties except McCabe's. When the Senator's office asked the Department of Interior (DOI) about the properties, DOI officials said they were "at a standstill" with McCabe. [redacted] believed NPS was limited in their ability to negotiate the purchase of property above the appraised value.

According to [redacted] McCabe offered several proposals to NPS for different options for the demolition of the buildings on the property to make the purchase price fit the appraisal, but there were problems with the construction of the buildings that made those proposals unacceptable to NPS. McCabe complained to the Senator's office that the NPS was not complying with the legislation that required them to purchase all seven of the named properties; however, the Senator's office informed McCabe they could not get involved with the negotiation.

[redacted] said there was no pressure from the Senator's office on DOI to purchase the property. Their attitude was wait and "see if they can get a deal done." [redacted] said the staff maintained a "hands off" approach.

[redacted] said that Anne Castellina retired at some point during this process and moved to [redacted]

When asked whether anyone on Senator Stevens' staff expressed concern over McCabe's ownership of the properties, [redacted] responded, "They might have." [redacted] added there was no concern initially, when they were discussing the properties as a group, but towards the end (when only McCabe's properties were involved), there was some discussion about the need to avoid impropriety.

When asked about McCabe's access to Senator Stevens, [redacted] said [redacted] believed McCabe saw the senator "a couple times" per year, but was not sure.

[redacted] said [redacted] worked with Tylan Shrock on lands issues. [redacted] said that because Schrock had continuing earmarks for the ASLC, he made a point of staying in touch with the Senator's office.

When asked about McCabe's connection to the ASLC, [redacted] said [redacted] wasn't sure, but believed that he and Tylan Schrock were friends.

[redacted] said [redacted] could not recall McCabe ever being involved with drafting legislation; though it was not uncommon for lobbyists to send draft legislation to the Senator's office. In [redacted] opinion, this was normally simply an example of lobbyists trying to be helpful.

[redacted] said [redacted] did not recall [redacted] drafting any letters for the Senator related to the Seward properties. Though lobbyists frequently drafted position letters for the Senator, Senator Stevens always reviewed the letter to determine if it were appropriate, then drafted (or had his staff draft) a letter in his own words. In fact, according to [redacted] the Senator hated to have lobbyists draft any correspondence for his office. [redacted] said that the Senator was no more accepting of anything that had come from [redacted] than that of anyone else.

[redacted] also said it was common for Senator Stevens to receive requests from former staffers. [redacted] said that most of them were now lobbyists and this was a common phenomenon throughout congress. [redacted] added that no lobbyist had direct access to the Senator, including former staffers. All requests from lobbyists were first vetted by the staff. According to [redacted] although lobbyists normally requested a meeting directly with the Senator, Senator Stevens did not normally meet with lobbyists unless they were accompanied by an Alaskan. Lobbyists who did not meet with the Senator normally met with staff.

[redacted] said [redacted] didn't really know much about the relationship between McCabe and [redacted]

said they "seemed friendly", but could not comment on their business relationship.

was not aware of whether or not McCabe contacted DOI employee Cam Toohey for assistance in getting his property sold; though she could see how he might wish to contact Toohey. was not aware of any inappropriate contact between the two.

was asked when became aware that some funds to purchase the Seward properties were to be transferred to the ASLC. said wasn't aware of the transfer until at least after the legislation had been drafted and possibly not until it had been passed. was not involved in those discussions and did not believe Senator Stevens was involved in those discussions either.

did not think the funds had been taken from NPS as a punishment for not purchasing all seven parcels of land. said and had been surprised it had happened. did not know how that decision had been made and added that would know the most about that decision. worked with on that project.

was asked if anyone from NPS had contacted after the money had been transferred. said no one from NPS had contacted but knew the city had been upset with the decision.

was not involved in the July 2005 meeting between Seward officials and Senator Stevens, but heard about it afterwards. was aware that the mayor of Seward was upset by the shift in language. did not know if that meeting was when the mayor learned the funds had been shifted.

was not aware of how the NPS selected the seven properties for the multi-agency visitor center. did recall a discussion about the 60 day procurement deadline to buy the properties. said the time constraint had been put in place because there were concerns about NPS' procurement. They had already taken so long, that the Senator and his staff wanted them get the procurement out of the way so they could begin construction.

did not remember Senator Stevens as ever being upset with NPS for not purchasing all seven parcels of land, as stipulated in the bill. said the Senator was primarily focused on moving the project forward. did not recall the Senator's involvement with any personal conversations on the subject. did not believe the Senator or anyone on his staff would pressure anyone to buy those properties.

said did not recall any meetings with Senator Stevens about moving the money in the appropriations bill from NPS to the ASLC.

When asked about Senator Stevens' involvement in legislation said the Senator is engaged in all legislation. said that only on extremely rare occasions does the staff make "last second decisions" without the senator's input. added that ultimately, it was the Senator on the line for these decisions.

did not know the timeline of the change to the legislation (to move the funds from NPS to ASLC) but said that changes to legislation normally happen right up until the bill is passed. said had no involvement with the redraft.

said did not know why the money was shifted.

b6 Per Interior
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said did not know

said worked extensively with Dru Pearce and Cam Toohey when they were with DOI. Waller estimated spoke with them about once per week. said was still in contact with Dru on energy related issues and Cam now works for Shell Oil, so still maintains contact with him as well.

said had no personal relationship with NPS employees Anne Castellina, Marcia Blaszak or Vic Knox. said still speaks to Blaszak because she is the NPS Regional Director, but no longer speaks to Castellina. did recall that Castellina had returned to DC on at least one occasion and they may have spoken on occasion via telephone.

said had no personal contact with lobbyists Brad Gilman or said that Gilman works on behalf of several Alaskan clients, so has regular contact with him. speaks with him the most of the three. cannot recall ever meeting but may have seen his name on email correspondence. said did not work with consequently, normally works with Congressman Young's office. said that was involved in "8a" issues for Alaskan Corporations.

said did not work with North Pacific Research Board.

Regarding the investigation related to VECO and was asked if recalled any conference calls between Senator Stevens and said did not recall any conference calls.

said saw in the Senator's office twice in Washington, D.C.; though did not recall if actually had a meeting with the Senator. When the Senator was in Alaska, knew he and had conversations about the pipeline/PPT.

said she did not know if asked Senator Stevens to lobby congress on behalf of the pipeline/PPT. said that as an Alaskan, Senator Stevens was in favor of Alaskan oil companies, but ultimately, he felt that outside competition was good for the market. said the Senator wanted to encourage investment in Alaska.

said that had the ability to walk into Senator Stevens' office without an appointment and without going through his staff. said that was one of the Senator's few close friends.

said knew nothing about the renovations to the Senator's home; though knew generally that they had happened. said the Senator never discussed them with his staff but he communicated to the staff that he did not think he had done anything wrong.

was vaguely aware of a vehicle trade between Senator Stevens and believed the Senator's received a Land Rover.

said hadn't had any substantial conversations with and did not think that would know

FBI - Stevens-10878

was asked if the Senator had asked to conduct any research into the allegations against him. said that only instructions had been to preserve documents. The Senator told to keep everything.

was asked if the Senator ever had his staff perform personal tasks for him, such as babysitting or cleaning his house. said Senator Stevens never asked to perform personal tasks nor was aware of any inappropriate requests to other members of the staff.

was asked about her recollection of any discussions between Senator Stevens and (NFI) and recalled some dinners where was present and thought that occasionally emailed the Senator on issues related to the pipeline. added that was now a for Senator Stevens, so they had to keep those issues separate from his duties.

did not recall ever working on legislation to directly benefit VECO, but did work on a $3 Million per year grand to the Russian American Visitor Center, which has a partnership with VECO to train Russian laborers who work for VECO. supposed the $3 Million could be used to help the Russian American Visitor Center with Russian labor training.

was unaware of any congressional earmarks to benefit said had only met on two occasions. said knew because he was Senator Stevens' knew of no legislation to benefit either of them.

denied any knowledge of Senator Stevens' investment with or J.L. Properties.

Biographical Data

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 03/07/2008

[redacted] (protect identity) date of birth [redacted] home address [redacted] Alaska (AK), telephone number [redacted] was interviewed at [redacted] Seward, AK. After being advised of the nature of the interview and the identities of the agents, [redacted] provided the following information.

In [redacted] was hired at the [redacted] as an [redacted] LAST NAME UNKNOWN but quickly became bored when she realized that [redacted] LNU was not [redacted] recalled SENATOR TED STEVENS and CONGRESSMAN DON YOUNG visiting the center on a number of occasions.

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In April 2007, the ASLC Board of Directors made the decision to discontinue working with UAF research scientists and revise their current Memorandum of Agreement (MOA). The ASLC Board of Directors wanted [redacted]

Investigation on 03/05/2008 at Seward, Alaska

File # 194A-AN-14699-SLC-31

Date dictated N/A

by SAs [redacted] and [redacted] :mjh

FBI - Stevens-10880

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[redacted]

[redacted] went on to describe just how proud she was of the research done by a various graduate students and scientists associated with the [redacted] brought in scientists from around the world to show them the exceptional research facility.

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[redacted] described how the graduate program began to decline at the [redacted] At some point during [redacted] cut back on the graduate program and began cutting stipends to the students. According to [redacted] these stipends were already built into the grants they had received for the graduate program. The stipends were approximately $16,000 per year per student. At the time, the [redacted] students and now they are down to about [redacted]. Students decided to leave when they could not afford to continue conducting their research. [redacted] advised the cuts the [redacted] made on the stipends were utilized in other areas such as other expenses incurred for equipment. [redacted]

[redacted] recalled that [redacted] began working at the [redacted] At the time, the [redacted] was going through financial strife and [redacted] had been hired to get

[redacted] Over the next couple of years, [redacted] was able to [redacted] was required to get [redacted]

Over the last couple of years, [redacted] noticed that [redacted] According to [redacted] had received a great deal of grant money for research and that the students were well-qualified and truly promoted the [redacted] and its mission.

During this time, [redacted] constantly fought with [redacted] They responded by telling her that it was not fair that other [redacted] departments did not have the [redacted]

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[redacted] began shifting the grant overhead from 15-20% to 40% using the increase to pay for indirect costs incurred at the [redacted] such as utilities, husbandry staff and veterinary services.

[redacted] advised that she was not close to [redacted] She felt he treated [redacted] poorly and often heard him yell at her, which [redacted] thought was unprofessional. [redacted]

[redacted] generally did not speak to [redacted] unless his assistant was not available then he would ask [redacted] to complete some tasks for him. [redacted]

[redacted]

While [redacted] discussed the federal investigation involving the [redacted] and SENATOR TED STEVENS' office, she advised that sometime in [redacted] into a meeting and told them not to speak with federal investigators if questioned. [redacted] told her about the meeting. [redacted] were not able to attend the meeting but [redacted] heard about it from several other [redacted] employees. [redacted]

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Towards the end of [redacted] involved in a large scale production of documents and subsequent copying and shredding of documents. [redacted] reserved the large conference room located in the executive suite of the [redacted] and [redacted] had numerous documents from all over the [redacted] brought to the conference room and then sorted them out. Throughout the days they utilized the conference room, [redacted]

[redacted] reviewing a document and then stating "no they can't have this." [redacted] what was going on and [redacted] replied that it was part of the investigation and that [redacted]

When asked about whether or not the [redacted] staff engaged in shredding projects throughout the year, [redacted] advised that she had never seen one such as this occasion. [redacted] staff were encouraged to shred private, confidential documents as needed but [redacted] shred anything. [redacted]

In [redacted] learned that [redacted] is [redacted]

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[redacted] held a meeting in Anchorage to discuss the [redacted] research program. [redacted] from the University of Alaska, Fairbanks. [redacted] advised that several people involved in the research being conducted in Seward [redacted]

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/28/2008

[redacted] date of birth [redacted] Social Security Account Number [redacted] was interviewed at [redacted] BLANK/ROME LLP, Watergate 600 New Hampshire Avenue NW, Washington, D.C. 20037. Also present at the interview were Department of Interior, Office of Inspector General Special Agent [redacted], Department of Justice, Office of Public Integrity Attorney [redacted] and [redacted] attorney, [redacted] BLANK/ROME. After being advised of the identities of the agents and the nature of the interview, [redacted] provided the following information.

From [redacted] attended [redacted] until he had an opportunity to get more involved in the fishing industry and [redacted]. At that time, [redacted] his schooling at [redacted] to pursue other career interests.

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While [redacted] was working in the fishing industry he met some of CONGRESSMAN DON YOUNG's staff. [redacted] (phonetic) was YOUNG's [redacted] when [redacted] worked under [redacted] from [redacted] was responsible for [redacted] and relaying those issues to YOUNG's Washington, D.C. office [redacted]

[redacted] was based out of Anchorage but worked with others in Fairbanks, Juneau, and Kenai [redacted] the Fairbanks office, [redacted] the Juneau office and [redacted] could not recall the name of [redacted] the Kenai office.

[redacted] YOUNG's [redacted] in Washington, D.C. [redacted] got the position after interviewing with both YOUNG and [redacted] CONGRESSMAN YOUNG and a salaried position.

[redacted] YOUNG's [redacted] YOUNG headed the following committees, Merchant Marine of Fisheries, the Interior, and the Post Office of Service.

Investigation on 01/22/2008 at Washington, D.C.

File # 194A-AN-14699-SLC-38; 194A-AN-13620-[redacted] Date dictated N/A

by SA [redacted]:mjh

FBI - Stevens-10885

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[redacted] in YOUNG's office as well as with the general public. [redacted]

Also involved in the ANWAR coordination were Department of Interior (DOI) employees, [redacted] and [redacted]. The DOI issues they coordinated included land exchange language, [redacted] issues and the [redacted]. [redacted] recalled working most with [redacted] on land exchange issues involving [redacted]

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[redacted] advised that some of his responsibilities as YOUNG's [redacted] YOUNG always had the final say on all documents written for him. [redacted] YOUNG also had a final say on the bills written for him.

[redacted] he returned to Alaska and worked with [redacted]. He was based in Anchorage and dealt with issues associated with Alaska and the state of Washington. [redacted] assisted with some community relations by organizing and participating in functions to [redacted].

Sometime in [redacted] decided to branch out into [redacted] ASSOCIATES had about a dozen clients to include the following: Alaska Railroad, Port of Anchorage, Chugach Alaska Corporation, Aleutic Village Corporation, TDX Village Corporation, Aleutian Pacific Island Community Association (APICA), Alyeska Pipeline, Ocean Services, Stabert Maritime and Parents, Inc. [redacted] assisted in the office but discontinued shortly

[redacted]. Initially, he based his office in Juneau and eventually expanded his business to Washington, D.C.

[redacted] typically had agreements with clients that were general for a scope of work but could be more specific. Contractual agreements were terminable with a thirty (30) day notice so they typically operated on a month to month basis. [redacted] required a monthly fixed fee retainer which ranged from $2,000 to $8,000 per month. [redacted] explained to clients that he had a great knowledge base on how lobbying worked in Washington D.C. [redacted] attempted to assist his clients in navigating through the legislative system. If [redacted] successfully lobbied for his clients, he generally did not receive a bonus.

In [redacted] was hired by DIRE AND ELLIS (who eventually merged with [redacted] BLANK/ROME) and left [redacted] to DIRE AND ELLIS except for one or two. Most of [redacted] current clients were former [redacted] ASSOCIATES clients. [redacted] added M&M ENERGY, PROVIDENCE HOSPITAL, and UNION/PACIFIC RAILROAD to his overall client list.

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One of [redacted] clients was the City of Seward. [redacted] shared the contract with another consulting firm, ROBERTSON, MONAGLE & ESTAUGH. [redacted] described the contract as a typical, public entity, city agreement. [redacted] of ROBERTSON, MONAGLE & ESTAUGH worked the contract with [redacted]. According to [redacted] it was a 60/40 split where [redacted]. Along with the 40% fee collection, the City of Seward provided a $70,000 retaining fee to [redacted] has renewed his lobbying contract with the City of Seward twice.

[redacted] advised he first met [redacted] sometime in the [redacted] while [redacted] worked for YOUNG. [redacted] were not necessarily friends but were friendly and sometimes [redacted] together. [redacted] advised he is currently working with [redacted] on issues surrounding the [redacted]. [redacted] signed two (2) separate contracts and the lobbying efforts have been coordinated.

[redacted] did some lobbying for YARDARM KNOT. [redacted] might have referred the contract to [redacted] possibly because of a conflict of interest. [redacted] only did a couple of months work for YARDARM KNOT regarding a [redacted] but the efforts never came to fruition.

[redacted] advised he knows [redacted] as a direct result [redacted] the City of Seward. [redacted] attended some fund raising events for the ALASKA SEA LIFE CENTER (ASLC). [redacted] was part of an informal group who organized the fund raiser about [redacted] years ago. [redacted] had some interactions with [redacted] while attempting to set up the invitational. [redacted] made donations to the tournament as well as being a participant.

[redacted] contractual responsibilities with the City of Seward. [redacted] a list of priority issues for Washington, D.C. This list included both legislative and administrative issues. [redacted] assisted in attempts to achieve those goals and he focused his efforts on the House side of the legislature because he was more familiar with the House procedures.

According to [redacted] the ASLC was on the priority list for the city. The ASLC was an attraction for the City of Seward so the city should want to fully support it. [redacted] did not witness any type of rift between the ASLC and the City of Seward. [redacted] recalled in 2003 that the City of Seward delegation came to Washington D.C. They met with [redacted] from the National Park Service (NPS) to discuss the Mary Lowell Center, a purposed multi-agency facility to be built in Seward. [redacted] advised he most likely would have met with the delegation staff with regards to the multi-agency facility. [redacted] felt all of the delegation was interested in the agency concept but the delegation would have been more interested in meeting with SENATOR STEVENS because of his affiliation with the Appropriations Committee.

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At this point in the interview, [redacted] was shown a report discussing appropriations for waterfront development in Seward. Included in a transportation bill was $2.3 million earmark for the City of Seward. [redacted] involvement with the Alaskan delegation regarding these particular funds. [redacted] followed up on the request with the House side of the Alaskan delegation, meaning REPRESENTATIVE DON YOUNG.

[redacted] was asked about his relationship with [redacted] met [redacted] was working on SENATOR STEVEN's staff. They worked on issues revolving around fisheries and the Magnusson Act. [redacted] contact person for those issues. At the time, [redacted]

STARBOUND, COREY SWASAND, as well as APICA. [redacted]

[redacted] did not have any contact with [redacted] with AT SEA PROCESSORS but most likely saw him at different social events including fund raisers [redacted] or [redacted] could not recall who the fund raisers were for.

[redacted] was advised that [redacted] COMMUNITY DEVELOPMENT QUOTAS (CDQ) [redacted] for APICA.

After SA [redacted] reviewed a meeting held in [redacted] with a number of people present to include [redacted] and [redacted] advised he recalled the meeting and [redacted] APICA as they were opposed to the issues being discussed at the meeting. [redacted] did not feel as though [redacted] was pushing any issues on behalf of [redacted] clients and described [redacted] attitude in the meeting as playing devil's advocate.

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[redacted] relationship as "lawyers in the trench" and that they were close colleagues. [redacted] in Washington, D.C. but not too often. [redacted] advised [redacted] probably had better access to SENATOR STEVENS' office because of his time spent [redacted] SENATOR.

[redacted] described [redacted] the Alaskan Delegation. When meeting with the delegation, they immediately wanted to know if the clients [redacted] were from the state of Alaska. Usually [redacted] scheduled meetings ahead of time but once in a while he just stopped by without an appointment. Typically, the makeup of the meeting was [redacted] the delegate and a staffer or two who might be assigned to that particular issue.

At this point in the interview, SA [redacted] showed [redacted] an email from [redacted] and [redacted] to [redacted] LAST NAME UNKNOWN [redacted] dated [redacted] The email was in regards to a letter that [redacted] SENATOR STEVENS which was to be sent to [redacted] [redacted] advised he had no knowledge of the letter or that [redacted] was attempting to arrange a lease of the multi-agency facility through CHUGACH CORPORATION. According to [redacted] he learned of this through a newspaper article.

SA [redacted] went on to discuss a December 2004 draft of 108-447 Public Law provided through the Appropriations Committee. In that draft it was stated that the City of Seward was supposed to vacate Washington Street and that the left-over acquisition money from the purchase of properties by NPS would then go to the City of Seward. SA [redacted] if the City of Seward had any opportunity to propose provisions regarding the vacation of Washington Street. [redacted] went on to say the City of Seward receiving funding would have been the priority listing for them. [redacted] was not aware of any review of the draft for the city of if anyone else was aware of it. [redacted] did not think the City of Seward had any issues with it.

[redacted] the City of Seward delegation visit to SENATOR STEVENS' office on July 25,2005. [redacted] was present as well as other SENATOR STEVENS' staff; [redacted]

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The City of Seward delegation did most of the talking which revolved around their priority list for the city. That list included the boat harbor, the multi-agency facility, and issues surrounding the vacation of Washington Street in Seward. According to [redacted] SENATOR STEVENS listened to the group and said they would review the issues. SENATOR STEVENS' office could see the city was concerned about the fact that NPS did not want to purchase all of the properties listed in the bill and that they were concerned about having to vacate Washington Street in order to receive the left over money. The city wanted a way to get around the vacation of Washington Street and [redacted] recalled SENATOR STEVENS saying that they should not make the city do things but his staff kept reminding him it was already on paper. [redacted] did not sense any irritation between City of Seward Mayor VANTA SCHAEFER and [redacted] The discomfort which may have occurred during the meeting was most likely due to the fact that everyone was not on the same page. [redacted] to discuss these issues with SENATOR STEVENS' office.

[redacted] bill HR 2361, Section 438 which was released one (1) week after the meeting between SENATOR STEVENS' office and the City of Seward delegation. That bill directed the left over NPS money to be directed to the ASLC instead of the City of Seward. [redacted] the ASLC and the City of Seward. [redacted] because the ASLC was listed as one of the city's priorities. [redacted] advised that he did not have any telephone calls with [redacted] regarding the ASLC receiving the funds until after the provision became public. Afterwards, [redacted] that SENATOR STEVENS' office thought this route was the best. [redacted] never discussed [redacted] property which was purchased by the ASLC with the left over NPS funds. [redacted] learned of this transaction after reading newspaper articles.

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To this day, [redacted] advised that he believes the City of Seward was okay with the funding going to the ASLC. [redacted] advised he is unaware of any inappropriate payoffs to anyone regarding the [redacted] ALASKAN SEA LIFE CENTER transaction.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 04/01/2008

[redacted] date of birth [redacted], Social Security Account Number [redacted] was interviewed at his residence, [redacted] Alaska. After advised of the identity of the agents and the nature of the interview, S[redacted] provided the following information.

In [redacted] was working as [redacted] at the [redacted] school system. [redacted] the Alaska Sea Life Center (ASLC) was scheduled for an upcoming grand opening. [redacted] spoke to some members of the board and suggested they utilize some of the [redacted] students for the opening ceremony. The ASLC liked the suggestion and had the students perform during the ceremony.

[redacted] had other ideas for students visiting the ASLC. He suggested that students could write essays about the animals they saw during their visit and then send it back to the ASLC for prizes. The ASLC liked this idea as well and [redacted]

[redacted] eventually retired as a [redacted] advised that he currently holds the title of [redacted] and is responsible for [redacted]

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While employed as the [redacted] recalled that in late [redacted] he needed to obtain signatures from [redacted] and [redacted] for personnel requisitions. While entering the executive suite, he observed a lot of files laying out on the reception desk, a copier in the hallway of the suite and a shredder in [redacted] office. [redacted] noticed many boxes lined up in the hallway as well. [redacted] copying and shredding documents. [redacted] who would bring the boxes up to their attorney's office in Anchorage. Both agreed they would travel to Anchorage to drop off the boxes. [redacted] the boxes to be a result of documents produced for the federal investigation.

Investigation on 03/30/2008 at Seward, Alaska

File # 194A-AN-14699-SLC 39

Date dictated 04/01/2008

by SAs [redacted] and [redacted]

FBI - Stevens-10892

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

[redacted] any large amount of shredding at the ASLC [redacted] shred only documents with personal, identifying information listed on them. For example, [redacted] shred any papers with customer credit card information listed on them.

When asked about the executive management at the ASLC, [redacted] explained that the main decision making occurred between [redacted]

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While continuing to discuss the ASLC management, [redacted] the ASLC was starting to have financial problems. [redacted]

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 05/05/2008

[redacted] otherwise known as [redacted] date of birth [redacted] home address [redacted] Alaska [redacted] Social Security Account Number [redacted] was interviewed at his residence. After being advised of the identities of the interviewing Agents and the nature of the interview, [redacted] provided the following information.

[redacted]

[redacted] advised he works under the direction of ASLC employee [redacted] (phonetic). [redacted] reported to [redacted] as well. [redacted] described his relationship with [redacted] as good and feels [redacted] is a good [redacted] who is both smart and methodical about his decision making.

[redacted] does not like the negative press the center has received in the past year or so. When the ASLC received federal funding which was originally slated to go to the City of Seward, [redacted] would do and spoke to the employees about how the City of Seward was not happy about the change in funding. Additionally, [redacted] trying to secure as much funding as he could for the ASLC.

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[redacted] elaborated on what he felt was intended for the remaining federal earmarked funding. He explained [redacted] but thought they would be utilizing the remaining funds for waterfront improvements and a possible expansion plan for the center. [redacted] advised that the PORTICO GROUP from Portland was hired to provide input for the planning stages of these projects.

Last year at the end of [redacted] to discuss a federal grand jury subpoena that had been served on the [redacted] [redacted] if he would be

Investigation on 04/28/2008 at Seward, Alaska

File # 196A-AN-14699-SLC - 40

Date dictated N/A

by SAs [redacted] and [redacted] :mjh

FBI - Stevens-10894

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

[redacted]

[redacted] spent the better part of that time frame [redacted] as well as handling any [redacted] that arose while [redacted] some of the documents and advised that he did not see anything criminal in nature or anything that made him suspicious. [redacted] anything directly sent from Senator TED STEVENS' office and [redacted] correspondence between [redacted] regarding a joint venture concerning [redacted] tour boat and the ASLC.

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[redacted]

At this point in the interview, [redacted] was asked if he witnessed any type of shredding [redacted].

[redacted]

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The interviewing Agents explained to [redacted] how important it was that he remain truthful during the interview and advised [redacted] that it was a violation of federal law to knowingly lie to an FBI Agent. [redacted] advised he understood and went on to discuss how [redacted] was reminded that he was [redacted] any type of [redacted]. He responded by stating that he did not "recall" [redacted] was asked if he had seen [redacted] It is noted that on several additional occasions during the interview, when [redacted] was asked if [redacted] he replied by stating he [redacted] Each time the interviewing Agents clarified that they only said [redacted]

[redacted]

[redacted] advised that during [redacted] was upset after hearing rumors that the Inspector General and the FBI were snooping around and asking questions. [redacted] was also upset over the Anchorage Daily News article regarding the ASLC purchase of the Arcade property owned by [redacted]

FD-302 (Rev. 10-6-95).

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 05/02/2008

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[redacted] date of birth [redacted] Alaska home telephone number [redacted] cellular telephone number [redacted] was located and interviewed at her residence. After being advised of the identity of the interviewing Agents and the nature of the interview, [redacted] provided the following information:

[redacted] advised that she has been employed as [redacted] at the [redacted] for approximately [redacted] For the past [redacted] years [redacted] has been the [redacted] and [redacted] are the other custodians employed by the [redacted]

[redacted] advised that she believed that when [redacted] began working at the [redacted] he did a very good job, but that she feels that executive management at the [redacted] has become a "good ole boy network". Although [redacted] does not have specific knowledge of any wrongdoing by anyone at the [redacted], it is [redacted] opinion that the situation involving the purchase of the [redacted] was suspicious and that the subsequent media scrutiny will [redacted]

[redacted] stated that [redacted] has told employees of the [redacted] that the money used for the purchase of the [redacted] was pushed on the [redacted] by Senator TED STEVENS. [redacted] believes that [redacted] may have also discussed how much the [redacted] would cost, and the fact that there was a "tiff" between the [redacted] and the City of Seward over appropriated funds used for the purchase of the [redacted] [redacted] was not present for any meeting where [redacted] may have told employees of [redacted] not to speak with individuals investigating [redacted] stated that most of the [redacted]

[redacted] heard that these bonuses were paid from funds received from admissions to the [redacted] stated that [redacted] had decided to give these bonuses and that she has heard that upper management received "significant" bonuses.

Investigation on 4/28/2008 at Seward, Alaska

File # 194A-AN-14699-SLC -41 Date dictated N/A

by SA [redacted] SA sf

FBI - Stevens-10897

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

[redacted] felt that it was odd that [redacted] had received bonuses when there are serious physical issues at the [redacted] but funding is never provided to fix these problems. [redacted] is the current [redacted] and his position is overseen by [redacted] stated that [redacted] but that he left because of [redacted] now works at the [redacted] feels that there are a lot of unqualified people being hired by the [redacted]

[redacted] and [redacted] feels that he was brought to the [redacted] from Anchorage to weed certain individuals out of the [redacted] These include [redacted] has since left the [redacted]

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[redacted] recalls that the [redacted] was served subpoenas by the Federal government in [redacted] and that she recalls [redacted] been related to the subpoenas. [redacted] stated that neither she nor her fellow [redacted]

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 04/22/2008

[redacted] date of birth [redacted] Social Security Account Number [redacted] home address [redacted] home telephone number [redacted] was interviewed at the Rain Forest Internet Cafe in Seward, Alaska (AK). After being advised of the identities of the agents and the nature of the interview, [redacted] provided the following information.

[redacted] began her employment at the [redacted] in [redacted] and remained employed there until [redacted] was hired as the [redacted] and worked under [redacted]. While employed as the [redacted] some of [redacted] responsibilities included [redacted] and [redacted]

While discussing [redacted] advised that he traveled to Washington, D.C. to discuss federal appropriations with SENATOR STEVENS and the [redacted] While in DC, [redacted] sometimes met with representatives from the American Zoological Association. [redacted] arrangements were always coach class and never first class. [redacted] also recalled [redacted] to fly to Seattle, Washington to meet with representatives from Princess Cruise Lines.

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[redacted]

[redacted] was asked about the [redacted] acquisition of the [redacted] located in Seward, AK. [redacted] could not recall the details of the acquisition and advised that former employee [redacted]

Investigation on 04/18/2008 at Seward, Alaska

File # 194A-AN-14699-SLC-44

Date dictated N/A

by SAs [redacted] and [redacted] :mjh

FBI - Stevens-10899

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

unsure as to what funding source was used to purchase the property.

[redacted] advised she knows [redacted] but not personally. [redacted] did not think that [redacted] with the [redacted] recalled that [redacted] often called [redacted] for advice on various issues but could not recall any exact issue. [redacted] did not have any involvement in the [redacted] did not know which building in Seward, AK represented the [redacted] The agents explained that it had been [redacted] said she was still not familiar with the whereabouts of that particular building.

[redacted] with the coordination of the [redacted] fishing invitational that occurs annually in August. [redacted] REPRESENTATIVE DON YOUNG's office but could not recall her name. [redacted] invitational. [redacted] did not know how much money was raised during the auction nor where the money was allocated afterwards.

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[redacted] was asked whether or not anyone at the [redacted] had warned her that agents from the Department of Interior or the FBI might come by. [redacted] replied no but added that [redacted]

At the end of the interview, [redacted] added that she "loved" working at the [redacted] and felt that [redacted] was the best boss she has had. [redacted]

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 04/07/2008

[redacted] City of Seward, Alaska, [redacted] was interviewed at his place of employment. After being advised of the identities of the agents and the nature of the interview, [redacted] provided the following information. Also present during the interview were Department of Interior, Office of Inspector General Special Agents [redacted] from the Vancouver, Washington field office.

[redacted] provided some background regarding his employment history. He retired as an [redacted] firm was based in Anchorage, AK. Being an [redacted]

[redacted] for the Alaska Sea Life Center (ASLC). Shortly thereafter, [redacted] a year. [redacted] also wanted [redacted] concerning the ASLC. [redacted] agreed but wanted [redacted] to retain the legal services of the law offices of BIRCH, HORTON, BITTNER and CHEROT, 1127 West Seventh Avenue, Anchorage, AK 99501.

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[redacted] explained that being part of [redacted] meant you were always kept in the loop concerning the decision making at the [redacted] advised that at the time the [redacted] consisted of [redacted]

Around the same time frame, [redacted] was asked by [redacted] federal earmark of approximately $6 million. [redacted] as well as SENATOR STEVENS' [redacted] also had some contact with former SENATOR STEVENS' [redacted] [redacted] used the money to purchase a dive boat, a capture boat and another boat that the [redacted] does not currently own. [redacted] advised they spent about $200,000 of the funds to purchase the boats. [redacted]

FBI - Stevens-10901

Investigation on 04/03/2008 at Seward, Alaska

File # 194A-AN- 14699-SLC 46 Date dictated N/A

by SA [redacted] mjh

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

[redacted] assisted [redacted] with the purchase of the [redacted] Before the building was purchased, [redacted] completed space studies which justified the expenditure of the money for [redacted] At the time, the [redacted] were not viable options for the [redacted] Both of the buildings were on solid property lots but the building were in poor condition and financially did not make sense. [redacted] told [redacted] he was in agreement about the two buildings and "in good conscience" he could not place [redacted] employees in either of the buildings.

The Depot was purchased with a "lease-purchase" agreement. [redacted] was proud of the acquisition. The money used to purchase the Depot most likely went through some government agency but there was not any oversight. [redacted] exactly where the funds came from. They may have used some of the $6 million received from the Stellar-Sea Lion research money or the North Pacific Marine Research Institute (NPMRI).

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The NPMRI funds were originally placed at the University of Alaska, Fairbanks but SENATOR TED STEVENS moved the legislation to the ASLC because UAF did not move on the money and make any progress with the funding. In early 2001 SENATOR STEVENS told UAF [redacted] that the overhead that UAF charged (56%) was high. [redacted] that SENATOR STEVENS was upset with that number and decided to move the funds to the ASLC.

[redacted] explained that the Stellar-Sea Lion research money could have been used to purchase the Depot because a research library was set up on the west side of the building and the east side of the building was used for graphics and art.

The NPMRI formed a voting board of about five (5) people. Some of the board members that [redacted] could recall were [redacted] The NPMRI was physically based in Seward, AK. The ASLC administratively handled the funds and set up various accounts to handle the funding separately from the ASLC funds. [redacted] did not think that the NPMRI money was co-mingled with ASLC funds but believed that some of the NPMRI money given to the ASLC was used to purchase the Depot.

NPMRI established office space in Anchorage and hired a couple of employees but the funds were physically handled by the ASLC for a fee. [redacted] wanted a physical presence in Anchorage for the ASLC and therefore sub-leased space from NPMRI. [redacted] form a non-profit for the ASLC to administer the NPMRI but it was never done.

After the purchase of the Depot, the property deed was issued to the SAMMS board and not the ASLC. [redacted] advised this occurred because the ASLC is not a legal entity and therefore there was no legal liability. [redacted] explained that the ASLC name is only a trade name. In the event of a ASLC default, everything physically located at the ASLC would go to the City of Seward. [redacted] went on to explain his opinion regarding the SAMMS ownership of property and the City of Seward lease to the ASLC. [redacted] opined that the original lease does not give the City of Seward ownership of SAMMS property. [redacted] also opined that federally appropriated funds should not be inappropriately used via the SAMMS board.

[redacted] went to explain where he thought federally funded money could be inappropriately used. [redacted] explained that the funds originating through the NPRMB and NPRMI came as a result of a dispute between the state of Alaska and the United States regarding property located in Alaska. According to [redacted] a United States Supreme Court decision rendered that the property was owned by the United States. A large amount of money was given to the federal government. SENATOR STEVENS pushed to have $800 million directed to the federal government while another $800 million was steered to the National Park Service and Fish and Wildlife. The remaining amount was to be placed into an account and the interest gained would be given to the NPRMB and NPRMI. [redacted] advised this pot of money could be "funny" money meaning it could easily be directed with new legislation.

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[redacted] was asked if he recalled the resolution of the bond that was issued to the ASLC from the City of Seward. [redacted] recalled that in May 2001 that SENATOR STEVENS visited the ASLC to watch the ceremony where the mortgage was burned. [redacted] did not know if [redacted] was involved in the bond issue or not.

[redacted] with the spending and squandering of items at the center. [redacted] items being purchased that the ASLC did not need and was held in

storage. [redacted] that he [redacted] needed to be careful when dealing with federal funds.

[redacted] to be the [redacted] said no and worked as the [redacted] While working as the [redacted] had lunch with [redacted] on one occasion at the [redacted] in Seward. They sat and talked until [redacted] barely spoke while [redacted] talked about the [redacted] the City of Seward and how [redacted] went on discussing the city issues with the ASLC. [redacted] told [redacted] if there was anything he could do he would be willing to assist. [redacted] never asked [redacted] for assistance after the lunch.

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On one occasion, [redacted] discussed the appraisal amount for the ARCADE property. [redacted] told [redacted] that this deal was could be corrupt being that [redacted] was involved and that [redacted] quietly disagreed and walked away towards [redacted] who was waiting for [redacted]

[redacted]

[redacted]

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/07/2008

[redacted] was interviewed telephonically. After being advised of the identity of the agent and the nature of the interview, [redacted] provided the following information.

[redacted] stated that recently [redacted] changes in personnel at the Alaska Sea Life Center (ASLC). Current [redacted] and others that five (5) full time positions would be laid off soon and another six (6) positions would also be changing from a full time status to part time. [redacted] would not provide details to the group and would not provide details on what responsibilities would be shifted or changed. [redacted] advised that the cost of fuel and legal fees were forcing the ASLC management to make changes in personnel.

Approximately [redacted] the ASLC [redacted], sent an email to ASLC staff [redacted] Two other staff within the ASLC [redacted] were also terminated. [redacted] advised that most of the ASLC [redacted] group has been removed.

According to [redacted] and [redacted] were not getting along. [redacted] believed that [redacted] and former ASLC [redacted] had been close associates and was surprised that [redacted] was terminated.

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[redacted] after receiving his email. Initially they were not able to get a hold of one another and while leaving messages with one another, [redacted] left a message on [redacted] telephone advising that [redacted]

Eventually [redacted] spoke on the telephone and [redacted] told [redacted] that ASLC [redacted] had changed [redacted] budget which he had previously submitted for the ASLC [redacted] [redacted] that he confronted [redacted] about the changes and within a couple of days [redacted] from the ASLC. [redacted] told [redacted] that [redacted] "cooking the books" and using "creative financing."

Investigation on 08/06/2008 at Anchorage, Alaska (telephonically)

File # 194A-AN-14699-SLC - 47

Date dictated N/A

by SA [redacted] mjh

FBI - Stevens-10905

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[redacted] advised that in the past she has also submitted reports to the ASLC and they have made changes without notifying her. [redacted] has brought this to the attention of [redacted] at the [redacted] Fairbanks and has not received any kind of direction or acknowledgment from the [redacted]

Last week [redacted] ran into [redacted] while he was [redacted] advised that while watching [redacted] referencing [redacted] laughed and replied, "they tried that once and it didn't work very well, did it." [redacted] took that to mean that the ASLC had in fact engaged in shredding and that [redacted] (Agent's note: [redacted]

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 09/11/2008

[redacted] date of birth [redacted] home address [redacted] Alaska (AK) [redacted] telephone number [redacted] was interviewed at his residence. After being advised of the identities of the agents and the nature of the interview, [redacted] provided the following information.

[redacted] began working for the Alaska Sea Life Center (ASLC). [redacted] was hired by [redacted] According to [redacted] hired him [redacted] for the ASLC.

Before [redacted] was hired by the ASLC, [redacted] and [redacted] advised that his background includes a number of jobs involving the job fields surrounding [redacted]

[redacted] initiate new programs at the ASLC. [redacted] staff offices were located in [redacted] number of occasions in order to conduct his job effectively. After a successful year of [redacted] the management at the ASLC decided to hand out bonuses to all full-time staff. Bonuses were also provided in an effort to improve the poor morale at the ASLC. The bonus was based on a calculation of 4% of each employee's annual salary.

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Approximately [redacted] began to notice that the upper management or "leadership team" was making unethical decisions [redacted] For example, about a year ago, a researcher with the ASLC was involved in a fatal diving accident while working with the ASLC. [redacted] recently discovered that current [redacted] is challenging the OSHA decision to fine the ASLC. [redacted] also advised that he does not agree with the ASLC paying for ASLC [redacted]

Investigation on 09/05/2008 at Eagle River, Alaska

File # 194A-AN-14699-SLC - 48 Date dictated N/A

FBI - Stevens 10907

by SAs [redacted] and [redacted] :mjh

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

According to [redacted] a year plus housing expenses.

Recently, while [redacted] was meeting with [redacted] advise the ASLC Board of Directors that the ASLC budget was over $700,000 in the hole and that it was as a result of poor ticket sales for the past year. [redacted] would not acknowledge the true reasons why the budget was so poor. [redacted] advised he believes that the budget is just a "shell game" to the leadership team and that staff are not provided a true and accurate picture of the ASLC budget.

After continually questioning ASLC leadership decisions, [redacted]

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[redacted] was questioned about his knowledge of federally appropriated funds which were provided to the ASLC in 2005. [redacted] acknowledged he was aware of those funds. Besides a portion of the funding which was spent to buy [redacted] CENTENNIAL GROUP property, only $50,000 of the remaining funds were spent on a community project involving a city park. To date, [redacted] advised the remaining funds are in a single bank account because the ASLC is unsure of how to spend the remainder.

[redacted] was uncomfortable with the federal appropriations because he did not think the ASLC management was going to utilize it the way SENATOR TED STEVENS had envisioned the use of the funds. [redacted] felt that SENATOR STEVENS would want the remaining funds to be used for the benefit of the City of Seward. [redacted] wanted to use the funds to make repairs at the

ASLC. [redacted] advised that when he began working at the ASLC, [redacted] wanted to utilize a portion of the funds for a joint business venture between the ASLC and [redacted] wanted the ASLC to invest in a tourist boat venture. [redacted] strongly advised against the plan mainly because there were already companies in town who were providing the service. [redacted] felt there was too much competition for it to succeed.

[redacted] advised that he knows [redacted] but has never spoken to [redacted] about the federal appropriations. In fact, [redacted] made a point of staying away from the subject because he [redacted] explained that he had known [redacted] for a number of years and that [redacted] had often donated to some of the charities [redacted] was associated with.

[redacted] was asked about whether or not he was aware of a Federal Grand Jury Subpoena which was served on the [redacted] answered that he was aware of the subpoena and how [redacted] handled the matter. [redacted] advised that [redacted]

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According to [redacted] he was not sure if [redacted] was shredding documents during the time he was within her office on several occasions. [redacted]

[redacted]

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1A - 1

FD-340 (Rev. 4-11-03)

File Number 194A - AN - 14699 - SLC

Field Office Acquiring Evidence AN

Serial # of Originating Document 48

Date Received 09/05/08

From [redacted]
(Name of Contributor/Interviewee)

[redacted]
(Address)

[redacted]
(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

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Title:

Reference: _____
(Communication Enclosing Material)

Description: ☒ Original notes re interview of

[redacted]

[redacted] (3)

[redacted] never received bonus

→ [redacted] Know eachother - worked well w/ [redacted]
never talked to [redacted] and TO made
[redacted]

Act? → [redacted] played a shell game - 3/4 time makes it better for taxes

→ Subpoenas - [redacted]
[redacted]

[redacted] b3 b6 b7C

→ Subpoena - [redacted]
[redacted]

→ Has not heard from [redacted] since [redacted] - feels bad about that
- TS - [redacted] didn't need to go to
office

[redacted]

→ From [redacted] on [redacted] staff

→ [redacted] in an awkward position
former

→ [redacted]

- [redacted] - went into [redacted] office - had just [redacted]

- signed ltr + [redacted] contact to keep in touch

- [redacted]

phone calls - [redacted] other staff have been laid off [redacted]

- [redacted] hired to work on a grant but didn't make sense especially because [redacted] - brought up at [redacted]

→ Appropriation - was never sure how $ was supposed to be spent

- [redacted] wanted it only for SLC - sidewalk repair

$50,000 went to a park in the city - a group of 10 or 12 women [redacted]

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* [redacted] uncomfortable in beginning w/ boat issue * [redacted] + [redacted]

→ Not sure about ~~other~~ ~~funds~~ rest of appropriations $ or where it went

→ Not comfortable about funds that were supposed to be there for city - they only put the $ in for that date then move $ around - this was discussed w/ leadership team

- basically never saw budgets

→ Bonuses - last year, had a great year financially basically thru [redacted] - initiated new programs that did well which made part of $ along w/ bad morale 4% bonus of salary

→ [redacted]

[redacted]

09/05/08 [redacted] - at residence

[redacted] for ASLC

- works in [redacted]

- ask to work on [redacted]

- asked by [redacted]

[redacted]

- working at [redacted] before that

→ [redacted]

- outspoken when left + not going to do things unethical

[redacted]

→ went head to head w/ [redacted]

① issues w/ OSHA didn't agree w/ [redacted] fine

② issues w/ [redacted] - very much a shell game

told in hole 700,000 in hole

- report to Board was blaming lack of [redacted]

when [redacted] know tix were much better

[redacted] couldn't answer why in hole

- [redacted] afraid someone's head was going to role

→ [redacted] out talking w/ someone for donations but person didn't want $500

going to fly CFO anywhere [redacted]

- sitting in mtg w/ [redacted]

[redacted]

- Not sure that [redacted]

- TS had runins w/ the city [redacted] was given the

[redacted] w/ city before [redacted] came - [redacted]

[redacted]

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b7C

Stevens Investigation

[redacted]

Sent: Friday, October 10, 2008 6:01 AM
To: Fryslie, Kevin
Attachments: 10-9-08 Stevens DoJ Letter.doc (120 KB)

Oct. 10, 2008

Special Agent Kevin Fryslie
Special Agent in Charge
FBI, Anchorage Field Office

Dear Special Agent Fryslie:

Attached please find a copy of a 21-page letter to Principal Deputy Chief Brenda Morris of the Public Integrity Section of the DoJ Criminal Division.

I believe the letter will provide information of assistance to you in your investigation of corruption in Alaska.

Briefly, the National Legal and Policy Center is an ethics watch dog group with a strong record of exposing corruption. It was NLPC's investigation of conflicts of interest of a former Air Force official, [redacted] that led to the unraveling of the multi-billion-dollar tanker deal. Our complaint to the DoD IG made the front page of the Wall Street Journal and within months both [redacted] and Boeing [redacted] pled guilty to conspiracy to violate federal conflict of interest laws. Both went to federal prison. My own 32 yerars as an attorney include service as a prosecutor.

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The attached letter documents that the Utah land deal involving Sen. Stevens and [redacted] and two others was far more profitable to Stevens than was previously reported. Stevens made more than $322,000 on an investment of $1,001 to $15,000. His return on investment was a minimum of 2,150%.

More importantly, our investigation shows that the three co-investors of Sen. Stevens in the Utah land deal were all business associates of [redacted] just prior to the land deal. In 1998, the year Stevens received a 25% interest in Grantsville Development Co., LLC, the vehicle for the Utah land deal, a company owned by [redacted] was facing a loss of as much as $400 million if legislation introduced by Stevens (American Fisheries Act) became law.

Stevens dramatically changed his legislation - which would have eliminated [redacted] fleet of factory trawlers in the Bering Sea with no compensation whatsoever. His newly revised legislation gave American Seafoods a generous buyout in which the company received most of a $90 million payment which included a $20 million sum from the taxpayer. Stevens used his position as Chairman of the Senate Appropriations Committee to make sure this expensive buyout was part of the deal.

copy to [redacted]
pls copy package to SA [redacted]

American Seafoods also received a valuable allotment of fishing rights

194A-AN-14699-SLC-49
~~194A-AN-13620~~-SLC

for [redacted] The allotment was supposed to be subject to sunset but in 2001 Stevens eliminated the sunset provision in a closed-door conference committee. Interestingly, also in 2001 Stevens received a $58,477 payment from his Grantsville investment. Stevens' [redacted] in drafting the American Fisheries Act, [redacted] had become [redacted] of At-Sea Processors Association, the trade group controlled by [redacted]

And for background color [redacted] was subsequently found guilty of bribing a government official in Europe and went to prison briefly for that crime.

I would be happy to FedEx you the complete filing which, with exhibits, runs a bit over a 100 pages with the exhibits. just let me know the proper address.

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Please feel free to give me a call once you've had an opportunity to review the attached letter.

Sincerely,

[redacted]

National Legal and Policy Center
107 Park Washington St.
Falls Church, VA 22046
[redacted]

October 9, 2008

Brenda K. Morris
Principal Deputy Chief
Public Integrity Section
Criminal Division
United States Department of Justice
1400 New York Avenue, N.W.
Washington, D.C. 20005

Re: Utah land deal co-investors with Senator Stevens were financially tied to major beneficiary of the Senator's legislative favors

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Dear Principal Deputy Chief Morris:

The facts set forth in this letter provide important details regarding a highly profitable Utah land deal entered into by Senator Ted Stevens in 1998.

The information provided will show that the land deal was far more lucrative than was previously reported in the media. It appears that an investment of $1,001 to $15,000 resulted in a profit of more than $322,000. The return on investment exceeded 2,150%. There is reason to believe that the deal may have greatly exceeded these figures since the higher end of the $1,001 to $15,000 range for the purchase price was used in the calculation.

Other aspects of the deal raise very serious questions as to whether the timing of the transaction coincided with Sen. Stevens' decision to sharply change his position on legislation in a manner that saved the financial interests of a [redacted] tens of millions of dollars.

Stevens had proposed legislation which would have had the effect of banning large commercial fishing trawlers from Alaskan waters with no compensation for the owners. [redacted] of the trawlers to be banned.

After Stevens was invited to buy a 25% interest in Grantsville Development Co., L.L.C. for $1,001 to $15,000 in 1998, he changed his position substantially on the fishing

FBI - Stevens-10917

legislation to allow for a buyout of designated trawlers for $95 million with $20 million coming from the federal government.

Given that the current indictment against Stevens cites failure to properly disclose key information regarding things of value received by Stevens on Financial Disclosure Reports as required by the Ethics in Government Act and 18 U.S.C. § 1001, it is important to note that Stevens failed to disclose the date of his purchase of a financial share in the L.L.C. involved in the land deal, as required by the Ethics in Government Act. This may be a critical omission because during 1998 Stevens substantially altered legislation to benefit the Norwegian billionaire.

The connection between the [redacted] and the Utah land deal can be found buried in two separate Securities and Exchange Commission filings.

Each of Stevens' three Grantsville Development Company, L.L.C. co-investors and the company's developer in Utah had financial ties to the billionaire's financial holdings prior to Stevens joining the company in 1998.

[redacted] who assisted Stevens in the legislation, received a well-paying executive position with a trade association dominated by the financial interests of the billionaire after Stevens changed his position on the legislation.

Over the past year, the National Legal and Policy Center (NLPC) investigated a Utah land deal in which Stevens was involved from 1998 to 2004. The deal was investigated beginning in July, 2007 when NLPC filed a complaint before the Senate Ethics Committee questioning the legality of the sale of a prime Alaskan real estate parcel on the Kenai River to Senator Lisa Murkowski (R-AK) by real estate developer [redacted] at far below the market price.[1] The day after NLPC filed the complaint, Sen. Murkowski announced that she would sell the property back to [redacted][2] b6 b7C

[redacted] involvement in the improper Murkowski land deal and his numerous other questionable financial ties to Senator Stevens led NLPC to focus on the 1998 Utah land deal.

Senator Stevens Makes More Than $322,000 on an Investment of $1,001 to $15,000; Minimum Percentage Return on Investment of 2,150%

Stevens Invited to Invest in Utah Real Estate Deal

[1] "Ethics complaint targets Murkowski land deal; Profitable Purchase: Group said she got special treatment," by Richard Mauer and Brandon Loomis, *Anchorage Daily News*, July 25, 2007.
[2] "Murkowski to sell back Kenai property," by Erika Bolstad and Richard Mauer, *Anchorage Daily News*, July 26, 2007.

Central to NLPC's investigation was a 1998 investment in an Alaskan limited liability corporation, Grantsville Development Co. The investment was first disclosed in the Financial Disclosure Report for the year 1998 filed by Sen. Stevens in 1999. Under *Part IIIB – Non-Publicly Traded Assets and Unearned Income Sources,* the asset was identified as follows:

> Grantsville Development Co., Anchorage, AK
> (Subdivision development in Grantsville, UT)[3]

Under *Valuation of Assets* Stevens checked the box indicating that the value of the asset was in the range of $1,001 to $15,000.

The co-investors in Grantsville Development Co. were:

[redacted]

[redacted]

[redacted] of former Anchorage developer [redacted] who has been working on the Grantsville project

A 2004 Associated Press story on the investment listed [redacted] and Sen. Stevens as each owning 25% with former Anchorage resident [redacted] owning 40% and [redacted] owning 10%.[4]

In the same Associated Press story [redacted] was quoted as saying another attractive feature of the land deal for Stevens was that, as a limited partner, Stevens would not be liable for the debt if the project failed.[5] b6 b7C

Participation in the non-publicly traded Grantsville Development Co. was by invitation only. The reason Senator Stevens was singled out for the lucrative opportunity was candidly explained in the same Associated Press story:

> [redacted] said he and his business partners invited Stevens to join them in "appreciation for all he's done for Alaska and the country. We respect him very much."[6]

The investment itself was in a 96-acre tract of land about 30 miles southwest of Salt Lake City, Utah. [redacted] stated that the property was subdivided and about 14 lots had been sold with another 30 to 40 to be sold over three to ten years.[7]

---

[3] Financial Disclosure Report for the year 1998 filed by Senator Theodore Stevens, *Part IIIB - Non-Publicly Traded Assets and Unearned Income Sources*

[4] "Stevens investment grows at least 566 percent," Associated Press, June 21, 2004.

[5] *Ibid.*

[6] *Ibid.*

[7] *Ibid.*

Failure to Disclose Purchase Information on 1998 Financial Disclosure Report

Since the investment was made in 1998, Stevens was also required to disclose purchase information in *Part IV. Transactions.* The instructions accompanying this part of the Financial Disclosure Report are quite clear:

> Report any purchase, sale, or exchange by you, your spouse or dependent child (see page 3, Part B of the instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000.[8]

By failing to file any account of his purchase of his interest in this section, Stevens avoided having to disclose on what date the transaction took place. The date of purchase is especially critical since it was during 1998 that Senator Stevens reversed himself on major fishing legislation which had a multi-million-dollar impact on the financial interests of [redacted] whose financial interests benefited from Stevens' legislative actions and who had financial ties to all of Stevens' co-investors in Grantsville Development Co.

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Copies of the warranty deed transferring title to Grantsville Development Co. and the quit claim deed of water rights transferring water rights to Grantsville Development Co. were both dated May 21, 1998. (attached as Exhibits A and B) Neither document states the price paid by Grantsville Development Co. and neither provides any indication as to whether Sen. Stevens owned his interest at the time of the purchase.

Sweet Deal: Investment of $1,001 to $15,000 Generates $187,585 in Income in 7 Years

Stevens' Financial Disclosure Reports for the years 1998 through 2003 show that Stevens earned a net total of $187,585 for the years 1998 through 2004 before selling the investment in 2004 for $150,000:

Sen. Stevens' Income from Grantsville Development Co.
Source: Part IIIB – Non-Publicly Traded Assets and Unearned Income
Stevens' Financial Disclosure Reports 1998 -2003

1998	(-$34)
1999	(-$31)
2000	(-$116)
2001	$58,477
2002	$4,259
2003	$65,018
2004	$60,012

[8] Financial Disclosure Report for the year 1998 filed by Senator Theodore Stevens, Part IV. *Transactions.*

Net total income: $187,585

For an investment of $15,000 to generate $187,585 in income over just seven years – prior to selling the asset for $150,000 – is phenomenal. Keeping in mind that the actual amount invested was in the range of $1,001 to $15,000, it is quite possible that the return on investment may have been even more spectacular if the amount invested was closer to the $1,001 figure.

Secretive Deal

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The Utah land deal was not just secretive in that Stevens never disclosed the date of purchase on his Financial Disclosure Report, as required by law, but also in the responses of Stevens and [redacted] to press inquiries.

Over the years, Senator Stevens was reticent to discuss the investment. When inquiries were made by the Associated Press about the $65,018 Stevens listed in income from the investment in his Financial Disclosure Report for 2003, AP reported:

> "When it comes to the senator's growth or losses in his financial disclosure form, his financial disclosure form is all that we're required to release, so we're not going to expand upon it," [Stevens'] spokeswoman [redacted] told the *Anchorage News*.[9]

[redacted] appeared especially deceptive in his efforts to explain to the Associated Press how Stevens could earn $65,018 in 2003 on such a modest investment.:

> Stevens, in the disclosure form required annually of all senators, reported that last year he earned "income" of $65,018 from the Grantsville development. [redacted] said that figure corresponds to the amount the investment appreciated over the year, not any cash payments.[10]

[redacted] statement appears to contradict the plain language of the Financial Disclosure Reports. Not only is his claim that somehow the amount listed as income was actually the value of the appreciation not consistent with the plain meaning of "income," but any appreciation is already reportable in *Block B: Valuation of Assets* under *Part IIIB – Non-Publicly Traded Assets and Unearned Income Sources.*

The scrutiny Stevens received over his Utah and other real estate investments apparently upset him. On December 28, 2004, he sold his interest in Grantsville Development Co. and put the assets in a blind trust:

> "There's just no possibility of having any kind of

[9] "Stevens investment grows at least 566 percent," Associated Press, June 21, 2004.
[10] *Ibid.*

> investment of mine at home without bringing the wrath of the media on anyone that was involved in those investments," Stevens said, citing reports in the *Daily News*, the *Los Angeles Times*, and the *New York Times*.[11]

Even in disclosing the sale of his assets, Stevens continued to be secretive:

> Except for the $150,000 note he personally negotiated for the Utah property, he would not say how much he made from his investments until he is required to file that information as a regular disclosure in May. He said the assets were disposed by a retired accountant in Anchorage, whom he would not name.
>
> . . .
>
> "I don't have to answer questions about my investments any longer," Stevens said Friday. "They're going to be disclosed on May 15th and that's going to be it."
>
> However, Stevens was required to file a copy of the December 4 trust agreement at the Senate Public Records office. The 21-page document and attachments showed the accountant and co-trustee to be [redacted] the Anchorage office of KPMG L.L.P. The agreement showed that Stevens' initial deposit was between $250,000 and $500,000 in cash and an unsecured note of between $500,000 and $1 million payable at 8 percent interest over five years.
>
> The document didn't say whether all that money came from the sales of his Anchorage and Utah investments, and Stevens said he wouldn't answer any more questions until May.[12]

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[redacted] was also in a sour mood when asked about Stevens' sale of his Utah property investment:

> [redacted] reached at his Anchorage office, decried the pressure that led to Stevens' actions.
>
> "Because of the harassment from the ADN and other media, Senator Stevens has elected to sell and withdraw from our endeavor in Salt Lake City that he's been a partner in for five years," [redacted] said. "It is incredulous that this kind of harassment can be brought against a person trying to have an honest arms-length transaction."[13]

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[11] "Stevens cuts ties to local partners; Real Estate: Senator says he sold investments and put funds in blind trust," by Richard Mauer, *Anchorage Daily News,* January 22, 2005, page 1.
[12] *Ibid.*

It is interesting that [redacted] described Senator Stevens as "a person trying to have an honest arms-length transaction" with respect to the lucrative Utah land deal. Stevens sold his interest in Grantsville Development Co. on December 28, 2004 for $150,000[14] and he reported in Attachment 5 of that same Financial Disclosure Report:

> The Note received from the sale of Grantsville was from Nickel, Inc. and provided for interest at a rate of 4% and is payable in full on June 5, 2005.[15]

Alaska corporate records show that Nickel, Inc. is clearly affiliated with [redacted] who serves as its [redacted] who has been associated with [redacted] Penland Sales. Other officers and/or shareholders according to the records at the Alaska Division of Banking, Securities and Corporations include [redacted]

Of those affiliated with Nickel, Inc. [redacted] and [redacted] are each listed on RGI Realty, Inc.'s SEC Schedule 13D filing of 1996 which shows the three co-investors of Stevens in the Grantsville Development Company, L.L.C. financially tied to [redacted] company. (*See* Exhibit D)

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It appears that [redacted] idea of an arms-length transaction is one in which an elected official who has done legislative favors for a businessman can be invited into an extremely profitable private real estate deal, earn many times over the minimal amount invested, have no debt liability if the deal goes bad and then sell the investment back to a company associated with the same businessman for a privately negotiated price which happens to be at least ten times the amount invested.

This would appear to be the exact opposite of an arms-length transaction.

It would appear to be a textbook example of a sweetheart deal – an investment purposely structured to result in a large profit for the beneficiary with little or no risk.

Stevens' Co-investors Were All Financially Tied to [redacted] and his Companies

As noted, Senator Stevens had a 25% interest in Grantsville Development Company, L.L.C. with [redacted] also having a 25% interest [redacted] having a 40% interest and [redacted], having the remaining 10%.[16]

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[13] *Ibid.*

[14] Financial Disclosure Report for the year 2004 filed by Senator Theodore Stevens, *Part IV – Transactions.*

[15] *Ibid.*

[16] "Stevens investment grows at least 566 percent," Associated Press, June 21, 2004.

An examination of Securities and Exchange Commission filings of companies substantially owned and controlled by Norwegian [redacted] shows:

- all three of Steven's co-investors in Grantsville Development Company, L.L.C. were financially tied to [redacted] company before they invested with Stevens in Grantsville.

- the largest shareholder in Grantsville [redacted] received financial compensation from another Rokke firm, RGI Holdings, Inc.

- [redacted] the Grantsville Devlopment Company, L.L.C. employee/agent, also received financial compensation from RGI Holdings, Inc.

RGI Realty and Sen. Stevens' Co-Investors in Grantsville Development Co., L.L.C.

In a Schedule 13D Statement of Beneficial Ownership filed by RGI Realty, Inc. with the Securities and Exchange Commission on January 29, 1996, all three of Stevens' 1998 co-investors in Grantsville Development Company, L.L.C. [redacted] were listed as filers.[17] b6 b7C

The filing identified RGI Realty, Inc. as a Florida corporation and a wholly-owned subsidiary of RGI International which was described as a wholly-owned subsidiary of RGI Denmark. RGI Denmark was described as a Danish limited liability corporation and a wholly-owned subsidiary of RGI Europe which, in turn, was described as a Netherlands corporation which was a wholly-owned subsidiary of RGI Antilles. Finally, [redacted] a citizen of Norway, [redacted] of the outstanding stock of RGI Antilles N.V., a Netherlands Antilles limited liability corporation.[18]

In short, [redacted] RGI Realty, Inc., the company which listed the three future Stevens' co-investors in Grantsville Development Company, L.L.C. on its Statement of Beneficial Ownership form.

This heavy [redacted] interest by [redacted] though somewhat obscured by the chain of subsidiaries, is critical to this case because [redacted] was also [redacted] American Seafoods, a large commercial fishing company which stood to lose tens of millions of dollars if the original version of Stevens' American Fisheries Act legislation passed. This

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[17] *See* Exhibit D, Securities and Exchange Commission Filing for RGI Realty, Inc Schedule 13d/A, January 29, 1996

[18] *See* Exhibit D, Securities and Exchange Commission Filing for RGI Realty, Inc Schedule 13d/A, January 29, 1996 at Item 2, *Identity and Background*

bill would have banned large factory trawlers from Alaskan waters with no compensation whatsoever.

RGI Holdings, Inc. and Sen. Stevens' Co-Investors in Grantsville Development Co., L.L.C.

In a Schedule 13D Statement of Beneficial Ownership filed by RGI Holdings, Inc. with the Securities and Exchange Commission on November 1, 1996, two individuals financially tied to the Grantsville Development Co., L.L.C. in 1998 when Stevens bought his 25% share are disclosed as receiving financial compensation from a company [redacted][19]

The first individual is [redacted] identified as having a [redacted] stake in Grantsville.[20] She was named in the prior submittal of RGI Realty, Inc.'s Schedule 13D Statement of Beneficial Ownership on January 29, 1996, *supra.*

The second individual disclosed as receiving financial compensation from [redacted] RGI Holdings, Inc. is [redacted] was identified in the Associated Press account just cited as the [redacted].[21] The account further quoted [redacted] as describing [redacted] as a former Anchorage developer who has been working on the project in Grantsville.[22]

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The Warranty Deed and Quit Claim Deed of Water Rights for the Grantsville property listed [redacted] as the representative of Grantsville Development Company, L.L.C. to receive copies of both documents after they were recorded.[23]

Buried at the end of the S.E.C. filing as an exhibit is a professional services contract between RGI and Goodman Financial Services, Inc. which shows the sum of $500,000 paid to [redacted] with the following explanation:

> The Fee shall compensate [redacted] in full for all services and shall be inclusive of any and all costs related to the Banyan transaction incurred by [redacted] Pinnacle Realty Management Company, [redacted] and any of their employees, vendors, agents or subcontractors.[24]

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19 *See* Exhibit E: Securities and Exchange Commission Filing for RGI Holdings, Inc. Schedule 13D, November 1, 1996

20 "Stevens investment grows at least 566 percent," Associated Press, June 21, 2004.

21 *Ibid.*

22 *Ibid.*

23 *See* Exhibits A and B

24 *See* Exhibit E: Securities and Exchange Commission Filing for RGI Holdings, Inc. Schedule 13D, November 1, 1996 at Exhibit 5

Schedule A of the filing entitled "Disbursements for Joe Cange for the Banyan Transaction" identifies by date and check number three specific payments to [redacted] for services and travel expenses totaling $32,660.03[25]

The RGI Holdings, Inc. filing to the Securities and Exchange Commission documents that RGI Holdings, Inc. is owned in large part by [redacted]

The filing states that RGI Holdings, Inc. is a Washington corporation and 75% owned by a subsidiary of RGI Real Estate, Inc. which was described as a Washington corporation and a wholly-owned subsidiary of RGI International, which is a Washington corporation and a wholly owned subsidiary of RGI Denmark. The filing went on to declare that RGI Denmark is a Danish limited liability corporation and a wholly-owned subsidiary of RGI (Europe) B.V., a Netherlands corporation and wholly-owned subsidiary of RGI Antilles. It identified [redacted] as a "citizen of Norway and the owner of approximately [redacted] of the outstanding capital stock of RGI Antilles, N.V.[26]

In short, [redacted] s RGI Holdings, Inc.

The key point here are that one company owned by [redacted] listed all three of the individuals who in 1998 were co-investors with Senator Stevens in an incredibly lucrative land deal in a Statement of Beneficial Ownership filed by one of his companies, RGI Realty, Inc.

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Later in the same year, [redacted] disclosed that [redacted], the largest shareholder in the subsequent land deal with Senator Stevens, was financially compensated by a different company of his, RGI Holdings, Inc. along with financial compensation going to [redacted] who played a key role in developing the lucrative Grantsville Development Company property in Utah.

This is quite a coincidence considering that [redacted] would be saved tens of millions of dollars by an abrupt change in Senator Stevens' position on fishing legislation in 1998, the same year that Stevens would be enriched by a wildly lucrative land deal with the same three people so closely tied to [redacted]

The American Fisheries Act, as Originally Written by Sen. Stevens, Would Have Been a Financial Disaster to American Seafoods Company, [redacted]

On September 25, 1997, Senator Ted Stevens (R-AK), Chairman of the Senate Appropriations Committee, introduced the American Fisheries Act (AFA), S. 1221. The

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25 *See* Exhibit E: Securities and Exchange Commission Filing for RGI Holdings, Inc., Schedule 13D, November 1, 1996, at Schedule A.

26 *See* Exhibit E: Securities and Exchange Commission Filing for RGI Holdings, Inc., Schedule 13D, November 1, 1996, at Item 2, *Identity and Background.*

ostensible purpose of this legislation was "to prevent foreign ownership and control of United States flag vessels employed in the fisheries . . . of the United States."

The real purpose of this legislation appeared to be to expel economically-efficient factory trawlers from fishing in the lucrative Bering Sea. Approximately 55 factory trawlers, many of which were based in Seattle, Washington, were so successful that they were taking an increasingly larger share of the annual Pollock harvest from Alaska's onshore canneries. The annual Pollock catch was worth about $1 billion in 1997.[27]

American Seafoods Co., a Seattle-based factory trawler operator, stood to be the biggest loser if the bill was approved. American Seafoods was a wholly-owned subsidiary of Aker RGI, a Norwegian multinational conglomerate [redacted] According to [redacted] of United Catcher Boats and an AFA supporter, American Seafoods harvested 42 percent of the offshore Pollock fishery ("We Need the American Fisheries Act," PR Newswire, June 2, 1998.)

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Stevens' AFA was the result of years of increasingly bitter feuding between the Alaskan canneries and that state's congressional delegation, most notably Stevens and Rep. Don Young, and the factory ship owners and the Washington State delegation, lead by Senator Slade Gorton (R-WA). After Stevens introduced the bill, a spokesman for American Seafoods, which had 16 trawlers operating in the Bering Sea at the time, flatly stated that the proposal would put it out of business.[28]

It was widely recognized by the media and interested parties that American Seafoods was Stevens' primary target. In a March 11, 1998 article in the *Seattle Post-Intelligencer*, columnist Bruce Ramsey wrote, "The bill is aimed squarely at American Seafoods."

Stevens goal was to "Alaskanize" the Bering Sea fisheries by revoking the fishing licenses of 18 factory trawlers. American Seafoods, number one in the industry, owned 12 of those 18 ships. There would be no compensation. American Seafoods would lose millions of dollars since the ships were largely built to operate only in the Bering Sea.

Among the bill's provisions, a ship could not be more than 165 feet long and had to be 75 percent U.S.-owned. Both provisions were clearly tailored to eliminate American Seafoods' giant trawlers.

"This is not a gentle law. It is a law that grabs one's opponents by the ears and heaves him into the sea," noted the columnist [redacted][29]

Stevens' proposed AFA was considered by some experts to be so draconian that it could be considered an illegal "taking" of property if there was no compensation for the

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[27] "Bill Would Phase Out Some Trawlers," by Jim Clarke, Associated Press, September 26, 1997.
[28] *Ibid.*
[29] "Stevens Bill Could Destroy Major Seattle Fishing Company," by Bruce Ramsey, *Seattle Post-Intelligencer*, March 11,1998.

ship owners. Maritime law expert [redacted] of Preston Gates & Ellis said, "They're effectively taking the vessel asset. He added that the law could be struck down as a bill of attainder, a law that targets a specific person or group of persons.

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While the questionable legality of the law could be viewed by American Seafoods as a potent weapon to oppose Stevens, any legal victory would have been a hollow one. Getting a decision from the courts could take five years, by which time the boats would have been seized and the crews scattered.

American Seafoods was facing a financial disaster if it did not stop the enactment of AFA in 1998 or at least substantially amend it.

July 1998: Bitter Deadlock Over American Fisheries Act

By July 1998, the legislative battle in the U.S. Senate over the American Fisheries Act had intensified but neither side seemed capable of defeating the other. Supporting the bill was its author, Sen. Stevens, who used his powerful position as Chairman of the Senate Appropriations Committee to insert the legislation into a must-pass spending measure.[30]

Opposing the bill was Sen. Slade Gorton (R-WA) who was representing the trawlers and crews based in his own state of Washington. Gorton had a powerful ally in Sen. John Ashcroft (R-MO) as well as other senators who viewed the bill as antithetical to private property rights. These senators correctly pointed out that about two-thirds of the onshore fish processors were owned by the Japanese so Stevens' argument that his bill would Americanize the fishing industry in the Bering Sea rang hollow.

Sen. Gorton was especially angry that Sen. Stevens was trying to use his Appropriations Committee to force the measure through. Gorton argued that the committee with the expertise in this area was the Commerce Committee.

Both Senators Gorton and Patty Murray (D-WA) threatened to filibuster the AFA to death. Stevens retaliated by threatening to force repeated votes and attach the measure to other must-pass legislation.[31]

American Seafoods was making the case that the AFA was an illegal "takings" as the centerpiece of the opposition:

> "It's clearly a takings issue. We're talking about a much as $400 million in assets that would be rendered worthless," said [redacted] for American Seafoods.[32]

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[30] "Fish Fight heating Up," by Larry Swisher, *Lewiston Morning Tribune,* July 12, 1998.
[31] *Ibid.*
[32] "Seattle-based, Foreign-owned Trawlers operated by American Seafoods are the Major Target of Senate Bill 1221," *Puget Sound Business Journal*, July 17, 1998.

Movement to Compromise over American Fisheries Act Terms

The legislative deadlock in July 1998 led directly to efforts to work out a compromise. American Seafoods, with its very financial existence at stake, began signaling its willingness to compromise. The first move came from the At-Sea Processors Association (APA), the trade association for the factory ships of which American Seafoods was the largest member.

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[redacted] for APA, stated, "that he hopes a cooperative approach can move the debate forward, and possibly remove the pressure to pass 1221." [redacted] also said that his members had agreed to shift all vessels to majority U.S. ownership.[33]

For his part, Sen. Stevens also signaled willingness to compromise when he withdrew an appropriations rider he had originally sponsored as an end-run to get AFA enacted.[34]

An August 12 article in the *Seattle Post-Intelligencer* announced that Senator Slade Gorton will preside over a "peace conference" for Pollock operators. Participants included owners of factory trawlers, fishermen, catcher boats, mother ships (ships that fishing boats bring their catch to for on-sea processing; factory trawlers catch and process) and Alaskan shore plants. The August 18 meeting was held at Davis Wright Tremaine law offices.[35]

Gorton's goal was to find a formula to reduce the number of boats, especially the trawlers, acceptable to all parties. This article was the first to explicitly state that "Stevens agreed to let Gorton try to work out a compromise."

Both sides applauded the meeting. The American Fisheries Act Coalition was pleased that Gorton had agreed to retiring the boats. The factory trawler companies were pleased that Gorton insisted that "all present participants are in it legally" and that any reduction in boats "be done in a manner that recognizes the economic interests of all."

The *Seattle Post-Intelligencer* noted, "The pro-Stevens side may try to sell Gorton on a boat buyback. [redacted] of Victor Seafoods, stated, "Some compensation might be possible to owners of kicked-out boats." But he insisted that the foreign-built boats had to go. [redacted] said that "is clearly Senator Stevens' issue, and we're not in a position to negotiate it away."[36]

But one unidentified boat company boss said the problem with a buyback is who pays. "I don't think the government is going to put down money to buy factory trawlers."

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[33] *Ibid.*
[34] *Ibid.*
[35] Bruce Ramsey, "Gorton Personally Goes Fishing for a Pollack Agreement," *Seattle Post-Intelligencer*, August 12, 1998.
[36] *Ibid.*

[redacted] Makes a Rare Appearance

[redacted] of American Seafoods, [redacted] was never quoted or made any official statement during the months of intense debate. The one and only time he was mentioned was the *Seattle Post-Intelligencer* August 12 article.

[redacted] [American seafood's [redacted] was in Seattle a few weeks ago. [redacted] would not confirm it, but several sources said [redacted] talked with representatives [37] of Alaskan villages, which have bought interests in other factory trawlers. They don't have the cash to buy American's fleet, but politically they would be unassailable."

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There was a lot of movement among the debate's key participants in the two-week period from late July to August 10-12:

- Stevens drops his appropriations rider to ban foreign-owned ships.
- Stevens signs off onto Gorton's August 18 peace conference to seek a compromise.
- The At-Sea Processors Asssociation and American Seafood's [redacted] agree to the American-ownership requirement.
- The American Fisheries Act advocates propose a boat buyback.

Second Compromise Meeting: September 10, 1998

Senator Gorton's August 18, 1998 meeting failed in its objective to broker an industry consensus on an AFA compromise acceptable to Stevens. In the first week of September, Gorton and Stevens met again, and the two moved closer toward an agreement among themselves.[38] Stevens then summoned the fishing executives to Washington, DC to try again for a deal.

On September 9, Stevens proposed a five-year deal that would toughen U.S. ownership requirements on foreign-controlled operators, but not force them to surrender ships. However, Stevens' plan did call for the factory trawler companies to give up some ships. Stevens proposed "to create a $40 million fund to buy out others and reallocate the Pollock catch so the remaining operators would be more certain to profit."[39]

During the ensuing discussions, there were several offers and counter offers that sometimes got heated. Nevertheless, both parties showed signs of willingness to

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[37] *Ibid.*
[38] "Fish Processing Executives Meet to Divide Bering Sea Pollock Fishery," Associated Press, September 11, 1998.
[39] *Ibid.*

compromise. The biggest remaining obstacle was Gorton's objection to Stevens' proposal to give the Alaskan onshore plants 50 percent of the catch – a substantial increase over the 35 percent they had at the time.

Participants, however, said those differences "could be bridged by sweetening other aspects of the deal, such as the amount of money to buy out factory trawlers so owner investments can be recovered."[40]

On September 10, after three days of negotiations, a tentative agreement was reached. Under the plan worked out by Stevens and Gorton, nine fishing vessels, including factory trawlers based in Seattle, would be retired but the owners would be compensated. At that time, the figure given was $92 million which would include some federal money.[41] Stevens' position as Senate Appropriations Committee Chairman enabled him to ensure that federal money would sweeten the deal for [redacted] American Seafoods through compensation for the lost trawlers.

The Alaskan shore plants would be allocated 50 percent of the catch, an increase from their 35 percent share at the time. Offshore vessels -- factory trawlers, mother ships and catcher boats -- would be allocated 40 percent after the retirement of the nine ships. Their share had been 65 percent. The factory trawlers alone had been getting 50 percent.

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Of the $90 million dedicated for compensation of the factory ship owners, the federal government will kick in $20 million while the onshore plants would kick in $70 million.[42]

The general feeling among participants and observers was that this was the best deal possible for American Seafoods and the other companies. "The reality of it was, sooner or later they were going to lose, at least this way they were bought out," said [redacted] of Profish International and a North Pacific Council board member [redacted] of the APA said his members should get up to 20 percent improved yield under the agreement and operate more efficiently.

The agreement was described as ending "what had become a state of siege" for American Seafoods." Under the agreement, American Seafoods would probably have to cut up to half of its 15 factory ships and restructure to 75 percent U.S. ownership. It would be left with less quota, but that will better match its reduced fleet. [redacted] American Seafoods' [redacted] said, "There are a lot of positives in this agreement. We had to make some sacrifices, but it looks like it will work for everybody."[43]

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[40] *Ibid.*
[41] Arthur Gorlick, "Accord Reached in Pollock Talks," *Seattle Post-Intelligencer*, September 12, 1998.
[42] Steve Wilhelm, "Fish Firms Welcome Settlement," *Puget Sound Business Journal*, September 18, 1998.
[43] *Ibid.*

Stevens' [redacted] Played Key Role in Hammering Out Agreement

[redacted] in hammering out the AFA compromise agreement. Between the announcement of the September 10 tentative agreement and the final AFA legislation enacted into law on October 21, [redacted] was frequently cited or quoted. According to one news account, "Since September 10, congressional staffers [redacted] have been working overtime trying to write the many details into legislation while keeping the complicated balance of fishing interests from unraveling."[44]

At this stage of the negotiations – about October 7 – the provisions had identified eight factory trawlers owned by American Seafoods that would be scrapped. A vessel from another company would also be eliminated.

The buyout had modestly increased to $95 million. Per the September 10 agreement, the federal government would directly pay out $20 million. The other $75 million would be a government loan to the onshore processors so they can buy out the rest of the ships. The money would be repaid by the plants over 25 years through a per-pound tax on fish delivered to them.

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The quotas were finalized with the onshore plants getting 50 percent, the factory trawlers getting 40 percent and 10 percent to three floating processing ships that process but don't catch the fish.[45]

The AFA compromise was enacted into law when President Bill Clinton signed the new federal budget on October 21, 1998. [redacted] of American Seafoods said, "Our fishing fleet will be reduced from 15 vessels to seven under this. But we believe that with the ability to form a cooperative we will be able to get more value out of the same amount of fish."[46]

What the AFA Meant for [redacted] and American Seafoods.

In fiscal 1997, Aker RGI generated $101 million in net profits on revenues of $3.4 billion. RGI started as a fishing company but by the time of the 1997-1998 AFA debate, it had diversified into clothing, athletic shoes and real estate. In 1996, [redacted] Seattle-based real estate company called Legend Properties.

In the first nine months of 1998, RGI Seafoods Corp., the RGI subsidiary that owned American Seafoods' vessels, lost $17.7 million on $38 million in revenues. RGI's $54 million in profits came mostly from its concrete and shipyard operations.

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[44] "Stevens' Factory Trawler Bill Moving on Fast Track," Associated Press, October 7, 1998.
[45] *Ibid.*
[46] Arthur Gorlick, "Deal Near on North Pacific Pollock; Proposal Aims at Placating Bitter Rivals," *Seattle Post-Intelligencer*, October 20, 1998.

Clearly, the Stevens' legislation forced American Seafoods to significantly downsize its operation but it was hardly going to face hard economic times. Indeed, under the AFA, American Seafoods was allowed to keep its seven best vessels. In addition to getting the better part of $90 million from the federal government and the Alaskan onshore processors, it was guaranteed a 17 percent allocation of the Bering Sea Pollock harvest.

In Stevens' original version of the AFA introduced in September 1997, [redacted] and American Seafoods would have lost 12 ships without any compensation.

Company officials and industry observers were unanimous in saying that version would have meant the end of American Seafoods.[47] Under the circumstances and the worst that could have happened [redacted] and American Seafoods made out very well.

Postscript: [redacted] of the At-Sea Processors Association

As o[redacted] for Senator Stevens.[48] By the beginning of January 2000, [redacted] of the At-Sea Processors Association.[49]

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The provisions in the AFA naming the fishing companies that could participate in the Bering Sea Pollock fishery were supposed to sunset in 2004 which means it would have required reauthorization from Congress and provide recourse for changes needed in the law. But Stevens lifted the sunset provision, thus making the allocations permanent, by circumventing the public hearing process. In November 2001, during a closed-door House and Senate conference meeting on the Commerce-Justice-State spending bill for fiscal 2002, Stevens inserted the language abrogating the sunset provisions.

This aroused considerable ire among fishermen and conservationists. [redacted] t the National Environmental Trust, said, "When they made the allocation permanent, it became a bankable asset.' [redacted] said this would transfer control of the fishery away from fishermen and companies and to the banks that hold the mortgages on the boats and facilities.

[redacted] of the Pacific Coast Federation of Fishermen's Associations said the deal "is a bit too cozy" and convenient. [redacted] said the man who worked out the sunset deal is the same who worked out the AFA – [redacted] The APA, incidentally, approved of the lifting of the sunset provision.

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[47] Steve Wilhelm, "Rokke Scales Back in Northwest," *Puget Sound Business Journal*, November 20, 1998.
[48] Bruce Ramsey, "With Pollock Locked Up, What About Other Fish Markets?" *Seattle Post-Intelligencer*, April 14, 1999.
[49] Trevor McCable, "Groups Work for the Benefit of Fish," Letters from the People, *Anchorage Daily News*, January 7, 2000.

"Every time these companies want to get around the public process they go to Washington, DC, and get someone to take care of it for them," said [redacted] of the Alaska Marine Conservation Council. "The American Fisheries Act is a frightening example of what companies with certain influence can get if they want it."[50]

Postscript: [redacted] Goes to Jail for Bribing a Government Official

We do not have to wonder if [redacted] is the type of person who would bribe a government official.

He is.

He not only bribed a government official but he was found guilty and he served a brief jail sentence for his crime.

[redacted] conviction on bribery was covered more heavily in the European press because of his Norwegian citizenship, but as [redacted] of the Kvaerner Philadelphia Shipyard, the conviction was also covered in *The Philadelphia Inquirer.*[51]

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The key points in the story are pretty straightforward:

> [redacted] the Kvaerner Philadelphia shipyard, faces 30 days in prison after his conviction Friday on charges he bribed a maritime official to obtain a yacht operator's license.
>
> He was convicted in a district court in Oslo, Norway, home of his Business empire, which employs 40,000 worlwide."

[redacted] has been among the richest persons in the world for some time. A 1998 *Forbes* article "World Billionaires" listed [redacted] as having a net worth of approximately $775 million.[52] This year *Forbes* listed [redacted] in a March 5, 2008 article, "The World's Billionaires," as #[redacted] with an estimated net worth of $2.9 billion.

Conclusion

The gravamen of this case could not be simpler.

An influential U.S. Senator, currently indicted in connection with corruption, had made a spectacularly successful real estate investment in a Utah land deal Each of his co-

[50] Natalie Henry, "Congressional Rider Permanently Allocates Bering Sea:; Pollock," Greenwire, November 28, 2001.
[51] "Kvaerner's owner convicted of bribery," by Henry J. Holcomb, *The Philadelphia Inquirer,* July 6, 2005, page C01.
[52] "World Billionaires," *Forbes*, July 6, 1998, page 216.

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investors were financially tied to a [redacted] whose financial interests in Alaska were in enormous peril from legislation proposed and pushed hard by the senator. In the same year the senator is invited to purchase a 25% interest in Grantsville Development Company, he makes a series of legislative compromises which mean financial survival for American Seafoods.

The case for the Department of Justice to investigate this matter further rests on these points:

1. The land deal was just too lucrative to be a standard investment

   A. Stevens' investment of $1,001 to $15,000 resulted in a profit of more than $322,000.

   B. The return on investment for Stevens exceeded 2,150%.

   C. [redacted] invited Stevens into a deal, which was not open to the public, because of their "appreciation of all he's done for Alaska..."

   D. The deal was not an arms-length transaction because [redacted] was a longtime political benefactor (contributions, gifts, business deals) of Stevens who had sought and received legislative favors from Stevens. b6 b7C

   E. The deal was also not an arms-length transaction because Stevens ultimately sold his interest in Grantsville to Nickel, Inc., a company [redacted] for a price that Stevens personally negotiated with Nickel, Inc.

2. The Grantsville Development Company co-investors had financial ties to two different companies [redacted] prior to Stevens being sold a 25% interest in Grantsville.

   A. Stevens [redacted] all were listed on an SEC Schedule 13D, Statement of Beneficial Ownership filing by RGI Realty, a company [redacted] as having an interest in RGI Realty, Inc.

   B. [redacted] interest in Grantsville, and [redacted] the Utah development, were both disclosed to have received financial compensation from a second corporation owned and controlled by Rokke, RGI Holdings, Inc., according to a Securities and Exchange filing by RGI Holdings, Inc.

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3. Sen. Stevens' original version of the American Fisheries Act would have meant financial ruin for American Seafoods, a company largely [redacted]

   A. The director of government affairs for American Seafoods estimated that passage of the original version of Stevens' legislation would have resulted in "as much as $400 million in assets that would be rendered worthless."

   B. American Seafoods owned 12 of 18 trawlers which would have had their rights to fish in the Bering Sea revoked with no compensation whatsoever.

4. The compromise legislation subsequently enacted with Stevens' support was substantially better for [redacted] financial interests.

   A. American Seafoods was allowed to keep its seven best vessels.

   B. American Seafoods received the largest share of the approximately $90 million in compensatory funding, of which $20 million came from the federal budget directly with Stevens' assistance in the appropriations process.

   C. American Seafoods was guaranteed a 17% allotment of the Bering Sea Pollock harvest.

5. Other possible sweeteners related to this issue:

   A. Stevens' [redacted], became [redacted] the trade association, At-sea Processors Association, the group in which [redacted] company was the most powerful member.

   B. In November 2001, during a closed-door House and Senate Conference meeting on the Commerce-Justice-State spending bill for Fiscal Year 2002, Stevens lifted the sunset provisions in the American Fisheries Act, making the Pollock allocation permanent, a move that greatly favored American Seafoods. An interesting note is that 2001 saw the Grantsville Development Company pay Stevens $58,477 in income, the first income he received from the investment since purchasing it in 1998.[53]

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[53] Financial Disclosure Report for the year 2001 filed by Senator Stevens, *Part III- Non-PublicallyTraded Assets and Unearned Income Sources.*

The Utah land deal is inherently questionable because it has all the telltale features of a classic sweetheart deal between a favor-seeker and a public official: spectacular profit, minimum risk, a transaction not available to the public, and a veil of secrecy which includes the public official's failure to disclose the transaction properly on his Financial Disclosure Report.

Add to that, the track record of [redacted] as a gift-giver, political contributor and business associate to Stevens and other Alaskan political figures, and it looks even more like a sweetheart deal thinly disguised as a land investment. The fact that Stevens ultimately sold his interest to a company controlled by [redacted] and not on the open market makes the Utah land deal a textbook example of a sweetheart deal.

[redacted] certainly had a compelling reason to want to ingratiate himself to Stevens and those close to Stevens since he stood to lose hundreds of millions of dollars if Stevens could not be assuaged in his long term goal to "Americanize" the Bering Sea fishing operations.

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In this context, what are the odds that all three of Stevens' co-investors in the Utah land deal just happened to have prior financial ties with [redacted] financial interests?

And that two of the individuals involved in the Grantsville Development Company – the largest single interest-holder and [redacted] the actual development – were on the receiving end of financial compensation from a different company owned by [redacted] through a series of subsidiaries ultimately owned by a Netherlands Antilles corporation in which [redacted]

Given the huge amounts of money involved in this case, the unlikelihood that the financial ties outlined above are just a random coincidence and both the timing and context of the relevant facts, this certainly looks like a classic *quid pro quo* involving the sale of a public office.

It would be difficult to imagine a more compelling public integrity case.

Given that your office has been conducting a wide-ranging investigation into corruption in Alaska, I hope that this information may be helpful to your efforts. Please don't hesitate to contact me if I can be of assistance.

Sincerely,

[redacted]

FBI - Stevens-10937

EXHIBITS

Exhibit A:

Warranty Deed conveying property interest to
Grantsville Development Company, L.L.C.

Exhibit B:

Quit Claim Deed of Water Rights conveyed to
Grantsville Development Company, L.L.C.
May 21, 1998

Exhibit C:

Senator Ted Stevens Financial Disclosure Reports
1998 through 2004

Exhibit D:

Securities and Exchange Commission Filing for RGI Realty, Inc
Schedule 13d/A
January 29, 1996

Exhibit E:

Securities and Exchange Commission Filing for RGI Holdings, Inc.
Schedule 13D
November 1, 1996

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 12/03/2008

[redacted] home address [redacted] Alaska (AK), home telephone number [redacted] was interviewed at her residence. After being advised of the identities of the agents and the nature of the interview, [redacted] provided the following information.

[redacted] have lived in [redacted] AK for the past [redacted] years. [redacted] at the Alaska Sea Life Center (ASLC). [redacted] is currently [redacted] cellular telephone, [redacted] in regards to the operation of the ASLC.

[redacted] working at the ASLC it had a great work atmosphere. Everybody got along and truly enjoyed the mission of the ASLC. Sometime in [redacted] the ASLC purchased property with money earmarked by SENATOR TED STEVENS' office, the [redacted] at the time, [redacted] and the [redacted] began to cut everyone out of the loop [redacted] feels that a lot of money seems to have disappeared from the ASLC budget. According to [redacted] believes something "went on" there. [redacted] and [redacted] the property that the ASLC purchased with the earmarked funding, [redacted] shortly after the property transaction. [redacted]

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For the past several years, [redacted] has attended the Don Young Invitational, a fund raising event for the ASLC. [redacted] recalled that during the live auction a lot of people bid on the items auctioned for [redacted] foundation for children with cancer. [redacted] recalled a number of different items were auctioned off during the event to include airline tickets, fishing trips, native carvings and artwork, fur coats, trips to Hawaii, and dinner or lunch with DON YOUNG in Washington, D.C.

Investigation on 11/22/08 at Seward, Alaska

File # 194A-AN-14699-SLC; 194A-AN-13620-[redacted] Date dictated 12/03/08

by SAs [redacted] and [redacted] :mjhw

FBI - Stevens-10940

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

[redacted] recalled one particular auction item which was a hunting trip to SAVANNAH DHU in upstate New York. [redacted] remembered that the final bid was $35,000. [redacted] could not recall whether or not YOUNG would be joining the trip. [redacted] could not recall the auctioneers but thought most of them were local residents. [redacted] would be able to recall their names because he [redacted]

[redacted] was asked about whether or not she had any knowledge about this year's DON YOUNG TURKEY SHOOT FUND RAISER. [redacted] because the [redacted] seems to be a "magnet for trouble." [redacted]

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[redacted] weekly meetings at the Breeze Inn in Seward. [redacted] each meeting and mainly members of the business community attend. [redacted] the meetings and initially they were more like "political rants" and then became more organized. [redacted]

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FD-340 (Rev. 4-11-03)

File Number 194A-AN-14699-SLC

Field Office Acquiring Evidence AN

Serial # of Originating Document 50

Date Received 11/22/08

From [redacted]
(Name of Contributor/Interviewee)

[redacted]
(Address)

[redacted] AK
(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure
☐ Yes ☑ No

Federal Taxpayer Information (FTI)
☐ Yes ☑ No

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b7C

Title:

Reference:
(Communication Enclosing Material)

Description: ☑ Original notes re interview of

[redacted]

→ Savannah Dhu trip at $35,000 – doesn't recall what [redacted] was included in

Auctioneer: several local – [redacted] would be able to recall, [redacted]

→ Turkey Shoot Fundraiser: [redacted] and [redacted] didn't want to be political w/ the fund raiser

→ involved in a [redacted], she did a property – not sure why [redacted]

– [redacted] trying to get [redacted] home refurbished for a charter school – had lunch w/ Don Young & Palin staff

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b7C

→ [redacted]

– Chamber of Commerce [redacted] goes as well

→ More of political shoot → somewhat more organized now as [redacted] talks about funding to promote Seward

– [redacted] goes to the mtgs too

→ [redacted] described [redacted]

others: [redacted]

→ [redacted] – attends mtgs at times

[redacted]

11/22/08

[redacted] - lived here [redacted] yrs.

[redacted]

- feels [redacted] is better to talk to about SLC

- At one time

[redacted] cut out everyone - most likely around time of transactions

- [redacted] lots of $ disappeared

- [redacted] b6 b7C

→ [redacted] + touring United States

[redacted] would know

→ [redacted] believes something ~~illegal~~ "went on" there

→ [redacted]

- [redacted] would know

→ [redacted] feels City is supportive of ASLC

ASLC: [redacted] auction events: - people vote a lot for the [redacted] Young foundation for Native Children -

- understanding was auction was for [redacted] foundation and some of ASLC

- airline tix, fishing trips from somewhere else

- Native carvings + dinner or lunch w/ Don Young in DC - fur coats - trips to Hawaii - doesn't recall hunting trips but does recall some hunting doesn't recall

-1A5

FD-340 (Rev. 4-11-03)

File Number 194A-AN-1362U - [redacted]

Field Office Acquiring Evidence _____

Serial # of Originating Document _____

Date Received 08/30/2006

From _____
(Name of Contributor/Interviewee)

_____
(Address)

_____
(City and State)

By [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

Title:

Reference: _____
(Communication Enclosing Material)

Description: ☒ Original notes re interview of [redacted] and admin notes

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FBI - Stevens-10945

08/30/06

8:13 pm [redacted]

for FBI to [redacted] ed

8:19 PM enter [redacted]

- showed guns upstairs
- packed bag
- shaved both legs

8:54 PM [redacted] depart

- gave [redacted] bag : left

lock up

- looking thru outside shed

?

9:15 pm [redacted] depart

b6
b7C

8/30/86
1050am [redacted]

[redacted] 1st term on [redacted]

1 [redacted]
-needed it back for his campaign
(who helped) [redacted] bought it & still got it
[redacted] idea

2 [redacted] in campaign - [redacted] pissed him off
-david vogler caught relationship w/ [redacted]
-only other to [redacted] - from [redacted] got him some
somehow

[redacted]

b6
b7C

[redacted] did not help him ([redacted] w/ any legislation

[redacted]

[redacted] worked for VECO [redacted] [redacted] - stopped or stop

[redacted]

after accident - GOOK spent on House 1984
- Ted paid all invoices
- Ted paid [redacted]
- FED wanted to pay for anything he got.

[redacted]

[redacted]

[redacted]

Ted – bus Ladrover

[redacted]

– [redacted]

by airport – house –

Ladrover – [redacted]

?

[redacted] driving

~~Quinton a sniff I wanted Ladrove – wrecked it~~

b6
b7C

[redacted] pulled card lies in El pass, drive it down,
do laundr

[redacted]

?

@ 1200 [redacted]

Don Young – golf saved yes

$100/piece. Native wing gets $

[redacted] – not by dad – can't buy Don – it's a Mak yes

Don's a [redacted] Don calls [redacted]

– food bought

Ted – poker 25 a chip

– both straights at hell?

(3)

Young pig roast – [redacted] prob do it – think Don pays it back
some of booze – [redacted] usually pays for it w/ cc
– other [illegible] – [redacted] don't pay
[redacted] doesn't know

[redacted] – had fundraiser for him I think – unsure
– told him [redacted]
– $25K – how big the fundraiser would be
– don't think any gas
– don't think any fundraiser

1220

[redacted]

1x get to Portland – $500
– sleeps in office
– when [redacted]
– probably did (ask him to lobby colleagues)

b6
b7C

1230 [redacted]

$6,200 check – bill didn't know – we probably did
[redacted]
ward – would be TH [redacted] amount
[redacted]
$29-30K – [illegible]
– he [redacted] very hard (Gw)

[redacted] - he done a little bit for us"

[redacted] - I think he asked me but its been so long

[redacted] used to work for Conoco & BP

[redacted] wasn't [redacted] - aware of it - [redacted]

[redacted]

- helped [redacted] looking @ port - ships sunk
- we're gonna clean up pipeline in Russia

b6
b7C

[redacted] [redacted] before elected

[redacted] - unsure if before elected - port before leg.

- he had some work w/ [redacted] (pl) - not in Saklin - think it was in Africa - Italian partner - all before legislation

[redacted]

"I don't know ... a little but probably not a whole hell of a lot."

- he's been working for us for [redacted] yrs - never really asked him to do anything

re [redacted] → I didn't talk to [redacted] about that

[redacted] capable - never asked [redacted] to do anything

- used as consultant for gas pipeline
- where the state is ...

7

FD-340 (Rev. 3-8-01)

Universal Case File Number 194A-AN-13620 [redacted]

Field Office Acquiring Evidence AN

Serial # of Originating Document

Date Received 8-30-2006

From [redacted]
(Name of Contributor)

[redacted]
(Address of Contributor)

Anchorage, AK
(City and State)

By SA [redacted]

b6
b7C

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

Title:

Reference:
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

[redacted]

OTHER Sealed Court Documents

FD-340 (Rev. 4-11-03) (

(1A16)

File Number 194A-AN-13620- [redacted]

Field Office Acquiring Evidence AN

Serial # of Originating Document

Date Received 4/27/07

From SA [redacted]
(Name of Contributor/Interviewee)

b6
b7C

(Address)

(City and State)

By ECT [redacted]

To Be Returned ☐ Yes ☐ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure
☐ Yes ☐ No

Federal Taxpayer Information (FTI)
☐ Yes ☐ No

Title:

Reference:
(Communication Enclosing Material)

Description: ☐ ~~Original notes re interview of~~

Original package copy of FD-192 and chain of custody for 1B758, copy of FD-597 dated 4/11/07, copy of FD-597 dated 4/27/07, and CART Service Request Confirmation

Title and Character of Case:

POLAR PEN
[redacted]

Date Property Acquired: Source from which Property Acquired:

04/11/2007 [redacted]

b6
b7C

Anticipated Disposition: Acquired By: Case Agent:
[redacted]

Description of Property: Date Entered
1B 758

ONE DELL CPU, GX1, SERIAL #38ZXE, MODEL MMP, BARCODE#3SZXE

Barcode: E03986719 Location: ECC CABINET 21SHELF 5 04/12/2007

Case Number: 194A-AN-13620
Owning Office: ANCHORAGE

FBI - Stevens-10959

PACKAGE COPY

1B758

FD-1004
Revised
9-25-2006

FEDERAL BUREAU OF INVESTIGATION

EVIDENCE CHAIN-OF-CUSTODY

Evidence Type: ☐ General ☐ Drug ☐ Valuable ☐ Firearms ☒ CART

Special Handling Instructions	Initial Receipt	Date and Time
☐ Batteries ☐ Biohazard ☐ FGJ ☐ HAZMAT ☐ Latents ☐ Refrigerate ☐ Req. Charging ☐ None ☐ Other _____	Signature: [redacted] Printed Name: [redacted] Reason: Co[redacted]	4/11/07 2:05pm

Relinquished Custody	Date and Time	Accepted Custody	Date and Time
Signature: [redacted] Printed Name: [redacted] Reason: Evidence Storage	4/12/07 10 10 Am	Signature: [redacted] Printed Na[redacted] Reason: Storage	4/12/07 10:10Am
Relinquished Custody	**Date and Time**	**Accepted Custody**	**Date and Time**
Signature: [redacted] Printed Na[redacted] Reason: CART Exam	4/17/07 9:40Am	Signature [redacted] Printed N[redacted] Reason: CART exam	/17/2007 9:40A
Relinquished Custody	**Date and Time**	**Accepted Custody**	**Date and Time**
Signature [redacted] Printed N[redacted] Reason: Return EC	4/18/07 11:05A	Signature: [redacted] Printed N[redacted] Reason: Storage	4/18/07 11:05Am
Relinquished Custody	**Date and Time**	**Accepted Custody**	**Date and Time**
Signature [redacted] Printed N[redacted] Reason: For Return	4/27/07 8:30Am	Signature: [redacted] Printed Na[redacted] Reason: For Return	4/27/07 8:30 am
Relinquished Custody	**Date and Time**	**Accepted Custody**	**Date and Time**
Signature: [redacted] Printed Na[redacted] Reason: Returned to owner	4/27/07 11.00am	Signature: Printed Name: Reason:	

b6
b7C

Firearms Certification:
Printed Name: _____ Signature: _____ Date: _____

Case ID: 194A-AN-13620 1B: 758 Barcode: E03986719

FD-597 (Rev 8-11-94)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
Receipt for Property Received/Returned/Released/Seized

File # 194A-AN-13620

On (date) April 27 2007

item(s) listed below were:
- ☐ Received From
- ☒ Returned To
- ☐ Released To
- ☐ Seized

(Name) [redacted]

(Street Address) [redacted]

(City) Anchorage, AK

Description of Item(s): (1) Dell CPU (Tower), Serial # 3S2XE, Model MMP, Barcode # 3S2XE.

b6
b7C

FBI - Stevens-10961

Received By: [redacted]
(Signature)

Received From: [redacted]

FD-597 (Rev 8-11-94)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
Receipt for Property Received/Returned/Released/Seized

File # 194A-AN-13620

On (date) 4/11/2007

item(s) listed below were:
- [x] Received From
- [ ] Returned To
- [ ] Released To
- [ ] Seized

(Name) [redacted]

(Street Address) [redacted]

(City) Anchorage, AK [redacted]

Description of Item(s): 1) DELL OPTIPLEX GX1 Hard Drive – Serial # 38ZXE Model MMP Barcode # 35ZXE

b6
b7C

FBI - Stevens-10962

Received By: SA [redacted]
(Signature)

Received From [redacted]

b6
b7C

CART Service Request Confirmation - 1A Material

Your service request has been entered into the system and is pending review by the AN office. A representative from the AN office will contact you shortly regarding the status of your request with further information and instructions.

Service Request ID:	11461
Request Date:	04/11/2007
UCFN:	194A - AN - 13620
Case Agent/Investigator:	SA [redacted]
Case Title:	POLAR PEN; [redacted] CSLPO; OO:AN
Case Synopsis:	Public Corruption Official, Legislative Branch
Submitting Agency:	FBI
Contact Information:	907-265-8191
Assign Request To:	AN
Date Analysis Needed:	04/27/2007
Involved with CAIR Program:	No
Request Description:	Dell GX1CPU,Serial # 38ZXE, Model MMP, Barcode # 3SZXE. Request mirror image of hard drive(s) contained within the CPU, looking for VECO, [redacted] Ted Stevens [redacted] ADAK Fisheries, and ALEUT Enterprise Corp. related documents
Search String:	VECO, [redacted] Ted Stevens, Girdwood remodel, fund raisers, golf outings, political contributions, bonus plan, fab shop [redacted] ADAK Fisheries, and ALEUT Enterprise Corp. Other string searches to be conducted upon review of hard drive.
Search Location:	computer hard drive. (owner of computer has requested it back within a couple of weeks)
Legal Authority:	Other
Legal Authority Description (Other):	verbal consent 4/11/07 from [redacted]
Highest Classification:	
Evidence To Be Examined:	1
Suspect Charged:	No
Accessed Evidence:	no [redacted]
Privileged Information:	no
Previous Contacts:	no

CART Service Request Confirmation - 1A Material (Printed on 04/11/2007)

FEDERAL BUREAU OF INVESTIGATION
FOI/PA
DELETED PAGE INFORMATION SHEET
FOI/PA# 1392090-1

Total Deleted Page(s) = 71
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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 09/09/2006

Source, who is in a position to testify, provided the following information:

Source obtained and provided, via electronic mail (email), a copy of correspondence between [redacted] and [redacted]. The email has been placed in an FD-340 and will be maintained in the 1A section of the file. The following is a written copy of the document: b6 b7C b7D

[redacted]

Dear [redacted]: b6
I am writing to you today to outline a few of the significant problems b7C
I have with your client [redacted]. b7D

As you are all too well aware [redacted] after working for VECO for [redacted] because of the [redacted].

I would like to let you know some of the details which led up to this [redacted] and also walk you through some of the details of what has occurred since.

As you may or may not be aware of [redacted] VECO and yes it is true I worked on Senator Stevens house in Girdwood and [redacted]. I made political contributions on behalf of [redacted]. I have never mentioned him helping [redacted] out in the [redacted] situation or any of that.

I never once have disclosed ANY on any sensitive information I have....political, business or personal...although of course as you know I have been accused of doing just that. [redacted]. That is not right.

[redacted] The only reason [redacted] was so I could give [redacted] the cash to work on [redacted]. I still can not believe that one. He had people [redacted]..guess who pays the taxes on that one? b6 b7C b7D

Investigation on 09/02/2006 at Anchorage, Alaska (via email)

File # 194A-AN-13620-C; [redacted] Date dictated 09/09/2006 b6 b7C b7D
194A-AN-13620 [redacted]; 194A-AN-13620-TSTEVENS; 194A-AN-13620-[redacted]
by SA [redacted] /cejw

FBI - Stevens-3657

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

194A-AN-13620-C; [redacted]
194A-AN-13620-[redacted] 194A-AN-13620-TSTEVENS; 194A-AN-13620-[redacted]

b6
b7C
b7D

I was told by [redacted]

b6
b7C
b7D

Obviously as you know the police have been called on him - which led up to [redacted].

[redacted]

b6
b7C
b7D

[redacted]

One night I went out for a drink at [redacted] and when I approached the bar the bartender said [redacted]. I have never been to another restaurant or bar since because of that kind of harassment.

[redacted]

b6
b7C
b7D

This letter could go on and on and on...but I will not take more of your time than necessary.

I am going to get an attorney and the set the record straight so I do not have to live with [redacted].

[redacted]

Please send this information to:

[redacted]

[redacted] will then forward those files to me.
If you should need to contact me you can either e-mail at this e-mail address and it will be forwarded to me or you may contact me at [redacted]

b6
b7C
b7D

Thank you and regards,

[redacted]

[redacted]

Dear [redacted]
I wanted to take a little time here to explain in much greater detail my position and hope to receive a few answers along the way as well.

b6
b7C
b7D

First - you indicated the [redacted]. He would have no knowledge of the situation with [redacted] Why then was I meeting with him if he has no knowledge of the situation? That makes absolutely no sense and is the reason I did not come to the meeting. I can not help but to feel that it would be some sort of set up or at a minimum a waste of everyone's time.

This evening I am sitting here reviewing some of the paperwork I received when [redacted]. It has been signed by [redacted] has no knowledge of the situation.

Now I would like to express what I think of the e-mail you sent me. [redacted]

b6
b7C
b7D

[redacted]

b6
b7C
b7D

I would like to outline just a couple of my job duties and also to bring to your attention [redacted].

Working on various politicians houses and projects for politicians as [redacted]

[redacted]

b6
b7C
b7D

Setting up trips and other projects for politicians as instructed. [redacted]

Please be aware that the only time [redacted] is when I have to file paperwork and documents with EEOC, US Civil Rights Office and legal documents with the Alaska Court System.

There is another aggravating situation here [redacted]

[redacted]

b6
b7C
b7D

The house was not completed in time so [redacted]

[redacted]

[redacted]

194A-AN-13620-C; [redacted]
194A-AN-13620[redacted] 194A-AN-13620-TSTEVENS; 194A-AN-13620-[redacted]

b6
b7C
b7D

Does that sound like a [redacted] to you?

This is a very serious situation indeed. I am very disturbed by the [redacted]

I would like to request that [redacted] no longer be used as a go between in this situation. [redacted]

b6
b7C
b7D

[redacted]

I do not mind rescheduling a conversation with who ever it is you have in mind but I would like clarification from you before that happens.

I would like to know what subjects are being discussed and what outcome you are hoping to have from this meeting.

If you can help me understand these issues and outline for me what is expected here I will be more than happy to discuss this situation.

I want a conclusion to this matter more than anyone else with as little embarrassment to all involved parties as possible.

Let me know what you think.

Thanks
[redacted]

b6
b7C
b7D

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 09/12/2006

b6
b7C
b7D

Source, who is in a position to testify, provided the following information:

Source advised the following people would have knowledge of the work VECO performed on TED STEVENS' home in Girdwood, Alaska:

[redacted]

2) "ROCKY" WILLIAMS - He worked on three-fourths of the STEVENS project. He mainly did electrical work but also helped with the carpentry. He was [redacted] right hand man. At some point, [redacted] decided he did not trust WILLIAMS so [redacted] changed the locks at the "toy box" and took WILLIAMS off the STEVENS project.

[redacted]

Investigation on 09/11/2006 at Anchorage, Alaska

File # 194A-AN-13620-C; [redacted] Date dictated 09/12/2006

194A-AN-13620-[redacted] 194A-AN-13620-TSTEVENS FBI Stevens-3662

by SA [redacted] /cej SA [redacted]

b6
b7C
b7D

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

Source also advised STEVENS' household belongings were stored in the "toy box" and STEVENS knew his belongings were stored there during the remodel of STEVENS' home. STEVENS' home remodel was "wrapping up" approximately when [redacted]. b6 b7C b7D

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 09/12/2006

Source, who is in a position to testify, provided the following information:

TED STEVENS [redacted] routinely went to the annual PARIS AIR SHOW. STEVENS [redacted] would take a concord jet to Paris. [redacted], sometimes STEVENS would pay.

b6
b7C
b7D

Investigation on 09/11/2006 at Anchorage, Alaska

b6
b7C
b7D

File # 194A-AN-13620-C; [redacted] Date dictated 09/12/2006
194A-AN-13620-[redacted] 194A-AN-13620-TSTEVENS 3
by SA [redacted] /cej; SA [redacted]

FBI - Stevens-3664

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 09/15/2006

[redacted] was interviewed by Federal Bureau of Investigation (FBI) Special Agent (SA) [redacted] on [redacted] upon receipt of a Federal Grand Jury Subpoena (FGJS). He provided the following information:

b3
b6
b7C

[redacted]

b3
b6
b7C

Investigation on 09/07/06 at Anchorage, AK

File # 194A-AN-13620-302; 194A-AN-13620-[redacted] 194A-AN-13620-TSTEVENS-4

Date dictated 09/15/06

by SA [redacted]

b6
b7C

FBI - Stevens-3665

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

(Rev. 01-31-2003)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE **Date:** 09/08/2006

To: Anchorage **Attn:** SA [redacted]

From: Anchorage
Contact: [redacted]

b6
b7C

Approved By: [redacted]

Drafted By: [redacted]:kar

Case ID #: 194A-AN-13620 (Pending)

Tstevens - 5

Title: POLAR PEN:
CSLPO
00: AN

GRAND JURY MATERIAL - DISSEMINATE PURSUANT TO RULE 6(e)

Synopsis: [redacted]

Details: [redacted]

b3
b6
b7C

251 Karol.ec

LEAD(s):

Set Lead 1: (Info)

ANCHORAGE

AT ANCHORAGE

Information only, read and clear.

♦♦

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 09/14/2006

ROBERT BURNETTE WILLIAMS, a.k.a. ROCKY WILLIAMS, born August 15, 1950, social security account number 264-92-9363, home address 1200 W. Dimond Boulevard, Space 203, Anchorage, Alaska, home telephone 907-522-3812, cellular telephone 907-244-6016, was interviewed at DENNY'S RESTAURANT on Benson and Denali in Anchorage, Alaska. After being advised of the identities of the interviewing agents and the nature of the interview, WILLIAMS provided the following information:

WILLIAMS started working for VECO during the EXXON VALDEZ oil spill. WILLIAMS later worked for VECO in the ANCHORAGE TIMES office. At some point, WILLIAMS became friends with [redacted] recognized WILLIAMS' diverse knowledge and abilities related to general contracting and remodeling. [redacted] had WILLIAMS remodel [redacted] home and many other homes of [redacted] home was originally a trapper's cabin on a fox farm. WILLIAMS became [redacted] "go-to guy." [redacted] also utilized WILLIAMS for his knowledge of computers. The last VECO project that WILLIAM'S worked on was the "trading bay project." [redacted] was nice [redacted] however, his disposition changed. WILLIAMS currently visits [redacted] about every six months to say hello.

WILLIAMS knew TED STEVENS from fundraisers and because WILLIAMS moved furniture from [redacted] house to TED STEVENS' Girdwood home (STEVENS' home). The project to remodel STEVENS' home was initially a small project but later turned into a big project, lasting six to nine months.

[redacted] TED STEVENS came up with the idea to "jack up" STEVENS' home four feet after the Kenai Classic. [redacted] STEVENS kept talking and the project continued to grow, which made STEVENS more concerned about VECO Corporation doing all of the work. About this time, STEVENS decided he wanted to get a contractor that STEVENS could pay. WILLIAMS suggested they hire [redacted] as the contractor. [redacted] was used previously by WILLIAMS when VECO was [redacted] [redacted] brought two workers to help him with the STEVENS' home project, [redacted] LNU and two other

b6
b7C

Investigation on 09/14/2006 at Anchorage, Alaska

File # 194A-AN-13620-G; 194A-AN-13620-[redacted] Date dictated 09/14/2006
194A-AN-13620-TSTEVENS ✓-6 FBI - Stevens-3676

by SA [redacted] / cej
SA [redacted]

b6
b7C

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

laborers. [redacted] did the framing, windows, panel siding, painting, and finish work. [redacted] with WILLIAMS. [redacted] talked to STEVENS approximately four times during the course of construction. WILLIAMS was the "go-between" with [redacted] STEVENS, and [redacted]. b6 b7C

[redacted]. DICK REDMOND performed the grading. REDMOND is deceased but was STEVENS friend forever. [redacted]. MARK TYREE performed all the plumbing necessary. TYREE is deceased. b6 b7C

When shown a recent color photo of the front of STEVENS' home, WILLIAMS advised a bottom deck was added since his work on STEVENS' home. The pitch of the roof was faulty causing problems when it snowed. WILLIAMS estimated the cost to "jack up" STEVENS' home was approximately $2,500 - $3,000. After the house was jacked up, a VECO engineer created the plans/blueprints after-the-fact for structural integrity. There were no inspections by inspectors and WILLIAMS did not recall having any building permits. The kitchen in the original portion of the home was remodeled. A staircase to the second level kitchen was constructed and the kitchen countertops and cabinets were replaced.

WILLIAMS estimated the total construction costs on STEVENS' home was approximately $240,000, to include all labor and material. Later in the interview, WILLIAMS estimated the total cost to be between $280,000 - $300,000.

WILLIAMS had a VECO truck that he used. It was white with a number on it. WILLIAMS could not recall if the truck had a VECO emblem. WILLIAMS was never asked to hide the VECO truck. STEVENS knew that [redacted] and WILLIAMS were VECO employees. b6 b7C

Near the end of the STEVENS' home remodel project, WILLIAMS received a $2,000 check and two airline tickets from TED [redacted] STEVENS as a tip. WILLIAMS was pleasantly

b6
b7C

surprised by the gift. TED STEVENS told WILLIAMS he really appreciated his work. [redacted] really liked the remodel. WILLIAMS did not know whether [redacted] received a tip from the STEVENS.

[redacted] went to the FLY-BY-NIGHT CLUB in early September 2006. TED STEVENS and [redacted] were both at the club. WILLIAMS talked to both STEVENS [redacted] but not about STEVENS' home or about recent events involving the FBI. WILLIAMS talked to [redacted] and about STEVENS' [redacted] past trip to the Paris Air Show.

b6
b7C

While working for VECO, WILLIAMS installed a new air conditioner in RAMONA BARNES home, patched her roof and built a ramp. BARNES is now deceased. WILLIAMS recalled setting a

[redacted]

(Rev. 01-31-2003)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE **Date:** 09/14/2006

To: Anchorage **Attn:** SA [redacted]

From: Anchorage
Contact: [redacted]

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Approved By: [redacted]

Drafted By: [redacted] kar

Case ID #: 194A-AN-13620 (Pending) -547
194A-AN-13620-TStevens-7

Title: POLAR PEN:
CSLPO
00: AN

GRAND JURY MATERIAL - DISSEMINATE PURSUANT TO RULE 6(e)

Synopsis: [redacted]

Details: [redacted]

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257KA02.ec

LEAD(s):

Set Lead 1: (Info)

ANCHORAGE

AT ANCHORAGE

Information only, read and clear.

♦♦

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/06/2006

On 10/06/2006, [redacted] date of birth [redacted] who resides at [redacted] Anchorage, Alaska, telephone (c) [redacted] (h) [redacted] who is employed by [redacted] Anchorage, Alaska, telephone [redacted], was interviewed at the offices of the FBI Anchorage Division. After being advised of the identity of the interviewing Agent and the purpose of the interview, [redacted] provided the following information:

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[redacted] provided documents responsive to a subpoena issued to his company requesting documents relating to work done by [redacted] on the Girdwood residence of Senator Ted Stevens. [redacted] provided originals of the responsive documents and the interviewing Agent made copies and provided the copies to [redacted] These original documents are maintained in the 1A Section of this case file.

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[redacted] stated that [redacted] was responsible for [redacted] dealt directly with Sen. Stevens on the project and later dealt with other people, although he was not sure whom. The proposal shows that [redacted] prepared the proposal for Ted Stevens, Northland Drive, Girdwood, AK, but has a note that the proposal was submitted to [redacted] with phone numbers [redacted] and [redacted]. [redacted] stated that he thought [redacted] was [redacted] an [redacted] although he was not certain. [**Note:** A review of the Alaska Yellow Pages Excavating Contractors section shows [redacted] Girdwood, Alaska, telephone [redacted]. However, based on the signature at the bottom of the page, it appears that the proposal was accepted by [redacted] on 08/21/2000.

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Attached to the proposal was a card from Sen. Stevens' office, with a handwritten note: "[redacted] fax." [redacted] was not certain who [redacted] is, but believed it likely she worked at Sen. Stevens' office and that [redacted] had coordinated with her.

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Investigation on 10/06/2006 at Anchorage, Alaska

File # 194A-AN-13620-TSTEVENS-8

Date dictated not dictated

by SSA [redacted]

FBI - Stevens-3683

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This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

The original proposal for [redacted] was prepared on [redacted] and shows a total cost of [redacted] with a deposit of [redacted] paid by check #101 on [redacted] and a balance of [redacted]. A second proposal was prepared on [redacted] for [redacted] completed by [redacted]. The cost of his additional work was [redacted] and notes that 50 percent was due as deposit and 50 percent was due upon completion.

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[redacted] also provided a letter from [redacted], Washington, D.C., dated 10/11/2000, addressed to [redacted] Anchorage, Alaska 99515, stating "Enclosed is a check for payment on work done at the chalet. Thanks for your help." The letter is in an addressed envelope with no stamp or postmark, so appears to have been hand delivered.

[redacted] stated that these documents comprised all the documents in [redacted] possession relative to the work done on Sen. Stevens' residence.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 09/28/2006

ROBERT BURNETTE WILLIAMS, a.k.a. ROCKY WILLIAMS, born August 15, 1950, social security account number 264-92-9363, home address 1200 W. Dimond Boulevard, Space 203, Anchorage, Alaska, home telephone 907-522-3812, cellular telephone 907-244-6016, was interviewed at the FBI field office in Anchorage, Alaska. After being advised of the identities of the interviewing agents and the nature of the interview, WILLIAMS provided the following information:

The remodel of the residence of TED STEVENS in Girdwood, Alaska (Ted's Home) began around July 2000. Initially, WILLIAMS gave [redacted] STEVENS the projected cost for a new deck and to redo the roof, to "dress it up." The initial cost was estimated at approximately $25,000 - $30,000. Around August 2000, Ted's Home was jacked up.

Before Ted's Home was jacked up, STEVENS met with WILLIAMS [redacted] WILLIAMS recommended they use [redacted] as a [redacted] STEVENS liked the idea of having someone to pay because it was "over the limit." WILLIAMS advised they needed a general contractor, not VECO, because VECO wasn't in the business of building residential homes and a [redacted] could do the job better. [redacted] wanted VECO to do all the work. b6 b7C

[redacted] which may have been BROWNS. The company used was not available right away but when they became available, they utilized four or five workers that knocked blocks and used approximately four hydraulic jacks. WILLIAMS, [redacted] during the jacking of Ted's Home. WILLIAMS believed all household goods in Ted's Home stayed in the house during the jack-up.

[redacted] used [redacted] LNU, [redacted] LNU, and one other part-time person that was not around much. [redacted] did most of the [redacted] SPENARD BUILDERS SUPPLY or ARCTIC BUILDERS SOURCE may have provided the materials for the framing and sheeting. [redacted]

Investigation on 09/28/2006 at Anchorage, Alaska

File # 194A-AN-13620-G; 194A-AN-13620-[redacted] Date dictated 09/28/2006
194A-AN-13620-TSTEVENS-9

FBI - Stevens-3685

by SA [redacted] /cej
SA [redacted] b6 b7C

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

[redacted] provided WILLIAMS with monthly billing packets. WILLIAMS would provide the bills to [redacted] who was [redacted] If [redacted] was not available, WILLIAMS would provide the billing packets to [redacted] LNU, a [redacted]. WILLIAMS assumed the invoices were mailed to STEVENS in Washington D.C.

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The plumbing was performed by MARK TYREE. The [redacted] was done by a male VECO employee. The [redacted] and [redacted] was done by [redacted]. [redacted] also did the [redacted]. Some of [redacted] people helped with the [redacted] WILLIAMS did not help with the [redacted] WILLIAMS was unsure who did the sheetrocking.

WILLIAMS dealt with the logistics of the project, carried most of the material down to Ted's Home, utilizing a VECO truck. The truck was a one-ton white truck with a ladder rack. WILLIAMS installed the pergo floor in the upstairs. The [redacted] was purchased from [redacted] CLASSIC FLOORING. The cost was approximately $1,000.

[redacted] had the [redacted] installed. The [redacted] may have come from SPENARD BUILDERS SUPPLY. The [redacted] came from a company located on Arctic Spur Road. The countertop material was nicer than stone but not Corian. [redacted] may have subcontracted the [redacted] to the company that provided the [redacted] WILLIAMS was unsure what flooring material was used in the kitchen, it may have been vinyl.

[redacted] was always talking on the telephone dealing with family stuff. [redacted] was like a [redacted] also [redacted] that was used in Ted's Home. [redacted] subcontracted with TRUTANIC TILE AND STONE to [redacted] was the [redacted].

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The garage was completed when it started to snow, around October 31, 2000. The interior walls were tongue and groove material. [redacted] LNU and [redacted] LNU installed [redacted] Final fixtures were installed; however, WILLIAMS was unsure if new kitchen appliances were installed.

Approximately Christmas time, [redacted] and WILLIAMS went to [redacted] FNU [redacted] to

obtain and transport a very large truckload of bunk beds, rolled up carpets, and other miscellaneous items.

During all the construction/remodel of Ted's Home, [redacted] TED STEVENS was present at the home at least four times when WILLIAMS was present. TED would look around at all the work being done and would say, "just keep [redacted] happy and I'll be happy."

[redacted] He also would walk by the home each morning and night, walking a loop. WILLIAMS would eat at the DOUBLE MUSKY two or three times each week. The restaurant opened at 5:00 p.m. [redacted] ate at the restaurant often too. On one occasion, all the workers at there.

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WILLIAMS estimates that [redacted] bill for remodeling Ted's Home was approximately $200,000. WILLIAMS worked for VECO the entire time he worked on Ted's Home. WILLIAMS was paid $18.50 per hour and worked between 15 and 30 hours each week for approximately 10 weeks.

The remodel of Ted's Home took approximately nine months to complete. This timeline was gauged from when WILLIAMS recalls the planning began to when the work ended. WILLIAMS never did anything else on Ted's Home after Christmas 2000.

WILLIAMS took photos of the various stages of the construction/remodel. One copy went to [redacted] TED STEVENS. All the other photos taken went to [redacted]

A custom stain glass window was donated as a gift from [redacted] to STEVENS. The window was installed on Ted's Home.

When TED STEVENS gave WILLIAMS the check for $2,000, WILLIAMS accepted it but then gave it back via donations to STEVENS' campaign in either $500 or $1,000 increments over a four-year period.

WILLIAMS was shown a copy of a check he wrote, dated [redacted] to [redacted] for [redacted] The memo line

stated, [redacted]." WILLIAMS recalled that [redacted] wanted to buy these used materials from [redacted] and [redacted] WILLIAMS believes [redacted] at a later date. The material was taken to Anchor Point for a [redacted]. WILLIAMS advised that WILLIAMS would have never paid that much money for the materials because they weren't worth that much.

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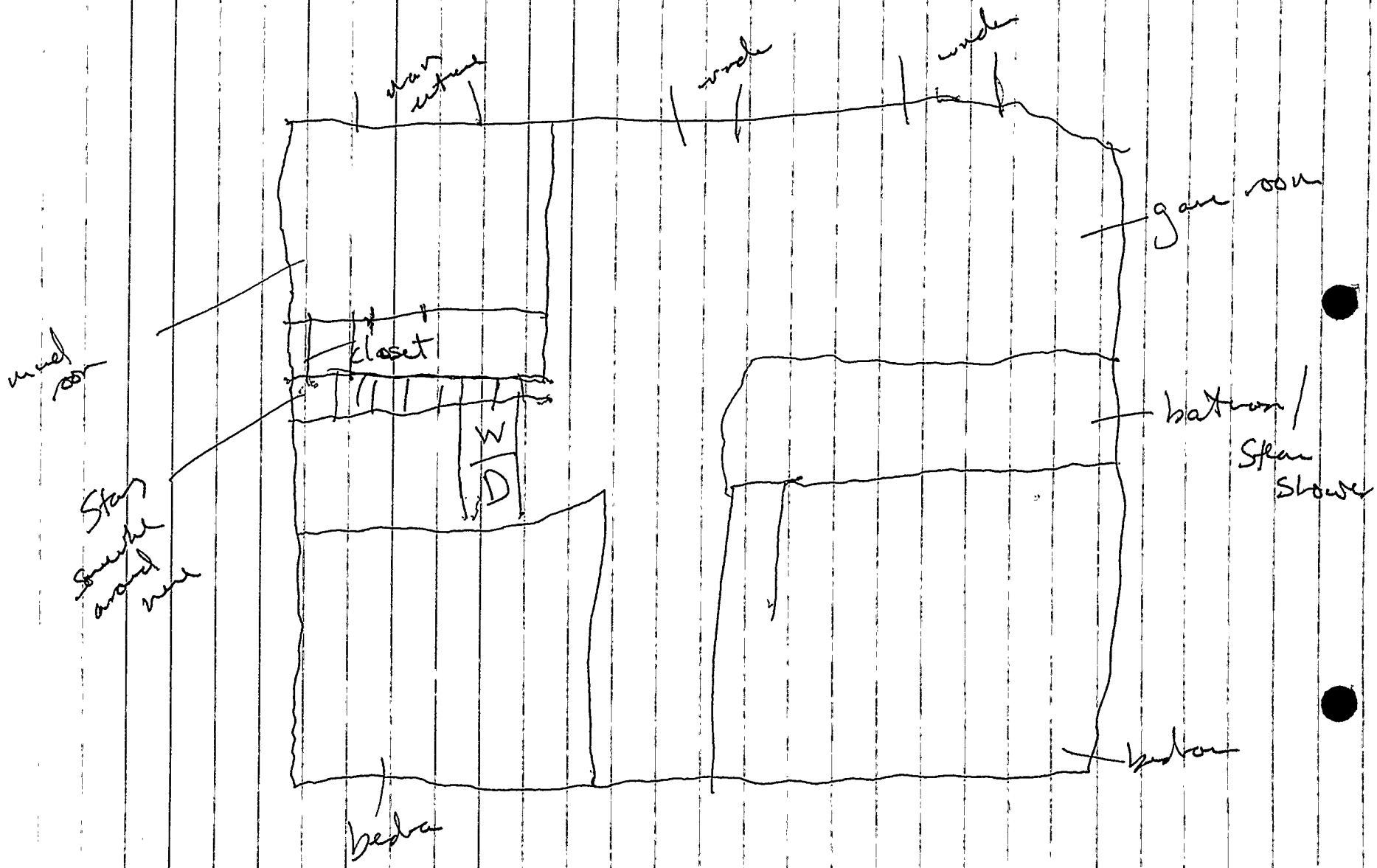
WILLIAMS drew a rough sketch of STEVENS'S Girdwood home. This sketch is attached hereto and made apart hereof.

August 22, 2006 was the date when WILLIAMS saw and talked with TED STEVENS, [redacted] LNU [redacted] ALASKA AIR TRANSPORTATION MUSEUM), and [redacted] FLY BY NIGHT CLUB.



CEO - SA [redacted] writing in blue
black = Rocky Williams

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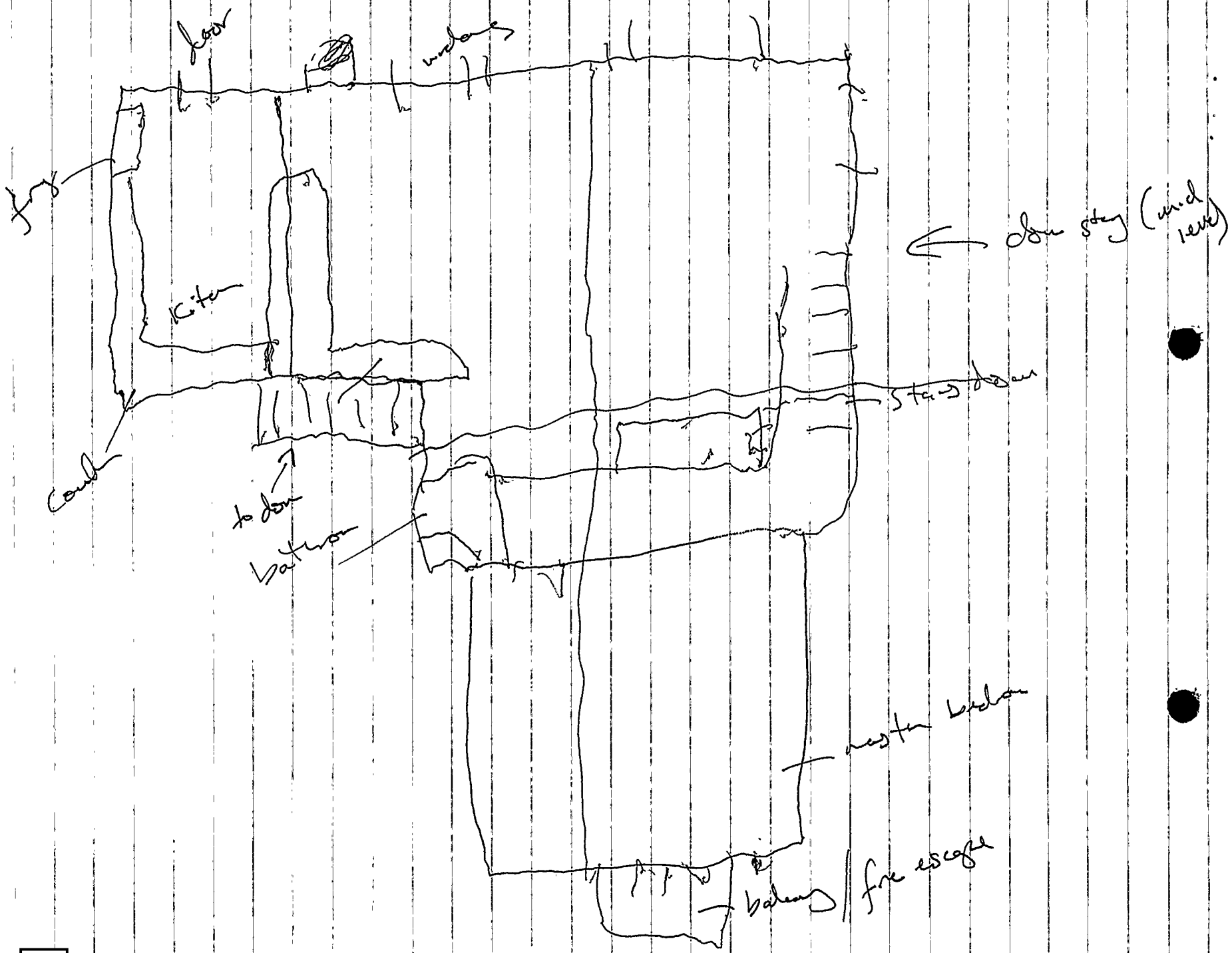
bottom floor



GEO - SA [ ] = blue
Rocky Williams = black

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top upstairs

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 09/26/2006

Source, who is in a position to testify, provided the following information:

Near the end of the remodel of TED STEVENS home in Girdwood, Alaska, [redacted] for STEVENS. Based on [redacted] instructions, [redacted] to STEVENS' residence in Girdwood, Alaska. [redacted] and [redacted] residence in Anchorage, Alaska. [redacted] was taken and stored in the "toy box," a VECO owned storage facility in Anchorage, Alaska.

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Investigation on 09/26/2006 at Anchorage, Alaska (telephonically)

File # 194A-AN-13620-[redacted] 194A-AN-13620-C; [redacted] 194A-AN-13620-[redacted] 194A-AN-13620-TSTEVENS-10

Date dictated Typed 09/26/2006

by SA [redacted] cej

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FBI - Stevens-3692

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/24/2006

Source, who is in a position to testify, provided the following information:

[redacted] (phonetic) was a [redacted] and friend of [redacted] [redacted] was hired and paid by VECO to work as a [redacted] on TED STEVENS' Girdwood residence remodel. b6 b7C b7D

Investigation on 10/19/2006 at Anchorage, Alaska (telephonically)

File # 194A-AN-13620-C; [redacted] Date dictated Typed 10/24/2006

194A-AN-13620-[redacted] 194A-AN-13620-TSTEVENS

by SA [redacted] cej

b6 b7C b7D

FBI - Stevens-3693

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/27/2006

Source, worked jointly by the Federal Bureau of Investigation (FBI) and the Internal Revenue Service (IRS), was interviewed on September 7, 2006, by IRS Special Agents (SAs) [redacted] and FBI SA [redacted] in the presence of source's attorney and the following individuals: FBI Chief Division Counsel [redacted] Assistant U.S. Attorneys (AUSAs) [redacted] and [redacted] and Department of Justice (DOJ) Attorney Nick Marsh. As the original IRS Memorandum of Interview (MOI) dated September 7, 2006 contained source's true identity, the report has been replicated on this document, omitting source's true name. The following information was reported:

Source began employment with VECO in [redacted]. He/she was hired by [redacted]

Norcon is a subsidiary of VECO. Norcon contains the Union electrical portion of VECO. Norcon performs a substantial amount of work in the Fairbanks, Alaska area. Norcon, which employed approximately 3,200 employees at its peak, was the primary contractor for the Exxon Valdez oil spill.

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Source worked for Norcon from approximately [redacted] to [redacted] Source also performed work for VECO International. Source's initial supervisor was [redacted] source began working full time as [redacted] for VECO International, reporting to [redacted]. Source's duties included [redacted] Prior to working for VECO, source never contributed to political campaigns.

During the early [redacted] various VECO employees including [redacted] began recommending that source attend political functions. There was minimal pressure to attend these functions in the early [redacted]

In [redacted] VECO Corporation started the pay for performance (PFP) bonus program. The PFP bonus program originated from VECO operations in Canada where

09/07/06 Anchorage, AK

Investigation on at

194A-AN-13620 SUBS [redacted]

File # [redacted] Date dictated 10/27/06

194A-AN-13620 SUBs [redacted] TSTEVENS — 12

by SA [redacted]

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FBI - Stevens-3694

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

bonuses were expected by employees in those entities. Source [redacted] VECO employee who currently lives in [redacted] instituting the PFP program. The main structure of the VECO bonus program was to distribute 15 percent of the next profit. VECO has numerous subsidiary entities. Each entity is measured by the profit of the particular entity. Bonus pools are collected in each entity. VECO has three levels of bonuses, which are broken down by project guys, key men, and discretionary bonuses.

Project bonuses and key man bonuses are designed to award bonuses to specific individuals responsible for contributing to the profitability of a VECO entity.

[redacted] the entire bonus process and [redacted] the final decisions regarding bonus amounts. Currently, there are [redacted]. Those [redacted] include [redacted] These [redacted] control the [redacted] of these operations and have a great deal of input regarding [redacted]

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The [redacted] make their [redacted]. From these discussions, [redacted] makes the final decision regarding [redacted] and adds in discretionary [redacted] made to specific VECO employees to use for making political contributions to political candidates.

Sometime during [redacted] VECO needed to get money to senior VECO employees so they could contribute to political campaigns. [redacted] determine the political bonus amounts. These bonuses were part of the discretionary bonuses. The political bonuses were also referred to as special bonuses by [redacted] special

bonuses were ostensibly to compensate executives for their time spent on community involvement and community activities. In the political bonus amounts.

The VECO employees who received these political bonuses include were part of this inner circle in the but were later dropped.

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employees receiving bonuses for political contributions. who has worked for VECO Alaska since

These records were seized during the recent search warrants.

the VECO employees regarding which political candidates should receive political donations. Occasionally, as to which political candidates should receive political donations.

write the name and amount of the political candidate . This business card VECO employees including have engaged in consistent conversations regarding the political bonuses and the purpose of the political bonuses.

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In the past,

saying that TED STEVENS was putting pressure on to raise political funds for As a result,

a VECO employee, political candidate donation checks from the VECO employees. to get the political contribution check all political donations made to political candidates by the VECO employees.

There is no final accounting to compare VECO political bonuses received against political contributions made during the year. However, all bonus recipients receive specific direction regarding which political candidate to donate to and in what amount.

Over the years, has made it clear to the employees that is crucial for VECO's survival.

that the bonus amounts for political contributions should be paid in three installments during the year. VECO Corporation did this one year and then began including the entire political contribution bonus in the regular year-end bonus amounts.

an entity called ECC VECO, which was a VECO related entity in Sakhalin, Russia. but the actual implementation of the idea never occurred. these funds to use to make political contributions.

political contributions were made by some VECO Corporate employees when political contribution were needed quickly. Travel advances, in the amount of $10,000 each,

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The recent bonuses, intended for political contributions

Subsequent to the recent VECO search warrants

The amounts paid by VECO Corporation to VECO employees for political contributions is deducted as a bonus expense on the VECO Corporation U.S. Corporate Tax Returns.

VECO check requests If cash of a few

thousand dollars is needed, a check is issued and VECO employee [redacted]

[redacted] VECO Alaska was performing work on Senator TED STEVENS house in Girdwood, Alaska because VECO Alaska had invoiced VECO Corporation for approximately $75,000 of job material and labor expenses. [redacted] it was unusual for VECO subsidiary entities to invoice their costs to VECO Corporation. [redacted] Working on a house was an unusual job for VECO. [redacted]

VECO Corporation is the administrative component of VECO and specific job costs stay in the subsidiary entities to be associated with specific jobs. VECO Alaska incurred the expenses for this job but source does not believe STEVENS paid the money back. If STEVENS reimbursed VECO, there would have been a cash receipt in the VECO accounting system. VECO Alaska did not want to be charged expenses for an unprofitable job. It would reduce their profit and the corresponding bonus pool at year-end.

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This work was done several years ago and the records for payroll and job cost could still be traced on the accounting system. [redacted] for the work done on TED STEVENS' house. [redacted] at that time.

[redacted] STEVENS are like brothers. [redacted] referred to TED STEVENS as [redacted].

[redacted] a $6,200 payment from VECO Corporation to Eide, Miller and Pate, (a law firm in Anchorage, Alaska) and the resulting [redacted]

[redacted]

[redacted]

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VECO Corporation was recently audited by the Civil Division of the Internal Revenue Service. One of the audit issues was [redacted] VECO Corporate [redacted] the IRS during the audit. [redacted] IRS audit issues and were the VECO [redacted] the outcome of the IRS civil audit issues.

There are other individuals [redacted] These include [redacted] on the North Slope. [redacted]

[redacted] which reflected a business address as 6411 A Street in Anchorage, Alaska. [redacted] old business address and VECO Corporation still maintains office space at that address. VECO Corporation payroll records and business records are stored at that location.

[redacted]

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contract with VECO Corporation, which pays him approximately [redacted] per month. [redacted] there was a discussion several years ago that included [redacted] The discussion centered on methods to save costs and [redacted] was discussed. [redacted] said that was not an option because he knew the contract meant a lot to Senator TED STEVENS. All contracts similar to [redacted] would be [redacted]

worked in Washington DC previously and she knows Senator TED STEVENS.

VECO Corporation uses polling services but does not know any specifics regarding which polls were conducted.

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work on TED STEVENS house, and other similar types of expenses would be handled by VECO Corporation.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 11/08/2006

[redacted] worked jointly by the Federal Bureau of Investigation (FBI) and the Internal Revenue Service (IRS), was interviewed on September 22, 2006, by IRS Special Agents (SAs) [redacted] telephonically. As the original IRS Memorandum of Interview (MOI) contained source's true identity, the report has been replicated on this document, omitting source's true name. Source provided the following information:

[redacted] the bonus program was discussed. [redacted] participating in the bonus scheme to make conduit contributions. [redacted]

[redacted]

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[redacted]

- The bonus program as a conduit for political contributions. [redacted]

09/22/06 Anchorage, AK

Investigation on at

194A-AN-13620 SUBs [redacted]

File # [redacted] 194A-AN-13620-302 Date dictated 11/08/06

194A-AN-13620 SUBs [redacted] TSTEVENS_13

by SA [redacted]

FBI - Stevens-3703

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

[redacted]

used the analogy that if an employee contributed $1,000.00 to a candidate he would not expect VECO to reimburse him $1,000.00. [redacted]

[redacted]

[redacted] these were only recommended amounts and while VECO highly encouraged employees to contribute, it was not mandatory. [redacted]

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[redacted]

[redacted] IRS implications of deducting as payroll the bonus amounts intended for contributions.

[redacted]

- [redacted]
- [redacted]

[redacted] at some point, changed the dollar amount of the consulting agreement. [redacted]

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TED STEVENS. [redacted] the Girdwood remodel. [redacted] did not know what was billed or received on billings related to the remodel project but [redacted] gave Senator STEVENS a good deal. [redacted]

[redacted] SA [redacted] SA [redacted] or [redacted] if [redacted]

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 11/08/2006

Source, worked jointly by the Federal Bureau of Investigation (FBI) and the Internal Revenue Service (IRS), was interviewed on September 29, 2006, by IRS Special Agent (SA) [redacted] telephonically. As the original IRS Memorandum of Interview (MOI) contained source's true identity, the report has been replicated on this document, omitting source's true name. Source provided the following information:

[redacted]

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[redacted] talked about the [redacted] situation. Apparently, [redacted] VECO used Carlyle Transportation and [redacted] Alaska to Anchorage Alaska. [redacted] VECO paid for [redacted]

[redacted] the remodel of TED STEVENS's house in Girdwood, Alaska. He said some guy who had moved a building on TED STEVENS property in Girdwood was just talked to by the FBI.

[redacted] for the next two weeks.

Names which source recalled being mentioned [redacted] TED STEVENS, [redacted]

09/29/06 Anchorage, AK

Investigation on at

194A-AN-13620 SUBs [redacted]

File # [redacted] 194A-AN-13620-302 Date dictated 11/08/06

194A-AN-13620 SUB [redacted], TSTEVENS

by SA [redacted]

-14

FBI - Stevens-3706

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

Special Agent [redacted] and Special Agent [redacted] would be in Anchorage during the week of October 9th. Special Agent [redacted] the bonus amounts for prior years and to cover other follow up questions from our prior meeting. Agent [redacted]

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FD-71 (Rev. 3-05-2003)
Complaint Form

NOTE: Hand print names legibly; handwriting satisfactory for remainder.
Indices: ☒ Negative ☐ See below

Subject's name and aliases	Character of case
[redacted] VECO	Public Corruption
	Complainant ☐ Protect Source
	Complaint received by [redacted] Field Office Anchorage Telephone # [redacted] b6 b7C ☒ Personal ☐ Telephonic Date 12/11/2006 Time 11:00 am
Address of Subject	Complainant's address and telephone number [redacted]
	Complainant's DOB [redacted] Sex Male

Subject's Description						
	Race	☐ Male	Height	Hair	Build	Birth date and birth place
	Age	☐ Female	Weight	Eyes	Complexion	Social Security Number
	Scars, marks and other data					

Employer	Address	Telephone

Vehicle Description

Facts of Complaint

[redacted] was conversing with his neighbor, [redacted] on approximately [redacted] described an incident at VECO, [redacted]

Ted Stevens' [redacted] b6 b7C

SA [redacted] MSC

File

ch (1)

#4

Do not write in this space.
194A-AN-13620-TStevens-15

Clark Harshbarger
(Complaint received by)

FBI - Stevens-3708
BLOCK STAMP

342ch02.0th

Stevens contacted [redacted] who then contacted [redacted]

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[redacted] presently cares for [redacted] felt that [redacted] would speak to investigators if they contacted her regarding this incident.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 11/12/2006

A source who is in a position to testify provided the following information:

Approximately four to five years ago, [redacted] pay for the tuition at a [redacted] school in the [redacted] of United States Senator TED STEVENS through STEVENS' [redacted] who was struggling with [redacted] issues was also [redacted] VECO Corporation which was [redacted] VECO Corporation paid the [redacted]

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Although the source did not have the original contact with STEVENS regarding this matter, the source was aware that VECO Corporation [redacted] with STEVENS. The source did not learn about the arrangement until after the fact. The source does not recall if he/she first learned of the situation [redacted] from STEVENS. [redacted] was trying to develop his relationship with STEVENS, but STEVENS never personally cared for [redacted] In a later conversation between STEVENS [redacted] STEVENS said that if [redacted]

STEVENS hired [redacted] as one of his aides in Washington DC. [redacted]

The source recalls [redacted] asked STEVENS to hire [redacted]

Investigation on 11/08/2006 at Anchorage, Alaska (telephonically)

File # [redacted]; 194A-AN-13620-TSTEVENS-16 Date dictated Typed 11/12/06

FBI - Stevens-3710

by SA [redacted]

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 12/15/2006

Described below is an email communications [redacted] TED STEVENS, [redacted]

The email sent on [redacted]

[redacted]

The email sent on [redacted]

[redacted]

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The email sent on [redacted]

[redacted]

The email sent on [redacted]

[redacted]

Investigation on 12/14/2006 at Anchorage, AK

File # [redacted] 194A-AN-13620-TSTEVENS-17 194A-AN-13620-C; Date dictated Typed on 12/15/06

FBI - Stevens-3711

by SA [redacted] mbk

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The email sent on [redacted]

[redacted]

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The email sent on [redacted]

[redacted]

The email sent on [redacted] from TED STEVENS:

[redacted] I didn't see the reference to [redacted] me in the daily rag-guess it's because I hastily use it for the cat's box. It is a trying time. You are lucky-you are not a "public figure" and if they libel you sue their asses off! They can sau (say) whatever they want about [redacted] me-[redacted] will not be in my category after the first week in January. Anyway, we'll get publicity when Birdie and Birdstone babies hit the track. No matter what the rag says it's fun to watch them grow up-and remember, [redacted] the fastest two year old in the business. I've still got ny (my) plaque that show the drunken tramp at a bar, cigar and glass in hand, and he says: oil man? Hell no! I made my money on the horses! Hang in there. We'll see each other at Churchill Downs! Best. Teds"

The email sent on [redacted]

[redacted]

[redacted] 194A-AN-13620 SUB SOURCE

[redacted]

The email sent on [redacted]

[redacted]

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 12/15/2006

Described below is an email communication [redacted] from United States Senator TED STEVENS.

The email sent on [redacted] at [redacted]

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[redacted]

Investigation on 12/14/2006 at Anchorage, AK

File # [redacted] 194A-AN-13620-TSTEVENS — 18 194A-AN-13620-C; Date dictated Typed on 12/15/06

by SA [redacted] : mbk

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Automated Serial Permanent Charge-Out
FD-5a (1-5-94)

Date: 12/26/06 Time: 13:26

Case ID: 194A-AN-13620-TSTEVENS Serial: 19

Description of Document:

Type : FD302
Date : 12/12/06
To : ANCHORAGE
From : ANCHORAGE
Topic: DOCUMENTS PROVIDED BY SOURCE RE [redacted]

Reason for Permanent Charge-Out:

UPLOADED TO WRONG SUBFILE.

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Transferred to:

Case ID: 194A-AN-13620-[redacted] Serial: 43

Employee: [redacted]

194A-AN-13620-TSTEVENS-19

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 12/06/2006

Source who is in a position to testify provided the following information:

BACKGROUND

[redacted]

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[redacted]

[redacted]

FUND RAISERS

[redacted] was involved with a fundraiser for LISA MURKOWSKI, FRANK MURKOWSKI, and DON YOUNG. [redacted]

Investigation on 11/30/2006 at Anchorage, Alaska
File # 194A-AN-13620-C; [redacted] 194A-AN-13620-TSTEVENS 720 Date dictated Typed 12/06/2006
SA [redacted]
by SA [redacted]:eds

FBI - Stevens-3716

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

[redacted] MARX BROTHERS was used to do all the catering and bar tending. [redacted] RENT-A-CAN was normally used as well. VALLEY RENTALS provided tents, tables, chairs, and umbrellas.

VECO also required its employees to make donations to political campaigns. [redacted]

VECO REMODEL OF TED SETEVENS' HOME

Source is aware of VECO's relationship with United States Senator TED STEVENS. [redacted] at STEVENS' house approximately spring of 2000. [redacted]

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[redacted] building an add-on to STEVENS' house. [redacted]

[redacted] cleaned up the exterior of STEVENS' Home [redacted] very large tree that was about to fall on the STEVENS' Home. The removal of the tree was a huge project. [redacted] how to remodel the home to fix the problems.

[redacted]

The following is a list of other people that worked on STEVENS' Home:

[redacted]

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- MARK TYREE, VECO plumber,

[redacted]

It took the VECO workers a couple of 40-hour weeks to get the house setup for the walls. They did all the fabrication in the VECO fabrication shop. A set of metal stairs was constructed there. [redacted]

[redacted] There were engineers crawling around the house during this time period as well.

In December to January, 2001, [redacted]

[redacted] prior to the sheet rock being installed. [redacted]

VECO employees, including [redacted] Toward the summer VECO installed a large backup generator at STEVENS' house. The generator on demand that was installed came from GREY BAR or CRESENT and cost between $5,000 and $10,000. Installation was performed by VECO employees, [redacted]. The breaker system had to be expanded due to the generator and various other things that were overloading the breaker box. A heating system/boiler was also installed.

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[redacted] some conflicts in how work on STEVEN'S house was being billed. VECO CONSTRUCTION started to grow concerned about the use of VECO CONSTRUCTION personnel on the house. [redacted] LNU and other VECO CONSTRUCTION employees. The project had been drawing on employees [redacted] VECO CONSTRUCTION was worried that the cost of adding on to STEVENS' house was going to come out of their budget. [redacted] there were approximately 10 VECO employees from VECO CORPORATE and the rest were associated with VECO CONSTRUCTION.

Materials had been purchased at SPENARD BUILDERS. [redacted] these materials were purchased by VECO. The materials purchases were not associated with a specific project and were billed independently. Consumables, such as cutting blades, nails, lenses for hoods, were not accountable.

Tools and equipment on the project were borrowed from VECO. [redacted] Once in a while, the workers at the STEVENS' house would get a call saying that CHANNEL 2 was en route to their location, and they would hide anything with a VECO label on it.

VECO employees also assisted in doing some basic move-in work. They assembled beds and moved furniture into the newly completed house. The main renovation was completed approximately spring/summer 2001.

[redacted] invoice to VECO. The invoice did not get paid [redacted] right away and [redacted]

Around the summer or fall of 2002, [redacted] something did not look right about the house. [redacted] [redacted] VECO CORPORATE was unhappy with this payment method.

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[redacted] provided some extras for the STEVENS' house. VECO employees installed garage shelving and pegs for skis. They also installed a loft in the garage. [redacted] A utility sink was installed in the garage and a boxing speed bag for STEVENS to exercise. A roll-away tool box was added to the garage, full of tools.

The summer following the completion of the remodel of STEVENS' home, [redacted] The supplies

were ordered from out of state. [redacted]

[redacted] not see TED STEVENS very often. On two or three occasions, TED STEVENS drove by the house to see the progress. [redacted] they were at a place in Anchorage, Alaska during the construction. Shortly after completion, however, there was a [redacted] that needed to be made to STEVENS' house. [redacted]

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Additionally, [redacted] VECO employee (known as [redacted]

The following is a list of vendors that were or may have been used on the STEVENS' Home remodel project:
- CLASSIC FLOORS (flooring),
- RINO'S TILE AND STONE (flooring),
- MOUNTAIN MECHANICAL (boiler/heating),
- HARDWARE SPECIALTIES (variety of supplies),
- ACE HARDWARE (variety of supplies),
- HOME DEPOT (variety of supplies),
- SPENDARD BUILDERS SUPPLY [redacted] at the Tudor/Minnesota store; wood supplies),
- LOWES (on Tudor; variety of supplies),
- ARTISTIC TILE COMPANY (tiling and rock work supply),
- RODDA PAINT (paint supplies),
- HALLSTAR DRYWALL (drywall supplies),
- ALLEN AND PETERSONS (paint supplies),
- TOTEM RENTALS (boom truck rental and tioga heaters),
- KLONDIKE CONTRETE (poured sauna tubes),
- ARCTIC BUILDERS SOURCE (variety of supplies),
- HILTI (fastner supplies),
- REPLACEMENT GLASS (windows),
- FIRE AND FASTNER (fastners, nuts, bolts, and anchors supplies),

- CRESCENT ELECTRIC (wiring, panels, other electrical supplies).

OTHER VECO PROJECTS

VECO did some projects for [redacted]

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PERSONAL MATTERS WITH [redacted]

[redacted]

[redacted]

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 09/06/2006

[redacted] a white male, date of birth (dob) [redacted], Social Security Account Number (SSAN) [redacted] was contacted and interviewed at the Residence Inn, 30 Fifth Avenue, Anchorage, Alaska (AK). After being advised of the identities of the interviewing Agents and the purpose of the interview, [redacted] voluntarily provided the following information:

[redacted] currently resides at [redacted] Anchorage, AK. His home telephone number is [redacted] provided a cellular telephone number of [redacted] This business is operated out of [redacted] has operated [redacted] approximately [redacted]. The company has five (5) employees. These employees are identified as: [redacted]. All of these individuals reside in Anchorage, AK. [redacted] only works part-time [redacted]

[redacted] was familiar with an Anchorage-based company, identified as VECO. [redacted] work at a specific job site. [redacted] In total, [redacted] estimated that he spent approximately [redacted] years working on different VECO projects. [redacted] would be terminated from employment by VECO when the job was completed, and rehired for different jobs. [redacted] last worked on a VECO project approximately [redacted] ago. [redacted] generally worked as a [redacted] on the various VECO job sites. [redacted] also worked for [redacted]

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While working for VECO, [redacted] became associated with an individual by the name of [redacted] (LAST NAME UNKNOWN) (LNU). [redacted] (LNU) was a VECO [redacted] described [redacted] (LNU) as a white male, [redacted] pounds, in his [redacted] (LNU) was clean shaven and had dirty blond hair.

Investigation on 09/01/2006 at Anchorage, Alaska

File # 194A-AN-13620 - TStevens - 21 Date dictated 09/05/2006

SA [redacted] Internal Revenue Service;

by SSA [redacted] Federal Bureau of Investigation MJS/rmk

FBI - Stevens-3723

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[redacted] was familiar with VECO [redacted] never met [redacted] while working on a VECO project. [redacted] believed that some time in [redacted] (LNU) referred [redacted] for some [redacted] located near the intersection of [redacted]. Since that initial referral, [redacted] has done additional jobs for [redacted] either at his [redacted] or at one of the VECO locations. [redacted] was able to provide copies of four (4) invoices which detailed work done by [redacted] or a VECO fabrication shop. These invoices were dated: August 2, 2004; March 15, 2005; April 13, 2006; and June 22, 2006. [redacted] advised that much of the work reflected in these invoices was not actually done by [redacted] but was, in fact, subbed out.

[redacted] has had approximately five (5) or six (6) conversations with [redacted] during the past three (3) years. These conversations would include personal contacts on a few occasions and telephone calls on a few occasions.

[redacted] at a house in Girdwood, AK, owned by United States Senator TED STEVENS. [redacted] provided the following information regarding events associated with the work he did at STEVENS' Girdwood property:

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[redacted] VECO Maintenance. [redacted] if he would be able to do some service work on a [redacted] at the Girdwood location. [redacted] (LNU). On a date and time as arranged, [redacted] the Girdwood location [redacted] (LNU). [redacted] which occurred late in the afternoon or early in the evening, he observed two (2) minivans in the driveway of the residence. There were two (2) occupants in each minivan. [redacted] individuals in the vans were United States Secret Service Agents and that Senator TED STEVENS was upstairs. It was at this time that [redacted] realized that the property belonged to Senator STEVENS. During this initial visit, [redacted] believed that he was introduced to Senator STEVENS [redacted] recalled shaking Senator STEVENS' hand. [redacted] additional trips to the Girdwood residence in order to complete the job. [redacted] recalled seeing and talking briefly with [redacted] while at the Girdwood property on either [redacted] trip to the property. He also met [redacted] while at the Girdwood

[redacted]

[redacted] the Girdwood property he was [redacted] and present while he was at the Girdwood property. [redacted] Girdwood because he could not have a VECO name on a vehicle parked at STEVENS' property.

[redacted] total work at the Girdwood property as well as several hours in travel time. After the work was completed, [redacted] generated an invoice for the parts and labor (including travel time) and mailed the invoice to [redacted] at VECO. [redacted] recalled that some time after he received a telephone call from [redacted] during which [redacted] asked him to separate the invoice between parts and labor. [redacted] told [redacted] that he needed two (2) separate bills and that the bill for labor should go to [redacted] at VECO and the bill for parts should be addressed to Senator STEVENS. [redacted] did as directed by [redacted] and generated two (2) separate invoices, one (1) for labor and travel time, addressed to VECO, attention [redacted] and one (1) for materials, addressed to TED STEVENS, 522 Hart Office Building, Washington, D.C., attention [redacted] payment from VECO (via a business check) and a check mailed to him [redacted] believed that the check was either signed by Senator TED STEVENS or listed an account in the name of Senator TED STEVENS.

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[redacted]

[redacted] was able to search his business records and locate the original invoice, which was mailed to [redacted] at VECO, for labor/travel and materials charges for the work HART did at STEVENS' Girdwood property. A duplicate copy of the original handwritten invoice, Invoice Number 9423, dated January 11, 2006, was located by [redacted] and provided to the Federal Bureau of Investigation (FBI). [redacted] did not have the original copy because that would have been mailed to [redacted] at VECO. [redacted] generated an invoice on his computer with the labor/travel and materials charges for the work performed at STEVENS' Girdwood property and

mailed the invoice, Invoice Number [redacted] at VECO. Invoice Number [redacted] outlined labor, travel and materials charges totaling [redacted]

Following the telephone call from [redacted] instructing [redacted] to split the labor and materials into two (2) separate invoices, [redacted] deleted the charge for materials on Invoice Number [redacted] and printed a new invoice addressed to VECO, attention [redacted] The new invoice, dated [redacted] and totaling [redacted] contained charges for only the labor and travel time concerning the work performed at STEVENS' property in Girdwood.

[redacted] created another invoice on his computer, Invoice [redacted] was addressed to TED STEVENS, 522 Hart Office Building, Washington, D.C. 20510, attention [redacted]

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[redacted]

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 12/22/2006

Source, worked jointly by the Federal Bureau of Investigation (FBI) and the Internal Revenue Service (IRS), was interviewed on November 27, 2006, by IRS Special Agents (SAs) [redacted] As the original IRS Memorandum of Interview (MOI) contained source's true identity, the report has been replicated on this document, omitting source's true name. In substance, source stated the following conversations occurred on [redacted] through [redacted]

[redacted]

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Investigation on 11/27/06 at Anchorage, AK

File # 194A-AN-16320 SUBs 302; [redacted] 194A-AN-13620 TSTEVENS-22

Date dictated 12/22/06

by SA [redacted]

FBI - Stevens-3727

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[redacted] about the Alaska military base privatization issue. The names of DON YOUNG and TED STEVENS were mentioned. [redacted] Alaska native corporation that was disqualified from the bid. [redacted]

[redacted]

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[redacted]

[redacted]

No conversations were held.

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

194A-AN-13620-TSTEVENS -23
MBK:mbk
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The following documents were gathered in reference to the investigation involving United States Ted Stevens:

1. A letter dated July 5, 2006 from Samuel W. Bodman, the Secretary of Energy, to Governor Frank Murkowski. The letter encourages the State of Alaska to develop the State's natural gas resources because it is in the best interest of the nation's economic and security interests.

2. A letter dated July 10, 2006 from Joseph Kelliher, Chairman of the Federal Energy Regulatory Commission, to Governor Frank Murkowski. Attached to the letter is the Second Report to Congress on Progress Made in Licensing and Constructing the Alaska Natural Gas Pipeline. The letter highlights that the Alaska State legislature must act to prevent further delay in the construction of a gas pipeline.

3. Notes from the July 7, 2006 meeting of the State Special Committee on Oil and Gas held in Anchorage. United States Senator Ted Stevens addressed the committee and commented that the State legislature must push aside partisan politics and do what's right for the state. He went on to say that what's right for the state is to get the job done and "GET THE PIPELINE BUILT." (He was hammering on the table for emphasis during the last phrase.)

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4. A June 29, 2006 press release from the United States Department of Energy Office of Public Affairs which quoted Secretary Bodman, "Alaska's North Slope is a valuable natural resource that has tremendous potential to provide a significant portion of our nation's natural gas needs to help heat homes, and build industry."

5. A transcript of Governor Murkowski's address to the Alaska State legislature on July 13, 2006. In Governor Murkowski's remarks he said that Senator Ted Stevens was right in what he said last Friday- we need to finish the job in this legislature, or you may find yourselves delayed for two years with no further progress."

OSmbk01. INS

194A-AN-13620-TSTEVENS-23

The Secretary of Energy
Washington, DC 20585

July 5, 2006

The Honorable Frank H. Murkowski
Governor of Alaska
Juneau, AK 99811-0001

Dear Governor Murkowski:

I am writing to encourage the leadership of the State of Alaska to complete the necessary legislative and contractual work required to facilitate construction of a transportation system to move Alaska's natural gas to markets. The current natural gas market appears to support the investment needed to construct the Alaska Natural Gas Pipeline. The Federal Government is ready to expedite the Federal permitting processes and has recently executed the Federal Interagency Memorandum of Understanding (MOU) for the Alaska Natural Gas Transportation Project. The MOU was signed by senior executives from fifteen departments and agencies of the Federal Government and establishes a project management framework for cooperation in completing the regulatory approvals that would be required for this major project.

The current forecasts call for dramatic increases in United States natural gas demand while U.S. and Canadian conventional natural gas production has reached a plateau. The Nation will need to find or import more than 13 billion cubic feet per day of new natural gas supplies to meet the Nation's needs by the next decade. Wellhead gas prices in the lower 48 States more than doubled from 2002 to 2005; that price increase has greatly increased consumer natural gas prices and has adversely affected gas intensive industries such as fertilizer production and petrochemicals, resulting in plant closures and job losses.

If the State of Alaska does not conclude necessary legislative and contractual work promptly, Alaskans may lose the opportunity to pursue this project for several years or even a decade. In the global marketplace, capital investment will seek the most attractive projects. Given the global constraints on personnel and other resources, energy companies may re-deploy their resources, resulting in significant delays of an Alaska project. In addition, the opportunity for Alaska natural gas to serve markets in the lower-48 States could be overtaken by LNG imports if Alaska gas is not perceived as a reality to meet demand. We believe strong efforts should be made to make use of American reserves of natural gas, which will promote both national security and domestic economic growth.

Printed on recycled paper.

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC 20426

OFFICE OF THE CHAIRMAN

July 10, 2006

The Honorable Frank H. Murkowski
Governor of Alaska
P.O. Box 110001
Juneau, Alaska 99811-0001

Dear Governor Murkowski:

Enclosed please find a copy of a report entitled *Second Report to Congress on Progress Made in Licensing and Constructing the Alaska Natural Gas Pipeline.* The report, which is required by section 1810 of the Energy Policy Act of 2005, was prepared by staff of the Federal Energy Regulatory Commission and was submitted by me to Congress on July 10, 2006.

The report discusses the significant steps that have taken place in the last six months to move a potential project forward. These include: an agreement on components of a draft contract between the State of Alaska and the Producer Group; the presentation to the Alaska legislature of the draft contract and of legislation bearing on issues relating to a potential pipeline project; the execution of a Federal Agency Memorandum of Understanding among 15 federal departments and agencies, establishing a cooperative project management framework for the approval of an Alaska natural gas pipeline; the nomination of a Federal Coordinator for Alaska Natural Gas Transportation Projects; the issuance by the Department of Energy of an Alaska Natural Gas Needs and Market Assessment; and efforts by Commission staff to prepare to lay the groundwork for fulfilling the Commission's environmental and certificate responsibilities associated with an Alaska natural gas pipeline project application.

On the other hand, the report also notes that because a fiscal contract between project sponsors and the State of Alaska under the Stranded Gas Development Act has not been finalized and approved by the Alaska legislature, the opportunity for beginning meaningful development of an application in 2006 has been missed. Commission staff explains that if a project sponsor is ready to begin developing its application and conducting necessary field surveys in the spring of 2007, it is possible that an application could be filed at the Commission before the end of 2008. Our staff and those of the participating federal agencies have committed to assisting in the development of an application through the Commission's pre-filing process. The report states, however, that whether the project sponsor begins developing an application and conducting field surveys in the spring of 2007 depends largely on the Alaska state legislature acting this summer. If not, the Alaska gas pipeline will be further delayed.

FBI-Stevens 2731

The report also highlights the importance of timing of an Alaska natural gas pipeline. Staff reviews the manner in which U.S. government and industry are acting to obtain natural gas supplies to meet future demand. According to the report, while Alaska North Slope gas once would have competed only with other North American gas production, the U.S. natural gas market is turning increasingly to imported liquefied natural gas (LNG) to meet incremental growth, noting that while North Slope gas reserves represent about 13 percent of North American reserves, they are less than 1 percent of global reserves. The report predicts that given the large capital investment in LNG liquefaction facilities, LNG exporters will prefer to establish long-term relationships, and that if there is no substantial progress on building an Alaska pipeline, gas buyers in the lower 48 states will be more likely to enter into long-term LNG contracts. The report expresses concern that Alaska is at risk of being marginalized in the search for new natural gas supplies for U.S. consumption.

As you know, I have repeatedly stated how important I believe an Alaska natural gas pipeline is to America's energy future. I have directed my staff to work with federal and state authorities, project sponsors, and other interested entities to ensure that any project application submitted to the Commission is timely and thorough. Should the Commission receive such an application, you have my assurance that Commission staff will review it in a highly expeditious manner, so that the Commission is able to act on it as quickly as possible.

If you have any questions about the report or other related matters, please do not hesitate to contact me.

Sincerely,

Joseph T. Kelliher
Chairman

Enclosure

cc: The Honorable Ben Stevens, President, Alaska State Senate
The Honorable John Harris, Speaker, Alaska House of Representatives

Report

Submitted to the

United States Congress

by the Federal Energy Regulatory Commission

Second Report to Congress on Progress Made in Licensing and Constructing the Alaska Natural Gas Pipeline

July 10, 2006

Second Report to Congress on Progress Made in Licensing and Constructing the Alaska Natural Gas Pipeline

I. Executive Summary

This report by the Federal Energy Regulatory Commission (Commission) is submitted pursuant to section 1810 of the Energy Policy Act of 2005 (EPAct 2005).[1] Section 1810 of EPAct 2005 provides that within 180 days of the date of enactment, and every 180 days thereafter until the Alaska natural gas pipeline commences operation, the Commission shall submit to Congress a report describing the progress made in licensing and constructing the Alaska natural gas pipeline and any impediments thereto.

During the period covered by this report, the following events have occurred: an agreement on components of a draft contract between the State of Alaska and the Producer Group; the execution of the Federal Agency Memorandum of Understanding among 15 federal departments and agencies, which establishes a cooperative project management framework for the approval of an Alaska natural gas pipeline; and the nomination of a Federal Coordinator for Alaska Natural Gas Transportation Projects.

The United States energy market is moving forward to make arrangements to obtain adequate natural gas supplies to satisfy future demand. Significant progress has been made in developing infrastructure to support liquefied natural gas (LNG) projects that would satisfy this need. Many nations, in partnership with commercial entities, are quickly bringing LNG supply projects on-line. In the next two to three years, this worldwide capacity to supply LNG to the market will greatly increase.

This report describes the events and the progress that have transpired since the Commission's First Report on February 1, 2006. The report also explains the urgency of completing the next steps toward approval of an Alaskan gas pipeline so that Alaskan gas supplies also can be part of the solution to the nation's growing need for gas.

II. Status Report

A. Status of Three Potential Projects

The three potential projects described in the Commission's First Report are still being pursued by the project sponsors. One of these potential projects is the Alaska Natural Gas Transportation System (ANGTS) which is supported by the TransCanada Corporation. This project is proposed pursuant to the Alaska Natural Gas Transportation Act of 1976 (ANGTA), Canada's Northern Pipeline Act (1978), and a 1977 Agreement

[1] P.L. 109-58, 119 Stat. 594 (2005), 42 U.S.C §16,523.

FBI - Stevens-3734

on Principles between the United States and Canada. A second potential project is the Trans-Alaska Gas System (TAGS), an LNG export project which is being promoted by the Alaska Gas Port Authority. The third potential project involves an entirely new pipeline to transport gas from the North Slope of Alaska to the Canadian border, which would seek authorization pursuant to the provisions of section 103 of the Alaska Natural Gas Pipeline Act (ANGPA) [2] and section 7 of the Natural Gas Act (NGA).[3] The sponsor of this project is the Producer Group, which is composed of BP, ConocoPhillips, and ExxonMobil.

B. Progress on Alaska Stranded Gas Development Act Agreement Negotiations and Related Legislation

1. Draft fiscal contract issued

As stated in the Commission's First Report, the Producer Group has indicated that it will only begin to develop an application once it has successfully negotiated a contract establishing fiscal certainty in Alaska. On February 21, 2006, Governor Frank H. Murkowski announced that the State of Alaska and the Producer Group had reached agreement on the major components of an Alaska Stranded Gas Development Act fiscal contract. This agreement represents significant progress towards development of an Alaskan natural gas pipeline.

Under the terms of the draft agreement between the state and the Producer Group, the State of Alaska would own 20 percent of the primary project elements – the gas treatment plant, the mainline in Alaska, and the Alaska-to-Alberta pipeline. The state would own other elements of the project in proportion to its share of the expected throughput in those elements. The state also would receive its royalty gas in kind and receive gas, not cash, in payment of the producers' production tax obligations. In return for the state's participation in and financial support of the project, the producers would receive fiscal stability on their oil and gas obligations in Alaska for decades, as spelled out in the contract.

On May 10, 2006, Governor Murkowski provided the draft fiscal contract to the Alaska legislature for its review and to the public for comment and called the legislature into a special session. The special session was called to consider six subjects, all related to the natural gas pipeline. After the public comment period is completed, the governor's

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[2] P.L. 108-324, 118 Stat. 1220 (2004), 15 U.S.C § 719.

[3] 15 U.S.C. § 717f.

FBI - Stevens-3735

staff will finalize the contract and formally submit it to the state legislature for its approval.[4]

The release of the proposed contract was followed by a series of statewide public hearings and a special session of the state legislature. The first special session that considered the new petroleum production tax changes (see details below) adjourned on June 8, 2006 without the legislature acting on the tax and credit rates. A series of amendments to the Stranded Gas Development Act that are necessary to make that Act conform to provisions of the draft fiscal contract with the producers were not voted on during the first special session and, therefore, will have to be reintroduced in the next special session for the legislature's consideration and vote. On June 23, 2006, the governor announced a second special session of the state legislature to begin on July 12, 2006 to consider the Petroleum Production Tax (PPT) and amendments to the Stranded Gas Development Act.

2. Oil tax revision

On May 24, 2006, Governor Murkowski announced that state and industry negotiators had reached agreement on the oil fiscal certainty portion of the gas pipeline contract.[5] The governor introduced oil tax-reform/modernization legislation designed to link taxes to the oil companies' Alaska profits. The governor announced that state and industry negotiators had reached initial agreement on the PPT including a 20 percent tax rate with a 20 percent tradable tax credit to strike a balance between exploration and development incentives and a tax rate. He said that this tax revision was designed to encourage investment – which leads to more exploration, which leads to more barrels of oil, which leads to more state tax revenue than a higher tax might bring.

The new PPT would change the existing oil taxation system in Alaska. The current production tax on oil is based on a percentage of the gross value of production. The proposed new tax structure would be based on a percentage of the net profit. The current production tax rate is driven by the Economic Limit Factor, or ELF. The governor has said that the ELF-based system is no longer working for Alaska. The Alaska legislature adjourned both its regular session and the special session without completing action on the PPT. As noted above, the governor called another special session to begin on July 12, 2006.

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[4] The governor extended the public comment period an additional 45 days, until July 23, 2006.

[5] An amendment (to be addressed in the next special session of the Alaska Legislature) to the Stranded Gas Production Act would allow the governor to negotiate existing oil and gas tax agreements as part of the gas contract. Current law prohibits significantly altering tax and royalty rates on existing oil and gas production.

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C. Federal Interagency Memorandum of Understanding

In June 2006, the Federal Interagency Memorandum of Understanding for the Alaska Natural Gas Transportation Project (MOU) was fully signed and executed by senior executives and heads from 15 federal departments and agencies. [6] The signing of an MOU by this large number of agencies demonstrates that the federal agencies are prepared to work together to expedite the permitting and construction of an Alaska natural gas pipeline project.

The MOU establishes a project management framework for cooperation among participating federal agencies with responsibilities related to the approval of an Alaska natural gas transportation project. In particular, the MOU provides for early agency coordination in order to streamline regulatory reviews of applications for permits needed to construct and operate the project. Coordination among these agencies on issues such as project review and implementation schedules, data requirements, and mitigation measures is critical to enable agencies to discharge their responsibilities expeditiously. A coordinated project management approach will facilitate and expedite completion of an Alaska natural gas transportation project. Because federal loan guarantees are authorized, the federal government may bear a significant portion of the financial risk associated with this project. Therefore, it is of critical importance that the project be completed on time and within budget, and the MOU will help the federal government achieve that goal.

The MOU includes agreement by the Participating Agencies to participate and work within the pre-filing time frame set by the Commission to identify and seek to resolve issues at the earliest stages of project development. The Commission's pre-filing process, which is initiated by a request of the project sponsor, serves as a mechanism to meet requirements of the National Environmental Policy Act of 1969 (NEPA) while optimizing scheduling. The Commission agreed to consult with the Federal Coordinator and relevant Participating Agencies as it establishes a schedule for the project review process. The schedule established by the Commission will be as expeditious as possible while consistent with any statutory permit review periods. To the extent practicable and

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[6] Department of Agriculture, Department of Commerce, Department of Defense, Department of Energy, Department of Homeland Security, Department of the Interior (Bureau of Indian Affairs, Bureau of Land Management, Fish and Wildlife Service, and National Park Service), Department of Labor, Department of State, Department of Transportation (Pipeline and Hazardous Materials Safety Administration and Federal Highway Administration), Department of the Treasury, Advisory Council on Historic Preservation, Council on Environmental Quality, Environmental Protection Agency, Federal Coordinator for Alaska Natural Gas Transportation Projects (acting), and the Federal Energy Regulatory Commission.

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permitted by law, the relevant Participating Agencies agree to implement, with the assistance of the Federal Coordinator, their related agency review and permitting processes on a concurrent rather than sequential basis to enable completion of the environmental impact statement (EIS) within the time limits required by ANGPA .

D. Nomination of Federal Coordinator

On June 12, 2006, President George W. Bush nominated Drue Pearce, of Alaska, to be Federal Coordinator for Alaska Natural Gas Transportation Projects, for a term ending one year following the completion of the Alaska Natural Gas Transportation Project. Under section 106 of ANGPA, the Federal Coordinator will head the Office of the Federal Coordinator for Alaska Natural Gas Transportation Projects. The advice and consent of the United States Senate is required before Ms. Pearce can begin her service as the Federal Coordinator. Until the nominee's confirmation, ANGPA temporarily vests the Federal Coordinator authority in the Secretary of Energy.

The Federal Coordinator shall be responsible for: (1) coordinating the expeditious actions of all Federal agencies with respect to an Alaska natural gas transportation project; and (2) ensuring the compliance of Federal agencies with the provisions and deadlines of ANGPA.

E. U.S. Department of Energy Activities

1. In-state Demand/Needs Study

a. Purpose of Study

In June 2006 the U.S. Department of Energy (DOE) released a report, "Alaska Natural Gas Needs and Market Assessment" (Needs Study), which estimates the potential demand for natural gas in South Central and other areas of Alaska directly associated with a potential spur pipeline connecting the proposed Alaska North Slope gas pipeline to the Cook Inlet pipeline infrastructure. The Needs Study is a conceptual engineering and socio-economic analysis intended to provide an independent estimate of in-state natural gas demand and supply options for the years 2015 through 2035. The study could be used to satisfy the Commission's Order No. 2005 requirement that applicants desiring to build an Alaskan natural gas pipeline conduct a study to determine in-state natural gas needs prior to holding an open season.[7] The applicants could adopt this study to design their proposed in-state service which would be bid upon in the open season.

[7] Order No. 2005 110 FERC ¶ 61,095 (Feb. 9, 2005),; 70 Fed. Reg. 8,269 (Feb. 18, 2005); *rehearing*, Order No. 2005-A 111 FERC ¶ 61,332 (June 1, 2005), 70 Fed. Reg. 35,011(June 16, 2005).

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b. Study Results

The Needs Study looked at future South Central Alaska yearly-average natural gas demand use for residential/commercial consumption and electric power generation estimated for 2015, 2025, and 2035, the relevant 20-year period that could be the initial years of Alaska pipeline operation. The study found a modest predicted natural gas demand ranging from 280 million cubic feet (MMcf) per day in 2015 increasing to over 500 MMcf per day by 2035.

While this study examined opportunities presented by a spur line that would start at a take-off point from the North Slope pipeline near Fairbanks or other Central Alaska locations near the pipeline route, it does not dismiss the assumption that South Central Alaska demand can potentially be met by increasing natural gas reserves from the Cook Inlet basin through exploration and development. There are both positive and negative assessments of the success expected for the exploration and development of Cook Inlet natural gas resources. The remaining option for South Central Alaska is importing LNG to meet basic demand.

The Needs Study also examined alternative cases of including additional natural gas markets for LNG, gas-to-liquids, petrochemicals and propane, and lower prices. If these alternative cases prove valid, a much larger spur pipeline would be needed; one with a capacity of 700 MMcf per day to 1,300 MMcf per day. The Needs Study notes that such a large local market withdrawal of petrochemical and propane from a natural gas pipeline from the North Slope could require design changes in the pipeline and cause significant economic and political hurdles for that project.

c. Commission Staff's Role

One element of the Needs Study involves an estimate of the transportation tariff rate for the Alaskan pipeline and any potential spur pipeline for use in the natural gas market modeling programs. The Commission staff was asked to review the appendix to the Needs Study which supports the transportation tariff rate calculations. The Commission staff advised DOE that there is insufficient detail in the Appendix to do anything other than say that the underlying bases of the analysis are generally consistent with the approach the Commission uses to develop gas transportation rates for interstate pipelines, e.g., the calculations reflect the net book value of the pipeline and related facilities, a 30-year, straight-line depreciation, federal and state taxes, and fuel and non-fuel costs. The approach used could yield ballpark estimates of per unit transportation charges.[8]

[8] There are many issues raised by the calculations that cannot be adequately analyzed or addressed absent a specific proposal, including: the appropriate capital

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The Commission staff noted that the study correctly takes into account the very high pressure design of an Alaskan gas pipeline that will make treatment and economics of natural gas liquids an important factor of the overall assessment. Another adequate assumption of the Appendix is the use of the *Panhandle Eastern* equation for the evaluation required for the examination of a range of potential off-take volumes that the spur line would receive.[9]

2. Alternative Means of Construction Study

DOE has undertaken a pre-scoping study to evaluate options, risks, and resources needed for further study. Section 109 of ANGPA states that if no application for the issuance of a certificate or amended certificate of public convenience and necessity authorizing the construction and operation of an Alaska natural gas transportation project has been filed with the Commission by the date that is 18 months after the October 13, 2004 date of enactment, the DOE shall conduct a study of alternative approaches to the construction and operation of such an Alaska natural gas transportation project. On April 13, 2006, the DOE commenced an Alternative Means of Construction Study as required by section 109 of ANGPA.

In conducting the actual alternatives study, the Act requires DOE to consult with the Secretary of the Treasury and the Secretary of the Army (acting through the Chief of Engineers) and include in the scope of the study consideration of the feasibility of establishing a Federal Government corporation to construct an Alaska natural gas transportation project. The study must also take into consideration the feasibility of securing alternative means of providing federal financing and ownership (including alternative combinations of Government and private corporate ownership) of the Alaska natural gas transportation project. Upon completion of the study, DOE must submit a report to Congress that describes the results of the study and any recommendations (including proposals for legislation to implement such recommendations).

3. Federal Loan Guarantee

The DOE program for the federal loan guarantee for the Alaskan natural gas transportation project is monitoring the progress of the commercial negotiations with the State of Alaska and the bills before the Alaska state legislature. When the commercial project emerges, DOE will proceed with structuring the loan guarantee.

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structure, the return on equity level, the presumed debt cost, the lack of amounts for general and intangible plant, the lack of inclusion of certain taxes, and rate design.

[9] Handbook of Natural Gas Engineering, Katz, et al., p. 626 (1959).

F. Commission's Environmental Review - Update

As described in the First Report, the Commission has been active for the past several years in preparing to fulfill its NEPA and certificate application responsibilities. The First Report includes a list of the siting activities associated with an Alaska natural gas pipeline in which the Commission staff has participated. Since that time, the staffs of the Commission and the Department of the Interior have met to continue discussions of resources and training needs for the EIS and project permitting. In April 2006, representatives of the steel industry met with Commission staff to present their perspective about the design, testing, and manufacturing of the great amount of steel pipe that will be needed for the Alaskan pipeline project. As discussed above, the Commission staff participated in the completion of the Federal agency MOU. Finally, the Commission staff plans to tour the route of the northern segment of the pipeline in July 2006.

With the release of the draft fiscal contract by Governor Murkowski in May 2006, the governor's administration and the Producer Group have provided more details on a schedule for planning, permitting, and constructing the project. In summary, the Producer Group estimates a period of 10 years from the beginning of formal project planning activities to date of first gas deliveries. The project planning activities would commence within 90 days after the signing of the fiscal contract. Following the planning phase would be the Front-End Engineering Design, the open-season process, field data collection (the open season and field work could occur simultaneously), and preparation of an application for a FERC certificate of public convenience and necessity.

In its conceptual schedule, the Producer Group estimates it could file permit applications at the end of 2008 if the commercial negotiations are completed with the State of Alaska in 2006. This timeline reflects the complexity of the project, which requires more than two years from initial planning to the filing of permit applications. The Commission staff and the participating federal agencies have committed to assisting in the development of the application through the Commission's pre-filing process. The purpose of the pre-filing process is to encourage the early involvement of interested stakeholders, facilitate interagency cooperation, and identify and resolve issues before an application is filed with the Commission. Based on its consultations with the industry, the Commission staff had previously estimated that the development of the application, and the concurrent pre-filing process, could take as long as 18 months in order to complete the substantial field data collection and engineering design. This timeframe fits easily within the Producer Group's estimated two years.

The Commission's First Report described some of the difficulties associated with the development of an application for an Alaska pipeline project. Specifically, it noted that two field seasons may be necessary to complete the required field studies and surveys due to the shortened field season in Alaska and that mobilization needs to begin

early in the calendar year to get the personnel and equipment into the field the following summer. The First Report concluded that any realistic expectation for the development of an application in 2006 was dependent on the legislative approval of a fiscal contract with the State of Alaska under the Stranded Gas Development Act soon after issuance of the First Report in February. Because no agreement has been finalized at the time of this report, the opportunity for beginning meaningful development of an application in 2006 has been missed.

If a project sponsor is ready to begin developing its application and conducting field surveys in the spring of 2007, it is possible that an application would be filed at the Commission before the end of 2008. The ANGPA streamlines the time from the filing of a complete application to final certificate from the Commission, mandating that the EIS be completed within 18 months, and that the Commission must issue a final certificate order no more than 60 days after the EIS is final. The Commission staff stands ready to begin processing any complete application that is filed for an Alaska natural gas transportation project and to meet the processing timelines established by the ANGPA. Whether the project sponsor begins developing an application and conducting field surveys in the spring of 2007 depends largely on the Alaska state legislature acting this summer. If not, the Alaska gas pipeline will be further delayed.

G. Developments in Canada

The Mackenzie Gas Project continues under consideration by the Government of Canada. The Mackenzie Gas Project includes development of natural gas fields, gathering lines, and processing facilities in the Mackenzie River Delta of Canada's Northwest Territories, and a transportation pipeline along the Mackenzie River Valley to deliver the natural gas to market. This major pipeline project consists of over 750 miles of 30-inch natural gas transmission pipeline that would transport 1.2 billion cubic feet (Bcf) per day of new Arctic gas to market. The capital cost of this project is estimated at over $7 billion, and it is planned to be in operation by 2011. However, it has been reported in the press that Imperial Oil Ltd., the lead partner proposing the project, will revise the project's cost estimate and construction schedule within the next six months.

Although this project is neither a complement to nor competitor of an Alaska natural gas pipeline, its development presents certain problems and risks to an Alaskan project. First, industry reports indicate that there will not be enough pipeline grade steel available to construct both projects at the same time. Similarly, there could be a shortage of the skilled labor force required to build two technically-challenging Arctic projects of such magnitude at the same time.

Sponsors of the Mackenzie Gas Project have been discussing royalty and fiscal issues concerning the project with the Government of Canada, but it is reported that these talks have paused pending the review of the project's cost estimate and construction

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schedule. However, the regulatory review process in Canada for the Mackenzie Gas Project is continuing as scheduled. The Joint Review Panel is examining issues and impacts in the areas of the natural and human environments associated with the proposed Mackenzie Gas Project to determine how the project could affect the land, environment and lives of people and communities in the project area.[10] The National Energy Board (NEB) is reviewing the technical aspects, such as engineering, economic feasibility, tolls and tariffs, and lands issues associated with the proposed project. The NEB will consider the Joint Review Panel's report in deciding whether the project is in the public interest. If at the end of the process the NEB Panel decides the project is in the public interest, the federal Cabinet must then decide whether to authorize the NEB to issue a certificate so that the project can proceed. If the NEB Panel decides that a project is not in the public interest, then no further approval of its decision is required.

III. Need for Greater Progress

A. Overview

Government and industry in the United States are acting in various ways to obtain adequate natural gas supplies to satisfy future demand. There are projects being developed to access: imported LNG, deepwater Gulf of Mexico reserves, non-conventional sources – coal bed methane, tight sands and, shale – in the U.S. and Canada, Canadian Arctic reserves, as well as Alaskan natural gas. At best, it appears that the non-conventional sources of natural gas, along with production from the deepwater Gulf of Mexico, only will serve to replace declining conventional sources, albeit at higher cost. In addition, our major source of imports, pipeline gas from Canada, is expected to decline as Canadian domestic demand increases and gas production from its major production area, the Western Canadian Sedimentary Basin, declines over time.

The U.S. natural gas market increasingly is turning to imported LNG to meet incremental growth. Many nations, in partnership with commercial entities, are quickly developing LNG supply projects. In the next two to three years, the worldwide capacity to supply LNG to the market will greatly increase. Alaskan North Slope gas can also be part of the solution to the nation's natural gas needs in this generation. Alaskan gas is not the only option available to the Lower 48. Twenty years ago, Alaskan gas would have been in competition only with other North American gas production. Now, Alaskan natural gas production will also face competition from low-cost production in LNG exporting countries across the globe. Natural gas markets have changed significantly over the past 20 years, and are becoming increasingly international markets.

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[10] The Joint Review Panel for the Mackenzie Gas Project is a seven-member, independent body that will evaluate the potential impacts of the project on the environment and lives of the people in the project area.

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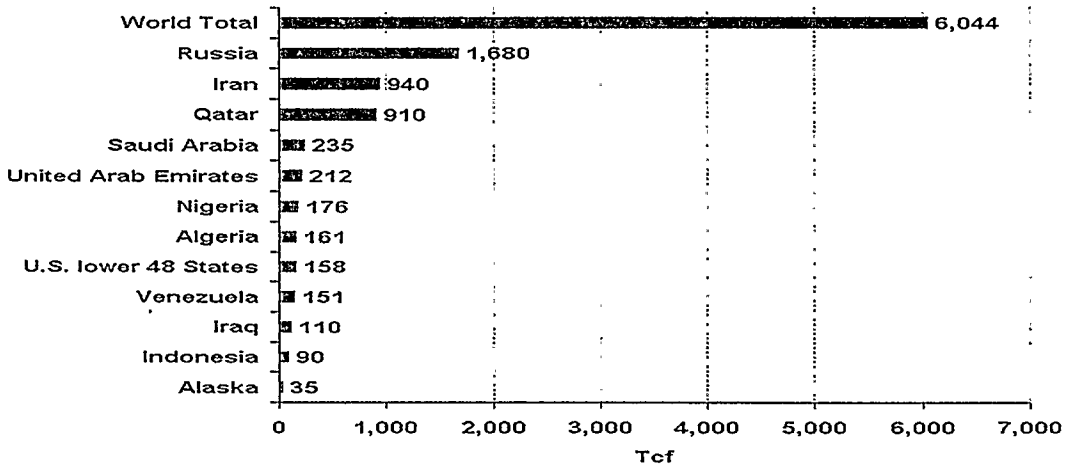
Prompt action by the project sponsors, Governor Murkowski and the Alaska legislature is necessary to enable Alaska to provide a reliable continental source of natural gas for the Lower 48 that will not only assist in the growth of the U.S. economy, but also contribute to the economic well being of the State of Alaska. Timely action on an Alaska natural gas project will allow North Slope gas to reach the Lower 48 states.

B. Reserves: Alaska vis-a-vis the World

It is estimated that as of January 1, 2005 there are 6,044 trillion cubic feet (Tcf) of proved gas reserves in the world, 5,780 Tcf of which is located outside of North America.[11] Of the North American total (264 Tcf), the North Slope of Alaska contains about 35 Tcf of proved reserves. To put this in perspective, while North Slope natural gas reserves represent approximately 13 percent of North American gas reserves, they are less than 1 percent of the world's gas reserves. Consequently, potential importers and energy infrastructure developers are realizing that there is an opportunity to secure substantial new gas supplies for the U.S. by looking abroad.

Of the top five countries with the most proved natural gas reserves, Russia has 28 percent of the world total. The following chart displays the total world proved reserves and compares the top ten countries' proved reserves along with those of the Lower 48 and Alaska.



Source: Based on data from EIA International Energy 2004, Table 8.1 World Crude Oil and Natural Gas Reserves (January 1, 2005).

C. Alaska Gas's Potential Market Share

Gas supply from Alaska, estimated to flow at about 4.5 Bcf per day, will only partially fulfill the nation's future natural gas needs. LNG also will be a major source of future U.S. gas supply and the necessary infrastructure is being developed. For Alaska to

[11] PennWell Corporation, *Oil & Gas Journal*, Vol. 102, No. 47 (December 20, 2004).

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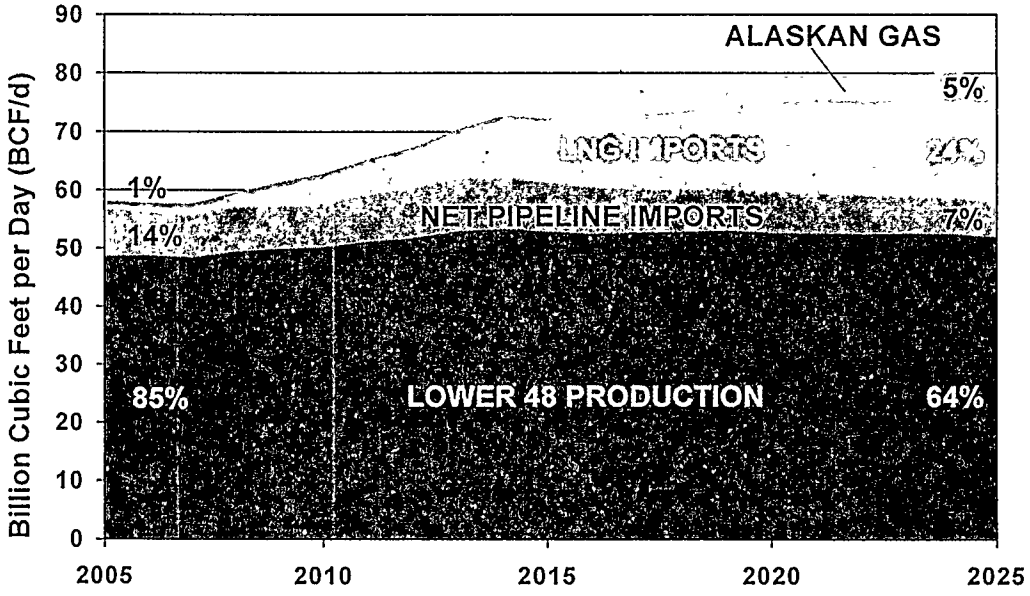
be a meaningful part of the natural gas supply mix of the U.S. in the coming years, action needs to be taken now. At best, if the draft contract were approved under the Alaskan Stranded Gas Development Act, gas would not flow in significant quantities to the Lower 48 prior to 2016. As U.S. energy markets make decisions regarding where future supplies will be obtained, they will carefully examine the likelihood that particular supplies will be available when needed. To the extent that Alaska gas is to play a role in meeting future needs, progress towards the construction of an Alaska gas pipeline is crucial.

The following chart shows the role that Alaskan gas is expected to play in the future composition of U.S. natural gas supply.



Source: Lower 48 Production, Net Pipeline Imports, and LNG Imports: Energy Information Administration, Annual Energy Outlook 2006; Alaskan Gas: Assumed Flow Rate of 4.5 Bcf per day.

D. The Closing Window for Alaska Gas Delivery

The Energy Information Administration (EIA) of DOE projects that demand for natural gas in the U.S. will grow by more than 23 percent between 2005 and 2025, while domestic production in the Lower 48 is expected to increase by close to 7 percent, further widening the existing gap between supply and demand.[12] During this same time period, the EIA projects that net pipeline imports to the U.S. will decline by 55 percent. Even if the Mackenzie Gas Project in Canada goes into operation, it is doubtful that the U.S. will

[12] "Annual Energy Outlook 2006," Energy Information Administration, Reference Case Tables 13, 14 (February 2006).

see any of this gas due to the development of the Canadian oil sands in Alberta (necessitating natural gas for the mining operations), increased demand in Canada, and the decline in production from the Western Canadian Sedimentary Basin. In fact, the National Energy Board of Canada projects that by 2015, the oil sands will have a gas requirement of 2.1 Bcf per day; the oil sands gas requirement was about 0.5 Bcf per day in 2002.[13]

Therefore, the largest sources for growth in U.S. gas supply are Alaskan gas and LNG. As previously stated, gas flow from the Alaskan North Slope is expected to be 4.5 Bcf per day, a not inconsiderable amount. However, this amount pales in comparison to recent LNG infrastructure activity at the Commission. Beginning with the approval of the Cameron (formerly, Hackberry) LNG terminal in September 2003, the Commission has approved eleven new LNG terminals in the Lower 48 that have a total redelivery capacity of 20.6 Bcf per day. In addition, the Commission has also approved an expansion of an existing LNG terminal and an expansion of an approved (but not yet in operation) LNG terminal, totaling an additional 2.2 Bcf per day of deliverability. When combined with the nation's existing deliverability of 5.8 Bcf per day, there is the potential for 28.6 Bcf per day of deliverability from LNG. Further, there are ten new LNG sites that have been proposed to the Commission with a total delivery capacity of 11.5 Bcf per day and pending expansions for about 4.6 Bcf per day at three LNG terminals (existing and approved).

Given the large capital investment in LNG liquefaction facilities, LNG exporters will prefer to negotiate long-term arrangements to sell their LNG to provide the necessary cash flow to finance their facilities. While some LNG volumes are sold in the "spot" market, the execution of long-term arrangements will serve to make this supply a reliable source. Gas buyers in the Lower 48 are more likely to enter into long-term LNG contracts if there is no substantial progress on building an Alaska pipeline. And, the longer an Alaskan pipeline is delayed, the more strength is gained by the proponents of LNG.

Currently, much work is being done to develop the supply "chain" (production, liquefaction, shipping and regasification) that will deliver LNG to the U.S. and other countries that do not have adequate domestic production to satisfy their gas needs. The International Energy Agency states that, through the year 2030, over $250 billion will be invested worldwide to develop LNG infrastructure. This large investment in LNG infrastructure necessarily requires commitments and establishes long-term relationships.

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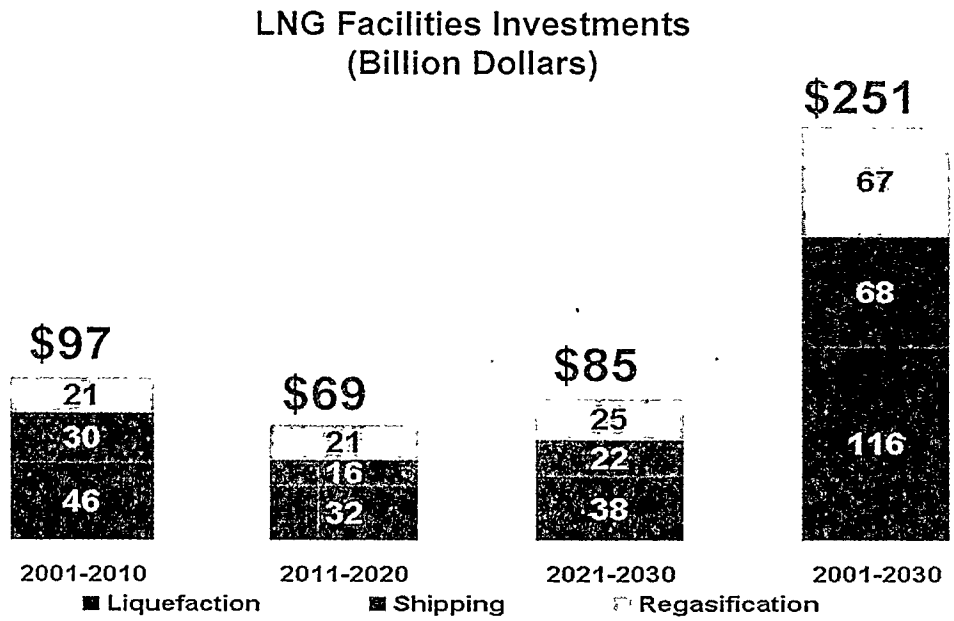
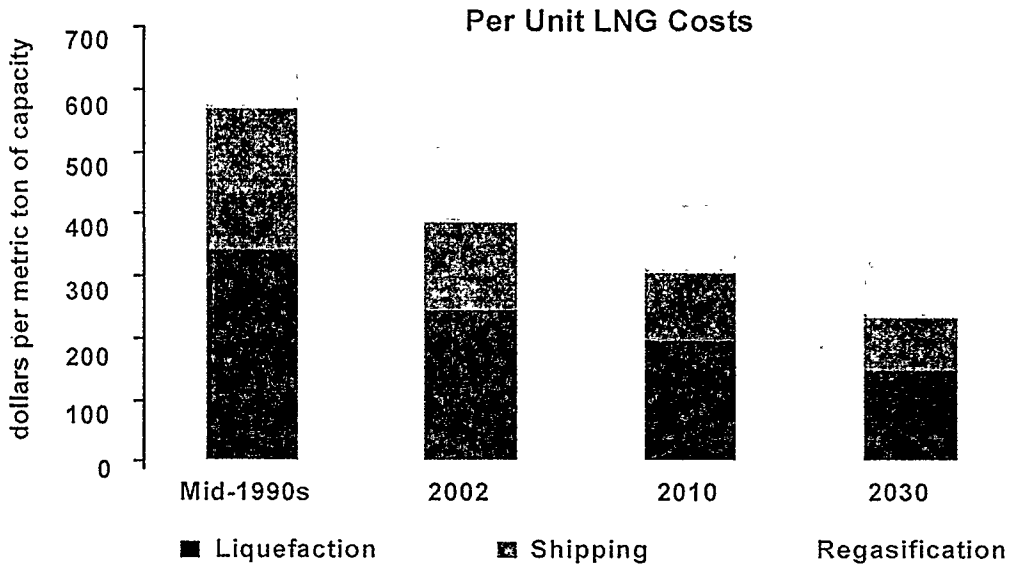
[13] "Canada's Oil Sands, Opportunities and Challenges to 2015: An Update," National Energy Board, p. 16 (June 2006).

The chart below shows worldwide LNG investments for the three sectors of the LNG supply chain already made or underway for the period 2001-2010, expected expenditures for the next two decades, and then a column summing the entire period.



Source: Based on data from "World Energy Investment Outlook 2003".

Also, the chart below shows that there has been a decline in investment required per unit of LNG produced, which is expected to continue as technology progresses.



Source: Based on International Energy Agency, The Global Outlook for LNG, 2004

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At the time of ANGPA, an Alaskan pipeline generally following the ANGTS route had been estimated to cost $18-20 billion. Now, estimates are running as high as $25 billion. Any further delays may serve to make the Alaska gas pipeline uneconomic in comparison to LNG imports. As demonstrated by the magnitude of monies being invested in LNG facilities and the falling costs per unit of LNG infrastructure, Alaska is at risk of being marginalized in the search for new natural gas supplies for U.S. consumption.

IV. Conclusion

The Federal Government has made great strides to prepare for the review of a final proposal to build a natural gas transportation project for Alaskan natural gas. Significant progress on an Alaska natural gas pipeline is needed for North Slope gas to become part of the supply mix which will satisfy the U.S. need for natural gas in this generation. Alaska offers a reliable continental source of natural gas for the Lower 48 States that will help the U.S. economy to grow and thrive, and also contribute to the economic well being of the State of Alaska. Whether the long-term arrangements needed to make delivery of Alaska gas a reality are put into place in the near future will determine Alaska's role as a supplier as the dynamic global gas market moves forward to match supply with demand.

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Special Committee on Oil & Gas
Round Table - Anchorage
July 7, 2006

Legislators in Attendance:
Seekins
B. Stevens
Stedman
Wagoner
Elton
Samuels
Gardner (left at 2:00 PM)
Rokeberg
Davis (arrived at 9:45)
Seaton (via Telephone)
Cowdery (arrived at 10:00)
French (arrived at 1:30, asked questions about the tax initiative, then left at 2:00)
Ted Stevens (2:15 – 3:30)

Governor's People In Prominent Attendance and/or Participating
Clark
Marks
Dickinson
O'Clary
Márquez
Griffin
Corbus
Wilson

Oil Company Representatives Participating
King (COP)
van Tuyl (BP)
McMann (XOM)

Other Notables Participating or in Prominent Attendance
Heinze
Ruedrich

Before the meeting Sen. Elton commented to me that at the Fairbanks meeting on July 6th there were only about 50 people in attendance, and of those 40 to 44 were legislators (and/or staff), consultants, oil company representatives, the governor's people, or media.

Because of Elton's comments I counted the people a couple of times. There were about 50 people present, but of those only 5 or so were people I didn't recognize who might have represented the general public. Thus, most of the meeting was a rehash of the same things by the same people.

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Highlights of Roger Marks' Introduction

- 6,000 TCF of gas in the world
- 2006 = 17 new applications for Nuclear Power Plants in North America
- 5 years ago we projected oil today would cost $17/bbl.
- We can't know what price oil & gas will be in 35 years
- Cost of LNG coming down
- Projects could be very good or very bad. Investors fear that bad outcome would be more bad than good outcome would be good. Greatest fear = cost overrun.
- Producers fear high side could be taken away by high taxes created by later legislature

Comments by Harold Heinze

1. Parts of contract need fixing; it can be fixed.
2. $40K commitment required of each household for FT (?)
3. Need RCA involvement; not deletion
4. Eliminate, to extent possible, unintended consequences
5. Has schedule concerns, especially as it regards to open season, that it won't adequately allow participation by utility companies.
6. Needs more investment of energy by all parties to understand what it takes to make it work
7. Threshold issue – nothing in contract about industrial usage of gas]
8. Caution – the state may be giving up rights to NGLs
9. Recommendation – recognize there are implementation issues, state gas issues

General Notes

Seekins asked about the $40K commitment

Heinze said it's to pay for gas; i.e., at $5.50 to purchase gas, transportation, distribution, etc., it's a take or pay/ship or pay issue.

15 years ± ft for utilities in state = $6B

Lots of companies will need 75% volume on day 1.

200 bcf is current instate consumption
900 mmcf/day = 300 bcf/year

Heinze said that a book he has on his shelf sums up his concern = "Hope is not a Strategy"

The top three things he hears from people are:

- Jobs
- Better economy
- Where's my gas?

But he realizes that there will be no spur line without a main line.

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Ted Stevens
We are currently importing 15% of our gas.
Rising to 40% by 2015 (1/2 will be LNG)
Greatest concentration of demand is in the mid-west

Study is currently underway by the Feds to build pipeline

"I believe Congress will open Block 181 in Florida this year."

Push aside partisan politics & do what's right for the state, and what's right for the state is to get the job done and GET THE PIPELINE BUILT! (He was hammering on the table for emphasis during the last phrase.)

I've heard people say we should build the pipeline ourselves, but the cost would be greater than we have in the permanent fund. (Does he mean cost is now expected to exceed $35B?)

There will be no waiver of the Jones Act, so LNG is not an option. But LNG from other countries does not require Jones Act vessels.

He said he was one of the authors for the feds to take gas in kind.

Gas prices will follow oil prices and (there is) no question that oil prices will continue to go up.

Over the Top? – No chance line will go across ANWR – about the same chance as building a raceway across the Mona Lisa. Also unlikely to go offshore due to environmental concerns.

Canadians having their own problems with the MacKenzie Delta line.

Potential is 34,000 TCF

With all due respect to my friend here (referring to Wagoner), the concept of a tax on gross when you can't know the price . . . and uh and uh .. you won't see that development in your life time.

If you look at all of the pipelines planned in the world it's mind-blowing. Very clearly there will be delays in getting pipe. If we get in line now we might get pipe in two years. We may want to consider rolling pipe here in Alaska.

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United States Department of Energy

Office of Public Affairs

Washington, D.C. 20585

News Media Contact(s):
Craig Stevens, (202) 586-4940

For Immediate Release
June 29, 2006

Federal Agencies Collaborate to Expedite Construction of Alaska Natural Gas Pipeline

Agreement Establishes Framework for Increasing Energy Security

WASHINGTON, DC — The U.S. Department of Energy and 14 other federal departments and agencies have signed an agreement to expedite the permitting and construction of the Alaska Natural Gas Pipeline which, when operational, will substantially increase domestic natural gas supply and advance the Administration's energy security policy. The agreement signals the U.S. government's commitment to expedite the federal permitting processes for the Alaska Natural Gas Pipeline and establishes a project management framework for cooperation among participating agencies to reduce bureaucratic delays in construction of the pipeline and delivery of natural gas to consumers.

"We need to do all we can to increase our domestic supply of energy – including natural gas – and the Alaska Natural Gas Pipeline will help us do that," Secretary Bodman said. "Alaska's North Slope is a valuable natural resource that has tremendous potential to provide a significant portion of our nation's natural gas needs to help heat homes, and build industry. I appreciate the coordinated effort of all of the federal agencies who are working together to help make the pipeline a reality."

The Federal Interagency Memorandum of Understanding for the Alaska Natural Gas Transportation Project was signed by senior executives from fifteen federal organizations. It defines responsibilities related to the approval of the pipeline project and provides for streamlined regulatory and environmental processes and reviews/approvals for the giant undertaking.

The pipeline is expected to supply about 10 percent of future U.S. natural gas demand. When the Alaska pipeline is fully operational, it will carry 4 billion cubic feet of natural gas each day. Natural gas serves six of every 10 American households, about 62 million homes, and is used to generate about 16 percent of the nation's electric power. Natural gas is also indispensable as a feedstock for fertilizer and chemical manufacturers. In recent years, rising demand and limited increases in supply have resulted in high natural gas prices that affected residential and industrial users across the economy.

Alaska Governor Frank Murkowski has called a second special session of the State Legislature to begin on July 12th to consider and pass a new oil and gas tax structure, amendments to the Stranded Gas Act, and the gas pipeline contract. Once the gas transportation contract and related legislation are passed by the Alaska State Legislature, the State of Alaska will join with industry to form a corporate entity that will build the pipeline.

The Alaska Natural Gas Pipeline Act, enacted on October 13, 2004, established the expedited federal

review of a natural gas transportation project that would carry Alaska natural gas to the border of Alaska and Canada. In accordance with the Act, President Bush nominated former Alaska State Senator Drue Pearce as Federal Coordinator for Alaska Natural Gas Transportation Projects. Until her confirmation, the position's temporary authority is vested with the Secretary of Energy.

The MOU was signed by the Departments of Energy, Agriculture, Commerce, Defense, Homeland Security, Interior, Labor, State, Transportation, Treasury, and the Advisory Council on Historic Preservation, Council on Environmental Quality, Environmental Protection Agency, Federal Inspector for Alaska Natural Gas Transportation Projects, and the Federal Energy Regulatory Commission.

U.S. Department of Energy, Office of Public Affairs, Washington, D.C.

FBI - Stevens-3753

Governor Frank H. Murkowski
24th Alaska State Legislature Special Session House and Senate Joint Session of Third Special Session, July 13, 2006

(MR. PRESIDENT, MR. SPEAKER, GUEST ACKNOWLEDGEMENTS)

Good morning…

Thank you for coming to Juneau during what I know is a busy time of the year for each of you.

This is my third opportunity this year to address this joint body on a subject that will have lasting consequences not only for us, but for our children, and our grandchildren, and perhaps even our great grandchildren.

I would like to address you not as democrat or republican, but as Alaskans, for the issue facing us today is greater than party politics, greater than petty bickering, and greater than your job here as legislators, and greater than my job here as governor.

The issue is a rare and historic opportunity to authorize the largest construction project ever undertaken in our state. a project that for the next 50 years will solidify the economic foundation of our state for generations to come.

The one thing history must not judge us on is inaction. Winston Churchill once said, 'no action is in fact, an action".

I intend to work with all members of this legislature to get our job done, no matter how long it takes.

Clearly the the for this gas line is now.

To share with you -- at current prices, we would generate more than $100 billion over the next 35 years. Extend the life of TAPS for 20 more years -- which would bring us another $50 billion in revenue. And cement in a solid foundation for economic growth for at least the next 50 years.

FBI - Stevens-3754

Without a gas pipeline, the oil flow through TAPS will end around 2030 with a catastrophic drop in state revenue.

The people of Alaska want and expect us to stop arguing and get a gas pipeline contract approved. NOW! This session.

We have negotiated almost two years, spent millions of dollars on consultants.

Senator Ted Stevens was right in what he said last Friday.

We need to finish the job in this Legislature, or you may find yourselves delayed for two years with no further progress".

He was also right in saying that we need to take the politics out of this and do what's right for Alaska.

With a gas pipeline, our future is secured. Without it, we face uncertainty.

This special session comes at a crucial time in our negotiations, because clearly the competitive world of energy is not standing around waiting for us to make a decision.

First, we have had a clear message to move the gas pipeline project forward now.

...From the Vice President of the United States, Dick Cheney ...Secretary of Energy Samuel Bodman...

...Senator Ted Stevens, Senator Lisa Murkowski and representative young...

...And most recently, from the Federal Energy Regulatory Commission or FERC.

The FERC report on your desks describes the signable, fiscal contract we have with the Producers as "significant progress towards development of an Alaska natural gas pipeline".

FERC warns, "Whether the project sponsor begins developing an application, and conducting field surveys in the spring of 2007, depends largely on the Alaska state legislature acting this summer.

"If not," FERC adds, "The Alaska gas pipeline will be further delayed".

FBI - Stevens-3755

FERC notes that two years are required to complete the work to get to the filing of an application.

FERC emphasizes that the project is threatened by the growth of imported LNG, and I quote: "In the next two to three years, the worldwide capacity to supply LNG to the market will greatly increase....Alaskan gas is not the only option available to the Lower 48.

"Twenty years ago, Alaskan gas would have been in competition only with other North American gas production. Now, Alaskan natural gas production will also face competition from low-cost production in LNG exporting countries across the globe. Qatar's cost of lifting gas is 5 CENTS. .Ours is far higher.

The FERC warning continues, "Gas buyers in the Lower 48 are more likely to enter into long-term LNG contracts if there is no substantial progress on building an Alaska pipeline.

"And, the longer an Alaskan pipeline is delayed, the more strength is gained by the proponents of LNG.

"The estimated cost of an Alaska gas pipeline has increase since October 2004 (ANGPA) from $ 18 to $ 20 billion to as high as $25 billion.

"Any further delays may serve to make the Alaska gas pipeline uneconomic in comparison to LNG imports".

"As demonstrated by the magnitude of monies being invested in LNG facilities, and the falling costs per unit of LNG infrastructure, Alaska is at risk of being marginalized in the search for new natural gas supplies for U.S. consumption".

"Prompt action by the project sponsors, Governor Murkowski and the Alaska legislature is necessary to enable Alaska to provide a reliable continental source of natural gas for the Lower 48, that will not only assist in the growth of the U.S. economy, but also contribute to the economic well being of the State of Alaska".

And, FERC adds, "Timely action on an Alaska natural gas project will allow North Slope gas to reach the Lower 48 States".

The message from FERC is clear: Act now or risk losing the project to the increasing supplies of imported LNG –

Explaining to our children how we missed on the gas pipeline could become a reality.

One reason for holding a special session now is the threat of the reserves tax.

By exacting what I view as a punitive tax of $1 billion per year from now until first gas, the reserves tax adds at least 8 to 10 billion dollars in project costs.

The Producers can only recover 40 to 45 percent of the tax after first gas, and perhaps much less -- depending on gas prices and when the project actually starts.

The net present value of this on the gas pipeline is devastating and will kill the project regardless of who is in the Legislature or in the governor's chair.

The idea of penalizing the project by increasing the cost nearly 50 percent before any revenue is generated from sales is simply absurd.

You don't tax projects into existence – you incentivise them.

It will also halt exploration for gas and oil on the leases where the action is taking place – Prudhoe Bay, Kuparak, Alpine, Point Thompson.

It will halt exploration for gas on those leases because if you find it, it will be taxed.

It will halt exploration for oil because if Producers are exploring for oil and find gas they will be taxed. It will thus halt investment in both oil and gas.

With such investment disincentives, the flow of oil through TAPS, which is already experiencing a substantial annual decline, will cease long before 2030.

That is why I instructed my gas team to protect the project from the reserves tax.

They have done so in the gas pipeline contract. But to protect the project the contract must be in place before the November ballot.

FBI - Stevens-3757

We are having the special session now so I can get the necessary approvals and negotiate changes to the contract with the Producers in time to obtain ratification before November.

Those who advise you to gavel out and go home without acting or to wait until November are either ignorant of the LNG and the reserves tax threats to this project, or don't' care.

As you know we negotiated a contract with the Producers that they are ready to sign. We have held public meetings around the State and we are prepared to make changes to the contract based on those comments—all as the SGDA directed us to do.

Alaskans now expect you, the Legislature, to do your job.

Another reason for the special session: The petroleum production tax! I have not changed my mind. I am introducing the PPT at the same tax rate I have in the last two sessions.

You may ask, "Why would I do that?"

After all, both the House and Senate made substantial changes to our proposal.

--- Increasing the tax rate

--- Tweaking the credits

--- Adding progressivity

No doubt, you believe these amendments improve the tax regime.

I don't agree, and here's why:

First, my proposal of 20/20 was acceptable to the producers. That doubled their tax by over 1 billion dollars;

SECOND, WE don't need the short term, slightly higher revenues a PPT rate in excess of 20 percent might bring. With higher oil prices we already have a substantial inflow of revenues;

FBI - Stevens-3758

Rather, we need substantial long-term investment by the Producers and the rest of the industry.

...In a gas pipeline ... heavy oil ... and small traditional fields to monetize our gas and arrest the substantial annual decline in oil flowing through TAPS;

We get both with the 20/20 proposal I negotiated last February with the Producers' CEOs and which I urge you to accept.

20/20 GETS us a gas pipeline agreement and more investment in the North Slope. This means two more Prudhoe Bays: 13 billion barrels of heavy oil... and 12 billion barrels of oil-equivalent of gas.

In this case, more short term revenue means less total revenue to the state. Since our job under Alaska's constitution is to maximize our resources for the benefit of the people, I urge you to accept the 20/20 approach.

For the producers, the 20 percent is far beyond what they wanted to pay – They initially proposed 12 percent. 20-20 will give Alaska the highest government take in north America. The real prizes here are the gas pipeline and substantially more investment in the North Slope.

We need to focus on what Alaska gets, not what the Producers get.

people have argued that since the producers agreed to this, they would be willing to pay more.

But this is a negotiation. Both sides reached an agreement and had to give some.

If there is an attitude that anything the producers agree to is unacceptable, the project is doomed to failure.

By focusing on what the Producers get, we could get nothing, as has happened with the Hebron project in Newfoundland. Yes, it can happen.

We Have listened to Alaskans and we have listened to you regarding items that we must make sure are right in order to obtain ratification.

We will be holding additional meetings around Alaska between now and July 24th to provide feedback on what we are considering changing.

FBI - Stevens-3759

This suggests:

--- No fiscal certainty on oil until project sanction – 4 to 5 years from now

--- Fiscal certainty for 14 TO 16 years for construction of the project and a capital recovery period

This change in fiscal certainty is meant to help you accept my 20 percent PPT tax rate proposal – Or whatever PPT rate you set.

For example: On fiscal certainty on oil, I am proposing the approach adopted by the Senate and by House Judiciary, and that rate would be the effective contract rate.

Some are advising you to simply repeal "ELF," leaving a gross severance tax in place for oil.

A gross tax simply collects revenue based on the number of barrels of oil produced and collects no more when oil prices are high.

I am surprised that the proponents of this approach seem willing to accept the proposition that the Legislature is not up to making tough decisions.

Like the reserves tax a gross tax is self defeating for Alaska ...because Substantial industry investment in the North Slope is absolutely critical to our future.

A gross tax does not deduct operating and capital costs and thus provides no incentive for the Producers to invest in Alaska.

The Producers will invest instead in countries like Norway or the U.K. where they get a deduction for operating and capital costs.

One has to question the motives of some Alaskans who support a gross tax now, yet made their wealth after expensing their cost and paying taxes on their net.

Moreover, the timing effects of the deductions; credits proposed in our PPT bill is also intended to make North Slope investment attractive.

FBI - Stevens-3760

As soon as investments are incurred they can be monetized—years before taxable production ensues. This will increase the net present value and rates of returns, which will make investing in Alaska even more attractive.

Finally, consider the impact of our PPT proposal on exploration:

Under the present system, if a pure wildcatter comes to Alaska to explore and drills a dry hole, he goes away empty. the State shares none of his dry hole risk.

Under the PPT, through credits and deductions, the State would share 40 percent of his dry hole costs. ...and This is a very significant means to reduce dry hole risk and promote exploration.

Finding new oil is the key to keeping the pipeline filled up.

With a tax based on gross, none of this happens.

Why am I so concerned about North Slope investment?
Oil-flows through TAPS were at 822,000 barrels/day during the last fiscal year.

That is 10 percent less than last year and 17 percent less than five years ago.

Our projections show TAPS shutting down in around 2030.

We need substantial new investment to arrest this decline.

Getting investment in a gas pipeline also changes this result, by adding at least two more decades to the life of TAPS to 2050.

This will give us time to do the research necessary to develop the estimated 13 billion barrels of heavy oil on the North Slope.

Most of you have previously voted for a net profits tax.

Stick with it because it will get us the substantial investment which Alaska needs.

The argument HAS BEEN made that we need a gross severance tax because:

--- It is simpler

FBI - Stevens-3761

--- The Producers will game us

I put in a 19-page bill in February that dealt with 98 percent of the oil affected by the PPT.

There as been concern about the ability to audit upstream costs with the PPT. This is ill-founded.

Currently, the Department of revenue audits transportation costs under the ELF based-system without a problem. Going to upstream costs is only a small step.

We get the Producers audits of each other on costs deducted by the operator on each field.

We get each producers' federal income tax return.

In short, we have had great success in protecting Alaska's oil income. "Gaming" is not a good reason to give up the benefits of a net profits system.

An important issue is how will we spend the funds from an enhanced PPT?

I need you to fund now a portion of the first year's revenues for the PCE endowment. Gasoline charges in rural Alaska are in the $8-9 range.

Rural Alaska Businesses-even fishing-are being stifled by the high cost of energy.

The Rural Energy Action Council (REAC) is addressing these concerns. Full funding of the PCE endowment will provide substantial assistance in rural Alaska.

Further, our ability to take gas in kind, as the gas contract provides, allows us to use the Yukon River takeoff point to strip propane and butane from the gas and barge them to villages along the AYK River system—thereby lowering rural energy costs.

I will be introducing next session a proposal to fund a feasibility study to develop a lateral all-Alaska line, possibly along the railroad right-of-way from Fairbanks to the Mat-Su, Anchorage and the Kenai Peninsula.

We must make every effort to insure that the Agrium and the LNG plant continue to operate as they appear to be key elements in the economics of the project.

FBI - Stevens-3762

Alaska property taxpayers also deserve relief.

In the next regular session of the Legislature I will propose the use of PPT revenues to refund $1000 to each residential property tax payer in the state.

My friend Mayor Begich mentioned this to me and said he would get Democratic votes for it. Are you with us Ethan?

Another measure I will be introducing – to offer Alaskans an opportunity to purchase shares of stock in the pipeline – AHFC is working up the details that would allow Alaskans the option of a check-off on their Permanent Fund Dividend to access stock purchases.

This will offer Alaskans an ownership share in the economic engine of our state.

I would propose that we put aside the remaining PPT money as savings—for gas pipeline capitol cost among other things.

Last night Nancy asked me:

What does this pipeline debate really mean to the average Alaskan?

She expressed concern that Mr. and Mrs. Average Alaskan may not relate to the multi-billion dollar numbers and decades-long time line of the pipeline debate.

$1 billion more per year in oil tax revenues.

Nearly 10,000 construction jobs.

More than $100 billion in new state revenues in the first 35 years of operation of the gas pipeline.

An additional 20 years of operating life of the TAPS oil pipeline,to 2050.

An estimated $ 25 billion more deposited into an already $35 billion Permanent Fund, resulting in larger PFDs.

Sitting here in 2006, it may be difficult to visualize something that CAN happen in 2050.

FBI - Stevens-3763

Looking back, we have gotten along very nicely for a quarter century with no personal income tax.

Before it was repealed in 1980, working Alaskans paid the state an additional 16 percent of what they paid the IRS.

Do a back-of-the envelope calculation on your own to see how much you have kept in your wallet.

We believe that with the gas pipeline, there should be no reason for a personal income tax in Alaska.

Likewise, there should be no need for any statewide sales tax.

The gas pipeline will mean bigger dividends, because 25 percent of gas royalties will be deposited into the Permanent Fund.

It will extend the life of TAPS by 20 years -- this means 20 more years of 25% of oil royalty deposits into the Permanent Fund – or $12.5 billion dollars.

You may not be able to visualize the benefits to yourselves of something happening 30 and 40 years into the future.

But there are young Alaskans – our children, grandchildren and great grandchildren -- who will be here at that time and will benefit from our good decisions today…

Alaska is blessed with an abundance of natural resources that are important to the nation and the world.

The gas pipeline is the key to moving Alaska into that more secure and stable future.

Alaskans want their sons and daughters to have better opportunities than they have had here.

We want them to have a better quality of life – better educational opportunities – health care – security, job opportunities, caring for our seniors and others who are most.

FBI - Stevens-3764

Another important factor in this prospect is job training and the role of our labor community. We must provide training and opportunities for Alaskans first.

We also must recognize this project cannot be built without a project labor agreement, which I support and urge labor and the producers to start meaningful discussions.

It is our duty under the constitution – under the oaths of office we all signed – to maximize the value of Alaska's resources for the benefit of the people.

I firmly believe we will fulfill that obligation under the PPT and gas pipeline contract we have set before you.

Ours is a long-range view of maximizing the resources.

Not one of short-term gain that cuts off the future.

And leaves resources undeveloped in the ground.

As the Legislature, you have the power to approve our vision of the future.

Or not, as you choose.

But if you do not choose wisely?

I believe with too high a tax rate, and less incentive, the producers gradually withdraw from Alaska.

At 20/20, or total government take is higher than the Gulf at 42, or Canada at 49. Our proposal that has been accepted is 60 percent government take.

If Alaska does not remain competitive industry will extract as much oil from their North Slope reserves as they economically can before they roll up the pipeline and go away.

By about 2030.

But long before that, the State of Alaska will be forced to find other sources of revenue to pay for state services.

FBI - Stevens-3765

What would those sources be?

A personal income tax.

A statewide sales tax.

And tapping the Permanent Fund, reducing everybody's dividend.

Alaskans do not want that to happen.

We all can recall a couple of years ago, before the run-up in world oil prices brought budget surpluses.

We recall the gut-wrenching decisions that had to be made.

And the palpable fear among Alaskans that we were headed back to the mid-1980s.

Nobody wants to give up their dreams.

Lose their jobs and walk away from their homes.

Some expressed the sentiment in the 1980s that the last person to leave the state should turn out the lights.

To avoid these draconian alternatives, the people of Alaska have asked over and again for a fiscal plan.

Well, here's our fiscal plan.

$1 billion more every year through a 20/20 PPT.

Build a gas pipeline to bring in $100 billion over 35 years.

Extend the life of TAPS by 20 years – adding $50 billion in revenue from oil we would not get without a pipeline.

It is my job to persuade you of the logic and soundness of this fiscal plan.

And to get your support for it.

FBI - Stevens-3766

We are building the bridge to Alaska's future.

Are any of those among you intent on tearing the bridge down?

Or will you walk across it with us?

The choice is really up to you.

to recap the reasons I have asked you to return to Juneau.

1) – The PPT is left undone and that indecision is costing Alaska $3.2 million every day, or over $400 million since February 20, when the producers accepted our proposal

2) – The federal government is urging us to move this project forward in the public interest

3) - The punitive reserves tax is on the November ballot and will kill the gas pipeline if it passes and the contract is not in place to protect the project...and

4) - We must attract the substantial investment necessary to stop the decline in TAPS through-put.

You and I will be held accountable by every Alaskan for the decisions we make here.

Whether those decisions are good or bad.

In conclusion – Let's get to work and get this gas pipeline moving now.

As a summing up, I would consider emphasizing that we have a choice.

A --- With the 20/20 PPT and the proposed contract we have a very good chance of doubling oil taxes at current prices and getting a gas pipeline with tremendous riches.

Or B --- By trying to get a little more, we have a very good chance of ending up with nothing.

FBI - Stevens-3767

A bright future is before us.

We must reach out for it now.

That is my vision I wanted to share with your and all Alaskans today.

Thank you.

FBI - Stevens-3768

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 12/22/2006

A source who is in a position to testify provided the following information:

On the evening on [redacted] United States Senator TED STEVENS. [redacted] STEVENS joking [redacted] STEVENS said he was going [redacted] The source responded that STEVENS could [redacted] STEVENS said that he [redacted] he/she would attend if he/she felt better. There was no discussion regarding pertinent matters.

b6
b7C
b7D

Investigation on 12/21/2006 at Anchorage, Alaska (telephonically)

File # 194A-AN-13620-C [redacted] 194A-AN-13620-TSTEVENS -24 Date dictated Typed on 12/22/06

by SA [redacted]

FBI - Stevens-3769

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/05/2007

Described below are email communications which occurred between United States Senator TED STEVENS [redacted]

[redacted] from United States Senator Ted Stevens, [redacted] sent from theodorefulton@aol.com.

[redacted]

b6
b7C
b7D

[redacted] from United States Senator Ted Stevens to [redacted] sent from teds8042@bbi.senate.gov.

[redacted]

MJC

Investigation on 12/26-1/2/2007 at Anchorage, AK

File # [redacted] 194A-AN-13620-TSTEVENS — 25 194A-AN-13620-SOURCE Date dictated Typed on 01/05/07

FBI - Stevens-3770

by SA [redacted] : mbk

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OOSmbk 02.302

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/05/2007

GRAND JURY MATERIAL - DISSEMINATE PURSUANT TO RULE 6(e)

[redacted]

b3
b6
b7C

Investigation on 1/5/2007 at Anchorage, Alaska (telephonically)

File # 194A-AN-13620-TSTEVENS -26 Date dictated 1/5/2007

by SA [redacted]

FBI - Stevens-3771

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b7C

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/05/2007

[redacted] date of birth [redacted] Social Security Account Number [redacted] Anchorage, Alaska, telephone number [redacted] was interviewed at the UNITED STATES ATTORNEY'S OFFICE, 222 West 7th Avenue #9, Suite #253, Anchorage, Alaska. Present at the interview were AUSA's [redacted] and [redacted]. After being advised of the identities of the interviewing agents, [redacted] provided the following information:

[redacted]

During the winter of 2000 and 2001, [redacted] regarding a job site in Girdwood, Alaska. [redacted] the Girdwood site was the residence of SENATOR TED STEVENS. [redacted] The first project was the installation of [redacted] for a VECO [redacted] the residence of [redacted] also recalled meeting [redacted] at a [redacted] did not know who owned the [redacted].

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[redacted] on approximately two different occasions over a 3 week period, to review [redacted] for the Girdwood site. [redacted] had been instructed to come to [redacted].

On previous jobs [redacted] measurements at the job site. [redacted] measurements at the Girdwood site. [redacted] for the Girdwood site from floor plans [redacted] floor plans provided by AUSA [redacted] as the floor plans [redacted] for the Girdwood site.

The actual order for materials, [redacted] was made by [redacted]

Investigation on 01/05/2007 at Anchorage, Alaska
194A-AN-13620-302;
File # 194A-AN-13620-TSTEVENS ✓-27
SA [redacted] eD
by SA [redacted] bet pet

Date dictated 01/05/2007

FBI - Stevens-3773

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[redacted] bill CHRISTIANSON BROTHERS CONSTRUCTION (CBC) for the materials and labor. [redacted] The materials for the Girdwood site were not delivered to the site [redacted] believes the materials for the job would have been picked up by [redacted]

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The installation at the Girdwood site was subcontracted [redacted]

The payment for the work completed at the Girdwood site was made in one payment to [redacted]

194A-AN-13620-TSTEVENS 28
PET:pet pet

The following investigation was conducted by SA's [redacted] and [redacted] in Anchorage, Alaska, on January 5, 2007:

[redacted], date of birth [redacted] Social Security Account Number [redacted] [redacted], Anchorage, Alaska, telephone number [redacted] advised he worked for [redacted] during the year [redacted]

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b7C

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/12/2007

[redacted], date of birth [redacted] Social Security Account Number [redacted] home addres [redacted] Anchorage, Alaska, telephone number [redacted] was interviewed at the UNITED STATES ATTORNEY'S OFFICE, 222 West 7th Avenue #9, Suite #253, Anchorage, Alaska. Present at the interview were AUSA [redacted] and AUSA [redacted] After being advised of the identity of the interviewing agents, [redacted] provided the following information:

[redacted] and currently unemployed while he waits for the next building season in Anchorage, Alaska. He has worked for [redacted] quite a bit off and on. From [redacted] in Girdwood, Alaska on a remodel of TED STEVENS' house. [redacted]

[redacted] STEVENS' house had been lifted up on two huge, steel I-beams and was resting on cribbage. [redacted]

1-2 eds

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b7C

At STEVENS' house ROCKY WILLIAMS, a VECO employee, functioned as the foreman, and supervised the plumbers and electricians. In addition to [redacted] renovation, including the railings on the deck. Some things were fabricated at the VECO Fabrication shop, and brought down to STEVENS' house.

[redacted]

Investigation on 01/05/2007 at Anchorage, Alaska
194A-AN-13620-302
File # 194A-AN-13620-TSTEVENS -29 Date dictated 01/12/2007
SA [redacted]
by SA [redacted] edseds

FBI - Stevens-3776

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012 eds 02, 3/62

did not remember when TED STEVENS was out there, but he is certain STEVENS was. [redacted] STEVENS when the Senate was out of session. [redacted]

[redacted] believes it was someone from VECO. [redacted] described him as in his 20's to 30's and out of Idaho. [redacted] also could not remember the name of the [redacted] but knew there was one out there because they had to install [redacted]

It was "no secret" who was employed by VECO on the job site and who was not. [redacted]

b6
b7C

Most of the materials that [redacted] required were already on-site when he arrived. If [redacted] needed anything on the site [redacted] that they were getting some [redacted] because he watched [redacted] The materials came from SPENARD BUILDER'S SUPPLY (SBS).

[redacted] the only plans made for STEVENS' house were drawn on a "bar napkin." [redacted] Computer Assisted Design (CAD) drawings, [redacted] STEVENS' house, [redacted]

[redacted] came by STEVENS' house when he would go for his walk. He volunteered to help and did whatever he could. [redacted]

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/17/2007

[redacted] date of birth [redacted] Social Security Account Number [redacted] who resides at [redacted] Anchorage, Alaska, telephone number [redacted] was interviewed at the UNITED STATES ATTORNEY'S OFFICE , 222 West 7th Avenue #9, Suite #253, Anchorage, Alaska. Present at the interview was AUSA [redacted]. After being advised of the identities of the interviewing agents, [redacted] provided the following information:

[redacted] two job sites [redacted] one was located in Girdwood, Alaska.

[redacted] at a residence in Girdwood, Alaska. [redacted] identified it as TED STEVENS' residence from a photograph provided by AUSA [redacted] learned that the Girdwood house belonged to STEVENS from other workers.

[redacted] the Girdwood site portions of construction had already been completed. The house was raised on jacks, supported by railroad ties and I-beams, lifting the first floor to become the second floor. The garage was framed and the garage roof had been completed. The garage floor had not been poured yet. The foundation for the house was completed with a single set of stairs leading from the first floor up to the second floor. The initial framing of the house was completed. The second floor of the house contained a living room, bedroom, kitchen, and bathroom. The second floor still contained furniture.

b6
b7C

[redacted]

- [redacted] 40-50 year old male, completed [redacted]

Investigation on 01/05/2007 at Anchorage, Alaska
194A-AN-13620-302;
File # 194A-AN-13620-TSTEVENS ✓-30
SA [redacted] eds
by SA [redacted] bet pet

Date dictated 01/05/2007

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

- ROCKY Last Name Unknown (LNU), completed [redacted]
- [redacted] year old male, completed various laborer tasks;
- [redacted] LNU, completed [redacted]
- [redacted] LNU, [redacted] at Girdwood site.

[redacted] at the Girdwood site that they worked for VECO. [redacted]

[redacted]

b6
b7C

[redacted] while at the Girdwood site. [redacted] observed on multiple occasions [redacted] LNU reading blueprints and drawings which referred to the Girdwood site.

The equipment used at the Girdwood site was already present at the site prior to [redacted] arrival. [redacted] observed a BOBCAT tractor parked on the job site, but did not know who owned it.

[redacted] observed materials being delivered to the Girdwood site by SPENARD BUILDING SUPPLY (SBS). The material delivered was lumber which included 2x4's and 4x4's.

[redacted] demolition of the second level and [redacted] the second level roughed in with sheet rock. [redacted]

[redacted]

Prior to leaving the Girdwood site, [redacted] lowering of the residence down from jacks and supports. The house was lowered prior to the siding being installed. [redacted] They used hydraulic lifts and removed the railroad ties supporting the house. Then they removed the steel I-beams. [redacted]

b6
b7C

[redacted] the entire residence had been roughed-in for dry wall and was ready for finishing work to be completed.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/08/2007

[redacted], date of birth [redacted] Social Security Account Number [redacted] telephone number [redacted] was interviewed at the UNITED STATES ATTORNEY'S OFFICE, 222 West 7th Avenue #9, Suite #253, Anchorage, Alaska. Present at the interview were AUSA's [redacted] and [redacted] and attorney, [redacted] After being advised of the identities of the interviewing agents, [redacted] provided the following information:

[redacted] Since the year [redacted]

b6
b7C

[redacted] WILLIAMS were working on the renovation of a home in Girdwood, Alaska. [redacted] which may have been linked to the Girdwood site. [redacted] never worked on any projects for the Girdwood site nor was he physically at the site.

[redacted] advised he has worked on the restoration of a [redacted]

Investigation on 01/08/2007 at Anchorage, Alaska
194A-AN-13620-302;
File # 194A-AN-13620-TSTEVENS-31 Date dictated 01/08/2007
SA [redacted] eds
by SA [redacted] bet pet

FBI - Stevens-3781

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/08/2007

[redacted] date of birth [redacted] Social Security Account Number [redacted] who resides at [redacted] South Anchorage, Alaska, was interviewed at the UNITED STATES ATTORNEY'S OFFICE, 222 West 7th Avenue #9, Suite #253, Anchorage, Alaska. Present at the interview were AUSA's [redacted] and [redacted] and attorney, [redacted]. After being advised of the identities of the interviewing agents, AWAD provided the following information:

[redacted]

[redacted]

[redacted]

b6
b7C

[redacted] early during the winter of [redacted] to help with work at a project in Girdwood, Alaska. The residence was a small A-frame single family structure. [redacted] identified the residence from a photograph provided to him by AUSA [redacted] [redacted] believes, through conversations overheard at

Investigation on 01/08/2007 at Anchorage, Alaska
194A-AN-13620-302;
File # 194A-AN-13620-TSTEVENS-32 Date dictated 01/08/2007
SA [redacted]
by SA [redacted]

FBI - Stevens-3782

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

[redacted] the Girdwood site was the residence of SENATOR TED STEVENS.

[redacted] The 6,000 watt generator was purchased directly by VECO for approximately $4000 - $6000 [redacted]

b6
b7C

[redacted] believes he overheard conversations in the [redacted] during the time frame of the Girdwood project, regarding [redacted] being directed to build a set of stairs and decking [redacted] for the Girdwood site.

[redacted] during the winter of 2000 for tools to be used at the Girdwood site. The tools checked out for the Girdwood site by [redacted] were small hand tools. [redacted]

[redacted] for the tools used at the Girdwood site. [redacted] bill VECO internally, [redacted] related to the Girdwood site.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/10/2007

[redacted] date of birth [redacted] Social Security Account Number [redacted] home address [redacted] Alaska, telephone number [redacted] was interviewed at the UNITED STATES ATTORNEY'S OFFICE, 222 West 7th Avenue #9, Suite #253, Anchorage, Alaska. Present at the interview were AUSA [redacted] and AUSA [redacted] After being advised of the identity of the interviewing agents, [redacted] provided the following information:

Background

[redacted]

Initial Experiences at Girdwood

[redacted] TED STEVENS' house, in Girdwood, Alaska, sometime in [redacted] at the house and he was told to go down there and fix it. [redacted] did not know where the request had initially come from, but believed someone had called [redacted] at the house.

b6
b7C

[redacted] described the house as a multi-story chalet in questionable condition. When he was there [redacted] he recalled there was some decking and an "arctic entry." [redacted] knew the house belonged to STEVENS.

[redacted] an unknown VECO employee, with him. [redacted]

VECO Fabrication Shop

[redacted] At any given time

Investigation on 01/08/2007 at Anchorage, Alaska

File # 194A-AN-13620-302
194A-AN-13620-TSTEVENS -33

Date dictated 01/10/2007

by SA [redacted]
SA [redacted] eds

FBI - Stevens-3784

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

[redacted] depending on the season and the orders received. The employees of the Fab shop are made up of all crafts including welders, painters, pipe-fitters, and electricians. The primary product the Fab shop manufactures are truckable modules for the oil fields on the North Slope of Alaska. These modules are made primarily of steel and can be adapted for a variety of uses in conjunction with oil production. They cost between $70,000 and $800,000.

The Fab shop keeps a supply of "new" steel on hand. If there was more than 20 tons at any given time, that would be a lot. They also had plenty of surplus steel. Since the surplus steel was only worth $0.10 a pound as salvage, the Fab shop keeps it on hand.

The Fab shop is under VECO ALASKA, formerly VECO CONSTRUCTION, a subsidiary of VECO CORPORATION. Projects worked on in the Fab shop were billed to a job number. Time cards and project costs were attributed to these job numbers. b6 b7C

[redacted] hires for friends of VECO. [redacted] (phonetic) as someone who had gotten their son a job at VECO. [redacted] noted that the order to hire him did not necessarily come from [redacted]

At the Fab shop [redacted]

Special Projects

[redacted]

[redacted]

Remodel of Ted Stevens' House

b6
b7C

The plan to remodel STEVENS' house originated while [redacted] the work on STEVENS' house was in full swing. [redacted] going at the same time and he did not know the scope of the work in Girdwood, Alaska but heard about it second-hand from [redacted]

[redacted] of the work being done in Girdwood, Alaska on STEVENS' home. [redacted] own crew. Usually this consisted of electricians, carpenters, and three to five other friends. [redacted]

[redacted] stated the cost reports would show the dollar amounts for the project. The report, however, would be a lump sum report and not itemized. [redacted] might be limited to more recent years. The cost reports [redacted] were uncontrolled copies. The cost reports should still be in the accounting database used by VECO. [redacted]

[redacted]

Knowledge of Others

[redacted] had various impressions of individuals involved above. He described [redacted] to be a good-hearted man who [redacted]

b6
b7C

[redacted] by the renovation of STEVEN'S house. [redacted] "have we [VECO] gotten anything from TED STEVENS? No." [redacted]

[redacted] some Computer Aided Design (CAD) drawings with the initials [redacted] identified the drawings as those used for STEVENS' house and believed that [redacted] is currently still employed by VECO and resides in Anchorage, Alaska.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/08/2007

[redacted] date of birth [redacted] Social Security Account Number [redacted] who resides at [redacted] Anchorage, Alaska, was interviewed at the UNITED STATES ATTORNEY'S OFFICE, 222 West 7th Avenue #9, Suite #253, Anchorage, Alaska. Present at the interview were AUSA's [redacted] and [redacted] and attorney, [redacted] After being advised of the identities of the interviewing agents, [redacted] provided the following information:

[redacted]

[redacted]

[redacted]

b6
b7C

[redacted] Crew members' time was recorded for all work completed including special projects or work requested by [redacted] a charge code on all time sheets so the proper client was billed for the work completed.

Special projects for [redacted] did not have a charge code. If a charge code was not present [redacted] description of the work on the appropriate time sheet. [redacted] in the description portion of time sheets in the past for work completed on [redacted].

Investigation on 01/08/2007 at Anchorage, Alaska
194A-AN-13620-302;
File # 194A-AN-13620-TSTEVENS -34
SA [redacted] eds
by SA [redacted] pet

Date dictated 01/08/2007

FBI - Stevens-3788

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[redacted] completed time sheets to the cost scheduler and the Payroll Department. The cost scheduler is responsible for reconciling the hours worked to the proper client for billing and payroll purposes. [redacted]

During the winter of [redacted] a project being worked by fab shop employees in Girdwood, Alaska. [redacted] from overhead conversations in the fab shop, the Girdwood site was the home of SENATOR TED STEVENS. [redacted] was never personally at the Girdwood site.

b6
b7C

[redacted] other fab shop employees worked at the Girdwood site. [redacted] worked at the Girdwood site as a [redacted]

[redacted] recalled various pieces being fabricated in the fab shop during the time of the Girdwood project. [redacted] believes deck pieces and a set of stairs was built in the fab shop. [redacted] did not directly work on the deck pieces or stairs.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/09/2007

[redacted] date of birth [redacted], Social Security Account Number [redacted], telephone number [redacted] was interviewed at the UNITED STATES ATTORNEY'S OFFICE, 222 West 7th Avenue #9, Suite #253, Anchorage, Alaska. Present at the interview were AUSA's [redacted] and [redacted] After being advised of the identities of the interviewing agents, [redacted] provided the following information:

[redacted] b6 b7C

During the winter between [redacted] a residence [redacted] in Girdwood, Alaska. The Girdwood site where [redacted] worked was the home of SENATOR TED STEVENS. [redacted] knew the Girdwood site was STEVENS' home from pictures he saw in the house. The pictures contained images of STEVENS [redacted]

Investigation on 01/09/2007 at Anchorage, Alaska

File # 194A-AN-13620-302; 194A-AN-13620-TSTEVENS ✓-35

Date dictated 01/09/2007

by SA [redacted] ers SA [redacted] pet pet

b6 b7C

FBI - Stevens-3790

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/12/2007

[redacted], date of birth [redacted] Social Security Account Number [redacted] home address [redacted] Anchorage, Alaska, telephone number [redacted], was interviewed at the UNITED STATES ATTORNEY'S OFFICE, 222 West 7th Avenue #9, Suite #253, Anchorage, Alaska. Present at the interview were AUSA [redacted] and AUSA [redacted] After being advised of the identity of the interviewing agents, [redacted] provided the following information:

[redacted] for oil field operations on the North Slope of Alaska.

[redacted] TED STEVENS' house in Girdwood, Alaska from pictures shown to him by AUSA [redacted] that building in the photos at Girdwood, Alaska. [redacted] the remodel of the residence was nearing completion. He remembered there was snow on the ground and the house had been painted. The deck on the ground floor had not been completed, however, there was only a small deck in front of a door.

b6
b7C

[redacted] STEVENS' house and [redacted]

[redacted] The generator shed was not large, perhaps four feet by six feet. [redacted] of the "A" frame that made up the original chalet. [redacted]

Investigation on 01/09/2007 at Anchorage, Alaska

File # 194A-AN-13620-302
194A-AN-13620-TSTEVENS -36

Date dictated 01/12/2007

FBI - Stevens-3791

SA [redacted]
by SA [redacted] eds

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

[redacted] did not spend too much time at the site. [redacted] The on-site work made the job different. [redacted] did not know where the material used for STEVENS' house came from.

b6
b7C

[redacted] were the only other VECO employees who were at STEVENS' house. There were no other trades present. The STEVENS' house was completed on VECO time and [redacted] At the time of the project [redacted] When asked who was the supervisor at the site, [redacted]

[redacted] never saw STEVENS, or [redacted] while he worked on STEVENS' house. Neighbors did come by to see the remodel as it occurred.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/12/2007

[redacted] date of birth [redacted] Social Security Account Number [redacted] home address [redacted] Anchorage, Alaska, telephone number [redacted], was interviewed at the UNITED STATES ATTORNEY'S OFFICE, 222 West 7th Avenue #9, Suite #253, Anchorage, Alaska. Present at the interview were AUSA [redacted] and AUSA [redacted] After being advised of the identity of the interviewing agents, [redacted] provided the following information:

[redacted] on a couple projects between [redacted] They included the [redacted] and TED STEVENS' house in Girdwood, Alaska. [redacted] liked working for [redacted] They could work different hours than specified by the union (i.e. they could start at eight in the morning and not seven.

At first [redacted] did not remember working on STEVENS' house. [redacted]. He could only remember doing two jobs for [redacted] the [redacted] AUSA [redacted] showed [redacted] pictures, one of STEVENS' home under construction, and another of the home completed. [redacted] remembered working on STEVENS' home, but could not remember if it was a job he did for [redacted] b6 b7C

[redacted] He remembered that the carpenters there said it was STEVENS' house and that to use the bathroom they had to go upstairs. [redacted] never saw STEVENS at the house but he believes STEVENS' [redacted] were there. [redacted] thinks [redacted] was out there a couple times. [redacted] on STEVENS' house and provided a telephone number of [redacted]

[redacted] stated that he had a [redacted] operation. Since the operation he stated that his memory has been like "shit."

Investigation on 1/9/2007 at Anchorage, Alaska
194A-AN-13620-302
File # 194A-AN-13620-TSTEVENS -37 Date dictated 1/12/2007
SA [redacted]
by SA [redacted] eds

FBI - Stevens-3793

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/10/2007

[redacted] date of birth [redacted] Social Security Account Number [redacted] home address [redacted] Alaska, contacted writer telephonically from [redacted] After being advised of the identity of the interviewing agent, [redacted] provided the following information:

[redacted]

[redacted]

b3
b6
b7C

Investigation on 1/9/2007 at Anchorage, Alaska (telephonically)

File # 194A-AN-13620-302
194A-AN-13620-TSTEVENS -38

Date dictated 1/10/2007

FBI - Stevens-3794

by SA [redacted] :eds eds

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/10/2007

[redacted] date of birth [redacted] Social Security Account Number [redacted] who resides at [redacted] Anchorage, Alaska, was interviewed at the UNITED STATES ATTORNEY'S OFFICE, 222 West 7th Avenue #9, Suite #253, Anchorage, Alaska. Present at the interview were AUSA's [redacted] and [redacted] and attorney, [redacted] After being advised of the identities of the interviewing agents, [redacted] provided the following information:

[redacted] has held the following positions:

[redacted]

During [redacted], regarding work to be completed on a residence in Girdwood, Alaska. [redacted] did not know how [redacted] learned of the Girdwood site.

b6
b7C

[redacted] worked at the Girdwood site for approximately [redacted] the whole time at the Girdwood site.

[redacted] rate of pay during [redacted] rate of pay during [redacted] was approximately [redacted] per hour. [redacted] was paid with a regular VECO payroll check based on hours submitted by his supervisor regardless if the work was for time spent on the Girdwood site or work completed in the fab shop.

[redacted] observed photographs SENATOR TED STEVENS's and his family hanging on the walls of the house at the Girdwood site. [redacted] asked other contractors working at the site if the residence was STEVENS' and they told him it was. During the

Investigation on 01/10/2007 at Anchorage, Alaska
194A-AN-13620-302;
File # 194A-AN-13620-TSTEVENS-39 Date dictated 01/10/2007
SA [redacted]
by SA [redacted]

FBI - Stevens-3795

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[redacted]

[redacted] at the Girdwood site. [redacted] at the Girdwood site. [redacted]

[redacted] did not know of any other VECO employees at the Girdwood site besides, [redacted] Also, at the Girdwood site was a [redacted] and a plumber named First Name Unknown (FNU) TYREE [redacted] believes TYREE may have personally known [redacted] learned many years after his work at the Girdwood site that TYREE had passed away.

b6
b7C

[redacted] never saw SENATOR STEVENS [redacted] during his time at the Girdwood site. [redacted] did meet STEVENS one time while [redacted] in Girdwood, Alaska. [redacted] met STEVENS he told him he was an [redacted]

[redacted] recalled there was no real supervision while at the Girdwood site and the tasks completed [redacted]

[redacted] completed many tasks during their time at the Girdwood site to include:

[redacted]

[redacted]

b6
b7C

At some time during [redacted] stopped working at the Girdwood site due to the lack of tasks left to complete. [redacted] did not tell either [redacted] to complete more work at the Girdwood site.

During the [redacted] The work completed for [redacted] was completed in one day and the materials were already on site. During the time [redacted] worked on the tasks at the [redacted] residence he was on VECO time and was paid from the regular VECO payroll.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/12/2007

[redacted] date of birth [redacted] Social Security Account Number [redacted] was interviewed at his place of employment, [redacted] Anchorage, Alaska, telephone number [redacted]. After being advised of the identities of the interviewing agents, [redacted] provided the following information:

[redacted] work at the residence of SENATOR TED STEVENS in Girdwood, Alaska.

[redacted]

[redacted] did not complete the installation, himself, of the [redacted] and has never been to the residence. At the time of the Girdwood project possible [redacted]

[redacted]

b6
b7C

Upon completion of the Girdwood project, [redacted] had no further contact with [redacted]

Investigation on 01/12/2007 at Anchorage, Alaska
194A-AN-13620-302;
File # 194A-AN-13620-TSTEVENS -40 Date dictated 01/12/2007
SA [redacted]
by SA [redacted]

FBI - Stevens-3798

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/16/2007

[redacted] date of birth [redacted] Social Security Account Number [redacted] home address [redacted] Alaska, telephone number [redacted] was interviewed at the FEDERAL BUREAU OF INVESTIGATION, Anchorage, Alaska. After being advised of the identity of the interviewing agents, [redacted] provided the following information:

Background

[redacted]

Time Cards

Employees at VECO, particularly in the fabrication shop (Fab shop), would fill out time cards. They would annotate on the time cards the job number of the project they were working on. In the case of TED STEVENS' house in Girdwood, Alaska, the cards would be annotated with "TED STEVENS' PLACE," "GIRDWOOD" or similar discriptives. It was general knowledge in the VECO Fab shop that the house in Girdwood, Alaska belonged to STEVENS.

b6
b7C

These time sheets would be kept on file in locked file cabinets at the Fab shop. If the project was reimbursable the time cards would be retained until after an audit. VECO audits annually, and there may have been audits by the customer as well.

The time cards, unless they had been destroyed, may have been stored in a heated cargo container that was designated for Fab shop records on the western perimeter of the Fab shop lot. [redacted] due to tax reasons, the time cards should be on kept on file from seven to 10 years.

Accounting Software

Investigation on 01/12/2007 at Anchorage, Alaska
194A-AN-13620-302
File # 194A-AN-13620-TSTEVENS -41 Date dictated 01/16/2007
SA [redacted]
by SA [redacted] eds

FBI - Stevens-3799

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The time card data would be entered into a Fab shop computer system called IMPACT. IMPACT creates status reports by job number and sends those reports to an accounting program called MCCOSKER. The cost report from IMPACT, associated with a specific job number, reflect the hours and dates worked. The employees in the Fab shop did not have access to these systems.

[redacted] The Cost Scheduler would apply job hours worked to specific job numbers associated with on-going VECO projects. The Cost Scheduler would be assigned to a project on a constant basis. The STEVENS' house renovation was associated with 188-003-0003, a job number set up specifically for the special projects associated with [redacted] special projects.

Job Numbers

[redacted] believes that the job number for [redacted] projects [redacted] A job number can be created with [redacted] The request could be originated by any number of individuals at VECO. Job numbers were not generally originated in the Fab shop.

b6
b7C

The VECO Fab shop and Girdwood, Alaska

[redacted]

[redacted]

[redacted] cost reports to ensure that the Fab shop had not incorrectly billed the wrong account.

[redacted] projects in 2003 from the previous year. He had no idea what the scope of the project in Girdwood, Alaska was, only that it seemed like it "never ended." He knew it lasted from at least spring, 2002 until summer, 2002.

Although [redacted] thought the project was long term, he believed it to be typical of [redacted]

Materials at the Fab shop were project specific, so there was no new material laying around for a special project. Scrap metal, however, could be used. At any given time the Fab shop kept 20 to 40 tons of scrap metal on hand (equivalent to a couple semi-truck loads). The Fab shop did not have much lumber as the vast majority of work there required metal.

b6
b7C

Purchase Orders

[redacted] could have obtained supplies and materials [redacted] through purchase orders. [redacted] obtain materials from local suppliers who had VECO accounts. The cost of which would go directly to the job number, and to the cost report, but would not have been associated with the Fab shop.

Contractors could also be obtained through the use of purchase orders. Although, it was VECO policy that if the company was utilizing people, not only equipment, they had to be under contract for liability reasons. A purchase order in that situation would not be within company guidelines.

[redacted]

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/22/2007

[redacted] date of birth [redacted] Social Security Account Number [redacted] who resides at [redacted] Anchorage, Alaska, was interviewed at the UNITED STATES ATTORNEY'S OFFICE, 222 West 7th Avenue #9, Suite #253, Anchorage, Alaska. Present at the interview were AUSA's [redacted] and [redacted] and, representing [redacted] VECO, attorney [redacted] After being advised of the identities of the interviewing agents and the nature of the interview, [redacted] provided the following information:

[redacted] During this time [redacted] has held the following positions:

[redacted]

[redacted]

b6
b7C

Between [redacted] at a residence in Girdwood, Alaska. [redacted] learned from [redacted] the residence was owned by TED STEVENS. [redacted] described the residence as a small, single story, "A-frame" style cabin with a porch on the side of the structure. [redacted] identified the residence from a photograph provided by AUSA [redacted] as being STEVENS'. [redacted] did not see STEVENS when he was at the residence in Girdwood for the [redacted]

[redacted] via a pick-up truck from the Fab Shop to STEVENS'

Investigation on 01/22/2007 at Anchorage, Alaska

File # 194A-AN-13620-TSTEVENS-42
194A-AN-13620-302 Date dictated 01/22/2007

by SA [redacted] ets
SA [redacted] pet

FBI - Stevens-3802

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home. [redacted] purchased the [redacted] or where it was purchased. [redacted] believes the [redacted] he recalled would cost between $5,000 to $10,000 to purchase.

[redacted]

b6
b7C

A couple of years after the [redacted] installation, [redacted] recalled some conversations overheard at the Fab Shop and "rumors on the job" regarding a remodel of STEVENS' Girdwood house. [redacted] did not know any specifics of the work being performed or for how long it took for the remodel of STEVENS' house.

[redacted] recalled the following Fab Shop / VECO employees being associated with working on the remodel: [redacted]

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/24/2007

[redacted] date of birth [redacted] Social Security Account Number [redacted] who resides at [redacted] telephone number [redacted] was interviewed telephonically from the UNITED STATES ATTORNEY'S OFFICE, 222 West 7th Avenue #9, Suite #253, Anchorage, Alaska. Present at the interview were AUSA [redacted] AUSA [redacted] and attorney, [redacted] After being advised of the identities of the interviewing agents, [redacted] provided the following information:

[redacted] first started with VECO as an employee of VECO CONSTRUCTION which later became VECO ALASKA. The first position held by [redacted] at VECO was as [redacted] later became a [redacted] after completing [redacted]

[redacted]

b6
b7C

[redacted] time sheets could be produced as a weekly report. This report was used to calculate the percentage completed for each project. This was calculated using the hours worked compared to the estimated hours needed to complete a project. The percentage of completion reports would be routed to individuals within VECO including project engineers, each seperate discipline superintendent, and the head cost scheduler. One of the [redacted]

All job codes corresponded to actual VECO jobs in order for the proper client to be billed for the work completed. [redacted] VECO had a job code which was used for special projects. [redacted] was used for all projects related to

Investigation on 01/24/2007 at Anchorage, Alaska

194A-AN-13620-TSTEVENS-43

File # 194A-AN-13620-302 Date dictated 01/24/2007

by SA [redacted] eds
SA pet

FBI - Stevens-3804

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[redacted] was only aware of [redacted] and did not know if other VECO management personnel had similar job codes.

[redacted] knew of Fab Shop employees working on special projects outside of the Fab Shop. In some cases the employees would charge the hours worked to [redacted] job code. [redacted] recalled [redacted]

[redacted] recalled time sheets would sometimes not have a job code, and instead would have a description of the work completed. [redacted] advised a few of these examples were, [redacted] or "Girdwood." These descriptions would be charged to [redacted]

b6
b7C

[redacted] Fab Shop employees working on a job in Girdwood, Alaska, but did not know the type of work being completed. [redacted] believed some of the work at Girdwood involved the moving of furniture. [redacted] also believed the following Fab Shop employees may have been working in some capacity at Girdwood: [redacted]

[redacted] from conversations overhead at the Fab Shop, the work at Girdwood was for a house owned by SENATOR TED STEVENS.

Sometime after the work was completed at Girdwood, [redacted] Fab Shop employees to [redacted] for a remodel of [redacted] ND did not complete any invoicing for charges made to [redacted] job code. [redacted] recalled, one time, [redacted] at the Fab Shop [redacted]

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/29/2007

[redacted] date of birth [redacted] Social Security Account Number [redacted] who resides at [redacted] Anchorage, Alaska, was interviewed at the UNITED STATES ATTORNEY'S OFFICE, 222 West 7th Avenue #9, Suite #253, Anchorage, Alaska. Present at the interview were AUSA [redacted], AUSA [redacted], AUSA [redacted] AUSA [redacted] and, representing [redacted] and VECO, attorney [redacted]. After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] provided the following information:

[redacted]

[redacted] has been located at the VECO Building on [redacted] Anchorage, Alaska, and works as [redacted]

Between [redacted] recalled being assigned to various [redacted] in the Fab Shop since the [redacted]

b6
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During the summer of [redacted] to tell him of a small [redacted] job needing to be completed for a residence in Girdwood, Alaska. The residence was an "A Frame" style house with a second floor bedroom. [redacted] later learned, from conversations overhead at the Fab Shop, the Girdwood residence was TED STEVENS' home. [redacted] identified from a photograph, provided by AUSA [redacted] as the STEVENS' residence in Girdwood.

Upon [redacted] arrival at Girdwood [redacted]

[redacted]

Investigation on 01/29/2007 at Anchorage, Alaska

194A-AN-13620-TSTEVENS 44

File # 194A-AN-13620-302 Date dictated 01/29/2007

by SA [redacted]

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[redacted] then completed a time sheet to submit to payroll.

During the fall of [redacted] job at Girdwood. This job was to [redacted] at STEVENS' house. [redacted]

At Girdwood [redacted] b6 b7C

[redacted] spent approximately [redacted] weeks at Girdwood and reported his time daily to [redacted] Girdwood working on [redacted] and other tasks in [redacted] of the house.

[redacted]

Besides the work at Girdwood, [redacted] did complete some other special project work not related to a VECO client. [redacted] home during its remodel and also changed some [redacted] house.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/29/2007

[redacted] telephone number [redacted] was interviewed telephonically from the UNITED STATES ATTORNEY'S OFFICE. Present at the interview were ASSISTANT UNITED STATES ATTORNEY (AUSA) [redacted] AUSA [redacted] AUSA [redacted] and, representing [redacted] and VECO, attorney [redacted] After being advised of the identity of the interviewing agent and the purpose of the interview, [redacted] provided the following information:

[redacted]

During [redacted]. Due to a lack of work at one period during [redacted] was assigned to the Fabrication Shop (Fab Shop) as an [redacted] As an [redacted]

[redacted]

b6
b7C

[redacted] regarding a small [redacted] job in Girdwood, Alaska. The job was at an "A frame" style house with a [redacted] needing repair. [redacted] the house belonged to TED STEVENS. [redacted] was a Fab Shop employee who [redacted] at STEVENS' house. [redacted] recorded his time at STEVENS' house by putting, on his time card, a description such as "Girdwood House" or "House in Girdwood." [redacted] time cards were submitted to the Fab Shop [redacted] does not recall a separate job code for the work at Girdwood.

During the fall of [redacted] was told by [redacted] to go to STEVENS' house for some [redacted] to a remodel of the house. [redacted] at Girdwood to discuss the work. [redacted] recalled that STEVENS' house was raised up on jacks / supports

Investigation on 01/29/2007 at Anchorage, Alaska (telephonically)

194A-AN-13620-TSTEVENS -45

File # 194A-AN-13620-302 Date dictated 01/29/2007

FBI - Stevens-3808

by SA [redacted]

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and there was an addition and garage which had been built [redacted] was not large enough to power the additional electrical components.

[redacted]

[redacted] recalled being at STEVENS' house for approximately a [redacted] estimated the work at STEVENS' house would have incurred approximately $6000-7000 in billable labor hours.

During the spring fo[redacted] regarding repairs needed at STEVENS' house due to [redacted] garage's roof. [redacted] wanted [redacted] to [redacted] believes VECO purchased a [redacted] did not recall where the [redacted] was purchased. b6 b7C

[redacted]

[redacted] estimated the total amount of billable labor hours were approximately $15,000-19,000.

[redacted] recalled talking about Girdwood with [redacted] Last Name Unknown (LNU) since he needed a truck and tools to complete the work. [redacted]

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 02/02/2007

b6
b7C
b7D

Source, who is in a position to testify, provided the following information:

[redacted] (phonetic) and [redacted] (phonetic) of [redacted] may be in a position to provide valuable information regarding [redacted] kickbacks to legislators for legislation that passed; illegal acts involving [redacted] (phonetic); [redacted] trips to the [redacted] which included possible guests like STEVENS, [redacted] and others; trips for legislators to travel to [redacted] -paid trips for [redacted] to travel to [redacted]), which dealt with [redacted] documents that [redacted] spent $45 million in the last 10 years on legislators to get native issues through legislative processes.

[redacted] are currently living together in [redacted] Their home phone number is [redacted]

b6
b7C
b7D

Investigation on 01/31/2007 at Anchorage, Alaska (telephonically)

File # 194A-AN-13620-C; [redacted] Date dictated Typed 02/02/2007
194A-AN-13620 [redacted] 194A-AN-13620-TSTEVENS ✓-46
by SA [redacted] cej

FBI - Stevens-3810

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 02/02/2007

Source, who is in a position to testify, provided the following information: b6 b7C b7D

The following individuals may have information about the remodel of TED STEVENS' Girdwood home (Girdwood Project):

[redacted]

[redacted] funded a lot of trips to [redacted] for state and federal legislators. [redacted] for one or more of the trips down to [redacted] TED STEVENS participated on one or more of these trips. The trips included flying on chartered flights, which occurred either at the beginning or at the end of the state legislative session.

[redacted] have been on many of trips with [redacted] and TED STEVENS.

Investigation on 01/31/2007 at Anchorage, Alaska (telephonically)

File # 194A-AN-13620-C; [redacted] Date dictated Typed 02/02/2007
194A-AN-13620-[redacted] 194A-AN-13620-TSTEVENS-47

by SA [redacted] cej

FBI - Stevens-3811

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TED STEVENS, [redacted] and many lawyers would attend the [redacted] In addition, [redacted] (phonetic) participated in one or more of those trips. b6 b7C b7D

[redacted] knows the political forum well and about TED STEVENS and his dealings with [redacted].

TED STEVENS and [redacted] visited a fishing resort near Valdez, Alaska a lot. The resort is exclusive and fancy. STEVENS and [redacted] would come back with bags of gifts from the resort.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/31/2007

[redacted] date of birth [redacted] Social Security Account Number [redacted] was interviewed at the UNITED STATES ATTORNEY'S OFFICE, 222 West 7th Avenue #9, Suite #253, Anchorage, Alaska. Present at the interview were AUSA [redacted] and, representing [redacted] and VECO, attorney [redacted] After being advised of the identity of the interviewing agent and the purpose of the interview, [redacted] provided the following information:

[redacted] was hired as a [redacted] duties as [redacted] was promoted to the position of [redacted] for the [redacted] of VECO ALASKA. [redacted] urrent role requires him to [redacted] VECO ALASKA. The Fabrication Shop (Fab Shop) is one entity of VECO ALASKA. VECO ALASKA is an entity which is a part of the VECO CORPORATION (VECO CORP). VECO CORP is comprised of VECO ALASKA and VECO EQUIPMENT (VECO EQUIP). VECO EQUIP maintains the assets for VECO CORP. [redacted]

[redacted] b6 b7C

VECO ALASKA charges invoices to VECO CORP on a monthly basis. These invoices consist of work completed by VECO ALASKA resources for VECO CORP, such as Human Resources and Information Technology support. VECO ALASKA also submits invoices to VECO CORP for construction work or projects completed on behalf of VECO CORP which are not standard VECO ALASKA projects.

[redacted] completed by VECO ALASKA employees. These projects are not

Investigation on 01/31/2007 at Anchorage, Alaska

194A-AN-13620-TSTEVENS-48

File # 194A-AN-13620-302 Date dictated 01/31/2007

FBI - Stevens-3813

by SA [redacted]

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billable to a standard VECO client such as CONOCO-PHILIPS or BP. An intercompany charge number was set up between VECO ALASKA and VECO CORP to allow for these types of projects to be billed back to VECO CORP.

VECO ALASKA has the following intercompany charge numbers: 120003 and 188020. These numbers are used to properly account for costs incurred which should be paid by VECO CORP. VECO ALASKA also further designated the costs by utilizing work package numbers. The work package numbers were used to allow for the correct accounting of intercompany costs and payments. VECO ALASKA had two work package numbers for [redacted] projects:

- Work Package [redacted] MISC EXPENSES;
- Work Package [redacted]

Work Package [redacted] was a general "catch-all" number for any type of project which [redacted] wanted completed. Work Package [redacted] was set up specifically for the remodel of [redacted] stated VECO CORP was concerned with the large costs associated with [redacted] and they needed a way to account for the expense in case the personal property needed to be capitalized for accounting purposes.

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[redacted] Fab Shop employees who worked special projects for [redacted] was assigned to run [redacted] submit Field Materials Requests (FMR's) for the purchase of items through VECO'S Procurement Department.

FMR's are submitted from the Fab Shop (or other VECO entity) to the Procurement Department for the preparation of a purchase order. [redacted]. The Procurement Department reviews the FMR for completeness and then approves the purchase order. The purchase order then generates an invoice to the vendor selected for the purchase of the item requested from the FMR.

[redacted] work being conducted at TED STEVENS' house in Girdwood, Alaska. [redacted] STEVENS were personal friends. [redacted]

rails and some deck materials were being built in the Fab Shop and transported to the STEVENS' house.

[redacted] the amount of labor hours / materials being spent on the STEVENS' house project. [redacted] there was a small surge in expenses [redacted] the surge in expenses was due to work being conducted at STEVENS' house over the period of a few months. [redacted]

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[redacted] does not recall any situation in which the hours worked on [redacted] special projects were a problem in completing standard client projects for VECO.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 02/02/2007

[redacted], date of birth [redacted] Social Security Account Number [redacted], was interviewed at the UNITED STATES ATTORNEY'S OFFICE, 222 West 7th Avenue #9, Suite #253, Anchorage, Alaska. Present at the interview were AUSA [redacted] and, representing [redacted] and VECO, attorney [redacted] After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] provided the following information:

[redacted] for VECO ALASKA located at the [redacted]

The VECO Purchasing Department (Purchasing) is tasked with the purchase of any item needed for the continuation of operations. These items may be office supplies or actual raw material orders for VECO projects. Each VECO site has a "materials person," who files purchase requests to Purchasing for approval. The purchase requests include a description of the item requested, a cost code, a job number, and an authorized signature. All the purchase requests are entered into VECO'S material management program. Purchase requests can be received by Purchasing electronically, however, some remote sites (on the North Slope) have to submit the requests manually.

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[redacted] An approval matrix is reviewed to ensure the person authorizing the purchase request has the proper authority. [redacted]

[redacted] overheard conversations in the office regarding a project for TED STEVENS' house in Girdwood, Alaska. [redacted] the purchase request for rope lighting for the STEVENS' project. [redacted] the rope lighting due to the large amount [redacted] in finding the lighting. [redacted] the rope lighting. [redacted] does not remember any other

Investigation on 02/02/2007 at Anchorage, Alaska

194A-AN-13620-TSTEVENS 49

File # 194A-AN-13620-302 Date dictated 02/02/2007

FBI - Stevens-3816

by SA [redacted]

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194A-AN-13620-302, 194A-AN-13620-TSTEVENS

STEVENS' purchase requests [redacted]

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At the time of the STEVENS' project [redacted]

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 02/02/2007

[redacted] date of birth [redacted] Social Security Account Number [redacted] was interviewed at the UNITED STATES ATTORNEY'S OFFICE, 222 West 7th Avenue #9, Suite #253, Anchorage, Alaska. Present at the interview were AUSA [redacted] and, representing [redacted] and VECO, attorney [redacted] After being advised of the identity of the interviewing agent, [redacted] provided the following information:

[redacted] started working for VECO as part of VECO EQUIPMENT. He currently holds the position of [redacted]

[redacted]

During [redacted] overheard conversations in the office regarding workers from the Fabrication Shop hanging Christmas lights at TED STEVENS' house in Girdwood, Alaska. [redacted] may have assisted in the hanging of lights at STEVENS' house.

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Investigation on 02/02/2007 at Anchorage, Alaska

194A-AN-13620-TSTEVENS ✓.50

File # 194A-AN-13620-302 Date dictated 02/02/2007

FBI - Stevens-3818

by SA [redacted]

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 02/09/2007

[redacted] date of birth [redacted], Social Security Account Number [redacted] was interviewed at the UNITED STATES ATTORNEY'S OFFICE, 222 West 7th Avenue #9, Suite #253, Anchorage, Alaska. Present at the interview were AUSA [redacted] and, representing [redacted] and VECO, attorney [redacted] After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] provided the following information:

[redacted] currently holds the position, with VECO ALASKA, of [redacted] for [redacted]

During [redacted] TED STEVENS had a cabin, in Girdwood, Alaska, and they wanted [redacted] for the cabin. [redacted] understood he was not to publicize that he was [redacted] for STEVENS' cabin.

1,2,3 Pet

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This first meeting between [redacted] lasted approximately an hour and [redacted] STEVENS' cabin. [redacted] STEVENS needed to make the cabin bigger to have more room for when STEVENS' [redacted] came to visit. [redacted] was told he would work with [redacted] of the cabin's remodel. [redacted] for the work to be completed on STEVENS' cabin.

Approximately one week after the meeting with [redacted] Anchorage. Upon arrival at [redacted] was introduced to STEVENS. This was the first time [redacted] had met STEVENS. [redacted] of them to have lunch. The lunch

Investigation on 02/09/2007 at Anchorage, Alaska

194A-AN-13620-TSTEVENS-51

File # 194A-AN-13620-302 Date dictated 02/09/2007

04Spet04302

by SA [redacted] Pet

FBI - Stevens-3819

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lasted approximately 90 minutes in length. [redacted] STEVENS talked about their families and politics for a large portion of the lunch. At one point during the lunch [redacted] engaged STEVENS in conversation [redacted] STEVENS told [redacted] STEVENS further advised [redacted]

During late [redacted] went to the cabin in Girdwood to begin obtaining information for him to [redacted]

[redacted], for the STEVENS' house project, [redacted] made occasional comments about the large amount of time being billed to [redacted]. b6 b7C

[redacted] phase of the STEVENS project [redacted] was in contact with STEVENS directly via telephone on multiple occasions. STEVENS was very specific with [redacted] to STEVENS' personal fax number in Washington, D.C. STEVENS reviewed [redacted] as it was something STEVENS wanted in the house.

During the construction phase of the STEVENS' cabin remodel [redacted] was at Girdwood two to three times. [redacted] also saw the house was jacked up on supports and observed a metal staircase / fire escape on the rear of the residence. [redacted] involvement in the work on the cabin changed dramatically [redacted]

[redacted] did go to the STEVENS' cabin on [redacted] during the construction phase [redacted] with all of STEVENS' friends. [redacted] spent a total of [redacted] hours at Girdwood and there was not a lot of progress made that day on the cabin. [redacted] present helping with the tasks. [redacted] was very passionate about the work being completed on STEVENS' cabin. [redacted] and is a friend of STEVENS. [redacted] make STEVENS happy since he (STEVENS) does not have a lot of time to be bothered with the details of the remodel."

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Near the end of the project [redacted] After the work on STEVENS' cabin was significantly completed [redacted] from STEVENS. [redacted] STEVENS [redacted] back to STEVENS in a written communication and advised STEVENS the [redacted]

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/26/2007

[redacted] date of birth [redacted] Social Security Account Number [redacted] home address [redacted] telephone number [redacted] was interviewed via telephone from the United States Attorney's office in Anchorage, Alaska. Present for the interview were ASSISTANT UNITED STATES ATTORNEY [redacted] and, representing [redacted] and VECO, attorney [redacted] After being advised of the identity of the interviewing agents, [redacted] provided the following information:

Background

[redacted]

VECO Fabrication Shop Operations

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At the Fab shop [redacted] The Fab shop produces pre-fabricated, truckable modules, and other equipment for oil companies on the North Slope of Alaska. Modules would be constructed from the ground up. [redacted]

Projects would start with the creation of an estimate to be submitted in a competitive bidding process. In the bid itself there would be a scope of work for each discipline (i.e. electrical, structural, etc.). The scope of work would allow for a forecast of man-hours. Man hours would be built into each bid. The overhead for the Fab shop would be applied as a certain dollar per hour against each man-hour. Fab shop costs were estimated over a year and pro-rated towards each project.

Investigation on 01/24/2007 at Anchorage, Alaska (telephonically)

194A-AN-13620-TSTEVENS -32

File # 194A-AN-13620-302 Date dictated 01/26/2007

by SA [redacted] / SA [redacted] eds

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The supervisor for each discipline would, daily, report what hours were worked and on what job number. Supervisors filled out the time sheet for each employee and annotated on the time sheet the job number. Often times there would be a sub-cost code which reflected disciplines. These codes could be used to track the progress on a project.

[redacted] Customers were very interested in the progress of the work. They want the project completed because, for them, the sooner the module was finished the sooner they could use it to produce oil. To these customers, finishing a project on time was a concern. [redacted] spot check time cards to verify supervisors were keeping accurate track of their workers time. [redacted] make sure that they were billing accurately compared to [redacted] At the end of the month they would do a review of time worked and safety statistics.

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If a job was relatively small, there might only be a couple of sub-job numbers. It would not be efficient administratively to have more. On a large job, however, there could be 100's of sub-job numbers. With the customer concerned about the completion of the job, these sub-job numbers allowed visibility of the progress on the project to be viewed in much higher detail.

[redacted] the VECO Accounting office to produce reports that showed the total hours for the entirety of an individuals employment with the company. A request, either with the employee number, or by name, would have to be submitted, however. [redacted] He had no idea who was responsible for the VECO CORPORATION [redacted]

[redacted] time sheets from the supervisors. [redacted] Corrections to the time sheets could be keyed into a computer. Issues with time sheets could involve the specificity on the job numbers, supervisors identifying the wrong component for which work had been accomplished, etc. From a cost and scheduling perspective, [redacted]

VECO Fabrication Shop Personnel

The Fab shop was entirely self-sufficient. At any given time the Fab shop employed 80 to 90 workers. All of the disciplines were represented in-house. These included instrumentation "guys," who would install tubing and guages, electricians, iron workers, and carpenters. In the trades each of these disciplines would be represented by someone who had ample experience to do the job and was considered a journeyman. Assisting the journeyman, in many cases, would be an apprentice trying to learn the trades. These apprentices would operate much like laborers, not having the skills to do the more complex work required.

Amongst these employees were also [redacted] b6 b7C nobody in the senior VECO management had a problem with his position.

In addition to the individual disciplines, there were also be [redacted] in the Fab shop. On larger projects, a client representative would sit in the office for the daily or weekly, status report.

Field engineers input created the rationale behind all of the cost calculations. They determine how to assemble projects. These determinations were used to compute materials and man-hour estimates. The field engineers also determined what disciplines would be required to complete the project. [redacted]

Accounting

The accounting department would collate and transfer the numbers provided by the Fab shop to VECO CORPORATION. The accounting department was under VECO ALASKA, formerly VECO CONSTRUCTION. They were located in the "A Street office." If employees had a problem with their paycheck they would deal with it in the Fab shop, and the requests would be sent to accounting. The Fab shop, through VECO ALASKA reported all costs to VECO CORPORATE.

[redacted]

If an account was in arrears [redacted] customer representatives simply because of the [redacted] in the Fab shop. [redacted]

Truckable Module Design

Customers often had their engineering and design work done prior to contracting VECO for construction. The engineering was done through a competitive bid to other companies by customers. VECO ALASKA, however, had begun to put together some basic module design packages. They were standard off-the-shelf designs provided by their engineering office on "36th." They could customize the modules to a degree. The modules had to fit within a 20 foot bay and stay within certain limits to remain truckable.

Some of the off-the-shelf designs came from previous designs VECO had built. There was no need to do the engineering for a module that VECO had just built for another customer. [redacted]

b6
b7C

Materials

In order to purchase materials for a project, especially [redacted] a purchase order, or other request. [redacted] The completed material requisition would be used to create a purchase order. [redacted]

[redacted]

[redacted]

Special Projects

[redacted] denied being directly involved in any projects solely for senior VECO personnel. If the "higher-ups" needed something they would typically call directly to [redacted]

b6
b7C

[redacted]

[redacted]

[redacted]

[redacted] did not recall the work VECO did in Girdwood, Alaska. He heard it was TED STEVENS' lodge. [redacted] possible, for the work on STEVENS' lodge, that [redacted] could have grabbed people off the Fab shop floor [redacted]

b6
b7C

[redacted] LNU never worked at the Fab shop, however, he was a [redacted] LNU as an [redacted]

Billing [redacted]

[redacted] to a VECO special project, it would billed under a corporate job number. [redacted] There were differences in job numbers from those created for Fab shop applications and VECO ALASKA, and those used for VECO CORPORATION.

[redacted] was not aware of a separate job number for the work being done on STEVENS' house in Girdwood, Alaska. He knew there was a job number for [redacted] but not for Girdwood. Any costs associated with [redacted] projects were paid by VECO CORPORATE.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/29/2007

On January 29, 2007, SA [redacted] reviewed DEAN123. DEAN123 is a forensic image of a computer hard drive, assigned to [redacted] obtained during a search warrant executed on August 30, 2006, at VECO, 3601 C Street, Suite 1000, Anchorage, Alaska.

A review of DEAN123 resulted in identifying the following Excel files containing references to Girdwood and Girdwood related cost codes:

- Cost Code Descriptions verA.xls
- FY04 information for Roger.xls
- budget 100.xls

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The following terms are listed as being associated with the above list file names:

- Girdwood
- SBS
- Brown's Electrical
- [redacted]
- [redacted]
- Category Tasks (CAT-TASK)
- 0099 92-250
- 0099 92-340
- 92-250 CONSULTANTS
- 92-340 CONSUMABLES

Investigation on 01/29/2007 at Anchorage, Alaska

File # 194A-AN-13620-TSTEVENS-53
194A-AN-13620-VECOSEARCH

Date dictated 01/29/2007

FBI - Stevens-3828

by SA [redacted]

030pet01.302

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 02/16/2007

[redacted] date of birth [redacted] Social Security Account Number [redacted] [redacted] Alaska, telephone [redacted] was interviewed telephonically. After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] provided the following information:

In [redacted]

[redacted]

[redacted]

[redacted]

[redacted]

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Investigation on 02/16/2007 at Anchorage, Alaska (telephonically)

File # 194A-AN-13620-TSTEVENS; 54
194A-AN-13620-302; 191

Date dictated 02/16/2007

FBI - Stevens-3829

by SA [redacted]

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[redacted] believes STEVENS' [redacted] was shown "favoritism," by VECO [redacted] TED STEVENS' [redacted]

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ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 01-28-2011 BY 65179 DMH/SBS

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 02/14/2007

[redacted] Date of Birth [redacted], Social Security Account Number [redacted] American Russian Center (ARC), University of Alaska Anchorage, [redacted] Anchorage , Alaska, Telephone [redacted] was advised of the identity of the interviewing Agents and the purpose of the interview. [redacted] provided the following information:

[redacted] has been with the ARC for [redacted] years. Prior to his employment at ARC, [redacted] served [redacted] years in the United States Army. He retired from the Army in [redacted] While in the Army, [redacted] at the US Army Institute in Garmisch, Germany. [redacted] While with the Army, [redacted] was transferred to and stationed in Alaska in [redacted] Initially, [redacted] served as the [redacted] Alaska. Later he assumed the responsibilities as the [redacted] He held this position until he retired in [redacted].

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[redacted] has been to Russia more than twenty times. On one trip about [redacted] years ago, [redacted] was taken off of a flight in Russia and interrogated by the FSB for more than four hours. He was not allowed to return to Russia for six years. [redacted] returned to Russia [redacted] years ago and is again not allowed back in the country. He was told he could inquire after a year to see if he would be allowed back. [redacted] commented that the FSB is making a huge revival.

In [redacted] was the [redacted] of Russian Affairs of the University of Alaska. [redacted] work [redacted] within ARC. During this same time period, [redacted] approached SENATOR TED STEVENS to encourage STEVENS to provide funding for the Alaska Center for International Business. STEVENS put in an earmark for funding. At the same time a proposal was made by the University of Alaska to the US Agency for International Development (USAID). The proposal at USAID arrived in Washington at the same STEVENS was working on the earmark funding. It was decided that there would only be one proposal funded. University of Alaska first received the earmark and thereafter, USAID liked their program so much, they continued the funding.

Investigation on 2/13/2007 at Anchorage, AK

File # 194A-AN-13620-TStevens-55 Date dictated 2/14/2007

by SA [redacted]
SA [redacted]

FBI - Stevens-3831

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

The primary focus after receiving the earmark funding and the subsequent funding from USAID was to set up small business development centers in the Russian Far East. Initially, two centers were set up, one center was in Sakhalin and the other in Yakutsk.

The initial earmark in 1993 was for two million dollars for the first year. Thereafter, USAID provided funding. The funding from USAID continued for eight years. This was not an earmark funding; there was language that stated the funding should continue and it did.

With regard to the initial funding in 1993, [redacted] explained that [redacted] is a very good friend of STEVENS. [redacted] told STEVENS that he [redacted] was getting inquires from Alaskans on setting up a program to train Alaskans to do business in Russia. At the same time, [redacted] at the Alaska Center for International Business wrote a proposal to USAID proposing essentially the same thing. When the proposal was finalized, as they combined into one proposal. The final proposal included a change where the individuals to be trained would be Russians rather than Alaskans. b6 b7C

In 1999 or 2000 the ARC received additional funding through an earmark. [redacted] received a call from STEVENS office asking if ARC would be willing to conduct training for Russians. According to [redacted], ARC had not asked for the funding so it was a surprise to receive it. After the budget cuts, the final figure for funding was 2.7 million over three years. [redacted] explained that a substantial number of Alaskan companies were trying to do work in the Russian Far East. A majority of the contracts with these companies required that 70% of the work force labor come from Russia.

In order to affect this training, ARC worked with over 400 local companies. BP, Nachek, and Lyndon Transport were three of the companies that [redacted] could recall off the top of his head. [redacted] recalled that Nachek was doing a module on the northern slope. This training was set up so that 50% of the time was classroom work and the other 50% was conducting site visits.

[redacted] recalled that the companies contacted to assist where identified through a list obtained from the Alaska Support Industry Alliance. Many of the companies declined to assist. It was difficult for ARC to get trainers.

[redacted] that approximately 150 individuals were trained through the DOL earmark received in 1999/2000. Eighty two completed the project management course; fifty two completed the logistics management course; nine completed the train-the-trainer for project management; seven completed the train-the-trainer for logistics management; and twenty seven completed the technical supervisor course. b6 b7C

In addition to earmarks and funds from USAID, ARC is funded through grants. [redacted] writing grants. ARC's current grant funding will end in March 2007 and funds received from USAID will end in August 2007. Some of the smaller grants are involved with providing assistance to Russian orphans. This program seeks to train social workers to provide for needs in the orphanages. [redacted] explained that there are a large number of children in the Russian orphanages. Russian orphanages serve not only children who have no parents, but also delinquent/troubled and/or abandoned children.

[redacted] the University of Alaska to assume the funding for the activities of the ARC as international studies. USAID is also looking at public health management in Russia. [redacted] is of the belief that our government needs to figure out a back way to keep the Russians moving forward. Going in and demonstrating for them how it should be done does not work. They need to see for themselves how it has been done and look to accomplish these things themselves.

According to [redacted] USAID is only focused on giving the Russians "stuff." To [redacted], this approach does not work. [redacted] is of the belief that the Russians need to be shown how it has worked. [redacted] explained that, in training the Russians that have been brought to Alaska, they are told that the majority of the Anchorage infrastructure has essentially been built since the 1964 earthquake. When the Russians see what has been accomplished in just over 30 years, they leave with the sense that they too can accomplish this in Russia.

[redacted] commented that he was surprised when the additional earmark was received in 1999/2000. ARC was not involved in asking for this funding. [redacted] was aware that the funding was coming. [redacted] thought that [redacted] may know more about the earmark funding. At the time, [redacted] was the [redacted] at the University of Alaska Workforce Development [redacted] has since retired and is now living on the Kenai Peninsula. [redacted] thought

that VECO may have had some sort of role in obtaining the DOL funding. [redacted] recalled that VECO was one of the companies that did not participate in the training program. [redacted] explained that VECO's partner in Russia, Sakhalin Monefly Gas/Ross Neft would not give permission for their employees to participate in the program. While the training was ongoing, ARC took folks down to VECO on two occasions for a site visit. [redacted] did not have any discussions with any of the companies about the DOL funding. [redacted] had no knowledge of how the DOL earmark came about. He was only aware after the funding was provided. b6 b7C

[redacted] was complimentary of STEVENS work and in the genuine interest STEVENS has taken in assisting the Russian Far East. [redacted] explained that Russia is the second largest energy producer and that five of the "Frontier" oil fields are located in the Russia Far East. Additionally, the Russia Far East is where Russia, the United States and China all come together. This area of the world is very important to the United States. [redacted] explained that there are only eight million Russians living in the Russian Far East compared with three hundred million Chinese living just across the border. [redacted] commented that the Chinese are "rubbing their fingers on the curtain" looking to get access to those oil fields. At current production levels, the oil fields in the Russian Far East are projected to begin running dry in 2015.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 02/28/2007

[redacted], date of birth [redacted], Social Security Account Number [redacted] Alaska, telephone number [redacted] date of birth [redacted] telephone number [redacted] an attorney representing [redacted] telephone number [redacted] and [redacted] were interviewed at the FEDERAL BUREAU OF INVESTIGATION (FBI), 101 E. 6th Avenue, Anchorage, Alaska. After being advised of the identities of the interviewing agents and the nature of the interview [redacted] and [redacted] provided the following information:

[redacted]

[redacted] stated they have documents they wanted to give the FBI, from their positions as [redacted] if subpoenaed.

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Investigation on 02/26/2007 at Anchorage, Alaska

194A-AN-13620-TSTEVENS, 194A-AN-13620-[redacted]

File # 194A-AN-13620-302 56 Date dictated 02/28/2007

by SA [redacted] / SA pet

FBI - Stevens-3835

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 02/28/2007

GRAND JURY MATERIAL - DISSEMINATE PURSUANT TO RULE 6(e)

[redacted] date of birth [redacted] [redacted] telephone number [redacted] [redacted] date of birth [redacted] [redacted] telephone number [redacted] met with Special Agents [redacted] and [redacted] were served with Federal Grand Jury subpoenas. In response to the subpoenas, [redacted]

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It should be noted that [redacted] telephone number [redacted] an attorney representing [redacted] and [redacted] telephone number [redacted] an attorney representing [redacted] were contacted by SAs [redacted] prior to making contact with [redacted] Both attorneys agreed to have their clients served subpoenas in person.

Investigation on 02/27/2007 at Eagle River, AK
194A-AN-13620 [redacted]
File # 194A-AN-13620; 194A-AN-13620-TSTEVENS-57 Date dictated
SA [redacted]
by SA [redacted] :slm

FBI - Stevens-3836

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 02/28/2007

[redacted] date of birth [redacted] Social Security Account Number [redacted] who resides at [redacted], Anchorage, Alaska, was interviewed at the UNITED STATES ATTORNEY'S OFFICE, 222 West 7th Avenue #9, Suite #253, Anchorage, Alaska. Present at the interview were AUSA [redacted] IRS SPECIAL AGENT [redacted], and attorney [redacted] who represents [redacted] and VECO. After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] provided the following information:

[redacted]

[redacted] located in the Fabrication Shop (Fab Shop).

[redacted]

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[redacted] stated from time to time he was aware of special projects which were for [redacted] These projects were not typical VECO oil / gas industry projects. [redacted] knew of one special project for [redacted] which took place between 1999 and 2002 at TED STEVENS' cabin in Girdwood, Alaska.

[redacted] to the Girdwood project. [redacted] to the project to review and keep track of costs associated with the work completed at Girdwood. A separate job code was set up for Girdwood, but [redacted] could not recall the exact number.

Investigation on 02/26/2007 at Anchorage, Alaska

194A-AN-13620-TSTEVENS-58

File # 194A-AN-13620-302 Date dictated 02/28/2007

FBI - Stevens-3837

by SA [redacted]:pet

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[redacted] does not recall the specifics of the work completed, but knew it was related to a remodel or renovation of STEVENS' cabin. [redacted] advised there was a "crew" of VECO employees from the Fab Shop working at Girdwood. The crew and project were run by [redacted] b6 b7C STEVENS' cabin to [redacted] mentioned the STEVENS' cabin in a "passing comment." [redacted] made a "passing comment" about STEVENS' cabin. [redacted] did not recall the exact comments made by [redacted]

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 02/28/2007

[redacted] date of birth [redacted] Social Security Account Number [redacted] was interviewed at the UNITED STATES ATTORNEY'S OFFICE, 222 West 7th Avenue #9, Suite #253, Anchorage, Alaska. Present at the interview were AUSA [redacted] IRS SPECIAL AGENT [redacted] and attorney [redacted] representing [redacted] and VECO. After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] provided the following information:

[redacted] started with VECO as an [redacted] the Fabrication Shop (Fab Shop) and held the position of [redacted]

During [redacted] was aware of a project being conducted on TED STEVENS' "chalet" in Girdwood, Alaska. [redacted] knew a job code was assigned to the STEVENS' project but did not know the exact number. The work completed at Girdwood [redacted] b6 b7C

[redacted] laborers and sub-contractors for various projects including Girdwood. [redacted] was not involved in the hiring of employees. Approvals for new employees would need to be obtained through the human resources department. [redacted] Sub-contractors would be approved through the procurement and sub-contract department [redacted]

[redacted] recalled the following employees worked in the VECO Electrical Projects Group (EPG): [redacted]

Investigation on 02/27/2007 at Anchorage, Alaska

194A-AN-13620-TSTEVENS -59

File # 194A-AN-13620-302 Date dictated 02/28/2007

FBI - Stevens-3839

by SA [redacted] pet

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During the Girdwood project [redacted] into the VERTS payroll system. VERTS was the mainframe application used for payroll data entry for all Fab Shop employees. [redacted] recalled some time sheets would have the following handwritten descriptions: "TED STEVENS," [redacted] and "GIRDWOOD." The hours worked at Girdwood would be entered into VERTS. [redacted] recalled there was a payroll code with the description of "TED STEVENS GIRDWOOD."

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[redacted] the Fab Shop during the time work was completed at Girdwood. [redacted] was the Fab Shop [redacted]

[redacted] does not recall the specific type of work completed at Girdwood. At some point during the work at Girdwood, [redacted] learned, from conversations overheard at the Fab Shop, that a deck was being built at STEVENS' "chalet."

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 02/28/2007

Source, who is in a position to testify, provided the following information:

Source did not recall whether there was any landscaping performed at the residence of TED STEVENS in Girdwood, Alaska. Source recalled at the beginning of the remodel project, [redacted] The property had lawn in the back and sides but Source was unsure [redacted] Some work was performed at the side of the house at [redacted] Source believed [redacted] was placed there. Source is unsure but believes the house had a septic system in the back yard.

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Investigation on 02/28/2007 at Anchorage, Alaska (telephonically)

File # 194A-AN-13620-C; [redacted] Date dictated Typed 02/28/2007
194A-AN-13620-[redacted]; 194A-AN-13620-TSTEVENS — 60
by SA [redacted]/cej

b6
b7C
b7D

FBI - Stevens-3841

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 03/05/2007

On February 20, 2007, source provided a copy of an electronic mail (email) source found in his/her records. The document was provided to the FBI and placed in evidence. The email is from [redacted]

[redacted]

[redacted]

[redacted]

[redacted] responded same date, time [redacted] the following:

[redacted]

[redacted]

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Investigation on 02/20/07 at Anchorage, AK
194A-AN-13620 SUBS 302; [redacted] TSTEVENS -61
File # [redacted] 194A-AN-13620 Date dictated 03/05/07
FBI - Stevens-3842
by SA [redacted]

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 02/28/2007

[redacted] (further described below) was interviewed at the UNITED STATES ATTORNEY'S OFFICE, 222 West 7th Avenue #9, Suite #253, Anchorage, Alaska. Present at the interview were ASSISTANT UNITED STATES ATTORNEY (AUSA) [redacted] AUSA [redacted] and representing [redacted] and VECO, attorney [redacted] After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] voluntarily provided the following information:

Currently, [redacted] in the [redacted] at VECO ALASKA. In that capacity [redacted]

[redacted]

That meeting occurred several years ago when some of the VECO [redacted] were helping with a remodeling project on [redacted] Something had gone wrong with the work and [redacted] was quite upset about it.

In the time he has been with VECO, [redacted] recalls only two projects that involved work on a residential structure. One was the work done on [redacted] house, the other was a residence in Girdwood, Alaska. [redacted] was not sure exactly when the Girdwood project happened but was confident that it was before the work done on [redacted] house. The remodeling project at [redacted] house began in the [redacted]

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It was probably [redacted] (phonetic), who was [redacted] someone in the [redacted] on a residential remodeling job in Girdwood. [redacted] assumed that [redacted] had been told about the project from [redacted] assigned the work to [redacted]

[redacted]

s[redacted]

Investigation on 02/28/2007 at Anchorage, AK
194A-AN-13620 TSTEVENS -62
File # 194A-AN-13620-302; 300 Date dictated 02/28/2007
FBI - Stevens-3843
by SA [redacted] /SJD:sjd

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[redacted] logged to the Girdwood project. [redacted] could not recall specifics but remembered thinking that it seemed "to be a lot." [redacted] estimated that [redacted] worked on the Girdwood project off and on for approximately [redacted] weeks.

AUSA [redacted] showed [redacted] a series of [redacted] acknowledged that these were the type of [redacted] Girdwood remodeling project.

Typically, all work projects are assigned a job number. Often though, employees will perform tasks or devout time to duties that cannot be directly related to one project. Examples of this might include training, or in-house maintenance work. It is ultimately the responsibility of someone outside the [redacted] to attribute the expenses to an appropriate job number. [redacted]. b6 b7C

Until very recently, [redacted] thought the house in Girdwood for which his department did work was [redacted] house. Only recently did he learn that the home belonged to THEODORE STEVENS. [redacted] stated that he in fact has never seen the house.

The following descriptive and biographical data were obtained through observation and interview:

Name:	[redacted]
Address:	[redacted] Anchorage, AK [redacted]
Telephone:	[redacted] (work)
Sex:	Male
Race:	White
Date of Birth:	[redacted]
Place of Birth:	[redacted]

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 03/9/2007

A source who is in a position to testify provided the following information:

The source met United States Senator TED STEVENS in approximately [redacted] after STEVENS had already been appointed to the United States Senate. [redacted] They would occasionally meet at public functions. [redacted]

[redacted] STEVENS [redacted] and STEVENS [redacted] campaign for the United States Senate. This was the same time, [redacted]

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Investigation on 03/08/2007 at Anchorage, AK (telephonically)

File # [redacted] 194A-AN-13620-TStevens-63 Date dictated Typed 3/9/07

FBI - Stevens-3845

by SA [redacted]

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194A-AN-13620-TSTEVENS 64
SJD:sjd

The following investigation was conducted by Special Agent (SA) [redacted] on 03/07/2007:

[redacted] voluntarily appeared at the United States Attorney's Office, 222 West 7th Avenue #9, Suite 253, Anchorage, Alaska. [redacted] provided information regarding his job duties when he worked for VECO Alaska between [redacted] Present at the time [redacted] provided these details were Assistant United States Attorney (AUSA) [redacted] AUSA [redacted] SA [redacted] and SA [redacted].

Prior to working for [redacted] worked as a [redacted] for VECO Alaska. During his time with VECO [redacted] When specifically asked about VECO projects in Girdwood, Alaska, [redacted] said that he had never heard of VECO Alaska do any construction jobs in that area. He was sure he had never worked on any projects in Girdwood.

[redacted] was asked if he had ever worked on smaller projects such as one that cost in the neighborhood of $200,000. [redacted] The only small project he recalled working was a renovation on the house of [redacted]

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The following descriptive and biographical data was obtained through observation and interview:

Name:	[redacted]
Telephone:	[redacted] (work)
Sex:	Male
Race:	White
Date of Birth:	[redacted]
Employment:	
E-Mail Address:	

745SDRI.INS

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 03/08/2007

[redacted] (further described below) was telephonically contacted at his place of employment. Also participating in the telephonic interview were Assistant United States Attorney (AUSA) [redacted] and attorney [redacted] who was representing VECO and [redacted] After being apprised of the nature of the interview and the identities of everyone participating in the interview, [redacted] voluntarily provided the following information:

[redacted] is currently employed with VECO as [redacted] His home office is in [redacted]

[redacted] for VECO. In that position [redacted] in many different disciplines. Sometime between [redacted] some VECO employees worked on a major renovation of [redacted] in Anchorage, Alaska. [redacted] for VECO under [redacted] had specifically asked for [redacted] to help [redacted] for the house renovations. [redacted] does not recall anyone else from the [redacted] Department being directly involved in the [redacted] house project; although some of the [redacted]

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[redacted] for renovation work done on SENATOR TED STEVENS house in Girdwood, Alaska. [redacted] could not recall if the [redacted] renovation was done before or after the STEVENS house, but felt sure they were in the same

Investigation on 03/07/2007 at Anchorage, AK (telephonically)
194A-AN-13620-302
File # 194A-AN-13620-TSTEVENS -65 Date dictated 03/08/2007
SA [redacted]
by SA [redacted] /SJD:sjd

FBI - Stevens-3847

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general time frame around 2000 or 2001. [redacted] to do some work for the TED STEVENS house project. [redacted] also recalled having several conversations with [redacted] mentioned that the STEVENS house project was turning into more work than he thought it would be. [redacted] thought that other VECO employees worked on the STEVENS house but he could not be sure of that. Once [redacted] finished his work, [redacted] were essentially through with their role in the project. It was [redacted] best recollection that the permits needed for the Girdwood house renovation [redacted]

[redacted] the TED STEVENS house work, [redacted] charge the time to the overhead account for the General Manager of Engineering. [redacted] never initiated any invoices pertaining to either of the projects.

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[redacted] was asked if he was acquainted with VECO employees [redacted] did not know [redacted] recalled that [redacted] had done a great deal of work on the [redacted] house renovation project.

The following descriptive and biographical data was obtained through interview:

Name: [redacted]
Address:

Telephone: [redacted] (work)
[redacted] (cell)

Sex: Male
Race: White
Date of Birth: [redacted]

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 03/16/2007

[redacted] The source received the following information from regarding the 2004 situation regarding a press inquiry about VECO's work on TED STEVENS' Girdwood residence:

"While Senator Stevens was Chairman of the Senate Appropriates Committee, [redacted] On one occasion [redacted] about a call [redacted] from a female reporter in Alaska regarding work VECO had done on Senator Stevens' cabin in Girdwood. The reporter [redacted] had a male source that claimed he worked for VECO on overseeing things that were done on the cabin and insinuated that he had inside information on the project. [redacted]

[redacted] asked Senator Stevens about the reporter, [redacted] take the issue to him at some point.

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My best estimate is that this occurred either in the [redacted]. I also don't know who the reporter was with, but I remember it being [redacted]

[redacted]

Investigation on 3/2/2007 at Anchorage, AK

File # [redacted]; 194A-AN-13620-TSTEVENS-66 Date dictated typed on 3/16/07

by SA [redacted] mbk

FBI - Stevens-3849

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 03/08/2007

[redacted] Anchorage, Alaska, cellular phone [redacted] was telephonically interviewed from the United State Attorney's Office, Anchorage, Alaska. Also present during the interview were Assistant United States Attorney (AUSA) [redacted] and [redacted] attorney, [redacted] After being advised of the identities of the interviewing agents and the nature of the interview, [redacted] provided the following information:

1/2 SLT

[redacted] earned a degree in [redacted] for VECO Corporation (VECO) for approximately [redacted]. Prior to this, [redacted]

In addition to his responsibilities with VECO in Anchorage, Alaska, [redacted] participated in VECO projects [redacted]

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b7C

[redacted] was aware that VECO had done commercial projects for a few years for Best Buy stores. [redacted] also indicated that he was aware of projects conducted in Girdwood, Alaska, by Norcon.

[redacted] overheard that VECO employees, were used to "put up" Christmas decoration lights at Ted Stevens' house in Alaska. [redacted] did not recall from whom he had heard this information.

[redacted] for a long time. [redacted]

Investigation on 03/07/2007 at Anchorage, Alaska (telephonically)

File # 194A-~~SU~~ AN-13620 - T Stevens - 67 Date dictated 03/08/2007

SA [redacted] jlt

by SA [redacted]

FBI - Stevens-3850

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[redacted] is also an acquaintance of Rocky Williams. Williams is the "head guy" for [redacted] projects. Williams also helped [redacted] coordinate fund raisers. [redacted] could not remember whether Williams organized the installations of Christmas decorating lights at Stevens's house or did the actual installation himself.

[redacted] They were not employed by Norcon during the period in which [redacted]

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[redacted] had no knowledge of renovations done at Stevens' house in Alaska by VECO. [redacted] recently became aware of this issue through his attorney. [redacted] also indicated that he did not participate in the renovation of [redacted] residence.

[redacted] indicated that Norcon equipment may have been used during the renovation of [redacted] residence. [redacted] also remembered work being done on a cabin for [redacted] Alaska.

[redacted]

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 03/19/2007

Source, who is not in a position to testify, provided the following information:

TED STEVENS' GIRDWOOD HOME

[redacted]TED STEVENS (STEVENS), wanted a better place to live than the shack they owned in Girdwood, Alaska. [redacted] all the construction and money that went into the remodel of STEVENS Girdwood home. [redacted]

[redacted] on the Girdwood project and worked on the [redacted] Among other things, hot tubs and standby generators were installed. [redacted] was paid the full amount due. However, others who worked on the job were told they had to charge less than normal, either to repay a favor to STEVENS or in the hopes of receiving a future favor from STEVENS. Overall, the project was done at no real cost to STEVENS. If STEVENS paid much, he only paid a fraction of the normal cost.

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[redacted] and understands politics, the power structure, and political undercurrents. [redacted] has been privy to many conversations involving sensitive issues. [redacted] was asked to work on the Girdwood project, probably by [redacted] especially because the media was near Girdwood often, [redacted]

Investigation on 03/16/2007 at Anchorage, Alaska

File # [redacted] 194A-AN-13620-C; Date dictated Typed 03/19/2007
194A-AN-13620-TSTEVENS; 194A-AN-13620-FBI - Stevens-3852
by SA [redacted]/cej

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

[redacted] Back in the days of the EXXON oil spill, [redacted] EXXON paid VECO to assist in cleaning up the oil spill and VECO [redacted]

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[redacted]

Before the media revealed the criminal investigation of [redacted]

TED STEVENS [redacted] On multiple occasions, [redacted] flew STEVENS out to [redacted] Alaska, [redacted] would wine and dine STEVENS. Source believed that in exchange for these benefits to STEVENS, [redacted] probably handles STEVENS' personal [redacted] as well.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 03/24/2007

A source who is in a position to testify provided the following information regarding an email received from United States Senator TED STEVENS sent from email account teds8042@bbi.senate.gov on [redacted]

[redacted]

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Investigation on 9/24/2006 at Anchorage, Alaska

File # [redacted] 194A-AN-13620-TSTEVENS -69 Date dictated n/a

FBI - Stevens-3854

by SA [redacted]

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 12/22/2006

A source who is in a position to testify provided the following information regarding an email dated [redacted] from United States Senator TED STEVENS using email account teds8042@bbi.senate.gov:

Subject: FW: [redacted]

[redacted]

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Investigation on 10/29/2006 at Anchorage, Alaska

File # [redacted] 194A-AN-13620-TSTEVENS -70 Date dictated n/a

FBI - Stevens-3855

by SA [redacted]

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This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 03/26/2007

A source who is in a position to testify provided the following additional information regarding the renovations of United States Senator TED STEVENS Girdwood residence:

MARK TYREE who was paid by VECO CORPORATION installed the baseboard heating in the new areas of the Girdwood residence.

On the outside of the Girdwood residence was a set of stairs that ran from the second story deck to a landing at ground level. The steel stairs and the landing were fabricated and installed by VECO personnel. In addition to the stairs, some of the underlying support for the deck was also made of steel and installed by VECO personnel. The source said that anything contained in the residence that was made of steel was probably installed by VECO. This also included a fire escape in the rear of the residence. The footings were created by VECO by inserting sonotubes into the ground and filling them with concrete. The posts for the decks were built on top of the footings. [redacted] the installation of the first floor deck which was built towards the end of the job.

[redacted] The bronze salmon statue was very heavy and was approximately 3-4 feet wide and 4.5 feet tall. The source thinks that the expense for the statue was $40,000 and that [redacted] The idea was the statue would be on loan to STEVENS until such time as the statue could be moved to a library or some facility built in STEVENS' honor.

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[redacted]

Investigation on 3/2/2007 at Anchorage, Alaska

File # [redacted] 194A-AN-13620-TSTEVENS-71 Date dictated typed on 3/26/07

by SA [redacted] SA [redacted]: mbk

FBI - Stevens-3856

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

[redacted] The old kitchen cabinets were moved into the garage and new cabinets and counter tops were installed. The new Corian counter tops were made off site and then installed by [redacted] The counter tops fit perfectly into place. The source said that the bedrooms had not been painted at the time [redacted] the garage side of the house that spanned the first and second floors. This window prevented the garage from being as deep as it could have been.

The STEVENS' was aware that WILLIAMS [redacted] were VECO employee's and that they were helping on the renovations. [redacted] never asked for an invoice from VECO for the work that the company performed. [redacted]

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Either [redacted] a problem with the ice on the roof. [redacted] STEVENS that the only way to solve the problem was to install heat tape on the roof's edge to prevent the ice from forming. The heat tape was installed by VECO employees; however, the sensor on the heat tape malfunctioned. [redacted] to fix the problem. [redacted] the source of the problem and corrected it. STEVENS did not offer to pay for the heat tape [redacted] The source felt that if the roof was properly designed then the problem would not have occurred.

STEVENS noticed that there were no racks in the garage to hang skis. STEVENS also requested that shelving be installed in the garage. [redacted] the shelving and the ski rack. The garage also needed steps from the house to the garage. [redacted] a work bench in the garage. [redacted]

[redacted] STEVENS obtained a loan from the National Bank of Alaska for the renovations. The source does not know the amount of the loan.

WILLIAMS said that he could get a good deal for the exterior painting; however, STEVENS did not want to use the painter WILLIAMS identified. [redacted] (last name unknown), might have been involved in getting the [redacted] The source doesn't know who paid for the painter. [redacted] The source believes the painting occurred as late as 2002.

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[redacted] also went to the Girdwood residence when there was a problem with [redacted] took someone with him who was able to repair the [redacted]

The source gave [redacted] to purchase a [redacted]. The source paid to ship [redacted] from Anchorage to [redacted] and [redacted] did not charge [redacted] for the transportation of the vehicle.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 03/28/2007

A source who is in a position to testify provided the following information regarding a conversation with [redacted]

The source had a five to ten minute conversation with [redacted] which was not recorded. [redacted] did not have TED STEVENS schedule and explained that STEVENS' [redacted] STEVENS was not jumpy but he was worried about creating a perception that he was obstructing justice. [redacted] a criminal defense attorney, he would have already initiated an investigation into ROCKY WILLIAMS [redacted] in addition to his/her other attorney's. [redacted] said that he did not know what [redacted] WILLIAMS were saying to FBI.

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Investigation on 9/29/06 at Anchorage, Alaska

File # [redacted] 194A-AN-13620-TSTEVENS 73 Date dictated Typed 03/28/06

by SA [redacted] mbk

FBI - Stevens-3859

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 03/01/2007

A source who is in a position to testify provided the following information regarding the addition and remodeling of the residence of Unites States Senator TED STEVENS:

When asked about [redacted] the source recalled that [redacted] was an [redacted] employed by VECO Corporation. The source had [redacted] the expansion and renovation of TED STEVEN's residence in Girdwood, Alaska [redacted].

STEVENS talked for several years about increasing the size of his home in Girdwood to better accommodate his [redacted] STEVENS considered buying the house across the street but decided against this because of potential problems with the foundation. STEVENS' original idea was to simply add one large room under the existing structure by jacking up the house and using the existing footprint; however, [redacted], wanted a bigger house. [redacted], STEVENS [redacted] sketch outlining their ideas for increasing the size of the house. The sketch included removing the arctic entry and expanding the kitchen by 20 feet. This expansion allowed for an additional bedroom on the first floor. The source does not believe the original sketch included a garage. [redacted] STEVENS that VECO had an architect who could prepare the drawings for the addition to the Girdwood residence. STEVENS [redacted]

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[redacted] STEVENS talked about what he envisioned for the expansion and renovation of his Girdwood residence. [redacted]

Investigation on 2/28/2007 at Anchorage, AK

File # [redacted] 194A-AN-13620-TSTEVENS -73 Date dictated Typed 3/1/07

by SA [redacted]

FBI - Stevens-3860

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[redacted] STEVENS. [redacted] STEVENS for the work that [redacted] performed; however, the source believes that STEVENS would have paid an invoice if he had received one.

[redacted] lights on a large evergreen tree on STEVENS' property. [redacted] a man-lift which was either rented or supplied by VECO in order to hang the lights. [redacted] STEVENS. [redacted] the employees working on the Girdwood residence to keep quiet about the lighting project because he/she did not want the neighbors to know that VECO was working on STEVENS' residence. [redacted]

When the Girdwood project started, [redacted] STEVENS thought the work could be done by VECO employees; however, after the project was underway, [redacted]

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[redacted] VECO employees work on a small project of removing brush from STEVENS' yard. [redacted] to cut down a tree in the yard that was leaning dangerously. The source believes that STEVENS paid the man who cut down the tree. VECO employee's stacked and helped cut the wood from the tree.

A work shop was built into the garage of the residence at the request of STEVENS. [redacted] purchase hand tools and a tool chest to put into the work shop. These items were paid for by VECO Corporation. The tool chest stood approximately three feet tall and three feet wide. STEVENS thanked [redacted] for the tools. On one or two occasions, [redacted] STEVENS worked in the shop and utilized the tools

[redacted] Originally, the garage was built to hold two cars parked end to end; however, when the residence was expanded, the original heating system was not adequate, so a new boiler was installed in the back of the garage. MARK TYREE installed the boiler and baseboard heating throughout the residence. TYREE was paid by VECO Corporation for his work.

[redacted] STEVENS' office received a telephone call from a reporter for a small native newspaper from Alaska who inquired if VECO performed work on STEVENS' cabin in Girdwood. In response to this information, [redacted] it was just a bunch of drunks in a bar talking and that there was nothing to it. [redacted] STEVENS later [redacted] he had contacted the newspaper reporter and volunteered copies of the Christensen Builder invoices. STEVENS [redacted] worry about it because the reporter "was satisfied."

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[redacted] discussed the allegations made to the reporter. The source explained that he/she [redacted] STEVENS by [redacted] work that VECO performed to STEVENS' Girdwood residence. The [redacted] STEVENS after STEVENS had helped [redacted].

A year later, [redacted]

In relation to the work on the Girdwood residence, STEVENS [redacted] completion of the Girdwood renovation project. STEVENS said he wanted to pay [redacted] an invoice. [redacted] STEVENS' request and STEVENS never again asked for an invoice for the renovations.

[redacted] system in STEVENS' Girdwood residence. [redacted] an employee from VECO, to address the problem. After assessing the situation, [redacted] to fix a problem with the [redacted] however, it was later discovered that [redacted] and corrected the problem. [redacted] for the costs of the [redacted] did a poor job which amounted to more labor charges than what should have been incurred. To ensure that STEVENS was not paying for [redacted]

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U.S. Department of the Interior
Office of Inspector General
Office of Investigations

Portland Resident Office
U.S. Department of the Interior
Office of Inspector General
Columbia Tech Center
1498 SE Tech Center Place
Room 165
Vancouver, WA 98683
Office (360)253-9193 Fax (360)253-9190

Facsimile Transmittal

b6 Per FBI
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Date: 04/11/07 **Pages (incl. cover):** 4

SA

To: [redacted]

907/ 265-8400
Phone/Fax:

From:

Subject:

Comments:

This fax may contain confidential or privileged information. If you are not the intended recipient or have received this information in error, please notify the sender immediately and destroy all materials received. Any unauthorized copying, disclosure or distribution of these materials is strictly forbidden.

FBI - Stevens-3864

— AGENTS OF POSITIVE CHANGE —

194A-AN-14699-12
194A-AN-13620-TStevens-74

b6 Per Interior/FBI
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[redacted]/SAC/OIG/DOI
04/05/2007 11:34 AM

To [redacted]@leo.gov
cc
bcc
Subject Alaska Sea Life Center

[redacted]

As requested, a brief summary on our preliminary findings:

In December, 1994, Senator Ted Stevens pushed the EVOS Trustee Council to authorize the expenditure of $25 million dollars to help create the Alaska Sea Life Center (ASLC) in Seward, AK. The center opened in 1998 and is run by The Seward Association for Advancement of Marine Science (SAAMS) through a Board of Directors. Previous Board members include Trevor McCabe and Dale Lindsey. The center receives continued funding through Congressional appropriations made by Senator Stevens, federal grants, and other sources of revenue. The North Pacific Research Board, created by Senator Stevens has previously provided research grants to ASLC. Trevor McCabe has been on the Board of Directors of that organization. In 2001 Senator Stevens even established the "North Pacific Marine Research Institute" to be administered at the Alaska Sea Life Center by the North Pacific Research Board. (Public Law 106-291, H.R. 4425, Section 5008). According to a newspaper article dated 04/23/06, ASLC has also received funding/grants from the At-Sea Processor's Association while Trevor McCabe was head of that organization.

In March, 1999, Senator Ted Stevens co-sponsored a controversial bill in Congress that released the remaining Exxon Valdez Oil Spill (EVOS) Settlement money from the federal court system (CRIS) and moved it to income producing obligations in the "Natural Resource Damage Assessment and Restoration Fund". Senator Stevens included a section that allowed some of the monies (estimated at $115 million) to go toward "community and economic restoration projects and facilities". Then Assistant Attorney General, DOJ Environmental Division Lois Schiffer strongly opposed the legislation as it went against the original Consent Decree and MOA signed by the funds' trustees. A written statement by Schiffer appended to the legislation reads "The MOA requires that these funds be used "for the purposes of restoring, replacing, enhancing, rehabilitating, or acquiring the equivalent of the natural resources injured as a result of the Oil Spill and the reduced or lost services provided by such resources. Plainly, expenditures for economic restoration projects and facilities unrelated to the restoration or protection of natural resources would be inconsistent with this mandate, and thus contrary to court orders approving the consent decree and MOA to the Clean Water Act, which provides the statutory authority for the EVOS settlement."

On 04/14/2003, business partners Trevor McCabe [redacted] and Dale Lindsey filed a new Limited Liability Company by the name of Centennial Group LLC with the Alaska Department of Commerce.

On 04/30/2003, the Centennial Group, LLC, purchased a property located at 134 Fourth Avenue, Seward, AK, also known as the "Arcade Property". (Kenai Peninsula Borough Parcel Number 14910001). During this same time frame, the group also purchased another property known as "Old Solly's" in dowtown Seward.

In Section 344 of Public Law 108-447, the Department of Interior and Related Agencies Appropriations Act of 2005, Senator Stevens earmarked funds previously appropriated "for such purpose" under Public Law 106-291 ($1,630,000.00) and Public Law 108-199 ($2,300,000) (Research inconclusive on where this money came from - NPS employees advised that this money was originally appropriated to the U.S. Forest Service (Deparment of Agriculture) and then diverted to NPS after negotiations between Forest Service and the University of Alaska fell through). This law stated: the National Park Service shall (1) not later than 60 days after enactment of this section purchase the seven parcels of real property in Seward, Alaska identified by Kenai Peninsula tax identification numbers 14910001 (the Arcade Property), 14910002, 14911033, 14913005, 14913020, 14913007, and 14913008 that have been selected for the administrative complex, visitor facility, plaza and related parking for the Kenai Fjords National Park and

b6 Per Interior
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Chugach National Forest which shall hereafter be known as the Mary Lowell Center; and (2) transfer to the City of Seward any remaining balance of previously appropriated funds not necessary for property acquisition and design upon the vacation by the City of Seward of Washington Street between 4th Avenue and 5th Avenue and transfer of title of the appropriate portions thereof to the Federal Government, provided that the City of Seward uses any such funds for the related waterfront planning, pavilions, boardwalks, trails, or related purposes that compliment the new Federal Facility.

This action took the NPS completely by surprise. They did not pass the information about what parcels of land they were looking at to the Senator's office and had already decided they didn't need all 7 parcels for their purposes. Following a "Waterfront study" by a hired consultant the NPS had already decided they didn't need to purchase the Arcade property. On 09/22/03 the Seward City Council approved "Resolution 2003-100" supporting the "Preferred Alternative, Concept 3, Town Center from the Waterfront Study" that did not include the Arcade property. An NPS employee went so far as to state that he "strongly suspected that Trevor McCabe had forwarded the land parcel information to Senator Steven's office through long time associate and friend [redacted] who was allegedly Steven's [redacted] at the time. This NPS employee further stated that he was aware that [redacted] was heavily involved in writing the legislation that was passed.

After the legislation passed, the NPS had Government appraisals done on all seven properties and began negotiations with the 5 land owners (The Centennial Group owned two properties and another land owner owned two properties). The Centennial Group had their own appraisal done on the Arcade property and were very angry at the low amount of the Government appraisal on the Arcade property. The Government had appraised the Arcade property at $94,000.00 due to the cost of cleanup of hazardous materials on the site. The Centennial Group was asking $460,000.00 for the Arcade property. Negotiations between the Centennial Group and the NPS continued between 09/24/03 and 06/10/05, when NPS gave their final offer to the Centennial Group before sending a letter to Senator Steven's office advising that they were unable to purchase all the properties as instructed in the appropriation earmark. During this process, NPS employees advised they received pressure from the Senator's office to purchase all seven land parcels. On 02/18/05, in a conversation between an NPS employee and Trevor McCabe, McCabe stated that "he did not understand why we are not buying all the parcels as Section 344 says we should." During another conversation with Trevor McCabe on 06/08/2005 McCabe indicated that he" would be willing to sell just the Old Solly's parcel and retain the Arcade parcel and renovate it for another use, perhaps to lease to the Sea Life Center."

In late July, 2005, within the Department of Interior, Environment and Related Agencies Appropriations Act, 2006, Senator Stevens ammended Section 344 of Public Law 108-447 to read, in part: "by striking all language after "(2)" and inserting in lieu thereof "immediately transfer to the Alaska Sea Life Center for various acquisitions, waterfront improvements and facilities that complement the new Federal facility, any remaining balance of previously appropriated funds." (1.6 million) It appears that the language in this bill was changed at some point between when it was debated in Congress and when it was actually passed because Senator McCain references the Alaska Sea Life Center earmark while speaking on the Bill in Congress on 07/29/2005 as an earmark for "eider and sea otter recovery work at the Alaska Sea Life Center". (These may be new funds in addition to the re-appropriated funds from the 2005 Bill).

On 03/31/06 the Centennial Group added SAAMS (the Board that runs the Alaska Sea Life Center) to the Arcade property deed and on 07/27/06, the Centennial Group name was completely removed from the Deed for the Arcade property, leaving the Alaska Sea Life Center as the owner of the Arcade property. The sales price has not been verified, but newspaper articles state the sales price as $558,000.00. Further, according to the newspaper article - no master plan for the buildings use was created before the property purchase.

The Alaska Sea Life Center has also proposed to provide two hour boat tours of Resurrection Bay through an independent contractor from a dock at the center. According to a newspaper article, the independent contractor is Alaska Northern Outfitters, owned by Trevor McCabe. It is not clear where the source of funds for this proposal will come from.

SA[redacted]
U.S. Department of the Interior
Office of Inspector General
Western Region Investigations
Portland Resident Office
[redacted]

b6 Per Interior
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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 04/02/2007

[redacted] date of birth, [redacted] of [redacted] Anchorage, Alaska, [redacted] telephone number [redacted] was interviewed at the UNITED STATES ATTORNEY'S OFFICE located at 222 West 7th Avenue, Anchorage, Alaska. Also present during the interview was ASSISTANT UNITED STATES ATTORNEY (AUSA) [redacted] and Attorney [redacted] After being advised of the identity of the interviewing Agent and the purpose of the interview, [redacted] provided the following information:

[redacted] is currently employed at VECO ALASKA and has been such employed since approximately [redacted] first job at VECO was [redacted]

Regarding the TED STEVENS residence at Girdwood, Alaska. [redacted] was not aware of any budget or schedule of that project.

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The manner in which time expended on the Girdwood project was accounted for was by the Foreman of the project [redacted] which was attached to a job number and cost code. It is possible that the TED STEVENS project at Girdwood, Alaska could have been booked as another number, but it was [redacted] understanding that the project was TED STEVENS' residence.

[redacted]

Investigation on 04/02/2007 at Anchorage, Alaska

File # 194A-AN-13620-302-217
194A-AN-13620-TSTEVENS-75

Date dictated 04/02/2007

FBI - Stevens-3868

by SA [redacted] / KAB:kab

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

The people who helped at the STEVENS residence included [redacted] (PHONETIC) who used a VECO truck and equipment at the STEVENS residence in Girdwood, Alaska. [redacted] and [redacted] (PHONETIC). ROCKY WILLIAMS [redacted]

[redacted] The work performed at the Girdwood residence included work on a deck, painting and general remodeling. The Girdwood residence was referred to as a "chalet" or "castle" and because of this, [redacted] believed it was not a full time residence.

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The work at the Girdwood residence went on sporadically until early 2003. [redacted] about the number of hours spent at the Girdwood residence and other jobs or codes for a given time period.

VECO had an employee that [redacted] never met. [redacted] only saw the paper work associated with this employee. There was a joke at VECO about being a "ghost" employee. [redacted] was unsure of the name of this employee.

Employee names at VECO have occupational codes which indicate what type of work the employee performs.

[redacted] had no information concerning [redacted]

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 04/01/2007

[redacted] (further described below) was interviewed at the UNITED STATES ATTORNEY'S OFFICE, 222 West 7th Avenue #9, Suite #253, Anchorage, Alaska. Present and participating in the interview was ASSISTANT UNITED STATES ATTORNEY (AUSA) [redacted] After being advised of the identity of the interviewing agents and the nature of the interview, [redacted] voluntarily provided the following information:

During the [redacted] assigned to do [redacted] at SENATOR TED STEVENS' house in Girdwood, Alaska. The ownership of the house was first made known to [redacted] Work performed at the house by [redacted] the interior rough installation had been completed - or at least nearly completed - including painting. In addition to the [redacted] the work on [redacted] estimated that he worked at the Girdwood location for at least [redacted] but it could have been a bit longer.

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Materials used by [redacted] at the STEVENS' house were usually already at the site. Occasionally [redacted] would have to obtain some materials himself. When he did, the cost of the materials was billed to CHRISTENSEN BUILDERS.

While working at the STEVENS' house, [redacted] frequently saw some employees from VECO ALASKA working there also. [redacted] remembered a man known as [redacted] and another man who went by the last name of [redacted] also occasionally worked at the site. By [redacted] observations, ROCKY was coordinating the VECO work. [redacted] mostly did [redacted] work.

Investigation on 03/28/2007 at Anchorage, AK
File # 194A-AN-13620-302 ~~194A-AN-13620-TSTEVENS~~ -218 -176
SA [redacted]
by SA [redacted] /SJD:sjd

Date dictated 04/01/2007

FBI - Stevens-3870

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

SENATOR TED STEVENS came by the work site on a few different occasions while [redacted] was working there. On one or more occasions STEVENS was accompanied by [redacted] SENATOR STEVENS spoke briefly with the workers and was cordial. SENATOR STEVENS spoke more with ROCKY than the other workers.

[redacted] VECO ALASKA. [redacted] on more than one occasion at the STEVENS' house. [redacted] does not recall seeing [redacted] and SENATOR STEVENS together at the house.

[redacted] is also acquainted with a man by the name of [redacted] several times at the Girdwood work site. On one or more occasions [redacted] saw [redacted] and SENATOR STEVENS [redacted]

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The following descriptive and biographical information was obtained through interview and observation:

Name: [redacted]
Address:

Telephone: [redacted] (cell)
Sex: Male
Race: White
Date of Birth: [redacted]
Employment:
(Has in the past worked as a [redacted]

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 03/06/2007

GRAND JURY MATERIAL - DISSEMINATE PURSUANT TO RULE 6(e)

On [redacted] [redacted] provided SA [redacted] with [redacted] pursuant to a Federal Grand Jury Subpoena issued by the United States District Court, District of Alaska.

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The aforementioned documents have been submitted to the 1-A section of this file.

Investigation on 03/06/2007 at Anchorage, Alaska

File # 194A-AN-13620 - T Stevens - MM

Date dictated 03/06/2007

FBI - Stevens-3872

by SA [redacted]

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 04/13/2007

A source who is in a position to testify provided the following information:

A newspaper reporter from Knight Ridder spent several weeks in Alaska investigating the relationship between native corporations and major corporation to utilize the native corporations 8A status. The reporter was also inquiring about the Federal Bureau of Investigation's case of public corruption in Alaska. The reporter was speculating that United States Senator TED STEVENS was a target of the investigation.

Investigation on 04/12/2007 at Anchorage, Alaska (telephonically)

File # [redacted] 194A-AN-13620-TSTEVENS -18 Date dictated Typed on 4/13/07

FBI - Stevens-3873

by SA [redacted]

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This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 05/06/2007

A source who is in a position to testify provided the following information regarding a visit from [redacted]

While the source was meeting with [redacted] said that TED STEVENS wanted to [redacted] and wanted to talk about how that could occur. [redacted]

b6
b7C
b7D

Investigation on 5/6/07 at Anchorage, AK (telephonically)

File # [redacted] 194A-AN-13620-TSTEVENS-79 Date dictated Typed on 5/6/07

FBI - Stevens-3874

by SA [redacted]

b6
b7C
b7D

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

124MSK01.302

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 04/20/2007

[redacted] described as a white male, date of birth [redacted] telephone number 907-360-3061 was interviewed at the United States Attorney's Office, Anchorage, Alaska. Also present during the interview were Assistant United States Attorneys (AUSA) [redacted]. After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] provided the following information:

[redacted] started working for VECO [redacted]

During [redacted] Around [redacted]

[redacted] was aware of work performed at Senator TED STEVENS' chalet in Girdwood, Alaska. [redacted]

b6
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[redacted] did small projects at the chalet per direction of [redacted] The code used to bill the work went to overhead costs for VECO Construction. [redacted] overhead account and after a while the costs were billed to the VECO Corporate account.

[redacted] went to the STEVENS' chalet in [redacted]

Investigation on 04/20/2007 at Anchorage, Alaska

File # 194A-AN-13620-TSTEVENS-80
194A-AN-13620-302

Date dictated 04/20/2007

by SA [redacted] / KAB:kab

FBI - Stevens-3875

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

[redacted] No one was billed for the cost of this repair. TED STEVENS sent [redacted] with a thank you note for making the repair.

The need for the repair at the chalet was made known to [redacted] after STEVENS had called [redacted] concerning the repairs needed.

b6
b7C

[redacted] for several projects but was sometimes involved in [redacted]

[redacted] did not know how much time [redacted] spent at the STEVENS' Girdwood chalet. [redacted]

[redacted] of the VECO [redacted] and [redacted] ROCKY WILLIAMS and [redacted]

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 05/02/2007

[redacted] described as a white male, date of birth, [redacted] of [redacted] Alaska, telephone number [redacted], was interviewed at the United States Attorney's Office, Anchorage, Alaska. Also present during the interview was Assistant United States Attorney (AUSA) [redacted]. After being advised of the identity of the interviewing Agent and the nature of the interview, [redacted] provided the following:

[redacted]Y is currently employed by [redacted] as an [redacted] and has been such employed for a period of approximately [redacted] Prior to this employment, [redacted] was employed by VECO Construction for a period of approximately [redacted]

[redacted]

On One occasion while working for VECO, [redacted] traveled to SENATOR TED STEVENS' cabin located in Girdwood, Alaska. [redacted] to go to the cabin to install [redacted] and work on an [redacted] in the garage. [redacted] was told by someone that the cabin belonged to SENATOR TED STEVENS and while at the cabin, [redacted] saw photos of the STEVENS family inside the cabin. [redacted] could not remember who told him that the cabin belonged to TED STEVENS.

b6
b7C

[redacted] was unsure of the date when he was at the cabin, but remembered it was in the winter and it was around the time when VECO was working on the [redacted] The work performed at the cabin by [redacted] could have been during the time between the two previously mentioned projects. [redacted]

Investigation on 05/02/2007 at Anchorage, Alaska

File # 194A-AN-13620-302-226
~~194A-An-13620-TSTEVENS~~-81

Date dictated 05/02/2007

FBI - Stevens-3877

by SA [redacted] / KAB:kab

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

[redacted]

The materials that were used to complete the project were provided. [redacted] did not have to purchase the supplies. [redacted] could not remember if he took the materials to the cabin or if the materials were already at the cabin. [redacted] could not recall the vehicle used to drive to the STEVENS' cabin.

b6
b7C

[redacted] was at the cabin for approximately [redacted] completing the work. [redacted] had nothing to do with work associated with a backup generator. [redacted] had no knowledge of heat tape or a heat trace on the roof of the cabin. [redacted] followed normal procedures for getting paid for the work performed by calling in his hours worked to VECO Construction.

[redacted] saw other people working on the garage at the cabin but did not know the identity of the people or what type of work they were performing.

194A-AN-13620-TSTEVENS, 82
MED:med

On April 13, 2007, SA's [redacted] conducted a neighbor check in the area of Ted Stevens Girdwood, Alaska residence. In the area of 138 Northland, Girdwood, it was determined that there are 9 houses, 3-4 of which appeared to be occupied. Additionally, on the corner of Alyeska View Ave and Northland there are 2 condo units and it is unknown how many units were occupied.

b6
b7C

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 04/14/2007

On September 7, 2006, a source, who is in a position to testify, was interviewed and provided the following information to FBI Special Agents [redacted] and [redacted]:

The second half of the "toy store" is used for storing old office furniture and equipment. Source advised there are a "whole bunch of things in there." The last time the source was in there was [redacted]

Source advised that [redacted]

[redacted] United States Senator Ted Stevens were "pretty close," though source is not sure of how the relationship developed.

[redacted]

b6
b7C
b7D

Source also recalled a 1964 Ford Mustang convertible owned by STEVENS, [redacted] was STEVENS' vehicle. [redacted]

[redacted]

Inter-office mail at VECO was sent two to three times a week to/from the North Slope in Alaska. Source recalled he/she

Investigation on 9/07/2006 at Anchorage, AK

File # 194A-AN-13620-TSTEVENS-83 [redacted] Date dictated typed 4/14/2007

by SA [redacted]
SA [redacted]

FBI - Stevens-3880

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

105MBK05 302

[redacted]

Source stated the attitude of VECO employees towards STEVENS was, "It's Ted, try to do what you can." There were not specific instructions but just to do what STEVENS asked for.

Source recalled an instance where a charter flight was booked for six to eight people. They were going to watch horse races. [redacted] STEVEN's travel during that time frame, coordinating the travel between [redacted] Source stated that the flight could have been diverted, but does not remember and he/she could not swear to it.

Source recalled STEVEN's house in Girdwood, AK being remodeled. [redacted] VECO would do the remodeling of it. [redacted] and others were involved in the work.

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[redacted] It was two stories with a garage underneath and a bathroom, kitchen and decks on top. Source stated the residence was more of a cabin than a house. There was possibly some hardwood floors inside, otherwise mostly carpet. Source does not recall any crawl spaces or other special compartments within the residence. The residence was described as being modest not upscale. [redacted]

Source assumed VECO did engineering and other plans related to STEVENS' Girdwood home. Source recalled possibly [redacted]

Source thought that STEVENS would be invoiced by VECO Corporation for the work done on the Girdwood residence and that STEVENS may have received a deal. [redacted] process through [redacted]

VECO's payroll included people involved in remodeling STEVENS' Girdwood residence. Source stated he/she is "assuming" VECO kept the charges in-house and then sent them to TED STEVENS, [redacted] Source stated the remodeling project lasted approximately six months and he/she does not recall specific people who worked on it. Source recalled [redacted] helped on the project. [redacted]

Source stated VECO has the capabilities to jack-up a house; though it is not something VECO regularly did.

Source stated he/she thinks [redacted]

[redacted] with VECO and then [redacted] help with special projects. Source categorizes [redacted]

b6
b7C
b7D

Source recalled that [redacted]

[redacted]

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 03/29/2007

A source who is in a position to testify provided the following additional information regarding vehicle transactions with United States Senator TED STEVENS:

In 1999 TED STEVENS mentioned that he was looking for a vehicle for [redacted] STEVENS thought this would be a good safe vehicle for [redacted] STEVENS [redacted] The Land Rover cost approximately $44,000 and the source estimated the value of the Mustang between $15,000 and $20,000. [redacted] STEVENS knew he was getting a deal on the Land Rover. [redacted]

[redacted] STEVENS, the Senator has had a variety of vehicles including a PT Cruiser, a mini van, a Ford Explorer, and a Chrysler convertible.

b6
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b7D

[redacted]

Investigation on 3/10/2007 at Anchorage, Alaska

File # [redacted] 194A-AN-13620-TSTEVENS -84 Date dictated Typed on 3/14/2007

SA [redacted]

by SA [redacted] :mbk

FBI - Stevens-3883

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089MSK01.302

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 04/11/2007

A source who is in a position to testify provided the following information:

[redacted] purchase a king size bed and mattress for United States Senator TED STEVENS' home in Girdwood, Alaska. After receiving the bed, STEVENS [redacted] STEVENS didn't need a bed; however, STEVENS commented that the bed was pretty good. STEVENS never offered to pay for the bed nor did he exchange anything of value for the bed.

During the renovations of the Girdwood residence, [redacted] one of the appliances in the kitchen was old and in need of replacement. [redacted] purchase the kitchen appliance which was then installed in the residence. [redacted] appliance was either a dishwasher or a stove.

In addition to the items above, [redacted] STEVENS [redacted]

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Investigation on 4/9/2007 at Anchorage, Alaska

File # [redacted] 194A-AN-13620-TSTEVENS-85 Date dictated Typed on 4/11/07

by SA [redacted] : mbk

FBI - Stevens-3884

b6
b7C
b7D

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101 mbk 02.302

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 04/27/2007

ROBERT WILLIAMS, date of birth August 15, 1950, Social Security Account number 264-92-9362, was interviewed at his residence located at 200 West Dimond #203, Anchorage, Alaska on April 24, 2007. After being advised of the identity of the interviewing Agents and the nature of the interview, WILLIAMS provided the following information.

WILLIAMS advised that he does not have any sketches, photographs, or diagrams related to Ted Stevens' residence located in Girdwood, Alaska. WILLIAMS occasionally took photographs of Stevens' residence during the renovations, and subsequently gave these photographs to [redacted]. WILLIAMS did not retain any copies of these photographs. b6 b7C

Investigation on 04/24/2007 at Anchorage, Alaska

File # 194A-AN-13620-TSTEVENS -86 Date dictated 04/27/2007

by SA [redacted] :kls

FBI - Stevens-3885

b6 b7C

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 05/04/2007

[redacted] described as a white male, date of birth [redacted] Anchorage, Alaska, telephone number [redacted] was interviewed at the United States Attorney's Office, Anchorage, Alaska. Also present during the interview was Assistant United States Attorney (AUSA) [redacted] and AUSA Nick Marsh. After being advised of the identity of the interviewing Agent and the nature of the interview, [redacted] provided the following information:

[redacted] for VECO Construction. [redacted] has worked for VECO for [redacted] As [redacted] for VECO [redacted]

[redacted] was contacted by someone at the fabrication shop concerning work needed on a residence in Girdwood, Alaska. The residence needed a heat trace on the roof as the roof had a problem with the ice sliding off and causing damage at the house. [redacted] people to Girdwood to take care of the project. [redacted] got codes for the time spent. [redacted]

b6
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[redacted] or others at the fabrication shop would direct the work needed at the Girdwood residence, but [redacted] MARVIN GILLEPSIE (GILLEPSIE passed away recently) went to the residence located at Girdwood, Alaska. [redacted] the house, it appeared to be on stilts. [redacted] repair the heat trace. [redacted] had some questions for GILLEPSIE relating to the heat trace on the roof as GILLEPSIE was an expert concerning the residential code involving heat traces.

[redacted] that the residence was associated with SENATOR TED STEVENS. [redacted] never asked why work was being done on the residence. [redacted] only went to the residence one time and doesn't know for sure if it was STEVENS' residence. [redacted] was told that some work was being performed on a generator problem, but did not see any of this work.

Investigation on 05/04/2007 at Anchorage, Alaska

File # 194A-AN-13620-302
194A-AN-13620-TSTEVENS

Date dictated 05/04/2007

FBI - Stevens-3886

by SA [redacted] / kab

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

194A-AN-13620-TSTEVENS;87

[redacted] paper work that detailed the work completed at the Girdwood residence. [redacted]

Materials needed for projects were obtained through a process utilizing the Field Materials Requisition (FMR). [redacted] If the costs of the materials were over five or ten thousand, approval would have to be obtained. [redacted] the costs of projects to a particular code.

[redacted] concerning projects, but if he wanted something done [redacted] as it was spent on the STEVENS' Girdwood residence. [redacted] supplied labor for work done at the STEVENS' residence in Girdwood.

b6
b7C

[redacted] worked at the fabrication shop and on other projects and assisted [redacted] ROCKY WILLIAMS repaired the roof at the STEVENS' residence and had [redacted] in the event that he needed anything. WILLIAMS worked at the fabrication shop and performed [redacted] type work. WILLIAMS did some work on [redacted] residence as well.

Several people could have been involved in work done at STEVENS' residence including [redacted]

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 05/14/2007

[redacted] described as a white male, date of birth [redacted] telephone number [redacted] was interviewed at the United States Attorney's Office, Anchorage, Alaska. Also present during the interview was Assistant United States Attorney (AUSA) [redacted], Attorney [redacted] and Internal Revenue Service (IRS) Criminal Investigative Division (CID) Special Agent (SA) [redacted] After being advised of the identity of the interviewing Agents and the nature of the interview, [redacted] provided the following information:

[redacted] currently works for VECO [redacted] and is involved in various projects where [redacted] is needed. On [redacted] started with VECO Alaska and assisted on a project at a residence located in Girdwood, Alaska. [redacted] The job entailed various types of work including [redacted] associated with residential construction. [redacted] worked on the Girdwood residence until approximately [redacted].

[redacted] and others at the site that the residence was owned by Senator TED STEVENS. ROCKY WILLIAMS [redacted] talk about the fact that they were working on STEVENS' residence. It was common knowledge among those doing work at the residence that it was owned by TED STEVENS.

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[redacted] was introduced to STEVENS while at the residence one day but could not recall who introduced him. This occurred when STEVENS [redacted] came by the residence one day. TED STEVENS came by a couple of other times. [redacted] had no discussion with STEVENS. A lady who lives [redacted] from the residence came by the residence on one occasion but [redacted] had no knowledge about her.

[redacted] first stated that he worked on STEVENS' residence for about [redacted] worked for no other VECO jobs. [redacted] and was paid by VECO Alaska. The bosses at the Girdwood site, [redacted]

Investigation on 05/09/2007 at Anchorage, Alaska

File # 194A-AN-13620-302 - 229
194A-AN-13620-TSTEVENS - 88

Date dictated 05/14/2007

FBI - Stevens-3888

by SA [redacted]

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

[redacted]

Other individuals that were performing work at the residence were [redacted] Last Name Unknown (LNU) and [redacted] LNU who were [redacted] for VECO and worked for [redacted] LNU. Two guys from the fabrication shop, [redacted] LNU, also known as, (AKA) [redacted] was also seen at the residence a few times. [redacted] was at the house some and could have been [redacted]

Another individual, name unknown did much of the [redacted] work at the residence. [redacted] was described as a white male having a [redacted] was also sometimes at the residence. [redacted] was aware that the roof had some work done on it and although he could not be sure, [redacted] thought that [redacted] and [redacted] could have performed [redacted]

[redacted] and has eaten in [redacted] Girdwood restaurant after work and thought that this was paid for by [redacted] sometimes came by the STEVENS' residence when the work was being performed.

b6
b7C

[redacted] was not instructed either way concerning the wearing of hats or coats bearing the VECO name. [redacted] wore his VECO coat sometimes because it was getting cold. [redacted] had no knowledge about a generator at the residence.

The materials needed for the work at he STEVENS' residence were delivered or already at the site. [redacted] did not pick up materials or deliver materials to the site.

[redacted] STEVENS' residence, the dwelling was raised up on stilts and the area underneath the residence was in the process of being framed. According to [redacted] there was more added to the residence than was originally there. [redacted] at the residence and also noticed a small workshop area located in the garage.

[redacted] after he finished working on the STEVENS' residence.

194A-AN-13620 - TStevens - 89
MED:med - 302 - 230

On Saturday May 5, 2007 at approximately 3:45pm, SA [redacted] drove by the residence of Senator Ted Stevens, located at 138 Northland, Girdwood, Alaska. There was no activity observed at the residence and no vehicles parked in front of the house. It should be noted that with the winter snow melting, several large rocks (boulders) were observed in the front yard, placed in front of the porch. b6 b7C

On Sunday, May 6, 2007 at approximately 5:45pm, SA [redacted] drove by the residence of Senator Ted Stevens, located at 138 Northland, Girdwood, Alaska. There was no activity observed at the residence and no vehicles parked in front of the house.

135 med. ins

194A-AN-13620 -TSfevens-90 ✓
MED:med -302-231

b6
b7C

On Monday, May 14, 2007 at approximately 4:00pm, SA [redacted] drove by the residence of Senator Ted Stevens, located at 138 Northland, Girdwood, Alaska. There was no activity observed at the residence and no vehicles parked in front of the house.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 05/20/2007

Source, who is not in a position to testify, provided the following information:

[redacted] worked on TED STEVENS' Girdwood residence and would be approachable by the FBI. Unlike some contractors that worked on STEVENS' residence, [redacted] billed pretty close to his normal billable amount. [redacted] because of the project and STEVENS.

[redacted] would be a good person for the FBI to talk to regarding STEVENS' Girdwood renovations. [redacted]

[redacted] worked on STEVENS' residence. [redacted] because it was the STEVENS' residence. [redacted] has told people that he has talked to the FBI. [redacted]

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To acquire detailed information about issues like [redacted] individuals and their background, the FBI should talk to [redacted] Another knowledgeable individual would be [redacted]

Source has information about the NORTH PACIFIC FISHERY MANAGEMENT COUNCIL and corruption. SA [redacted] requested Source provide the information at a later date.

Investigation on 05/17/2007 at Anchorage, Alaska

File # [redacted] 194A-AN-13620-C; Date dictated Typed 05/20/2007
194A-AN-14699-SOURCES; 194A-AN-13620-TSTEVENS -91
by SA [redacted] cej

b6
b7C
b7D

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CIP CJM 140 cej 09.302

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 05/04/2007

[redacted], white male, date of birth, [redacted] Social Security Account Number [redacted] was interviewed in the presence of his attorney, [redacted] of Birch, Horton, Bittner and Cherot, 1127 West Seventh Avenue, Anchorage, Alaska, telephone [redacted] can be contacted at telephone numbers [redacted] and [redacted]

[redacted] provided the following information:

[redacted], Anchorage, Alaska. [redacted] is an Alaska corporation. [redacted] divided equally between [redacted]

Approximately [redacted] Girdwood, Alaska. [redacted] said that the porch in front of Ted Steven's Girdwood residence [redacted]

[redacted] went to Stevens residence on Northland in Girdwood and, based upon his observations, decided to [redacted] He did not submit a bill for the work. He did not submit a bill because [redacted] Ted Stevens. He estimated the retail price of the work at approximately three hundred fifty dollars. This price includes cost of the [redacted] each and [redacted] The only discussion he had with Stevens regarding the job was a comment made by Stevens that he liked [redacted]

After completing [redacted], he was again contacted by [redacted] informed him that he had been chosen to [redacted] in front of Steven's Girdwood residence. [redacted] said he would be working with VECO and [redacted] on the project. [redacted]

b6
b7C

Investigation on 05/04/2007 at Anchorage, Ak

File # 194A-AN-13620-TSTEVENS - 92 Date dictated 05/04/2007

SA [redacted]

by SA [redacted]

FBI - Stevens-3893

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

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b7C

[redacted]

the project. He was also aware that the news media was in the Girdwood area, but this did not affect his decision to work at the Stevens' residence.

He could provide no additional information regarding the work performed on the Steven's Girdwood residence.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 05/17/2007

[redacted] (PROTECT IDENTITY) described as a white male, date of Birth [redacted], Social Security Account Number [redacted] telephone number [redacted] was interviewed. After being advised of the identities of the interviewing Agents and the nature of the interview, [redacted] provided the following information:

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[redacted] contacted the Federal Bureau of Investigation (FBI) office in Anchorage, Alaska on [redacted] and wanted to speak with Agents without the presence of his attorney. [redacted] was interviewed on [redacted] by Special Agent (SA) [redacted] and SA [redacted] in the presence of his attorney. SA [redacted] reiterated to [redacted] that he could have his attorney present if he would so choose. [redacted] stated that he understood but wanted to speak with Agents without the presence of his attorney.

The ALASKA RAILROAD (AR) receives approximately $500 million in federal grant money. [redacted]

[redacted] and possibly has knowledge of [redacted] It is unknown if [redacted] would be cooperative concerning this information if contacted.

Investigation on 05/06/2007 at Anchorage, Alaska

File # 194A-AN-13620-302
✓194A-AN-13620-TSTEVENS -93

Date dictated 05/17/2007

FBI - Stevens-3895

by SA [redacted] kab
SA [redacted]

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

[redacted] is usually knowledgeable concerning any political activity in Girdwood, Alaska. It is unknown if [redacted] would offer information if contacted.

b6
b7C
b7D

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 05/17/2007

[redacted] described as a white male, date of birth [redacted] Anchorage, Alaska was interviewed via telephone while he was in the presence of his Attorney, [redacted] was contacted at [redacted] telephone number [redacted] from the United States Attorney's Office, Anchorage, Alaska. Also present during the interview was Assistant United States Attorney (AUSA) [redacted] After being advised of the identity of the interviewing Agent and the nature of the interview, [redacted] provided the following information:

[redacted] at the residence of Senator TED STEVENS located in Girdwood, Alaska. [redacted] thought this repair occurred in [redacted] located at [redacted] Anchorage, Alaska. The purchase was thought to have been made with a VECO purchase order. [redacted] was unsure if this was the first occasion for [redacted] to go to the STEVENS' residence. There was also an installation of [redacted]

[redacted]

b6
b7C
b7D

Investigation on 05/10/2007 at Anchorage, Alaska (telephonically)

File # 194A-AN-13620-302
✓194A-AN-13620-TSTEVENS -94

Date dictated 05/17/2007

FBI - Stevens-3897

by SA [redacted] /kab

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Automated Serial Permanent Charge-Out
FD-5a (1-5-94)

Date: 06/29/07 Time: 18:42

Case ID: 194A-AN-13620-TSTEVENS Serial: 95

Description of Document:

Type : SUBPOENA
Date : 05/17/07
To : ANCHORAGE
From : ANCHORAGE
Topic: SUBPOENA A070620; [redacted]

Reason for Permanent Charge-Out:

SUBPOENA FILED IN WRONG SUB FILE

b3
b6
b7C

Transferred to:

Case ID: 194A-AN-13620-A Serial: 542

Employee: [redacted]

Automated Serial Permanent Charge-Out
FD-5a (1-5-94)

Date: 06/29/07 Time: 18:44

Case ID: 194A-AN-13620-TSTEVENS Serial: 96

Description of Document:

Type : SUBPOENA
Date : 05/21/07
To : OXFORD
From : ANCHORAGE
Topic: SUBPOENA A070632; [redacted]

Reason for Permanent Charge-Out:

SUBPOENA FILED IN WRONG SUB FILE

b3
b6
b7C

Transferred to:

Case ID: 194A-AN-13620-A Serial: 543

Employee: [redacted]

194A-AN-13620 – T Stevens -97
MED:med

On May 3, 2007, SA [redacted] delivered 2 envelopes and 1 box of documents to be bate stamped and scanned to [redacted] at Professional Legal Copy, located at 360 K Street, Ste. 101, Anchorage, Alaska. The box was labeled DOUBLE MUSKY. b6 b7C

On May 16, 2007 SA [redacted] picked up the envelopes and box plus one CD Rom of the scanned documents.

J: 143MCD3.INS

[redacted]

RECEIVED
MAY 25 2007
AOL LEGAL DEPARTMENT

PL-FBI-98211

FBI FACSIMILE COVER SHEET

PRECEDENCE

- ☐ Immediate
- ☐ Priority
- ☒ Routine

CLASSIFICATION

- ☐ Top Secret
- ☐ Secret
- ☐ Confidential
- ☐ Sensitive
- ☒ Unclassified

Time Transmitted: _____
Sender's Initials: _____
Number of Pages: _____
(including cover sheet)

To: AOL, LLC
Name of Office

Date: 5/27/07

b6
b7C

Facsimile Number: [redacted]

Attn: Custodian of Records - Pub Safety & Crim. Inv. Unit
Name Room Telephone

From: FBI Anchorage
Name of Office

Subject: §2703 Preservation Letter

Special Handling Instructions: _____

Originator's Name: [redacted] Telephone: [redacted]

Originator's Facsimile Number: [redacted]

Approved: _____

Brief Description of Communication Faxed: _____

WARNING

FBI - Stevens-3901

Information attached to the cover sheet is U.S. Government Property. If you are not the intended recipient of this information, disclosure, reproduction, distribution, or use of this information is prohibited (18.USC, § 641). Please notify the originator or the local FBI Office immediately to arrange for proper disposition.

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194A-AN-13620-TStevens

RUSH

[redacted]
Investigator

To: [redacted]

Fax: [redacted]

5/29/07

Re: AOL Legal File # PL-FBI-98211

As a result of recent changes to the way in which AOL processes requests for content, AOL will need direction from you on how we should process your request. To streamline the process we have established a telephone number for you to call to explain your options.

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We cannot process your request until we receive this fax back.

Please call 703-265-0985 to hear the new email content options. Once you have listened to the recording, please complete this form, sign and fax to (703) 265-2305 to ensure the proper processing of your request:

Please indicate your choice:

- [x] **Option 1**
- [ ] **Option 2**
- [ ] **Option 3**

Signature / Printe[redacted]

5/29/07
Date

**** If applicable, please include a filled out copy of this fax with your warrant/affidavit to the Loudoun County Sheriff's Office to facilitate the processing of the request.**

option sheet

U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to
File No. 194A-AN-13620

101 E. 6th Avenue
Anchorage, AK 99501

May 25, 2007

AOL, LLC
Public Safety and Criminal Investigations Unit
Attn: Custodian of Records
2200 AOL Way
Dulles, VA 20166

b6
b7C

Attention: Custodian of Records

RE:

Dear Sir/Madam:

You are hereby requested to preserve, under the provisions of Title 18, United States Code, Section 2703 (f)(1), the following records in your custody or control, including records stored on backup media.

A. All stored electronic communications and other files controlled by user accounts owned by

B. All connection logs and records of user activity for any such account and also all other times/dates including:

1. Connection date and time,
2. Disconnect date and time,
3. Method of connection (*e.g.* telnet, ftp, http),
4. Data transfer volume,
5. Username associated with the connection,
6. Telephone caller identification records,
7. Other connection information, such as the Internet Protocol address of the source of the connection, and
8. Connection information for other computers to which the user of the above-referenced accounts connected, by any means, during the connection period, including the destination IP address, connection time and ate, disconnect time and date, method of connection to the destination computer, and all other information related to the connection.

C. Any other records related to the above-referenced names and user names, including, without limitation, correspondence, billing records, records of contact by any person or entity about the above-referenced names and user names, and any other subscriber information.

You are requested to preserve for a period of 90 days the records described above currently in your possession. This request applies only retrospectively; it does not obligate you to capture and preserve new informaiton that arises after the date of this request.

You also are requested not to disclose the existence of this request to the subscriber or any other person, other than as necessary to comply with this request. Any such disclosure could subject you to criminal liability for obstruction of justice.

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b7C

Please refer any questions to Supervisory Special Agent [redacted] at telephone [redacted] fax number [redacted] Thank you for your cooperation and your assistance in this matter.

Sincerely yours,

Toni Mari Fogle
Special Agent in Charge

By: [redacted]
Supervisory Special Agent

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 05/29/2007

A source who is in a position to testify provided the following information regarding [redacted] in the grand jury and told the FBI the truth regarding [redacted]

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Investigation on 05/28/2007 at Anchorage, Alaska (telephonically)

File # [redacted] 194A-AN-13620-TSTEVENS -99 Date dictated Typed on 5/29/07

by SA [redacted]:mbk

FBI - Stevens-3905

b6
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b7D

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

149mbk 01.302

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 05/25/2007

[redacted] Attorney at Law, Feldman Orlansky & Sanders law firm, 500 L Street, Fourth Floor, Anchorage, Alaska, 99501, [redacted] received the below listed items on behalf of his client, [redacted]

(1) Computer disk labeled Double Musky Copy 1/1.

(2) Compaq Presario 6000 computer, serial number 2H23KMZ7NOX3.

(3) Compaq laptop computer, serial number CNF44100W8, with black case, cables, start up guide, Microsoft disk with documents, one bottle of The Dry Look hair spray.

An FD-597 Receipt for Property Received was issued to [redacted] with [redacted] declining to sign the form.

Attorney [redacted] furnished the below listed items to the undersigned Agents:

(1) White binder with documents relating to Alaska's Great Eagle As Well LLC.

(2) White binder with documents relating to Alaska's Great Eagle LLC.

(3) Envelope containing miscellaneous documents concerning Ted Stevens, including five photographs of the Girdwood home.

(4) Emails from [redacted] to Ted Stevens - 88 pages.

(5) Emails from Ted Stevens to [redacted] - 43 pages.

(6) Emails to and from [redacted] - 9 pages.

(7) Miscellaneous emails from Ted Stevens in 2001

b6
b7C

Investigation on 5/24/2007 at Anchorage, Alaska

File# 194A-AN-13620-~~Sub A~~ TSTEVENS - 100 Date dictated

by SA [redacted] / SA [redacted] raw

FBI - Stevens-3906

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

and 2004 - 5 pages.

Attorney [redacted] advised that the photographs of the Girdwood home owned by Ted Stevens were recently taken by a [redacted] at the request of Stevens. Sanders had a person in his office telephonically contact [redacted] who furnished the name of the [redacted] The cards and correspondence between [redacted] and Ted Stevens were retained by [redacted] from past years. With regards to a bill relating to a heating problem at the Girdwood house in 2006, Ted Stevens had the bill sent to [redacted] who then sent the bill to Ted Stevens. [redacted] and faxed the bill to Ted Stevens about 20 minutes later. Recently, [redacted] told Stevens that they would be asking him about the bill and requested that Stevens send the bill to him [redacted] Stevens faxed the bill to [redacted] on 5/7/07. The handwriting on the bill was made by Ted Stevens. A Federal Grand Jury (FGJ) subpoena dated 5/11/07 was then received. The enclosed email traffic would relate to this particular matter of the bill.

Attorney [redacted] advised that he instructed his client, [redacted] to pull off any emails between himself and Ted Stevens as far back as he could go. The printed emails furnished to the interviewing agents are dated 4/17/07 to 5/17/07. [redacted] advised that there are no emails between his client and [redacted] or [redacted] The date of May 17, 2007 is significant because this is when [redacted] advised his client to cease sending emails to Ted Stevens and to quit corresponding with Stevens.

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Attorney [redacted] advised that [redacted] bought another computer after his other computers were seized. The enclosed emails come from his new computer although a few printed emails from earlier time periods were found, and are included with the documents being furnished at this time to the interviewing agents. [redacted] advised that there are absolutely deleted emails on the current computer of [redacted] that have not been copied and furnished. [redacted] advised that his client is not hiding anything and does not have the knowledge to recover deleted items from the computer hard drive. The deletions of emails was a routine practice.

Attorney [redacted] advised that there was some recent email traffic within the last week concerning the [redacted] was called by [redacted] to discuss a disagreement among the parties as to what to do with [redacted]

The emails and correspondence are included with the documents being furnished to the interviewing agents. b6 b7C

An FD-597 Receipt for Property Received was issued to [redacted] with Sanders declining to sign the form.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 05/25/2007

On May 24, 2007, the below listed items were furnished to Assistant United States Attorney (AUSA) [redacted] 222 W. 7th Ave., Anchorage, Alaska by SA [redacted]:

(1) White binder with documents relating to Alaska's Great Eagle As Well LLC.

(2) White binder with documents relating to Alaska's Great Eagle LLC.

(3) Envelope containing miscellaneous documents concerning Ted Stevens, including five photographs of the Girdwood home.

(4) Emails from [redacted] to Ted Stevens - 88 pages.

(5) Emails from Ted Stevens to [redacted] - 43 pages.

(6) Emails to and from [redacted] concerning [redacted] - 9 pages.

(7) Miscellaneous emails from Ted Stevens in 2001 and 2004 - 5 pages.

b6
b7C

Investigation on 5/24/2007 at Anchorage, Alaska

File # 194A-AN-13620 Sub A TSTEVENS - 101 Date dictated

by SA [redacted] raw RAW14562.302

FBI - Stevens-3909

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 05/25/2007

On May 25, 2007, the undersigned Agents were furnished a computer disk and cover letter from the law offices of [redacted] Anchorage, Alaska, [redacted] The cover letter indicates that the CD contains photographs of Ted Stevens' home in Girdwood taken by [redacted] from the Stevens' residence.

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Investigation on 5/25/2007 at Anchorage, Alaska

File# 194A-AN-13620 ~~Sub A~~ TSTEVENS-102 Date dictated

by SA [redacted] : raw

FBI - Stevens-3910

b6
b7C

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

[redacted]
COUNSELORS AT LAW
[redacted]
ANCHORAGE, ALASK[redacted]

[redacted]

TEL: [redacted]
FAX:

May 25, 2007

[redacted] Asst. U.S. Attorney
U.S. Department of Justice
U.S. Attorneys Office
Federal Building, U.S. Courthouse
222 West 7th Avenue, Room C-253
Anchorage, Alaska 99513-7567

b3
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Re: Grand Jury Appearance of [redacted]

Dear [redacted]

With this letter I am producing a CD of photographs of Ted Stevens' home in Girdwood. These photographs were taken by [redacted] from the Stevens' residence.

Very truly yours,

[redacted]

ETS/psc
Enclosure

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 05/26/2007

On May 25, 2007, the undersigned Agent furnished a computer disk previously received from the law firm of [redacted] [redacted] to Assistant United States Attorney (AUSA) [redacted] The computer disk reportedly contains additional photographs of the Girdwood residence of Ted Stevens [redacted]

b6
b7C

Investigation on 5/25/2007 at Anchorage, Alaska FBI - Stevens-3912

File # 194A-AN-13620 ~~Sub-A-STEVENS~~ -103 Date dictated

by SA [redacted] aw RAW14661.302

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(Rev. 01-31-2003)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE **Date:** 05/22/2007

To: Anchorage

From: Anchorage
Squad 4
Contact: IA [redacted]

Approved By: [redacted]

b6
b7C

Drafted By: [redacted]:rlt

Case ID #: 194A-AN-13620 (Pending) - 104
TSTEVENS

Title: Polar Pen
et al;
Public Corruption

Synopsis: Summary of Stevens's investments and connection with companies involved in the oil industry.

Enclosure(s): Spreadsheets of Ted Stevens's SFCU account #6005570 transactions.

Details: The writer conducted research and analysis of Senator Ted Stevens's US Senate Federal Credit Union (SFCU) account #6005570 and those companies that contributed funds the referenced account. The following is a summary of the writer's findings.

Ted Stevens, Stevens's former [redacted] and Stevens's [redacted] are the only individuals listed on the account until February 2006 when [redacted] Stevens. At this point, [redacted] were dropped from the account, and [redacted] was added as a joint owner.

Since the year 2000, hundreds of thousands of dollars were exchanged between the referenced account and various companies in the oil and gas industry. The checks addressed to Ted Stevens were sent to PO Box 379 Garrett Park, MD 20896 from at least February 2000 until February 2006. From February until at least October 2006 the checks were then sent to [redacted] Alexandria, VA 22309.

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~~142-17-01-EC.wpd~~

The following companies in the oil and gas industry sent money to Ted Stevens between February 2000 and October 2006:

Chesapeake Operating, Inc.
Revenue Distribution Account
6110 N Western Avenue
Oklahoma City, OK 73118

PVR Midstream, LLC
2550 East Stone Drive Suite 200
Kingsport, TN 37660

Palm Oil & Gas
2660 S Birmingham Place
Tulsa, OK 74114

Johnson Distribution Account
For JEC Operations, LLC
204 North Robinson Suite 1800
Oklahoma City, OK 73102

Sunoco, Inc.
1 Fluor Daniel Dr Bldg A
Sugar Land, TX 77487

Mustang Gas Products, LLC
13439 Broadway Extension
Oklahoma City, OK 73114

ConocoPhillips Company
411 S Keeler Ave (1250 Adams Building)
Bartlesville, OK 74003

Rick's Exploration, Inc
3000 Oklahoma Tower, 210 Park Avenue
Oklahoma City, OK 73102

CMS Cherokee Gas Processing, LLC
Royalty Account
1437 South Boulder, Suite 1250
Tulsa, OK 74119

Chesapeake Operating, Inc.

A Dunn and Bradstreet search revealed that Chesapeake Operating, Inc., a subsidiary of Chesapeake Energy Corporation, is a large domestic company and has no reported government activity. Chesapeake Operating is the third largest independent and the sixth largest overall producer of natural gas in the US.

[redacted]

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b7E

[redacted]

An analysis of Stevens's SFCU account #6005570 revealed that Chesapeake Operating sent Stevens 4 checks between February 2005 through July 2006. The first check worth $1,770.35 was deposited by Stevens on 02/03/2005. The next check was not received until January 2006 and was only worth $510.89. The third and fourth checks were received on 03/10/2006 and 07/26/2006 respectively and were valued between 5 hundred and a thousand dollars. SFCU records also reveal that Stevens wrote Chesapeake Operating 2 checks approximately $500 a piece in both September and October of 2005.

PVR Midstream LLC

A Dunn and Bradstreet search revealed that PVR Midstream LLC, a subsidiary of Penn Virginia Resource Partners, L.P. has no reported government activity.

[redacted]

b7E

An analysis of Stevens's SFCU account #600557 revealed that Stevens deposited nine checks from PVR Midstream between September 2005 through September 2006. All of these checks were valued around $500 and the checks sent in 2006 were dated every month except for August 2006.

Palm Oil & Gas Company

Analysis of a Dunn and Bradstreet report revealed that Palm Oil & Gas Company has no reported government activity.

[redacted] b7E

A Lexis-Nexis search revealed conflicting information that Palm Oil & Gas Company is a domestic for profit corporation.

An analysis of Stevens's US SFCU account #6005570 revealed that Stevens deposited five checks from Palm Oil & Gas Company in 2006 all below or around $500. Conversely, Stevens wrote 55 checks to Palm Oil & Gas Company between February 2000 and October 2006 averaging between $500 and $3,000. One check dated 08/14/2004 was worth $8,854.00 with a memo stating "EST DRILLING COSTS".

JEC Operating, LLC

A Dunn and Bradstreet search revealed that the JEC Operating, LLC is a small business, employing only four individuals, and has no reported government activity.

An analysis of Stevens's SFCU account #6005570 conducted by writer revealed that JEC Operations, LLC sent Stevens six checks valued at or below $500 from February through September 2006.

Sunoco, Inc.

A Dunn and Bradstreet search conducted by revealed that the Sunoco, Inc. is a large public company and has no reported government activity. The listed address above is the branch information listed that is associated with the Royalty Payables.

An analysis of Stevens's SFCU account #6005570 conducted by writer revealed that Sunoco, Inc. contributed by far the most amount of funds to the referenced Stevens account. Between 04/03/2000 and 10/25/2006, Stevens deposited 68 checks from Sunoco, Inc., ranging in value from $500 to over $4,000. Over the six year time frame, the average amount Stevens received from Sunoco increased.

Mustang Gas Products

A Dunn and Bradstreet search revealed that Mustang Gas Products, also known as Mustang Fuel Corporation, is a small business and has no reported government activity.

A Lexis-Nexus search conducted for Mustang Gas Products revealed "Mustang Fuel Corporation vs. Cheyenne Arapaho Tax Commission" dated January 3, 1994. In the referenced case, the court affirmed the holding that the Cheyenne-Arapaho tribes retain their inherent authority to tax the extraction of mineral resources on allotted Indian trust lands by non-Indian companies.

A google search revealed that Mustang Fuel Corporation is a member of the Gas Processors Association. The goal of the gas processors association is to discuss, debate, and influence legislation and regulatory issues.

An analysis of Stevens's SFCU account #6005570 revealed that Stevens deposited five checks under $500 from Mustang Gas Products in 2006.

ConocoPhillips

A Dunn and Bradstreet search revealed that ConocoPhillips is a large business. While the Dunn and Bradstreet report indicates that ConocoPhillips employs 3,700 at the referenced location, [redacted] b7E The Dunn and Bradstreet reported no government activity, but did identify three pending suits and six liens against ConocoPhillips. All of the referenced liens resulted from evasion of taxes, the most recent being from 2006. A search of Lexis-Nexis revealed no further information regarding these pending litigations.

An analysis of Stevens's SFCU account #6005570 conducted by writer revealed that ConocoPhillips gave Stevens 12 checks between 2001 and 2005. Stevens received between $3,000 and $5,000 from 2001-2003 in one large check annually, while in 2004 Stevens received several smaller checks with a sum of approximately $4,500. Stevens stopped receiving funds to his SFCU account #6005570 in January 2005.

Rick's Exploration, Inc.

A Dunn and Bradstreet search revealed that Rick's Exploration, Inc. is a small business and has no government activity.

A Lexis-Nexis search revealed an article dated December 23, 2003 published by the Oklahoman indicating that Rick's Exploration was purchased by Chesapeake Energy Corporation in 2003.

An analysis of Stevens's SFCU account #6005570 conducted by writer revealed that Stevens received 19 checks from Rick's Exploration from April 2000 until February 2003 ranging in value from $500-$1000. Conversely, Stevens sent Rick's Exploration three checks of similar value between 2000 and 2002. Rick's stopped sending and receiving checks in 2003 and Chesapeake started sending/receiving checks to/from Stevens in 2005.

Cherokee Gas Processing, LLC

A Dunn and Bradstreet search revealed that CMS Cherokee Gas Processing, LLC has no government activity.

An analysis of Stevens's SFCU account #6005570 revealed that Stevens deposited only three checks from CMS Cherokee Gas Processing valued between $500 and $800. Two checks were received in 2001 and the last check was received in 2003.

Also, on 03/18/2002, Stevens deposited $5,000 in his SFCU account #6005570. It is questionable how or if this deposit is related.

♦♦

Payor	Amount	Date Received	Details
	$588.52	1/26/99	
	$753.28	2/18/99	
	$854.66	2/24/99	
	$728.25	3/24/99	
	$1,128.83	4/28/99	
	$1,519.57	6/3/99	
	$982.29	6/28/99	
	$665.64	7/20/99	
	$918.50	7/27/99	
	$919.52	8/12/99	
	$1,129.33	8/31/99	
	$512.58	9/13/99	
	$1,290.78	9/28/99	
	$965.30	10/14/99	
	$707.35	11/10/99	
	$681.54	11/23/99	
	$1,354.49	12/28/99	
	$1,862.64	1/26/00	
	$823.12	2/24/00	
	$610.08	2/28/00	
	$627.37	2/28/00	
Sunoco	$1,019.45	4/3/00	
Rick's Exploration	$806.39	4/13/00	
Sunoco	$780.99	5/2/00	
	$1,439.25	6/8/00	
Halliburton	$520.03	6/14/00	
Rick's Exploration	$723.87	6/14/00	
Sunoco	$1,396.32	7/22/00	
Sunoco	$843.42	8/10/00	
Rick's Exploration	$674.89	8/16/00	
Sunoco	$1,001.45	8/31/00	
Dynegy Midstream Services	$29.15	8/20/00	
	$923.81	9/14/00	
Sunoco	$892.41	9/28/00	
Rick's Exploration	$729.84	10/18/00	
Sunoco	$1,503.80	10/24/00	
Rick's Exploration	$858.40	11/15/00	
Rick's Exploration	$625.26	12/18/00	
Sunoco	$1,603.28	12/28/00	
Rick's Exploration	$1,022.42	1/9/01	
Sunoco	$772.90	1/30/01	
Rick's Exploration	$570.42	2/14/01	
Sunoco	$1,371.81	3/1/01	
CMS Cherokee Gas Processing	$738.73	3/6/01	
Rick's Exploration	$878.12	3/13/01	
Sunoco	$832.71	3/29/01	
Rick's Exploration	$1,244.26	4/17/01	
Sunoco	$917.46	4/25/01	
	$804.56	5/7/01	
Sunoco	$1,000.85	5/30/01	
CMS Cherokee Gas Processing	$503.71	6/5/01	

Rick's Exploration	$883.22	6/13/01
Sunoco	$596.47	7/2/01
Rick's Exploration	$583.06	7/12/01
Sunoco	$762.81	7/25/01
Rick's Exploration (797.39)/Conoco (3157.32)	$3,954.71	8/15/01
Sunoco	$666.99	8/28/01
	$561.01	10/1/01
Rick's Exploration	$539.97	11/20/01
	$1,331.17	1/15/02
	$5,000.00	3/18/02
Sunoco	$849.00	3/26/02
Rick's Exploration	$747.88	4/11/02
Sunoco	$988.37	4/29/02
Sunoco	$933.51	5/30/02
Sunoco	$689.17	6/25/02
Valero Energy Corporation	$971.08	7/2/02
Rick's Exploration	$1,261.83	7/17/02
Conoco	$3,728.70	8/13/02
Sunoco	$857.52	9/3/02
Sunoco	$824.47	9/3/02
Sunoco	$908.57	9/24/02
Sunoco	$919.17	10/28/02
Sunoco	$737.49	11/26/02
Rick's Exploration	$505.97	12/3/02
Rick's Exploration	$685.75	12/30/02
Sunoco	$745.95	12/30/02
Rick's Exploration	$747.25	2/27/03
Sunoco	$1,822.53	2/27/03
Sunoco	$609.47	3/25/03
Concho Exploration	$820.49	4/29/03
Sunoco	$1,299.84	4/29/03
CMS Cherokee Gas Processing	$536.45	5/5/03
Sunoco	$1,180.38	5/28/03
Sunoco	$559.51	6/24/03
ConocoPhillips	$4,765.81	7/23/03
Sunoco	$1,071.05	7/29/03
Sunoco	$940.60	8/26/03
Conocho Exploration	$1,139.52	9/24/03
Sunoco	$958.50	9/30/03
Sunoco	$988.81	10/27/03
Concho Exploration	$736.33	11/1/03
Sunoco	$1,025.46	12/1/03
Sunoco	$641.77	12/31/03
ConocoPhillips	$560.89	12/31/03
ConocoPhillips	$560.52	1/22/04
Sunoco	$1,339.53	1/28/04
Sunoco	$737.35	2/25/04
Concho Exploration	$817.87	3/8/04
Sunoco	$841.16	3/30/04
ConocoPhillips	$663.90	4/26/04
Sunoco	$1,876.15	4/27/04
Sunoco	$646.23	5/26/04

Sunoco	$1,775.94	6/28/04
ConocoPhillips	$715.43	6/28/04
Sunoco	$836.12	7/27/04
Sunoco	$1,507.42	8/24/04
ConocoPhillips	$543.40	9/22/04
ConocoPhillips	$808.80	10/25/04
Sunoco	$1,220.97	10/27/04
Sunoco	$1,199.36	11/22/04
ConocoPhillips	$628.95	11/23/04
Sunoco	$1,864.97	11/23/04
ConocoPhillips	$573.83	12/23/04
Sunoco	$1,935.52	1/26/05
ConocoPhillips	$540.99	1/26/05
Chesapeake Operating Company	$1,770.35	2/3/05
Sunoco	$1,910.43	2/28/05
Sunoco	$784.36	3/28/05
Sunoco	$4,075.50	4/28/05
Sunoco	$1,689.31	6/1/05
Sunoco	$2,396.33	6/27/05
Sunoco	$1,519.43	7/27/05
PVR Midstream	$502.77	9/7/05
Sunoco	$1,909.63	9/7/05
Sunoco	$1,802.36	9/28/05
Sunoco	$3,710.16	10/26/05
PVR Midstream	$542.31	12/2/05
Sunoco	$2,467.69	12/2/05
Chesapeake Operating Company	$510.89	1/4/06
PVR Midstream (523.66)/Palm Oil & Gas (208.27)	$731.93	1/13/06
2JEC/Palm/2Sunoco/PVR	$7,334.94	2/15/06
Chesapeake/PVR/Palm/Mustang	$877.85	3/10/06
PVR Midstream/JEC/Mustang/Sunoco	$2,825.52	4/6/06
Sunoco (1551.44)/PVR (386.57)	$1,938.01	5/4/06
JEC/Palm/Mustang/Sunoco (2265.67)	$2,589.86	6/9/06
JEC/Sunoco (3032.35)/PVR	$3,428.84	6/29/06
Chesapeake/PVR/Palm/Mustang/Sunoco (2826.23)	$3,500.24	7/26/06
PVR/Mustang/Sunoco (3088.51)/JEC	$3,826.69	9/17/06
Sunoco	$2,459.59	9/29/06
Sunoco	$2,372.78	10/25/06

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 05/31/2007

[redacted], white male, date of birth [redacted] Social Security Account Number [redacted] place of birth [redacted] was interviewed at his residence of [redacted] Alaska, [redacted] cell [redacted] provided the following information after being advised of the official identity of the interviewing agents and nature of the interview:

[redacted] advised that he is currently employed at the [redacted] Wasilla, Alaska, in the [redacted] department. He is a licensed [redacted] currently possessing Alaska Certificate of Fitness license number [redacted]. He worked for VECO with the job title of [redacted] He left VECO because work was slowing down and he needed more work, but he left VECO on good terms. His immediate supervisor while working at VECO was [redacted] worked for [redacted] at VECO. [redacted] no longer works at VECO and currently works for the [redacted] currently resides at [redacted] Wasilla, Alaska, home telephone number [redacted].

[redacted] advised that while working for VECO, he performed [redacted] work at the Girdwood home of Senator TED STEVENS on two occasions [redacted] While he does not recall the exact address of the STEVENS home in Girdwood, he did recognize the picture of the house in yesterday's local newspaper (5/29/2007). He also recognized the statue of the three salmon fish on the porch as shown in the photograph in the newspaper.

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[redacted] advised that while he worked for VECO, he was primarily assigned to the job at the [redacted] in Anchorage. On occasion, [redacted] would call him and direct him to provide services to different locations, and this is what happened both times he went to the STEVENS' home in Girdwood. [redacted] was asked to describe the occasions where he was directed to go to the STEVENS' home.

With regards to the first time he was sent to the STEVENS' home, he was called by [redacted] and told to meet

Investigation on 5/30/2007 at Wasilla, Alaska

File # 194A-AN-13620 - TSTEVENS - 106 Date dictated

by SA [redacted] / SA [redacted] raw

FBI - Stevens-3948

RAW15161.302

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[redacted] last name not recalled, at the STEVENS' home. He believed that [redacted] last name is [redacted] but he is not certain. This would have occurred within a week or two [redacted] said he drove a VECO van to the STEVENS' home because the van would have tools, supplies, and ladders. It was close to lunchtime when he worked at the house and the weather was pretty good at the time. Upon arrival, the only other person at the house was [redacted] [redacted] described [redacted] as a white male, about [redacted] tall, about [redacted] lbs., short brown hair, not clean shaven, age in his early [redacted] said he would recognize [redacted] again if seen.

In describing the work performed on this occasion, [redacted] said he did not know what he needed to do prior to arriving. He met with [redacted] showed him what needed to be done. They were having problems with the [redacted] [redacted] so he fixed that problem. They were having problems with a [redacted] so he fixed that problem. He put a [redacted] inside the garage and in the back of the garage. The [redacted] related to the [redacted]. He did not know who installed the [redacted], but [redacted] said that we installed them for the Senator. [redacted] said he did not know if [redacted] worked for VECO. [redacted] said he did not fill out any paperwork or work order for this job. He was making about $30.00 per hour at the time so his time card would show about $120.00 for his wages, with driving time on top of that charge. He estimated that it took him about 45 minutes to an hour to drive each way. For his time card, he started the time when he left the VECO yard just off Potter street where he picked up the VECO van. He does not recall what he wrote on his time card, but he probably wrote Girdwood, Senator's house, or VECO. He would have written on his time card whatever he was instructed to write by his boss, [redacted].

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With regards to the second occasion when he worked on the STEVENS' residence, he was again called by his boss, [redacted] [redacted] and told to go to the STEVENS' house in Girdwood. He went and obtained a VECO van and drove to the residence. It was snowing at the time but the weather improved as he got closer to Girdwood. Upon arrival, he again met with [redacted] who told him what to do. He was told that the [redacted] [redacted] and that Senator STEVENS did not want to have to bend down to [redacted] said that VECO gave the statue to the STEVENS as a gift, but did not say why. [redacted] said that the statue

was worth $50,000.00. To complete the requested [redacted] work, [redacted]. This is the only [redacted] work he performed this day. He worked at the house around lunchtime and recalls this because while he was there, Senator STEVENS arrived at the house while riding in a Girdwood fire truck with [redacted]. The fire truck was driven by a fireman. The fire truck departed after dropping off Senator STEVENS and [redacted] Also present was [redacted] the [redacted] of Senator STEVENS, and the [redacted] believes that the [redacted] present were the [redacted] and [redacted] After the fire truck left, they started talking about making sandwiches, and [redacted] was offered a sandwich by [redacted]

After the fire truck dropped off the Senator and the [redacted] Senator STEVENS came over and shook his [redacted]) hand. [redacted] introduced [redacted] to Senator STEVENS as one of their employees. [redacted] was driving a VECO van but was not wearing any clothing identifying himself as a VECO employee. The other vehicles at the residence were [redacted] truck described as a blue Chevrolet pick-up, and another vehicle parked in front of the garage. [redacted] said that his time card would show probably four to six hours of work and would include the drive time. He did not recall what he wrote on his time card, but, again, he would have written what he was instructed to write by his supervisor.

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[redacted] advised he does not know of anyone else who worked at the STEVENS' Girdwood home. He does not believe that he would have needed a city permit to perform the work he did on the two occasions, and therefore, the work did not have to be signed off by a city inspector. As a licensed [redacted] the work he performed would be within in approved codes. A permit would be needed for extensive remodeling of a home. He does not know if permits were obtained for work done on the STEVENS' home and does not know if inspections were made. He did not notice and was not looking for work performed on the house which would not meet the necessary building codes.

[redacted] recalls being directed by [redacted] on two other occasions to meet with [redacted] He was sent to [redacted] house in [redacted] to meet with [redacted] He cannot recall the name of [redacted] They were doing a

remodeling job on the house and were [redacted] ended up not doing any [redacted] work on this house. [redacted] are both [redacted] did not know if [redacted] worked for VECO.

On another occasion in [redacted], he was directed to meet [redacted] at the residence of Senator RAMONA BARNES. He met [redacted] at the residence but Senator BARNES was not there. [redacted] had the keys to her house. [redacted] did not recall the address of this house but said it was located in the [redacted] said that they wanted to install a motorized wheelchair ramp inside the residence and wanted to know what [redacted] work needed to be done. [redacted] did not perform any work on this house. He did complete his time card and may have written "RAMONA BARNES" on the time card. [redacted] recalls being told by [redacted] to put down Senator STEVENS and RAMONA BARNES on his time cards and then the office would take care of it. No invoices were prepared for the work done on the STEVENS' house, for the time he went to [redacted] house, or for RAMONA BARNES' house. He only completed his time cards.

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[redacted] advised that he would not have any documents in his possession relating to these above described jobs other than old pay stubs kept for tax purposes. The pay stubs would not identify the individual jobs. He may have been called on his personal cell phone by [redacted] but he also may have been called on the company cell phone. At the time, his personal cell phone number was [redacted] and his carrier was Cellular One.

[redacted] was served with a United States District Court, District of Alaska, Grand Jury subpoena.

b3

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/01/2007

[redacted] date of birth [redacted] Alaska, [redacted] cellular telephone [redacted] was contacted at his residence. After being advised of the identity of the interviewing agents and the nature of the interview, [redacted] provided the following information:

[redacted] has lived at his current residence for approximately [redacted] but has no knowledge of Senator Ted Stevens or the renovations performed on Stevens' residence.

[redacted] has owned the residence since approximately [redacted] and may have knowledge of the renovations. [redacted] advised he will call [redacted] and have him contact the FBI.

b6
b7C

Investigation on May 31, 2007 at Girdwood, Alaska

File # 194A-AN-13620-~~SUB~~ TSTEVENS-107

Date dictated

FBI - Stevens-3952

by SA [redacted] jc
SA
152kjc01.302

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/01/2007

[redacted] cellular telephone [redacted] were contacted at their residence. After being advised of the identity of the interviewing agents and the nature of the interview, the [redacted] provided the following information:

The [redacted] have been renting at their current address since [redacted] They are aware the residence at 138 Northland belongs to Senator Ted Stevens because someone pointed it out to them, but they have no personal knowledge of Stevens or the renovations performed on the Stevens' residence.

[redacted] advised he will call his landlord and have him/her contact the FBI.

b6
b7C

Investigation on May 31, 2007 at Girdwood, Alaska

File # 194A-AN-13620-~~SUB~~ TSTEVENS-108

Date dictated

FBI - Stevens-3953

by SA [redacted] jc
SA [redacted]
152kjc02.302

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/01/2007

[redacted] telephone [redacted] was contacted at his residence. After being advised of the identity of the interviewing agents and the nature of the interview, [redacted] provided the following information:

[redacted] have lived at their current address for about [redacted] years. [redacted] has very little knowledge of Senator Ted Stevens and no knowledge of the renovations performed on the Stevens' home. [redacted] believed Stevens is at the residence approximately four times per year, and friends and family usually visit with him. [redacted] people other than the Stevens' at the residence performing duties including sloughing snow off the roof and hanging potted plants. [redacted] was aware there had been gutter damage on Stevens home, but did not advise how he knew. [redacted]

b6
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Investigation on May 31, 2007 at Girdwood, Alaska

File # 194A-AN-13620-~~SUB~~ TSTEVENS-109

Date dictated

FBI - Stevens-3954

by SA [redacted]
SA

152kjc03.302

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/01/2007

[redacted] white female, date of birth [redacted] Social Security Account Number (SSAN [redacted] was interviewed at her residence of [redacted] provided the following information after being advised of the official identity of the interviewing agents and nature of the interview.

[redacted] advised that the renovations to the residence of Senator STEVENS [redacted] began probably six to seven years ago when the one story home was lifted to a two story home. She recalls seeing trucks and workers at the STEVENS' residence but does not know who the people worked for and does not recall the business names on the trucks. She does not know who was doing the work on the house, nor does she know who paid for the work. She saw a boom on a truck in the yard and [redacted]. She knows that lights were put up on a tree at the STEVENS' home, but she did not know who put these lights on the tree.

[redacted] advised that [redacted] is a [redacted] He is expected to return [redacted] STEVENS' home. She has lived in [redacted] now. She knows that [redacted] Senator STEVENS, [redacted] and [redacted] lived in the house about [redacted]. She talked to [redacted] about their respective kids.

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[redacted] advised that she does not recall seeing VECO vehicles at the STEVENS' residence, and there is nothing that stands out in her memory. She probably would have noticed if VECO vehicles were at the residence because [redacted]

Investigation on 5/31/2007 at Girdwood, Alaska

File # 194A-AN-13620 ~~SUB~~-TSTEVENS -110 Date dictated

by SA [redacted] raw RAW15261.302

FBI - Stevens-3955

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[redacted] She does not know about repairs made to the STEVENS' house, but knows that [redacted] She can see that the STEVENS' house was painted, but does not know who did the painting.

With regards to [redacted] but guessed that there was some paint that was pealing and a gutter needed some repair. [redacted] to the office of TED STEVENS, but she did not know where this office was located. Last Monday, TED STEVENS was at the house and STEVENS walked over to [redacted]

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[redacted] advised that she has not had discussions with STEVENS [redacted] about the renovations, or the costs of the renovations. She knows that the statue of the fish was moved in a couple of years ago. They had to remove the railing from the deck and use a bobcat to move the statue. [redacted] said that she was recently contacted at her home by a reporter for the New York Times newspaper. The reporter was from the Seattle office of the New York Times. [redacted] advised that in her opinion, Senator STEVENS is a very nice person.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/01/2007

[redacted] address [redacted] [redacted] telephone number [redacted] (h), [redacted] c), was advised of the identity of the interviewers and the purpose of the interview. [redacted] provided the following information:

[redacted] resided in Girdwood, Alaska since [redacted] with the exception of a ten year period from [redacted] when he lived in [redacted] He is currently helping with the transition of the new owner of the [redacted] this summer.

[redacted] has been friends with United States Senator TED STEVENS for [redacted] years. STEVENS and [redacted] meet approximately six times per year on average. [redacted] believes he went to STEVENS residence once before it was remodeled; however, he does not recall what changes had occurred. He said the house was not elaborate. He does not recall anything that stands out in his mind regarding the residence. STEVENS did not discuss the remodel with [redacted] and [redacted] has no knowledge as to who performed the work or who paid for the work conducted on STEVENS'. [redacted] said that he learned most of what he knows from reading the recent newspaper article. [redacted] claims that [redacted] for the residence since STEVENS spends only a small portion of his time in Girdwood.

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[redacted] with STEVENS and some of his friends including [redacted] STEVENS [redacted] STEVENS was adamant that he wanted to make sure that whoever did the work provided him a bill so he could pay for the repairs. STEVENS [redacted]

[redacted] had several interactions with [redacted] over a long period of time some of which were social and some were related to business. [redacted] recalled seeing [redacted] at [redacted]

Investigation on 5/31/2007 at Girdwood, Alaska

File # 194A-AN-13620-TSTEVENS-111

Date dictated Typed 6/1/07

by SA [redacted] mbk
IA

FBI - Stevens-3957

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455 mbk 03.302

[redacted] said that he knew STEVENS much better than he did [redacted] was involved in the remodel of STEVENS' residence.

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[redacted] said that STEVENS always made sure that he paid his share of the expenses [redacted] said that he believed STEVENS has significantly helped the State of Alaska and hopes that STEVENS did nothing wrong. [redacted] said that STEVENS is more concerned about [redacted] then he is about his own problems.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/01/2007

[redacted] address [redacted] mailing address [redacted] telephone number [redacted] was advised of the identity of the interviewers and the purpose of the interview. [redacted] provided the following information:

[redacted] has lived at his current residence for the last [redacted] During that time, [redacted] has never met United States Senator TED STEVENS nor his wife. [redacted] recalled that at some point STEVENS' cabin was raised and a new first floor was constructed. [redacted] was unsure if the original structure had a garage or not. [redacted] did not know what company performed the renovations or when the renovations occurred. [redacted] did not speak or meet with anyone who was working on STEVENS' residence. [redacted] remembered that a boom truck was utilized to hoist a large grill onto the second story deck. [redacted] did not remember if the truck had a company name on the side. Again [redacted] did not speak to any of the workers involved. [redacted] recalled that during several winters a boom truck was also utilized to string lights on the outside of STEVENS' residence.

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[redacted] has never noticed a problem with ice forming on the roof of STEVENS' residence.

[redacted] and STEVENS before [redacted] moved to the neighborhood; however, [redacted]

Investigation on 5/31/2007 at Girdwood, Alaska

File # 194A-AN-13620-TSTEVENS-112
SA [redacted] :mbk
by IA [redacted]

Date dictated Typed 06/01/07

FBI - Stevens-3959

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/01/2007

[redacted], address [redacted] Girdwood, Alaska, was advised of the identity of the interviewers and the purpose of the interview. [redacted] provided the following information:

[redacted] has met United States Senator TED STEVENS several times in Girdwood. [redacted] has been in STEVENS' residence once for [redacted] years ago. [redacted] described the residence as a "funky" Girdwood cabin that was not elaborate.

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b7C

[redacted] was not aware of details related to renovations on STEVENS residence or who did the work on the renovations to STEVENS' residence until he read about it in the newspaper several days ago. [redacted] advised that he was not close to STEVENS; however, [redacted] and [redacted] were close friends.

MK

Investigation on 5/31/07 at Girdwood, Alaska

File # 194A-AN-13620-TSTEVENS-113
SA [redacted] mbk
by IA [redacted]

Date dictated Typed 06/01/07

FBI - Stevens-3960

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b7C

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155 MSK 2.302

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/01/2007

[redacted] Girdwood, Alaska, was advised of the identity of the interviewers and the purpose for the interview. [redacted] provided the following information:

[redacted] was not aware that United States Senator TED STEVENS resided in the house [redacted] She does not recall ever seeing anyone at that residence, not even a light on in the house. [redacted] who was residing at her current address in [redacted] does not recall any renovations occurring to STEVENS' residence.

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b7C

Investigation on 5/31/2007 at Girdwood, Alaska

File # 194A-AN-13620-TSTEVENS .114

Date dictated Typed 6/1/07

by SA [redacted] mbk
IA

FBI - Stevens-3961

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SSMBK04.302

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/04/2007

[redacted] Anchorage, Alaska, [redacted] provided the following information after being advised of the official identity of the interviewing agent and nature of the interview.

[redacted] provided copies of documents (attached) from [redacted] files regarding an [redacted] conducted at the residence described as Lot 9, Block 18, Alyeska Subd., Girdwood, Alaska, dated July 17, 2000. [redacted] was not working for this company at the time. The records indicate that [redacted] made a telephonic request for the survey. [redacted] are dated 7/13/2000. The cost for this [redacted] with the records showing that [redacted] was received in cash in 7/17/2000, with a balance of [redacted] owed.

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[redacted] advised that an [redacted] is not the same as a [redacted] and is not supposed to be accepted as a [redacted] is used at the basis for a [redacted] did not know if this [redacted] was used for a [redacted]

Investigation on 6/4/2007 at Anchorage, Alaska

File # 194A-AN-13620 ~~SUB~~ TSTEVENS ~~SUB-AN-13620~~ 115 Serial 4 Date dictated

FBI - Stevens-3962

by SA [redacted] raw

b6
b7C

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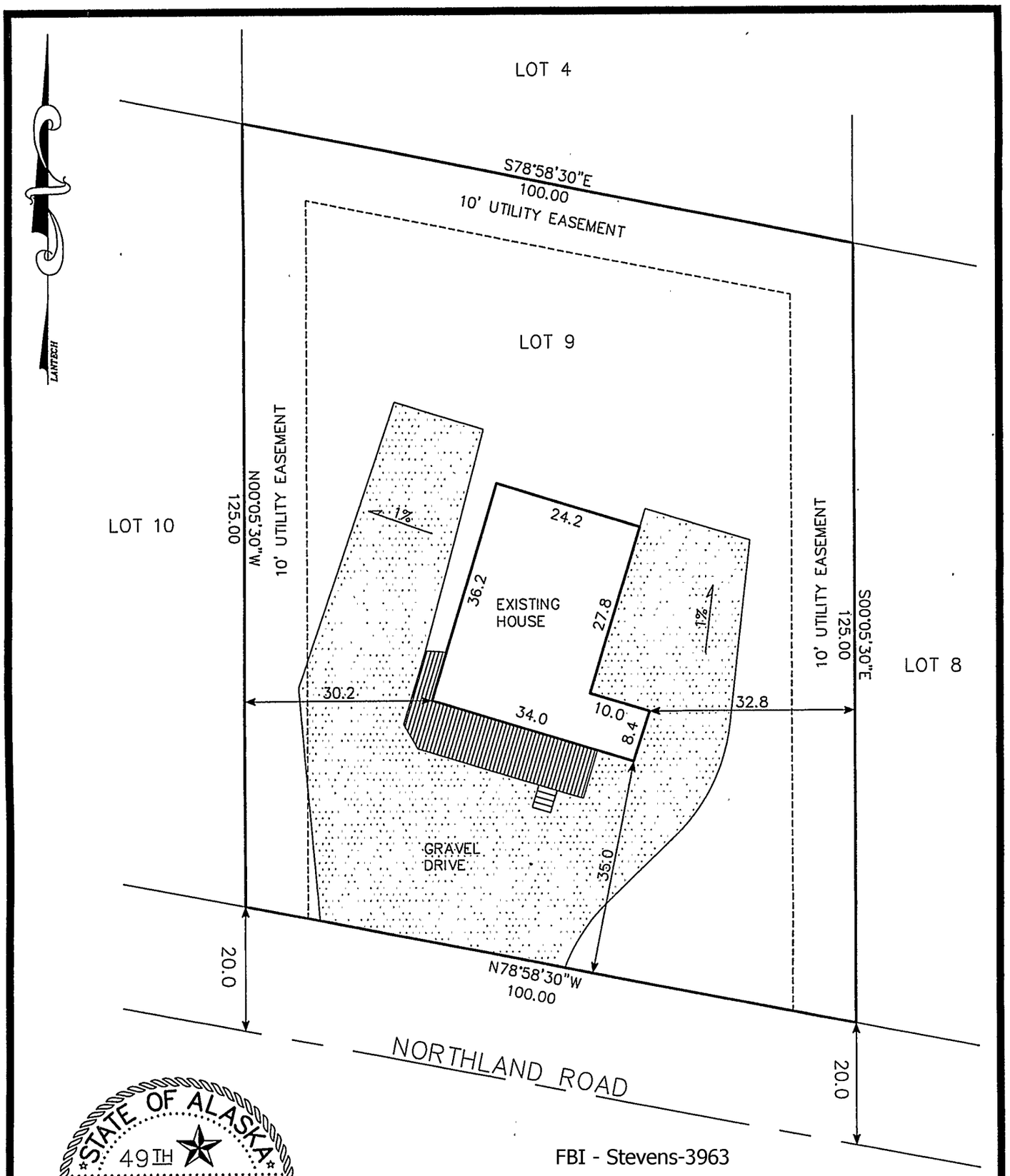


STATE OF ALASKA
49TH
Kenneth L. Dreyer
LS-8202
Registered Professional Land Surveyor

FBI - Stevens-3963

b6
b7C

for HONORABLE TED STEVENS

EXCLUSION NOTES: It is the owners' responsibility to determine the existence of any easements, covenants, or restrictions which do not appear on the recorded subdivision plat. NOTE: Under no circumstances should any data hereon be used for construction or for establishing property lines.

LEGEND: SET FND
5/8"RB W/CAP 5/8" RB
3.25" AL.MON. MONUMENT
HUB & TACK
FENCE— —x— x —
OVERHANG—
WOOD DECKS—
CONCRETE—
ASPHALT—
GRAVEL—
SEPTIC STANDPIPES— S
WATER WELL— W

lantech

LAND & CONSTRUCTION SURVEYORS-PLANNERS-ENGINEERS
440 WEST BENSON BLVD. # 103 (fax) 561-6626
ANCHORAGE, ALASKA 99503 (907) 562-5291

SURVEY CERTIFICATION: LANTECH has conducted a physical survey of this property as shown on this drawing and that the improvements situated thereon are within the property lines and no encroachments exist other than noted.

AS-BUILT OF: LEGAL DESCRIPTION:

LOT 9, BLOCK 18,
ALYESKA SUBD. FIRST ADDN.

WORK ORDER NUMBER:	DATE:		SCALE:	PLAT NUMBER:
2000-L-428A	JULY 17, 2000		1"=20'	64-3
	DRAWN BY: KLD	CHECKED BY: t.	GRID NUMBER: 4816	BOOK/PAGE: 479/43

LAND & CONSTRUCTION SURVEYORS
PLANNERS · AUTOCAD · ENGINEERS
440 WEST BENSON, SUITE 103 (907) 562-5291
ANCHORAGE, ALASKA 99503 FAX: 561-6626

INVOICE

b6
b7C

BILL TO TED STEVENS
c/o

CLIENT #	JOB #		ORDERED DATE		INVOICED DATE
	2000 L 428				7/17/200
	JOB TYPE	LEGAL DESCRIPTION			PRICE

ASBUILT SURVEY
LOT 9 BLK 28
ALYESKA FIRST ADDN

FBI - Stevens-3964

All accounts are due upon receipt of services by LANTECH, INC. Credit accounts not paid within thirty (30) days following receipt of service will be charged 1 1/2% per month on the unpaid balance.

Signed_____ Date_____

Lantech
LAND & CONSTRUCTION SURVEYORS
PLANNERS · AUTOCAD · ENGINEERS
440 WEST BENSON, SUITE 103 (907) 562-5291
ANCHORAGE, ALASKA 99503 FAX: 561-6626

INVOICE # 108976

From Order# 8430

BILL TO
TED STEVENS
% [redacted]
(907) 783-2822

b6
b7C

CLIENT #	JOB #		ORDERED DATE		INVOICED DATE
99998	00-L-428		07/19/00		07/19/00
	JOB TYPE	LEGAL DESCRIPTION			PRICE
	AS BUILT	ALYESKA FIRST ADDN. LOT 9 BLK 18			275.00

pd 7-21-00
cash 225.—
balance $50.—

THANK YOU FOR YOUR BUSINESS!

FBI - Stevens-3965

All accounts are due upon receipt of services by LANTECH, INC. Credit accounts not paid within thirty (30) days following receipt of service will be charged 1 1/2% per month on the unpaid balance.

Signed_____ Date_____

Hyesta Sub
L9 BLK 18
Asbuilt

BO/APE

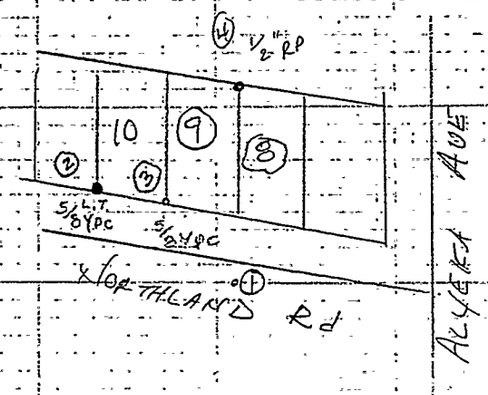
7-13-2000

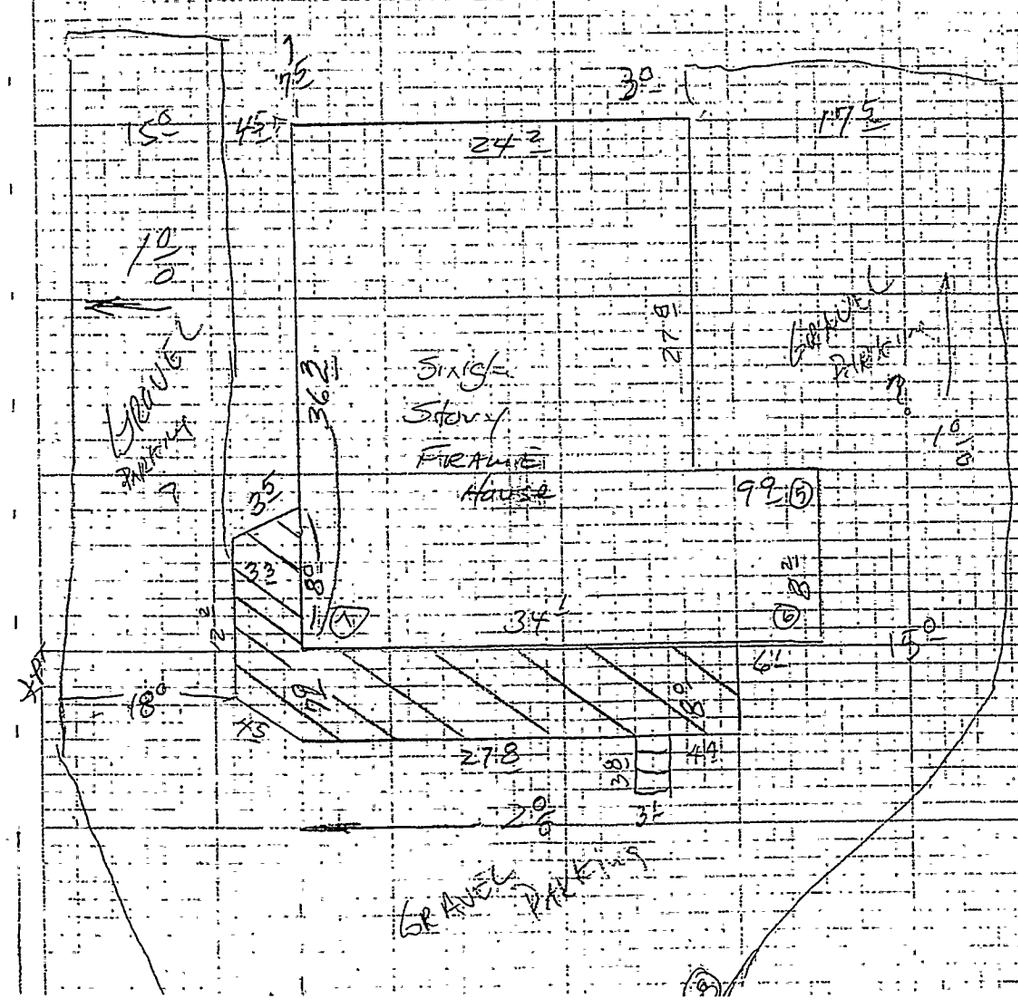
479/43

b6
b7C

X/O Fences
X/O Decks

	T @ (1) B.S. (2)	168.47	
(3)	71-57-30	70.96	
(4)	85-03-30	147.84	
(5)	74-17-50	68.56	HSE.COR.
(6)	72-27-00	60.66	" "
(7)	77-03-26	76.76	" "
(8)	54-33-00	32.25	Cent @ Rd Dew
(2)	359-59-50		





Lantech
LAND & CONSTRUCTION SURVEYORS
PLANNERS · AUTOCAD · ENGINEERS
440 WEST BENSON, SUITE 103 (907) 562-5291
ANCHORAGE, ALASKA 99503 FAX: 561-6626

INVOICE

BILL TO TED STEVENS
c/o [redacted]

CLIENT #	JOB #		ORDERED DATE		INVOICED DATE
	2000 L 428				7/17/200
	JOB TYPE	LEGAL DESCRIPTION			PRICE

ASBUILT SURVEY
LOT 9 BLK 28
ALYESKA FIRST ADDN

PAID 225 00
CASH
MJ

b6
b7C

[redacted]

All accounts are due upon receipt of services by LANTECH, INC. Credit accounts not paid within thirty (30) days following receipt of service will be charged 1 1/2% per month on the unpaid balance.

FBI - Stevens-3967

Signed [redacted] Date 7-17-00

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/04/2007

[redacted], Municipality of Anchorage Planning Department, Land Use Enforcement Division, 4700 Bragaw Street, Anchorage, Alaska, 99519-6650, [redacted] provided the following information after being advised of the official identity of the interviewing agent and nature of the interview.

[redacted] advised that she queried computer records and records from closed files regarding the address of 138 Northland Rd., Anchorage, Alaska, further described as Alyeska #1, Block 18, Lot 9, with negative results. Therefore, there is no record of her office opening or initiating a case on this property. [redacted] advised that if a Re-certified As Built is not filed on a property, her office will generally not open a case unless a complaint is received from the public.

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b7C

Investigation on 6/4/2007 at Anchorage, Alaska

File # 194A-AN-13620 ~~SUB~~ TSTEVENS-116 Date dictated

by SA [redacted]:raw RAW15562.302 FBI - Stevens-3968

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/04/2007

[redacted] City of Anchorage Department of Development Services, Building Safety Division, 4700 S. Bragaw, Anchorage, Alaska, 99519-6650, [redacted] was advised of the official identity of the interviewing agent, and was asked to provide copies of public documents regarding the address of 138 Northland Road, Anchorage, Alaska, with the property description of Alyeska #1, Block 18, Lot 9. The attached documents were furnished by [redacted]

[redacted] advised that the Girdwood, Alaska area is governed by Title 21 zoning codes, meaning that the work performed on this residence would require a Land Use Permit. The Title 21 codes do not require inspections on the work performed. A Land Use Permit is obtained by first filing a plot plan, which would include an engineering diagram of the work to be performed. A fee is charged to the property owners and a permit is then issued, providing that the plans are approved. The file in this office is closed upon receipt of "Re-certified As Built" notification by the owners. The Re-certified As Built is usually filed by the land surveyor, who would verify the plot plan. A Re-certified As Built notification has not been filed in this case involving the address of 138 Northland Road. As a matter of practice, additional permits would not be granted on a property unless a Re-certified As Build notification has been filed. The Land Use Enforcement office upstairs may open a case in a situation where a Re-certification As Built notification was not filed, however, a case is not usually opened unless a complaint from the public is made. [redacted] advised that electrical and plumbing inspections are not required in a Land Use Permit case.

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[redacted] advised that she could furnish copies of the documents in the file with the exception of the engineering plans. A review of the engineering plans shows that the plans were prepared by LANTECH, 440 W. Benson Blvd., #103, Anchorage, Alaska, 99503, (907)562-5291, work order 2000-L-428A. [redacted] for the honorable TED STEVENS. [redacted]

Investigation on 6/4/2007 at Anchorage, Alaska

File # 194A-AN-13620 SUB TSTEVENS-117 Date dictated

by SA [redacted] raw RAW15561.302 FBI - Stevens-3969

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

L-351

Land Use Permit Record

Case: 17
Shelf: 6
☐ Plans Inside

Subdivision: Alyeska #1

Land Use Permit No. 00-0783
Date 7/24/00

"PERMIT ISSUED PENDING SUBMITTAL AND APPROVAL OF A CERTIFIED AS-BUILT SURVEY BEFORE OCCUPANCY OF THE STRUCTURE."

Lot	Block	Street	Owner
9	18	Northland Rd.	Jed Stevens

Contractor: Owner

A. Type of Building (Check one)

☐ New Building ☐ Alteration
☐ Repair, Replacement ☒ Addition
☐ Relocation, Moving ☐ Grading, Excavation

B. Type of Use (Check one)

Residential
☒ Single Family
☐ Duplex ☐ Other
☐ Mobile Home

Commercial
☐ Office ☐ Sign ☐ Church ☐ Other
☐ Warehouse ☐ Multi Dwelling ☐ Demo
☐ Retail ☐ Restaurant ☐ Fill/Grading

1. Zoning USE ZONE R-11
Corrections
☐ Date 7-26-00
☐ Na[redacted]
[redacted]oved
☐ Date 7/31/00
☐ Name [redacted]
☐ Comments on back

2. PW/Engr.
Corrections
☐ Date
☐ Name
Approved
☐ Date
☐ Name
☐ Comments on back

3. Traffic Engr.
Corrections
☐ Date
☐ Name
Approved
☐ Date
☐ Name
☐ Comments on back

4. Flood Hazard Permit:
Corrections
☐ Date
☐ Name
Approved
☐ Date
☐ Name
☐ Required ☒ N/A
☐ Comments on Back 7-25-00

Type of Permit	Date Issued
Landuse	7/31/00 GS

RESUBMITTAL INFORMATION
Date: 7/26/00 - Submitted Power of Atty form.
[redacted] - mt

COMPATIBILITY DETERMINATION:
This use:
Predominant Surrounding uses:
☐ Compatible ☐ Incompatible
☐ Approved ☐ Disapproved
BUILDING OFFICIAL
DATE

PLANS COORDINATION NOTIFICATION

DATE	CALLED	CARD	NAME
7/27/00	Called		Jim

PLANS TAKEN:
Date: Name:

b6
b7C

FBI - Stevens-3970

Municipality of Anchorage

Building Safety Division

Department of Public Works

ZONING COMMENTS

Reviewed by: [redacted]
Phone: [redacted]
Fax: -

Permit #: 00- -0783
Date: 7/26/00

Lot: 9 Block: 18 Tract: Subdivision: ALYESKA #1
Project:

Contact:	Name:	Phone:	Fax:
OWNER	STEVENS THEODORE [redacted]		
PERMITEE	OWNER	(907) 783-2822	(907) 782-5520
GENERAL CONTRACTOR	OWNER		
CONTACT PERSON	[redacted]	[redacted]	(907) 782-5520
ARCHITECT/DESIGNER	OWNER/TED STEVENS	(907) 783-2822	(907) 782-5520

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Plan Review Comments:

1. Plans & plot plans are not scaled. Please correct.

2. Zoning review incomplete.

PARCEL: 076-021-21-000-01 CARD: 01 OF 01 RESIDENTIAL SINGLE FAMILY
STATUS: RENUMBERED TO/FROM: 000-000-00-000-00

STEVENS THEODORE [redacted] ALYESKA #1 b6 b7C
BLK 18 LT 9

P0 BOX 100879
ANCHORAGE AK 99510 0879 SITE

LOT SIZE:	12,500	---DATE CHANGED---	----DEED CHANGED----
ZONE	: R11/	OWNER : 04/05/85	BOOK : 0955 PAGE: 07
TAX DIST:	004	ADDRESS: 04/05/85	DATE : 08/26/83
GRID	:	HRA # : 00-0000	PLAT : 00-0000
NOTES	:		

ASSESSMENT HISTORY

	---LAND--	--BUILDING-	---TOTAL---	
FINAL VALUE 1998:	55,100	75,100	130,200	
FINAL VALUE 1999:	55,100	70,000	125,100	--EXEMPTION--
FINAL VALUE 2000:	55,100	71,300	126,400	-----TYPE----
EXEMPT VALUE 2000:	0	0	0	
STATE EXEMPT 2000:			0	
				-COMM COUNCIL
FINAL VALUE 2000:			126,400	NONE

PARCEL: 076-021-21-000-01 RESIDENTIAL SINGLE FAMILY 07/26/0

TOPO:	EVEN	LIV UNITS:	001	WETLANDS :	
	LEVEL	STREET :	DIRT	DRAINAGE :	POOR
				COMMON AREA:	
UTIL:	PUBLIC WATER			% OWNERSHIP:	
	PUBLIC SEWER	TRAFFIC :	LOW	LEASEHOLD :	
		ACCESS :	GOOD	INSP DT:	06/88 EXTERI
WELL:	N				07/90 EXTERI

	MM/YY	TYPE	AMOUNT	SOURCE
SALES DATA 1:	06/81	LAND & BLDG	72,000	OTHER
2:	06/80	LAND & BLDG	72,000	OTHER
3:	/			

OTHER BUILDINGS AND YARD IMPROVEMENTS

TYPE	QTY	YRBLT	SIZE	GRADE	CONDITION

PARCEL: 076-021-21-000-01 RESIDENTIAL SINGLE FAMILY 07/26/0

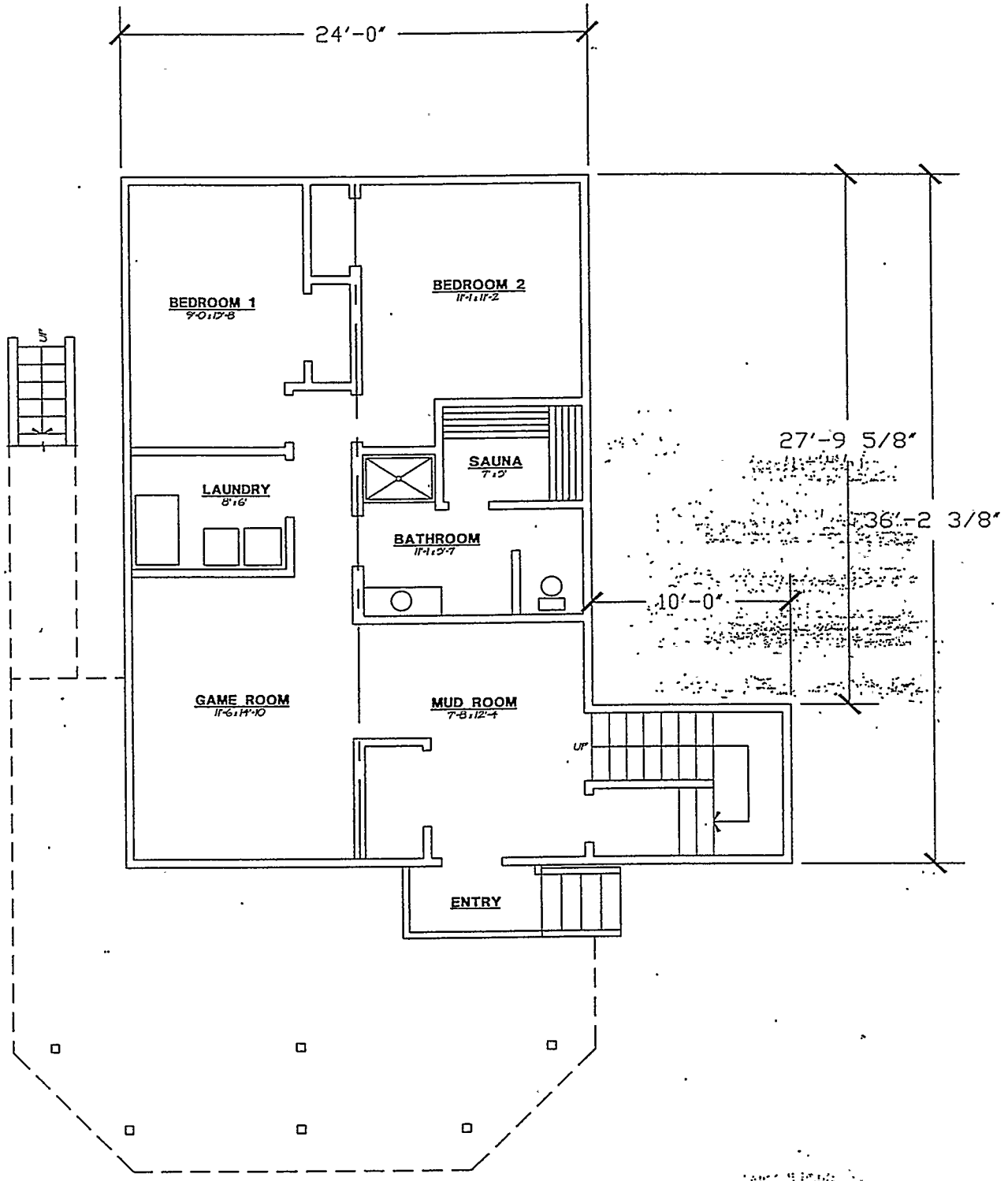
STYLE	: OTHER	STORY HT	: 1.5	EXTERIOR WALLS:	WOOD
YEAR BUILT	: 1971	REMODELED:		EFFECTIVE YEAR:	1971
TOTAL ROOMS:	05	BEDROOMS	: 03	RECREATION RMS:	0
FULL BATHS	: 1	HALF BTHS:	1	ADD'T FIXTURES:	0
HEAT TYPE	: CENTRAL	HEAT SYST:	FORCED AIR	FUEL HEAT TYPE:	NATURAL G
FP: STACKS	:	OPENINGS	:	FREE STAND	:
EXTRA VALUE:		EXTRA VAL:		E-Z SET FIREPL:	1
CONDO STYLE:		CONDO FLR:		CONDO COM PROP:	
GRADE	: AVERAGE	CST/DESGN:		CONDITION	: AVERAGE

AREA

BASEMENT	: 0	FIN/BSMT	:	BASEMENT GAR:		CAR	TOTA
1ST FLOOR	: 864	2ND FLOOR	: 0	3RD FLOOR	:	0	AREA
HALF FLOOR:	0	ATTIC AREA:	576	RECROOM AREA:			115

ADDITIONAL FEATURES

BASEMENT:	1ST FLOOR:	2ND FLOOR:	3RD FLOOR:	AREA
	WOOD DECK			32



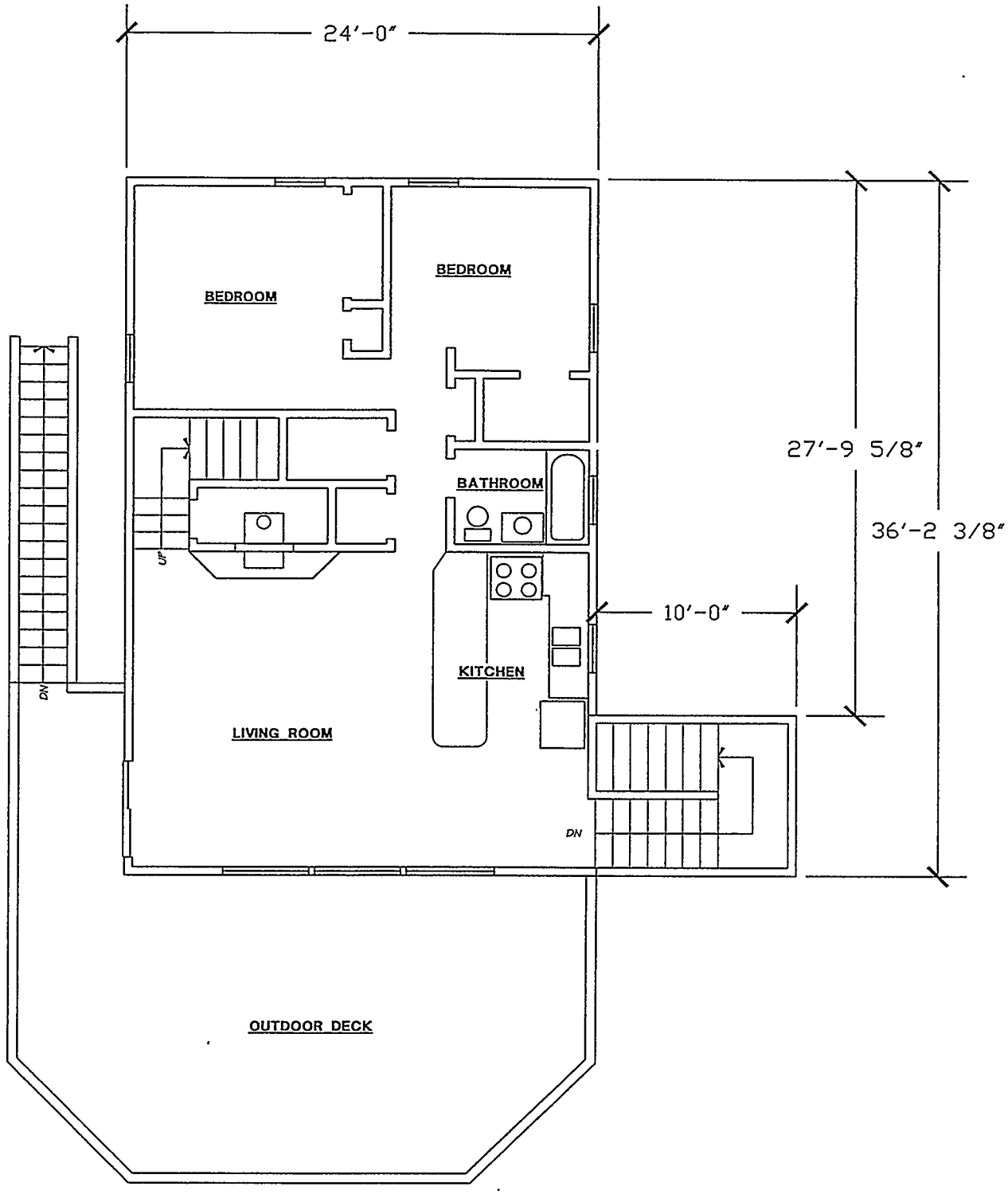
FIRST FLOOR PLAN

1' 0 2' 5' 10'

DRAWING RECORD	DATE	SPECIAL PROJECTS	TITLE OF DRAWING: STEVENS RESIDENCE HOUSE LIFT REMODEL FIRST FLOOR PLAN
DESIGNED BY: JCH	7/24/00		
APPROVED BY:			
APPROVED BY:			
SCALE: 1/8" = 1'-0"			

DRAWING NUMBER				SHEET
-	-	A-0001-	0	1
PROJECT	DISC.	DRAWING NO.	REV.NO.	OF 4

FBI - Stevens-3975



SECOND FLOOR PLAN

1' 0 2' 5' 10'

DRAWING RECORD		DATE	SPECIAL PROJECTS	TITLE OF DRAWING:
DESIGNED BY:	JCH	7/24/00		STEVENS RESIDENCE HOUSE LIFT REMODEL SECOND FLOOR PLAN
APPROVED BY:				
APPROVED BY:				
SCALE: 1/8" = 1'-0"				

DRAWING NUMBER				SHEET
-	-	A-0001-	0	2
PROJECT	DISC.	DRAWING NO.	REV.NO.	OF 4

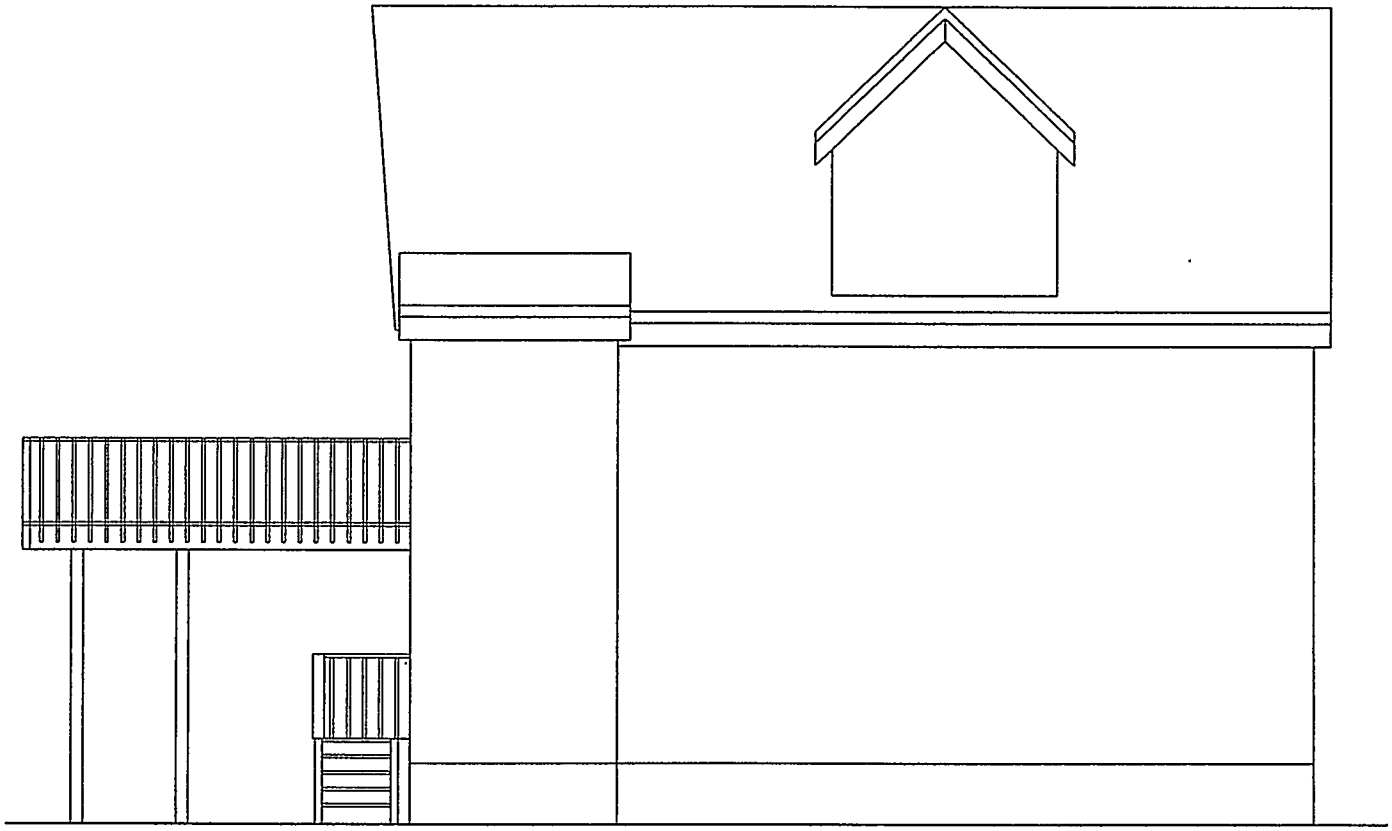
FBI - Stevens-3976

SOUTH ELEVATION

1' 0 2' 5' 10'

DRAWING RECORD	DATE	SPECIAL PROJECTS	TITLE OF DRAWING:
DESIGNED BY: JCH	7/24/00		STEVENS RESIDENCE FBI - Stevens - 3997 HOUSE LIFT REMODEL SOUTH ELEVATION
APPROVED BY:			
APPROVED BY:			
SCALE: 1/8" = 1'-0"			

DRAWING NUMBER				SHEET
-	-	A-0 0 0 1 -	0	3
PROJECT	DISC.	DRAWING NO.	REV.NO.	OF 4



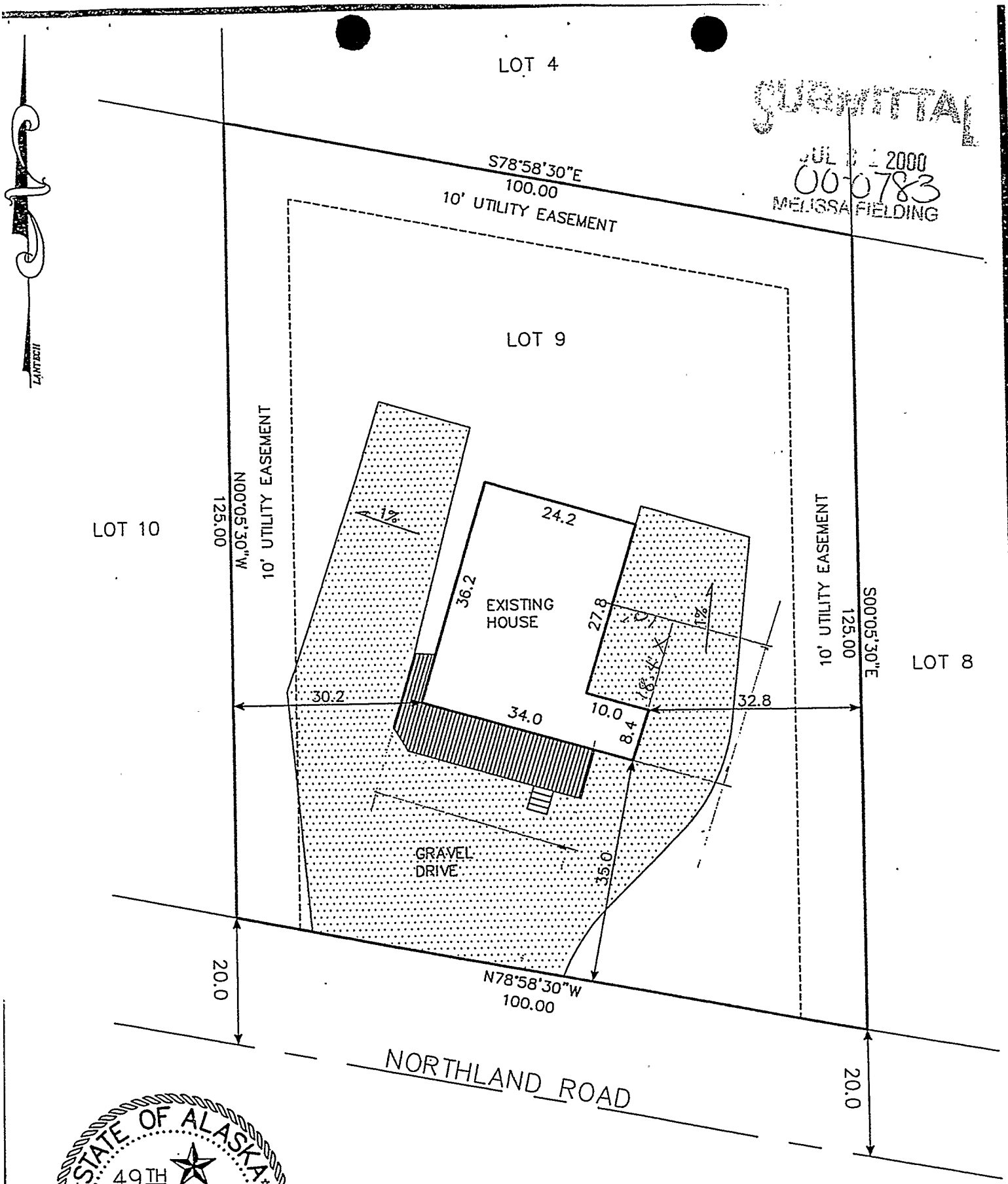
EAST ELEVATION

1' 0 2' 5' 10'

DRAWING RECORD	DATE	SPECIAL PROJECTS	TITLE OF DRAWING:
DESIGNED BY: JCH	7/24/00		STEVENS RESIDENCE HOUSE LIFT REMODEL EAST ELEVATION
APPROVED BY:			
APPROVED BY:			
SCALE: 1/8" = 1'-0"			

FBI - Stevens-3978

DRAWING NUMBER				SHEET
-	-	A-0001-	0	4
PROJECT	DISC.	DRAWING NO.	REV.NO.	OF 4



SUBMITTAL
JUL 2 2000
00-0783
MELISSA FIELDING

STATE OF ALASKA
49TH
Kenneth L. Dreyer
LS-8202
Registered Professional Land Surveyor

LOT 9 BLOCK 18
ALYESKA SUBDIVISION #1

FBI - Stevens-3979

RESIDENTIAL PERMIT APPLICATION

Permit Number: 00- -0783

Tax Code Number: 076-021-21

MUNICIPALITY OF ANCHORAGE
BUILDING SAFETY DIVISION
4700 SOUTH BRAGAW STREET
Telephone (907) 343-8211
Inspection Request Line (907) 343-8300
Inspection Fax Line (907) 343-8235

Subdivision: ALYESKA #1

Lot/Space: 9 **Block:** 18 **Tract:**

Site Address: NHN NORTHLAND ROAD

Owner: STEVENS THEODORE [redacted] **Phone No:** [redacted]

Contractor: OWNER **Phone No:** ( )

Architect: OWNER/TED STEVENS **Phone No:** (907)783-2822

Type of Work: ADDITION **Proposed Use:** SINGLE FAMILY

Work Description: 1,048 sq ft Living Addition and Deck

Total Construction Valuation of Work: $84,878.00

Permit Fee:	$167.68	Total Amount Paid:	$167.68
Plan Review Fee:	$.00		
Fire Review Fee:	$.00	Last Date Paid:	07/24/2000
Address Fee:	$.00	Payment Type:	CASH
Other:	$.00	Receipt No:	MF
Total Fees:	$167.68		

455A
MF

TO INSURE THAT YOUR PERMIT REMAINS ACTIVE, CALL FOR AN INSPECTION AT LEAST ONCE EVERY 360 DAYS. PER MUNICIPAL CODE, ALL REFUNDS ON CANCELLED PROJECTS MUST BE REQUESTED IN WRITING NO LATER THAN 360 DAYS AFTER DATE OF FEE PAYMENT. LAND USE PERMITS VALID FOR 180 DAYS TO COMMENCE CONSTRUCTION

The owner of this building and the undersigned agree to conform to all applicable laws of this jurisdication.

PRINTED NAME: [redacted]

SIGNATURE: [redacted] DATE: 07/24/00

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This is an application only. This is not your permit to begin construction. There may be additional fees for site review and landscaping review. Permits are required for plumbing, mechanical, electrical, elevator, and fire systems.

FBI - Stevens-3980

Residential Permit Worksheet

Municipality of Anchorage — 4700 S Bragaw, Telephone (907) 343-8211 — Building Safety Division

TAX CODE NUMBER: 0760 0211 21

PERMIT NUMBER: 00 [ ] 0783

COMPLETE ALL APPLICABLE PARTS

SUBDIVISION: ALYESKA Sub. #1 LOT: 9 BLOCK: 18

TRACT: PLAT #: GRID #: ZONING:

UTILITIES: PUBLIC WATER: [✓] PUBLIC SEWER: [✓] WELL: [ ] SEPTIC: [ ]

Construction Site Address: NORTHLAND DR. City GIRDWOOD

Legal Property Owner: SENATOR TED STEVENS

Address: NORTHLAND DR. GIRDWOOD SENATE BLDG. WASHINGTON D.C. Phone: 783-2132 Fax:

Permittee:

Address: Phone: Fax:

Contractor: [redacted] CONST.

Address: Phone: Fax:

Contact Person: [redacted]

Address: [redacted] GIRDWOOD Phone: [redacted]

Designer/Architect: OWNER

Address: Phone: Fax:

PROPOSED USE

SINGLE FAMILY:	MOBILE HOMES ONLY: ==>	MAKE	YEAR	SIZE	SERIAL #	LEAN TO
[✓]						

DUPLEX: [ ]

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NEW OR ADDITION

Number of Stories	# of Dwelling Units	Living Area Sq. Ft.	Finished Basement Sq. ft.	Unfinished Basement Sq. ft.	Garage Sq. ft.	Carport Sq. ft.
			1048 ~~864~~			

ALTERATION OR REMODEL

DESCRIPTION OF WORK: 1048 TOTAL CONSTRUCTION VALUATION

LIFT EXISTING house AND Add finished Rooms ~~[illegible]~~ ON NEW floor. EXTENDING deck $2200.00

SUBMITTAL

JUL 2 2000

COMPLETED BY: [redacted] ~~FBI - Stevens 3981~~ DATE: 7/24/00

POST IN A CONSPICUOUS PLACE

ALL WORK MUST BE INSPECTED

A 24-HOUR NOTICE IS REQUIRED FOR INSPECTION SERVICE
INSPECTION REQUEST LINE 343-8300 OR FAX REQUEST 343-8235

MUNICIPALITY OF ANCHORAGE
BUILDING SAFETY DIVISION
4700 SOUTH BRAGAW STREET
TELEPHONE (907) 343-8211

Department of Public Works

LAND USE PERMIT

NO: 00- -0783

ADDITION

Date: 07/31/00

SITE ADDRESS: NHN NORTHLAND ROAD

PERMITEE/OWNER: STEVENS THEODORE [redacted]

CONTRACTOR: OWNER

LOT: 9 BLOCK/TRACT: 18 SUBD: ALYESKA #1

TYPE: ADDITION

PROPOSED WORK: SINGLE FAMILY

WORK DESC. 1;048 sq ft Living Addition and Deck

REMARKS: mf

TOTAL CONSTRUCTION VALUATION: $84,878.00

Total fees for this issuance: 167.68

Total payments for this issuance: 167.68

Permit Issued By: [redacted]

Approvals:

b6
b7C

ALL WORK IN STRICT CONFORMANCE WITH PLAN CHECK REQUIREMENTS AS PER JOB PRINTS. FIELD INSPECTION REQUIRED

INSPECTION REQUIRED OF FOUNDATION EXCAVATION PRIOR TO PLACING ANY CLASSIFIED FILL

CONTACT THE UTILITY FOR APPROVAL OF SERVICE EQUIPMENT AND LOCATION PRIOR TO INSTALLATION. SERVICE CHANGES MUST BE SCHEDULED IN ADVANCE WITH THE UTILITY COMPANY AND THE BUILDING SAFETY INSPECTION SECTION.

I HAVE READ THE ABOVE APPLICATION AND KNOW THE CONTENTS THEREOF: THE SAME IS TRUE AND CORRECT.
I FURTHER AGREE THE ABOVE WORK WILL BE DONE IN ACCORDANCE WITH ALL STATE, MUNICIPAL LAWS, AND ORDINANCES.

IF WORK IS NOT COMMENCED

FBI - Stevens-3982

Signature of permitee or Agent: [redacted]

Printed Name: [redacted]

SUBMITTAL

2000
00-0783
NEWSRA FILLING

July 26, 2000

POWER OF ATTORNEY

To Whom It May Concern:

This is to certify that [redacted] of Girdwood, Alaska an Attorney-in-Fact to act for us in carrying out the modifications of our home (Lot 9, Block 18 of Alyeska Subdivision #1) in Girdwood. This will authorize anything that he does to act as our Attorney-In-Fact and we hereby ratify his activities on our behalf. We grant him authority to make any application necessary to comply with the laws or regulations of the City of Girdwood, the Borough of Anchorage or the State of Alaska, and receive and execute for us any permits, purchase agreements or statements required by the agents or employers of any public authority. This power of attorney is effective as of the above noted date and is valid for a period of one year.

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[redacted]

Theodore F. Stevens

District of Columbia

ss.

Subscribed and sworn to before me this 26th day of July, 2000.

Notary Public

NOTARY PUBLIC
DISTRICT OF COLUMBIA

MY COMMISSION EXPIRES JANUARY 31, 2004

FBI - Stevens-3983

July 26, 2000

[redacted]
Municipality of Anchorage
Building Safety Division
4700 South Bragaw St.
Anchorage, AK 99507

Dear [redacted]

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b7C

I am faxing a copy of a document giving [redacted] power of attorney in regard to construction at my house in Girdwood. I will Fed Ex the original signed and notarized document to you today.

Thanks for your help. Please contact [redacted] or me or either of my assistants- [redacted] if you have any questions or need any further information.

Sincerely,

Ted Stevens

TED STEVENS

Attachments

RESEARCH REQUEST

RESEARCH REQUESTED BY:

Name: [redacted] Date: 5/10/07

Phone: [redacted]

THE PROPERTY IS DESCRIBED AS FOLLOWS:

Permit #: 00-0783

Subdivision: Alyeska #1 Lot: 9 Block: 18

Site Address: NHN Northland Rd

Type of Building: Single-family

Example: Single-Family, 4-Plex, Office, etc.

Approximate Year Built: _____ CO Date: _____ CCO: _____

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INFORMATION NEEDED: Full file on addition to view orig. documents

FOR OFFICE USE ONLY

EMPLOYEE REQUESTING INFORMATION:

FOLDER: ☐ PLANS: ☐

Name: [redacted] Phone #: _____

Box #~~L-399~~ L-339 CN#: _____ LC#_____ Plans Shelf: 26

FEE: $35.00 HR

PLANS COORDINATOR ONLY

DATE REQUESTED:

DATE RECEIVED:

DATE RETURNED TO RECORDS MANAGEMENT:

PERMIT COUNTER ONLY

CASH _____

CASH CHANGE _____

CHECK# _____

CHRG _____

TR# _____

DATE 5/10/07

CALL LOG: _____

~~FBI - Stevens-3985~~

Initial: Date:

Permit Automation System 10.14. pas.pas.pwjrd

File Edit View Applications Maintenance Reports Options Window Help

Change Order: 0 Permit 00 - 0783

Change Orders | Valuation | Contacts | Fees | Payments

Current Payment | Payment History | Pay Everything

	Date	Type	Receipt	Pmt No.	Amount	Comments
Payment:	07/24/00	CASH	MF	1	167.68	Owner

Fee Date	Fee Class	Fee Description	Amt Paid
07/24/00	LAND USE	OLD NEW/ADD SQ FT INCLUDING MOBILE HOMES	167.68

Permits | Addressing | Change Orders | Routing | Routing Status | Plan Review | Stop Work Orders | Elevators

Ready

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 05/16/2007

[redacted] date of birth [redacted] address [redacted] home telephone [redacted] work telephone [redacted] was advised of the identity of the interviewing agents and the purpose of the interview. [redacted] (FAA) [redacted] provided the following information:

[redacted] graduated from the [redacted] with a degree in [redacted] and began working for United States Senator TED STEVENS as a [redacted] on STEVENS' staff including [redacted]

[redacted] remembered that it was common knowledge in the office in 2000 that STEVENS was remodeling his residence and that a deck was built. [redacted] does not remember any details regarding the remodel or who was performing the work. If [redacted] reference STEVENS' chalet in Girdwood, Alaska, [redacted] for STEVENS' office. [redacted] issues for STEVENS during that time frame. [redacted] recalled that there was an issue related to STEVENS' Girdwood residence and that [redacted]

[redacted] STEVENS had several bad financial investments in years past; however, he was successful with an investment that involved [redacted] After STEVENS received negative press on this investment, STEVENS created a blind trust to manage his investments.

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Investigation on 05/15/2007 at Washington, DC

File # 194A-AN-13620-TSTEVENS 118

SA [redacted] mbk

by SA [redacted] IRS

Date dictated Typed 5/16/07

FBI - Stevens-3987

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

rcvd 6/1/07; rcvd. 06/02/07

USO mbk 01.302

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 05/16/2007

[redacted] date of birth [redacted] address [redacted] telephone number [redacted] was advised of the identities of the interviewing agents and the purpose of the interview. [redacted] provided the following information:

[redacted] and graduated with a degree in [redacted] She worked for several years for the [redacted] staff of United States Senator TED STEVENS. [redacted]

[redacted] in the summer of [redacted] (may have been in the summer of [redacted]) from a reporter in Alaska who worked for either the Turnagin Times or the Anchorage Daily News inquiring if [redacted] VECO Corporation had done the renovations at Senator STEVENS residence in Girdwood, Alaska at no charge. The reporter said the information came from an unnamed source. [redacted] STEVENS of the press inquiry, STEVENS responded that he did not know about this because [redacted] handled the renovations and told [redacted] to speak with [redacted] STEVENS also said that he could not remember the details. [redacted] does not recall any reaction from STEVENS after [redacted] This was not the first occasion that STEVENS had [redacted]

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b7C

[redacted] recalled that the STEVENS' had a friend in Girdwood who oversaw the project. [redacted] believes that [redacted] canceled checks and invoices. [redacted] After the documents were assembled which took a week or two,

Investigation on 05/15/2007 at Fairfax, VA

File # 194A-AN-13620-TSTEVENS, 119

SA [redacted]

by SA [redacted] -IRS

Date dictated Typed 5/16/07

FBI - Stevens-3988

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

HQ-1154602. 302

[redacted] does not recall any story being published on this issue. [redacted] file folder to hold copies of the documents in the event of [redacted] STEVENS, [redacted] does not recall the details on the documentation such as to whom the checks were made payable or what company was named on the invoices.

[redacted] follow up conversation with STEVENS [redacted] that the documentation regarding the renovations was made available to the reporter and that this appeared to satisfy the reporter.

[redacted] b6 b7C

[redacted] knew of VECO Corporation and [redacted] STEVENS were friends, but does not know the extent of the relationship.

If VECO Corporation had performed work on the house and STEVENS had paid for the work, then [redacted] believes this would have been an oversight and that STEVENS would have corrected the matter as soon as it came to his attention. [redacted] said that STEVENS routinely emphasized the importance of maintaining high standards of ethics in [redacted]. STEVENS required his staff to regularly attend ethics training and in addition would circulate articles highlighting ethics. [redacted] advised that STEVENS was responsible for drafting the current ethics standards employed by the United States Senate. It was not unusual for STEVENS to direct staff to return gifts that were above the monetary limit.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 05/31/2007

The financial disclosure statements of United States Senator TED STEVENS for calendar year 2000 through 2005 were obtained from the Secretary of the Senate. A review of the disclosures is described below. The disclosures are maintained in an FD-340b envelope.

Year 2000

The disclosure was signed on 05/10/01 by STEVENS and was delivered to the legislative resource center on 05/15/01 at 10:40 am. There were no gifts disclosed and no reportable liabilities listed. The names of VECO Corporation [redacted] did not appear anywhere in the financial disclosure.

Year 2001

The disclosure was signed on 05/15/02 by STEVENS and was delivered to the legislative resource center on 05/15/02 at 2:24 pm. There was one gift from the Alaska Mint/Special Olympics which was described as a commemorative gold Olympic coin valued at $1,100. No reportable liabilities were listed. The names of VECO Corporation [redacted] did not appear anywhere in the financial disclosure. b6 b7C

On 06/10/02, STEVENS submitted an amendment to Part IIIA. publicly traded assets and unearned income sources which added expected income fund to the type of income for the 401K at Mayer, Brown, Rowe & Maw. On 08/01/02, STEVENS submitted an amendment to Part IIIB. publicly traded assets and unearned income sources which changed the actual amount of income on JLS Properties LLC from -$53,901 to -$34,652 and on Centerpoint II, LLC changed the actual amount of income from -$222 to -$2,652.

Year 2002

The disclosure was signed on 05/13/03 by STEVENS and was delivered to the legislative resource center on 05/15/03 at 10:45 am. There were no gifts disclosed and no reportable liabilities listed. The names of VECO Corporation [redacted] did not appear anywhere in the financial disclosure.

Investigation on 4/27/2007 at Washington DC

File # 194A-AN-13620-TSTEVENS-120

Date dictated Typed on 05/31/07

FBI - Stevens-3990

by SA [redacted] mbk

1A-57

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302

On 06/18/03, STEVENS submitted an amendment to Part IIIA. publicly traded assets and unearned income sources which added expected income fund to the type of income for the 401K at Mayer, Brown, Rowe & Maw.

On 06/26/03, STEVENS submitted an amendment to Part IIIB. publicly traded assets and unearned income sources which added a non-publicly traded asset-"Alaska's Great Eagle, LLC, Girdwood, AK (Investment Group No underlying assets over $1,000)"; and "Northern TV (telecomm corp.) Anchorage, AK, valuation less than $1,001, interest and capital gain income, amount of income $201-$1,000". Part IV. Transactions was also amended to reflect the sale of Monterey Funds Hauppauge, NY on 10/7/02 with the amount of the transaction between $1,001-$15,000; and purchase of Alaska's Great Eagle, LLC, Girdwood, AK (investment group formed to purchase horse) on 9/23/02.

Year 2003

The disclosure was signed on 05/17/04 by STEVENS and was delivered to the legislative resource center on 05/17/04 at 4:15 pm. A gift of a sled dog valued at $250 was disclosed from the Kenai River Sports Fishing Assoc. 501(c)(3). No reportable liabilities were listed. The names of VECO Corporation and [redacted] did not appear anywhere in the financial disclosure.

Year 2004

On 12/16/04, STEVENS submitted a trust agreement along with a letter from [redacted] dated June 22, 2004, two certifications of independence of co-trustee of qualified blind trust, and a letter from STEVENS dated June 28, 2004 stating his intention of placing a number of his personal financial investments into a qualified blind trust which was sent to the Select Committee on Ethics for the Senate.

The disclosure was signed on 05/16/05 by STEVENS and was delivered to the legislative resource center on 05/16/05 at 5:33 pm. The following gifts were disclosed: In August 2004, STEVENS received a medium size hand made rug valued at $800 and a tea set valued at $150 from the President of Azerbaijan. In December 2004, STEVENS received a grape serving set valued at $150 from King Abdullah from Jordan. In March 2004, STEVENS recieved a watch valued at $328 from the President of France. The Internal Revenue Service was listed as a creditor under

liabilities in the range of $100,001 and $250,000. The names of VECO Corporation and [redacted] did not appear anywhere in the financial disclosure.

On 05/26/05, STEVENS submitted an amendment to Part IV Transaction which added and IRA with KeyTrust Company. Under Part IIIB Non-publicly trades assets and unearned income sources and Part IIIA, the IRA with KeyTrust Company was moved from Part IIIB to Part IIIA. b6 b7C

Year 2005

The disclosure was signed on 05/15/06 by STEVENS and was delivered to the legislative resource center on 05/15/06 at 3:28 pm. There were no gifts disclosed and no reportable liabilities listed. The names of VECO Corporation and [redacted] [redacted] did not appear anywhere in the financial disclosure.

On 06/09/06, STEVENS submitted an amendment to Part IIIB Non-publicly traded and unearned income sources where the valuation of TSStevens D/B/A BedBug OUtfit was changed from 15,001-50,000 to 1,001-15,000.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/05/2007 b3

[redacted]

(cell), provided [redacted] in response to a United States District Court, District of Alaska, Grand Jury subpoena. [redacted]

[redacted]

Investigation on 6/5/2007 at Anchorage, Alaska

File # 194A-AN-13620-TSTEVENS -121 Date dictated Typed

FBI - Stevens-3993

by SA [redacted] raw

b6
b7C

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/05/2007

[redacted] was contacted and interviewed at his residence of [redacted], Anchorage, Alaska. [redacted] regarding the property located at [redacted] Girdwood, Alaska. Also present was his wife, [redacted] provided the following information after being advised of the official identity of the interviewing agent and nature of the interview.

[redacted] advised that he and his wife currently own the residence located at [redacted] Girdwood, Alaska, and owned the property during the years of 2000 to 2002. They resided at their Girdwood house in the 1990's and recall seeing [redacted] b6 b7C [redacted] in the Stevens' house on Northland Road. [redacted] During 2000 to 2002, [redacted] who still lives in Girdwood, but [redacted] have moved away. [redacted] current home telephone number [redacted] work number [redacted] is currently employed in the [redacted] in Girdwood, Alaska.

[redacted] advised that he and his wife would notice the renovations occurring at the STEVENS' house as they would occasionally drive through the Girdwood area. The renovations really improved the STEVENS' house.

Investigation on 6/5/2007 at Anchorage, Alaska

File # 194A-AN-13620-TSTEVENS-122 Date dictated Typed

FBI - Stevens-3994

by SA [redacted]:raw RAW15662.302

1A-60

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/08/2007

[redacted] residence address [redacted] Girdwood, Alaska, [redacted] telephonically provided the following information after being advised of the official identity of the interviewing agent and nature of the interview.

b6
b7C

[redacted] advised that she is currently employed in the [redacted] Girdwood, Alaska, [redacted] She has worked at this location for [redacted] years. During the time period of 2000 to 2002, she resided at the residence of [redacted] Girdwood, Alaska. She [redacted]

[redacted] advised that she did see renovation work being done on the residence of Senator TED STEVENS. She recalls seeing a VECO truck hanging the Christmas lights on a large tree at the STEVENS' residence. The excavation work on the STEVENS' residence was being done by the HR Redmond company located on Alyeska Highway, telephone number 783-2373.

[redacted] could not recall the year that she saw the Christmas lights being hung, but it occurred probably after they completed the renovations. She described the VECO truck as white in color with a long cherry picker arm extension and bucket. The VECO designation was on the doors of the truck. She cannot say if other persons may have seen this truck used to hang the lights. This is not something that people in Girdwood do to the trees. The Christmas lights usually go up as far as a step ladder will allow. Some of the trees in Girdwood are eighty to a hundred feet tall.

[redacted] advised that she has not been inside of the STEVENS' residence. She was invited on one occasion but did not go. She has seen Senator STEVENS at fund raisers and a wedding, but did not think that Senator STEVENS would know her. She has no knowledge of who paid for the renovations at Senator STEVENS' house.

Investigation on 6/7/2007 at Anchorage, Alaska (telephonically)

File # 194A-AN-13620 - TSTEVENS -123 Date dictated Typed

by SA [redacted] raw RAW15962.302

FBI - Stevens-3995

1A-62

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/08/2007

[redacted] white male, date of birth [redacted] Social Security Account Number (SSAN) [redacted] was interviewed at his residence of [redacted] Anchorage, Alaska, [redacted] provided the following information after being advised of the official identity of the interviewing agent and nature of the interview. b6 b7C

[redacted] advised that he is currently self employed and operates his own business called [redacted] He works out of his home. He is licensed with the state of Alaska for [redacted] license number [redacted] He has had this license for about [redacted] years now.

[redacted] advised that he worked for the CHRISTENSEN BUILDERS company for about a [redacted] and has done about four jobs for them. He has not worked for this company for about four years now, or maybe longer. He left the company on good terms and still knows [redacted]

[redacted] advised that in the [redacted] time frame, he worked at the residence of Senator TED STEVENS while he was working for the CHRISTENSEN BUILDERS company. He could not recall the address of the STEVENS' home but could still drive to the house, which is located in Girdwood, Alaska. He worked at the STEVENS' home for about [redacted] and was paid by the CHRISTENSEN BUILDERS company for his time. While at the STEVENS' home, he did [redacted]. He also helped one or two days when [redacted]

[redacted] advised that he does not know much about VECO doing work at the STEVENS' house. He did see VECO [redacted] at the Girdwood home of Senator STEVENS a couple of times. [redacted] did not talk to [redacted] but did see [redacted] talking to some of the CHRISTENSEN BUILDERS guys. [redacted] did work on a big job at [redacted] home about a year and a half later while employed with the CHRISTENSEN BUILDERS company.

Investigation on 6/8/2007 at Anchorage, Alaska

File # 194A-AN-13620 - TSTEVENS -124 (01) Date dictated Typed

FBI - Stevens-3996

by SA [redacted] raw RAW15963.302

1A-63

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/08/2007

[redacted] white male, date of birth [redacted] Social Security Account Number (SSAN) [redacted] residence address [redacted] Girdwood, Alaska, [redacted] was contacted and interviewed at his place of business, [redacted] Anchorage, Alaska, [redacted] provided the following information after being advised of the official identity of the interviewing agent and nature of the interview.

[redacted] of the residence of Senator TED STEVENS located [redacted] in Girdwood, Alaska. [redacted] could not recall the date when [redacted] the groundbreaking ceremony in Girdwood for the new library.

[redacted] the STEVENS' residence by [redacted] often checks on Senator STEVENS' home and [redacted] had a discussion with [redacted] of the STEVENS' house. [redacted] took from this discussion that everybody on the east coast thinks that Senator STEVENS lives in a Taj Majal, and that VECO built the house. [redacted] brought this up with [redacted] because of all the attention about the house. [redacted] as the STEVENS' house. He and [redacted] the STEVENS' house so everyone could see what it really looks like. [redacted]

b6
b7C

[redacted] the STEVENS home from [redacted] the paint peeling and the shoddy workmanship of the rock work around the base of the steps as seen by going up the steps. [redacted] the mediocrity of the construction work. [redacted]

Investigation on 6/8/2007 at Anchorage, Alaska

File # 194A-AN-13620 - TSTEVENS -125 Date dictated Typed

FBI - Stevens-3997

by SA [redacted] raw

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[redacted] to the east coast residence of Senator STEVENS.

b6
b7C

[redacted] and was paid in person by Senator STEVENS a couple of weeks after [redacted] Senator STEVENS paid with a personal check and [redacted] deposited the check.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/06/2007

[redacted] Girdwood, Alaska, [redacted] was contacted telephonically. After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] provided the following information:

[redacted] has lived with his wife at his current residence since [redacted] was familiar with Senator TED STEVENS' residence and described the salmon statue on the front porch. [redacted] has never met STEVENS or his wife, nor has he ever been to their home. [redacted] has no knowledge of the renovations performed on the STEVENS' residence. He was a [redacted] until he retired [redacted] ago, so he was in and out of Girdwood constantly. b6 b7C

[redacted] stated that it is not unusual to see construction similar to the type performed on the STEVENS' residence in Girdwood because the lots are small and a person can only build up, not out. So the renovations on the STEVENS' house did not stand out to him. [redacted] does not have any information regarding the statue of the salmon on the front porch, but stated he and his wife think it is very nice.

Investigation on June 6, 2007 at Anchorage, Alaska

File # 194A-AN-13620-TSTEVENS - 126 Date dictated 06/06/2007

by SA [redacted] FBI - Stevens-3999 b6 b7C

158kjc01.302

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/07/2007

[redacted] Anchorage, Alaska, [redacted], was contacted telephonically. After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] provided the following information:

[redacted] Girdwood, Alaska, approximately [redacted] years ago. [redacted] the residence all but one year since it was built. They have never lived there. [redacted] was not aware that Senator TED STEVENS lived in Girdwood, nor does she have knowledge of the renovations performed on STEVENS' residence.

b6
b7C

[redacted] LNU [redacted] for the last [redacted] years. [redacted] but recently moved to [redacted] advised she will contact [redacted] LNU and have her call the FBI.

Investigation on June 5, 2007 at Anchorage, Alaska

File # 194A-AN-13620-TSTEVENS -127 Date dictated June 7, 2007

FBI - Stevens-4000

by SA [redacted]

158kjc02.302

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

b6
b7C

Date of transcription 06/07/2007

[redacted] Anchorage, Alaska, [redacted] telephone [redacted] work telephone [redacted], was contacted telephonically. After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] provided the following information:

[redacted] and her husband have owned [redacted] Girdwood, Alaska, for approximately [redacted] years. They visit the residence [redacted] during the summer, and more often in the winter. [redacted] is aware of where the STEVENS' live, but she has never met STEVENS or his wife, nor has she ever been to their home.

[redacted] has very little knowledge of the renovations performed on the STEVENS' residence. She saw the construction as it progressed, but she does not remember seeing any trucks, logos, or signs indicating who performed the renovations on the STEVENS' residence. She also noticed the lights on the house, but did not see who put them up.

Investigation on June 6, 2007 at Anchorage, Alaska

File # 194A-AN-13620-TSTEVENS - 128 Date dictated June 7, 2007

FBI - Stevens-4001

by SA [redacted]
158kjc03.302

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[redacted] 302

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/06/2007

[redacted] Date of Birth [redacted] Social Security Number [redacted] Girdwood, Alaska [redacted] provided the following information to the interviewing Agents after introductions and being advised of the purpose of the interview.

[redacted] is the [redacted] Girdwood, Alaska [redacted] has been in this job for approximately [redacted] years.

[redacted] knows SENATOR TED STEVENS and [redacted] as [redacted] the STEVENS' home [redacted] STEVENS was away [redacted] was the individual who would be in touch with STEVENS. [redacted] said DICK REDMOND, who is deceased, [redacted] Girdwood resident who would check on the STEVENS home.

b6
b7C

[redacted] is aware of the renovation project at the STEVENS home which occurred in or about 2000-2002. [redacted] only heard that [redacted] and has no knowledge or information concerning the plans for the renovation. [redacted] said neither SENATOR STEVENS or [redacted] discussed the cost of the renovations, the budget for the renovations, the contractors who performed the renovations or any loan information concerning the renovations with him. [redacted] saw the home was lifted and said this is not an unusual occurrence in renovation projects in Girdwood because of deteriorating foundations. [redacted] did not know the contractor who lifted the home and suggested it might have been a contractor named [redacted] This is a specialized process.

[redacted] said he did not see any equipment at the STEVENS home during the renovation marked as VECO nor did he see any workers at the house wearing clothing bearing the VECO logo. [redacted] never was told by the STEVENS or anyone else who the contractors were.

[redacted] never saw a boom truck hoisting a grill onto the deck.

Investigation on 6/5/2007 at Girdwood, AK

File # 194A-AN-1360 TSTEVENS -129 Date dictated 6/6/2007

by SA [redacted] SA

FBI - Stevens-4002

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[redacted] said SENATOR STEVENS [redacted] STEVENS asked about the lighting and how well it worked. STEVENS never asked [redacted] to install lighting at his home and does not know who installed the lights at the STEVENS home.

[redacted] is aware there was a problem at the STEVENS home this past winter. There was a lot of ice and snow this winter and the problem related to the heat tape around the roof. [redacted] and a couple of guys shoveled snow off the roof. [redacted] does not know who or how the problem was resolved. [redacted] was the point of contact for any problems at the home.

[redacted] is familiar with the fish sculpture on the STEVENS' porch. [redacted] recalls this sculpture was from a fishing derby sponsored by the KENAI RIVER PROTECTION organization. [redacted] the STEVENS home [redacted] He recalls [redacted] SENATOR STEVENS and possibly [redacted] also being there. [redacted] b6 b7C

[redacted] has not information about a paint job at the STEVENS residence.

[redacted] said [redacted] may have access to the STEVENS residence.

[redacted] said he had a conversation with SENATOR STEVENS [redacted] STEVENS told [redacted] said there were trees on the STEVENS property whose health [redacted] wanted assessed. [redacted] said STEVENS said the lights needed to be removed from the tree. STEVENS said he would pay for a bucket truck/cherry picker to remove the lights [redacted] said the STEVENS have not contacted him about this because the arborist has not returned their calls.

[redacted] said he had no contemporaneous knowledge VECO was involved in the renovation of the STEVENS home.

FD-302 (Rev. 10-6-95)

302 [redacted]

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/07/2007

[redacted] Date of Birth [redacted], Social Security Number [redacted] Anchorage Alaska, [redacted] accompanied by his wife, [redacted] Date of Birth, [redacted] Social Security Number [redacted] provided the following information after introductions and being advised the interview pertained to the home of SENATOR TED STEVENS:

[redacted] advised they purchased a lot on [redacted] Girdwood, Alaska in [redacted] and [redacted] The recently assigned address is [redacted] The home now owned by SENATOR STEVENS was owned by an individual named [redacted]. It was a one story structure then. About 15 to 20 years ago SENATOR STEVENS purchased the property. [redacted] knows SENATOR STEVENS and [redacted] as acquaintances and to say hello to.

[redacted] said he used to spend a lot of time at his Northland residence when he was [redacted]. They did not spend much time there in the summer. [redacted]

[redacted] is aware of the renovation project at the STEVENS home. [redacted] said it is common in Girdwood for houses to be jacked up for expansion projects. [redacted] does not know the contractor who lifted the STEVENS home. [redacted] recalls going to their cabin one weekend and [redacted] which was removed from the STEVENS' property. [redacted] determined [redacted] was the point of contact for STEVENS and contacted him [redacted] came to [redacted] acknowledged the debris and said it would be cleaned up, which it was. [redacted] does not know who worked on the [redacted] would be the contact if [redacted] saw a problem at the STEVENS home.

b6
b7C

[redacted] is aware of the renovation project at the STEVENS home. [redacted] never talked to the STEVENS about the project and has no information concerning cost, financing, budget or contractors involved in the project other than the lifting of the home and a garage. [redacted] said he was in the home after the renovation for a fund-raiser for [redacted]

Investigation on 06/07/2007 at Anchorage, Alaska

File # 194A-AN-13620 TSTEVENS -130 Date dictated 06/07/2007

by SA [redacted]

FBI - Stevens-4004

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[redacted] said he never saw any equipment with the VECO logo at the STEVENS home nor did he see workers wearing clothing with the VECO logo. [redacted] is aware that a large grill is on the deck at the STEVENS home but does not know how it was lifted onto the deck. [redacted] has no information about the lighting on the trees on the STEVENS' property. [redacted] has no information about the painting of the STEVENS' residence. [redacted] said the STEVENS home has always had a roof problem stating the roof was of poor design [redacted]. There is roofing debris on the ground as of their last visit but does not know if the roofing problem has been resolved. [redacted] has seen the fish sculpture on the deck but does not know how it got onto the deck. b6 b7C

[redacted] for STEVENS and does this as a favor. [redacted] is friendly with the STEVENS.

About a year ago [redacted] said he saw a locksmith at the STEVENS home because he later heard [redacted] uses the home for skiing and probably [redacted] has access to the home. [redacted] believes Staff members of the SENATOR have used the home.

[redacted] said it was common knowledge [redacted] from VECO was politically active and that he had been fined by APOC.

FD-448 (Rev. 6-2-97)

FBI FACSIMILE

COVER SHEET

PRECEDENCE

- ☐ Immediate
- ☐ Priority
- ☒ Routine

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- ☐ Secret
- ☐ Confidential
- ☐ Sensitive
- ☒ Unclassified

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To: AOL, LLC
Name of Office

Date: _____

Facsimile Number: [redacted]

b6
b7C

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Name Room Telephone

From: FBI ANCHORAGE
Name of Office

Subject: 2703 PRESERVATION LETTER

Special Handling Instructions: _____

Originator's Name: [redacted] Telephone: [redacted]

Originator's Facsimile Number: [redacted]

Approved: _____

Brief Description of Communication Faxed: _____

FBI - Stevens-4006

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U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to
File No. 194A-AN-13620

101 E. 6th Avenue
Anchorage, AK 99501
907-276-4441

June 13, 2007

AOL, LLC
Public Safety and Criminal Investigations Unit
Attn: Custodian of Records
2200 AOL Way
Dulles, VA 20166

Re: theodorefulton@aol.com

Dear Sir/Madam,

Your are hereby requested to preserve, under the provisions of Title 18, United States Code, Section 2703 (f)(1), the following records in your custody or control, including records stored on backup media.

A. All stored electronic communications and other files controlled by user accounts owned by Ted Stevens or theodorefulton@aol.com.

B. All connection logs and records of user activity for any such account theodorefulton@aol.com and also all other times/dates including:

1. Connection date and time,
2. Disconnect date and time,
3. Method of connection (e.g. telnet, ftp, http),
4. Data transfer volume,
5. Username associated with the connection,
6. Telephone caller identification records,
7. Other connection information, such as the Internet Protocol address of the source of the connection, and
8. Connection information for other computers to which the user of the above-referenced accounts connected, by any means, during the connection period, including the destination IP address, connection time and date, disconnect time and date, method of connection to the destination computer, and all other information related to the connection.

C. Any other records related to the above-referenced names and user names, including, without limitation, correspondence, billing records, records of contact by any person or entity about the above-referenced names and user names, and any other subscriber information.

You are requested to preserve for a period of 90 days the records described above currently in your possession. This request applies only retrospectively; it does not obligate you to capture and preserve new information that arises after the date of this request.

You also are requested not to disclose the existence of this request to the subscriber or any other person, other than as necessary to comply with this request. Any such disclosure could subject you to criminal liability for obstruction of justice.

Please refer any questions to Supervisory Special Agent [redacted] at telephone [redacted], fax number [redacted]. Thank you for your cooperation and your assistance in this matter.

Sincerely yours,

b6
b7C

Toni Mari Fogle
Special Agent in Charge
[redacted]

By:
[redacted]
Supervisory Special Agent

********** -COMM. [redacted]NAL- ********** DATE JUN-13-2007 [redacted]** TIME 11:02 ********

MODE = MEMORY TRANSMISSION START=JUN-13 11:00 END=JUN-13 11:02

FILE NO.=534

STN NO.	COMM.	ONE-TOUCH/ ABBR NO.	STATION NAME/TEL NO.	PAGES	DURATION
001	OK	8	[redacted]	003/003	00:00:47

-FBI ANCHORAGE -

********** - - ***** - [redacted] *********

FD-448 (Rev. 6-2-97)

FBI FACSIMILE

COVER SHEET

b6
b7C

PRECEDENCE

- ☐ Immediate
- ☐ Priority
- ☒ Routine

CLASSIFICATION

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To: AOL, LLC
Name of Office

Date: _____

Facsimile Numbe [redacted]

Attn: CUSTODIAN OF RECORDS - PUBLIC SAFETY & CRIMINAL INVESTIGATIONS UNIT
Name Room Telephone

From: FBI ANCHORAGE
Name of Office

Subject: 2707 PRESERVATION LETTER

Special Handling Instructions: _____

Originator's Name: [redacted] Telephone: [redacted]

Originator's Facsimile Number: [redacted]

Approved: _____

Brief Description of Communication Faxed: _____

FBI - Stevens-4009

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AOL

RUSH

Senior Investigator

To: [redacted]

Fax: ([redacted]

Number of Pages: 3

4/ /07

Re: AOL Legal File # RL - FBI 98734

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As a result of recent changes to the way in which AOL processes requests for content, AOL will need direction from you on how we should process your request. To streamline the process we have established a telephone number for you to call to explain your options.

We cannot process your request until we receive this fax back.

Please call 703-265-0985 to hear the new email content options. Once you have listened to the recording, please complete this form, sign and fax to (703) 265-2305 to ensure the proper processing of your request:

Please indicate your choice:

- [x] Option 1 *
- [ ] Option 2
- [ ] Option 3 *

[redacted]

[redacted]

Signature / Printed Name

6/13/2007
Date

** If applicable, please include a filled out copy of this fax with your warrant/affidavit to the Loudoun County Sheriff's Office to facilitate the processing of the request.

FBI - Stevens-4010

Option sheet

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U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to
File No. 194A-AN-13620

101 E. 6th Avenue
Anchorage, AK 99501
907-276-4441

June 13, 2007

AOL, LLC
Public Safety and Criminal Investigations Unit
Attn: Custodian of Records
2200 AOL Way
Dulles, VA 20166

Re: theodorefulton@aol.com

Dear Sir/Madam,

Your are hereby requested to preserve, under the provisions of Title 18, United States Code, Section 2703 (f)(1), the following records in your custody or control, including records stored on backup media.

2

A. All stored electronic communications and other files controlled by user accounts owned by Ted Stevens or theodorefulton@aol.com.

B. All connection logs and records of user activity for any such account theodorefulton@aol.com and also all other times/dates including:

1. Connection date and time,
2. Disconnect date and time,
3. Method of connection (e.g. telnet, ftp, http),
4. Data transfer volume,
5. Username associated with the connection,
6. Telephone caller identification records,
7. Other connection information, such as the Internet Protocol address of the source of the connection, and
8. Connection information for other computers to which the user of the above-referenced accounts connected, by any means, during the connection period, including the destination IP address, connection time and date, disconnect time and date, method of connection to the destination computer, and all other information related to the connection.

C. Any other records related to the above-referenced names and user names, including, without limitation, correspondence, billing records, records of contact by any person or entity about the above-referenced names and user names, and any other subscriber information.

You are requested to preserve for a period of 90 days the records described above currently in your possession. This request applies only retrospectively; it does not obligate you to capture and preserve new information that arises after the date of this request.

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You also are requested not to disclose the existence of this request to the subscriber or any other person, other than as necessary to comply with this request. Any such disclosure could subject you to criminal liability for obstruction of justice.

Please refer any questions to Supervisory Special Agent [redacted] at telephone [redacted] fax number [redacted] Thank you for your cooperation and your assistance in this matter.

Sincerely yours,

Toni Mari Fogle
Special Agent in Charge
[redacted]
By: [redacted]
Supervisory Special Agent

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/13/2007

[redacted] (protect identity), date of birth [redacted] telephone number [redacted] was advised of the identity of the interviewing agent and the purpose of the interview. [redacted] provided the following information:

[redacted] worked for the [redacted] Anchorage, Alaska, from [redacted] During that time, [redacted] a residence in Girdwood, Alaska. [redacted] requested by VECO Corporation. When [redacted] arrived at the Girdwood residence, he was met by a VECO employee who was wearing a Harley Davidson t-shirt and had a mustache. The VECO employee told [redacted] that the residence was owned by United States Senator TED STEVENS.

[redacted] recalled that the house was a two story structure with much of the second floor [redacted]

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[redacted] did not know if [redacted] but he vaguely recalls another employee being dispatched to Girdwood following the estimate. [redacted] would know if his company was hired to complete the work. [redacted] advised that VECO supplied a good deal of work for the [redacted]

Investigation on 06/05/2007 at Anchorage, Alaska

File # 194A-AN-13620-TSTEVENS -132

Date dictated Typed 06/13/07

FBI - Stevens-4013

by SA [redacted] mbk

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

164mbk02.302

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/12/2007

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[redacted] Attorney for the firm Feldman Orlansky & Sanders, 500 L. Street, Suite 400, Anchorage, Alaska, provided the below listed documents:

(1) Copies of emails from [redacted] to TED STEVENS (275 pages).

(2) Copies of emails from TED STEVENS to [redacted] (167 pages).

(3) Copies of emails from [redacted] (3 pages).

(4) Copies of an email from TED STEVENS to [redacted] sent on June 11, 2007, and an email from [redacted] to TED STEVENS sent on the same date.

[redacted] advised that some of the emails being furnished on this date were previously produced in the first submission of records. [redacted] believes that the desk top computer used by his client, [redacted], was purchased after [redacted] computer was seized in the search warrant. Therefore, the production of records today will show a beginning date of September 15, 2006, which should be close to the time when [redacted] purchased the new computer.

[redacted] advised that [redacted] was not involved with locating and copying the emails being produced today. [redacted] was assisted by computer technician [redacted] in locating the emails on the computer. [redacted] himself conducted the review and copying process for the emails produced today.

[redacted] was advised that [redacted] the Grand Jury on 2/16/2006. [redacted] was also advised that [redacted] computer was seized on 8/31/2006.

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Investigation on 6/12/2007 at Anchorage, Alaska

File # 194A-AN-13620 - TSTEVENS -133 Date dictated Typed

by SA [redacted] raw

FBI - Stevens-4014

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/07/2007

On 05/21/2007, FBI Special Agent [redacted] and National Marine Fishery Service (NMFS) Special Agent [redacted] entered the detached garage at [redacted] pursuant to a consent to search agreement between the FBI and Source. Source consented to the search in writing on 05/18/2007. [redacted]

At approximately 4:21 p.m., SAs [redacted] and [redacted] located the garage door opener as the source directed and opened the garage door via remote. Located in the garage, [redacted]

At approximately 4:22 p.m., SA [redacted] began photographing [redacted] photographed, with the exception of the [redacted] SA [redacted] could not [redacted]

During the course of the photography, SA [redacted] found in [redacted] bearing the names THEODORE F. [redacted] STEVENS and [redacted]

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At approximately 5:09 p.m., SA [redacted] finished the photography. SAs [redacted] and [redacted] departed the residence at approximately 5:11 p.m, closing the garage door with the remote.

In total, 198 photos were taken, titled 100_0376.jpg through 100_0573.jpg. The photos were taken with a Kodak EasyShare Z650 6.1 megapixel digital camera. Upon return to the Anchorage FBI field office, SA [redacted] downloaded the photos to a CD-R compact disk using an Apacer Portable CD burner and placed the original and a copy into the 1A section of this case file.

During the search, SA [redacted] inadvertently labeled the photo log with the incorrect date of "05/17/2007" when in fact the date was Monday, May 21, 2007. In addition, SA [redacted] incorrectly set the internal date of the camera as "05/21/2008" when in fact it was Monday, May 21, 2007.

Investigation on 05/21/2007 at Burien, WA

File # 270D-AN-14622; 194A-AN-13620-TSTEVENS -134 Date dictated Typed 06/07/2007

FBI - Stevens-4015

by SA [redacted] cej

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

164cej01.302

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/13/2007

On June 13, 2007, a United States District Court, District of Alaska, Grand Jury subpoena directed to [redacted] was delivered to and accepted by [redacted]

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Investigation on 6/13/2007 at Anchorage, Alaska

File # 194A-AN-13620-TSTEVENS - 135 Date dictated Typed

by SA [redacted]:raw RAW16462.302 FBI - Stevens-4016

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b7C

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/14/2007

[redacted] Anchorage, Alaska, pager [redacted] office telephone [redacted] was contacted telephonically. After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] provided the following information:

[redacted] had a friend build his residence at [redacted] Girdwood, Alaska, approximately [redacted] years ago in [redacted] was not aware that Senator Ted Stevens lived in Girdwood. [redacted] only knew of the renovations to Stevens' home from reading about it in the newspaper.

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[redacted] rented the residence at [redacted] to [redacted] for the past [redacted] years. [redacted] was unable to provide any contact information for the [redacted] but knew [redacted] in Anchorage. He believed they moved to [redacted]

Investigation on June 14, 2007 at Anchorage, Alaska

File # 194A-AN-13620-TSTEVENS - 136 Date dictated June 14, 2007

FBI - Stevens-4017

by SA [redacted]

b6
b7C

166kjc01.302

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/15/2007

[redacted] b6 b7C

telephone [redacted], was contacted telephonically. After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] provided the following information:

[redacted] rented the residence owned by [redacted] in Girdwood, Alaska, for approximately [redacted] years. She recently [redacted] She was aware Senator Ted Stevens lived [redacted] because someone told her Stevens had impressive lights on the tree in front of his house. [redacted] drove by the Stevens' residence a few times to view the lights, but she never paid attention to the house.

[redacted] did not have any knowledge of the renovations performed on the Stevens' residence. [redacted] never met Stevens nor did she go to his home. She saw Stevens in town once. [redacted] in Anchorage and spent every day in Anchorage. [redacted] didn't go outside very often in Girdwood in the winter, and she rarely walked down the street Stevens lived on.

Investigation on June 14, 2007 at Anchorage, Alaska

File # 194A-AN-13620-TSTEVENS -137 Date dictated June 14, 2007

by SA [redacted]

166kjc02.302

FBI - Stevens-4018

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

Automated Serial Permanent Charge-Out
FD-5a (1-5-94)

Date: 06/29/07 Time: 18:44

Case ID: 194A-AN-13620-TSTEVENS Serial: 138

Description of Document:

Type : SUBPOENA
Date : 05/23/07
To : NEW YORK
From : ANCHORAGE
Topic: SUBPOENA A070646 TO [redacted]

Reason for Permanent Charge-Out:

SUBPOENA FILED IN WRONG SUB FILE

b3
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Transferred to:

Case ID: 194A-AN-13620-A Serial: 544

Employee: [redacted]

Automated Serial Permanent Charge-Out
FD-5a (1-5-94)

Date: 06/29/07 Time: 18:40

Case ID: 194A-AN-13620-TSTEVENS Serial: 139

Description of Document:

Type : SUBPOENA
Date : 06/14/07
To : ANCHORAGE
From : ANCHORAGE
Topic: SUBPOENA A070683 - [redacted]

Reason for Permanent Charge-Out:

SUBPOENA FILED IN WRONG SUB FILE

Transferred to:

Case ID: 194A-AN-13620-A Serial: 541

Employee: [redacted]

b3
b6
b7C

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/20/2007

[redacted] was contacted at his place of business and served with a United States District Court Grand Jury subpoena for [redacted] b3

[redacted]

[redacted]

Investigation on 6/18/2007 at Anchorage, Alaska

File # 194A-AN-13620 - TSTEVENS - 140 Date dictated Typed

by SA [redacted]:raw RAW17162.302 FBI - Stevens-4021

b6
b7C

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/20/2007

[redacted]

telephonically advised that he has [redacted] b3
for the years of [redacted] If
[redacted]

Investigation on 6/20/2007 at Anchorage, Alaska (telephonically)

File # 194A-AN-13620 - TSTEVENS -141 Date dictated Typed

FBI - Stevens-4022

by SA [redacted] raw RAW17163.302 b6 b7C

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/20/2007

[redacted] white male, date of birth [redacted] Social Security Account Number (SSAN) [redacted] residence address [redacted] cell [redacted] provided the following information after being advised of the official identity of the interviewing agent and nature of the interview.

[redacted] advised that he is currently employed as an [redacted] He works on the [redacted] and works three weeks on and then three weeks off. He has worked for [redacted] Prior to this job, he worked for [redacted] in Anchorage, Alaska as a [redacted] Prior to this job, he worked for VECO in Anchorage, Alaska from [redacted] He left VECO on good terms. While employed at VECO, he was hired as an [redacted] He was promoted to [redacted] at VECO. [redacted] department of VECO. [redacted] in several projects in Alaska, [redacted]

[redacted] advised he recalls sending VECO [redacted] employees to the residence of Senator TED STEVENS in Girdwood, Alaska. He thought he may have sent people maybe three or four times, but cannot recall for certain. A couple of times stick out in his mind because these were minor, but specific small projects. On one occasion before [redacted] he sent a couple of guys to [redacted] On another occasion, he sent a guy to do [redacted] around the [redacted] could not recall the years when these events occurred and guessed that they may have occurred in [redacted] These two events stick out because they were not doing common tasks or repair work that VECO [redacted] normally performed.

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[redacted] advised that on one of those occasions, he sent [redacted] to the STEVENS' house in Girdwood. The job that needed to be done was more commercial in nature rather than industrial in nature. [redacted] had a background in

Investigation on 6/20/2007 at Wasilla, Alaska

File # 194A-AN-13620 - TSTEVENS -142 Date dictated Typed

FBI - Stevens-4023

by SA [redacted] raw RAW17161.302

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

commercial type [redacted] work. [redacted] recalled that [redacted] made a couple of trips to the Girdwood house.

[redacted] advised that he has never been to the house of Senator TED STEVENS in Girdwood, and he did not see or review the work of the VECO [redacted] was told by his bosses to send VECO [redacted] to the STEVENS' house. VECO was structured at the time to have an [redacted] His immediate boss at the time he was hired in [redacted] He last heard that [redacted] was still working at VECO. [redacted] believes that [redacted] would have been the person who told him what to do at the STEVENS' residence.

[redacted] advised that he was working in [redacted] when he was called by [redacted] who told [redacted] to send someone to the STEVENS' residence. [redacted] was generally told that they need [redacted] and that someone would be there at the house to provide instruction. [redacted] then called the VECO employees to tell them to go to the Girdwood house. [redacted] said he handled everything over the telephone. [redacted] believes that [redacted] would have completed a VECO material request for the [redacted] and then a VECO purchase order would have been prepared. [redacted] advised that it could have been someone else besides [redacted] and he could not recall who actually did this. To his knowledge, the [redacted] were bought through VECO. He did not actually see the [redacted]

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[redacted] advised that the people he sent to the STEVENS' residence were all VECO employees. The materials and labor were paid by VECO. Each time he was requested to send people to the STEVENS' house, he requested a job number and a cost code, which would both be recorded on the time cards for the employees. The job numbers and cost codes would have come from up the ladder, meaning they were provided to him by his boss. [redacted] would have been working for [redacted] has had numerous titles at VECO and is still working at VECO. At the time when the [redacted] at the STEVENS' residence, [redacted] held the title of [redacted]

[redacted] advised that the job numbers used for the STEVENS' residence would have been corporate account job numbers.

[redacted] could probably answer questions about how job numbers were assigned. The VECO company would have job numbers for different projects. The job numbers for house renovations would probably be located in corporate accounts, so they may be difficult to see.

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[redacted] advised that in his job, he made sure that guys were paid, the paperwork was done, and the crews were scheduled. He did not always see the actual projects.

[redacted] furnished a current cell phone number for [redacted]. [redacted] believes that [redacted] and his wife have [redacted] in Anchorage called [redacted]

(Rev. 01-31-2003)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE **Date:** 06/28/2007

To: Denver **Attn:** Colorado Springs RA

From: Anchorage
Squad 4
Contact: SA [redacted]

Approved By: [redacted]

b6
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Drafted By: [redacted] raw

Case ID #: 194A-AN-13620 - TSTEVENS - 143 (Pending)

Title: POLAR PEN;
CSLPO

GRAND JURY MATERIAL - DISSEMINATE PURSUANT TO RULE 6(e)

Synopsis: Lead to serve enclosed Federal Grand Jury subpoena on [redacted]

Enclosure(s): Enclosed for Colorado Springs RA is the original plus one copy of a Grand Jury subpoena directed to [redacted]

Details: Captioned case is a multi faceted Public Corruption investigation involving numerous state elected officials. Information was found indicating that a local company paid renovation expenses on the Girdwood, Alaska residence of United States Senator Ted Stevens. [redacted]

b3

The contact person at [redacted] will be [redacted] requested that the subpoena be personally served as opposed to service by courier.

raw 17961.ec 194A-AN-13620-TSTEVENS-143

LEAD(s):

Set Lead 1: (Action)

DENVER

AT COLORADO SPRINGS, COLORADO

Serve enclosed Grand Jury subpoena on [redacted] b3 and return original executed subpoena to the Anchorage Division.

♦♦RAW17961.EC

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 07/13/2007

[redacted] Anchorage, Alaska, [redacted], telephone [redacted] contacted the Federal Bureau of Investigations telephonically in response to a telephone message left by SA [redacted] on June 6, 2007. After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] provided the following information:

[redacted] Girdwood, Alaska for approximately [redacted] years, since the early [redacted] This is a recreational home that he visits on the weekend or for a few days at a time throughout the year. b6 b7C

[redacted] was aware Senator Ted Stevens lived in the area because a friend told him, but he has no idea where Stevens lives. [redacted] saw a picture of Stevens' residence in the newspaper, but was unable to place it. [redacted] advised he has no personal knowledge of the renovations performed on the Stevens' residence. He stated people are always building or adding onto their homes in the area, and he didn't notice any construction on neighboring streets that stood out to him from 2000 to 2002.

Investigation on July 13, 2007 at Anchorage, Alaska

File # 194A-AN-13620-TSTEVENS -144 Date dictated July 13, 2007

by SA [redacted]

194kjc01.302

FBI - Stevens-4028

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

b3

Date of transcription 07/16/2007

[redacted], Anchorage, Alaska, [redacted] telephonically advised that [redacted] and thereafter report positive results to the U.S. Attorney's Office. [redacted] has sent a written response to the U.S. Attorney's Office in response to the Grand Jury subpoena.

Investigation on 7/16/2007 at Anchorage, Alaska (telephonically)

File # 194A-AN-13620 - TSTEVENS - 145 Date dictated Typed

FBI - Stevens-4029

by SA [redacted] raw

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This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 07/17/2007

On July 17, 2007, [redacted] furnished the original file and documents described as follows: b3

[redacted]

Investigation on 7/17/2007 at Anchorage, Alaska

File # 194A-AN-13620 - TSTEVENS -146 Date dictated Typed

by SA [redacted] :raw FBI - Stevens-4030 RAW19863.302

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This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 07/17/2007

On July 17, 2007, a United States District Court, District of Alaska, Grand Jury subpoena was served on [redacted] b3 was advised that [redacted]

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Investigation on 7/17/2007 at Anchorage, Alaska

File # 194A-AN-13620 - TSTEVENS -147 Date dictated Typed

by SA [redacted] raw RAW19862.302

FBI - Stevens-4031

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 07/17/2007

On July 17, 2007, a United States District Court, District of Alaska, Grand Jury subpoena was served on [redacted] b3

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Investigation on 7/17/2007 at Anchorage, Alaska

File # 194A-AN-13620 - TSTEVENS-148 Date dictated Typed

FBI - Stevens-4032

by SA [redacted] raw

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 07/18/2007

The below listed records were received from [redacted] pursuant to a United States District Court, District of Alaska, Grand Jury subpoena: b3

[redacted]

Investigation on 7/18/2007 at Anchorage, Alaska

File # 194A-AN-13620 - TSTEVENS -149 Date dictated Typed

FBI - Stevens-4033

by SA [redacted] raw RAW19962.302 b6 b7C

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

(Rev. 01-31-2003)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE **Date:** 07/13/2007

To: Anchorage **Attn:** FA [redacted]

From: Anchorage
Squad 4
Contact: SA [redacted]

b6
b7C

Approved By: [redacted]

Drafted By: [redacted]:mbk

Case ID #: 194A-AN-13620-STEVENS (Pending)

Title: Polar Pen;
CSLPO

Synopsis: Request FA to conduct [redacted]

Details: It is requested that an analysis be conducted on all [redacted] his residence in Girdwood, Alaska. A previous analysis was conducted of the [redacted] The analysis on the remaining [redacted] As part of this analysis, ensure that all [redacted] [redacted]. FA [redacted] previously subpoenaed the following [redacted] belonging to [redacted]

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[redacted]

204mbk01.EC

In addition, these should be reviewed to identify other should be analyzed and reviewed to determine if

In the analysis of the the following

A review of the previously obtained via subpoena should be conducted and any should be identified and subpoenaed. The underlying

In reviewing all the identify any

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b3
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LEAD(s):

Set Lead 1: (Action)

ANCHORAGE

AT ANCHORAGE

Conduct analysis of all [redacted] b3

♦♦

FBI - Stevens-4037

FD-1023 (Rev. 6-22-2007)

FEDERAL BUREAU OF INVESTIGATION

Confidential Human Source (CHS) Reporting Document

Reporting Date: 07/22/2007

Case ID: 194A-AN-14699-[redacted] Pending)
194A-AN-14699-[redacted] (Pending)
194A-AN-14699-SOURCES (Pending)
194A-AN-13620-TSTEVENS (Pending) —151
194A-AN-13620-C (Pending)
[redacted] (Pending)
800A-AN-13718-SQUAD 4 (Pending)

b6
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Contact Date: 06/21/2007

Type of Contact: In Person

Location: Anchorage, Alaska

Written by: SA [redacted]
Other(s) Present: SA [redacted]

Source Reporting:

Source, who is not in a position to testify, provided the following information:

[redacted] recently spent [redacted] boat with an unknown partner.

Rationalization in the fishing industry is an area where corruption may have occurred, a manipulation of the process. For example, TRIDENT SEAFOODS made $800M overnight during the past rationalization.

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[redacted] has a lot of contact with elected officials. [redacted] is aggressive in accumulating wealth.

[redacted] with the US FISH AND WILDLIFE SERVICE [redacted] the Kodiak, Alaska Center, which is similar to the SEWARD SEALIFE CENTER. TED STEVENS earmarked money to the Kodiak center.

♦♦

FD-1023 (Rev. 6-22-2007)

FEDERAL BUREAU OF INVESTIGATION

Confidential Human Source (CHS) Reporting Document

Reporting Date: 07/22/2007

Case ID: 194A-AN-13620-TSTEVENS (Pending) — 152
~~194A-AN-13620-C~~ (Pending)
[redacted] (Pending)
800A-AN-13718-SQUAD 4 (Pending)

Contact Date: 06/10/2007 and 06/11/2007

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b7D

Type of Contact: Telephonic

Location: Ninilchik, Alaska

Written by: SA [redacted]

Source Reporting:

Source, who is in a position to testify, provided the following information:

During the time source worked on TED STEVEN's Girdwood, AK home, [redacted] Source recalled [redacted] in Anchorage, AK to tell him what was going on in Girdwood. [redacted]

[redacted] This occurred during the time-frame the source had the [redacted]

Source also recalled [redacted]

♦♦

CIP cjy 203cij02.ec

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 07/24/2007

[redacted] GLACIER BEAR WILDLIFE RESEARCH (GBWR), [redacted] telephone number [redacted] was interviewed telephonically. [redacted] was informed of the identity of the interviewing agent and that the purpose of the interview pertained to a proposal GBWR had submitted to the National Science Foundation (NSF) in 2004. After which [redacted] provided the following information:

[redacted] a proposal for a contract with the NSF related to the Artic Research Support and Logistics Services. [redacted] was not going to win the proposal because year after year VECO was winning the contract. However, [redacted] a complaint with the NSF and with the Office of Inspector General (OIG) because he did not believe the NSF treated GBWR fairly. [redacted] the NSF did not even review or consider GBWR's proposal and he felt that the OIG should know. [redacted] further explained that the OIG prepares reports for Congress.

[redacted] was not familiar with the entity VECO or with any individuals associated with VECO. [redacted] was not aware of any other competing bids [redacted] against VECO. [redacted] bid was competitive with VECO's bid; however, since the bids are kept confidential, [redacted] never knew what VECO's bid or contract looked like relative to GBWR's bid.

msl 7/23/07

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[redacted] stated that VECO won the contract with the NSF year after year because it made large contributions to President George Bush's campaign. [redacted] further explained that when a company such as VECO makes contributions to the President's campaign, they are going to win the bid. The President appoints the Director of the NSF, so if a company such as VECO donates large cash contributions to the President's campaign, the President in turn will either directly or indirectly let the Director of the NSF know which companies he favors. [redacted] reviewed President Bush's campaign contributions on-line since it is public knowledge and saw that VECO was a large supporter. [redacted] did not recall how much money VECO donated to President Bush's campaign. [redacted] did not know if anyone from VECO ever donated money to government officials from the State of Alaska. Also, [redacted] did not research and review contributions to other

Investigation on 07/23/2007 at Anchorage, Alaska (telephonically)

File # 194A-AN-13620 - TSTEVENS -153 Date dictated 07/23/2007

FBI - Stevens-4040

by [redacted] msl

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

J:\ [redacted]

Federal Government officials. [redacted] only reviewed the contributions to President Bush's campaign.

The interviewing agent read a portion of [redacted] did not recall who [redacted] was. [redacted] the NSF did not consider his proposal. [redacted] has no specific knowledge that anyone from VECO provided any money to anyone at the NSF.

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After [redacted] with the OIG, he did not hear back from them. [redacted] could not recall the name of the individual [redacted] However, after approximately six months, [redacted] contacted the OIG member and asked for a status. At that point, [redacted] learned that the OIG review concluded that there were nothing wrong with the bid process related to GBWR's proposal.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 07/27/2007

[redacted] residing at [redacted] Girdwood, Alaska, [redacted] telephone numbers [redacted] and [redacted] and cellular telephone [redacted] was interviewed on [redacted] Girdwood, Alaska at approximately 2:30p.m. After being advised of the identity of the interviewing agents and the nature and purpose of the interview, [redacted] provided the following information:

[redacted] worked on a contracting assignment and used his white contracting vehicle all day which was parked at the site of the interview. [redacted] also owns a [redacted] truck that is driven by his employees.

[redacted] does contracting work and occasionally [redacted] to use for one of his construction projects the [redacted]

1-2 msl 8/1/07

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[redacted] contacted his good friend, [redacted] after he finished using [redacted] for his projects. [redacted] is the [redacted] The number for [redacted] figured that [redacted] would have a [redacted] and called him. The next morning [redacted] was contacted by [redacted] who is good friends with Senator TED STEVENS, told [redacted] that STEVENS had a project which required [redacted] agreed to do this task for [redacted] and STEVENS. [redacted] had not been paid for the services as of the time of the interview, because he had not billed or invoiced anyone yet for the project because he had not reviewed his staffs timesheets.

Investigation on 07/26/2007 at Girdwood, Alaska

File # 194A-AN-13620-TSTEVENS - 155

SA [redacted] msl

by SA [redacted]

Date dictated

FBI - Stevens-4052

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

J/Lockwood/helms

At approximately 9:45 am, [redacted] one of his employees, at [redacted] and assigned him with [redacted] at STEVENS' residence on Northland Street. When [redacted] was asked by [redacted] and then placed into two black plastic bags in front of the garage at STEVENS' residence. [redacted] did find it odd that he was asked to save [redacted] despite the fact that they were cut down and defunct.

[redacted] did not physically go to STEVENS' residence to work on or to oversee this project. [redacted] did not ever go to STEVENS' residence. [redacted] was the only one that worked at STEVENS' house [redacted] believed that his company may have performed a small job or two at STEVENS' residence years ago, but he did not recall what jobs specifically.

At approximately 3:10 p.m. the interviewing agents re-contacted [redacted] telephonically. [redacted] was asked to explain the cost of the rental of [redacted] explained that he rented the [redacted] for approximately $450 per day. The way the rentals work for [redacted] is the daily rates allow the renter eight running hours of the machine. There is a timer on [redacted] that tracks how many hours it was in use. When [redacted] finished his own projects he had used it for far less than the full 8 hours, perhaps 4-5 hours. Because there was so much time left on the clock, [redacted] called around asking people if they needed the man lift since he would be billed for the full day anyway.

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[redacted] brought the STEVENS' assignment to [redacted] The way the billing was going to work was [redacted] was going to charge [redacted] per hour for the machine and [redacted] per hour for the labor. Therefore, [redacted] expected to invoice [redacted] per hour for the project of [redacted] this was a very good deal and he accepted it. [redacted] has STEVENS' address. Once [redacted] receives [redacted] time summaries, [redacted] will invoice STEVENS directly $[redacted] per hour for however long it took [redacted] to complete the project. As of the time of the interview, [redacted] did not know how long it took [redacted] to complete the project. Since [redacted] knew STEVENS' address, he planned to bill STEVENS

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directly and get paid directly from STEVENS as opposed to going through [redacted]

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/04/2007

[redacted] Anchorage, Alaska, telephone number [redacted] contacted the Federal Bureau of Investigation to provide information regarding [redacted] provided the following information after being advised of the identity of the interviewing agent:

[redacted] said that he thought [redacted] was a bad person and that [redacted] be helpful to the investigation. [redacted] said that [redacted] had done with TED STEVENS. [redacted]

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Investigation on 08/03/2007 at Anchorage, Alaska (telephonically)

File # 194A-AN-13620-TSTEVENS - 156

Date dictated Typed on 08/04/07

FBI - Stevens-4055

by SA [redacted]

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217mbk06.302

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/02/2007

[redacted] Girdwood, Alaska, was contacted at her residence. After being advised of the identity of the interviewing agents and the nature of the interview, [redacted] provided the following information: b6 b7C

[redacted] has lived at her current residence since [redacted] [redacted] has owned the residence since approximately [redacted] worked at the [redacted] in Girdwood as the [redacted] She stayed home during the summer of 2000 and 2001 [redacted]

[redacted] was familiar with Senator Ted Stevens' residence. The residence used to be one story and looked like they paid little attention to it. When she saw them performing the renovations, she thought it was about time they fix up the residence. She did not know who performed the renovation on the house, but remembered seeing the house lifted off the foundation and wondered if it would hold. She also recalled someone worked on the interior of the residence the entire winter of 2000, but did not know who it was. [redacted] also recalled the lights on the tree in the front yard took more than one day to hang and they had to use a big cherry picker truck because they were very involved. [redacted] had no knowledge of the fish statue on the porch.

(1) 1g

[redacted] had never met Stevens or his wife, nor had she ever been to their home. [redacted] does not see Stevens very often.

[redacted] stated [redacted] told her that he saw VECO trucks setting up a picnic for Stevens [redacted] currently works on the [redacted] His cellular telephone number is [redacted]

Investigation on July 26, 2007 at Girdwood, Alaska

File # 194A-AN-13620-TSTEVENS -157 Date dictated August 2, 2007

by SA [redacted] kjc SA [redacted]

215kjc01.302

FBI - Stevens-4056

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/02/2007

On 8/02/07, [redacted] was served with two (2) Grand Jury subpoenas at [redacted] One subpoena was addressed to [redacted] and one was addressed to [redacted] was advised of the identity of the interviewing agent and he provided the following information:

The writer and [redacted] went over the subpoenas, with the writer instructing [redacted] to call the U.S. Attorney's Office in Anchorage at the number provided in the subpoena to get further instructions on when [redacted] advised he understood those instructions.

After going over the specifics of [redacted]

[redacted] b3 b6 b7C

[redacted] He resides at [redacted] in [redacted] His date of birth is [redacted] His home phone number is [redacted] His work number is [redacted].

Investigation on 7/26/07 at Girdwood, Alaska

File # 194A-AN-13620-TSTEVENS -158

Date dictated

FBI - Stevens-4057

by SA [redacted]

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/02/2007

On 7/26/07, [redacted] was interviewed at the Aleyska Hotel in Girdwood, Alaska. After being advised of the identity of the interviewing agents and the nature of the interview, he provided the following information:

[redacted] (hereinafter [redacted] companies (hereinafter, collectively [redacted] provided the writer with [redacted] business cards for these two entities.

[redacted] received a phone call from [redacted] asked [redacted] if he knew where Senator Ted Stevens's Girdwood house was located. [redacted] told [redacted] he did in fact know where the Senator's house was located as [redacted] the Senator purchased the house. [redacted]

[redacted] then instructed [redacted] to go over to the Senator's house and [redacted]

[redacted] over to the Senator's house and [redacted] did not know if [redacted] was to put [redacted] and leave them by the garage door. [redacted] however, did not have a box so he left them in a black plastic garbage bag and placed the black plastic garbage bag in front of the garage door. There was no one else at the Senator's house while [redacted]

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[redacted] is the person who hired [redacted] to [redacted] stated he has also [redacted] at the Senator's house in his capacity as an employee for [redacted]

[redacted] His date of birth is [redacted] and his social security number is [redacted] His cell phone number is [redacted] His work number [redacted] is [redacted]

Investigation on 7/26/07 at Girdwood, Alaska

File # 194A-AN-13620-TSTEVENS - 159 Date dictated

FBI - Stevens-4058

by SA [redacted] SA [redacted]

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency.

J:\[redacted]302

From [redacted]

Sent Saturday, August 4, 2007 12:50 pm
To anchoragefbi@ak.net
Subject [redacted]

Greetings;
You are know doubt facing a mountain of corrupt acts by Alaska Politicians and are spending countless hours putting it all together, but if you have time, and I hope you do. Please look at the actions of the mayor. For a good accounting of what he has done and his weak defense about them just go to adn.com and click on blogs and alaska politics. He has and continues to make his political backers rich and now it comes to light that he even received a 'gift' of property from [redacted] while conducting official acts just for [redacted] and his associates. [redacted] knows a LOT about the dealings, but it needs a look by folks who can get to the bottom of it all.
As a citizen, let me give you my heartfelt thanks for cleaning up this mess that is graft and corruption in Alaskan Politics.
[redacted]

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160

FBI - Stevens-4059 194A-AN-13620-TStevens

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/01/2007

[redacted] telephone number [redacted] was telephonically interviewed by Special Agent (SA) [redacted] Federal Bureau of Investigation office, Anchorage, Alaska. After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] voluntarily provided the following information:

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On or about 1996, [redacted], to two other companies, COOK INLET REGIONAL INCORPORATED (CIRI) and NABORS DRILLING (ND). [redacted] and in 1998 [redacted] decided to give [redacted]

Between 1998 and 2005, [redacted] spent a lot of money on numerous questionable transactions, gifts and other gratuities. Those expenses were reflected on [redacted] expense reports. [redacted] believes that during the aforementioned time period, [redacted] purchased approximately [redacted] [redacted] a gathering held at the Golden Horn Lodge that was attended by Senator TED STEVENS. [redacted] believes that the wine purchased by [redacted] was a gift for STEVENS.

On or about [redacted] were terminated. [redacted]

[redacted] was a good friend of STEVENS. STEVENS utilized the corporate jets of [redacted] to travel in the state of Alaska. [redacted]

[redacted]

Investigation on 08.01.2007 at Anchorage, Alaska (telephonically)

File # 194A-AN-13620-TSTEVENS-1161 Date dictated

by SA [redacted]

FBI - Stevens-4060

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/02/2007

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[redacted] telephone number [redacted] was telephonically interviewed by Special Agent (SA) [redacted] [redacted] Federal Bureau of Investigation office, Anchorage, Alaska. After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] voluntarily provided the following information:

[redacted] NORTH POINT PROPERTIES (NPP). NPP manages apartment complexes in the state of Alaska and is a division of PACIFIC RIM PROPERTIES (PRP). [redacted] [redacted] PRP.

On or about 2000, PRP submitted a bid to obtain a 50-year contract for the development and management of new housing units at Elmendorf Air Force Base (EAFB). One of the many conditions on the bid was that the developer of the units needed to team up with a management company from the state of Alaska. PRP, an Alaskan management company, teamed up with HUNT BROTHERS (HB), developer, from Texas. PRP and HB submitted their proposal to EAFB in a timely manner.

The proposals were going to be evaluated and rated by personnel from the United States Air Force at EAFB. After the proposals were evaluated, each proposal was ranked. PRP and HB's proposal was ranked number 2. A proposal by a management company called J&L PROPERTIES (hereinafter J&L) was ranked number one. [redacted] could not recall the name of the developer that teamed up with J&L.

J&L began contract negotiations with EAFB. J&L had 90 days to finalize a contract with EAFB. If no agreement was reached in 90 days, J&L was eliminated and the companies ranked number 2 were given the opportunity, 90 days, to negotiate a contract with EAFB. The negotiating period ended for J&L and no agreement was reached between J&L and EAFB.

After learning that no agreement was reached between J&L and EAFB, [redacted] contacted HB to begin preparations to negotiate with EAFB. However, HB personnel were not very enthusiastic and did not return [redacted] calls. [redacted] then contacted the EAFB personnel in charge of awarding the contract and was informed that

Investigation on 08.01.2007 at Anchorage, Alaska (telephonically)

File # 194A-AN-13620-TSTEVENS -162 Date dictated

FBI - Stevens-4061

by SA [redacted]

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213CH01.302

J&L teamed up with HB and that the contract was awarded to J&L and HB. Neither EAFB nor HB gave PRP an explanation why HB was allowed to team up with J&L or why HB teamed up with J&L.

[redacted] wanted to challenge the award of the contract and take legal action against EAFB, J&L and HB. However, [redacted] did not follow up with a legal suit or challenge the award of the contract because [redacted] learned that Senator TED STEVENS was either a partner or part owner of J&L. [redacted] and [redacted] learned that STEVENS invested $50,000 in J&L and after the contract was awarded to J&L and HB, STEVENS investment in J&L increased to $750,000. [redacted] feared that taking legal action against a company in which STEVENS had an interest was worthless because of STEVENS' influence and power in the state of Alaska.

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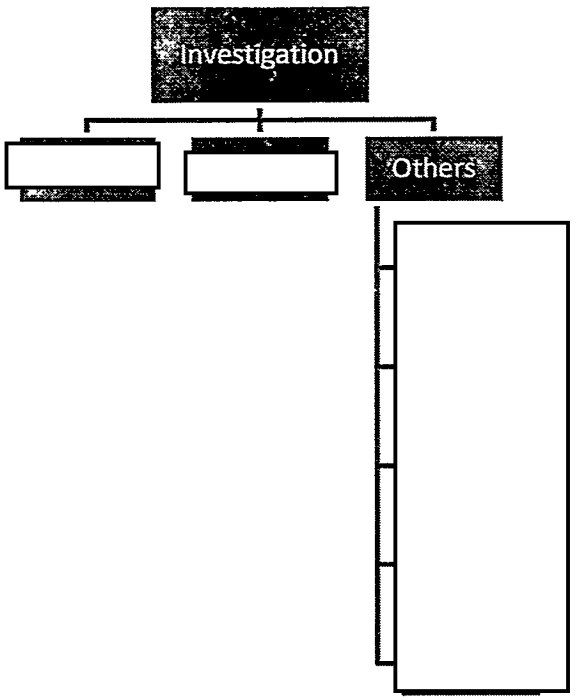
To whom it may concern-

Alaska politics investigation



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Lynden Inc. and its subsidiary, Alaska Hovercraft Ventures. Lynden's current contract with the postal service was signed in 2000, and runs through June of 2006. [redacted] at the Postal Service headquarters in Anchorage, said they are pleased with how things are working out.

[redacted] Lynden Inc. in Anchorage, said Alaska Hovercraft Ventures is a joint venture with **Cook Inlet Region Inc.**, with Lynden owning 60 percent of the operation and CIRI controlling 40 percent.

ANCHORAGE - Despite resistance from Barrow residents, Fairbanks businesses and air carriers, the U.S. Postal Service changed the bypass mail system to the North Slope in 2006.

The proposal, to truck bypass mail from Fairbanks to Prudhoe Bay using the current contractor **Lynden Transport**, would force Northern Air Cargo, Everts Air and Alaska Airlines to fly to Prudhoe Bay empty to move the mail to Barrow.

163

194A-AN-13670-Tstevens

ANCHORAGE AK 995

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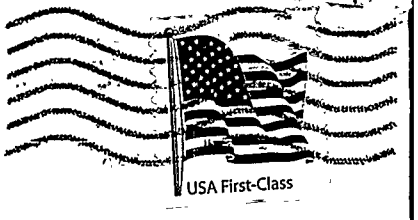

FBI

101 E. 6th Ave

Anchorage AK 99501

ATTN: Alaska Politics Investigation

99501 $2523

FBI - Stevens-4064

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ANCHORAGE - U.S. Sen. Ted Stevens acknowledged he did not pay for stays at a Bristol Bay fishing lodge at a time Cook Inlet Region Inc. used it as an entertainment destination.

The Alaska Republican sent checks this month to cover the cost of the visits in 2001 and 2003, according to an aide.

The use of the Golden Horn Lodge and who paid for it are among issues noted in a lawsuit in which CIRI is accusing a contractor of misappropriating more than $38 million.

Contractor [redacted] is being sued by CIRI and its partner, Houston-based Nabors Industries, over purported financial misdeeds including overcharging for the use of jets and competing with the company he was supposed to be running for them.

"As I recall, other guests at the Lodge included a number of Alaskans and visitors from outside the state. We all enjoyed the wonderful fishing that Southwestern Alaska offers and had numerous conversations about the issues facing Alaska. We focused on a variety of topics including the ***unique transportation***, communications, economic and social challenges Alaska must meet," Stevens said in the statement.

http://www.alaskajournal.com/stories/021906/hom_20060219008.shtml

Who created a new Air Cargo company? "Lynden Air Cargo"

How did the Senator get his flying time in aircraft? Like the King Air?

Who insures the 121 carriers in Alaska?

Amendments

2004—Subsec. (a)(10)(C). Pub. L. 108–447, § 301(c), added subpar. (C) and struck out former subpar. (C) which read as follows: "actually engaged in the carriage of mainline nonpriority bypass mail through scheduled service in the State of Alaska;".

Subsec. (g)(1). Pub. L. 108–447, § 301(d), added par. (1) and struck out former par. (1) which read as follows: "The Postal Service, in selecting carriers of non-priority bypass mail to any point served by more than one carrier in the State of Alaska, shall adhere to an equitable tender policy within a qualified group of carriers, in accordance with the regulations of the Postal Service, and shall, at a minimum, require that any such carrier shall—

"(A) hold a certificate of public convenience and necessity issued under section 41102 (a) of title 49;

"(B) operate at least 3 scheduled flights each week to such point;

"(C) exhibit an adherence to such scheduled flights; and

"(D) have provided scheduled service with at least 3 scheduled (noncontract) flights per week between two points within the State of Alaska for at least 12 consecutive months with aircraft—

"(i) up to 7,500 pounds payload capacity before being selected as a carrier of nonpriority bypass mail at an applicable intra-Alaska bush service mail rate; and

"(ii) over 7,500 pounds payload capacity before being selected as a carrier of nonpriority bypass mail at the intra-Alaska mainline service mail rate."

Flight records!!

Knik awarded Guantanamo project

Knik Construction made the 11 p.m. news at Seattle station KOMO-TV for securing a job with the Department of Defense at Guantanamo Bay, Cuba. Several Lynden employees saw the news announcement that Knik was awarded a construction contract for repairs to Leeward Airfield at the naval station.

Knik was selected for the job to pave the airport based on the success of its project on Wake Island for the U.S. Navy. According to Knik President Steve Jansen, supplies and equipment will be hauled from Seattle via Alaska Marine Lines' barges and from Houston or New Orleans via chartered barges. Aggregates will be hauled on barges from Jamaica and Florida. The project is now under way, with paving scheduled for next month and demobilization in September.

(Rev. 01-31-2003)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE **Date:** 08/02/2007

To: Anchorage **Attn:** SA [redacted]
IA [redacted]

From: Anchorage
Contact: SA [redacted]

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b7C

Approved By: [redacted]

Drafted By: [redacted] rsb

Case ID #: 194A-AN-13620 (Pending)
800A-AN-13718-Sub 4

Title: Polar Pen;
CSLPO

Synopsis: To document information provided by an anonymous caller.

Details: On 08/02/2007, at approximately 10:35 am, while on complaint duty, SA [redacted] took a call from a male caller, who stated he did not wish to provide his name, as he feared reprisal within his business. He stated he was calling from a pay phone in McGrath, Alaska, using a calling card. Caller ID indicated the phone number was [redacted] The caller stated that [redacted] Alaska.

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The caller stated that Knik Construction, a wholly owned subsidiary of Lyndon Transportation, which itself is [redacted] has recently been awarded two no-bid contracts by the Department of Defense, both of which are approximately $600 million dollars, and that U.S. Senator Ted Stevens was instrumental in insuring that Knik Construction was awarded these contracts.

The first contract was to clean up hazardous debris and artifacts left over from World War II on Guam, or another island in the South Pacific Ocean. This contract was awarded a year or two ago.

The second contract is for the re-paving of the runway at Guantanamo Bay, Cuba.

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The caller stated that he has heard about these from various work crews in and around [redacted] The guys on these crews are excited about the money they have and will make on these contracts, and are excited about working in a warm climate during the Alaskan winter. b6 b7C

The caller stated he had no specific information about Senator Steven's role in these contracts. He stated that the word on the crews was that Knik Construction got these contracts through Senator Stevens.

♦♦

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/07/2007

On August 6, 2007, [redacted] Attorney at [redacted] Anchorage, Alaska [redacted] was contacted telephonically at [redacted] by Special Agent [redacted] [redacted] was informed that the interviewing agent was interested in discussing the letter he received from Senator TED STEVENS that [redacted] provided the following information:

[redacted] informed the interviewing agent that he would cooperate with the government and provide the original copy of the letter he received from Senator STEVENS. [redacted] further explained why the letters were written.

On approximately [redacted] became good friends with the [redacted] during this time and remained in Girdwood until approximately [redacted] when he left the area for a better job. Since that time frame [redacted] sees [redacted] remains friendly with the [redacted] but is not as close with them as they are with Senator STEVENS.

1-4 msl 8/8 msl

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During the [redacted] that Senator STEVENS was concerned. He further stated that Senator STEVENS was not concerned with himself, but rather about [redacted] further explained that he had a conversation with Senator STEVENS about [redacted] Senator STEVENS felt bad about what was going on with [redacted] Senator STEVENS [redacted]

[redacted] that he was traveling to Washington D.C. the following morning to attend a White House dinner that was honoring Senator STEVENS. [redacted] to give Senator STEVENS "my best" and that he was in [redacted] prayers.

Investigation on 8/6/2007 at Anchorage, Alaska

File # 194A-AN-13620-TSTEVENS 165

Date dictated

by SA [redacted] msl

SA [redacted]

FBI - Stevens-4069

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[redacted] thought that his conversation with [redacted] had ended; however, they ran into each other again at [redacted]

[redacted] mentioned that normally he was a good judge of character, except in the case of [redacted] Senator STEVENS and a number of others were partners in the horse racing business.

[redacted] could not recall whether he had the following discussion with [redacted] (phoenetic) [redacted] but recalled the topic was [redacted] arrogance. [redacted]

[redacted] went into his office and wrote a sincere letter to Senator STEVENS because [redacted] There have been allegations and problems with Alaska politicians for a long time, including things that surfaced after [redacted] disclosed problems related to Senator STEVENS; however, despite that, [redacted] did not think that Senator STEVENS should [redacted]

[redacted] letter to Senator STEVENS, he mentioned to STEVENS that he was proud of him and that he heard from STEVENS' friends from Girdwood about the upcoming dinner at the White House at which he would be honored. [redacted] also mentioned in the letter that as far as he knew, Senator STEVENS always put family first. [redacted] faxed his letter to Senator STEVENS on [redacted] and sent the original via mail.

[redacted] suspected based upon what he read in the papers that [redacted] not only went to Washington DC [redacted]

but also to attend Grand Jury. [redacted] surmised this because information that was in the news about [redacted] would only have been known by [redacted]

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b7C

Senator STEVENS wrote back to [redacted] and provided a copy of both his letter and Senator STEVENS' return letter. [redacted] also agreed to provide the original copy of STEVENS' letter and a copy of [redacted] letter to the interviewing agent, at which time a meeting for later that morning was set up.

At approximately 9:30 a.m. Special Agents [redacted] met with [redacted] at his law office to obtain the letters. In addition to reiterating much of the information above, [redacted] provided the following additional information:

Sources close to [redacted] suggested that [redacted] an investor, left town unexpected for three months because of his knowledge and/or involvement in the ongoing corruption cases. The person who told [redacted] this said it made no sense for [redacted] to leave town now because he [redacted]

[redacted] also mentioned to the interviewing agents that he is very vocal when it comes to public corruption matters. [redacted] mentioned that on his interview last Monday with [redacted] he made a statement that FRANK MURKOWSKI should be next. Soon after, Governor SARAH PALIN announced a special session related to the Petroleum Production Tax (PPT).

[redacted] is friends with [redacted] not to let [redacted]. In one of these calls, a women called in and told [redacted] that if [redacted] speak on [redacted] she would publicly announce the fact that [redacted]

[redacted] also talked about individuals on MURKOWSKI's campaign that admitted that there were criminal actions related to the gasoline negotiations. Several of his campaign members

quit all at once. On separate occasions, [redacted] mentioned the corruption to [redacted] Both responded back affirmatively that they agreed with [redacted] statements.

b6
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The two letters, as well as two bound ethic summaries prepared by [redacted] were provided to the interviewing agents and placed in the 1-A section of the case file.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/08/2007

[redacted] was interviewed at the Federal Bureau of Investigation (FBI) office, Anchorage, Alaska. After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] voluntarily provided the following information:

On [redacted] was hired by VECO to work as a [redacted] However, on [redacted] was [redacted] continues to work for VECO at the [redacted] is only [redacted]

On or about [redacted] traveled to Girwood, Alaska, with ROCKY WILLIAMS to see the house of Senator TED STEVENS. WILLIAMS was a [redacted] about the remodeling work been performed by VECO at STEVENS' house. WILLIAMS was in charge of the remodeling project at STEVEN's house. DURING [redacted] visit to STEVENS' house, [redacted] of STEVENS' house during the remodeling.

[redacted] always visited the sites where VECO was working and [redacted] b6 b7C

[redacted] stated that it was not common for VECO to work on an individual's house. During [redacted] tenure at VECO, [redacted] recalled that VECO only worked at the residences of VECO's executives. [redacted] recalled that VECO worked at [redacted] house and at [redacted] house. [redacted] and STEVENS were very good friends. [redacted] believes that VECO was doing the work at STEVENS' house as a friendly gesture from [redacted] to STEVENS and because STEVENS spends most of his time out of the state. [redacted] does not know who paid for the remodeling at STEVENS' house but believes that the bills for the work performed at STEVENS' house were handled by VECO on STEVENS' behalf.

Investigation on 08.07.2007 at Anchorage, Alaska

File # 194A-AN-13620-TSTEVENS-166 Date dictated

by SA [redacted]

FBI - Stevens-4073

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220CH01.302

After [redacted] pled guilty to federal charges. [redacted] learned that STEVENS was very disappointed with [redacted] provided information to law enforcement authorities about STEVENS' [redacted] without consulting or talking to STEVENS first.

[redacted] STEVENS' residence. [redacted] STEVENS' residence that he believes were taken and given to him by WILLIAMS. [redacted] were placed in an FD-340 (1-A envelope). b6 b7C

The following information was obtained from [redacted]

Name:
Date of birth:
Address:

Residential telephone number:
Cellular telephone number:

[redacted]

FD-1023 (Rev. 08-02-2007)

FEDERAL BUREAU OF INVESTIGATION

Confidential Human Source (CHS) Reporting Document

Reporting Date: 08/04/2007

Case ID: ~~194A-AN-13620~~-TSTEVENS (Pending) -167
[redacted] (Pending)

b6
b7C
b7D

Contact Date: 08/02/2007

Type of Contact: In person

Location: Anchorage, Alaska

Written by: SA [redacted]

Other(s) Present: [redacted] attorney for the source

Source Reporting:

A source who is in a position to testify provided the following information: The source recalled that TED STEVENS wanted to obtain a sled dog from the Ted Stevens Kenai River Classic auction event. The source recalled that the dog was from a good blood line of sled dogs. The source is not aware if STEVENS won the dog or whether someone else won the bidding and gave the dog to STEVENS. [redacted] when STEVENS brought the dog to his home in Washington DC and a short time later STEVENS no longer had the dog. The source does not know what happened to the dog after STEVENS took it to Washington DC. The source believed these events occurred in either 2004 or 2005.

[redacted] Following the searches of VECO Corporation, [redacted].

At several Kenai River Classic auction events, [redacted]

[redacted] b6 b7C b7D

The source did not know who donated [redacted] to the Kenai Classic. The source said that STEVENS was not particularly interested in [redacted] The source said that VECO Corporation probably maintained the records related to purchases made at the auctions.

The source said that STEVENS was careful about making sure he paid for some things such as his share of the bill [redacted] STEVENS also insisted that he pay the equivalent cost of a [redacted]

[redacted] had a barbeque grill on the deck of his Girdwood residence [redacted] STEVENS made it clear to [redacted]

♦♦

FD-1023 (Rev. 08-02-2007)

FEDERAL BUREAU OF INVESTIGATION

Confidential Human Source (CHS) Reporting Document

Reporting Date: 08/04/2007

Case ID: 194A-AN-13620-TSTEVENS (Pending) — 168
[redacted] (Pending)

Contact Date: 08/03/2007

Type of Contact: Telephonic

Location: Anchorage, Alaska

Written by: SA [redacted] MBC

Other(s) Present: None

Source Reporting:

A Source who is in a position to testify provided the following information:

[redacted] received a telephone call from an individual named [redacted] who said that he had important information to pass along to the source regarding the public corruption investigation. [redacted] said that he didn't want to talk on the telephone and requested that [redacted]

b6
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On [redacted] and consensually recorded the conversation.

MBC

♦♦

217mbK03.EC

FD-1023 (Rev. 08-02-2007)

FEDERAL BUREAU OF INVESTIGATION

Confidential Human Source (CHS) Reporting Document

Reporting Date: 08/04/2007

Case ID: 194A-AN-13620-TSTEVENS (Pending) -169
[redacted] (Pending)

Contact Date: 08/04/2007

Type of Contact: In person

Location: Anchorage, Alaska

Written by: SA [redacted]

Other(s) Present: None

Source Reporting:

A Source who is in a position to testify provided the following information regarding [redacted]

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b7D

The source thought that [redacted] conversation and that [redacted] had some hidden purpose for the meeting. The source did not recognize [redacted] and could not recall having a relationship with [redacted] The name of [redacted] was familiar to the source and the source thought that it was in connection to [redacted]

1

MK

♦♦

217mSK 02.302

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 07/31/2007

[redacted], date of birth [redacted], social security number [redacted] residing at [redacted] Girdwood, Alaska [redacted], was interviewed at his place of employment, [redacted] Girdwood, Alaska. After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] provided the following information:

[redacted] that took place in late May or early June 2007, SENATOR TED STEVENS told [redacted] that, if the opportunity arose, [redacted] of STEVENS' Girdwood, Alaska home. STEVENS told [redacted] that the tree doctor informed TED and [redacted]. SENATOR STEVENS was specific in his instruction in that he asked [redacted] to [redacted] and send STEVENS the bill, due to the nature of the pending investigation against STEVENS.

[redacted], contacted [redacted] and offered the use of a special piece of equipment to [redacted] [redacted] informed [redacted] that, although there was no need for the equipment at [redacted] at STEVENS' Girdwood home. [redacted] with STEVENS' contact information.

b6
b7C

[redacted] considers himself the conduit between [redacted] and STEVENS. [redacted] knows no details of the work performed by [redacted] or whether or not STEVENS was sent or will be sent the respective invoice.

Investigation on 07/27/2007 at Girdwood, Alaska

File # 194A-AN-13620 - TSTevens - 170 Date dictated 7/31/2007

FBI - Stevens-4079

by SA [redacted]

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FILE COPY

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 07/31/2007

The following Special Agents of the Federal Bureau of Investigation were involved in an ongoing surveillance of the property located at 138 Northland Road, Girdwood, Alaska (subject property): [redacted]. Also participating in the surveillance was IRS Special Agent [redacted] Surveillance photos captured the subject property before the surveillance commenced.

The surveillance included monitoring a black garbage bag (subject bag) that was situated on the right hand side of the driveway against the garage door. Surveillance photos include the subject property with the subject bag located in front of the garage. Interviews which are recorded in separate FD-302's reveal that the subject bag was placed on the subject property earlier the day of July 26, 2007. The surveillance commenced at approximately 4 p.m. Thursday July 26, 2007.

From approximately 4 p.m. through 5:15 p.m, Thursday July 26, 2007, SA's [redacted] monitored the subject property and noted no significant activity.

1 MSL 8/1/07

From approximately 5:15 p.m. through 12:00 midnight, Thursday July 26, 2007, SA's [redacted] monitored the subject property and noted no significant activity.

From approximately 12 midnight through 8:00 a.m., Friday July 27, 2007, SA [redacted] monitored the subject property and noted no significant activity.

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b7C

From approximately 8:00 a.m. through 4 p.m., Friday July 27, 2007, SA's [redacted] monitored the subject property and noted no significant activity.

From approximately 4:00 p.m. through 12:00 midnight, Friday July 27, 2007, SA's [redacted] monitored the subject property and noted the following:

At approximately 5:42 p.m., SA's [redacted] saw a grey haired man walk onto the subject property, walk onto

Investigation on 7/26-7/30/2007 Girdwood, Alaska

File # 194A-AN-13620-TSTEVENS -173 Date dictated

by SA [redacted] msl

FBI - Stevens-4251

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

J: [redacted] / Surveillance Log.

the front deck, and open the front door with a key. Surveillance photos captured this activity.

At approximately 5:44 p.m., SA's [redacted] saw the subject bag being pulled into the garage.

At approximately 5:54 p.m., SA's [redacted] saw the grey haired man leave the subject property, lock the door, and walk away. Individuals familiar with this case, identified the grey haired man as [redacted]. Surveillance photos captured this activity.

From approximately 12 midnight through 8:00 a.m., Saturday July 28, 2007, SA [redacted] monitored the subject property and noted no significant activity.

From approximately 8:00 a.m. through 4 p.m., Saturday July 28, 2007, SA's [redacted] monitored the subject property and noted no significant activity.

From approximately 4:00 p.m. through 12 midnight, Saturday July 28, 2007, SA [redacted] monitored the subject property and noted no significant activity.

From approximately 12 midnight through 8:00 a.m., Sunday July 29, 2007, SA [redacted] monitored the subject property and noted no significant activity.

From approximately 8:00 a.m. through 4 p.m., Sunday July 29, 2007, SA's [redacted] monitored the subject property and noted no significant activity.

From approximately 4:00 p.m. through 12 midnight, Sunday July 29, 2007, SA's [redacted] monitored the subject property and noted no significant activity.

From approximately 12 midnight through 8:00 a.m., Monday July 30, 2007, SA's [redacted] monitored the subject property and noted no significant activity.

At approximately 8:00 a.m. the Federal Bureau of Investigation prepared for the execution of a search warrant at the subject property which will be documented in a separate FD-302.

The still photographs of the surveillance are included in the 1A section of the case file.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/06/2007

On 8/06/07, [redacted] was interviewed in the presence of his attorney, [redacted] and Internal Revenue Service Special [redacted] After being advised of the identity of the interviewing agents and the nature of the interview, he provided the following information:

[redacted] flew into Anchorage with [redacted] and called SA [redacted] to arrange a meeting. The meeting was held at the Sheraton hotel next to the FBI offices.

During the meeting, [redacted] stated that they had information indicating [redacted]

[redacted] could not give any specific information regarding [redacted] wanted the writer to pass the information on to the AUSA working this case to potentially set up a meeting with the attorneys. [redacted] stated that he previously worked with AUSAs in Tampa, Florida by the name of [redacted] and [redacted]

[redacted] is a white male who resides at [redacted] His date of birth is [redacted] His [redacted] driver's license number is [redacted]

[redacted] is a white male who provided only a "Nexus" card. The identification number on that card is [redacted]

b6
b7C

Investigation on 8/04/07 at Anchorage, Alaska

File # 194A-AN-13620-TStevens -194 Date dictated

by SA [redacted] SA Larry Bateman FBI Stevens-4254

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency:

J:\ [redacted] 302

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/06/2007

[redacted] born [redacted] social security number [redacted] cellular telephone number [redacted] residing in [redacted] was interviewed at a construction site located off of [redacted] Alaska. [redacted] had previously contacted the Little Rock, Arkansas Federal Bureau of Investigation (FBI) office and stated that [redacted] had information he wanted to discuss related to Senator TED STEVENS. After being advised of the identity of the interviewing agents, [redacted] provided the following information:

[redacted] works in the construction industry in Alaska. [redacted]

Approximately [redacted] years ago, [redacted] was contacted by [redacted] of VECO and asked to do work on STEVENS' residence located in Girdwood, Alaska. [redacted] contacted [redacted] via telephone and asked [redacted] work on behalf of VECO. [redacted] in cash to perform this work. [redacted] explained that the project included [redacted] on the house as well as [redacted] stated that he would pay [redacted] in cash and hide the payments in the VECO books. [redacted] knew the cash would come from [redacted] but never asked any further questions to determine if someone else was paying [redacted]

b6
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[redacted] was contacted by [redacted] because people who know [redacted] from the construction industry and had done work for VECO referred [redacted] After [redacted] that VECO did in fact go forward with the improvements on STEVENS' house. Both [redacted] Last Name Unknown (LNU) and [redacted] (LNU), [redacted] did not recall

Investigation on 08/03/2007 at Soldotna

File # 194A-AN-13620-TSTEVENS, 175 AN 194-0 Date dictated

SA [redacted] msl

by SA [redacted]

FBI - Stevens-4256

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

J [redacted]

[redacted] last names, but thought that he may have a record of it at his home. [redacted] were just the "grunt" workers. [redacted] did not know what contractor hired them out to work on STEVENS' house. [redacted] also did some subcontracting work [redacted] for VECO.

[redacted] believed that there was a possibility that VECO was providing kickbacks to KENAI police officers as well as to some VECO employees. [redacted] suspected this because he knew what some of their homes looked like and had a good idea of what their salaries were. To [redacted] some of the KENAI police and some of the VECO employees lived in homes that appeared to be beyond their means. [redacted] of KENAI Police Department (PD) and Officer [redacted] of KENAI Police are the two KENAI PD employees whom [redacted] suspected of receiving kickbacks and or nicer homes from VECO.

[redacted] also suspected that some of the Alaska State Police were receiving kickbacks and/or nicer homes from VECO, but he did not know who specifically. [redacted] advised the interviewing agents to review all of the work performed by [redacted] [redacted] believed that [redacted] the company who does most of the contracting work in the Kenai area, would be very knowledgeable of VECO kickbacks and gifts since [redacted] the Kenai PD employees' and VECO employees' homes. b6 b7C

In a separate construction project, [redacted] had [redacted] located in [redacted] by the hospital. [redacted] telephone [redacted] for the contract. The homes were supposed to be built for [redacted] Alaska. [redacted] signed a contract to build [redacted] for [redacted] never started on the contract and incurred no expenses related to the project. [redacted] was upset though, because all of a sudden [redacted] shut down and [redacted] no longer returns [redacted] telephone calls.

[redacted] was also concerned with the practices at the Office of Child Service (OCS). [redacted] and his ex-wife lost custody of their children when his wife [redacted] is a native Alaskan. The judge, JUDGE LANDRY, who handles the cases, took [redacted] children away. [redacted] explained that OCS is taking children away from their parents and then adopting the

children out to families for kickbacks. [redacted] stated that the government officials who adopt these children out are accepting bribes from people who want to adopt children. [redacted] has six months to prove himself to the OCS or else he will lose his children permanently.

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[redacted] agreed to review his records, which were located at home, to provide more information on [redacted] LNU's identifying information.

In a follow up telephone interview conducted by only Special Agent [redacted] on 8/7/2007, [redacted] was still unable to provide additional information on [redacted] LNU's and [redacted] LNUS's identities.

ARE YOU AWARE

THAT TED STEVENS

HAS A STORAGE ROOM

AT 101 E. 9TH UNIT 2A.

b6
b7C

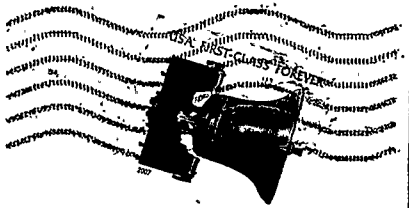
SA [redacted]

176

194A-AN-13620-TStevens

FBI - Stevens-4259

ANCHORAGE AK 995
02 AUG 2007 PM 1 T



FBI
101 E 6th
Anch, AK
99501

9950142523

FBI - Stevens-4260

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/09/2007

GRAND JURY MATERIAL - DISSEMINATE PURSUANT TO RULE 6(e)

Pursuant to a Grand Jury Subpoena, [redacted] on August 9, 2007. [redacted] which are included in the 1-A section of the case file, include the following:

[redacted]

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Please copy entire clipped bunch.

08/09&16/2007 Anchorage, Alaska

Investigation on at

194A-AN-13620-TSTEVENS -177

File # 194A-AN-13620-A

Date dictated

by SA [redacted] msl

b6
b7C

FBI - Stevens-4261

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b3
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b3
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b3
b6
b7C

(Rev. 01-31-2003)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE **Date:** 08/15/2007

To: Washington Field **Attn:** Public Corruption
SA [redacted]

From: ✓Anchorage
Squad 4
Contact: [redacted]

b6
b7C

Approved By: SAC Fogle Toni M.
ASAC Heller David E.
SSA [redacted]

Drafted By: [redacted] msl

Case ID #: ✓194A-AN-1320-TSTEVENS (Pending) -178

Title: POLAR PEN

Synopsis: To set lead for Washington Field Office

Enclosure(s): Enclosed for Washington Field office are 1) [redacted]

Details: The above captioned matter pertains to an ongoing public corruption matter. The case investigation included [redacted] for Senator Ted Stevens. [redacted]

b3
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b7C

Anchorage is requesting the Washington Field Office to conduct an interview of [redacted] [redacted] [redacted] Those items will be forwarded to both the government attorneys and lead agent separately.

FBI - Stevens-4316

b6
b7C

J/[redacted]/229msl01.ec

LEAD(s):

Set Lead 1: (Action)

WASHINGTON FIELD

AT WASHINGTON DC

Coordinate with DOJ attorneys and/or AUSA's to conduct interview of [redacted] can be reached at [redacted] and [redacted] can be reached at [redacted] is represented by Attorney [redacted] The interview should include the following items:

[redacted]

b3
b6
b7C

[redacted]

8. What other personal business transactions did you do on behalf of Senator Stevens? Did you assist him with his personal Shopping? Do you assist Stevens with his bill payments? Do you assist with his investment accounts? Did you assist him with refinancing his house? Did you assist with the purchase of the new town home in Washington? Do you assist with typing personal letters and correspondence? Have you made purchases for him or for his gifts, including distributing gifts? b3 b6 b7C

10. How often did you interact with family members of the Senator? Children? Spouse?

12. Determine any boats owned by Senator Stevens. Describe any boats currently or previously owned by Senator Stevens. Where are the boats stored? What is their value? How were they purchased? Who uses the boats? Are they maintained at his home? At a marina?

13. What if any compensation did you receive for assisting Senator Stevens with his personal items? What was your understanding of the $7,500 check that Stevens gave to you?

♦♦

(Rev. 01-31-2003)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE **Date:** 08/20/2007

To: Washington Field **Attn:** Public Corruption

From: Anchorage
Squad 4
Contacts: [redacted]

b6
b7C

Approved By: SAC Fogle Toni M.
ASAC Heller David E
SSA [redacted]

Drafted By: [redacted] msl

Case ID #: 194A-AN-13620-TSTEVENS (Pending) -179

(1)

Title: POLAR PEN

Synopsis: To set lead for Washington Field Office

Enclosure(s): Enclosed for Washington Field office are 1) Biographical Information and contact information from website for [redacted] 2) Copy of Newspaper article dated August 16, 2007

Details: The above captioned matter pertains to an ongoing public corruption matter.

On August 16, 2007, the Anchorage Daily News printed an article entitled "FBI investigates science contracts awarded VECO". In the article, an individual by the name of [redacted] was quoted. [redacted] of the U.S. Artic Research Commission (USARC). The article references a $25,000,000 appropriation by Senator Stevens into the USARC. This $25,000,000 was unsolicited, but was later shifted to the National Science Foundation (NSF).

b6
b7C

Anchorage is requesting the Washington Field office to locate and interview [redacted]

LEAD(s):

Set Lead 1: (Action)

WASHINGTON FIELD

AT ALEXANDRIA, VA

Locate and interview [redacted] telephone number [redacted] Arlington, Virginia.

Determine [redacted] roles and responsiblities in the U.S. Artic Research Commission (USARC). Determine what [redacted] knows about the $25,000,000 appropriation to the USARC. Determine why the money ultimately went back to the National Science Foundation (NSF). Determine what Senator Ted Stevens' role was in the appropriation to the USARC. Determine what [redacted] knows about the NSF contract with VECO. Determine what [redacted] knows about the bidding process for the VECO contract and any allegations made by competitors of VECO. Determine who, if anyone, [redacted] knew at VECO or the NSF and what their relationships were. Determine any knowledge Newton may have regarding any government funding to Alaska.

b6
b7C

FBI investigates science contracts awarded Veco

ARCTIC: $170 million in research contracts coincided with support for polar funding by Sen. Stevens.

By ERIKA BOLSTAD and GREG GORDON
McClatchy Newspapers
Published: August 16, 2007
Last Modified: August 16, 2007 at 10:03 AM

WASHINGTON -- The FBI is investigating the National Science Foundation's award of $170 million in contracts to the oil field services company that oversaw renovations on U.S. Sen. Ted Stevens' home.

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Veco Polar web site
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FBI investigates science contracts awarded Veco
From Juneau to Washington, oil magnate sowed political influence
Official ties with big oil now bind in uncomfortable ways
CH2M Hill moves to buy Veco
VECO interim leader says ethics is a priority

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The firm, Veco Corp., captured a lucrative five-year NSF contract in 1999 to provide logistics and support for polar research, although it had no previous experience in that field. During the same time period, Veco's top executive managed renovations that doubled the size of the longtime Republican senator's Girdwood home -- the scene of a July 30 FBI raid.

NSF spokesman Dana Cruikshank told McClatchy Newspapers that the FBI has made inquiries into the 1999 award, worth up to $70 million, and a 2004 follow-up contract for as many as seven years that the company values at up to $100 million. Justice Department spokesman Bryan Sierra and spokeswoman Deborah Weierman of the FBI's Washington field office, which is leading the investigation, declined comment on the NSF contracts.

Veco's founder and CEO, Bill Allen, pleaded guilty this spring to making $400,000 in illegal payments to Alaska lawmakers, including Stevens' son, Ben, who until last year was president of the Alaska Senate. Allen is cooperating in a sweeping FBI corruption investigation that also has led to the conviction of a former Alaska state representative and guilty pleas from a second Veco executive and a prison-industry lobbyist.

FBI - Stevens-4322

Three other state lawmakers are awaiting trial on bribery charges. Ben Stevens has not been

charged.

The disclosure provides further evidence of the degree to which the investigation of public corruption in the Alaska Legislature has widened to include at least two of the state's three members of Congress. Alaska's sole congressman, U.S. Rep. Don Young, is also under investigation for his ties to Veco.

STEVENS-VECO CONNECTION WAS KNOWN

Until now, there has been little hint as to how Veco might have benefited from the close relationship that its CEO had with the elder Stevens, who served for several years as the powerful chairman of the Senate Appropriations Committee. Stevens also had oversight of the National Science Foundation in his senior role on the Senate Commerce Committee.

No evidence has surfaced that Stevens directly steered the contract to Veco, but his aggressive support for increased funding for Arctic research coincided with the company's sudden emergence as a major player in providing logistics for polar scientists. Under the contract, Veco helps transport researchers to remote Arctic regions for more than 150 scientific projects, feeds them, houses them and provides equipment and communications during their stays.

Stevens would not comment on any aspect of the investigation and has refused to talk about the FBI raid on his house. A spokesman said that the 83-year-old senator has long had an interest in seeing more money spent on Arctic research.

"Sen. Stevens has long been a supporter of increasing federal funding for Arctic research," said Aaron Saunders, the spokesman. "Alaskans, more than anyone in the nation, are feeling the effects of climate change. In order to understand the causes and impacts of these changes, Sen. Stevens believes that a variety of agencies must help us learn more about the Arctic. As an appropriator and a senior member of the Commerce Committee, it is Sen. Stevens' role to ensure government entities receive the necessary funding to carry out this important work."

As far back as 1994, as a member of the Senate Commerce Committee, Stevens championed putting more Arctic research money into the NSF budget. In 1997, when a government advisory group overseeing Arctic research issued a report detailing disparities in research between the Arctic and Antarctica, Stevens became a standard bearer for the cause.

"I know that Sen. Stevens was very strongly taken with what we had uncovered in the study," said George Newton, a research engineer and former U.S. Navy submarine captain who served for 12 years as chairman of the panel, the Arctic Research Commission. He said Stevens cited the study as a basis for appropriating more money for Arctic research.

Unsolicited, Stevens put $25 million into the commission's budget without ever explaining why an advisory panel instead of the National Science Foundation would get the money. The funds were later shifted to the NSF.

Newton said that when it came time in 1999 to award a polar logistics contract, it was believed within the NSF and in polar research circles that Veco's relationship to Stevens' son might give the company an advantage.

CAME FROM NOWHERE TO WIN CONTRACT

In Allen's plea, he admitted paying fees to the younger Stevens' consulting firm beginning in 1995 -- six years before he was appointed to the state Senate. From 2002 to 2006 when he was a state senator, Stevens was paid $243,250 by Veco mainly for "giving advice, lobbying colleagues and taking official acts in matters before the legislature," Allen admitted in court filings. Allen also offered to make Stevens a Veco executive, the filings say.

"The thought was going around, that as the competition was going on within NSF, there was always this talk that Sen. Stevens' son was connected to Veco," Newton said. "A wink of an eye, so to speak, among people who were not involved in the evaluation. It was water cooler conversation."

One losing bidder questioned the fairness of Veco's initial award in 1999 and said it should "bear further scrutiny."

Marijane Hancock, who submitted a proposal on behalf of the University of Nebraska's Polar Ice Coring Office in partnership with a Canadian company, said she could not imagine Veco gearing up to submit a competitive proposal within a three-month bidding deadline unless company officials somehow had a head start.

The University of Nebraska project held the polar research logistics and support contract from 1974 to 1989, lost it for five years to the University of Alaska, then won it back for the period from 1994 to 2000, earning $17 million over the final six years.

Karl Kuivinen, who headed the Nebraska project in the 1990s, said Veco came from nowhere to win the successor contract.

No one knew the contract's value until the agency floated a formal request for bids on April 21, 1999, said Mike Ledbetter, a former Science Foundation technical manager who sat on a panel that reviewed competing bids.

Ledbetter and Hancock said that Veco gained expertise by hiring several former employees of Antarctica Support Associates, a company that performed similar support services on the South Pole.

Hancock, now a University of Nebraska assistant vice president for academic affairs, said she drafted a protest letter when Veco won the contract, but her bosses decided not to send it. Among other things, she complained that Simon Stephenson, the National Science Foundation's contract manager, "had developed long-term personal relationships" with the former Antarctica field workers who were hired by Veco.

ARCTIC OIL FIELD WORK A FACTOR

The NSF declined to make Stephenson or anyone else available for an interview.

Hancock also noted that, when potential bidders were invited to send personnel to Greenland to tour the main site of the research in June 2000, two Antarctica workers missed a sign-up deadline. She said NSF officials then asked her office to escort the two, who Hancock said, "were provided personal, extensive and special access to all aspects of our operation."

"We learned in the middle of December, after the contract was awarded, that the two individuals we accommodated went to work for Veco Rocky Mountain Inc., on their contract," she wrote.

Veco had no previous government logistics contracts of such scope, but the company's work on North Slope oil fields gave it experience operating under harsh Arctic conditions. The entity set up by Veco to manage the NSF logistics contract, Veco Polar Resources, was formed after its parent company landed the work in 1999.

NSF said there had been no major problems with Veco's performance on the contracts.

Since Allen's guilty plea, he has stepped down from Veco. The Colorado engineering firm CH2M Hill is in negotiations to buy Veco for $463 million.

FBI - Stevens-4324

Erika Bolstad reports for the Anchorage Daily News from the McClatchy Newspapers' Washington bureau. Contact her at ebolstad@adn.com.
Greg Gordon is a reporter for McClatchy Newspapers in Washington. Contact him at ggordon@mcclatchydc.com.
Researcher Tish Wells contributed to this story.

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Man shot by officer reportedly had threatened women

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Fur Bikini Contest 2007 at Chilkoot Charlie's

adn.com photo report

2007 Prep Football week two

Little ones

Humpys marathon 2007

Alaska Skies

FBI - Stevens-4325

GEBCO

Biographical Information: George Newton

click to view larger image

George Newton is an electrical engineer who served 25 years in the U.S. Navy as a nuclear-trained submarine officer. He retired as a Captain after commanding a nuclear attack submarine. He has been involved in Arctic and Arctic Ocean research for almost 35 years. He has served as an Advisor, Member and Chairman of the U.S. Arctic Research Commission continuously since 1988 under Presidents George H.W. Bush, Bill Clinton and George W. Bush.

contact information

GEBCO HOME

FBI - Stevens-4326

Time Zone: -7 (Summer -6)

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Email: vniio at g-ocean.spb.su
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US Board on Geographic Names
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Email: palmert at nima.mil
Time Zone -5 (Summer -4)

Mr Tony Pharaoh

FBI - Stevens-4327

(Rev. 01-31-2003)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE **Date:** 08/23/2007

To: Denver **Attn:** Colorado Springs

From: Anchorage
Squad 4
Contact: [redacted]

Approved By: SAC Fogle Toni M
ASAC Heller David E
SSA [redacted]

b6
b7C

Drafted By: [redacted]:msl

Case ID #: 194A-AN-13620-TSTEVENS (Pending) -180

Title: Polar Pen

Synopsis: To set lead for Colorado Springs

Enclosure(s): Enclosed for Colorado Springs is a Federal Grand Jury Subpoena.

Details: A Federal Grand Jury Subpoena was previously served on [redacted]

[redacted]

b3
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b7C

[redacted] 234msl02.ec

b6
b7C

LEAD(s):

Set Lead 1: (Action)

DENVER

AT COLORADO SPRINGS, COLORADO

Serve enclosed Federal Grand Jury Subpoena on [redacted] b3 b6 b7C

♦♦

Senator Stevens has copies

of F.B.I. cover up. which
is Also obstruction of
Justice And corruption.

Lose And Stevens will NOT

Lose in using His copies

181

194A-AN-13620-TStevens

SA [redacted] MK

Can you interpret
this for me?

@

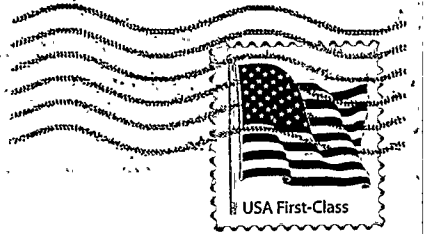
I have no idea.

BC

b6
b7C

ANCHORAGE AK 995

06 AUG 2007 PM 1 L



Federal Bureau of investigation
101 E 6th Ave
Anchorage, Alaska 99501

99501$2523 C022

FBI - Stevens-4332

(Rev. 01-31-2003)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE Date: 08/06/2007

To: Anchorage Attn: SA [redacted]

From: Anchorage
Contact: FA [redacted]

b6
b7C

Approved By: [redacted]

Drafted By: [redacted] kcb

Case ID #: 194A-AN-13620-TSTEVENS (Pending) -182

Title: POLAR PEN
CSLPO
OO:AN

GRAND JURY MATERIAL - DISSEMINATE PURSUANT TO RULE 6(e)

Synopsis: Review and analysis of records for [redacted]

Enclosure(s): [redacted]

Details: Pursuant to Grand Jury Subpoena [redacted] dated [redacted]

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218 KCB 02.EC

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b3
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b7C

♦♦

Set Lead 1: (Action)

ANCHORAGE

AT ANCHORAGE, ALASKA

FA [redacted] will contact [redacted]

[redacted]

b3
b6
b7C

(Rev. 01-31-2003)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE Date: 08/14/2007

To: Anchorage Attn: SA [redacted]

From: Anchorage
Contact: FA [redacted]

b6
b7C

Approved By: [redacted]

Drafted By: [redacted] tcb

Case ID #: 194A-AN-13620-TSTEVENS (Pending) -183

Title: POLAR PEN
CSLPO
OO:AN

GRAND JURY MATERIAL - DISSEMINATE PURSUANT TO RULE 6(e)

Synopsis: Review and analysis of records provided by [redacted]

Details: Pursuant to Grand Jury [redacted]

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b7C

FBI - Stevens-4342

226 Kcb 01, EC

b3
b6
b7C

LEAD(s):

Set Lead 1: (Info)

ANCHORAGE

AT ANCHORAGE, AK

Information only, read and clear.

♦♦

FD-302 (Rev. 10-6-95)

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b7C

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/17/2007

GRAND JURY MATERIAL - DISSEMINATE PURSUANT TO RULE 6(e)

[redacted] telephone number [redacted] was contacted telephonically on August 16, 2007 regarding a Grand Jury Subpoena. On August 17, 2007, [redacted] returned the telephone call to Special Agent [redacted] and provided the following information:

[redacted]

[redacted]

[redacted]

b3
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b7C

[redacted]

[redacted] agreed to accept service of the subpoena via fax at [redacted]

Investigation on 08/18/2007 at Anchorage, AK (telephonically)

File # 194A-AN-13620-TSTEVENS -184 Date dictated

by Maria S. Lockwood:msl

FBI - Stevens-4345

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

5 [redacted] 229MS603302

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/21/2007

GRAND JURY MATERIAL - DISSEMINATE PURSUANT TO RULE 6(e)

Pursuant to a Grand Jury Subpoena, [redacted]

b3
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b7C

b6
b7C

08/21/2007 Anchorage, Alaska

Investigation on at

194A-AN-13620-TSTEVENS 185

File # 194A-AN-13620-A Date dictated

by SA [redacted] msl

FBI - Stevens-4346

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/21/2007

GRAND JURY MATERIAL - DISSEMINATE PURSUANT TO RULE 6(e)

[redacted] was interviewed telephonically regarding a request for [redacted]. The following additional information was provided:

b3
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[redacted]

1-C
MSL
8/22/07

[redacted]

[redacted]

[redacted]

08/21/2007 Anchorage, Alaska

Investigation on at

194A-AN-13620-TSTEVENS -186

File # 194A-AN-13620-302 Date dictated

b6
b7C

by SA [redacted] msl FBI - Stevens-4347

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

[redacted] 230MSL01.302

[redacted]

b3
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b7C

247JAS01 EC

(Rev. 01-31-2003)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE **Date:** 09/04/2007

To: Anchorage **Attn:** SA [redacted]

From: Denver
Squad 7 / Colorado Springs RA
Contact: SA [redacted] b6 b7C

Approved By: [redacted]

Drafted By: [redacted] jas

Case ID #: 194A-AN-13620-TSTEVENS (Pending) - 187

Title: Polar Pen

Synopsis: Lead covered.

Reference: 194A-AN-13620-TSTEVENS Serial 180

Enclosure(s): Enclosed for SA [redacted] is the original Return of Service for a subpoena served on [redacted]

Details: On 08/31/2007, this Agent served a subpoena for [redacted] b3 b6 b7C

Denver, Colorado Springs RA considers this lead covered.

LEAD(s):

Set Lead 1: (Info)

ANCHORAGE

AT ANCHORAGE, ALASKA

Read and clear.

♦♦

UNITED STATES DISTRICT COURT

A070857

DISTRICT OF
ALASKA

TO:

[redacted]

SUBPOENA TO TESTIFY BEFORE GRAND JURY

SUBPOENA FOR:
☐ PERSON ☒ DOCUMENT(S) OR OBJECT(S)

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

b3
b6
b7C

PLACE	COURTROOM
Federal Building & U.S. Courthouse 222 W. 7th Avenue Anchorage, AK 99513	**Grand Jury**
	DATE AND TIME [redacted]

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):*

See attached.

☐ *Please see additional information on reverse.*

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

CLERK	DATE
IDA ROMACK, Clerk	
(By) Deputy Clerk Nancy [illegible]	08/22/07

This subpoena is issued on application of the United States of America

NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY

[redacted] Asst. U.S. Atty.
Federal Bldg. & U.S. Courthouse, 222 W. 7th Ave., #9, Rm 253
Anchorage, AK 99513-7564 [redacted]

b6
b7C

* If not applicable, enter "none".

RETURN OF SERVICE (1)

	DATE	PLACE
RECEIVED BY SERVER	8/29/07	Colorado Springs, CO
SERVED	8/31/07	Colorado Springs, CO

SERVED ON (PRINT NAME) [redacted]

SERVED BY (PRINT NAME)	TITLE
SA [redacted]	Special Agent

STATEMENT OF SERVICE FEES

TRAVEL	SERVICES	TOTAL

DECLARATION OF SERVER (2)

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 8/31/07
DATE

[redacted]
SIGNATURE OF SERVER

FBI - Colorado Springs, CO
ADDRESS OF SERVER

b3
b6
b7C

ADDITIONAL INFORMATION

Served In Person To

[redacted]

(1) As to who may serve a subpoena and the manner of its service see Rule 17(d), Federal Rules of Criminal Procedure, or Rule 45(c), Federal Rules of Civil Procedure.

(2) "Fees and mileage need not be tendered to the witness upon service of a subpoena issued on behalf of the United States or an officer or agency thereof (Rule 45(c), Federal Rules of Civil Procedure; Rule 17(d), Federal Rules of Criminal Procedure) or on behalf of certain indigent parties and criminal defendants who are unable to pay such costs (28 USC 1825, Rule 17(b) Federal Rules of Criminal Procedure)".

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/24/2007

[redacted] (protect identity), dob [redacted] SSAN [redacted] telephone number [redacted] was advised of the identity of the interviewing agents and the nature of the interview. [redacted] provided the following information.

[redacted] advised that he is currently employed by [redacted] Anchorage, Alaska, as a [redacted] advised that prior to his employment at [redacted] he worked at VECO for approximately [redacted] years. While at VECO he worked closely with [redacted] stated that when he left VECO, he did so under positive conditions.

[redacted] stated that the reason he left VECO was because he felt that the company had a very different business "moral barometer" than he had. While at VECO he worked as [redacted] stated that the reason he contacted the FBI was that he had read an article in the Anchorage Daily News concerning an investigation into U.S. Senator Ted Stevens involvement in a contract that was awarded to VECO in connection with the National Science Foundation (NSF). [redacted] stated that he was disgusted with everything he has been reading in the press concerning the public corruption investigation. [redacted] stated that he fears that the actions of VECO and our elected officials may have a negative impact on the oil industry for years to come.

b6
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b7D

[redacted] However, [redacted] stated that while VECO may not have been qualified for the NSF contract, the FBI should be looking into U.S. Senator Steven's involvement in steering the 801 Housing Project at Eilson Air Force Base to VECO. The project was awarded to VECO in approximately in 1992 or 1993. [redacted] stated that VECO had never constructed a house in its history and was not qualified to be awarded the contract. [redacted] stated that the original contract for the 801 Housing Project was awarded to Martek. Martek did contract work for the U.S. government and received significant support from U.S. Senator Stevens. During the project Martek filed for bankruptcy. As a result, [redacted] stated that VECO was awarded on a no-bid basis the contract on the 801 Housing Project. [redacted] stated that [redacted]

Investigation on 08/22/2007 at Anchorage, Alaska

File # 194A-AN-13620 - TStevens - 188 Date dictated 08/24/2007

SSA/CDC [redacted]

by SA [redacted]

FBI - Stevens-4354

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

239EB601.302

SA L. Greenwell
File

took this project as a favor to Ted Stevens. [redacted] stated that he believed Stevens felt pressured to make this project right because he had initially steered the project to Martek. [redacted] stated that the cost of the project went millions of dollars over budget. As a result, VECO became the owner of the housing units and leased them back to the government. [redacted] with Ted Steven on the project and [redacted] also stated that [redacted] would also [redacted] the 801 Housing Project. [redacted] also stated that VECO eventually hired the U.S. military contract officer on the 801 Housing Project approximately 6 years later. [redacted] could not recall the name of the officer except that he was an [redacted]

[redacted] it appeared that U.S. Senator Stevens was in a [redacted] was told that U.S. Senator Stevens was [redacted] spoke about Stevens. When asked if [redacted] ever did any favors or give any gifts to Stevens, he stated that he was not aware of anything specifically.

b6
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b7D

[redacted] while he worked at VECO. [redacted] as an arrogant man who was [redacted] stated that everyone at VECO knew that [redacted] When asked if he thought [redacted] hired [redacted] as a favor to Ted Stevens, [redacted] stated that he was not sure, but that he was sure that Ted Stevens was happy to see [redacted]

[redacted] also stated that he is aware that VECO Alaska worked on Ted Stevens' Girdwood residence. [redacted]

However, he stated that [redacted] was contacted by VECO's attorney, [redacted]

[redacted] stated that the reason he left VECO was because of [redacted] stated that VECO purchased at least five (5) Land Rovers in the mid-90s that were shipped to Russia and used as bribes to Russian officials. [redacted] believes that the Land Rovers were given to Russian officials connected with their oil industry. [redacted] also stated that he became aware of an environmental issue on the Kenai Peninsula that VECO needed to report to the EPA. However, [redacted] stated that VECO executives decided to hide the issue instead. [redacted] was very uncomfortable with this decision. [redacted]

b6
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b7D

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/27/2007

On August 24, 2007, [redacted] PEDRONCELLI WINERY, provided documents related to a purchase of wine shipped on approximately June 18, 2007.

[redacted] provided details related to the following tracking numbers which were shipped to DOUBLE MUSKY, including [redacted]

An additional order which was not requested, with tracking number [redacted], was also provided.

Wine which totaled $462.48 was purchased from PEDONCELLI WINERY, the shipping cost was $150.00 and the total amount billed for the above four tracking numbers was $612.48. The Purchase Order report reflects that the items were billed to [redacted] Robinson International [redacted] NW, Washington D.C.

b6
b7C

[redacted] submitted an email requesting wine be sent to Alaska, as well as an order for her address in D.C and one to [redacted] [redacted] at Maye, Brown, Rowe, and Maw, 190 South La Salle Street, Suite 3900, Chicago, Illinois, 60603. [redacted] email states that she needs to know the prices so that she can bill the Senator and others that ordered this. The email states that the total bill will be paid with [redacted] American Express card.

Investigation on 08/27/2007 at Anchorage, Alaska

File # 194A-AN-13620-TSTEVENS -189 Date dictated

by SA [redacted] msl

FBI - Stevens-4357

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

J [redacted] 239ms101.302

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/28/2007

GRAND JURY MATERIAL - DISSEMINATE PURSUANT TO RULE 6(e)

[redacted]
telephone number [redacted]
[redacted], provided copies of the following:

[redacted]

b3
b6
b7C

08/28/2007 Anchorage, AK

Investigation on at

194A-AN-13620-TSTEVENS -190

File # 194A-AN-13620-A Date dictated

by [redacted] msl FBI - Stevens-4358

b6
b7C

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

J [redacted]

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 09/5/2007

GRAND JURY MATERIAL - DISSEMINATE PURSUANT TO RULE 6(e)

On September 5, 2007, [redacted]

[redacted] b3 b6 b7C

The documents received are included in the 1-A section of the case file.

msl 9/5/07

09/5/2007 Anchorage, Alaska

Investigation on at

194A-AN-13620-TSTEVENS-191

File # 194A-AN-13620-A Date dictated

by SA [redacted] msl FBI - Stevens-4359

b6 b7C

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

[redacted] 248MSL06302

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 09/5/2007

GRAND JURY MATERIAL - DISSEMINATE PURSUANT TO RULE 6(e)

On September 5, 2007, [redacted]

b3
b6
b7C

The documents received are included in the 1-A section of the case file.

1
9/7/07
msl

09/5/2007 Anchorage, Alaska

Investigation on at

194A-AN-13620-TSTEVENS-192

File # 194A-AN-13620-A Date dictated

by SA [redacted] msl FBI - Stevens-4360

b6
b7C

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

[redacted] 25DMSL01.302

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 09/11/2007

GRAND JURY MATERIAL - DISSEMINATE PURSUANT TO RULE 6(e)

Pursuant to a Grand Jury Subpoena, [redacted] on September 11, 2007. The documents which are included in the 1-A section of the case file, include the following:

[redacted] b3 b6 b7C

The documents that were received are included in the 1-A section of the case file.

09/11-12/2007 Anchorage, Alaska

Investigation on at

194A-AN-13620-TSTEVENS -193

File # Date dictated

by SA [redacted] msl

FBI - Stevens-4361

b6 b7C

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

ATT [redacted] FBI INVESTIGATOR OF SENATOR TED STEVENS b6 b7C

ALASKA SENATOR TED STEVENS INVESTIGATION NEED A CLOSER LOOK!

PRESENTING THIS EVIDENCE TO THE FBI IT HELP TO SET THE INTEGRITY OF BODY AS WE DELIBERATING ON ISSUE IMPORTANT TO THE ALASKAN PEOPLE!
THE FBI INVESTIGATORS WORIED ABOUT THE $130.000 RENOVATION OF SENATOR TED STEVENS ALASKA GIRDWOOD HOME,WHEN IS THE BIGGER PICTURE TO IT!
SENATOR TED STEVENS GIVE MILLIONES OF TAX PAYERS MONEY, TO HIS BEST FRENDS HIS POLITICAL SUPORTERS,HIDING THE REASON UNDER DIFERENT PROJECT.
[redacted] STEVENS LONG TIME FREND, AND SUPORTER RECEIVED MILLIONES OF THE TAX PAYERS MONEY, TO HELP [redacted] IN FAIRBANKS ,ALASKA TO BUILT A GEOTHERMAL PROJECT,AND TO BY A PRIVATE JET!
THE MONEY COMING FROM SENATOR TED STEVENS WITOUT THE HOUSE FINANCE APROVAL.
THE GEOTHERMAL PLAN IS BURNED DOWN AT ONE POINT,BUT WITH THE HELPING HAND OF SENATOR STEVENS IS RUNING AGAIN!
STEVENS AGAIN PUT THE FIGURES UNDER DIFERENT PROJECT,HIDDEN FROM THE PUBLIC EYE!

CONCERNED TAXPAYER CITIZEN

SA [redacted]

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Veco man says he worked on Stevens, Young fund-raisers

By MATT APUZZO
The Associated Press

(Published: September 19, 2007)

WASHINGTON - A construction worker who oversaw renovation of Sen. Ted Stevens' home said his company also paid him to help run fundraisers for the Alaska Republican, a practice that appears to violate federal campaign finance laws.

Contractor Robert Williams is a key witness in a bribery investigation that stretches from Alaska to Capitol Hill and threatens legal and political headaches for the Senate's longest-serving Republican. The FBI is investigating whether Stevens received illegal gifts from Veco Corp., the once-powerful Alaska oil contractor.

Williams said he was in charge of "special projects" for Veco founder Bill Allen, and the renovation of Stevens' home was one such project. Others included working three or four fundraisers for Stevens while on the clock with Veco. Federal elections laws prohibit candidates from accepting donations or free services from corporations.

Unlike other Veco employees, Williams did not itemize his time sheets with job codes so customers could be billed. When working on one of Allen's pet projects, Williams just logged his hours and Veco made sure he was paid.

"I never had any doubts about it until the FBI came down and served me with subpoenas," Williams said in a telephone interview.

At fundraisers, including at least one at the home of Stevens' brother-in-law, Williams said he was assigned odd jobs. He delivered ice, arranged for table rental or oversaw the four or five Veco employees parking cars.

"If I didn't have parking patrol, I basically just had to be there to make sure nothing got messed up," Williams recalled.

Williams said he also helped run annual fundraising pig roasts for Rep. Don Young, another Alaska Republican who has come under scrutiny in the Veco investigation. The fundraisers were among many Williams said he worked on during his more than 13 years at Veco.

Stevens spokesman Aaron Saunders had no comment Wednesday. The senator has said he wants to avoid any suggestion he was trying to influence the investigation by discussing it publicly.

A spokesman for Young's office referred questions to his campaign spokesman, who did not immediately return a call.

Corporations are prohibited from donating to federal candidates, and that includes providing services, said Kenneth A. Gross, a Washington campaign lawyer and former Federal Election Commission counsel.

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"The company would have had to have been paid," Gross said.

Young recently amended his campaign finance reports to reflect $38,000 in back payments to Allen for the fundraisers. A review of Stevens' campaign finance expenditures since 2000 revealed no payments to Veco or Allen for fundraising.

Robert K. Kelner, another elections attorney and former Republican National Committee lawyer, said the question is whether Stevens or his campaign workers knew the Veco employees were on the clock.

"Should a thoughtful candidate consider that possibility and look into it? Yes," Kelner said. "Do they have a legal obligation to be that thoughtful? No."

Fundraising and favors are at the heart of the corruption investigation, which has ensnared several Alaska legislators. Allen has pleaded guilty to bribing lawmakers and is cooperating with the FBI. He admitted in court last week that his employees provided "some labor" on Stevens' house in 2000, but Williams recalled the job in greater detail.

Williams remembered spending two or three days a week for about six months at Stevens' house, supervising workers and installing hardwood floors. He also recalled moving a truckload of furniture, including a bed and a rug, from Stevens' mother-in-law's house to the senator's home.

The renovation was supposed to have been just a concrete slab in the basement. But groundwater levels complicated the job, Williams said, so workers raised the house, built a new first floor and added electrical and plumbing connections.

A few other Veco employees helped on the job and Williams hired outside contractors. A garage was added, though Williams isn't sure how that idea came up.

Veco isn't in the residential construction business. Its workers build oil pipelines. But Williams said Allen often assigned him work for friends and family. Stevens and Allen are longtime friends, so Williams didn't think the renovation project was unusual.

Stevens met with workers and knew Veco was handling the job, Williams said, so he assumed the senator was reimbursing Veco for his time. Stevens has said he paid every bill he received on the house.

"Ted said he wanted to make sure everything is paid for," Williams recalled from an early meeting with Allen and Stevens.

He recalls Stevens and his wife paying for flooring and is certain the senator paid for at least some of the work. But because Williams didn't record his time at Stevens' house, he said, nobody could know for sure how much his time cost.

At the time, he assumed that when he signed off on expenses and submitted them to Veco, the company would pass those bills on to Stevens. Now, he's not so sure.

"I think Bill's ego got away from him," Williams said. "I think he did what he thought he could do."

Allen liked to do things his own way and wasn't fussy about separating business and friendship, Williams said. "Bill's personal life and the company were one and the same."

Williams testified about the house project before a federal grand jury in Anchorage. He couldn't

remember the total cost of the renovation but said the Justice Department seemed to already know more about the project than he did.

Investigators were "very thorough" and had numerous documents and bills associated with the house, he said.

"I thought everything was on the up and up," Williams said. "I'm disappointed with the way things turned out, and I'm sorry for Ted."

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 09/04/2007

[redacted] white female, date of birth [redacted] was interviewed at the Department of Justice (DOJ) office located at 1400 New York Avenue, Washington, D.C. Also present for the interview was her attorney, [redacted] and DOJ Attorney [redacted] After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] provided the following information.

Recent contact regarding Grand Jury testimony and media coverage:

[redacted] appeared before the Federal Grand Jury, she was contacted by [redacted] for SENATOR TED STEVENS. [redacted] stopped by [redacted] office, located in [redacted] Office Building, and told [redacted] testified before the Grand Jury, [redacted] further stated that the investigation regarding SENATOR STEVENS may hit the newspaper, [redacted] she might receive calls [redacted] was not sure of the exact date of the contact, but thought it was probably after the newspaper article regarding the Grand Jury investigation of SENATOR STEVENS. [redacted] testified before the Grand Jury, [redacted] The conversation between [redacted] lasted approximately five to ten minutes. The press called her several days later. [redacted]

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After testifying before the Grand Jury, [redacted] for SENATOR STEVENS. [redacted] stopped by [redacted] office to say hello. [redacted] told [redacted] that she was busy and did not want to talk. [redacted] did not think [redacted] The conversation lasted approximately five to ten minutes. This conversation was in addition to the one previously reported by [redacted]

Investigation on 8/31/2007 at Washington, D.C.

File # 194A-AN-13620-TSTEVENS -196 Date dictated

by SA [redacted]

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

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[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

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Contact with the family of SENATOR STEVENS:

SENATOR STEVENS generally took work home every night and would come in each morning with a folder of items from his work at home. The work would be distributed to the staff according to their responsibilities. A certain portion of the work that [redacted] for SENATOR STEVENS. [redacted] typically called for an "official reason," such as SENATOR STEVENS left something at home and [redacted] needed someone to pick it up. [redacted] had infrequent contact with [redacted] which amounted to a couple of times per year.

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[redacted] has talked a few times with SENATOR STEVENS' [redacted] SENATOR STEVENS gave [redacted] money for their report cards. Thus, [redacted] would occasionally contact [redacted] to find out [redacted] grades so SENATOR STEVENS would

know how much money he should give them. [redacted] b6 b7C

[redacted]

[redacted] b3 b6 b7C

Girdwood residence:

SENATOR STEVENS told [redacted]

[redacted]

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[redacted]

[redacted]

[redacted] the STEVENS' residence at W Street on several occasions to attend parties after the elections and ice cream socials for the interns. [redacted]

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Boats:

SENATOR STEVENS always talked about boats and always wanted a boat; however, [redacted] has no knowledge that SENATOR STEVENS ever owned a boat. SENATOR STEVENS put his name on a waiting list for a boat slip and when his name came up to receive a slip, SENATOR STEVENS never had a boat and so his name was passed over. SENATOR STEVENS may have [redacted]

[redacted]

Other transactions:

[redacted]

currently has located at her house a couple of memos, her resume, and a description [redacted] by SENATOR STEVENS.

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[redacted] SENATOR STEVENS, such as when his Exxon credit card was lost and fraudulently used. [redacted] the credit card company and tried to get them to cancel the card and issue a new one. [redacted] for SENATOR STEVENS to give to his grandchildren. [redacted] for SENATOR STEVENS.

[redacted] SENATOR STEVENS' investments accounts [redacted] SENATOR STEVENS talked about a withdrawal from his Thrift Savings Plan for quite sometime and he finally did so. [redacted] also did some work on the oil and gas investment accounts of SENATOR STEVENS. [redacted] SENATOR STEVENS' house on W Street in Washington, D.C. [redacted] SENATOR STEVENS had the proper paperwork to complete the closing. SENATOR STEVENS refinanced this property several times.

[redacted] SENATOR STEVENS and then mailed them. SENATOR STEVENS never [redacted]

[redacted]

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[redacted] SENATOR STEVENS. [redacted] SENATOR STEVENS' personal investments that were the subject of a story in the Anchorage Daily News. [redacted] SENATOR STEVENS' Anchorage office was not yet open. Therefore, if she needed to talk with someone in that office, [redacted] SENATOR STEVENS.

At one point SENATOR STEVENS told [redacted] told SENATOR STEVENS that she did not feel comfortable [redacted] Shortly after that conversation, [redacted] SENATOR STEVENS [redacted]. When the investigation of SENATOR STEVENS became public, [redacted]

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[redacted] SENATOR STEVENS owned a 1964 ½ Ford Mustang and he drove it into the office every once in a while. SENATOR STEVENS intended to give the Ford Mustang to [redacted] SENATOR STEVENS "loved" the car and part of the thrill was that he bought the car when [redacted] saw the Mustang in 2002, at which time it appeared to be in good condition. [redacted] heard that SENATOR STEVENS bought the car from another Senator, but did not know his/her identity.

[redacted]

[redacted] SENATOR STEVENS paid the shipping costs for the Mustang. [redacted] SENATOR STEVENS gave [redacted]

[redacted] does not know where the Land Rover was purchased. The Land Rover was shipped from Alaska and possibly went to Seattle and was then loaded onto a truck to California. SENATOR STEVENS paid for the shipping costs from Alaska to California, [redacted] estimated the shipping costs to be a couple thousand dollars. [redacted] had no knowledge of a 2005 Jeep Cherokee and stated that [redacted] SENATOR STEVENS' office by that time. [redacted]

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Kenai River Classic

SENATOR STEVENS attended the Kenai River Classic on a yearly basis around the 4th of July. [redacted] knowledge of the event came from reading articles about it. From those articles [redacted] knew that [redacted] was associated with the tournament and that there was an auction held each year at the tournament. [redacted] believed that SENATOR STEVENS bid on items at the auction and that one time he received airline tickets from his bidding. [redacted] did not think SENATOR STEVENS was ever able to use the tickets.

[redacted] any gifts that SENATOR STEVENS may have received at the Kenai River Classic on his financial disclosure forms. [redacted] did not know of any guns that SENATOR STEVENS received at the Kenai River Classic.

[redacted] had no knowledge of either [redacted] purchasing items at the auction and then giving the items to SENATOR STEVENS.

SENATOR STEVENS had two sled dogs shipped from Alaska to his residence on W Street in Washington, D.C. [redacted] however, did not know how SENATOR STEVENS got the dogs. [redacted] SENATOR STEVENS with respect to the dogs.

[redacted] work:

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[redacted]

[redacted]

[redacted] b6 b7C

[redacted] was SENATOR STEVENS' [redacted] before SENATOR STEVENS Secret Service protection detail. [redacted] SENATOR STEVENS' [redacted] would keep track of his time and would get paid from SENATOR STEVENS' personal account for that work.

(Rev. 01-31-2003)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE **Date:** 09/24/2007

To: Anchorage **Attn:** Squad 4
SA [redacted]

From: Washington Field
CR-10
Contact: SA [redacted]

Approved By: [redacted]

Drafted By: [redacted] jms

Case ID #: 194A-AN-13620-TSTEVENS (Pending) -197

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Title: POLAR PEN

Synopsis: To forward an FD 302 from the interview of [redacted] in response to a lead from Anchorage.

Reference: 194A-AN-13620-TSTEVENS Serial 178

Enclosure(s): An original and one copy of an FD 302 documenting the interview of [redacted] on 08/31/2007.

Details: In response to a lead set to Washington Field, [redacted] was interviewed on 08/31/2007. The FD 302 documenting the interview is enclosed with this document. WFO considers this lead completed.

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LEAD(s):

Set Lead 1: (Info)

ANCHORAGE

AT ANCHORAGE, ALASKA

In response to a lead set to Washington Field, [redacted] was interviewed on 08/31/2007. The FD 302 documenting the interview is enclosed with this document. WFO considers this lead completed. b6 b7C

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(Rev. 01-31-2003)

FEDERAL BUREAU OF INVESTIGATION

Precedence: DEADLINE 11/09/2007 **Date:** 09/18/2007

To: Laboratory **Attn:** Special Projects Unit [redacted]

From: Anchorage
Squad 4
Contact: [redacted]

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Approved By: Fogle Toni M
Heller David E
[redacted]

Drafted By: [redacted] cek

Case ID #: 194A-AN-13620-TSTEVENS (Pending) -198

Title: POLAR PEN - CSLPO

Synopsis: Request Laboratory Special Projects Unit assistance to create digital photographic presentation for trial.

Details: Anchorage Division is investigating United States Senator Ted Stevens for receiving illegal benefits from VECO Corporation and its [redacted] through a remodeling of Stevens' Girdwood, AK residence. Anchorage Division is working to collect and present evidence of specific work completed on the residence by VECO and its employees.

On July 30, 2007, a search warrant was executed at Senator Stevens' residence in Girdwood, Alaska. During execution of the warrant, interior and exterior images of the residence were captured using still digital photography, digital video and spherical photography.

As a result, there are several hundred images portraying the same object or location from different perspectives. Anchorage Division intends to create a presentation which compiles these images to depict specific aspects of the residence provided to Senator Stevens as benefits of VECO through the remodeling project.

Anchorage is requesting assistance from Special Projects Unit to compile the aforementioned images for presentation at trial.

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LEAD(s):

Set Lead 1: (Action)

LABORATORY

AT QUANTICO, VA

Work with Anchorage to compile and create photographic presentation of Senator Stevens' residence for trial. Contact SA [redacted] with questions and for further details and coordination. b6 b7C

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(Rev. 01-31-2003)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE Date: 09/18/2007

To: Anchorage Attn: SA [redacted]

From: Anchorage
Contact: FA [redacted]

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Approved By: [redacted]

Drafted By: [redacted] kcb

Case ID #: 194A-AN-13620-TSTEVENS (Pending) -199

Title: POLAR PEN
CSLPO
OO:AN

GRAND JURY MATERIAL - DISSEMINATE PURSUANT TO RULE 6(e)

Synopsis: Review and analysis of [redacted]

Details: Pursuant Grand Jury Subpoena [redacted]

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FD-1023 (Rev. 6-22-2007)

FEDERAL BUREAU OF INVESTIGATION

Confidential Human Source (CHS) Reporting Document

Reporting Date: 09/10/2007

Case ID: 194A-AN-14699-SOURCES (Pending)
194A-AN-13620-TSTEVENS (Pending) —200
[redacted] (Pending)
[redacted] (Pending)

Contact Date: 08/09/2007

Type of Contact: Telephonic

Location: Anchorage, Alaska

Written by: SA [redacted] b6

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Source Reporting:

Source, who is not in a position to testify, provided the following information:

[redacted] Lyndon Transportation. Ted Stevens and [redacted] have a close relationship. [redacted] has a lodge that he uses to curry favor and has provided this lodge for Ted Stevens to vacation at, presumably for free. [redacted] has benefitted from Ted Stevens indirectly in various ways. [redacted] [redacted] Oden Corp. [redacted] a log cabin in Girdwood, Alaska to Ted Stevens. Oden Corp. ships 10 full truck containers a week and does not use Totem anymore. Instead, Oden Corp. uses Lynden now.

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FD-1023 (Rev. 6-22-2007)

FEDERAL BUREAU OF INVESTIGATION

Confidential Human Source (CHS) Reporting Document

Reporting Date: 09/10/2007

Case ID: 194-AN-13620-TSTEVENS (Pending) —201
[redacted] (Pending)
800A-AN-A13718-SQUAD 4 (Pending)

Contact Date: 09/04/2007

Type of Contact: In person

Location: Anchorage, AK

Written by: SA [redacted]
Other(s) Present: SA [redacted]

p. 1,2,4,5

Source Reporting:

Source, who is in a position to testify, provided the following information about U.S. Senator Ted Stevens' Girdwood, Alaska home:

[redacted] approximately three days to complete the project (estimation includes other work done as well). Source used the assistance of [redacted] and possibly one other individual. [redacted] The tree was approximately 80 feet tall. [redacted] Source believes the 80-foot stick/boom manlift was probably rented from Totem Rentals and was paid by VECO. It was rented for two to three days. [redacted]

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Rocks

The exterior first floor front entry has a rock on each side of the entryway, under two main poles, [redacted] It was made from poured concrete in between rocks. It was quick set concrete.

[redacted]

Metal Poles and Decks

At the VECO shop, [redacted] poles through a wheelabrator, which used shot blast to clean them up. Still in the VECO shop, VECO painters then painted the poles.

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[redacted]

[redacted] This was installed about a year after they began the work on the home. [redacted] subroof under the 2nd story deck to avoid water/snow leaking onto people and things on the lower deck. [redacted] one-inch square metal tubing as the frame and curragated plastic roofing material. It was sloped for drainage. It was custom fit and [redacted]

Salmon Sculpture

[redacted] Ted Stevens provided the bronze salmon sculpture. Source is unsure who actually purchased it. [redacted] a portion of the handrails on the bottom deck to put the sculpture on the deck. This required removing three vertical handrail supports and the associated handrailing. [redacted] Source recalled the sculpture was supposed to go into a museum when Ted Stevens retired or some similar major event. [redacted]

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[redacted] Much of the [redacted] work was done by [redacted] (phonetic). This would include the [redacted]

[redacted] (phonetic) was a VECO [redacted] He was married to a [redacted] (phonetic). [redacted] who was a VECO [redacted] believed to be [redacted] Last Name Unknown (LNU). [redacted] This control, which contained a manual override switch, was placed near the front exterior door, between the front man door and the garage door.

Viking Barbeque (BBQ)

[redacted] Stevens a Viking BBQ. [redacted] This BBQ was top of the line, stainless steel, with all the bells and whistles, to include a rotisserie. [redacted] natural gas to the BBQ, which was located on the exterior deck of the 2nd story. [redacted]

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Front Second-Story Man Door

This door, which leads into the kitchen, was purchased from Spenard Builders Supply (SBS). SBS initially [redacted] the wrong door, which opened the opposite way. Because the door also had a side piece with a window, the entire piece had to be returned and replaced with one that opened the correct way. Source believes Rocky Williams probably installed the door.

Front Windows

All windows on the first floor were new. The windows on the front of the house, on the second and third story were all new. The old ones had seals that were shot. These windows were custom.

Second Story Deck Roof

The roof that covered the second story decking on the side of the house was difficult for Source to install because it required pitch plus grade. It was also difficult to seal the roof to the A-frame portion of the roof. It continued to leak and required many adjustments. [redacted]

Exterior Metal Staircases

All metal staircases were built in the VECO shop and then brought out to the residence. A track hoe was used to set the stairs in position. [redacted] which were also constructed in the VECO shop. [redacted]

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[redacted]

Wooden Crate/Box, Radiant Heater, Lawn Chairs

There was a box on the first floor exterior side deck with arrows on the side. It was located under the staircase. Source recalled the box being used when the house was remodeled. Beside the box was a radiant heater and lawn chairs. The heater was from VECO and the green lawn chairs were from VECO fundraisers.

[redacted] performed the [redacted] at the VECO shop. [redacted]

Heat Tape

[redacted] which was located on the back of the kitchen wall, second story, rear of the house. Heat tape went all down the gutter. Heat tape was all over the roof of the kitchen. Before the heat tape was installed, [redacted] Rocky Williams went to the residence because the Stevens called to complain about an ice wave that had formed off the roof, just outside the kitchen window. [redacted]

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Generator

This was an on-demand generator with a transfer switch that [redacted] This generator was run by natural gas and cost at least $3,500.

Tree Removed

The tree that was removed before the remodel project occurred was located on the side of the house, near the garage. The tree was huge and angled over the house. The tree was so large [redacted] cut out at least [redacted]

Third Floor Bedroom

This was Stevens' bedroom. [redacted] Stevens' old bed, mattress and frame, to [redacted] bought Stevens a new bed, mattress and frame. [redacted] the automatic louver, which had a box on the wall that

controlled the fan and the louver to suck out air. The television in the bedroom was from downstairs as [redacted] bought Stevens a new television for downstairs.

Third Floor Bathroom

During the remodel, a new shower, sink, vanity, and Kohler pressure-assisted toilet were installed.

Second Story Living Area

[redacted] fireplace. A third party contractor was used for some of the fireplace remodel. The television might be the one [redacted] purchased for Stevens. During the remodel, lights were placed above the black couches [redacted] lights above the top of the ceiling beam that spanned the living area. The black couches came from [redacted] old apartment. The windows were new, from Replacement Glass. The wooden table and padded wood chairs were a set that were given to Stevens from [redacted] The bar stools were from [redacted] as well. [redacted] They have black bottoms, something to extend them higher or make them skid-proof.

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Second Story Kitchen Area

The counter top was Corian. It was from a company by the toy box, possibly Mountain Tops. The counter top seam was under the BOSE stereo, which Source believes [redacted] gave to Stevens. [redacted]

The refrigerator was probably existing. The cabinetry was probably installed by Williams. [redacted] Stevens the wine opener that was attached to the Corian counter top. Everything in the kitchen was part of the remodel, except possibly the refrigerator. The kitchen used to be where the stairs are currently located. The new kitchen used to be the mud room. The door to the kitchen used to be at the side of where the refrigerator currently was placed.

[redacted] one time after all the renovation. [redacted] a leak under the kitchen sink and some other problems. [redacted] to do some re-plumbing under the sink.

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/07/2007

On July 7, 2007, a search was conducted at 138 Northland Road, Girdwood, Alaska, pursuant to two search warrants issued by the United States District Court, District of Alaska, signed by U.S. Magistrate John W. Sedwick (3:07-mj-00140-JWS and 3:07-mj-00141-JWS). The following personnel were present during part or all of the search:

- Supervisory Special Agent (SSA) [redacted] Federal Bureau of Investigation (FBI);
- Special Agent (SA) [redacted] FBI;
- SA [redacted] FBI
- SA [redacted] FBI
- SA [redacted] FBI;
- [redacted] FBI;
- [redacted] FBI
- SA [redacted]
- SA [redacted] FBI
- SA [redacted] FBI
- SA [redacted] FBI
- [redacted] FBI
- [redacted] FBI
- [redacted] FBI (Laboratory Division)
- SA [redacted] FBI
- [redacted] FBI
- SA [redacted] FBI
- [redacted] FBI
- [redacted] FBI
- SA [redacted] FBI
- SA [redacted] FBI
- SA [redacted] FBI
- SA [redacted] Internal Revenue Service Criminal Investigation (IRS-CI)
- SA [redacted] IRS-CI

SSA [redacted] served as On-Scene Commander/Site Supervisor and SA [redacted] served as the Search Team Leader. SA [redacted] [redacted] served as the Assistant Search Team Leader, and [redacted] served as the Evidence Custodian with assistance from [redacted] served as photographers while SA's [redacted] served as Videographers. [redacted] served as the spherical photographer.

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Investigation on 7/30/2007 at Girdwood, Alaska

File # 194A-AN-13620-TSTEVENS-302 Date dictated August 7, 2007

by IOA [redacted] SSA [redacted] and SA [redacted]

FBI - Stevens-4389

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

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A log of all personnel present during the search and all significant events that occurred during the search was kept by SA [redacted] and is maintained in the 1A section of this file. Following is a chronology of pertinent events that occurred during the search and approximate time of each event:

11:20 am - SAs [redacted] and SSA [redacted] arrive and execute search warrant
11:42 am - [redacted] attorney for Senator Stevens arrives
12:20 pm - SSA [redacted] and SA [redacted] depart
12:45 pm - SSA [redacted] SA [redacted] and SA [redacted] arrive and provide [redacted] with a copy of Search Warrant 3:07-mj-00140-JWS
12:57 pm - [redacted] and [redacted] arrive
1:00 pm - Exterior photography begins
1:25 pm - Locksmith [redacted] arrives (Alaska Locksmith)
1:30 pm - Entry made into residence
1:36 pm - Locksmith [redacted] departs
1:43 pm - Attorney walks through residence with SSA [redacted] and SA [redacted]
1:58 pm - [redacted] departs
2:00 pm - Channel 11 News arrives
2:08 pm - [redacted] returns
2:10 pm - SA [redacted] departs
2:19 pm - SA [redacted] SA [redacted] SA [redacted] arrive
2:38 pm - Channel 13 News arrives
2:45 pm - Attorney [redacted] departs
2:52 pm - Anchorage Daily News photographer arrives
2:57 pm - Spherical photography begins
3:25 pm - Interior and Exterior videography begins
3:45 pm - SA [redacted] departs
3:55 pm - SSA [redacted] departs
4:12 pm - SA [redacted] SA [redacted] and SSA [redacted] arrive
4:22 pm - SA [redacted] returns with Engineer [redacted] (RSA Engineering, Inc.)
4:23 pm - Attorney [redacted] returns

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4:30 pm - Sketch begins
5:07 pm - SA [redacted] arrives
5:15 pm - SA [redacted] begins Taint Search. Attorney [redacted] observes.
6:40 pm - [redacted] departs
6:55 pm - [redacted] SA [redacted] and SA [redacted] arrive
7:08 pm - Document search begins
7:17 pm - Taint Search complete. SA [redacted] departs.
7:29 pm - SA [redacted] and Engineer [redacted] depart
7:36 pm - SA [redacted] arrives
7:48 pm - Interior video complete
8:35 pm - SA [redacted] departs
8:40 pm - Exterior video complete
8:54 pm - SA [redacted] arrives
8:55 pm - SA [redacted] SA [redacted] SA [redacted] and SA [redacted] depart
8:59 pm - SA [redacted] departs
9:01 pm - SA [redacted] departs
9:15 pm - SA [redacted] arrives
9:25 pm - SSA [redacted] SA [redacted] and SA [redacted] depart
9:32 pm - SSA [redacted] arrives
9:32 pm - SA [redacted] depart
9:39 pm - SA [redacted] return
9:52 pm - Exit photos begin
10:00 pm - Attorney [redacted] reviews/receives second search warrant
10:06 pm - Exterior photos complete
10:18 pm - SA [redacted] departs
10:29 pm - SA [redacted] and [redacted] depart
10:35 pm - SA [redacted] depart
10:47 pm - SA [redacted] arrives
11:56 pm - All personnel depart search site. Door is secured by SSA [redacted] all other entrances secured by SA [redacted]

b6
b7C

Upon arriving at the residence it was determined that the key in the possession of SSA [redacted] did not function the locks to the residence. SSA [redacted] contacted the Anchorage Command Post which contacted Action Locksmith to have a locksmith dispatched to the residence. Shortly thereafter [redacted] Esq. arrived to represent Sen. Stevens at the residence. SSA [redacted] explained to [redacted] that the agents

were awaiting a locksmith to assist in gaining entry to the residence and requested that [redacted] contact his associates to determine if a key could be made available and specifically whether a key could be provided by [redacted] who was known to SSA [redacted] to have a key to the residence. [redacted] made phone calls and approximately 15 minutes later advised that no key could be made available.

[redacted] took photographs of the location before and after the search and of all items of evidence seized. [redacted] also took detailed photographs of the structure and furnishing, as described in the attachment to warrant 3:07-mj-00140-JWR. Similarly, SAs [redacted] and [redacted] took video of the entirety of the residence, exterior and interior. The original photographs, videos and related logs are maintained in the 1A section of this case file. The photo images were copied from the flash cards to CD-Rs using an Apacer portable CD copier. The first set of CDs copied from each flash card was labeled "Original" and sealed in a 1A envelope. Subsequent duplicate and working copies were then prepared. A duplicate working copy of each also is maintained in the 1A section of this case file. [redacted] assisted by SA [redacted] photographed the interior and exterior of the residence using a spherical camera. [redacted] will prepare a separate report documenting this process.

b6
b7C

A sketch of the location was completed by SA [redacted] with assistance from SA [redacted] and [redacted] and will also be maintained in the 1A section of this case file. The sketch was prepared using Crime Zone 8 computer software. Rooms in the residence were identified by letters and these are noted on the sketch and on the list of evidence seized below.

Accompanied by SA [redacted] RSA Engineering, Inc., evaluated and tested the performance of the boiler and generator associated with the residence, as specified in search warrant 3:07-mj-00140-JWR. [redacted] will prepare a separate report of his findings.

[redacted] using the computerized Evidence Recovery Database, prepared an inventory and descriptive log of all items seized from the residence. A CD copy of the ERD database is maintained in the 1A section of this case file. The following is a description of the items taken:

Cut pieces of rope lighting in a black trash bag
Manuals for boiler
Manuals for 8.5 RMY Generator

At the conclusion of the search, a copy of both search warrants, the warrant attachments, and a complete inventory of items seized were left with [redacted] the attorney present at the search as a representative for Senator Stevens. At approximately 11:56 p.m., SSA [redacted] locked the front door of the residence with a key cut by the locksmith and turned the key over to [redacted] SA [redacted] conducted a check of all other doors on the exterior of the residence and verified they were all locked and secured. All remaining search personnel departed the location. SA [redacted] took custody of all items seized. These items were transported to the FBI Anchorage for entry into FBI evidence.

b6
b7C

FD-1023 (Rev. 6-22-2007)

FEDERAL BUREAU OF INVESTIGATION

Confidential Human Source (CHS) Reporting Document

Reporting Date: 10/05/2007

Case ID: 194A-AN-13620-TSTEVENS (Pending) -203
[redacted] (Pending)
[redacted]

Contact Date: 09/21/2007

Type of Contact: Email

Location: Anchorage, Alaska

Written by: [redacted] mbk
Other(s) Present:

b6
b7C
b7D

Source Reporting:

The source who is in a position to testify provided the following information:

The source provided a copy of an article from the Washington Post which ran on September 21, 2007. The article highlighted that the Senator TED STEVENS' conversations with [redacted] were secretly recorded by the FBI during a public corruption probe.
♦♦

278 mskcy. kc

FD-1023 (Rev. 6-22-2007)

FEDERAL BUREAU OF INVESTIGATION

Confidential Human Source (CHS) Reporting Document

Reporting Date: 10/05/2007

Case ID: 194A-AN-13620-TSTEVENS (Pending) - 204
[redacted] (Pending)
[redacted]

Contact Date: 09/27/2007

Type of Contact: Email

Location: Anchorage, Alaska

Written by: [redacted] mbk
Other(s) Present:

b6
b7C
b7D

Source Reporting:

The source who is in a position to testify provided the following information:

The source provided a copy of an article from the Fairbanks Newsminer which described describing the relationship between Senator Ted Stevens and Governor Sarah Palin as "frosty."

♦♦

Dear [redacted]

As you review the activities of Sen. Stevens, you may want to investigate his ties to [redacted] [redacted] certain native groups and investment firms and their partners as it relates to the telecommunications industry.

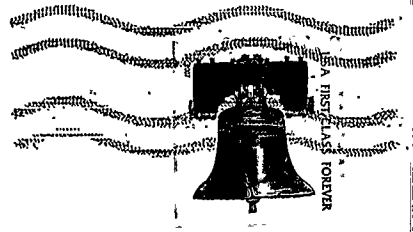
b6
b7C

[redacted]

194A-AN-13620-Tstevens-205

CHICAGO IL 606

22 SEP 2007 PM 3 T



Mr. David Heller
FBI - Anchorage Div Office
101 E. 6th Ave
Anchorage, Alaska 99501

99501+2523

FBI - Stevens-4397

Alaska State Legislature

House of Representatives

Session address:
Alaska State Capitol
Juneau, Alaska 99801-1182
1-888-465-2647 (toll free)
1-907-465-3518 (fax)

Interim address:
716 West 4th Avenue
Anchorage, Alaska 99501-2133
1-907-269-0106
1-907-269-0109 (fax)

Representative Les Gara

September 28, 2007

Commissioner Walter Monegan
Department of Public Safety
5700 East Tudor Road
Anchorage, Alaska 99507-1225

[redacted]
Federal Bureau of Investigation
101 East Sixth Avenue
Anchorage, Alaska 99501-2524

Dear Commissioner Monegan and Special Agent [redacted]

Today I received a fax from a person who believes she may have information about bribery by certain VECO employees, paid to a congressional staffer. I do not have any more information than what is in the fax, which I've attached for you, nor do I believe I know the person who sent it to me. But it seems like a potentially serious matter.

I am forwarding the information to your offices because I believe you are in the best position to know whether this should be pursued from a law enforcement perspective.

b6
b7C

Feel free to call with any questions.

Best Regards,

Representative Les Gara

Encl: Sept 28 letter from [redacted]
Sept. 28 response to [redacted]

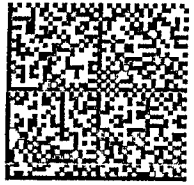
FBI - Stevens-4398

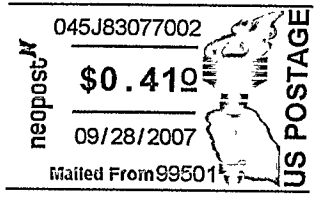
E-mail: Representative_Les_Gara@legis.state.ak.us

-206
199A-AN-13620-TSTEVENS

Representative Les Gara
Alaska State Legislature
House of Representatives

Alaska State Capitol • Juneau, Alaska 99801-1182
Interim address • 716 West 4th Avenue • Anchorage, Alaska 99501-2133





b6
b7C

[redacted]
Federal Bureau of Investigation
101 East Sixth Avenue
Anchorage, Alaska 99501-2524

99501+2523 C054

FBI - Stevens-4399

Alaska State Legislature

House of Representatives

Session address:
Alaska State Capitol
Juneau, Alaska 99801-1182
1-888-465-2647 (toll free)
1-907-465-3518 (fax)

Interim address:
716 West 4th Avenue
Anchorage, Alaska 99501-2133
1-907-269-0106
1-907-269-0109 (fax)

Representative Les Gara

September 28, 2007

b6
b7C

[redacted]
Anchorage, Alaska [redacted]

Dear [redacted]

Thank you for the information you sent to me about potential bribery by VECO officials of a Congressional campaign manager. I feel I have an obligation to share this information with the proper law enforcement agencies so they can determine whether to follow up on it, and am doing so today. I do agree with you that the information you relayed, at a minimum, raises some red flags.

Thank you for forwarding it to our office. Please let us know if you need any other information.

Best Regards,

Rep. Les Gara

FBI - Stevens-4400

E-mail: Representative_Les_Gara@legis.state.ak.us

September 17. 2007

To: Representative Les Gara
716 W. 4th Ave.
Anchorage, AK 99501

From: [redacted]
Anchorage, AK [redacted]

Dear Representative Gara,

I have been following the news about the Veco scandals and it brought to mind an experience that may or may not be of interest to you. I have seen that you and Representative Crawford are calling for further investigation of illegal contributions by Veco.

In [redacted] my husband and I were shopping for investment properties. We went to an open house for a newer duplex in east Anchorage. It was very nice with the down stairs used a corporate rental, furnished and hardly used, and the owners living upstairs. [redacted] The owners were [redacted] He was Lisa Murkowski's [redacted] The corporate renter it turned out was Veco.

We were initially informed that Veco was not going to continue to lease the apartment once the building was sold. When we expressed our disappointment that we would not have the renter in place, we were told that Veco would be willing to extend the lease for six months after the purchase. When we were sitting for the preliminary purchase write up, we actually got to see the lease agreement that would be extended for six months. Of course it was written up in the wife's name (which we do not remember but it is or was her maiden name) and was signed by someone other than [redacted] perhaps [redacted] Anyway, we never did buy the duplex because there was an issue with the fire hydrant out front being directly in front of one of the garages.

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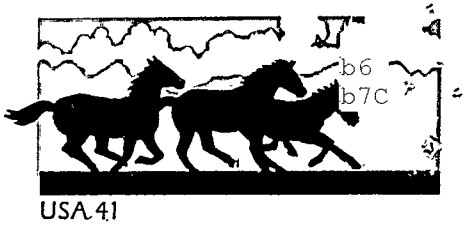
b7C

I did think it fishy at the time, but now realize that perhaps Veco's two thousand a month rental of that apartment, which the owners boasted had only been used twice, was perhaps not a needed corporate rental but instead a nice extra for Lisa's [redacted] I do not know if this is relevant information or not but in light of all the giving done by Veco that now turns out to be illegal, I thought I'd pass the information on to someone like yourself who may know what to do with it. We do not have any of the paperwork so finding a copy of that lease would require getting it from Veco's records.

I hope this information is interesting to you if not relevant.

Sincerely,

[redacted]



F. B. I.
101. E. 6 ave
Anchorage
AK 99501

#4 P

10-17-07

Att to [redacted]:

I am a longtime Alaska resident & a taxpayer-

I submit this report to [redacted] it provides a most current information, as reflected in the appropriateness of it, -

The KEK junk yard off from old Richardson Hwy housing over two dosen mexicans. it is a suspicious activity of mass thousit of illegal emigrants in Fairbank [redacted] of China Hot spring Resort. The mexicans can not speak english, there to help him move his junk, from K & K [redacted] also a longtime frend of Senator TED Stevens, hwo is a sole suporter of [redacted] ideals.

2006 aug the Chena Geothermal Energie plan opened from Sen Ted Stevens founding millions of taxpayers money, pluss to by [redacted] a privat plane, so he can visit his other businesses, in a jet.

b6
b7C

"2"

The geothermal energy plan was intended to power Fairbanks & areas (not even one unit been sold)

Chena Hot sprin Resort needed the plan for its own purpuse - to have a cheaper fuel cost!

The plan went up in smoke, but Sen Stevens helping hands with the $ sing helped it REBUILT! - (Now the Resort received a GRANT!)

[redacted] and [redacted] use to finance SEN STEVENS Campaign, - the federal founding is for to secure for education exth, not for someone privat use.

The vision [redacted] had & what he put together to attract attention to himself & to the Resort. He had a perfect pitch, to use government monie to his privat business use! -

This is an unsettled situation, people close to the case & working with the facility questioning (his) [redacted] creditability in this case is 0.

b6
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FBI - Stevens-4404

Potentially illegal authorazation, illegal.

"3"

use of Taxpayers money for his own purpuce, using Sen Ted Stevens federal foundings.

[redacted] have a Resort not an engineering firm he do not have research capabilities in any of his properties.

The founds for his project was not available thue regular chanels, [redacted] using his energy plan for the Resort only, to Lessen the cost of operation for himseef.

b6
b7C

His priorities is his own intenest.

The othen Best frend and supporter for the Sen Ted Stevens & the Best frend for [redacted] is JIM WHITTAKER MAYOR FOR FAIRBANKS, HWO is a Multi millionen City employee, How a city employee, can bee a millionaine?! owner of the two largest gift shop in downtown (gift Artic & Horizon) owe HOUSES to all his Children

FBI-Stevens-4405

CONCERNED CITYZEN TAXPAYER

(Rev. 01-31-2003)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE **Date:** 10/05/2007

To: Anchorage

From: Anchorage
Squad 4
Contact: SSA [redacted]

Approved By: [redacted]

b6
b7C

Drafted By: [redacted] cws

Case ID #: 194A-AN-13620-TSTEVENS (Pending) - 208

Title: POLAR PEN;
CSLPO

Synopsis: To set lead to SA [redacted] to assist with photo analysis project on captioned case.

Details: On 07/31/2007, a search warrant was executed at the residence of U.S. Senator Ted Stevens in Girdwood, Alaska. A substantial focus of this warrant was photographically documenting improvements made to the house during a substantial remodel several years prior. This included still photography, videography, and spherical photography.

b6
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Assistance is required in organizing and categorizing all of the photographs and videos and in coordinating with the Special Photo Unit to embed selected photographs in the spherical images. This task has been assigned to SA [redacted] and a lead should be set accordingly.

Set lead to SA [redacted]
10/5/07

278 cwsol.ec

LEAD(s):

Set Lead 1: (Action)

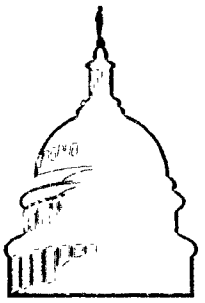
ANCHORAGE

AT ANCHORAGE, ALASKA

Appropriately organize and categorize photographs from search of Sen. Ted Stevens residence and coordinate embedding these photographs in spherical photography images.

♦♦

FBIHQ USE ONLY



Investigative Contact
Legislative Branch

Date 05/11/2007

Requesting Field Office ANCHORAGE

Case Title/File Number 194A-AN-13620 - U.S. Senator Ted Stevens (R-AK) Interviews

Name/Title of Interviewee or Records Requested (i.e. Judicial Committee Staffer, Staffer for Congressman X, Family Members of Congressman Y, Financial Disclosures for Congresswoman Z)

Former Staff:

1. [redacted]

2. [redacted] .

Congressional Member (The Congressional member connected to the individual to be interviewed or documents to be obtained)

U.S. Senator Ted Stevens (R-AK)

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Case Background (Include role of interviewee or documents requested, and the Congressional member)

This investigation was initiated in July 2003, predicated on allegations of corruption involving a private prison in Alaska. Polar Pen expanded into a broader investigation involving VECO, the largest engineering and construction firm in Alaska providing support, maintenance and operations services to the oil industry. [redacted] for VECO, and [redacted] for VECO, were engaged in a criminal enterprise in which [redacted] illegally promised and provided benefits, including cash payments, to multiple Alaska state legislators in exchange for official acts by those legislators. VECO was focused on developing a natural gas pipeline in Alaska and was attempting to influence the legislators over a related Petroleum Production Tax that would be assessed by the State of Alaska. The investigation has also identified a corrupt relationship between VECO and U.S. Senator Ted Stevens (R-AK) and U.S. Congressman Don Young (R-AK) wherein, VECO provided both Stevens and Young with a stream of benefits in exchange for

FBIHQ USE ONLY

FBI - Stevens-4108

These interviews not to Stevens occur until Sen. has responded to initial offer and dialog by DOJ-PIS (5/14/07)

194A-AN-13620-TStevens - 209

official acts.

In August 2006, after operating a long-term Title III investigation, Anchorage served approximately 35 search warrants and conducted over 100 interviews over a three-day operation. The search warrants included several state capital offices, district offices and homes of state legislators. [redacted] including Stevens and Young.

Stevens has long supported the oil and resource extraction industries in Alaska, pushing for expanded development opportunities and various projects that would be in the best interest of the oil industry. VECO, and [redacted] very often have been at the forefront of efforts by the oil industry to lobby the Alaska State Legislature and the Alaska Federal legislative delegation on these issues.

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In approximately 1983, Stevens purchased a small A-frame residence in Girdwood, Alaska. In approximately 1999, Stevens implemented a plan to fully remodel and expand this residence and enlisted the assistance of [redacted] and VECO. From early 2000 through 2006 [redacted] and VECO regularly participated and completed projects at Stevens' Girdwood Residence.

While the support provided by Stevens has been relatively broad in spectrum, i.e., tending to benefit the oil industry at large, there are certain instances in which VECO has been the direct beneficiary. In return, Stevens has received multiple benefits from VECO that have not been claimed on his United States Senate financial disclosure forms, notable among these is approximately $300,000 in materials and labor paid for by VECO for the renovation of the Girdwood residence

Reason for Contact (Provide details on the necessity for, and timing of, the contact. If an interview, identify whether a target/subject or a witness)

Neither is employed in capacity on Capitol Hill.

Reason for interviews:

1. [redacted] [redacted] must be interviewed because she formerly handled Stevens' [redacted] is a crucial interview that must be conducted expeditiously due to recent developments. [redacted]

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2. [redacted] [redacted] must be interviewed because in [redacted] in Alaska, who questioned renovations at Stevens' residence.

Can Records be Obtained from Another Source? (records request only) (Yes or No [Provide Details])

N/A

Has (or will) House/Senate Counsel been Notified (Yes or No [Provide Details])

No. DOJ and Stevens' attorneys have signed a tolling agreement and are addressing the possibility of resolving the entire criminal matter. Based on this new development, DOJ/FBI see the need to interview [redacted] DOJ-PIS concurs with not notifying House/Senate Counsel prior to the operation.

DOJ/PIS Notification and Concurrence? (interviews only)

DOJ/PIS is fully aware of all aspects of this investigation and concur with said interviews.

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How and Where the Contact Will be Made (i.e. "Individual will be contacted at his/her residence after hours." Note: Contact on Capitol Hill premises will not be approved absent extraordinary circumstances)

Both [redacted] are [redacted] The interviews will be conducted with minimal intrusion and exposure. There will be no approach/contact on Capitol Hill.

Anchorage has fully coordinated these interviews with Washington Field Office, Squad CR-10.

Proposed Dates Of Contact

05/14/2007

Coordination with OCA/OLA (Input re timing, location and likely reaction)

OCA ~~will be~~ appropriately notified of this operation ~~by the CID Assistant Director~~. - inap

Level of Approval (refer to "Approval Level for Congressional Staffer/Family Member Interviews" chart)

Due to sensitive nature of the investigation, it is requested that the CID Deputy Assistant Director approve captioned interviews.

Approvals

	Initials	Date
SUPERVISORY SPECIAL AGENT		
UNIT CHIEF		
SECTION CHIEF		
DEPUTY ASSISTANT DIRECTOR	M	5/11/07
ASSISTANT DIRECTOR		

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/23/2007

GEORGE B. NEWTON, white male, home address of [redacted] McLean, Virginia, cellular telephone number [redacted] office telephone number [redacted] email address [redacted] was interviewed at his place of employment, [redacted] Reston, Virginia. After being advised of the identity of the interviewing agent and the nature of the interview, NEWTON provided the following information.

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NEWTON was appointed to the UNITED STATES ARCTIC RESEARCH COMMISSION (USARC) in 1992 by President GEORGE H. BUSH. In 1996 and again in 2000, NEWTON was reappointed to USARC and elevated to the position of Chairman by President BILL CLINTON. In 2004 President GEORGE W. BUSH extended NEWTON'S position with USARC indefinitely. In 2006 NEWTON resigned his position at USARC.

1,2 jms

Each member of USARC is considered to work in a consultant role and is authorized to work 90 days a year with compensation. Each member can work additional days, but will not be compensated for their time.

USARC is funded under the NATIONAL SCIENCE FOUNDATION budget and typically receives $1 million dollars a year. In July 1997 USARC issued a report regarding the difference in the amount of funding for research in the Arctic versus Antarctica. The basic conclusion of the report was that Antarctica received substantially more research money overall because funds were drawn from two sources of money: 1) money spent solely on research and 2) money spent on logistics to complete the research. In the Arctic there was only one source of money in which to draw from for research and the logistics resulting in a large portion of the research grants being used to pay for logistics versus actual research.

On an unknown date after the report was issued, USARC received a call from SENATOR TED STEVENS' office requesting another copy of the report. Shortly thereafter and "out of the blue", USARC received an appropriation of $25 million to support Arctic research. USARC realized the commission did not have the necessary employees or resources to oversee the spending of the funds and therefore USARC transferred the money to NSF. This appropriation "had nothing to do with VECO" but was to provide money to pay for

b6
b7C

Investigation on 10/18/2007 at Reston, Virginia

File # 194A-AN-13620-TSTEVENS -210 Date dictated

by SA [redacted] jms

FBI - Stevens-4412

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

296jms01.wpd

10/24/07 MJC

the logistics associated with research in the Arctic. NEWTON did not believe the management of the funds was subcontracted out to anyone, but that NSF controlled the spending of the entire amount. Approximately $5 million of the money was allocated to pay for the U.S. share of the joint U.S./Japan International Arctic Research Center in Fairbanks, Alaska.

SENATOR STEVENS would periodically come to meetings of the USARC to address items of interest and to hear what USARC thought was important regarding the Arctic. SENATOR STEVENS also spoke at NEWTON'S retirement reception. NEWTON never discussed the specifics of any appropriation with SENATOR STEVENS and has no knowledge of his role in the $25 million appropriation.

The Arctic Research and Policy Act established cooperation between local, Federal and Arctic research entities. As a part of this, [redacted] held a hearing on the development of the cooperative research endeavor with state entities. NEWTON was asked to testify at this hearing and this was the first time he met [redacted] NEWTON met [redacted] on one other social occasion.

NEWTON did not have any knowledge of the relationship between SENATOR STEVENS and VECO executives. The only information regarding [redacted] relationship with VECO executives was "water cooler talk" that [redacted] NEWTON had no independent knowledge of any relationship between [redacted] and VECO executives. b6 b7C

NEWTON recommended speaking with the following individuals who may have more knowledge regarding the political environment in Alaska and USARC.

1) MEAD TREADWELL is the current Chairman of USARC and took over that role when NEWTON resigned. TREADWELL lives in Alaska.

2) DR. DONALD O'DOWD was the Chairman of USARC from 1991 until 1996 and currently lives in Santa Barbara, California.

3) LYLE PERRIGO was the head of the Alaska office of USARC until 2001 and was "well connected" in Alaska. PERRIGO currently resides in Richland, Washington.

(Rev. 01-31-2003)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE **Date:** 10/24/2007

To: Anchorage **Attn:** SA [redacted]

From: Washington Field
CR-10
Contact: SA [redacted]

Approved By: [redacted] 10/24/07

Drafted By: [redacted] jms

Case ID #: 194A-AN-13620-TSTEVENS (Pending) -211

Title: POLAR PEN

Synopsis: To send FD 302 from interview of George Newton to Anchorage and clear related lead.

Reference: 194A-AN-13620-TSTEVENS Serial 179

Enclosure(s): FD 302 summarizing interview of George Newton on 10/18/2007. b6 b7C

Details: In response to a lead sent to WFO, George Newton was interviewed on 10/18/2007. The FD 302 documenting the interview is enclosed with this communication. WFO considers this lead completed.

SA [redacted]

297jms01.wpd

LEAD(s):

Set Lead 1: (Info)

ANCHORAGE

AT ANCHORAGE, ALASKA

For information. Read and clear.

♦♦

FD-1023 (Rev. 6-22-2007)

FEDERAL BUREAU OF INVESTIGATION

Confidential Human Source (CHS) Reporting Document

Reporting Date: 09/10/2007

Case ID: 194-AN-13620-TSTEVENS (Pending) — 212
[redacted] (Pending)
[redacted] Pending)

Contact Date: 09/21/2007

Type of Contact: In person

Location: Anchorage, AK

Written by: SA [redacted] b6
Other(s) Present: SA [redacted] b7C

b6
b7C
b7D

Source Reporting:

Source, who is in a position to testify, provided the following information about U.S. Senator Ted Stevens' Girdwood, Alaska home:

At the same time Stevens' home was being finished, [redacted] so a lot of [redacted] stuff went into Stevens' Girdwood home.

Interior Staircase from 1st to 2nd Floor

[redacted] The handrails gave the installers a lot of trouble because of the design/layout and the symmetrics. Above the top of the staircase on the wall was a torch from [redacted] an Olympic Champion.

2nd Floor Bathroom

Virtually everything in the bathroom was new, to include the vanity, mirror, lights, etc. The toilet was a pressure-assisted Kohler toilet that [redacted] really liked. [redacted] Initially, there was a new toilet put in during the remodel process but [redacted] didn't like them [redacted] replace them with the pressure-assisted Kohler toilets, which [redacted] also had in his home.

b6
b7C
b7D

2nd Floor Hallway Pantry

This closet had new shelving inside it.

2nd Floor Hallway Closet

Source was unsure if there were any changes in this closet.

CIP 303cej01.ec

All Windows with Screens

Source recalled that [redacted] new screens for all the windows in the house. [redacted] new screens from a small company in the Mountain View area, near a smoke shop (Source later drove by the business and recalled the name of the company to be Quality Screens, 235 N. Bliss Street, Anchorage, Alaska). [redacted]

2nd Floor Bedroom

[redacted] Veco paid for the desk. [redacted]

1st Floor

Due to the remodel, the entire first floor was new.

1st Floor Mud Room

[redacted] The eagle statue was there in the home from before the renovation. The entry door was the same as the door on the second floor entry by the kitchen. This entry door that lead into the kitchen, was purchased from Spenard Builders Supply (SBS). SBS initially [redacted] which opened the opposite way. Because the door also had a side piece with a window, the entire piece had to be returned and replaced with one that opened the correct way. Because the mud room door was a twin pair to the upstairs door, when the upstairs door had to be returned and replaced, the downstairs door did as well.

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1st Floor Den/Entertainment Room

The couches were moved from the second floor living area to this room, Ted Stevens' old couches. [redacted] Source could not positively remember whether the television and speakers were purchased by [redacted] for Ted Stevens or whether it was [redacted] old television and speakers that was given to Stevens. [redacted] Source thought [redacted] might have gotten the speakers on top of the television from [redacted] The wet bar was new.

1st Floor Hallway Closet

Source believed the washer and dryer were probably new. Source was unsure who purchased them.

1st Floor Bathroom

Everything was new, to include the sauna, steam shower, etc. [redacted] Source advised the toilet was the same kind as that on the second floor [redacted] a pressure-assisted Kohler toilet.

1st Floor NW Corner Bedroom

Source recalled there used to be bunk-beds in this room. [redacted] would visit and stay down here. [redacted] This occurred around the time-frame when [redacted] The dresser was probably one of the old dressers Stevens had before the remodel. The bed currently occupying the room was also probably one of Stevens' old beds.

Garage

[redacted] Mark Tyree to put in the plumbing. [redacted] All of it was "fabed" at Veco shop [redacted] This was given to Ted Stevens. Source recalled waiting until the snap on truck came to have Veco purchase the stuff for Stevens. [redacted] and left them for Stevens. [redacted] and then passed to Ted Stevens. The Coca-Cola box was Stevens'. The metal cabinet was also Stevens'. When Source saw a picture of the bag of rope lighting, Source knew exactly what it was because [redacted] The shop vac was either from Veco or [redacted] left in the home. [redacted] Source believed the Dewalt set, shown in photos on top of the red snap on, was bought at SBS. The set had all the bells and whistles and was a very nice set of tools. The exercise bike and nordic track was in the den area but when [redacted] came to visit, those items were moved out and the workout room became the den/living area on the first floor. A patch on the floor in the garage near the center drain could be seen in photographs. [redacted]

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[redacted] that there was a problem with the drain. Source advised the pipe underneath the concrete was not to grade and not draining right. [redacted] On one of the shelves in the garage is a red case, a chainsaw case, that says "Ted Stevens" on it. [redacted]

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Garage Ladders

[redacted] the four-fold silver flexoladder from AIH even though someone wrote "STEVENS" on the side of the ladder. The red ladder was a Veco ladder. On the side of that ladder, it says "electrical." This meant it was from the electrical department of Veco. On the other side of the red ladder was a yellow "electrical." On that same ladder on both sides are gray areas, which Source believed may have been where "VECO" was stenciled onto the ladder. It may have been scraped off. The red exterior ladder, which was laying on its side in the garage, was definitely Veco's ladder. [redacted]

3rd Floor Bedroom

The bed for Ted Stevens' room on the third floor was hoisted up

♦♦

FD-1023 (Rev. 6-22-2007)

FEDERAL BUREAU OF INVESTIGATION

Confidential Human Source (CHS) Reporting Document

Reporting Date: 11/01/2007

Case ID: 209A-AN-14799 (Pending)
[redacted] (Pending)
194A-AN-14699-TSTEVENS (Pending)
~~194A-AN-13620-TSTEVENS (Pending)~~ -213
[redacted] (Pending)

Contact Date: 10/31/2007

Type of Contact: Telephonic

Location: Anchorage, AK

Written by: SA [redacted]
Other(s) Present: N/A

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Source Reporting:

Source said that [redacted] Anchorage Orthopaedic Specialists (AOS), is very close to U.S. Senator Ted Stevens. They golf together at Fort Richardson, in Anchorage. In addition, [redacted] would often buy very expensive dinners for Senator Stevens. Source heard [redacted] talk about the senator often when [redacted] Source had no further information regarding Senator Stevens.

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2

(Rev. 01-31-2003)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE **Date:** 11/01/2007

To: Anchorage

From: Anchorage
Squad 4
Contact: SA [redacted]

Approved By: [redacted] b6 b7C

Drafted By: [redacted]lag

Case ID #: 209A-AN-14799 (Pending)
194A-AN-13620-TSTEVENS (Pending) -214

Title: [redacted]
ALASKA ORTHOPAEDIC SPECIALISTS (AOS),
HEALTH SOUTH SURGERY CENTER;
ALLEGATIONS OF UNPROFESSIONAL CONDUCT
AND FALSIFICATION OF DOCUMENTS

Synopsis: Provide information to the file of allegations of conspiracy and corruption related to [redacted]

Details: On 09/13/2007, information was provided to case agent regarding an individual [redacted] who wishes to remain anonymous at this time [redacted] The person is referred to as an undocumented source (U-CHS) at this time. U-CHS provided the following information: b6 b7C b7D

When [redacted] was under investigation by the FBI for corruption, [redacted] has an office within the Anchorage [redacted] Due to [redacted] It was unknown at that time, late 2006 and early 2007, why [redacted] would have cause to be concerned about the FBI. It was also reported by a public corruption agent that once [redacted] criminal activity and the FBI investigation [redacted] appeared at the U.S. Attorney's Office with his attorney. The Assistant United States Attorneys [redacted] case were unaware of any logical reason for [redacted]

U-CHS stated when [redacted] LNU stated they would be [redacted] the "movers and shakers" in politics, such as U.S. Senator Ted Stevens and Congressman Don Young. U-CHS recalls Stevens [redacted] on numerous occasions. On a couple occasions, [redacted] discussions about Native Health funds. U-CHS believed Stevens and [redacted]

A separate source, [redacted] referred to as (CHS2), provided first hand knowledge of [redacted] and Stevens being close friends. CHS2 stated [redacted] and Stevens would golf together, as well as [redacted] would take Stevens for elaborate, expensive dinners.

Information from two separate sources contend a relationship between [redacted] and Stevens. The allegations are as follows:

1. [redacted] often took Stevens for rides on his private jet.
2. [redacted] paid for expensive dinners with Stevens.
3. Stevens may have diverted Native Health monies to [redacted]

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[redacted] is known to have the following business and corporate licenses:

[redacted]

owned by [redacted] Stevens, and Veco executives.

In early [redacted] U-CHS [redacted] a conversation in which [redacted] LNU that he would [redacted] b6 b7C b7D

Aforementioned alludes to a possible Gratuities Fraud matter involving U.S. Senator Ted Stevens and [redacted] Further investigation is warranted, to include obtaining background information for [redacted] businesses, to include [redacted] to ascertain if any of the businesses directly benefitted from Native American Health monies.

Some of the pertinent statutes which may be applicable to the aforementioned allegations include the following:

Title 18, U.S.C. §201, Bribery of public officials and witnesses;

Title 18, U.S.C. §666, Theft or bribery concerning programs receiving Federal funds;

Title 18, U.S.C. §669, Theft or embezzlement in connection with health care; and,

Title 18, U.S.C. §1346, Honest Services Fraud

♦♦

[redacted]

From: [redacted]@ic.fbi.gov]
Sent: Saturday, November 03, 2007 2:11 PM
To: [redacted]
Subject: FW: From [redacted] RE the National Archives deal.

Base Housing.doc
(149 KB)

From: [redacted]
Sent: Sat 11/3/2007 1:05 PM
To: [redacted]
Subject: From [redacted] RE the National Archives deal.

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p1, 2, 3

[redacted]

You have seen most the attached before but it has some new information. I believe it now contains the smoking gun of the dirty deed in the National Archives deal. I have the appraisals discussed in the attached and will get copies to you if you wish. As a [redacted] I clearly see fraudulent intent, and fraudulent use, of the appraisals. My reasoning is explained in the attached. For reading convenience, most of what is relatively new to the document, mostly the appraisal information, is in blue type.

[redacted]

PS: Congratulations again !!

See what's new at AOL.com <http://www.aol.com/?NCID=AOLCMP00300000001170> and Make AOL Your Homepage <http://www.aol.com/mksplash.adp?NCID=AOLCMP00300000001169> .

FBI - Stevens ~~4424~~ 215
194A-AN-13620-Tstevens
194A-AN-14699-Tstevens
800A-AN-13748-Squad 4

305ews04.ote.doc

Military Housing, Political Influence & Real Estate Transactions

By [redacted] Tel: [redacted] Email: [redacted] b6 b7C

An argument in support of the "Clean Elections Initiative"

View the following as a growing shared research document to which many have contributed.

Corrections are made and new information is added as it comes available.

Thus far the background information below has led or contributed to national stories on NBC, CNN; and on Anchorage television news KTUU, as well as articles in the Wall Street Journal, LA Times, and two articles in the Washington DC newspaper known as Roll Call.

Based on information received, here with a bit of speculation as to what it all may mean, I have set out a series of facts and dates and transactions involving the use, and what I believe to be the misuse of Federal funds, and political influence. It involves real estate transactions, U.S. Senator Ted Stevens, his son Ben Stevens, Anchorage (Alaska) Mayor Mark Begich, a few Assembly persons and group of local real estate developers who have contributed heavily to local, state and federal elections. And those elected officials have found an astonishing number of ways to enrich their supportive real estate developers. In some cases, not only have these politicians showered their developer friends with favors, they have even made themselves business partners with them. The horrifically profitable transactions described below involved hundreds of millions of dollars and, in many cases required the widespread cooperation of local, state and federal officials: a cooperation involving a majority of those at the top of Alaska's political dog-pile. A cooperation that could not have occurred without a majority vote of the Anchorage Assembly, both houses of Alaska's Legislature, and the cooperation of all three members of our Congressional delegation.

This describes how politicians use your tax money and real estate to enrich developers, who in turn reward them with lucrative partnerships, consulting contracts, and campaign donations. Politicians who don't play starve out early and seldom get to the top because their campaigns are under funded. Developers who refuse to "Pay to Play" are often bankrupted because they can't compete with their subsidized competitors.

So you be the judge: Read the entirety of the outline below. It is just one "case in point example" of the how this state has been run since statehood. After your review, do your own research to support or dispel my statements of fact and/or speculation and belief. Your return report of any improvements or corrections would be appreciated. When you're done, share your opinion by letting others know if you think the following behavior meets 'the smell test' for the kind of government you want.

According to other agents familiar with the transaction, Mayor Mark Begich, a licensed real estate agent at the time, was at the very last minute abruptly pushed into the middle of a real estate transaction, and received a large real estate commission, rumored to be more than $50,000 and less than $100,000, from the land sale from Stevens. [redacted] b6 b7C

[redacted] and friends. It appears to have been concurrent with his about face on the Base Housing tax exemption and his decision to help grease the wheels of the Planning Department on behalf of [redacted] for the rezoning of a property Begich had previously opposed. Begich's assistance enabled [redacted] to secure the building permits and the Federal earmark for the construction of the Parks Building, (the one next to the Anchorage FBI building,) and enabled [redacted] to justify tripling the value of a property he owned - just before the federal government purchased it using an earmark that U.S. Senator Ted Stevens had arranged. (Note: Ted Stevens and Mark Begich were **both** business partners with [redacted] at the time.)

- In clarification Mark Begich has said he received some commission in cash at closing of [redacted] acquisition of the land for the Federal Park Service building and an interest in two office buildings that [redacted] owned in Anchorage, known as the Calais Towers.

Switching to the subject of another property, according to Alaska Senator Tom Wagoner, Begich helped with the Bill that Alaska State Senator Ben Stevens pushed through the Legislature, enabling the Anchorage Assembly to exempt [redacted] from paying between three and five million dollars per year in Municipal taxes on the real property, which was given to him for a dollar per year by Ben's father, U.S. Senator Ted Stevens. The property in question is the Elmendorf Military Housing located on the Elmendorf Military Reservation and within the Municipality of Anchorage. (When real property improvements are privately owned but located on land owned by the Federal Government, the improvements plus the value of the lease are taxable by the local government.)

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The newly elected State of Alaska Representative Anna Fairclough, formerly Anchorage Assemblywoman Anna Fairclough, wrote the corresponding City ordinance that enabled Rubini to take advantage of the newly created State law, enabling Rubini's tax exemption. While on the Anchorage Assembly, Fairclough received several large contributions from Veco and [redacted] Fairclough received more Veco and Rubini contributions again later, when running for former Alaska Representative Pete Kott's seat in the Alaska Legislature. (Pete Kott was one of the legislators whose offices had been raided by the FBI. He has since been indicted for taking bribes from Veco – U.S. Alaska District Court, Case 3:07-cr-00056-JWS-JDR.)

Known facts on the timeline of cooperating efforts - by Ted Stevens, Ben Stevens, Mark Begich, [redacted] (his partner in JL Properties), and Ted Stevens' [redacted] - to arrange cooperation between local, state and federal authorities to manipulate real property values in ways that resulted in the enrichment of each other:

The eight Anchorage real properties in question are:

1. Military Base Housing on Elmendorf (approximately 1,200 units) owned by [redacted] and Ted Stevens [redacted]
2. The newly constructed 'Parks Building' for the U.S. Dept. of Interior's National Park Service, located at 240 W. 5th Ave in Anchorage, Alaska.
3. The 8 acres fronting on Denali Street: behind Lowe's Hardware on Tudor Road.

4. The Arctic Slope Regional Corporation's Flagship Headquarters Building [redacted] and formerly [redacted] in partnership with Ted Stevens. (Ted Stevens bought in to the building project for $50,000 in 1997 and was bought out in 2004 for $1.038 million.)

5. The currently under construction future Flagship Headquarters Building of the Chugiak Native Regional Corporation, [redacted] Ted Stevens' business partner.

6. The Strip Mall on the southwest corner of 36th & C Street, [redacted] Ted Stevens' business partners [redacted] and Ted Stevens' [redacted] It's the building that Flight Standards, a division of the Federal Aviation Administration (FAA) was ordered to move into; yet the FAA was already occupying a property at the airport. The FAA is subject to the oversight of the U.S. Senate's Commerce Committee which Ted Stevens chaired.

7. The Calais Towers, [redacted] and formerly owned with Anchorage Mayor Mark Begich as a partner. Begich bought in for an unknown amount and was bought out for an unknown amount about two years later.

8. Two lots that the City of Anchorage, at the direction of Mayor Mark Begich, elected to lease from the parking area from Augustine Development, LLC. Lease payments of $29,000 per month, (about ten times what it is worth on the open market), from developers who are in other ventures partners of [redacted] who is in partnerships with Mark Begich and Ted Stevens in yet other ventures. b6 b7C

- Note: Ted Stevens laid the groundwork for Alaska Native Corporations (ANCs) to receive billions of dollars from the Federal government in non-competitive bid contracts - commonly known as sole source 8(a) contracts. Federal 8(a) contracts are small contracts available only to minority contractors. However, Senator Ted Stevens exempted Alaska Native Corporations from the upper limits of 8(a) contract that all other minority contractors have to abide by. Consequently, by joint venturing with an Alaska Native Corporation, companies like Halliburton or Bechtel can secure huge federal contracts without competitive bid. Hence the news about Alaska Native Corporations having multibillion dollar contracts to clean up New Orleans or provide services in Iraq. One Alaska Native Corporation benefiting from such contracts is now occupying a high rise office building [redacted] Ted Stevens' business partner, [redacted] The lease rate paid to [redacted] for the right to occupy the building Ted Stevens co-owned is the highest lease rate I know of currently being paid for similar space in Anchorage. Another building is now under construction, to be occupied under similar circumstances by another Alaska Native Corporation.

- In the case of the Arctic Slope Regional Corporation, Ted Stevens also arranged for the ASRC to own the known oil deposits in ANWR – the Arctic National Wildlife Refuge. Senator Stevens helped arrange for that ownership to be exempt from a provision of the Alaska Native Claims Settlement Act of 1971 (ANCSA) that requires all 13 native corporations to share 70% of their net profits from mineral production with the other native corporations, potentially dividing

over $200 billion in resource wealth amongst about 20,000 shareholders of the Artic Slope Regional Corporation. That's about ten million dollars per person - the bounty of a resource widely known as Alaska's next Prudhoe Bay that most Alaskans have been misled to believe is a Public resource.

Timeline: The events below demonstrate how the above eight properties were used in an elaborate "you do this for me and I'll do that for you, if you will do that for my friend over there," game of good old boys trading favors.

?/?/1997 Sometime during 1997, Ted Stevens invested $50,000 in a real estate development company [redacted] Seven years later, in 2004, Ted's $50,000 investment would be bought out by [redacted] and/or [redacted] for $1.038 million. Their buyout occurred the same year that [redacted] and partners pocketed a $2.025 million profit flipping an 8 acre lot to the federal government for over twice what they had paid for it just one year earlier. Ted Stevens arranged for the federal appropriations that bought out [redacted] interest and the federal government's 8 acre buyout occurred almost simultaneous with [redacted] buyout of Ted's interest.

03/31/1998 With Mark Begich sitting as Anchorage Assembly Chair and voting with the majority, Begich openly opposed a rezoning and repeatedly voted to postpone its consideration. Somehow he now claims insulation from culpability by saying he was off the Assembly when the Assembly voted to "postpone indefinitely" which is the method by which the Assembly denied the former owners their rezone request. Mark Begich latter supported the rezone request but not until after his business partner [redacted] owned that property and Ted Stevens had earmarked money - to purchase the property for over two times what [redacted] had paid for it one year earlier. Today he runs for cover by saying he supported the park owners who changed their minds after [redacted] bribed them with the promise of $400,000 of the profits he would get from the federal government if they would just go along. (Begich doesn't seem to be able to hear the neighbors next door to the Wal-Mart proposal in Muldoon. Title 21 is fraught with smoke and mirrors and a thousand and one ways to arrange for plausible deniability as politicians and bureaucrats apply the law one way for a "Good Old Boy" and completely different for some one who is not. The non-related applicants who were denied rezoning consisted of a group of about 70 mostly retired school teachers, known as the 40th Street Investors. They had purchased the property as an investment.

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Begich offered the following in explanation of his initial opposition:

First Public Hearing March 31, 1998 AO-98-48 Rezone (Planning Director at that time was Sheila Selkregg-she felt the plan of rezoning was inadequate, Also P/Z recommendation was against the re-zone, Spenard Community Council was against it)49 people testified, Almost all against it, the Assembly postponed action until July 21, 1998.

Second Public Hearing July 21, 1998, (MARK BEGICH No longer on the Assembly-term limited out).

Third Public Hearing, August 25, 1998, No action by Assembly. Postponed until December 8, 1998.

Fourth Public Hearing, December 8, 1998
12 more people testified Assembly Postpones until January 26, 1999.

Fifth Public Hearing, January 26, 1999, Assembly takes no action Postponed until March 23, 1999.

Sixth Public Hearing, March 23, 1999, Assembly Postpones Indefinitely (Mark Begich still not Assembly).

3/25/99 The Anchorage press features an article about the property the National Archives would later buy from [redacted] (in 2004) for over twice what he paid for it in 2003, when he purchased it from a group of retired teachers who owned it at the time the press article written here was written. Mayor Rick Mystrom at the time had a vision of "40th Avenue as a 2-lane meandering street cutting through a D.C.-styled quadrangle, with the post office and library to the north and other federal buildings to the south." Mystrom also said he was working with Sen. Ted Stevens in Washington to secure money to acquire the land. The above referenced press article is relevant because it demonstrates that Ted Stevens was aware of the availability of the property, and anticipated its use for a federal building of some kind, long before his business partner owned it and long before he made over six million dollars available for it's purchase.

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2001, '02, '03 George Weurch, Mayor of Anchorage 2001-02; Mark Begich elected in 2003. Municipal Board of Equalization (BOE) began questioning the Anchorage property tax appraisal department's valuations of private Leasehold interests on public properties, (airports, port, Railroad property, privately owned housing located on land leased from the military, etc.) known as "Possessory Interest". The Cities valuation methods had resulted in extremely low valuations. BOE was also preparing to look into concerns about other numerous tax exemptions that several board members had suggested may be unwarranted.

2002 With help of the Assembly, BOE caused the MOA (Municipality of Anchorage) auditor to audit exempt tax rolls. The audit validated BOE's concerns, stating that numerous exemptions were not justified or documented, and BOE recommended immediate action.

2002 Board of Equalization (BOE) repeatedly requested information on valuation of new base housing. No response from the MOA.

05/21/2002 According to [redacted] JL Properties, JL Properties entered into agreement with 40th Street Investors to purchase their 8 acre site. Later, transfers interest to Eagle River Center LLC.

06/19/02 [redacted] formed a limited liability shell company that appears to never have been used for any purpose other than to acquire, hold and resell 8 acres as the future sight of the National Archives. The company formed on June 19, 2002 was the Eagle River Center LLC. It was formed 22 days before Ted Stevens had gotten the Senate subcommittee of the full Appropriations Committee to make its first recommendation for the appropriation that would eventually purchase these 8 acres from his business partner

FBI - Stevens-4429

[redacted] (So, Stevens' proposed federal appropriation was to purchase property from [redacted] did not even own yet.)

07/11/02 The FIRST mention of the recommendation to appropriate funds to purchase the land that [redacted] had not yet purchased very likely came in the original bill reported from the Appropriations subcommittee in their report to the full committee. The subcommittee markup was held on July 11, 2002, and was approved by a voice vote. (In review [redacted] purchased the property eleven months after the first proposal for the appropriation. The appropriation proposed was $3.75 million for NARA to purchase property for a new facility in Anchorage. That federal appropriation was used to buy the property from [redacted] 23 months after the appropriation was first proposed, which was also one year and six days following [redacted] purchase. Just enough time to avoid short term gain taxes.) Why didn't the federal government simply advise the 40th Street Investors of their interest in the property and agree to purchase the property, subject to finalization of appropriation, for $1.55 million from the retired teachers that owned it at the time? I think I know why, do you?

7/11/2002, It was just six weeks after [redacted] tied up the 8 acre property that the Senate Appropriations Subcommittee on Treasury and General Government passed by voice vote a fiscal 2003 spending measure that included a $3.75 million earmark for NARA to purchase property for a new facility in Anchorage.

8/12/02 To satisfy an appropriation earmark arranged by Ted Stevens [redacted] close on purchase property at 240 W. 5th Ave on which they plan to build the National Park Service Building. Begich received a large real estate commission from the transaction [redacted] recorded a $2,000,000 dead of trust against the property at closing.

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- The $2,000,000 figure is probably the purchase price.
- Begich and [redacted] both said the commission was less but neither were willing to disclose the amount until much public pressure was brought. Begich has since shed some light but his explanation has been about as clear as mud.

According to real estate agents and others familiar with the transaction, Mark Begich had little or no involvement in the transaction, and [redacted] bid was lowered by removing the requirement to provide parking. [redacted] was allowed to meet the parking requirements by entering into a long term lease to lease parking spaces from a city owned parking garage next door – a garage which belongs to the Municipality of Anchorage and was paid for with tax free municipal bonds. To the best of my knowledge, the other bidders were not afforded the same opportunity to eliminate parking from their bids One of those bidders is named [redacted] His phone numbers are [redacted] A review the assembly record reveals that it was Assemblypersons Anna Fairclough and Dick Traini who sponsored the ordinance authorizing [redacted] to use the parking. The same two who led the charge to give [redacted] a tax break on his base housing also tried to get tax exemptions for [redacted] Parks Building. The Parks Building was to be a **privately owned "build to suit" on a long term lease.** Tax free municipal bonds are, by law, not allowed to be used as a means of supplying dedicated parking for a private investor.

11/14/2002 [redacted] transfers ownership of property for Parks Building to 5th Avenue Development LLC on November 14, 2002.

12/9/2003 Accuval-Resco Appraisal (a Seattle co.) issues an appraisal, appraising the site destined for the National Archives at $2,900,000.

12/31/2003 A second appraisal is issued by Black-Smith & Richards, Inc., **appraising the property at $1,955,00** as is, however the majority of the appraisal was in defense of a **non existent** "hypothetical" value of $4,497,000, based on the prospect that the property might be rezoned from R-3, (high density residential,) to B-3SL, Anchorage's highest density business zoning classification, (general business with "special limitations").

Analogous to an alchemist painting a lead brick with gold paint and selling it to an unwary buyer on the prospect it may turn to gold before the unwary buyer notices the deceit beneath the veneer, my suspicion is that the second appraisal was ordered and paid for by [redacted] when the first appraisal ordered by the Federal Government failed to stack up to his desires.

If correct, [redacted] appraiser went to great lengths to distance himself from the conclusions of his own appraisal. (Wanting to keep his appraiser's license may have had something to do with that.)

In an appraisal dated December 31, 2003, apparently written by [redacted] and delivered under the cover letter of [redacted] of Black-Smith and Richards Appraisal Company, the appraisal bares all the markings of an appraisal done by a subordinate shoved into a corner to do something he really didn't want to do by a boss who, in responding to pressure from a high volume client to produce an MAI appraisal, packed with attempts to legitimize a non-existent value, the appraiser included the following language on a page containing no information to the contrary, that could be easily clipped for inclusion in a summary intended to mislead, and from the content of a historical summary of events, published by the National Archives and Records Administration, that appears to be exactly what has happened.

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Language reading as follows can be found on page 52 of [redacted] appraisal:

- The subject consists of an B-3SL zoned parcel containing an area of 391,034 square feet (8.977 acres), located at the southwest corner of Denali Street and East 40th Avenue. The property has paved access; all public utilities are available and has average to marginal soils. The parcel could be developed with any legal use permitted under the B-3SL zoning classification and not otherwise restricted.

The language is consistent with several comments throughout the appraisal that characterize B-3SL zoning and value as an existing fact or a certainty of things to come.

The appraiser then insulates himself from the culpability one might gather from his assertions of certainty by using the term "Extraordinary assumption" 11 times to qualify his conflicting suggestions of an existing value of $4,497,000 as an absurdity.

[redacted] it is my opinion that [redacted] appraisal was designed to endorse a non-existent value, while avoiding culpability in a fraud by quietly mentioning the real value of appraisal of $1,955,00 and loudly defending a nonexistent value of $4,497,000.

While "as is appraisals," accompanied by an "as proposed appraisals" are commonplace and necessary when perusing bank loans for remodels or construction projects; the concept being that to secure a loan, one must demonstrate that the land and/or property

acquisition costs, plus the costs of the proposed improvements must be less than the sales value after completion [redacted] I have never seen an appraisal hypothesized in the way that [redacted] did in this instance.

After formulating and defending an extensive argument to hypothesize a non-existent value, and expressing it many times as though it was an existing circumstance of fact, Appraiser [redacted] in my opinion, attempts to make such assertions while simultaneously distancing himself from the claim, by inserting a letter in the appraisal that reads as follows:

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From: [redacted]
To: [redacted]
Sent: Friday, December 19, 2003 12:02 PM
Subject: NARA Sites in Anchorage

12-19-03

Tract B, Cook

There are several potential appraisal problems involving this property. Each of the following scenarios represents a different question requiring a different approach.

The "as-is" value of the subject (whole property)
In this scenario, the property is appraised according to its current R-3 zoning. The probability of a rezone can be given no weight based on the historic facts:

- A lengthy market exposure period;
- Previous attempts to rezone the property;
- The apparent current position of Municipality of Anchorage (MOA);
- The purchase price by the developer – the recent price paid by developer recognizes the previous history and the probability of a rezone.

The "as-is" value of the subject (whole property) according to the hypothetical condition[1] that property has been rezoned to B-3SL as proposed.
In this scenario, the whole property is appraised (in it's as-is condition) as a general commercial site as of the date of inspection/valuation.

Presumably, GSA needs a value estimate of the site they will occupy rather than an estimate of the larger parcel "as-is".

The "prospective" value of a select site to be created from the larger parcel according to the extraordinary assumption(2] that the B-3SL rezone and replat will be permitted as proposed

In this scenario, the as-is condition (size, shape, zoning, etc.) is of no consequence. The site to be developed/occupied for NARA, is appraised as of a specific future date. This scenario describes that site as proposed in terms of the net area and any platting requirements imposed by MOA. These could include improvements and/or modifications to the infrastructure (e.g. the extensions of roads and utility lines, street lighting).

If this is the case – there are two sub-scenarios:

- The "prospective" value of the selected site, re-platted as proposed with all of the off-site requirements completed the native soils a[illegible] this scenario, the

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soils are inadequate.

- The "prospective value of the selected site, re-platted as proposed with all of the off-site requirements completed – and build ready – in other words, the peat is removed and the site is prepared for construction. In this scenario, the soils are good.

A prospective date of value allows for current values to be trended forward to a future date of completion. The date of valuation is a future date. This can be limited if the instruction is to estimate the value as proposed according to the hypothetical condition that the site is rezoned, re-platted, and developed as described – *as* of the date of inspection. The date of valuation is the date of inspection.

Summary:

One of the following needs to be incorporated into the appraisal instructions.

- The "as-is" value of the subject, (whole property) zoned R-3.
- The "as-is- value (whole property) according to the hypothetical condition that the subject is zoned B3SL.
- The "prospective' value of a select site to be created from the larger parcel according to the extraordinary assumption (31 that the B-381, rezone and replat will be permitted as proposed.
- The "prospective" market value of the selected site as of a future date, re-platted as proposed with according to the extraordinary assumption1.41 that the B-3SL rezone and replat will be permitted as proposed and all of the off-site requirements are completed – the native soils are in place.

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[end of clipping from letter in appraisal by [redacted]

Comment on Letter:

The above letter reaffirms that the property is appraised according to its current R-3 zoning. In other words, the value at the time of the appraisal and at the time of NARA's review and at the time of NARA's purchase of the property, the value of the property was $1,955,000. The appraiser also makes clear that reliance on the probability of a rezone has no basis in determining value.

By quietly mentioning the real appraisal value of $1,955,000, while loudly defending a nonexistent value of $4,497,000, the appraiser attempts a shell game with the value, and what the appraisal really says the value is. He has used the term "Extraordinary Assumption" 11 times, thereby clouding culpability in the anticipatable fraudulent use of his appraisal.

The 'Shell Game' Worked:

Someone at the GSA either knowingly adopted the fantasy value as fact, with the belief that plausible deniability of "misread the appraisal" had been established, or someone at GSA was successfully duped into unknowingly passing to his or her superiors that the property was zoned B-3SL and had been appraised "as is" at $4,497,000.

The following is a clip from the historical "Executive Summary of Events," prepared and distributed by staff at the National Archives:

- **In January 2004**, the site selection recommendation report was provided from the site selection committee to NARA for approval. The site recommended for purchase was the site at 40th Avenue and Denali Street.

- The original offer from Eagle River Center, LLC was for a purchase price of $4,880,000 ($14/SF). **GSA had obtained the two appraisals — one for $2,900,000 and the second for $4,497,000**. On January 21, 2004, GSA and NARA met with the offeror and GSA presented a purchase contract in the amount of $2,900,000. This was not accepted by the offeror.

    - *(The above stated conclusion by NARA staff is false: the appraised value on January 21, 2004 was $1,955,000. In NARA's pre-selection "Side By Side Comparison of Sites;" the comparison information prepared and presented to decision makers prior to the January 21, 2004 initiation of offers, NARA staff falsely described the property as having **"No rezoning issues. Current zoning B-3")***

- On March 1, 2004, the offeror submitted a counter offer in the amount of $3,525,000. This purchase price was accepted by GSA/NARA. Closing on the purchase of the property occurred on June 7, 2004.

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End of clip from GSA "Executive Summary of Events," above.

[redacted] GSA's appraisal reviewer made the following comment: The appraisers present two separate values, one for the property with its current multi-residential zoning ($1.955.000) and one for the property with the applied-for coma-goal zoning ($4,497,000). They do not attempt to estimate the probability of the zoning change being granted. I have some personal misgivings about the location of some of the comparables used and the applicability of a 1% per month time adjustment, especially as applied to the commercial/industrial sales, However. based on the information provided within the appraisal report and given the scope of the work applicable in the assignment. it is my opinion that the analyses, opinions and conclusions are reasonable and appropriate.

- A few questions directed to appraisal reviewer [redacted] would also seem appropriate. Beginning with "did he know the deal closed before the zoning occurred and how many of GSA's buying guidelines were broken when they paid

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dramatically more than appraisal based on a hypothetical value that did not exist at the time of closing"

01/03 Mark Begich announced his plan to run for mayor of Anchorage.

03/17/2003 First Alaska Senate hearing on SB 136, the Bill that would later be amended to exempt [redacted] base housing (the military housing that Ted gave him) from the State Statute requiring it to be assessed at its realistic value and to be taxed at the same mil rate (dollars per thousand of assessed value) as for the properties of all other city property owners.

04/01/03 Mark Begich is elected mayor of Anchorage. Swearing-in ceremony to occur in June.

04/02/03 Second Alaska Senate hearing on the Bill eventually used to exempt [redacted] property from being assessed and taxed like other people's property.

04/10/03 The third Alaska Senate hearing on the Bill to exempt [redacted] property from being assessed and taxed like other people's property.

?/03 At some time during 2003, Mark Begich acquired a 1.5% interest in [redacted] Calais Office Towers for an unknown amount, and does not report his ownership to the political watchdogs, as and when required by law, until two years later.

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05/05/2003 According to [redacted] Eagle River Center LLC submitted its 8 acre site that they had not yet finished purchasing, to NARA (National Archives and Records Administration) as part of site selection process for new archives facility.

06/02/03 [redacted] of JL Properties) purchased the 8 acres in mid town near the Anchorage Municipal Library, which is zoned for residential use. The company he used to buy that property is named EAGLE RIVER CENTER LLC [redacted] immediately made application to the Anchorage Planning Commission to rezone the property as General Business, a zoning designation that would nearly triple the appraisal value of the eight acres. See record of deed below. [redacted] said he purchased it 5/21/02. Not true, see deed below. 5/21/02 may have been when they entered into an agreement purchase [redacted] said they submitted it to NARA 5/5/03. That would have been one month before they actually owned it.

<u>Record of Deed #1:</u>

Document Year: 2003 Number: 052977 Suf: 0	District: 301 - ANCHORAGE
Date Recorded: 06/02/2003 *Time:* 11:55AM *Pages:* 6	
Index: D - DEEDS	
Desc: WARRANTY DEED	
Grantor - 40TH STREET INVESTORS	
Grantee - EAGLE RIVER CENTER LLC	
Location: Tract: B	*Plat:* 82-57

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- Note: [redacted] intended to sell the property to the US government. The US government does as it pleases with the property it owns, with no deference to local zoning laws. The only reason for rezoning was to justify the increase of its appraisal. The people [redacted] purchased the property from had attempted to rezone the property for business development in 1998. Their application was denied.

- Mark Begich was the chairman of the Anchorage Assembly at the time and instrumental in orchestrating the denial of that first rezone request. But Ted Stevens had initiated the appropriation for the Federal Government to purchase the property from his partner [redacted] before [redacted] purchased the property. As soon as [redacted] acquired the property, Mayor Begich, also partners with [redacted] at that time, reversed his position concerning the zoning of the property, issuing a letter on the letterhead of the Mayor's office urging the Planning Commission's support for [redacted] rezone request.

Note: At the time of the first rezone request, local government had expressed in interest in buying it to be used as a park. One of the arguments made for denying the rezone at the time was that rezoning would increase the price local government would have to pay for the property.

06/24/2003 Begich sworn as Mayor in on June 24th 2003.

- On or about this time, Mark Begich announced his support for exempting [redacted] military housing from taxation and State of Alaska Representative Mike Chenault, the suspected founder of the 'Corrupt Bastards Club', introduced a companion Bill in the House of Representatives, to do the same thing. (The information concerning Mayor Begich's support came from the Bill's prime sponsor, State Senator Tom Wagoner. Senator Ben Stevens added the [redacted] exemption language to Senator Wagoner's Bill and pushed it through.) (Begich's support was conditional on the payment of some token amount in lieu of taxes. When the negotiations were finished, it was token indeed.)

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06/24/03 Shortly after his election, Begich also pushed an ordinance eliminating the Board of Equalization (BOE), thereby eliminating further oversight or opposition to such tax exemptions from within the city government.

10/03 The State of Alaska's Assessor threatened MOA (Mayor Begich) with declaration of "major error" in regard to low valuations of possessory interest and a penalty of $400,000. To explain the penalty, the State of Alaska abides by strict formulas for revenue sharing that subsidizes local taxation in payment for local education funding needs. If a community fails to tax local taxpayers in an equitable way, requiring all tax payers to pay their fair share for education, the state will not make up the difference. Alternatively, the state penalizes negligent communities by holding back funds, as necessary to prompt community leaders to require ALL of their citizens to pay their fair share.

12/17/03 Members of the city's Board of Equalization, which hears challenges to tax assessments, resign one day after the Anchorage Assembly approved an ordinance that restructured the board and redefined their authority. [redacted] for the

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board, said she received notice Wednesday that the entire board -- seven members and 12 alternate members -- was resigning, effective immediately. According to former BOE chair, this mass resignation was largely in response to the Mayor's treatment of the Base Housing issue.

1/15/04 New property assessment valuations are mailed out except for possessory interest properties, including base housing. Assessor stated that Mayor Begich was involved in the valuation decision for base housing.

01/21/2004 According to [redacted] NARA informs Eagle River Center LLC. that its 8 acre site has been selected.

'03 & '04 Begich has, in violation of disclosure requirements, failed to disclose his ownership interest in the Calais Office Towers, an ownership he shares with [redacted] of JL Properties. (Not disclosed until 02/05)

02/02/04 Begich sent a letter to his Director of Planning to approve [redacted] application to rezone the 8 acres and in that letter acknowledged that he was aware that the Federal government was preparing to purchase the property. Mayor Begich is a knowledgeable developer and fully aware that the only reason to rezone the property is to enable the business partner (that he shared with US Senator Ted Stevens) to obtain a higher appraisal and thereby gain justification to secure a higher purchase price from the Federal Government. The statements of the Planning Commission also make clear that they were aware of the fact that the Federal Government had no reason to desire a rezone and that the only effect that a rezone might have would be to cause the Federal Government to pay - or in this case would justify having paid - a higher price than the property could have commanded as previously zoned.

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02/09/04 The Planning Commission reversed its prior refusal to rezone the property for the former owner stating that "this owner is much more likely to bring quality development to the area." It's a classic case of WRONG OWNER: as the prior owner hadn't been admitted to the good-old-boy-club and had not "paid-to-play."

02/09/2004 According to [redacted] planning and zoning commission approved the rezone of the 8 acre site. Not true. See the mayor's letter and planning letter.

02/23/2004 According to [redacted] GSA sent letter justifying value and supplied GSA purchase and sale agreement template to Eagle River Center LLC.

03/02/2004 Mayor Begich pushed a new ordinance through the Municipal Assembly (OA. NO. 2004-45) waving [redacted] obligation to comply with several provisions of Title 7 "PURCHASING AND CONTRACTS AND PROFESSIONAL SERVICES" of the Anchorage Municipal Code. (Note [redacted] Excepting the two additional and later occurrences of Begich's intervention on behalf of [redacted] I know of no other occurrence where the laws have been waved to accommodate a real estate developer.)

- Note: I have no doubt that the above ordinance will be defended with the argument that it was passed to facilitate and expedite the construction of a facility needed for the betterment of the future Anchorage. In response, I would argue that the New Seward Highway and all of its overpasses were also needed to for the betterment of the Anchorage's future. However I doubt anyone could make a defensible argument for the waver of the safety and quality controls for its

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construction. If such a practice is not brought to a halt, future contractor friends of future mayors will enjoy a competitive edge over all "non contributors" in that they will be able to secure an after bid reduction in building costs that their competitors could not rely on in the preparation of their bids.

4/04 Valuation of $40 million placed on base housing even though just the construction loan for approximately 412 units had been reported to be $110 million, the land on which they were built was delivered for, and there were several hundred existing units also delivered for free. (Clearly, that's several hundred million dollars worth of real estate.)

- (JL Properties, Ted Stevens' [redacted] *et al*, a six percent owner of the base housing) complained and appealed the Assessor's decision to tax them based upon a value of $40 million and soon thereafter, on **04/27/2004,** came the fourth Alaska Senate hearing on the bill that would exempt [redacted] property from being assessed and taxed like other people's property; and I suspect this was the hearing during which [redacted] exemptions were added to the bill.

5/04 [redacted] met with Assessor after public information request. Assessor had attorney present, provided no written information, but disclosed that JL Properties refused to provide any information and threatened to get property exempted at State Level. Assessor later reported that JL Properties had obtained exemption through legislation pushed through the Alaska Legislature by Ben Stevens. However, a payment in lieu of property taxes would have to be negotiated with the Municipality of Anchorage.

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05/05/04 Alaska State Senate Bill 136, the bill to exemp [redacted] property from being assessed and taxed like other people's property, received final passage from the Legislature. The final version of the Bill required [redacted] to work out an agreement to pay something in lieu of taxes, which will require an agreement and a Municipal Ordinance agreeing to the amount of the payment in lieu.

06/08/04 [redacted] sells his **not yet rezoned 8 acres** to the Federal Government and collects $3,525,000, after holding the property for only one year and six days. Precisely six days longer than required to avoid the short term capital gains tax. See deed below.

Record of Deed #2:

Document Year: 2004 Number: 041946 Suf: 0	District: 301 - ANCHORAGE
Date Recorded: 06/08/2004 *Time:* 10:58AM *Pages:* 1	
Index: D - DEEDS	
Desc: STAT WARRANTY DEED	
Grantor - EAGLE RIVER CENTER LLC	
Grantee - UNITED STATES OF AMERICA	
Location: Tract: B	*Plat:* 82-57

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7/20/2004 Meeting of the Anchorage Assembly – [redacted] Dowl Engineers had addressed the community councils and the Planning and Zoning Commission prior to meeting with the Assembly. At those meetings, [redacted] explained that the **National Archives had acquired the property as R-3, with the anticipation that it might be rezoned to B-3**.

My suspicion is that [redacted] remarks were an attempt to justify - after the fact - **an appraisal that may have been fraudulently done and presented to the Federal Government based on a zoning that had not yet been approved.** When the resolution to rezone land was approved July 20, 2004, the sale to the Federal Government had already been completed six weeks earlier.

- Note: Convicted lobbyist [redacted] a close friend of Mayor Begich, very likely represented JL Properties in these matters as well. [redacted] was on retainer by JL Properties at the time.

7/04 Two months before the Governor had signed the bill to exempt [redacted] property from taxes, Mayor Begich sent the Assembly a memorandum regarding the payment in lieu, suggesting the settlement was based on ½ of the '02 and '03 tax bills. Begich did not explain what the actual valuations and tax bills would have been if its assessment were calculated the same as all other possessory interest properties. The "settlement," (pushed through by Assemblywoman Anna Fairclough who now sits in the State Legislature) was for a reported $140,000, when a tax bill could have been approx. $3.5 million, increasing to above $5 million per year with project completion.

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- Note: [redacted] advised Anna Fairclough that he would likely sue the State and the Municipality of Anchorage if her proposed agreement were passed. Unfortunately Anna had seen a rich source of contributions addressing the Assembly from the far side of the podium in the Assembly chambers, and she nearly set a world's record for speed and distance as she leaped from her lofty perch in front of the Assembly and into the pocket of [redacted] (See her reported list of contributors employed by JL Properties for confirmation.) Anchorage Assembly Chairman Dick Traini (AKA Tax Break Traini) came in a close second in his attempt to provide tax exemptions for Rubini's building now occupied by the Federal Park Service.

09/07/04 SB136, the bill to exempt [redacted] property from being assessed and taxed like other people's property is signed into law, chapter 140, SLA 04.

- Note: In hindsight it would appear that extreme measures were taken (1) to protect base housing from proper valuation, (2) obtain special interest legislation to exempt them all together, and (3) hide the relations involved. Ben Stevens obtained the exemptions for his father's partners and his [redacted] without disclosure. Mark Begich negotiated the ordinances with the assistance of Anna Fairclough and hindered proper assessment prior to the passage of the statute and agreement to taxes in lieu. The legislation is very likely a violation of Alaska's Constitution which prohibits "Special Legislation" passed for the benefit of one person.

2004 Sometime in 2004, the U.S. Minerals Management Service, moved their regional office from VECO's building at 949 E. 36th Ave, into the property Ted Stevens invested in with [redacted] at 3801 Centerpoint. Minerals Management Service now

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occupies the fifth floor at that location. [redacted] was the [redacted] at the time. the phone number to the regional director's office is [redacted]

- Just a reminder, Flight Standards was moved from the airport, into the strip mall next door. [redacted] bought the strip mall from the same owner he bought the property he built Centerpoint [redacted] he strip mall with Ted's [redacted] [redacted]

2004 Sometime during 2004 Mark Begich is bought out (probably by [redacted] [redacted] of his 1.5% interest in the Calais Office Towers for an unknown amount. As you ponder what it may have been, remember that Ted Stevens bought into [redacted] property for $50,000 in 1997 and was bought out in 2004 for $1.038 million.

Estimated Giveaways:

A guess of what they gave away to partners in just the military housing: based on what little I have been able to glean from information those involved don't want me to have:

1. Four hundred and ten (410) built 1400 square foot units with two car garages valued at $200,000 each = $82,000,000.
2. Eight hundred and fifty (828) older units averaging 1200 sq. ft. each, some with one car garages, at an average value of $153,000 each = $127,000,000.
3. Estimated total value of existing property at $209 Million taxed at 17 mils, equals an average annual revenue loss of $3,553,000.
4. Phase Two, consisting of four hundred and ten (410) not yet built 1400 sf units with two car garages valued at $200,000 each = $82,000,000. Future tax value = $1,394,000, increasing the Municipal annual revenue loss to an estimated total of $4,947,000.

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One of the arguments [redacted] made was that the project would not float without the tax break and that the tax breaks were for the benefit of the troops. Prior to [redacted] gift rental units on Elmendorf were rented to the troops at rent rates substantially below the local market. When the existing properties were given to [redacted] for a nominal fee, the government gave away the benefit of receiving a comparatively nominal rent, and the rent for the troops was raised by [redacted] to match competitive market rents. [redacted] then started receiving a cash inflow at the expense of the troops: one that I suspect amounts to somewhere in the neighborhood of $18 million per year. No wonder some people love 'Uncle Ted' so much.

I believe that the above information demonstrates how less than honorable people rise to the top. Convinced that no one will question their actions when the appearance of fraud is shared with large numbers of the powerful, persons with only a little bit of larceny in their blood find themselves willing to do their small part, or simply look the other way, in exchange for money or power. Swept up into a culture of corruption, they share an unfairly acquired leg-up on their competition; and as a group, they come to dominate the political process.

I believe the above demonstrates a willingness of local, state and federal officials to work together in a conspiracy to defraud the federal government of millions of dollars if they believe a portion the booty will directly or indirectly eventually find its way into their pockets. I believe the above lays out information sufficient to warrant an investigation as to whether or not crimes were committed with the direct participation or complicity of dozens of people. Whether guilty of a crime or not, I find it implausible to believe that

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anyone named in this article is unaware of the role they've played in perpetuating a culture where bribery is an accepted way of business. Whether guilty of a crime or not, their indifference to what I suspect anyone involved very likely knew or suspected is deplorable.

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In speculation, what did they want and what did they get? What kind of appraiser might be willing to represent a property to be zoned business when it was not? Could it be one who was a little bit crooked and knew how lucrative it might be to have [redacted] future business?

When [redacted] Dowl Engineers summarized for the Assembly that the National Archives had acquired the property as R-3, with the anticipation that it might be rezoned to B-3, could he possibly not have suspected that there may have been a little bit of fraud going on in the midst of the deal he was helping to consummate?

[redacted] client no longer even owned the property. Could he really have believed that the decision makers at the National Archives wanted the property to be rezoned in a manner that could only cost more money? Even if those at the Archives had said they wanted the property re-zoned B-3, wouldn't it be obvious to any casual observer that any buyer in the position of the Archives would only make such a statement under duress? Wouldn't it be obvious to any casual observer that the only reason those at National Archives might have issued such a letter could only have been in response to pressure from above? Pressure brought from above because someone down below refused to do their part without a little additional something to cover their ass?

And what about the Assembly members who voted for it? Both they, and the planning commission members who serve at the pleasure of the mayor, did so with the full knowledge that the only reason they were being asked to do so was to justify the fact that Jon Rubini had already succeeded in getting the government to pay him nearly three times as much as his **residentially zoned** property was worth at the time he closed the sale. At the very least, this knowledge alone should have been the equivalent of a red flag on the field to everyone in the room; an omen to the smell of fraud in the air. Mark Begich is a real estate professional who knows full well that if the federal government had already closed on [redacted] property, some rules were probably broken and some fraud probably occurred. At the very least he should have called a timeout and checked.

> **According to KTUU Wednesday August 1, 2007** newscast, [redacted] used an age old time tested mechanism for quelling the opposition to his requested rezone. He bribed them. Mayor Mark Begich told KTUU that he removed his opposition and issued a letter in support of [redacted] requested to rezone his property after [redacted] had won the support of the trustees in charge of the neighboring park land.
>
> And just how did [redacted] win the support of his surrounding land owners? He promised them 20% of the $ 2.025 million he expected to be able to fleece the federal government for if he could just get his rezone. He explained that supporting his rezone would enable a higher appraisal to present to the federal government and that the he would pay them $440,000 of the $2.2 million in profits the government would pay him if they would just stop opposing his rezone.

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Begich, says the higher price your government had to pay [redacted] because of the rezone he helped [redacted] get and described the bribe [redacted] paid his neighbors to get their cooperation as a "Win-Win" for everybody. I think were in real trouble if paying off your neighbor becomes a standard for people seeking permission for a change of use for their property.

- Click below to see news clip:
  http://www.ktuu.com/global/video/popup/pop_player.asp?LaunchPageAdTag=Homepage&ClipID1=1634376&h1=Begich%20played%20role%20in%20archive%20land%20buy&vt1=v&at1=News&d1=191133&activePane=playlist&playerVersion=8&hostPageUrl=http%3A//www.ktuu.com/&rnd=1204563

- Note: In all cases of the above mentioned properties which are partially owned by Ted Stevens' [redacted] and attorney [redacted] owns 6%. Alaska law allows attorneys to act in the capacity of a real estate broker once a year. Six percent is a common amount charged by real estate brokers. I therefore suspect it possible that [redacted] was "cut in to the deal without investment," under the false pretense that he had provided [redacted] with a brokerage service.

?/?/2004 Sometime in 2004, Ted Stevens made a change that hid many of his assets. He sold some or all of his interests in [redacted] properties and along with other assets and proceeds from the sale of assets, placed most of his wealth in a blind trust. The scanty disclosure requirements of the U.S. Senate lead us to believe his trust is worth between $1 million and $5 million.

07/26/2005 Mayor Begich pushed a new ordinance through the Municipal Assembly (OA. NO. 2005-91) waving [redacted] obligation to comply with twelve of Anchorage's laws in Title 21, the portion of Anchorage's Municipal Code that sets out the planning and zoning requirements that all competing developers now are, and will be in the future, required to comply with.

- Note: I believe the above referenced ordinances exempting [redacted] from regulation violate Alaska's constitutional prohibition barring the passage of laws designed just for the benefit of one person. I also believe that of the tax exemption Ben Stevens (Ted's son) pushed through the Alaska Legislature, exempting [redacted] and his partners [redacted] and [redacted] from Municipal Property Tax.

  Reminder: [redacted] is Ted Stevens' [redacted]"

- As I have done many times in the past, in the public's interest I would bring suit in Alaska's Courts to overturn the passage of such unconstitutional laws, but former Governor Murkowski, with the help of former Senator Ben Stevens, pushed legislation through Alaska's Legislature that changed the laws on what is known as "Public Litigation." Prior to the change in the law, "Public Litigants" were protected from being shackled with the State's attorneys' fees and the attorney fees incurred by Public Litigants for having brought such suits would be paid by the State if "The litigant had gone to the trouble of enforcing Alaska's constitution without anticipation of financial reward for having done so."

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- Although I won in the arena of Alaska's public opinion, I lost to Ben Stevens and the State of Alaska in Alaska's Courts. Had it not been for the intervention of the FBI, I might have lost the whole war and Ben might still be in power. In either case, intervening on the public's behalf to protect them from those who would eviscerate their Constitution has become a far more risky business than it used to be. Following Ben Stevens' victory in the State Courts, a victory that still stands, Ben attempted to use his new law to collect $56,000 from me for trying to recall him from office. Had it not been for a technicality in my favor, he could have collected.
- The new law on Public Litigation, as well as several other laws Ben Stevens and Frank Murkowski pushed through, was pushed through at the behest of those who were bribing Ben. As it becomes increasingly clear that the Murkowski Administration and his Department of Law (including APOC – the Alaska Public Offices Commission) were doing everything in their power to assist Ben Stevens in concealing his fraud, including pushing for the passage of such laws, the need for reviewing and repealing laws pushed through by Ben Stevens becomes increasingly obvious.

January 21, 2006 ADN ARTICLE: City officials and four developers have signed an agreement for construction of a new, $103 million Convention Center in downtown Anchorage, and a bond sale to finance the project is set for next week. About $70.5 million of the total will go toward building the 215,000 square-foot center, a marginal $1.1 million increase from an estimate presented to the Anchorage Assembly last month. The developers —[redacted]— have agreed to contribute up to $2 million each if overruns exceed more than $6 million in contingency funds set aside for extra costs,[redacted] said. If money is left after completion, up to $2.5 million extra could go to the group, he said. Note: As near as I am able to tell, the developers had initally proposed a development concept in 2004, about the same time Mayor Begich began pushing ordinances through the Municipal Assembly waving the "would be developers" obligation to comply with provisions of Title 7 and title 21.

April 7, 2007 Anchorage developers[redacted] and contractor[redacted] (*developers who are also partners of*[redacted]*who is in partnerships with Mark Begich and Ted Stevens*) announced that they bought two downtown building lots and planned to pave them, put in 75 parking spaces and temporarily rent them to the city of Anchorage for $29,000 per month. (A lease amount that this[redacted] *the author of this timeline*, insistently recognized as about 10 times any realistic lease value for the property.) The eventually completed parking lot held 67 parking spots, is tented by the hour and has since the city began paying $29,000 per month to the business partner of the Mayor's business partner, the lot has experienced about a 15% occupancy and after management and lease payment costs are deducted, the lot is costing the city about $25,000 more per month than it generates. ***An appraisal demonstrating the actual lease monthly lease value to be approximately $3,639 per month is available on request.*** FBI - Stevens-4443

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Early in 2007[redacted] secured right to subdivide 3.83 acres off of an 8 acre parcel owned by the U.S. Postal Service. The property is the wooded section on the corner of 36th and A Street, setting between the post office and 36th. That post office sets immediately to the west of the Anchorage Loussac Library and Assembly Chambers. It

has a public notice sign posted to alert people of the upcoming hearings regarding its subdivision. The file number for additional hearing information is S-11596. The contact person's name in planning is [redacted] The property is about two hundred yards from the property [redacted] just sold to the federal government for approximately $10 per square foot. (I'll bet he is paying a lot less for this.) To contact the land sales office of the U.S. Postal Service, call 303-220-6547. (I think the person's name to talk to is [redacted] I called and ask some questions like "Where was this advertised?" and "how much did he agree to pay?" The person I spoke with promised to get back to me with some answers, but that was months ago and he never did. Dowell Engineering is handling [redacted]'s application for a subdivision.

[redacted]

(See following page for contacts) **Others who may be able to shed light on the above issues:**

b6
b7C

1. [redacted]

2. Anchorage Assemblywoman Sheila Selkregg, former director of the Planning Commission. It would be appropriate to ask her why the planning commission opposed the first rezone request and changed its opinion after [redacted] purchased the property. Home = [redacted]

3. [redacted] the Anchorage Planning Department working directly under each mayor's appointed [redacted]

4. [redacted] the agent who had the property listed for the former owner for ten years. Now living out of state, her # is [redacted] Ask her about what she learned from the GAO office located in the city where she now lives. Seems there was a bit of arm twisting to buy the 8 acres at any price.

5. [redacted] who sold the property to [redacted] for the construction of the Parks Building. Tel. = [redacted]

6. Senator Tom Wagoner. Home = [redacted]

7. [redacted] now living in Homer Alaska [redacted]

8. The Government Services Administration in Tacoma Washington, the office that handled the government's acquisition of [redacted] property. (Roomer has it that they were told to buy it at any price.)

FBI - Greens 1443

Note: The initial purpose of this document was to provide interested law enforcement and or investigating reporters with a starting point for conducting their own investigative research. This fact is demonstrated by the story that appeared in the

nationally known Washington DC publication Roll Call. After gleaning pointers from the pointers herein, Roll Call did their own research, resulting in their own story, without mention of the above timeline.

Circulation at the hand of its author was generally confined to persons fitting the above descriptions and persons who had expressed an interest in assisting with the addition of things of they have knowledge and believe to be in need of investigation. It was not widely circulated until after persons mentioned above obtained copies from persons other than its primary author and sent hints of litigation followed by public statements about its content. Content that theretofore had not been widely published, or posted on the web. If you know of needed corrections, please advise.

This document became a document of much wider public interest when persons named herein challenged its content on the Anchorage Daily News's political blog and contributors to that blog began asking to see the content to which they referred. Seeing the growing public interest, I elected to subtitle it "An argument in support of the "Clean Elections Initiative"

# # # #

FBI - Stevens-4445

FD-1023 (Rev. 6-22-2007)

FEDERAL BUREAU OF INVESTIGATION

Confidential Human Source (CHS) Reporting Document

Reporting Date: 11/01/2007

b6
b7C
b7D

Case ID: 194-AN-13620-TSTEVENS (Pending) 216
[redacted] (Pending)
[redacted] (Pending)

Contact Date: 10/23/2007

Type of Contact: Telephonically

Location: Anchorage, AK

Written by: SA [redacted]
Other(s) Present: N/A

Source Reporting:

Source, who is in a position to testify, provided the following information:

On [redacted] contacted Source again and advised he was a freelance reporter. Source advised [redacted] to stop harassing [redacted] asked Source about [redacted] and Ted Stevens. [redacted] asked if there were any sex parties at Ted Stevens' home. Source advised he/she did not know. [redacted] advised he was going to publish a story in three weeks.

[redacted] cell phone is [redacted]

♦♦

FBI - Stevens-4446

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FBI investigating Stevens' fishing bills

Associated Press

AP Photo: Sen. Ted Stevens, R-Alaska gestures during an interview with The Associated Press, in his...

By MATT APUZZO, Associated Press Writer
Tue Oct 30, 4:53 PM ET

WASHINGTON - Federal authorities investigating Sen. Ted Stevens are trolling the Alaska fishing industry for evidence of whether the powerful Republican pushed seafood legislation that benefited his lobbyist son.

So far, the most public aspect of the investigation was the FBI raid on Stevens' home in July, with agents seeking evidence of the senator's relationship with a corrupt Alaska oil contractor.

But authorities have also quietly amassed evidence about fishing.

After serving subpoenas throughout the industry last year, investigators recently returned to Seattle, home to many of the boats and processors that bring Alaska's seafood to market.

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Industry officials and attorneys involved in the case, who spoke on condition of anonymity because authorities have told them not to discuss the probe, said investigators are asking about federal legislation that directly or indirectly aided the senator's son, Ben, who is a state lobbyist and politician.

The legislation was passed as earmarks, brief spending items that lawmakers tack onto bills to steer federal money to pet projects. Ted Stevens, an unapologetic user of earmarks, is the biggest champion for Alaska's $2 billion-a-year seafood industry.

Stevens has said he won't discuss the investigation so it won't look like he's trying to influence it. His spokesman, Aaron Saunders had no comment and Ben Stevens' attorney did not respond to messages.

Among the pieces of Stevens-sponsored legislation being eyed:

_A $100 million federal loan program approved in 2000 to buy out Alaska crab boats, trim the size of the fleet and boost prices. The Bering Sea Crab Effort Reduction Fund, an industry group that supported the buyout program, hired Ben Stevens' company, Advance North, as a consultant.

_A $30 million earmark Ted Stevens used to create the Alaska Fisheries Marketing Board, which provided federal money to promote Alaska seafood. Ben Stevens was the board's first chairman and approved grants to companies including those paying him consulting fees, state financial disclosure reports show.

_A $50 million loan program, like the crab buyback, seeking to trim the Alaska salmon fleet in 2004. The Southeast Alaska Seiners Association, a salmon fishing organization, hired Advance North to help push the deal. Ben Stevens is not a federal lobbyist and the salmon

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FBI - Stevens - 4447

#4 194A-AN-13620-Tskevens-217

ELSEWHERE ON THE WEB

CNN.com: Obama, Edwards go after Clinton during debate

ABC News: THE NOTE: Clinton Slips, Rivals Pounce

McClatchy Newspapers: Democrats attack Clinton in bid to break her momentum

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fishing group said his business partner, Trevor McCabe, did the lobbying.

But Victor Smith, a fisherman and critic of Ben Stevens, gave the FBI a taped phone conversation that he said proves otherwise. In the 2005 conversation, Smith called the seiners group's board member Bryan Benkman to discuss why funding was stuck in the federal bureaucracy even after the earmark passed.

Both men expressed disappointment in Ben Stevens and Smith asked why he was hired. Benkman replied that the younger Stevens recalled his success getting the crab buyback passed and pitched himself as a conduit to his father.

"He said, 'Hey, see I've got a program. You know, I've got this one to my credit. Hire me, you know, I'll get Dad to fund you guys, too," Benkman said.

_A 2003 earmark that gave exclusive pollock fishing rights to Alaska natives in the far-flung Aleutian community of Adak. That meant millions of dollars for Adak Fisheries to manage the catch of pollock, the lucrative whitefish commonly used in fishsticks and fish sandwiches.

The company paid Ben Stevens $295,000 between 2000 and 2004, according to state financial disclosure reports. When the earmark went through, Ben Stevens also secretly held an option to buy into Adak Fisheries.

Questioned by the Anchorage Daily News in 2003, Ted Stevens dismissed any connection between the legislation and his son's consulting business.

"Neither one of us is getting rich. That's for damn sure," the senator said. "And we're doing what we think is right."

When the stock option surfaced in a lawsuit in 2005, the senator said he had never discussed the pollock bill with his son.

"I have all kinds of ownership in stock and real estate that my father doesn't have a clue about," Ben Stevens said at the time. "You don't tell your father every time you make a decision. I'm 46 years old."

Documents related to the earmarks were among those subpoenaed by authorities last year. At the time, however, Ted Stevens was not known to be a focus of the investigation. He has denied any wrongdoing and has not been charged with any crime.

Despite the criminal investigation, he remains extremely popular in his home state, where he has been a political figure since before statehood. Ted Stevens is up for re-election next year and has more than $1 million in campaign cash. His most recent fundraising quarter was strong and included tens of thousands of dollars from funds controlled by his fellow GOP lawmakers.

—

Associated Press writers Gene Johnson in Seattle and Steve Quinn in Anchorage, Alaska, contributed to this report.

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FBI - Stevens.4448

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FBI - Stevens-4449

STATUTE OF LIMITATIONS TOLLING AGREEMENT

1. This tolling agreement is made and entered into by and between the United States Department of Justice, Criminal Division, Public Integrity Section ("United States"), myself, Theodore F. Stevens, and my attorney [redacted] b6 b7C

2. I, Theodore F. Stevens, have been advised by my attorney [redacted] that the United States is investigating my alleged involvement with [redacted] VECO Corporation, and others, in a scheme to violate federal criminal laws, including but not limited to financial benefits allegedly received by me in exchange for official acts that benefited [redacted] and VECO Corporation's business interests, as well as my failure to disclose these alleged financial benefits on certain of my United States Senate financial disclosure forms. As my attorneys have advised me, the United States contends that this conduct may give rise to a number of violations of federal criminal law, including but not limited to Title 18, United States Code, Sections 2 (aiding and abetting), 201 (bribery and illegal gratuity), 371 (conspiracy), 1001 (false statements), 1341 (mail fraud), 1343 (wire fraud), and 1346 (honest services fraud).

3. I have been advised by my attorneys and understand that the government states that under federal law, as set forth in Title 18, United States Code, Section 3282, the statute of limitations for most federal criminal offenses, including the above-referenced sections, is five years from the date on which the final act in furtherance of the crimes was committed. I further understand that, upon the expiration of the applicable limitations period and absent an agreement on my part, I could not be prosecuted for a time-barred federal criminal offense.

4. I agree to a tolling of any applicable statute of limitations regarding the above-referenced conduct from May 9, 2007 until March 31, 2008. I understand that, in exchange, the United States

agrees to extend the time in which I may present evidence and arguments to the United States concerning the contemplated charges.

5. Nothing in this agreement is intended to limit the ability of the United States to bring criminal charges prior to the expiration of this tolling agreement.

6. I understand that by agreeing to toll, and thus not to assert, the claim of statute of limitations, I am giving up any rights I may have under the federal statute of limitations provisions regarding charges that may result from the investigation described in this document provided that such charges are brought on or before March 31, 2008.

7. Notwithstanding any other provisions of this Agreement, I understand that nothing herein has the effect of extending or reviving any limitations period that has already expired prior to May 9, 2007. b6 b7C

8. I have discussed this matter with my attorneys, and they and I fully understand the consequences of this tolling agreement. No promises, representations, or inducements of any kind other than those set forth herein have been made to me in connection with this tolling agreement.

Signed this 16th day of November, 2007.

THEODORE F. STEVENS

[redacted]

Attorney for Theodore F. Stevens

WILLIAM M. WELCH, II
Chief, Public Integrity Section

[redacted]

NICHOLAS A. MARSH

[redacted]

Trial Attorneys, Public Integrity Section
U.S. Department of Justice

[redacted]

Assistant U.S. Attorneys
District of Alaska

FBI Stevens-4451

FD-1023 (Rev. 08-02-2007)

FEDERAL BUREAU OF INVESTIGATION

Confidential Human Source (CHS) Reporting Document

Reporting Date: 11/02/2007

Case ID: [redacted] TSTEVENS (Pending) -219
[redacted] (Pending)

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Contact Date: 11/02/2007

Type of Contact: In person

Location: Anchorage, Alaska

Written by: SA [redacted]

Other(s) Present: SA [redacted]

Source Reporting:

SOURCE reviewed a number of photographs, both still and spherical, of SENATOR TED STEVENS' home located in Girdwood, Alaska. The photos were obtained during the search warrant execution which occurred in July of 2007. SOURCE provided the following information on the photos reviewed:

SOURCE was shown spherical photos of location X, the garage at the STEVENS' Girdwood residence. SOURCE identified the following items which were installed or remodeled by SOURCE, VECO ALASKA or contractors hired by SOURCE:

1,2

- Boiler - VECO paid MARK TYREE for the installation including all associated plumbing which included the hot water baseboard on the first floor.
- Speed Bag - frame was built by VECO employees in order to protect the boiler/hot water heater from being hit. A speed bag was added to the frame for Senator Stevens.
- Several metal hooks were attached to the garage walls by VECO for drying skiing equipment.
- [redacted] a contractor hired by VECO, built the [redacted]

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b7C

FBI - Stevens-4452

- SOURCE recognized a tool chest that VECO provided. VECO also placed a variety of tools within the chest for SENATOR STEVENS.

- The cabinets in the garage came from the kitchen and [redacted] coat rack in the garage.

- The staircase located in the garage were placed there at a later date than some of the others items. SOURCE could not recall if [redacted] or VECO employees completed the construction of the staircase.

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- SOURCE pointed out concrete patchwork within the flooring which was originally done by ROCKY WILLIAMS. WILLIAMS's original job was not level causing the water to pool [redacted] VECO employees redid a section in order to make it more level.

- SOURCE advised that the shelving located next to the lockers as well as the lockers were SENATOR STEVENS.

Next, SOURCE was shown spherical photos of location L, the kitchen at SENATOR STEVENS' Girdwood residence. SOURCE identified the following items which were installed [redacted] VECO ALASKA or contractors [redacted]

- The counter tops were new and possibly completed by WILLIAMS. WILLIAMS also installed the second level of counter tops.

- [redacted] The cabinets were placed in the kitchen at the same time as the remodeling. SOURCE recalled that SENATOR STEVENS wanted some other type of cabinets but [redacted] specifically wanted knotty-pine cabinets which were ultimately installed.

- SOURCE believed the refrigerator was already in the residence but VECO purchased the dishwasher, stove and trash compactor.

SOURCE was shown spherical photos of location K, the living room at SENATOR STEVENS' Girdwood residence. SOURCE identified the following items which were installed [redacted] VECO ALASKA or contractors [redacted]

FBI - Stevens-4453

- SOURCE advised that the sofa, love seat, table and chair set [redacted] to SENATOR STEVENS.

- SOURCE recognized a stained glass piece hanging in the window and thought that either [redacted] or more likely [redacted] had given it to SENATOR STEVENS. [redacted] WILLIAMS hung the piece after the remodeling of the residence was completed.

- [redacted]

SOURCE was shown spherical photos of location J, room B which has a fireplace within the room at SENATOR STEVENS' Girdwood residence. SOURCE identified the following items which were installed [redacted] VECO ALASKA or contractors [redacted]

- The tile surrounding the fireplace was laid by WILLIAMS. The fireplace was installed by SENATOR STEVENS.

SOURCE was shown spherical photos of location M, room E which is a bedroom at SENATOR STEVENS' Girdwood residence. SOURCE identified the following items which were installed [redacted] VECO ALASKA or contractors [redacted] b6 b7C b7D

- The baseboard heating was all replaced by MARK TYREE when TYREE installed the new boiler system.

- [redacted] may have built the drawers in the wall of the room.

SOURCE was shown spherical photos of location O, room D which is SENATOR STEVENS' office at the Girdwood residence. SOURCE advised that nothing in the room had been remodeled or installed by VECO or any of its contractors.

SOURCE was shown spherical photos of location P, room A (1), the entry way of SENATOR STEVENS' Girdwood residence. SOURCE advised it was all new construction and had been completed by both VECO employees [redacted].

SOURCE was shown spherical photos of location Q, room K, the downstairs living room of SENATOR STEVENS' Girdwood residence. [redacted]

FBI Stevens-1434

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SOURCE was shown spherical photos of location R, room L, the bathroom/sauna of SENATOR STEVENS' Girdwood residence. SOURCE advised that most likely [redacted] and MARK TYREE installed the heater, toilet and sink as well as completing all of the plumbing. VECO completed all of the necessary electrical work.

SOURCE was shown spherical photos of location S, room M, a downstairs bedroom of SENATOR STEVENS' Girdwood residence. SOURCE advised that the dresser may have been [redacted]

SOURCE was shown spherical photos of location T, room N, another downstairs bedroom of SENATOR STEVENS' Girdwood residence. SOURCE could not recall any renovations or furniture provided by VECO or its contractors.

SOURCE was shown spherical photos of location I, room F, the upper level located off of the master bedroom of SENATOR STEVENS' Girdwood residence. SOURCE recalled that VECO and its contractors had been involved in the renovations. SOURCE remembered that [redacted] had wanted to re-use some of the boards from another part of the residence. The older boards were placed into this room.

SOURCE was shown spherical photos of location H, room G, a bathroom located upstairs of SENATOR STEVENS' Girdwood residence. SOURCE advised that VECO and/or its contractors did some of the remodeling including the installation of the toilet and sink.

SOURCE was shown spherical photos of location G, room H, the master bedroom located upstairs of SENATOR STEVENS' Girdwood residence. SOURCE advised that VECO electricians installed a ceiling light/fan fixture and provided the white colored conduit. [redacted] queen size bed for SENATOR STEVENS [redacted].

SOURCE was shown a number of spherical photos taken outside of SENATOR STEVENS Girdwood residence. VECO employees completed the paint job but it faded shortly thereafter. VECO provided all of the metal fabricating on the outside of the residence as well as the back stairwell. [redacted] VECO also completed the fabrication of the wood holders.

FBI - Stevens-4455

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After reviewing a spherical picture of a king salmon statue located on the Girdwood residence porch, SOURCE advised [redacted] provided SENATOR STEVENS with the king salmon statue. The statue was purchased at an auction at the Kenai River Classic Invitational for approximately $40,000.

After reviewing a spherical photo of the roof, SOURCE recalled that [redacted] Again, VECO completed the fabrication for the back landing located off of the master bedroom as well as the Johnny ladder, which folds out in the event of an emergency. The lower half of the residence was new construction completed during the renovations. This work was also completed by VECO and its contractors. VECO placed a heating apparatus on the roof to take care of the ice issue on the new section (the location above the kitchen) of the residence. VECO employee [redacted]

SOURCE reviewed spherical photos of a generator and its cover. According to SOURCE, [redacted] the cover of the generator. SOURCE recalled that one generator did not work particularly well and VECO took it back and replaced it with a larger generator after the renovations. Both generators were provided by VECO.

While reviewing photos of the front porch of the residence, SOURCE recalled that VECO installed the posts. [redacted] advised that SENATOR STEVENS [redacted] SENATOR STEVENS placed a lock on the gas apparatus for the grill [redacted]

After completing a review of the spherical photos, SOURCE was shown a number of still photos taken at SENATOR STEVENS' Girdwood residence. Below is a list of still photos shown to SOURCE:

- Crawl space - MARK TYREE completed plumbing projects underneath the crawl space.
- [redacted] - SOURCE did not recognize the coat and was unaware of where it came from.
- Wine cellar - SOURCE recalled that SENATOR STEVENS had a lot of wine at his residence in Washington, D.C. SENATOR STEVENS often brought some of the wine

to replenish his wine cellar at the Girdwood residence.

- Instant hot water heaters - The instant heaters were [redacted] in the wet bar on the first floor and in the kitchen. b6 b7C b7D
- Hot water heater - MARK TYREE installed a new hot water heater.
- Electric panel - VECO electricians installed the entire box. All materials associated with the box were provided by VECO.
- Christmas lights surrounding the residence - VECO employees installed all of the decorative lights.
- Tool chest - VECO placed a variety of tools within the box. SOURCE was unsure as to what tools they were.
- Tub tile - SOURCE believed that VECO completed the tile installation.

♦♦

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 11/30/2007

On September 12, 2007, [redacted] was in response to a Federal Grand Jury Subpoena (FGJS) request [redacted] b3 b6 b7C

[redacted] is attached and made part of this document. [redacted] reads as follows:

[redacted]

Investigation on 09/12/07 at Anchorage, AK (via facsimile)

File # 194A-AN-13620 -TSTEVENS -220 Date dictated 11/30/07

by SA [redacted] b6 b7C

FBI - Stevens-4458

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

[redacted]

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During a subsequent telephone conversation, [redacted]

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• Comments:

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b6
b7C

FBI - Stevens-4460

(Rev. 01-31-2003)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE **Date:** 12/03/2007

To: Washington Field **Attn:** Public Corruption Squad

From: Anchorage
Squad 4
Contact: SA [redacted]

Approved By: Heller David E [redacted]

b6
b7C

Drafted By: [redacted]kls

Case ID #: 194A-AN-13620-TSTEVENS (Pending)-221

Title: POLAR PEN;
CSLPO

Synopsis: To set leads for Washington Field Office requesting that subpoenas be served, and the following two individuals, [redacted]

Enclosure(s): Enclosed for Washington Field office are: 1) Copies of invoices detailing various [redacted] 2) Copy of a [redacted]

Details: The above captioned matter pertains to a widespread public corruption investigation being conducted by the Anchorage field office in which an oilfield services company, VECO Corporation, was providing financial benefits to state and federal legislators. Of interest to this investigation are [redacted]

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[redacted]

[redacted]

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Anchorage is requesting that Washington Field Office serve a Federal Grand Jury subpoena [redacted]

[redacted]

Anchorage is also requesting that Washington Field Office serve a Federal Grand Jury subpoena on [redacted]

On a separate matter, Anchorage is requesting that Washington Field Office serve a Federal Grand Jury subpoena on [redacted]

[redacted]

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LEAD(s):

Set Lead 1: (Action)

WASHINGTON FIELD

AT ARLINGTON, VA

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Serve Federal Grand Jury subpoena and conduct interview of [redacted] The Federal Grand Jury subpoena for [redacted] will be provided by Nicholas Marsh, an attorney for the Department of Justice, Public Integrity Section. Please contact Marsh at telephone number 202-307-1049 to obtain the subpoena.

Set Lead 2: (Action)

WASHINGTON FIELD

AT WASHINGTON, DC

Serve a Federal Grand Jury subpoena on [redacted] The Federal Grand Jury subpoena will be provided by Nicholas Marsh, an attorney for the Department of Justice, Public Integrity Section. Please contact Marsh at telephone number 202-307-1049 to obtain the subpoena.

Set Lead 3: (Action)

WASHINGTON FIELD

AT ALEXANDRIA, VA

Conduct interview of [redacted] The Federal Grand Jury subpoena [redacted] will be provided by Nicholas Marsh, an attorney for the Department of Justice, Public Integrity Section. Please

contact Marsh at telephone number 202-307-1049 to obtain the subpoena.

♦♦

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 11/30/2007

[redacted] was advised of the identity of the interviewing agents and the purpose of the interview. He advised the following:

He was the [redacted] for a [redacted] with the Alaska Shipyard System for Education and Training. He was involved in an employment grant through the Department of Labor (DOL) related to the shipyard for approximately three years, and noticed discrepancies regarding the way in which the earmarked grant funds were dispersed.

[redacted] explained the project received earmarked federal grant money set aside by US Senator TED STEVENS for the training of new employees for the Alaska Ship and Dry Dock, located in Ketchikan, Alaska. He explained the difference between earmarked federal grant money and receiving federal grants. Companies compete against each other to obtain federal grants, submitting requests for the funds. Earmarked federal grant funds are not competitive, the monies are specifically set aside for a specific purpose and once the company / business completes required paperwork, they receive the funds. In this instance, STEVENS set aside or earmarked $500,000, then $150,000 federal grant funds to the Alaska Ship and Dry Dock for training, minus approximately a .5% origination fee. The Alaska Ship and Dry Dock is the "contractor" which operates the shipyard in Ketchikan owned by the State of Alaska. The owner is the Alaska Industrial Development Association (AIDA). b6 b7C

[redacted] He believes the grant process started in 2002. The grant was specifically to be used for training employees and new employees for the Alaska Ship and Dry Dock. They currently had approximately 100 employees but estimated they would hire additional personnel, and have close to 300 employees within a few years.

UA has the approval of the State of Alaska to conduct training in various areas, to include the dock personnel, which is the reason the grant was requested through UA. [redacted] believes the grant was not used correctly. He believes the

Investigation on 11/30/07 at Anchorage, AK

File # 194A-AN-13620-TSTEVENS; AN 46-0 Date dictated 11/30/07

by SA [redacted]

FBI - Stevens-4476

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grant could have worked, but there was a problem getting the employees to actually train. The dock would list productivity needs as a priority, and training fell lower than that priority. Due to productivity demands, employees were not provided training from the grant. But the money was being "eaten up" by some training, training which [redacted] believes the employer should have paid for as it did not fall within the venue of the grant. He also said some of the money found its way into individual salaries. He believes that the UA and Alaska Ship and Dry Dock management did not want to "embarrass" STEVENS with reports of the money not being used correctly. So false reports were submitted stating individuals received training. [redacted] stated some of his reports were completely re-written [redacted] person for the ship yard. [redacted] was also [redacted] regarding UA.

[redacted] said the money was not obtained in a lump sum, that "draws" were made against the grant for the money. As long as paperwork did not list an "expense," the documents went through without incident accounting the use of the funds. There were quarterly reports written on the funds, but the "government" never checked the reports.

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b7C

[redacted] the false reports and lack of training. [redacted]

[redacted] provided the names of three DOL federal officers [redacted] The first two DOL employees were located in Seattle, Washington: [redacted] (retired) and [redacted] The Seattle DOL office was closed, and [redacted] location is unknown. It is believed [redacted] may be residing in Seattle currently. The most recent officer was [redacted] telephone number [redacted] stated [redacted] visited the site prior to the grant during a site survey and wrote a "bad report" regarding the site. [redacted] believed [redacted] were no longer with DOL due to the closure of the Seattle office, but also theorized that someone could have been unhappy with [redacted] reports and coerced him to retire.

Another grant was obtained through the State of Alaska DOL in the amount of $126,000, for the same premises to provide training to the dock employees. [redacted] said they did not provide the training, but amended the grant to match what they wanted to do with the funds. [redacted] believes [redacted] wrote and submitted the grant. b6 b7C

[redacted] believed the Alaska Ship and Dry Dock was a "shaky operation." He stated the business had a long term lease of 8 years from AIDA. He did not have further details, but said AIDA, the Department of Transportation (DOT), and one or two other entities secured a $65 million grant for improvements to the shipyard. [redacted] stated President BUSH signed the grant. He said the property was approximately ten acres, between Ketchikan city limits and the Ferry, and doubted there could be any necessary or foreseeable improvements for that large amount of money. The lobbyist for the large grant is located in Washington DC, her name is [redacted]. The project is intended to be a seven year project, which has not yet been initiated. The grant was possibly obtained last year.

The Alaska Ship and Dry Dock has a reputation for being overdue and delayed with their ship repairs. [redacted] said they had one "Federal" job (agency not provided) to refurbish a military boat. The company was six months late getting the job done, and had to "re-do" the boat on occasion as the government stated the boat did not pass inspection.

[redacted] stated the Navy is in the process of obtaining a contract with the Alaska Ship and Dry Dock to build a Navy research vessel. It is known as the "Point MacKenzie Ferry," which would have the ability to transport automobiles as well as smaller ships which could be "picked up in the water" by the vessel. The dock would not directly have the contract, as they are utilizing another Navy contractor for the bid. [redacted] did not have the name of the contractor.

[redacted] of the Alaska Ship and Dry Dock. [redacted] believes both [redacted] have falsified reports regarding aforementioned grant documents. The company maintains their own accountant for the grant money. [redacted] did not know the name of the current accountant.

[redacted] did not know the involvement of SENATOR STEVENS or other politicians with regard to the earmarked grants, or if there was corruption involved. He only knew the money was earmarked by STEVENS, but had no further information concerning kickbacks or bribery. He stated the ship and dry dock had numerous politicians tour the facility. The politicians, STEVENS, LISA (MURKOWSKI), would receive hard hats with their name on it, and the tours would be open to the public to meet the politician and "have a hot dog" or something similar. [redacted] estimated the company spent "tens of thousands" entertaining politicians.

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[redacted] stated he had electronic copies of the grant proposals, electronic mails regarding the grants, and background information on the Alaska Ship and Dry Dock which he would provide to the FBI. One document he received by accident, and will provide to the government, was a proposal where UA duplicated the request for the $500,000 training grant, provided it to a different agency than DOL, and received the funds. The funds are not being used for training the dock employees, but have set up "satellite learning centers" in Craig, Alaska located on Prince Wales Island; and Metlakatla Island. UA outlined the same details from the original DOL $500,000 grant for the shipyard, but are using the money elsewhere.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/02/2008

On 01/02/2008, [redacted] was served with a Federal Grand Jury Subpoena. [redacted] was served with the subpoena at [redacted] b3 b6 b7C

A copy of the subpoena is enclosed in the attached FD-340 envelope.

Investigation on 01/02/2008 at Washington, DC

File # 194A-AN-13620-TSTEVENS;223
194B-WF-C225475-A

Date dictated NOT DICTATED

by SA [redacted] es
SA

FBI - Stevens-4480

b6 b7C

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/02/2008

[redacted] date of birth [redacted], cell telephone [redacted] home telephone [redacted] was interviewed at [redacted] After being advised of the identities of the interviewing agents and the nature of the interview, [redacted] provided the following:

[redacted]

[redacted]

b3
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[redacted]

Investigation on 01/02/2008 at Washington, DC

File # 194A-AN-13620-TSTEVENS ;224
194B-WF-C225475-A

Date dictated NOT DICTATED

by SA [redacted] es
SA

FBI - Stevens-4481

b6
b7C

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[redacted]

[redacted]

b3
b6
b7C

[redacted]

[redacted]

[redacted]

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/02/2008

On 01/02/2008, SA [redacted] served [redacted] with a Federal Grand Jury Subpoena. The subpoena was served on [redacted]

b3
b6
b7C

A copy of the subpoena is enclosed in the attached FD-340 envelope.

Investigation on 01/02/2008 at Washington, DC

File # 194A-AN-13620-TSTEVENS;225
194B-WF-C225475-A

Date dictated NOT DICTATED

by SA [redacted]

b6
b7C

FBI - Stevens-4483

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/07/2008

On 01/07/2008, [redacted] was served with a Federal Grand Jury Subpoena. [redacted] was served with the subpoena at [redacted]

b3
b6
b7C

A copy of the subpoena is enclosed in the attached FD-3 envelope.

Upon receipt of the subpoena, [redacted]

Investigation on 01/07/2008 at Washington, DC

File # 194A-AN-13620-TSTEVENS;226
194B-WF-225475-A

Date dictated NOT DICTATED

by SA [redacted] esl
SA JG

FBI - Stevens-4484

b6
b7C

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(Rev. 06-04-2007)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE **Date:** 01/08/2008

To: Washington Field **Attn:** Squad CR-20
SSA [redacted]

Criminal Investigative **Attn:** Public Corruption Unit
SSA [redacted]
Room 3973

From: Anchorage
Squad 4
Contact: SA [redacted]

b6
b7C

Approved By: Heller David E [redacted]

Drafted By: [redacted]:kls

Case ID #: 194A-AN-13620-TSTEVENS (Pending)-227

Title: POLAR PEN;
CSLPO

Synopsis: To request concurrence of Washington Field Office for Anchorage Division to conduct interviews in WFO territory the week of January 21, 2008 and to request assistance of one WFO Public Corruption Agent on these interviews. Anchorage intends to interview [redacted] of United States Senator Ted Stevens.

Details: The above captioned matter pertains to a widespread public corruption investigation being conducted by the Anchorage Field Office in which an oilfield services company, VECO Corporation, was providing financial benefits to state and federal legislators.

Senator Stevens has long supported the oil and resource extraction industries in Alaska, pushing for expanded development opportunities and various projects that would be in the best interest of the oil industry. VECO and former VECO [redacted] often have been at the forefront of efforts by the oil industry to lobby the Alaska State Legislature and Alaska's Congressional delegation on these issues.

b6
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While the support provided by Senator Stevens has been relatively broad in spectrum, *i.e.* tending to benefit the oil industry at large, there are certain instances in which VECO Corporation has been the direct beneficiary. In return, Senator Stevens received multiple benefits from [redacted] and VECO

008KLS01.EC

Corporation that were not claimed on Stevens' United States Senate financial disclosure forms. Notably absent from these forms were approximately $300,000 in materials and labor paid for by VECO for the renovation of Stevens' Girdwood residence.

Three FBI agents from Anchorage, accompanied by three Internal Revenue Service (IRS) Criminal Investigations Special Agents and one Department of Interior (DOI) Office of the Inspector General Special Agent, will travel to Washington, D.C. for the week of January 21, 2008. In Washington, D.C. the agents will conduct joint interviews with current and former members of Senator Stevens' legislative staff regarding home renovation and other issues relevant to the current investigation. Anchorage is requesting WFO provide one agent to assist with the interviews.

On 01/24/2008, interviews will be conducted of the following individuals: [redacted]. It is believed that these individuals all currently are [redacted] Senator Stevens' [redacted] in Washington, D.C. A fifth, related interview will be conducted in Anchorage on the same day. Ideally, the interviews will be conducted simultaneously prior to normal working hours at their respective residences. Anchorage understands that no contact may be made with [redacted] at their respective legislative offices. The Department of Justice Public Integrity Section concurs with the interviews and concurs with contact of these individuals without prior notification of Senate Counsel.

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An additional four interviews will be arranged through Senate Counsel and conducted at a later date for the following individuals: [redacted] for Senator Stevens.

A meeting will be held on 01/22/2008 at 11:00 a.m. at the offices of the Department of Justice Public Integrity Section to coordinate the interviews. Anchorage requests that the designated WFO Agent attend this meeting. The Agent may coordinate with Special Agent [redacted] cellular telephone number [redacted] regarding the specific location of the meeting or with any other questions.

FBI - Stevens-4486

LEAD(s):

Set Lead 1: (Action)

WASHINGTON FIELD

AT WASHINGTON, D.C.

Request WFO concurrence with aforementioned interviews in WFO territory the week of 01/21/2008.

Set Lead 2: (Action)

WASHINGTON FIELD

AT WASHINGTON, D.C.

Request WFO provide one agent to assist with interviews of designated Senate staffers on 01/24/2008 in Washington, D.C. and to attend the coordination meeting on 01/22/2008.

Set Lead 3: (Info)

CRIMINAL INVESTIGATIVE

AT WASHINGTON, DC

For information of Public Corruption Unit. Read and clear.

♦♦

CO 293 (Rev. 8/91) Subpoena to Testify before Grand Jury

United States District Court

FOR THE DISTRICT OF COLUMBIA

TO:

SUBPOENA TO TESTIFY BEFORE GRAND JURY

SUBPOENA FOR:
[X] PERSON [ ] DOCUMENT(S) OR OBJECT(S)

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA **United States District Courthouse** **3rd and Constitution Avenue, NW** **Washington, DC 20001**	3rd Floor GRAND JURY ROOMS
	DATE AND TIME

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):*

b3
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b7C

☐ *Please see additional information on reverse.*

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY M. MAYER-WHITTINGTON, Clerk	January 3, 2008
(By) Deputy Clerk	

This subpoena is issued upon application of the United States of America.

NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY
Nicholas A. Marsh
Trial Attorneys, Criminal Division, Public Integrity Section
U.S. Department of Justice
1400 New York Ave. NW, 12th Floor
Washington, DC 20005
(202) 514-1412

FBI - Stevens-4488

File # 194A-AN-13620-TSTEVENS - 228

not applicable, enter "none". 110 (Rev. 12/89) Subpoena to Testify Before Grand Jury

RETURN OF SERVICE(1)

RECEIVED BY SERVER	DATE 1/04/2008	PLACE Anchorage, AK	
SERVED	DATE 1/07/2008	PLACE [redacted]	

SERVED ON (PRINT NAME) [redacted]

SERVED BY (PRINT NAME) [redacted] TITLE Special Agent, Federal Bureau of Investigation

b3
b6
b7C

STATEMENT OF SERVICE FEES

TRAVEL	SERVICES	TOTAL
—	—	—

DECLARATION OF SERVER(2)

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 1/07/2008 [redacted]
Date Signature of Server

101 E. 6th Ave. Anchorage, AK 99501
Address of Server

ADDITIONAL INFORMATION

(1) As to who may serve a subpoena and the manner of its service see Rule 17(d), Federal Rules of Criminal Procedure, or Rule 45(c), Federal Rules of Civil Procedure.
(2) "Fees and mileage need not be tendered to the witness upon service of a subpoena issued on behalf of the United States or an officer or agency thereof (Rule 45(c), Federal Rules of Civil Procedure; Rule 17(d), Federal Rules of Criminal Procedure) or on behalf of certain indigent parties and criminal defendants who are unable to pay such costs (28 USC 1825, Rule 17(b) Federal Rules of Criminal Procedure)".

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/09/2008

[redacted] date of birth [redacted] home address [redacted] home telephone number [redacted] was interviewed at his home address. After being advised of the nature of the interview and identities of the interviewing agents, [redacted] provided the following information:

[redacted]

b3
b6
b7C

[redacted]

[redacted]

[redacted]

Investigation on 01/08/2008 at Alexandria, Virginia

File # 194A-AN-13620-TSTEVENS;229
194B-WF-225475-A

Date dictated 01/09/2008

by SA [redacted] jg JG
SA

FBI - Stevens-4490

b6
b7C

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[redacted]

b3
b6
b7C

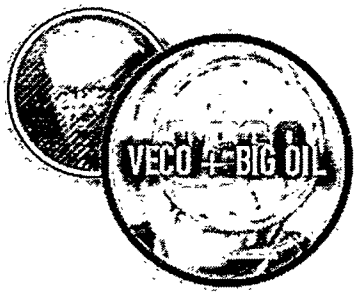
[redacted]

At the conclusion of the interview, [redacted] was served with a Federal Grand Jury subpoena commanding appearance at the United States District Court for the District of Columbia on [redacted] A copy of the subpoena has been stored in the 1A section of the file.

DO SOMETHING! | SEARCH

HOME | TED IN THE NEWS | REPUBLICAN CORRUPTION SCANDAL | TED'S CONNECTIONS | COMMUNICATIONS | FISH | VECO | DEFENSE | REAL ESTATE

VECO GIRDWOOD HOME REMODEL RACE HORSE PARTNERSHIP SEMCO+ENSTAR CORRUPT BASTARDS CLUB



OTHER CONNECTIONS

- Bill Allen
- Girdwood Home Remodel
- Ben Stevens
- Actions Benefit Ben's Clients
- Earmarks
- Ben's consulting fees
- Don Young
- Lisa Murkowski
- Ted's PACs

What's the Problem?

Ted is under investigation for allegedly **steering federal contracts to VECO.** Ted has longstanding **personal, political, and business ties to VECO** and its corrupt former CEO **Bill Allen,who pled guilty to bribery.** Click here to read more.

The FBI is investigating VECO's role in remodeling Ted's Girdwood home. Bill Allen oversaw Stevens' house remodel. Click here to read more.

Bill Allen and Ted also are partners in a **racehorse partnership** syndicate, Alaska's Great Eagle LLC. Click here to read more.

While **Ben Stevens was paid more than $140,000 to sit on its board, Ted steered millions to SEMCO/Enstar,** Alaska's largest gas utility. Click here to read more.

An inside joke turned sour when the FBI showed up. Abaseball cap embroidered with the letters CBC for "corrupt bastards club," paid for by Veco and distributed to certain legislators, was entered as evidence in the Pett Kott corruption trial. It's not yet known whether **Ben Stevens** possessed one of the hats. Hat or no, it appears Ben was a leader of the "club." Read more here.

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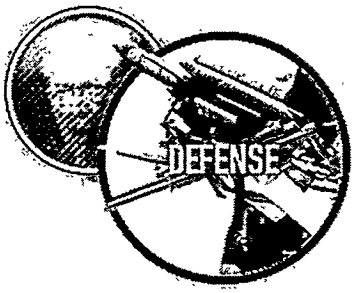
FBI - Stevens-4492

194A-AN-13620-TSTEVENS

DO SOMETHING! | SEARCH

HOME | TED IN THE NEWS | REPUBLICAN CORRUPTION SCANDAL | TED'S CONNECTIONS | COMMUNICATIONS | FISH | VECO | DEFENSE | REAL ESTATE

DEFENSE CONTRACTORS WAR PROFITEERING VOTES AGAINST VETERANS BOEING TANKERSCAM



What's the Problem?

Ted **diverted funds that would have supported US combat troops** to instead fund useless weapons sought by defense contractors, who are among his biggest contributors. Click here to read more.

Ted **voted against cleaning up abuses** by military contractors such as Halliburton. Click here to read more.

Ted voted repeatedly **against improving veterans' health care.** Click here to read more.

Ted engineered a **$30 billion bailout for Boeing** that went bad. Employees of Boeing are **Ted's top #1 source of campaign contributions** since 1989. Click here to read more.

OTHER CONNECTIONS

Ted's Family

Ted's PACs

TED'S POLL NUMBERS

A statewide poll conducted Sept. 17-18, 2007 shows more Alaskans are more unlikely than likely to vote for Sen. Stevens.

Click here to read more.

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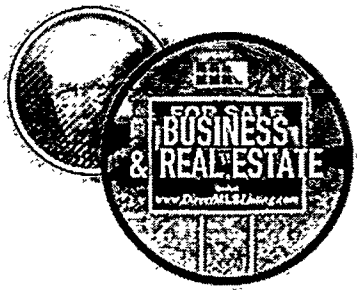
FBI - Stevens-4493

DO SOMETHING!



What's the Problem?

Ted Stevens' real estate investments **made him rich.** Click here to read more.

Ted Stevens earmarked federal money that was used **to purchase land owned by his son's business partner.** Click here to read more.

Ted earmarked federal funds for proposed bridges and projects that would benefit his family and friends, including the Gravina Island Bridge.

Ted earmarked federal funds for proposed bridges and projects that would benefit his family and friends, including Don's Way.

Ted earmarked federal funds for proposed bridges and projects that would benefit his family and friends, including Kenai River Keystone Drive.

OTHER CONNECTIONS

- Trevor McCabe
- Lisa Murkowski
- Don Young
- Lisa Sutherland
- Art Nelson
- George Lowe
- Ted's Family
- Earmarks
- Ted's PACs

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FBI - Stevens-4494

DO SOMETHING! | SEARCH

HOME | TED IN THE NEWS | REPUBLICAN CORRUPTION SCANDAL | TED'S CONNECTIONS | COMMUNICATIONS | FISH | VECO | DEFENSE | REAL ESTATE

Embattled and under ethical cloud, Ted no longer effective

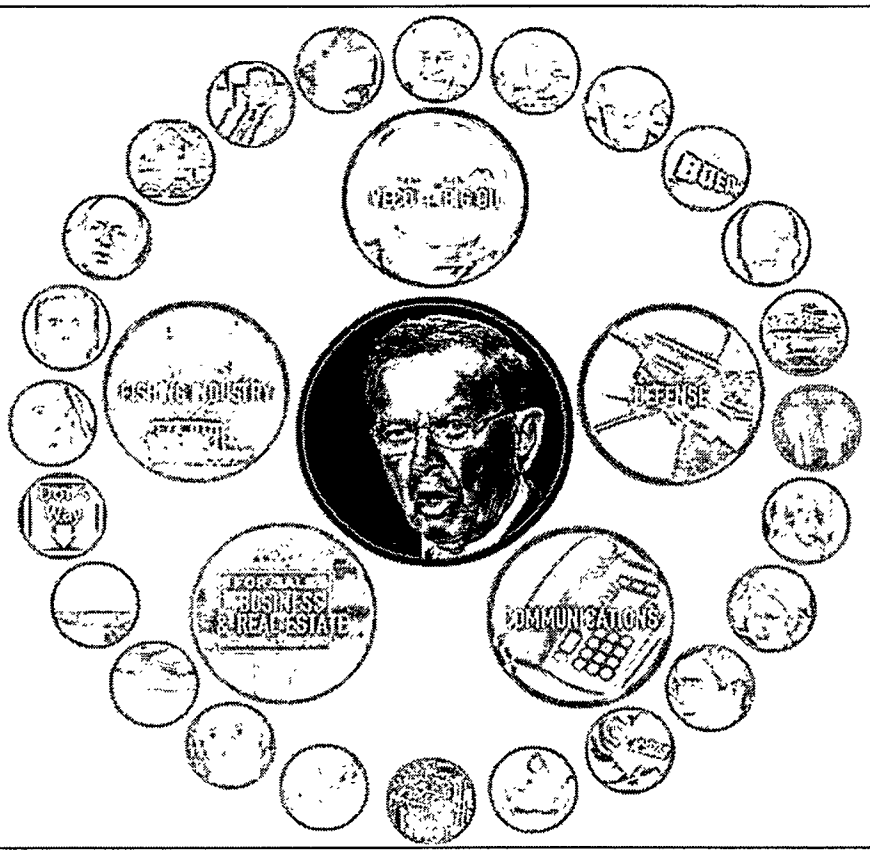
WHAT'S THE CONNECTION?

Learn more about Ted's connections to people and industries that have benefited from his position in the U.S. Senate.

More information about these categories - Communications, Fish, VECO, Defense, and Real Estate - is accessible by clicking their circles, and also from the Navigation Bar at top. When you roll your mouse over these circles, related people and issues connected to Ted light up. Click on the circle for more information.

You'll also find all these connections to Ted on Ted's Connections (on Navigation Bar at top).

When you've finished surfing, be sure to Do Something with your new information.



Abuse of power = loss of power

It is sad for Alaska that Ted Stevens' personal affairs have become improperly tangled with his public responsibilities, diminishing his stature and effectiveness in Congress.

When Alaskans elected Ted Stevens to represent us in Washington, we trusted him to act in our best interests.

When an elected official manipulates public laws or directs public funds to enrich himself or those close to him, he loses our trust – and the trust of other elected officials.

Embattled and under an ethical cloud, Ted can no longer be effective and Alaska suffers.

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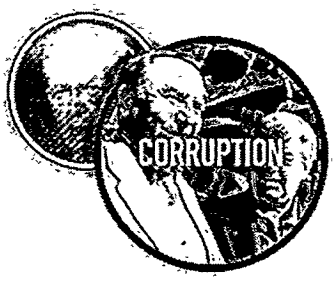
FBI - Stevens-4495



OTHER CONNECTIONS

- Actions Benefited Ben's Clients
- Ben Stevens
- VECO
- Corrupt Bastards Club
- Seward Land Deal
- Bill Allen
- Trevor McCabe
- Private Industry Groups & Firms
- Ben's Secret Fish Deal
- Ben's Consulting Fees
- Earmarks
- Don Young

Republican Corruption Scandal Engulfs Alaska

- *Ted Stevens and others are under federal investigation*
- *Embattled and under an ethical cloud, Ted can't deliver*

Since the summer of 2006, Alaskans have been rocked by one of the biggest political earthquakes in state history. The **Republican corruption scandal** continues and threatens to bring down Ted Stevens and Don Young, among others known to be under federal investigation.

SCANDAL OVERVIEW

For more background about the Alaska Republican corruption scandal, see site compiled by the Anchorage Daily News that contains links to news stories about the trials, charging documents, FBI surveillance videos of conversations in Suite 604 of Juneau's Baranof Hotel, info about key players, and more. Click here.

The corruption trial of former **Alaska House Speaker Pete Kott**, R-Eagle River, in September, 2007 implicated Ted Stevens, his son Ben Stevens, and Alaska Congressman Don Young. Kott was convicted in September of bribery, extortion and conspiracy.

The federal investigation has brought forth criminal confessions of bribery from a long-time close associate and business partner of Ted Stevens, former VECO executive Bill Allen. Allen admitted in federal court in Kott's trial that VECO employees gave Ted Stevens free labor for his home remodel. Allen is one of the VECO officials who pled guilty to bribing Ted Stevens' son and other Alaska lawmakers.

New information about the scandal continues to emerge. News outlets across the country reported Sept. 21, 2007 that former VECO chief Bill Allen, cooperating with the FBI, secretly recorded phone conversations with Ted Stevens. A construction worker who oversaw the renovation of Stevens' home said VECO also paid him to help run fundraisers for Stevens. [source: Associated Press, 9/21/07]

The flow of unsavory news is not likely to stop soon. Two other former Alaska lawmakers - Rep. Vic Kohring and Rep. Bruce Weyhrauch - await trial on corruption charges. Ted's son Ben and others close to them are under federal investigation.

Another former Alaska legislator, Rep. Tom Anderson, has been convicted.

Meanwhile, the national earmark scandal, with Ted in the front row, has become a congressional symbol of shame. Ted Stevens has become, to his colleagues and to the nation, a symbol of waste and corruption.

The situation has gotten so bad that even prominent Republicans are calling on Ted Stevens to step down.

Embattled and under an ethical cloud, Ted can't deliver. And Alaska suffers.

Republican leaders call on Stevens to step down

Fairbanks Republican lobs bomb at GOP leadership
Rep. Mike Kelly, R-Fairbanks, asked Sen. Ted Stevens to stop down and not seek reelection next year.

FBI - Stevens-4496

Gov. Palin says change in Alaska's Congressional leaders is inevitable Alaska must change its image to win trust of rest of United States.

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TED'S POLL NUMBERS

A statewide poll conducted Sept. 17-18, 2007 shows more Alaskans are more unlikely than likely to vote for Sen. Stevens.

Click here to read more.

Note to readers: When these materials were compiled, all links to the source material were active. Some sites archive stories. All stories should still be on the publisher's web site, but the news agency may require users to complete a free registration or impose a fee. Public libraries offer free access to specific newspaper archives. Also, sometimes other web sites post a news article in its entirety; searching for a string of text from an article with an expired link may help you find it.

The Senate's Strange Double Standard

OCTOBER 17TH, 2007, FROM THE TRUTHDIG.COM

For an object lesson in the distorted values of the United States Senate, consider how that august institution is handling the ethical embarrassments created by Republican Larry Craig of Idaho and Republican Ted Stevens of Alaska.

Click here for the full story

Legal spending mounts for Young

OCTOBER 16TH, 2007, FROM THE ANCHORAGE DAILY NEWS

U.S. Sen. Ted Stevens, who also has been drawn into the Veco investigation, has not used any of his campaign money on criminal lawyers, said Tim McKeever, Stevens' campaign treasurer.

A report released Monday night covers the period when the FBI and IRS raided the senator's home in Girdwood this summer. Stevens hired Brendan Sullivan, one of the best-known criminal defense lawyers in Washington, but his fees are not coming out of the senator's campaign money.

Click here for the full story

The Republicans' Big Senate Fear

OCTOBER 16TH, 2007, FROM THE TIME

Alaska, where seven-term Senator Ted Stevens is battling a federal corruption probe, could prove more challenging. Stevens is under investigation by the Federal Bureau of Investigation for taking bribes from Bill Allen, the former CEO of VECO, an oil field services company. Allen and another former VECO employee have pled guilty to bribing state legislators and are cooperating with the investigation into Stevens, who has maintained his innocence.

Click here for the full story

Fishing trips put Washington on the hook

FBI - Stevens 4197

OCTOBER 15TH, 2007, FROM THE MARKETPLACE

Over the past 20 years Alaskan oil entrepreneur Bill Allen and people who work for him gave more than $1 million to candidates running for Congress. But his connections gave him another way to gain influence in Washington — fishing. Steve Henn reports.

Click here for the full story

Bill Allen: A tale of tainted funds

OCTOBER 11TH, 2007, FROM THE MARKETPLACE

Marketplace's Steve Henn continues his report on Alaskan oilman Bill Allen's illegal contributions to various political campaigns and state legislators.

Click here for the full story

Washington won't return dirty money

OCTOBER 10TH. 2007, FROM THE MARKETPLACE

Before pleading guilty to bribing state legislators, Alaskan oil tycoon Bill Allen very actively spread his wealth around Congress. So far, a lot of his government beneficiaries haven't given the money back. Steve Henn reports.

Click here for the full story

Dems Gunning for Alaska's Stevens, But Top Prospect Keeps His Powder Dry

OCTOBER 9TH, 2007, FROM THE CQ POLITICS.COM

Democrats, after years of yielding to the political dominance of Alaska Republican Sen. Ted Stevens, are plotting a serious challenge in 2008. The usually struggling Alaska Democrats are energized by the most serious ethics questions ever faced by the incumbent during a tenure of almost four decades that is the longest for a Republican in the history of the U.S. Senate.

Click here for the full story

Joel Connelly: The last shall be first

OCTOBER 4TH, 2007, FROM THE SEATTLE POST-INTELLIGENCER

Dumped last year after questioning a land deal involving Sen. Ted Stevens, R-Alaska, former Seward City Manager Clark Corbridge swept to victory on Tuesday as the town's new mayor.

Click here for the full story

Scandal-Tainted Money Roils Politicians

OCTOBER 4TH, 2007, FROM THE ASSOCIATED PRESS

For years, while VECO Corp. was flush with oil profits and in a giving mood, Capitol Hill politicians happily accepted hundreds of thousands of dollars in campaign donations from the Alaska oil contractor.Click here for the full story.

Not OK, Kenai earmarks show unhealthy political connections

OCTOBER 3RD, 2007, FROM THE ANCHORAGE DAILY NEWS

The details of the 2004 federal appropriations for conserving the Kenai and Russian rivers, steered to the state via developer Bob Penney, blatantly show how earmarking can get carried too far.

FBI - Stevens-4498

Click here for the full story.

Fired Seward city manager elected mayor

OCTOBER 3RD, 2007, FROM THE ANCHORAGE DAILY NEWS

The former city manager of Seward, fired last year after he raised questions about a land deal involving Sen. Ted Stevens and the Alaska SeaLife Center, was overwhelmingly elected mayor of the town Tuesday.Click here for the full story.

At Sea: The D Dock Curse

OCTOBER 1ST, 2007, FROM THE THE NEW YORKER

There's something about politicians and boats...

But, amid the ruckus that followed the arrest of Senator Larry Craig for allegedly soliciting sex from a plainclothes officer in an airport rest room, little attention was paid to his unusual Washington, D.C., address: 1000 Water Street. There, across the Washington Channel from the Jefferson Memorial, is the Capital Yacht Club, where Craig lives on a forty-two-foot Bertram yacht called the Suz II, named for his wife, Suzanne, who stays back home in Idaho. Craig, a fastidious man who was known to pick up trash around the club, is well liked by his fellow-yachtsmen. (Explaining his behavior in the airport stall, he told the police that he had bent down to pick up a piece of paper.) "He is a creature of habit," a club member said recently. In the weeks during which Craig pleaded guilty to disorderly conduct and then started trying to withdraw the plea, the Suz II floated empty in its slip at D Dock.

Craig's boat shares D Dock with the Cw S Way, a thirty-eight-foot Chris-Craft out of Valdez, Alaska. That boat's owner is Senator Ted Stevens, the longest-serving Republican in the Senate. In July, federal agents raided Stevens's home outside Anchorage; now the F.B.I. is investigating whether he took illegal gifts from an oil-field-services company. (Stevens denies any wrongdoing.) Craig sponsored Stevens for membership in the club, describing him, on the application, as an "experienced boater, great guy, and longtime friend."

Click here for the full story

Today's Must Read

OCTOBER 1ST, 2007, FROM THE TPMMUCKRAKER.COM

Just when you think you've heard the most outrageous of Alaska earmarking shenanigans, news breaks that Sen. Ted Stevens clarified, via email,

that a $3 million earmark was meant to be handled by his personal friend and big-time campaign contributor, Bob Penney.

Click here for the full story

Ben Stevens on Talk Radio: You Got Me All Wrong

OCTOBER 1ST, 2007, FROM THE TPMMUCKRAKER.COM

Former Alaska Senate president and son of Sen. Ted Stevens (R-AK), Ben Stevens, hasn't said much publicly since his legislative office was raided last year by federal agents.

Click here for the full story

Penney's group was in charge of spending 2004 earmark

FBI - Stevens-4499

SEPTEMBER 30TH, 2007, FROM THE ANCHORAGE DAILY NEWS

In 2004, Alaska state officials came across a puzzling sentence deep inside a bill recently passed by Congress. It said only this: "$2 million is for the Kenai River; $1 million for the Russian River."

Click here for the full story

How ferry project, pushed by Sen. Stevens, floated

SEPTEMBER 29TH, 2007, FROM THE USA TODAY

Sen. Ted Stevens, who championed $452 million in federal funding for Alaska's notorious "bridges to nowhere," has directed the Navy to build an experimental ferry it once rejected to serve a little-used port in a remote area of his home state.

Click here for the full story.

Ben Stevens proclaims innocence on talk show

SEPTEMBER 29TH, 2007, FROM THE ANCHORAGE DAILY NEWS

Former state Senate President Ben Stevens unexpectedly called a local radio show Friday, talking publicly about the Alaska corruption investigation for the first time since the FBI searched his office more than a year ago.Click here for the full story.

Ben Stevens speaks

SEPTEMBER 28TH, 2007, FROM THE KTUU

The voice of former Senate President Ben Stevens, apparently not heard in public since August 2006, was broadcast Friday afternoon on the Dan Fagan Radio Show.

Click here for the full story

For Craig and Others, a Caucus on the Potomac

SEPTEMBER 28TH, 2007, FROM THE NEW YORK TIMES

When he is not at the Capitol, Senator Larry E. Craig spends much of his time aboard the Suz II, the 42-foot yacht that serves as his Washington home. Further down D Dock at the Capital Yacht Club, his friend Senator Ted Stevens occasionally escapes the pressures of a federal investigation aboard his pleasure boat.

Click here for the full story.

Senator chides Palin, calls relations 'frosty'

SEPTEMBER 27TH, 2007, FROM THE FAIRBANKS NEWS-MINER

Sen. Ted Stevens on Wednesday called relations between the congressional delegation and Gov. Sarah Palin "frosty" following a series of public incidents that has revealed a growing schism among Alaska's Republican leadership.

Click here for the full story

Verdict may have implications for Stevens

FBI - Stevens-4500

SEPTEMBER 27TH, 2007, FROM THE THE HILL

A jury found former Alaska state House Speaker Peter Kott (R) guilty of taking bribes from former Veco Chief Executive Bill Allen, a decision that may have implications for Sen. Ted Stevens (R-Alaska), who is under FBI investigation for his ties to Allen.

Click here for the full story

State on sidelines of FBI investigation into Veco

SEPTEMBER 27TH, 2007, FROM THE ANCHORAGE DAILY NEWS

Alaska Attorney General Talis Colberg said his office assigned lawyers to closely watch former-state Rep. Pete Kott's trial in federal court over the past two weeks as it revealed other possible criminal acts by politicians and Veco Corp. executives.

Click here for the full story

Stevens, Worker at Odds Over Fundraising

SEPTEMBER 27TH, 2007, FROM THE ASSOCIATED PRESS

Sen. Ted Stevens' campaign has no evidence a contracting firm paid workers to help run the Alaska senator's fundraisers, the campaign treasurer said, disputing one employee's claim that he parked cars and performed odd jobs while on the contractor's payroll.

The FBI is investigating whether Stevens, the Senate's longest-serving Republican, accepted inappropriate gifts from Bill Allen, the founder of oil-services firm VECO Corp. Allen has pleaded guilty to bribing lawmakers and said he paid employees to renovate the senator's home.

Click here for the full story

Sen. Ted Stevens and Gov. Sarah Palin

SEPTEMBER 27TH, 2007, FROM THE ANCHORAGE DAILY NEWS

A Fairbanks Daily News-Miner story today reports on what it says is the "growing tension" between Gov. Sarah Palin and the state's congressional delegation. The story — a lengthy one based largely on an interview with Sen. Ted Stevens on Wednesday — says the governor's decision to redirect highway funding for the Ketchikan bridge project, her call for Stevens to speak up in the federal corruption probe in Alaska, and the lack of communication from the governor on a natural gas pipeline project have contributed to a "frosty" relationship, in Stevens' view.

Click here for the full story

VOT: Ted Stevens gets first test in Ketchikan

SEPTEMBER 25TH, 2007, FROM THE ANCHORAGE DAILY NEWS

Local elections are a week from today and in Ketchikan it might be the first test of the popularity of Alaska's longtime U.S. senator, Ted Stevens.

Click here for the full story

The Bridge to Nowhere Gets Nowhere

SEPTEMBER 22ND, 2007, FROM THE NEW YORK TIMES

FBI - Stevens-4501

Some called it a bridge to the future. Others called it the bridge to nowhere.

On Friday, Alaska decided the bridge really was going nowhere, officially abandoning the project in Ketchikan that became a national symbol of federal pork-barrel spending.

Click here for the full story

Governor urges Stevens to break his silence

SEPTEMBER 22ND, 2007, FROM THE ANCHORAGE DAILY NEWS

Gov. Sarah Palin said Friday that she and Alaskans are owed a more thorough explanation from U.S. Sen. Ted Stevens about why he is under federal investigation.

Click here for the full story

FBI Listened in on Ted Stevens Phone Calls

SEPTEMBER 21ST, 2007. FROM THE TPMMUCKRAKER.COM

The FBI is so interested in what Sen. Ted Stevens (R-AK) says to former Veco CEO Bill Allen that they secretly taped his calls to hear. There is no word yet on the content of the conversations.

Click here for full story

FBI taped senator's phone calls in Alaska probe, source says

SEPTEMBER 21ST, 2007, FROM THE CNN

The FBI has taped conversations between Republican Sen. Ted Stevens of Alaska and an oil company executive who has pleaded guilty to bribery, according to a source with knowledge of the investigation.

The calls were between Stevens, who is up for re-election in 2008, and Bill Allen, then CEO of oilfield services firm VECO Corp., the source said Thursday.

Click here for full story

Palin Wants Stevens to Address Probe

SEPTEMBER 21ST, 2007, FROM THE WASHINGTON POST

Alaska Gov. Sarah Palin said Friday she wants some answers from U.S. Sen. Ted Stevens, a fellow Republican, who is under federal investigation.

Click here for the full story

FBI tapes Stevens calls as part of sting

SEPTEMBER 20TH, 2007, FROM THE SAN JOSE MERCURY NEWS

The FBI, working with an Alaska oil contractor, secretly taped telephone calls with Sen. Ted Stevens as part of a public corruption sting, according to people close to the investigation.

The secret recordings suggest the Justice Department was eyeing Stevens long before June, when the Republican senator first publicly acknowledged he was under scrutiny. At that time, it appeared Stevens was a new focus in a case that had already ensnared several state lawmakers.

FBI - Stevens-4502

Click here for the full story

Veco man says he worked on Stevens, Young fund-raisers

SEPTEMBER 19TH, 2007, FROM THE ANCHORAGE DAILY NEWS

A construction worker who oversaw renovation of Sen. Ted Stevens' home said his company also paid him to help run fundraisers for the Alaska Republican, a practice that appears to violate federal campaign finance laws.

Click here for the full story.

CREW releases third annual most corrupt members of Congress report

SEPTEMBER 18TH, 2007, FROM THE BEYONDDELAY.COM

Today, Citizens for Responsibility and Ethics in Washington (CREW) released its third annual report on the most corrupt members of Congress entitled Beyond DeLay: The 22 Most Corrupt Members of Congress (and two to watch). This encyclopedic report on corruption in the 110th Congress documents the egregious, unethical and possibly illegal activities of the most tainted members of Congress. CREW has compiled the members' transgressions and analyzed them in light of federal laws and congressional rules.

Click here for the full story

Stevens, Inouye top defense earmarks list at over $180M each; Byrd next at $166M

SEPTEMBER 18TH, 2007, FROM THE THE HILL

Sens. Ted Stevens (R-Alaska), Daniel Inouye (D-Hawaii) and Robert Byrd (D-W.Va.) are among the biggest winners in the 2008 Appropriations defense bill, according to data gathered by The Hill and the watchdog group Taxpayers for Common Sense (TCS).

Senate appropriators disclosed about 936 earmarks worth a combined $5.1 billion in the 2008 defense-spending bill, with top committee members in both parties securing the highest dollar amounts.

Click here for the full story

Speak up, senator: Testimony raises questions, Alaskans deserve answers

SEPTEMBER 18TH, 2007, FROM THE ANCHORAGE DAILY NEWS

Bill Allen, former chairman of Veco, testified last week that he paid for some of the labor and provided some materials for the remodeling of U.S. Sen. Ted Stevens' home in Girdwood.

Sen. Ted Stevens has said little about the FBI investigation into the remodeling, which is part of a wide-ranging corruption probe. He has said only that he paid every bill he was sent.

Click here for the full editorial

CREW asks McConnell to remove Ted Stevens from committee assignments

SEPTEMBER 17TH, 2007, FROM THE CITIZENS FOR RESPONSIBILITY

FBI - Stevens-4503

A citizen watchdog group is asking that Alaska Senator Ted Stevens be removed from his committee assignments in light of the criminal investigations by the FBI and IRS.

Click here for the full story

Allen, on the Stevens home remodel

SEPTEMBER 17TH, 2007, FROM THE ANCHORAGE DAILY NEWS

From Friday's testimony in federal court, here's a quick transcript of former Veco chief Bill Allen talking about how he helped remodel the home of U.S. Sen. Ted Stevens.Click here for the full story

Inside The Hidden World Of Earmarks

SEPTEMBER 17TH, 2007, FROM THE BUSINESS WEEK

The sad history of earmarks features a long list of abuses: earmarks used by congressional leaders to buy votes on other legislation, earmarks sent to political donors, and earmarks used in outright bribery. Such issues continue to arise: As recently as July 30, the FBI raided the home of Senator Stevens in a probe into potential earmark-related corruption. Senator Stevens, who has not been charged with any wrongdoing, will not comment until the investigation is complete. In the face of recent earmark scandals, Congress in early August passed a reform bill aimed at reducing abuses by opening up the highly secretive process. Whether those efforts succeed won't be clear until yearend.

Click here for the full story

Allen says Veco paid for part of Stevens' remodel

SEPTEMBER 15TH, 2007, FROM THE ANCHORAGE DAILY NEWS

Former Veco chairman Bill Allen might have been on the witness stand to present bribery evidence against a state legislator, but the biggest shock of the day — perhaps the entire trial — was his assertion Friday that he or his company financed a substantial portion of the remodeling of U.S. Sen. Ted Stevens' Girdwood home.

Click here for the full story

Exec: Workers Helped on Senator's Home

SEPTEMBER 15TH, 2007, FROM THE WASHINGTON POST

In the latest sign of corruption problems for Republicans, a corporate executive testified Friday that his employees worked for months to remodel the Alaska home of Sen. Ted Stevens.

Stevens, the longest-serving Republican senator, is under scrutiny in a corruption investigation that also is targeting Alaska state officials.

Bill Allen, former chief executive of oil services company VECO, testified that he spent more than $400,000 to bribe state legislators and for work at Stevens' house in the ski resort town of Girdwood. He said VECO also paid at least two contractors, a plumber and a carpenter, for work on the house. The project in 2000 more than doubled the size of the four-bedroom structure.

Click here for the full story

Stevens: No Comment On New Bribery Charges

FBI - Stevens-4504

SEPTEMBER 14TH, 2007, FROM THE TPMMUCKRAKER.COM

I just spoke with Sen. Ted Stevens' (R-AK) spokesman Aaron Saunders who said they are not commenting on the recent testimony from Bill Allen. Saunders said they are standing by the old statement they put out when Stevens' home was raided by the FBI. That statement, declaring that Stevens won't comment on the investigation "until it has

concluded," is below.

Click here for the full story

Pete Kott's corruption trial defense emerges

SEPTEMBER 14TH, 2007, FROM THE ANCHORAGE DAILY NEWS

For much of Thursday at Pete Kott's corruption trial, defense lawyer Jim Wendt tried to chip away at the story being told from the witness chair by former Veco chief executive Bill Allen.

... Allen told jurors he already has admitted his guilt in a conspiracy. He testified that he pleaded guilty to bribing three former legislators: "Pete Kott, Vic Kohring and Ben Stevens."

Click here for the full story

Allen says Veco staff worked on Ted Stevens home remodel

SEPTEMBER 14TH, 2007, FROM THE ANCHORAGE DAILY NEWS

Ex-Veco Corp. CEO Bill Allen admitted in court Friday that he had company employees work several months on a remodeling project at the Girdwood home of U.S. Sen. Ted Stevens.

Click here for the full story

Allen counted on having friend in the Legislature

SEPTEMBER 13TH, 2007, FROM THE ANCHORAGE DAILY NEWS

More than a year after he emerged as the central figure in the Alaska corruption investigation, former Veco chairman Bill Allen at last took the witness stand Wednesday in the trial of former House speaker Pete Kott and began recounting his version of the last three decades of oil politics.

... Allen took the industry lead in promoting a low profits tax — a much bigger effort than the producers themselves were making. FBI-intercepted telephone calls and conversations at a hotel suite in Juneau show that Kott and Senate President Ben Stevens were his two most helpful soldiers.

Click here for the full story

Testimony: Sen. Stevens' Son Took Bribes

SEPTEMBER 13TH, 2007, FROM THE WASHINGTON POST

The former head of an oil field service company admitted Thursday in court that he bribed three Alaska legislators, including the son of a U.S. senator who is the target of a federal investigation.

FBI - Stevens-4505

Click here for the full story

Editorial: Let system do job in Craig case

SEPTEMBER 12TH, 2007, FROM THE MINING GAZETTE

Meanwhile, scandals continue to surround other lawmakers concerning appropriations earmarks and alleged bribes. Alaska Sen. Ted Stevens, a former chairman of the Senate Appropriations Committee, is under an FBI investigation for allegedly receiving illegal gifts in the form of an addition to his Alaska home. At least two House members are under similar investigations.

Click here for the full story

Stevens Gets Nods In Two Alaska Trials

SEPTEMBER 12TH, 2007, FROM THE TPMMUCKRAKER.COM

Sen. Ted Stevens (R-AK) is well connected in the state's scandal circuit. He came up twice yesterday in two separate Alaska cases, one criminal and one civil, that both hinge on the financial ties between public officials and company leaders.

Click here for the full story

Stevens Mentioned in FBI Video

SEPTEMBER 11TH, 2007, FROM THE ASSOCIATED PRESS

During a secret meeting to discuss what prosecutors say was a dirty deal to keep Alaska oil taxes low, two oil contractors said they had a powerful ally coming to town who could help build support for the plan: Sen. Ted Stevens

Click here for the full story

The Jerk

SEPTEMBER 10TH, 2007, FROM THE THE NEW REPUBLIC

What made Ted Stevens such a famously bitter and vindictive man?

Click here for the full story

Senate 2008 Guru's Week in the Senate Races

SEPTEMBER 9TH, 2007, FROM THE MYDD.COM

Ted Stevens appears to be both a climatologist and a sociopath. All of that insane behavior may just be to deflect attention from his latest earmark scandal.

Click here for the full story

The hypocrite mill in the US Senate

SEPTEMBER 9TH, 2007, FROM THE KENNEBEC JOURNAL MORNING SENTINEL

...These same leaders have also been silent about the FBI investigation of Republican Sen. Ted Stevens of Alaska, he who procured the millions of dollars for the infamous "bridge to nowhere" to boost Alaska's economy. The FBI is exploring allegations that Stevens abused the power of his office for his own personal benefit. But the Senate leaders have sought no ethics probe. Why? He has not been proven guilty as of yet. Wait, isn't that why one does an investigation?

Click here for the full story FBI - Stevens-4506

Stevens holds 40-year reign as Alaska's champion

SEPTEMBER 9TH, 2007. FROM THE ALASKA JOURNAL OF COMMERCE

There's no denying that Ted Stevens is Alaska's champion. Champion of what, however, is at the heart of that debate.

Click here for the full story

Democrats' Hopes High in Senate Races

SEPTEMBER 9TH, 2007, FROM THE ASSOCIATED PRESS

A string of political setbacks has damaged Republicans' hopes of regaining the Senate majority next year and increased the likelihood Democrats might expand their razor-thin margin.

The 2008 campaign appears increasingly unpleasant for Republicans a year after unexpected defeats cost them control. Among the factors are GOP retirements in toss-up states, voters' distress over the Iraq war and a handful of scandals.

Click here for the full story

Craig scandal causes Cornyn to guard words

SEPTEMBER 8TH, 2007, FROM THE HOUSTON CHRONICLE

Fellow Texas Republican Kay Bailey Hutchison participated in the leadership huddles but has also kept largely mum about Craig, whose troubles are doing little to help a Senate Republican caucus already grappling with the FBI's raid on Alaska Sen. Ted Stevens' home and Louisiana Sen. David Vitter's phone number popping up on the D.C. madam's list

Click here for the full story

Hagel, Republican Senator From Nebraska, Will Retire

SEPTEMBER 8TH, 2007, FROM THE BLOOMBERG

Democrats may be able to win the seat of Alaska Senator Ted Stevens, who has acknowledged he is the subject of a federal corruption probe, Sabato said.

Click here for the full story

Catching fish, netting earmarks up in Alaska

SEPTEMBER 6TH, 2007, FROM THE THE HILL

Sen. Ted Stevens has quietly steered millions of federal dollars to a sportfishing industry group founded by Bob Penney, a longtime friend who helped the Alaska Republican profit from a lucrative land deal, according to public records and officials from the state.

Click here for the full story

Craig sex sting case dividing GOP senators

FBI - Stevens-4507

SEPTEMBER 6TH, 2007, FROM THE CNN

The men's room sex sting involving Idaho Sen. Larry Craig is cracking the unity of GOP senators, sources say. ... Craig's backtracking has upset many of his Republican colleagues, a Republican leadership aide said, because GOP leaders thought they had put the scandal behind them.

Sens. Ted Stevens of Alaska, Jim Bunning of Kentucky and Michael Enzi of Wyoming voiced their dissatisfaction with the response of GOP leaders in the chamber, according to one senator who was at the luncheon and two aides familiar with the meeting.

Stevens, whose home was recently raided as part of a federal corruption probe, stood up to say it's wrong to prejudge these matters, the sources said.

Click here for the full story

GOP divides ethics cases of senators

SEPTEMBER 5TH, 2007, FROM THE ANCHORAGE DAILY NEWS

Responding to criticism that GOP senators who've found themselves in trouble this summer have been treated very differently by their peers, the Republican leader of the U.S. Senate outlined why he thinks each should get a "case-by-case" treatment.

Click here for the full story

The Beltway Boys – Republicans Move Quickly on the Larry Craig Scandal

SEPTEMBER 4TH. 2007, FROM THE FOX NEWS

Yes. Republicans acted swiftly in this [Craig] case. This sort of cleans up their Mark Foley scandal of 2006. But what about financial corruption, you know? That's what got them into trouble big time in the 2006 election, and here you have Senator Ted Stevens, a powerful former chairman of the Senate Appropriations Committee, his house in Alaska was raided in connection with a corruption investigation. If he were a House member, a Democrat or a Republican, he would be forced to step down from his perch now as the ranking Republican on the Senate Commerce Committee, but he's still there. What are they goes to do — what are they going to do about him?

Click here for the full story

Is Sen. Ted Stevens dragging down the Republican Party?

SEPTEMBER 4TH, 2007. FROM THE ABC NEWS

Is Sen. Ted Stevens dragging down the Republican Party? A slew of stories over the weekend in The New York Times, on NPR, and in The Washington Post report on a growing list of woes for the party and what it means for upcoming congressional races. Nearly all the stories give the ongoing federal investigation involving Stevens a short mention although most focus on the announced retirement of Sen. John W. Warner, R-Va., and resignation of Sen. Larry E. Craig, R-Idaho.

Typical of the stories was this writeup in the Los Angeles Times: "Warner's decision to retire comes as Senate Republicans have been hit by a series of political calamities, including Idaho Sen. Larry Craig's guilty plea to disorderly conduct in a men's restroom; a search by federal agents of the Alaska home of Ted Stevens, the longest-serving Republican senator; and Louisiana Sen. David Vitter's apology for a "very serious sin" after his phone number turned up in the records of an alleged Washington madam.

Click here for the full story

FBI - Stevens-4508

Stevens' rise to political power started out slowly

SEPTEMBER 4TH, 2007. FROM THE ANCHORAGE DAILY NEWS

"I was born with an itch to be in political office." So said Ted Stevens in the summer of 1967 as he prepared for a second bid for the United States Senate. It's an itch he has

never stopped scratching.

Stevens has been such a dominant, unchallengeable figure for so long that few Alaskans remember him as the young tiger who made war on the state's political establishment — and lost, then lost again.

Click here for the full story

Stevens Theorizes that Earth is Cooling

SEPTEMBER 3RD, 2007, FROM THE KTUU

Stevens, while acknowledging the impact of global climate change, said he believes the worst may be over.

"We're at the end of a long, long term of warming. 700 to 900 years of increased temperature, a very slow increase. We think we're close to the end of that. If we're close to the end of that, that means that we'll starting getting cooler gradually, not very rapidly, but cooler once again and stability might come to this region for a period of another 900 years," Stevens said.

Deborah Williams, president of Alaska Conservation Solutions, a group focused on global warming issues in Alaska, said Stevens' theory is a new one, and it is the opposite of the findings of an international panel of scientists earlier this year.

Click here for the full story

Facing own problems, Stevens silent on Craig

SEPTEMBER 2ND, 2007, FROM THE FAIRBANKS NEWS-MINER

Republicans slink back to Capitol Hill this week under the shadow of another scandal. This time the spotlight is on Idaho Republican Sen. Larry Craig, whose arrest and subsequent guilty plea to a charge of disorderly conduct led to his resignation Saturday.

Click here for the full story

Palin foresees positive changes in politics

SEPTEMBER 2ND, 2007, FROM THE ANCHORAGE DAILY NEWS

Interview with Gov. Palin:

ADN: How do you feel about how the FBI investigations are going now? You had a lot to say in May when the indictments came out. Now the investigation is veering toward the congressional delegation and could affect how Alaska does business. ... Does that make you uneasy?

PALIN: I am not scared of the changes that I believe are inevitable in terms of leadership that has represented the state of Alaska for all of these years because the change is inevitable.

Whether the FBI reveals something that leads to change, or just the changes in power in Congress ... or individuals maybe choosing not to run for re-election, age even of our politicians playing a part in this, change is coming to Alaska...

FBI - Stevens-4509

My interpretation of it is that Alaska has got to change its image. ... We need to be taken seriously so that we are given more credence and more authority here and we are provided more opportunities to develop our state. The only way that we are going to be able to gain the trust of the rest of the United States ... is to prove that we can do things

right and honestly and transparently and Sen. Stevens knows that has been my message.

Click here for the full story

Lawmakers Facing Ethics Questions

SEPTEMBER 1ST, 2007, FROM THE ASSOCIATED PRESS

Ted Stevens, R-Alaska, under investigation for his connection to oil field services contractor Bill Allen, who helped oversee a renovation project that more than doubled the size of Stevens' Alaska home in 2000. Investigators, including FBI and Internal Revenue Service agents, raided Stevens' home July 30. Allen has pleaded guilty to bribing Alaska lawmakers. Stevens has denied any wrongdoing.

Click here for the full story

Craig opposed Stevens' investigation

AUGUST 31ST, 2007, FROM THE ANCHORAGE DAILY NEWS

In the days following a high-profile FBI raid on the home of Alaska Sen. Ted Stevens, Idaho Sen. Larry Craig was among the sharpest defenders of his embattled Alaska colleague.

Click here for the full story

Hear, Speak, See No Evil

AUGUST 31ST, 2007, FROM THE TPMMUCKRAKER.COM

Poor Ted Stevens. The much-investigated senior senator from Alaska is so hamstrung by his own legal troubles that his lawyers have barred him from commenting on the Larry Craig bathroom imbroglio.

Click here for the full story

From Bathrooms to Bribes, Stevens Stays Mum

AUGUST 31ST, 2007, FROM THE TPMMUCKRAKER.COM

When Sen. Ted Stevens (R-AK) says he isn't going to talk to reporters about any investigation, he means it. Yesterday he declined to even give his thoughts on the Sen. Larry Craig (R-ID) scandal, Alaska NBC affiliate KTUU reports.

Click here for the full story

Editorial: Disowning Senator Craig

AUGUST 31ST, 2007, FROM THE NEW YORK TIMES

The Republican Party is in quite a rush to keelhaul Senator Larry Craig for his run-in with the vice squad in an airport men's room. Disclosure of the senator's guilty plea to disorderly conduct set off a frenzy to demand an investigation by the Senate's somnolent Ethics Committee and to strip Mr. Craig of his committee seniority. Some of the senator's peers simply demanded that he resign.

FBI - Stevens-4510

No similar leadership chorus for judgment has been heard about any number of other scandalous revelations on the party's plate.

There's the F.B.I.'s inquiry into whether Senator Ted Stevens swung a quid-pro-quo deal for a government contractor who eventually renovated his Alaska home.

Click here for the full story

A look back at a year that shaped Alaska politics

AUGUST 31ST. 2007, FROM THE KTUU

The date Aug. 31 is one that marked a major turning point in Alaska politics. One year ago today, FBI agents raided the offices of six legislators and VECO Corp., setting the stage for the biggest political scandal in state history.

In the past year, we have seen one former lawmaker convicted of felonies, three others scheduled for trial, and others seemingly implicated but not yet charged.

Click here for the full story

Comment: Values flushed away

AUGUST 30TH, 2007, FROM THE NATIONAL POST - CANADA

So this is what the Republican family-values crowd has been reduced to - playing footsy in airport bathroom stalls, spending late nights in New Orleans brothels and sending dirty e-mails to teenage congressional pages.

Click here for the full story

Editorial: The Senate and Ethics

AUGUST 30TH, 2007, FROM THE PHILADELPHIA INQUIRER

Larry Craig's pathetic plea that he is not gay (and never was) might comfort homophobes, but it was a performance not worthy of a U.S. senator. ... Sen. Ted Stevens (R., Alaska), whose home was raided by the FBI in a corruption probe, still enjoys his seat on the powerful Appropriations Committee and faces no apparent Senate scrutiny.

Click here for the full story

GOP Reeling From Money and Sex Scandals

AUGUST 30TH, 2007, FROM THE FORBES

When it comes to scandal, Democrats could be forgiven for thinking they hit the political jackpot this summer. At Republican expense.

First came the disclosure that Louisiana Sen. David Vitter's telephone number was listed in the records of an escort service.

Then Sen. Ted Stevens' home in Alaska was raided by federal agents as part of a corruption investigation.

Click here for the full story

- Citizens for Responsibility and Ethics in Washington - Asks That Senators Stevens and Vitter Join Senator Craig in Relinquishing Their Committee Assignments

FBI - Stevens 4511

AUGUST 29TH, 2007, FROM THE EARTHTIMES.ORG

Melanie Sloan, executive director of Citizens for Responsibility and Ethics in Washington, expressed surprise that Sen. Larry Craig has been forced to relinquish his committee

assignments in light of this week's revelations that he pleaded guilty to disorderly conduct in connection with an attempted sexual encounter with an undercover officer in a Minneapolis airport restroom.

"Senator Ted Stevens maintains his position on the Appropriations Committee despite being the subject of a major criminal investigation, including an FBI raid on his Alaska home and Senator David Vitter maintains his assignments despite admitting to the crime of soliciting a prostitute."

Click here for the full story

Craig's in Closet, Republicans in the Dark

AUGUST 29TH, 2007, FROM THE BLOOMBERG

Republicans referred the Craig matter for an ethics review. They haven't done that for Senator Ted Stevens whose house was raided by the FBI after a political pal pleaded guilty to bribery and began cooperating with prosecutors.

Click here for the full story

Political Memo: A Scandal-Scarred G.O.P. Asks, 'What Next?'

AUGUST 29TH, 2007, FROM THE NEW YORK TIMES

Forget Mark Foley of Florida, who quit the House last year after exchanging sexually explicit e-mail messages with under-age male pages, or Jack Abramoff, the lobbyist whose dealings with the old Republican Congress landed him in prison. They are old news, replaced by a fresh crop of scandal-plagued Republicans, men like Senator David Vitter of Louisiana, whose phone number turned up on the list of the so-called D.C. Madam, or Senator Ted Stevens of Alaska and Representative Rick Renzi of Arizona, both caught up in F.B.I. corruption investigations.

It is enough to make a self-respecting Republican want to tear his hair out in frustration, especially as the party is trying to defend an unpopular war, contain the power of the new Democratic majority on Capitol Hill and generate some enthusiasm among voters heading toward the presidential election in 2008.

Click here for the full story

Ted Stevens lied to KTUU reporter

AUGUST 29TH, 2007, FROM THE ALASKA REPORT

In an interview Tuesday with KTUU television reporter Bill McAllister, Alaska senator Ted Stevens falsely claimed he never heard a derogatory comment aimed at him (aside from reporters and editors at the Anchorage Daily News) while in Alaska this month on congressional recess.

That's bologna.

Click here for the full story

Stevens not worried, downplays FBI probe

FBI - Stevens-4512

AUGUST 29TH, 2007, FROM THE ANCHORAGE DAILY NEWS

Alaska Sen. Ted Stevens, in an interview with KTUU before he heads back to Washington, D.C., this week, said he's secure in his standing with Alaskans and is confident he'll survive a federal investigation, which included a raid on his Girdwood home.

"I've been involved in other investigations in my 39 years - maybe you don't know that, but I have been involved in them - and we weathered the storms," he told the station.

The senator, who has declined to talk in detail about the investigation, said he's traveled the state during the current congressional break and hasn't heard a derogatory comment, other than from the ADN. In a meeting with the ADN editorial board earlier in the break (reported in a Q and A here), Stevens also teed off on the newspaper.

Click here for the full story

Sen. Stevens downplays FBI investigation

AUGUST 28TH, 2007, FROM THE KTUU

Sen. Ted Stevens talked for the first time today about his standing with Alaskans in the wake of an FBI investigation that has included a search of his home in Girdwood.

Click here for the full story

Judge links Ben Stevens to FBI probe

AUGUST 28TH, 2007. FROM THE ASSOCIATED PRESS

For the first time, a federal judge has publicly linked former state Senate president Ben Stevens to an FBI corruption probe.

The Stevens connection turned up in a legal filing in the Bruce Weyhrauch case, in which U.S. District Court Judge John Sedwick acknowledged Stevens' role.

Sedwick noted that the identification of Stevens had "already been reported in the press," based on comparing the money paid by former VECO Corporation CEO Bill Allen and Stevens' financial disclosure reports.

Sedwick wrote ... quote ... "The evidence which the United States will present at trial will show that State Senator A is, in fact, Ben Stevens."

Click here for the full story

Judge links Ben Stevens to FBI probe

AUGUST 28TH, 2007. FROM THE KTUU

For the first time, a federal judge is making a firm link between former state Senate President Ben Stevens and the federal corruption probe.

U.S. District Court Judge John Sedwick, in documents filed in the case against former state lawmakers Bruce Weyrauch and Pete Kott, identifies Stevens as the person referred to in court documents as "State Senator A."

Click here for the full story

Testimony exposes turmoil at Cook Inlet Region Inc.

FBI - Stevens-4513

AUGUST 24TH, 2007. FROM THE ANCHORAGE DAILY NEWS

Roy Huhndorf, the longtime chief executive of Cook Inlet Region Inc., said in court Thursday that he emerged from retirement and rejoined the board of the Anchorage-based Native corporation because of persistent rumors that Carl Marrs, his hand-picked successor, was wasting shareholder money on extravagances like jets and a fishing lodge.

... In the middle of that 2002 [CIRI] election, U.S. Sen. Ted Stevens voiced strong support for Marrs in an opinion column published in the Anchorage Daily News. Huhndorf testified that he was shocked that Stevens would interfere in a CIRI board election.

It later would turn out that Stevens was a guest at the Bristol Bay retreat leased by AIC, the Golden Horn. After the Daily News reported last year that he had stayed at the lodge in possible violation of Senate ethics rules, Stevens admitted being a guest there in 2001, 2002 and 2003, but had paid only one year. He sent checks totaling more than $2,000 to cover his lodging for the other two.

Stevens was also a partner in race horses with Marrs and other Alaska businessmen, including former Veco chief executive Bill Allen, who pleaded guilty to federal corruption charges in April and is cooperating with the FBI.

Click here for the full story

The Fine Print: A Wilderness Gift; Alaska Land Transfer Puts Senator on Spot

AUGUST 22ND. 2007, FROM THE NEW YORK TIMES

Senator Ted Stevens, Republican of Alaska, wants to give 1,505 acres of prime Alaska wilderness — owned by the federal government and worth millions of dollars — to a small restoration group headed by a longtime friend. Mr. Stevens tucked a one-sentence measure to do just that into the fine print of the $60 billion transportation appropriations bill, which the Senate passed earlier this month.

Click here for the full story

Stevens not ready for the gold watch

AUGUST 22ND, 2007, FROM THE ASSOCIATED PRESS

BACKLASH: Investigations could rebound on the GOP, state Rep. Mike Kelly fears.

U.S. Sen. Ted Stevens on Tuesday brushed off the call of a conservative Republican state lawmaker that he retire instead of seeking re-election next year.

Click here for the full story

Fairbanks GOP lawmaker calls for Stevens, Young to retire

AUGUST 21ST, 2007, FROM THE FAIRBANKS NEWS-MINER

Fairbanks Republican Rep. Mike Kelly made a public call this weekend for U.S. Sen. Ted Stevens, U.S. Rep. Don Young, and two other prominent members of the GOP to step aside to help restore trust in government and keep the party strong.

Kelly, a Republican, wrote in a letter to the editor published Sunday in the Fairbanks Daily News-Miner that the Alaska Republican Party needs new leadership and has only two options in the coming year — "further revolution" or reform.

Click here for the full story

FBI - Stevens-4514

FBI seized Stevens note

AUGUST 19TH. 2007, FROM THE ANCHORAGE DAILY NEWS

FBI agents earlier this week retrieved a handwritten note by U.S. Sen. Ted Stevens to former U.S. Attorney Wev Shea in which Stevens said he and his wife paid "over $130,000" for the Veco-supervised renovations to their home in Girdwood.

Click here for the full story

F.B.I. Studies Senator's Role in Contract

AUGUST 17TH, 2007, FROM THE NEW YORK TIMES

The F.B.I. is investigating whether Senator Ted Stevens of Alaska had a role in arranging a 1999 government contract worth as much as $70 million for a company that oversaw renovations of his house months later, officials said Thursday.

Click here for the full story

In Alaska, scandal flows like crude

AUGUST 17TH, 2007, FROM THE LOS ANGELES TIMES

There are generally two views here about the career trajectory of Bill J. Allen, an oilman and political wheeler-dealer who over four decades built his VECO Corp. into one of the state's largest and most influential companies.

Click here for the full story

Contracts, ties to Stevens probed

AUGUST 16TH, 2007, FROM THE SEATTLE TIMES

The FBI is investigating the National Science Foundation's award of $170 million in contracts to the oil-field-services company that oversaw renovations on Sen. Ted Stevens' home, an NSF spokesman said Wednesday.

Veco won a five-year NSF contract in 1999 to provide logistics and support for polar research, although it had no previous experience in that field. During the same time period, Veco's top executive managed renovations that doubled the size of the longtime Republican senator's Girdwood, Alaska, home — the scene of a July 30 FBI search.

Click here for the full story

FBI investigates science contracts awarded Veco

AUGUST 16TH, 2007, FROM THE ANCHORAGE DAILY NEWS

The FBI is investigating the National Science Foundation's award of $170 million in contracts to the oil field services company that oversaw renovations on U.S. Sen. Ted Stevens' home.

The firm, Veco Corp., captured a lucrative five-year NSF contract in 1999 to provide logistics and support for polar research, although it had no previous experience in that field. During the same time period, Veco's top executive managed renovations that doubled the size of the longtime Republican senator's Girdwood home — the scene of a July 30 FBI raid.

Click here for the full story

Feds eye polar contract in Stevens probe

AUGUST 16TH, 2007, FROM THE USA TODAY

FBI - Stevens-4515

Federal authorities investigating Sen. Ted Stevens have turned their attention toward a federal contract that made millions of dollars for one of the senator's friends, a wealthy Alaska oil contractor.

The Justice Department recently asked the National Science Foundation for records related to VECO Inc., the company at the center of a sweeping corruption investigation.

VECO's founder, Bill Allen, has pleaded guilty to bribing Alaska lawmakers and oversaw a complicated a home renovation project at Stevens' house in 2000.

Click here for the full story

NSF Now Embroiled in Investigation of Sen. Stevens

AUGUST 16TH, 2007, FROM THE COMPUTING RESEARCH POLICY

Apparently NSF awarded $170 million in contracts for logistics support for NSF Polar Programs to a company currently under investigation by the FBI for making illegal payments to lawmakers, including Sen. Ted Stevens (R-AK). Stevens, at the time, was both Chair of the Senate Appropriations Committee and had a "senior" role on the Senate Commerce Committee (with jurisdiction over NSF).

Click here for the full story

Pig masks and a political shift in Alaska

AUGUST 15TH, 2007, FROM THE THE HILL

For the last 15 summers, Rep. Don Young (R-Alaska) has hosted his state's political heavyweights at a down-home pig roast fundraiser. But this August, pigs of a different kind snorted back at him.

Click here for the full story

Stevens: Local Paper Out to "Assassinate Me"

AUGUST 15TH, 2007, FROM THE TPMMUCKRAKER.COM

Sen. Ted Stevens (R-AK) finally stood up for himself. He called out the Anchorage Daily News for trying to destroy his credibility during an interview with its editorial board last week.

Click here for the full story

OPINION: Senator preaches patience as the main strategy for Iraq

AUGUST 15TH, 2007. FROM THE ANCHORAGE DAILY NEWS

EDITOR'S NOTE: Sen. Ted Stevens met with the Daily News editorial board last week on a number of topics. Here are excerpts of what he had to say about Iraq and about media coverage of his current controversies.

Click here for the full story

Alaska Lawmakers Losing Clout

AUGUST 14TH, 2007, FROM THE WASHINGTON POST

When he was a keeper of the federal purse strings, Sen. Ted Stevens of Alaska told another Republican senator who opposed the infamous "bridge to nowhere," "I don't threaten people. I promise people."

FBI - Stevens-4516

Click here for the full story

A Last Stand on the Last Frontier

AUGUST 13TH, 2007, FROM THE NEWSWEEK

Alaskans are starting to wonder if the era of 'Uncle Ted' is coming to an end.

When federal agents raided the home of Ted Stevens in an Alaska ski town last week, looking for evidence in a bribery probe, they weren't just investigating the most senior member of the U.S. Senate. They were also exposing a bullying, nepotistic political culture that has flourished on the Last Frontier for decades. Despite its vastness, Alaska is home to just 670,000 people, and it's been dominated for years by a handful of players: Stevens, 83, former chairman of the Senate Appropriations Committee; Don Young, the state's lone House member, and various protégés and oilmen. The federal investigation widened earlier this year when an oil-company executive pleaded guilty to bribing state lawmakers, and has now snared Stevens, Young and other lawmakers who have—until now—wheeled and dealed without consequence.

Click here for the full story

Alaska's 'Stevens money'

AUGUST 7TH, 2007, FROM THE LOS ANGELES TIMES

Sen. Ted Stevens has been a part of my life for as long as I can remember. Not as a friend or colleague but as a public figure, from federal attorney in my hometown, Fairbanks, in the 1950s, to Alaska's senior senator — and currently the nation's longest-serving Republican senator — half a century later. As a journalist, I have written about Stevens for more than 25 years.

Click here for the full story

Ethics investigations could hurt state economy

AUGUST 6TH, 2007, FROM THE KTUU

One out of three jobs in Alaska depends on federal money, and its something state economists have always fretted about.

The concerns are growing since the Alaska congressional delegation's credibility is under direct fire.

Click here for full story

Frontier Friendships Entangle Alaska Politics

AUGUST 6TH, 2007, FROM THE NEW YORK TIMES

The Alaska home of the state's legendary senior senator, Ted Stevens, is searched by federal agents looking for evidence of wide-ranging corruption. The state's only House member, Don Young, is drawn into the same inquiry. The state's other senator, Lisa Murkowski, buys land from a political supporter at a price that appears to be well below its actual value.

Click here for the full story

Ben Stevens' Legal Seas

AUGUST 6TH, 2007, FROM THE TPMMUCKRAKER

FBI-Stevens-4517

Sometimes it's worth reading all the way to the very end of a long feature. A story recapping the Alaska political corruption scandal in this weekend's Seattle Times certainly was.

Wrapping up where all the key players stand, the story ends noting that former state Senate President Ben Stevens, son of Sen. Ted Stevens (R-AK), has returned to his old

line of work as a fisherman to cover mounting legal bills:

Click here for the full story

No Yawning At Ethics Reform This Time

AUGUST 5TH, 2007. FROM THE CBS

Schieffer: Whether Or Not Ted Stevens Broke The Law, His Case Proves The Need For Tougher Ethics Laws

Congress passed a tough ethics reform bill last week. Washington ethics has become such an oxymoron that ethics reform usually draws a yawn, but it shouldn't this time.

The FBI investigation of Alaska Senator Ted Stevens, which coincidentally came to the fore as the bill passed, shows how badly it was needed.

Click here for the full story

Iconic senator, Alaska politics under siege

AUGUST 5TH. 2007, FROM THE SEATTLE TIMES

Sen. Ted Stevens' home sits on a quiet graveled street where black bears occasionally ramble and traffic is a rarity.

Click here for the full story

Corruption reports challenge credibility

AUGUST 5TH, 2007. FROM THE ANCHORAGE DAILY NEWS

CRITICISM: Stevens, Young shrug off questions and continue to work.

It was just two days after Monday's FBI raid on U.S. Sen. Ted Stevens' house, and his colleague, U.S. Rep. Don Young, was at a press conference to attack a Democratic energy bill. It was the first time reporters were able to ask Young any questions since the news emerged that he, too, was under federal investigation.

Click here for the full story

Legislators question FBI raid tactics

AUGUST 5TH, 2007. FROM THE FAIRBANKS NEWS-MINER

It's been a rough couple of weeks for Alaska's congressional delegation.

News that Sen. Ted Stevens and Congressman Don Young are both being investigated by the Justice Department for possible corruption, and Sen. Lisa Murkowski's Kenai land deal sparked a feeding frenzy among the national press corps and unflattering comparisons with Louisiana.

Following Monday's raid by Federal Bureau of Investigations and Internal Revenue Service agents on his Girdwood home, Stevens was featured on the cover of nearly a half dozen Capitol Hill newspapers, including a sketch of him as the angry green Hulk swatting at federal agents like King Kong in the Politico.

FBI - Stevens-4518

Click here for the full story

Ted's Most Excellent Misadventures

AUGUST 4TH, 2007, FROM THE KANSAS CITY STAR

When the feds raided the Alaska home of Sen. Ted Stevens, perhaps no one was more surprised than the U.S. senator himself. Fifteen federal agents showed up.

Not cool at all, given all Stevens has done for Big Oil and Bush-Cheney Inc.

Click here for the full story

Boss Stevens, the GOP's new problem

AUGUST 4TH, 2007, FROM THE HERNANDO TODAY

Ted Stevens offered the FBI a house key, but agents said no thanks. They had their own ways to get into his home in Girdwood, Alaska.

No, they didn't break down the front door. They called a locksmith. And the news media.

People could see agents in business suits taking pictures of cases of wine. One agent carried to a van a garbage bag filled with heaven-knows-what.

The best reality show is still reality.

And it doesn't get much better than this. The day after FBI and IRS agents raided his home, the longest- serving Republican in Senate history threatened in a private luncheon with Republican senators to hold up the ethics bill that was rolling through the Senate. He didn't want to give up flying home with lobbyists.

Click here for the full story

National Public Radio quizzes locals on corruption and plays it coast to coast.

AUGUST 3RD, 2007, FROM THE NPR

Constituents of longtime Alaska Sen. Ted Stevens often refer to him as "Uncle Ted." But when federal agents swooped in and searched his home outside Anchorage — possibly looking for evidence that could tie Stevens to a corrupt oil company executive — some took pleasure in his pain.

Click here for the full story

Alaska's addiction to oil

AUGUST 3RD, 2007, FROM THE LOS ANGELES TIMES

Investigations into whether the oil industry has undue influence in the state should come as no surprise.

Click here for the full story

Stevens Aide Violate Fed Law?

AUGUST 3RD, 2007, FROM THE FREE MARKET NEWS NETWORK

A Senate aide who handled Sen. Ted Stevens' personal bills did not report any payments from his personal funds, raising questions about whether the two violated gift restrictions or federal law. Barbara Flanders, a financial clerk at the Senate Commerce, Science and Transportation Committee, is cooperating in a corruption investigation of the lawmaker. The Associated Press reported Tuesday that Flanders is cooperating in the probe of Stevens' dealings with a wealthy Alaska contractor.

FBI - Stevens-4519

Click here for the full story

Sen. Stevens' aide cooperating with federal investigation

AUGUST 3RD, 2007, FROM THE KTUU

A Senate financial clerk is cooperating with the federal corruption probe involving Sen. Ted Stevens and has testified during grand jury proceedings in Washington, D.C.

Click here for the full story

Stevens Used Aide for Personal Work

AUGUST 2ND, 2007, FROM THE ROLL CALL

Sen. Ted Stevens (R-Alaska) has used a Senate employee as his personal bookkeeper but does not appear to have paid her for those services out of his own funds, even as the aide collected more than a quarter-million dollars in federal pay, according to Senate records and the aide's financial disclosure forms.

Click here for the full story

FBI Probes Stevens's Earmark

AUGUST 1ST, 2007, FROM THE WASHINGTON POST

The FBI is investigating whether Sen. Ted Stevens (R-Alaska) used a $1.6 million congressional appropriation to help an Alaska marine center purchase property from a business partner of the senator's son, said sources familiar with the probe.

That investigation comes amid a widening federal grand-jury probe into Stevens's connections to an energy services company. The FBI and the Interior Department's inspector general are also jointly examining a series of budgetary earmarks endorsed by Stevens in recent years for the Alaska SeaLife Center in Seward, said sources familiar with the probe who spoke about it on the condition of anonymity.

Investigators are particularly interested in how those earmarks may have helped the marine center buy land from Trevor McCabe, a former Stevens aide who was also a business partner of Stevens's son, Ben, according to sources and news reports. Ted Stevens has wielded enormous clout as a senior member of the Appropriations Committee, which he chaired for six years, regularly steering hundreds of millions of dollars a year in earmarks for his home state.

Click here for the full story

Sen. Craig: Stevens Suspicious of FBI MO Behind House Search

AUGUST 1ST, 2007, FROM THE FOX NEWS

Sen. Ted Stevens, currently the subject of an FBI corruption probe, is questioning the modus operandi of the FBI in the daylong search of his home in Girdwood, Alaska, fellow western state colleague Sen. Larry Craig said Wednesday.

Craig said Stevens, who has avoided the press as much as possible working in his secluded Capitol hideaway office, told him that he had been informed by the FBI that he was under investigation and agents were going to search his home.

FBI - Stevens-4520

Click here for the full story

FBI Searches Sen. Stevens' Alaska Home

JULY 31ST, 2007, FROM THE ABC NEWS

FBI and IRS Search Alaska Home of Sen. Stevens, Who Has Been Scrutinized in Corruption Probe

Federal agents with cameras searched the home of U.S. Sen. Ted Stevens amid questions about an oil company official's involvement in a 2000 renovation project that doubled the home's size, law enforcement officials said.

Click here for the full story

FBI Searches Home of Alaska's Sen. Stevens

JULY 31ST, 2007, FROM THE NPR

Federal agents photographed the home of U.S. Sen. Ted Stevens during a search related to a public corruption probe, law enforcement officials said.

Click here for the full story

Warrant served at Stevens' Girdwood home

JULY 31ST, 2007, FROM THE ANCHORAGE DAILY NEWS

FBI, IRS examine residence; remodeling job under scrutiny

Federal law enforcement agents raided U.S. Sen. Ted Stevens' Alaska home in Girdwood on Monday, hauling off undisclosed items from inside and taking extensive pictures and video.

Click here for the full story

Alaska's Senator Ted Stevens is target of corruption probe

JULY 31ST, 2007, FROM THE CBS

Ted Stevens has been in the US Senate for nearly 40 years now, one of its major power brokers. And while the Alaska Republican is not a household name in most of the country, many have heard of one of his pet projects, the so-called bridge to nowhere he wants to build on this site in his home state with your tax dollars, perhaps the most infamous symbol of pork barrel spending.

Tonight, Senator Stevens is in the spotlight for something else, though. The FBI raided his house in Alaska in a corruption investigation. Here's Sharyl Attkisson.

Click here for the full story

Federal agents raid Alaska home of Senator Stevens

JULY 31ST, 2007, FROM THE BOSTON GLOBE

Agents from the FBI and the Internal Revenue Service raided the Alaska home of Republican Senator Ted Stevens yesterday as part of a broad federal investigation of political corruption in the state that has also swept up his son and one of his closest financial backers, officials said.

FBI Stevens 4521

Click here for the full story

FBI raids U.S. senator's home

JULY 30TH, 2007, FROM THE CNN

Federal agents searched the home of U.S. Sen. Ted Stevens on Monday, focusing on records related to his relationship with an oil field services contractor jailed in a public corruption investigation, a law enforcement official said.

Click here for the full story

Out of Compliance: Nonprofit with ties to Stevens' PAC, Tardy on Paperwork and Fees to the State of Alaska

JULY 23RD, 2007, FROM THE SUNLIGHT FOUNDATION

An Alaskan nonprofit foundation that raises money to make "the records and mementos of Sen. [Ted] Stevens' career in public service" has failed to file registration documents or pay fees since 2004, according to the Alaska Department of Law. In response to a FOIA request to the department for all documents filed by the Ted Stevens Foundation (recently renamed the North to the Future Foundation), we received papers filed in 2003 and were told by department officials that none had been filed since then.

Click here for the full story

Stevens, Son Press Project

JUNE 7TH. 2007, FROM THE ROLL CALL

In late 2005, Sen. Ted Stevens (R) joined other members of the Alaska delegation in pressing state officials to reserve $2 million in earmarked federal money for a pipeline project being conducted by a gas company that employed Stevens' son, Ben.

Click here for the full story

Feds eye Stevens' home remodeling project

MAY 29TH, 2007. FROM THE ANCHORAGE DAILY NEWS

The FBI and a federal grand jury have been investigating an extensive remodeling project at U.S. Sen. Ted Stevens' home in Girdwood that involved the top executive of Veco Corp. in the hiring of at least one of the key contractors.

Click here for the full story

Ben Stevens faces maximum fine

JANUARY 10TH, 2007, FROM THE ANCHORAGE DAILY NEWS

Alaska Public Offices Commission: Move reverses an earlier decision on senator's failure to report income from clients

Outgoing state Senate President Ben Stevens should be fined the maximum penalty of $10,170 for failing for three years to disclose the names and payments of six clients of one of his consulting firms, the staff of the Alaska Public Offices Commission has recommended.

Click here for the full story FBI - Stevens-4522

Does Rupert Murdoch's DIRECTV Own Alaska Senator Ted Stevens?

JULY 24TH, 2006, FROM THE ALASKA REPORT

Sen. Ted Stevens (R-Alaska), the powerful chairman of the Senate Commerce Committee, is pushing legislation that could give the Rupert Murdoch owned-DIRECTV a huge advantage over the cable TV industry.

Click here for the full story

Land deal opens SeaLife Center, Seward rift

APRIL 23RD, 2006, FROM THE ANCHORAGE DAILY NEWS

LOBBYIST: Unused visitor center funds used to purchase ex-Stevens aide's property.

When Sen. Ted Stevens diverted federal land-purchase funds to the Alaska SeaLife Center last summer, one of the biggest beneficiaries turned out to be his former legislative aide, Trevor McCabe.

Click here for the full story

Lawmakers' pension, health benefits far outpace most other Americans

APRIL 20TH, 2006, FROM THE ASSOCIATED PRESS

Members of Congress occasionally lose elections, but they never lose retirement and health benefits that most Americans can only envy.

Click here for the full story

Ponying Up for Ted

MARCH 5TH, 2004, FROM THE WASHINGTON POST

If you have a spare $5,000 and you're free next Wednesday night, you might want to head over to the Capital Hilton for a "Salute to the President Pro Tempore" — that is, to Sen. Ted Stevens (R-Alaska). If this sounds like your ordinary Washington fundraiser, it isn't. Rather, it's to collect checks for the Ted Stevens Foundation, described in the invitation as "an Alaska non-profit corporation created by Alaskans to recognize and honor the career and public service" of the state's senior senator.

Click here for the full story

Senator's Way to Wealth Was Paved With Favors

DECEMBER 17TH, 2003, FROM THE LOS ANGELES TIMES

He wielded extraordinary power in Washington for more than three decades, eventually holding sway over nearly $800 billion a year in federal spending.

But outside the halls of the U.S. Senate, which is a world of personal wealth so rarified some call it "the Millionaires' Club," Sen. Ted Stevens (R-Alaska) had struggled financially.

Then, in 1997, he got serious about making money. And in almost no time, he too was a millionaire — thanks to investments with businessmen who received government contracts or other benefits with his help.

FBI - Stevens-4523

Click here for the full story

Bering Sea crab fleet buyback details still must be worked out

FD-1023 (Rev. 6-22-2007)

FEDERAL BUREAU OF INVESTIGATION

Confidential Human Source (CHS) Reporting Document

Reporting Date: 01/16/2008

Case ID: 194A-AN-13620-TSTEVENS (Pending) - 231
[redacted] (Pending)

Contact Date: 01/15/2008

b6
b7C
b7D

Type of Contact: Telephonic

Location: Anchorage, Alaska

Written by: [redacted] mbk

Other(s) Present:

Source Reporting:

The source who is in a position to testify provided the following information:

The source advised that Senator Ted Stevens is scheduled to address a joint session of the legislature on 02/19/2008 in Juneau, Alaska.

♦♦

1

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 12/20/2007

b3
b6
b7C

On December 20, 2007, Special Agent (SA) [redacted] of the Anchorage Field Office of the Federal Bureau of Investigation (FBI) served a Grand Jury subpoena on [redacted] The subpoena was provided by SA [redacted] A copy of the subpoena, which was issued by the United States District Court for the District of Columbia, is attached hereto.

Investigation on 12/20/2007 at Anchorage, Alaska

File # 194A-~~AN~~-13620-TSTEVENS -232 Date dictated 12/20/2007

by SA [redacted] FBI - Stevens-4525

b6
b7C

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

CO 293 (Rev. 8/91) Subpoena to Testify before Grand Jury

United States District Court

FOR THE DISTRICT OF COLUMBIA

TO: [redacted]

SUBPOENA TO TESTIFY BEFORE GRAND JURY

SUBPOENA FOR:
[ ] PERSON [X] DOCUMENT(S) OR OBJECT(S)

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

PLACE **UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States District Courthouse 3rd and Constitution Avenue, NW Washington, DC 20001**	COURTROOM 3rd Floor GRAND JURY ROOMS
	DATE AND TIME [redacted]

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):* b3 b6 b7C

See Attachment A.

NOTE: In lieu of personal appearance, you may comply with this subpoena by providing via **express delivery** the subpoenaed records to FBI Special Agent [redacted] prior to the required date. Special Agent [redacted] may be reached at [redacted] or at the following address:

Special Agent [redacted]
Federal Bureau of Investigation
Washington Field Office
601 Fourth Street, NW
Washington, D.C. 20535

COPY

☐ *Please see additional information on reverse.*

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT NANCY M. MAYER-WHITTINGTON, Clerk	DATE December 19, 2007
(By) Deputy Clerk	

This subpoena is issued upon application of the United States of America.	NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY Nicholas A. Marsh [redacted] Trial Attorney, Criminal Division, Public Integrity Section U.S. Department of Justice, 1400 New York Ave. NW, 12th Floor, Washington, DC 20005 (202) 514-1412

FBI - Stevens 4526

U.S. Department of Justice

Criminal Division

Washington, D.C. 20530

December 19, 2007

BY HAND

[redacted]

b3
b6
b7C

Dear [redacted]

The United States Department of Justice is conducting an official criminal investigation of suspected felonies. As part of this investigation, it is requested that your company furnish information as directed by, and in compliance with, the attached grand jury subpoena. The subpoena directs you to produce the records on [redacted] before the grand jury in the United States District Court for the District of Columbia. Please note that any disclosure of this subpoena could impede the investigation being conducted and thereby interfere with the enforcement of the law.

In lieu of appearing in person before the grand jury, you may mail any responsive materials in a sealed envelope or package prior to the specified return date to:

Special Agent [redacted]
Federal Bureau of Investigation
Washington Field Office
601 Fourth Street, NW
Washington, D.C. 20535

Please contact Special Agent [redacted] in advance to arrange for delivery. She may be reached at [redacted]

Please also complete and return the enclosed business records certification with your documents. By submitting the certification you may avoid the need to appear at trial to testify to the authenticity of the records.

We appreciate your cooperation in this matter. If you have any questions, please contact Special Agent [redacted]

Sincerely,

WILLIAM M. WELCH II
Chief, Public Integrity Section

NICHOLAS A. MARSH
[redacted]
Trial Attorneys, Public Integrity Section
U.S. Department of Justice

b6
b7C

[redacted]
Assistant U.S. Attorneys
District of Alaska

Enclosures

CERTIFICATION REGARDING BUSINESS RECORDS

Pursuant to 28 U.S.C. § 1746, I, the undersigned, declare:

My name is _____. I am a United States citizen, and I am over 18 years of age. I am the custodian of records of the business named below, or I am otherwise qualified as a result of my position with the business named below to make this declaration.

I am in receipt of a United States grand jury subpoena requesting specified records of the business named below. Attached hereto are original records or true and accurate copies of records responsive to the subpoena. Pursuant to Rules 902(11) and 803(6) of the Federal Rules of Evidence,[1] I hereby certify that the records attached hereto:

1. were made at or near the time of the occurrence of the matters set forth by, or from information transmitted by, a person with knowledge of those matters;

2. were kept in the course of the regularly conducted business activity; and

3. were made by the regularly conducted business activity as a regular practice.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on _____.
(Date)

_____
(Signature of Declarant)

_____
(Name of Declarant)

_____
(Position of Declarant)

_____
(Name of Business)

_____
(Address of Business)

_____

1/ As used in this declaration and as defined in Fed. R. Evid. 803(6), the term "record" includes memorandum, report, record, or data compilation, in any form, of acts, events, conditions, opinions, or diagnoses; the term "business" includes business, institution, association, profession, occupation, and calling of every kind, whether or not conducted for profit.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/24/2008

[redacted] (protect identity) was advised of the identity of the parties involved in the interview. Also participating in the interview were NICHOLAS MARSH, [redacted] and [redacted] attorney's for the Department of Justice, and an attorney representing [redacted] b6 b7C b7D

United States Senator TED STEVENS had use of a boat in Washington DC called CW's Way located on the D dock in the Washington Marina. STEVENS spends a good deal of time on the boat. [redacted] is not aware of when STEVENS obtained the boat or even if he owns the boat.

[redacted] told [redacted] that he had an awkward situation with STEVENS. [redacted] the search of STEVENS residence in July 2007, STEVENS personally called [redacted] a package which was not delivered on time. [redacted] also received multiple calls from [redacted] for STEVENS. Both STEVENS and [redacted] were very concerned and [redacted] Eventually, [redacted] and at the request of STEVENS, [redacted] the package to STEVENS at his boat located at the Washington Marina D dock. STEVENS told [redacted] was a black man on the boat who said that STEVENS was taking a nap. During the conversation with the black man who appeared to be a deck hand, STEVENS came up on the deck and accepted the package. [redacted]

Investigation on 1/24/2008 at Washington DC (telephonically)

File # 194A-AN-13620-TSTEVENS-233 Date dictated Typed 1/24/08

FBI - Stevens-4531

by SA [redacted] NAC b6 b7C

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FD-1023 (Rev. 08-02-2007)

FEDERAL BUREAU OF INVESTIGATION

Confidential Human Source (CHS) Reporting Document

Reporting Date: 01/29/2008

Case ID: 194A-AN-13620-TSTEVENS (Pending) - 234
[redacted] (Pending)
[redacted]

Contact Date: 01/22/2008

Type of Contact: Telephonic

Location: Washington DC

Written by: SA [redacted]

Other(s) Present: None

Source Reporting:

b6
b7C
b7D

A source who is in a position to testify provided the following information regarding guns purchased at the Kenai Classic fishing event hosted by ~~United States Senator~~ TED STEVENS.

The source purchased a number of weapons over a series of years at the Kenai Classic Auction event. [redacted]

♦♦

FD-1023 (Rev. 6-22-2007)

FEDERAL BUREAU OF INVESTIGATION

Confidential Human Source (CHS) Reporting Document

Reporting Date: 01/29/2008

Case ID: 194-AN-13620-TSTEVENS (Pending) -235
[redacted] (Pending)
[redacted] (Pending)

Contact Date: 01/29/2008

Type of Contact: Telephonic

Location: Anchorage, AK

Written by: SA [redacted]
Other(s) Present:

b6
b7C
b7D

Source Reporting:

Source, who is in a position to testify, provided the following information:

Source recalled the person who installed [redacted] in Ted Stevens' [redacted] in the Girdwood home was [redacted] (phonetic) [redacted] Last Name Unknown. [redacted] worked as a VECO [redacted] and later possibly became VECO's [redacted] Source believes [redacted] had a different last name as [redacted] was possibly [redacted] LNU was an [redacted] and did other work on the Girdwood residence. [redacted] may have come from Brown's Electric, a place near Spenard Road that is just down the street from the Bush Company, or possibly some other store.

♦♦

CIP 507 029cej02.ec

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/28/2008

[redacted] date of birth [redacted] telephone number [redacted] (work), [redacted] (cell), [redacted] was advised of the identities of the interviewing agents and the purpose of the interview. [redacted] provided the following information:

[redacted] United States Senator TED STEVENS, and [redacted] The package apparently contained plastic party hats for a party that STEVENS was having for [redacted] The address on the package was wrong; therefore, the package was not delivered at the expected time. The package was addressed to the wrong marina. [redacted] received a voice mail message to deliver the package to the Capital Yacht Club, Dock D, to a boat named CW S Way. [redacted] An older black man was on the boat and accepted the package. [redacted] STEVENS came up on deck and shouted thank you. The box was approximately 2'6" by 1'6" and was light given its size.

b6
b7C

[redacted] has lobbied STEVENS' office on several occasions for legislative assistance on issues of interest to his employer. [redacted] has never directly lobbied STEVENS, but would have contact with his legislative aides. In particular, [redacted] recalls meeting with [redacted] has met STEVENS on several occasions, but he doubts that STEVENS would know his name.

Investigation on 1/25/2008 at Washington DC

File # 194A-AN-13620-TSTEVENS 2360 Date dictated Typed on 1/28/08

by SA [redacted] SA

FBI - Stevens-4534

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FD-1023 (Rev. 6-22-2007)

FEDERAL BUREAU OF INVESTIGATION

Confidential Human Source (CHS) Reporting Document

Reporting Date: 01/23/2008

Case ID: 194-AN-13620-TSTEVENS (Pending) — 237
[redacted] (Pending)
[redacted] (Pending)

Contact Date: 12/28/2007

Type of Contact: Telephonic

Location: Anchorage, AK

Written by: SA [redacted]
Other(s) Present:

Source Reporting:

Source, who is in a position to testify, provided the following information:

[redacted] Last Name Unknown over for dinner in early [redacted] During both meetings, Source disclosed information about his relationship to [redacted] and others. [redacted] in the Ted Stevens Girdwood home remodel project. [redacted]

b6
b7C
b7D

[redacted]

Attached are the two news articles [redacted] which contains a lot of details regarding the investigation [redacted]

♦♦

CIP CJ7 024cej01.ec

The Seattle Times
seattletimes.com

Wednesday, December 26, 2007 - Page updated at 01:49 AM

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Foreman: Stevens remodel figure is way off

By Tony Hopfinger
Special to The Seattle Times

Ted Stevens, R-Alaska, is under federal investigation.

An oilfield-services company provided more than $150,000 worth of labor renovating the home of U.S. Sen. Ted Stevens, according to a project foreman who is cooperating in a federal investigation of Alaska's senior member of Congress.

Employees of VECO Corp., the oil contractor, provided months of work during the 2000 remodeling, which roughly doubled the size of the senator's home in Girdwood, Alaska, said David Anderson, who supervised the job.

Anderson, who said he testified before a federal grand jury about the remodeling, is a former employee and nephew of VECO founder Bill Allen.

Anderson's labor estimate is of interest to federal investigators as they examine the relationship between Allen and Stevens, who for years has ranked as one of the most powerful members of the U.S. Senate.

AL GRILLO / AP

FBI agents searched Stevens' renovated Alaska home in July for evidence in the federal investigation.

The remodeling involved VECO labor, materials, subcontractors and other expenses. For federal investigators, key questions are the total cost of the project, and whether VECO picked up part of the tab as Allen sought to gain favor with Stevens.

At the time of the work, Stevens was at the peak of his political power, chairing the Senate Appropriations Committee in a Republican-controlled Senate and directing billions of dollars of federal spending. He also has helped shape energy, fisheries, telecommunications and other federal policies of major importance to the Pacific Northwest.

Unusual search

In late July, FBI agents took the extraordinary action of removing the lock to search Stevens' Alaska home, and spent much of the day taking measurements and gathering other evidence. The raid thrust

FBI - Stevens-4536

the Justice Department investigation into the public spotlight and has ramped up pressure on Stevens.

Stevens, 84, told reporters last summer that he and his wife paid all the remodeling bills that were passed onto them. In a letter to a supporter, he put that amount at "more than $130,000."

"While I ... would like to discuss these issues in great detail, the interests of justice and our state are best served if I make my comments after federal officials complete their work," Stevens said in a statement released to The Seattle Times.

Anderson, 48, said the total remodeling cost, including materials and subcontractors, was way above $130,000.

"We did all kinds of stuff, so it's ludicrous to think that it's only $130,000," Anderson said in a November interview. "Labor alone was more than that."

Anderson said he cannot provide a full account of all the costs because he never received a project budget from Allen and did not review all the expenses. Also, he said Stevens never asked for an estimate.

Stevens and his wife, Cathy, were in Washington, D.C., during much of the renovation, but they did visit the home several times during the work, with Cathy taking an interest in choosing the final interior touches, Anderson said. Otherwise, he said, the couple seemed "nonchalant" about the remodeling.

A bitter feud

Anderson said he has been told by FBI agents that he could be called to testify should Stevens be indicted and charged with a crime. Anderson said he worked for VECO for 25 years and helped in other political tasks, including the welding of a pork rotisserie used at annual campaign fundraisers hosted by Allen for U.S. Rep. Don Young, Alaska's lone House member.

Anderson does have detractors.

They include his uncle, Allen, the VECO founder who in May pleaded guilty to bribing state legislators and is cooperating with federal investigators. In 2004, Allen fired Anderson, and the men have since been locked in a bitter feud, according to Anderson. Anderson agreed to his first interview with a reporter because he is upset with Allen's public statements, which include allegations of blackmailing against Anderson.

A VECO subcontractor on the Stevens remodeling, who has testified before the federal grand jury, also takes issue with Anderson. That subcontractor, Augie Paone, was an important part of the renovation as he framed the first-floor addition and finished the interior.

In a November interview, Paone said Stevens wrote him checks totaling about $100,000 for the work. Paone believes the remodeling could have cost — if all the work was done more efficiently — around $130,000 to $150,000. That is close to the figure Stevens cited earlier this year.

Paone contends that, while he was working in Girdwood, VECO did not contribute much to the job, and Anderson's presence was mostly to keep Allen informed of progress.

"His impact was minimal because no matter what, he had to go through Bill [Allen] for everything, and if he wasn't there, I would have gone through Bill to get things done," Paone said. "He didn't really speed up the job."

Anderson said Paone is wrong: "I busted my ass on Ted's house." He said VECO's labor costs were high because its workers were paid by the biggest oil contractor in the state.

Paone was hired halfway into the project, Anderson said, because VECO's expertise was mainly in the oil industry and commercial projects — not residential construction.

During the renovation, Anderson said, he helped move a water line, build two decks and custom-weld a metal staircase, as well as carry out other tasks ranging from stringing Christmas lights to delivering a new queen-size bed to the senator's house.

Project's beginning

Allen, 70, founded Anchorage-based VECO in 1968 and built it into a worldwide oil contractor with nearly $1 billion in annual revenue. He became a campaign contributor and friend of Stevens'. The two men even shared ownership in a racehorse.

In spring 2000, Anderson said he was sent to clear brush at the small house in Girdwood. Shortly thereafter, Allen summoned Anderson to a penthouse suite at Alyeska Resort to brainstorm how to expand the house.

"Once Bill had his mind set on the job, it was almost as though you couldn't stop him," Anderson said.

For Allen, this past year has been an abrupt descent. He resigned from VECO, which was then sold to a Colorado company. He faces prison time as a result of his May plea agreement and he has served as a government witness in federal bribery trials of two former state legislators.

This fall, during cross-examination in one of those trials, Allen testified that VECO provided materials and several employees to work on Stevens' house. When asked in another trial a few weeks later by a defense attorney if the remodeling was a "gift" to the senator, Allen answered, "No."

Others who knew Allen personally said it is possible Allen failed to forward Stevens every bill. Former state Sen. Rick Halford said that when he was serving in the Alaska Legislature in the late 1990s, Allen had Anderson work on his floatplane dock and other VECO workers spray-insulate his airplane hangar.

Halford said Allen, his friend at the time, never sent him a bill, so he wrote VECO a check for what he believed was a full reimbursement.

"I was making sure I covered myself because when Bill helped you out, you sometimes had a hard time trying to find out what to pay for," said Halford, who has not been contacted by the FBI.

Allen's attorney did not return calls seeking comment for this story.

Anderson, who now lives in a cabin by a remote Alaska lake, said he has not been charged with any crime. He said his career with VECO abruptly ended when he began dating his uncle's former

girlfriend.

Anderson said Allen was furious and threatened to harm him.

While testifying in the bribery trial of a former Alaska legislator, Allen accused Anderson of blackmailing him over the Stevens remodeling. Anderson denies the blackmail allegation and said the dispute was over the girlfriend.

Relations were so bad between the two that Allen's lawyer at the time drafted a 10-page settlement in which Anderson and Allen agreed to never contact each other again. In return for signing the contract, Anderson said, he received $30,000 from the firm of Allen's lawyer.

Tony Hopfinger is a freelance writer in Alaska and can be reached at thopfinger@gci.net. Seattle Times reporter Hal Bernton contributed to this report. He can be reached at hbernton@seattletimes.com.

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The dark side to Alaska's political corruption scandal

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Bill & Ted's Excellent Adventure

The dark side to Alaska's political corruption scandal

How an oil executive allegedly provided more than $150,000 in labor to renovate Sen. Ted Stevens' house, then threatened to kill his own nephew over 'some hillbilly shit'

By Tony Hopfinger

Photos by Al Grillo/Associated Press

When a key government witness testified in federal court this past fall, he hinted at a darker side to the political corruption scandal sweeping the Last Frontier — one with alleged blackmail and murder threats. The witness is Bill Allen, founder of oil contractor VECO Corp., who has pleaded guilty to federal bribery and conspiracy charges and is cooperating with the government. While testifying at the recent trials of two former state representatives he admitted to bribing, Allen accused his nephew — and former employee — of blackmailing him over VECO's remodeling of U.S. Sen. Ted Stevens' home in 2000, also the subject of a federal investigation.

The nephew is Dave Anderson, a stocky man with a voice as rough as the Arctic oil fields where he once welded pipelines. As project foreman, Anderson has detailed knowledge of the senator's home renovation, including that VECO provided tens of thousands of dollars in labor. This raises questions about whether Stevens was billed by VECO and paid for all of the work. In his first interview with a reporter, Anderson denies he blackmailed Allen and claims their dispute was over a woman. In 2004, he took up a relationship with Allen's former girlfriend, who has asked not to be named in this story. The uncle was so angered that he fired his nephew, destroyed his Anchorage mobile home and threatened to kill him, according to Anderson and a series of letters he provided that document the feud. For the past year, Anderson said, he's lived in a remote Alaska cabin, at times fearful for his life.

"This is some hillbilly shit," he says.

In fall 2005, Anderson and Allen tried to bury the hatchet, drafting an agreement in which they vowed never speak to one another again — and never discuss their VECO work with any federal or state authorities. But the settlement never stuck, Anderson said, and he went into hiding two years ago. Then the feds knocked on his door in September 2006. They wanted to know what he knew about Allen's dealings with Stevens, the longest-serving Republican in the Senate.

Anderson says he is now a government witness in the FBI's investigation into Stevens' ties to Allen and the remodel of the senator's home. Key questions are the total cost of the project, and whether VECO picked up part of the tab as Allen sought to gain favor with the 84-year-old senator. In late July, FBI agents took the extraordinary step of searching Stevens' home, and spent much of the day taking measurements and gathering other evidence. The raid thrust the Justice Department investigation into the public spotlight and ramped up pressure on the senator. The project was unusual because VECO — sold in September to Denver-based CH2M Hill — was in the oil business, not residential construction.

"Morally it wasn't right," Anderson says of his work on Stevens' home. "But I work for a living. I draw a paycheck. It's not my place to judge. If Bill says, 'Work on the senator's house,' OK, not a problem. What do you need done?"

Anderson, 48, describes himself as an "oil-fielder." He grew up in Farmington, New Mexico, a rolling stretch of desert dotted with oil and gas wells. He moved to Alaska in 1975 and several years later went to work for VECO. Anderson specialized in welding and worked at Kuparuk and other North Slope oil fields. Then, in the late 1990s, he said, his uncle put him charge of running his political jobs.

Among Anderson's assignments:

• He donated $9,000 to state lawmakers and their campaigns, $2,000 to Stevens, and $1,000 to U.S. Rep. Don Young, according to state and federal elections filings. He says Allen reimbursed him in cash for the donations.

• He says he welded a pork rotisserie used at campaign fundraisers for Young, a gruff politician often deemed one of Congress' biggest porkers. These annual events drew hundreds of the most prominent business people in Alaska — bankers, developers, lawyers, politicians, oil executives and lobbyists. Anderson says he also oversaw the logistics, such as parking and the sound system, at the fundraisers.

• In the late 1990s, he helped build a floatplane dock for then-state Sen. Rick Halford, who lives in Eagle River. He also says he did work on the home of Ramona Barnes, the first woman speaker of the Alaska House. She died in 2003.

FBI - Stevens-4540

But of all the projects Anderson took on for his uncle, the Stevens' home remodel would turn out to be the largest and most

controversial.

He says VECO workers provided more than $150,000 in labor to the project. That's on top of at least $100,000 in subcontracting bills, according to a carpenter whose crew was hired by Allen. This raises the project's total cost to more than $250,000 and appears to conflict with statements Stevens made last year after the investigation became public. Stevens told reporters last summer that he and his wife paid all the remodeling bills that were passed on to them. In a letter last year to Wev Shea, a former U.S. Attorney for Alaska, Stevens said he and his wife, Cathy, "personally paid over $130,000 for the improvements to our chalet," as first reported in The Seattle Times. "This is a sad portion of my life — it will take time to explain," Stevens added in his letter.

Anderson says he cannot provide a full account of all the costs because he never received a project budget from Allen and did not review all the expenses. Also, he said Stevens never asked for an estimate. But he is convinced the cost was way above Stevens' figure: "We did all kinds of stuff, so it's ludicrous to think that it's only $130,000. Labor alone was more than that."

Bob Bundy, Allen's attorney, did not return calls seeking comment for this story. A statement released by Stevens' office said that the senator will not comment on the house remodel until the investigation is completed.

Anderson says it was his impression that Allen was renovating Stevens' home both as a friend and to "keep him in his pocket," although Anderson couldn't point to any specific favor the senator had done for Allen before or after the remodel. At the time of the work, Stevens was at the peak of his political power, chairing the Senate Appropriations Committee in a Republican-controlled Senate and directing billions of dollars of federal spending. He'd served in the Senate since 1968 and would later hold the title of President Pro Tempore, from 2003 to last January, making him third in line to the presidency.

"He was the fourth most powerful person in the United States," Anderson said. "Wouldn't you want him in your pocket?"

Bill Allen, 70, wielded power, too. For more than a quarter-century, he was one of the most influential businessmen in Alaska history, a foul-mouthed oilman who'd cut his teeth in the dusty gas fields of New Mexico. He founded VECO in 1968 and grew it into the largest Alaska-based oilfield services business. VECO eventually became a $1 billion, worldwide operation, with oil and construction contracts in Russia, Abu Dhabi, Syria, Sudan, Barbados and other countries. VECO contracted with some of the world's largest oil producers: ExxonMobil, BP and ConocoPhillips — the "three big boys," as Allen often referred to them.

Allen briefly owned the Anchorage Times before selling it in 1992 to the Anchorage Daily News, the state's largest newspaper. After folding the paper, Allen funded a staff of conservative writers and a half-page of editorial space in the Daily News, offering up a daily dose of columns that routinely promoted industry and the Republican Party. And he was heavily involved in politics himself, contributing hundreds of thousands of dollars to Alaska lawmakers sympathetic to his industry. He was so well-connected that he even co-chaired the Alaska finance committee for the Bush-Cheney 2000 election campaign.

But for all his business savvy, he didn't always play by the rules. As Allen worked tirelessly trying to keep lawmakers aligned with industry's interests, he sometimes broke the law. In 2006, while the Alaska Legislature was debating raising taxes on the oil industry for the first time since 1989, the practice caught up with him. The FBI secretly documented Allen as he bribed key lawmakers in a scheme to influence the vote and keep the tax hike to a minimum. He has since said that he was trying to look out for his clients — the oil producers — which VECO depended on for contracts.

Last May, Allen pleaded guilty in federal court to bribing state lawmakers during the heated oil tax vote. He also said in his plea agreement that he paid Stevens' son, Ben Stevens, $243,000 in phony consulting fees while Ben served in the Alaska Senate. The younger Stevens has not been charged with a crime and has denied any wrongdoing. Under his plea deal, Allen agreed to cooperate with the feds in return for a possibly reduced prison sentence and the promise that his children will not be charged with crimes arising from the corruption investigation.

During the recent bribery trials of former Reps. Vic Kohring and Pete Kott, Allen offered details on the witness stand about his role in the Stevens' home renovation. While under cross-examination at Kott's trial, Allen testified that VECO provided materials and several employees to work on the house. Yet, when asked by a defense attorney at Kohring's trial if the remodeling was a "gift" to the senator, Allen answered, "No."

Stevens and Allen had been friends for years — well before the senator became the appropriations chairman — even owning a racehorse together. According to several people who have known Allen personally, he liked to do favors for his buddies. He bought them dinner. He took them on trips. He worked on their property. "That was who Bill was. He liked to help people," said Halford, the former state senator.

In the late 1990s, Allen offered to have Anderson work on Halford's floatplane dock and two other VECO workers spray-insulate his hangar. Halford said Allen never sent him a bill, so he wrote VECO a check for what he believed was a full reimbursement. "I was making sure I covered myself because when Bill helped you out, you sometimes had a hard time trying to find out what to pay for," Halford said.

FBI - Stevens-4541

Allen first sent Anderson to Stevens' property in Girdwood to clear brush in spring 2000. Allen later drove down to the small town, rented a penthouse suite at the Alyeska Resort and called Anderson and another VECO worker to a meeting to brainstorm how they could remodel and expand Stevens' house. Soon, they were talking about jacking up the small house (it was known to friends as "Ted's cabin") and adding a floor below, which would roughly double its 1,200 square feet.

Allen approached the Stevens' and "worked on Cathy (the senator's wife) more than he did on Ted," Anderson recalls. "He said, 'Let me help you out here... We can expand the house and this is how we can do it.'" Anderson adds: "Bill started getting excited about the project. He started adding on shit, and pretty soon we were talking about fire escapes and balconies and decks."

During the first couple months of the renovation, Anderson says, he and a small crew of VECO workers spent several days a week, on average, working on Stevens' home. They brought in a subcontractor to dig a trench for a waterline, but they moved the line themselves, he says. Another contractor was hired to raise the house and set it on stilts. Anderson estimates that VECO workers supplied more than $150,000 in labor on the renovation and odd jobs at the senator's property. Anderson says his salary alone was about $100,000 a year and he spent months on the job.

Allen regularly spoke to Anderson about how the work was progressing. One time the oil executive became concerned rumors might start flying about VECO trucks and equipment sporting the firm's black and red logo parked at Stevens' home. Anderson says his uncle told him "Get the goddamn VECO stuff out of there. Get it out."

By August 2000, Anderson says, it became apparent that VECO needed help finishing the project. VECO workers were trained to work on oil modules and pipelines and giant commercial projects. "We weren't residential construction guys," he says. "We did big projects, and we needed to bring in some expertise."

In addition, VECO's labor costs were running high because the company's workers were paid top wages by Alaska's largest oil contractor. Residential carpenters could get the job done less expensively and more efficiently. So Allen subcontracted Augie Paone, an Anchorage residential contractor, to frame the first-floor addition, add a garage and finish much of the interior. Paone says he has also testified before a federal grand jury about the renovation.

When many home owners undertake major renovations, they usually solicit competitive estimates and closely track material and labor costs. That apparently didn't happen on the Stevens job. Ted and Cathy were in Washington, D.C., during most of the renovation. Anderson says he met several times with the couple when they were in town and that they seemed "nonchalant" about the project. He says they never provided him with a project budget. Paone's experience was similar. He says that neither Allen nor Stevens requested estimates from him. "The way most remodels work is that there is usually an estimate on the job, but there was no estimate because the plans were changing as we went," Paone says.

Stevens wrote him checks for the work, Paone says, totaling about $100,000. He believes the remodeling could have cost — if all the work was done efficiently — around $130,000 to $150,000, close to the figure Stevens cited last year. That's because Paone contends that, while he was working in Girdwood, VECO workers did not contribute much to the job, and Anderson's presence was mostly to keep Allen informed of progress.

"His impact was minimal because no matter what, he had to go through Bill [Allen] for everything, and if he wasn't there, I would have gone through Bill to get things done," Paone says. "He didn't really speed up the job."

But Anderson says Paone is wrong: "I busted my ass on Ted's house." FBI - Stevens-4542

Anderson says he helped build two decks, custom-weld a metal staircase and complete other parts of the remodel, as well as carry out a host of other tasks ranging from tidying up the grounds to stringing Christmas lights on the senator's property. Anderson says he delivered a new queen-size bed to Stevens' house. He took the old bed to Ben Stevens' home in Anchorage.

Dave Anderson says he was once his uncle's "right hand man," a trusted employee, and heavily involved in Allen's pet political projects. But in mid-2004, he suddenly fell out of favor with his uncle. The issue was personal — Allen's girlfriend left him and started dating Anderson. Allen's pride was wounded, Anderson claims, and his uncle fired him and ordered him to leave Alaska.

Anderson says that except for a brief trip to New Mexico, he stayed in Anchorage as Allen continued to threaten him and his girlfriend. In late 2004, an Anchorage Police officer responded to a call made by the girlfriend, who said Allen, allegedly drunk, was threatening to come to her house where Anderson was staying, according to the officer's report. No charges were filed. A series of letters and other correspondence provided by Anderson show the dispute reaching a boil in fall 2005. The documents also reveal that at least Anderson thought the Stevens project and other work he did for his uncle might raise questions and should be kept quiet. Anderson claims he never blackmailed Allen about such issues. He was seeking only a "proper severance" for his 25 years at VECO, he says.

In an Oct. 3, 2005, letter to his uncle's then-lawyer, Jack Miller, Anderson wrote that he was worried for his life (Miller declined to comment for this story):

> Before I was fired from VECO Bill spent months threatening me with physical harm and beyond... I was told by Bill personally and repeatedly that I was not allowed to live in Alaska. And if I was in Alaska –anywhere in Alaska – he would 'stomp me into a mud hole.'

Anderson continued:

> My house was packed up in August of last year by VECO employees. Bill personally oversaw the project. People took my personal property and rummaged through my home. He 'allowed' me to come to Alaska just to pick my things up and to head back out to New Mexico... About two weeks ago I drove by my home which I lived in and paid on for fifteen years and guess what? VECO employees demolished my home and removed it.

According to the Anchorage Building Department, VECO was granted a permit to demolish a mobile home at Anderson's former Anchorage address in August 2005. In the same letter, Anderson tells Allen's lawyer that he'd been a loyal employee who managed many of his uncle's inside political jobs.

> As you may or may not be aware of, Bill had me doing a lot of different work for VECO and yes it is true I worked on Senator Stevens' house in Girdwood and other peoples' personal projects as well. I made political contributions on behalf of Bill by him giving me the cash, me depositing it and then (me) writing a check...I never once have disclosed ANY ... sensitive information I have....political, business or personal...although of course, as you know, I have been accused of doing just that.

On Oct. 18, 2005, Anderson again wrote Miller, asking Allen's lawyer to bring the dispute to an end:

FBI - Stevens-4543

> Bill has completely exhausted all of my patience with threats of death and violence or (me) not being able to work in or live in Alaska. I am completely through tolerating that. This so-called FAMILY FEUD is non-existent. This is between Bill, VECO and me.

As in the Oct. 3 letter, Anderson reminded Miller of the projects he'd done for Allen, including "working on various politicians' houses and projects for politicians as my supervisor saw fit, of course, processing the labor and supplies through VECO for payment."

A few days later, Allen's lawyer drafted a 10-page "Settlement Agreement and Release of All Claims." Allen and Anderson vowed to neither speak to one another ever again nor discuss their VECO work with any federal, state or local government authorities, including the Internal Revenue Service, Alaska Public Offices Commission and the Federal Election Commission, according to an unsigned draft of the settlement dated Oct. 21, 2005. For signing the document, Anderson says, he was paid $30,000 by Allen's law office. Allen's alleged threats toward Anderson and the $30,000 payout are detailed in a sealed FBI affidavit filed in federal court, according to a lawyer who has seen it.

In September 2006, FBI agents investigating corruption in Alaska approached Allen and Anderson separately and both men broke their contract. Anderson says he is not charged with a crime, and that an FBI agent he's in contact with has told him he may be called to testify in federal court, should Stevens be indicted.

Meantime, Anderson passes his time with his girlfriend at a cabin up north. He's had trouble finding work because, he claims, his uncle has blackballed him in the oil industry. So Anderson chops wood, runs into town for groceries, and plays games on the computer, waiting to restart his life.

"We're just real people caught in a world of shit," he said.

thopfinger@gci.net

Parts of this story first appeared in The Seattle Times *on Dec. 26, 2007. Tony Hopfinger is a freelance writer and a former editor of the* Anchorage Press.

POWERED BY expinion.net

FD-1023 (Rev. 6-22-2007)

FEDERAL BUREAU OF INVESTIGATION

Confidential Human Source (CHS) Reporting Document

Reporting Date: 02/04/2008

Case ID: 209A-AN-14799 (Pending)
[redacted] (Pending)
800A-AN-13718-Squad 4 (Pending)
194A-AN-13620-TSTEVENS (Pending) - 238

Contact Date: 02/01/2008

Type of Contact: Telephonic

Location: Anchorage, AK

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Written by: SA [redacted]
Other(s) Present: N/A

Source Reporting:

Source believes [redacted] U.S. Senator Ted Stevens, and U.S. Senator Lisa Murkowski purchased property on the "other side" of Knik Arm, Alaska. The property value would significantly increase if a bridge was constructed across the Knik Arm. Senator(s) Stevens and Murkowski have attempted to "push" legislation to have a bridge built. The bridge is commonly referred to as "The Bridge to Nowhere." Source wondered if it was an ethical violation that the Senators have the ability for significant monetary gain from this legislation.

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/24/2008

[redacted], date of birth [redacted] [redacted] Social Security Account Number [redacted] residing at [redacted] cellular telephone number [redacted] was interviewed on January 24, 2008 by Special Agent (SA) [redacted] of the Federal Bureau of Investigation (FBI) and Special Agent [redacted] of the Internal Revenue Service (IRS). [redacted] was contacted telephonically prior to the interview by SA [redacted] and arrangements were made to meet for the interview at [redacted] which is [redacted] SAs [redacted] met with [redacted] at approximately 9:05 a.m. in the atrium area of her office building located at the above address. After being advised of the identity of the interviewing agents and the purpose of the interview, [redacted] provided the following information.

[redacted] graduated from [redacted] in May [redacted] with a degree in [redacted] for Senator TED STEVENS (STEVENS) in Washington, DC from [redacted] as [redacted] During her [redacted] with STEVENS, [redacted] b6 b7C did not know STEVENS prior to [redacted] and acquired the position through an [redacted] that was run by [redacted]

Upon graduating from [redacted] with STEVENS' Washington, DC congressional office. [redacted] STEVENS as a [redacted] took over [redacted] position and primarily assisted the [redacted] The Senate uses a computer system known as

Investigation on 01/24/2008 at Washington, DC

File # 194A-AN-13620-TSTEVENS 239 Date dictated Typed 01/24/2008

by SA [redacted] kls SA [redacted] IRS/CID

FBI - Stevens-4546

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

Financial Management Information System (FMIS) to track and submit all office expense reimbursements.

[redacted] advised there were approximately 27 employees who worked directly in STEVENS' Washington, DC office. During the time frame [redacted] opportunities in STEVENS' office. [redacted] stated that [redacted] had been there for [redacted] years and wasn't going anywhere. [redacted] felt that her [redacted] with STEVENS' was limited and [redacted]

[redacted] STEVENS, [redacted] contact with the Senator. [redacted] described STEVENS as a [redacted] figure," as well as an open, honest individual who routinely said what he meant. [redacted] advised that she respects STEVENS, and that he was always focused on doing what he thought was best for the state of Alaska. [redacted] felt that STEVENS genuinely cared about her, and would always be willing to provide a recommendation or other assistance to her if she asked him.

[redacted] talk with STEVENS. [redacted] was fairly involved in STEVENS' daily affairs and knew what was going on in the office. [redacted] occasionally volunteered to help [redacted] did not assist with any car maintenance and stated that [redacted] STEVENS typically utilized a driver and

security detail to drive him to personal and medical appointments.

[redacted] recall buying any specific personal gifts for any of STEVENS' family members. [redacted] send flowers to [redacted] one year for her birthday from [redacted] STEVENS. [redacted] advised that she continues to maintain a friendship with [redacted] does not know who the [redacted] is with, but recalled that [redacted]

[redacted] advised that [redacted] for STEVENS. [redacted]

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[redacted] financial disclosure forms for STEVENS for the [redacted] Accountants hired by STEVENS completed the disclosure forms along with his personal taxes since both sets of forms required similar information. [redacted] would meet with STEVENS to discuss his current year financial information as well as any new investments he may have been involved with. [redacted] then review previous financial disclosure forms in conjunction with the new investment data and provide all the required information to the accountants. Occasionally the accountants would request additional information [redacted] from STEVENS [redacted] the accountant STEVENS used was [redacted] of Kaiser Scherer & Schlegel located in McLean, Virginia.

[redacted] advised that there are separate budgets for STEVENS' legislative office and his campaign. All office expenses were reimbursed from STEVENS' legislative office budget. If STEVENS required reimbursement from his campaign budget for travel or other matters, [redacted]

specific reimbursement request form and submit it through the campaign. [redacted] and [redacted] managed STEVENS' [redacted] did not handle any of STEVENS' [redacted]

[redacted] at STEVENS' Girdwood house in [redacted] was not overly impressed with the renovations, although she had only seen pictures of the chalet prior to the renovations. [redacted] was aware that a first floor had been added to the house. [redacted]

After the media coverage regarding the current investigation, STEVENS actively looked for any files related to the renovations which were done at Girdwood. [redacted] advised that STEVENS said that he paid for everything related to the renovations. [redacted] locate all the files related to the Girdwood renovations. Some of the files were in STEVENS' Senate office, but other files had been sent to his Washington, DC home [redacted] recalled seeing an invoice from Christensen Builders, as well as a variety of monthly bills related to electric and cable services. [redacted] also recalled email correspondence between STEVENS and [redacted] The content of the emails indicated that STEVENS wanted [redacted] to [redacted] at STEVENS' Girdwood house since STEVENS was in Washington, DC. [redacted] kept STEVENS [redacted] renovations through email correspondence.

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[redacted] files related to the Girdwood renovations [redacted] past emails related to the Girdwood project from the server. The Senate transitioned to a different computer system [redacted] STEVENS, and consequently some of the email correspondence related to the Girdwood project may not have been recovered. [redacted] does not know exactly when this computer transition occurred.

[redacted] advised that there is a file in STEVENS' office related to the 1999 Land Rover (LR) purchase. [redacted]

advised that STEVENS kept a file on each of his vehicles. [redacted] thought that the LR was obtained through a trade involving a Mustang, but she was not sure about the specific details. [redacted] advised that STEVENS owns a black Jeep Cherokee and it is parked at his house. STEVENS is usually transported by his driver, so [redacted] does not know the age of either Jeep. [redacted]

[redacted] gifts from STEVENS [redacted] that most of STEVENS' staff were given small gifts by STEVENS for these occasions.

[redacted] for STEVENS [redacted] STEVENS, so he could return calls at his discretion. [redacted] politicians and high ranking officials were routinely put directly through to STEVENS. [redacted] was aware of several of STEVENS' personal friends including [redacted] was unable to share any relevant personal knowledge of any of these individuals. [redacted] but advised that he calls STEVENS. [redacted] of STEVENS' Midnight Sun Political Action Committee.

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[redacted] STEVENS' investment in a horse racing venture known as the Great Alaska Eagle. It was comprised of a group of investors which included STEVENS, [redacted] and others unknown. This investment was included on STEVENS' financial disclosure forms and did not appear to be a successful venture.

[redacted] were received by STEVENS. One of the amended forms was for guns that were received from the Kenai Classic. [redacted]

[redacted] advised that STEVENS did not recall receiving the guns, and did not know where they were.

[redacted] gifts when they were received at STEVENS' office. [redacted] regarding which gifts STEVENS kept and [redacted] STEVENS would tell [redacted]

[redacted] advised that certain lobbyists like [redacted] would routinely meet with STEVENS' [redacted] does not recall certain lobbyists having more access to STEVENS than others. [redacted] would come into the office and talk directly with STEVENS. [redacted] would typically meet with [redacted] when she came into STEVENS' office. [redacted] did not know the purpose of these visits. [redacted] is not aware of any specific legislation that STEVENS supported which benefitted particular lobbyists or personal friends of STEVENS. [redacted] advised that she had little to no knowledge of specific legislation that STEVENS supported since [redacted] that STEVENS always tried to do what he thought was best for the state of Alaska.

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[redacted]

[redacted] Apparently one of [redacted] law partners was hoping his son could be a Congressional page; however, when STEVENS found out that the [redacted] STEVENS typically only

sponsored pages who were from Alaska, and he tried to hire interns from Alaska.

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[redacted] advised that after the allegations came out in the media, STEVENS met with [redacted] and advised them not to worry that he had done nothing wrong. He instructed everyone to expect that a complete investigation would be performed by the government, and to cooperate fully if approached by any investigators. [redacted] advised that she has not previously been contacted by anyone regarding the current investigation.

STEVENS was fairly closemouthed about the investigation; however, his primary concerns appeared to be the Girdwood renovations, the guns related to the Kenai Classic, and any trips he might have taken. STEVENS [redacted] STEVENS was very careful to pay for all of his meal expenses.

[redacted] many years back and they were archived accordingly. [redacted] thought that the last several years worth of paper files were maintained at STEVENS' congressional office. [redacted]

[redacted] interview was completed at approximately 10:37am.

FD-1023 (Rev. 6-22-2007)

FEDERAL BUREAU OF INVESTIGATION

Confidential Human Source (CHS) Reporting Document

Reporting Date: 02/08/2008

Case ID: ✓194A-AN-13620-TSTEVENS (Pending) - 240
[redacted] (Pending)
[redacted] (Pending)

Contact Date: 02/08/2008

Type of Contact: Telephonic

Location: Anchorage, Alaska

Written by: SA [redacted]
Other(s) Present:

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Source Reporting:

Source, who is in a position to testify, provided the following information about the remodel of Ted Stevens' residence in Girdwood, Alaska:

[redacted] which was located in the garage of Ted Stevens' Girdwood residence. [redacted] at one time worked for [redacted] but at this point worked for VECO like a contractor. [redacted] VECO got upset [redacted] had to pull some strings within VECO. [redacted] approximately two 30-gallon cans of this expensive treatment to apply on the top

CIP 042cej01.ec

deck while work was being done on the bottom deck. [redacted] the bottom deck, which included leveling, installing the bottom beams, making pockets to hold the beams, and using a lot of 2x6 wood beams. [redacted] supplies from Spenard Builders Supply (SBS) via SBS employee [redacted] (phonetic). [redacted] the materials to VECO via a purchase order (PO). [redacted] materials from SBS to the work site.

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AO110 (Rev. 12/89) Subpoena to Testify Before Grand Jury

UNITED STATES DISTRICT COURT

DISTRICT OF ALASKA

A080338

TO:

[redacted]

SUBPOENA TO TESTIFY BEFORE GRAND JURY

SUBPOENA FOR:
☐ PERSON ☒ DOCUMENT(S) OR OBJECT(S)

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

PLACE	COURTROOM
Federal Building & U.S. Courthouse 222 W. 7th Avenue Anchorage, AK 99513	**Grand Jury**
	DATE AND TIME [redacted]

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):*

See attached.

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COPY

☐ *Please see additional information on reverse.*

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

CLERK	DATE
IDA ROMACK, ; Clerk (By) Deputy Clerk Ida Christensen	02/12/08
This subpoena is issued on application of the United States of America	NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY [redacted] Asst. U.S. Atty. Federal Bldg. & U.S. Courthouse, 222 W. 7th Ave., #9, Rm 253 Anchorage, AK 99513-7564 (907) 271-5071

* If not applicable, enter "none".

FBI - Stevens-4555

AO110 (Rev. 12/89) Subpoena to Testify Before Grand Jury

241

194A - AN - 13620 - TSTEVENS

U.S. Department of Justice

United States Attorney
District of Alaska

Federal Building & U.S. Courthouse
222 West 7th Avenue, #9, Room 253
Anchorage, Alaska 99513-7567

Commercial: (907) 271-5071
Fax Number: (907) 271-1500

February 12, 2008

Re: Grand Jury Subpoena

Dear Custodian of Records:

You have been served with a grand jury subpoena duces tecum, to produce certain enumerated records before the grand jury in Anchorage, Alaska at If you need additional time to comply with this subpoena please contact our office for an extension.

You have the right to appear before the grand jury. To minimize your inconvenience in complying with this subpoena, you may mail the requested documents certified to our office, or provide the documents to the agent(s) serving the subpoena in lieu of personally producing the documents before the grand jury.

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Should you decide to provide the documents by certified mail, the officer responsible for complying with this subpoena must execute the enclosed affidavit before a notary public. This affidavit must accompany the documents being forwarded.

Please be advised that disclosure of this subpoena may impede an ongoing criminal investigation.

If you have any questions regarding the subpoena or the method by which that subpoena may be satisfied, please contact me collect at (907) 271-5071.

Sincerely,

Assistant U.S. Attorney

Enc: Affidavit of Compliance

FBI - Stevens-4557

A080338

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[redacted]
Assistant U.S. Attorney
Federal Building & U.S. Courthouse
222 West 7th Avenue, #9, Room 253
Anchorage, Alaska 99513-7567
(907) 271-5071

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF ALASKA

IN RE	)	
	)	AFFIDAVIT OF COMPLIANCE
GRAND JURY INVESTIGATION	)	WITH GRAND JURY SUBPOENA
	)	DUCES TECUM
_____	)	
	)	
	)	
	)	
	)	
_____	)	

_____, being first duly sworn, deposes and says:

1. I am associated with _____ (the "Company") as _____ _____. In this position I have the responsibility for the Company's compliance with the subpoena duces tecum issued to me on _____, 2008, which calls for the production of certain documents before a Grand Jury of this Court.

2. I personally have conducted or supervised compliance by the Company with the subpoena duces tecum. To the best of my knowledge, information and belief, based upon due diligence and reasonable inquiry, the documents enclosed herewith, bearing the numbers _____, constitute all the documents in the possession, custody or control of the Company that fall within the terms of the subpoena duces tecum.

3. No documents responsive to the subpoena duces tecum have been withheld by the Company pursuant to a claim of privilege or otherwise. To the best of my knowledge, information and belief, based upon due diligence and reasonable inquiry, no one has directed the destruction of any documents responsive to the subpoena duces tecum and no such documents have been destroyed.

4. The documents made by the Company and produced in compliance with the subpoena duces tecum are memoranda, reports, records or data compilations of acts, events, conditions, opinions or diagnoses that were made at or near the time, by or from information transmitted by, a person with knowledge and that have been kept in the course of the Company's regularly conducted business activity. It has been the Company's regular practice in that business activity to make those memoranda, reports, records or data compilations. Neither the source of information, nor the method of circumstances of preparation, indicate a lack of trustworthiness for those memoranda, reports, records or data compilations.

5. I understand that the furnishing of these documents to counsel for the United States in response to the subpoena duces tecum and the execution of this Affidavit, are at the sole discretion and election of myself and the Company, and are in lieu of personally producing the documents before the grand jury which right to appear is expressly waived.

6. I am authorized by the Company to execute this Affidavit, and I have reviewed all of its terms with counsel for the Company before signing and swearing to it.

FURTHER AFFIANT SAYETH NAUGHT.

_____
AFFIANT

SUBSCRIBED AND SWORN TO before me this ___ day of _____, 2008, at _____

_____
Notary Public
My commission expires: _____.

UNITED STATES DISTRICT COURT

DISTRICT OF ALASKA

A080336

TO:

[redacted]

SUBPOENA TO TESTIFY BEFORE GRAND JURY

SUBPOENA FOR:
☒ PERSON ☐ DOCUMENT(S) OR OBJECT(S)

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

PLACE	COURTROOM
Federal Building & U.S. Courthouse 222 W. 7th Avenue Anchorage, Alaska 99513	**Grand Jury**
	DATE AND TIME [redacted]

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):*

COPY

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Upon receipt of this subpoena, please contact [redacted] Witness Coordinator, (collect) at (907) 271-5071.

☐ *Please see additional information on reverse.*

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

CLERK	DATE
IDA ROMACK, Clerk (By) Deputy Clerk Ida Chrystensen	02/12/08
This subpoena is issued on application of the United States of America	NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY [redacted] Asst. United States Atty. Federal Bldg. & U.S. Courthouse, 222 W. 7th Ave., #9, Rm 253 Anchorage, AK 99513-7564 (907) 271-5071

* If not applicable, enter "none".

FBI - Stevens-4561

194A-AN-13620-242
TSTEVENS

U.S. Department of Justice

United States Attorney
District of Alaska

Federal Building & U.S. Courthouse
222 West 7th Avenue, #9, Room 253
Anchorage, Alaska 99513-7567

Commercial: (907) 271-5071
Fax Number: (907) 271-1500

February 12, 2008

[redacted]

Re: Grand Jury Subpoena

Dear [redacted]

You have been subpoenaed to testify before the grand jury in Anchorage, Alaska, at [redacted]

Please call [redacted] Victim Witness Coordinator, at (907) 271-5071 collect to verify receipt of the subpoena. To place a collect call, dial 1-800-CALL ATT and follow the instructions. If you do not speak directly with [redacted] please leave your name and phone number on her voice mail.

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If you have any questions regarding the subpoena or the method by which that subpoena may be satisfied, please contact the undersigned at (907) 271-5071.

Sincerely,

[redacted]

Assistant U.S. Attorney

Enclosure: Witness Worksheet
Form OBD-2

WITNESS TRAVEL WORKSHEET

Date departed residence: _____

Odometer readings at residence: _____ court/airport: _____

Parking fees/dates (Receipt required):

_____
_____
_____
_____

Taxi fares/dates: _____
_____
_____
_____
_____

Witness attendance dates: _____

Place of lodging/dates: _____

Dates returned to residence: _____

DAILY WITNESS FEE: $40.00

Anchorage per diem (lodging and meals - out of town witnesses only).

U.S. DEPARTMENT OF JUSTICE
INSTRUCTIONS FOR FACT WITNESSES APPEARING ON BEHALF OF THE UNITED STATES GOVERNMENT
(Not Applicable to Federal Employees)

READ THE INFORMATION CONTAINED ON THIS FORM BEFORE YOUR COURT APPEARANCE. PLEASE CALL THE INDIVIDUAL(S) LISTED BELOW FOR INFORMATION REGARDING TRAVEL ARRANGEMENTS AND SPECIFIC ENTITLEMENTS. IF YOU HAVE A MEDICAL CONDITION OR FAMILY SITUATION THAT REQUIRES SPECIAL CONSIDERATION, PLEASE ADVISE THE INDIVIDUAL LISTED BELOW AS SOON AS POSSIBLE.

CONTACT PERSON(S): [redacted] **TELEPHONE NUMBER: 907/271-5071** b6 b7C

≈ VERIFY YOUR ATTENDANCE ≈

On the last business day BEFORE you travel to court, call the above number to verify that your attendance is required. This may prevent a wasted trip in the event the trial date is changed.

≈ APPEARANCE IN ANOTHER CITY ≈

If you are required to travel to another city to appear in court, immediately contact the individual listed above and request instructions. Any amount advanced to you will be deducted from your fees and allowances.

≈ REIMBURSEMENT OF EXPENSES AND ATTENDANCE FEES ≈

A. **ATTENDANCE FEE:** You will be paid a fee of $40 per day, including travel days.

B. **TRANSPORTATION:** Call the individual listed above to obtain information on transportation. Reimbursement will be made for travel by the least expensive method reasonably available to you. The following rules apply to transportation expenses:

1. **Local Travel:** The recommended method of travel in the local area of court is transit bus/subway;

2. **Privately Owned Vehicles (POV):** You will be reimbursed the following amounts:

Motorcycle $0.305 per mile Automobile $0.485 per mile Airplane $1.07 per mile

In addition to the above mileage allowance, necessary tolls, parking and other fees may be reimbursed. You must keep a record of your odometer readings if you travel by motorcycle or automobile. If two or more witnesses travel in the same vehicle, only one reimbursement for mileage can be made.

IF POV EXPENSES, INCLUDING MILEAGE, TOLLS, PARKING AND OTHER ASSOCIATED COSTS, ARE GREATER THAN COACH CLASS AIRFARE, YOU WILL BE RESPONSIBLE FOR THE DIFFERENCE.

3. **Common Carrier:** If you are located outside the local court area, **CALL THE INDIVIDUAL LISTED ABOVE FOR INSTRUCTIONS.** Train, bus or airfare will be reimbursed at COACH or other Non-PREMIUM rate. Reimbursement **WILL NOT** be made for First Class accommodations, "Frequent Flyer" tickets, or charter service. **DO NOT** purchase non-refundable tickets. If your appearance date changes or is cancelled you **WILL NOT** be reimbursed for non-refundable tickets. If you have any questions concerning transportation arrangements, please contact the individual(s) listed above.

C. **MEALS:** If it is necessary for you to remain away from home **overnight**, you will receive the following daily meal allowances:

$ 44.50 for each travel day PLUS $ 89.00 for each full day at court

D. **LODGING:** If it is necessary for you to remain away from home **overnight**, you will be reimbursed for the **ACTUAL COST** of your hotel/motel room, which may not exceed $ 99.00 per night.

≈ YOU MUST RETAIN RECEIPTS ≈

ALL CLAIMS FOR PARKING MUST BE SUPPORTED BY A RECEIPT. OTHER EXPENSES EQUAL TO $25 OR MORE MUST BE SUPPORTED BY A RECEIPT, WITH THE EXCEPTION OF MEALS AND MILEAGE.

≈ DISMISSAL ≈

When you are advised that your attendance is no longer required, you should request information regarding the payment of the fees and allowances outlined above. The individual requiring your attendance will provide you with a Fact Witness Voucher. You will be required to list your expenses on this Voucher. The Voucher will be submitted to the U.S. Marshals Service for payment. The U.S. Marshals Service will process the voucher and **MAIL** the payment to you. If you require funds to return home, you must bring this fact to the attention of the individual requiring your attendance, who will notify the U.S. Marshals Service.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/24/2008

[redacted] date of birth [redacted] address [redacted] telephone number (home) [redacted] was advised of the identities of the interviewing agents and the purpose of the interview. [redacted] was interviewed at her residence at approximately 6:45am. [redacted] provided the following information:

[redacted] graduated in [redacted] from the [redacted] and began her work career as a [redacted] began working for United States Senator TED STEVENS as his [redacted] may have a written description of her job responsibilities; however, the document may be considerably old. [redacted] does not believe her duties have changed in any significant way. [redacted]

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[redacted] STEVENS appointments by [redacted] At times, STEVENS seeks recommendations from staff on who should be scheduled for an appointment.

[redacted] account at the United States Senate Federal Credit Union on a Microsoft Money program [redacted] At the request of STEVENS [redacted] money transfers, including transfers to [redacted] account [redacted] The bank statements for the STEVENS' are sent to their residence in

Investigation on 01/24/2008 at Alexandria, VA

File # 194A-AN-13620-TSTEVENS · 243 Date dictated Typed 1/24/08

SA [redacted]

by SA [redacted] IRS-CID

FBI - Stevens-4565

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

Washington, D.C. STEVENS brings the statements and other billings to the office [redacted] Many of STEVENS' bills are automatically deducted from his checking account. [redacted] that the STEVENS' have other bank accounts [redacted] the Senate Federal Credit Union account is the primary account utilized by STEVENS. STEVENS receives most of his personal mail at his Washington, D.C. residence. STEVENS has a post office box in Washington, D.C. for his campaign related mail. He also maintains a post office box in Alaska.

[redacted] the Washington D.C. residence for various maintenance and repair issues. [redacted] others helped STEVENS move from one residence to his current Washington, D.C. residence. [redacted] STEVENS with a variety of tasks such as [redacted] checks from the STEVENS' checking account for [redacted] with STEVENS' personal business for [redacted] provides those services on a purely volunteer basis and that no employee is required to perform personal services for STEVENS.

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[redacted] was aware of the renovations made to the Girdwood residence. STEVENS had talked about wanting more room in Girdwood for [redacted] was in the Girdwood residence approximately [redacted] years ago following the completion of the renovations. She was never at the chalet prior to the renovations. [redacted] had a role in the Girdwood renovations. [redacted] VECO Corporation and that [redacted] the contractors who worked on the house. [redacted] renovations for STEVENS. [redacted] knew the house had been raised and a new floor was constructed underneath the existing residence.

STEVENS was concerned about the potential fall out from Y2K and had a generator installed in the Girdwood residence. [redacted] is not aware of who purchased and installed the generator. [redacted] recalled

that STEVENS had a number of personal vehicles that he utilized since [redacted] She recalled that he drove a van which was eventually [redacted] a Ford Explorer that was eventually transferred to Alaska, a Lincoln TownCar, and a Ford Mustang that was later [redacted] The Mustang was sent to [redacted] was aware that at one time [redacted] of STEVENS, had a [redacted] while [redacted] The car that was traded to STEVENS for the Mustang may have gone to [redacted] did not know the specifics of the trade. In [redacted] and STEVENS had [redacted] may have been involved in a vehicle transfer [redacted] does not recall.

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[redacted] became aware of the investigation involving STEVENS when she saw the search being conducted of the senator's residence on the television news. After the search, [redacted] together and instructed them to maintain all of their emails and not to destroy any documents. STEVENS also addressed the staff and told them to cooperate fully with investigators if they were approached. STEVENS explained to the staff why he was not offering an explanation to the press. [redacted] STEVENS had the staff searching for any documentation related to the renovations. [redacted] believes the renovation file for the Girdwood residence may have been moved from STEVENS' office to another location. STEVENS also had a search conducted for all communications with [redacted] including emails. [redacted] collecting the electronic communications stored on the computer. STEVENS maintains copies of all correspondence including personal notes that he writes or receives. [redacted] the paper documents for STEVENS. [redacted] of STEVENS' financial disclosures. [redacted] STEVENS' financial disclosures. [redacted] particular file or document at the request of someone else.

[redacted] believes that STEVENS paid all the bills for which he had a responsibility. The staff was responsible for reviewing STEVENS' travel to insure that all private flights were reimbursed. [redacted] STEVENS' personal friends included [redacted] was not aware of any earmarks or legislation that STEVENS pushed that was requested by his personal friends; however, she was not involved in his legislative activities.

[redacted] that consistently have contact with STEVENS.

[redacted] This typically would include [redacted]

STEVENS' office keeps track of personal gifts received by STEVENS. The staff is responsible for tracking gifts over $100. [redacted] is not aware of any gifts received by STEVENS that exceeded the gift limit. [redacted] was aware that [redacted] gave STEVENS a [redacted] after a visit to Washington, D.C. to attend some special event. [redacted] commented that STEVENS had no [redacted] in his house which prompted [redacted] to give STEVENS the [redacted] b6 b7C

[redacted] for STEVENS was paid for the personal work he performed for STEVENS either in cash or from the Senate Federal Credit Union account. Occasionally, [redacted] received gifts from STEVENS for her birthday or when STEVENS returned from trips. Most of the gifts were jewelry that was made by Alaskans. [redacted] STEVENS [redacted]

[redacted] has not been interviewed by anyone in regard to the FBI's investigation. The only thing related to the investigation that [redacted] related to the Girdwood residence renovations.

STEVENS has had several cats as pets throughout the years. He also got two sled dogs from Alaska. One of the sled dogs came from the Kenai Classic auction. STEVENS quickly realized the sled dogs were too high energy and gave the dogs to [redacted] STEVENS, [redacted] and his staff would routinely review news articles that were relative to Alaska issues. [redacted]

[redacted] said that [redacted] had been a close personal friend of STEVENS prior to [redacted] STEVENS was devastated by the news of [redacted] believes that if STEVENS did do something wrong, that he would stand up and take responsibility for his actions. [redacted] believes that STEVENS always tried to do what was right.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/30/2008

[redacted] Sergeant with the Metropolitan Police Department, Homeland Security Special Operations Division was interviewed at his place of employment located at 550 Water Street, SW, Washington, DC 20024, telephone number [redacted] on January 25, 2008 by Special Agents (SA) [redacted] with the Federal Bureau of Investigation. After being advised of the identity of the interviewing agents and the purpose of the interview, [redacted] provided the following information. b6 b7C

[redacted] confirmed that Senator TED STEVENS' boat the CW S WAY was currently registered in the District of Columbia (DC) and maintained at the Capital Yacht Club (CYC). STEVENS has no other vessels currently registered in DC.

[redacted] provided all documentation related to STEVENS' DC boat registration, previous bill of sale for the CW S WAY, as well as information on the CYC. This documentation will be maintained in the 1A section of the file.

Investigation on 1/25/2008 at Washington, DC

File # 194A-AN-13620-TSTEVENS 244

SA [redacted] tls

by SA

SA

Date dictated Typed on 1/30/2008

FBI - Stevens-4570

b6 b7C

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 02/14/2008

[redacted] date of birth [redacted] telephone number [redacted] address [redacted] was advised of the identity of the interviewing agent and the purpose of the interview. Also present during the interview were Assistant United States Attorney's [redacted] and [redacted] provided the following information:

[redacted] worked for [redacted] for a period of [redacted] on a project in Girdwood Alaska for [redacted] Through this project, [redacted] was introduced to [redacted] At a later point, [redacted] on TED STEVENS residence and introduced [redacted] was paid by VECO Corporation at a rate of [redacted] per hour. [redacted] said it was possible the [redacted] construction took place in [redacted] but he was not positive of the date. [redacted] In addition to the deck [redacted] inside the residence. [redacted] was only in the house when he installed the [redacted] All the materials for the job were provided and [redacted] made no purchases. [redacted]

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[redacted] was a VECO laborer who was assigned [redacted] said that he had another guy who helped [redacted] mentioned he did not like the [redacted] In addition to the work on STEVENS' residence in Girdwood, [redacted]

[redacted] does not believe he retained any business records from that time period including photographs of the project; however, he said he would search his records. Neither TED STEVENS, [redacted] visited the job site while [redacted]

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Investigation on 2/13/2008 at Anchorage, AK (telephonically)

File # 194A-AN-13620-TSTEVENS-245 Date dictated n/a

FBI - Stevens-4571

by SA [redacted] MJC

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was there. [redacted] does not remember having any interaction with STEVENS' neighbors.

UNITED STATES DISTRICT COURT

DISTRICT OF ALASKA

A080346

TO:

[redacted]

SUBPOENA TO TESTIFY BEFORE GRAND JURY

SUBPOENA FOR:
☒ PERSON ☐ DOCUMENT(S) OR OBJECT(S)

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

PLACE	COURTROOM
Federal Building & U.S. Courthouse 222 W. 7th Avenue Anchorage, Alaska 99513	**Grand Jury**
	DATE AND TIME [redacted]

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):*

COPY

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Upon receipt of this subpoena, please contact [redacted] Witness Coordinator, (collect) at (907) 271-5071.

☐ *Please see additional information on reverse.*

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

CLERK	DATE
IDA ROMACK, , Clerk	02/13/08
(By) Deputy Clerk Linda Christensen	

This subpoena is issued on application of the United States of America

NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY
[redacted] Asst. United States Atty.
Federal Bldg. & U.S. Courthouse, 222 W. 7th Ave., #9, Rm 253
Anchorage, AK 99513-7564 (907) 271-5071

* If not applicable, enter "none".

AO110 (Rev. 12/89) Subpoena to Testify Before Grand Jury

FBI - Stevens-4573

-246

194A-AN-13620-TSTEVENS

U.S. Department of Justice

United States Attorney
District of Alaska

Federal Building & U.S. Courthouse
222 West 7th Avenue, #9, Room 253
Anchorage, Alaska 99513-7567

Commercial: (907) 271-5071
Fax Number: (907) 271-1500

February 13, 2008

[redacted]

Re: Grand Jury Subpoena

Dear [redacted]

You have been subpoenaed to testify before the grand jury in Anchorage, Alaska, at [redacted]

Please call [redacted] Victim Witness Coordinator, at (907) 271-5071 collect to verify receipt of the subpoena. To place a collect call, dial 1-800-CALL ATT and follow the instructions. If you do not speak directly with [redacted] please leave your name and phone number on her voice mail. b3 b6 b7C

If you have any questions regarding the subpoena or the method by which that subpoena may be satisfied, please contact the undersigned at (907) 271-5071.

Sincerely,

[redacted]

Assistant U.S. Attorney

Enclosure: Witness Worksheet
Form OBD-2

WITNESS TRAVEL WORKSHEET

Date departed residence: _____

Odometer readings at residence: _____ court/airport: _____

Parking fees/dates (Receipt required):

_____
_____
_____
_____

Taxi fares/dates: _____
_____
_____
_____
_____

Witness attendance dates: _____

Place of lodging/dates: _____

Dates returned to residence: _____

DAILY WITNESS FEE: $40.00

Anchorage per diem (lodging and meals - out of town witnesses only).

U.S. DEPARTMENT OF JUSTICE
INSTRUCTIONS FOR FACT WITNESSES APPEARING ON BEHALF OF THE UNITED STATES GOVERNMENT
(Not Applicable to Federal Employees)

READ THE INFORMATION CONTAINED ON THIS FORM BEFORE YOUR COURT APPEARANCE. PLEASE CALL THE INDIVIDUAL(S) LISTED BELOW FOR INFORMATION REGARDING TRAVEL ARRANGEMENTS AND SPECIFIC ENTITLEMENTS. IF YOU HAVE A MEDICAL CONDITION OR FAMILY SITUATION THAT REQUIRES SPECIAL CONSIDERATION, PLEASE ADVISE THE INDIVIDUAL LISTED BELOW AS SOON AS POSSIBLE.

CONTACT PERSON(S): [redacted] **TELEPHONE NUMBER:** **907/271-5071** b6 b7C

≈ VERIFY YOUR ATTENDANCE ≈

On the last business day BEFORE you travel to court, call the above number to verify that your attendance is required. This may prevent a wasted trip in the event the trial date is changed.

≈ APPEARANCE IN ANOTHER CITY ≈

If you are required to travel to another city to appear in court, immediately contact the individual listed above and request instructions. Any amount advanced to you will be deducted from your fees and allowances.

≈ REIMBURSEMENT OF EXPENSES AND ATTENDANCE FEES ≈

A. **ATTENDANCE FEE:** You will be paid a fee of $40 per day, including travel days.

B. **TRANSPORTATION:** Call the individual listed above to obtain information on transportation. Reimbursement will be made for travel by the least expensive method reasonably available to you. The following rules apply to transportation expenses:

1. **Local Travel:** The recommended method of travel in the local area of court is transit bus/subway;

2. **Privately Owned Vehicles (POV):** You will be reimbursed the following amounts:

Motorcycle $0.305 per mile Automobile $0.485 per mile Airplane $1.07 per mile

In addition to the above mileage allowance, necessary tolls, parking and other fees may be reimbursed. You must keep a record of your odometer readings if you travel by motorcycle or automobile. If two or more witnesses travel in the same vehicle, only one reimbursement for mileage can be made.

IF POV EXPENSES, INCLUDING MILEAGE, TOLLS, PARKING AND OTHER ASSOCIATED COSTS, ARE GREATER THAN COACH CLASS AIRFARE, YOU WILL BE RESPONSIBLE FOR THE DIFFERENCE.

3. **Common Carrier:** If you are located outside the local court area, **CALL THE INDIVIDUAL LISTED ABOVE FOR INSTRUCTIONS.** Train, bus or airfare will be reimbursed at COACH or other Non-PREMIUM rate. Reimbursement **WILL NOT** be made for First Class accommodations, "Frequent Flyer" tickets, or charter service. **DO NOT** purchase non-refundable tickets. If your appearance date changes or is cancelled you **WILL NOT** be reimbursed for non-refundable tickets. If you have any questions concerning transportation arrangements, please contact the individual(s) listed above.

C. **MEALS:** If it is necessary for you to remain away from home **overnight**, you will receive the following daily meal allowances:

$ 44.50 for each travel day PLUS $ 89.00 for each full day at court

D. **LODGING:** If it is necessary for you to remain away from home **overnight**, you will be reimbursed for the **ACTUAL COST** of your hotel/motel room, which may not exceed $ 99.00 per night.

≈ YOU MUST RETAIN RECEIPTS ≈

ALL CLAIMS FOR PARKING MUST BE SUPPORTED BY A RECEIPT. OTHER EXPENSES EQUAL TO $25 OR MORE MUST BE SUPPORTED BY A RECEIPT, WITH THE EXCEPTION OF MEALS AND MILEAGE.

≈ DISMISSAL ≈

When you are advised that your attendance is no longer required, you should request information regarding the payment of the fees and allowances outlined above. The individual requiring your attendance will provide you with a Fact Witness Voucher. You will be required to list your expenses on this Voucher. The Voucher will be submitted to the U.S. Marshals Service for payment. The U.S. Marshals Service will process the voucher and **MAIL** the payment to you. If you require funds to return home, you must bring this fact to the attention of the individual requiring your attendance, who will notify the U.S. Marshals Service.

FBI v. Stevens 15-cv-1576

FD-1023 (Rev. 6-22-2007)

FEDERAL BUREAU OF INVESTIGATION

Confidential Human Source (CHS) Reporting Document

Reporting Date: 02/12/2008

Case ID: 194A-AN-13620-TSTEVENS (Pending) - 247
[redacted] (Pending)
800A-AN-A13718-SQUAD 4 (Pending)

Contact Date: 02/12/2008

Type of Contact: Telephonic

Location: Anchorage, Alaska

Written by: SA [redacted]
Other(s) Present:

Source Reporting:

Source, who is in a position to testify, provided the following information about the remodel of Ted Stevens' residence in Girdwood, Alaska:

Bottom, Exterior Deck

[redacted] At the same time that construction was occurring on the bottom deck, Replacement Glass was replacing all of the windows in the front upper levels of the house. The "bubble" kept the work area warm for the workers. There was snow on the ground so it occurred either late fall or early winter.

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Source estimated the cost of the bottom deck to be approximately $30,000 to $50,000. If the cost was approximately $35,000, Source estimated $20,000 would be labor and $15,000 materials. The bottom deck work included pouring concrete, the river-rock inlay, poured steps, custom handrails that mirrored the upper deck handrails, treated wood, and additional treatment of the wood. [redacted] supplies to construct the bottom deck.

[redacted] steel tubing for the subroof from Alaska Steel, located in Anchorage right by Arctic Spur Road. Source believed the purchase would have been on one VECO purchase order. Source advised he/she had used Alaska Steel before for VECO supplies.

Source initially recalled one of the four workers as being named [redacted] After the FBI reviewed VECO documents

CIP cjy 043cejO1.ec

and upon further questioning of Source, Source recalled/confirmed the worker's name was actually [redacted] Source believes [redacted] was the name of another worker the Source used to work with on other projects. Source recalled how [redacted] got involved in this project. [redacted] (previously thought to be [redacted] During the work, [redacted] Source believed [redacted] to go down the hall, in the VECO frontier building, to cut [redacted] a VECO check. Source could not recall whether he talked to [redacted] about the matter. Source did recall meeting with [redacted] Source knew [redacted] was paid via VECO payroll because Source recalled seeing [redacted] paychecks with paystubs. Source recalled all of this information because VECO [redacted] was pissed and said that VECO could not hire someone without going through the required process, which included new employee orientation, urinanalysis, etc. Source advised [redacted] was not a VECO employee but was paid through the VECO payroll system, which was not supposed to be allowed. Source believed [redacted] received approximately three VECO paychecks. Source last saw [redacted]

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Speedbag

Source advised that after the bottom deck was completed, later in the winter, [redacted] that Ted Stevens' hot water heater in the garage was leaking [redacted]. This was also around the time when [redacted] of the Girdwood home. [redacted] garage of the Girdwood home.

♦♦

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 01/28/2008

[redacted] date of birth [redacted] Social Security Account Number [redacted] home address [redacted] home telephone number [redacted] cellular telephone number [redacted] work telephone number [redacted] was interviewed at her residence. Also present during the interview were Department of Interior, Office of Inspector General Special Agent [redacted] and [redacted] After advising [redacted] of the identities of the agents and the nature of the interview, [redacted] provided the following information.

It should be noted that agents first approached [redacted] earlier in the morning, around 7:00 a.m. but were asked by [redacted] to return to the residence around 8:30 a.m. Agents agreed to do so but advised [redacted] that they were attempting to interview [redacted] before she left for work and that is why they arrived at the residence early. [redacted] advised that it would be better if the agents returned around 8:30 a.m. when [redacted]

[redacted] attended college at the [redacted] After obtaining her bachelor's degree, she attended [redacted] After graduating from [redacted] approximately [redacted] in [redacted] for SENATOR TED STEVENS. [redacted] and also worked on a number of issues to include [redacted] was responsible for handling [redacted] Recently, in [redacted] moved to the [redacted]

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[redacted] for SENATOR STEVENS, she has only socialized with the SENATOR when staff have been

01/24/2008 Washington, D.C.

Investigation on at

File # 194A-AN-13620-TSTEVENS -248
194A-AN-14699-[redacted]

Date dictated 01/28/2008

by SA [redacted]:mjh

FBI - Stevens-4579

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

invited to certain functions. [redacted] does not socialize personally with SENATOR STEVENS or [redacted] nor has [redacted] assisted the STEVENS' with any personal tasks. [redacted] has never been to the STEVENS' Girdwood, AK residence but did hear about renovations being completed at the house via newspaper articles and press releases.

[redacted] advised that once SENATOR STEVENS became aware of a federal investigation involving himself he conducted a meeting with his staff and advised each of them to fully cooperate if investigators should want to interview them.

[redacted] SENATOR STEVENS or his [redacted] the Congressional earmarks that the Alaska Sea Life Center (ASLC) received as a direct result of left-over National Park Service (NPS) land acquisition funds appropriated by Congress. Apparently, after being contacted by a newspaper reporter, SENATOR STEVENS wanted a history on the language of the earmarks as well as the amounts of money that were released to the ASLC. [redacted] either SENATOR STEVENS or [redacted] or both. [redacted] could not recall which person it was but advised the memo was provided according to a chain of command request within SENATOR STEVENS' office. [redacted] stated that the memo would still be in the SENATOR's office. [redacted] recalled the SENATOR directing all of the staff to maintain all relevant documentation which may be associated with the current investigation.

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At this point in the interview, [redacted] was asked whether or not she knew or had met any of the following individuals:

- [redacted] (VECO) - [redacted] could not recall meeting [redacted] and could not recall any legislation that would have directly benefitted VECO.
- [redacted] recalled meeting him at a [redacted] but could not remember any other instances where she socialized with [redacted]
- [redacted] recalled meeting him and possibly emailing him regarding legislation information.

- [redacted] recalled [redacted] because of his [redacted] could not recall any details regarding those appropriations.
- [redacted] could not recall knowing him.
- [redacted] could not recall knowing him.
- [redacted] could not recall knowing him.
- [redacted] advised the name sounded familiar but could not recall how she might know him.
- [redacted] recalled meeting him at some social events but did not have any type of relationship with him.
- [redacted] met him on several occasions regarding appropriations. [redacted] represented mostly Department of Defense clients. [redacted] did not think the Appropriations Committee did anything for his clients. b6 b7C
- [redacted] could not recall knowing him, but recognized his name possibly because of the press and the investigation.
- [redacted] could not recall knowing him, but possibly familiar because of the press and the investigation.

[redacted] was also interviewed regarding her knowledge of legislation and earmarks directed to the ASLC by SENATOR STEVENS' office. [redacted], assistant to SENATOR STEVENS. [redacted] for SENATOR STEVENS. [redacted]. In the

past, have socialized but usually only through work functions.

When asked about stated that regarding some of his clients, being one of them. recalled a number of emails back and forth with regarding the Included in most of those emails were The majority of the emails consisted of suggested legislative language for appropriations.

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recalled meeting with and the recalled meeting another lobbyist associated with the but does not really know him.

recalled that the ASLC has requested funding a number of times over the years and has generally received funding through a number of legislative bills.

She met various council members as well as They discussed appropriations and the language revolving around the appropriations which mentioned the purchase of properties which the National Park Service (NPS) declined to purchase. advised that when most of the language was written she was not have been involved.

At one particular meeting with the Seward delegation in July 2005, SENATOR STEVENS advised the original legislative language was wrote for the NPS. SENATOR STEVENS did not think there would be any left-over funds to appropriate because within the language NPS was supposed to purchase seven (7) parcels which would utilize all of the appropriated funding. Attending this meeting with the SENATOR were [redacted] During the meetinig, the City of Seward expressed concern regarding the legislative language asking that Washington Street be vacated. [redacted] there were no price tags on the properties so the city should not have expected too much in additional funds. [redacted] got the impression that the mayor wanted additional money.

[redacted] and filled him in on the Seward delegation's position. [redacted]

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After the meeting with the Seward delegation, [redacted] advised that he may have included a purchase price but she would have taken it out of the language because SENATOR STEVENS would not allow it in the bill.

[redacted] recalled thinking that the City of Seward was never going to buy property and [redacted] to determine whether or not the ASLC would be willing to purchase [redacted] advised they would as long as the ASLC board of directors would agree to it as well. [redacted] advised that the ASLC wanted to expand the center and with the additional property they would be able to do so in the future.

[redacted] regarding the 2004 language which mandated the NPS to purchase a number of parcels. [redacted] did have limited communications with NPS but could not recall with whom. She recalled the communications were centered

around the status of the negotiations to purchase the parcels. [redacted] did receive emails containing estimates and offers on the properties.

While communicating with NPS, [redacted] NPS had also been in contact with [redacted] At one point, [redacted] saw a draft letter from the NPS contact in Washington DC advising SENATOR STEVENS that NPS did not want to purchase all of the mandated parcels. In general, [redacted] believed the NPS contacts in Washington DC were not supportive of the parcel purchases but the Alaskan NPS contacts were very supportive. [redacted] advised she kept copies of these emails and communications and gave them to SENATOR STEVENS' chief of staff [redacted]

While the legislative language was being completed, [redacted] SENATOR STEVENS regarding the appropriations. SENATOR STEVENS became more involved after the meeting with the City of Seward delegation, when he learned that all of the properties had not been purchased as originally thought. This spawned further conversation regarding the vacation of Washington Street in Seward and whether or not the City of Seward could actually get it done. It was also discussed whether or not the City of Seward should receive compensation for vacating Washington Street. SENATOR STEVENS office went back to NPS to see if they needed to purchase the remaining three properties (which included [redacted]) but NPS said no and that they did not need those properties for the multi-agency complex. NPS had enough property for the complex.

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At this point, SENATOR STEVENS wanted to write something into law with NPS in order to keep the money from being rescinded. The push/rush for legislation was a result of a fear that the money would expire and be returned to the Department of Interior instead of remaining within the community.

[redacted] did not want to just appropriate the money to the City of Seward because SENATOR STEVENS' office did not feel that the city would be able to vacate Washington Street. [redacted] inquiring if the City of Seward or ASLC would be more likely to purchase the Arcade property if

given the left-over NPS land acquisition funds. She further acknowledged that this conversation took place after the SENATOR's office confirmed that NPS did not need to buy the Arcade property to proceed with the multi-agency facility project.

When asked why there was such a push for the purchase of [redacted] properties when NPS had already said they did not need the additional properties, [redacted] answered that she just did not know how to answer the question.

According to [redacted] in the end SENATOR STEVENS had final approval on the language and the week after they had the meeting with the City of Seward delegation, it was an on-going conversation between SENATOR STEVENS and staffers. [redacted] advised that SENATOR STEVENS drafted and approved to move the left-over NPS land acquisition money from the City of Seward even though they were aware of the potential scrutiny being that [redacted] was a former staffer for SENATOR STEVENS. [redacted] advised SENATOR STEVENS was comfortable with the ASLC receiving the funding because the final decisions would be made by the ASLC Board of Directors. [redacted] also advised that they had not put in any language mandating that the ASLC purchase the properties. The reason they did not put a mandate in the legislation was concern over the appearance of impropriety due to [redacted] the Arcade property. [redacted] recalled a conversation with SENATOR STEVENS where they discussed the potential scrutiny and that the SENATOR was aware that [redacted] the Arcade property.

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[redacted] was asked whether or not she was aware of anyone, to include all persons involved in the property transactions, receiving inappropriate payments or anything of value for their efforts. She replied that she was not aware of any such improprieties.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 02/14/2008

[redacted] date of birth [redacted] address [redacted] telephone number [redacted] and home telephone number [redacted] was advised of the identify of the interviewing agent and the purpose of the interview. [redacted] provided the following information:

[redacted] was hired by VECO CORPORATION on [redacted] His job included [redacted] In [redacted] and returned for a two week period in [redacted] to work on the [redacted] He was rehired by VECO in the [redacted] at which time [redacted] At that time, [redacted] was assigned to work on the construction of [redacted] The construction at [redacted] lasted through the summer.

[redacted] next assignment was to work on a project in Girdwood, Alaska which lasted [redacted] At the time, [redacted] did not know he was working on the residence of TED STEVENS. [redacted] truck owned by VECO CORPORATION to and from the job site. [redacted] materials to the job site from Spenard Builders Supply, [redacted] In addition to [redacted] VECO hired a [redacted] never went inside the Girdwood residence. [redacted] used the bathroom at various restaurants in town such as the Double Musky and Chair Five.

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[redacted] had no interaction with the neighbors in Girdwood. [redacted] recalled [redacted] stopping by on one occasion; however, he never saw TED STEVENS nor [redacted] while working in Girdwood, [redacted] recorded his work hours on a time sheet which [redacted] collected at the end of each week. [redacted] left VECO at the end of [redacted]

Investigation on 2/12/2008 at Anchorage, Alaska

File # 194A-AN-13620-TSTEVENS -249 Date dictated n/a

FBI - Stevens-4586

by SA [redacted] NSI

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FD-1023 (Rev. 6-22-2007)

FEDERAL BUREAU OF INVESTIGATION

Confidential Human Source (CHS) Reporting Document

Reporting Date: 03/24/2008

Case ID: 194A-AN-13620-TSTEVENS (Pending) -250
[redacted] (Pending)
800A-AN-A13718-SQUAD 4 (Pending)

Contact Date: 03/24/2008

Type of Contact: Telephonic

Location: Anchorage, Alaska

Written by: SA [redacted]
Other(s) Present:

Source Reporting:

Source, who is in a position to testify, provided the following information about Ted Stevens' residence in Girdwood, Alaska:

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[redacted]

[redacted]

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084cejo1.ec

From [redacted]@anonymousspeech.com>

Sent Thursday, August 23, 2007 12:32 pm

To anchoragefbi@ak.net

Subject VECO- NSF investigation suggestion

I read the recent article in the ADN that you were investigating the VECO Arctic support contract with the National Science Foundation. I have not personally witnessed any illegality but there have certainly been enough irregularities to make me wonder. I know before the first competition [redacted] of NSF made at least one visit to [redacted] house in Colorado to prior to the award.

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You should ask for an explanation of the office [redacted] constructed on her property in [redacted] I believe the government paid for some aspects of the facility which was only occupied briefly. It is my understanding that [redacted] now runs his business out of the building. One word of caution: I do not have personal knowledge of the transactions, they may be entirely innocent and above board. As a taxpayer I believe they merit investigation if what I have heard is true. It should be easy enough to see if government invested in the facility or paid more than fair market value.

I have no doubt that [redacted] steered the work to his friends at Polar Field Services (the subcontractor to VECO). I also have no doubt that [redacted] behaved unethically since she and her associates were bidding the job for VECO while employed by Antarctic Support Associates whose parent company was also bidding the work. Based on this behavior I believe other unethical behavior was quite likely. I also bet the tracks are well covered.

****
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SA [redacted]

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 04/03/2008

[redacted], address [redacted], was advised of the identity of the interviewing agent and the purpose of the interview. [redacted] provided the following information:

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[redacted] was served with a Federal Grand Jury Subpoena for documents related to [redacted]

Investigation on 2/08/2008 at Anchorage, Alaska

File # 194A-AN-13620-TSTEVENS -252 Date dictated n/a

FBI - Stevens-4589

by SA [redacted]

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 04/03/2008

[redacted] telephone number [redacted] was advised of the identity of the interviewing agent and the purpose of the interview. [redacted] provided the following information:

[redacted] which was a company that constructed and installed screens. [redacted] searched his business records from 1999 through August 2001 for screens installed at a residence in Girdwood Alaska on Northland Ave. He also searched for work performed for [redacted] ROCKY WILLIAMS, [redacted] VECO CORPORATION, and TED STEVENS. [redacted] found two invoices for a [redacted] The invoices contained screens dimensions and numbers which were not commensurate with windows located at TED STEVENS' Girdwood residence. [redacted] found no records for the other search terms.

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Investigation on 3/20/2008 at Anchorage, Alaska

File # 194A-AN-13620-TSTEVENS · 253 Date dictated n/a

FBI - Stevens-4590

by SA [redacted]

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 04/07/2008

[redacted], date of birth [redacted] telephone [redacted] [redacted] a member of the [redacted] was advised of the identity of the interviewing agent and the purpose of the interview. Also, present during the interview were [redacted] an attorney representing [redacted] and government attorneys. NICHOLAS MARSH, [redacted] provided the following information:

[redacted] graduated from [redacted] with a bachelors [redacted] with a [redacted] United States Senator TED STEVENS as a [redacted] with STEVENS, [redacted]

[redacted] STEVENS, [redacted] Alaska with STEVENS [redacted] [redacted] never went to STEVENS' Girdwood residence. [redacted] b6 b7C

responsible for gathering the pertinent information. A list of gifts received by STEVENS was maintained in STEVENS' senate office. Generally, STEVENS would [redacted] keep track of them. At times, [redacted] receipt of gifts. One example of a gift received by the office was a pen set given to STEVENS by the King of Jordan. [redacted] STEVENS, [redacted] discussed and reviewed the disclosure forms together. They did discuss what needed to be reported and what didn't need to be reported. [redacted] staff to

Investigation on 3/26/2008 at Washington DC

File # 194A-AN-13620-TSTEVENS - 254 Date dictated n/a

FBI - Stevens-4591

by SA [redacted]

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solicit information relating to gifts received by STEVENS or his office. When asked about STEVENS' attitude towards the financial disclosure process, [redacted] recalled STEVENS making general comments like "here we go again." [redacted]

[redacted] on two to three occasions. [redacted] He believed that only the paying participants received the bags. [redacted] described the bag as being a duffle type bag with a logo for the event. The bag contained items such as gloves, hats, and hand warmers. Generally, [redacted] the Senate Office participation in the event. [redacted] did not remember STEVENS getting a firearm from the Kenai Classic nor does he remember giving advice on how to report gifts from a 501(3)(c) corporation. [redacted] said that gifts from a spouse do not have to be reported. [redacted] does not recall the threshold for reporting gifts or the other details governing the disclosure forms, but [redacted] tried to insure the forms were completed accurately. If he had a question regarding the preparation of the forms, [redacted] sought guidance from the ethics committee.

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[redacted]

[redacted] recalled that STEVENS got two sled dogs from [redacted] did not recall that STEVENS obtained the dogs from the Kenai Classic. STEVENS returned the dogs when he realized they were too much for him to handle. When asked about STEVENS owning any rifles, [redacted] said that the only guns he is aware of are displayed in STEVENS' Senate office.

[redacted] went to the Double Musky restaurant with STEVENS on at least two occasions, yet he never went to STEVENS' residence. STEVENS did not discuss the renovations to his residence in Girdwood. [redacted] heard about the renovations when they were generally discussed in the office. [redacted] knew that [redacted] of VECO Corporation and a good friend of STEVENS. [redacted] at a fund-raising event. [redacted] also met [redacted] at the same event. [redacted]

was aware that [redacted] did not know any details regarding [redacted] hiring. [redacted] recalled that [redacted] and [redacted] were also personal friends with STEVENS.

[redacted] does not recall VECO Corporation asking for any assistance from STEVENS. [redacted] went to STEVENS W Street recidence on one occasion but he did not recall seeing a Brookstone type chair in the house. [redacted] did not know that STEVENS had a large bronze king salmon statue. [redacted] did not recall hearing about a library being built in honor of STEVENS. There was discussion about where his archived documents would be stored following his departure from the Senate. b6 b7C

[redacted] recalled interacting with [redacted] but he was never lobbied by [redacted]

[redacted] did not recall dealing with an issue brought up by the press regarding the renovations of STEVENS' house being done by VECO Corporation. [redacted] did not recall STEVENS responding to the inquiry.

The last time [redacted] spoke with STEVENS was two weeks ago [redacted] STEVENS. There was no discussion about the investigation during the fund-raising event. [redacted] has had no conversations with [redacted] but he did speak with [redacted] spoke with [redacted] several weeks ago and received a [redacted] has not been contacted by STEVENS' attorneys.

[redacted] acknowledged that it is important that the disclosure forms are accurate and complete. [redacted] was shown a copy of STEVENS' 2004 financial disclosure which listed a sled dog as a gift from the Kenai River Sportsfishing Association as an honorary award for his public service. [redacted] said that either [redacted] or STEVENS put that information on the disclosure form. [redacted] did not recall any conversations with [redacted] or STEVENS regarding this entry. [redacted] said that STEVENS always reviewed the financial disclosure forms before they under a legal internship was filed with the Senate.

[redacted] has had no contact with [redacted] about the investigation.

FD-1023 (Rev. 6-22-2007)

FEDERAL BUREAU OF INVESTIGATION

Confidential Human Source (CHS) Reporting Document

Reporting Date: 04/18/2008

Case ID: 194A-AN-13620-TSTEVENS (Pending) -255
[redacted] (Pending)
800A-AN-A13718-SQUAD 4 (Pending)

Contact Date: 04/18/2008

Type of Contact: Telephonic

Location: Anchorage, Alaska

Written by: SA [redacted]
Other(s) Present:

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Source Reporting:

Source, who is in a position to testify, provided the following information:

[redacted] VECO bought three outdoor barbeques. The first went to Ted Stevens' Girdwood home. It was purchased from Wholesale Distributors, which was located on Post Road in Anchorage, Alaska. The second barbeque went to [redacted] The third barbeque went to [redacted]

[redacted] from Wholesale Distributors.

♦♦

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 04/11/2008

[redacted] was telephonically contacted at his place of employment at [redacted] was advised as to the identity of the interviewing Agent, and was further advised that the purpose of the interview was to discuss [redacted] provided the following information:

[redacted]

According to [redacted]

[redacted]

[redacted] b6 b7C

[redacted]

Investigation on 04/11/2008 at Anchorage, AK (telephonically)

File # 194A-AN-13620-TStevens-256 Date dictated 04/11/2008

by SA [redacted]/crh

FBI - Stevens-4595

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 04/18/2008

[redacted] address [redacted] work telephone number [redacted] home telephone number [redacted] date of birth [redacted], was advised of the identity of the interviewing agent and the purpose of the interview. [redacted] provided the following information:

[redacted] the Kenai Classic event that funded the Kenai River Sportfishing Association. [redacted] the auction that was held in the sports center during each Kenai Classic. [redacted]

Originally, the accounting for the auction event was done by hand and at some point the auction accounting was handled by a computer program designed for auctions. The software was borrowed for the Boys and Girls Club and later the KRSA purchased the software. [redacted] b6 b7C at the KRSA.

[redacted] responsibilities were absorbed by the board members [redacted] A booklet was produced each year that listed all the auction items and the market value for each item.

[redacted] recalled that a sled dog was an item that was auctioned off one year. She thought that the dog was donated by a local dog musher. [redacted] thought that Senator TED STEVENS may have won the dog. [redacted] would have to review the auction accounting to identify who paid for the dog. [redacted] knew that guns were auction items each year but she could not recall any details. [redacted] said that she was not interested in guns; therefore, she paid very little attention to them. [redacted] did not recall that TED STEVENS

Investigation on 4/14/2008 at Anchorage, Alaska (telephonically)

File # 194A-AN-13620-TSTEVENS - 257 Date dictated n/a

FBI - Stevens-4596

by SA [redacted] NSC

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was given a gun at the auctions. [redacted] did not recall that a large bronze king salmon sculpture was an auction item. TED STEVENS typically purchased items from the auction. [redacted] thought TED STEVENS may have purchased airline tickets; however, she could not remember any specific items. b6 b7C

One year, TED STEVENS won a cash prize from a fund raising activity at the auction where a deck of cards were cut in half. The buyer received one half of the card and the other half was placed in a container for a drawing once all the cards were sold. [redacted] thought it was suspicious that TED STEVENS won the cash prize.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 03/27/2008

[redacted] Date of Birth [redacted] Social Security Number [redacted] home address [redacted] was interviewed at the Hart Senate Building in Washington, D.C. [redacted] U.S. Senator TED STEVENS, State of Alaska, business address 522 Hart Senate Office Building, Washington, D.C. 20510, telephone number [redacted] Also present for the interview were [redacted] Deputy Senate Legal Counsel, United States Senate, and Department of Justice (DOJ) Trial Attorneys Nicholas Marsh and [redacted] After being advised as to the identities of the interviewing agent and DOJ Trial Attorneys, [redacted] provided the following information:

[redacted] and graduated from the [redacted]. Following college, [redacted] returned to Anchorage where, following some construction work, [redacted]

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[redacted] school full-time at the [redacted] STEVENS' Alaska office, focusing on issues that dealt with the [redacted] was asked if he had any involvement in the Special Olympic Games that were held in Kenai, Alaska. [redacted]

[redacted]

Investigation on 3/14/2008 at Washington, D.C.

File # 194A-AN-13620-[redacted] TSTevens - 258 Date dictated 3/27/2008

by SA [redacted]

FBI - Stevens-4598

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[redacted]

[redacted] Senator LISA MURKOWSKI, State of Alaska. [redacted] MURKOWSKI [redacted] was facing a tough re-election. [redacted]

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[redacted] activities of STEVENS' office, which includes [redacted] twenty eight (28) employees in the Washington, D.C. office and eleven (11) employees in the Alaska office. [redacted] the letter writers and legislative staff to ensure they convey STEVENS' position and message accurately.

[redacted] deals with STEVENS [redacted] and will give a him [redacted] STEVENS before STEVENS goes to the Senate floor. [redacted] STEVENS, particularly to the State of Alaska.

[redacted] was asked to describe his responsibilities when he was a [redacted] in STEVENS' office. [redacted]

[redacted] The LA was the point person on issues, and would assist the Legislative Correspondent in drafting constituent letters, updating the Senator on issues, and preparing questions for the Senator to ask at Committee hearings.

[redacted]

[redacted] procedural matters in STEVENS' office. [redacted] When staffers travel, they are responsible for completing their own Travel Disclosure Forms. When the Senator travels, his Travel Disclosure Form would have been handled by several different people. [redacted], who are no longer on staff, and now, [redacted] Last Name Unknown (LNU).

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[redacted] was asked about STEVENS' Annual Financial Disclosure Forms. In the past, [redacted] STEVENS in completing his Annual Financial Disclosure Forms. They would work with STEVENS and [redacted] in gathering all the necessary records and documents to complete the form. After the Financial Disclosure Form was completed, the form would be sent to [redacted] he was one of the last stops before the form was submitted to the Senator for signature. The Senator would then review, sign and date the form, and it would be forwarded to the Office of Public Records for filing. [redacted] he was unaware of how involved STEVENS was in the process of completing and reviewing the Annual Financial Disclosure Form.

[redacted] Financial Disclosure Forms filed by STEVENS, which included the years [redacted] did not review any of STEVENS Annual Financial Disclosure Forms when [redacted]

the office. [redacted] was unaware of the types of documents that were used to support and complete STEVENS' Annual Financial Disclosure Forms. [redacted] assumes that there would be e-mails regarding the completion of the forms. Pursuant to the request from DOJ, STEVENS' office is searching for documents relating to the Annual Financial Disclosure Forms. [redacted] a meeting with STEVENS' attorneys regarding the document retrieval for these records. The meeting took place in the last month.

[redacted] four to five meetings regarding the retrieval of documents pursuant to attorney requests. [redacted] These requests came up when an issue would arise. [redacted] explained that when [redacted] was named in a criminal probe, STEVENS asked [redacted] was held after the search warrant was executed on STEVENS' home in July 2007. STEVENS told the staff to cooperate and tell the truth if questioned by investigators.

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[redacted] advised that they conducted document retrieval in May 2007, pursuant to a request from DOJ regarding renovations to STEVENS' Girdwood residence in Alaska. They ran electronic searches for the search terms that were requested by DOJ, which included the "Chalet", [redacted] the "Chair", and "Christmas Tree Lights". [redacted] after the document retrieval, for relevancy, and weeded out the e-mails that were completely irrelevant. [redacted] The relevant documents were put into a binder and several copies were made. One of the copies was provided to STEVENS, and another copy was filed in the back office. [redacted] does not know if STEVENS gave the binder of documents to his attorneys.

There were later searches conducted after May 2007. Copies of the documents pulled were provided to the Senator. If the documents were original copies, a copy of the document was made, and the original was placed back into the file where it originated. When the documents were collated, they were put into chronological order by the date of the e-mails. [redacted]

[redacted] that were involved in the document retrieval. [redacted] retrieval of documents from the office [redacted] which include [redacted] spent a couple of hours a day for a couple of days looking for documents. [redacted] estimated that he spent approximately two weeks of time on document retrieval and review. [redacted] estimates that [redacted] spent more on time on document retrieval than he did.

[redacted] was asked about STEVENS' handwritten notes. STEVENS' handwritten notes for official correspondence are filed with the original correspondence letters. [redacted] did not know if there were any handwritten notes for STEVENS pertaining to his residence. [redacted] did not recall STEVENS ever saying that he (STEVENS) couldn't find his handwritten notes for terms that DOJ was seeking in their letters of request.

[redacted] was asked about STEVENS' daily routine. At the end of each day, STEVENS' briefcase is prepared for the night. Newspapers, documents to be reviewed, and letters to be signed are placed in his briefcase. STEVENS brings the briefcase home, and the next morning, when STEVENS brings the briefcase back to the office, staff takes the items out of his briefcase. If there are handwritten notes on letters or documents, they are copies and placed into a file.

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STEVENS' personal financial matters, which require a minimal amount of time, [redacted] some of STEVENS' bills from his checking account and [redacted] STEVENS' personal matters. If other staff performs work for STEVENS' personally, they are compensated as well. [redacted] did not know how much the staff is compensated for their time, as [redacted] did not pay close attention to it. [redacted] believes that [redacted] a file for STEVENS' personal items in the back office.

[redacted]

[redacted] was asked about the "Chair". [redacted] located one e-mail between STEVENS and [redacted] regarding the delivery of the chair. [redacted] did not recall any more details regarding the

e-mail, except that it involved the delivery of the chair. [redacted] did not recall the e-mail discussing payment of the "Chair". [redacted] STEVENS residence in Washington, D.C., [redacted] a dark brown massage chair in the residence. [redacted] did not know if anybody contacted [redacted] regarding the "Chair".

HOME RENOVATIONS

[redacted] was aware that STEVENS renovated his residence in Alaska, but [redacted] thought that the renovations were complete [redacted] did not pay much attention to the house renovation, and he did not recall STEVENS talking about the renovations when they were being done.

[redacted] At the time, the residence was a one story house, with the bottom level unfinished. When [redacted] returned to visit the house in the [redacted] time frame, the residence was already renovated, as it was changed to a two story residence, as the lower level was finished. That configuration is the same that exists today. [redacted] did not recall construction ongoing on the residence when he visited in [redacted] Decks were also added to the first and second story of the residence. [redacted]

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[redacted] did not recall STEVENS telling him that VECO Corporation performed the renovations on the Alaska residence, but [redacted] said that STEVENS could have. [redacted] is not aware of STEVENS telling any other staffer that the renovations were done and paid for by VECO. [redacted] never attended an event where he heard STEVENS thank [redacted] for the renovations to the residence. LOWE is aware that [redacted] and STEVENS knew each other, but [redacted] did not know the extent of their relationship. In [redacted] did not have a lot of interaction with [redacted]

[redacted] was asked about [redacted] knows [redacted] but never had any conversations with [redacted] about the actual renovations to the residence. [redacted] has spoke with [redacted] about the investigation regarding the renovations, but just in general

aspects. [redacted] commented that "I can't believe this is happening".

[redacted] advised that there is a folder/file maintained in the back-office (general area) in STEVENS' office, that is titled "House Renovations". [redacted] has seen the file/folder, but does not know what the file consists of as he has never gone through it. [redacted] believes that there are checks to companies for work performed on the house, but [redacted] does not know the specifics of the checks. [redacted] on STEVENS' behalf. [redacted] does not know if STEVENS turned the folder over to his attorneys. [redacted] recalled that [redacted]

[redacted] was asked if he has ever seen checks from STEVENS to VECO. [redacted] is unaware of any checks from STEVENS to VECO. STEVENS has advised that he paid for every bill he received as it pertained to renovations on his residence, and has records for work performed on the house. STEVENS comments were very general based, and STEVENS never made any comments about VECO or [redacted] doing construction on the residence. b6 b7C

[redacted] did not recall any conversations with STEVENS or [redacted] regarding re-modeling of the Alaska residence. STEVENS did say that [redacted] set up a separate checking account to pay the bills for the renovation.

KENAI RIVER CLASSIC

[redacted] STEVENS to the Kenai River Classic [redacted] believes if he went to the Kenai River Classic in [redacted] When [redacted] went to the Kenai River Classic, he typically lodged at RW's or SMOKIN JOE'S. [redacted] would fish either one or two days during the event, but never fished with STEVENS. [redacted] would also attend the auction, at which, [redacted] would personally purchase items, to include [redacted] The auction was held at the SOLDOTNA SPORTS CENTER, and there were approximately 1,000 people at the auction. [redacted] did not sit at STEVENS' table, as STEVENS was seated with the VIPs,

which included [redacted] and executives from the Kenai River Classic.

[redacted] was asked about a firearm that STEVENS received at the Kenai Classic. [redacted] advised that in the years 2002, 2003, 2005, and 2006, STEVENS was presented on stage with a firearm from the NATIONAL SPORTSMEN FOUNDATION (NSF) during the award presentation. The award presentation took place during the auction event. Because the NSF was a 501(c)(3) non-profit organization, when [redacted], he was under the impression that STEVENS did not have to report awards for service and recognition. [redacted] the firearm was a public service award and did not have to be reported on the form. When [redacted] learned that their interpretation was incorrect, they amended STEVENS' Annual Financial Disclosure Forms and reported the receipt of the firearms as a gift. [redacted] called it a "staff error" on their part. The firearms are located at STEVENS residence in Alaska.

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[redacted] was asked, hypothetically, if STEVENS had reported gifts from 501 (c)(3) non-profit organizations on Financial Disclosure Forms in the past, if STEVENS would have been aware that gifts from charities that exceeded a certain value would have been required to be reported. [redacted] believes that STEVENS would have been aware of the rules regarding gifts from charities if he disclosed them on past Annual Financial Disclosure Forms.

[redacted] was asked when they decided to amend STEVENS' Annual Financial Disclosure Forms. [redacted] believes last year, around the time of the filing of the last Annual Financial Disclosure Form (2006), there was a press inquiry or a letter from DOJ regarding the firearm. [redacted] the Senate Disclosure Rules, [redacted] and the Senate Ethics Committee regarding the firearms. After they determined that the firearms should have been reported, [redacted] staff amend the Annual Financial Disclosure Forms and report the firearms. [redacted] did not know the value of the firearms, but just knew they were valued more than the allowable gift rule amount. They did not list the value of the firearms on the forms.

[redacted] advised that STEVENS had received a sword from the U.S. MARINES, which is displayed in the front-office. However,

[redacted] did not think the sword needed to be reported as it was a gift from another federal agency.

[redacted] recalled that STEVENS bid on two Alaskan sled dogs during the auction at the Kenai River Classic. [redacted] did not know if STEVENS won the sled dogs, but STEVENS did have sled dogs at his Washington, D.C. residence for a period of time. [redacted] believes that the dogs were shipped to Washington, D.C. from Alaska, but [redacted] did not know who paid the shipping costs. Staffers would sometimes house sit the dogs when STEVENS was out of town. This included [redacted] STEVENS would reimburse the staffers for their services. The dogs only stayed in Washington, D.C. for one year when they were returned to Alaska.

[redacted] was asked about the gift bags that were provided to the participants of the Kenai River Classic. [redacted] advised that all participants were given gift bags at the Kenai River Classic, and when [redacted] he spoke with the Senate Ethics Committee regarding the receipt of gift bags from a 501(c)(3) non-profit organization as [redacted] wanted to comply with the gift rules. The guidance [redacted] received was that Members of Congress could not receive a gift bag, in which the contents, in aggregate, did not exceed $50 in value. [redacted] made Members of Congress that attended the Kenai River Classic aware of the gift rules, and told them to check the gift bag before accepting them. [redacted] also spoke with the NSF about the gift bags, and told them that they needed to make Members of Congress aware of the value of the gift bags. [redacted] does not ever recall being told the value of the gift bags.

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[redacted] was asked if [redacted] attended the Kenai River Classic. [redacted] did not have a lot of participation at the Kenai River Classic.

SALMON BRONZE SCULPTURE

[redacted] advised that STEVENS has a three prong Salmon Bronze Sculpture displayed outside of his house in Alaska. The sculpture was a donation from the NSF to the TED STEVENS FOUNDATION, and when the building for the foundation is built, the sculpture will be placed there. All of STEVENS' Senate Archives will be housed at the foundation. [redacted] does not know when the building will be built or where it will be built, but believes the foundation has a Board of Directors, [redacted]

[redacted] believes the foundation was formed eight years ago, and that they have raised money for the building. [redacted] has not seen any plans for the building.

CHRISTMAS TREE LIGHTS

[redacted] has seen the lights on the trees outside the STEVENS' residence in Alaska. After the search warrant was executed in July 2007, STEVENS [redacted] hired someone to take down the lights and put them in the garage right before the search warrant was executed in July 2007 because the trees were dying because of the lights. STEVENS expressed frustration because he (STEVENS) believed that the taking down of the lights led to the search warrant of the house. STEVENS reiterated that he had nothing to hide and would have freely allowed investigators to search his residence if they had asked for consent.

When asked, [redacted] advised that STEVENS never stated that investigators had asked him (STEVENS) for consent to search his residence.

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VEHICLES

[redacted] was asked about a Ford Mustang that STEVENS owned. STEVENS told [redacted] after the search warrants of VECO in 2006, that he (STEVENS) [redacted]

STAINED GLASS ARTWORK

Following the search warrant of STEVENS' residence, probably sometime in November 2007, [redacted] STEVENS pointing to the stained glass window on house. STEVENS [redacted] the stained glass artwork was a gift from [redacted] but that he (STEVENS) was not aware of the gift until very recently. [redacted] who is very good friends with STEVENS. [redacted] is very involved in the

Kenai River Classic and the [redacted] would occasionally receive phone calls from [redacted] but most of the time, [redacted] dealt with [redacted] who handled [redacted] in STEVENS' office. [redacted] never heard that STEVENS was involved or picked out the design of the stained glass artwork.

[redacted] was asked about the access to the back-office in STEVENS Senate Office. [redacted] advised that the back office is in a general area and is accessible by all personnel. The back-office is just beyond STEVENS' office, and there are four desks there. The Scheduler and Staff Assistant sit in the back office. There are file cabinets in the back office, but they are kept unlocked.

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[redacted] was asked about [redacted]

[redacted] asked about the ALASKA SEA LIFE CENTER. [redacted] advised that the staff compiled information regarding the ALASKA SEA LIFE CENTER after there was a media story about the Center.

[redacted]

[redacted] has interacted with [redacted] began in STEVENS office in [redacted] and maintains a friendly relationship with him. The investigation of [redacted] upsets STEVENS greatly, and he (STEVENS) believes that [redacted]

PRESS INQUIRIES

[redacted] recalled an incident when STEVENS was being questioned by the media regarding a fishery issue. STEVENS became frustrated with the press and told them that they could review his memo if they wanted. The ALASKA DAILY NEWS (AND) took STEVENS' up on his offer and asked for the memo. [redacted] not provide the memo because there were confidential internal comments in the memo that [redacted]

[redacted] was asked who dealt with the press when they inquired about VECO and the renovations to the house. [redacted] dealt with the media inquiries, as [redacted] does not know what statements STEVENS made to the press, but believes that materials were provided to the press.

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(Rev. 06-04-2007)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE **Date:** 04/16/2008

To: Anchorage **Attn:** SA [redacted]

From: WFO
CR-20
Contact: SA [redacted]

Approved By: [redacted]

Drafted By: [redacted] ks

Case ID #: 194A-AN-13620-TBSTEVENS (Pending) -122 259

Title: POLAR PEN;

Synopsis: To provide results of interview of [redacted] to UNITED STATES SENATOR TED STEVENS.

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Enclosure(s): Original and one copy of a FD-302 of [redacted] along with original investigative notes.

Details: On March 14, 2008, [redacted] UNITED STATES SENATOR TED STEVENS, was interviewed at the Hart Senate Building in Washington, D.C. Also present for the interview were Department of Justice (DOJ) Trial Attorneys Nicholas Marsh and [redacted] along with Deputy Senate Legal Counsel [redacted] Enclosed is the original and copy of a FD-302, detailing the results of the interview, along with the original investigative notes.

Please do not hesitate to contact SA [redacted] if Anchorage Division has any questions.

LEAD(s):

Set Lead 1: (Info)

ANCHORAGE

AT ANCHORAGE, ALASKA

Results of interview of [redacted] b6
[redacted] to United States Senator TED STEVENS. b7C

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 04/29/2008

[redacted] residence in [redacted], home telephone [redacted] cell telephone [redacted] was advised of the identity of the interviewing agent and the purpose of the interview. [redacted] provided the following information:

[redacted] During that time, she realized that the Kenai River was lacking in access for handicapped persons. [redacted] agreed to help the Kenai River Sportsfishing Association (KRSA) if the association agreed to build handicap access to the river. [redacted] transportation for the Kenai Classic which was a fund raising event whose proceeds funded the maintenance and protection of the Kenai River. [redacted] b6 b7C

[redacted] SENATOR CONRAD BURNS was the auctioneer for the event.

[redacted] software program specifically designed for auctions that KRSA purchased. [redacted] all of the KRSA records in her possession to [redacted] a KRSA's board members. [redacted]

[redacted] said that [redacted] who had a firearms license took receipt of firearms that were donated by a corporate sponsor each year. [redacted] the transfer of the license to the buyer. [redacted] said that the donator whom she could not remember, provided two firearms each year. One became an auction item and the other was given as a gift to SENATOR TED STEVENS.

Investigation on 4/28/2008 at Anchorage, Alaska (telephonically)

File # 194A-AN-13620-TSTEVENS -260 Date dictated n/a

FBI - Stevens-4612

by SA [redacted] :mbk

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Each year, [redacted] purchase a gift for STEVENS as a thank you from KRSA. [redacted] $200 limit for the cost of the gift. [redacted] a unique gift that was made by native Alaskans. One year, [redacted] an Eskimo doll that was displayed in a shadow box which was sewn by a disabled person using her feet.

[redacted] said that one year the KRSA had a sled dog as an auction item. The item was purchased by someone at the auction and given to STEVENS as a gift. [redacted] said that she was positive that the sled dog auction item was not an award or gift from KRSA to STEVENS. [redacted] did not recall who purchased the item, but that it would be documented in the records [redacted] said that [redacted] bought many items and gave them to STEVENS; however, she could not specifically recall any particular item. During the Kenai Classic, STEVENS and [redacted] stayed with [redacted] residence. [redacted] the STEVENS' to arrange for the shipment of the sled dog to their residence in Washington DC. [redacted] date to ship the sled dog. Prior to shipping the sled dog, [redacted]

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[redacted] recalled a large statue of king salmon that was beautifully carved. [redacted] thought that a corporate sponsor purchased the sculpture and gave it to STEVENS. [redacted] said that FEDEX Corporation donated the shipping costs for all items purchased at the auction. [redacted] said that STEVENS generally purchased airline tickets from the auction that were donated by Alaska Airlines and Delta. [redacted] described the cost of the tickets as a "great deal."

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 05/09/2008

On May 8, 2008 at 1:00 p.m. [redacted] was interviewed at the United States Attorneys Office in Anchorage, Alaska. Present were [redacted] AUSA's [redacted] U.S. DOJ Attorneys [redacted] and Nicolas Marsh; and FBI Intelligence Analyst [redacted]

[redacted] was asked specific questions regarding the remodeling of Senator Ted Stevens' home in Girdwood, Alaska.

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[redacted]

[redacted]

Investigation on May 8, 2008 at Anchorage, AK

File # 194A-AN-13620-TSTEVENS - 206

Date dictated

by [redacted]

FBI - Stevens-4614

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[redacted] did not have a clear memory of the second story deck and associated lights and staining work. [redacted] recalled something about two different decks and that [redacted] recalled there was fiberglass installed on the bottom of the second story deck to stop rain from coming down on the first story deck first by indicating he knew that the deck was there, then stating he thought the deck was there. [redacted] did not recall the circumstances of the decks, but does recall a conversation about water leaking, though it was a vague memory. [redacted] had no distinct memory of the lights, deck, or stain but had a vague memory regarding the ice melt system. [redacted] did not recall anything specific about the ice melt system other than it created a problem. [redacted] wished he could remember and indicated he believed his memory problem was related to his age. [redacted] indicated he would rather get a root canal and did not want to be doing this interview.

[redacted] did not recall any conversations with Senator Stevens regarding the Christmas lights. [redacted] believed that [redacted] was doing all this. [redacted] knew that VECO was involved because of [redacted] brought up the phone call played for him regarding Chugach Sewer and Drain. [redacted] recalled that it was shocking when he heard himself on that tape. [redacted] exclaimed that he does not remember stuff from last week, and even has a hard time remembering his anniversary. [redacted] thought remembering a conversation from five years ago would be difficult because at the time it was not important. b6 b7C

[redacted] disagreed that he ever said he did not know that [redacted] and Rocky Williams were there. [redacted] indicated [redacted] and Rocky Williams were always there.

[redacted] initially stated he believed the house was not designed well because the ice slid off the roof and cracked the sheetrock in the garage. [redacted] does not, in general, think of houses as being "well built". [redacted] believes "tightly built" indicates the house is tight on ventilation, easy to heat which is different than being well built. [redacted] was surprised to hear that he described the house that Rocky built as "like a fine cabinet," but agrees he could have, although that was likely before the problems showed up, like the sheetrock cracking in the garage.

[redacted] identified [redacted] as the individual to whom he would speak when he needed [redacted] for the Senator. [redacted] agreed he had correspondence, calls and letters with [redacted] thought he talked with [redacted] only occasionally. [redacted] indicated he was not aware of the role [redacted] or record keeping of Senator Stevens, [redacted]

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[redacted]

[redacted]

[redacted] denied he was in contact with Senator Stevens regarding the matters under investigation.

[redacted] later recalled that each year [redacted] or [redacted] would contact Persons for a "K1" in regards to the [redacted] for the purposes of ethics reporting. [redacted] indicated he would give them the number to his bookkeeper to obtain the "K1". b6 b7C

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 05/05/2008

[redacted] telephone number home [redacted] mobile [redacted] was advised of the identity of the interviewing agents and the purpose of the interview. [redacted] provided the following information:

[redacted]. While having coffee one morning, [redacted] disclosed that VECO CORPORATION had worked on SENATOR TED STEVENS' residence in Girdwood, Alaska. [redacted] in Anchorage, was [redacted] also said that VECO dispatched a number of employees to work on the job site. [redacted] understood that VECO was building a deck on STEVENS' residence to provide more room to host political events. [redacted]

[redacted] call SENATOR STEVENS' office to inquire about the allegations and seek a statement from STEVENS. [redacted] and requested a comment regarding the allegations. [redacted] said that she would have to consult with STEVENS to be able to respond. [redacted] said she was sure that this didn't happen but she would research the issue. [redacted] called a day or two later to tell [redacted] that she was still gathering information and would have a statement shortly. When [redacted] called a second time, she had a statement prepared from TED [redacted] STEVENS regarding the renovation work on their Girdwood residence. The statement appeared to be written by [redacted] however, [redacted] talked about needing to consult STEVENS. [redacted] typed the statement verbatim while [redacted] read it. The statement was read as follows:

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"In 2001 Sen. Stevens [redacted] secured a line of credit from the National Bank of Alaska in order to begin a major renovation project on their home in Girdwood.

The renovation project took place over a series of months

Investigation on 5/2/2008 at Anchorage, Alaska

File # 194A-AN-13620-TSTEVENS -262 Date dictated n/a

by SA [redacted] / SA [redacted]

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in the early spring. Through the help of their good friend and longtime Girdwood resident [redacted] secured the help of a general contractor.

The general contractor was overseen by [redacted] and was paid for by [redacted]. The modernization of their chalet included work on their deck. The general contractor handled all of the subcontracting and supply work for the project.

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The Stevens have not and do not attend to hold a press conference on their deck."

[redacted] got the impression that this was the final statement on the matter and that no follow up questions would be entertained. Unlike the previous two conversations, [redacted] was not engaging in small talk. [redacted] was confident that STEVENS had done nothing inappropriate. [redacted] never offered the renovation invoices for [redacted] review. Based on the information provided by [redacted] [redacted] thought the statement from the STEVENS was an invented story.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/05/2008

[redacted] telephone number [redacted] contacted the Federal Bureau of Investigation after reading newspaper articles regarding the indictment of United States Senator TED STEVENS on false statement counts involving the renovations to his residence in Girdwood by VECO CORPORATION. [redacted] provided the following information:

[redacted] who was employed by VECO CORPORATION during [redacted]. Most of his work was performed in [redacted] however, he was assigned to work on a residential project in Girdwood, Alaska. The residence belonged to STEVENS. [redacted] advising that he had a side job in Girdwood. [redacted] accepted the job which began around [redacted] that period of time. He checked in at [redacted] of Anchorage each morning and drove to Girdwood. At the end of the day, [redacted] returned to [redacted] each evening to check out. [redacted] was on per diem during this period and used some of his money to rent a vehicle to travel to Girdwood.

[redacted] the entire second floor which included a new kitchen. The first floor also included [redacted] of a new garage. [redacted] contacted either ROCKY WILLIAMS or [redacted] to obtain the necessary materials for the job. [redacted] estimated the material costs at $10,000. WILLIAMS was the supervisor on the job site. [redacted]. WILLIAMS was a VECO carpenter supervising two union carpenters who were also on the job site. In [redacted] per hour.

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While on the job site, [redacted] twice. On one occasion, [redacted] for the

Investigation on 7/31/2008 at Anchorage, Alaska (telephonically)

File # 194A-AN-13620-TSTEVENS - 263 Date dictated n/a

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by SA [redacted]

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workers. On another occasion, [redacted] in the garage and [redacted] cost for the light fixtures that were going to be installed in the residence. [redacted] that he did not know at that point the cost of the fixtures. [redacted] did not see or meet TED STEVENS during the period he was working at the Girdwood residence. [redacted] knew he was a VECO employee, although he was not wearing apparel with VECO logos nor was he driving a vehicle with a VECO logo.

In addition to himself, [redacted] had the assistance of an apprentice [redacted] weeks. [redacted] could not recall the name of the [redacted] but he was employed by VECO. MARK TYREE was the plumber who was performing the plumbing work. TYREE died in 2005 from cancer. [redacted] was not sure if all the plumbing work was performed by TYREE. [redacted] restaurant came by and looked at the house three to four times. [redacted] was also on the job site but not as frequently as WILLIAMS. The union carpenters installed the metal roof on the residence. WILLIAMS was involved in the framing of the new first floor. [redacted] assisted WILLIAMS with the installation of the [redacted] did not receive a thank you note from TED STEVENS.

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194A-AN-13620-TSTEVENS

MSK

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA,	)	GRAND JURY ORIGINAL
	)	
v.	)	Criminal No.
	)	
THEODORE F. STEVENS,	)	COUNTS ONE: 18 U.S.C. § 1001
	)	THROUGH SEVEN: (False Statements)
Defendant.	)	
	)	
	)	

INDICTMENT

THE GRAND JURY CHARGES THAT:

Unless specified otherwise, at all times relevant to this Indictment:

COUNT ONE
FALSE STATEMENTS
(18 U.S.C. § 1001(a)(1))

I. BACKGROUND

A. Relevant Parties and Entities

1. THEODORE F. STEVENS (hereinafter "STEVENS") was an elected member of the United States Senate. STEVENS has represented the State of Alaska in the United States Senate since 1968. From 1997 to 2001 and from 2003 to 2005, STEVENS was chairperson of the Senate Committee on Appropriations, which was responsible for the drafting of legislation to allocate federal funds to numerous government agencies, departments, and organizations on an annual basis.

2. The "Girdwood Residence" was a piece of real estate, including a single-family house, located in Girdwood, Alaska. The Girdwood Residence was owned by STEVENS and his

wife. STEVENS often referred to the Girdwood Residence as "the chalet."

3. VECO Corporation (hereinafter "VECO") was a privately held, Alaska-based corporation that, among other things, provided oil pipeline and construction services to the oil industry and to the public sector worldwide. VECO was one of the largest private employers in Alaska, with multiple subsidiary companies and more than 4,000 employees internationally. VECO was not in the business of home construction, remodeling, or improvement.

4. BILL J. ALLEN (hereinafter "ALLEN") was the Chief Executive Officer and part-owner of VECO. ALLEN was a personal friend of STEVENS.

5. PERSON A was the owner of a retail business located in the State of Alaska. PERSON A was a personal friend of STEVENS.

6. PERSON B was the owner of a real estate business located in the State of Alaska. PERSON B was a personal friend of STEVENS.

7. Construction Firm A was a private residential construction firm located in the State of Alaska.

B. <u>The United States Senate's Financial Disclosure Forms</u>

8. Recognizing that public office is a public trust, Congress enacted the Ethics in Government Act of 1978 ("EIGA") in part to restore public confidence in its institutions. EIGA requires all members of the United States Senate to file a form by May of the following year, detailing specified financial transactions that the Member engaged in during the prior calendar year (hereinafter a "Financial Disclosure Form"). These Financial Disclosure Forms were documents required to be submitted to and filed with the Secretary of the United States Senate (hereinafter "Secretary of the Senate"), an office within the Legislative Branch, and were available

to the public.

9. A primary purpose of the yearly Financial Disclosure Forms is to disclose, monitor and deter conflicts of interest, thereby maintaining public confidence in the integrity of the United States Senate and its Members. Because the yearly Financial Disclosure Forms require public disclosure of financial information by each Member of the United States Senate, such as income, assets, gifts, financial interests, and liabilities, the Forms provide the public at large, including the voters of a particular state, with the information necessary to allow the public to evaluate and consider official conduct by a Member of the United States Senate in light of that Member's private finances.

10. The Secretary of the Senate was an office or agency of the United States Congress that was responsible for receiving the Financial Disclosure Forms filed by, or on behalf of, each United States Senator, and for providing accurate information to the public about the financial disclosures filed by, or on behalf of, each United States Senator. The Financial Disclosure Forms were subject to further review and possible investigation by the United States Senate Select Committee on Ethics.

11. For calendar years 1999 through 2006, the Financial Disclosure Forms contained a section that read as follows: "Any individual who knowingly and willfully falsifies . . . this report may be subject to civil and criminal sanctions. (See 5 U.S.C. app. 6, 104, and 18 U.S.C. 1001.)" This section was located next to the signature block on the first page of each Financial Disclosure Form.

12. For calendar years 1999 through 2006, the Financial Disclosure Forms required the filer to disclose certain particular information concerning income, assets, liabilities, and

outside positions either held or obtained by himself, his spouse, and any dependent children during that calendar year.

13. With respect to liabilities, the Financial Disclosure Forms required the filer to disclose the amount of liabilities in excess of $10,000 that were owed at any point in time during that calendar year by the filer, the filer's spouse, or any dependent child, as well as the identity of the individual or entity to whom each debt was owed.

14. With respect to gifts, the Financial Disclosure Forms also required the filer to disclose gifts received by himself, his spouse, and any dependent children during that calendar year. Each Form required the disclosure of gifts from a single source if the aggregate value of the items received in that year was greater than a particular dollar value. For calendar years 1999 through 2002, that dollar value was $260; for calendar year 2003, it was $285; for calendar years 2004 through 2006, it was $305.

II. STEVENS' Scheme To Conceal His Receipt of Things of Value From ALLEN and VECO.

15. Beginning in or about May 1999, and continuing to in or about August, 2007, in the District of Columbia and elsewhere, in a matter within the jurisdiction of the legislative branch of the United States Government and subject to the legislative function exception, STEVENS, while a sitting United States Senator, knowingly and willfully engaged in a scheme to conceal a material fact, that is, his continuing receipt of hundreds of thousands of dollars' worth of things of value from a private corporation and its chief executive officer by, among other things, failing to report them, as was required, on STEVENS' required yearly Financial Disclosure Forms. These things of value provided by ALLEN and VECO to STEVENS

included, among other things: home improvements to the Girdwood Residence, such as the creation of a new first floor, a new garage, a new first- and second-story wraparound deck, new plumbing, new electrical wiring, and other such additions and improvements; automobile exchanges in which STEVENS received new vehicles worth far more than the used vehicles STEVENS provided in exchange; other household goods, such as furniture, a new, permanently-attached professional Viking gas grill, and a new multi-drawer, stationary tool storage cabinet with new tools. The aggregate value of these things of value that STEVENS accepted was greater than $250,000.

16. It was a further part of the scheme that STEVENS took multiple steps to conceal his continued receipt of things of value from ALLEN and VECO. During the nearly seven-year period in which STEVENS received multiple things of value from ALLEN and VECO, STEVENS filed and caused to be filed false annual Financial Disclosure Forms for the years 1999 to 2006 that did not report STEVENS' receipt of any thing of value from ALLEN and VECO, either as gifts or as liabilities, as required. STEVENS also made and caused to be made multiple false representations to his friends, his staff, and the media concerning the improvements at the Girdwood Residence and STEVENS' receipt of things of value from ALLEN and VECO.

17. It was a part of the scheme that STEVENS, while during that same time period that he was concealing his continuing receipt of things of value from ALLEN and VECO from 1999 to 2006, received and accepted solicitations for multiple official actions from ALLEN and other VECO employees, and knowing that STEVENS could and did use his official position and his office on behalf of VECO during that same time period. These solicitations for official

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action, some of which were made directly to STEVENS, included the following topics: (a) funding requests and other assistance with certain international VECO projects and partnerships, including those in Pakistan and Russia; (b) requests for multiple federal grants and contracts to benefit VECO, its subsidiaries, and its business partners, including grants from the National Science Foundation to a VECO subsidiary; and (c) assistance on both federal and state issues in connection with the effort to construct a natural gas pipeline from Alaska's North Slope Region.

A. Things of Value from ALLEN and VECO to Benefit STEVENS

1999: A New 1999 Land Rover Discovery

18. In or about the spring of 1999, STEVENS and ALLEN discussed the fact that STEVENS wished to obtain a new car for his dependent child. Thereafter, in or about June, 1999, ALLEN transferred a new 1999 Land Rover Discovery, which ALLEN had purchased new for approximately $44,000, to STEVENS in exchange for STEVENS' 1964½ Ford Mustang and $5,000. At the time ALLEN transferred the 1999 Land Rover Discovery to STEVENS, the 1964½ Ford Mustang was worth less than $20,000.

2000-2006: Improvements to the Girdwood Residence by VECO

19. Beginning in the spring and summer of 2000, STEVENS and ALLEN discussed whether VECO could renovate the Girdwood Residence. After that conversation, spanning over the next approximately six years, STEVENS accepted from ALLEN and VECO more than $250,000 in free labor, materials, and other things of value in connection with the substantial renovation, improvement, repair and maintenance to the Girdwood Residence. STEVENS never paid ALLEN or VECO anything for these expenses, and STEVENS never listed his receipt of these things of value on any of his yearly Financial Disclosure Forms, all the while sitting as one

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of Alaska's United States Senators.

2000-2001: Improvements to the Girdwood Residence

20. In or about the spring and summer of 2000, after STEVENS and ALLEN discussed whether VECO could perform renovations on the Girdwood Residence, STEVENS and ALLEN met with an architect employed by VECO to discuss the renovations of the Girdwood Residence. Over the remainder of 2000, STEVENS expanded the scope of the project so that the project eventually became a full basement, first-floor addition with multiple bedrooms and a bathroom. The VECO architect prepared drawings for the proposed renovations and discussed the drawings with STEVENS.

21. In or about the fall of 2000, VECO and STEVENS hired Construction Firm A to perform a portion of the renovations at the Girdwood Residence. Construction Firm A's invoices were sent to STEVENS, which STEVENS paid by personal check. Construction Firm A's invoices, however, did not include the labor costs of VECO employees and contractors and did not include the costs of materials provided by VECO.

22. Because VECO and STEVENS hired Construction Firm A to focus on the carpentry and finish work of the renovations at the Girdwood Residence, VECO employees and contractors performed a significant portion of the remaining renovations. ALLEN and others at VECO directed VECO employees and contractors to perform the renovation tasks on the Girdwood Residence.

23. From in or about June 2000 to in or about April 2001, multiple VECO employees and contractors participated in renovating the Girdwood Residence. That renovation work included jacking up and resting the house on stilts, building a new first-floor with two bedrooms

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and a bathroom, renovating the existing residence, and adding a garage with workshop and a second-story wraparound deck. Among other tasks, VECO employees and contractors also installed electrical, plumbing, framing, heating, and flooring materials in the Girdwood Residence. VECO employees and contractors also purchased and installed certain fixtures and appliances.

24. From in or about the summer of 2000 to on or about December 31, 2001, VECO incurred over $200,000 in materials, labor and other costs in connection with the work that VECO employees and contractors performed at the Girdwood Residence. These costs included, but were not limited to, approximately $81,775.18 in materials, labor, architectural design and services, and other costs from approximately June 2000 to December 31, 2000, and approximately $110,153.64 in the first three and a half months of 2001 alone.

25. STEVENS knew that VECO employees and contractors performed significant portions of the Girdwood Residence renovations during calendar years 2000 and 2001. Nonetheless, STEVENS never paid or reimbursed VECO at any time for the cost of materials provided and labor performed by VECO and its employees and contractors on the Girdwood Residence renovations during 2000 or 2001.

2002: Improvements to the Girdwood Residence by VECO

26. From in or about January 2002 to in or about December 2002, multiple VECO employees and contractors continued to be involved in renovating, repairing, and improving the Girdwood Residence. During calendar year 2002, the work performed by VECO employees and contractors at the Girdwood Residence included, among other projects, the installation of a first-floor wraparound deck, a plastic roof between the first- and second-floors, a heat tape

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system on the roof of the Girdwood Residence, and the installation and partial removal of rope lighting on multiple portions of the property. These projects cost VECO approximately $55,000.

27. STEVENS knew that VECO employees and contractors performed significant renovation tasks on the Girdwood Residence during calendar year 2002. Nonetheless, STEVENS never paid or reimbursed VECO at any time for the cost of materials provided and labor performed by VECO and its employees on the Girdwood Residence during calendar year 2002.

2004-2005: Improvements to the Girdwood Residence by VECO

28. From in or about July 2004 to on or about December 31, 2004, STEVENS contacted ALLEN and VECO employees multiple times to request that VECO employees or contractors perform additional tasks at the Girdwood Residence. These tasks included, without limitation, the installation of multiple kitchen appliances and maintenance on the heat tape system on the roof of the Girdwood Residence.

29. From in or about January 2005 to in or about December 2005, STEVENS contacted ALLEN and VECO employees multiple times to request that VECO employees or contractors perform additional tasks at the Girdwood Residence. These tasks included, without limitation, roof and gutter repairs, electrical wiring, and the replacement of sensors.

30. STEVENS knew that VECO employees and contractors performed tasks at his request on the Girdwood Residence during calendar years 2004 and 2005. STEVENS, however, never paid or reimbursed VECO at any time for the cost of materials provided and labor performed by VECO and its employees at the Girdwood Residence during those times.

31. The repairs performed by VECO employees or contractors at the Girdwood

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Residence in each of the calendar years 2004 and 2005 had a combined value of greater than $305 for each of those two years.

2006: Improvements to the Girdwood Residence by VECO

32. In or about January, 2006, STEVENS contacted ALLEN to request that VECO employees or contractors inspect and repair the boiler and heating system at the Girdwood Residence.

33. On or about January 10, 2006, ALLEN contacted a VECO employee by telephone and directed the VECO employee to travel to the Girdwood Residence to inspect and repair the boiler and heating system. When the VECO employee arrived at the Girdwood Residence, both STEVENS and ALLEN were there. Over the course of the next several days, the VECO employee and an outside contractor performed the repairs to the boiler and heating system that had been originally identified by STEVENS.

34. On or about January 25, 2006, ALLEN contacted the outside contractor referenced in Paragraph 33 and directed him to split the repair costs into two invoices – one for materials and one for labor – and to send the invoice for materials to STEVENS and the invoice for labor to ALLEN. Each of those invoices was for an amount greater than $1,000. The invoice for materials in fact was addressed to STEVENS in Washington, D.C., and was paid by STEVENS, and the invoice for labor was addressed to ALLEN in Alaska and paid by ALLEN.

35. On or about February 16, 2006, after becoming aware that ALLEN had paid for the labor costs for the boiler and heating system repairs at the Girdwood Residence, STEVENS sent ALLEN an e-mail concerning the boiler and heating system repairs. Although STEVENS now knew that ALLEN paid for the labor costs, and now knew the name and contact information

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of the outside contractor who had performed the work, STEVENS asked ALLEN to have the outside contractor send STEVENS an invoice for the labor costs.

36. Despite this knowledge, STEVENS never reimbursed ALLEN for the labor costs paid by ALLEN. STEVENS also never paid the outside contractor directly for the labor costs paid by ALLEN.

B. STEVENS' Involvement in the Renovations

37. During the approximate six-year period in which VECO employees and contractors were performing improvements and repairs to the Girdwood Residence, STEVENS had repeated involvement and contact with the work being done by VECO. STEVENS' involvement included, but was not limited to, the following:

a. STEVENS had multiple conversations and correspondence with ALLEN in which the two discussed, among other things, the work of VECO employees and contractors on the renovation project;

b. STEVENS interacted, in person and by telephone, with VECO employees and contractors in both the planning and construction phases of the improvements to the Girdwood Residence;

c. STEVENS was present at the Girdwood Residence when VECO employees and contractors performed improvements and repairs to the Girdwood Residence;

d. STEVENS reviewed and commented upon plans drawn by a VECO employee, surveyed the work done by VECO employees and contractors during the renovations, and at various times suggested additional improvements be done by VECO employees and contractors;

e. STEVENS also thanked ALLEN multiple times for the work that VECO and its employees and contractors had performed, and were performing, in connection with the renovation of the Girdwood Residence.

38. For instance, on or about September 24, 2000, STEVENS sent an electronic mail

("e-mail") to ALLEN that stated: "we've never worked with a man so easy to get along with as [name of a VECO employee]. Plus, everyone who's seen the place wants to know who has done the things he's done. . . . You and [PERSON A] have been the spark plugs and we are really pleased with all you have done. hope to see you and the chalet soon. best teds."

39. From in or about June 2000 to on or about August 30, 2006, PERSON A monitored the work being done at the Girdwood Residence, and provided STEVENS with periodic updates by e-mail on the renovations. In some of these communications, PERSON A specifically noted that certain renovations were being done by VECO employees and contractors at the direction of ALLEN.

40. For example, on or about October 7, 2002, PERSON A sent STEVENS an email captioned "The House" in which PERSON A reported, among other things, that he "went by the house [Girdwood Residence] on Friday and all is well, the downstairs deck w/cover is in place, has been painted and looks great . . . We have a system for the de-icer that can't be mistaken . . . Spoke to Bill about your concerns and all is well."

41. From in or about June 2000 to in or about February 2006, STEVENS was present at the Girdwood Residence on multiple different occasions in which VECO employees and contractors were performing renovation, repair or maintenance tasks at the Girdwood Residence. On those occasions, STEVENS interacted with the VECO employees and contractors who performed work at the Girdwood Residence.

42. STEVENS also thanked VECO employees and contractors who performed tasks at the Girdwood Residence. STEVENS did this through correspondence and conversations with ALLEN, with PERSON A, and with multiple VECO employees and contractors.

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43. As an example, on or about November 11, 2004, STEVENS sent a handwritten letter addressed to a VECO electrician at VECO's corporate address in which STEVENS stated, "Thanks for fixing the heat tape. It seems to be working ok now."

44. In or about the summer of 2001, ALLEN gave STEVENS other items of value, including new and used furniture, a new stationary tool storage cabinet with new tools, and a new professional Viking gas grill. Each of these things of value was worth greater than $260.00.

45. For calendar years 1999 through 2006, STEVENS filed and caused to be filed with the Secretary of the Senate a yearly Financial Disclosure Form. For calendar years 1999 through 2006, each year's Financial Disclosure Form required STEVENS to report the things of value he received that have been described at Paragraphs 18 through 44 herein.

46. STEVENS knew the requirements of the Financial Disclosure Forms, and knowingly and intentionally sought to conceal and cover up his receipt of things of value by filing Financial Disclosure Forms that contained false statements and omissions concerning STEVENS' receipt of these things of value.

All in violation of Title 18, United States Code, Section 1001(a)(1) and (c)(1) and (2).

COUNT TWO
FALSE STATEMENTS
(18 U.S.C. § 1001(a)(2))

47. Paragraphs 1-14, 19-25, and 37-44 of this Indictment are realleged as if set forth fully herein.

STEVENS' 2001 Senate Financial Disclosure Form

48. On or about May 15, 2002, STEVENS filed and caused to be filed a signed document titled "United States Senate Public Financial Disclosure Report For Annual and Termination Reports" (hereinafter "2001 Financial Disclosure Form"). The 2001 Financial Disclosure Form was a document required by rule to be submitted to and filed with the Secretary of the Senate, an office within the legislative branch of the United States Government. The 2001 Financial Disclosure Form was signed by STEVENS and hand-dated "May 15, 2002."

49. The 2001 Financial Disclosure Form required STEVENS to identify and report his receipt of gifts, with an aggregate value of greater than $260.00 from any single source, received by STEVENS, his spouse, and his dependent children during calendar year 2001. The 2001 Financial Disclosure Form also required STEVENS to identify and report any liabilities greater than $10,000 owed by STEVENS, his spouse, and his dependent children at any time during calendar year 2001.

50. The first page of the 2001 Financial Disclosure Form contained the following question, followed by boxes for "YES" and "NO":

> Did you, your spouse, or dependent child receive any reportable gift in the reporting period (i.e., aggregating more than $260 and not otherwise exempt)? If yes, Complete and Attach PART V.

On the 2001 Financial Disclosure Form, STEVENS checked the "NO" box and did not attach a

FBI Stevens-4636

completed Part V form.

51. The first page of the 2001 Financial Disclosure Form also contained the following question, followed by boxes for "YES" and "NO":

> Did you, your spouse, or dependent child have any reportable liability (more than $10,000) in the reporting period? If yes, Complete and Attach PART VII.

On the 2001 Financial Disclosure Form, STEVENS checked the "NO" box, and did not attach a completed Part VII form.

52. On or about May 15, 2002, in the District of Columbia and elsewhere, in a matter within the jurisdiction of the legislative branch of the Government of the United States and subject to the legislative function exception, that is, the United States Senate and the Secretary of the United States Senate, defendant STEVENS knowingly and willfully made and caused to be made material false, fictitious, and fraudulent statements and representations, that is, STEVENS falsely reported and caused to be reported on his 2001 Financial Disclosure Form and attachments thereto, which he then certified, signed, filed and caused to be filed with the Secretary of the Senate, that during calendar year 2001 he had received no gifts from a single source with an aggregate value of more than $260.00, and that he had no liabilities in an amount greater than $10,000, when in truth and in fact STEVENS knew that his transactions with, including his receipt of things of value from, ALLEN, VECO, PERSON A and PERSON B were required to be reported either as gifts or as liabilities on his 2001 Financial Disclosure Form.

All in violation of Title 18, United States Code, Section 1001(a)(2) and (c)(1) and (2).

FBI - Stevens-4637

COUNT THREE
FALSE STATEMENTS
(18 U.S.C. § 1001(a)(2))

53. Paragraphs 1-14, 19-27, and 37-44 of this Indictment are realleged as if fully set forth herein.

STEVENS' 2002 Senate Financial Disclosure Form

54. On or about May 13, 2003, STEVENS filed and caused to be filed a signed document titled "United States Senate Public Financial Disclosure Report For Annual and Termination Reports" (hereinafter "2002 Financial Disclosure Form"). The 2002 Financial Disclosure Form was a document required by rule to be submitted to and filed with the Secretary of the Senate, an office within the legislative branch of the United States Government. The 2002 Financial Disclosure Form was signed by STEVENS and hand-dated "May 13, 2003."

55. The 2002 Financial Disclosure Form required STEVENS to identify and report his receipt of gifts, with an aggregate value of greater than $260.00 from any single source, received by STEVENS, his spouse, and his dependent children during calendar year 2002. The 2002 Financial Disclosure Form also required STEVENS to identify and report any liabilities greater than $10,000 owed by STEVENS, his spouse, and his dependent children at any time during calendar year 2002.

56. The first page of the 2002 Financial Disclosure Form contained the following question, followed by boxes for "YES" and "NO":

> Did you, your spouse, or dependent child receive any reportable gift in the reporting period (i.e., aggregating more than $260 and not otherwise exempt)? If yes, Complete and Attach PART V.

On the 2002 Financial Disclosure Form, STEVENS checked the "NO" box, and did not attach a

FBI - Stevens - 4638

completed Part V form.

57. The first page of the 2002 Financial Disclosure Form also contained the following question, followed by boxes for "YES" and "NO":

> Did you, your spouse, or dependent child have any reportable liability (more than $10,000) in the reporting period? If yes, Complete and Attach PART VII.

On the 2002 Financial Disclosure Form, STEVENS checked the "NO" box, and did not attach a completed Part VII form.

58. On or about May 13, 2003, in the District of Columbia and elsewhere, in a matter within the jurisdiction of the legislative branch of the Government of the United States and subject to the legislative function exception, that is, the United States Senate and the Secretary of the United States Senate, defendant STEVENS knowingly and willfully made and caused to be made material false, fictitious, and fraudulent statements and representations, that is, STEVENS falsely reported and caused to be reported on his 2002 Financial Disclosure Form and attachments thereto, which he then certified, signed, filed and caused to be filed with the Secretary of the Senate, that during calendar year 2002 he had received no gifts from a single source with an aggregate value of more than $260.00, and that he had no liabilities in an amount greater than $10,000, when in truth and in fact STEVENS knew that his transactions with, including his receipt of things of value from, ALLEN, VECO, PERSON B, and others were required to be reported either as gifts or as liabilities on his 2002 Financial Disclosure Form.

All in violation of Title 18, United States Code, Section 1001(a)(2) and (c)(1) and (2).

FBI - Stevens-4639

COUNT FOUR
FALSE STATEMENTS
(18 U.S.C. § 1001(a)(2))

59. Paragraphs 1-14, 19-27, and 37-44 of this Indictment are realleged as if fully set forth herein.

STEVENS' 2003 Senate Financial Disclosure Form

60. On or about May 17, 2004, STEVENS filed and caused to be filed a signed document titled "United States Senate Public Financial Disclosure Report For Annual and Termination Reports" (hereinafter "2003 Financial Disclosure Form"). The 2003 Financial Disclosure Form was a document required by rule to be submitted to and filed with the Secretary of the Senate, an office within the legislative branch of the United States Government. The 2003 Financial Disclosure Form was signed by STEVENS and hand-dated "May 17, 2004."

61. The 2003 Financial Disclosure Form required STEVENS to identify and report his receipt of gifts, with an aggregate value of greater than $285.00 from any single source, received by STEVENS, his spouse, and his dependent children during calendar year 2003. The 2003 Financial Disclosure Form also required STEVENS to identify and report any liabilities greater than $10,000 owed by STEVENS, his spouse, and his dependent children at any time during calendar year 2003.

62. The first page of the 2003 Financial Disclosure Form contained the following question, followed by boxes for "YES" and "NO":

> Did you, your spouse, or dependent child receive any reportable gift in the reporting period (i.e., aggregating more than $285 and not otherwise exempt)? If yes, Complete and Attach PART V.

On the 2003 Financial Disclosure Form, STEVENS checked the "YES" box, and attached a

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completed Part V form in which STEVENS listed receiving a gift in 2003 from the "[Fishing Association] 501(c)(3)." The gift was described as being "given as honorary award in recognition of public service," and was listed as having a value of $250.00.

63. The first page of the 2003 Financial Disclosure Form also contained the following question, followed by boxes for "YES" and "NO":

> Did you, your spouse, or dependent child have any reportable liability (more than $10,000) in the reporting period? If yes, Complete and Attach PART VII.

On the 2003 Financial Disclosure Form, STEVENS checked the "NO" box, and did not attach a completed Part VII form.

64. On or about May 17, 2004, in the District of Columbia and elsewhere, in a matter within the jurisdiction of the legislative branch of the Government of the United States and subject to the legislative function exception, that is, the United States Senate and the Secretary of the United States Senate, defendant STEVENS knowingly and willfully made and caused to be made material false, fictitious, and fraudulent statements and representations, that is, STEVENS falsely reported and caused to be reported on his 2003 Financial Disclosure Form and attachments thereto, which he then certified, signed, filed and caused to be filed with the Secretary of the Senate, that (1) during calendar year 2003 he received a gift, valued at $250.00, from the Fishing Association in recognition of STEVENS' public service, when STEVENS in fact and in truth knew that the gift was actually given to him by PERSON B, and had a value of greater than $285.00, and (2) that during calendar year 2003 he had received no other gifts from a single source with an aggregate value of more than $285.00, and that he had no liabilities in an amount greater than $10,000, when in truth and in fact STEVENS knew that his transactions

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with, including his receipt of things of value from, ALLEN and VECO were required to be reported either as gifts or as liabilities on his 2003 Financial Disclosure Form.

All in violation of Title 18, United States Code, Section 1001(a)(2) and (c)(1) and (2).

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COUNT FIVE
FALSE STATEMENTS
(18 U.S.C. § 1001(a)(2))

65. Paragraphs 1-14, 19-31, and 37-44 of this Indictment are realleged as if fully set forth herein.

STEVENS' 2004 Senate Financial Disclosure Form

66. On or about May 16, 2005, STEVENS filed and caused to be filed a signed document titled "United States Senate Public Financial Disclosure Report For Annual and Termination Reports" (hereinafter "2004 Financial Disclosure Form"). The 2004 Financial Disclosure Form was a document required by rule to be submitted to and filed with the Secretary of the Senate, an office within the legislative branch of the United States Government. The 2004 Financial Disclosure Form was signed by STEVENS and hand-dated "May 16, 2005."

67. The 2004 Financial Disclosure Form required STEVENS to identify and report his receipt of gifts, with an aggregate value of greater than $305.00 from any single source, received by STEVENS, his spouse, and his dependent children during calendar year 2004. The 2004 Financial Disclosure Form also required STEVENS to identify and report any liabilities greater than $10,000 owed by STEVENS, his spouse, and his dependent children at any time during calendar year 2004.

68. The first page of the 2004 Financial Disclosure Form contained the following question, followed by boxes for "YES" and "NO":

> Did you, your spouse, or dependent child receive any reportable gift in the reporting period (i.e., aggregating more than $305 and not otherwise exempt)? If yes, Complete and Attach PART V.

On the 2004 Financial Disclosure Form, STEVENS checked the "YES" box and attached a

completed Part V form in which STEVENS disclosed the receipt of four gifts, totaling $1,428, from dignitaries of three foreign governments. STEVENS did not list receiving any gifts from ALLEN or VECO on the Part V form attached to his 2004 Financial Disclosure Form.

69. The first page of the 2004 Financial Disclosure Form also contained the following question, followed by boxes for "YES" and "NO":

> Did you, your spouse, or dependent child have any reportable liability (more than $10,000) in the reporting period? If yes, Complete and Attach PART VII.

On the 2004 Financial Disclosure Form, STEVENS checked the "YES" box, and attached a completed Part VII form in which STEVENS disclosed a liability to the Internal Revenue Service of an amount within a range from $100,001 to $250,000. STEVENS did not list having any liabilities or owing any debts to ALLEN or VECO on the Part VII form attached to his 2004 Financial Disclosure Form.

70. On or about May 16, 2005, in the District of Columbia and elsewhere, in a matter within the jurisdiction of the legislative branch of the Government of the United States and subject to the legislative function exception, that is, the United States Senate and the Secretary of the United States Senate, defendant STEVENS knowingly and willfully made and caused to be made material false, fictitious, and fraudulent statements and representations, that is, STEVENS falsely reported and caused to be reported on his 2004 Financial Disclosure Form and attachments thereto, which he then certified, signed, filed and caused to be filed with the Secretary of the Senate, that during calendar year 2004 he had received no gifts from either ALLEN or VECO with an aggregate value of more than $305.00, and that he had no liabilities to ALLEN or VECO in an amount greater than $10,000, when in truth and in fact STEVENS knew

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that his transactions with, including his receipt of things of value from, ALLEN and VECO were required to be reported either as gifts or as liabilities on his 2004 Financial Disclosure Form.

All in violation of Title 18, United States Code, Section 1001(a)(2) and (c)(1) and (2).

FBI - Stevens-4645

COUNT SIX
FALSE STATEMENTS
(18 U.S.C. § 1001(a)(2))

STEVENS' 2005 Senate Financial Disclosure Form

71. Paragraphs 1-14, 19-31, and 37-44 of this Indictment are realleged as if fully set forth herein.

72. On or about May 15, 2006, STEVENS filed and caused to be filed a signed document titled "United States Senate Public Financial Disclosure Report For Annual and Termination Reports" (hereinafter "2005 Financial Disclosure Form"). The 2005 Financial Disclosure Form was a document required by rule to be submitted to and filed with the Secretary of the Senate, an office within the legislative branch of the United States Government. The 2005 Financial Disclosure Form was signed by STEVENS and hand-dated "May 15, 2006."

73. The 2005 Financial Disclosure Form required STEVENS to identify and report his receipt of gifts, with an aggregate value of greater than $305.00 from any single source, received by STEVENS, his spouse, and his dependent children during calendar year 2005. The 2005 Financial Disclosure Form also required STEVENS to identify and report any liabilities greater than $10,000 owed by STEVENS, his spouse, and his dependent children at any time during calendar year 2005.

74. The first page of the 2005 Financial Disclosure Form contained the following question, followed by boxes for "YES" and "NO":

> Did you, your spouse, or dependent child receive any reportable gift in the reporting period (i.e., aggregating more than $305 and not otherwise exempt)? If yes, Complete and Attach PART V.

On the 2005 Financial Disclosure Form, STEVENS checked the "NO" box, and did not attach a

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completed Part V form.

75. The first page of the 2005 Financial Disclosure Form also contained the following question, followed by boxes for "YES" and "NO":

> Did you, your spouse, or dependent child have any reportable liability (more than $10,000) in the reporting period? If yes, Complete and Attach PART VII.

On the 2005 Financial Disclosure Form, STEVENS checked the "NO" box, and did not attach a completed Part VII form.

76. On or about May 15, 2006, in the District of Columbia and elsewhere, in a matter within the jurisdiction of the legislative branch of the Government of the United States and subject to the legislative function exception, that is, the United States Senate and the Secretary of the United States Senate, defendant STEVENS knowingly and willfully made and caused to be made material false, fictitious, and fraudulent statements and representations, that is, STEVENS falsely reported and caused to be reported on his 2005 Financial Disclosure Form and attachments thereto, which he then certified, signed, filed and caused to be filed with the Secretary of the Senate, that during calendar year 2005 he had received no gifts from a single source with an aggregate value of more than $305.00, and that he had no liabilities in an amount greater than $10,000, when in truth and in fact STEVENS knew that his transactions with, including his receipt of things of value from, ALLEN and VECO were required to be reported either as gifts or as liabilities on his 2005 Financial Disclosure Form.

All in violation of Title 18, United States Code, Section 1001(a)(2) and (c)(1) and (2).

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COUNT SEVEN
FALSE STATEMENTS
(18 U.S.C. § 1001(a)(2))

STEVENS' 2006 Senate Financial Disclosure Form

77. Paragraphs 1-14 and 19-44 of this Indictment are realleged as if fully set forth herein.

78. On or about July 17, 2007, STEVENS filed and caused to be filed a signed document titled "United States Senate Public Financial Disclosure Report For Annual and Termination Reports" (hereinafter "2006 Financial Disclosure Form"). The 2006 Financial Disclosure Form was a document required by rule to be submitted to and filed with the Secretary of the Senate, an office within the legislative branch of the United States Government. The 2006 Financial Disclosure Form was signed by STEVENS and hand-dated "July 17, 2007."

79. The 2006 Financial Disclosure Form required STEVENS to identify and report his receipt of gifts, with an aggregate value of greater than $305.00 from any single source, received by STEVENS, his spouse, and his dependent children during calendar year 2006. The 2006 Financial Disclosure Form also required STEVENS to identify and report any liabilities greater than $10,000 owed by STEVENS, his spouse, and his dependent children at any time during calendar year 2006.

80. The first page of the 2006 Financial Disclosure Form contained the following question, followed by boxes for "YES" and "NO":

> Did you, your spouse, or dependent child receive any reportable gift in the reporting period (i.e., aggregating more than $305 and not otherwise exempt)? If yes, Complete and Attach PART V.

On the 2006 Financial Disclosure Form, STEVENS checked the "NO" box, and attached a

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completed Part V form in which STEVENS disclosed the receipt of a single gift, valued at $1,400, from a charitable organization. STEVENS did not list receiving any gifts from ALLEN or VECO on the Part V form attached to his 2006 Financial Disclosure Form.

81. The first page of the 2006 Financial Disclosure Form also contained the following question, followed by boxes for "YES" and "NO":

> Did you, your spouse, or dependent child have any reportable liability (more than $10,000) in the reporting period? If yes, Complete and Attach PART VII.

On the 2006 Financial Disclosure Form, STEVENS checked the "NO" box, and did not attach a completed Part VII form.

82. On or about July 17, 2007, in the District of Columbia and elsewhere, in a matter within the jurisdiction of the legislative branch of the Government of the United States and subject to the legislative function exception, that is, the United States Senate and the Secretary of the United States Senate, defendant STEVENS knowingly and willfully made and caused to be made material false, fictitious, and fraudulent statements and representations, that is, STEVENS falsely reported and caused to be reported on his 2006 Financial Disclosure Form and attachments thereto, which he then certified, signed, filed and caused to be filed with the Secretary of the Senate, that during calendar year 2006 he had received no gifts from ALLEN or VECO with an aggregate value of more than $305.00, and that he had no liabilities in an amount greater than $10,000, when in truth and in fact STEVENS knew that his transactions with, including his receipt of things of value from, ALLEN and VECO were required to be reported either as gifts or as liabilities on his 2006 Financial Disclosure Form.

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All in violation of Title 18, United States Code, Section 1001(a)(2) and (c)(1) and (2).

A TRUE BILL.

_____ Dated: _____
Foreperson

WILLIAM M. WELCH II
Chief, Public Integrity Section

By:_____
BRENDA K. MORRIS
Principal Deputy Chief
NICHOLAS A. MARSH
EDWARD P. SULLIVAN
Trial Attorneys
Public Integrity Section
Criminal Division
United States Department of Justice
1400 New York Avenue N.W.
Washington, D.C. 20005

JOSEPH W. BOTTINI
JAMES A. GOEKE
Assistant United States Attorneys
for the District of Alaska
Federal Building & U.S. Courthouse
222 West Seventh Avenue
Anchorage, Alaska 99513-7567

FBI - Stevens-4650

(Rev. 05-01-2008)

UNCLASSIFIED

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE **Date:** 08/06/2008

To: Anchorage

From: Anchorage
Squad 4
Contact: SA [redacted]

Approved By: [redacted]

Drafted By: [redacted] sf 265

Case ID #: 194A-AN-13620-TSTEVENS (Pending)

Title: POLAR PEN
OO:AN

Synopsis: To document review of potentially exculpatory Title III intercepts and consensually monitored conversations between [redacted] b3 b6 b7C

Enclosure(s): The following documents are enclosed:

1. Excel spreadsheet listing consensually monitored conversations reviewed and the results of the review.

2. Excel spreadsheet listing Title III intercepts reviewed.

Details: Between August 4 and August 6, 2008, Special Agents (SA) [redacted] of the Anchorage Field Office of the Federal Bureau of Investigation conducted a review of numerous Title III intercepts and consensually monitored conversations relative to discovery proceedings in the ongoing investigation of Senator THEODORE STEVENS. The purpose of this review was to determine if any of these conversations contained information that could possibly be deemed exculpatory.

CONSENSUAL RECORDINGS

Attached hereto is an excel spreadsheet listing the consensually monitored conversations reviewed by the

UNCLASSIFIED

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FILE COPY

CB219802.EC

aforementioned agents. In regard to conversations that did not appear to contain exculpatory information they have been so noted. Conversations deemed to contain possible exculpatory information were noted as such. In addition, the approximate time of the exculpatory information within the recording, as well as a summary of the information, is provided in the attached spreadsheet.

TITLE III INTERCEPTS

Attached hereto is a listing of Title III intercepts involving [redacted] which were reviewed by the writer. [redacted] This information was provided to SA [redacted] on August 5, 2008.

b3
b6
b7C

♦♦

U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to
File No.

101 E. 6th Avenue
Anchorage, AK 99501
907-276-4441

August 5, 2008

Chief Phillip Morse
United States Capitol Police
119 D Street, NE
Washington DC 20510
Via Facsimile (202) 228-2592

b6
b7C

RE: U.S. Senator Ted Stevens

Dear Chief Morris:

The Anchorage Division of the Federal Bureau of Investigation is conducting an investigation into gifts received by United States Senator Ted Stevens that were not reported on his Senate financial disclosure forms for the time period of 1999 and continuing through 2006, all in violation of 18 U.S.C. §1001. It is our understanding that Senator Stevens had a protection detail assigned to him during at least part of that time period.

We are requesting the identity of the members of his protection team during the above time period and dates of their service. We would like an opportunity to interview members of the protection team regarding their potential knowledge of the renovations to Sen. Stevens' Girdwood residence and gifts the Senator may have received.

Should you have any questions please do not hesitate to contact me at the above number or you may contact our case agent, Special Agent [redacted] at [redacted] [redacted] Thank you for your cooperation in this matter.

Sincerely,

KF 8/7

Kevin Fryslie
Special Agent in Charge

-2666

194A-AN-13620-TSTEVENS

FBI - Stevens-4660

218 mbkot. 1st

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: Diane Fejes

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

Please contact Barbara Draughn at (202) 307-2547 for Travel Arrangements.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK	August 11, 2008
(By) Deputy Clerk	

ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER:
Brenda Morris, Principal Deputy Chief
Department of Justice, Criminal Division, Public Integrity Section
1400 New York Ave., NW , Suite 12100, Washington, DC 20005 Telephone: (202) 514-1412

FBI - Stevens-4661

194A-AN-13620-TSTEVENS- 267

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE		
RECEIVED BY SERVER	DATE 08-11-2008	PLACE Anchorage, AK
SERVED	DATE 08-11-2008	[redacted]
SERVED ON (PRINT NAME) [redacted] PCA		FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☒ NO AMOUNT $ -0-
SERVED BY (PRINT NAME) [redacted]		TITLE Special Agent - DPS

b6
b7C

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 08-11-2008
DATE

[redacted]
SIGNATURE OF SERVER

1201 Pacific Ave. Suite 520
Tacoma, WA 98402
ADDRESS OF SERVER

ADDITIONAL INFORMATION

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: Linda Carpenter

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a
	DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

Please contact Barbara Draughn at (202) 307-2547 for Travel Arrangements.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK	August 11, 2008
(By) Deputy Clerk	

ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER:
Brenda Morris, Principal Deputy Chief
Department of Justice, Criminal Division, Public Integrity Section
1400 New York Ave., NW , Suite 12100, Washington, DC 20005 Telephone: (202) 514-1412

FBI - Stevens-4663

194A-AN-13620-TSTEVENS- 268

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE		
RECEIVED BY SERVER	DATE 8-11-2008	PLACE Anchorage, AK
SERVED	DATE 8-11-2008	[redacted]
SERVED ON (PRINT NAME) [redacted] -POA	FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☒ NO AMOUNT $ — C —	
SERVED BY (PRINT NAME) [redacted]	TITLE Special Agent - DPS	b6 b7C

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 08-11-2008
DATE

[redacted]
SIGNATURE OF SERVER

1201 Pacific Ave. Room 500
Tacoma WA 98402
ADDRESS OF SERVER

ADDITIONAL INFORMATION

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/17/2008

[redacted] date of birth [redacted] who is employed as an [redacted] in UNITED STATES SENATOR TED STEVENS' office was advised of the identity of the interviewing agent and the purpose of the interview. The interview was conducted in the offices of the Public Integrity Section of the Department of Justice. Also present during the interview were Assistant United States Attorneys [redacted] along with trial attorneys NICHOLAS MARSH and [redacted] provided the following information:

[redacted] graduated from the [redacted] in [redacted] He was assigned to [redacted] worked for the [redacted]

[redacted] the Senator's briefcase [redacted] the paperwork to the central memo file. Committee documents usually didn't go to the central memo file. Speeches, photographs and other memorabilia went to separate files. They also maintained a correspondence file where hand written notes were stored. In the last year, the paperwork has been scanned and the central memo file contains the originals. [redacted] the Senator's personal paperwork or it would be returned directly to the Senator. There were two types of response cards- one non-governmental which was paid for by the Senator and one governmental card. If [redacted] did not know if it was personal or government business, he would ask.

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[redacted] searches for documents that were requested because of the FBI's investigation. [redacted] searches on a list of words. Most the requests have been verbal.

Investigation on 4/24/2008 at Washington DC

File # 194A-AN-13620-TSTEVENS -269 Date dictated n/a

FBI - Stevens-4665

by SA [redacted] mbk MBY

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

The first search resulted in 100 boxes being pulled. The first search that occurred on 9/6/2006 was for a period of time from 1995-2005 and the search terms included [redacted] race horse, Pakistan, VECO and [redacted] There is an Access database that was searched that contained a basic description of the contents of the boxes. The boxes included handwritten notes, energy files and foreign affairs. [redacted] permission to use the access database; therefore, the more recent information was [redacted] on a list. The first search was completed in February or March of 2007. a copy was made and the originals were returned to the box. [redacted] at one point asked about the documents. The results of the first search are still sitting in a file cabinet in the office which is not locked. [redacted] asked about the documents in November 2006. [redacted] checked this morning to see when the email was dated requesting the first search and it was 9/6/2006. Another email was received which requested that [redacted] be added to the search terms. [redacted] was not in the search term parameters, but the World Bank and Pakistan were. [redacted] was also requested to search the name [redacted]. The second search was conducted in October 2007 when [redacted] The search terms were different than the other search. [redacted] Several weeks later, [redacted] was asked to search the [redacted] used the CAPCORE system to run a list. [redacted] was told not to search the actual boxes. [redacted] provided [redacted] with the list. [redacted] asked [redacted] to come to his office to discuss the list with two attorney's. [redacted] name was also added to the list. [redacted] does not know if the Anchorage office conducted a separate search.

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[redacted] doesn't know if [redacted] handled STEVENS' personal accounts. [redacted] saw photographs of STEVENS' Girdwood house but has never been to the house. [redacted] STEVENS' DC residence [redacted]

STEVENS' campaign. [redacted] for STEVENS' residence. [redacted] was also involved in sending two sled dogs from Washington DC to [redacted] said that there was an organization called the TED STEVENS FOUNDATION that will be the recipient of STEVENS' documents. The organization was created several years ago. [redacted] this organization was not official and that [redacted] should not be involved with this organization. [redacted] does not know if STEVENS maintains his personal financial documents in the office. The materials in the later search were given to STEVENS' attorneys.

b6
b7C

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: Charles Hart

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

Please contact Barbara Draughn at (202) 307-2547 for Travel Arrangements.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK	August 7, 2008
(By) Deputy Clerk	

ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER:
Brenda Morris, Principal Deputy Chief
Department of Justice, Criminal Division, Public Integrity Section
1400 New York Ave., NW , Suite 12100, Washington, DC 20005 Telephone: (202) 514-1412

FBI - Stevens-4668

194A-AN-13620-TSTEVENS - 270

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE		
RECEIVED BY SERVER	DATE 08-13-2008	PLACE Anchorage, AK
SERVED	DATE 08-13-2008	[redacted]
SERVED ON (PRINT NAME) [redacted]		FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☒ NO AMOUNT $ _____
SERVED BY (PRINT NAME) [redacted]		TITLE Special Agent - IRS

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 08-13-2008
DATE

[redacted]
SIGNATURE OF SERVER

[redacted]
ADDRESS OF SERVER

b6
b7C

ADDITIONAL INFORMATION

[redacted]

cell phone
home phone
work phone [redacted]

Home address:

[redacted]

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: James Kaiser

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a
	DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

Please contact Barbara Draughn at (202) 307-2547 for Travel Arrangements.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK	August 7, 2008
(By) Deputy Clerk	

ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER:
Brenda Morris, Principal Deputy Chief
Department of Justice, Criminal Division, Public Integrity Section
1400 New York Ave., NW , Suite 12100, Washington, DC 20005 Telephone: (202) 514-1412

FBI - Stevens-4670

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE		
RECEIVED BY SERVER	DATE 08-13-2008	PLACE Anchorage, AK
SERVED	DATE 08-13-2008	PLACE [redacted]
SERVED ON (PRINT NAME) [redacted]		FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☒ NO AMOUNT $ _____
SERVED BY (PRINT NAME) [redacted]		TITLE Special Agent - IRS

b6
b7C

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 08-13-2008
DATE

[redacted]
SIGNATURE OF SERVER
1201 Pacific Ave. Rm 520
Tacoma WA 98402
ADDRESS OF SERVER

ADDITIONAL INFORMATION

The subpoena was left at the residence of [redacted] along with a note to call Special Agent [redacted]

[redacted] telephones:

Home: [redacted]

Cell: [redacted]

Agent [redacted] also left messages on both of [redacted] telephones.

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: Darryl Priest

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

Please contact Barbara Draughn at (202) 307-2547 for Travel Arrangements.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK (By) Deputy Clerk	August 7, 2008

ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER:
Brenda Morris, Principal Deputy Chief
Department of Justice, Criminal Division, Public Integrity Section
1400 New York Ave., NW , Suite 12100, Washington, DC 20005 Telephone: (202) 514-1412

FBI - Stevens-4672

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE		
RECEIVED BY SERVER	DATE 08-13-2008	PLACE Anchorage, AK
SERVED	DATE 08-13-2008	[redacted]
SERVED ON (PRINT NAME) [redacted]		FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☒ NO AMOUNT $
SERVED BY (PRINT NAME) [redacted]		TITLE Special Agent - IRS

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 08-13-2008
DATE

[redacted]
SIGNATURE OF SERVER

1201 Pacific Ave. Rm. 520
Tacoma WA 98402
ADDRESS OF SERVER

b6
b7C

ADDITIONAL INFORMATION

[redacted]

cell phone [redacted]
business phone

Home address:

[redacted]

FBI - Stevens-4673

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: Augie Paone

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a
	DATE AND TIME September 24, 2008 9:30 a.m

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

Please contact Barbara Draughn at (202) 307-2547 for Travel Arrangements.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK	August 7, 2008
(By) Deputy Clerk	
	FBI - Stevens-4674
ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER: Brenda Morris, Principal Deputy Chief Department of Justice, Criminal Division, Public Integrity Section 1400 New York Ave., NW , Suite 12100, Washington, DC 20005	Telephone: (202) 514-1412

PROOF OF SERVICE

	DATE	PLACE
RECEIVED BY SERVER	08-14-2008	Anchorage Ak
SERVED	08-14-2008	Christensen Builders Inc. 4900 Homer Drive Suite 200 Anchorage AK 99503

SERVED ON (PRINT NAME)

[redacted]

FEES AND MILEAGE TENDERED TO WITNESS

☐ YES ☒ NO AMOUNT $ _____

TITLE

Special Agent - DPS

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 08-14-2008
DATE

[redacted] b6 b7C

1201 Pacific Ave, Rm 520
Tacoma WA 98402
ADDRESS OF SERVER

ADDITIONAL INFORMATION

Home phone:
office phone:
Cell phone

[redacted]

CHRISTENSEN BUILDERS INC.

[redacted]

4900 Homer Drive, Suite 200
Anchorage, Alaska 99503
Phone: 907-245-0407 Fax: 907-248-1006 675
Cell [redacted]
Ema
Hm [redacted]

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: Robert Williams

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

Please contact Barbara Draughn at (202) 307-2547 for Travel Arrangements.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK	August 7, 2008
(By) Deputy Clerk	FBI - Stevens-4676

ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER:
Brenda Morris, Principal Deputy Chief
Department of Justice, Criminal Division, Public Integrity Section
1400 New York Ave., NW , Suite 12100, Washington, DC 20005 Telephone: (202) 514-1412

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE		
RECEIVED BY SERVER	DATE 8/7/08	PLACE Anchorage, AK
SERVED	DATE 8/7/08	PLACE Anchorage, AK
SERVED ON (PRINT NAME) Robert Williams		FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☐ NO AMOUNT $ _____
SERVED BY (PRINT NAME) [redacted]		TITLE Special Agent, FBI

b6
b7C

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 8/7/08
DATE

[redacted]
SIGNATURE OF SERVER

101 E. 6th Ave
ADDRESS OF SERVER

Anchorage, AK

ADDITIONAL INFORMATION

FBI - Stevens-4677

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: John Fugate

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

Please contact Barbara Draughn at (202) 307-2547 for Travel Arrangements.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK	August 7, 2008
(By) Deputy Clerk	FBI - Stevens-4678

ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER:
Brenda Morris, Principal Deputy Chief
Department of Justice, Criminal Division, Public Integrity Section
1400 New York Ave., NW , Suite 12100, Washington, DC 20005 Telephone: (202) 514-1412

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE		
RECEIVED BY SERVER	DATE 8/13/2008	PLACE Anchorage, AK
SERVED	DATE 8/13/2008	PLACE Anchorage, AK
SERVED ON (PRINT NAME) [redacted] Atty		FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☐ NO AMOUNT $ _____
SERVED BY (PRINT NAME) [redacted]		TITLE Special Agent

b6
b7C

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 8/18/2008
DATE

[redacted]
SIGNATURE OF SERVER

101 E 6th Ave
ADDRESS OF SERVER
Anchorage, AK

ADDITIONAL INFORMATION

- Served via email.
- confirmed receipt.

FBI - Stevens-4679

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: Doug Alkey

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

Please contact Barbara Draughn at (202) 307-2547 for Travel Arrangements.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK	August 7, 2008
(By) Deputy Clerk	FBI - Stevens-4680

ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER:
Brenda Morris, Principal Deputy Chief
Department of Justice, Criminal Division, Public Integrity Section
1400 New York Ave., NW , Suite 12100, Washington, DC 20005 Telephone: (202) 514-1412

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE		
RECEIVED BY SERVER	DATE 8/13/2008	PLACE Anchorage, AK
SERVED	DATE 8/13/2008	PLACE Anchorage AK
SERVED ON (PRINT NAME) [redacted] Atty		FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☐ NO AMOUNT $ _____
SERVED BY (PRINT NAME) [redacted]		TITLE Special Agent

b6
b7C

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 8/18/2008
DATE

[redacted]
SIGNATURE OF SERVER

101 E 6th Ave
ADDRESS OF SERVER

Anchorage AK

ADDITIONAL INFORMATION

- served via email.
- confirmed receipt.

FBI - Stevens-4681

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: Jack Billings

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

Please contact Barbara Draughn at (202) 307-2547 for Travel Arrangements.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK	August 7, 2008
(By) Deputy Clerk	FBI - Stevens-4682
ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER: Brenda Morris, Principal Deputy Chief Department of Justice, Criminal Division, Public Integrity Section 1400 New York Ave., NW , Suite 12100, Washington, DC 20005	Telephone: (202) 514-1412

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE		
RECEIVED BY SERVER	DATE 8/13/2008	PLACE Anchorage, AK
SERVED	DATE 8/13/2008	PLACE Anchorage, AK
SERVED ON (PRINT NAME) [redacted] Atty		FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☐ NO AMOUNT $ _____
SERVED BY (PRINT NAME) [redacted]		TITLE Special Agent

b6
b7C

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 8/18/08
DATE

[redacted]
SIGNATURE OF SERVER

101 E 6th Ave
ADDRESS OF SERVER

Anchorage, AK

ADDITIONAL INFORMATION

- Served via email
- Confirmed receipt

FBI - Stevens-4683

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: Cheryl Boomershine

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

Please contact Barbara Draughn at (202) 307-2547 for Travel Arrangements.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK	August 7, 2008
(By) Deputy Clerk	FBI - Stevens-4684
ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER: Brenda Morris, Principal Deputy Chief Department of Justice, Criminal Division, Public Integrity Section 1400 New York Ave., NW , Suite 12100, Washington, DC 20005	Telephone: (202) 514-1412

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE		
RECEIVED BY SERVER	DATE 8/13/08	PLACE Anchorage, AK
SERVED	DATE 8/13/08	PLACE Anchorage, AK
SERVED ON (PRINT NAME) [redacted] AHg		FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☐ NO AMOUNT $ _____
SERVED BY (PRINT NAME) [redacted]		TITLE Special Agent

b6
b7C

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 8/18/08
DATE

S[redacted]

101 E 6th Ave
ADDRESS OF SERVER
Anchorage, AK

ADDITIONAL INFORMATION
- served via email
- confirmed receipt

FBI - Stevens-4685

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: John Hess

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

Please contact Barbara Draughn at (202) 307-2547 for Travel Arrangements.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK	August 7, 2008
(By) Deputy Clerk	FBI - Stevens-4686

ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER:
Brenda Morris, Principal Deputy Chief
Department of Justice, Criminal Division, Public Integrity Section
1400 New York Ave., NW , Suite 12100, Washington, DC 20005 Telephone: (202) 514-1412

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE		
RECEIVED BY SERVER	DATE 8/13/08	PLACE Anchg, AK
SERVED	DATE 8/13/08	PLACE Anchg, AK
SERVED ON (PRINT NAME) [redacted] Atty		FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☐ NO AMOUNT $ _____
SERVED BY (PRINT NAME) [redacted]		TITLE Special Agent

b6
b7C

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 8/18/08
DATE

[redacted]
SIGNATURE OF SERVER

101 E 6th Ave
ADDRESS OF SERVER
Anchg, AK

ADDITIONAL INFORMATION

- served via email
- confirmed receipt

FBI - Stevens-4687

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: Clint Murdock

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

Please contact Barbara Draughn at (202) 307-2547 for Travel Arrangements.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK	August 7, 2008
(By) Deputy Clerk	FBI - Stevens-4688

ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER:
Brenda Morris, Principal Deputy Chief
Department of Justice, Criminal Division, Public Integrity Section
1400 New York Ave., NW , Suite 12100, Washington, DC 20005 Telephone: (202) 514-1412

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE		
RECEIVED BY SERVER	DATE 8/13/08	PLACE Anchorage, AK
SERVED	DATE 8/13/08	PLACE Anchorage, AK
SERVED ON (PRINT NAME) [redacted] Atty		FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☐ NO AMOUNT $ _____
SERVED BY (PRINT NAME) [redacted]		TITLE Special Agent

b6
b7C

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 8/18/08
DATE

[redacted]
SIGNATURE OF SERVER

101 E 6th Ave
ADDRESS OF SERVER

Anchorage, AK

ADDITIONAL INFORMATION

- Served via email
- confirmed receipt

FBI - Stevens-4689

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: Caleb Slemmons

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

Please contact Barbara Draughn at (202) 307-2547 for Travel Arrangements.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK	August 7, 2008
(By) Deputy Clerk	FBI - Stevens-4690

ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER:
Brenda Morris, Principal Deputy Chief
Department of Justice, Criminal Division, Public Integrity Section
1400 New York Ave., NW , Suite 12100, Washington, DC 20005 Telephone: (202) 514-1412

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE		
RECEIVED BY SERVER	DATE 8/13/08	PLACE Anchorage, AK
SERVED	DATE 8/13/08	PLACE Anchorage, AK
SERVED ON (PRINT NAME) [redacted] Atty		FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☐ NO AMOUNT $ _____
SERVED BY (PRINT NAME) [redacted]		TITLE Special Agt

b6
b7C

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 8/18/08
DATE

[redacted]
SIGNATURE OF SERVER

101 E 6th Ave
ADDRESS OF SERVER
Anchorage, AK

ADDITIONAL INFORMATION
- served via email
- confirmed receipt

FBI - Stevens-4691

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: Linda Carpenter

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

Please contact Barbara Draughn at (202) 307-2547 for Travel Arrangements.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK	August 11, 2008
(By) Deputy Clerk	FBI - Stevens-4692
ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER: Brenda Morris, Principal Deputy Chief Department of Justice, Criminal Division, Public Integrity Section 1400 New York Ave., NW , Suite 12100, Washington, DC 20005	Telephone: (202) 514-1412

194A-AN-13620-TSTEVENS-

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE		
RECEIVED BY SERVER	DATE 8-11-2008	PLACE Anchorage, AK
SERVED	DATE 8-11-2008	PLACE [redacted]
SERVED ON (PRINT NAME) [redacted] - POA		FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☒ NO AMOUNT $ — 0 —
SERVED BY (PRINT NAME) [redacted]		TITLE Special Agent - IRS

b6
b7C

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 08-11-2008
DATE

[redacted]
SIGNATURE OF SERVER

1201 Pacific Ave. Room 500
Tacoma WA 98402
ADDRESS OF SERVER

ADDITIONAL INFORMATION

FBI - Stevens-4693

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: Diane Fejes

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

Please contact Barbara Draughn at (202) 307-2547 for Travel Arrangements.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK	August 11, 2008
(By) Deputy Clerk	FBI - Stevens-4694
ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER: Brenda Morris, Principal Deputy Chief Department of Justice, Criminal Division, Public Integrity Section 1400 New York Ave., NW , Suite 12100, Washington, DC 20005	Telephone: (202) 514-1412

194A-AN-13620-TSTEVENS-

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE		
RECEIVED BY SERVER	DATE 08-11-2008	PLACE Anchorage AK
SERVED	DATE 08-11-2008	
SERVED ON (PRINT NAME) [redacted] - PCA	FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☒ NO AMOUNT $ -0-	
SERVED BY (PRINT NAME) [redacted]	TITLE Special Agent - IRS	

b6
b7C

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 08-11-2008
DATE

[redacted]
SIGNATURE OF SERVER

1201 Pacific Ave. Suite 520
Tacoma WA 98402
ADDRESS OF SERVER

ADDITIONAL INFORMATION

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: David Anderson

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

Please contact Barbara Draughn at (202) 307-2547 for Travel Arrangements.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK (By) Deputy Clerk	August 7, 2008
ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER: Brenda Morris, Principal Deputy Chief Department of Justice, Criminal Division, Public Integrity Section 1400 New York Ave., NW, Suite 12100, Washington, DC 20005	Telephone: (202) 514-1412

194A-AN-13620-TSTEVENS - 271

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE		
RECEIVED BY SERVER	DATE 8/13/2008	PLACE Anchorage, AK
SERVED	DATE 8/20/2008	PLACE Caswell, AK
SERVED ON (PRINT NAME) [redacted]		FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☐ NO AMOUNT $ _____
SERVED BY (PRINT NAME) [redacted]		TITLE Special Agent

b6
b7C

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 8/20/2008 [redacted]
DATE SIGNATURE OF SERVER

101 E 6th Ave
ADDRESS OF SERVER

Anchorage, AK

ADDITIONAL INFORMATION

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: Heather Resz

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

Please contact Barbara Draughn at (202) 307-2547 for Travel Arrangements.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK (By) Deputy Clerk	August 7, 2008
ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER: Brenda Morris, Principal Deputy Chief Department of Justice, Criminal Division, Public Integrity Section 1400 New York Ave., NW , Suite 12100, Washington, DC 20005	Telephone: (202) 514-1412

194A-AN-13620-TSTEVENS - 272

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE		
RECEIVED BY SERVER	DATE 08/18/2008	PLACE Anchorage, AK
SERVED	DATE 08/20/2008	PLACE Anchorage, AK
SERVED ON (PRINT NAME)		FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☐ NO AMOUNT $
SER		TITLE Special Agent, FBI

b6
b7C

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 08/20/2008
DATE

SIGNATURE OF SERVER

101 E. 6th Ave.
ADDRESS OF SERVER

Anchorage, AK 99501

ADDITIONAL INFORMATION

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: Jeremiah Eldridge

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

Please contact Barbara Draughn at (202) 307-2547 for Travel Arrangements.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK (By) Deputy Clerk	August 7, 2008

ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER:
Brenda Morris, Principal Deputy Chief
Department of Justice, Criminal Division, Public Integrity Section
1400 New York Ave., NW , Suite 12100, Washington, DC 20005 Telephone: (202) 514-1412

194A-AN-13620-TSTEVENS - 273 FBI - Stevens-4700

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE		
RECEIVED BY SERVER	DATE 08-14-2008	PLACE Anchorage AK
SERVED	DATE 08-18-2008	PLACE Wade, Kelly & Sullivan 745 West Fourth Avenue Suite 425 Anchorage, AK 99501
SERVED ON (PRINT NAME) [redacted] POA		FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☒ NO AMOUNT $ _____
SERVED BY (PRINT NAME) [redacted]		TITLE Special Agent - IRS

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 08-18-2008
DATE

[redacted]
SIGNATURE OF SERVER

1201 Pacific Ave. Suite 520
Tacoma WA 98402
ADDRESS OF SERVER

b6
b7C

ADDITIONAL INFORMATION

[redacted]

Home phone [redacted]
cell phone
address: [redacted]

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: Cecil Dale III

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

Please contact Barbara Draughn at (202) 307-2547 for Travel Arrangements.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK	August 7, 2008
(By) Deputy Clerk	

FBI - Stevens-4702

ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER:
Brenda Morris, Principal Deputy Chief
Department of Justice, Criminal Division, Public Integrity Section
1400 New York Ave., NW , Suite 12100, Washington, DC 20005 Telephone: (202) 514-1412

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE		
RECEIVED BY SERVER	DATE 08-14-2008	PLACE Anchorage AK
SERVED	DATE 08-18-2008	PLACE Wade, Kelly & Sullivan 745 W. Fourth Ave. Suite 425 Anchorage AK 99501
SERVED ON (PRINT NAME) [redacted] POA		FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☒ NO AMOUNT $ _____
SERVED BY (PRINT NAME) [redacted]		TITLE Special Agent - IRS

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 08-18-2008
DATE

[redacted]
SIGNATURE OF SERVER

1201 Pacific Ave, Suite 520
Tacoma WA 98401
ADDRESS OF SERVER

b6
b7C

ADDITIONAL INFORMATION

Home phone
office phone
cell phone [redacted]

Address: [redacted]

FBI - Stevens-4703

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: Dan McBirney

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

Please contact Barbara Draughn at (202) 307-2547 for Travel Arrangements.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK	August 7, 2008
(By) Deputy Clerk	FBI - Stevens-4704

ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER:
Brenda Morris, Principal Deputy Chief
Department of Justice, Criminal Division, Public Integrity Section
1400 New York Ave., NW , Suite 12100, Washington, DC 20005 Telephone: (202) 514-1412

c

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE		
RECEIVED BY SERVER	DATE 08-18-2008	PLACE Anchorage AK
SERVED	DATE 08-18-2008	[redacted]
SERVED ON (PRINT NAME) [redacted]	FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☒ NO AMOUNT $ _____	
SERVED BY (PRINT NAME) [redacted]	TITLE Special Agent-IRS	

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct. b6 b7C

Executed on 08-18-2008
DATE

[redacted]
SIGNATURE OF SERVER

1201 Pacific Ave. Rm 520
Tacoma WA 98402
ADDRESS OF SERVER

ADDITIONAL INFORMATION

Home address: [redacted]

Home phone: [redacted]

Witness is not represented by attorney [redacted]. Witness would not provide me with his cell phone or work phone.

FBI - Stevens-4705

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: Dan McBirney

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a
	DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

Please contact Barbara Draughn at (202) 307-2547 for Travel Arrangements.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK	August 7, 2008
(By) Deputy Clerk	FBI - Stevens-4706
ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER: Brenda Morris, Principal Deputy Chief Department of Justice, Criminal Division, Public Integrity Section 1400 New York Ave., NW , Suite 12100, Washington, DC 20005	Telephone: (202) 514-1412

c

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE		
RECEIVED BY SERVER	DATE 08-14-2008	PLACE Anchorage AK
SERVED	DATE 08-18-2008	PLACE Wade Kelly & Sullivan 745 W. Fourth Ave. Suite 425 Anchorage, AK 99501
SERVED ON (PRINT NAME) [redacted] POA		FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☒ NO AMOUNT $ _____
SERVED BY (PRINT NAME) [redacted]		TITLE Special Agent IRS

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 08-18-2008
DATE

[redacted]
SIGNATURE OF SERVER

1201 Pacific Ave. Suite 520
Tacoma WA 98402
ADDRESS OF SERVER

b6
b7C

ADDITIONAL INFORMATION

Home phone: [redacted]

Address: [redacted]

FBI - Stevens-4707

FD-1023 (Rev. 6-22-2007)

FEDERAL BUREAU OF INVESTIGATION

Confidential Human Source (CHS) Reporting Document

Reporting Date: 08/18/2008

Case ID: 194A-AN-13620-TSTEVENS (Pending) -274
194A-AN-13620 [redacted] (Pending)
[redacted] (Pending)
800A-AN-A13718-SQUAD 4 (Pending)

b6
b7C
b7D

Contact Date: 08/13/2008

Type of Contact: In person

Location: Wasilla, Alaska

Written by: SA [redacted]
Other(s) Present: SA [redacted]

Source Reporting:

[redacted]

♦♦

FBI - Stevens-4708

CIP CJ 233cejo1.rc

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/23/2008

ROBERT BURNETTE WILLIAMS, a.k.a. ROCKY WILLIAMS, born August 15, 1950, social security account number 264-92-9363, home address 1200 W. Dimond Boulevard, Space 203, Anchorage, Alaska, home telephone 907-522-3812, cellular telephone 907-244-6016, was interviewed at the United States Attorney's Office in Anchorage, Alaska. Present during the interview was Assistant United States Attorney's [redacted]. After being advised of the identity of the interviewing agent and the nature of the interview, WILLIAMS provided the following information:

WILLIAMS advised he never had any conversations with TED STEVENS or [redacted] in which WILLIAMS made any representations that VECO expenses were placed on CHRISTIANSON BUILDERS invoices. WILLIAMS further stated that neither TED STEVENS nor [redacted] ever asked WILLIAMS whether any of the VECO expenses, labor or materials, were included in the CHRISTIANSON bills.

b6
b7C

FBI - Stevens-4709

Investigation on 08/22/2008 at Anchorage, Alaska

File # 194A-AN-13620-TSTEVENS - 275 Date dictated Typed 08/23/2008

by SA [redacted] cej

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: John David

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

Please contact Barbara Draughn at (202) 307-2547 for Travel Arrangements.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK	August 20, 2008
(By) Deputy Clerk	
ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER: Brenda Morris, Principal Deputy Chief Department of Justice, Criminal Division, Public Integrity Section 1400 New York Ave., NW , Suite 12100, Washington, DC 20005	FBI - Stevens-4710 Telephone: (202) 514-1412

194A-AN-13620-TSTEVENS - 276

C

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE		
RECEIVED BY SERVER	DATE 8/20/2008	PLACE Anchg. AK
SERVED	DATE 8/21/2008	PLACE Anchg. AK
SERVED ON (PRINT NAME) [redacted] Atty		FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☐ NO AMOUNT $ _____
SERVED BY (PRINT NAME) [redacted]		TITLE Special Agent

b6
b7C

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 8/20/2008
DATE

[redacted]
SIGNATURE OF SERVER

101 E 6th Ave
ADDRESS OF SERVER

Anchg AK

ADDITIONAL INFORMATION

FBI - Stevens-4711

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: Derick Awad

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

Please contact Barbara Draughn at (202) 307-2547 for Travel Arrangements.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK	August 20, 2008
(By) Deputy Clerk	
ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER: Brenda Morris, Principal Deputy Chief Department of Justice, Criminal Division, Public Integrity Section 1400 New York Ave., NW , Suite 12100, Washington, DC 20005	FBI - Stevens-4712 Telephone: (202) 514-1412

-277

194A-AN-B620-Tstevens

C

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE		
RECEIVED BY SERVER	DATE 8/20/2008	PLACE Anchorage, AK
SERVED	DATE 8/21/2008	PLACE Anchorage, AK
SERVED ON (PRINT NAME) [redacted] Atty		FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☐ NO AMOUNT $ _____
SERVED BY (PRINT NAME) [redacted]		TITLE Special Agent

b6
b7C

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 08/21/2008
DATE

[redacted]
SIGNATURE OF SERVER

101 E 6th Ave
ADDRESS OF SERVER

Anchorage, AK

ADDITIONAL INFORMATION

FBI - Stevens-4713

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: David Anderson, Jr.

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a
	DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

Please contact Barbara Draughn at (202) 307-2547 for Travel Arrangements.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK (By) Deputy Clerk	August 20, 2008
ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER: Brenda Morris, Principal Deputy Chief Department of Justice, Criminal Division, Public Integrity Section 1400 New York Ave., NW, Suite 12100, Washington, DC 20005	Telephone: (202) 514-1412

278

194A-AN-13620-T Stevens

FBI -

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE		
RECEIVED BY SERVER	DATE 8/20/2008	PLACE Anchorage, AK
SERVED	DATE 8/21/2008	PLACE Anchorage, AK
SERVED ON (PRINT NAME) [redacted] Atty		FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☐ NO AMOUNT $ _____
SERVED BY (PRINT NAME) [redacted]		TITLE Special Agent

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DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 08/21/2008
DATE

S [redacted]

101 E 6th Ave
ADDRESS OF SERVER

Anchorage, AK

ADDITIONAL INFORMATION

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/19/2008

[redacted] was interviewed at the offices of the Public Integrity Section of the Department of Justice. Also present during the interview were [redacted] Assistant United States Attorneys [redacted] and trial attorneys NICHOLAS MARSH and [redacted] provided the following information:

[redacted] was employed by VECO CORPORATION. [redacted] began his employment with UNITED STATES SENATOR TED STEVENS in [redacted] In the Spring of [redacted] had his first encounter with [redacted] in regard to a project involving VECO CORPORATION on Sakhalin Island, Russia. STEVENS was preparing for a trip to Sakhalin [redacted] and [redacted]. VECO was partnered with PEAK OILFIELD and NATCHIQ CORPORATION on a project to train Russian workers. Exxon was notoriously hard to work with and Exxon was potentially interested in starting projects in Sakhalin that VECO wanted to see occur. [redacted] wanted to convince the oil companies that Russian workers could be subcontracted to do part of the work. If VECO was successful, then it was more probable that VECO would obtain work from Exxon in Sakhalin. [redacted] from NATCHIQ and PEAK OILFIELD which was a subsidiary of the Cook Inlet Regional Corporation (CIRI). The meeting with [redacted] occurred before the September 1999 trip to Sakhalin. [redacted] was a part of the discussions to get US companies involved in the Russian work. The Wall Street Journal, the Washington Post and the New York Times wrote an article on the Senate appropriation to train Russian workers in Alaska.

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The Russians identified people who could function as project managers and brought them to the University of Alaska to train them on American equipment and techniques. The companies would allow the Russians to learn the skills while working on projects. The Alaska companies wanted money to cover the expenses related to training the Russians. VECO believed that if they could satisfy American investors then Exxon and other oil companies would be more willing to invest in Russian projects. There were several meetings with [redacted] and [redacted] of the American Russian Program at the University of Alaska. [redacted] was

Investigation on 2/23/2007 at Washington DC

File # 194A-AN-13620-TSTEVENS - 279 Date dictated n/a

by SA [redacted]

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also strongly encouraging the project. [redacted] recalled that [redacted] also spoke about the project. [redacted] the appropriations and defense appropriations sub committee, along with [redacted] Sakhalin with STEVENS. [redacted] did not end up going on the trip. VECO CORPORATION arranged the travel and meetings for the trip. [redacted] doesn't know who paid for the travel, but that the flight was probably on a commercial airline. VECO was a much larger company than PEAK OILFIELD and NATCHIQ which may have explained why VECO made all of the arrangements.

[redacted] was not aware of the free trade zone for Kenai or anything regarding a battle with NATCHIQ. [redacted] did not recall STEVENS' response to the Sakhalin trip nor does he recall Russians visiting STEVENS after the trip. [redacted] knew that STEVENS and [redacted] were "buddies" for over 20 years; therefore, he was not surprised that he was not included in most of their conversations. STEVENS attended the Paris Air Show on a yearly basis which may have been a result of his work on the defense appropriations sub committee which STEVENS chaired. STEVENS also vacationed in Mexico and visited US troops. [redacted] for STEVENS during the course of [redacted] was not in a position to judge whether STEVENS' trip to Sakhalin was out of the ordinary. [redacted] basically never traveled.

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[redacted] was shown a letter dated September 29, 1999 to STEVENS from VECO asking about the status of funding. [redacted] doesn't recall the Sakhalin Equipment Supply study; however, he knew there was some discussion regarding equipment in Sakhalin. One question that was asked would have been regarding the sustain ability of the project and whether there was a private source of money. There were typically briefing books prepared that may have been archived by the office, although there was no formal filing method. STEVENS' office used the congressional archive service to store records. Usually, files were inherited from a predecessor. A study like the one mentioned above could have been generated by private industry or from public entities. In October 1999, an appropriation related to the Sakhalin project was approved. [redacted] spoke with [redacted] at fund raising events but in no other setting. [redacted] work in STEVENS' office. In [redacted]

[redacted]

[redacted] was shown a letter dated [redacted] that was addressed to him from [redacted] thought the letter was leading up to the appropriation.

[redacted] was shown an email dated [redacted] from [redacted] The email contained a body of a memo from [redacted] to STEVENS. [redacted] said the wording of the memo was not his and that is was probably written by [redacted] They routinely had meetings and updated STEVENS on the matter. [redacted] was not sure who emailed the memo to [redacted] It was not a regular occurrence to forward such a memo to a constituent. [redacted] did not think that VECO, PEAK OILFIELD or NATCHIQ would directly benefit from the appropriation in the short term, but that they could ultimately benefit if the oil industry did invest in Russia. Because there were three companies involved, the appropriation was more likely to be approved since it was not to the benefit of a single company. This earmark did not go to the entities requesting the money but went to the University of Alaska to be administered.

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[redacted] was shown an email date February 11, 2000 from VECO to STEVENS containing information about a waterflood project. [redacted] doesn't recall if the waterflood project went through. The email lays out three options for the RFP. [redacted] suspects that [redacted] mentioned in the email is an Exxon employee.

[redacted] was shown a letter dated January 13, 2005 from [redacted] from the Alaska Export Assistance Center, US Department of Commerce to Alaska State Department of Commerce, Community and Economic Development which discussed USAID grants for training Russian workers in welding. [redacted] was not familiar with the USAID grants.

[redacted] recalled an earmark for the National Science Foundation (NSF) [redacted] was shown a letter dated April 23, 1999 to STEVENS from [redacted] regarding the NSF's Relocatable Atmospheric Observatory project and VECO's involvement. The $40 million figure mentioned

in the letter was familiar to [redacted] however, [redacted] did not recall working on this issue. [redacted] believed that either [redacted] STEVENS was working on this prior to [redacted] employment and part of this was to get an independent third party review to help the efforts to open ANWR. [redacted] was not familiar with SRI International or VECO Polar Research.

[redacted] was shown an email dated [redacted] from [redacted] regarding the Alaska BAT Program. [redacted] did not recall this email and thought that he might have given this matter to [redacted] to handle. [redacted] This topic area was not something that [redacted] typically handled. [redacted] was confident that [redacted] knew [redacted] because next to STEVENS, [redacted] b6 b7C

AHTNA was one of three Alaskan native corporations with whom STEVENS worked closely. Native corporations are considered 8A corporations and are therefore entitled to sole source contracts with unlimited dollar amounts. [redacted] AHTNA, was the only individual that [redacted] knew at AHTNA. [redacted] was shown an email dated [redacted] from [redacted] that had a letter from AHTNA attached which recommended [redacted] doesn't think that [redacted] got the position and that STEVENS nominated [redacted] doesn't recall [redacted] worked for the Vice President.

[redacted] was shown a document that was entitled "Moad Atlas Mine Tailing Project Meeting Sole-Source Effort." At the bottom of the document is a handwritten note that says 1 [redacted] recalled that there was a DOE clean up project and that AHTNA/VECO were putting together a deal to get the contract. [redacted] doesn't recall if STEVENS provided any assistance on this project. [redacted] on this project.

[redacted] was shown a handwritten note which said at the top of the page "Thurs + Fri. (4/27 +4/28). On the note was the word STEVENS underlined, under which was written '[redacted]." According to [redacted] was Congressman DON YOUNG's [redacted] for many years who later left to begin a

lobbying career. [redacted] said that when you hire [redacted] in YOUNG's office because [redacted] had relationships with STEVENS. [redacted] described [redacted] as bringing in shady work. [redacted] described a deal that [redacted] had brokered for TDX Corporation involving a dry dock that somehow negatively impacted Hawaii. STEVENS and the HAWAIIAN senator were close friends and STEVENS got angry at [redacted] said that CONOCO PHILLIPS was pushing hard for the gas line, EXXON was the least involved and BRITISH PETROLEUM was in the middle. VECO'S mantra was "Got to get the gas line going." VECO was worried if the gas line didn't move forward that their contracts would reduce.

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[redacted] was shown an email dated September 10, 2003 from [redacted] about a white paper on the gas line. Between 2002-2004, there was heavy lobbying on the gas line. ~~FRANK MURKOWSKI~~ ran for governor in 2002 and pushed the gas line project. VECO was working on projects all over the world. [redacted] didn't recall a project with ASIA PETROLEUM. [redacted] was aware of an issue VECO was having with a pipeline project in Asia, but [redacted] was not involved in fixing the problem. [redacted] was aware that VECO wanted STEVENS to apply pressure on the ambassador or some other appropriate person to facilitate the payment to VECO that was being stymied. [redacted] met with STEVENS on this issue.

[redacted] was shown handwritten notes dated August 20, 1999 that said a staffer needed to be assigned to the IMF and World Bank issues. [redacted] had contact with the World Bank on behalf of STEVENS but he doesn't recall the name of who he contacted. In a letter to STEVENS dated August 23, 1999 referencing the Asia Petroleum project, [redacted] requested STEVENS assistance in getting the World Bank to persuade the Government of Pakistan to sign an implementation agreement. [redacted] believes he would have given this letter to [redacted] and that [redacted] would have met with VECO to address this issue. [redacted] had a good working relationship. STEVENS may have called the ambassador or prime minister to address this issue.

[redacted] was shown a fax from [redacted] dated September 22, 1999 with a letter attached regarding the Pakistani Pipeline. [redacted] thinks the letter may have come from [redacted] but that the letter doesn't have the standard tag line. [redacted] doesn't know if the World Bank took action based on the letter. It was not unusual for STEVENS to pick up the phone and make a call to

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get someone to take action. [redacted] had no contact with [redacted] on this issue.

[redacted] has been to STEVENS' residence in Girdwood both [redacted] meeting in the residence after the renovations. STEVENS told [redacted] that he wanted to renovate and expand his Girdwood residence. STEVENS said that he was taking out a mortgage because the interest rates were good. [redacted] interpreted this to mean that STEVENS was paying for the renovations with the loan proceeds. STEVENS also said that VECO was working up the plans, involved with the lifting of the house and performing some of the work on it. [redacted] knew that VECO also did work on [redacted] residence and that [redacted] was upset about the costs. [redacted] knew that VECO was not generally in the business of home renovations. [redacted] said that STEVENS was concerned about the potential effects from Y2K. [redacted] had no recollection of STEVENS helping on work in Yugoslavia related to FEMA. [redacted] doesn't recall VECO's connections to native corporations. [redacted] did not recall the quality of YOUNG's golfing ability.

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: Ed Cabarles

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

Please contact Barbara Draughn at (202) 307-2547 for Travel Arrangements.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK (By) Deputy Clerk	August 26, 2008
ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER: Brenda Morris, Principal Deputy Chief Department of Justice, Criminal Division, Public Integrity Section 1400 New York Ave., NW , Suite 12100, Washington, DC 20005	Telephone: (202) 514-1412

194A-AN-13620-TSTEVENS - 280 FBI - Stevens-4722

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE		
RECEIVED BY SERVER	DATE 8/26/2008	PLACE Anchorage, AK
SERVED	DATE 8/27/2008	PLACE Anchorage, AK
SERVED ON (PRINT NAME) [redacted] Atty		FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☐ NO AMOUNT $ _____
SERVED BY (PRINT NAME) [redacted]		TITLE Special Agent b6 b7C

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 8/27/2008 DATE

[redacted]

101 E 6th Ave

ADDRESS OF SERVER

Anchorage, AK

ADDITIONAL INFORMATION

Served via email. Confirmed.

FBI - Stevens-4723

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: Gregory Davidson

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

Please contact Barbara Draughn at (202) 307-2547 for Travel Arrangements.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK	August 26, 2008
(By) Deputy Clerk	FBI - Stevens-4724

ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER:
Brenda Morris, Principal Deputy Chief
Department of Justice, Criminal Division, Public Integrity Section
1400 New York Ave., NW , Suite 12100, Washington, DC 20005 Telephone: (202) 514-1412

194A-AN-13620-TSTEVENS -281

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE		
RECEIVED BY SERVER	DATE 8/26/2008	PLACE Anchorage, AK
SERVED	DATE 8/27/2008	PLACE Anchorage, AK
SERVED ON (PRINT NAME) [redacted] Atty		FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☐ NO AMOUNT $ _____
SERVED BY (PRINT NAME) [redacted]		TITLE Special Agent b6 b7C

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 8/27/08 DATE

[redacted]
SIGNATURE OF SERVER

101 E 6th Ave
ADDRESS OF SERVER

Anchorage, AK

ADDITIONAL INFORMATION

Served via email. Confirmed.

FBI - Stevens-4725

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: Mark Schmidt

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

Please contact Barbara Draughn at (202) 307-2547 for Travel Arrangements.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK	August 26, 2008
(By) Deputy Clerk	

ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER:
Brenda Morris, Principal Deputy Chief
Department of Justice, Criminal Division, Public Integrity Section
1400 New York Ave., NW , Suite 12100, Washington, DC 20005 Telephone: (202) 514-1412

194A-AN-13620-TSTEVENS -282

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE		
RECEIVED BY SERVER	DATE 8/26/2008	PLACE Anchorage, AK
SERVED	DATE 8/27/2008	PLACE Anchorage, AK
SERVED ON (PRINT NAME) [redacted] Atty		FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☐ NO AMOUNT $ _____
SERVED BY (PRINT NAME) [redacted]		TITLE Special Agent b6 b7C

DECLARATION OF SERVER.

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 08/27/08
DATE

[redacted]
SIGNATURE OF SERVER

101 E 6th Ave
ADDRESS OF SERVER
Anchorage, AK

ADDITIONAL INFORMATION

Served via email. Confirmed.

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: Ed Gohr

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

Please contact Barbara Draughn at (202) 307-2547 for Travel Arrangements.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK (By) Deputy Clerk	August 27, 2008

ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER:
Brenda Morris, Principal Deputy Chief
Department of Justice, Criminal Division, Public Integrity Section
1400 New York Ave., NW , Suite 12100, Washington, DC 20005 Telephone: (202) 514-1412

194A-AN-13620 -TSTEVENS - 263 FBI - Stevens-4728

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE		
RECEIVED BY SERVER	DATE 8/27/2008	PLACE Anchorage, AK
SERVED	DATE 8/28/2008	PLACE Anchorage, AK
SERVED ON (PRINT NAME) [redacted] Atty / [redacted] Atty		FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☐ NO AMOUNT $ _____
SERVED BY (PRINT NAME) [redacted]		TITLE Special Agent

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 8/28/2008 [redacted] b6 b7C

DATE SIGNATURE OF SERVER

101 E 6th Ave

ADDRESS OF SERVER

Anchorage, AK

ADDITIONAL INFORMATION

- served via email to [redacted]
- also provided hard copy to [redacted]

FBI - Stevens-4729

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: Vern Wrightson

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

Please contact Barbara Draughn at (202) 307-2547 for Travel Arrangements.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK (By) Deputy Clerk	August 26, 2008 FBI - Stevens-4730
ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER: Brenda Morris, Principal Deputy Chief Department of Justice, Criminal Division, Public Integrity Section 1400 New York Ave., NW , Suite 12100, Washington, DC 20005	Telephone: (202) 514-1412

194A-AN-13620-TStevens -284

C

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE

RECEIVED BY SERVER	DATE 8-27-08	PLACE United States Attorney 222 W 7th Anchorage, AK
SERVED	DATE 8-27-08	PLACE [redacted] Anchorage, AK
SERVED ON (PRINT NAME) [redacted]		FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☐ NO AMOUNT $
SERVED BY (PRINT NAME) [redacted]		TITLE Special Agent

b6
b7C

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 8-27-08
DATE

[redacted]

960 Broadway
ADDRESS OF SERVER

Boise, ID 83706

ADDITIONAL INFORMATION

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: Cecil Dale III

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

Please contact Barbara Draughn at (202) 307-2547 for Travel Arrangements.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK	August 7, 2008
(By) Deputy Clerk	FBI - Stevens-4732
ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER: Brenda Morris, Principal Deputy Chief Department of Justice, Criminal Division, Public Integrity Section 1400 New York Ave., NW , Suite 12100, Washington, DC 20005	Telephone: (202) 514-1412

285

194A-AN-13620-TSTEVENS-

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE		
RECEIVED BY SERVER	DATE 08-14-2008	PLACE Anchorage AK
SERVED	DATE 08-18-2008	PLACE Wade, Kelly & Sullivan 745 W. Fourth Ave. Suite 425 Anchorage AK 99501
SERVED ON (PRINT NAME) [redacted]		FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☒ NO AMOUNT $ _____
SERVED BY (PRINT NAME) [redacted]		TITLE Special Agent - IRS

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 08-18-2008
DATE

[redacted]
SIGNATURE OF SERVER

1201 Pacific Ave, Suite 520
Tacoma WA 98401
ADDRESS OF SERVER

b6
b7C

ADDITIONAL INFORMATION

Home phone
office phone
cell phone [redacted]

Address: [redacted]

FBI - Stevens-4733

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: Jeremiah Eldridge

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a
	DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

Please contact Barbara Draughn at (202) 307-2547 for Travel Arrangements.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK	August 7, 2008
(By) Deputy Clerk	FBI - Stevens-4734

ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER:
Brenda Morris, Principal Deputy Chief
Department of Justice, Criminal Division, Public Integrity Section
1400 New York Ave., NW , Suite 12100, Washington, DC 20005 Telephone: (202) 514-1412

194A-AN-13620-TSTEVENS- 286

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE

	DATE	PLACE
RECEIVED BY SERVER	08-14-2008	Anchorage AK
SERVED	08-18-2008	Wade, Kelly & Sullivan 745 West Fourth Avenue, Suite 425 Anchorage, AK 99501

SERVED ON (PRINT NAME): [redacted] POA

FEES AND MILEAGE TENDERED TO WITNESS: ☐ YES ☒ NO AMOUNT $ _____

SERVED BY (PRINT NAME): [redacted]

TITLE: Special Agent - IRS

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 08-18-2008
DATE

[redacted]
SIGNATURE OF SERVER

1201 Pacific Ave. Suite 520
Tacoma WA 98402
ADDRESS OF SERVER

b6
b7C

ADDITIONAL INFORMATION

[redacted]

Home phone [redacted]
cell phone
address:

[redacted]

FBI - Stevens-4735

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 09/03/2008

On September 3, 2008, Special Agent (SA) [redacted] of the Anchorage Field Office of the Federal Bureau of Investigation (FBI) contacted the Kohler Generator Division of Kohler Power, N. 7650 County Highway, Sheboygan, Wisconsin, telephone number 920-453-6309. As a result, SA [redacted] obtained the following information from [redacted] Customer Service Representative, regarding a Kohler generator, model number 8.5rmy, serial number 609408.

[redacted] advised that the "start up" date for the warranty on this generator was November 22, 1999. [redacted] stated that the warranty indicated that this generator had been sold to VECO CONSTRUCTION and that the warranty would have expired some time after 2000. The only other information contained in Kohler's computer system regarding this generator would include engine "specs" and other related information concerning the generator itself. This information was not obtained by SA [redacted]

b6
b7C

FBI - Stevens-4746

Investigation on 9/3/2008 at Anchorage, Alaska (telephonically)

File # 194A-AN-13620-TSTEVENS -292 Date dictated

by SA [redacted]

FILE COPY

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

C8247801.302

(Rev. 05-01-2008)

UNCLASSIFIED

FEDERAL BUREAU OF INVESTIGATION

Precedence: PRIORITY **Date:** 09/03/2008

To: Seattle **Attn:** SSA [redacted]
WCC1

From: Anchorage
Squad 4
Contact: SA [redacted]

Approved By: [redacted]

Drafted By: [redacted] crh CRA

Case ID #: 194A-AN-13620-TS-293 Stevens (Pending)

Title: POLAR PEN
CSLPO

Synopsis: Lead to Seattle to coordinate inspection of Ford Mustang with defense counsel for Senator Ted Stevens.

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Details: With the prior assistance of the Seattle Division, an appraisal was conducted of a Ford Mustang formerly belonging to subject Ted Stevens. Issues concerning the Mustang will be a part of Stevens' trial scheduled to begin in three weeks. Defense counsel [redacted] telephone number [redacted] has requested access to this vehicle on Friday, 09/05/2008.

The Mustang is currently being stored in the garage of [redacted] but has left her garage door opener with a [redacted] The home telephone number for [redacted] is [redacted] and his cell phone number is [redacted] has agreed to leave the opener inside the screen door on the side of [redacted] home. Once the inspection is completed, the opener should be returned to [redacted]

The inspection being authorized includes visually inspecting/photographing the inside and outside of the vehicle. If the keys are inside the vehicle, the vehicle may

FBI - Stevens-4747

UNCLASSIFIED

247CRH01-EC

To: Seattle From: Anchorage
Re: 194A-AN-13620-TS, 09/03/2008

be started, but not driven. Under no circumstances is the vehicle to be removed from the garage.

Seattle is requested to determine the complete identity of the examiner, to include name and company affiliation. Any comments made by the examiner about the Mustang should be memorialized in an FD-302.

FBI - Stevens-4748

To: Seattle From: Anchorage
Re: 194A-AN-13620-TS, 09/03/2008

LEAD(s):

Set Lead 1: (Action)

SEATTLE

AT BURIEN, WA

[redacted] Will contact defense attorney [redacted] at [redacted] and arrange the inspection/examination of the Ford Mustang as detailed above.

b6
b7C

♦♦

FBI - Stevens-4749

FD-302 (Rev. 10-6-95)

COPY

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 09/05/2008

[redacted] white male, home address [redacted]

telephone [redacted] was contacted at the address of [redacted]

[redacted] provided a Virginia Driver's License to the agent for identification and advised the home address was correct. At time 0930, upon identifying himself using FBI credentials, the Agent opened the garage door using the remote opener to allow [redacted]

The vehicle in question, an older Ford Mustang convertible, was covered with a blue car cover. [redacted] advised it was a 1965 model. The paint scheme was solid yellow. An Alaskan license plate "DJY 108" with a "Sep 99" registration sticker was affixed to the rear of the car. The interior was black and the seats were covered in a material similar to leather, which was in excellent condition. The odometer indicated "55,768" and six tenths. The radio antenna on the front passenger side fender had become detached from its mount and was lying flat on top of the fender. The Vehicle Warranty number on the driver's side door was "5FO8A346323", which appeared to match the number in the engine compartment, although those markings were quite faded and difficult to read.

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The keys to the vehicle were not available, therefore the engine was not started nor was the trunk accessed. [redacted] took numerous photographs of the vehicle and used a magnet to check for repair locations on the body of the car. [redacted] noted that the passenger door latch was sticking, making it difficult to close.

[redacted] made the comments that "this car doesn't look like it has been used much" and also that the car was a "pretty clean unit".

[redacted] and replaced the car cover. The garage door was closed and the opener was returned

FBI Stevens 4750

Investigation on 09/05/2008 at Burien, Washington

File # 194A-AN-13620-TS Stevens-294

COPY

Date dictated N/A

by SA [redacted]

249deb01.302

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

b6
b7C

to [redacted] at 1050, who had arrived at approximately 1045. [redacted] verbally agreed that the garage was secured.

Precedence: PRIORITY Date: 09/05/2008

To: Anchorage Attn: SA [redacted]

From: Seattle
WCC
Contact: SA [redacted]

Approved By: [redacted]

Drafted By: [redacted] deb

Case ID #: 194A-AN-13620-TS (Pending)

Title: Polar Pen
CSLPO

SAC
ASAC
#3
#4
#5
#6
ld covered

b6
b7C

Synopsis: Lead to observe inspection of Ford Mustang covered.

Reference: 194A-AN-13620-TS Serial 293

Enclosure(s): Original and one copy of FD-302 and associated 1A envelope regarding Ford Mustang inspection.

Details: In response to referenced serial, writer met with [redacted] on September 05, 2008 to conduct the inspection. Enclosed FD-302 provides details.

Upon completion, the garage door opener was returned to [redacted]

Seattle considers lead covered.

LEAD(s):

Set Lead 1: (Info)

ANCHORAGE

AT ANCHORAGE

Read and clear.

249deb02.ec

FBI - Stevens-4752

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: Michael Luther

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a
	DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

Please contact Barbara Draughn at (202) 307-2547 for Travel Arrangements.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK	
(By) Deputy Clerk	August 27, 2008
	FBI - Stevens-4753
ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER: Brenda Morris, Principal Deputy Chief Department of Justice, Criminal Division, Public Integrity Section 1400 New York Ave., NW, Suite 12100, Washington, DC 20005	Telephone: (202) 514-1412

194A-AN-13620-TStevens - 296

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE		
RECEIVED BY SERVER	DATE 08/27/2008	PLACE Anchg, AK
SERVED	DATE 09/03/08	PLACE Anchg, AK
SERVED ON (PRINT NAME) [redacted]		FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☐ NO AMOUNT $ _____
SERVED BY (PRINT NAME) [redacted]		TITLE Special Agent

b6
b7C

ATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 09/03/2008
DATE

[redacted]

101 E 6th Ave
ADDRESS OF SERVER
Anchg, AK

ADDITIONAL INFORMATION

FBI - Stevens-4754

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: Daniel Johnston

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

Please contact Barbara Draughn at (202) 307-2547 for Travel Arrangements.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK	August 27, 2008
(By) Deputy Clerk	
ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER: Brenda Morris, Principal Deputy Chief Department of Justice, Criminal Division, Public Integrity Section 1400 New York Ave., NW, Suite 12100, Washington, DC 20005	Telephone: (202) 514-1412

FBI - Stevens-4755

-297

194A-AN-13620 - TSTeley

C

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE

RECEIVED BY SERVER	DATE ~~Anchorage~~ 8/27/08	PLACE Anchorage, AK
SERVED	DATE 9/3/08	PLACE Anchorage, AK
SERVED ON (PRINT NAME) [redacted]		FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☐ NO AMOUNT $ _____
SERVED BY (PRINT NAME) [redacted]		TITLE Special Agent

b6
b7C

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 9/3/08
DATE

[redacted]
SIGNATURE OF SERVER

101 E 6th Ave
ADDRESS OF SERVER

Anchorage, AK

ADDITIONAL INFORMATION

FBI - Stevens-4756

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 09/03/2008

[redacted] date of birth [redacted] and home address [redacted] Anchorage, was contacted at [redacted] Anchorage, Alaska, telephone number [redacted] was initially advised as to the identity of the interviewing agent, and was further advised that the purpose of the interview was to discuss an email from Ted Stevens to [redacted] on or about [redacted], which made reference to him. [redacted] provided the following information:

Prior to the interview being conducted, [redacted] was allowed to read the email in question in an effort to refresh his recollection as to the subject matter and time frame in question.

[redacted]. Most of [redacted] work is commercial in nature, although he will do residential work as an accommodation to friends and clients.

[redacted] b6 b7C

[redacted] recalled being contacted by [redacted] in or about the date contained in the email, and being requested by [redacted] to go to the cabin of Ted Stevens in Girdwood, Alaska, for the purpose of making a preliminary assessment as to the [redacted] recollection was that the potential renovations had something to do with Stevens' [redacted] coming up to the area for some reason, at which time [redacted] would be using the cabin on a temporary basis.

[redacted] went to Stevens' cabin for the purpose of taking some [redacted] As [redacted] also had a cabin in Girdwood, going to Stevens' cabin was not out of the way for him. [redacted] provided the results to [redacted] but was not asked to pursue the matter further by preparing [redacted]

FBI - Stevens-4757

Investigation on 09/03/2008 at Anchorage, AK - 298

File # 194A-AN-13620-TS + Stevens Date dictated 09/03/2008

by SA [redacted] crh

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

[redacted] did this initial work as a favor to [redacted] and did not ask for or receive payment for services rendered. Likewise, all conversations concerning Stevens' cabin were with [redacted] at no time did [redacted] discuss same with either Ted or [redacted] Stevens.

b6
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Since [redacted] involvement in the renovations of this cabin never went past the preliminary stages, [redacted] had no idea what renovations the Stevens had in mind, and/or what their budget for doing same was.

The interview ended with [redacted] agreeing to attempt to locate whatever records he might have maintained concerning the matters discussed in the interview. He provided a cell phone number for future contact as [redacted]

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 09/03/2008

[redacted] was contacted at her place of residence at [redacted] Anchorage, Alaska, telephone number [redacted] Present with [redacted] was [redacted] was initially advised as to the identity of the interviewing agent, and was further advised that the purpose of the interview was to discuss an email string between herself and Veco employee [redacted] provided the following information:

Prior to the interview being conducted, [redacted] was allowed to read the email string in question in an effort to refresh her recollection as to the subject matter and time frame in question.

Responding to the interviewing Agent's observations about the "Re-elect Ted Stevens" sign displayed in her living room window, [redacted] stated that she continues to be a long-time Stevens supporter.

At all times material hereto, [redacted]

According to [redacted] every year on New Year's Eve the Anchorage Opera has a formal ball to raise money for the upcoming year. This ball included a silent and live auction, dinner, dance band, and an entertainer. Every year at this event a live auction was held for the prestigious "head table" for the following year's ball. The head table seats 10, and includes preferred seating and more upscale wine.

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Conoco-Phillips occupied the head table for the ball held on December 31, 2004, being the winning bidder from the previous year. Guests at the head table included [redacted] and Senator Ted Stevens. [redacted] When the live auction came up for the next year's head table, [redacted] observed those seated at the head table to be the winning bidders. [redacted] was aware of auction policy that payment in full was required at the time.

FBI - Stevens-4759

Investigation on 09/03/2008 at Anchorage, AK

File # 194A-AN-13620-TS~~tevens~~ -299 Date dictated 09/03/2008

by SA [redacted] crh

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

247CRH03.302

[redacted] the winning bid for next year's head table to be $6500.00, to be shared equally by and between [redacted] and Stevens. As [redacted] paid the entire amount at the event, [redacted] whether Conoco-Phillips would be paying for one-third of this amount, or covering the amount attributable to Ted Stevens also. Ultimately, Conoco-Phillips reimbursed Leathard $3250, which was one-half of the winning bid.

b6
b7C

[redacted] about paying for Stevens' portion of the winning bid, other than to say that she had [redacted]

[redacted]

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/05/2008

On September 5, 2008, Special Agent (SA) [redacted] of the Anchorage Field Office of the Federal Bureau of Investigation (FBI) served a Grand Jury subpoena on ENGINEERED EQUIPMENT COMPANY, 11900 Industry Way, Unit M12, Anchorage, Alaska 99515, telephone number 907-345-3474, facsimile number 907-345-9525. The subpoena was provided by SA [redacted] to [redacted] of ENGINEERED EQUIPMENT COMPANY.

[redacted] was advised by SA [redacted] that it would be necessary for him to produce the originals of documents previously provided to the United States Government by ENGINEERED EQUIPMENT COMPANY. Copies of the documents that were being requested were attached to the subpoena provided to [redacted].

A copy of the subpoena provided to [redacted] which was issued by the United States District Court for the District of Columbia, is attached hereto.

b6
b7C

FBI - Stevens-4761

Investigation on 9/5/2008 at Anchorage, Alaska

File # 194A-~~BF~~ AN-13620-TSTEVENS - 300 Date dictated Not Dictated

by SA [redacted]

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

FILE COPY

C8249802.302

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: Custodian of Records
Engineered Equipment Company
11900 Industry Way M12
Anchorage, Alaska 99515
Tel: (907) 345-3474
Fax: (907) 345-9525

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

Please contact Barbara Draughn at (202) 307-2547 for Travel Arrangements.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK	September 4, 2008
(By) Deputy Clerk	FBI - Stevens-4762

ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER:
Brenda Morris, Principal Deputy Chief
Department of Justice, Criminal Division, Public Integrity Section
1400 New York Ave., NW , Suite 12100, Washington, DC 20005 Telephone: (202) 514-1412

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE		
RECEIVED BY SERVER	DATE 9/5/2008	PLACE ANCHORAGE, AK
SERVED	DATE 9/5/2008	PLACE 12:23P [redacted]
SERVED ON (PRINT NAME) [redacted]		FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☑ NO AMOUNT $
SERVED BY (PRINT NAME) [redacted]		TITLE SPECIAL AGENT b6 b7C

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 9/5/2008
DATE

[redacted]
SIGNATURE OF SERVER

101 E. 6TH AVE
ADDRESS OF SERVER

ANCHORAGE, AK

ADDITIONAL INFORMATION

FBI - Stevens-4763

QUOTATION

ENGINEERED EQUIPMENT COMPANY

Industrial Products Representatives Since 1967

11900 INDUSTRY WAY M12 ANCHORAGE, ALASKA 99515 PH 345-3474 FAX 345-9525

To Veco

PO # 188020
-61000-01

Date. 09/03/02

Project Title: Girdwood Roof Melt

Attention

Phone

Fax

Item No	Quantity	Description	Unit Price	Total Price	Unit Weight	Total Weight
		As the exclusive represenative for Raychem Heat Trace, I am pleased to offer you the following quotation;				
1	680	[redacted]ng Cable 208 V, 12 Watt/ft. in ice or snow	$4 75	3,230 ~~$2,992.50~~		
2		[redacted] END	$26.80	$53 60		
3	~~2~~	~~Raychem E, End Termination~~	~~$7.63~~	~~$15.26~~		
4.	1	APS-3B Snow Melting System Controller APS-3B-208/240 p.9.	$683.00	$683.00		
5.	1	CIT-1 Snow Sensor	$238.00	$238 00		
6.	1	RCU-1 Remote Control Unit	$130.00	$130.00		
7	*	See attached data sheets for maximum circuit length				
7	6	GMK-RC, Clips 50/Box	33.00	198.00		
8	2	~~RAYCHEM~~ FTC-HST	22.49	44.98		
		118852				
		PAGE TOTAL		4532.60 ~~$4,112.35~~		

NOTES: All quantities are estimates only and should be independently verified

FOB Point: Anchorage, AK

Estimated Delivery: ~~2 - 3 weeks~~ 1-week

Manufacturer: Raychem

Distribution:

Payment Terms: Net 30 Days

FBI - Stevens-4764

QUOTE NO: 2011

b6
b7C

GRAND JURY EXHIBIT

tyco / Flow Control / Tyco Thermal Controls

Invoice

SALES ORDER NUMBER: 35990
INTERNAL SD NUMBER 9C07C481
FOR INQUIRY PLEASE CONTACT:

INVOICE DATE	INVOICE NUMBER
09/17/2002	3600056180

b6
b7C

Original

Michelle 731

BILL TO	SHIP TO
ENGINEERED EQUIPMENT OF ALASKA 11900 INDUSTRY WAY, UNIT M12 ANCHORAGE AK 99515	ENGINEERED EQUIPMENT OF ALASKA 11900 INDUSTRY WAY, UNIT M12 ANCHORAGE AK 99515

118852-187PY

SHIP VIA	SHIPPING TERMS	ORDER DATE	BUYER	CUSTOMER P.O. NUMBER
	EXW menlo park	09/10/2002		~~[illegible]~~

SHIPPING REF. NUMBER	DATE SHIPPED	MARKET	CUSTOMER	SALES CO-ORD	SALESPERSON
	09/17/2002	M217	600179	Sheri Patterson	S0541

SHIP POINT	PAYMENT TERMS
Menlo Park Distr. Center	Net 30 Days - Up to 10/17/2002 without deduction

REMIT TO: TYCO THERMAL CONTROLS, P.O. BOX 116221, ATLANTA, GA 30368-6221

ITEM NO.	QUANTITY ORDERED	U/M	DESCRIPTION	UNIT PRICE	PER	QUANTITY BACK ORDERED	QUANTITY SHIPPED	VALUE	
1	1	PC	APS-3B 208/240 A12723-000 Order Item: 1 Invc Item: 1	609.00000	PC	0 PC	1 PC	USD	609.00
2	1	PC	RCU-1 REMOTE CONTROL UNI F30607-000 Order Item: 2 Invc Item: 2	117.00000	PC	0 PC	1 PC	USD	117.00
						TAX		USD	
						PAY THIS AMOUNT		USD	726.00

FBI - Stevens-4765

All sales are subject to Tyco Thermal Controls LLC Standard Terms and Conditions, which have been previously provided to purchaser. Additional copies are available on request. The Tyco Thermal Controls LLC Standard Terms and Conditions may only be modified upon the written consent of Tyco Thermal Controls LLC.

tyco / Flow Control / Tyco Thermal Controls

Invoice

SALES ORDER NUMBER 35990
INTERNAL SD NUMBER. 90070481
FOR INQUIRY PLEASE CONTACT [redacted]

INVOICE DATE	INVOICE NUMBER
09/17/2002	3600056180

Original

b6
b7C

BILL TO	SHIP TO
ENGINEERED EQUIPMENT OF ALASKA 11900 INDUSTRY WAY, UNIT M12 ANCHORAGE AK 99515	ENGINEERED EQUIPMENT OF ALASKA 11900 INDUSTRY WAY, UNIT M12 ANCHORAGE AK 99515

SHIP VIA	SHIPPING TERMS	ORDER DATE	BUYER	CUSTOMER P O NUMBER
	EXW menlo park	09/10/2002		118830-18773

SHIPPING REF NUMBER	DATE SHIPPED	MARKET	CUSTOMER	SALES CR RTD	[redacted]
	09/17/2002	M217	600179		

SHIP POINT	PAYMENT TERMS
Menlo Park Distr. Center	Net 30 Days - Up to 10/17/2002 without deduction

REMIT TO: TYCO THERMAL CONTROLS, P.O. BOX 116221, ATLANTA, GA 30368-6221

ITEM NO.	QUANTITY ORDERED	U/M	DESCRIPTION	UNIT PRICE	PER	QUANTITY BACK ORDERED	QUANTITY SHIPPED	VALUE	
1	1	PC	APS-3B 208/240 A12723-000 Order Item: 1 Invc Item: 1	609.00000	PC	0 PC	1 PC	USD	609.00
2	1	PC	RCU-1 REMOTE CONTROL UNI F30607-000 Order Item: 2 Invc Item: 2	117.00000	PC	0 PC	1 PC	USD	117 00
						TAX		USD	
						PAY THIS	AMOUNT	USD	726.00

FBI - Stevens-4766

All sales are subject to Tyco Thermal Controls LLC Standard Terms and Conditions, which have been previously provided to purchaser. Additional copies are available on request. The Tyco Thermal Controls LLC Standard Terms and Conditions may only be modified upon the written consent of Tyco Thermal Controls LLC.

Memo only file

INVOICE

Invoice From:

Engineered Equipment Company
11900 Industry Way, Unit M12
Anchorage AK 99515
Ph: (907) 345-3474 Fx: (907) 345-9525

Page#: 1
Invoice#: 110096
Invoice Date: 09/13/02

Bill To:

VECO ALASKA, INC.
ATTN: ACCOUNTS PAYALE
P.O. BOX 190569
Anchorage AK 99519-0569

Ship To:

ENGINEERED EQUIPMENT CO
11900 INDUSTRY WAY UNIT M12
TAG PO# 188020-61000 01
Anchorage AK 99515

Your PO#: 188020-61000-01
Order Date: 09/09/02
Ship Date: 09/11/02
FOB: SHIPPING POINT
Ship Via: UPS BLUE
Tracking#:

Terms: NET 30 DAYS
Saoid#: 118852
Our Fed ID#: 92-0056963
Control#: N-28852-
Territory#: 5

LI#	Order	Ship	BO	Part#/Description	Net Each	Total
3	1	1	0	APS-3B-208/240V AUTOMATIC SNOW/ICE MELTING SYSTEM CONTROLLER P/N# A12723	683.00	683.00
5	1	1	0	RCU-1 REMOTE CONTROL UNIT P/N# F30607	130.00	130.00

Sub-Total:	813.00
Ship/Handle:	
Tax:	
Total Due:	813.00

Any descrepancies should be reported within 30 days. Invoices over 30 days old will be subject to a 1.5% per month finance charge. All invoices over 60 days old will be subject to collection and legal charges.

FBI - Stevens-4767

I N V O I C E

Invoice From:

Engineered Equipment Company
11900 Industry Way, Unit M12
Anchorage AK 99515
Ph: (907) 345-3474 Fx: (907) 345-9525

Page#: 1
Invoice#: 110107
Invoice Date: 09/13/02

Bill To:

VECO ALASKA, INC.
ATTN: ACCOUNTS PAYALE
P.O. BOX 190569
Anchorage AK 99519-0569

Ship To:

ENGINEERED EQUIPMENT CO
11900 INDUSTRY WAY UNIT M12
TAG PO# 188020-61000-01
Anchorage AK 99515

Your PO#: 188020-61000-01
Order Date: 09/09/02
Ship Date: 09/12/02
FOB: SHIPPING POINT
Ship Via: UPS BLUE
Tracking#:

Terms: NET 30 DAYS
Saoid#: 118852
Our Fed ID#: 92-0056963
Control#: N-28852-
Territory#: 5

LI#	Order	Ship	BO	Part#/Description	Net Each	Total
1	680	680	0	GM-2XT ICESTOP ROOF & GUTTER DEICING 208-277 HEAT CABLE MODIFIED FLOUROPOLYMER UV RESISTANT OUTER JACKET OVER COPPER BRAID (P/N#092961)	4.75	3,230.00
2	2	2	0	FTC-P POWER CONNECTION/END SEAL JUNCTION BOX NOT IINCLUDED (P/N#111711)	26.80	53.60
4	1	1	0	CIT-1 Snow Sensor	238.00	238.00
6	5	5	0	GMK-RC Installation clips / roof 50/box	33.00	165.00
7	2	2	0	FTC-HST LOW PROFILE SPLICE AND TEE KIT 2/BOX	22.49	44.98

FBI - Stevens-4768

Sub-Total: 3,731.58
Ship/Handle:
Tax:

Total Due: 3,731.58

********** CONTINUED ON PAGE 2 **********

Invoice From:

Engineered Equipment Company
11900 Industry Way. Unit M12
Anchorage AK 99515

I N V O I C E

Page#: 2
Invoice#: 110107
Invoice Date: 09/13/02

LI#	Order	Ship	BO	Part#/Description	Net Each	Tot

Any descrepancies should be reported within 30 days. Invoices over 30 days old will be subject to a 1.5% per month finance charge. All invoices over 60 days old will be subject to collection and legal charges.

Engineered Equipment Company
11900 Industry Way. Unit M12
Anchorage AK 99515
Phone: (907) 345-3474

ACKNOWLEDGEMENT

Bill To:

VECO ALASKA, INC.
ATTN: ACCOUNTS PAYALE
P.O. BOX 190569
Anchorage AK 99519-0569

Ship To:

ENGINEERED EQUIPMENT CO
11900 INDUSTRY WAY UNIT M12
TAG PO# 188020-61000-01
Anchorage AK 99515

Ack#	Ack Date	Purchase Order#	Saoid#	Order Date	Expect Ship	FOB
A118852	09/11/02	188020-61000-01	118852	09/09/02		SHIPPING POINT

Line Item	Qty Order	Part#/Description	Net Each	Line Total
1	680	GM-2XT ICESTOP ROOF & GUTTER DEICING 208-277 HEAT CABLE MODIFIED FLOUROPOLYMER UV RESISTANT OUTER JACKET OVER COPPER BRAID (P/N#092961)		
2	2	FTC-P POWER CONNECTION/END SEAL JUNCTION BOX NOT IINCLUDED (P/N#111711)		
3	1	APS-3B-208/240V AUTOMATIC SNOW/ICE MELTING SYSTEM CONTROLLER P/N# A12723		
4	1	CIT-1 Snow Sensor		
5	1	RCU-1 REMOTE CONTROL UNIT P/N# F30607		
6	5 ~~6~~	GMK-RC Installation clips / roof 50/box		
7	2	FTC-HST		

FBI - Stevens-4770

b6
b7C

Engineered Equipment Company
11900 Industry Way, Unit M12
Anchorage AK 99515
Phone: (907) 345-3474

ACKNOWLEDGEMENT

Bill To:

VECO ALASKA, INC.
ATTN: ACCOUNTS PAYALE
P.O. BOX 190569
Anchorage AK 99519-0569

Ship To:

ENGINEERED EQUIPMENT CO
11900 INDUSTRY WAY UNIT M12
TAG PO# 188020-61000-01
Anchorage AK 99515

Ack#	Ack Date	Purchase Order#	Saoid#	Order Date	Expect Ship	FOB
A118852	09/11/02	188020-61000-01	118852	09/09/02		SHIPPING POINT

Line Item	Qty Order	Part#/Description	Net Each	Line Total
		LOW PROFILE SPLICE AND TEE KIT 2/BOX		

FBI - Stevens-4771

Terms	Territory#	Ship Via	Order Total
NET 30 DAYS	5	UPS BLUE	

Your order is being processed. We appreciate your business.

Attn Daniel

HOT MUST!

PURCHASE ORDER

B I L L T O: Engineered Equipment Company 11900 Industry Way, Unit M12 Anchorage AK 99515 Ph: (907) 345-3474 Fx: (907) 345-9525	PO#: 118852-18774 Ship Via: UPS BLUE Fob: SHIPPING POINT Terms: NET 30 Mark: GIRDWOOD ROOF MELT Comments: COLLECT TO ACCT# F65F86	Order Date: 09/09/ Date Req'd: ASAP

TYCO THERMAL CONTROLS RAYCHEM 300 CONSTITUTION DR. R52/1A MENLO PARK CA 94025 Ph: (800) 545-6258 Fx: (800) 527-5703	SHIP TO: ENGINEERED EQUIPMENT CO 11900 INDUSTRY WAY UNIT M12 TAG PO# 188020-61000-01 Anchorage AK 99515 Contact: Ph: Fx:

LI	Quantity Order	Quantity Recd	STOCK NUMBER / DESCRIPTION	Unit Price	Line Total
1	1		APS-3B-208/240V AUTOMATIC SNOW/ICE MELTING SYSTEM CONTROLLER P/N# A12723	609.00	609.0
2	1		RCU-1 REMOTE CONTROL UNIT P/N# F30607	117.00	117.0

Call me if you can't ship Tuesday MKS

[redacted]

b6
b7C

FBI - Stevens-4772

Tax Exempt#:

NET TOTAL: 726.0

VENDOR INSTRUCTIONS

1. Please ship in time to allow for delivery as requested.
2. If unable to meet required delivery, notify immediately.
3. Seller agrees to deliver the material(s) or service(s) specified above and purchaser agrees to purchase same, subject to all terms and conditions herein.
4. Please send two (2) copies of your invoice.

[redacted]

Authorized Signature

HP OfficeJet
Personal Printer/Fax/Copier

Fax Log Report

Sep-09-02 10:40 AM

Identification	Result	Pages	Type	Date	Time	Duration	Diagnostic
18005275703	OK	02	Sent	Sep-09	10:39A	00:01:04	002580030022

7:2:0

FBI - Stevens-4773

Environmental Technology, Inc.
1302 High Street
South Bend, IN 46601
USA

Voice: 574-233-1202
Fax: 574-233-2152

Packing List

Sales Order Number
5019 89

Sales Order Date
Sep 10, 2002

Shipped To:

Engineered Equipment of Alaska
11900 Industry Way, Unit M12
Anchorage, AK 99515

Sold To:

Tyco Thermal Controls
Acct Pay-MS R53/1A
300 Constitution Drive
Menlo Park, CA 94025-1164
USA

Customer ID	1154	**Shipping Method**	F.O.B. Origin UPS Blue
Customer PO	4502001314	**Terms**	Net 30 Days

Quantity	Item	Description	Shipped Prior	This Shipment
1.00	17539	APS - 3B Panel (208v-240v) UL, Tyco pn A12723-000		1
1.00	17542	RCU-1 Remote Control Unit		1

Rec'd 9/11

FBI - Stevens-4774

Made in the U.S.A.

PACKING LIST

Ship To:

ENGINEERED EQUIPMENT CO
11900 INDUSTRY WAY UNIT M12
TAG PO# 188020-61000-01
Anchorage AK 99515

Bill To:

VECO ALASKA, INC.
ATTN: ACCOUNTS PAYALE
P.O. BOX 190569
Anchorage AK 99519-0569

Cust Order#	Date Shipped	Ship Via	Our Number
188020-61000-01		UPS BLUE	N-28852-

Mark	Order Date	Saoid#	Terr	Ship Partial?
GIRDWOOD ROOF MELT	09/09/02	118852	5	NO

LI	Item Number	Description	Order Qty	Prev Ship	This Ship
1	GM-2XT	ICESTOP ROOF & GUTTER DEICING 208-277 HEAT CABLE MODIFIED FLOUROPOLYMER UV RESISTANT OUTER JACKET OVER COPPER BRAID (P/N#092961)	680	0	680
2	FTC-P	POWER CONNECTION/END SEAL JUNCTION BOX NOT IINCLUDED (P/N#111711)	2	0	2
4	CIT-1	Snow Sensor	1	0	1
6	GMK-RC	Installation clips / roof 50/box	6	0	
7	FTC-HST	LOW PROFILE SPLICE AND TEE KIT 2/BOX	2	0	2

FBI - Stevens-4775

Cartons	Total Weight	Order Comp.	Bal To Follow	Packed By

tyco / Flow Control / Tyco Thermal Controls

Tyco Thermal Controls LLC Telephone 650/474-7400
300 Constitution Drive
m/s 521/1A
Menlo Park CA 94025

Order Acknowledgement

Ack Date 09/10/2002
Customer No 600179

Your Purchase Order : 118830-18773 of: 09/10/2002

TTC Order / Date : 35990 of: 09/10/2002

Mailing Address
ENGINEERED EQUIPMENT OF ALASKA
11900 INDUSTRY WAY UNIT M12
ANCHORAGE AK 99515

Ship To Address
ENGINEERED EQUIPMENT OF ALASKA
11900 INDUSTRY WAY UNIT M12
ANCHORAGE AK 99515

UPS Blue

Sales Person
Sales Group

b6
b7C

Carrier
Blocking Code
Payment Terms Net 30 Days
Delivery Terms EXW menlo park

Project ID
Currency USD

Item	Quantity Ordered	U/M	Your Product Description / TTC Product Desc	Price	Price U/M	Value
1	1	PC		USD 609.00	PC	609 00
P O Item 1			APS-3B 208/240 A12723-000 MOQ 1 PC STD Pack 0 PC			
Certification document no			Test Report no			
SCHEDULES						
Requested Ship Date	09/10/2002		1 PC			
Promised Ship Date	09/10/2002		1 PC	shipped	0	
2	1	PC		USD 117.00	PC	117 00
P O Item 2			RCU-1 REMOTE CONTROL UNIT F30607-000 MOQ 1 PC STD Pack 0 PC			
Certification document no			Test Report no			
SCHEDULES						
Requested Ship Date	09/10/2002		1 PC			
Promised Ship Date	09/10/2002		1 PC	shipped	0	

FBI - Stevens-4776

tyco / Flow Control / Tyco Thermal Controls

Tyco Thermal Controls LLC
300 Constitution Drive
m/s 621/1A
Menlo Park, CA 94025
Telephone 650/474-7400

Order Acknowledgement

Page 2 / 2
Ack Date 09/10/2002
Customer No 600179

Your Purchase Order : 118830-18773 of: 09/10/2002

TTC Order / Date : 36990 of: 09/10/2002

Net Value	USD	726 00
Total Value	USD	726 00

All sales are subject to Tyco Thermal Controls LLC Standard Terms and Conditions, which have been previously provided to purchaser. Additional copies are available on request. The Tyco Thermal Controls LLC Standard Terms and Conditions may only be modified upon the written consent of Tyco Thermal Controls LLC.

I N V O I C E

Invoice From:

Engineered Equipment Company
11900 Industry Way. Unit M12
Anchorage AK 99515
Ph: (907) 345-3474 Fx: (907) 345-9525

Page#: 1
Invoice#: 110035
Invoice Date: 09 05 02

Bill To:

VECO ALASKA, INC.
ATTN: ACCOUNTS PAYALE
P.O. BOX 190569
Anchorage AK 99519-0569

Ship To:

VECO
6411 A ST
TAG PO# 122089-60180-1
Anchorage AK 99519

Your PO#: 122089-60180-1
Order Date: 08/20/02
Ship Date: 08/28/02
FOB: SHIPPING POINT
Ship Via: FED EX PRIORITY SERV
Tracking#:

Terms: NET 30 DAYS
Saoid#: 118643
Our Fed ID#: 92-0056963
Control#: N-28643
Territory#: 5

LI#	Order	Ship	BO	Part#/Description	Net Each	Total
1	1	1	0	APS-3B-120V AUTOMATIC SNOW/ICE MELTING SYSTEM CONTROLLER P/N#768173 ********** HOT RUSH ORDER PLEASE SHIP ASAP! THANKS, ANG	662.00	662.00

Sub-Total: 662.00
Ship/Handle:
Tax:

Total Due: 662.00

Any descrepancies should be reported within 30 days. Invoices over 30 days old will be subject to a 1.5% per month finance charge. All invoices over 60 days old will be subject to collection and legal charges.

FBI - Stevens-4778

GRAND JURY EXHIBIT 13

tyco / Flow Control / Tyco Thermal Controls

Invoice

SALES ORDER NUMBER: 35068
INTERNAL SD NUMBER: 90068934
FOR INQUIRY PLEASE CONTACT
[redacted]

INVOICE DATE	INVOICE NUMBER
08/28/2002	3600[redacted]029

b6 b7C

Original

BILL TO
ENGINEERED EQUIPMENT OF ALASKA
11900 INDUSTRY WAY, UNIT M12
ANCHORAGE AK 99515

SHIP TO
VECO
PO#122089-60180-1
6411 A ST
ANCHORAGE AK 99518

SHIP VIA	SHIPPING TERMS	ORDER DATE	BUYER	CUSTOMER P.O. NUMBER
	EXW MENLO PARK	08/20/2002		1[redacted]8643-18687

SHIPPING REF. NUMBER	DATE SHIPPED	MARKET	CUSTOMER	SALES CO-ORD	SALESPERSON
	08/28/2002	M217	600179	[redacted]	

SHIP POINT	PAYMENT TERMS
Menlo Park Distr. Center	Net 30 Days - Up to 09/27/2002 without deduction

REMIT TO: TYCO THERMAL CONTROLS, P.O. BOX 116221, ATLANTA, GA 30368-6221

ITEM NO.	QUANTITY ORDERED	U/M	DESCRIPTION	UNIT PRICE	PER	QUANTITY BACK ORDERED	QUANTITY SHIPPED	VALUE	
1	1	PC	HRD-APS-3B-120V-CNTRL-PN 768173-000 Order Item: 1 Invc Item: 1	590.00000	PC	0 PC	1 PC	USD	590.00
						TAX		USD	
						PAY THIS	AMOUNT	USD	590.00

FBI - Stevens-4779

All sales are subject to Tyco Thermal Controls LLC Standard Terms and Conditions, which have been previously provided to purchaser.

[redacted]

From: [redacted]
Sent: Thursday, August 22, 2002 3:02 PM
To: [redacted]engineeredequip.com
Subject: Tracking number

Hey Wild Woman

b6
b7C

Here is your tracking number 8336 7052 1204 for your Veco order that shipped fed express today!

Have a great evening!

[redacted]

tyco / Flow Control / Tyco Thermal Controls

Tyco Thermal Controls LLC Telephone 650/474-7400
300 Constitution Drive
m/s 621/1A
Menlo Park, CA 94025

b6
b7C

Order Acknowledgement

Page 1 / 1
Ack Date 08/21/2002
Customer No 600179

Your Purchase Order : 118643-18687 of: 08/20/2002

TTC Order / Date : 35068 of: 08/20/2002

Mailing Address
ENGINEERED EQUIPMENT OF ALASKA
11900 INDUSTRY WAY UNIT M12
ANCHORAGE AK 99515

Ship To Address
VECO
PO#122089-60180-1
6411 A ST
ANCHORAGE AK 99518

Sales Person
Sales Group

Carrier
Blocking Code
Payment Terms Net 30 Days
Delivery Terms EXW MENLO PARK

Project ID
Currency USD

Item	Quantity Ordered	U/M	Your Product Description / TTC Product Desc.	Price	Price U/M	Value
1	1	PC		USD 590 00	PC	590 00
P O Item 1			HRD-APS-3B-120V-CNTRL-PNL			
			768173-000			
			MOQ 1 PC STD Pack	1 PC		
			Certification document no Test Report no			
			SCHEDULES			
			Requested Ship Date 08/28/2002 1 PC			
			Promised Ship Date 08/28/2002 1 PC	shipped	0	
				Net Value USD		590 00
				Total Value USD		590 00

FBI - Stevens-4781

All sales are subject to Tyco Thermal Controls LLC Standard Terms and Conditions, which have been previously provided to purchaser. Additional copies are available on request. The Tyco Thermal Controls LLC Standard Terms and Conditions may only be modified upon the written consent of Tyco Thermal Controls LLC

Attn: [redacted]

PURCHASE ORDER

BILL TO: Engineered Equipment Company 11900 Industry Way. Unit M12 Anchorage AK 99515 Ph: (907) 345-3474 Fx: (907) 345-9525	PO#: 118643-18687 Ship Via: FED EX PRIORITY SERV Fob: SHIPPING POINT Terms: NET 30 Mark: HOT RUSH ORDER!!!!! Comments: COLLECT TO ACCT# 101908216 Order Date: 08 [illegible] Date Req'd: 08 [illegible]
TO: TYCO THERMAL CONTROLS RAYCHEM 300 CONSTITUTION DR. R52/1A MENLO PARK CA 94025 Ph: (800) 545-6258 Fx: (800) 527-5703	SHIP TO: VECO 6411 A ST TAG PO# 122089-60180-1 Anchorage AK 99518 Contact: 907-550-8277 SEV Ph: Fx:

LI	Quantity Order	Quantity Recd	STOCK NUMBER / DESCRIPTION	Unit Price	Line Total
1	1		APS-3B-120V AUTOMATIC SNOW/ICE MELTING SYSTEM CONTROLLER P/N#768173 ********** HOT RUSH ORDER PLEASE SHIP ASAP! THANKS, ANG	510.0 b6 b7C	

Call w/ #. I've misplaced it.

HOT RUSH ORDER!

FBI - Stevens-4782

[redacted]

VENDOR INSTRUCTIONS

Tax Exempt#:

NET TOTAL

1. Please ship in time to allow for delivery as requested.
2. If unable to meet required delivery, notify immediately.

HP OfficeJet
Personal Printer/Fax/Copier

Fax Log Report

Aug-20-02 08:56 AM

Identification	Result	Pages	Type	Date	Time	Duration	Diagnostic
18005275703	OK	01	Sent	Aug-20	08:55A	00:00:37	002580030022

QUOTATION

ENGINEERED EQUIPMENT COMPANY

Industrial Products Representatives Since 1967

11900 INDUSTRY WAY M12 ANCHORAGE, ALASKA 99515 PH 345-3474 FAX 345-9525

To: ECO

Date: 08 14 02

Project Title:

Attention: [redacted]

Phone

Fax

Item No	Quantity	Description	Unit Price	Total Price	Unit Weight	Total Weight
		As the exclusive representative for Raychem Heat Trace, I am pleased to offer you the following quotation;				
1	1	APS-3B-120V Automatic Snow/Ice Melting System Controller P/N# 768173	$662.00	$662.00	8	8
		PAGE TOTAL		$662.00		8

Must.
P/O 122089-60180-1
6411 Ast.
99518.
ph: 550-8277.

118643

FBI - Stevens-4784

b6
b7C

NOTES: All quantities are estimates only and should be independently verified

FOB Point: Indiana

Payment Terms: Net 30 Days

Estimated Delivery: 3-5 days ARO

Manufacturer: Raychem ETI

Distribution:

QUOTE NO: 1408

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/05/2008

On September 5, 2008, Special Agent (SA) [redacted] of the Anchorage Field Office of the Federal Bureau of Investigation (FBI) served a Grand Jury subpoena on PENCO PROPERTIES, 3620 Penland Parkway, Anchorage, Alaska 99508 telephone number 907-276-2222, facsimile number 907-278-0896. The subpoena was provided by SA [redacted] to PENCO employee [redacted] A copy of the subpoena, which was issued by the United States District Court for the District of Columbia, is attached hereto.

b6
b7C

FBI - Stevens-4785

Investigation on 9/5/2008 at Anchorage, Alaska

File # 194A-~~AN~~-13620-TSTEVENS - 301 Date dictated Not Dictated

by SA [redacted]

FILE COPY

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

C8249801.302

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: Custodian of Records
PENCO AK
3620 Penland Pky.
Anchorage, Alaska 99508
Tel: (907) 276-2222

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

Please contact Barbara Draughn at (202) 307-2547 for Travel Arrangements.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK	September 4, 2008
(By) Deputy Clerk	FBI - Stevens-4786

ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER:
Brenda Morris, Principal Deputy Chief
Department of Justice, Criminal Division, Public Integrity Section
1400 New York Ave., NW , Suite 12100, Washington, DC 20005 Telephone: (202) 514-1412

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE		
RECEIVED BY SERVER	DATE 9/5/2008	PLACE 101 E 6TH AVE, ANCHORAGE, AK
SERVED	DATE 9/5/2008	PLACE 12:50PM [redacted]
SERVED ON (PRINT NAME) [redacted]		FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☑ NO AMOUNT $ _____
SERVED BY (PRINT NAME) [redacted]		TITLE b6 b7C

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 9/5/2008
DATE

[redacted]
SIGNATURE OF SERVER

101 E 6TH AVE
ADDRESS OF SERVER

ANCHORAGE, AK

ADDITIONAL INFORMATION

FBI - Stevens-4787

FD-71 (Rev. 3-05-2003)
Complaint Form

NOTE: Hand print names legibly; handwriting satisfactory for remainder.
Indices: ☐ Negative ☐ See below

Subject's name and aliases [redacted]	Character of case Public Corruption 194
	Complainant ☒ Protect Source [redacted]
	Complaint received by SA [redacted] Field Office Anchorage Telephone # [redacted] ☐ Personal ☒ Telephonic Date 09/03/08 Time 10:57 am
Address of Subject	Complainant's address and telephone number cell [redacted]
	Complainant's DOB / Sex

b6
b7C
b7D

Subject's Description						
	Race	☐ Male	Height	Hair	Build	Birth date and birth place
	Age	☐ Female	Weight	Eyes	Complexion	Social Security Number
	Scars, marks and other data					

Employer	Address	Telephone

Vehicle Description

Facts of Complaint

PROTECT SOURCE

Complainant is the [redacted] She stated she has information regarding [redacted] voting on "something" as a favor for Senator TED STEVENS, and [redacted] in exchange for his vote. She wanted to know if the FBI was looking for [redacted] who lived in STEVENS' Girdwood residence for awhile. [redacted] is currently living in [redacted]

b6
b7C
b7D

copy already provided to SA [redacted]

Do not write in this space.
194A-AN-13620-TStevens; 302
AN 58-0; 71
FBI - Stevens-4788

SA [redacted]
(Complaint received by)

BLOCK STAMP

Transcribed

Complainant was not fully vetted at this time and should be further interviewed. She did state she did not want [redacted] or anyone else to be aware she was speaking with the FBI.

b6
b7C
b7D

PROTECT SOURCE

FBI - Stevens-4789

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: Michelle Pluta

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a
	DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

Please contact Barbara Draughn at (202) 307-2547 for Travel Arrangements.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK	September 4, 2008
(By) Deputy Clerk	FBI - Stevens-4790

ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER:
Brenda Morris, Principal Deputy Chief
Department of Justice, Criminal Division, Public Integrity Section
1400 New York Ave., NW , Suite 12100, Washington, DC 20005 Telephone: (202) 514-1412

- 303

194A-WN-13620-TStevens

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE		
RECEIVED BY SERVER	DATE 9/07/08	PLACE Anchorage, AK
SERVED	DATE 9/9/08	PLACE via fax, from Anchorage, AK
SERVED ON (PRINT NAME) [redacted]		FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☐ NO AMOUNT $ _____
SERVED BY (PRINT NAME) [redacted]		TITLE Intelligence Analyst

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 9/9/08
DATE

[redacted] b6 b7C
SIGNATURE OF SERVER

101 E 6th Ave
ADDRESS OF SERVER

Anchorage, AK 99501

ADDITIONAL INFORMATION

Served via fax [redacted]

FBI - Stevens-4791

********** -COMM[redacted]URNAL- ********** DATE SEP-09-20[redacted] ***** TIME 14:20 ********

MODE = MEMORY TRANSMISSION START=SEP-09 14:19 END=SEP-09 14:20

FILE NO.=909

STN NO.	COMM.	ONE-TOUCH/ ABBR NO.	STATION NAME/TEL NO.	PAGES	DURATION
001	OK	a	[redacted]	001/001	00:00:23

-FBI ANCHORAGE -

********** - ***** - 907 265 8400- ********

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: Michelle Pluta

Attn Michelle Pluta

[redacted]

b6
b7C

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a
	DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

Please contact Barbara Draughn at (2[redacted]) 307-2547 for Travel Arrangements.

U.S. MAGISTRATE JUD[redacted] CLERK OF COURT NANCY MAYER-W[redacted]RK (By) Deputy Clerk	DATE ~~FBI - Stevens 4792~~ September 4, 2008
ATTORNEY'S NAME, A[redacted] AND PHONE NUMBER: Brenda Morris, Principa[redacted] Department of Justice, Cri[redacted]blic Integrity Section 1400 New York Ave., NW , Suite 12[redacted], Washington, DC 20005	Telephone: (202) 514-1412

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

b6
b7C

Date of transcription 9/08/2008

On September 8, 2008, Special Agent (SA) [redacted] of the Anchorage Field Office of the Federal Bureau of Investigation (FBI) served a trial subpoena (via facsimile) on Kohler Power Company, North 7650 County Highway, Sheboygan, Wisconsin, telephone number 920-453-6309, facsimile number 920-803-4977. This subpoena was sent to the attention of [redacted] for Kohler's Generator Division. Prior to faxing this document SA [redacted] contacted and spoke with [redacted] at telephone number [redacted] and advised same that he would be transmitting the fax momentarily.

A copy of the subpoena provided to [redacted] which was issued by the United States District Court for the District of Columbia, is attached hereto. Additionally, a copy of the facsimile cover sheet is attached hereto.

FBI - Stevens-4793

Investigation on 9/9/2008 at Anchorage, Alaska

File # 194A-~~BF~~ AN-13620-TSTEVENS - 304 Date dictated Not Dictated

by SA [redacted]

FILE COPY

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

C8253802.302

********** -COM[redacted]OURNAL- ********** DATE SEP-08-2[redacted] ***** TIME 13:18 *******

MODE = MEMORY TRANSMISSION START=SEP-08 13:17 END=SEP-08 13:18

FILE NO.=894

STN NO.	COMM.	ONE-TOUCH/ ABBR NO.	STATION NAME/TEL NO.	PAGES	DURATION
001	OK		919208034977	002/002	00:00:36

-FBI ANCHORAGE -

********** - - ***** - 907 265 8400- *********

FD-448
Revised
10-27-2004

FEDERAL BUREAU OF INVESTIGATION
FACSIMILE COVER SHEET

PRECEDENCE

(●) Immediate ( ) Priority ( ) Routine

CLASSIFICATION

( ) Top Secret ( ) Secret ( ) Confidential ( ) Sensitive (●) Unclassified

TO

Name of Office:	Facsimile Number:	Date:
KOHLER POWER COMPANY	920-803-4977	09/08/2008

Attn:	Room:	Telephone Number:
[redacted]		[redacted]

b6
b7C

FROM

Name of Office:	Number of Pages: (Including cover)
FBI-ANCHORAGE	2

Originator's Name:	Originator's Telephone Number:	Originator's Facsimile Number:
SA [redacted]	[redacted]	

Approved:

DETAILS

Subject:

[redacted] PLEASE CONTACT THE NUMBER ON THE ATTACHED GRAND JURY SUBPOENA FOR FURTHER INFORMATION REGARDING COMPLIANCE WITH THIS SUBPOENA. THE NUMBER IS FOR [redacted] [redacted] ASSISTANT UNITED STATES ATTORNEY, [redacted]

Special Handling Instructions:
N/A

Brief Description of Communication Faxed:
FEDERAL GRAND JURY SUBPOENA

WARNING

Information attached to the cover sheet is U.S. Government Property. If you are not the intended recipient of this information disclosure, reproduction, distribution, or use of this information is prohibited (18.USC, § 641). Please notify the originator or local FBI Office immediately to arrange for proper disposition.

FBI - Stevens-4794

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: Custodian of Records
Koler Power Company--Generator Division
North 7650 County Highway
Sheboygan, Wisconsin

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a
	DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

All documents related to a Model 8.5rmy Generator with serial number 609408

Please contact Barbara Draughn at (202) 307-2547 for Travel Arrangements.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK	September 4, 2008
(By) Deputy Clerk	FBI - Stevens-4795
ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER: Brenda Morris, Principal Deputy Chief Department of Justice, Criminal Division, Public Integrity Section 1400 New York Ave., NW , Suite 12100, Washington, DC 20005	Telephone: (202) 514-1412

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE

RECEIVED BY SERVER	DATE 9/5/2008	PLACE ANCHORAGE, AK
SERVED	DATE 9/8/2008	PLACE VIA FAX TO 920-803-4977 KAHLER POWER SHEBOYGAN WI
SERVED ON (PRINT NAME) [redacted]		FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☑ NO AMOUNT $
SERVED BY (PRINT NAME) [redacted]		TITLE SPECIAL AGENT

b6
b7C

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 9/8/2008
DATE

[redacted]
SIGNATURE OF SERVER

1015 6TH AVE
ADDRESS OF SERVER

ANCHORAGE, AK

ADDITIONAL INFORMATION

FBI - Stevens-4796

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/09/2008

On September 9, 2008, Special Agent (SA) [redacted] of the Anchorage Field Office of the Federal Bureau of Investigation (FBI) served a trial subpoena on Pacific Power Products, 8001 Petersburg Street, Anchorage, Alaska, telephone number 907-339-2781. This subpoena was provided to [redacted] for Pacific Power Products.

b6
b7C

A copy of the subpoena provided to [redacted] which was issued by the United States District Court for the District of Columbia, is attached hereto.

FBI - Stevens-4797

Investigation on 9/9/2008 at Anchorage, Alaska

File # 194A-~~BF~~ AN-13620-TSTEVENS - 305 Date dictated Not Dictated

by SA [redacted]

b6
b7C

FILE COPY

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

CB 252807.302

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: Custodian of Records
Pacific Power Products
8001 Petersburg St.
Anchorage, Alaska 99507

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

Any and all records for a Kohler Generator, model 8.5rmy, with Serial Number 609408. Documents are to include but not limited to: Indentity of purchasor, date of purchase, and method of payment.

Please contact Barbara Draughn at (202) 307-2547 for Travel Arrangements.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK	September , 2008
(By) Deputy Clerk	FBI - Stevens-4798
ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER: Brenda Morris, Principal Deputy Chief Department of Justice, Criminal Division, Public Integrity Section 1400 New York Ave., NW , Suite 12100, Washington, DC 20005	Telephone: (202) 514-1412

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE		
RECEIVED BY SERVER	DATE 9/9/2008	PLACE 101 E 6TH AVE, ANCHORAGE, AK
SERVED	DATE 9/9/2008	PLACE
SERVED ON (PRINT NAME) [redacted]		FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☑ NO AMOUNT $
SERVED BY (PRINT NAME) [redacted]		TITLE SPECIAL AGENT

b6
b7C

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 9/9/2008
DATE

[redacted]
SIGNATURE OF SERVER

101 E. 6TH AVENUE
ADDRESS OF SERVER

ANCHORAGE, AK

ADDITIONAL INFORMATION

FBI - Stevens-4799

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/08/2008

On September 8, 2008, Special Agent (SA) [redacted] of the Anchorage Field Office of the Federal Bureau of Investigation (FBI) served a trial subpoena on [redacted] Alaska, telephone number [redacted] A copy of the subpoena provided to [redacted] which was issued by the United States District Court for the District of Columbia, is attached hereto.

b6
b7C

FBI - Stevens-4800

Investigation on 9/8/2008 at Anchorage, Alaska

File # 194A-~~BF~~ AN-13620-TSTEVENS -306 Date dictated Not Dictated

by SA [redacted]

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: Robert Shively

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

Please contact Barbara Draughn at (202) 307-2547 for Travel Arrangements.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK	September 4, 2008
(By) Deputy Clerk	FBI - Stevens-4801

ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER:
Brenda Morris, Principal Deputy Chief
Department of Justice, Criminal Division, Public Integrity Section
1400 New York Ave., NW , Suite 12100, Washington, DC 20005 Telephone: (202) 514-1412

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE		
RECEIVED BY SERVER	DATE 9/5/2008	PLACE 101 E. 6TH AVE, ANCHORAGE, AK
SERVED	DATE 9/8/2008	PLACE [redacted]
SERVED ON (PRINT NAME) [redacted]		FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☑ NO AMOUNT $
SERVED BY (PRINT NAME) [redacted]		TITLE SPECIAL AGENT

b6
b7C

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 9/8/2008
DATE

[redacted]
SIGNATURE OF SERVER

101 E. 6TH AVE
ADDRESS OF SERVER

ANCHORAGE, AK

ADDITIONAL INFORMATION

FBI - Stevens-4802

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 09/11/2008

[redacted] date of birth [redacted] home address [redacted] telephone [redacted] cellular telephone [redacted] was contacted telephonically. After being advised of the identity of the interviewing Agent, [redacted] provided the following:

[redacted] who resides at [redacted] moved into her home approximately [redacted] years ago. She works for an [redacted] and her job entails working with [redacted]

When [redacted] is away, [redacted] keeps a eye on her home and retrieves her mail. He does not have a key to the house but [redacted] has another friend who has a key to the house but [redacted] does not know that person.

[redacted] It was night time but [redacted] noticed the tractor trailer had a "fancy" paint scheme. There were several other cars on the trailer which had to be removed [redacted] recalled one of the other cars was a "Woodie." b6 b7C

[redacted] could not recall if [redacted] was present that night or not. He did speak to her about [redacted] at some point later. [redacted] has not seen [redacted]

[redacted] That too belonged to someone else. [redacted]

About a year ago, two white men stopped by [redacted] house looking for her. When [redacted] went over to speak with them, they identified themselves as FBI Agents. They said they wanted to

FBI - Stevens-4803

Investigation on 09/11/2008 at Seattle, Washington (telephonically)

File # 194A-AN-13620-TS -307 Date dictated N/A

by SA [redacted] 255deb03.302

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

talk to [redacted] could not recall their names. [redacted] never spoke to [redacted] about the FBI's visit. b6 b7C

[redacted] believes [redacted] to be a very honest individual.

(Rev. 05-01-2008)

UNCLASSIFIED

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE **Date:** 09/11/2008

To: Anchorage **Attn:** SA [redacted]

From: Seattle
WCC1
Contact: SA [redacted]

b6
b7C

Approved By: [redacted]

Drafted By: [redacted] deb

Case ID #: 194A-AN-13620-TS (Pending) -308

Title: Polar Pen
CSLPO

Synopsis: Transmit interview of [redacted] of [redacted] to Anchorage Division.

Enclosure(s): Original and one copy of FD 302 and associated 1A Envelope for interview of [redacted]

Details: In response to the 09/05/2008 email request of SA [redacted] telephonically interviewed on 09/11.

UNCLASSIFIED

To: Anchorage From: Seattle
Re: 194A-AN-13620-TS, 09/11/2008

LEAD(s):

Set Lead 1: (Info)

ANCHORAGE

AT ANCHORAGE

Read and clear.

♦♦
255deb04.ec

FBI - Stevens-4806

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: Kelli Holland

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK (By) Deputy Clerk	September 3, 2008
ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER: Brenda Morris, Principal Deputy Chief Department of Justice, Criminal Division, Public Integrity Section 1400 New York Ave., NW , Suite 12100, Washington, DC 20005	Telephone: (202) 514-1412

- 309

194A-AN-13620-TSTEVENS

FBI - Stevens-4807

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE		
RECEIVED BY SERVER	DATE 9/10/08	PLACE Anchorage, AK
SERVED	DATE 9/11/08	PLACE Anchorage, AK b6 b7C
SERVED ON (PRINT NAME)		FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☐ NO AMOUNT $
SERVED BY (PRINT NAME)		TITLE Intelligence Analyst

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 9/11/08
DATE

SIGNATURE OF SERVER

101 E 6th Ave
ADDRESS OF SERVER
Anchorage, AK 99501

ADDITIONAL INFORMATION

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: Jessica Newton

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK (By) Deputy Clerk	September 3, 2008

ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER:
Brenda Morris, Principal Deputy Chief
Department of Justice, Criminal Division, Public Integrity Section
1400 New York Ave., NW , Suite 12100, Washington, DC 20005 Telephone: (202) 514-1412

-310

194A-AN-13670-FS Stevens e

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE		
RECEIVED BY SERVER	DATE 9/10/08	PLACE Anchorage, AK
SERVED	DATE 9/10/08	PLACE Anchorage, AK
SERVED ON (PRINT NAME)		FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☐ NO AMOUNT $
SERVED BY (PRINT NAME)		TITLE SA

b6
b7C

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 9/10/08
DATE

SIGNATURE OF SERVER

101 E 6th Ave
ADDRESS OF SERVER
AA 99501

ADDITIONAL INFORMATION

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: Frank Depodesta

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK (By) Deputy Clerk	September 3, 2008
ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER: Brenda Morris, Principal Deputy Chief Department of Justice, Criminal Division, Public Integrity Section 1400 New York Ave., NW , Suite 12100, Washington, DC 20005	Telephone: (202) 514-1412

-311

FBI - Stevens-4812 164-AN-13620-TS Nuos

e

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE		
RECEIVED BY SERVER	DATE 9/10/08	PLACE Anchorage, AK
SERVED	DATE 9/16/08	PLACE via email Chicago, IL
SERVED ON (PRINT NAME) [redacted]		FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☐ NO AMOUNT $ _____
SERVED BY (PRINT NAME) [redacted]		TITLE

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 9/16/08
DATE

[redacted] b6 b7C
SIGNATURE OF SERVER

101 E 6th Ave
ADDRESS OF SERVER

Anchorage, AK 99501

ADDITIONAL INFORMATION

Contacted [redacted] via cell 9/16/08 to confirm receipt of subpoena

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: Joe Phelan

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK (By) Deputy Clerk	September 3, 2008
ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER: Brenda Morris, Principal Deputy Chief Department of Justice, Criminal Division, Public Integrity Section 1400 New York Ave., NW , Suite 12100, Washington, DC 20005	Telephone: (202) 514-1412

- 312

1944-AN-13170-TStevens

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE		
RECEIVED BY SERVER	DATE 9/10/08	PLACE Anchorage, AK
SERVED	DATE 9/17/08	PLACE [redacted]
SERVED ON (PRINT NAME) [redacted]		FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☐ NO AMOUNT $ _____
SERVED BY (PRINT NAME) [redacted]		TITLE Intel Analyst

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 9/17/08
DATE

[redacted] b6 b7C
SIGNATURE OF SERVER

101 E 6th Ave
ADDRESS OF SERVER

Anchorage AK 99501

ADDITIONAL INFORMATION

Contacted [redacted] by phone 9/17/08 [redacted]

Aware of subpoena, gave him # for travel arrangements. Sending to [redacted] subpoena via Fed Ex todays date.

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: Jolene Bronkhorst

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a
	DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK (By) Deputy Clerk	September 3, 2008

ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER:
Brenda Morris, Principal Deputy Chief
Department of Justice, Criminal Division, Public Integrity Section
1400 New York Ave., NW , Suite 12100, Washington, DC 20005 Telephone: (202) 514-1412

-313

FBI - Stevens-4816

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE		
RECEIVED BY SERVER	DATE 9/10/08	PLACE Anchorage, AK
SERVED	DATE 9/10/08	PLACE Anchorage, AK
SERVED ON (PRINT NAME) [redacted]		FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☐ NO AMOUNT $ _____
SERVED BY (PRINT NAME) [redacted]		TITLE Intelligence Analyst b6 b7C

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 9/10/08
DATE

[redacted]
SIGNATURE OF SERVER

701 E 6th Ave
ADDRESS OF SERVER
Anchorage AK 99501

ADDITIONAL INFORMATION

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: Sue Borrego

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK (By) Deputy Clerk	September 3, 2008
ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER: Brenda Morris, Principal Deputy Chief Department of Justice, Criminal Division, Public Integrity Section 1400 New York Ave., NW , Suite 12100, Washington, DC 20005	Telephone: (202) 514-1412

-314

1949-AW-13670-Stevens

FBI - Stevens-4818

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE		
RECEIVED BY SERVER	DATE 9/10/08	PLACE Anchorage, AK
SERVED	DATE 9/10/08	PLACE Anchorage, AK
SERVED ON (PRINT NAME)		FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☐ NO AMOUNT $ _____
SERVED BY (PRINT NAME)		TITLE Intelligence Analyst b6 b7C

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 9/10/08
DATE

SIGNATURE OF SERVER

101 E 6th Ave
ADDRESS OF SERVER
Anchorage, AK 99501

ADDITIONAL INFORMATION

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: Vicki Grimes

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK (By) Deputy Clerk	September 3, 2008

ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER:
Brenda Morris, Principal Deputy Chief
Department of Justice, Criminal Division, Public Integrity Section
1400 New York Ave., NW , Suite 12100, Washington, DC 20005 Telephone: (202) 514-1412

-315

FBI - Stevens-4820 194A-AN-13620-TSteven

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE		
RECEIVED BY SERVER	DATE 9/10/08	PLACE Anchorage, AK
SERVED	DATE 9/10/08	PLACE Anchorage, AK
SERVED ON (PRINT NAME) [redacted]		FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☐ NO AMOUNT $ _____
SERVED BY (PRINT NAME) [redacted]		TITLE Intelligence Analyst b6 b7C

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 9/10/08
DATE

[redacted]
SIGNATURE OF SERVER

101 E 6th Ave
ADDRESS OF SERVER
Anchorage, AK 99501

ADDITIONAL INFORMATION

Served in person

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: Chad Kadera

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK (By) Deputy Clerk	September 3, 2008

ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER:
Brenda Morris, Principal Deputy Chief
Department of Justice, Criminal Division, Public Integrity Section
1400 New York Ave., NW , Suite 12100, Washington, DC 20005 Telephone: (202) 514-1412

-316

FBI - Stevens-4822 194A-AN-13620-TSkwis Q

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE		
RECEIVED BY SERVER	DATE 9/10/08	PLACE Anchorage, AK
SERVED	DATE 9/10/08	PLACE Anchorage, AK
SERVED ON (PRINT NAME) [redacted]		FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☐ NO AMOUNT $ _____
SERVED BY (PRINT NAME) [redacted]		TITLE Intelligence Analyst b6 b7C

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 9/10/08
DATE

[redacted]
SIGNATURE OF SERVER

101 E 6th Ave
ADDRESS OF SERVER

Anchorage, AK 99501

ADDITIONAL INFORMATION

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: Pat Munz

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a
	DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK (By) Deputy Clerk	September 3, 2008

ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER:
Brenda Morris, Principal Deputy Chief
Department of Justice, Criminal Division, Public Integrity Section
1400 New York Ave., NW , Suite 12100, Washington, DC 20005 Telephone: (202) 514-1412

-317

FBI - Stevens-4824 1GMA-AW-1362 0-T Stevens

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE		
RECEIVED BY SERVER	DATE 9/10/08	PLACE Anchorage, AK
SERVED	DATE 9/12/08	PLACE Anchorage, AK
SERVED ON (PRINT NAME)		FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☐ NO AMOUNT $
SERVED BY (PRINT NAME)		TITLE Intel Analyst b6 b7C

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 9/12/08
DATE

SIGNATURE OF SERVER

101 E 6th Ave
ADDRESS OF SERVER
Anchorage, AK 99501

ADDITIONAL INFORMATION

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: Terri Brandt

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a DATE AND TIME September 24, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK (By) Deputy Clerk	September 3, 2008
ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER: Brenda Morris, Principal Deputy Chief Department of Justice, Criminal Division, Public Integrity Section 1400 New York Ave., NW, Suite 12100, Washington, DC 20005	Telephone: (202) 514-1412

-318

(94A-AN-13670-TS/EWS)

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE		
RECEIVED BY SERVER	DATE 9/10/08	PLACE Anchorage, AK
SERVED	DATE 9/10/08	PLACE Los Angeles, CA via email
SERVED ON (PRINT NAME)		FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☐ NO AMOUNT $
SERVED BY (PRINT NAME)		TITLE Intelligence Analyst b6 b7C

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 9/10/08
DATE

SIGNATURE OF SERVER

101 E 6th Ave
ADDRESS OF SERVER
Anchorage AK 99501

ADDITIONAL INFORMATION

Served + confirmation recieved via email

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 09/19/2008

[redacted] work telephone number [redacted] cellular telephone number [redacted] was interviewed at the Anchorage Division Federal Bureau of Investigation (FBI) office located at 101 East 6th Avenue, Anchorage, AK 99501 on September 19, 2008. After being advised of the identities of the interviewing agents and the nature of the interview, [redacted] voluntarily provided the following information:

[redacted] for United States Senator TED STEVENS from [redacted] in STEVENS' Washington, D.C. office from [redacted] for United States Congressman DON YOUNG in Anchorage, AK. [redacted] for United States Senator LISA MURKOWSKI.

1-3 KLS

[redacted] to STEVENS. His responsibilities included [redacted]

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[redacted] advised that he didn't have a typical work schedule, but tended to work long hours during the week and had to be available at all times. His weekends were generally free, although occasionally [redacted] Since [redacted] worked such long hours, it was understood that if he had down time during the day, he was free to take care of personal matters. [redacted]

Investigation on 09/19/2008 at Anchorage, AK

File # 194A-AN-13620-TSTEVENS - 319 Date dictated N/A

by SA [redacted] kls

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

263KLS01.302

[redacted]

[redacted] advised that STEVENS had three vehicles that he was aware of including a Minivan, Ford Explorer sports utility vehicle (SUV), and Mustang. The Minivan was primarily used as STEVENS' daily transport vehicle and the Ford SUV was [redacted] The Mustang was rarely used and kept in a garage located at the Senate building. Parking slots in the Senate garage were based on seniority, so STEVENS had several slots assigned to his office. STEVENS parked his Mustang in this garage and still had a parking slot for his Minivan. STEVENS only occasionally took the Mustang out for a drive during the summer months. The Mustang was canary yellow and often referred to as the "Banana Shake." It was supposed to be given to STEVENS' [redacted] advised he took the vehicle in for a number of repairs, all of which STEVENS paid for. Occasionally [redacted] but STEVENS would then reimburse [redacted] by personal check for the entire expense.

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[redacted] advised that STEVENS was aware that [redacted] took care of STEVENS' [redacted] but he did not receive his instructions directly from STEVENS. [redacted] advised that part of his job was taking care of certain tasks, so that STEVENS was free to do his legislative work. STEVENS had a demanding schedule and worked very long hours. [redacted] advised that he knew of at least six congressional staffers for other legislators who performed duties similar to those he performed for STEVENS. This was not an unusual practice given the demanding schedules of the legislators.

[redacted] advised that STEVENS' congressional staff received yearly bonuses. [redacted] was unaware of the parameters used to determine the amount of the bonuses, but all staff members received them. Bonuses were paid out through increases in salary over the last four pay periods of the year, and were subject to taxes as well. [redacted] recalled that the [redacted] would decide on the individual bonus amounts for each staff member, and then STEVENS would have final approval over the bonuses provided. There were several different Administrative Assistants who worked for

STEVENS over the time period [redacted] by STEVENS. They included [redacted]

[redacted] advised there is a "green book" which provides salary information for all congressional employees, and may or may not include bonus information. [redacted] was unable to recall the formal name of the publication.

[redacted] for STEVENS [redacted] STEVENS always paid [redacted] additional money out of STEVENS' own pocket for [redacted] b6 b7C

[redacted] for STEVENS' campaign. [redacted] STEVENS was always very careful to make sure campaign activities never overlapped with congressional duties for himself, as well as his staff members.

[redacted] advised that he has no independent knowledge of the transaction which took place between STEVENS and [redacted] regarding STEVENS' [redacted]

The last time that [redacted] spoke with STEVENS was at an event in Anchorage held on [redacted] They talked about [redacted] issues. There was no discussion regarding the current investigation and upcoming trial of STEVENS.

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA,	)	
	)	
v.	)	Criminal No. 08-231 (EGS)
	)	
THEODORE F. STEVENS,	)	
	)	
Defendant.	)	
	)	

I, Jessica Newton, an Intelligence Analyst with the Federal Bureau of Investigation, Anchorage Division Office, certify that the following Government Exhibits are authentic copies of audio files recorded on the corresponding dates:

- Exhibit 650: Session 10196 (Line 350-7460), 10/18/06;
- Exhibit 651: Session 10056 (Line 350-7460), 9/10/06;
- Exhibit 652: Session 5649 (Line 227-6116), 8/31/06;
- Exhibit 653: Session 3239 (Line 227-6116), 5/13/06;
- Exhibit 654: Session 2417 (Line 227-6116), 4/09/06;
- Exhibit 655: Session 1957 (Line 227-6116), 3/19/06;
- Exhibit 656: Session 1886 (Line 227-6116), 3/16/06;
- Exhibit 657: Session 1865 (Line 227-6116), 3/15/06;
- Exhibit 658: Session 1114 (Line 276-2266), 2/17/06;
- Exhibit 659: Session 1105 (Line 276-2266), 2/16/06;

- Exhibit 660: Session 1107 (Line 276-2266), 2/16/06;
- Exhibit 661: Session 1369 (Line 227-6116), 2/16/06;
- Exhibit 662: Session 899 (Line 276-2266), 2/02/06;
- Exhibit 663: Session 241 (Line 276-2266), 1/04/06;
- Exhibit 664: Session 28 (Line 276-2266), 12/10/05;
- Exhibit 665: Session 786 (Line 242-4501), 10/19/05.

These audio files have not been altered, enhanced or modified in any way.

Dated September 26, 2008.

Jessica Newton

Jessica Newton
Intelligence Analyst
Anchorage Division Office
Federal Bureau of Investigation

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 09/26/2008

[redacted], residing at [redacted] Anchorage, Alaska (AK) [redacted] home telephone number [redacted] cellular telephone number [redacted] was interviewed at the Village Inn Restaurant in Anchorage, AK on 09/26/2008. After being advised of the identities of the interviewing Agents and the nature of the interview, [redacted] provided the following information:

[redacted] for approximately [redacted] through a placement firm known as [redacted] She was employed as [redacted] (phonetic), who had been with [redacted] Prior to her job at [redacted] is not a [redacted] used the services of [redacted] (phonetic), CPA for all of their formal accounting needs.

[redacted] worked primarily for [redacted] oversaw the multiple businesses that [redacted] was involved with. [redacted] approximately two to four times over the course of her [redacted] employment period with [redacted] and occasionally spoke to him by telephone. [redacted] spent most of his time in California or in the Kenai area of Alaska. [redacted] She did not have any access to [redacted] is not aware of any personal or business loans that [redacted] may have made to United States Senator TED STEVENS or any members of STEVENS' family. [redacted] is not aware of any financial loans that [redacted] may have made to any other individuals on a personal or professional basis.

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[redacted] recalled [redacted] receiving a couple of telephone calls from STEVENS while she worked at [redacted] is not aware of the nature of these telephone calls; however, recalled they occurred around the time frame of the Kenai River Classic. [redacted] is not aware of the specific nature of [redacted]

Investigation on 09/26/2008 at Anchorage, AK

File # 194A-AN-13620-TSTEVENS Date dictated N/A

by SA [redacted] kls

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

270KLS01.302

194A-AN-13620-TSTEVENS-321

[redacted] and STEVENS' relationship, but was under the impression they were good friends. [redacted] is not aware of any specific business deals that [redacted] and STEVENS may have been involved in together. [redacted] thought she recalled [redacted] and STEVENS [redacted] however, she is not certain. [redacted] was not involved in any political events or fund raisers related to the Kenai River Classic.

[redacted] was reluctant to share information with [redacted] which made it difficult for [redacted] to perform her job. [redacted] described [redacted] as being unfriendly and territorial. [redacted] the coordination of the Kenai River Classic and fund raisers associated with the event. [redacted]

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[redacted] advised that during her brief employment with [redacted] she did not observe any questionable ethical or illegal activities. [redacted] and felt that they were good businessmen. [redacted] is not aware of the current status of [redacted] and has not seen either [redacted] for several years. After leaving [redacted]

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/02/2008

[redacted] was re-interviewed at the Village Inn Restaurant in Anchorage, AK on 10/01/2008. After being advised as to the nature of the interview, [redacted] provided the following information:

When asked again by interviewing agents if [redacted] was aware of any business or personal loans that [redacted] may have made to United States Senator TED STEVENS (STEVENS) or any member of STEVENS' family, [redacted] replied that she was not. When specifically asked if [redacted] was aware of any loans made by [redacted] to STEVENS' [redacted] reiterated that she had no knowledge of this. [redacted] further explained that she was not even aware that STEVENS had [redacted] recently in the context of the ongoing investigation. [redacted] knew [redacted]

[redacted] advised that [redacted] the previous night to ask her about federal agents contacting her. [redacted] specifically brought up the issue of [redacted] giving a loan to [redacted] said that she had never heard about such a loan, and that she had no information regarding any loans that [redacted] may have made to [redacted] or anyone else. [redacted] stated that he thought he heard this from [redacted] and then said that he must have heard it from [redacted]

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[redacted]. Prior to that time, he worked for the union as a [redacted] who is [redacted] The two families have never been particularly close, and do not spend holidays or other family occasions together. [redacted] advised that she rarely talked to the [redacted] and had never been inside their home which is located in the [redacted] area of Anchorage. [redacted] advised that [redacted] has been spending some time with him at the hospital and periodically calling [redacted]

Investigation on 10/01/2008 at Anchorage, AK

File # 194A-AN-13620-TSTEVENS -322 Date dictated N/A

by SA [redacted] kls

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

to check on his status. [redacted] advised that [redacted] has been to the hospital a few times to visit [redacted] as well. [redacted] described [redacted] as "flaky." [redacted] stated that [redacted] called her recently and asked if [redacted] that she needed to meet with federal agents. [redacted] said that she did not understand why she would need to speak with federal agents. [redacted] explained that it was because [redacted] used to work for [redacted] never brought up the specific issue of [redacted]

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[redacted] reiterated to the interviewing agents that she worked for [redacted] and not specifically for [redacted] advised that her primary interaction at the company occurred with [redacted], who is [redacted] advised that she did recall hearing that there was bad blood between [redacted] recalled [redacted] making a comment about poor decisions that [redacted] had made in a political context. [redacted] was not aware that [redacted]

. [redacted] is not currently employed. [redacted] and [redacted] is dealing with his medical issues, as well as taking care of their [redacted] assured the interviewing agents that she is willing to help in any way that she can.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/10/2008

[redacted], date of birth [redacted] Anchorage, Alaska, home telephone number [redacted] work telephone number [redacted] cellular telephone number [redacted] was contacted and interviewed at her residence. After being advised of the identity of the interviewing Agents and the nature of the interview, [redacted] provided the following information:

[redacted] is currently employed by the State of Alaska [redacted] Previous to this employment, [redacted] had worked as a [redacted] for the University of Alaska at Anchorage's (UAA) Russian Center. [redacted] title was [redacted] of the Russian Center's [redacted] While working at the center her boss was [redacted] described [redacted] as a nice guy with good intentions, but someone that saw everything through rose colored glasses.

[redacted] stated that the main goals and objectives of programs provided by the UAA Russian Center were designed to promote and sustain democracy in Russia by helping to create a sustainable middle class. This was to be accomplished through the education of many different individuals involved in Russian government and private industry.

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[redacted] is familiar with a federal grant in the amount of 2.1 million to 2.2 million dollars which was received by UAA from the Department of Labor (DOL) in 2000-2001. This grant was ostensibly obtained for the purpose of creating an educational program whereby Russian citizens involved in the Russian oil industry would be educated in the manner and methods utilized by Western oil services companies. [redacted] stated that this grant was an earmark from SENATOR STEVENS and occurred approximately one year after [redacted] SENATOR THEODORE STEVENS, [redacted] and other individuals in the Alaska oil industry traveled to Russia to visit with members of the Russian oil industry.

At the time this grant was received, UAA employee [redacted] was assigned as the [redacted] Upon assuming authority [redacted] determined that [redacted] did not maintain many records and

Investigation on 10/10/2008 at Anchorage, Alaska

File # 194A-AN-13620-TSTEVENS 323 Date dictated 10/10/2008

by SA [redacted]
SA

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This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

conducted a lot of his business via the telephone. Thus, when she [redacted] over this grant it was difficult to determine what had been done. [redacted] stated that she had been reluctant from the start to [redacted] and felt that the program was a waste of taxpayer money that was created to benefit the oil field services company VECO.

[redacted] stated that in her experience it was very unusual for the DOL to be involved in a project that was not focused on the domestic work force. [redacted] stated that in discussions and meetings with DOL representatives it was clear that they had not dealt with a program like this and did not seem to know what to do.

[redacted] stated that based upon numerous conversations and meetings with [redacted] it was clear to her that VECO was involved in the "Program Design Phase" and the "Program Implementation Phase" of this program as well as maintaining a continuing involvement in the process. [redacted] stated that although [redacted] had said this program could benefit many oil services companies the only one ever mentioned by [redacted] was VECO. [redacted] made it clear that at no time while [redacted] did she ever speak with any employees of VECO and that all the conversations were had between [redacted] and employees of VECO. [redacted] could not provide the names of any individuals that [redacted] may have spoken with.

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[redacted] stated that during the duration of the project eight Russian citizens went through this program and obtained Masters Degrees. [redacted] believes that several had later returned to Russia and several had gotten married and stayed in the United States. [redacted] stated that these individuals did not become involved in the oil industry, but rather, became Academics. [redacted] stated that along with paying for the education, all travel and lodgings expenses were paid through the grant. Additionally, the salaries of employees working on this project were paid through the grant. This included, among others, [redacted] salaries. [redacted] also stated that UAA obtained visas for the individuals entered in the program.

[redacted] stated that by the UAA Russian Center handling this program, VECO or any other private firm that might be involved in the process could save a tremendous amount of money, in several different ways.

The UAA Russian Center employees were all bilingual thus it would not be necessary for a private company to obtain and pay linguists. A private company would have to pay for travel and lodging expenses and the cost of instruction, whereas the instruction was provided through UAA at no expense to a private company, and all travel and lodging was paid through the grant. Additionally, it would have been extremely difficult for a private firm to obtain the necessary visas, which was made far less difficult because a University was involved.

It is [redacted] understanding, that at the time this program was in effect that the Russian Government required that seventy percent of the employees working for a private company in the Russian oil industry had to be from Russia. Thus, [redacted] believes that it would be very beneficial for a private company to have it's upper echelon employees trained in the manner and methods of Western oil services companies and to have that cost born by a entity other than the company itself. b6 b7C

[redacted] stated that [redacted] at the UAA Russian Center and that [redacted] had gotten rid of all the employees when the "age of earmarks" ended a couple of years ago. [redacted] stated that [redacted] relied heavily on SENATOR STEVENS to obtain funding for the Russian Center.

[redacted] stated that she had recently found out that [redacted] in SENATOR STEVENS' trial and she was hoping that he would be completely forthcoming about this grant. [redacted] believes that [redacted] has been able to justify in his mind that there was nothing wrong with this program since none of the eight participants of the program went to work for VECO. [redacted] believes that these individuals did not go to work for VECO because in 2006 VECO was laying people off. [redacted]

At the conclusion of this interview, [redacted] was provided with a trial subpoena issued by the United States District Court for the District of Columbia, a copy of which is attached hereto.

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: Joselyn Biloon

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a
	DATE AND TIME October 14, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK	October 10, 2008
(By) Deputy Clerk	

ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER:
Brenda Morris, Principal Deputy Chief
Department of Justice, Criminal Division, Public Integrity Section
1400 New York Ave., NW , Suite 12100, Washington, DC 20005 Telephone: (202) 514-1412

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE		
RECEIVED BY SERVER	DATE	PLACE
SERVED	DATE	PLACE
SERVED ON (PRINT NAME)		FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☐ NO AMOUNT $ _____
SERVED BY (PRINT NAME)		TITLE

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on _____
DATE

SIGNATURE OF SERVER

ADDRESS OF SERVER

ADDITIONAL INFORMATION

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/14/2008

On October 11, 2008, Special Agent (SA) [redacted] of the Anchorage Field Office of the Federal Bureau of Investigation (FBI) contacted and spoke with [redacted] concerning a Federal trail subpoena which had been served on her the previous day by SA [redacted] and SA [redacted] SA [redacted] advised [redacted] that it would not be necessary for her to travel to the District of Columbia to testify as required by the aforementioned subpoena.

SA [redacted] advised [redacted] of this after being advised by SA [redacted] that the prosecution had decided not to call [redacted] as a rebuttal witness in the trial of SENATOR THEODORE STEVENS.

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b7C

Investigation on 10/11/2008 at Anchorage, AK (telephonically)

File # 194A-AN-13620-TSTEVENS -324 Date dictated Not Dictated

by SA [redacted]

FILE COPY

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/16/2008

On October 15, 2008, Special Agent (SA) [redacted] of the Federal Bureau of Investigation's (FBI) Anchorage Field Office served a Federal trial subpoena on [redacted] Anchorage, Alaska which is the location of [redacted] A copy of the subpoena provided to [redacted], which was issued by the United States District Court for the District of Columbia, is attached hereto.

Administrative

The following biographical information is provided regarding [redacted]

NAME:	[redacted]
ALIAS:	
SEX:	FEMALE
RACE:	WHITE
DOB:	[redacted]
SSN:	
EYES:	BLUE
HAIR:	BLACK
HEIGHT:	5'0
WEIGHT:	130
CURRENT ADDRESS:	[redacted]
	ANCHORAGE, ALASKA
EMPLOYER:	[redacted]
EMPLOYER ADDRESS:	
	ANCHORAGE, AK
HOME PHONE#:	[redacted]
CELLULAR PHONE#:	
FBI#:	
SID#:	

b6
b7C

It is noted that the telephone, address and employer information were obtained from United States Probation Officer (USPO) [redacted] telephone number [redacted] on October 15, 2008 and was current as of that date. It is also noted that SA [redacted] advised USPO [redacted] that [redacted] was to be served a subpoena requiring her appearance in the United States District Court for the District of Columbia within the next several days. [redacted] period of probation is currently [redacted]

Investigation on 10/15/2008 at Anchorage, Alaska

File # 194A-AN-13620-TSTEVENS - 325 Date dictated Not Dictated

by SA [redacted] BZ

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

AO89 (Rev. 7/95) Subpoena in a Criminal Case

UNITED STATES DISTRICT COURT

DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

V.

THEODORE F. STEVENS

SUBPOENA IN A CRIMINAL CASE

Case Number: 1:08-cr-00231-EGS

TO: Bambi Tyree

YOU ARE COMMANDED to appear in the United States District Court at the place, date, and time specified below, or any subsequent place, date and time set by the court, to testify in the above referenced case. This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution Avenue, N.W. 20001	24a
	DATE AND TIME October 16, 2008 9:30 a.m.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):

U.S. MAGISTRATE JUDGE OR CLERK OF COURT	DATE
NANCY MAYER-WHITTINGTON, CLERK (By) Deputy Clerk	October 15, 2008
ATTORNEY'S NAME, ADDRESS AND PHONE NUMBER: Brenda Morris, Principal Deputy Chief Department of Justice, Criminal Division, Public Integrity Section 1400 New York Ave., NW , Suite 12100, Washington, DC 20005	Telephone: (202) 514-1412

AO89 (Rev. 7/95) Subpoena in a Criminal Case (Reverse)

PROOF OF SERVICE		
RECEIVED BY SERVER	DATE	PLACE
SERVED	DATE	PLACE
SERVED ON (PRINT NAME)		FEES AND MILEAGE TENDERED TO WITNESS ☐ YES ☐ NO AMOUNT $ _____
SERVED BY (PRINT NAME)		TITLE

DECLARATION OF SERVER

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on _____
DATE

_____
SIGNATURE OF SERVER

_____
ADDRESS OF SERVER

_____

ADDITIONAL INFORMATION

FD-1023 (Rev. 6-22-2007)

FEDERAL BUREAU OF INVESTIGATION

Confidential Human Source (CHS) Reporting Document

Reporting Date: 11/17/2008

Case ID: 194A-AN-13620-TSTEVENS (Pending) -326
194A-AN-13620-[redacted] (Pending)
[redacted] (Pending)
800A-AN-A13718-SQUAD 4 (Pending)

Contact Date: 11/15/2008

Type of Contact: Telephonic

Location: Anchorage, Alaska

Written by: SA [redacted]
Other(s) Present:

Source Reporting:

At approximately 7:42 pm, writer received a telephone call from Source advising he/she was sending a letter to Stevens' lawyer, Judge Sullivan, and a copy to writer. Source advised everything in the letter was true but refused to advise what the letter contained. Source said he/she would not lie and that the letter was completely accurate. Source advised he/she was giving writer a courtesy copy because writer had always been good to him/her and had been "straight up" in the 50/50 partnership.

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b7C
b7D

Attached is a copy of the letter, which was received via faximile. The fax is dated 11/15/2007, which contained a fax cover sheet and an [redacted] page letter dated [redacted] The letter listed a number of concerns and statements by Source:

[redacted]

cip cej 322cej03.ec

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b7D

♦♦

FedEx Kinko's
Office and Print Center

Fax Cover Sheet

Date 11-15-08

Number of pages 4 (including cover page)

To:

Name [redacted]

Company

Telephone

Fax 265-8400

From:

Name [redacted]

Company

Telephone

Comments

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b7D

7 90363 00711 1 Fax - Local Send

7 90363 00714 2 Fax - Domestic Send

7 90363 01476 8 DOMESTIC Send Addl Pages

7 90363 00720 3 Fax - International Send

fedexkinkos.com 1.800.GoFedEx 1.800.463.3339

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22705

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA,	)	
	)	
v.	)	Criminal No. 08-CR-231 (EGS)
	)	
THEODORE F. STEVENS,	)	
	)	
Defendant.	)	
	)	
	)	

UNITED STATES' RESPONSE TO DEFENDANT'S
MOTION FOR DISCOVERY AND FOR AN EVIDENTIARY HEARING

The United States hereby submits this Response to defendant's Motion for Discovery and for an Evidentiary Hearing Concerning David Anderson. Anderson's allegations are factually incorrect, fraudulently presented, and designed to help exculpate from criminal prosecution an individual wholly unrelated to the *Stevens* trial. Because Anderson's contentions are patently false and are contradicted by logic, circumstance, and the attached affidavits submitted herewith, this Court should deny defendant's Motion for Discovery and for an Evidentiary Hearing.

I. Family Member A's Involvement in the March Affidavit and the November 15 Letter

On March 25, 2008, David Anderson signed an affidavit in which he claimed that in August 2006, the United States provided immunity to himself and thirteen of his relatives (the "March Affidavit"), including immunity to Family Member A, a person Anderson considers to be a member of his family. The March Affidavit was, in fact, not prepared by Anderson. Instead, Family Member A substantially prepared the March Affidavit, approximately two weeks after Family Member A learned that he was being investigated by the FBI for public corruption

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offenses. Family Member A further prepared the March Affidavit approximately ten days after Anderson asked the FBI – twice – to give immunity to Family Member A. Although signed in late March 2008, the affidavit did not get transmitted to the government until August 13, 2008 – the day after a public development occurred in the government's investigation of Family Member A.[1]

As set forth herein, there is substantial evidence that the letter purportedly sent by Anderson on November 15, 2008 (the "November Letter") was similarly orchestrated by Family Member A for his benefit. Anderson's public repudiation of the March Affidavit at the *Stevens* trial on October 9, 2008, seriously damaged Family Member A's ability to rely on the false affidavit for a claim of personal immunity. On November 12, 2008, Family Member A's co-conspirator was sentenced as a result of his guilty plea to a public corruption charge. Two days later – on November 14, 2008 – Family Member A met with the government to discuss his status. The meeting lasted less than five minutes. No progress was made toward a resolution of Family Member A's criminal exposure, and significantly Family Member A was notified by the government of a change in his status and his criminal exposure. The very next day, Anderson's letter was signed and transmitted to the FBI. Moreover, as described below, the FBI has obtained video surveillance that confirms that Family Member A, not Anderson, physically transmitted the November 15 letter to the FBI, and that Family Member A's daughter, not Anderson, physically transmitted the November 16 letter to defense counsel.

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[1] A redacted copy of the March Affidavit is attached hereto as Exhibit 1, and was provided to defense counsel prior to Anderson's trial testimony in the *Stevens* case. The government further notes that although Anderson claimed his meeting with the government occurred in or around August 2006, it actually occurred on September 3, 2006.

A. David Anderson Becomes a FBI Cooperating Witness.

Anderson has been a cooperating witness for the FBI since the fall of 2006. At that time, two FBI agents approached Anderson and asked him to provide information on a variety of topics relating to an ongoing public corruption investigation. At no time during that meeting did the FBI promise Anderson immunity, much less promise immunity to thirteen specified members of Anderson's family. *See* Ex. 2 (Affidavit from Eric Gonzales).

Between September 2006 and early March 2008, Anderson had periodic contact with the government, including discussions and debriefing sessions with FBI agents. In December 2006, Anderson further testified before a grand jury in the District of Alaska. In none of those multiple conversations, discussions, or meetings with government personnel between September 2006 and early March 2008 did Anderson ever express an understanding that he had been promised immunity by the FBI, much less promised immunity by the FBI on behalf of thirteen specified family members for a ten-year period.

B. March 2008: Family Member A Learns He Is Under Investigation.

In 2004, during a state investigation unrelated to (and, in fact, preceding) the *Stevens* investigation, the government obtained substantial evidence that Family Member A was involved in a conspiracy to violate federal law. One of the other co-conspirators in that scheme will be described herein as Conspirator C.

On March 13, 2008, the FBI contacted Conspirator C and told him that he was being investigated by the FBI for, among other things, Conspirator C's relationship with Family Member A. On March 14, 2008, the day after the FBI's approach to Conspirator C, Anderson contacted the FBI on behalf of Family Member A. According to Anderson, Family Member A

told Anderson that he (Family Member A) was also being investigated by the FBI relating to Conspirator C. Anderson told the FBI that he was concerned about Family Member A and his criminal exposure. At no point in that conversation did Anderson express a belief that, in September 2006, the FBI had agreed to immunize Family Member A for all criminal acts in a ten-year period. A redacted copy of the FBI memorandum reflecting this conversation is attached hereto as Exhibit 3, and the government provided this FBI 302 to defense counsel prior to Anderson's trial testimony in the *Stevens* case.

On March 16, 2008 – two days later – Anderson again contacted the FBI to reiterate Anderson's concern about Family Member A. Anderson indicated he had provided Family Member A with contact information for the FBI, should Family Member A be interested in meeting with the FBI. Again, at no point in this March 16, 2008, conversation did Anderson express his belief that the FBI had already immunized Family Member A, through Anderson, back in September 2006.[2]

On March 17, 2008, Anderson again contacted the FBI and indicated he and Family Member A wanted to meet with the FBI at Family Member A's residence. The purpose of this meeting was purportedly to discuss Family Member A's criminal exposure. The meeting, however, did not occur. Again, at no point in the March 17, 2008, contact with the FBI did Anderson state that he had a belief that Family Member A had in fact been granted immunity by

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[2] A redacted copy of the FBI memorandum reflecting this conversation is also attached hereto as Exhibit 3, and the government provided this FBI 302 to defense counsel prior to Anderson's trial testimony in the *Stevens* case.

the FBI in September 2006.[3]

On March 18, 2008, Anderson again contacted the FBI about Family Member A. In this conversation, Anderson explicitly told the FBI that Family Member A wanted immunity from the government. Anderson further explained that, in his view, although Family Member A may have screwed up a few times, he was a good man and now was having financial problems. Had Anderson truly believed that the FBI had promised to immunize Family Member A back in 2006, Anderson would have had no reason to request immunity for Family Member A on March 18, 2008.[4]

Later on March 18, 2008, Anderson contacted the FBI again, this time along with the daughter of Family Member A. Together, they told the FBI that Family Member A had done nothing wrong, and that after further consideration, a meeting would be a waste of time. Anderson and Family Member A's daughter then told the FBI that the only way Family Member A would cooperate would be if he were granted immunity.[5] Again, had anyone – including Anderson – actually believed that Family Member A had been granted immunity by two FBI agents in September 2006, there would have been no reason whatsoever for Anderson to repeatedly request immunity for Family Member A in March 2008.

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[3] A redacted copy of the FBI memorandum reflecting this conversation is also attached hereto as Exhibit 3, and the government provided this FBI 302 to defense counsel prior to Anderson's trial testimony in the *Stevens* case.

[4] A redacted copy of the FBI memorandum reflecting this conversation is also attached hereto as Exhibit 3, and the government provided this FBI 302 to defense counsel prior to Anderson's trial testimony in the *Stevens* case.

[5] A redacted copy of the FBI memorandum reflecting this conversation is also attached hereto as Exhibit 3, and the government provided this FBI 302 to defense counsel prior to Anderson's trial testimony in the *Stevens* case.

Despite these multiple requests by Anderson, the government never responded to his March 2008 requests to provide immunity to Family Member A. The government further refused to condition any meeting with Family Member A upon a contingent grant of immunity.

On March 25, 2008 – two weeks after Family Member A learned he was under investigation, and one week after the March 18, 2008, requests by Anderson for the FBI to provide immunity to Family Member A, Anderson signed an affidavit claiming that in August 2006 the FBI and the Treasury Department provided immunity – for all conduct within a ten-year period – to Anderson and thirteen of his family members. One of these family members was Family Member A. Another person was Family Member A's daughter, who at all times relevant hereto has been Anderson's significant other. Although Anderson signed this affidavit on March 25, 2008, the government did not learn of the March Affidavit until August 13, 2008.

C. August 2008: Family Member A Learns More About His Investigation.

On August 12, 2008, Conspirator C publicly entered a guilty plea in federal court. Part of Conspirator C's factual basis related to Conspirator C's prior activities and relationship with Family Member A. On August 13, 2008, the day after Conspirator C's plea, the FBI was contacted by an attorney representing Family Member A. The attorney told the FBI that Anderson had signed an affidavit stating the FBI had told Anderson that the United States government had agreed to provide immunity to Anderson and thirteen members of Anderson's extended family, and that one of the individuals listed in Anderson's affidavit was Family Member A. This immunity was to cover any actions in a ten-year period. The attorney subsequently faxed a copy of the March Affidavit to the FBI. This was the first time that the government became aware of the March Affidavit.

D. August 13, 2008: Anderson Immediately Repudiated the Affidavit

The same day – August 13, 2008 – two FBI agents met with Anderson in Wasilla, Alaska to discuss the March Affidavit. In the August 13, 2008, meeting with the FBI, Anderson immediately acknowledged that he knew the March Affidavit was not accurate, and contained information in it that was untrue. Anderson told the FBI agents that there had been no agreement by the FBI to provide immunity to any individual, including himself. Anderson further stated that Family Member A had drafted much of the March Affidavit, including the list of names of the individuals who had putatively been immunized by name by the FBI in September 2006. Anderson further told the FBI that he felt pressured to sign the March Affidavit by both Family Member A and Family Member A's daughter. Of the thirteen individuals listed in the March Affidavit, only one – Family Member A – was the subject of an active federal public corruption investigation.[6]

Notably, the government produced the foregoing information concerning Anderson to defendant during the *Stevens* litigation. Moreover, during trial, Anderson specifically testified under oath that the March Affidavit was inaccurate, and that the government had not made promises of immunity to Anderson or to any of Anderson's relatives:

> Q. Okay. Mr. Anderson, let me ask you about something that occurred earlier this year. Did you sign an affidavit that wasn't completely accurate?
>
> A. Yes, I did.
>
> Q. Tell the jury about that.

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[6] A redacted copy of the FBI memorandum reflecting this conversation is attached hereto as Exhibit 4, and the government provided this FBI 302 to defense counsel prior to Anderson's trial testimony in the *Stevens* case.

A. Okay. We drafted, basically I tried to keep like my loved ones protected in the best way that I can through all this. It's been a long road. I mean, it's been a long, hard road, so, you know, I tried to keep them protected as much as I can, you know, through all this, because it has been a long road.

Q. All right. Did you sign an affidavit that said that a number of people had been given immunity by the United States government from criminal prosecution?

A. Yes, I did.

Q. Do you know that that was not true?

A. Yes. That was never said. It was kind of a gentlemen's agreement, you know. You know, that's what I work off of.

Q. All right.

A. A handshake, you know, so, you know, I take it as an immunity, but it was never -- that was never said.

Q. Did you draft that affidavit?

A. I didn't draft it, but I signed it.

Q. Did you know that it wasn't true when you signed it?

A. Yes.

10/9/08 Tr. (A.M.) at 80-81. Despite having the March Affidavit, Anderson's grand jury testimony, and multiple FBI interview reports relating not only to Anderson's knowledge of the Girdwood Renovations but also to Anderson's repudiation of the contents of the March Affidavit, defense counsel elected not to cross-examine Mr. Anderson on these, or any other, issues. See 10/9/08 Tr. (A.M.) at 83.

E. November 2008: Conspirator C's Sentencing and Contact by Family Member A

On November 12, 2008, approximately two weeks after the guilty verdicts in the *Stevens*

case, Conspirator C was sentenced by a federal judge. That afternoon, the government received a telephone call from Family Member A's attorney, requesting an opportunity to meet with the government. The attorney represented to the government that Family Member A was in his office at that time, and that Family Member A wanted to come in and talk to the government. The government agreed to meet with Family Member A and his attorney, and scheduled a meeting for the afternoon of Friday, November 14, 2008, in Anchorage.

F. November 14, 2008: Anderson Contacts the Government to "Help" Family Member A; Family Member A Meets with the Government

As Family Member A's planned meeting approached, the government received a number of contacts from Anderson. At approximately 9:00 a.m. on Friday, November 14, Anderson left a voicemail for AUSA Bottini in Anchorage. In the voicemail, Anderson requested the opportunity to meet with Bottini before the meeting with Family Member A, with a view to "getting some things straight" and trying to "smooth things out" for Family Member A. Bottini did not respond, but referred the message to FBI. A transcript of the telephone message left by Anderson is attached hereto as Exhibit 5.

Also on November 14, 2008, the FBI received two voice messages from Anderson. In each, Anderson indicated he was in town to help "smooth things over" for the meeting the government was going to have that day with Family Member A. Shortly thereafter, two FBI agents contacted Anderson in response to Anderson's messages. In that conversation, Anderson stated that he wanted to show his support of Family Member A and wanted Family Member A to work things out with the government. Anderson believed it was important for Family Member A to come to the table with the government to get things ironed out. Anderson further commented

that Family Member A was an integral part of the family and if anything happened to him the family would fall apart. Again, at no point during these discussions with the FBI did Anderson reference, much less attempt to resurrect, the debunked notion that Family Member A had been immunized by the FBI in September 2006. Rather, Anderson's repeated contacts with the FBI in advance of Family Member A's meeting were focused on trying to help the parties resolve Family Member A's exposure.[7]

G. Family Member A Informed of Target Status on November 14, 2008.

On November 14, 2008, the government met with Family Member A and Family Member A's attorney in Anchorage. The meeting lasted approximately five minutes, and ended abruptly when Family Member A (through his attorney) indicated that neither were willing to provide any information to the government, but were only interested in learning what the government's evidence was against Family Member A. At the very end of that meeting, the government informed Family Member A of the status, and in particular a change in the status, of his criminal liability in the federal criminal investigation. The parties did not discuss any additional meetings, and Family Member A and his attorney left the room.

H. November 15, 2008: Anderson's Letter to the FBI and Defense Counsel.

On November 15, 2008 – the day after Family Member A's failed meeting with the government, and the day after Anderson repeatedly requested an opportunity to "help" Family Member A – Anderson contacted the FBI to advise that he was sending a letter to the attorney of Senator Ted Stevens and Judge Sullivan. Anderson said he also would provide a copy to the

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[7] A redacted copy of the FBI memorandum reflecting the two messages and the resulting conversation conversation is attached hereto as Exhibit 6.

government. Anderson would not discuss the contents of the letter but told the FBI that the contents of the letter were accurate. Anderson subsequently provided a copy of the letter, via facsimile, to the FBI.

I. Family Member A's Involvement With the November 15, 2008 Letter

The FBI received its copy of the November 15, 2008, letter by facsimile at 9:17 p.m., Alaska Standard Time, on November 15. The facsimile was determined to have been sent from a FedEx Kinko's store in the Anchorage area. On November 21, 2008, FBI personnel went to the FedEx Kinko's store believed to be associated with the facsimile number, and requested to view the security video from the evening of November 15. A FedEx Kinko's employee retrieved the video and allowed a FBI agent to review the videotape. A redacted version of the Form 302 from the FBI review is attached hereto as Exhibit 7.

A review of the videotape showed that approximately 9:12 p.m., two individuals entered the FedEx Kinko's store. The FBI agent recognized these individuals to be David Anderson and Family Member A. The agent saw that Family Member A, not Anderson, was carrying what appeared to be a sheaf of papers. The videotape then showed that Family Member A handed Anderson a piece of paper whereupon Anderson began to write on the paper. Anderson then handed the piece of paper back to Family Member A.

Around the same time, Family Member A approached the counter and handed the clerk what appeared to be some sort of a card. From an interview with that clerk, the FBI learned that the item in Family Member A's possession was likely a self-service, pre-paid card for use within the store. The clerk further stated that, although she had no specific memory of this transaction,

based on her review of the videotape, it appeared that Family Member A was checking the balance on the card.

At approximately 9:17 p.m., Family Member A went to the self-service fax machine. The videotape showed that Family Member A, not Anderson, sent a facsimile from that location. In the videotape, Family Member A can be seen with a set of papers in hand, placing those papers into the facsimile machine. Family Member A then appeared to dial a number on the facsimile machine and collected the papers as they went through. Anderson was present next to Family Member A at the time, but did not operate the facsimile machine. At approximately 9:19 p.m., Family Member A and Anderson left the store. The time of the facsimile transmission made by Family Member A is consistent with the time that the FBI received a fax, purportedly from Anderson, attaching the November 15 Letter.

J. Family Member A's Daughter's Involvement with the Letter Sent to Defendant.

Based on public filings made by defendant in this matter, the government determined the time and location of the facsimile transmission of the November 15 letter to the defendant. The letter appeared to be sent in the early morning hours on November 16, and was sent by facsimile from the same FedEx Kinko's store in Anchorage described above.

The government has obtained and reviewed the videotape from the FedEx Kinko's store at and around the time of the transmission to defense counsel. A redacted version of the Form 302 from the FBI review is attached hereto as Exhibit 8. According to a review of the videotape, Dave Anderson and Family Member A's daughter arrived at the FedEx Kinko's store. The videotape showed that Family Member A's daughter had custody of multiple sheets of paper and utilized what appeared to be a facsimile machine in the store, while Anderson stood near her.

The video further appeared to show Family Member A's daughter handing a FedEx envelope to a clerk and appearing to pay for it. Although public filings in this matter have confirmed that the Court's copy of the letter was sent by FedEx envelope, the government has not been able to conclusively determine that the FedEx envelope referenced above is the one that was transmitted to the Court.

K. Conclusion

Every aspect of the March Affidavit and the November 15 Letter has directly corresponded to the publicly-disclosed progress of the federal government's investigation into Family Member A. After Family Member A learned in March 2008 that he was being investigated by the government, Family Member A attempted to use Anderson to obtain immunity for Family Member A. When those entreaties proved unsuccessful, Family Member A created a list of thirteen names, including his own, and inserted them in a fraudulent affidavit that purported to document a grant of immunity to those people back in 2006. Anderson signed the affidavit knowing that information to be untrue. When Conspirator C pled guilty, Family Member A caused the March Affidavit to be sent to the government. When Conspirator C was sentenced, Family Member A tried to meet with the government to determine what his exposure was. When Family Member A learned of the status of his criminal liability in the federal investigation, the following day Family Member A played, at a minimum, an obvious and significant role in the transmission of the November 15 letter to the Department of Justice. Finally, Family Member A is the only person who benefits from the continued viability of the March Affidavit. For these reasons alone, the contents of the November 15 letter should be rejected out of hand.

II. The Substance of Anderson's Letter

Notwithstanding the foregoing, the government further submits that the vast majority of the substantive contentions in Anderson's letter are not true. As described above, and as further described below, Anderson repeatedly acknowledged that the contents of the March Affidavit were false, and Anderson's trial testimony was absolutely consistent with those acknowledgments. The circumstances surrounding the March Affidavit – the timing between Family Member A learning of the investigation, Anderson requesting and being denied immunity for Family Member A, and the subsequent preparation of the March Affidavit by Family Member A – further corroborate the falsity of that document.

With respect to preparation sessions for Anderson's trial testimony in the *Stevens* litigation, the November Letter is equally fraudulent. It is true that representatives of the government met with Anderson on multiple occasions to discuss his involvement in the renovations, and that the government requested that Anderson review his earlier grand jury testimony in connection therewith. The other contentions suggested by Anderson – for instance, that he was shown a timeline of the renovations and asked to follow it, that he was given copies of highlighted and tabbed grand jury transcripts, or that he was told how to "sweep [certain facts] under the rug" – are not true. To be clear, the government firmly denies ever directing, coaching, or suggesting any aspect of Anderson's testimony at trial.

Trial Preparation in Alaska

Anderson met with prosecutors and agents in Anchorage, Alaska, on three different occasions for the purpose of reviewing his grand jury testimony and being interviewed in preparation for his possible testimony at trial. Anderson first came to the United States

Attorney's Office in Anchorage for trial preparation purposes on Friday, August 22, 2008. On that date, a prosecutor and an agent initially met with Anderson that afternoon to discuss the March Affidavit with him. *See* Ex. 9 (Bottini Decl.). Anderson unequivocally told the prosecutor and the agent that the affidavit was false in that no one had ever told him or suggested to him in any way that any of the people listed in the affidavit had been given immunity from prosecution. Anderson again admitted that he knew this information was not true when he signed the affidavit. Anderson said that Family Member A had drafted the affidavit and that he (Anderson) had been under a lot of pressure from Family Member A and Family Member A's daughter to sign it. Despite admitting that the affidavit was false, Anderson tried to justify signing the affidavit by claiming that he believed that there had been a "gentleman's agreement" with the F.B.I. agents who had initially interviewed him that he would not have to provide information against any family members. Anderson again admitted, however, that no one had ever told him that anyone was receiving any form of immunity. *See generally* Ex. 9 (Bottini Decl.).

The government told Anderson that his false affidavit would be disclosed to the defense and that the government may not be able to call him as a witness at trial as a result him signing the false affidavit. The government further told Anderson that all the government wanted was the truth from him - including his statement about how he came to sign that affidavit. Anderson advised that he had not realized that the March Affidavit was such a significant matter. *Id.*

Following the discussion about the affidavit, the government asked Anderson to review a transcript of his December, 2006, grand jury testimony as it was still possible that he would be

called as a witness at trial.[8] Anderson was told that a transcript of his grand jury testimony would be provided to the defense before he testified and that he could be cross-examined about his prior testimony. The government repeatedly told Anderson, however, that his present recollection about the events in question controlled - even if his present recollection conflicted with what he might have said in his grand jury testimony. *See* Ex. 9 (Bottini Decl.). The transcript provided to Anderson was in a binder, without any highlighting or tabbing. *Id.* Anderson was never given access to any other witnesses transcripts or memorandums of interviews of other witnesses during this trial preparation session or during any other trial preparation session.[9]

An agent periodically checked on Anderson and found that his progress in reviewing his transcript was extremely slow. After about an hour and a half of reviewing his testimony, Anderson had only made it to approximately page 23 of the transcript. Anderson explained that he was a "slow reader." Arrangements were then made for Anderson - who lives approximately 100 miles north of Anchorage - to come back to Anchorage the following week to continue reviewing his grand jury transcript and to meet with prosecutors again.

Anderson came back to the U.S. Attorney's office on the afternoon of Monday, August 25 to continue reviewing his grand jury testimony. *See* Ex. 9 (Bottini Decl.); 10 (Goeke Decl.). An agent again periodically monitored his progress, which continued to be extremely slow.

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[8] Anderson's grand jury transcript, which consisted of testimony before the grand jury on two separate days, totaled more than 200 pages. This was the first time that Anderson had been given access to his grand jury transcript.

[9] There may have been a trial cart in the room in which Anderson was reviewing his grand jury transcript which included copies of photographs (in folders) that had been identified as potential trial exhibits.

Anderson continued reviewing his transcript until the office closed that evening. *Id.* He returned to the office the following morning and continued reviewing his grand jury testimony until later that afternoon, when he met with a group of prosecutors and agents. Again, at no time was Anderson provided a copy of his grand jury transcript that contained highlighting, tabbing, underlining, or any other similar marking.

During a meeting with prosecutors and agents on August 25, the March Affidavit was again addressed at this meeting. Anderson again admitted to all present that the affidavit contained false information. *See generally* Ex. 9 (Bottini Decl.); 10 (Goeke Decl.); 11 (Marsh Decl.) He expressed his belief, again, that he did not understand the impact of signing a false affidavit. He further told the prosecutors and agents that he wanted to "make it right" and do the right thing. The government unequivocally and repeatedly told Anderson in that meeting that, should he be called as a witness in the *Stevens* trial, Anderson must tell the truth about everything - including the truth about the March Affidavit. Anderson responded that he would do so, that he understood that the truth was that the March Affidavit contained false information, and that if he were called as a witness, he would tell the truth as to everything. Anderson was also again advised that it was not certain that he would be called as a witness by the government because of the false affidavit. *See generally* Ex. 9 (Bottini Decl.); 10 (Goeke Decl.); 11 (Marsh Decl.).

At the same meeting on August 25, 2008, there was some substantive trial preparation with Anderson, which involved an attorney and an agent asking him questions and showing him photographs which had been identified as potential trial exhibits. By that evening, Anderson's trial preparation had not concluded. It was also still undecided as to whether Anderson would be called as a witness at trial by the government. As Anderson's trial preparation had not yet been

completed, arrangements were made for Anderson to come back to Anchorage on Wednesday, September 3, and to meet with attorneys and an agent during the morning of Thursday, September 4. Ex. 9 (Bottini Decl.).

During the trial preparation session on September 4, the entire subject matter of Anderson's anticipated trial testimony was covered in a session that lasted two to three hours. Photographs that had been identified as potential trial exhibits were again shown to Anderson during this session. At the end of this session, Anderson's March Affidavit was again addressed, and Anderson reiterated that he knew that the affidavit was false when he signed it. Ex. 9 (Bottini Decl.).

Anderson Trial Preparation in Washington, D.C.

Anderson arrived in Washington, D.C. in. Anderson came to the offices of the Public Integrity Section a number of times for the purpose of meeting with prosecutors and to continue reviewing his grand jury testimony. Ex. 9 (Bottini Decl.); 10 (Goeke Decl.).

As noted above, Anderson's review of his grand jury testimony was extremely slow and he had not completed an initial review of entire testimony prior to arriving in Washington, D.C. On several occasions Anderson came to the offices of the Public Integrity Section solely to review his grand jury testimony. Also, as in Alaska, Anderson was only asked to review his grand jury testimony in anticipation of him being subject to cross examination about his prior testimony. On these occasions, he was provided a copy of his grand jury testimony, placed in a room without any other materials related to the Stevens case, and provided time to review his testimony. Again, as in Alaska, the copy of his grand jury testimony provided by the government had not been marked in any way, whether by highlighting or tabs. At one point, Anderson

himself asked for tabs for his own use in marking his grand jury testimony. *See generally* Ex. 9 (Bottini Decl.); 10 (Goeke Decl.).

On at least two occasions, Anderson came to the offices of the Public Integrity Section and in addition to reviewing his grand jury testimony also met with prosecutors. On these occasions, Anderson reviewed photos and other documents related to his testimony and was asked questions related to his anticipated testimony and his anticipated cross examination. Ex. 9 (Bottini Decl.); 10 (Goeke Decl.) For instance, on one occasion Anderson was specifically asked about his use of alcohol and whether he considered himself an alcoholic. Ex. 10 (Goeke Decl.). When Anderson reviewed photos, the government showed Anderson photos that related specifically to projects relating to the Girdwood residence that he had said that he had worked on or had knowledge of, such as the steel stairs. *Id.*

During one of the trial preparation sessions in Washington, D.C., the government again asked Anderson about the March Affidavit. Anderson expressed concern about what impact his truthful testimony about the March Affidavit would have on Family Member A. The government told Anderson that he was under an obligation to tell the truth about the March Affidavit. At that time, Anderson again affirmed that the affidavit contained information that was not true.
At no time in Washington, D.C., as in Alaska, was Anderson given any grand jury transcript to review besides his own. Each time Anderson met with prosecutors in Washington, D.C., as in Alaska, Anderson was told repeatedly that he was expected to tell the truth, no more no less. Ex. 9 (Bottini Decl.); 10 (Goeke Decl.). He reaffirmed over and over again that he was telling the truth and would continue to do so. Anderson was never instructed on how to "sugar coat" his testimony about the March Affidavit nor was he ever instructed on how to get it "swept under the

rug". All Anderson was ever asked to do - on multiple occasions - was to tell the truth, whatever the truth was, about the March Affidavit. *Id.*

Anderson was never given access to any other witnesses' testimony or statements during trial preparation sessions or at any other time. He *was* provided with his own testimony to review on a number of different occasions. The transcript he was given to review was not highlighted or tabbed and he was asked to review the entire transcript. Anderson was never provided with a time line of events concerning the work done on Senator Stevens' home in Girdwood, Alaska. Anderson was shown certain documents which he had signed - such as dated receipts - to refresh his recollection as to when certain events (such as the purchase of materials) had occurred.

III. No Further Discovery or Evidentiary Hearings Are Warranted.

Generally, speaking, post-trial motions can "ordinarily be decided on the basis of affidavits without an evidentiary hearing, and a district court's decision not to hold such a hearing may be reversed only for abuse of discretion." *United States v. Lam Kwong-Wah*, 924 F.2d 298, 308 (D.C. Cir. 1991) (in connection with motion for a new trial, affirming district court's denial of evidentiary hearing concerning government's alleged failure to comply with *Jencks* Act) (internal citation omitted). *See also United States v. Sensi*, 879 F.2d 888, 900 n. 12 (D.C. Cir. 1989).The decision to hold an evidentiary hearing "rests within the sound discretion of the trial court." *United States v. Blackburn*, 9 F.3d 353, 358 (5th Cir.1993). Furthermore, "[a] motion for a new trial can ordinarily be ruled upon without conducting an evidentiary hearing." *United States v. Simmons*, 714 F.2d 29, 30 (5th Cir.1983). Courts further have determined that evidentiary hearings are less necessary when the deciding judge is also the trial judge: as one

court recognized, "the acumen gained by the trial judge in presiding over the course of the trial makes Rule 33 motions directed to the same judge particularly suitable for ruling without a hearing. " *United States v. MMR Corp.*, 954 F.2d 1040, 1046 (5th Cir.1992) (internal quotation omitted).

The long-standing approach regarding post-trial evidentiary hearings is especially applicable where the sought evidentiary hearing is based on a post-trial recantation by a government witness. As the District of Columbia Circuit has long recognized, "[r]ecanting affidavits and witnesses are looked upon with the utmost suspicion by the courts." *United States v. Kearney*, 682 F.2d 214, 219 (D.C. Cir. 1982). *See also United States v. Mackin*, 561 F.2d 958, 961 (D.C.Cir.1977) ("recantations by witnesses for the prosecution are viewed with suspicion ..."); *Johnson v. United States*, 291 F.2d 150, 154 (8th Cir.),cert. denied, 368 U.S. 880, 82 S.Ct. 130, 7 L.Ed.2d 80 (1961) (courts look upon recantation with suspicion). For that reason, where a government witness attempts to recant his or her trial testimony, "[a] motion for new trial may be decided on the basis of affidavits without an evidentiary hearing." *Kearney*, 682 F.2d at 219; *see also United States v. Curry*, 497 F.2d 99 (5th Cir. 1974) (where defendant sought evidentiary hearing to prove that a government witness lied at trial about undisclosed benefits from the government, Fifth Circuit affirmed district court's denial of evidentary hearing because "[o]ne self-serving affidavit containing hearsay allegations of matters with which the trial judge should be familiar does not necessitate an evidentiary hearing").

In *United States v. Connolly*, the First Circuit evaluated a district court's decision not to hold an evidentiary hearing concerning allegations that a government witness provided perjured and coached testimony at trial. 504 F.3d 206 (1st Cir. 2007). After the trial concluded, the

defense moved for a new trial and an evidentiary hearing based on evidence that Salemme, a government witness, "recounted a litany of prosecutorial misconduct" after his trial testimony. Id. at 214. Among other things, Salemme alleged that the "government had shaped his narrative by asking questions such as, 'are you sure it didn't happen like this?' and then describing alternate versions of events," and that Salemme provided particular testimony because he believed it was what the government wanted him to say. *Id.*

After first noting that "[i]t is well established that recantations are generally viewed with considerable skepticism," 504 F.3d at 214, the First Circuit affirmed both the district court's denial of the defendant's new trial motion and the defendant's request for an evidentiary hearing concerning the allegations made by government witness Salemme. *Id.* at 217. Two of the bases relied upon by the First Circuit are equally compelling here. First, the *Connolly* panel found that certain allegations made by Salemme were, on the basis of the facts and affidavits alone, demonstrably false. In so concluding, the First Circuit stated that "[a]lthough the fact that a recantation is peppered with apparent falsehoods does not compel a court to discredit it, that fact certainly gives the court sufficient reason to invoke the hoary doctrine of *falsus in uno, falsus in omnibus*." *Id.* at 216. *Connolly* thus held that where one portion of a post-trial recantation is demonstrably false, "a court may reject a recantation on that basis" without more. *Id.*

Second, *Connolly* found that no additional evidentiary hearings were required because the subject matter of the allegedly-recanted testimony beared little, if any, weight on the trial testimony:

> even assuming that the recantation were true, it would not prove very much. In his musings to the CS, Salemme gave no indication that the appellant was innocent of the charged crimes. In this sense,

> his recantation, if believed, would merely be impeaching and, consequently, would have a limited effect upon the outcome of a new trial in which substantial corroborating testimony existed.

Id. at 216-17.

For all of the foregoing reasons, this Court should take no further action concerning the allegations set forth in Anderson's November 15 Letter. As demonstrated in Section I, above, Anderson's claims of immunity – whether in the form of the March Affidavit or in the November 15 Letter – are patently false. The claims of immunity are contradicted by the sworn statements of an FBI agent present at the September 2006 meeting, by Anderson's sworn testimony in the Stevens trial, Anderson's repeated statements to multiple Department of Justice prosecutors who were involved in his trial preparation, and by the outrageously-important fact that in March 2008, Anderson repeatedly asked the government for the immunity that, just one week later, he claimed had instead been given in September 2006. The compelling weight of documented evidence on this point proves a significant portion of the November 15 Letter to be false. When viewed in light of the involvement of Family Member A in the transmission and likely preparation of the document, the November 15 Letter should be rejected out of hand by the Court.

Second, even assuming the truth of each allegation contained therein, Anderson's only specific claim of wrongful testimony related exclusively to whether he lied in connection with the March Affidavit – an issue that weighed on Anderson's credibility, but had no connection at all to any fact at issue in the *Stevens* trial. And although Anderson suggests – again, with no specificity whatsoever – that his substantive testimony was wrongfully affected by his trial

preparation, there was in fact a tremendous amount of corroborating testimony in the Stevens trial to support Anderson's testimony about his involvement at the Girdwood Residence and VECO's role in doing work on it.

CONCLUSION

For the reasons stated above, the defendant's Motion for Discovery and for an Evidentiary Hearing should be denied.

Respectfully submitted,

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December 15, 2008

CERTIFICATE OF SERVICE

I hereby certify that on this 15th day of December, 2008, I caused a copy of the foregoing United States' Opposition to Defendant's Motion for Discovery and for an Evidentiary Hearing to be delivered by electronic mail to the following:

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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA, v. THEODORE F. STEVENS, Defendant.	Crim. No. 08-231 (EGS)

SENATOR STEVENS'S MOTION FOR A NEW TRIAL

Pursuant to Rule 33 of the Federal Rules of Criminal Procedure, and for the reasons set forth in the accompanying memorandum, Senator Stevens moves the Court for a new trial.

Respectfully submitted,

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199A-AU-3670-TStevens

CERTIFICATE OF SERVICE

I hereby certify that on this 5th day of December 2008, a true and correct copy of the foregoing Senator Stevens's Motion for a New Trial was filed with the Clerk of Court using the CM/ECF system, and a true and correct copy was forwarded by e-mail to the parties listed below.

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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA, v. THEODORE F. STEVENS, Defendant.	)	Crim. No. 08-231 (EGS)

MEMORANDUM IN SUPPORT OF SENATOR STEVENS'S MOTION FOR A NEW TRIAL

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INTRODUCTION

Senator Stevens was entitled to a fair trial. When the government proffers false evidence and withholds key exculpatory evidence; when improper hearsay evidence forms the linchpin of the government's case; when the indictment conceals the nature of the charges and the government then emphasizes uncharged conduct; and when jurors lie to the Court and opine that "all politicians are guilty," the defendant has not received a fair trial. Senator Stevens's trial suffered from these and many other deficiencies, which are summarized below. Alone or in combination, they warrant a new trial.

ARGUMENT

A new trial should be granted "if the interest of justice so requires." Fed. R. Crim. P. 33(a); *see e.g.*, *United States v. Alexander*, 331 F.3d 116, 128 (D.C. Cir. 2003).

I. ADMISSION OF PREJUDICIAL HEARSAY EVIDENCE REQUIRES A NEW TRIAL.

The prosecution introduced four crucial pieces of inadmissible hearsay evidence over Defendant's timely objections: (1) Bill Allen's testimony that Bob Persons had told him that Senator Stevens was "just covering his ass" when he requested bills from Mr. Allen for the renovations performed on the Girdwood residence, Tr. (Oct. 1, a.m.), at 52; (2) a taped telephone conversation between Mr. Persons and Mr. Allen, in which Mr. Persons told Mr. Allen that "Catherine says . . . Ted gets hysterical when he has to spend his own money," GX 662; Tr. (Oct. 7, p.m.), at 67; (3) a different taped telephone call between Mr. Persons and Mr. Allen, discussing a bill from Chugach Sewer & Drain that Persons sent to the Senator noting "labor paid by Bill [Allen]," GX 660; Tr. (Oct. 7, p.m.), at 70; and (4) the VECO accounting records purporting to reflect the amount of labor and expenses to VECO for the Girdwood renovations, GX 177; GX 1058–GX 1093.

Each of these four pieces of evidence was hearsay for which there was no exception. The erroneous admission of any one of these statements alone warrants a new trial, and their cumulative effect was even more highly prejudicial.

A. Statements between Bill Allen and Bob Persons

1. "Ted is just covering his ass."

On direct examination of Bill Allen, counsel for the government asked Allen for Bob Persons's response to a note (GX 495) that Allen had received from the Senator, requesting a bill. Tr. (Oct. 1, a.m.), at 52. Over the Senator's objections, Allen responded that Persons had told him: "[O]h, [B]ill, don't worry about getting a bill. He said, Ted is just covering his ass." *Id.* The Court admitted this testimony both as evidence of Bill Allen's then-existing state of mind, *see* Fed. R. Evid. 803(3), and under the co-conspirator rule, Fed. R. Evid. 801(d)(2)(E). Tr. (Oct. 1, a.m.), at 52–54. This statement does not meet the requirements of either rule.

Rule 803(3) is expressly limited to "[a] statement of the declarant's then existing state of mind. . . ." (emphasis added). Bob Persons, not Bill Allen, is the declarant of the statement, "Ted is just covering his ass." *See* Tr. (Oct. 1, a.m.), at 52. Yet, the government introduced this statement not to show Bob Persons's state of mind, but to show Bill Allen's. In addition, the government was not offering this statement to prove Bill Allen's state of mind (or Bob Persons's), but rather to prove the truth of the matter asserted: that Senator Stevens allegedly did not want to receive a bill for the renovations. The statement is therefore inadmissible hearsay. *See United States v. Gomez*, 927 F.2d 1530, 1536–36 (11th Cir. 1991); *accord United States v. Burch*, No. 93-3032, 1994 WL 546187, at *1 (D.C. Cir. July 12, 1994).

Admitting the statement under Rule 801(d)(2)(E) was also improper. Evidence is admissible under Rule 801(d)(2)(E) only after the court has made certain findings by a preponderance of the evidence. These requirements are detailed in Senator Stevens's Trial

Memorandum Concerning Fed. R. Evid. 801(d)(2)(E), Dkt. 88. One of the requisite findings is that a joint venture exists. Fed. R. Evid. 801(d)(2)(E). The government here alleged a "common goal . . . for Mr. Allen not to send a bill to Senator Stevens." Tr. (Oct. 1, a.m.), at 54 (emphasis added). If that is a "joint venture," then there is virtually nothing left of the hearsay rule, as the 801(d)(2)(E) exception could then extend to any circumstances where two or more persons agree about anything. We are aware of no case that reads the concept of a "joint venture" so broadly. *Cf. United States v. Gewin*, 471 F.3d 197, 200 (D.C. Cir. 2006) (government alleged defendant and declarant engaged in "common enterprise of stock promotion" "which in fact defendant didn't dispute"). If the "coconspirator exception" to the hearsay rule is to be read to encompass lawful combinations, it must at a minimum be limited to actual joint ventures.

In addition, the government did not offer substantial, independent evidence establishing the existence of a "joint venture" which had as its common goal Mr. Allen not sending to the Senator the bill the Senator requested. Rather, counsel for the government offered as proof of the joint venture only the statement itself. On this point, the law is clear: "The contents of the statement shall be considered but are not alone sufficient to establish . . . the existence of the conspiracy and the participation therein of the declarant and the party against whom the statement is offered under subdivision (E)." Fed. R. Evid. 801(d)(2); *Gewin*, 471 F.3d at 201.

Finally, the government also failed to prove by independent evidence that Senator Stevens was a party to the alleged joint venture of having Mr. Allen disregard the Senator's request to send him a bill. Rule 801(d)(2)(E) requires the government to prove that the defendant knew of the existence and objectives of the joint venture and agreed to join it. *United States v. Wilson*, 160 F.3d 732, 737 (D.C. Cir. 1998). But the independent evidence at trial –

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including Mr. Allen's – demonstrated that the Senator "wanted to pay for everything he got," Tr. (Oct. 6, p.m.), at 73, and that Mr. Allen hid bills from the Senator. Tr. (Oct. 6, a.m.), at.94.

Mr. Allen's "CYA" testimony was perhaps the single most important and explosive piece of evidence in the government's case. Because the government was unable to carry its burden under Rule 801(d)(2)(E), the statement was inadmissible and a new trial is therefore required. *See United States v. Safavian*, 435 F. Supp. 2d 36, 46 (D.D.C. 2006).

2. "Catherine says . . . Ted gets hysterical . . . ."

Over defense objections, the government played an audiotape telephone conversation between Bill Allen and Bob Persons, in which Mr. Persons says:

> PERSONS: Ah, as, as, ah, Catherine says, ah Ted gets hysterical when he has to spend his own money (laughs). So, so I wanna, wanna keep it down cause, and, and, you know, and the other flip side of that is he gets hysterical cause he can't really afford to pay, ah, a bunch of money I don't think. Ah, and. . .
>
> ALLEN: I know.

GX 662. The Court admitted this statement under Rule 801(d)(2)(E), based on the government's argument that "Mr. Allen and Mr. Persons are talking in the context of a horse partnership the senator is involved in, and they're making statements generally speaking about the senator's financial situation." Tr. (Sept. 18), at 17.

In fact, this statement is double hearsay, and there is no exception for either of the two layers of hearsay. Accordingly it should not have been admitted.

a. The primary statement by Bob Persons

The first layer of hearsay is the primary statement by Bob Persons that "Catherine says, ah, Ted gets hysterical when he has to spend his own money." The government's theory that Mr. Allen and Mr. Persons were speaking in the context of a "horse partnership" does not suffice to

make this statement admissible. To admit a statement under Rule 801(d)(2)(E), the Court must find that the alleged conspiracy is "factually intertwined" with the charged offenses. *See United States v. Ellis*, 156 F.3d 493, 497 (3d Cir. 1998) ("[S]ome courts require that in order for a coconspirator statement to be admitted, the conspiracy during which the statements were made must be "factually intertwined" with the offenses being tried. In our view, this salutary additional requirement is essentially a restatement of ordinary relevancy principles." (quotations and citations omitted)); *accord Safavian*, 435 F. Supp. 2d at 47 (*citing Ellis*, 156 F.3d at 497; Fed. R. Evid. 403). Any "horse partnership" is not, under any stretch of the imagination, "factually intertwined" with the offenses charged, and the evidence should have been excluded for that reason alone.

But the Court should also have excluded this evidence for a second reason. Another finding that must be made under 801(d)(2)(E) is that a statement was made "in furtherance of" the conspiracy. A statement that does not advance the conspiracy and instead is merely casual chatter, as the "Ted gets hysterical" statement plainly is, cannot be deemed "in furtherance of" the horse partnership. *See United States v. Tarantino*, 846 F.2d 1384, 1411–12 (D.C. Cir. 1988). "[M]ere conversations or narrative declarations of past events are not in furtherance of the conspiracy." 30B Michael H. Graham, *Federal Practice and Procedure* § 7025, at 302 (4th interim ed. 2008); *see also United States v. Urbanik*, 801 F.2d 692, 698 (4th Cir. 1986) ("We think that this statement can fairly be treated only as the sort of idle conversation which though it touches upon, does not 'further,' a conspiracy, and which accordingly should not be admitted under Rule 801(d)(2)(E).").

b. The included statement by Catherine Stevens

Mr. Persons states that "Catherine says, ah Ted gets hysterical when he has to spend his own money. . . ." The statement allegedly made by Catherine Stevens is hearsay within hearsay.

Because this statement is inadmissible, the entire statement by Mr. Persons should have been excluded. 2 Kenneth S. Broun, *McCormick on Evidence* § 324.1 (6th ed. 2006) ("[I]f the included statement is inadmissible, [Rule 805] is not satisfied, and the statements are excluded." (*citing United States v. Patrick*, 959 F.2d 991, 999–1002 (D.C. Cir. 1992))).

Mrs. Stevens's statement was not admissible as a non-hearsay, co-conspirator statement under Rule 801(d)(2)(E) because the government offered no evidence that Mrs. Stevens (i) was a party to the horse partnership, (ii) made the statement in the course of the horse partnership, and (iii) made the statement in furtherance of the horse partnership. Moreover, the horse partnership is not factually intertwined with the offenses for which Senator Stevens was tried and is therefore irrelevant and inadmissible. *See Ellis*, 156 F.3d at 497; Fed. R. Evid. 401, 402.

This prejudicial statement is multiple hearsay. It should not have been admitted, and a new trial should be granted.

3. "Labor Paid by Bill."

The Court similarly admitted under Rule 801(d)(2)(E) the audiotape in which Mr. Allen and Mr. Persons discuss the Chugach bill (GX 660). *See* Tr. (Oct. 7, p.m.), at 27, 70. Mr. Allen tells Mr. Persons about an email from Senator Stevens to Mr. Allen, in which Senator Stevens informed Mr. Allen that he had received a bill for plumbing work done on his Girdwood residence and that this bill stated "labor paid by Bill." The government sought to introduce, among others, the hearsay statements that Mr. Allen received an email from the Senator concerning the bill and that Mr. Allen had already paid the bill ("Yeah, but I got a[n] email from him knowing that he's gotta talk to . . . and I've already taken care of the f***** bill, you know); and that Senator Stevens knew that Mr. Allen had paid the Chugach labor costs ("Well, the only person that knows be . . . between me and you and Ted is this guy at Chugach Sewer and Drain."). GX 660. Counsel for the government contended that these statements were admissible

under Rule 801(d)(2)(E) because the conversation was in furtherance of a "macro and micro joint venture," Tr. (Sept. 18), at 18, amounting to the same "common goal," "to provide an improvement to the senator's house that the senator doesn't have to pay for." *Id.* at 19.

But there was no basis to find a "joint venture" or conspiracy from these facts. The government did not charge a conspiracy in connection with the alleged home renovations and it should not be permitted to relax its burden by proceeding under a loosely-defined "joint venture" theory. In any event, the government was unable to show by a preponderance of the evidence that Senator Stevens was a party to the alleged joint venture "to provide an improvement to the senator's house that the senator doesn't have to pay for." *Id.*; *see United States v. Wilson*, 160 F.3d 732, 737 (D.C. Cir. 1998). On the contrary, the taped conversation on its face reflects that the Senator wanted to pay the plumbing bill himself, and Mr. Allen and Mr. Persons did not want the Senator to know that Mr. Allen had paid a portion of it.

B. The VECO Accounting Records

The VECO accounting records, GX 177 and GX 1058–GX 1093, were admitted under the business records exception to the hearsay rule, Fed. R. Evid. 803(6). Tr. (Sept. 26, p.m.), at 15, 18. Rule 803(6) permits the admission of business records that satisfy certain indicia of reliability, "unless the source of information or the method or circumstances of preparation indicate lack of trustworthiness." (emphasis added). As the D.C. Circuit has held, "the essential determination on admissibility is to be made according to the character of the records and their earmarks of reliability acquired from their source and origin and the nature of their compilation." *Gass v. United States,* 416 F.2d 767, 772 (D.C. Cir. 1968); *see also Saks Int'l, Inc. v. M/V Export Champion*, 817 F.2d 1011, 1013 (2d Cir. 1987) ("The principal precondition to admission of documents as business records is that they have sufficient indicia of trustworthiness to be considered reliable."). Evidence that came to light at trial plainly showed that these records did

not satisfy the reliability threshold of Rule 803(6), and they should have been stricken in their entirety. In addition, the government should not have been permitted to edit the documents through handwritten alterations.

1. The records should not have been admitted.

The government heavily emphasized the VECO accounting records in its opening statement, pointing out that they showed VECO expending some $188,000 on the Girdwood renovations. The government subsequently introduced the accounting records through Cheryl Boomershine, who testified that the records were kept in the regular course of business but that she did not have personal knowledge that they were accurate. Tr. (Sept. 29, a.m.), at 52–72. Instead, she relied upon Bill Allen's purported approval of nearly all of the invoices. Tr. (Sept. 26, p.m.), at 54–56.

Shortly after Ms. Boomershine's testimony, facts came to light showing that the records were completely unreliable. First, David Anderson and Rocky Williams, whose time makes up a substantial portion of the $188,000, did not work nearly as many hours on the Girdwood renovations as the records reflect. The Court accordingly struck those portions of the VECO accounting records reflecting Mr. Williams's and Mr. Anderson's hours. Tr. (Oct. 9, p.m.), at 62–63. Similarly, the testimony of another VECO employee, Daniel McBirney, shows that he did not work nearly the number of hours that the accounting records reflect.[1] Second, although Cheryl Boomershine testified that she had relied on Bill Allen's approval when she processed the invoices for payment, Tr. (Sept. 26, p.m.), at 54–56, Mr. Allen testified that <u>he never even saw</u>

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[1] *Compare* Tr. (Sept. 26, a.m.), at 68 ("Q. Approximately how many hours do you think you were actually working down there at the home in Girdwood? A. Probably around 40 to 60."), *with* GX 1064 and GX 1069 (showing Mr. McBirney billing 289 hours to the Girdwood Consultants code).

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the invoices that he purportedly approved, Tr. (Oct. 6, a.m.), at 92, and that VECO's records were probably inflated. *See id.* at 92–93; Tr. (Oct. 6, p.m.), at 74–79.

In other words, portions of the accounting records (those relating to Mr. Williams, Mr. Anderson, and Mr. McBirney) were affirmatively shown to be false. As to the remainder of the records, the only two witnesses who could testify to their source and origin and the nature of their compilation, Ms. Boomershine and Mr. Allen, conceded that they could not vouch for their reliability, and Mr. Allen went so far as to testify that the records likely were unreliable. Senator Stevens accordingly moved to have the records stricken in their entirety as hearsay, *see* Dkt. 171, but the Court denied the motion. *See* Minute Order (Oct. 19, 2008).

Admission of these exhibits was error. The jury should not have been permitted to convict on the basis of critical accounting records that did not meet the reliability requirements of the business records exception.[2]

2. The records submitted to the jury were impermissibly altered.

When it came time to redact the summary spreadsheet, GX 177, to excise the stricken portions of the accounting records reflecting Mr. Williams's and Mr. Anderson's timesheets, the government objected that deleting line items reflecting these portions would, by necessity, also redact other items the Court had not stricken. That is because GX 177 included the line-item totals of each underlying VECO invoice, GX 1058–GX 1093, and some of those invoices contained time from Mr. Anderson together with other labor and expenses. The government proposed that, instead of simply redacting the line items from GX 177 and arguing to the jury on the basis of the unredacted information in the underlying invoices, GX 177 should be altered or

[2] This threshold admissibility determination is to be made by the court and not by the jury. *See* Fed. R. Evid. 104, 1972 proposed rules ("The applicability of a particular rule of evidence often depends upon the existence of a condition. ... Accepted practice, incorporated in the rule, places on the judge the responsibility for these determinations.").

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edited by "writing in" a new amount for each of the invoices that subtracted out the amounts attributable to Mr. Anderson's labor. The Court allowed the government to so modify the records over the Senator's objection. *See* Tr. (Oct. 20, p.m.), at 8–15; Tr. (Oct. 21, a.m.), at 3–4.

This alteration further compounded the unreliability of the exhibits and reinforced their inadmissibility. Counsel's handwritten alteration to a document is not admissible evidence. *See Meurling v. County Transp. Co.*, 230 F.2d 167, 168–69 (2d Cir. 1956) (striking exhibit after it was altered by plaintiff's counsel "allegedly to conform to the testimony of [a] witness"). Allowing GX 177, in its edited and inadmissible state, to be used by the jury during deliberations risked impermissible prejudice. *See Holland v. United States*, 348 U.S. 121, 127–28 (1954) (recognizing "great danger" in allowing the jury to renew "various charts summarizing the computations" of government counsel: "bare figures have a way of acquiring an existence of their own, independent of the evidence which gave rise to them").

Moreover, the government representative's handwritten edits to GX 177 are not reliable business records of VECO corporation. Rule 803(6) is premised on the assumption that each link of the chain in the production of business records is acting "under a duty of accuracy" and "in the regular course of business." Fed. R. Evid. 803, 1972 proposed rules (quotations omitted). When a "supplier of the information does not act in the regular course, an essential link is broken: the assurance of accuracy does not extend to the information itself and the fact that it may be recorded with scrupulous accuracy is of no avail." *Id.*; *see also United States v. Baker*, 693 F.2d 183, 188 (D.C. Cir. 1982) ("If both the source and the recorder of the information, as well as every other participant in the chain producing the record, are acting in the regular course of business, the multiple hearsay is excused by Rule 803(6)"; otherwise, it is not.). Here, neither

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the "source" nor the "recorder" of the information for the altered accounting records – counsel for the prosecution – acted in the regular course of VECO's business.[3]

Finally, the altered version of GX 177 left an impression that the government's handwritten numbers were credible evidence worthy of belief, not figures placed there to make the Court's punitive redaction more precise. Indeed, allowing the government to add its handwritten insertions likely suggested to the jury that the edited version of GX 177 it received was now accurate. The erroneous admission of this unreliable and prejudicial evidence warrants a new trial.

II. PREJUDICIAL JUROR MISCONDUCT REQUIRES A NEW TRIAL.

Multiple instances of juror misconduct prejudiced Senator Stevens's Fifth Amendment right to due process and Sixth Amendment right to trial by an impartial jury. The misconduct included false statements on Juror Questionnaires, juror bias, juror flight and substitution. The cumulative effect of these acts is overwhelming, and a new trial should be granted.

A. False Statements on Juror Questionnaires

The Court-ordered Juror Questionnaire inquired about the background of potential jurors. Potential jurors' responses were provided to counsel and to the Court for assistance in the jury selection process. It was obviously critical to the integrity of the voir dire process – particularly in this false statements case – that the questionnaires be answered truthfully. Since the end of

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[3] Other essential requirements of Rule 803(6) – for example, that the record be "made at or near the time" of the transaction and be "kept in the course of a regularly conducted business activity" – are also lacking here. *See Kincaid & King Constr. Co. v. United States*, 333 F.2d 561, 564 (9th Cir. 1964).

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trial, however, defense counsel have identified multiple statements by two paneled jurors on their Juror Questionnaires that counsel now believe to be false.[4]

"For reversal because of a juror's failure to disclose information at voir dire, the Supreme Court requires the complaining party to show that the juror 'failed to answer honestly a material question on voir dire, and then further show that a correct response would have provided a valid basis for a challenge for cause.'" *United States v. Williams-Davis*, 90 F.3d 490, 503 (D.C. Cir. 1996) (*quoting McDonough Power Equip., Inc. v. Greenwood*, 464 U.S. 548, 556 (1984)). When the defendant presents facts sufficient to raise an inference of material false statements by a juror – as counsel has done here, *see* Appendix A – the Court should order an evidentiary hearing to confirm the falsity of the jurors' statements and examine potential bias. *See United States v. Boney*, 977 F.2d 624, 634–35 (D.C. Cir. 1992).

In *Boney*, a juror failed to disclose his felon status during voir dire. After the defendant was convicted, defense counsel discovered this information and requested an evidentiary hearing to determine the falsity of the juror's voir dire statements and to explore potential bias. The District Court denied the defendant's motion for an evidentiary hearing, but the D.C. Circuit remanded.

> Although the discovery of the juror's felon status does not by itself require a new trial, we think the juror's failure to disclose his status in response to the voir dire examination presents serious added concerns. After all, lying or failing to disclose relevant information during voir dire itself raises substantial questions about the juror's possible bias.

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[4] An Appendix identifying statements that counsel believe to be false is attached hereto, and Senator Stevens is requesting permission to file it and its accompanying exhibits under seal. *See* Appendix A (under seal). These sealed exhibits include the relevant Juror Questionnaires, *see* Exhibit S-1 (under seal) and Exhibit S-2 (under seal), and evidence strongly suggesting that a juror's statements on the questionnaires were untrue, *see* Exhibit S-3 (under seal).

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Id. "Because the record provides no evidence that the motivation for the lie was unrelated to bias in this case, it was an abuse of discretion under these facts for the trial judge not to have held an evidentiary hearing." *Id.* at 634–35 (emphasis added); *see also United States v. White*, 116 F.3d 903, 929 (D.C. Cir. 1997) ("If an improper private communication with a juror has occurred, a hearing ordinarily is required to determine whether the communication resulted in prejudice. The same is true when a juror is shown to have lied during voir dire." (footnote and citations omitted)).

As in *Boney*, an evidentiary hearing is required here to determine the falsity of the jurors' statements and the possible bias they reveal. The significance of a juror's false statements is heightened, moreover, in the context of a prosecution for false statements and should provide a valid basis for a new trial.

> Knowingly lying during the *voir dire* violated, *inter alia*, 18 U.S.C. § 1621, and subjected the juror to possible criminal contempt pursuant to 18 U.S.C. § 401, as well as to possible substantial restitution claims by the government. It exhibited a personal interest in this particular case that was so powerful as to cause the juror to commit a serious crime. Such an interest not only suggests a view on the merits and/or knowledge of evidentiary facts but is also quite inconsistent with an expectation that a prospective juror will give truthful answers concerning her or his ability to weigh the evidence fairly and obey the instructions of the court.

United States v. Colombo, 869 F.2d 149, 151–52 (2d Cir. 1989) (citations and footnote omitted; emphasis added) (collecting cases).

Knowing false statements on juror questionnaires call into question the juror's ability to listen to the evidence, not consider extrinsic facts, follow the Court's instructions, and sit in judgment of the defendant's truthfulness.

> If a juror treats with contempt the court's admonition to answer voir dire questions truthfully, she can be expected to treat her responsibilities as a juror—to listen to the evidence, not to consider extrinsic facts, to follow the judge's instructions—with equal

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> scorn. Moreover, a juror who tells major lies creates a serious conundrum for the fact-finding process. How can someone who herself does not comply with the duty to tell the truth stand in judgment of other people's veracity? Having committed perjury, she may believe that the witnesses also feel no obligation to tell the truth and decide the case based on her prejudices rather than the testimony.

Green v. White, 232 F.3d 671, 677 (9th Cir. 2000) (emphasis added).

Furthermore, false statements about jurors' involvement with the criminal justice system raise particular concerns in this case because jurors may associate or blame their prior personal experiences on government officials, including politicians like Senator Stevens. The false statements may suggest an attempt to serve on the jury in order to vindicate prejudice toward government, politicians, or political parties.

> The possibility of prejudice [to defendants falling into certain categories] is real, and there is consequent need for a searching voir dire examination, in situations where, for example, the case carries racial overtones, or involves other matters concerning which either the local community or the population at large is commonly known to harbor strong feelings that may stop short of presumptive bias in law yet significantly skew deliberations in fact.

United States v. Robinson, 475 F.2d 376, 381 (D.C. Cir. 1973) (footnote omitted; emphasis added).

Senator Stevens requests that the Court hold an evidentiary hearing to confirm that the jurors' statements were false and to explore potential bias. If it is confirmed that a juror provided a false statement during the voir dire process or harbored bias, the Court should order a new trial.

B. Prejudicial Juror Bias

It is apparent from media reports that significant prejudicial juror bias existed within the jury panel. For example, Juror No. 4 gave the following statements to the media indicating that she believes all politicians are guilty:

> When asked what she thought about Stevens' case, she said: "He didn't do anything any other congressman or senator or governor or president has not done. He was guilty but these other ones are just as guilty if not more guilty."
>
> When asked if she thought Stevens was guilty, she replied: "I didn't say that."

Jesse J. Holland, "Missing Juror Lied About Father's Death," *Associated Press*, Nov. 3, 2008 (emphasis added) (attached hereto as Exhibit 1). In addition:

> [Juror No. 4] told reporters outside the courthouse that she believed Stevens was guilty "like all the other" politicians, but she declined to say whether she would have voted to convict the senator.

Del Quentin Wilber, "Stevens Juror Lied to Be Dismissed," *Washington Post*, Nov. 4, 2008, at A15 (emphasis added) (attached hereto as Exhibit 2). *See also* Exhibit S-1 (under seal).

Juror No. 4's statements demonstrate that voir dire failed and the jury was tainted by bias. At least one juror with a view that all politicians are guilty navigated voir dire, was selected as a member of the jury, attended trial daily, and participated in deliberations. While Juror No. 4 was excused from the panel prior to verdict (as a result of other misconduct described below), her predisposed views about politicians' guilt almost certainly tainted other members of the jury. At a minimum, counsel for Senator Stevens is entitled to an evidentiary hearing where juror bias can be explored and proved. "[T]he remedy for allegations of juror partiality is a hearing in which the defendant has the opportunity to prove actual bias." *Smith v. Phillips*, 455 U.S. 209, 215 (1982) (cited in *United States v. Williams-Davis*, 90 F.3d 490, 496 (D.C. Cir. 1996)).

C. Juror Flight and Substitution; Alternate Juror's Bias and False Statements.

After two days of deliberations, Juror No. 4 absconded from the Jury panel. As justification for her departure, Juror No. 4 made a series of false statements to the Court. The juror informed the Court that her father had passed away in California; that a funeral was

planned for her father on October 25th or October 26th in California; that she was traveling on an emergency basis to California to attend the funeral; and that she was unsure of her date of return to Washington, D.C. These statements were knowing falsehoods: Juror No. 4's father had not died, and her trip to California was for the purpose of attending a horse race. Juror No. 4 then evaded multiple inquiries from the Court regarding her date of return.

As a result of these false statements and the Court's inability to locate Juror No. 4, the Court replaced her with an alternate juror before accurate information was known. Senator Stevens objected to substitution of an alternate juror and requested that, if Juror No. 4 could not serve, the jury continue its ongoing deliberations with eleven jurors. Over defense objection, however, the Court replaced Juror No. 4 with Juror No. 11 (Alternate No. 1). On Friday, October 24, 2008, the Court voir dired Juror No. 11 as to whether she had made a decision with respect to her view of the proper outcome of the case. Juror No. 11 indicated that she had not made such a decision.

In retrospect, this response may well have been untrue. While the jury had been deliberating for two days without a verdict prior to the juror substitution, it reached a guilty verdict only a few hours after the jury's deliberations allegedly began anew with Juror No. 11. Moreover, in the weeks following trial, Juror No. 11 has made statements in an internet blog that suggest that she was predisposed to find Senator Stevens guilty, and that she surely must have reached a view of his guilt before she was substituted as a juror. Indeed, Juror No. 11's blog indicates that she harbored a view of guilt stretching back to the first witness in the case. *See* Exhibit 3 ("Juror 11 Explains All" blog), at "First Witness?" (dated Nov. 17, 2008).

Moreover, after Juror No. 11 represented to the Court that she had not yet made a decision as to the proper outcome of the case, the Court asked a follow-up question: was there

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any reason that Juror No. 11 could not be impartial. Juror No. 11 paused, then responded that there was not. The Court followed-up: what was the reason for Juror No. 11's hesitation? Juror No. 11 explained that she was further considering the previous question.[5]

Senator Stevens was clearly prejudiced by the substitution of this alternate juror. *See Colombo*, 869 F.2d 151–52; *see also Clark v. United States*, 289 U.S. 1, 11 (1933) (Cardozo, J.) ("The judge who examines on the voir dire is engaged in the process of organizing the court. If the answers to the questions are willfully evasive or knowingly untrue, the talesman, when accepted, is a juror in name only.").

Because the above circumstances strongly suggest that the Juror made material false statements to the Court relating to her views of the proper outcome of the trial, the Court should order a new trial. At a minimum, Senator Stevens is entitled to an evidentiary hearing to explore Juror No. 11's potential false statements and bias. *See Smith v. Phillips*, 455 U.S. 209, 215 (1982); *United States v. Williams-Davis*, 90 F.3d 490, 496 (D.C. Cir. 1996).

D. Cumulative Prejudicial Effect

While any one of the above acts would be sufficient basis for a new trial, their cumulative effect unquestionably requires that remedy. *See* Section XVI, *infra*. In this case, the multiple false statements by paneled jurors on their Juror Questionnaires; the declared bias against defendant held by at least one member of the jury; a juror's false statements to the Court resulting in irregular juror substitution; and the substituted juror's bias and false statements worked cumulatively to deny Senator Stevens a fair trial.

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[5] Transcripts relating to the October 24, 2008 voir dire were not available at the time of this writing.

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III. THE COURT'S INSTRUCTION UPON SUBSTITUTING THE ALTERNATE JUROR WAS ERRONEOUS.

After replacing Juror No. 4 with Juror No. 11, the Court instructed the jury: "The only instruction I have is that, because one of the jurors is no longer present and you have a new juror who was not present when you started deliberations, you have to start your deliberations, and I leave it up to you to define what that means, you have to start your deliberations anew." Tr. (Oct. 27, a.m.), at 5–6. This was plain error. Both the Sixth Amendment and the Federal Rules prescribe that juries must begin deliberations anew after the seating of an alternate. *See* Fed. R. Crim. P. 24(c)(3); *United States v. Hillard*, 701 F.2d 1052, 1056–57 (2d Cir.1983) (finding "'essential feature' of the jury was preserved" when "trial judge instructed all the jurors to begin their deliberations anew, explaining that 'a jury verdict must be the product of the deliberations of all twelve people who reach that verdict'"); *Claudio v. Snyder*, 68 F.3d 1573, 1575 (3d Cir. 1995) ("Most of the federal courts that have addressed the issue, however, have held that when circumstances require, substitution of an alternate juror in place of a regular juror after deliberations have begun does not violate the Constitution, so long as the judge instructs the reconstituted jury to begin its deliberations anew and the defendant is not prejudiced by the substitution." (collecting cases)).

The Court's instruction that the jury was free to give any interpretation to the directive to begin its deliberations anew ran afoul of this constitutional requirement. It invited the jurors, eleven of whom had already deliberated for two days, to short-cut the process by updating the newly substituted juror on prior deliberations. That the jury accepted this invitation is apparent from the speed with which it rendered a verdict: only a few hours after supposedly "beginning anew," after a month-long trial with over fifty witnesses, the jury returned a verdict of guilty on

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all counts. Thus, the Court's instruction violated Senator Stevens's Sixth Amendment right to a verdict resulting from the full deliberation of each and every juror.

IV. THE JURY'S AMENDMENT OR MISCOMPREHENSION OF COUNT II OF THE INDICTMENT REQUIRES A NEW TRIAL.

During its deliberations, the jury discovered that the allegations in Count II of the indictment did not match Senator Stevens's 2001 Financial Disclosure Form. Count II alleges, in part, that Senator Stevens "falsely reported . . . that during calendar year 2001 he had received no gifts from a single source with an aggregate value of more than $260.00." As the jury's note to the Court pointed out, this charge is at odds with Senator Stevens's 2001 Financial Disclosure Form, on which the Senator had actually answered "YES" to the question whether he had received reportable gifts in that year. GX 884 at US-C-00107.

The jury asked: "What do we do?" Jury Note (Oct. 27, 2008) [Dkt. 236]. After considering the parties' competing proposals, the Court instructed the jury as follows:

> The indictment is merely a charging document, it is not evidence. You must consider all of the evidence and my instructions to determine whether the government has proven each element of an offense in the indictment beyond a reasonable doubt.

Note to Jury (Oct. 27) [Dkt. 236]. Several hours later, the jury returned a verdict of guilty on Count II.

In light of the jury's note, this verdict was logically possible only if it reached one of two conclusions. By far the most likely is that the jury, which obviously was focusing on "gifts," decided to "correct" the indictment and convict Senator Stevens of Count II on the basis that he checked the "YES" box for reportable gifts but did not disclose on the attached schedule gifts he allegedly received from Bill Allen, VECO, Robert Penney (the stained glass), and/or Robert

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Persons (the Brookstone chair).[6] Such a correction would be an amendment of the indictment warranting a new trial. *See Gaither v. United States*, 413 F.2d 1061, 1071 (D.C. Cir. 1969) ("An *amendment* of the indictment occurs when the charging terms of the indictment are altered, either literally or in effect, by prosecutor or court after the grand jury has last passed upon them." (footnotes omitted)); *United States v. Budd*, 496 F.3d 517, 521 (6th Cir. 2007) ("Both actual and constructive amendments are considered per se prejudicial and are reversible error."); *United States v. Moore*, 198 F.3d 793, 795 (10th Cir. 1999) ([A]n amendment involves a change, whether literal or in effect, in the terms of the indictment. . . . [A]n amendment to an indictment constitutes reversible error. . . .").

"[T]he basic protection the grand jury was designed to afford is defeated by a device or method which subjects the defendant to prosecution [for conduct] which the grand jury did not charge." *Stirone v. United States*, 361 U.S. 212, 217–18 (1960). In *Stirone*, in which the defendant was charged with interference with interstate commerce in violation of the Hobbs Act, the evidence presented at trial and the judge's instructions permitted the jury to convict the defendant for interfering with steel shipments even though the indictment only charged interference with sand shipments. *Id.* at 213–14. The Supreme Court concluded that "[t]he indictment here cannot fairly be read as charging interference with movements of steel . . . [,]"

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[6] As argued in prior submissions, Senator Stevens should not have been convicted under this theory in any event, because his "YES" answer was literally true and because omissions are not actionable as false statements. *See Bronston v. United States*, 409 U.S. 352 (1973); *United States v. Milton*, 8 F.3d 39 (D.C. Cir. 1993); *United States v. Hixon*, 987 F.2d 1261, 1267 (6th Cir. 1993) ("[A]n indictment premised on a statement which on its face is not false cannot survive.") (*quoting United States v. Vesaas*, 586 F.2d 101, 104 (8th Cir. 1978)). When an allegation of false statements "rests only on . . . alleged omissions . . . , [it] is thus fatally deficient." *United States v. Crop Growers Corp.*, 954 F. Supp. 335, 349 (D.D.C. 1997).

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and that the "variation here destroyed defendant's substantial right to be tried only on charges presented in an indictment returned by a grand jury." *Id.* at 217.

The same is true in this case. The false statement that the grand jury charged in Count II was that Senator Stevens had not received any reportable gifts in 2001. But the jury convicted him for stating that he had received reportable gifts but failing to disclose some of them. The jury thus convicted Senator Stevens "'on the basis of facts not found by, and perhaps not even presented to, the grand jury which indicted him.'" *United States v. Hitt*, 107 F. Supp. 2d 29, 37 (D.D.C. 2000) (*quoting Russell v. United States*, 369 U.S. 749, 770 (1962). The Constitution does not permit such an outcome, and the Court should order a new trial.

It is also logically possible, though practically inconceivable, that the jury convicted Senator Stevens on the ground that he received a reportable "liability" in 2001. It cannot reasonably be presumed that the jury reached this result, however, because the government characterized all the alleged "things of value" purportedly charged in Count II – the Girdwood renovations, the stained glass window, and the Brookstone chair – as gifts:

> Now, you know by now, ladies and gentlemen, this is not a complicated case. It's not. It's just that it had a lot of moving parts to it. The important facts are simple and straightforward. The defendant accepted multiple gifts which were easily valued over $260 to $305. That's all we're talking about. The government's evidence proved that the defendant received extravagant gifts year after year after year and that he repeatedly failed to disclose those gifts as he knew he was . . . required to do by law.

Tr. (Oct. 21, p.m.), at 45 (emphases added); *see also* Tr. (Oct. 21, a.m.), at 29–30, 31–32, 38, 47. In addition, the jury did not understand the meaning of the term "liability" – which the

government never explained – as its note to the Court made clear. Juror Note (Oct. 23, 2008) [Dkt. 232].[7]

Finally, even if the Court were somehow to find that the conviction under Count II rests on the "liability" component, a new trial should be ordered because the jury was presented no basis on which to conclude that Senator Stevens incurred a "liability," and the conviction would be against the weight of the evidence. *See* Section XV, *infra.* Indeed, the government in Count II emphasized two items – the Brookstone chair and the stained glass – that could not possibly support such a conviction because their value was less than $10,000.

V. THE COURT ERRED IN PERMITTING THE GOVERNMENT TO APPEAL TO CLASS PREJUDICE.

During her cross-examination of Mrs. Stevens, counsel for the government pursued a long line of questioning, the object of which can only have been to incite class prejudice against Senator and Mrs. Stevens by portraying them as wealthy, privileged individuals and to equate wealth with improper conduct:

> Q. And didn't Barbara Flanders walk your dogs?
>
> A. Walk my dogs?
>
> Q. Yes.
>
> MR. CARY: Objection, Your Honor. I don't know what the relevance is. (COURT:) I'll allow it.
>
> THE WITNESS: I don't know what you're talking about.
>
> BY MS. MORRIS: Q. Didn't Barbara Flanders feed your cats?
>
> A. Not that I know of.
>
> Q. Did Barbara Flanders pay your Saks Fifth Avenue bills?

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[7] The jury's note read: "Please clarify the (liability cost) as it is not[] readily clear in Senate regulation." (parens in original).

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A. She could have if I sent them down, and they were being paid on the main credit -- on the main account.

Q. And your other personal credit card bills like Neiman Marcus or Nordstrom's?

A. She could have.

Q. And didn't staff for your husband cut your grass?

MR. CARY: Objection, Your Honor.

THE COURT: I'll allow it.

THE WITNESS: Cut the grass?

BY MS. MORRIS: At your DC residence?

A. If they did, they were paid for it.

Q. Did they pay your parking tickets?

A. My parking tickets?

Q. Yes, ma'am.

A. Who paid my parking tickets?

Q. Staff of the Senator.

A. Would pay my parking tickets?

Q. Both of yours.

A. Not that I know of.

Q. Did Barbara Flanders write checks to Blockbuster Videos for overdue amounts?

A. I have no idea.

Q. Did she wrap your Christmas gifts and send gifts to your husband and family?

MR. CARY: Your Honor, objection.

THE WITNESS: I have no idea.

Tr. (Oct. 16, p.m.), at 27–29. Counsel later referred again to Mrs. Stevens's charge cards with Neiman Marcus and Nordstrom, mentioned that the Senator and Mrs. Stevens have since 2000 allegedly made hundreds of thousands of dollars a year, and inferred that the Stevenses could have afforded a personal assistant (also over defense counsel's objections). *Id.* at 34–39.

These questions bear absolutely no relevance to the offenses with which Senator Stevens was charged. *See* Fed. R. Evid. 401, 402. They obviously were designed to inflame the passions and prejudices of the jury against wealthy individuals. Further exacerbating the situation, in cross-examining Senator Stevens, the government later slipped in the $1.4 million purchase price of the Stevenses' D.C. home:

> Q. Now, in purchasing that home in 2005, you purchased it for a little over $1.4 million?
>
> MR. B. SULLIVAN: Objection
>
> THE COURT: Sustained, sustained.
>
> MR. B. SULLIVAN: Pardon me?
>
> THE COURT: Sustained.
>
> BY MS. MORRIS: Sir, what was the assessed property value of that home?
>
> MR. B. SULLIVAN: Objection.
>
> THE COURT: Sustained. It's irrelevant.
>
> MS. MORRIS: Judge, if I could approach.
>
> THE COURT: All right.
>
> (Sealed bench conference redacted.)
>
> THE COURT: I'm going to sustain the objection. Objection sustained. Disregard the question. Disregard any answer. I don't think there was an answer.

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Tr. (Oct. 20, a.m.), at 97–98. Though this objection (unlike the prior ones) was sustained, the damage was done, and the government's strategy was transparent.

The government pursued a similar strategy when questioning both Senator Stevens and a character witness, Donna de Varona, about the employment and income of Senator Stevens's son, Ben Stevens. Ms. de Varona was questioned about whether she knew how much Ben Stevens was paid by the Special Olympics. Tr. (Oct. 15, a.m.), at 60–61. Senator Stevens was asked, apropos of nothing, whether Ben Stevens was "the same Ben Stevens who worked for the Special Olympics and got over $715,000 in consulting fees." Tr. (Oct. 20, a.m.), at 17–18. Neither Ben Stevens's employment by the Special Olympics nor the amount of his compensation related in any way to the issues before the jury. This was nothing more than a transparent attempt to inflame class prejudice and to cast the Stevens family as avaricious.

"[A]ppeals to class prejudice are highly improper and cannot be condoned and trial courts should ever be alert to prevent them." *United States v. Socony-Vacuum Oil Co.*, 310 U.S. 150, 239 (1940). "[S]uch appeals . . . have no place in a courtroom. . . ." *United States v. Stahl*, 616 F.2d 30, 33 (2d Cir. 1980) (finding prejudicial error in prosecutor's attempts at trial to incite class prejudice against wealthy defendant and remanding for a new trial). Specifically, "prosecutorial appeals to wealth and class biases can create prejudicial error, violating a defendant's right to due process of law under Fifth Amendment. . . [I]t is illogical and improper to equate financial success and affluence with greed and corruption." *United States v. Jackson-Randolph*, 282 F.3d 369, 376 (6th Cir. 2002).[8]

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[8] *See also United States v. Bill Harbert Int'l Constr., Inc.*, No. 95-1231 (RCL), 2007 WL 842077, at *2 (D.D.C. Mar. 16, 2007) (Lamberth, J.) (denying motion to exclude evidence of civil defendants' financial condition or wealth as premature, but noting: "The Court is hard pressed to imagine how such evidence could be relevant, or how any relevance could help but be substantially outweighed by the undue prejudice and confusion likely to ensue from a

The government's blatant appeals to class prejudice were improper, and indeed, intolerable.

VI. THE GOVERNMENT'S CLOSING ARGUMENTS IMPROPERLY INTRODUCED EXTRAJUDICIAL STATEMENTS.

During closing arguments, counsel for the prosecution improperly introduced extrajudicial statements into the proceedings by informing the jurors of the opinions of "friends" who had heard the evidence and determined that Senator Stevens's defense was not credible.

During her rebuttal closing argument, Ms. Morris over defense objection referred to a "friend" who had allegedly heard Senator Stevens's testimony, considered the evidence, and determined that the Senator was lying.

> MS. MORRIS: I spoke to another friend of mine who heard the defendant's testimony on Friday, and what he told me about the defendant's testimony was that –
>
> MR. B. SULLIVAN: Objection.
>
> THE COURT: This is argument. It's not evidence.
>
> MS. MORRIS: – is that the gifts from Bill Allen that appeared at the defendant's chalet without the defendant's knowledge – he said, well, you know, Brenda, maybe since the defendant lives so

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discussion of defendants' wealth."); *United States v. Cassese*, 290 F. Supp. 2d 443, 457 (S.D.N.Y. 2003) (granting conditional motion for new trial under Rule 29(d) where government's theory "enabled the introduction of highly prejudicial and inflammatory evidence and arguments in front of the jury regarding Cassese's wealth, salary, and stock holdings. This evidence played into a bias against people of wealth."), *aff'd on other grounds*, 428 F.3d 92 (2d Cir. 2005); *Silbergleit v. First Interstate Bank of Fargo*, 37 F.3d 394, 398 (8th Cir. 1994) ("References to Silbergleit as a millionaire and to his receipt of unemployment compensation benefits were also highly prejudicial."); *Sizemore v. Fletcher*, 921 F.2d 667, 671 (6th Cir. 1990) (affirming writ of habeas corpus) ("Such appeals to class prejudice must not be tolerated in the courtroom. 'The defendant was charged with murder, and not with being wealthy, and no reference should have been made to his station in life.'") (*quoting Goff v. Commonwealth*, 44 S.W.2d 306, 308 (Ky. Ct. App. 1931)); *United States v. Cooper*, 286 F. Supp. 2d 1283, 1291 (D. Kan. 2003) (excluding evidence of extravagant expenditures for plastic surgery, gambling and strip clubs because "the particularly limited probative value of this evidence is substantially outweighed by the unfair prejudice related to class and inflammatory moral issues").

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> close to the North Pole, that maybe Santa and his elves came down and did this work and completed it, and it was – you know, he had no idea. He had been very, very good.

Tr. (Oct. 21, p.m.), at 52–53.

In addition, the government referred to another unnamed "friend" who mocked Senator Stevens's testimony:

> MS. MORRIS: Now, I was thinking about this for awhile because I really do believe you just got to break this stuff down to its common denominator. Break it down to what is just – on its common sensical(Phonetic) terms. And I was talking to a friend, and he was telling me that this reminds him of his little six-year-old son. He likes to play hide-and-go-seek, but what he likes to do is he likes to cover his eyes and then keep one eye open, you know, looking through his fingers, and then when you say, hey, hey, I see you, he goes, no, no, no, I don't see you. I'm not looking. You know, you tell him he's cheating and then he starts laughing.

Tr. (Oct. 21, p.m.), at 51. These extrajudicial statements were intended to convince jurors that others in the jury's position – i.e., impartial observers who have weighed the evidence – believed that Senator Stevens is guilty and disbelieved his testimony.

"[T]he burden is on defendant to show prejudice, which at the outset is to be done by examination of the alleged illicit exposure in the full context of the trial." *United States v. Williams-Davis*, 90 F.3d 490, 502–03 (D.C. Cir. 1996). Here, the prejudice to Senator Stevens is apparent because the extrajudicial statements purportedly came from individuals who (a) witnessed or heard about Senator Stevens's testimony, and (b) believed the Senator was guilty. Worse than the usual extrajudicial statements cases – *see United States v. Greer*, 620 F.2d 1383, 1385 (10th Cir. 1980) (jurors had chatted with a marshal about the defendant's possible sentencing and expungement of conviction; new trial ordered); *Stockton v. Virginia*, 852 F.2d 740, 743 (4th Cir. 1988) (owner of diner at which the jurors were lunching during deliberations told jurors "they ought to fry the son of a bitch"; sentence vacated) – <u>in this case the government itself introduced the prejudicial extrajudicial statements</u>. The government

declined to identify the "friends" who made the statements, but it implied that they were impartial observers whose opinions were worthy of consideration. Finally, these extrajudicial statements occurred in the government's rebuttal closing and were among the last things the jury heard before retiring. These impermissible, prejudicial statements warrant a new trial.

VII. THE GOVERNMENT'S MULTIPLE INSTANCES OF MISCONDUCT WARRANTED A NEW TRIAL.

As the Court recognized during the trial, the government engaged in severe and intentional misconduct, including: (i) knowingly presenting false evidence to the jury in the form of VECO's accounting records; (ii) intentionally concealing critical exculpatory statements by the government's star witness, Bill Allen; and (iii) intentionally withholding critical evidence from the defense about the Mustang-Land Rover transaction and then using it to rehabilitate Mr. Allen on redirect examination. In addition, the conclusion is now unmistakable that the government (iv) elicited fabricated testimony by Mr. Allen about his alleged "CYA" conversation with Mr. Persons, which the government must have known to be false.

The Court endeavored to assure a fair and speedy trial, but defense counsel were forced nonetheless to spend hundreds of hours attempting to deal with government misconduct. As each instance of misconduct came to light, the Court attempted to deal fairly and promptly with the issues without unduly delaying the trial. It is apparent, however, that the government's repeated and intentional misconduct violated the Senator's constitutional rights and severely prejudiced him at trial. There can be no confidence in the verdict, and a new trial is warranted.[9]

The government's misconduct violated at least two separate constitutional rules, either of which requires a new trial. First, the Due Process Clause forbids the government from

[9] Senator Stevens contends that the flagrant and repeated instances of prosecutorial misconduct warrant dismissal of the indictment. *See* Dkt. 103, 126, 130, 142. At a minimum, however, a new trial should be ordered.

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introducing or failing to correct testimony that it knows or reasonably should know to be false. *Napue v. Illinois*, 360 U.S. 264, 269 (1959) (noting "[t]he principle that a State may not knowingly use false evidence, including false testimony, to obtain a tainted conviction, implicit in any concept of ordered liberty"); *Giglio v. United States*, 405 U.S. 150 (1972); *United States v. Iverson*, 637 F.2d 799, 801 (D.C. Cir. 1980).

"Because the integrity of our justice system relies on the presentation of truthful evidence for a jury to evaluate, 'the prosecution's knowing use of false testimony entails a veritable hair trigger for setting aside the conviction.'" *United States v. Quinn*, 537 F. Supp. 2d 99, 120 (D.D.C. 2008) (Bates, J.) (*quoting United States v. Gale*, 314 F.3d 1, 3 (D.C. Cir. 2003)). Accordingly, "*Napue* sets forth a very defense-friendly standard. A defendant need only show that false testimony was presented at trial, that the government knew, or should have known, that the testimony was false, and that there is a reasonable likelihood that the false testimony could have affected the judgment of the jury." *Id. See also United States v. Williams*, 233 F.3d 592, 594 (D.C. Cir. 2000) ("[t]he phrases – 'reasonable likelihood,' 'could have affected' – 'mandate a virtual automatic reversal of a criminal conviction") (quotation omitted).

Second, under *Brady v. Maryland*, 373 U.S. 83, 87 (1963), "suppression of material evidence justifies a new trial irrespective of the good faith or bad faith of the prosecution." *Giglio*, 405 U.S. at 153 (internal quotations omitted)); *United States v. Andrews*, 532 F.3d 900, 905 (D.C. Cir. 2008) ("If the undisclosed evidence is material, a new trial is required.") (*citing Kyles v. Whitley*, 514 U.S. 419 (1995)); *Virgin Islands v. Fahie*, 419 F.3d 249, 252 (3d Cir. 2005) ("[T]he Court has assumed that *Brady* violations that have affected the judgment of a jury normally will be remedied by a new trial . . . ."); *In re Sealed Case No. 99-3096*, 185 F.3d 887, 892 (D.C. Cir. 1999) ("If the undisclosed evidence is material, a new trial is required.").

"Evidence is material if 'the undisclosed information could have substantially affected the efforts of defense counsel to impeach the witness, thereby calling into question the fairness of the ultimate verdict.'" *United States v. Cuffie*, 80 F.3d 514, 517 (D.C. Cir. 1996) (*quoting United States v. Smith*, 77 F.3d 511, 515 (D.C. Cir. 1996)). "The question is not whether the defendant would more likely than not have received a different verdict with the evidence, but whether in its absence he received a fair trial, understood as a trial resulting in a verdict worthy of confidence." *Kyles*, 514 U.S. at 434.

In *Quinn*, Judge Bates earlier this year granted a defendant's Rule 33 motion for a new trial on the ground that the prosecutors had withheld material evidence in violation of *Brady*. The court ordered a new trial because, after a review of the trial record, it had "grave concerns about the fairness of the proceedings and determine[d] that defendant Quinn did not receive a verdict worthy of confidence." 537 F. Supp. 2d at103.

The same result is appropriate here. The details of the government's misconduct are well known to the Court and will be summarized only briefly. For a more detailed recital of the facts, we refer the Court to Docket Numbers 103, 114, 126, 130, 137, and 142.

A. Knowing Presentation of False Evidence.

In an attempt to prove that Senator Stevens knew the Girdwood renovations were worth more than the $160,000+ that the Stevens family paid, the government presented evidence at trial, in the form of VECO's internal accounting records, that VECO had incurred over $188,000 in unreimbursed labor and material costs. A substantial portion of these costs, if the records were to be believed, was composed of hours worked by two VECO employees, Robert "Rocky" Williams and David Anderson, whom the VECO accounting records portray as working virtually full time on the renovation project throughout its duration.

What the defense did not know – but the government did – at the time the government introduced the VECO accounting records at trial was that Mr. Williams and Mr. Anderson had not worked anywhere near the amount of time on the project that the VECO accounting records reflect. Mr. Williams had told the government, and testified to an Anchorage grand jury, *see* Grand Jury Tr. (Nov. 7, 2006), at 29–30, that he worked approximately 24 hours per week on the Girdwood project, while the VECO accounting records show him working an average of 60–70 hours per week. Even more remarkably, Mr. Anderson had testified to the Anchorage grand jury that he was in Portland, Oregon during a 2 to 3 month period when the VECO accounting records show him working nearly full time on the project in Girdwood, Alaska. Grand Jury Tr. (Dec. 7, 2006), at 82–83. Three members of the prosecution team were in attendance when Mr. Williams and Mr. Anderson testified before the Anchorage grand jury, and they clearly knew that the VECO accounting records were false. Cover, Grand Jury Tr. (Nov. 7, 2006); Cover, Grand Jury Tr. (Dec. 7, 2006). Yet these same prosecutors presented the false records to the jury at trial as supposedly "reliable" business records under the business records exception to the hearsay rule.

In a clear violation of the Due Process Clause, the prosecution team never informed counsel for Senator Stevens of the fundamental unreliability of the government's evidence. On the contrary, the government took affirmative steps to conceal this information by denying the defense access to Mr. Williams and Mr. Anderson. Mr. Williams, while under a defense subpoena, was in Washington, D.C. for the two weeks prior to trial, but the government sent him back to Alaska on the day of opening statements – the same day the lead prosecutor emphasized to the jury the importance of the VECO accounting records and the $188,000 figure. While government counsel claim they sent Mr. Williams 3,300 miles home to receive medical attention

(which apparently was unavailable in our Nation's Capital), the prosecutors instructed Mr. Williams to call defense counsel to discuss his obligations under the defense subpoena only after he got back to Alaska. Similarly, Mr. Anderson was in D.C. in preparation for his testimony, but the government affirmatively refused to disclose his whereabouts or make him available for a defense subpoena until after the Court criticized its conduct with regard to Mr. Williams.

Based on the above information, the Court specifically concluded that the prosecution team had knowingly presented false evidence of VECO's costs relating to the renovations.

> THE COURT: The government knew that Anderson had taken an oath before the grand jury and said, I'm in Portland. I was in Portland during those two or three months. The government reread the records, though, because you did circle the records. Someone circled them. So you know, these are the records. VECO spent a hundred-and-eighty-thousand, plus these are the records. Anderson was there. Williams was there. And all along the government knew that was a lie.

Tr. (Oct. 8, p.m.), at 54 (emphasis added); *see also id.* at 89.

B. Concealing and Manufacturing Information.

The prosecution team also concealed highly material, exculpatory information from the defense regarding prior statements by the government's star witness, Bill J. Allen. The most critical issue in the trial was Senator Stevens's knowledge and intent regarding the allegedly unpaid home renovations. Unbeknownst to the defense, Bill Allen had for nearly two years told prosecutors that he believed Senator Stevens would have paid bills relating to the renovations if they had been sent to him. Two interview memoranda contain such statements from Allen:

> — "If Rocky Williams or Dave Anderson had invoiced Ted or Catherine Stevens for VECO's work, BILL ALLEN believes they would have paid the bill." Memorandum of Interview (Dec. 11-12, 2006), at 9 (emphasis added); Tr. (Oct. 2, a.m.), at 4.
>
> — "The source [Allen] did not invoice STEVENS for the work that [VECO engineer John] Hess performed; however, the source believes that STEVENS would have paid an invoice if he had

received one." Form 302 Interview Memorandum (Mar. 1, 2007), at 2 (emphasis added); Tr. (Oct. 2, a.m.), at 4.

Despite multiple *Brady* requests, this information was not provided to the defense. Instead, on September 9, 2008, one day before the Court was to hear argument on Senator Stevens's *Brady* motion, the government re-interviewed Allen by telephone and procured a contrary statement that Senator Stevens would not have paid a VECO bill because it would have been too high. The government that same day sent the defense a purported *Brady* letter revealing only the new, inculpatory statement and not the prior exculpatory ones.

> — "Allen stated that he believed that defendant would not have paid the actual costs incurred by VECO, even if Allen had sent defendant an invoice, because defendant would not have wanted to pay that high of a bill. Allen stated that defendant probably would have paid a reduced invoice if he had received one from Allen or VECO." Letter from Brenda K. Morris to Alex G. Romain (Sept. 9, 2008) ("Sept. 9 Letter"), at 3, ¶ 17(c).

One week later, on September 16, over the government's vehement objections, the Court ordered the government to produce all Form 302s containing exculpatory information by the next day, September 17. *See* Tr. (Sept. 16), at 30. On the same day as the hearing, September 16, an FBI agent assigned to this case prepared a Form 302 memorandum reporting on the Allen re-interview of September 9. The Form 302 recited nearly verbatim the very inculpatory statement that had been disclosed to the defense one week earlier, in the government's letter of September 9. The Form 302 reflects that this was the only topic of the September 9 telephone interview.

On September 17, in apparent compliance with the Court's order, the government produced Form 302s purporting to contain all of its *Brady* material. On the subject of whether Senator Stevens would have paid the bills, the government produced only the new inculpatory statement in its September 16 memorandum and not the two prior exculpatory statements that directly contradicted it. Indeed, one of those prior statements (the one relating to John Hess) was

affirmatively redacted from the Form 302 that was provided to the defense; the interview memorandum containing the other statement was simply not provided to the defense at all.

The conclusion is unmistakable. The government intentionally chose to suppress the critical exculpatory information that Bill Allen believed Senator Stevens would have paid VECO bills if they had been sent. The government did so by procuring a new and inconsistent statement from Mr. Allen on the eve of producing *Brady* material, and then turning over to the defense only the newly created, inculpatory statement while affirmatively redacting and withholding the earlier, exculpatory statements. The government concealed material information, apparently manufactured new information that better suited its theory of the case, and then sought to cover up what it had done.

The Court rejected the government's excuse that the undisclosed information was "cumulative":

> THE COURT: All right. So someone made a conscious effort to shade that information and keep defense counsel from learning of it, and I just reject the answer that that was done because that person believed that the favorable information had already been disclosed to the defendant.

Tr. (Oct. 2, p.m.), at 28.

C. Withholding Critical Evidence and Springing It on the Defense at Trial.

The indictment charged Senator Stevens with concealing a favorable automobile trade in which he received a 1999 Land Rover from Bill Allen in exchange for a 1964½ Mustang and $5,000 ("Mustang transaction"). Rule 16(a)(1)(E) of the Federal Rules of Criminal Procedure obligated the government to produce to defendant prior to trial any documents material to the preparation of his defense.

In opening statements, counsel for the government told the jury that the Mustang transaction was a "sweetheart deal" for the Senator because the Land Rover "was worth

$44,000," substantially more than the value of the Mustang. Tr. (Sept. 26, a.m.), at 32, 44. Bill Allen testified to the $44,000 figure on direct examination. Tr. (Sept. 30, p.m.), at 81. On cross-examination, defense counsel inquired at length about the alleged $44,000 price tag and introduced a business record, DX 4001, showing the dealer invoice price for the Land Rover as $37,515. *Id.* at 53–54. Mr. Allen agreed that he understood the $37,000 figure to represent the dealer price for the specific car he purchased. *Id.* at 54.

On re-direct examination, government counsel revealed for the first time – and simultaneously to the defendant and his counsel, the Court, and the jury – a check in the amount of $44,339.51 that purported to be evidence of Mr. Allen's payment for the 1999 Land Rover. Tr. (Oct. 7, a.m.), at 87–88; GX 1122. Defense counsel had never seen this check, and after reviewing the government's discovery productions, it became apparent that the check was never produced in discovery. Upon the Court's questioning, government counsel admitted that they had long possessed the check and yet had decided not to produce it to the defense. Tr. (Oct. 8, p.m.), at 26–29. The Court found that the government had intentionally violated the discovery rules and, as a sanction, struck the evidence of the Mustang Transaction.

Although striking the evidence was necessary, it was not sufficient to cure the prejudice to Senator Stevens. The government's use of this undisclosed check unfairly undermined defense counsel's cross-examination of Mr. Allen and bolstered the credibility of the government's most critical witness. Had the check been disclosed prior to trial, the defense never would have conducted this cross-examination or provided this opportunity to the government. The jury was thus left with a more favorable impression of Mr. Allen's testimony across the board, not merely regarding the Mustang transaction. A new trial is required to cure this prejudice.

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D. Presenting Mr. Allen's False, Recently Fabricated Testimony.

The prosecution team's misconduct runs much deeper than what it has admitted and what the Court previously found. Bill Allen's most critical testimony, which the prosecutors intentionally elicited, was demonstrably false, and the prosecution team must have known that. The following facts prove the point and warrant a new trial.

The government's theory at trial – that Senator Stevens had no intention of paying for work performed – was directly at odds with (a) the over $160,000 his family paid for the renovations, and (b) the Senator's repeated written and oral requests to Bill Allen, in which Senator Stevens demanded bills for the work performed and, in one instance, reminded Allen of the Senate Ethics Rules. The heart of the defense was Government Exhibit 495, a handwritten note from Senator Stevens to Mr. Allen:

> 10/6/02
>
> Dear Bill –
>
> When I think of the many ways in which you make my life easier and more enjoyable, I lose count!
>
> Thanks for all the work on the chalet. You owe me a bill – remember Torricelli, my friend. Friendship is one thing – compliance with these ethics rules entirely different. I asked Bob P[ersons] to talk to you about this so don't get P.O.'d at him – it just has to be done right.
>
> Hope to see you soon.
>
> My best,
>
> Ted

To overcome this exculpatory evidence, the government dramatically elicited the following testimony from Mr. Allen:

> Q: . . . Did you send Senator Stevens a bill or an invoice after you received this note from him?

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A: No.

* * * *

Q: Mr. Allen, do you remember having a conversation with Mr. Persons after you got the note from Senator Stevens?

A: Yes.

Q: What did Mr. Persons tell you?

A: He said oh, [B]ill, don't worry about getting a bill. He said, Ted is just covering his ass. . . .

Tr. (Oct. 1, a.m.), at 51–52. With this bombshell, the government sought not only to erase Senator Stevens's repeated requests for bills, but also to transform these exculpatory requests, particularly Government Exhibit 495, into further evidence of a scheme to deceive the Senate Ethics Committee.

It is readily apparent that Bill Allen's testimony was false – and that the government must have known that it was false. *First*, Mr. Allen was interviewed by government agents on more than 20 separate occasions, from the date of his initial contact and agreement to cooperate, August 30, 2006, through at least September 9, 2008 – two weeks before trial. More than 50 government memoranda (including FBI Form 302s and IRS Memoranda of Interview) relating to Mr. Allen were eventually provided to the defense during the trial pursuant to court order. Not one of these memoranda references this purported comment from Bob Persons, or even hints at the existence of such a conversation. On the contrary, as detailed in section B, above, the memoranda provide that Mr. Allen stated that Senator Stevens would have paid the bills.

Second, even as late as September 9, 2008 – a mere two weeks before trial – Mr. Allen provided the FBI with three reasons why he did not send the requested bills to Senator Stevens. None of these reasons had anything to do with the purported comment from Bob Persons or Mr.

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Allen's supposed belief that Senator Stevens was "just covering his ass." Instead, Mr. Allen explained that he did not send Senator Stevens the requested invoices because: (1) he "wasn't sure how to produce an invoice"; (2) he "felt that VECO's costs were higher than they needed to be"; and (3) he "simply wanted to do the work for Stevens." FBI Form FD-1023 (memorializing 9/9/08 telephonic interview).

Third, the government actually had to prod Mr. Allen to remember this fabrication during his trial testimony. On direct examination, the government showed Mr. Allen yet another letter from Senator Stevens to Mr. Allen requesting a bill for work done on his home. When asked why he did not send Senator Stevens a bill after receiving this follow-up letter, Mr. Allen responded "I don't know why." Tr. (Oct. 1, a.m.), at 66. Only after being reminded by the government of his alleged "CYA" conversation with Mr. Persons did Mr. Allen alter his recollection to state that he had not sent a bill "[b]ecause I had talked to Bob Person[s] before this but I thought, well, it's the same thing, you know." *Id.* at 67.

Mr. Allen's testimonial about-face is powerful evidence that the "CYA" conversation never happened. Indeed, it is so powerful that the prosecution team spuriously attempted to prevent the jury from hearing it during the defense's closing argument. The night before closings, the government filed a frivolous motion to prevent counsel from reading portions of transcripts to the jury. *See* Dkt. 206. This motion was bereft of legal support and utterly vexatious. The Court properly denied the motion. Yet when defense counsel in closing began reading the transcript of Mr. Allen forgetting, then remembering, the fabricated "CYA" conversation, government counsel interrupted the closing argument for a bench conference to repeat its meritless objection to defense counsel's reading Mr. Allen's testimony to the jury. Tr. (Oct. 21, p.m.), at 9–11.

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Fourth, although the government relied heavily on this hearsay statement of Bob Persons, it never once asked Mr. Persons whether he made that statement to Mr. Allen. The government had ample opportunity to ask Mr. Persons about this, having questioned him on five separate occasions between August 31, 2006 and June 1, 2007, including two days worth of grand jury testimony and three interviews. When questioned at trial, Mr. Persons adamantly denied ever having made the "CYA" statement, and reasserted that the government never asked him whether he had made it.[10] Tr. (Oct. 15, p.m.), at 44. No lawyer acting in good faith could have failed to make such an inquiry of Mr. Persons before putting this hearsay statement into evidence through the testimony of a convicted felon. The government lawyers in this case are highly experienced. They have access to many FBI and IRS personnel. They had five separate opportunities to ask Mr. Persons this question face to face. They had additional opportunities to speak with Mr. Persons's counsel and ask him to inquire of his client whether he made the "CYA" statement. Had an inquiry been made, it need only have consisted of one simple question: "Did you tell Bill Allen that Ted Stevens was 'just covering his ass?'" That this question was never asked demonstrates the government's eagerness to make use of Mr. Allen's fabricated testimony on this central issue in the case, even though that testimony was obviously false.

E. The Government's Misconduct Was Prejudicial to the Defense.

The government's conduct was not only grievously wrongful, it was severely prejudicial to Senator Stevens. The defense devoted enormous time and resources to its trial preparation based on the presumption – which it was entitled to make – that the government understood its constitutional obligations to refrain from presenting false evidence and to disclose evidence as

[10] Similarly, Senator Stevens testified that he never made any statements to Bob Persons that could have led Mr. Persons to believe that he was "just covering his ass." Tr. (Oct. 17, a.m.), at 61.

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required by the Due Process Clause, the discovery rules, and the Court's orders. By the time the government's multiple violations became apparent, the defense had already suffered irreparable prejudice due to the government's misconduct. And, while the Court attempted to mitigate the prejudice to defendants by means short of a dismissal or mistrial, its remedies did not suffice to cure that prejudice.

1. The VECO accounting records

Before evidence demonstrating the falsity of VECO's internal billing records came to light, the jury had already heard repeated references to these records and the $188,000 worth of unpaid labor and material costs they supposedly reflected. Significantly, in opening, the government told the jury that "VECO kept track of most of the costs right down to the penny," that "VECO's portion of the work during this period of time and VECO's cost totaled more than $188,000," and that "VECO never got a dime, much less $188,000 as its internal records reflect." Tr. (Sept. 25, a.m.), at 42–43.

The Court's attempts to rectify the government's wrongdoing short of a mistrial were insufficient. Allowing the defense to re-call Cheryl Boomershine was ineffective because she lacked personal knowledge of the information contained in the accounting records. *See* Tr. (Sept. 29, a.m.), at 49–65. The witness therefore could not testify to the critical facts known to everyone in the courtroom <u>except the jury</u>: that the records contained false information that the government knowingly proffered. Striking "the portions of VECO's accounting records that contain the time records for [David Anderson and Rocky Williams]," along with Ms. Boomershine's testimony "as it relates to Mr. Anderson's and Mr. Williams' timesheets," Tr. (Oct. 9, p.m.), at 62–63, was also an ineffective remedy. Not only were the records redacted in an impermissible fashion, *see* Section I.B, *supra*, but the Court's instruction <u>forbade the jurors from allowing the stricken portions of GX 177 to affect their judgment about the reliability of the</u>

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remaining portions of GX 177.[11] Thus, the Court took away the jury's ability to evaluate the trustworthiness of GX 177, or any other evidence presented by the government, on the basis that portions of that exhibit were demonstrably false and the government knew it. The Court also allowed the government to soften the blow of the stricken evidence by reopening its case to call David Anderson to testify about the work he had done on the Senator's house.

Finally, the Court's admonition to the defense before – and its rulings during – closing argument hamstrung the defense's ability to argue the unreliability of the time records to the jury. Before the defense closing even began, the government raised the issue of the stricken VECO records, stating that it "want[ed] to make sure that counsel is not intending to argue that or to address it at all in his closing." Tr. (Oct. 21, a.m.), at 7. The Court responded:

> I had that concern, but I don't think the reason for the striking should be mentioned. I've already imposed a sanction. I've told them. I struck the evidence and I'm giving an instruction. I think the least said about that the better, and, you know, hint to counsel, advice to counsel: You get too far off I'm going to cut you off. I don't think it's appropriate to resurrect that instruction at all."

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[11] The relevant portion of the instruction given to the jury was as follows:

> The government had an obligation to provide certain information to the defendant, and it did not do so. As a result, I am striking the testimony and evidence regarding two matters that you heard testimony about.
>
> * * * *
>
> I am striking the portion of Ms. Boomershine's testimony as it relates to Mr. Anderson and Mr. Williams' timesheets, and I'm striking the portions of VECOs accounting records that contain the time records for those two individuals. You're not to consider the stricken evidence, nor the reason for its exclusion in your deliberations or in assessing the other evidence remaining in the case.

Tr. (Oct. 9, p.m.), at 62–63.

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Id. This ruling unquestionably chilled the portion of Defendant's closing that discussed the VECO records. Indeed, when defense counsel suggested that the redacted exhibit was "phony" and should be given no weight, the Court sua sponte interrupted that argument. *Id.* at 97–98.[12]

In sum, after the Court struck portions of the VECO accounting records because they were shown to be false – a remedy which was itself insufficient to cure the prejudice that had already been created – the jury was encouraged to accept the remainder of those records and the defense was prevented from informing the jury of their falsity and unreliability.

2. Bill Allen's exculpatory statements

When the government's intentional concealment of Bill Allen's statements came to light, the Court declined to declare a mistrial, principally on the theory that the defense could still use the information to cross-examine Mr. Allen. This remedy was insufficient in theory and illusory in practice. First, the defense had already prepared for weeks to cross-examine Mr. Allen, and had given its opening statement, without knowing this critical information. Second, the government's misconduct came to light at a crucial juncture in the trial, interrupting the proceedings for days while the government's most powerful piece of evidence lingered in the jurors' minds, *see* Tr. (Oct. 2, a.m.), at 22–23, 31; Tr. (Oct. 2, p.m.), at 10–11.

Third, the Court's expressed confidence that the defense could effectively cross-examine Mr. Allen about the newly disclosed information, Tr. (Oct. 2, p.m.), at 12, 16, 50; Tr (Oct. 2, a.m.), at 22, 30, proved incorrect. Indeed, the defense's cross-examination on this subject was interrupted by a string of frivolous objections by government counsel. *See* Tr. (Oct. 6, p.m.), at

[12] "THE COURT: Ladies and gentlemen of the jury, let me instruct you that the blacked out portions are redactions pursuant to Court order."

70–78.[13] Most notably, when Mr. Allen claimed he could not remember what he had told the government in the prior interviews, the government objected to the defense's use of FBI and IRS interview memoranda to refresh his recollection. *Id.* at 71–72. The Court initially sustained that objection and, by the time it later held that "essentially, any document can be used to refresh recollection, whether it was prepared by the person being examined or not," *id.* at 96, it was too late – the relevant portion of the cross-examination had concluded.

3. Previously undisclosed check

As described above, the Court's remedy of striking the evidence of the Mustang transaction did not cure the prejudice created by the government's intentional concealment of the $44,000 check. By its misconduct, the government was able to bolster Mr. Allen's credibility in the face of a critical attack by the defense. Had the government not intentionally flouted its discovery obligations, the defense never would have given the government an opportunity to enhance its key witness's credibility (and destroy the defense's credibility) in this manner.

4. Mr. Allen's false "CYA" testimony

The false "CYA" testimony was the most critical piece of government evidence at trial. It unquestionably was prejudicial to the defense.

* * * * *

In summary, the government's misconduct was intentional, it was prejudicial, and it was not cured at trial. A new trial, at a minimum, is required.

F. David Anderson's Allegations of Government Misconduct.

After trial, government witness David Anderson sent a letter to the Court, dated November 15, 2008, making startling allegations of government misconduct. Among other

[13] This line of questioning was also tainted by Mr. Allen's attorney's signaling of answers to his client. Tr. (Oct. 6, p.m.), at 76.

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things, Mr. Anderson accuses government counsel of suborning perjury and making intentionally false statements in disclosures to defense counsel. In a separate motion filed on November 21, Senator Stevens has requested that the Court (a) permit the defense to take discovery into Mr. Anderson's allegations and (b) schedule an evidentiary hearing to consider those allegations and to determine what remedies may be appropriate. *See* Dkt. 241.

If a hearing confirms Mr. Anderson's allegations, a new trial – at a minimum – will be warranted. For example, the allegations in Mr. Anderson's letter suggest that the government intentionally suborned perjury by knowingly soliciting statements that were not true while "instructing" him how to "get it swept under the rug during the trial." Such conduct would violate the clear constitutional proscription against knowing presentation of false evidence. *See United States v. Iverson*, 637 F.2d 799, 801 (D.C. Cir. 1980); *Giglio v. United States*, 405 U.S. 150 (1972); *Napue v. Illinois*, 360 U.S. 264, 269-70 (1959). Mr. Anderson's letter also indicates that the government withheld critical exculpatory evidence from the defense – his continued belief that the government had made an agreement with him to protect him from prosecution in exchange for his testimony – that could have been used to impeach his testimony, and indeed that the government lied about this evidence in its September 9 *Brady* letter to defense counsel. This too would be a flagrant constitutional violation. *See Giglio, supra*; *United States v. Chapman*, 524 F.3d 1073 (9th Cir. 2008).

VIII. SENATOR STEVENS WAS UNFAIRLY PREJUDICED BY THE GOVERNMENT'S USE AND EXPLOITATION OF A VAGUE INDICTMENT.

Senator Stevens moved pre-trial to dismiss the indictment for vagueness, or, in the alternative, to require the government to provide the Senator with a bill of particulars, on the ground that the indictment failed to provide the necessary information he needed to mount an adequate defense. Although the indictment repeatedly alleges that Senator Stevens failed to

disclose "things of value," it largely fails to identify them. Additionally, the indictment fails to identify whether the things of value were "gifts" or "liabilities." This distinction is crucial, because the monetary threshold for disclosure ranges from a few hundred dollars for gifts, to $10,000 for liabilities.

The Court denied Senator Stevens's motions, agreeing with the government that the indictment sufficiently apprised the Senator of the charges against him. Tr. (Sept. 10), at 78. But as the trial progressed, it became abundantly clear that the indictment did not sufficiently inform him of (1) the items he was accused of receiving but for which he had not settled payment, or (2) the government's characterization of those items (i.e., whether they were alleged to be gifts or liabilities).

First, the government introduced evidence of some alleged "gifts" – guns, gift bags, and a boxing bag – that were not charged in the indictment, as even the government eventually conceded. *See* Dkt. 170; Tr. (Oct. 18), at 5 ("[I]t's just testimony that's really neither here nor there."); Minute Order granting Senator Steven's Motion To Strike Evidence of Uncharged Alleged Gifts (Oct. 19, 2008). Though the Court ultimately instructed the jury to disregard this highly prejudicial material, the damage was done; the evidence could not be erased from the jurors' minds.

Second, the government introduced evidence of other alleged gifts – the fish statue, the stained glass, and the Brookstone chair – that it contends were charged in the indictment based on its vague terms. Under the government's reading of the indictment, the fish statue is charged in Count III as a "thing of value" from "others"; and the stained glass and the chair are charged

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in Count II as unspecified gifts from "Person B" and "Person A," respectively. Indictment ¶ 52.[14]

The Constitution and the Federal Rules of Criminal Procedure require that an indictment set forth the elements of the offense charged and enough facts to inform the defendant of the nature of the charges. *See, e.g.*, *Hamling v. United States*, 418 U.S. 87, 117–18 (1974); *United States v. Christopher*, 700 F.2d 1253, 1257 (9th Cir. 1983). Specifically, the Fifth and Sixth Amendments require that an indictment allege the charges against the defendant with sufficient particularity to "ensure that the prosecution will not fill in elements of its case with facts other than those considered by the grand jury." *United States v. Upton*, 856 F. Supp. 727, 738 (E.D.N.Y. 1994) (quotations omitted). A vague indictment "requires the defendant to go to trial with the chief issue undefined. It enables his conviction to rest on one point and the affirmance of the conviction to rest on another. It gives the prosecution free hand on appeal to fill in the gaps of proof by surmise or conjecture." *Russell v. United States*, 369 U.S. 749, 766 (1962).

Rule 7(f) of the Federal Rules of Criminal Procedure authorizes courts to order the government to provide a bill of particulars. "The purpose of a bill of particulars is to apprise the defendant of the charges lodged against him and of the <u>essential facts</u> of the crime." *United States v. Espy,* 989 F. Supp. 17, 34 (D.D.C. 1997) (emphasis added), *aff'd in part, rev'd on other grounds*, 145 F.3d 1369 (D.C. Cir. 1998). It is also well-established that a bill of particulars should be ordered to prevent unfair surprise at trial. *See, e.g.*, *McMullen v. United States*, 96 F.2d 574, 579 (D.C. Cir. 1938).

These Constitutional and procedural concerns came to fruition in this case. The government procured an indictment that did not specify the alleged gifts (or, perhaps, liabilities)

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[14] The government disclosed the identities of Person A and Person B pretrial, but did not

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that are the basis for the false statement charges. It would have been simple enough to inform Senator Stevens: "You are charged with failing to disclose as gifts a fish statue, a chair and a piece of stained glass." And had the indictment been sufficiently detailed to inform the defendant of what specifically he was charged with failing to disclose, he would also have been "informed," by their omission, that the boxing bag, guns, and gifts bags were not charged. Instead, the government selected a hide-the-ball strategy in an effort to obscure from the defense the nature of the charges.

The government's vague indictment resulted in surprise and prejudice to Senator Stevens at trial. *See Barger v. Indiana*, 991 F.2d 394, 397 (7th Cir. 1993); *United States v. Cain*, 487 F.3d 1108, 1113 (8th Cir. 2007). The chair, the fish statue and the stained glass received significant emphasis in the government's case and in closing argument. Obviously the government knew prior to trial that it would focus on these items, but the defense was not given adequate notice. The government further exploited the vagueness of the indictment and distracted his defense by introducing evidence of the guns, gift bags and boxing bag – evidence that it knew was not even charged in the indictment. As a result, the trial was fundamentally unfair, and a new trial should be ordered.

IX. THE COURT ERRED IN ADMITTING RULE 404(b) EVIDENCE THAT WAS UNFAIRLY PREJUDICIAL.

The government's case prominently featured uncharged conduct that unfairly prejudiced Senator Stevens: evidence that the Senator received a generator from Bill Allen and VECO; evidence that VECO provided employment to one of the Senator's sons and employment training to his grandson; and evidence of payments to another son of the Senator. This evidence should not have been admitted, and a new trial is warranted.

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identify the alleged gifts.

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A. The Generator Evidence.

The generator was among the most highly touted items in the government's evidence and arguments. Indeed, one who sat through the trial without reading the indictment would have been astonished to learn that Senator Stevens was not charged with an offense based on the generator. Instead, it was noticed and initially admitted as "intrinsic" or alternatively as Rule 404(b) evidence, over the Senator's objections. Tr. (Sept. 26, a.m.), at 5. On October 18, 2008, counsel for the government withdrew its argument that the generator evidence was "intrinsic" to the charged offenses. Tr. (Oct. 18, 2008), at 8.[15] Accordingly, the only question is whether the generator evidence was properly admitted under Rules 404(b) and 403.[16]

Notably, admission under Rule 404(b) is limited by other rules of evidence, including Rule 403 which prohibits the introduction of evidence whose probative value is substantially outweighed by its potential prejudice. *United States v. Washington*, 969 F.2d 1073, 1080–81 (D.C. Cir. 1992); *see also United States v. Long*, 328 F.3d 655, 662 (D.C. Cir. 2003) ("admission for a proper purpose under Rule 404(b) does not end the inquiry, because Rule 403 has an independent role to play."). Here, the evidence regarding the generator had little or no probative value, as Senator Stevens's receipt of an item in 1999 does not establish his intent with regard to different items in later years. And in any event, the prejudicial effect of the evidence far outweighs any arguable probative value.

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[15] "THE COURT: What do you mean when you say the words – you say it's intrinsic, meaning what? MR. MARSH: Meaning it's part of the conduct that's – We'll withdraw it. It can go in 404(b)." Tr. (Oct. 18), at 18.

[16] The government was correct not to argue for admission of the generator evidence as "intrinsic." Particularly after the Court struck evidence of the Mustang transaction as a sanction for the government's discovery violations, there was no evidence of a "scheme" dating back to 1999 to which the generator possibly could have been intrinsic. *See* Dkt. 182, 189. Even if the Mustang evidence had not been stricken, the generator evidence was not intrinsic to the alleged scheme. *See* Dkt. 33, 45.

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"The intent of Rule 404(b) is to prevent the admission of evidence of other crimes for the purpose of demonstrating the bad character of the defendant by prejudicially revealing bad acts that have no evidentiary consequence to the criminal charges at issue." *United States v. Gray*, 292 F. Supp. 2d 71, 77 (D.D.C. 2003). The generator evidence invited the jury to conclude that, because Senator Stevens allegedly received an improper gift on one occasion, he must have received and failed to report other such gifts. This is exactly what Rule 404(b) forbids.

In addition, the generator evidence likely confused the jury to conclude that it was among the things of value for which Senator Stevens was charged. Two of the government's first three witnesses focused almost exclusively on the generator, and the generator was mentioned many times throughout the government's case. Under these circumstances, it is impossible to conclude that the jury understood that it could not convict Senator Stevens based on the generator.

B. The Evidence Relating to Walter Stevens and John Peter Covich.

In addition to the generator, the government also introduced, over objection, uncharged evidence concerning employment benefits VECO allegedly provided to Walter Stevens, the Senator's son, and John Peter Covich, the Senator's grandson. This evidence was irrelevant and unfairly prejudicial. Fed. R. Evid. 401, 402, 403.

Senator Stevens was charged with improperly receiving and failing to report certain gifts or liabilities. The relevant reporting rules required the Senator to report gifts and liabilities received or incurred by the Senator, his wife, or any minor child. *See* GX 884. It is undisputed that any gifts or liabilities received or incurred by either Walter Stevens, the Senator's adult son, or John Peter Covich, the Senator's grandson, would not have triggered a reporting obligation during the relevant time period, even if the government's allegations were true. As such, these acts were probative of no element of any of the charged offenses and their admission only served

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to compel a defense against unfounded suggestions of impropriety that played upon the most base assumptions and prejudices that citizens often have of their elected officials.[17]

A new trial is appropriate when the defendant is prejudiced by introduction of improper evidence pursuant to Rule 404(b). *See United States v. Foskey*, 636 F.2d 517, 526 (D.C. Cir. 1980) (The [404(b)] evidence [] was not relevant to any issue in the case, was extremely prejudicial because it tended to prove only the defendant's criminal predisposition, and was not even necessary to prove the prosecution's case. We therefore hold that the evidence was inadmissible under both Rules 404(b) and 403. . . . Because we hold that admitting the evidence of the prior arrest was prejudicial error, we reverse appellant's conviction and remand for a new trial.")). Similarly here, because this extremely prejudicial evidence should not have been admitted, a new trial is appropriate.

C. Evidence Relating to Ben Stevens

Although the government never provided the defense with notice that it would introduce Rule 404(b) evidence relating to Ben Stevens, it nevertheless attempted to do just that.

During the government's cross-examination of character witness Donna de Varona, the government – over repeated defense objections – was permitted to ask Ms. de Varona about significant sums Ben Stevens allegedly received as the Executive Director for the 2000 Winter Special Olympics held in Anchorage and as a consultant to the National Special Olympics thereafter. Tr. (Oct. 15, a.m.), at 60–61. The prosecution pursued a similar line of questioning

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[17] Indeed, the government was so anxious to offer evidence of VECO's alleged largesse to Senator Stevens's family that it improperly introduced the testimony through a witness with no personal knowledge. Government witness Cheryl Boomershine identified John Peter Covich as Senator Stevens's relative in response to a leading question lacking foundation. After a defense objection to the question, it transpired that Ms. Boomershine did not know that John Peter Covich was related to the Senator. Tr. (Sept. 26, p.m.), at 49–51.

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during its cross-examination of Senator Stevens, inquiring about Ben Stevens's work for both VECO and the Special Olympics:

> Q. Now, sir, directing your attention to that e-mail, when it says "Ben and Elizabeth," it's referring to Ben Stevens, your son, correct?
>
> A. That is correct.
>
> Q. And his wife?
>
> A. Yes.
>
> Q. And Ben Stevens is the same Ben Stevens who worked as a consultant for VECO and received over $240,000 worth of consulting fees, isn't that correct?
>
> A. He worked for VECO. I don't know how much money he got.
>
> Q. And that's the same Ben Stevens who worked for the Special Olympics and got over $715,000 in consulting fees, isn't that correct?
>
> A. He was the chairman and president of Special Olympics worldwide, held in Anchorage. I don't know how much money he got.

Tr. (Oct. 20, a.m.), at 17–18.

Such evidence had absolutely no relevance to any issue in this case and could have only served to impugn Senator Stevens by suggesting that he somehow provided his son with these positions or, as discussed in detail in Section V, *supra*, to inflame class prejudice against the Stevenses by gratuitously—and misleadingly—referencing their income. Even if the evidence had any relevance, moreover, the government failed to provide "reasonable notice in advance of trial" of such evidence. *See* Rule 404(b).

The government's questioning was particularly inappropriate in light of this Court's prior order forbidding any reference to Bill Allen's alleged attempts to bribe Ben Stevens. Tr. (Sept. 30, p.m.), at 4. That order reflected the widely recognized rule that it is reversible error to permit evidence concerning the misdeeds or acts of a defendant's family members in an attempt

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(Rev. 05-01-2008)

UNCLASSIFIED

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE **Date:** 12/11/2008

To: Anchorage

From: Anchorage
Contact: FA [redacted]

Approved By: [redacted]

Drafted By: [redacted] kcb

Case ID #: 194A-AN-13620-TSTEVENS (Pending)

Title: POLAR PEN

b6
b7C

GRAND JURY MATERIAL - DISSEMINATE PURSUANT TO RULE 6(e)

Synopsis: A summary of [redacted] received pursuant to issuance of Federal Grand Jury subpoenas.

Details: A summary of [redacted] received pursuant to issuance of Federal Grand Jury subpoenas is provided.

All records received have been placed in the Grand Jury Room for storage purposes.

b3
b6
b7C

Records received are as follows:

[redacted]

UNCLASSIFIED

To: Anchorage From: Anchorage
Re: 194A-AN-13620-TSTEVENS, 12/11/2008

b3
b6
b7C

To: Anchorage From: Anchorage
Re: 194A-AN-13620-TSTEVENS, 12/11/2008

b3
b6
b7C

To: Anchorage From: Anchorage
Re: 194A-AN-13620-TSTEVENS, 12/11/2008

b3
b6
b7C

[redacted]

It is noted that [redacted] were not received by FA [redacted] AUSA [redacted] received these records. These records are not maintained in the Grand Jury room.

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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA,	)	
	)	
v.	)	Criminal No. 08-231 (EGS)
	)	
THEODORE F. STEVENS,	)	
	)	
Defendant.	)	
	)	

AFFIDAVIT IN SUPPORT OF GOVERNMENT'S OPPOSITION
TO DEFENDANT'S MOTION TO MOTION FOR DISQUALIFICATION

CHAD JOY, having been duly sworn, deposes and states as follows:

1. I am a Special Agent of the Federal Bureau of Investigation ("FBI"), United States Department of Justice. I have been employed as a Special Agent of the FBI since August 2003. For approximately the past four and a half years, I have been assigned to the FBI Anchorage Division. Since approximately early 2004, the government has been involved in an ongoing federal investigation into corruption within the State of Alaska. Much of the investigation has related to Bill J. Allen, the former Chief Executive Officer and principal owner of VECO Corporation, and Richard L. ("Rick") Smith, the former Vice President of Community and Government Affairs for VECO. As a Special Agent with the FBI, I have been involved in an on-going investigation of corruption within the State of Alaska. I am familiar with most aspects of this investigation, including that portion of the investigation as it relates to defendant.

2. I am an "investigative or law enforcement officer" within the meaning of 18 U.S.C. § 2510(7), that is, an officer of the United States who is empowered by law to conduct investigations and to make arrests for offenses enumerated in 18 U.S.C. § 2516.

3. This affidavit is submitted in support of the United States' opposition to defendant's motion to dismiss the indictment or for a mistrial.

4. It is my understanding that the government listed Robert "Rocky" Williams as a potential trial witness during the government's case-in-chief. The government brought Mr. Williams from Alaska to Washington, D.C. for purposes of trial preparation. It is also my understanding that, at the time Mr. Williams was subpoenaed, the government anticipated that he would be one of the first witnesses in the government's case-in-chief.

5. The government met with Mr. Williams shortly before he traveled from Anchorage, Alaska to Washington, D.C. At that time, it appeared to the government that Mr. Williams had health-related issues. We suggested to Mr. Williams at the time that he contact his doctors to determine whether he was fit enough to travel. Mr. Williams assured us that he was interested in testifying, was looking forward to walking around Washington, D.C. to see the tourist attractions. However, he did not subsequently advise the government whether he had contacted his physicians.

6. When Mr. Williams arrived in Washington, D.C. and met with the government to prepare for his testimony, it was apparent to the government that Mr. Williams' health had deteriorated considerably and that his health-related issues warranted medical attention. Between late 2006 and the present, Mr. Williams appeared to have lost weight, his abdomen was distended (and had been previously drained of excess fluid), he appeared jaundiced, his face was gaunt, he had substantially aged, he had chronic coughing spells, and he was frequently short of breath. In addition, Mr. Williams told me that he lacked energy and was unable to walk around the city as he had originally hoped.

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7. The government attempted to prepare Mr. Williams for his testimony. It became apparent, however, that Mr. Williams needed to attend to his medical issues. Mr. Williams advised us that he was under the care of physicians in Alaska, and he further advised us that his doctors were calling him because he had missed scheduled, follow-up appointments for blood work and other tests. The government informed Mr. Williams that he should return to Alaska to attend to his health and to meet with his doctors. We informed Mr. Williams that we would be in contact with him to see if he would be able to testify or not.

8. The government also told Mr. Williams that, because he was under subpoena with defense counsel, he should contact defense counsel and inform them that he was returning to Alaska.

9. Prior to leaving Washington, D.C., Mr. Williams informed me on September 24, 2008, that he had contacted defense counsel by telephone and left a message for them that included his cellular telephone number and the hotel where he was staying. According to Mr. Williams, defense counsel did not return his call.

10. Mr. Williams also informed me on September 26, 2008, that he had low energy, he felt somewhat better after he had arrived back in Alaska. Mr. Williams also told me that he understood the government's concern about his health-related issues.

11. On September 28, 2008, I contacted Mr. Williams by telephone. Mr. Williams told me that a physician who is a specialist wanted to conduct a follow-up appointment with him to run another series of tests. Mr. Williams advised me that, although he did not feel bad, he had shortness of breath, needed to gain at least 10 pounds, and that he might need to get intravenous solutions and vitamin B shots if necessary. He further stated that he felt, "90 years old instead of

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58." Mr. Williams had a pervasive cough throughout this conversation. I asked him if it was possible for him to come back to Washington, D.C. to testify after he met with his physicians. Mr. Williams did not respond to this question, but did refer to additional tests that needed to be done and that he needed to take care of these appointments.

I declare under the penalty of perjury that the foregoing is true and correct.

Dated: September 29, 2008

SPECIAL AGENT CHAD JOY

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FD-1023 (Rev. 08-02-2007)

FEDERAL BUREAU OF INVESTIGATION

Confidential Human Source (CHS) Reporting Document

Reporting Date: 09/16/2008

Case ID: 194A-AN-13620-TSTEVENS (Pending) — 331
[redacted] (Pending)

Contact Date: 09/09/2008

Type of Contact: Telephonic

Location: Anchorage, Alaska

Written by: SA [redacted] NJC

Other(s) Present: None

b6
b7C
b7D

Source Reporting:

A source who is in a position to testify provided the following information:

The source said that at [redacted] TED STEVENS [redacted] that VECO Corporation performed on STEVENS' Girdwood residence. [redacted] by VECO, the source does not believe that STEVENS would [redacted] because STEVENS would not have wanted [redacted] The source thought that STEVENS would probably [redacted] from VECO if it was [redacted] than the [redacted] he/she felt that VECO's costs were higher than they needed to be. [redacted]

NJC

♦♦

349mbk01.EC

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA,	)	
v.	)	Criminal No. 08-231(EGS)
THEODORE F. STEVENS,	)	
Defendant.	)	

MEMORANDUM OPINION & ORDER

Pending before the Court is (1) the government's motion to file *ex parte* an unredacted "self-styled whistleblower complaint" ("complaint") written by a federal employee, which raises allegations of misconduct related to the investigation and trial in this case; and (2) the government's motion to file a redacted version of the complaint under seal. The government provided the redacted version to the defense with its motion to seal and seeks a protective order related to that production. The defendant opposes both motions, arguing that both the defendant and the public should have access to the unredacted complaint. The employee who authored the complaint, and who is represented by counsel, is opposed to the complaint being made public. Upon consideration of the pleadings filed by the parties, oral arguments on the pending motions heard in a sealed hearing on December 19, 2008, and the relevant law, and for the reasons set forth herein, the Court (1) **DENIES** the motion to file *ex parte*

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and directs the government to provide an unredacted copy of the complaint to the defense, subject to a protective order; and (2) **GRANTS IN PART AND DENIES IN PART** the government's motion to file the complaint under seal. Accordingly, the Court will provide counsel with a copy of the Court's final redacted complaint by no later than 4:00 p.m. on December 20, 2008. At 4:00 p.m. on Monday, December 22, 2008, the Court will post the redacted copy of the complaint on the public docket. All other pleadings and transcripts associated with the pending motions shall remain sealed pending further order of the Court.

I. Background

Senator Ted Stevens was charged in a seven-count indictment with making false statements in violation of 18 U.S.C. § 1001(a)(1) and (2). Specifically, the defendant was charged with failing to report on his Senate Financial Disclosure Forms a number of gifts he received from Bill Allen, the CEO of VECO Corporation, and others, including renovations on his home in Girdwood, Alaska. The Federal Bureau of Investigation's ("FBI") investigation into the defendant's conduct was based in Alaska and was part of an ongoing federal investigation into corruption in the State of Alaska. That investigation involved VECO, Bill Allen, and a number of public officials. Some of these individuals, including Bill Allen, pled guilty or were convicted after trial in Alaska based on charges that resulted from the

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government's corruption investigation. Those cases, as well as this one, were prosecuted by attorneys from the United States Attorney's Office in Alaska and attorneys from the Department of Justice's Public Integrity Section.

After three days of voir dire, a jury trial in this case commenced before this Court on September 25, 2008, in Washington, D.C. Bill Allen testified as a government witness against the defendant. Before and during the trial, a number of allegations of discovery violations and prosecutorial misconduct were raised by the defense and the defense filed several motions for mistrial and/or to dismiss the case based on these allegations. On at least one occasion, the Court briefly adjourned the trial in order to consider briefing and hear arguments on these motions. Based on the information presented to the Court at that time, the Court made findings and took steps to address and remedy certain discovery violations and the prosecution's misconduct, including but not limited to, ordering the government to produce all grand jury transcripts and unredacted FBI 302 forms, striking certain evidence from the record, instructing the jury as to certain evidence, and striking portions of the indictment. The Court denied the motions to dismiss the case or declare a mistrial. On October 27, 2008, the jury returned verdicts of "guilty" on all seven counts in the indictment.

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On the afternoon of December 11, 2008, the government filed

a "Sealed Memorandum" ("Memorandum") accompanied by a motion to seal, pursuant to Local Criminal Rule 49.1(h), and for a protective order. The Memorandum notified the Court that the government's attorneys in this case had received a copy of a "self-styled whistleblower complaint" on December 2, 2008. A redacted version of the complaint was attached to the Memorandum. The government also filed a motion to file *ex parte* an unredacted copy of the complaint, which is authored by a federal employee with extensive knowledge of the investigation and trial in this case. The complaint alleges that at least two federal employees intentionally violated policies, procedures, discovery and other legal obligations associated with the government's investigation in Alaska and Senator Stevens' trial. Some of the allegations in the complaint specifically address matters that were litigated during the trial and were the source of the defendant's motions to dismiss and/or to declare a mistrial. For example, the complaint alleges that a law enforcement officer who worked closely on the investigation and trial had inappropriate contacts and communications with key government witnesses and sources and intentionally withheld *Brady* information from the defense "to fit the Brady/Giglio letter that had been previously provided to the defense." The complaint also alleges that a member of the prosecution team schemed to relocate a witness in order to keep

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him from testifying and sought to conceal *Jencks* and/or *Brady*

information from the defense.

The defendant filed oppositions to both the motion to seal the redacted complaint and the motion to file the unredacted complaint *ex parte*. Recognizing the important and competing interests at issue, including the defendant's constitutional rights, the public's constitutional rights, the complaining employee's privacy interests and the privacy interests and due process rights of the individuals named in the complaint, the Court held a sealed, on-the-record conference call with counsel for the parties on December 15, 2008, and directed the government to file a response to the defendant's opposition to the motion to seal and the motion to file *ex parte*. The Court, over the defendant's objection, also directed the government to provide the complainant with copies of the pleadings and inform the complainant that the Court was considering denying the motion to seal and releasing a redacted version of the complaint to the public. The government was further directed to ascertain (a) whether the complainant had an attorney; (b) if not, whether the complainant wished to have an attorney appointed by the Court; and, (c) what, if any, position the complainant had taken with respect to the complaint being made public. The Court scheduled a sealed hearing on the motions for December 19, 2008 at 9:30 a.m.

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In response to the Court's Order, the government informed

the Court on December 17, 2008, that the complainant was represented by counsel, did not wish to have the Court appoint counsel, and was opposed to the complaint being released to the public. Following a second sealed, on-the-record conference call with the parties on December 17, 2008, the Court ordered that complainant's counsel could participate in the sealed hearing and could file a sealed pleading with respect to his client's position on the pending motions.

On December 19, 2008, the Court heard argument on the motion to file *ex parte* and the motion to seal. Counsel for the government reiterated its position that the information in the complaint does not impact the integrity of the trial or the verdicts in this case and should be sealed. Counsel for the government also urged the Court to seal the complaint because of the privacy interests involved, particularly the privacy interests of the author and the primary subject of the complaint.

Defense counsel argued that the defendant has important constitutional rights at issue and that the defendant cannot adequately address the allegations in the complaint and any impact on the verdicts in this case unless the complaint and any proceedings that result from this complaint are open to the public.

Counsel for the complainant objected to any public disclosure of the complaint. He argued that the complainant

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would not have filed the complaint, at least in the form it was filed, had the complainant known that it might be made public. Counsel for the complainant also stated that the complainant never intended the complaint to be disclosed. Complainant's counsel stressed the important policy considerations underlying whistleblower protections and noted the potentially significant negative ramifications for his client if the complaint is made public. When asked by the Court, however, complainant's counsel acknowledged that he was aware of no statutory or legal authority on point that addresses these unique circumstances and that would support elevating his client's privacy interests above the interests of a criminal defendant in a situation such as the one now before this Court.

At the conclusion of the hearing, the Court informed the parties that the motion to file *ex parte* would be **DENIED**. In response to an inquiry by the Court, the government did not request a stay of the Court's Order on that motion. The Court then provided counsel for the defendant with a copy of the unredacted complaint. Further, in accordance with the Court's ruling that it would file on the public docket a copy of the complaint with appropriate redactions to protect, to the extent possible, the privacy interests of the individuals named in the complaint, the Court distributed to all counsel its proposed redactions and invited objections and suggestions.

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Counsel for the complainant requested an opportunity to consult with his client regarding any redactions and asked to submit any objections or requests for additional redactions through government counsel. The Court granted that request and directed the government to file its objections and/or proposed redactions and any objections or proposed redactions from the complainant by 2:00 p.m. on December 19, 2008.

The defendant objected to any redactions and specifically objected to two areas of concern to the defense. In response to the government's proposed redactions, the defendant raised additional objections.

Having considered the parties' respective objections and requests regarding appropriate redactions to the complaint, the Court will provide counsel with a copy of the Court's final appropriately redacted complaint by no later than 4:00 p.m. on December 20, 2008. At 4:00 p.m. on Monday, December 22, 2008, the Court will post the redacted complaint on the public docket.

The Court informed the parties at the conclusion of the sealed hearing on December 19, 2008, that a Memorandum Opinion and Order would be issued later that day. This Memorandum Opinion and Order articulates the Court's attempt to balance and protect the competing rights and interests implicated by the government's motions and discusses the legal authority for the Court's resolution of those motions.

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II. The Government's Motion to File the Unredacted Complaint *Ex Parte*

The government seeks leave to file the unredacted complaint with the Court *ex parte* in order for the Court to determine what has been redacted from the version provided to the defense. The government maintains that the *ex parte* filing is necessary "because certain information, if disclosed, could threaten or impede ongoing investigations, the rights of innocent third parties, and the privacy interests of individuals and entities." The government further contends that a sealed record is warranted given the confidential and sensitive nature of the information in the submission.

In urging this Court to exercise its discretion to limit public disclosure of confidential documents, the government cites *Willingham v. Ashcroft*, 355 F. Supp. 2d 390, 391 (D.D.C. 2005), and *Johnson v. Greater Southeast Community Hospital*, 951 F.2d 1268, 1277 n.14 (D.C. Cir. 1991). As discussed in the following section, however, the analysis in those cases is relevant to the government's motion to seal the complaint, not to whether defense counsel should receive an unredacted version of the complaint. The only reason offered by the government for redacting the complaint produced to the defendant appears to be based on the government's position that a number of the allegations "relate to sources, events, or materials that bear no relationship whatsoever to the *Stevens* prosecution." The government therefore

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claims it has redacted "only plainly irrelevant material."

The Court flatly rejects the government's position. Having compared the redacted and unredacted complaints, there are several instances where information that is arguably directly relevant to the investigation and/or trial in this case was redacted by the government. For example, the government redacted an allegation that one employee working on the investigation "accepted multiple things of value" from sources cooperating with the investigation, including artwork and employment for a relative. Surely the Court does not need to remind the government that the defendant in this case was convicted for failing to disclose that *he* had accepted multiple things of value and, in fact, the trial included testimony about his receipt of artwork and employment for a relative. Whether the allegation in the complaint is true and, if true, whether it bears on the outcome of the trial remains to be seen, but it can hardly be argued that this information is "plainly irrelevant" to the investigation and prosecution of the defendant. Likewise, allegations of misconduct by an individual in a related investigation or trial may be highly relevant to the role that individual played in this investigation or trial.

In a footnote in its reply brief in support of its motion to seal, the government says only, "[a]ssuming *arguendo* that the information contained in the Complaint is exculpatory, there is

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simply no requirement that all *Brady* material be publicly available." Similarly, in response to repeated questioning from the Court during the sealed hearing, government counsel refused to answer whether in the counsel's view this information was relevant, whether it was favorable and even whether, hypothetically, if counsel were a defense attorney, that attorney would want this information. The government's refusal to acknowledge the information in the complaint as exculpatory, and therefore subject to disclosure under *Brady v. Maryland*, 373 U.S. 83 (1963), blinks at reality. Whether they are true or not, there can be little doubt that the allegations in the complaint are exculpatory, that is, favorable to the accused.[1] *See United States v. Andrews*, 532 F.3d 900, 905 (D.C. Cir. 2008).

Finally, as noted by the defendant, *ex parte* communications between prosecutors and the trial judge "are greatly discouraged and should only be permitted in the rarest of circumstances." *See United States v. Rezaq*, 899 F. Supp. 697 (D.D.C. 1997) (citing *United States v. Napue*, 834 F.2d 1311, 1316 (7th Cir. 1987), and *United States v. Presser*, 828 F.2d 330 (6th Cir. 1987)). This Court firmly agrees that such *ex parte*

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[1] Obviously, a statement may be exculpatory and subject to disclosure to the defense, even if the government believes the statement is untrue and even if it later proves to be untrue. For example, if a witness is interviewed by the police and provides an alibi for a suspect, that statement must be produced, even if the government suspects the statement is untrue and, indeed, even if it later proves to be untrue.

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communications should be rare and used only in exceptional circumstances. These circumstances, while perhaps unusual, are not the exceptional circumstances that should condone what are otherwise "greatly discouraged" *ex parte* communications between prosecutors and the trial judge. Therefore, the Court **DENIES** the motion to file *ex parte* and directs the government to provide an unredacted copy of the complaint to the defendant forthwith, subject to the terms of an appropriate protective order.

III. The Government's Motion to File the Redacted Complaint Under Seal

The government also asks this Court to exercise its discretion and seal the complaint and all related pleadings from public disclosure. The government characterizes the complaint as "merely discovery" and maintains that neither the Sixth Amendment's guarantee of a public trial, the public's First Amendment right to access judicial proceedings, nor the common law right of access mandate disclosure of the complaint. The government also contends that even if these rights do apply, the complaint should nevertheless be sealed because of the overriding interests at issue here, namely "disclosure of sensitive information, encroachment on individual rights, and interference with ongoing internal investigations."

The defendant strongly opposes sealing the redacted complaint, arguing that the complaint must be made public based on the defendant's right to a public trial guaranteed by the

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Sixth Amendment and the public's right to access judicial proceedings guaranteed by the First Amendment. In addition, or in the alternative, the defendant contends that the complaint should be made public under the common law's right of public access to judicial proceedings. As discussed below, the Court agrees with the defendant on both counts: the constitutional and common law rights to public access in this case require disclosure of the complaint, subject to limited redactions to protect the privacy and other interests implicated by the disclosure.

A. Constitutional Rights Implicated by the Government's Motion to Seal

The Sixth Amendment guarantees a criminal defendant the right to a "public trial." U.S. Const. amend. VI. The First Amendment guarantees the public access to criminal trials, *see, e.g., Globe Newspaper Co. v. Superior Court for Norfolk County*, 457 U.S. 596 (1982); *Richmond Newspapers, Inc. v. Virginia*, 448 U.S. 555 (1980), and the courts have extended that right to proceedings beyond the actual trial, *see, e.g., Waller v. Georgia*, 467 U.S. 39, 48 (1984) (suppression hearings); *Wash. Post v. Robinson*, 935 F.2d 282, 288 (D.C. Cir. 1991) (plea agreements).

The government first argues that because this proceeding is not at the trial stage, the defendant's Sixth Amendment right is not implicated by the motion to seal the complaint. Next, the

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government asserts that the defendant incorrectly relies on *Waller* to argue that his Sixth Amendment right is co-extensive with the public's right of access to criminal trials. The government seeks to distinguish *Waller*, in which the Supreme Court held that the defendant's Sixth Amendment right to a public trial was not limited to the trial itself, but also extended to a suppression hearing. This Court, however, is not persuaded by the government's argument. Rather, the Court finds that under the reasoning of *Waller*, the defendant's Sixth Amendment right to a public trial extends to the current circumstances and supports disclosure, especially where, as here, the allegations in the complaint will be relevant to the post-trial, presentence litigation currently underway in this case.

The issue in *Waller* was "the extent to which a hearing on a motion to suppress evidence may be closed to the public over the objection of the defendant consistently with the Sixth and Fourteenth Amendment right to a public trial." 467 U.S. at 40-41. Citing a number of cases where the Court found a qualified *First Amendment* right to attend criminal proceedings, the Court noted that

> [i]n each of these cases the Court has made clear that the right to an open trial may give way in certain cases to other rights or interests, such as the defendant's right to a fair trial or the government's interest in inhibiting disclosure of sensitive information. Such circumstances will be rare, however, and the balance of interests must be struck with special care. We stated the applicable rules in *Press-*

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Enterprise [*Co. v. Superior Court of California*, 464 U.S. 501, 510 (1984)]:

> The presumption of openness may be overcome only by an overriding interest based on findings that closure is essential to preserve higher values and is narrowly tailored to serve that interest. The interest is to be articulated along with findings specific enough that a reviewing court can determine whether the closure order was properly entered.

Waller, 467 U.S. at 45 (other internal citations omitted).

Recognizing that it was largely referencing cases deciding the public's First Amendment right to access proceedings, rather than a defendant's Sixth Amendment right to a public trial, the Court concluded,

> there can be little doubt that the explicit Sixth Amendment right of the accused is no less protective of a public trial than the implicit First Amendment right of the press and public. The central aim of a criminal proceeding must be to try the accused fairly, and "[o]ur cases have uniformly recognized the public-trial guarantee as one created for the benefit of the defendant."

Id. at 46 (quoting *Gannett Co. v. DePasquale*, 443 U.S. 368, 380 (1979)).

Finally, it is important to emphasize the reasoning underlying the *Waller* Court's decision to extend the Sixth Amendment right to the context of a suppression hearings. As the Court explained:

> The need for an open proceeding may be particularly strong with respect to suppression hearings. A challenge to the seizure of evidence *frequently attacks the conduct of police and prosecutor*. . . . The public

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> in general also has a strong interest *in exposing substantial allegations of police misconduct* to the salutary effects of public scrutiny.

Id. at 47 (emphasis added). Here, the content of the complaint "attacks the conduct of police and prosecutor" in a highly publicized trial and addresses many of the very same issues of misconduct that were raised during that trial. This Court finds that under the reasoning of *Waller*, the defendant has a Sixth Amendment right and the public has a First Amendment right to disclosure of the complaint. As a result of this conclusion, any order to seal the complaint must meet the *Press-Enterprise* test: "The presumption of openness may be overcome only by an overriding interest based on findings that closure is essential to preserve higher values and is narrowly tailored to serve that interest." *Press-Enterprise*, 464 U.S. at 510.

Similarly, in *Washington Post v. Robinson*, 935 F.2d 282 (D.C. Cir. 1991), the D.C. Circuit upheld a First Amendment challenge to the trial court's order sealing portions of a plea agreement. The appellate court began its analysis by stating that the First Amendment "guarantees the press and the public a general right of access to *court proceedings* and *court documents* unless there are compelling reasons why it cannot be observed." *Id.* at 287 (emphasis added). In deciding that such access extends to plea agreements, the court referred to the Supreme Court's two-part test articulated in *Globe Newspaper* and

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determined that: "Under that test, the first amendment protects public access to an aspect of court proceedings if such access has historically been available, *and serves an important function of monitoring prosecutorial or judicial misconduct.*" *Id.* at 287-88 (emphasis added) (citing *Press-Enterprise*, 478 U.S. at 8; *Globe Newspaper*, 457 U.S. at 605-07 ("Where . . . the State attempts to deny the right of access in order to inhibit the disclosure of sensitive information, it must be shown that the denial is necessitated by a compelling governmental interest, and is narrowly tailored to serve that interest.")).

This Court finds, in accordance with *Robinson*, that the two-part test is satisfied in this case and that therefore the First Amendment protects the public's access to the complaint. First, the public certainly had access to the defendant's trial, which was widely covered by the national media. Second, access to the complaint and any resulting proceedings are likely to serve the important function of monitoring prosecutorial misconduct, especially where, as here, motions made during the trial raised such allegations and the complaint specifically includes allegations of such misconduct.

Having found that both the Sixth and First Amendments ordinarily afford the public a right to access under these circumstances, the Court will only seal the complaint if the *Press-Enterprise* test is satisfied. The government's motion to

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seal does not satisfy that test.

In *Press-Enterprise*, the Supreme Court articulated the test for when the Sixth and/or First Amendment rights to public access must yield to other interests:

> The presumption of openness may be overcome only by an overriding interest based on findings that closure is essential to preserve higher values and is narrowly tailored to serve that interest. The interest is to be articulated along with findings specific enough that a reviewing court can determine whether the closure order was properly entered.

Press-Enterprise, 464 U.S. at 510.

The government argues that even if the Court finds, as it has, that the First and Sixth Amendment rights to public access apply to the motion to seal the complaint, the Court should nevertheless grant the motion to seal based on "overriding interests." Specifically, the government maintains that (1) the complaint contains sensitive information; (2) "most importantly, [the complainant] did not intend for [the] document to be made publicly available and requests that it remain confidential"; (3) the allegations in the complaint are under investigation by the Department of Justice's Office of Professional Responsibility ("OPR") that may be impeded or tainted by disclosure; and (4) this is a "sensitive, internal matter with personal and professional implications for multiple civil servants who are entitled to due process and their administrative rights."

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While the Court recognizes the competing interests at issue

and the sensitive nature of the information, it cannot be said that these interests represent "higher values" than the defendant's and the public's rights previously discussed. The complainant and the individuals named in the complaint may have legitimate and significant privacy interests and due process rights at stake, but those rights and interests do not trump the defendant's rights under these circumstances to challenge his conviction with exculpatory evidence provided in the complaint.[2] This is especially true where the complainant and the named individuals are not strangers to these proceedings, but rather were significantly involved in the investigation and prosecution of the defendant.

Similarly, it would be patently unfair to curtail the

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[2] An Order sealing the complaint would hamper the defendant's ability to thoroughly investigate the allegations in the complaint and effectively argue to the Court the relevance of those allegations. For example, the defendant would not be able to question other individuals who may have relevant information regarding the allegations in the complaint, in an effort to determine whether and to what extent the allegations are true, and, if true, whether they tainted the investigation and trial in this case. Moreover, where, as here, the defendant has repeatedly made allegations of discovery abuses and prosecutorial misconduct and has indicated an intent to seek additional relief - including a motion to dismiss the indictment and/or for a new trial - those pleadings and all related proceedings would have to be sealed. That would not only frustrate the public's significant interest in these proceedings, but would provide the public with only a part of the picture. Finally, at the end of what could be protracted sealed proceedings, the Court would be left in the untenable position of ruling on what could be very significant factual and/or legal issues without providing the public with any information regarding the reasons for those rulings.

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defendant's ability to challenge his convictions based on alleged prosecutorial and law enforcement misconduct simply because that conduct is under investigation by the Department of Justice. Moreover, the Court notes that it was the investigating office that apparently recognized the relevance of the complaint to these proceedings; the Court's understanding based on the government's representations is that OPR brought the complaint to the Public Integrity Section's attention. Over the following nine days, attorneys in that section received "additional information, guidance and advice to satisfy [themselves] that any possible statutory and regulatory confidentiality concerns surrounding a request for whistleblower protection had been fully explored and addressed, and would not prohibit a disclosure to the Court at a minimum."

In an effort not to impede OPR's investigation, however, and to protect the individuals' privacy and due process rights to the extent possible without interfering with the defendant's and the public's constitutional rights, the Court will redact from the publicly disclosed complaint the names and identifying information of both the complainant and the subjects of the complaint.

B. The Court Will Not Exercise Its Discretion to Seal the Complaint Under the Circumstances in this Case

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Finally, the government argues that notwithstanding any constitutional rights, the Court should exercise its discretion

and grant the motion to seal the complaint. In addition to the arguments articulated in the preceding section, such as the privacy and due process rights of the individuals named in the complaint and the ongoing investigation, the government also argues that the Court should exercise its discretion and seal the complaint because the complaint does not contain any information that "actually affects the integrity or the result of the defendant's trial." Specifically, the government contends that the allegations are irrelevant because (1) the individuals named in the complaint did not testify at trial; and (2) the issues raised in the complaint, such as the *Brady* violations and the witness relocation, have already been litigated and remedied or addressed by the Court.

The government entirely misses the mark. To say that misconduct by law enforcement officers would not affect the integrity or result of a trial simply because the officers did not testify at trial is baseless; if that were the case, the government would be free to engage in rampant misconduct without risk or ramification, provided the prosecution took care not to call any of the violators as witnesses. Moreover, misconduct by law enforcement officers during the *investigation*, such as that alleged in the complaint - for example, inappropriate contacts with cooperating sources who did testify for the government and intentional withholding of *Brady* material - could have an impact

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regardless of whether the officers testified.

The government's assertion that the issues in the complaint do not bear on the integrity or result of the trial merely because the Court already considered and addressed those issues is similarly unavailing. The issues were litigated and addressed *based on the information before the Court at the time*, including, importantly, representations by the complainant and individuals named in the complaint. If the complaint provides information that was not available to the Court at the time, and/or information that contradicts the government's representations to the Court at the time, that information could obviously bear on the integrity or result of the trial.

Even if the First and Sixth Amendments did not mandate disclosure of the complaint, it would be inappropriate to seal the complaint under these circumstances, based on the six-part analysis for determining whether information should be sealed from public disclosure. *See United States v. Hubbard*, 650 F.2d 293, 317-21 (D.C. Cir. 1981).

1. The *Hubbard* Factors Weigh in Favor of Disclosure

In *Hubbard*, the trial court released to the public multiple documents that had been seized from a third party nondefendant. 650 F.2d at 295. The documents had been introduced in the trial court only "under seal [and] only in a pretrial suppression hearing and only for the purpose of showing that the search and

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seizure were unlawful." *Id.* While recognizing the "common law tradition of public access to records of a judicial proceeding," the D.C. Circuit noted that the tradition was not without exceptions. *Id.* at 314-315.

First, the Court notes that the exceptions to public access cited in *Hubbard,* for example closing court proceedings or documents to protect trade secrets, the privacy and reputation of crime victims, national security interests, and to reduce the danger of an unfair trial by adverse publicity, *id.* at 315-16, are far different from the interests articulated by the government in its motion to seal the complaint. An ongoing internal investigation of the government officials named in the complaint and involved with the investigation and trial, and those individuals' privacy rights, as well as the complainant's privacy rights where the complainant was also extensively involved in the investigation and trial, do not rise to the level of trade secrets, crime victims' privacy interests, national security concerns, or the danger of an unfair trial due to adverse publicity.

The six factors set forth in *Hubbard* for determining when an exception to the common law's tradition of open proceedings is justified are: (1) the need for public access to the information; (2) public use of the information; (3) fact of objection and identity of those objecting to disclosure; (4) strength of the

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generalized property and privacy interests asserted; (5) possibility of prejudice; and (6) the purposes for which the documents were introduced. *Id.* at 317-21.

i. The need for public access to the information

Significantly, the court in *Hubbard* noted that the case before it did *not* involve "access to the courtroom conduct of a criminal trial," or "access to documents which have been introduced as evidence of guilt or innocence in a trial, nor even documents whose contents have been discussed or insofar as we can determine relied upon by the trial judge in his decision on the defendants' motion to suppress." *Id.* at 317.

In contrast, the allegations in the complaint at issue here clearly involve access to courtroom conduct and access to documents which were introduced as evidence of guilt or innocence at trial and information that was relied upon by the Court in decisions on various issues raised during the proceedings. To seal the complaint would be to deprive the public of information that directly addresses courtroom conduct, documents that were introduced at trial, and information that was relied upon by the Court for various decisions throughout the proceedings. This factor weighs in favor of disclosure.

ii. The extent to which the public previously had access to the information

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To say that the public's interest in this case was and is

significant would be an understatement. In fact, even post-trial, the media has had an interest in the case.[3] As the defendant points out, the government previously went to great lengths to provide the public with access to evidence and documents introduced at trial, including creating a website on the Department of Justice server, and distributing copies of all wiretaps introduced at trial.

Given the public interest in and access to the pre-trial and trial proceedings and the indication of public interest in the post-trial proceedings, this factor clearly weighs in favor of disclosure.

iii. Fact of objection and identity of those objecting to disclosure

In *Hubbard*, the court emphasized that the defendants and the third-party nondefendant had timely and strenuously objected to disclosure. Here, the complainant objects to disclosure,[4] as does the government on behalf of the investigating authority and the individuals named in the complaint. This factor is

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[3] *See, e.g.*, Del Quentin Wilber, *Hearing Set Into Letter by Witness in Stevens Trial*, Wash. Post, Nov. 26, 2008, at A2; Richard Mauer, *Letter Adds New Twist to Stevens Conviction*, Anchorage Daily News, Nov. 22, 2008, at A1.

[4] In *Hubbard*, the D.C. Circuit said that "the strength with which a party asserts its interests is a significant indication of the importance of those rights to that party." *Id.* at 319. The Court notes that the complainant's attorney was given an opportunity to file a pleading addressing the motion to seal and chose not to do so. The attorney did, however, argue against disclosure at the December 19, 2008 hearing.

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significant and could weigh against disclosure. The Court recognizes that the complainant has a strong privacy interest, and as a general matter both that interest and the policies underlying the whistleblower protections under which the complainant has sought refuge counsel against public disclosure of the complaint. *See, e.g., Haley v. Retsinas*, 138 F.3d 1245, 1250 (8th Cir. 1998) ("Laws protecting whistleblowers are meant to encourage employees to report illegal practices without fear of reprisal by their employers."); *Wren v. Merit Sys. Prot. Bd.*, 681 F.2d 867, 872 (D.C. Cir. 1982) ("Whenever misdeeds take place in a Federal agency, there are employees who know that it has occurred, and who are outraged by it. What is needed is a means to assure them that they will not suffer if they help uncover and correct administrative abuses." (quoting S. Rep. No. 95-969, at 8 (1978) (discussing whistleblower provision of the Civil Service Reform Act of 1978))). The Court is also aware that, as a practical matter, the public disclosure of the complaint may have an adverse impact on the complainant. *See Mgmt. Info. Techs., Inc. v. Alyeska Pipeline Serv. Co.*, 151 F.R.D. 478, 481 (D.D.C. 1993) (recognizing that "[t]he case law, academic studies, and newspaper accounts well document the kind of treatment that is usually visited upon public and private employees who speak out as a matter of conscience on issues of public concern"). This factor is somewhat mitigated, however, by the Court's decision to

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redact the individuals' names and identifying information, including that of the complainant, and by the individuals' involvement in and relationship to the investigation and trial in this case.

iv. The strength of the property and privacy interests involved

Again, while the privacy interests of the individuals involved and the integrity of the OPR investigation are not insignificant, they do not trump the defendant's interest in having the allegations in the complaint openly litigated. Moreover, as the defendant points out, the subjects of the OPR investigation, as well as a number of other people involved, already know of the allegations in the complaint. Finally, as stated above, this factor is mitigated by the redactions made to the complaint.

v. Possibility of prejudice

The possibility of prejudice to both sides is significant. If the allegations are unfounded, the individuals' reputations and careers could nonetheless be negatively impacted. On the other hand, the defendant has been the subject of extensive negative publicity as a result of the trial, has been convicted and is facing sentencing, and has a liberty interest at stake. If he is not able to disclose this information and, if appropriate, use it to openly and systematically challenge his conviction, the prejudice to him is severe. Therefore, this

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factor weighs in favor of disclosure.

vi. The purpose for which the documents were introduced

This was the "single most important element" in the *Hubbard* court's conclusion that the documents should not have been disclosed. *Id.* at 321. The reason for that conclusion, as the court emphasized, was that the documents "were not determined by the trial judge to be relevant to the crimes charged; they were not used in the subsequent 'trial;' nor were they described or even expressly relied upon by the trial judge in his decision on the suppression motion." 650 F.2d at 321.

In contrast, the allegations in the complaint are "relevant" to the trial and in some instances relate to information expressly relied upon by the Court in its rulings on the various discovery disputes and on several of the defendant's motions. Moreover, as the defendant points out, this complaint was - or should have been - produced as part of the government's ongoing *Brady* obligations. For all of these reasons, this factor weighs in favor of disclosure.

IV. Conclusion

As the *Hubbard* court explained, "[a]ccess to records serves the important functions of ensuring the integrity of judicial proceedings in particular and of the law enforcement process more generally." *Id.* at 314-15. If ensuring the integrity of

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judicial proceedings and of the law enforcement process are the "important functions" served by providing public access, it seems abundantly clear that providing public access to this complaint, which raises issues that question both the integrity of the proceedings and the law enforcement process in this case, is appropriate and, indeed, required.

For the foregoing reasons, the Court (1) **DENIES** the motion to file *ex parte* and directs the government to provide an unredacted copy of the complaint to the defense, subject to a protective order; and (2) **GRANTS IN PART AND DENIES IN PART** the government's motion to file the complaint under seal. Accordingly, the Court will provide counsel with a copy of the Court's final redacted complaint by no later than 4:00 p.m. on December 20, 2008. At 4:00 p.m. on Monday, December 22, 2008, the Court will post the redacted copy of the complaint on the public docket. All other pleadings and transcripts associated with the pending motions shall remain sealed pending further order of the Court.

SO ORDERED.

Signed: **Emmet G. Sullivan**
United States District Judge
December 19, 2008

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UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA	)	
	)	
v.	)	
	)	No. 08-231 (EGS)
THEODORE F. STEVENS,	)	
	)	
Defendant.	)	
	)	

MOTION OF THE UNITED STATES TO SET ASIDE THE VERDICT AND DISMISS THE INDICTMENT WITH PREJUDICE

In February 2009, the Acting Assistant Attorney General for the Criminal Division appointed undersigned counsel to conduct the post-trial litigation in this matter. In preparing to respond to defendant Theodore Stevens' various motions and in preparation for a possible evidentiary hearing, undersigned counsel began collecting and reviewing documents and interviewing potential witnesses. As the Court is aware, the Government has voluntarily provided to the defense documents and summaries of witness interviews.

The Government recently discovered that a witness interview of Bill Allen took place on April 15, 2008. While no memorandum of interview or agent notes exist for this interview, notes taken by two prosecutors who participated in the April 15 interview reflect that Bill Allen was asked about a note dated October 6, 2002, that was sent from the defendant to Bill Allen. The note was introduced at trial as Government Exhibit 495 and was referred to as the "Torricelli note." The notes of the April 15 interview indicate that Bill Allen said, among other things, in substance and in part, that he (Bill Allen) did not recall talking to Bob Persons regarding giving a bill to the defendant. This statement by Allen during the April 15 interview was inconsistent with Allen's recollection at trial, where he described a conversation with Persons about the

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Torricelli note. In addition, the April 15 interview notes indicate that Allen estimated that if his workers had performed efficiently, the fair market value of the work his corporation performed on defendant's Girdwood chalet would have been $80,000. Upon the discovery of the interview notes last week, the Government immediately provided a copy to defense counsel.

Defendant Stevens was not informed prior to or during trial of the statements by Bill Allen on April 15, 2008. This information could have been used by the defendant to cross-examine Bill Allen and in arguments to the jury. The Government also acknowledges that the Government's Opposition to Defendant's Motion for a New Trial provided an account of the Government's interviews of Bill Allen that is inaccurate. *See* Opposition at 42-43 (Dkt. No. 269).

Given the facts of this particular case, the Government believes that granting a new trial is in the interest of justice. *See* Fed. R. Crim. P. 33(a). The Government has further determined that, based on the totality of circumstances and in the interest of justice, it will not seek a new trial. Accordingly, pursuant to Fed. R. Crim. P. 48(a), the Government moves to set aside the verdict and dismiss the indictment with prejudice.

Further, as the Court is aware, certain matters in this case previously have been referred to the Office of Professional Responsibility of the Department of Justice. The Government has supplemented the referral to include the facts concerning the April 15th Bill Allen interview. Once the inquiry into this matter is completed by the Office of Professional Responsibility, the Government will share the findings of that inquiry with the Court.

FBI - Stevens-4972

Respectfully submitted,

PAUL M. O'BRIEN
Chief, Narcotic and Dangerous Drug Section
Criminal Division
U.S. Department of Justice
1400 New York Ave. NW
Washington, D.C. 20530
Tel: 202-514-0169
Fax: 202-514-6112

DAVID L. JAFFE
Deputy Chief, Domestic Security Section

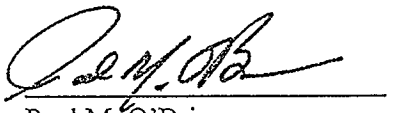
WILLIAM J. STUCKWISCH (Bar No. 457278)
Senior Trial Attorney, Fraud Section

FBI - Stevens-4973

CERTIFICATE OF SERVICE

I hereby certify that on this 1st day of April, 2009, I caused a copy of the foregoing "MOTION OF THE UNITED STATES TO SET ASIDE THE VERDICT AND DISMISS THE INDICTMENT WITH PREJUDICE" to be delivered electronically to the following:

Brendan V. Sullivan, Jr., Esq.
Robert M. Cary, Esq.
Williams & Connolly LLP
725 Twelfth Street, N.W.
Washington, D.C. 20005



Paul M. O'Brien

FBI - Stevens-4974

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA	)	
	)	
v.	)	
	)	No. 08-231 (EGS)
THEODORE F. STEVENS,	)	
	)	
Defendant.	)	
	)	

[PROPOSED] ORDER

Upon consideration of the Motion of the United States to Set Aside the Verdict and Dismiss the Indictment with Prejudice, it is

ORDERED that the Motion of the United States to Set Aside the Verdict and Dismiss the Indictment with Prejudice is GRANTED.

SO ORDERED.

_____
Emmet G. Sullivan
United States District Judge

Dated: _____

UNCLASSIFIED

FD-1023 Revised (04/15/2008)	FEDERAL BUREAU OF INVESTIGATION CHS REPORTING DOCUMENT

SOURCE REPORTING DOCUMENT

FORM CLASSIFICATION

○ Secret ○ Confidential ◉ Unclassified

NSI Marking:

☐ ORCON ☐ NOFORN ☐ PROPIN ☐ REL

HEADER

Source Id: [redacted]
Date: **04/14/2009**
Case Agent Name: [redacted]
Field Office: **Anchorage**
Squad: **Squad 4**

Date of Contact: **2009-04-10**
Others Present: SA [redacted]
Type of Contact: **Telephonic**
Location:
Country:
City:
State:
Date of Report: **04/10/2009**
-471
Case Id: **AN 194-0; 194A-AN-13620-TSTEVENS** - 334

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b7D

☐Check if Grand Jury restrictions apply

Source Reporting:

Source continues to be concerned about [redacted] the Alaska Permanent Fund (APF). Source advised [redacted] APF used to provide the public with annual financial statements that were meaningful. In more recent years, the publicly available financials became simple, colorful graphs and charts that were fairly meaningless and allowed for no public accountability.

Source was also concerned about the current fishing industry issue involving pollock fishing and how salmon were being incidentally caught. This issue becomes an Alaska Native versus industry issue. The six Community Development Quota (CDQ) groups receive large amounts of money from pollock fishing. Source was concerned that decisions about the salmon issue should be based on science and testing instead of money and politics. Source was concerned about this issue and whether illegal activity may be occurring in this decision-making process.

A friend told Source that Ted Stevens became so influential and arrogant that Stevens was told by Former Vice President Dick Cheney that Stevens needed to rein in his arrogance or he might be criminally investigated. Stevens told Cheney he would do what he wanted to do. Cheney was offended and that's what led to Stevens being indicted.

FBI - Stevens-4976

Signed by [redacted] View details
on Tuesday, April 14, 2009 12:07 PM (Alaskan Daylight Time)

Signed by [redacted] View details
on Wednesday, April 15, 2009 8:40 AM (Alaskan Daylight Time)

Signed by [redacted] View details
on Monday, April 20, 2009 3:26 PM (Alaskan Daylight Time)

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UNCLASSIFIED

194A-AN-13620-[redacted] TSTEVENS
CEJ:cej

1

On 06/29/2009, Special Agent (SA) [redacted] located notes of a 12/12/2006 discussion with [redacted] from Fairbanks, Alaska [redacted] advised that on September 9, 2005, TED STEVENS held a press conference where members of the media asked STEVENS about [redacted] problems. TED STEVENS advised the [redacted] memos would be available to the press. When the press asked for the memos, STEVENS' office said the memos were no longer available for the press to review.

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The notes were placed in the 1A section of the case file (194A-AN-13620-[redacted]-1A-65).

194A-AN-13620-TStevens-
-335

7/2/09

(Rev. 05-01-2008)

UNCLASSIFIED

FEDERAL BUREAU OF INVESTIGATION

Precedence: DEADLINE 05/10/2010 **Date:** 05/10/2010

To: Records Management **Attn:** [redacted]
NNCP/NCU#1/OPM#3/ICRC/I-18
[redacted]

From: Anchorage
Contact: IOA [redacted]

Approved By: Fryslie Kevin KF/WB
Heller David E DEH/LB
[redacted] EBG/WB

Drafted By: [redacted] cvk

Case ID #: 62F-HQ-C1039976 — (Pending) - 162957
194A-AN-13620-TSTEVENS - 336

Title: NAME CHECK SUMMARY FILE;
THEODORE FULTON STEVENS,
aka Ted Fulton Stevens;

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Synopsis: To report results of file review at Anchorage.

Reference: 62F-HQ-C1039976 Serial 162222

Enclosure(s): Enclosed please find one (1) LHM pertaining to the review of subject's file.

Details: Referenced Records Management (RMD) EC to Anchorage, dated May 3, 2010, set forth a lead for Anchorage to review its file 194A-AN-13620-TSTEVENS for any information pertaining to the subject. On May 10, 2010, Investigative Operations Analyst (IOA) [redacted] reviewed this file and 194A-AN-16320 for any information pertaining to the subject. A review of this file revealed the following:

On or about July 29, 2008, a Federal Grand Jury at the United States District Court, District of Columbia, indicted the subject on seven (7) counts of violations of Title 18, United States Code (USC), Sections 1001(a)(1) and (2), in that he failed to report on his Senate Financial Disclosure Form a number of gifts he received from [redacted]

UNCLASSIFIED

FBI/Stevens 1979 - TSTEVENS - 336

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To: Records Management From: Anchorage
Re: 62F-HQ-C1039976, 05/10/2010

[redacted] VECO Corporation, and others. The gifts in question amounted to more than a quarter of a million dollars in house renovations and gifts between 1999 and 2006.

On or about July 31, 2008, a search warrant was executed at the subject's residence, 138 Northland Road, Girdwood, Alaska.

On or about October 27, 2008, the subject was convicted at the United States District Court, District of Columbia, on seven (7) counts of violations of 18 USC 1001(a)(1) and (2).

On or about April 1, 2009, the United States Department of Justice (DOJ) filed a Motion of the United States to Set Aside Verdict and Dismiss Indictment With Prejudice. The DOJ asked that the verdict be set aside and no new trial would be requested in this matter.

Theodore Fulton Stevens, aka Ted Fulton Stevens and Theodore F. Stevens, was described as an unknown male, 5'8" 160 lbs., black hair, hazel eyes, date of birth November 18, 1923, place of birth Indianapolis, Indiana, Social Security Account Number 550-20-7038, Alaska driver's license 0142036.

To: Records Management From: Anchorage
Re: 62F-HQ-C1039976, 05/10/2010

LEAD(s):

Set Lead 1: (Info)

RECORDS MANAGEMENT

AT WINCHESTER, VA

Read and clear.

♦♦

U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to
File No.

101 E. 6th Avenue
Anchorage, Alaska 99501
May 10, 2010

NAME CHECK SUMMARY
THEODORE FULTON STEVENS

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On May 3, 2010, the Records Management Division (RMD) of the FBI set forth a lead for Anchorage to review its file 194A-AN-13620-TSTEVENS for any information pertaining to the subject. On May 10, 2010, Investigative Operations Analyst (IOA) [redacted] reviewed this file and 194A-AN-16320 for any information pertaining to the subject. A review of this file revealed the following:

On or about July 29, 2008, a Federal Grand Jury at the United States District Court, District of Columbia, indicted the subject on seven (7) counts of violations of Title 18, United States Code (USC), Sections 1001(a)(1) and (2), in that he failed to report on his Senate Financial Disclosure Form a number of gifts he received from [redacted] VECO Corporation, and others. The gifts in question amounted to more than a quarter of a million dollars in house renovations and gifts between 1999 and 2006.

On or about July 31, 2008, a search warrant was executed at the subject's residence, 138 Northland Road, Girdwood, Alaska.

On or about October 27, 2008, the subject was convicted at the United States District Court, District of Columbia, on seven (7) counts of violations of 18 USC 1001(a)(1) and (2).

On or about April 1, 2009, the United States Department of Justice (DOJ) filed a Motion of the United States to Set Aside Verdict and Dismiss Indictment With Prejudice. The DOJ asked that the verdict be set aside and no new trial would be requested in this matter.

FBI 100
1908 - 2008 *A Century of Fidelity, Bravery, and Integrity*

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Theodore Fulton Stevens, aka Ted Fulton Stevens and Theodore F. Stevens, was described as an unknown male, 5'8" 160 lbs., black hair, hazel eyes, date of birth November 18, 1923, place of birth Indianapolis, Indiana, Social Security Account Number 550-20-7038, Alaska driver's license 0142036.

(Rev. 05-01-2008)

UNCLASSIFIED

FEDERAL BUREAU OF INVESTIGATION

Precedence: DEADLINE 07/29/2010 **Date:** 07/29/2010

To: Records Management **Attn:** [redacted]
NNCPS/NCU#3/ICRC/K-13

Anchorage **Attn:** [redacted]

From: Anchorage
Contact: IOA [redacted]

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Approved By: [redacted]

Drafted By: [redacted] cvk

Case ID #: 62F-HQ-C1039976-170031
194A-AN-13620-TSTEVENS-337

Title: NAME CHECK SUMMARY FILE;
[redacted]

Synopsis: Provide results of file review at Anchorage.

Reference: 62F-HQ-C1039976 Serial 169193

Enclosure(s): Enclosed please find one (1) Letterhead Memorandum (LHM) pertaining to the results of the file review at Anchorage.

Details: Referenced Records Management EC to Anchorage, dated July 20, 2010, set forth a lead for Anchorage to conduct a review of its file 194A-AN-13620-TSTEVENS for any information pertaining to the subject. On July 20, 2010, Investigative Operations Analyst (IOA) [redacted] conducted a review of this file. This review revealed the following:

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The subject was the [redacted] for Senator Theodore F. "Ted" Stevens (R-AK). Senator Stevens was indicted, convicted, and later had the case dropped against him. The charges pertained to the preparation of fraudulent Annual Disclosure Forms for the Senator and substantial gifts received by the Senator that were not reported on these forms.

As part of the investigation, the subject was interviewed by agents from the Washington Field Office and

UNCLASSIFIED

FBI / ~~Stevens 4984~~ - 13620 - T Stevens

attorneys from the Department of Justice and United States Senate on March 27, 2008. During this interview (serial 258) of this subfile, the subject provided his biographical history to include where he was raised, where he attended school, and his work experience. The subject started with Sen. Stevens' office as a [redacted] b6 b7C

The subject was asked about the preparation of Sen. Stevens' Annual Financial Disclosure Forms. He stated that other staff members handled the preparation of these forms. They worked with Sen. Stevens [redacted] on the completion of these forms. After their completion, the forms would go to the Ethics Counsel for review and then the subject [redacted] prior to going to the Senator for signature. [redacted] he was unaware of how involved the Senator was in the process of completing and reviewing the Annual Financial Disclosure Form.

The subject advised that he was unaware of the types of documents that were used to support and complete Sen. Stevens' Annual Disclosure Forms. The subject assumed that there would be emails regarding the completion of the forms.

The subject advised that his office conducted a number of document retrieval requests pertaining to Department of Justice (DOJ) requests to include renovation work done to the Senator's home in Girdwood, Alaska after this residence was searched by FBI and IRS agents. The subject assisted in assembling the results and weeding out irrelevant items.

The subject said that there were eight (8) staffers working on document retrieval after Sen. Stevens' residence was searched. He spent approximately a couple of hours a day for approximately two weeks working on document retrieval.

To: Records Management From: Anchorage
Re: 62F-HQ-C1039976, 07/29/2010

The subject advised that he had nothing to deal with Sen. Stevens' personal financial matters as they were handled by another person.

The subject was asked about the "Chair". He located one email between the Senator and [redacted] regarding the delivery of the chair. The subject did not recall any other details regarding the delivery of the chair nor any email discussing payment of the "Chair". He did not recall seeing any dark brown massage chair at Sen. Stevens' residence in Washington, DC.

The subject was aware that Sen. Stevens renovated his residence in Alaska, but he thought that the renovations were complete when he returned to working for Sen. Stevens after [redacted]. The subject did not pay much attention to the house renovation and did not recall hearing Sen. Stevens' talking about renovations being done.

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The subject's first time to Sen. Stevens' residence in Girdwood was in [redacted] the residence was already renovated, as it was changed to a two story residence, as the lower level was finished. [Writer's note: This residence is actually considered to have three stories.] The subject did not recall any construction going on and did note that decks had been added to the first and second stories. He had been to Sen. Stevens' house [redacted]

The subject advised that there was a folder/file maintained in the back-office (general area) in Sen. Stevens' office, that was titled "House Renovations". He had seen the file/folder but did not know what the file consisted of as he had never gone through it. He believed that there were checks to companies for work performed on the house but did not know the specifics of the checks.

The subject was asked whether he had seen any checks from Sen. Stevens to VECO, an oil services company whose leadership were involved in this political corruption probe. The subject said that Sen. Stevens paid every bill that he received as it pertained to renovations on his residence and had records for work performed on the house. He said that Senator and

[redacted] set up a separate checking account to pay the bills for the renovation.

The subject was asked about a firearm presented to Sen. Stevens at the Kenai River Classic in Alaska. During this event, Sen. Stevens was presented with a firearm. Because the National Sportsmen Foundation was a 501(c)(3) non-profit organization, the subject was under the impression that Sen. Stevens did not have to report awards for service and recognition. The subject believed that the [redacted] that the firearm was a public service award and did not have to be reported on the form. When the subject learned that their interpretation was incorrect, they amended Sen. Stevens' Annual Financial Disclosure Form and report the receipt of the firearm as a gift. The subject called it a "staff error" on their part.

The subject was asked, hypothetically, if Sen. Stevens had reported gifts from 501(c)(3) non-profit organizations on Financial Disclosure Forms in the past, if the Senator would have been aware that gifts from charities that exceeded a certain value would have been required to be reported. The subject believed that the Senator would have been aware of the rules regarding gifts from charities if he disclosed them on past Annual Disclosure Forms. b6 b7C

The subject was asked when they decided to amend Sen. Stevens' Annual Disclosure Forms. The subject believed it was last year (2007), around the time of the filing of the last Annual Financial Disclosure Form (2006). He stated that there was a press inquiry or letter from DOJ regarding the firearm. [redacted] the Senate Disclosure Rules and conferred with others and the Senate Ethics Committee regarding the firearms. After they determined the firearms needed to be reported, [redacted] staff amend the Annual Disclosure Forms and report the firearms. He did not know the value of the firearms, but just knew they were valued at more than the allowable gift rule amount. They did not list the value of the firearms on the forms.

The subject recalled that Sen. Stevens bid on two Alaskan sled dogs during the auction at the Kenai River Classic. He could not remember if Stevens won the dogs but did know that the Senator had sled dogs at his Washington, DC residence for a period of time. He believed the dogs were shipped up and did not know who paid the shipping costs. Staffers would sometimes

housesit the dogs while the Stevens was out, but the Senator would reimburse the staffers.

The subject advised that the Senator had a three prong salmon bronze sculpture displayed outside of his house in Girdwood. The sculpture was a donation from the National Sportsmen Foundation to the Ted Stevens Foundation, and that when the building for the foundation is built that the sculpture would be placed there. All of Sen. Stevens' Senate archives will be housed at the foundation. The subject did not know when the building would be built or where it would be built but believed the foundation had a board of directors and was formed about eight years ago. He had not seen any plans for the building.

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The subject was asked about access to the back-office in Sen. Stevens' Senate Office. He advised that this area was a general area and was accessible to all personnel. The back-office was just beyond Stevens' office, and there were four desks there. The Scheduler and Staff Assistant sat in the back office. There were file cabinets in the back office which were kept unlocked.

The other documents pertaining to the subject in this subfile pertained to interviews of persons involved with the Senator and covered roughly the same information above.

[redacted] was described as a white male, [redacted] born [redacted] His mailing address was listed as [redacted] as of March 4, 2010; and his residential address was listed as [redacted] as of the same date.

To: Records Management From: Anchorage
Re: 62F-HQ-C1039976, 07/29/2010

LEAD(s):

Set Lead 1: (Info)

RECORDS MANAGEMENT

AT WINCHESTER, VA

Read and clear.

♦♦

U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to
File No.

Anchorage, Alaska 99501
July 29, 2010

NAME CHECK SUMMARY FILE

On July 20, 2010, the Records Management Division of the FBI set forth a lead for the Anchorage Division to conduct a review of its files for any information pertaining to the subject. On July 20, 2010, Investigative Operations Analyst (IOA) conducted a review of this file. This review revealed the following:

The subject was for Senator Theodore F. "Ted" Stevens (R-AK). Senator Stevens was indicted, convicted, and later had the case dropped against him. The charges pertained to the preparation of fraudulent Annual Disclosure Forms for the Senator and substantial gifts received by the Senator that were not reported on these forms. b6 b7C

As part of the investigation, the subject was interviewed by agents from the Washington Field Office and attorneys from the Department of Justice and United States Senate on March 27, 2008. During this interview (serial 258) of this subfile, the subject provided his biographical history to include where he was raised, where he attended school, and his work experience. The subject started with Sen. Stevens' office as a

The subject was asked about the preparation of Sen. Stevens' Annual Financial Disclosure Forms. He stated that other

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

staff members handled the preparation of these forms. They worked with Sen. Stevens and [redacted] on the completion of these forms. After their completion, the forms would go to the Ethics Counsel for review and then the subject [redacted] prior to going to the Senator for signature. [redacted] he was unaware of how involved the Senator was in the process of completing and reviewing the Annual Financial Disclosure Form.

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The subject advised that his office conducted a number of document retrieval requests pertaining to Department of Justice (DOJ) requests to include renovation work done to the Senator's home in Girdwood, Alaska after this residence was searched by FBI and IRS agents. The subject assisted in assembling the results and weeding out irrelevant items.

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The subject said that there were eight (8) staffers working on document retrieval after Sen. Stevens' residence was searched. He spent approximately a couple of hours a day for approximately two weeks working on document retrieval.

The subject advised that he had nothing to deal with Sen. Stevens' personal financial matters as they were handled by another person.

The subject was asked about the "Chair". He located one email between the Senator and [redacted] regarding the delivery of the chair. The subject did not recall any other details regarding the delivery of the chair nor any email discussing payment of the "Chair". He did not recall seeing any dark brown massage chair at Sen. Stevens' residence in Washington, DC.

The subject was aware that Sen. Stevens renovated his residence in Alaska, but he thought that the renovations were complete when he returned to working for Sen. Stevens after [redacted]. The subject did not pay much attention to the house renovation and did not recall hearing Sen. Stevens' talking about renovations being done.

The subject's first time to Sen. Stevens' residence in Girdwood was in 1994 or 1995, and at that time, the residence was a one story house, with the bottom level unfinished. When the subject returned to visit the house in the 2001-2002 time frame, the residence was already renovated, as it was changed to a two story residence, as the lower level was finished. [Writer's note: This residence is actually considered to have three stories.] The subject did not recall any construction going on and did note that decks had been added to the first and second stories. He had been to Sen. Stevens' house twenty (20) to thirty (30) times since the 2001-2002 visit.

The subject advised that there was a folder/file maintained in the back-office (general area) in Sen. Stevens' office, that was titled "House Renovations". He had seen the file/folder but did not know what the file consisted of as he had never gone through it. He believed that there were checks to companies for work performed on the house but did not know the specifics of the checks.

The subject was asked whether he had seen any checks from Sen. Stevens to VECO, an oil services company whose leadership were involved in this political corruption probe. The subject said that Sen. Stevens paid every bill that he received as it pertained to renovations on his residence and had records for work performed on the house. He said that Senator and [redacted] set up a separate checking account to pay the bills for the renovation.

The subject was asked about a firearm presented to Sen. Stevens at the Kenai River Classic in Alaska. During this ev b6 b7C Sen. Stevens was presented with a firearm. Because the National Sportsmen Foundation was a 501(c)(3) non-profit organization, the subject was under the impression that Sen. Stevens did not have to report awards for service and recognition. The subject believed that the [redacted] told him that the firearm was a public service award and did not have to be reported on the form. When the subject learned that their interpretation was incorrect, they amended Sen. Stevens' Annual Financial Disclosure Form and report the receipt of the firearm as a gift. The subject called it a "staff error" on their part.

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The subject advised that the Senator had a three prong salmon bronze sculpture displayed outside of his house in Girdwood. The sculpture was a donation from the National Sportsmen Foundation to the Ted Stevens Foundation, and that when the building for the foundation is built that the sculpture would be placed there. All of Sen. Stevens' Senate archives will be housed at the foundation. The subject did not know when the building would be built or where it would be built but believed the foundation had a board of directors and was formed about eight years ago. He had not seen any plans for the building.

The subject was asked about access to the back-office in Sen. Stevens' Senate Office. He advised that this area was a general area and was accessible to all personnel. The back-office was just beyond Stevens' office, and there were four desks there. The Scheduler and Staff Assistant sat in the back office. There were file cabinets in the back office which were kept unlocked.

The other documents pertaining to the subject in this subfile pertained to interviews of persons involved with the Senator and covered roughly the same information above.

[redacted] was described as a white male, [redacted] born [redacted]. His mailing address was listed as [redacted] as of March [redacted], 2010; and his residential address was listed as [redacted] as of the same date.

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1A Envelope

Case ID: 194A-AN-13620-TSTEVENS

AN	131	[redacted]
AN	132	[redacted]
AN	133	INTERIOR VIDEO - 4 DISKS TOTAL PLUS PHOTO LOG HS04A02406043994D11 - DISK 1 HS04A02406185210A21 - DISK 2 HS04A02406185213F21 - DISK 3 HS04A02406185255F21 - DISK 4 OTHER Sealed Court Documents b3 b6 b7C
AN	134	[redacted]
AN	135	EXTRA COPIES OF CD'S FROM SEARCH
AN	136	THREE BUSINESS CARDS FOR CIVILIANS ON SCENE @ SEARCH WARRANT : [redacted]-LOCKSMITH; [redacted] - ATTORNEY & [redacted] ELECTRICAL ENG
AN	137	VIDEOTAPE SONY MINIDV 60 DIGITAL VIDEO CASSETTE WITH LOG EXTERIOR VIDEO OF 138 NORTHLAND ROAD, GIRDWOOD, ALASKA
AN	138	[redacted] OTHER Sealed Court Documents
AN	139	[redacted]
AN	140	ADMINISTRATIVE LOG FOR SEARCH WARRANT @ SENATOR STEVENS HOME
AN	141	ADMINISTRATIVE WORKSHEET FOR SEARCH @ SENATOR STEVENS' HOUSE
AN	142	EVIDENCE RECOVERY LOGS FOR SEARCH @ SENATOR STEVENS' HOUSE
AN	143	ERT DATABASE CD'S: 1 ORIGINAL AND 1 WORKING COPY
AN	144	ORIGINAL NOTES RE INTERVIEW OF [redacted] NOTES AND BUSINESS CARD
AN	145	[redacted]
AN	146	ORIGINAL NOTES RE INTERVIEW OF [redacted] ON 10/18/07 b3 b6 b7C
AN	147	[redacted]
AN	148	FGJ SUBPOENA FOR [redacted]
AN	149	FEDERAL GRAND JURY SUBPOENA FOR [redacted]
AN	150	ORIGINAL NOTES RE INTERVIEW OF [redacted] [redacted]

1A Envelope

Case ID: 194A-AN-13620-TSTEVENS

AN	151	FILE COPY OF FGJ SUBPOENA
AN	152	ORIGINAL NOTES RE INTERVIEW OF [redacted] SUBPOENA SERVED ON [redacted]
AN	153	[redacted]
AN	154	ORIGINAL NOTES RE INTERVIEW OF [redacted]
AN	155	ORIGINAL NOTES RE INTERVIEW OF [redacted]

b3
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b7C

FD-340c (4-11-03)

File Number 194A-AN-1620-TSTEVENS -1A131

Field Office Acquiring Evidence AN

Serial # of Originating Document

Date Received 9/5/07

From [redacted]
(Name of Contributor/Interviewee)

[redacted]
(Address)

[redacted]
(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☒ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

b3
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b7C

Title: Polar Pen

Reference:
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

[redacted]

FBI - Stevens-6056

UNITED STATES DISTRICT COURT

A070837

DISTRICT OF
ALASKA

TO:

[redacted]

SUBPOENA TO TESTIFY BEFORE GRAND JURY

SUBPOENA FOR:
☐ PERSON ☒ DOCUMENT(S) OR OBJECT(S)

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

PLACE	COURTROOM
Federal Building & U.S. Courthouse 222 W. 7th Avenue Anchorage, AK 99513	**Grand Jury**
	DATE AND TIME **09/11/07 9:00 A.M.**

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):*

See attached.

b3
b6
b7C

☐ *Please see additional information on reverse.*

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

CLERK	DATE
IDA ROMACK, Clerk	
(By) Deputy Clerk Nancy [illegible]	08/15/07

This subpoena is issued on application of the United States of America	NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY
	[redacted], Asst. U.S. Atty. Federal Bldg. & U.S. Courthouse, 222 W. 7th Ave., #9, Rm 253 Anchorage, AK 99513-7564 (907) 271-5071

FBI - Stevens6060

* If not applicable, enter "none".

U.S. Department of Justice

United States Attorney
District of Alaska

Federal Building & U.S. Courthouse
222 West 7th Avenue, #9, Room 253
Anchorage, Alaska 99513-7567

Commercial: (907) 271-5071
Fax Number: (907) 271-1500

August 15, 2007

[redacted]

Re: Grand Jury Subpoena

Dear [redacted]

You have been served with a grand jury subpoena duces tecum, to produce certain enumerated records before the grand jury in Anchorage, Alaska at 9:00 a.m., Tuesday, September 11, 2007. If you need additional time to comply with this subpoena please contact our office for an extension.

You have the right to appear before the grand jury. To minimize your inconvenience in complying with this subpoena, you may mail the requested documents certified to our office, or provide the documents to the agent(s) serving the subpoena in lieu of personally producing the documents before the grand jury.

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Should you decide to provide the documents by certified mail, the officer responsible for complying with this subpoena must execute the enclosed affidavit before a notary public. This affidavit must accompany the documents being forwarded.

Please be advised that disclosure of this subpoena may impede an ongoing criminal investigation.

If you have any questions regarding the subpoena or the method by which that subpoena may be satisfied, please contact me collect at (907) 271-5071.

[redacted]

JOSEPH W. BOTTINI
Assistant U.S. Attorney

Enc: Affidavit of Compliance

FBI - Stevens-6062

A070837

[redacted]
Assistant U.S. Attorney
Federal Building & U.S. Courthouse
Room 253
222 West 7th Avenue, #9,
Anchorage, Alaska 99513-7567
(907) 271-5071

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF ALASKA

b3
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b7C

IN RE GRAND JURY INVESTIGATION _____	))))))))))	AFFIDAVIT OF COMPLIANCE WITH GRAND JURY SUBPOENA DUCES TECUM

[redacted] g first duly sworn, deposes and says:

1. I am associated wit[redacted] _____. In this position I have the responsibility for the Company's compliance with the subpoena duces tecum issued to me on 8/15, 2007, which calls for the production of certain documents before a Grand Jury of this Court.

2. I personally have conducted or supervised compliance by the Company with the subpoena duces tecum. To the best of my knowledge, information and belief, based upon due diligence and reasonable inquiry, the documents enclosed herewith, bearing the numbers SEE ATTACHED, constitute all the documents in the possession, custody or control of the Company that fall within the terms of the subpoena duces tecum.

3. No documents responsive to the subpoena duces tecum have been withheld by the Company pursuant to a claim of privilege or otherwise. To the best of my knowledge, information and belief, based upon due diligence and reasonable inquiry, no one has directed the destruction of any documents responsive to the subpoena duces tecum and no such documents have been destroyed.

4. The documents made by the Company and produced in compliance with the subpoena duces tecum are memoranda, reports, records or data compilations of acts, events, conditions, opinions or diagnoses that were made at or near the time, by or from information transmitted by, a person with knowledge and that have been kept in the course of the Company's regularly conducted business activity. It has been the Company's regular practice in that business activity to make those memoranda, reports, records or data compilations. Neither the source of information, nor the method of circumstances of preparation, indicate a lack of trustworthiness for those memoranda, reports, records or data compilations.

5. I understand that the furnishing of these documents to counsel for the United States in response to the subpoena duces tecum and the execution of this Affidavit, are at the sole discretion and election of myself and the Company, and are in lieu of personally producing the documents before the grand jury which right to appear is expressly waived.

6. I am authorized by the Company to execute this Affidavit, and I have reviewed all of its terms with counsel for the Company before signing and swearing to it.

FURTHER AFFIANT SAYETH NAUGHT.

[redacted]

b3
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b7C

SUBSCRIBED AND SWORN TO before me this 30 day of AUGUST, 2007, a[redacted]

_____
Notary Public
My commission expires: _____.

FD-340b (Rev. 4-11-03)

-1A132

File Number 194A-AN-13620-TSKVCAS

Field Office Acquiring Evidence AN

Serial # of Originating Document _____

Date Received 9/11/2007

From [redacted]
(Name of Contributor/Interviewee)

[redacted]
(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☒ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

b3
b6
b7C

Title: Polar Pen

Reference: _____
(Communication Enclosing Material)

Description: ☐ Original notes re interview of [redacted]

FBI - Stevens-6068

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 09/11/2007

GRAND JURY MATERIAL - DISSEMINATE PURSUANT TO RULE 6(e)

Pursuant to a Grand Jury Subpoena, [redacted] of [redacted] provided documents on September 11, 2007. The documents which are included in the 1-A section of the case file, include the following:

[redacted]

The documents are included in the 1-A section of the case file.

b3
b6
b7C

09/11/2007 Anchorage, Alaska

Investigation on at

194A-AN-13620-TSTEVENS

File # Date dictated

FBI - Stevens-6069

by SA [redacted] msl

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

A070857

[redacted]

Assistant U.S. Attorney
Federal Building & U.S. Courthouse
222 West 7th Avenue, #9, Room 253
Anchorage, Alaska 99513-7567
(907) 271-5071

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF ALASKA

b3
b6
b7C

IN RE	)	
	)	AFFIDAVIT OF COMPLIANCE
GRAND JURY INVESTIGATION	)	WITH GRAND JURY SUBPOENA
	)	DUCES TECUM
_____	)	
	)	
	)	
	)	
	)	
_____	)	

[redacted] first duly sworn, deposes and says:

1. I am associated with [redacted] (the "Company") as [redacted] In this position I have the responsibility for the Company's compliance with the subpoena duces tecum issued to me on August 22, 2007, which calls for the production of certain documents before a Grand Jury of this Court.

2. I personally have conducted or supervised compliance by the Company with the subpoena duces tecum. To the best of my knowledge, information and belief, based upon due diligence and reasonable inquiry, the documents enclosed herewith, bearing the numbe [redacted] the documents in the possession, custody or control of the Company that fall within the terms of the subpoena duces tecum. b3

3. No documents responsive to the subpoena duces tecum have been withheld by the Company pursuant to a claim of privilege or otherwise. To the best of my knowledge, information and belief, based upon due diligence and reasonable inquiry, no one has directed the destruction of any documents responsive to the subpoena duces tecum and no such documents have been destroyed.

4. The documents made by the Company and produced in compliance with the subpoena duces tecum are memoranda, reports, records or data compilations of acts, events, conditions, opinions or diagnoses that were made at or near the time, by or from information transmitted by, a person with knowledge and that have been kept in the course of the Company's regularly conducted business activity. It has been the Company's regular practice in that business activity to make those memoranda, reports, records or data compilations. Neither the source of information, nor the method of circumstances of preparation, indicate a lack of trustworthiness for those memoranda, reports, records or data compilations.

5. I understand that the furnishing of these documents to counsel for the United States in response to the subpoena duces tecum and the execution of this Affidavit, are at the sole discretion and election of myself and the Company, and are in lieu of personally producing the documents before the grand jury which right to appear is expressly waived.

6. I am authorized by the Company to execute this Affidavit, and I have reviewed all of its terms with counsel for the Company before signing and swearing to it.

FURTHER AFFIANT SAYETH NAUGHT.

[redacted]

b6
b7C
b3

SUBSCRIBED AND SWORN TO before me this 7th day of September, 2007, at [redacted]

S. DIANNE HERZBERG
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expire

Notary Public
My commission expires: 1-8-11.

MEDIA

1A(133)

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13020 - TStevens

Field Office Acquiring Evidence Anchorage

Serial # of Originating Document

Date Received 7/30/07

From
(Name of Contributor/Interviewee)

(Address)

(City and State)

By SA [redacted] b6 b7C

To Be Returned ☐ Yes ☐ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☐ No

Title:

Reference:
(Communication Enclosing Material)

Description: ☐ Original notes re interview of + photo log

interior video - 4 disks total
HS04A0240604399 4D11 - disk 1
HS04A0240618521 0A21 - disk 2
HS04A0240618521 3F21 - disk 3
HS04A0240618525 5F21 disk 4

-1A134

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620 - TStevens

Field Office Acquiring Evidence Anchorage

Serial # of Originating Document

Date Received 7/30/07

From
(Name of Contributor/Interviewee)

(Address)

(City and State)

By IOA [redacted]

b6
b7C

To Be Returned ☐ Yes ☐ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☐ No

Title:
Polar Pen

Reference:
(Communication Enclosing Material)

Description: ☐ Original notes re interview of [redacted] w/ signatures on back sheet to document all employees read it

OTHER Sealed Court Record

~~FBI - Stevens 6174~~

MEDIA

1A(135)

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TStevens

Field Office Acquiring Evidence Anchorage

Serial # of Originating Document

Date Received 7/30/07

From
(Name of Contributor/Interviewee)

(Address)

By 1DA [redacted] b6 b7C

To Be Returned ☐ Yes ☐ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☐ No

Title: Polar Pen

Reference:
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

extra copies of cd's from search

1A(136)

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13020 - TStevens

Field Office Acquiring Evidence Anchorage

Serial # of Originating Document _____

Date Received 7/30/07

From _____
(Name of Contributor/Interviewee)

_____
(Address)

_____
(City and State)

By 10A [redacted]

To Be Returned ☐ Yes ☐ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☐ No

b6
b7C

Title:

Reference: _____
(Communication Enclosing Material)

FBI - Stevens-6250

Description: ☑ Original notes re interview of

3 business cards for civilians on scene @ search warrant:

[redacted] - Locksmith; [redacted]

[redacted] - Attorney & [redacted]

Electrical Eng.

LAW OFFICES OF
HOLMES WEDDLE & BARCOTT
A PROFESSIONAL CORPORATION
[redacted]
ATTORNEY AT LAW

701 WEST EIGHTH AVENUE, SUITE 700
ANCHORAGE, ALASKA 99501-3408
TELEPHONE [redacted]
FAX (907) 277-4657
SEATTLE OFFICE (206) 292-8008
E-MAIL [redacted]

b6
b7C

RSA
Engineering, Inc.
Mechanical & Electrical Engineers
Anchorage • Wasilla
[redacted]

191 E. Swanson Ave. Suite 101, Wasilla, AK, 99654
[redacted] f 907.357.1751 www.rsa-ak.com

MEDIA

1A(137)

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TSTevens b6 b7C

Field Office Acquiring Evidence Anchorage

Serial # of Originating Document _____

Date Received 7/30/07

From _____
(Name of Contributor/Interviewee)

_____
(Address)

_____
(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☐ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☐ No

Title:

Reference: _____
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

- videotape Sony Mini DV 60 digital videocassette with log exterior video of 138 Northland Road, Girdwood, Alaska

FBI - Stevens-6252

b6
b7C

7/30/07

video exterior

138 Northland Rd.
Gardwood, AK
194A-AN-13620

3:40pm started front of house to 1:30 bottom deck

middle portion 1:30 - 2.45

top 2:45 - 3:33

3:40 done with front

4:02 3:33 - 4:10 bottom

4:10 - 4:53 middle & top

4:53 - 5:52

5:52 - 6:27 generator

6:27 - 8:57 rear of house

8:57 - 9:31 fire escape

9:31 - 10:10 ~~rear of right~~ right rear

10:11 - 11:38 left side of house

11:38 - 12:34 left side of house

12:34 - 13:17 fire escape opened

13:17 - 13:31 front deck from rt. side of house

13:31 - 14:28 front deck

14:28 - 14:35 right side of garage

14:35 - 15:26 tree in front

15:26 - 18:56 roof

18:56 - 22:19 end deck

22:19 - 24:14 front

24:14 - 27:17 front deck

27:17 - 27:23 front of deck

27:23 30:30 end deck

8.40pm done

FBI - Stevens-6253

FD-674 (1-17-85)

PHOTOGRAPHER _____

b6
b7C

DATE 7 / 30 / 2007 ROLL # _____
Month Day Year

LOCATION 138 Northland Rd, Girdwood, Ak

CASE FILE 194A-AN-13628-T Stevens

AGENCY FBI

0 1 2 3 4 5 6

FBI/DOJ

SONY HANDYCAM

CAMERA _____ LENS - Normal - N LIGHT - Available - A

FILM : ASA _____ Wide - W Elec.Strobe - E

ROLL No. _____ Macro - M Flashbulb - F

Tele. - T

Photo No.	Lens	Light	SS	f - stop	Description	Photo Log Sketch
1				Disc 1	Photo log 0:00:00 - 0:00:02	
2					Room H 0:00:02 - 0:09:56	
3					Room G 0:09:56 - 0:15:03	
4					Room F 0:15:03 - 24:04	
5					Room B 0:24:04 - 29:46	end disc 1
6				Disc 2	~~Room B~~ continued 0:00:00 - 0:00:02	Photo log
7					Room B Continued 0:00:02 - 00:10:30	
8					Hallway to rooms C, D and E	00:10:30 - 00:12:45
9					Room C 00:12:45 - 00:16:42	
10					Hallway shelf 00:16:42 - 00:20:10	
11					Room D 00:20:10 - 00:28:07	end disc 2
12				Disc 3	Photo log 00:00:00 - 00:00:03	
13					Room E 00:00:03 - 00:06:27	
14					stairs to Room B from Room A	00:06:27 - 00:08:36
15					Room A 00:08:36 - 00:11:59	
16					Room J 00:11:59 - 00:14:39	
17					Room K 00:14:39 - 00:23:14	
18					Hallway to room L, M, N	00:23:14 - ~~00:23:36~~ 00:25 00:24:42
19					Room L 00:24:42 - 00:35:11	end disc 3
20				Disc 4	Photo log 00:00:00 - 00:00:02	
21					Room M 00:00:02 -	00:04:17
22					Room N 00:04:17 -	00:09:12
23					Laundry Area 00:09:12 -	00:10:29
24					Room I 00:10:29 - 00:21:03	end disc 4
25						
26						
27						
28						
29						
30						
31						
32						
33						REMARKS
34						
35						
36						

IA(138)

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-T Stevens

b6
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Field Office Acquiring Evidence Anchorage

Serial # of Originating Document _____

Date Received 7/30/07

From _____
(Name of Contributor/Interviewee)

_____
(Address)

_____
(City and State)

By 10A [redacted]

To Be Returned ☐ Yes ☐ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☐ No

Title:
Polar Pen

Reference: _____
(Communication Enclosing Material)

Description: ☑ Original notes re interview of [redacted] w/ all personnel signing back as proof they read

OTHER Sealed Court Recor

FBI - Stevens-6256

1A(139)

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TStevens

Field Office Acquiring Evidence Anchorage

Serial # of Originating Document _____

Date Received 7/30/07

From _____
(Name of Contributor/Interviewee)

_____
(Address)

By IOA [redacted]

To Be Returned ☐ Yes ☐ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☐ No

Title:
Polar Pen

b6
b7C

Reference: _____
(Communication Enclosing Material)

Description: ☑ Original notes re interview of
Signed return receipts for
3:07-mj-00140-JWS & 3:07-mj-00141-JWS
signed by SA [redacted] &
attorney [redacted]

1A(140)

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TJ Stevens

Field Office Acquiring Evidence Anchorage

Serial # of Originating Document _____

Date Received 7/30/2007

From _____
(Name of Contributor/Interviewee)

_____
(Address)

_____ [redacted] _____ b6 b7C

By FOA

To Be Returned ☐ Yes ☐ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☐ No

Title: Polar Pen

Reference: _____
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

administrative log for search warrant @ Sen. Stevens home

ADMINISTRATIVE LOG FOR SITE 1

138 Northland Road, Girdwood, Alaska

DATE AND TIME	EVENT
7/30/2007 11:20 AM	[redacted] arrive and executed search warrant
7/30/2007 11:42 AM	[redacted] rrives (attorney for Sen. Stevens)
7/30/2007 12:20 PM	[redacted] depart
7/30/2007 12:45 PM	[redacted] arrive. Copy of search warrant given to Attorney [redacted]
7/30/2007 12:57 PM	[redacted] arrive
7/30/2007 01:00 PM	Exterior photos begin
7/30/2007 01:25 PM	Locksmith [redacted] arrives
7/30/2007 01:30 PM	Entry made into residence
7/30/2007 01:36 PM	Locksmith [redacted] departs
7/30/2007 01:43 PM	Attorney walked through residence
7/30/2007 01:58 PM	[redacted] departs
7/30/2007 02:00 PM	Channel 11 arrives
7/30/2007 02:08 PM	[redacted] returns
7/30/2007 02:10 PM	[redacted] departs
7/30/2007 02:19 PM	[redacted] arrive
7/30/2007 02:38 PM	Channel 13 arrives
7/30/2007 02:45 PM	Attorney [redacted] departs
7/30/2007 02:52 PM	ADN photographer arrives
7/30/2007 02:57 PM	Spherical photos begin
7/30/2007 03:25 PM	Video taping begins
7/30/2007 03:45 PM	[redacted] departs
7/30/2007 03:55 PM	[redacted] departs
7/30/2007 04:12 PM	[redacted] arrive
7/30/2007 04:22 PM	Engineer [redacted] arrives
7/30/2007 04:23 PM	Attorney [redacted] arrives
7/30/2007 04:30 PM	[redacted] begin sketch
7/30/2007 05:07 PM	[redacted] arrives
7/30/2007 05:15 PM	[redacted] begins taint search. Attorney [redacted] observed.

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b7C

FBI - Stevens-6280

DATE AND TIME	EVENT
7/30/2007 06:40 PM	[redacted] departs
7/30/2007 06:55 PM	[redacted] arrive
7/30/2007 07:08 PM	Document search begins
7/30/2007 07:17 PM	Taint search completed. [redacted] departs.
7/30/2007 07:29 PM	[redacted] and Engineer [redacted] depart
7/30/2007 07:36 PM	[redacted] arrives
7/30/2007 07:48 PM	Interior Video complete
7/30/2007 08:35 PM	[redacted] departs
7/30/2007 08:40 PM	Exterior video complete
7/30/2007 08:54 PM	[redacted] arrives
7/30/2007 08:55 PM	[redacted] depart
7/30/2007 08:59 PM	[redacted] departs
7/30/2007 09:01 PM	[redacted] departs
7/30/2007 09:15 PM	[redacted] arrives
7/30/2007 09:25 PM	[redacted] depart
7/30/2007 09:32 PM	[redacted] arrives
7/30/2007 09:32 PM	[redacted] depart
7/30/2007 09:39 PM	[redacted] return
7/30/2007 09:52 PM	Exit photos begin
7/30/2007 10:00 PM	Attorney [redacted] reviewed second warrant
7/30/2007 10:06 PM	Exterior exit photos complete
7/30/2007 10:18 PM	[redacted] departs
7/30/2007 10:29 PM	[redacted] depart
7/30/2007 10:35 PM	[redacted] depart
7/30/2007 10:47 PM	[redacted] arrives
7/30/2007 11:56 PM	All personnel depart search site. Door is secured by SSA [redacted] all other entrances secured by SA [redacted]

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b7C

FBI - Stevens-6281

1A(141)

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TStevens

Field Office Acquiring Evidence Anchorage

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b7C

Serial # of Originating Document _____

Date Received 7/30/07

From _____
(Name of Contributor/Interviewee)

_____
(Address)

By 10A [redacted]

To Be Returned ☐ Yes ☐ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☐ No

Title: Polar Pen

Reference: _____
(Communication Enclosing Material)

Description: ☑ Original notes re interview of
administrative worksheet for search @ Sen Stevens house

FBI - Stevens-6282

ADMINISTRATIVE WORKSHEET FOR SITE 1 **Field75:**

138 Northland Road, Girdwood, Alaska

PREPARED BY: [redacted] TJS) This Site Was Not Grided.

DATE AND TIME ARRIVED AT SCENE: 7/30/2007 11:20:00 AM

PERSON(s) PRESENT AT SCENE AT TIME OF ARRIVAL:

None

b6
b7C

PERSON IN CHARGE OF SCENE AT TIME OF ARRIVAL: None

CONTROL OF SCENE OBTAINED FROM: N/A

DATE AND TIME OF CONTROL ACQUISITION: 7/30/2007 11:20:00 AM

INDIVIDUAL WHO TOOK CONTROL OF THE SCENE: [redacted] (JAB)

CONDITION OF SCENE ON ARRIVAL: Residence secured.

LIGHTING CONDITIONS: Daylight

WEATHER CONDITIONS: Morning - light rain. Afternoon/Evening - overcast.

DATE AND TIME SEARCH WAS EXECUTED: 7/30/2007 11:20:00 AM

GENERAL DESCRIPTION OF SCENE: Three story single family residence with attached one car garage.

PRELIMINARY SURVEY/EVIDENCE EVALUATION (NOTES/OBSERVATIONS):

Windows and doors on residence were secured. Interior of residence was clean and organized.

SPECIAL SITUATIONS OR CONDITIONS (NOTES/OBSERVATIONS):

Secured residence required locksmith. Locksmith made key and provided it to the FBI. Civilian electrical engineer performed tests with escorted access. Attorney representing Senator Stevens present throughout search with escorted access. Initially tracked media arrivals in administrative log, discontinued due to extensive media coverage.

FINAL SURVEY (NOTES/OBSERVATIONS): Everything remains neat and organized. Lights were turned off. All doors and windows were secured.

1A(142)

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13020-TStevens

Field Office Acquiring Evidence Anchorage

Serial # of Originating Document _____

Date Received 7/30/07

From _____
(Name of Contributor/Interviewee)

_____
(Address)

By IOA

To Be Returned ☐ Yes ☐ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) b6 b7C
Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☐ No

Title: Polar Pen

Reference: _____
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

evidence recovery logs for search @ Sen. Stevens house

U.S. DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

*** Evidence Recovery Log ***

194A-AN-13620-TSTEVENS

DATE RECOVERED: Monday, July 30, 2007, by Team # 1

(SITE) LOCATION (2) 138 Northland Road, Girdwood, AK

PERSONNEL:

[redacted] (CH)

(JAB)

TJS)

b6
b7C

ITEM#	DESCRIPTION	WHERE FOUND	RECV. BY	PHOTO	D/I	PACKAGING METHOD	MISCELLANEOUS COMMENTS	LOGGED BY
1	Manuals for boiler	Room I - next to power system transfer switch	CH, JAB	7-41	D	ENVELOPES		TJS
2	Manuals for 8.5 RMY Generator	Room I - next to power system transfer switch	CH, JAB	8-2-3	D	ENVELOPES		TJS

(END OF REPORT)

U.S. DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
*** Evidence Recovery Log ***

194A-AN-13620-TSTEVENS
DATE RECOVERED: Monday, July 30, 2007, by Team # 1
(SITE) LOCATION (1) 138 Northland Road, Girdwood, Alaska

PERSONNEL:
(CH)
(CH0)
(JAB)
(JS)

b6
b7C

ITEM#	DESCRIPTION	WHERE FOUND	RECV. BY	PHOTO	D/I	PACKAGING METHOD	MISCELLANEOUS COMMENTS	LOGGED BY
1	Cut pieces of rope lighting in black trash bag	Room I near garage door	CH0, JAB	6-20	I	Plastic Bag		TJS

(END OF REPORT)

MEDIA

1A(143)

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13020-TStevens

Field Office Acquiring Evidence Anchorage

Serial # of Originating Document

Date Received 7/30/07

From
(Name of Contributor/Interviewee)

(Address)

(City and State)

By IDA [redacted]

To Be Returned ☐ Yes ☐ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) b6
Federal Rules of Criminal Procedure b7C

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☐ No

Title: Polar Pen
CSLPO

Reference:
(Communication Enclosing Material)

Description: ☐ Original notes re interview of
ERT database CD's
- one original
- one working copy

FD-340c (4-11-03)

File Number 194A-AN-13620 - TStevens - 1A144

Field Office Acquiring Evidence AN

Serial # of Originating Document 55

Date Received 2/13/07

From [redacted]
(Name of Contributor/Interviewee)

[redacted]
(Address)

Anchorage, AK
(City and State)

By [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

b6
b7C

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☑ No

Federal Taxpayer Information (FTI)

☐ Yes ☑ No

Title:

Reference:
(Communication Enclosing Material)

Description: ☑ Original notes re interview of [redacted] - Notes & Business Card

FBI - Stevens-6288

ARC AMERICAN RUSSIAN CENTER

3211 Providence Drive, Anchorage, Alaska 99508 USA
♦Telephone [redacted]
♦Fax (907) 786-4319
[redacted] ♦http://www.arc.uaa.alaska.edu/

UAA UNIVERSITY of ALASKA ANCHORAGE

[redacted]

b6
b7C

[redacted]

2/13/07

[redacted] years Army - Retired [redacted]
Military Officer foreign area Officer
Russian Speaker -
[redacted]
US Army institute in [redacted]
All Courses taught in Russian - [redacted]
Came to Alaska [redacted]
[redacted]
Advisor to [redacted] group.
[redacted] retired. - Huge interest by
[redacted] of Russian
affairs for U
Served
He approached Senator Stevens
and it would be nice to set
up
Alaska Center for International Business - to train
Russians for busi
Sen Stevens put in

b6
b7C

Helped [redacted] put together training plan

It was all approved they

[redacted] b6 b7C

to set up small business development Centers.

One in Sakhalin & [redacted] - oil & gas - farm gas & heavy oil.

We figured these would be good places

US Agency for International Development
- first donnerk
next funding
4 Centers in Russian far east

How to set up a small business
marketing, business plan.

1998 - fall of ruble try to
get centers weaned off our

Resources
- started w/ three new ones
partially funded.

2 years ago we began w/ training
US partners

- 94-97 had one
partnership
one project

Oil and gas field mgrs (engineers) these folks come here
2000 2003 New approach task organization for teams

Men to Russia 26 or 27 times

Soviet System we need for efficiency

They have regulatory mechanisms
in place but there are ways
around it

Program

① basic & intermediate training to engineers
Started w/ oil & gas
Went to Construction & heavy
engineers

Had a total of 7 programs
4 basic (7 weeks)
3 intermediate

Train trainers in Russia - brought
faculty over here and they got (earned)
degrees

Logistics management Component - brought
them here to see how it works
here in Alaska

b6
b7C

Global Supplies Chain program as
well.

[redacted] - [redacted]

Mining & Petroleum in Kenai -
ISO 9000 Standards for wiring
and electrical engineering

still have relation ship w/ Sitkeliri —
all centers are on their own.

Joint Degree program —
Russian initiative (Business)
Habarvksa (sp) Region — get in state
tuition — 2 years at transportation
very regulated directed by
ministry of higher education.
They come ~~over~~ here w/ 2 years
of credit — then have opportunity
to complete degree in Business

They are then supposed to go to
Russia and finish 5th year —
many maybe 1/2 or more go
back the other 50% are in
various stages of education here
Total of 6 years they can be here
Some go to Canada. Those not
married go back to Russia
— 184 including those here Now

[redacted]

Travel around 62,000 in Russia and about 1850 here.

One third of Russian are in our program. Cheaper to go there than see them here.

b6
b7C

For this program basic premise they would be funded on scholarships from Russia. That has passed. Now parents pay.

They are either very good or bad - most very good. problem w/ checking. - Their focus in Russia is group work - here individual -

First trip to Russia [redacted] then w/ this job [redacted]

about 7 years ago hauled off of a flight and FSB interrogated for 4
K- hosted from Russia 2 years ago
went back 2 years ago

FSB is making a huge revival.

Earmark 2 million in 1993 -
2 million for first year -
second year - got a second story from AID - more money
Continuing funding for 8 years not earmarked. - language saying they should continue to support.
Initial program ended in 2003
AID has a policy programs started w

Sen Stevens got another earmark 2004 - 3 million (1 million a

to do field training
contract for DOL - we did not
ask 1999-2000 - maybe
2 million - budget cut - so
they
called and said would you
be interested in doing training
for Russian Oil Service managers
prog.
Substantial # of Alaskan
Companies trying to do work

Most contracts require 70% local
- it has to pr - Most of
these folks mid Green Lite
20s & 30s.
We did use local Companies
over 400 companies
- BP
- Nabek
Lynden transport
from the companies doing business

used

Nichelle was doing Modules
on North Slope

used Alaskan Companies to
help 50% Classroom 50%
site visits

Safety done by BP.

Got a list from Alaska support
industry alliance - Most
say we

Difficult to get trainers -

Many are afraid

- 150 trained during field
managers position

82 Completed project mgmt
52 logistics mgmt
9 train the trainer project mgmt
7 train the trainer logistics mgmt
27 Completed technical supervisor

Current grant ends end of March US AID
- will end at end of August
None in pipeline
Small grants - assistance to Russian orphans / social workers
Dept of State (re apply) German education students

Trying to get university to assume funding for activities as International Studies in Korea in May - Korea hopes to be next Netherlands.

AID - Public Health mgmt - looking at that now. Need to figure out a back way to keep them moving forward

Buch

[redacted] - good friend of Stevens - I'm getting inquiries from Alaskans - Seems to me w/ might be able. [redacted] idea was to set up a program for how to train Alaskans to do business in Russia

[redacted] Alaska Center for International Business - [redacted] a proposal to USAID. he wanted 12 million b6 b7C

talk to Jim Stevens that he

I became a request to get from [redacted] put language USAID appropriations for Russian Far East.

AID got 12 million proposal it arrived at same time - had one proposal

[redacted] asked him to come in and put that proposal together and get funded

got changed from training Alaskans
to training Russians
We were surprised in 1999
American Russian Center not involved at all
[redacted] was under it
It Kenai
[redacted] Mining and Petroleum
U of Alaska Workforce development
training for oil fields

b6
b7C

Veco had some sort of role
in DOL - they were only
company where no one would
help [redacted] Sakhalin Monsky Gas
would not get permission
to let their folks participate
We took folks down to Veco twice for
on site

No discussions w/ any of the
Companies what funding

AID is only focused on giving Russian
"Stuff"
Russian Far East Programs have
been on the shelf for a long time
Russia is 2nd largest energy producer
5 of the ~~largest~~ frontiers oil fields are
in Russian Far East
- RFar East is where
China Russia & US come together
Very important for US

#'s of Russian - 8 mil
to 500 mil on other side Chinese
of Curtain
Strategically important part
of World - Essential to
Keep
2015 when current Russian
oil fields begin to run low at current capacity
Running

1A145

FD-340c (4-11-03)

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence Anchorage

Serial # of Originating Document

Date Received 11/19/07

From [redacted]

[redacted] r/Interviewee)

[redacted])

[redacted] y and State)

By [redacted]

b3
b6
b7C

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☑ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☑ No

Title: Polar Pen; CSLPO; OO:AN

Reference:

(Communication Enclosing Material)

Description: ☐ Original notes re interview of

[redacted]

CO 293 (Rev. 8/91) Subpoena to Testify before Grand Jury

United States District Court

FOR THE DISTRICT OF COLUMBIA

SUBPOENA TO TESTIFY BEFORE GRAND JURY

TO: [redacted]

SUBPOENA FOR:
[ ] PERSON [X] DOCUMENT(S) OR OBJECT(S)

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

PLACE: UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution, N.W. Washington, D.C. 20001	COURTROOM: 3rd Floor GRAND JURY ROOMS DATE AND TIME: July 6, 2007 9:00 a.m.

b3
b6
b7C

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):*

PLEASE SEE ATTACHMENT

NOTE: In lieu of personal appearance, you may comply with this subpoena by providing via express delivery the subpoenaed records to FBI Special Agent [redacted] prior to the required date. Special Agent [redacted] may be reached at [redacted] or at the following address:

Special Agent [redacted]
Federal Bureau of Investigation
Washington Field Office
601 Fourth Street, NW
Washington, D.C. 20535

☐ *Please see additional information on reverse.*

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT NANCY MAYER-WHITTINGTON (By) Deputy Clerk	DATE: June 13, 2007
This subpoena is issued upon application of the United States of America.	NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY Nicholas A. Marsh [redacted] Trial Attorneys, Criminal Division, Public Integrity Section U.S. Department of Justice 1400 New York Avenue, N.W., 12th Floor Washington, D.C. 20005 Tel: (202) 514-1412

*If not applicable, enter "none".

*U.S.GPO:1993-0-350-792/80398

-1A146

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence _____

Serial # of Originating Document 210

Date Received 10/18/07

From George Newton

[redacted] ee)

(Address)

McLean, Virginia

(City and State)

By [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

b6
b7C

Title:

Reference: _____

(Communication Enclosing Material)

Description: ☒ Original notes re interview of George Newton on 10/18/07

10/18/07

George B. Newton
[redacted]
b6
b7C
McLean VA
[redacted] cell

Chairman - sitting under pres. appt
1992 by G H Bush
1996 & 2000 reappt. & eval. to Chair by Clinton
2004 GW Bush extend. indef. to 2006

consultant / auth. to work up to 90 days a yr.
compensation / could work additionally
w/ comp

USARC funded under NSF budget
1 mill budget
some yr got call & asked for report (July 1997)
out of blue 25 million to Artic Research
no employees so gave to NSF Artic Systems
nothing to do w/ VECO Science
research$ vs. logistics to support US Artic
Research

don't think subcontracted out to anyone
Intl Artic Research Center at Fairbanks
joint US / Japan - US half. @ 5 million

FBI - Stevens-6330

Artic Research & Policy Act
coop w/ intl local fed Artic Research entities

[redacted] held hearing on devp on coop. research endeavor w/ state
asked to testify at hearing
meet or one other social occassion

b6
b7C

Sen. periodically come to meeting of commission to address items of int.
hear from comm. of what thought was import.

92/91 - first up for bids - on bidding team as participant
Univ. of Neb. won
Univ of Alaska had it

Mead Treadwell - in AN took Newton position
Donald O'Dowd - Pres. of Univ. of Alaska System the became Chairman in 1991 relieved in 1996
lives in Santa Barbara
Lyle Perrigo - Richland Wash. State head of Alaska Office of Research Commission until 2001
well connected in Alaska

MEDIA

1A(147)

FD-340c (4-11-03)

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence Anchorage

Serial # of Originating Document

Date Received 11/24/07

From

(Name of Contributor/Interviewee)

(Address)

(City and State)

By

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☑ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☑ No

Title: Polar Pen; CSLPO; OO:AN

b3
b6
b7C

Reference:

(Communication Enclosing Material)

Description: ☐ Original notes re interview of

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TSTEVENS -1A148

Field Office Acquiring Evidence WFO

Serial # of Originating Document SUB TSTEVENS, 225

Date Received 1/6/00

From [redacted]
(Name of Contributor/Interviewee)

(Address)

(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure
☐ Yes ☒ No

Federal Taxpayer Information (FTI)
☐ Yes ☒ No

b3
b6
b7C

Title:

Polar Pen

Reference:
(Communication Enclosing Material)

Description: ☐ Original notes re interview of [redacted]

FGJ subpoena for

CO 293 (Rev. 8/91) Subpoena to Testify before Grand Jury

United States District Court

FOR THE DISTRICT OF COLUMBIA

O:

[redacted]

SUBPOENA TO TESTIFY BEFORE GRAND JURY

SUBPOENA FOR:
[ ] PERSON [X] DOCUMENT(S) OR OBJECT(S)

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

PLACE	**UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States District Courthouse 3rd and Constitution Avenue, NW Washington, DC 20001**	COURTROOM	3rd Floor GRAND JURY ROOMS
		DATE AND TIME	Wednesday, January 16, 2008 1:30 pm

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):*

See Attachment A.

b3
b6
b7C

NOTE: In lieu of personal appearance, you may comply with this subpoena by providing via **express delivery** the subpoenaed records to FBI Special Agent [redacted] prior to the required date. Special Agent [redacted] may be reached at [redacted] or at the following address:

Special Agent [redacted]
Federal Bureau of Investigation
Washington Field Office
601 Fourth Street, NW
Washington, D.C. 20535

☐ *Please see additional information on reverse.*

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT NANCY M. MAYER-WHITTINGTON, Clerk	DATE December 18, 2007
(By) Deputy Clerk	

This subpoena is issued upon application of the United States of America.	NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY Nicholas A. Marsh [redacted] Trial Attorneys, Criminal Division, Public Integrity Section U.S. Department of Justice 1400 New York Ave. NW, 12th Floor Washington, DC 20005 [redacted]

FBI - Stevens-6334

FD-340 (Rev. 4-11-03)

1A149

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence WFO

Serial # of Originating Document SUBTSTEVENS 223

Date Received 1/2/2005

From [redacted]

(Name of Contributor/Interviewee)

(Address)

(City and State)

By

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

b3
b6
b7C

Title:

POLAR PEN

Reference:

(Communication Enclosing Material)

Description: ☐ Original notes re interview of

Federal Grand Jury Subpoena for [redacted]

CO 293 (Rev. 8/91) Subpoena to Testify before Grand Jury

United States District Court

FOR THE DISTRICT OF COLUMBIA

O:

SUBPOENA TO TESTIFY BEFORE GRAND JURY

SUBPOENA FOR:
[X] PERSON [X] DOCUMENT(S) OR OBJECT(S)

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

PLACE **UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States District Courthouse 3rd and Constitution Avenue, NW Washington, DC 20001**	COURTROOM 3rd Floor GRAND JURY ROOMS
	DATE AND TIME Wednesday, January 16, 2008 1:30 pm

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):*

b3
b6
b7C

See Attachment A.

☐ *Please see additional information on reverse.*

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT NANCY M. MAYER-WHITTINGTON, Clerk	DATE December 18, 2007
(By) Deputy Clerk	

This subpoena is issued upon application of the United States of America.	NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY Nicholas A. Marsh [redacted] Trial Attorneys, Criminal Division, Public Integrity Section U.S. Department of Justice FBI - Stevens-6336 1400 New York Ave. NW, 12th Floor Washington, DC 20005 [redacted]

* If not applicable, enter "none". 110 (Rev. 12/89) Subpoena to Testify Before Grand Jury

RETURN OF SERVICE(1)

RECEIVED BY SERVER	DATE 12/18/2007	PLACE Washington, DC
SERVED	DATE 1/2/2008	PLACE Washington, DC

SERVED ON (PRINT NAME) [redacted]

b3
b6
b7C

SERVED BY (PRINT NAME) [redacted]

TITLE Special Agent

STATEMENT OF SERVICE FEES

TRAVEL	SERVICES	TOTAL
—	—	—

DECLARATION OF SERVER(2)

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Servic[redacted]

Executed on 1/2/2008
Date

[redacted]
Signature of Server

601 4th St NW Washington, DC
Address of Server

ADDITIONAL INFORMATION

FBI - Stevens-6337

(1) As to who may serve a subpoena and the manner of its service see Rule 17(d), Federal Rules of Criminal Procedure, or Rule 45(c), Federal Rules of Civil Procedure.
(2) "Fees and mileage need not be tendered to the witness upon service of a subpoena issued on behalf of the United States or an officer or agency thereof (Rule 45(c), Federal Rules of Civil Procedure; Rule 17(d), Federal Rules of Criminal Procedure) or on behalf of certain indigent parties and criminal defendants who are unable to pay such costs (28 USC 1825, Rule 17(b) Federal Rules of Criminal Procedure)".

FD-340 (Rev. 4-11-03)

-1A150

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence WFO

Serial # of Originating Document SUB TSTEVENS; 224

Date Received 1/2/2008

From [redacted]

Washington, DC
(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

b3
b6
b7C

Title:

POLAR PEN

Reference:
(Communication Enclosing Material)

FBI - Stevens-6338

Description: ☒ Orig[redacted]v of

- Notes from [redacted] interviews

1/2/08

N.C

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MB

C

(2)

[redacted]

→ see [redacted]

[redacted]

[redacted] b3 b6 b7C

[redacted]

[redacted]

[redacted]

FD-340 (Rev. 4-11-03)

1A 151

File Number 194A-AN-B620-TS TEVENS

Field Office Acquiring Evidence WFO

Serial # of Originating Document 226

Date Receive [redacted] 1/2/05

From [redacted]

(Name of Contributor/Interviewee)

(Address)

(City and State)

b3
b6
b7C

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

Title:

POLAR PEN

Reference:

(Communication Enclosing Material)

Description: ☐ Original notes re interview of

File copy of FGJ Subpoena

CO 293 (Rev. 8/91) Subpoena to Testify before Grand Jury

United States District Court

FOR THE DISTRICT OF COLUMBIA

O:

[redacted]

SUBPOENA TO TESTIFY BEFORE GRAND JURY

SUBPOENA FOR:
[X] PERSON [ ] DOCUMENT(S) OR OBJECT(S)

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

PLACE	**UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States District Courthouse 3rd and Constitution Avenue, NW Washington, DC 20001**	COURTROOM	3rd Floor GRAND JURY ROOMS
		DATE AND TIME	Wednesday, January 16, 2008 1:30 pm

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):*

b3
b6
b7C

☐ *Please see additional information on reverse.*

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT NANCY M. MAYER-WHITTINGTON, Clerk	DATE December 18, 2007
(By) Deputy Clerk	FBI - Stevens-6350
This subpoena is issued upon application of the United States of America.	NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY Nicholas A. Marsh [redacted] Trial Attorneys, Criminal Division, Public Integrity Section U.S. Department of Justice 1400 New York Ave. NW, 12th Floor Washington, DC 20005 [redacted]

* If not applicable, enter "none". 110 (Rev. 12/89) Subpoena to Testify Before Grand Jury

RETURN OF SERVICE(1)

RECEIVED BY SERVER	DATE 12/4/07	PLACE Washington, DC
SERVED	DATE 1/7/08	PLACE Washington, DC

SERVED ON (PRINT NAME) [redacted]

SERVED BY (PRINT NAME) [redacted]

TITLE Special Agent - FBI

STATEMENT OF SERVICE FEES

TRAVEL	SERVICES	TOTAL
—	—	—

b3
b6
b7C

DECLARATION OF SERVER(2)

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 1/7/08 (Date) Signature of Server [redacted]

601 4th St. NW Washington, DC
Address of Server

ADDITIONAL INFORMATION

(1) As to who may serve a subpoena and the manner of its service see Rule 17(d), Federal Rules of Criminal Procedure, or Rule 45(c), Federal Rules of Civil Procedure.
(2) "Fees and mileage need not be tendered to the witness upon service of a subpoena issued on behalf of the United States or an officer or agency thereof (Rule 45(c), Federal Rules of Civil Procedure; Rule 17(d), Federal Rules of Criminal Procedure) or on behalf of certain indigent parties and criminal defendants who are unable to pay such costs (28 USC 1825, Rule 17(b) Federal Rules of Criminal Procedure)".

FD-340 (Rev. 4-11-03)

1A152

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence WFO

Serial # of Originating Document 229

Date Received 01/05/2005

From _____
(Name of Contributor/Interviewee)

_____
(Address)

_____
(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

Title:

Polar Pen

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b7C

Reference: FD-302
(Communication Enclosing Material)

Description: ☒ Original notes re interview of

(1) [redacted]

(2) SUBPOENA SERVED ON [redacted]

1/8/08

[redacted]

[redacted]

b3
b6
b7C

[redacted]

[redacted]

[redacted]

[redacted]

2

[redacted]

[redacted]

[redacted]

[redacted] b3 b6 b7C

[redacted]

[redacted]

[redacted]

3

[redacted]

[redacted]

[redacted]

[redacted]

b3
b6
b7C

[redacted]

[redacted]

(4)

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1/8/07

1/2

b3
b6
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2/2

b3
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b7C

CO 293 (Rev. 8/91) Subpoena to Testify before Grand Jury

United States District Court

FOR THE DISTRICT OF COLUMBIA

O:

SUBPOENA TO TESTIFY BEFORE GRAND JURY

SUBPOENA FOR:
[X] PERSON [X] DOCUMENT(S) OR OBJECT(S)

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

PLACE	UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States District Courthouse 3rd and Constitution Avenue, NW Washington, DC 20001	COURTROOM	3rd Floor GRAND JURY ROOMS
		DATE AND TIME	Wednesday, January 16, 2008 1:30 pm

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):*

See Attachment A.

b3
b6
b7C

☐ *Please see additional information on reverse.*

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT NANCY M. MAYER-WHITTINGTON, Clerk	DATE December 18, 2007
(By) Deputy Clerk	FBI - Stevens-6359
This subpoena is issued upon application of the United States of America.	NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY Nicholas A. Marsh [redacted] Trial Attorneys, Criminal Division, Public Integrity Section U.S. Department of Justice 1400 New York Ave. NW, 12th Floor Washington, DC 20005 [redacted]

* If not applicable, enter "none". 110 (Rev. 12/89) Subpoena to Testify Before Grand Jury

RETURN OF SERVICE(1)

RECEIVED BY SERVER	DATE 12/20/07	PLACE WASHINGTON, DC
SERVED	DATE 01/08/2008	PLACE [redacted]

SERVED ON (PRINT NAME) [redacted]

SERVED BY (PRINT NAME) [redacted]	TITLE FBI SPECIAL AGENT

b3
b6
b7C

STATEMENT OF SERVICE FEES

TRAVEL	SERVICES	TOTAL
—	—	—

DECLARATION OF SERVER(2)

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 01/08/2008 [redacted]
Date Signature of S[redacted]

FBI - WASHINGTON, DC
Address of Server

ADDITIONAL INFORMATION

(1). As to who may serve a subpoena and the manner of its service see Rule 17(d), Federal Rules of Criminal Procedure, or Rule 45(c), Federal Rules of Civil Procedure.
(2) "Fees and mileage need not be tendered to the witness upon service of a subpoena issued on behalf of the United States or an officer or agency thereof (Rule 45(c), Federal Rules of Civil Procedure; Rule 17(d), Federal Rules of Criminal Procedure) or on behalf of certain indigent parties and criminal defendants who are unable to pay such costs (28 USC 1825, Rule 17(b) Federal Rules of Criminal Procedure)".

CO 293 (Rev. 8/91) Subpoena to Testify before Grand Jury

United States District Court

FOR THE DISTRICT OF COLUMBIA

O:

SUBPOENA TO TESTIFY BEFORE GRAND JURY

SUBPOENA FOR:
[X] PERSON [X] DOCUMENT(S) OR OBJECT(S)

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

PLACE	UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States District Courthouse 3rd and Constitution Avenue, NW Washington, DC 20001	COURTROOM	3rd Floor GRAND JURY ROOMS
		DATE AND TIME	Wednesday, January 16, 2008 1:30 pm

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):*

See Attachment A.

b3
b6
b7C

☐ *Please see additional information on reverse.*

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT NANCY M. MAYER-WHITTINGTON, Clerk	DATE December 18, 2007
(By) Deputy Clerk	

This subpoena is issued upon application of the United States of America.

NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY
Nicholas A. Marsh
[redacted]
Trial Attorneys, Criminal Division, Public Integrity Section
U.S. Department of Justice
1400 New York Ave. NW, 12th Floor
Washington, DC 20005
[redacted]

FBI - Stevens-6362

* If not applicable, enter "none". 110 (Rev. 12/89) Subpoena to Testify Before Grand Jury

RETURN OF SERVICE(1)

RECEIVED BY SERVER	DATE 12/20/07	PLACE WASHINGTON, DC
SERVED	DATE 01/08/2008	PLACE [redacted]

SERVED ON (PRINT NAME) [redacted]

SERVED BY (PRINT NAME) [redacted]	TITLE FBI SPECIAL AGENT

b3
b6
b7C

STATEMENT OF SERVICE FEES

TRAVEL	SERVICES	TOTAL
—	—	—

DECLARATION OF SERVER(2)

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on 01/08/2008 (Date) Signature [redacted]

FBI - WASHINGTON, DC
Address of Server

ADDITIONAL INFORMATION

FBI - Stevens-6363

(1) As to who may serve a subpoena and the manner of its service see Rule 17(d), Federal Rules of Criminal Procedure, or Rule 45(c), Federal Rules of Civil Procedure.
(2) "Fees and mileage need not be tendered to the witness upon service of a subpoena issued on behalf of the United States or an officer or agency thereof (Rule 45(c), Federal Rules of Civil Procedure; Rule 17(d), Federal Rules of Criminal Procedure) or on behalf of certain indigent parties and criminal defendants who are unable to pay such costs (28 USC 1825, Rule 17(b) Federal Rules of Criminal Procedure)".

FD-340c (4-11-03)

File Number 194A - AN - 13620 - TSTEVENS - 1A153

Field Office Acquiring Evidence Anchorage

Serial # of Originating Document 2316

Date Received 1/29/08

From [redacted]

(Name of Contributor/Interviewee)

(Address)

(City and State)

By [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☑ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☑ No

b3
b6
b7C

Title: Polar Pen; CSLPD; OO:AN

Reference: _____

(Communication Enclosing Material)

Description: ☐ Original notes re interview of

[redacted]

FD-340c (4-11-03)

1A154

File Number 194A-AN-13620 - TSTEVENS

Field Office Acquiring Evidence Anchorage

Serial # of Originating Document 236

Date Received 1/25/08

From _____
(Name of Contributor/Interviewee)

_____
(Address)

_____
(City and State)

By [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☑ No

Federal Taxpayer Information (FTI)

☐ Yes ☑ No

b6
b7C

Title: Polar Pen, CSLPO. OO: AN

Reference: _____
(Communication Enclosing Material)

Description: ☑ Original notes re interview of

[redacted]

FBI - Stevens-6376

Nick Lewis UPS Manager - Public Affairs 1/25/08

DOB [redacted]

[redacted] friends Saturday [redacted] for Stevens

[redacted]

[redacted] went to truck, address w/ to about at wrong marine. African American so's - 's TS napping and came out and said thanks. Party that's for party for [redacted] - plastic sonde 2½ x 1½ ft light - EW's way -

[redacted] called District Manager

[redacted] called [redacted] TS called left voice message w/ name at bat and addresses

Lobbyist [redacted] on legislation C2x

b6
b7C

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620 - TSTEVENS - 1A155

Field Office Acquiring Evidence AN

Serial # of Originating Document 239

Date Received 1/24/2008

From SA [redacted] IRS/CID - INTERVIEW
(Name of Contributor/Interviewee) Notes of [redacted]

(Address)

(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☑ No

Federal Taxpayer Information (FTI)

☐ Yes ☑ No

b6
b7C

Title: POLAR PEN
CSLPO

Reference: FD-302
(Communication Enclosing Material)

De[illegible] ☑ Original notes re interview of [redacted]

1-24-08
start 9:05 a.m
end 10:37 a.

[redacted] - witness
- FBI SA
IRS SA

[redacted] University
[redacted]
worked for [redacted] years

b6
b7C

[redacted]

[redacted]
[redacted] Senator Stevens

[redacted] legislation,
going to hearings
[redacted]
worked [redacted] days per week.

- Didn't know Senator Stevens

Had to formally apply & interview
for full time Stevens position

FBI - Stevens-6379

worked with [redacted]
Supervisor was [redacted]
took over [redacted] job.

[redacted]

(FAMOUS) Financial management
Information System
Senate offices use this system.

[redacted]

[redacted] - " " [redacted]

[redacted]

b6
b7C

27 employees in Stevens Office

started at [redacted] salary
was making about [redacted] when she left
maybe [redacted]

- Left Stevens no vertical mobility
[redacted] had been there [redacted] years and
didn't moving.

She is [redacted].
[redacted]
started [redacted]

FBI - Stevens-6380

2

Daily contact with Stevens after a few months.

[redacted] open, honest, says what he means, trusting, kind.

- She respected him.
- She was in a [redacted] Stevens staff and Stevens contacted her.

b6
b7C

- [redacted]
- She was like [redacted]
- [redacted] was involved and knew what was going on in office.
- [redacted] volunteered and helped [redacted] one year.
- [redacted] was more involved with [redacted] didn't help with [redacted]
- [redacted] did some [redacted]
- Sent [redacted] flowers for her birthday one year

FBI - Stevens-6381

[redacted] sometimes facilitated and checked on flights

[redacted] financial disclosure for 2005 and 2006

- Took over [redacted] job.

[redacted]

(and [redacted] handled some of this but she had a [redacted])

- Accountants completed the financial accounting disclosure.
- Looked at past disclosures.
- Sent info to accountant.
- She would ask senator about investments.

[redacted] would go over current year financial stuff with Senator Stevens to see if there were new investments

[redacted]

[redacted] did not handle personal bills. Separate budgets for office & campaign budget

b6
b7C

[redacted]

managed campaign budgets

[redacted]

luncheons in Anchorage, Fairbanks
- She travelled to [redacted]
- maybe [redacted] trips to Alaska, traveled within state of AK.

[redacted]

[redacted] invited [redacted] at [redacted]
She didn't think the house was that great.

b6
b7C

Ted was looking for Girdwood files and he said he paid for everything. Girdwood files are in Senators back office.

- [redacted] ~~recalls~~ recalls the files had an invoice from Christiansen Builders monthly bills.
- There was email correspondence with [redacted] Stevens wanted [redacted] to act as the contractor during the renovation.

[redacted] worked on finding files, [redacted] looked for past emails on server.

Land Rover 1988 - there is a file on the Land Rover. (LR)
[redacted] was traded, maybe for a motorcycle, some correlation to [redacted]

b6
b7C

Lees Jeep - Cherokee - Senator Stevens car, parked at his house
[redacted]

[redacted]

from the Stevens
[redacted]

[redacted]

- kept list of who called for Senator. Other politicians get thru to senator

[redacted] ment ever trips with Senator to see if they needed to pay back expenses (airfare, lodging, etc)

[redacted] ted Stevens - investor in horse racing (American Eagle). This was an investment that was tracked.

* Amended a financial disclosure one year for a box [redacted] didn't check.

b6
b7C

- Amended 2002, 2003, 2004 for gifts received by Senator for guns received + [redacted] value gift when they came into the office
[redacted] would ask [redacted] if there were gifts the senator kept. [redacted] would follow up.
Senator would tell [redacted] or staffer about gifts that he received.

Lobbyists:

[redacted] would come in and meet with staffers like [redacted]

[redacted] PAC would come in and talk to Senator

[redacted] would come in and talk to George.

She doesn't know if Senator pushed legislation that benefitted lobbyists.

[redacted] always thought Senator tried to do what was best for Alaska.

[redacted] practices law related to [redacted] didn't know that [redacted] was a lobbyist or who she represented.

b6
b7C

[redacted] would call but she never brought clients in. She is good friends with [redacted].

Pages were from Alaska. They tried to hire Alaska interns.

b6
b7C

Senator had drivers and security detail to drive him to appointments [redacted] didn't take the Senator to appointments.

Senator asked [redacted] to research the guns and history.
Check trips to make sure everything is paid for.

Emails go back to the 1990's.
[redacted] would know about emails.

[redacted] SSN

[redacted]

Washington DC [redacted]

FBI - Stevens-6387

9

FEDERAL BUREAU OF INVESTIGATION
FOI/PA
DELETED PAGE INFORMATION SHEET
FOI/PA# 1392090-1

Total Deleted Page(s) = 61
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Page 28 ~ b3; b6; b7C;
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Page 246 ~ b3;
Page 247 ~ b3;
Page 291 ~ b6; b7C;

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X   No Duplication Fee X
X   For this Page      X
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1A Envelope

Case ID: 194A-AN-13620-TSTEVENS

AN	1	DOCUMENTS PROVIDED BY HANNAH GENERAL CONTRACTING RE STEVENS GIRDWOOD RESIDENCE
AN	2	ORIGINAL CD - PHOTOS OF TED STEVENS GIRDWOOD HOME COPY OF CD
AN	3	[redacted]
AN	4	[redacted]
AN	5	1) ORIGINAL NOTES RE INTERVIEW OF [redacted] ON 01/12/2007 2) BLUEPRINTS/MEASUREMENTS FOR COUNTERTOPS AT GIRDWOOD
AN	6	ORIGINAL NOTES RE INTERVIEW OF [redacted] ON 01/10/2007
AN	7	ORIGINAL NOTES RE INTERVIEW OF [redacted] ON 01/09/2007
AN	8	ORIGINAL NOTES RE INTERVIEW OF [redacted]
AN	9	ORIGINAL NOTES RE INTERVIEW OF [redacted]
AN	10	ORIGINAL NOTES RE INTERVIEW OF [redacted] ON 01/09/2007
AN	11	ORIGINAL NOTES RE INTERVIEW OF [redacted] ON 01/08/2007
AN	12	ORIGINAL NOTES RE INTERVIEW OF [redacted] ON 01/08/2007
AN	13	ORIGINAL NOTES RE INTERVIEW OF [redacted] ON 01/08/2007
AN	14	ORIGINAL NOTES RE INTERVIEW OF [redacted] ON 01/08/2007
AN	15	ORIGINAL NOTES RE INTERVIEW OF [redacted] ON 01/05/2007
AN	16	ORIGINAL NOTES RE INTERVIEW OF [redacted]
AN	17	ORIGINAL NOTES RE INTERVIEW OF [redacted] ON 01/05/2007
AN	18	ORIGINAL NOTES RE INTERVIEW OF [redacted] 01/12/2007
AN	19	[redacted]
AN	20	ORIGINAL NOTES RE INTERVIEW OF [redacted]

b3
b6
b7C

1A Envelope

Case ID: 194A-AN-13620-TSTEVENS

AN	21	ORIGINAL NOTES RE INTERVIEW OF [redacted]
AN	22	ORIGINAL NOTES RE INTERVIEW OF [redacted]
AN	23	ORIGINAL NOTES OF TELEPHONIC INTERVIEW OF [redacted]
AN	24	ORIGINAL NOTES RE INTERVIEW OF [redacted]
AN	25	ORIGINAL NOTES RE INTERVIEW OF [redacted]
AN	26	ORIGINAL NOTES RE INTERVIEW OF [redacted]
AN	27	ORIGINAL NOTES RE INTERVIEW OF [redacted]
AN	28	ORIGINAL NOTES RE INTERVIEW W/ [redacted]
AN	29	ORIGINAL NOTES RE: INVERVIEW OF [redacted] ON 2/16/-07 (TELEPHONIC) (2) [redacted] DRIVER'S HISTORY FROM PUBLIC DATABASE
AN	30	ORIGINAL NOTES RE INTERVIEW OF [redacted] ON 02/26/2007
AN	31	ORIGINAL NTOES RE INTERVIEW OF [redacted] ON 02/27/2007
AN	32	ORIGINAL NOTES RE INTERVIEW OF [redacted]
AN	33	ORIGINAL NOTES RE INTERVIEW OF ROCKY WILLIAMS AND SKETCH OF STEVENS' BOTTOM FLOOR
AN	34	ORIGINAL NOTES RE INTERVIEW OF [redacted]
AN	35	DIGITAL PHOTOGRAPHS OF 3904 HIGHWOOD COURT, WASHINGTON, D.C
AN	36	ORIGINAL INTERVIEW NOTES OF [redacted]
AN	37	ORIGINAL INTERVIEW NOTES OF [redacted]
AN	38	[redacted]
AN	39	PHOTOS IN GIRDWOOD (AERIAL) E409JS502163147E23
AN	40	ORIGINAL INTERVIEW NOTES OF [redacted]
AN	41	ORIGINAL INTERVIEW NOTES OF [redacted]
AN	42	ORIGINAL INTERVIEW NOTES OF [redacted]
AN	43	ORIGINAL NOTES RE INTERVIEW OF [redacted]
AN	44	A. FD-597 DATED 5/3/07 B. FD-597 DATED 5/16/07 C. PRINT ORDER #80015 D. PLC INVOICE #81739

b3
b6
b7C

1A Envelope

Case ID: 194A-AN-13620-TSTEVENS

AN	45	ORIGINAL PACKAGE COPIES OF FD-192'S AND CHAINS OF CUSTODY FOR 1B674 AND 1B675, COPY OF FD-597
AN	46	PHOTOGRAPHS OF 3104 HIGHWOOD CT., RESIDENCE OF TED STEVENS
AN	47	ORIGINAL INTERVIEW NOTES OF [redacted] ESQUIRE TWO FD-597S ISSUED TO [redacted]
AN	48	ORIGINAL INTERVIEW NOTES OF [redacted] DRIVER'S LICENSE PHOTO
AN	49	ORIGINAL INTERVIEW NOTES OF [redacted] ORIGINAL INTERVIEW NOTES OF ORIGINAL INTERVIEW NOTES OF
AN	50	ORIGINAL INTERVIEW NOTES OF [redacted]
AN	51	ORIGINAL INTERVIEW NOTES OF [redacted] ORIGINAL INTERVIEW NOTES OF ORIGINAL INTERVIEW NOTES OF
AN	52	ORIGINAL INTERVIEW NOTES OF [redacted]
AN	53	ORIGINAL INTERVIEW NOTES OF [redacted]
AN	54	ORIGINAL INTERVIEW NOTES OF [redacted]
AN	55	ORIGINAL INTERVIEW NOTES OF [redacted]
AN	56	NOTES REF INTERVIEW OF [redacted] GIRDWOOD AK; [redacted] [redacted]
AN	57	T. STEVENS FINANCIAL DOCUMENTS (2000-2005)
AN	58	[redacted] INTERVIEW NOTES

b6
b7C

-1A1

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TStevens

Field Office Acquiring Evidence AN

Serial # of Originating Document

Date Received 10/6/2006

From [redacted]
(Name of Contributor/Interviewee)

[redacted]
(Address)

Arch.
(City and State)

By SSA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure
☐ Yes ☒ No

Federal Taxpayer Information (FTI)
☐ Yes ☒ No

Title: Polar Pen
CSCPO

Reference:
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

→ Documents provided by
Hanrahan General Contracting
re Stevens Girdwood Res

FBI - Stevens-4999

b6
b7C

PROPOSAL

HANNAH GENERAL CONTRACTING

851 East 100th Avenue • Anchorage, AK 99515
(907) 349-2014 • 349-7014 Fax

PROPOSAL SUBMITTED TO: BOB

TED STEVENS
NORTHLAND DR.
GIRDWOOD, AK 99587

PHONE OFF. 271-5915 283-2822

PAGE NO. 1 OF 1 PAGES

DATE 9-1-00

JOB NAME STEVENS

ADDRESS

CITY / STATE / ZIP GIRDWOOD, AK.

We hereby submit specifications and estimates for:

1. ADDITION ONTO FONDATION APPROX 20' FOOTINGS & 60 BLOCK.

We hereby propose to furnish labor and materials - complete in accordance with the above specifications, for the sum of ELEVEN HUNDRED & EIGHTY EIGHT ~~00~~ dollars ($ 1,188.00) with payment to be made as follows 50% DEPOSIT, TOTAL DUE UPON COMPLETION.

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. This proposal subject to acceptance within 15 days and is void thereafter at the option of the undersigned.

Authorized Signature [redacted]

ACCEPTANCE OF PROPOSAL

b6
b7C

The above prices specifications and conditions are hereby accepted. You are authorized to do the work as specified. Payments will be made as outlined above.

FBI - Stevens-5000

ACCEPTED:

Signature _____ [redacted]

Date _____

Signature _____

00000003

PROPOSAL

HANNAH GENERAL CONTRACTING

851 East 100th Avenue • Anchorage, AK 99515
(907) 349-2014 • 349-7014 Fax

PROPOSAL SUBMITTED TO: BOB

TED STEVENS
NORTHLAND DR.
GIRDWOOD, AK. 99587

PHONE 271.5915 OFF. 783-2822

PAGE NO. 1 OF 1 PAGES

DATE 8.16.00

JOB NAME STEVENS

ADDRESS

CITY / STATE / ZIP GIRDWOOD AK

We hereby submit specifications and estimates for:

1. RAISE ONE 24'x34' CHALET STYLE HOME APPROX. 10".
2. OWNER IS RESPONSIBLE FOR ALL UTILITY DISCONNECTS PRIOR TO RAISE. ALSO DISCONNECT ARTIC ENTRY AND DECKS. OWNER SHALL ALSO REPAIR BEAM POCKET HOLES.
3. HANNAH GEN. CONTRACTING IS NOT RESPONSIBLE FOR ANY MINOR CRACKS IN SHEETROCK THAT MAY OCCUR.
4. THIS BID IS FOR HOUSERAISE ONLY.
5. H.G.C. NOT RESPONSIBLE FOR GLASS.

DEPOSIT 1875 00/100 CHECK 101 8.21.00
BAL. 1845.00

We hereby propose to furnish labor and materials - complete in accordance with the above specifications, for the sum of THIRTY SEVEN HUNDRED & TWENTY ~~00/100~~ dollars ($ 3720.00) with payment to be made as follows 50% DEPOSIT, TOTAL DUE UPON COMPLETION OF RAISE.

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. This proposal subject to acceptance within 15 days and is void thereafter at the option of the undersigned.

Authorized Signature [redacted]

ACCEPTANCE OF PROPOSAL

b6
b7C

The above prices specifications and conditions are hereby accepted. You are authorized to do the work as specified. Payments will be made as outlined above.

ACCEPTED: Signature [redacted] 8/21/00

Date Signature [redacted]

HANNAH GENERAL CONTRACTING

Specialize in Housemoving

7010 Old Seward Hwy.
Anchorage, Alaska 99518
349-2014 Office
[redacted] Home • 349-7014 Fax

[redacted] [redacted] [redacted]

00000010

b6
b7C

[redacted]

00000008

FOUNDATION
1200.00
20' 15.00'
60 BLOCK 60.00
1/30.00

TOTAL - 3720.00
DEPOSIT 1875.00
8.21.00
1845.00
9.6.00 1845.00

00000011

X 1188.00
10.10.00 1188.00

b6
b7C

FAX

00000009

TED STEVENS, CHAIRMAN
COMMITTEE ON APPROPRIATIONS
UNITED STATES SENATE
WASHINGTON, D.C. 20510
(202) 224-3004

Washington, D.C. 20007

October 11, 2000

Hannah General Contracting
851 East 100th St.
Anchorage, AK 99515

b6
b7C

Dea

Enclosed is a check for payment on work done at the chalet. Thanks for your help.

Best Regards,

[redacted]
Washington, D.C. 20007

b6
b7C

[redacted]
Hannah General Contracting
851 East 100th St.
Anchorage, AK . 99515

[redacted]
00000001

MEDIA ✓

1A 2

FD-340 (Rev. 4-11-03)

File Number 4A-AN-1362C-TSTEVENS-1A5

Field Office Acquiring Evidence AN

Serial # of Originating Document _____

Date Received 12/27/06

From _____
(Name of Contributor/Interviewee)

_____
(Address)

_____
(City and State)

By [redacted]

b6
b7C

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

Title:

Reference: _____
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

1 - Original (1) - photos Ted Stevens Girdwood Home

2 - Copy of (1)

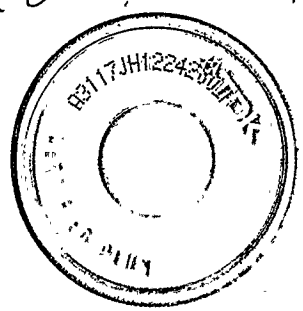
Original

12/27/06

SA

Photos of Ted Stevens Girdwood Hom

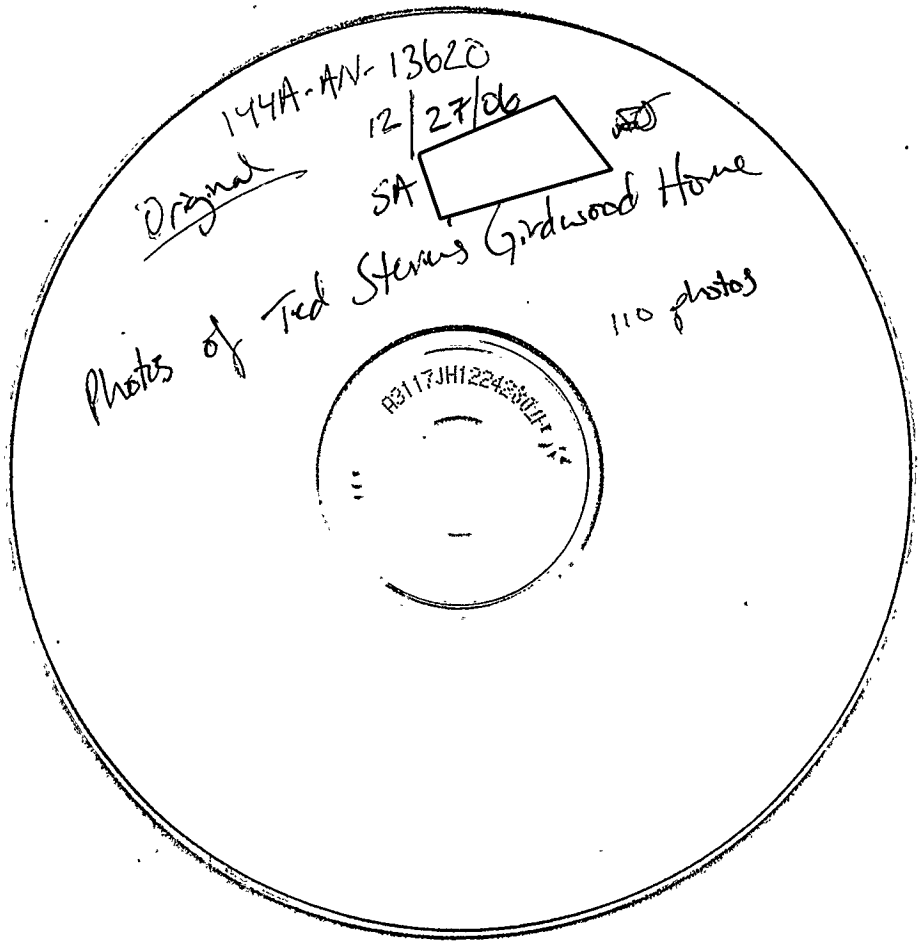
110 photos



194A-AN-13620-TSTEVENS-

1A (2)

b6
b7C


144A-AN-13620
12/27/06
SA
Original
Photos of Ted Stevens Girdwood Home
110 photos

b6
b7C

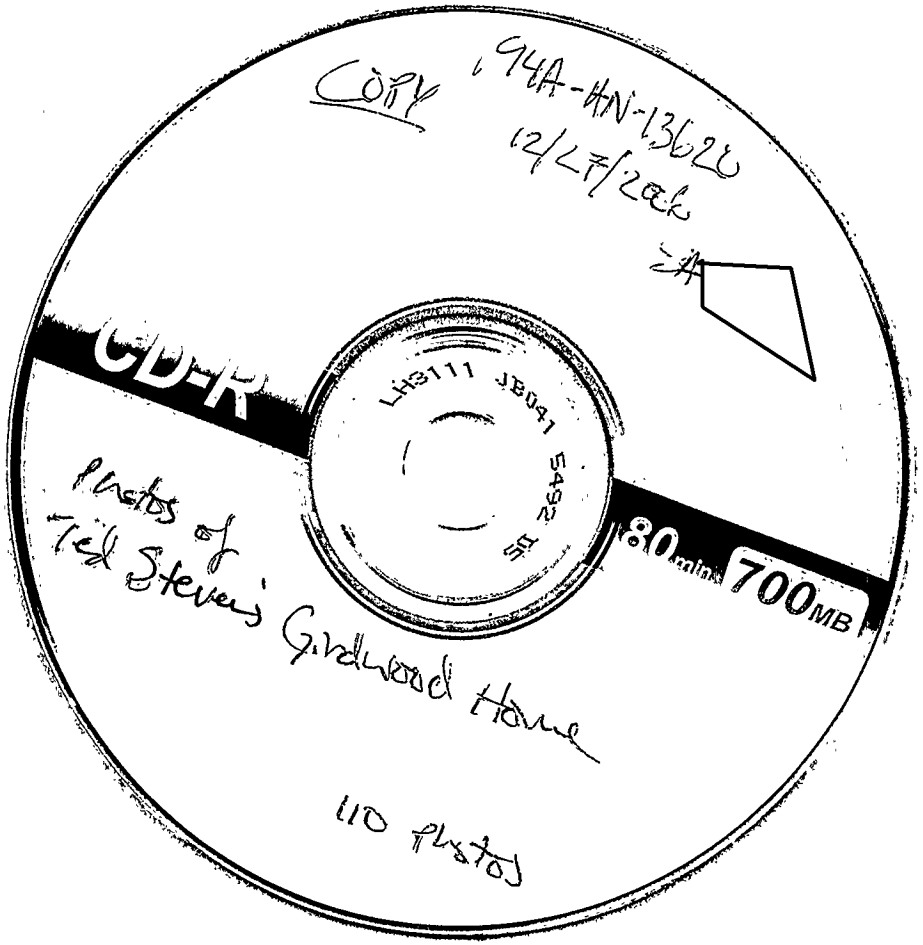
12/27/2006

Cardwood Home

Plat

194A-AN-13620-TSTEVENS-
1A (2)

b6
b7C


Copy
94A-HN-13626
12/27/2006
CD-R
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80 min
700MB
Photos of
Ted Stevens Girdwood Home
110 photos

b6
b7C

FD-340c (4-11-03)

File Number 194A-AN-13620-TSTEVENS - 1A3

Field Office Acquiring Evidence Anchorage

Serial # of Originating Document

Date Received 11/13/06

From [redacted]
(Name of Contributor/Interviewee)

(Address)

(City and State)

By [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure
☒ Yes ☐ No

Federal Taxpayer Information (FTI)
☐ Yes ☒ No

b3
b6
b7C

Title: Polar Pen;
CSLPO;
OO:AW

Reference:
(Communication Enclosing Material)

[redacted]

CG 1/6/07

FBI - Stevens-5011

b3
b6
b7C

FBI - ANCHORAGE
ATTN:

Recd 11/13/06 kel

A070005

[redacted]
Assistant U.S. Attorney

Federal Building & U.S. Courthouse
Room 253
222 West 7th Avenue, #9,
Anchorage, Alaska 99513-7567
(907) 271-5071

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF ALASKA

b3
b6
b7C

IN RE GRAND JURY INVESTIGATION _____	)	AFFIDAVIT OF COMPLIANCE WITH GRAND JURY SUBPOENA DUCES TECUM

_____, being first duly sworn, deposes and says:

1. I am associated with [redacted] the "Company") as [redacted] _____. In this position I have the responsibility for the Company's compliance with the subpoena duces tecum issued to me on October 10, 2006, which calls for the production of certain documents before a Grand Jury of this Court.

2. I personally have conducted or supervised compliance by the Company

with the subpoena duces tecum. To the best of my knowledge, information and belief, based upon due diligence and reasonable inquiry, the documents enclosed herewith, bearing the numbers _____, constitute all the documents in the possession, custody or control of the Company that fall within the terms of the subpoena duces tecum.

3. No documents responsive to the subpoena duces tecum have been withheld by the Company pursuant to a claim of privilege or otherwise. To the best of my knowledge, information and belief, based upon due diligence and reasonable inquiry, no one has directed the destruction of any documents responsive to the subpoena duces tecum and no such documents have been destroyed.

4. The documents made by the Company and produced in compliance with the subpoena duces tecum are memoranda, reports, records or data compilations of acts, events, conditions, opinions or diagnoses that were made at or near the time, by or from information transmitted by, a person with knowledge and that have been kept in the course of the Company's regularly conducted business activity. It has been the Company's regular practice in that business activity to make those memoranda, reports, records or data compilations. Neither the source of information, nor the method of circumstances of preparation, indicate a lack of trustworthiness for those memoranda, reports, records or data compilations.

5. I understand that the furnishing of these documents to counsel for the United States in response to the subpoena duces tecum and the execution of this Affidavit, are at the sole discretion and election of myself and the Company, and are in lieu of personally producing the documents before the grand jury which right to appear is expressly waived.

6. I am authorized by the Company to execute this Affidavit, and I have reviewed all of its terms with counsel for the Company before signing and swearing to it.

FURTHER AFFIANT SAYETH NAUGHT.

[redacted]

b3
b6
b7C

SUBSCRIBED AND SWORN TO before me this 13 day of Nov., 2006, at Anch. AK

Notary Public
My commission expires: 3/20/07.

LESLIE D. JONES
NOTARY
PUBLIC
STATE OF ALASKA

FD-340c (4-11-03)

-1A4

File Number 194A-AN-136020 - TSTEVENS

Field Office Acquiring Evidence Anchorage

Serial # of Originating Document

Date Received 1/5/07

From [redacted]
(Name of Contributor/Interviewee)

(Address)

(City and State)

By [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

b3
b6
b7C

Title: Polar Pen; CSLPO; CO.AN

Reference:
(Communication Enclosing Material)

Description: ☒ Original notes re interview of [redacted]

DEC-29-2006 [illegible] FBI ANCHORAGE [illegible] P.02

UNITED STATES DISTRICT COURT

A070280

DISTRICT OF ALASKA

RECEIVED DEC 2 9 2006

TO: [redacted]

SUBPOENA TO TESTIFY BEFORE GRAND JURY

SUBPOENA FOR:
☐ PERSON ☒ DOCUMENT(S) OR OBJECT(S)

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

PLACE	COURTROOM
Federal Building & U.S. Courthouse 222 W. 7th Avenue Anchorage, AK 99513	Grand Jury
	DATE AND TIME 1/9/07 9:00 A.M.

b3
b6
b7C

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):*

See Attachment

☐ Please see additional information on reverse.

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

CLERK	DATE
TOM BOMACK, Clerk	
(By) Deputy Clerk	12/29/06

This subpoena is issued on application of the United States of America

NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY
[redacted] U.S. Atty.
Federal Bldg. & U.S. Courthouse, 222 W. 7th Ave., #9, Rm 253
Anchorage, AK 99513-7567 (907) 271-5071

* If not applicable, enter "None".

AO 110 (Rev. 12/86) Subpoena to Testify Before Grand Jury

U.S. Department of Justice

United States Attorney
District of Alaska

Federal Building & U.S. Courthouse
222 West 7th Avenue, #9, Room 253
Anchorage, Alaska 99513-7567

Telephone: (907) 271-5071
Fax Number (907) 271-1500

December 22, 2006

[redacted]

Re: Grand Jury Subpoena

Dear [redacted]

You have been served with a grand jury subpoena duces tecum, to produce certain enumerated records before the grand jury in Anchorage, Alaska at 9:00 a.m., Tuesday, January 9, 2007. If you need additional time to comply with this subpoena please contact our office for an extension.

You have the right to appear before the grand jury. To minimize your inconvenience in complying with this subpoena, you may mail the requested documents certified to our office, or provide the documents to the agent(s) serving the subpoena in lieu of personally producing the documents before the grand jury.

Should you decide to provide the documents by certified mail, the officer responsible for complying with this subpoena must execute the enclosed affidavit before a notary public. This affidavit must accompany the documents being forwarded.

Please be advised that disclosure of this subpoena may impede an ongoing criminal investigation.

If you have any questions regarding the subpoena or the method by which that subpoena may be satisfied, please contact me collect at (907) 271-5071.

Sincerely,

[redacted]

Assistant U.S. Attorney

Enc: Affidavit of Custodian

b3
b6
b7C

b3
b6
b7C

3-2005 14:42 FBI ANCHORAGE 907 265 848

A070230

[redacted]
Assistant U.S. Attorney

Federal Building & U.S. Courthouse
Room 253
222 West 7th Avenue, #9,
Anchorage, Alaska 99513-7567
(907) 271-5071

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF ALASKA

IN RE GRAND JURY INVESTIGATION _____	)	AFFIDAVIT OF COMPLIANCE WITH GRAND JURY SUBPOENA DUCES TECUM

_____, being first duly sworn, deposes and says:

1. I am associated with _____ (the "Company") as _____. In this position I have the responsibility for the Company's compliance with the subpoena duces tecum issued to me on _____, 2006, which calls for the production documents before a Grand Jury of this Court.

2. I personally have conducted or supervised compliance by the Company with the subpoena duces tecum. To the best of my knowledge, information and belief, based upon due diligence and reasonable inquiry, the documents enclosed herewith, bearing the numbers _____, constitute all the documents in the possession, custody or control the Company that fall within the terms of the subpoena duces tecum.

3. No documents responsive to the subpoena duces tecum have been withheld by the Company pursuant to a claim of privilege or otherwise. To the best of my knowledge, information and belief, based upon due diligence and reasonable inquiry, no one has directed the destruction of any documents responsive to the subpoena duces tecum and no such documents have been destroyed.

4. The documents made by the Company and produced in compliance with the subpoena duces tecum are memoranda, reports, records or data compilations of acts, events, conditions, opinions or diagnoses that were made at or near the time, by or from information transmitted by, a person with knowledge and that have been kept in the course of the Company regularly conducted business activity. It has been the Company's regular practice in that business activity to make those memoranda, reports, records or data compilations. Neither the source of information, nor the method of circumstances of preparation, indicate a lack of trustworthiness for those memoranda, reports, records or data compilations.

5. I understand that the furnishing of these documents to counsel for the United States in response to the subpoena duces tecum and the execution of this Affidavit, are at the sole discretion and election of myself and the Company, and are in lieu of personally producing the documents before the grand jury which right to appear is expressly waived

6. I am authorized by the Company to execute this Affidavit, and I have reviewed all of its terms with counsel for the Company before signing and swearing to it.

FURTHER AFFIANT SAYETH NAUGHT.

_____
AFFIANT

SUBSCRIBED AND SWORN TO before me this ___ day of _____ 2006, at _____

_____
Notary Public
My commission expires. _____

-28-2006 14:41 FBI ANCHORAGE 907 265 8400

FBI FACSIMILE
COVER SHEET

b3

PRECEDENCE

- ☐ Immediate
- ☐ Priority
- ☒ Routine

CLASSIFICATION

- ☐ Top Secret
- ☐ Secret
- ☐ Confidential
- ☐ Sensitive
- ☒ Unclassified

Time Transmitted:
Sender's Initials: mbk
Number of Pages: 7
(Including cover sheet)

To: [redacted]
Name of Office

Date: 12/28

Facsimile Number: [redacted]

Attn: [redacted]
Name Room Telephone

From: Anchorage FBI
Name of Office

Subject: Subpoena For [redacted]

Special Handling Instructions:

b6
b7C

Originator's Name: SA [redacted] Telephone: [redacted]

Originator's Facsimile Number: 907-265-8400

Approved:

Brief Description of Communication Faxed:

WARNING

Information attached to the cover sheet is U.S. Government Property. If you are not the intended recipient of this information, disclosure, reproduction, distribution, or use of this information is prohibited (18 USC § 641). Please notify us the local FBI Office immediately to arrange for proper disposition.

-1A5

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13630-TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document 40

Date Received 01/12/2007

From [redacted]
(Name of Contributor/Interviewee)

[redacted]
(Address)

Anchorage, Alaska
(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

b6
b7C

Title: Polar Pen

Reference: FD-302
(Communication Enclosing Material)

Description: ☒ Original notes re interview of

1) [redacted] on 01/12/2007

2) Blueprints / measurements for Countertops at Girdwood

01/12/2007 [redacted] SSA [redacted]

Mountain Top

[redacted]

2000-2001

[redacted] Christmas Bush Costa @ that

Time

[redacted]

2yrs ago

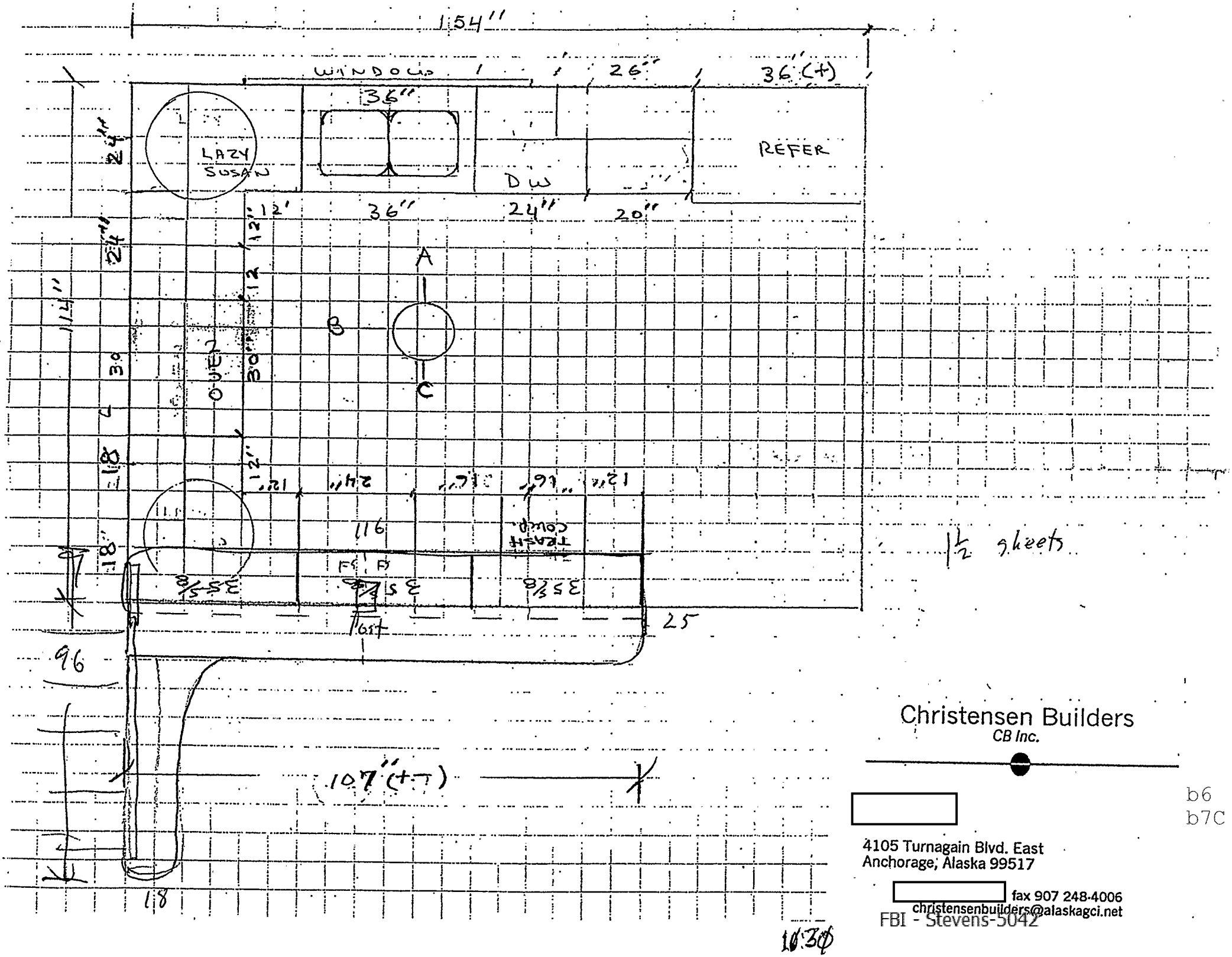
since 2004, [redacted]

works @ [redacted]

[redacted]

b6
b7C

G16pet61.302



Christensen Builders
CB Inc.

[redacted]

4105 Turnagain Blvd. East
Anchorage, Alaska 99517

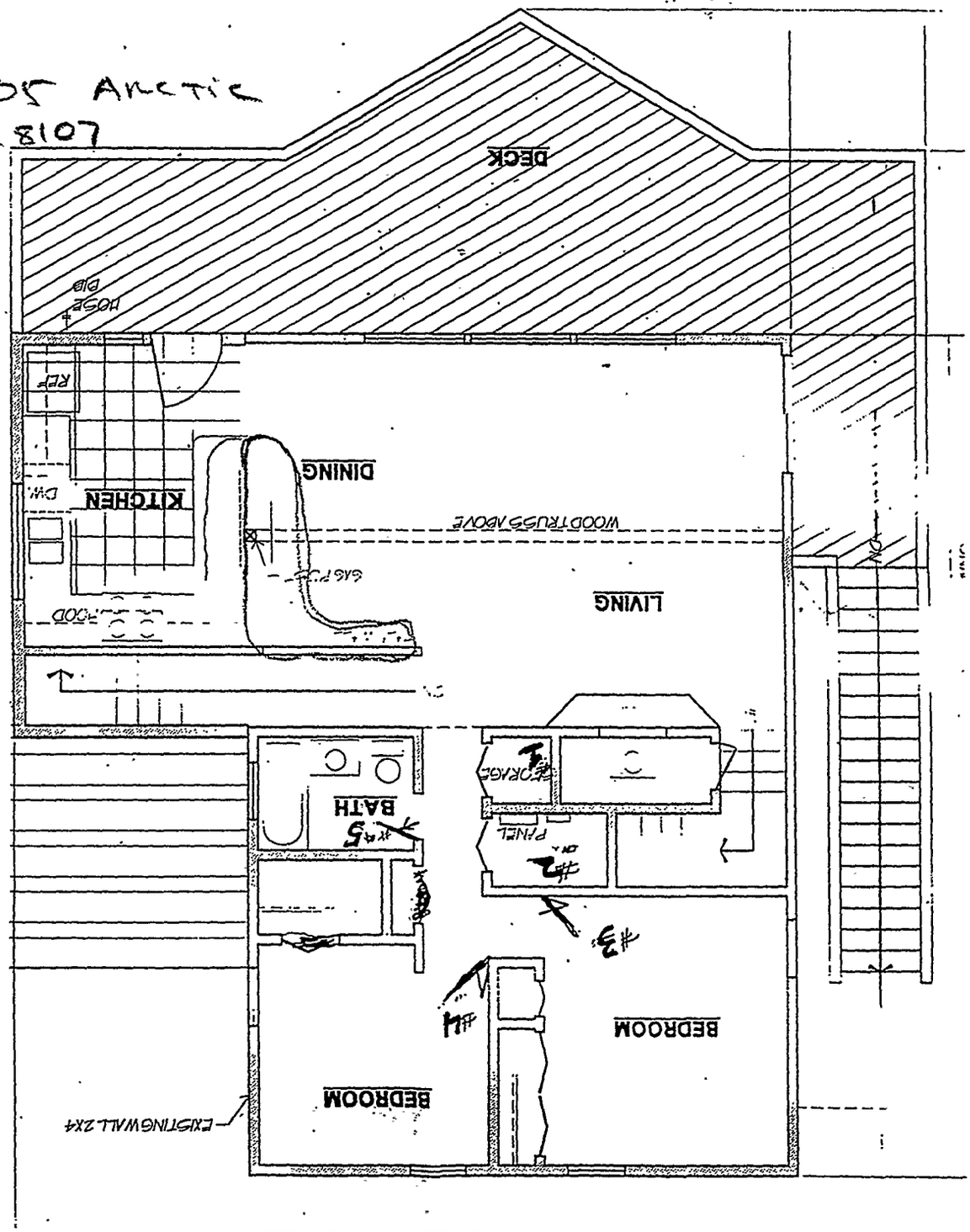
[redacted] fax 907 248-4006
christensenbuilders@alaskagci.net

b6
b7C

FBI - Stevens-5042

Wilson Ant
Solid Surface
9091ML
Midnite Malange

6605 Arctic
272-8107



, 1A6

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document 39

Date Received 01/10/2007

From [redacted]

[redacted]
(Address)

Anchorage, Alaska
(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

b6
b7C

Title: Polar Pen

Reference: FD-302
(Communication Enclosing Material)

Description: ☒ Original notes re interview of [redacted] on 01/10/2007

FBI - Stevens-5044

01/16/2007
12:15pm

(LE) [redacted], DOB - [redacted] Anchorage
SSAN - [redacted] Atka AK

employed by VECO since [redacted]
HS [redacted], enrolled in [redacted]

[redacted]

[redacted] Port / North Slope

[redacted]

Bachelor
Red Dog
March 2000
shift w DM

[redacted] b6 b7C

↳ Immediate Supervisor [redacted]

[redacted]

(DM) Girdwood Project

[redacted] told [redacted] he was going to work on house in Girdwood. Notified March 2001

[redacted] does not know how [redacted] knew of Girdwood

[redacted] first met [redacted] @ Girdwood Pkg (GP)

616pet 02-302

[redacted] knew of [redacted] as [redacted] due to getting easy jobs.

[redacted] was related to [redacted] to get easy jobs

[redacted] does not know a deal w/ [redacted]

[redacted] saw pictures @ GP of Ted Stevens (TS)

[redacted] asked contractors on site about GP's ownership [redacted]

b6
b7C

[redacted] was @ GP for approx 2 weeks off/on; 4-5 hours a day 40-60 hrs total

[redacted] one VECO hard hat while on GP; personally owned hardhat

[redacted] off/on smoke @ GP; only VECO employees

[redacted] saw welder [redacted] (Sp); photo was paramount

[redacted] said no real supervision or plan on the GP

[redacted] saw @ GP saw welder was putting on; [redacted] had to do overhaul of trim on the stairs to be tied into [redacted]

[redacted] → networking on GP, 18-20

DA's [redacted] showed LE pool table @ GP

[redacted] → d [redacted] → not [redacted] b6 b7C

[redacted] never saw TS @ GP; [redacted] saw not TS @ the Double Nickel Inn (DMI) [redacted] TS he worked for VECO.

[redacted] knew plumber @ GP named Tyree (sp) and he [redacted] knew [redacted] but Tyree has passed away. Known YEARS after GP

- [redacted] worked together @ GP / [redacted]
- Anything not cutting an [redacted] is by default given to [redacted]

[redacted] did not question why VECO EES @ GP.

one/two day material write on VECO time / payment

[redacted] home - [redacted]

[redacted]

[redacted]

[redacted] paid by VECO while on GP

GP work done was paid straight wage for hours worked

[redacted] tracked hours having supervisors to keep time → time keeping was subcontractors responsibility

work @ GP

[redacted] does not recall railings on deck

[redacted]

[redacted] worked outside on GP half of time @ GP

b6
b7C

↳ worked 7-730 @ job shop

Welder was welding something onto stairs / stairs installed

[redacted] would talk to [redacted] to do tasks on GP

[redacted]

[redacted]

4

GP Work

b6
b7C

5 [redacted] saw a fire escape rollout ladder in back of house

[redacted] had finished all work and it was not much to do and this district sg

-1A7

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document 38

Date Received 1/9/2007

From [redacted]
(Name of Contributor/Interviewee)

[redacted]
(Address)

[redacted] Alaska
(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

b6
b7C

Title: Polar Pen

Reference: FD-302
(Communication Enclosing Material)

Description: ☒ Original notes re interview of [redacted] on 1/9/2007

FBI - Stevens-5050

Telephonic 1/9/2007

[redacted]

→ "out of town

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

→ [redacted]

company

→ [redacted]

[redacted] staff

[redacted] house

→ '03 or '04

b6
b7C

1A8

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document 37

Date Received 01/09/2007

From [redacted]
(Name of Contributor/Interviewee)

[redacted]
(Address)

Anchorage, Alaska
(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

b6
b7C

Title:

Polar Pen

Reference: FD-302
(Communication Enclosing Material)

Description: ☒ Original notes re interview of

Interview w/ [redacted]

FBI - Stevens-5052

(1) SSN [redacted]
DOB [redacted] 1/9/2007

[redacted] No

[redacted]

[redacted]

• Christianson Bros. let [redacted] come in @ 8pm
→ and work whatever hours

• heard about it (chalet)
• was looking for work and knew Christianson Bros. was in trouble about windows

[redacted] not knowledge

Knew [redacted] CNU [redacted]

→ doesn't remember it; do commercial work, not residential work (metal stud)
• only did [redacted] jobs with [redacted]
— do commercial work

b6
b7C

→ So comes c

(2)

- Did a job that look like this for Ted Stevens →
  - don't remember if it was [redacted] or not.
- just did [redacted] work
  - → carpenter guys say it was Ted Stevens house.
- remembered they had to use the bathroom upstairs
  - → [redacted]
  - ~~[illegible]~~ [redacted]
- [redacted] the entire house
  - → can't remember if it was for [redacted], but did Ted Stevens
- Ted Stevens was never out there but ~~the~~ he thinks that [redacted]
  - → Brewer was out there, couple carpenters doing pickup work
  - → never seen anything about VECO

b6
b7C

3

~~He~~ had a [redacted] – memory like "shit" b6 b7C

ede

[redacted] → Tomorrow afternoon

→ after noon available. Thursday

Eagle River → framed out – rocked it all out

[redacted] → did the addition

b6
b7C

Circlewood → rocked.

[redacted]

- 1A9

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document 36

Date Received 1/9/2007

From [redacted]
(Name of Contributor/Interviewee)

[redacted]
(Address)

Anchorage, Alaska
(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

b6
b7C

Title: Polar Pen

Reference: FD-302
(Communication Enclosing Material)

Description: ☒ Original notes re interview of

Interview w/ [redacted]

FBI - Stevens-5057

(1)

[redacted] 1/9/2007

- Worked for VECO [redacted] years ago
- → [redacted]

→ worked @ the port site

→ VECO Construction

- [redacted] for VECO

[redacted]

→ "wasn't much"

- identified residence
- wasn't in charge
  - "don't need much supervision

[redacted]

- [redacted]
- [redacted]

→ @ Fab shop then brought in

- Day-to-day → made [redacted]
  - went out and installed them.
- worked on a [redacted] → port [redacted] on. [redacted]

[redacted] wasn't very big.

b6
b7C

(2)

- wasn't there very long.
- "I think it's Ted Stevens place."
  → when they were told to go down they were told to go to this building
- [redacted]
  → [redacted]
- ~~Five~~ left VECO [redacted] years ago
  → started [redacted] years ago
  - worked @ [redacted] (lease/Sinc)

Ted Stevens

- the residence was pretty much done
- there was snow on the ground.
- was painted.

→ recalls a small deck in front of the door.

- [redacted]
  - just the one on the left and
  - a [redacted]
  → "it was a difficult [redacted]
  "I can see why I was the one they picked to do it."

b6
b7C

- Fab shop
  → week to 2 weeks of fabrication plus work @ the site
- how was it different
  - it was an offsite, everything in the fab shop is done in the fab shop
  → VECO time, paid by VECO
  - [redacted] @ VECO
  - don't know where the material came from.
  - Rocky Williams was out @ the site.
  → other trades: → "No."

- never saw the senator out there
  → neighbors came by the senator out there.

Fab shop: immediate supervisor: ? didn't know...

b6
b7C

(4)

- job on the mods was the architectural
→ panels, finish work.
- never saw [redacted] @ girdwood.
- no discussion → work on Steven's house.
- "I do what I am told."

b6
b7C

DOB [redacted]
SSN
Phone

Address [redacted]

Anchorage, AK

Works everyday until 3:30 pm.

→

→ I've got nothing to lie about.

-1A10

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document 35

Date Received 01/09/2007

From [redacted]
(Name)

(Address)

Anchorage, Alaska
(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

b6
b7C

Title: Polar Pen

Reference: FD-302
(Communication Enclosing Material)

Description: ☒ Original notes re interview of [redacted] on 01/09/2007

01/09/2007
3:15PM

[redacted] SH) DOB [redacted]
SSAN

[redacted] by trade in 2000-2001 b6 b7C

worked at Gridwood a few times / worked a few times

[redacted] worked Ted Stevens (TS) house

@ TS's SH [redacted] hung th

[redacted] → 4-5 yrs ago

[redacted] knew A was TS's boy from pictures. Only

[redacted] worked the sheet [redacted]

3-4 yrs ago took @ VECO [redacted]

[redacted] set up appts.

012pet02.302

- 1A11

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document 34

Date Received 01/08/2007

From [redacted]
(Name of Contributor/Interviewee)

[redacted]
(Address)

Anchorage, Alaska
(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

b6
b7C

Title: Polar Pen

Reference: FD-302
(Communication Enclosing Material)

Description: ☒ Original notes re interview of [redacted] on 01/08/2007

04/08/2007
2 PM

[redacted] ms) [redacted]

[redacted] Anchorage AK

[redacted] VECO, [redacted] (last 2 yrs)

→ trained in [redacted] trade

→ 5-57 crew members on structural crew

→ works w/ other trades for mod fabrication

→ crew — welders, fitters

[redacted] worked w/ [redacted]

[redacted] was a [redacted] in charge of [redacted]

[redacted] projects. [redacted]

b6
b7C

[redacted] would provide bodies for grunt work.

[redacted] did deck on [redacted] house during remodel.

[redacted] worked w/ [redacted] on Double Musky Inn

[redacted] means something was fabricated for deck piece or extensions for [redacted] / Girdwood project

[redacted] never down on Girdwood project / doesn't know where it's located.

[redacted] knew of Girdwood project (third hand?)

[redacted] if not given charge code then wrote [redacted] "House" and time sheets would be forwarded to Payroll Dept.

FBI - Stevens-5065

012 pet 01.302

[redacted] would get info from [redacted] or [redacted] during Gridwood

[redacted] recalls (generally) desk extension / pivots and stairs for Gridwood.

finished fab work transported via someone out of [redacted] crew

b6
b7C

Tracking + reconciliation of hours worked etc. done by cost schedules

[redacted] In Fab Shop @ time Gridwood project [redacted]

[redacted] @ ~~VEC~~ VECO / fab shop and went down to Gridwood as a [redacted]

[redacted] knew Gridwood project was for Ted Stevens

FBI - Stevens-5066

FD-340 (Rev. 4-11-03)

-1A12

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document 33

Date Received 1/8/2007

From [redacted]

[redacted]

[redacted] Alaska
(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

b6
b7C

Title: Polar Pen

Reference: FD-302
(Communication Enclosing Material)

Description: ☒ Original notes re interview of

[redacted] on 1/8/2007

(1)

[redacted]

1/8/2007

- Veco employee
  [redacted]

- [redacted] of the fab shop
  - [redacted]
    - [redacted] was the previous

- [redacted]
  - moved up th [redacted] → when he left he was [redacted]

- they did do some work down there

b6
b7C

- [redacted]
  → he was the foreman

- Girdwood project
  - working on a chalet down there
  - [redacted]
  - → thinks someone called [redacted]
  - → they had a generator/breakers →
    - [redacted]
  - → multi-story 1000 chalet
    - some decking, arctic entry
  - → there was a project setup
    - → job number called Girdwood → 188003-004

Fab shop overhead job #

specific work package

- → "get the come [redacted] out from [redacted]
- → fairly common to have calls to go out and do miscellaneous

FBI - Stevens-5068

(2)

[redacted]

[redacted] moved → had to clean out his house
→ fabricated truckable modules (generally what they did)

→ originally the Girdwood project started under [redacted]

→ [redacted] → didn't go out since then

→ didn't know what the scope of work → heard stuff second hand from [redacted]

→ [redacted] → VECO [redacted], might have been his initials on [redacted]
- lives in Anchorage

[redacted]

b6
b7C

- maybe 10 or more projects going at the same time
- welders, painters, pipe fitters, electricians.

Rocky Williams
- worked at the times
- jack-of-all trades

→ [redacted]
- Originally he was an "excellent" [redacted]
  → started doing work for [redacted]
- he was [redacted] → kept him working
  - he would send in his time sheet
  - [redacted] had been an employee of the fab shop
- check out whatever consumables
  - [redacted] → stepped up to [redacted]
  - [redacted] → smaller stuff on hand → [redacted]

③

• Modules run — $70,000 to $200,000
→ [redacted] would take people.

• don't want to have people gone
→ nobody ever said to bury the cost
• job code #

Cost code
→ once its gone, someone else pays it.

Fab shop
60th & C 60,000 sq ft, 10 acres

20 - 150 employees

b6
b7C

→ all crafts around → primarily made of steel/other people, etc.
20 tons would be a lot (new)
→ plenty of surplus
→ no problem if [redacted] wanted to use it.

→ Modules
• still making modules
→ sea lift assembly site
→ VECO contractor

FBI - Stevens-5070

2000 - 2002

• 2000 150,000 man hours.
• once [redacted] rolled out from the shop he had his own crew → electricians, carpenters, 3-5 folks
• parties and fund raisers

- crew were "political hires"?
  - → house cleaners son
  - → etc. VECO employee

- Fab shop is the breeding ground for political hires.
  - [redacted]
    - → [redacted] worked for VECO
      - didn't necessarily come from [redacted]

- Don't remember any others.
  - → Fab shop = VECO Alaska, not VECO Corp.
  - → [redacted] is VECO Alaska
  - → VECO Construction → went away and was reorganized as VECO Alaska

- ~~VECO~~ Concerns about 9 job orders were for the little things with no job numbers. b6 b7C
  - → job # was the [redacted] #.
    - → [redacted] if that wasn't going to receiles.

- Couldn't have reimbersible work with guys going out to do personal work.
  - → seperate job # to charge things to.
  - →

- [redacted]
  - → pretty good hearted men
  - ← [redacted]

[redacted]

- [redacted] year-old in a 16-year-old men
  → VECO [redacted] → don't know
- knew each other by name.

[redacted]

- [redacted] was looking into developing the lot
- 2004-2005

Cost Reports

- will show $ for the entire project.
- would only be for the last year →
  - lump summed.
  - → men hours →
    - sub-jobs titled.
    -

b6
b7C

Cost Schedular

- [redacted]
- [redacted]

} Saukland Islands

- uncontrolled copies →
- would be in the accounting system
  → they were there own users, so no individual
  → no administrator

[redacted]

- kind of a hot head.
  → always a ~~carp~~ carpenter worked on or off for 10 years.

6

Exc

- doesn't remember [redacted] getting employees ~~@ the~~ @ the fab shop.

- remember [redacted] building things. → [redacted] deck
  → really don't remember [redacted] building special projects
  → bar-b-q along time ago.

- Thursday time?
  → ~~Name:~~ DOB: [redacted]

b6
b7C

Address: [redacted]

Phone #: [redacted]

SSAN: [redacted]

[redacted] & Ted are very close
- go hunting & fishing together

→ "have we [UECO] ~~gotten~~ gotten anything from Ted Stevens, no."
- looking at people with money, it's different
- →

Miscellaneous
- Accounts at suppliers would not go through purchasing

-1A13

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document 32

Date Received 01/08/2007

From [redacted]
(Name of Contributor/Interviewee)

[redacted] Alaska
(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

b6
b7C

Title: Polar Pen

Reference: FD-302
(Communication Enclosing Material)

Description: ☒ Original notes re interview of [redacted] on 01/08/2007

01/08/2007 [redacted] SSAN- [redacted]
10 Am [redacted] Attorney [redacted], South Anchorage, AK

- VECO Alaska Inc - Construction division, 21 years in Anchorage / Slope.

- works in [redacted]

- [redacted] b6 b7C

Bellhy [redacted] warehouses tools / tracks
tool issue forms → track what is out; if fill bills internally to VECO; VECO bills / gets profit from client
Tools use of tool 4% of value / month
Stock internal rate + month rate

Rolling Stock → support trams, 300 ton cranes, etc

2003-2004 was [redacted]
1999-2001 - [redacted]

GW [redacted] worked @ Job shop
Rocky Williams (RW).
[redacted]

011pet03.302 Girdwood. Work on a house in Girdwood.

[redacted] VECO [redacted] asked by [redacted] self contained. small attic entrance now has * attent 1st prior to TS site

[redacted] and instal

[redacted] (new) ; A Frame - small house VECO purchased 2 4K-6K

[redacted] worked with [redacted] (VECO) in [redacted]

[redacted] on a multi week job. → reworked panel

[redacted] learned girlwood (TS) home by TS's via grapevine.

[redacted] knew a remodel was being done on TS home during 2000.

[redacted] saw TS site 3 yrs. ago

b6
b7C

[redacted]

[redacted] a RW would come to [redacted] for TS site.

[redacted] running tally on Tool Issue Form (TIF) and not billed back internally to VECO and was not told to bill or not did anyone ask for billing information

- TIF used to account for tools when returned

2000-01 [redacted] immediate mgr [redacted] by [redacted]

[redacted]

Girdwood project was over a winter season
≈ 2000-01

[redacted] profit gets profit from "man hours" used for each piece of equipment in Fab Shop compared to remote jobs

[redacted] RW decided to make stairs and decking for Girdwood → talk in the Shop; [redacted]

[redacted]

[redacted] RW but unsure to workers / 3rd party contractor

b6
b7C

2000-03 2003 → current

[redacted]

2000-2002 VECO Fab Shop Employee [redacted]

[redacted]

-1A14

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document 31

Date Received 01/08/2007

From [redacted]

(Address)

Anchorage Alaska

(C[redacted]

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

b6
b7C

Title: Polar Pen

Reference: FD-302

(Communication Enclosing Material)

Description: ☒ Original notes re interview of

[redacted] on 01/08/2007

(1)

[redacted] [redacted] 1/8/2007

- Address#:
- Phone #: [redacted]
- Social Sec. #: [redacted]

DOB: [redacted]

[redacted] since [redacted]

[redacted]

worked on projects outside

[redacted]

- [redacted] house

b6
b7C

- Next Girdwood → took care of the machines.

→ supported [redacted] when he was a [redacted]

[redacted]

- worked with Rocky Williams @ [redacted] house.
- knew [redacted] & RW were working on a project in Girdwood

[redacted]

→ renovating, but no idea what they were doing → thought was a deck

- never helped w/ fabrication.

→ didn't hear about it → [redacted]

[redacted]

- restoring [redacted]
- worked on [redacted]

Fab shop doesn't do home renovation

→ [redacted] @ [redacted]

216pet03302

(2)

1/8/20

- [redacted] takes care of all the paperwork
  → doesn't worry about job #'s

- Rocky Williams was just a handy-man.

→ [redacted]

b6
b7C

[redacted]

- Rocky & [redacted] were in the bottle most of the time.

→ [redacted]

, 1A15

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document 30

Date Received 01/05/2007

From [redacted]
(Name of Communication Receiver)

[redacted]
(Address)

Anchorage, Alaska
(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

b6
b7C

Title: Polar Pen

Reference: FD-302
(Communication Enclosing Material)

Description: ☒ Original notes re interview of [redacted] on 01/05/2007

01/05/2007 [redacted] (IL)
8:46AM [redacted] worked for [redacted]

[redacted] worked for [redacted] @ [redacted]. [redacted] is/was [redacted] for CB.
[redacted] knew and work for [redacted]
[redacted] was teaching [redacted]
[redacted] worked on two job sites w/ [redacted]
Two sites in girdwood

b6
b7C

[redacted] ID'ed photo of 1st home as Ted Stevens' home. Workers from site said it was Ted Stevens'
[redacted] @ TS house approximately [redacted] during the winter of [redacted]

Finish
[redacted] worked on ~~[illegible]~~ the whole house. House was gashed w/ initial framing ~~[illegible]~~ Siding & garage was put in → only pouring & footers ① had footers ② 2nd floor demoed walls out. Simple stairs up to master bedroom/bath
[redacted] did not finish work did drywall

framing in house

Arbor put brackets

[redacted] was on [redacted]
[redacted] left site and all was roughed in; cement laid for garage; demoed kitchen / Sidy

FBI - Stevens-5082

01Apr01.302

Extra work done by VECO employees.

VECO [redacted] + [redacted] on site

40-50s ≈ 17-18 [redacted]

Others [redacted] LNU - not sure

LNU - not sure

cut wall for connect to lazy susan

[redacted] knew they were VECO since guys said they were w/ VECO

[redacted] @ site ≈ [redacted] months / [redacted]

[redacted] b6 b7C

Write w/ stick w/ stick compass

@ TS site:

# of CB workers [redacted] LNU, [redacted] minimal

[redacted]

[redacted] every other day electric

Show Pictures to [redacted] Rocky LNU - siding, dry wall / flooring → SOB board - particle board sub floor

FNU LNU (white car) median ht 5'10" - 5'11", [redacted] ass

[redacted]

- Enter attic area to enclose home to allow VECO inside to lay electrical lines; studs.

"Plank Board" Siding installed

FBI - Stevens-5083

[redacted] find out from [redacted] next lead

[redacted]

[redacted] ...rs Standard straight roof - old
[redacted] (OD) put up the base bars for deck -
with decking done after IL left [redacted] started - steel posts
[redacted] has seen TS home on drive w/ for A
[redacted] didn't want to do finish work

Before IL left
- No garage door, but roofing was on
- No clean up on top

VECO putting in some drywall in area IL's

[redacted], DOB [redacted]
SSAN [redacted]
Anchorage, AK [redacted]

b6
b7C

- Sheet @ site put ~~[redacted]~~ Unsure from when?
Unsure of materials.
- SBS delivered materials to site / Unsure
who purchased.
- SBS made a delivery of one load of 4x4/2x4
due to ~~[redacted]~~ low on supply
$14-16/hour to work site
VECO paid by VECO; VECO did finish
- NO VECO trucks

- IL saw female @ TS site (older lady) who talked to
Rocky [redacted] female may be owner or family member

3

- Guy brought beer out to workers.
Chair Fire Soup Place by shit next to red
? Mushy Restaurant - last day of job?

[redacted]

[redacted] filled out hours in [redacted] personal book + gin
to [redacted] to get paid

[redacted] heard about job [redacted] prior to job
↳ did job w/ C$ on [redacted]
for [redacted] but [redacted] paid.
[redacted] did [redacted] and got job via [redacted]
[redacted]

b6
b7C

house
lot

2nd floor: LV, BR, Kitch, Bath

[redacted] -
[redacted] walls in
[redacted]

fire escape off back Master Bed (Spiral
Stairs) - [redacted] talked of escape;
owners wanted it

b6
b7C

Didn't like ?? - Foundation came from under house and made
a sectional downstairs ??
- support beams were railroad ties; seem place sway
due to weight; beams were interstitial 2 up post

House lowered prior to the Sidey bri installed

[redacted] In [redacted] Broken into [redacted]

b6
b7C

2nd floor had all the furniture in it.
Found newspaper stuffing/insulation w/ old newspaper
late 1800s – early 1900s

[redacted]

- Power not turned off when it should have – it hit fork and it sparked him
- Old cast iron tub / threw it down

5

FD-340 (Rev. 4-11-03)

,1 A16

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document 29

Date Received 1/5/2007

From [redacted]

[redacted]

Anchorage, Ak
(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☑ No

b6
b7C

Title:

Polar Pen

Reference: FD-302
(Communication Enclosing Material)

Description: ☒ Original notes re interview of

Interview of [redacted]

(1)

[redacted]

1/5/2007

[redacted]

- [redacted] but waiting for the next building season
- still [redacted]

- Worked for [redacted] quite a bit / off and on.
- [redacted] called in [redacted] told him about the job.
- [redacted] b6 b7C
- Time sheets through [redacted]
- Two huge steel eye-beams holding up the whole place.
- [redacted] framed the first floor.
  → when [redacted] left the bottom decking was not there.
- [redacted]
- [redacted] not anything else

(RW)

- Rocky Williams functioned as the foreman (VECO)
- [redacted] was the [redacted]
- other Christianson Bros → [redacted] (AP) [redacted]
- VECO – Rocky, [redacted]
  → [redacted] was there → showed [illegible] gave him a beer out of [redacted]

[redacted]
- lots of steel in the house (railings, etc.)
  - some stuff fabricated at the shop (VECO fab shop)

• Got there about 40 hours a week.

• Ted Stevens
[redacted] told him he was going to work on Ted Stevens house (TS)
• TS was out there once or twice, with [redacted]
  - [redacted] was out there a little ~~bit~~ more often
    - she was out there talking to (RW)
    - Rocky supervised the plumbers/electricians

b6
b7C

- Electrical
  - somebody from VECO

- Plumber
  - can't place his face; knew he was out there.
    → boiler, pipes, etc.

Boiler
• "has to be one brought in."
→ poured the cement but does not remember if there was heat in the slab.

FBI - Stevens-5089

VECO
• knew ~~Rock~~ RW and [redacted] were VECO - "was no secret"
• [redacted] was there, [redacted] VECO, didn't know [redacted] prior
  → didn't know ~~VECO~~ who was ~~the~~ paying VECO
→ "couldn't tell you who was paying."

Christianson Builders, E(?)

- [redacted]
  → [redacted] → worked with him afterwards
- Luther has no idea how [redacted] got involved.

Materials

- most was Mere
- can't remember if [redacted] - RW
  [redacted] would go to [redacted] or RW for stuff he needed.
  → ~~Rec~~ RW's project
- [redacted] was flooring for the 2nd floor
  → watched [redacted] do it while he was working on the staircase

Plans

- [redacted] or RW → Girdwood doesn't really have permits
  → "bar-room napkin"
- CAD drawings don't look like [redacted] but looked like the plans they worked on.
  → some differences in the plans

b6
b7C

VECO [redacted]

- don't know his name → 20's - 30's out of [redacted]
  → ~~out of~~ VECO employee
- he was [redacted] finishing → maybe a little raging.
  → same [redacted]
- [redacted] VECO [redacted]
  → VECO anti-union - used to have their own newspaper
- VECO → [redacted] is a [redacted]
  [redacted] wouldn't work for [redacted]

FBI Stevens-5090

• VECO equipment
• real simple residential job
•

Punch list
[redacted]
• behind the fireplace was a little hidey-hole
[redacted] out of it.
• [redacted]
• [redacted] wants to get the heck out of there.
• [redacted] never complained.

~~Sent there~~
~~once he finished~~

→ they come out and the house was up on cribbage (September) b6 b7C
• ~~then they began~~ [redacted]
• When [redacted]
• might keep the pay-stub

Ted Stevens
• doesn't remember when he was out there, just that he was there
• could have figured it out ~~by~~ by when Senate was in session.

Materials
- SBS
- doesn't know when was building what
•

[redacted]

(5)

[redacted]

- came by every-other day/every day.
- volunteered
- did whatever → hauled garbage, etc.
  → [redacted] would go for a walk.

Food

[redacted] brought out muffins and sandwiches
- and ~~will away~~ had one ice-cold corona out of a [redacted] b6 b7C

[redacted]

→ no VECO trucks out there
  → was occupied (furniture → etc).

- house was already jacked up.
  → frame it in, lower it down, interior finish.
  - ~~[illegible]~~ painters had come in →

[redacted]

→ [redacted]

[redacted] → good worker

→ [redacted] just a kid

FBI - Stevens-5092

Fabrication

- all done at the VECO fab-shop

[redacted]

(6)

- [redacted] was done in February.
  - → doesn't recall a spiral staircase
  - small balconey out the back
    - → they were talking about a fire-escape ladder (from loft down)
  - →

- there's no spiral staircase (could only be on the back after they were gone.

- Garage
  - → little work bench in the garage.
  - do you remember a shed/generator?
    - → "I know there was a generator out there."

Admin

DOB: [redacted]

SSN: [redacted]

Address: [redacted] Anchorage, Ak

Phone [redacted]

Local [redacted] for [redacted]

b6
b7C

-1A17

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document 27

Date Received 01/05/2007

From [redacted]

(Address)

Anchorage, Alaska

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

b6
b7C

Title: Polar Pen

Reference: FD-302

(Communication Enclosing Material)

Description: ☒ Original notes re interview of [redacted] on 01/05/2007

[redacted] SZAN [redacted]

01/05/2007 [redacted] Inc,

3PM [redacted]

- Owned since [redacted] continuous
- full service + care subcontractor on most installs
- straight product
- [redacted] normally comes out + measures site but went from floorplans from RW

Girdwood TS site

[redacted] installer @ Girdwood,

2-3 days; [redacted]

Materials / installation

↳ density mats / vinyl / pad

Mattress in other room

[redacted] came to showroom 1-2 times

+ worked w/ Rocky Williams (RW)

[redacted] came to store from RW's direction once site meas w/ RW

↳ 2-3 weeks between visits

Actual order made by [redacted] with Christen Butler (CB)

per RW to fill [redacted] and gave invoice

RW had worked w/ VECO in past

Usually invoice after job / an invoice created after [redacted] is ordered

↳ Girdwood payment made in m[redacted]

b6
b7C

011petd1.302

[redacted] knew RW so no deposit was needed due to prior nature of RW's past

Billing contact / information made w/ RW not [redacted] n TS or [redacted]

Payment from RW a little slow but nothing out of ordinary

RW on previous jobs was acting in a "superintendent" role.

Materials for TS site assumedly picked up by RW

[redacted] did some work for VECO via RW in [redacted]

② Residence [redacted] b6

[redacted] met [redacted] "at an installation @ b7C

a condo which may have been [redacted]

2 No contact by RW re TS site.

FD-340 (Rev. 4-11-03)

-1A18

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document 41

Date Received 1/12/2007

From [redacted]
(Name of Contributor/Interviewee)

[redacted]
(Address)

[redacted], Alaska
(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

b6
b7C

Title: Polar Pen

Reference: FD-302
(Communication Enclosing Material)

Description: ☒ Original notes re interview of

Interview of [redacted] - 1/12/2007

1

[redacted] 1/12/2009

[redacted]

- dump of information, we can help interpret that information
- actual time sheets, unless destroyed, know where they are at.
- can point us that direction.
  → accounting people
    - know there are situations where the accounting people were sensitive to them.

b6
b7C

Pay
- turn in the ~~paychecks~~ time cards
  → "Ted Stevens' place"
  → "[redacted] Place"
- time sheets would be on file...
  - reimbursible project → would hold on to time cards until after an audit.
  → VECO audits were annually → reconcile

[redacted]

- not sure if the job # existed - [redacted] have

VP Construction (2)

- [redacted]

→ [redacted] @ Corporate

- Periodically [redacted] would call up... to Construction then to Corporate
  → pretty receptive
  - ~~the~~ Corporate never called back down to change costs.
- believes the charge code was in existence
- 188003 - overhead (facility)
  ↳ 0003 → sub job → [redacted]

[redacted]

would ask permission to take bodies, he would ask for people he was comfortable with...

[redacted] → also [redacted]
↳ worked with [redacted]
and →

b6
b7C

[redacted]

• worked in the tab shop
→ half-assed [redacted]
"political hires" Pay roll system
[redacted]

• Time sheets
[redacted] (VECO)
Anchorage, AK

b6
b7C

Cost scheduler
• assigned to a project
• IMPACT - computer system.
• → status reports and linked with the accounting program
• Cost Scheduler located on-site
→ [redacted] then [redacted]
• any problems for the cost scheduler:

Documents upon completion would depend on the ~~k~~ → not the special projects.

③

- [redacted] checked the (SP) account to make sure no mis-billings
- VECO purchasing agents [redacted]
  ↳ eventually their purchases would land in the cost report.

- The cost report will reflect hours and dates w/ names.
  → location would reflect what the person actually was doing.

- should be able to go back 7-10 years - Tax issues. → printed reports
- [redacted] had access
- [redacted] guys in the shop did not have access.

~~reports~~ [redacted] did not have

b6
b7C

(4)

Subcontractor

- need to have a contract for a subcontractor
- Purchase order ≠ liability problems
  ↳ which would have gone straight to the job # and then

[redacted] called a couple times to get references for jobs.

- looked @ cost reports '03 (for '02)
  → had no idea what the scope was
  - seemed like it never ended
  - went spring-summer '02
  - resembles the projects that [redacted] has
  - → bought this beautiful lot in Anchorage → move the house → the redo house for the [redacted] then kept it → $800,000 but it's still a POS. house.

b6
b7C

(5)

- long-term
  → "what are they doing down there."

- fixed [redacted] light switch

- General knowledge it was Stevens house
  → "Ted Stevens house"
    → maybe on the purchase orders?
    → cost reports.
    → could be a sub-order for Gridwell

- Job #s were created by an internal request to the [redacted]

- Accounting → $
  ↳ time sheets were in locked file cabinets @ the fab shop
    → or in a string of conexes along the west fence line
      → one is specificall for costrution

b6
b7C

(6)

• Just the fab shop had access.

• Thing is
→ want to make sure everything is right...

[redacted] runs all these reports.

→

VFCO corporate had access to these reports.

→ just cared about time
→

Material

• most material → metal Couple semi-loads
→ not much lumber 20 to 40 tons
surplus on hand → ~~40 tons~~
purchasing agent project specific
→ would we sold us?
→ could always get it

b6
b7C

FD-340c (4-11-03)

-1A19

File Number 194A-AN-13620 - TSTEVENS

Field Office Acquiring Evidence Anchorage

Serial # of Originating Document _____

Date Received 10/17/06

From _____
(Name of Contributor/Interviewee)

_____
(Address)

_____
(City and State)

By [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure
☒ Yes ☐ No

Federal Taxpayer Information (FTI)
☐ Yes ☒ No

Title: Polar Pen, CSLPO, CO: AN

b3
b6
b7C

Reference: _____
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

[redacted]

UNITED STATES DISTRICT COURT

A070002

DISTRICT OF
ALASKA

TO:

[redacted]

SUBPOENA TO TESTIFY BEFORE GRAND JURY

SUBPOENA FOR:
☐ PERSON ☒ DOCUMENT(S) OR OBJECT(S)

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

PLACE	COURTROOM
Federal Building & U.S. Courthouse 222 W. 7th Avenue Anchorage, Alaska 99513	Grand Jury
	DATE AND TIME 10/17/06 9:00 A.M.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):*

See Attachment

b3
b6
b7C

☐ *Please see additional information on reverse.*

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

CLERK	DATE
IDA ROMACK, Clerk	
(By) Deputy Clerk Sharon M Fuhrer	9/15/06

This subpoena is issued on application of the United States of America

NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY
[redacted] Asst. U.S. Atty.
Federal Bldg. & U.S. Courthouse, 222 W. 7th Ave., #9, Rm 253
Anchorage, AK 99513-7564 (907) 271-5071

FBI - Stevens-5106

* If not applicable, enter "none".

U.S. Department of Justice

United States Attorney
District of Alaska

Federal Building & U.S. Courthouse
222 West 7th Avenue, #9, Room 253
Anchorage, Alaska 99513-7567

Commercial: (907) 271-5071
Fax Number: (907) 271-1500

September 15, 2006

[redacted]

Re: Grand Jury Subpoena

Dear [redacted]

b3
b6
b7C

You have been served with a grand jury subpoena duces tecum, to produce certain enumerated records before the grand jury in Anchorage, Alaska at 9:00 a.m., Tuesday, October 17, 2006. If you need additional time to comply with this subpoena please contact our office for an extension.

You have the right to appear before the grand jury. To minimize your inconvenience in complying with this subpoena, you may mail the requested documents certified to our office, or provide the documents to the agent(s) serving the subpoena in lieu of personally producing the documents before the grand jury.

Should you decide to provide the documents by certified mail, the officer responsible for complying with this subpoena must execute the enclosed affidavit before a notary public. This affidavit must accompany the documents being forwarded.

Please be advised that disclosure of this subpoena may impede an ongoing criminal investigation.

If you have any questions regarding the subpoena or the method by which that subpoena may be satisfied, please contact me collect at (907) 271-5071.

Sincerely,

[redacted]

Assistant U.S. Attorney

Enc: Affidavit of Compliance

FBI - Stevens-5108

A070002

b6
b7C

[redacted]
Assistant U.S. Attorney

Federal Building & U.S. Courthouse
Room 253
222 West 7th Avenue, #9,
Anchorage, Alaska 99513-7567
(907) 271-5071

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF ALASKA

IN RE	)	
	)	AFFIDAVIT OF COMPLIANCE
GRAND JURY INVESTIGATION	)	WITH GRAND JURY SUBPOENA
	)	DUCES TECUM
_____	)	
	)	
	)	
	)	
	)	
_____	)	

_____, being first duly sworn, deposes and says:

1. I am associated with _____ (the "Company") as _____ _____. In this position I have the responsibility for the Company's compliance with the subpoena duces tecum issued to me on _____, 2006, which calls for the production of certain documents before a Grand Jury of this Court.

2. I personally have conducted or supervised compliance by the Company

with the subpoena duces tecum. To the best of my knowledge, information and belief, based upon due diligence and reasonable inquiry, the documents enclosed herewith, bearing the numbers _____, constitute all the documents in the possession, custody or control of the Company that fall within the terms of the subpoena duces tecum.

3. No documents responsive to the subpoena duces tecum have been withheld by the Company pursuant to a claim of privilege or otherwise. To the best of my knowledge, information and belief, based upon due diligence and reasonable inquiry, no one has directed the destruction of any documents responsive to the subpoena duces tecum and no such documents have been destroyed.

4. The documents made by the Company and produced in compliance with the subpoena duces tecum are memoranda, reports, records or data compilations of acts, events, conditions, opinions or diagnoses that were made at or near the time, by or from information transmitted by, a person with knowledge and that have been kept in the course of the Company's regularly conducted business activity. It has been the Company's regular practice in that business activity to make those memoranda, reports, records or data compilations. Neither the source of information, nor the method of circumstances of preparation, indicate a lack of trustworthiness for those memoranda, reports, records or data compilations.

5. I understand that the furnishing of these documents to counsel for the United States in response to the subpoena duces tecum and the execution of this Affidavit, are at the sole discretion and election of myself and the Company, and are in lieu of personally producing the documents before the grand jury which right to appear is expressly waived.

6. I am authorized by the Company to execute this Affidavit, and I have reviewed all of its terms with counsel for the Company before signing and swearing to it.

FURTHER AFFIANT SAYETH NAUGHT.

_____
AFFIANT

SUBSCRIBED AND SWORN TO before me this ___ day of _____,

2006, at _____

_____
Notary Public
My commission expires: _____.

FD-340 (Rev. 4-11-03) -1A20

File Number 194A-AN-13620-TS TEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document 42

Date Received 01/22/2007

From [redacted]
(Name of Contributor/Interviewee)

[redacted]
(Address)

Anchorage, AK
(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure
☐ Yes ☒ No

Federal Taxpayer Information (FTI)
☐ Yes ☒ No

b6
b7C

Title: Polar Pen

Reference: FD-302
(Communication Enclosing Material)

Description: ☒ Original notes re interview of
[redacted] 01/22/2007

FBI - Stevens-5125

~~01/18/2007 4pm~~ ~~Telephonic~~
01/22/2007

[redacted] (1)

- [redacted] VECO [redacted]
  on/off @ Fab Shop
- *Fab Shop, Slope, Port of Anchorage
- [redacted] did work @ Girdwood Generator (automatic transfer switch)
  generally → spring
  - photos/auto entry
  - ID'd photo

cabin

Girdwood Avail @ "Lots" rite = Ted Stevens from state
A home I stay, w/ porch on the side; does not remember garage

[redacted] @ rite with [redacted]

b6
b7C

(2) supplier

I based-diesel
d new generator
) nan (brand name) → 5 or 8 KW; 5-10 KW
x 2-3 ft long → enclosed
rates @ Fab Shop and
[redacted] took it down to site
such company or locally
harn lights?? → my purchase
erals from their

del a couple of years late
model @ Stem; overheard @ Fab Shop
1 Date worked for VECO
[redacted], VECO elects,

(4)

[redacted]

[redacted]

Fds Shop

minimal [redacted] work

[redacted]

(3)

- running junction boxes would be easy to run — need licensed electrician w/ state of AK

Rewire on Tds:

[redacted]

[redacted]

[redacted]

Rocky LNU → will remodel

VECO

few months

one day installation of generator w/ trip box w/ automated start up functions worked (week later)

9 A.M. to ½ day

[redacted]

b6
b7C

(6)

[redacted] →

- [redacted] worked w/ [redacted] as [redacted] on modular fabricators
- [redacted] relative; Sam [redacted] @ Fab Shop
- Their ex / Steve from 8K12 will be hard to use general
- [redacted] → maybe been there 2000-2000

(5)

- generators showed up @ Fab Shop
- Stevens not there @ Birdwood

New generators parking temps
→ Sentel, cable, and connectors — unknown where / who purchased
↳ installed in NCL

- [redacted] kept own time sheets; could [redacted] how reported; thinks [redacted] gave a cost code 10 hrs / journeyman $19.50/hr.

→ pick up trucks tops generators from Fab Shop to Birdwood

[redacted]

b6
b7C

FD-340 (Rev. 4-11-03) ((-1A2)

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document 43

Date Received 01/24/2007

From [redacted]
(Name of Contributor/Interviewee)

[redacted]
(Address)

[redacted]
(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

b6
b7C

Title: Polar Pen

Reference: FD-302
(Communication Enclosing Material)

Description: ☒ Original notes re interview of [redacted] on 01/24/2007

FBI - Stevens-5129

025pet02.302

01/24/2007 1:50 pm

[redacted] (DF) DOB: [redacted] SSAN: [redacted]

- [redacted] years w/ VECO; VECO Construction / VECO Alaska
- Started with VECO Alaska [redacted]
  - ↳ [redacted]; Sample document center
- [redacted]
- all time at Fab Shop [redacted] only [redacted]
- Payroll Report
  - ↳ actual hours entered into database from time sheets
  - % complete based upon estimate / target engineer [redacted]
  - ↳ completed weekly
  - ↳ hours reported by each job
  - ↳ data from time sheets: job #, hours / each code,
  - ↳ familiar w/ all job codes
  - ↳ completed all Fab Shop ECS
- [redacted] knows [redacted]; employed @ Fab Shop; both mod work / outside projects
- [redacted] knew of a few other doing projects outside Fab Shop due to job codes reported
- [redacted] had a job code for special projects
- [redacted] assumed other VP's had codes but knew [redacted] had a code

Type of data updated/how

Mod Schedule

b6
b7C

FBI - Stevens-5130

- [redacted] [illegible]

[redacted] Code was just one code / generally for all [redacted] projects

On time sheets either a [redacted] job code / description / Gridwood descriptions or [redacted] Name

Is not sure what code billed to.

[redacted] time billed job v. special projects / one year a lot of time at home

Regular job description material a job code

[redacted] recalled a brief amount of time the [redacted] coding to Gridwood job

[redacted] knew of job as a project or moving study based on description on time sheets (DF's thought)

[redacted] worked on [redacted] floors but not sure of Gridwood involvement

[redacted] Fur Shop clients or [redacted]

Payroll could run reports for EE's / by job code

time sheets → computer system (Payroll pass) (Something time keeper entered sheet)

Log in question [redacted]

Time Keeper was female FNU LNU

[redacted] / Gridwood → ?

[redacted] learned Gridwood was Stevens after the project via overheard conversations

Stevens may have been [redacted]

[redacted] did all invoicing to the clients

by [redacted] code / costs paid by corporate & ~~do~~ not done by [redacted]

[redacted] Not sure v/ costs billed to this house / the amount of costs

b6
b7C

FD-340 (Rev. 4-11-03) -1A22

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document 44

Date Received 01/29/2007

From [redacted]
(Name of Contributor/Interviewee)

[redacted]
(Address)

Anchorage, AK
(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure
☐ Yes ☒ No

Federal Taxpayer Information (FTI)
☐ Yes ☒ No

b6
b7C

Title: Polar Pen

Reference: FD-302
(Communication Enclosing Material)

Description: ☒ Original notes re interview of [redacted] on 01/29/2007

OBO pet 03.302

(1)

01/29/2007 [redacted] DOB: [redacted], SSAN: [redacted]

2:30 pm (mon) Present [redacted]

- [redacted] VECO [redacted]; prior w/ [redacted]
  - ↳ VECO Construction Div / VECO Alaska
    - ↳ Anchorage, Fab Shop [redacted]
      - ↳ Currently at VECO Alaska @ [redacted]
        - ↳ works on tools / as a [redacted] on jobs + currently tasked as an [redacted] for projects regarding electrical portion of projects

b6
b7C

- [redacted] was in a slowperiod
- late summer 2000 - Girdwood [redacted] was have been told → called him [redacted]
  - ↳ [redacted] sent by [redacted] to work on a A frame house to ~~[illegible]~~ work on second floor bedroom
  - ↳ made ≈ [redacted] per hour
- [redacted] photo of Girdwood house
- Gave 2 tasks @ Girdwood
- 2-3 days [redacted] for the light in the [illegible] 25 ft of [illegible] mounted light in
  - ↳ met [redacted]; was doing other work at site. VECO taken but no name
  - ↳ lower level was finished
  - ↳ [redacted] called to [redacted] to turn in time
  - ↳ often job people in shop thought it was Ted Stevens

(2)

D) 2nd Gridwood task: [redacted]

[redacted] Systems

Thermo heat trace / tape / Snow Removal Cntrs

[redacted]

[redacted]

[redacted] told [redacted] where to install on

[redacted]

[redacted] called daily w/ time worked @ Gridwood

[redacted]

[redacted] was present / working on decking / things to front

towards fall of 2001

b6
b7C

CM [redacted] familiar w/ [redacted] from previous VECO project in 1998.

[redacted]

[redacted] mentioned re [redacted] / back up generators

[redacted] trouble shooting on [redacted]

[redacted] house

heat tape ≈ 3/4 of an inch

Seat sensor

PO + CM picked up at Engineered Systems on

[redacted]

exit arranged for van to be used by [redacted] travel to/from Gridwood

Saw sell-contained backup generator

FD-340 (Rev. 4-11-03) ((1A23

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document 45

Date Received 01/29/2007

From [redacted]
(Name of Contributor/Interviewee)

[redacted]
(Address)

(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure
☐ Yes ☒ No

Federal Taxpayer Information (FTI)
☐ Yes ☒ No

b6
b7C

Title: Polar Pen

Reference: FD-302
(Communication Enclosing Material)

Description: ☒ Original notes re interview of
telephonic interview of [redacted]
on 01/29/2007

030pe+04.302

(1)

telephonic

01/29/07 [redacted] [redacted]

(Present [redacted] rush, [redacted])

[redacted] employed by VECO as [redacted], promoted as a [redacted]

↳ never directly worked in Fab Shop, but worked under FS job code; [redacted]

[redacted] (Supervisor) - 2001 @ Port 2001 (put under FS due to lack of work); a Adecco trainee attempted to get work for them w/ estimates

↳ Off [redacted] worked @ "A" street office

[redacted] - Present worked in [redacted] for VECO

↳ [redacted] [redacted] answer to [redacted] and VECO pays him as consultant

b6
b7C

Sudwood Projects

1) Early 2002: "A frame" house w/ loft; small, single story had problems w/ generator → there was problem w/ a switch; took an appreciation w/ him

It is speculation it was idea [redacted] of or Ted Stevens - [redacted] mentioned. DA ran small projects. [redacted] [redacted] the CD to go to job. CD met DA @ Sudwood / transfer switch was needing repair. Time cards went through FS to [redacted] CD put verbal discipline on card left "Sudwood" or "house in [redacted]". CD doesn't recall if job code was created. Could not charge to other job.

DA said [redacted] worked good for Ted Stevens

[redacted]

(2)

Gridwood

2) Sometime in 2002 / very busy with cash; got a call from [redacted] to review [redacted]. There was an upgrade. Home was left / addition had been added. During remodel there was addition / garage. The [redacted]

@ Gridwood site / 1 week / half w/ journeyman / apprentice @ site. [redacted] not always on site. [redacted] locals [redacted] on site. Limited sporadically; lost most finishing period [redacted] and a second [redacted] was installed (to code) for the [redacted]. ([redacted]

6000-7000 (mostly labor) [redacted] Hughes

[redacted] bought from wholesaler (Grayton, Frigid Unit, Nitin Lyta, Crescent Brown's)

[redacted]

Had a job code which was given due to costs ~~after~~ build beyond a day's worth of labor (hours; CO was in charge of bids / jobs) Other jobs (Best Buy, Salmon etc) had own job codes for electrical projects scope

[redacted]

now transferred. Request via VECO [redacted] (P.O.) - electric Procurement o/h. Serv LNM → [redacted] (SP).

Gladwood

3) [redacted]

[redacted] → Snow melt system #1
[redacted] (Snow Melt Kit)
w/ trace, metals plug

was installed

[redacted] - [redacted] closed circuit to prevent hazard to repair

[redacted]

Spritab. ≈ 12,000 + 3,000 for material

[redacted]

b6
b7C

[redacted] usually works w/ [redacted] to initiate contact →
usually hidden through [redacted]
outside sales person.

[redacted] and 2 apprentices to [redacted]
[redacted] $15,000 - $19,000 with crew
(below)
mix/rate at the time

[redacted] has worked other projects and works [redacted] on
[redacted] for

[redacted] worked w/ Bobby Wilhoit 2001 @ [redacted] house on [redacted] in Anchorage, AK.

- [redacted] had computer [redacted]

↳ [redacted] work [redacted] (all [redacted] work with the records server) b6 b7C

↳ [redacted]

62 - estimating program w/ Vecco (large project in $MM)

- weekly reports due [redacted] electronically & created in word to [redacted]

- mentioned Gindwood to [redacted] LVA → doubt need of truck (tools and [redacted] in tool room manager

- [redacted] sent out prints to [redacted] contacted due to his knowledge of residential electrical work.

FD-340 (Rev. 4-11-03) 1A24

File Number: 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence: AN

Serial # of Originating Document: 48

Date Received: 01/31/2007

From: [redacted]
(Name of Contributor/Interviewee)

(Address)

(City and State)

By: SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

Title: Polar Pen

Reference: FD-302
(Communication Enclosing Material)

Description: ☒ Original notes re interview of [redacted] on 01/31/2007

b6
b7C

01/31/2007 DOB [redacted]

1 DM [redacted] SSAN

[redacted] of VECO Alaska

[redacted]

procurement efforts for construction div - all non-operational aspects of project

[redacted] did same for

[redacted] prior to VECO

[redacted] work with other construction companies

[redacted] or other executives would use VECO labor/materials and would require an intercompany charge between Construction (CO) and VECO Alaska

120003, [redacted] 188020

Job Numbers

Construction bills to VECO corporate for any job (to include specifics

120003 - any intercompany charge made by VECO Alaska related to VECO Corporation [redacted] Work Packages designate which portion of VECO Corp to be charged

b6
b7C

[redacted] Support + Misc Expenses (2)

0000 Work Packages } linked to [redacted]

0102 [redacted] House Improvements at Ted Stevens

[redacted] aware of work being done @ Gridwood. Mean end of work ≈ 2002. Related to [redacted]

trying to determine where bill for Gridwood would go

Costs go to 0000 (related to [redacted]) for all [redacted] work

Special Attempt regarding [redacted] home remodel due to the size. 0102

VECO Equipment is its own entity

↳ if there were charges G bill VECO Corp.

↳ [redacted] VECO Equipment,

[redacted]

Intercompany Agent - internal accounts clear

b6
b7C

(3)

Coversheet of invoice is high level of invoices from ~~Cont~~ Construction to VECO Corp

2000-2001 time sheets were hand done in the Fab Shop

VECO Equipment maintains assets held for VECO - mechanics, accountants w/ limited number of ~~emp~~ total employees

[redacted] heard from , about hand rails/deck being fabbed in Fab Shop and transported to Girdwood.

[redacted] may have first worked out of Fab Shop; but moved him as a working special projects for [redacted]

120003 - linked to [redacted] specialist (Fab Shop)

188020 - Electrical Projects [redacted] [redacted] [redacted] [redacted] from Girdwood.

b6
b7C

(4)

[redacted] was good electrician ~~dec~~ &
[redacted] needed electrical work
done - hence [redacted] 188020

- Computer System could be searched by
Girdwood; Girdwood could be run
as a project name

[redacted] of company
have a limited situation to have
special work done; ~~not~~ not typical
for VECO employees

- if person was to pay VECO for work done →
any reimbursement would be to VECO Corp.
not Construction Div.

[redacted] not affiliated with this job @ Fab Shop
hence why 40 hrs per week was charged to
[redacted] # ~~120003~~ (120003)

b6
b7C

(5)

- attempt to shed what is [redacted] versus what is VECO Corp
- make sure Fab Shop is not rating any expense bills clients or interns
- report detail is created per [redacted] / VECO Corp
- ~~[illegible]~~
- VECO Corp said house is "big" and house may be personal property capitalized

b6
b7C

- [redacted] had authority to do field measurements / field requisitions [redacted] pending

(logged upon job number)

(P.O.) Field Req (Fab Shop) → Contract Procurement [redacted]

→ Commit deal / issue purchase order

Purchase Process

- Field Req → P.O. → Invoice (Pachy list)

Field Mgt Rqst (Fm R)
Field Procurement → Approve
Fdr Shop [redacted]
[redacted]

- [redacted] was "rogue" using he was his own project team and not truly billable to a VECO Client

- Rocky Williams was working for [redacted] ~~exist~~, may have had authority to use [redacted]

- Area → sub area of industry charges

- VECO Admin → VECO Corp; IT Support, HR Sys
75-80 work packages

b6
b7C

7

120003 Intercept | Job Number
0000 [redacted] | Area
92-xxx | CAT-Task

Corp. Executives Interactions

[redacted] has minimal interaction;
[redacted] 3-4 times/year
[redacted] once a month → operational/
financial review

[redacted] meeting w/ Corp + Various regions
[redacted] – personal friend/golf buddy
[redacted] all entities
[redacted] – golf outings
– No situation involving political contact of or
a job.
– Went to Petroleum Club for events for
Arno to be
* Transmission Notes forwarded to [redacted] Boomerstown
– No problems w/ [redacted]
[redacted] invoice paid not an issue to
[redacted]

b6
b7C

constant, but may have gotten tips from file

- Fab Shop may have complained ab
resources to [redacted] with specifics/m
[redacted]
- Dave [illegible] report t [redacted]
of [redacted]
[redacted], 2000-2001 [redacted]
[redacted] would go to [redacted] if reso
[redacted]
[redacted] @ Conoco Phillips, [redacted]
reported to [redacted]
- Stevens' [redacted] girlfriends
- Birkhead journal source in labor rela
Mack McKee tells [redacted] to inquire to
[redacted] was due to some hours being worked at
house in Birkhead for a few month
- [redacted] wanted make sure the surge w/
[redacted] & wanted to ensure a
was aware of the increase in hours A

b6
b7C

-Viewed spreadsheet ([redacted] fo
say it was VECO Corp. 100 Sem
Oakland Area - 0099 CAT-Test Ge

-Downtown not able to run [redacted] VECO Corp
job numbers.

b6
b7C

FD-340 (Rev. 4-11-03) - 1A 25

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document 50

Date Received 02/02/2007

From [redacted]
(Name of Contributor/Interviewee)

(Address)

(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure
☐ Yes ☒ No

Federal Taxpayer Information (FTI)
☐ Yes ☒ No

b6
b7C

Title: Polar Pen

Reference: FD-302
(Communication Enclosing Material)

Description: ☒ Original notes re interview of [redacted] on 02/02/2007

FBI - Stevens-5150

02/00/2003 (1)

[redacted] DOB: [redacted]

SSAN: [redacted]

- @ VECO [redacted] since [redacted]

[redacted] Procurement Supp for

VECO Equipment. Started as warehouse →

[redacted] [redacted] for VECO Ops-2005

2000-2001 VECO Operations @ [redacted]

- lumber, materials, supply for camp
- No reqs. processed for residence
- came in 2003 - works @ Fab Shop

would string lights for holidays @ Star

[redacted]

- Rody Willis worked in Facilities gym →

now P.Os

- Met [redacted] - 7 yrs

b6
b7C

FD-340 (Rev. 4-11-03) 1A26

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document 49

Date Received 02/02/2007

From [redacted]
(Name of Contributor/Interviewee)

(Address)

(City and State)

By SA [redacted]

b6
b7C

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

Title: Polar Pen

Reference: FD-302
(Communication Enclosing Material)

Description: ☒ Original notes re interview of [redacted] on 02/02/2007

02/02/[illegible]

[redacted] DOB: [redacted]
SSAN:

(1)

@ VECO since [redacted], started during [redacted]. Some electrical [illegible]; [redacted] VECO Alaska @ approx personnel

- Requisition already here for member on then - could be
↳ anything company needs: office supplies - full [illegible]

Material Person → fills requisition (w/ cost code, job number, authorized signature) ↳ Purchasing division equal to material mgmt program since [redacted]

[redacted] calls vendors to get bids for best offer, etc.; issues P.O. (Purchase Orders) to selected vendor

FBI - Stevens-5153

\ goes out to Accts. Pay.

b6
b7C

- Some sites/remote sites have to forward requisitions manually if unable to submit electronically

- 2000-2001, [redacted]

- authority levels for reqs are part of approval matrix

- [redacted] talked to [redacted] systems; knew [redacted] better

- [redacted] processed reqs. for Windwood for Stevens House. Stevens for "shop talk": [redacted] recalls rope lighting since it was so much regarding the volume.

- that type distributors Mayfair, Poteleon, Engineered Products - [redacted] (Thermon - Crescent

b6
b7C

(3)

- [redacted] never dealt w/ the shipping [redacted] generate most reports.
- [redacted] recalled [redacted]; ordered some of the rope light
- Muirwood vendor during couple of months during a 6 month period 2000 or 2001
- Generators - Detroit Diesel, CMI, ATH
- Onan generators distributed by Alaska Detroit Diesel?
- [redacted] knows name of [redacted] not auth; mostly direct; head of Alaska [redacted]
- [redacted] would get invoices that w/o PO's sometimes from this [redacted], Rocky would do w/o a PO's

b6
b7C

(4)

- Preencumbered P.O.'s can be given to vendors for start system

- Req. should not be buying / approving

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document 51

Date Received 02/09/2007

From [redacted]
(Name of Contributor/Interviewee)

(Address)

(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure
☐ Yes ☒ No

Federal Taxpayer Information (FTI)
☐ Yes ☒ No

b6
b7C

Title: Polar Pen

Reference: FD-302
(Communication Enclosing Material)

Description: ☒ Original notes re interview of [redacted] on 02/09/2007

(1)

02/09/2007 [redacted] DOB [redacted], SSAN [redacted]

[redacted] - Project Operations

Background A

VECO Project [redacted] months current position

[redacted]

[redacted] - manage specific multidisciplinary teams

[redacted]

→ 2000, VECO Alaska - worked [redacted] in the [redacted] office of VECO

typically hours - ~25-35/hr.

- initials [redacted] on drawing of Gindwood initials
- typically worked North Slope: Oil/Gas facilities with drawings
- worked for 2 years straight on BP North Star project
- Immediate bos [redacted] [redacted] had some contact with [redacted] over the years, but was infrequent until Gindwood project

b6
b7C

B

→ [redacted] called int [redacted] VECO [redacted] [redacted] told [redacted] had the need for [redacted] hills on; approximately [redacted]

→ Met [redacted] same day [redacted] met [redacted] 1st meeting was just [redacted]

↳ [redacted] told [redacted] that Senator Stevens had a cabin and wanted [redacted] to help with the design; [redacted] didn't want [redacted] to publicize the fact of non traditional VECO work

[redacted] involved w/ [redacted] via communication
First meeting was sketching on napkins to see what could be done to make cabin bigger. Needed it bigger for when Stevens' were there for more room
less than an hour in length
[redacted] who works for [redacted] involved w/ Girdwood; kind of Girdwood [redacted] & worked w/ [redacted] on details.
Rocky Williams name may have come up.
[redacted] dealt with how to account for his time with [redacted]

b6
b7C

2nd meeting w/ [redacted] restart, a week later after 1st meeting. [redacted] get a phone call for [redacted] & met TS @ [redacted]
- 1st time [redacted] met TS
[redacted] talked about other topics / friendly conversation (over half meeting)
- [redacted] engaged TS to get an idea of TS needs for the remodel / redesign
- @ [redacted] point [redacted] measured site but not sure when; but probably after the meeting
- what spaces do you have / changes; what new spaces do you need
- ending up packing up house for a new 1st level.

90 min
30 [redacted]
(D)

lunch * - TS said we like these & we are comfortable; but it would be nice for more (expand kitchen) bedrooms for you. TS wanted garage/workshop space.

* - TS [redacted] had discussed beforehand

- Steam shower or sauna → [redacted] about progress & conveyed TS's wishes on small parts of project

make sure it gets in

* - made clear to [redacted] that Stevens were busy & to get basics & not call everyday.

~~[illegible]~~

Once construction started [redacted] was not involved w/ day to day

→ Post meeting went to Gilbert took photos, measurements to get idea for sketch to be made; doesn't recall if he went inside the house

(E)

↳ approx 6 trips to Gilbert throughout length of project

↳ has some in progress photos / design sketches

b6
b7C

(F) → [redacted] worked w/ [redacted] on details prior to actual construction starting

↳ JHS time was billed to a department overhead cost code from [redacted]

↳ reported weekly w/ [redacted] on progress

↳ [redacted] complained about hours going to unbudgeted overhead.

[redacted] — design issues [redacted] had he worked out directly w/ RW

— VECO used existing foundation but used new for the garage.

— [redacted] involvement in project dropped dramatically after [redacted] were complete

— visited site: 2-3 before, 2-3 after started, 1 unofficial visit → on a Saturday for a "barn raising" all Senator [redacted] trying to help, but not much got done

May-June 2001

Others @ Girdwood: contractor raised house, [redacted]; some other contractor

— [redacted] got a 5 min walk through w/ Rocky near end of project

— [redacted] on site when metal stairs for fire escape in rear of residence; on site when house was jacked up

b6
b7C

Saturday — house jacked up / new foundation in [redacted] working on install insulation / minor framing. [redacted] present + seemed to have a connection to persons present [redacted] very passionate about doing the job. [redacted] talked w/ BL numerous on design issues [redacted] present a lot @ 1 TS House. BL [redacted]

[redacted] may have had 6-10 phone calls / 1-2 in person meetings
↳ [redacted] was trying to make TS happy since he does not have time for details of a remodel [redacted] would make sure it got done.

b6
b7C

[redacted] called TS a few times to talk about details / some sketches via fax, DC number - personal fax to TS, TS marked up & returned

[redacted] met meets [redacted] Discussions about materials (things [redacted] to be [redacted] happy, TS, [redacted] RW.

TS very specific & clear to have a space for workshop here (Summer 2000)
[redacted] specific on sauna / steam shower to be included in design

TS [redacted] tried to reimburse - hand written card thanking for project / asked for a bill for services; sent letter back saying he was paid by VECO & he should contact [redacted] probably told [redacted]
↳ project has significantly complete

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TSTEVENS-1A28

Field Office Acquiring Evidence AN

Serial # of Originating Document 52

Date Received 1/24/2007

From [redacted]
(Name of Contributor/Interviewee)

[redacted]
(Address)

[redacted]
(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

b6
b7C

Title:

Reference: FD-302
(Communication Enclosing Material)

Description: ☒ Original notes re interview of

RE: interview w/ [redacted]

CG 2/20/07

194A-AN-13620-TSTEVENS-1A28

(1)

[redacted]

★ [redacted]

1/24/2007

DOB: [redacted]
SSN: [redacted]

- [redacted] VECO
  - was a [redacted]
  - started w/ VECO in [redacted]
    - worked with them and other companies in [redacted]
  - offered Fab Shop [redacted]
  - [redacted]
    - → worked his way up to construction [redacted]

b6
b7C

- Currently: [redacted]

VECO Fab Shop

[redacted] ARCO, Conoco Philips

- prefab/modules/ etc.
- built modules from the ground-up
- maximized profit → make sure things came in on time
- start with an estimate → all competitive bids
  - there included scopes of work (electrical, structural, etc)
    - → from that you develop the man-hours (forecasted)
- man-hours built into the bid.
- overhead for the fab shop would be applied as a certain $/hr against each man-hour, estimated over a year and pro-rated toward projects.
- each discipline supervisor, daily, would report what hours were worked and on what job number.
  - → supervisior filled out the time sheet for each employee.
    - under the job # you'd have a sub-cost code.

cont'd → electrical (2)

- sub-job cost codes were to track progress/time of the disciplines (and the project in totality).
- "an hour burned is not an hour earned"
  - → customers were very, very interested in the progress of the work → they want to use it to get oil.
  - → very concerned with time

- if a job was relatively small, might only be a couple job #s.
  - → not efficient administratively.
  - a big job may have 100's in order to more closely track the progress of that project.

FAB Shop Jobs

- instrumentation guys - tubing, guages, etc.
- electricians - journeyman, apprentice (helper)
- iron workers
- carpenters

b6
b7C

[redacted]

Fab shop - ~~busy~~ ~~work temps~~ work years

- [redacted] @ the fab shop
- [redacted]
  - field engineering and QA people
  - cost schedulers.
    - → client representative would sit in the office with them ~~dep~~ for their weekly/daily status report

Last assignment in VECO [redacted] was in [redacted] - overseas ~~[redacted]~~ [redacted]

Fab Shop Personnel

- [redacted]

→ Field engineer puts together the theory behind the estimate and the figure out how to build the project → make the estimate.
→ sort of the Quarter back making sure the right people were there to do the job.
→ materials & people.

b6
b7C

Special Projects

- a lot of people @ the Fab shop → some family members of higher ups
→ typically higher ups would call directly to the people they needed (ie. tool room [redacted] or rolling stock)
: depend on what they wanted. [redacted] LNU

- if [redacted] wanted a window replaced @ his house he would call [redacted]

- [redacted] did all kinds of things for [redacted] never counted on [redacted] being there for Fab shop business → had a cell phone, it would ring and it would be gone.

- [redacted] was on the UECO Fab shop time sheets.
→ ~~did not~~ [redacted] could not afford to absorb costs.

[redacted] knew it was a den of "relatives".
→ When VECO hired him → he told them he would have to let people go who were near & dear to some higher-ups
• if [redacted] got a call friend made sure it went to a job number.

[redacted] house remodel
• made a structural platform → for a jacuzzi
→ refurbished the house.
[redacted] an "other relatives" worked on it for a couple months.

Girdwood
[redacted] does not remember the Girdwood job.
• heard it was Ted Stevens lodge.
[redacted] was worried about real business.
→ "did not have time or energy to worry about that crap"
• caught [redacted] drinking @ work
→ happier when [redacted] wasn't there at work
• possible [redacted] might grab people of the floor
→ [redacted] wouldn't necessarily know if [redacted] did that.

b6
b7C

• There were times when [redacted] would have an emergency and need people, but nobody was available.

[redacted]
[redacted] the engineering group.
→ possible [redacted] might have had a problem with [redacted] pulling people...

[redacted]

5

- built a deck → prefabbed in the shop then installed
  - depending on how busy they were it would have been a problem - if they weren't busy → no problem.

- an account in arrears → might come to his attention?
  - what about [redacted] house / Girdwood.
    "I wasn't in the collection business."
    → but was working with customer representatives.
    - if it was an internal job #, it wasn't any of his business.
    →

b6
b7C

Accounting

- they do collate and transfer the #'s to corporate.
- worked for VECO Alaska / Construction.
  → Accounting was in the A Street office.
- ~~if they had~~ if employees had a problem with their paycheck ~~would have~~ they would deal with it in the fab shop / Accounting
  → limited connectivity w/ Accounting.
- VECO Alaska reports all costs via job #s to Corporate.
  → [redacted] for VECO Alaska office.

Plans

- customers often had their engineering done through bid work.
- put together some basic module design packages
  → engineering office on 36th
  - 20 ft bags → stay w/in limits → truckable
- standard off-the shelf designs.

FBI - Stevens-5168

~~Here~~

saved money because the customer does not need to do the engineering.

→ [redacted]

→ [redacted]

→ sketches and such had to be done for permits in Anchorage.

Names

- Rocky LNU → expiditer → same vein as [redacted]
  - ↳ filled in running parts & getting materials
    - → usually to fill in for a material group.

b6
b7C

Materials

- Very likely they would walk into the material manager, and charge it to a job #

→ [redacted]

→ filled out a material requisition

→ which would be used to create a purchase order.

→ [redacted] was concerned with stuff on the shop floor

Cont'd

[redacted] cont'd 1/24/2007

Materials

- as long as the bill is going to a paying client, [redacted] did not care what was billed.
- 80-90 fab shop workers.

Job #'s or Cost codes

- at the end of the month they would do a review of time worked + safety stats

Rocky LNU

↳ realized that he was thinking about someone else.
→ in reality Rocky was a maintanence guy → did work for [redacted], never worked @ the fab shop.
→ worked outside.

b6
b7C

[redacted] came by the shop once a week - talk casually about what he wanted to do.
→ [redacted] always ran stuff for [redacted]
→ mostly [redacted] in Anchorage.

- [redacted] → [redacted] and a "tracked" snow vehicle - not very big.
- [redacted] is involved in fund raisers → self made man;
  [redacted] supported local politics → stayed involved.
  [redacted] went on a fund raiser for Lisa Murkowski;
  · went for personal reasons, knew her whe she worked on the north slope when she was 20.
  → when she was running for senate (around then).
- [redacted] did not request guys from the fab shop.
- [redacted] was the [redacted] took over where [redacted] left

- [redacted]
- [redacted] → [redacted]
  - as time went on, [redacted] did more and more outside the fab shop.
  - → worked for [redacted] 35% of the time @ the beginning
  - [redacted]

Billing for [redacted]

- Corporate job #
  - [redacted] is not the [redacted]
  - [redacted]
  - [redacted]
- ~~123 VECO Alaska~~ There's a difference in the job #s from VECO alaska and VECO corporation.
- [redacted] would spot check time sheets to verify supervisors, etc.
  - make sure they were ~~of~~ billing correctly for ~~the~~ what he saw on the floor.
- Was not aware of a seperate job # for work @ Girdwood.
  - know [redacted] ~~friend~~ house, but not Girdwood.

Reports

- Go to the accounting office and submit a request based on employee number and they should be able to produce their hours for the entire time they worked @ the company.
  - or by name.

→ all the names mentioned → VECO ~~corp~~ Alaska
- no idea did VECO corporation payroll

- [redacted] (phonetic).

b6
b7C

1/24/2002

- receive a time sheet from a supervisor → if she had a question she'd go back to that supervisor → then just key it in
  - → some issues with specificity on the job #'s (supervisors ~~by~~ ~~mention~~ cite similar work accomplished, not actual → worked on one panel vs. another)
- from a cost and scheduling perspective → important

Names

[redacted]

- if [redacted] wanted a [redacted] he'd go to [redacted] would give it to [redacted] would have gone straight to [redacted] ~~by~~ other [redacted] individual.

b6
b7C

FD-340c (4-11-03)

1A(29)

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document 54

Date Received 02/16/2007

From [redacted]

[redacted]

(Address)

[redacted] Alaska

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

b6
b7C

Title: Polar Pen

Reference: FD-302

(Communication Enclosing Material)

Description: ☒ Original notes re interview of

1) [redacted] on 2/16/07 (telephonic)

2) Driver's History from public database

2/16/2006

telephone

[redacted]

totally pissed off about situation [redacted]

[redacted]

warmer weather [redacted] turnaround time

Young Man TS [redacted]

18/19 yr. [redacted] Partship of

[redacted] (SP) [redacted]

[redacted] manager [redacted] FULL LWR

[redacted]

[redacted] in shop - TS [redacted] bus

[redacted] told [redacted] "do you know who did an."

[redacted] over / something to do w/ mechanic

"cocky, little, smug, shithead" [redacted] TS's

told [redacted] and stories fantasies

Cook Inlet Division

Drug test → send it off to lab → results to Anchorage

Work Safe

After Dirty → pull worker off job.

filled out forms one on-site / one to Personnel

* tested positive for marijuana - sent him home.

* [redacted] called site office Tues [redacted] → bring him in to

put him in shop [redacted] understood [redacted] called to rented

b6
b7C

FD-340c (4-11-03)

1A30

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document 58

Date Received 02/26/2007

From [redacted]

(Address)

(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

b6
b7C

Title: Polar Pen

Reference: FD-302

(Communication Enclosing Material)

Description: ☒ Original notes re interview of [redacted] on 02/26/2007

02/20/2007 (1)

[redacted]

[redacted], IRS [redacted] (059pet02302)

- ConocoPhillips, [redacted]
  - [redacted] within oil + [redacted] gas industry
- [redacted] yr employee @ [redacted] VECO Construction / VECO Alaska
  1) labor billings clerk on oil spill - [redacted] yr
  2) Construction Projects - [redacted] yr
     - [redacted]

[redacted]

[redacted] North Star on mixed module project
- review of projects / costs to manage the jobs being completed
- Fab Shop contact for [redacted] - [redacted] farm markets

b6
b7C

[redacted] fall 2002 ②

- [redacted] / [redacted]
- [redacted] worked for [redacted] as a [redacted]
- [redacted]

and some cost scheduling tasks

- [redacted] entered hours worked, etc & data was reviewed by [redacted] to insure the data was usable
- [redacted] of VECO, had special projects not connected to traditional VECO client base.
  - ↳ Project for Ted Stevens in Gridwood by Cabin, 1999-2000
- [redacted] asked to put someone on the project; he put on [redacted]
  - ↳ [redacted] @ VECO Alaska
- Job #/Cost Codes were set up by [redacted]
  - ↳ not sure of exact number
- [redacted], run project - [redacted]

.b6
b7C

(3)

[redacted] crew worked on [redacted] house

- Girdwood project lasted 3-4 months; Some materials were ordered; unsure of specifics

- [redacted] discussed generalities about Girdwood project

- [redacted] ID'ed job code reporting sheet as VECO doesn't he worked with.

- [redacted] normally did not handle a lot of VECO Corporation jobs/costs.

- [redacted] would he put #6 out IMPACT from McCosker system

w/in last two wks.

[redacted] @ Conoco, worked with [redacted] @ VECO; GM made a crack about the Ted Stevens cabin - random statement

- [redacted] Govt. Contracts, had lunch w/ [redacted] and made passing comment of about TS cabin.

b6
b7C

FD-340c (4-11-03)

-1A31

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document 59

Date Received 02/27/2007

From [redacted]
(Name of Contributor/Interviewee)

(Address)

(City and State)

By SA [redacted]

b6
b7C

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

Title: Polar Pen

Reference: FD-302
(Communication Enclosing Material)

Description: ☒ Original notes re interview of [redacted] on 02/27/2007

(1)

2/27/2008 [redacted]

059pet03.302

([redacted] IRS; [redacted]

- Started in [redacted] /doesn't work

Currently @ VECO as [redacted] → sets up budgets + coding of job + review row job costs / estimates to create project

- left Fab Shop [redacted] &

[redacted]: @ Fab Shop - half dozen projects at one time Various projects in [redacted]

- Ted Stevens has a chalet in Girdwood, AK.

- [redacted] knew guys built TS' to do some work → built a deck / misc. carpentry

- Work @ TS ~~was~~ had a job number assigned to a VECO Corp overhead job ~~[illegible]~~ code

- [redacted] id'ed VECO cost reports as being found and by VECO as his role

- [redacted] stated there was a "Ted Stevens-Girdwood" code to associate w/a job code ~~VERS~~ VERTS (Fab Shop payroll system)

- [redacted] → Construction supervisor would come to [redacted] pay

Workers were on [illegible] of big time sheets for [illegible] time & time

b6
b7C

②

- [redacted] lan special projects including TS [redacted]
- [redacted] had worked on TS for various tasks
- wasn't that cold when workers were at chalet fall 2000/early 2001
- [redacted] manager was [redacted] could access/input VERTS
- [redacted] knew about TS; [redacted] overhead conversation w/ [redacted] regarding Gridwest-specific craft type work; [redacted] had to authorize Gridwest work
- [redacted] overhead conversations for a deck down in Gridwest; talk of materials to be used such as steel. Joke was if "there was earthquake the deck wouldn't be destroyed."
- Rocky Williams was like [redacted] worked on special projects

b6
b7C

- Girdwood work sporadic over the course of a couple of years
- Often numbers entered in VERTS then they are sent to VECO Corp for input into [redacted]
- Few instances of debates about head count/group getting pulled off to work special projects. One instance involved [redacted] / [redacted] both wanting [redacted] to do work. No specifics to Girdwood.
- [redacted] had asked for reports, a few times, to run an audit report. [redacted] would look @ hours & get mad but EC would provide backup documents & then [redacted] would be fine. One instance involved a desk in a hot tub @ [redacted] house.
- [redacted] had a VECO rent truck w/ tools which went to Girdwood
- [redacted] → electrical group Electrical Project Group (EPG) [redacted]
- EPG → maintained their own time [redacted] @ Fairbanks since [redacted]

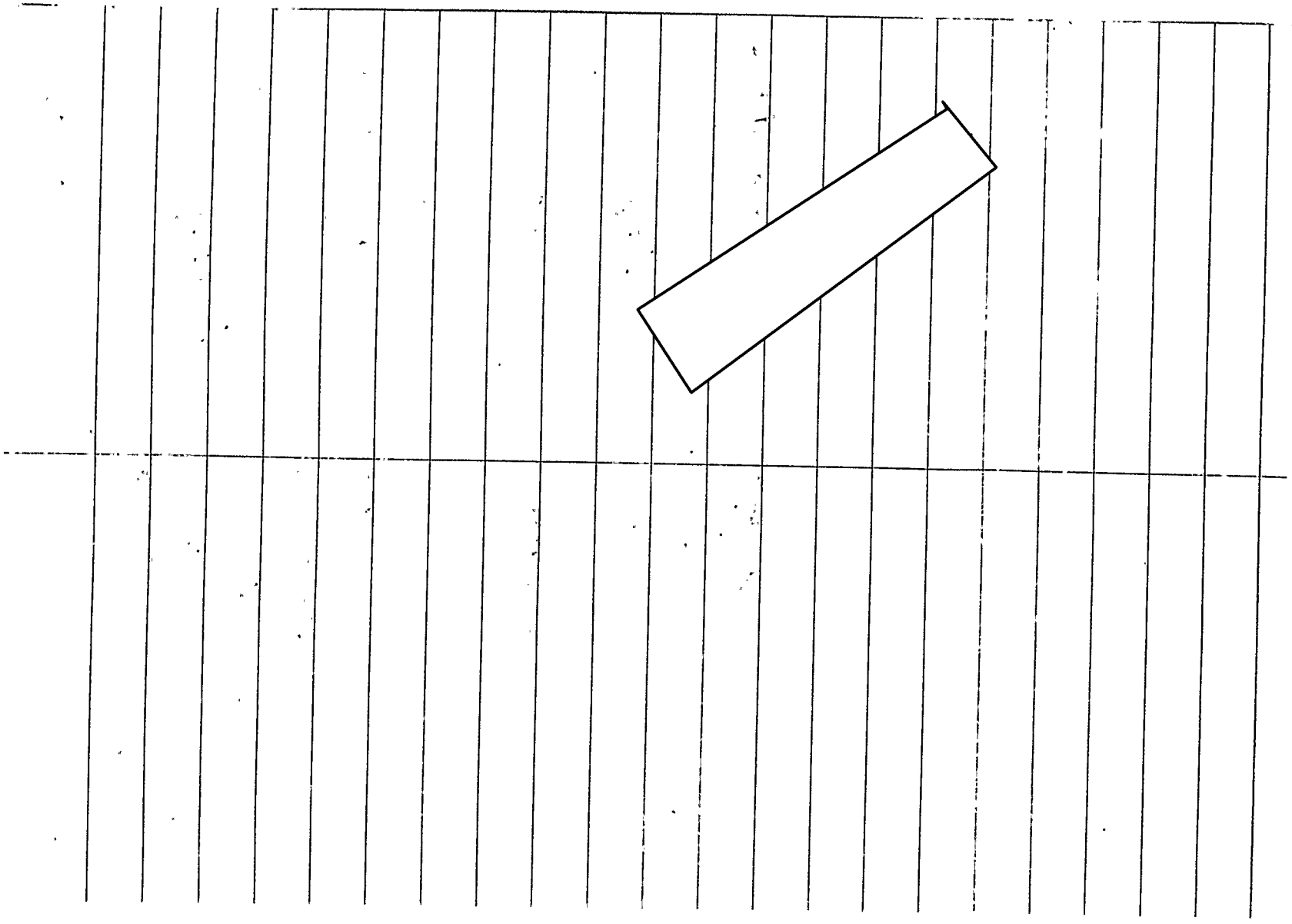
b6
b7C

(4)

[redacted] saw "Ted Stevens", "Bishop", in descriptions hand written on time sheets for [redacted] worked remote on Slope [redacted]

[redacted] recalls then by a "[redacted] Crew" and the time of Bish. [redacted] could hire via HR

b6
b7C



b6
b7C

FD-340c (4-11-03)

File Number 194A-AN-13620 - TSTEVENS - 1A32

Field Office Acquiring Evidence

Serial # of Originating Document 65

Date Received 03/07/2007

From [redacted]
(Name of Contributor/Interviewee)

[redacted]
(Address)

[redacted]
(City and State)

By [redacted]

b6
b7C

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure
☐ Yes ☒ No

Federal Taxpayer Information (FTI)
☐ Yes ☒ No

Title: POLAR PEN
CSLPO

Reference:
(Communication Enclosing Material)

Description: ☒ Original notes re interview of

[redacted]

[redacted] 03/07

[redacted]

VECO [redacted] USA REGION

[redacted] VECO BOUGHT IT

[redacted] ON NORTH SLOPE

[redacted] HAS [redacted] MOVED TO ALASKA

ALASKA [redacted]

[redacted] BACK TO [redacted]

[redacted] -

DOES PROJECT FOR REFINERIES.

BP [redacted]

CONOCO — OWN THE PERMAFACE

SHELL — LOCAL REFINERIES

TESORO

2000 [redacted] ANCHORAGE OPERATIONS

ALL SORTS OF ENGINEERS. YOU TELL PEOPLE

KNOWS [redacted] [redacted] OF VECO.

REMEMBERS [redacted] HOUSE PROJECT.

USED [redacted] - IN [redacted] GROUP

FBI - Stevens-5192

b6
b7C

[redacted] (2)

[redacted] ASKED SPECIFICALLY FOR [redacted] MIGHT HAVE PULLED IN SOME ENGINEERS TO STAMP THE DRAWINGS TO GET PERMITS.

LOTS OF STEEL IN [redacted] HOUSE.

ANOTHER ON TED STEVEN'S HOUSE.
SEEMS TO HIM [redacted] WAS FIRST
BUT HE COULD BE WRONG

[redacted] WAS PULLED INTO BOTH OF THEM
BETWEEN [redacted] REMEMBERS
[redacted] ASKING FOR [redacted] TO DO WORK
FOR TED STEVENS HOUSE. - SPECIFIC RECOLLECTION OF
[redacted] REMEMBERS [redacted] THE [redacted] HAS TO MEET WITH TS
PROJECT GETTING MORE THAN HE THOUGHT IT WAS. THINKS VECO
PEOPLE WORKED ON THE HOUSE
BUT NOT SURE. ONCE [redacted] OT
[redacted] DONE [redacted]
WHAT DONE

b6
b7C

DOESN'T KNOW [redacted]
KNOWS ROCKY WILLIAMS. ROCKY WORKED ON BD'S HOUSE.

PUT [redacted] TIME ON [redacted]
(?) OVERHEAD ACCOUNTS FOR VECO ALASKA
GM OF ENGINEERING OVERHEAD

[redacted] NEVER INITIALED AN INVOICE
AS FAR HE KNOWS

SAW SKETCHES FROM [redacted] DOESN'T
THINK PERMITS FOR TS HOUSE
REQUIRED PE STAMPS.

SEVERAL CONVERSATIONS ABOUT TS HOUSE
TAKING LONGER THAN WE THOUGHT

b6
b7C

[redacted] VICO ALASKA

09/01/42

[redacted]

[redacted]

(WORK) [redacted]

(CELL)

b6
b7C

FD-340 (Rev. 4-11-03) ((-1A33

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document

Date Received 10/26/06

From
(Name of Contributor/Interviewee)

(Address)

(City and State)

By

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure
☐ Yes ☒ No

Federal Taxpayer Information (FTI)
☐ Yes ☒ No

b6
b7C

Title:

Reference:
(Communication Enclosing Material)

Description: ☒ Original notes re interview of
Rocky Williams & Sketch of Stevens bottom Floor

10/26/00 1:15PM

• get layout of TS house 4 : prep [redacted]

- Summer/fall 99 (possibly) beginning of project
- pony wall (4 ft wall) - daylight basement
- Add to full walls
- [redacted] out of VECO
- [redacted] coordinated w/ jacking (I think) [redacted] [redacted]
- [redacted] expertise; people I Ted wanted to pay direct
- [redacted]
- garage on side - someone else idea later on
- 30/40/50 call to [redacted] between talking to jacking up

- 1½ month wait for jacking contractor [redacted] house [redacted]
- 3 months between start talking to jacking up
- 6½ hrs to jack up house
- furnaces start

b6
b7C

[redacted] T.S. / R.W. talk ~ start of jacking
- walked around to talk about project

* were VECO jacked 95% time

- deck removed by [redacted] before jacking
- [redacted] / [redacted] : R.W. involved @ jacking

[redacted] getting involved
3 Months
- 2 people
- Son of [redacted]
- painter / Sheetrock
-

[redacted] - steel - post out front : [redacted]

VECO

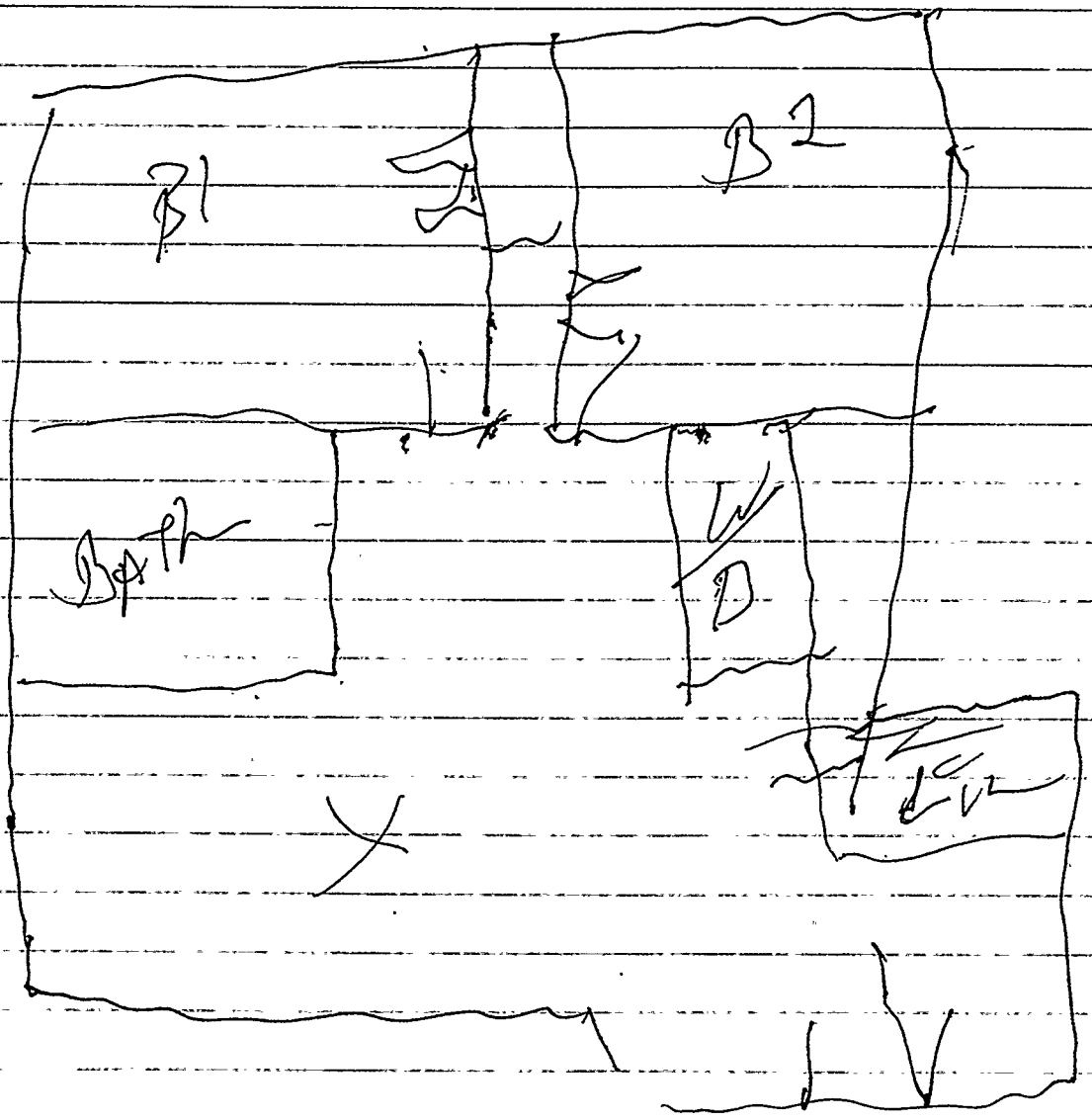
R.W.

[redacted] [redacted]

- electrons (2)
- plumber Mark Tyler
- [redacted] -San) helped
- [redacted]

• pergo 385-370/sqft
back tile

b6
b7C



Drawn by Rocky Williams on 10/26/06
(bottom floor of Ted Stevens Girdwood home)

CEJ

FD-340c (4-11-03)

File Number 194A-13620 - TSTEVENS - 1A34

Field Office Acquiring Evidence

Serial # of Originating Document 62

Date Received 02/28/2007

From [redacted]
(Name of Contributor/Interviewee)

[redacted]
(Address)

ANCHORAGE, AK
(City and State)

By [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

b6
b7C

Title: POLAR PEN
CLSPO

Reference:
(Communication Enclosing Material)

Description: ☒ Original notes re interview of [redacted]

FBI - Stevens-5200

02/28

[redacted] (ATTORNEY)

[redacted] YRS AT VECO
IN AUG

[redacted] ENG. GROUP [redacted] YRS.

[redacted]

WIDE RANGE OF PROJECTS

[redacted]

[redacted] IS A [redacted] - IN HOUSE

[redacted] IS

[redacted]

[redacted]

b6
b7C

KNOWS [redacted] BUT ONLY HAD
ONE MEETING IN WHICH [redacted] ATTENDED.
IN DESCRIBED [redacted] AS THE [redacted]
VERY LITTLE INTERACTION

[redacted] DIRECT SUPERVISOR - [redacted]
[redacted] WAS

WAS WITH [redacted]
[redacted]

HAD A JOB # ASSIGNED TO THE PROJECT.
EVERY JOB HAS TO HAVE A JOB #
INDIVIDUAL TRACK TIME.
OVERLAPPED JOB # - ACCOUNTANT MIGHT DECIDE
WHERE TO POST.

GREENWOOD AND [redacted] WERE THE
ONLY TWO RESIDENCES

AT THAT TIME HE THOUGHT IT WAS
[redacted] LATER LEARNED IT WAS TSS
SAID HASN'T SEEN
IN DID LITTLE WORK. THE HOUSE.

[redacted] DID MOST OF THE WORK
PRIMARY ASSIGN
[redacted] COMES TO WHERE
[redacted] ASSIGNS [redacted]

b6
b7C

GIRDWOOD WAS BEFORE [redacted] HOUSE
99-00.

[redacted] WOULD HAVE BILLED HIS TIME
CAN ONLY DESCRIBE HIS TIME
AT A LOT. ONE OF 3-4 JOBS
PROBABLY ~ X% OVER A MONTH.

TIME SHEETS WENT THRU NATCHE. HE SIGNED THEM
OR APPROVED THEM ELECTRONICALLY

DESCRIPTION AND COMMENT SECTION ON
TIME SHEET.

[redacted] DESCRIBED SECTION AS ENGINEERING DEPT.
SHOWS [redacted] A SERIES OF CAD DRAWINGS.
TYPE OF STUFF HE'S WORKED PRODUCE.

HAD BEEN UNDER IMPRESSION
IT WAS [redacted] HOUSE.

b6
b7C

[redacted]

ANCHORAGE. [redacted]

[redacted] [redacted] (OFFICE)

b6
b7C

MEDIA ✓

1A(35)

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TStevens

Field Office Acquiring Evidence WF

Serial # of Originating Document 754

Date Received 4/6/2007

From _____
(Name of Contributor/Interviewee)

_____
(Address)

_____
(City and State)

By [redacted]

b6
b7C

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

Title:

Reference: _____
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

Digital Photographs of 3904 Highwood Court, Washington, D.C.

SONY

Date

tle
tre

194A-AN-13620

Photos of

3904 Highwood Ct.
Washington, DC

(taken 4/6/07)

194A-AN-13620 - TSTEVENS
1A (35)

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TSTEVENS-1A36

Field Office Acquiring Evidence AN

Serial # of Originating Document

Date Received 04-02-07

From [redacted]
(Name of Contributor/Interviewee)

(Address)

ANCHORAGE, AK.
(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☐ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure
☐ Yes ☐ No

Federal Taxpayer Information (FTI)
☐ Yes ☐ No

b6
b7C

Title:

Reference:
(Communication Enclosing Material)

Description: ☑ Original notes re interview of

[redacted]

~~BB~~ 4-02-07

[redacted] - AUSA

Name E.C. [redacted] USAO -

DOB [redacted]

Address and - M. [redacted] Anchorage, AK [redacted]

w/ Atty [redacted]

9:14 AM

Work now w/ [redacted]

1st Started @ Engineering Assist Payroll - Started at EPA [redacted] - 7 ← Many of 1000 States Veco. Been here since.

Prior Army

As [redacted] Sort Army Contract Docs.

Chart drawing

Re plan - projects

Fact pred environment + did some HR

- Found to be [redacted] while [redacted]

" duty is

b6
b7C

Act Mgr of projects - Builds coding structure to account for a given amount of $.

Generates budget - build, monitor, close it out, inform project team as to use of resources.

Girlwood

only Input hours.

No monitoring of budget or progress

Not aware of any budget or schedule of that project.

1st head of GWP - Forum would give time that which must be attached to a job # & cost code for people working on the GWP.

Remembered "Ted ~~Griffiths~~ Stevens Girlwood"

~~Doesn't~~

[redacted] would know about the property on his [redacted] Δ.

- Stevens could have been tailed on another #. Understood Ordnance kept on Stevens' Δ.

[redacted] would ask [redacted] a couple of guys to work this weekend. [redacted] would tell him to ask [redacted] people-tailed @ [redacted] would use VCCs tracks [redacted] @ [redacted]

[redacted] Sds [redacted] [redacted] Rocky Williams [redacted] Stevens.

Supermarket - Tall skinny, [redacted] - gave authority to use tools + equipment to use @ [redacted]

?, [redacted] - would tell el. to pay certain people for work @ GWP.

b6
b7C

Firewood –

[redacted] when cutting down firewood.

work @ GWP.

[redacted] to △

[redacted]

was refed to Ø chalet on Castle – 1st a fill [redacted]

Went on called early 2003 sporadically.

[redacted] worked at the GWP

[redacted] asks △

asks about how many hours spent @ GWP. & other jobs or cases for a given time period.

b6
b7C

No info of [redacted]

[redacted]

Had employee that el never met. Just saw the paperwork come through. Never met him. Was joked about being a ghost. Possible [redacted]

[redacted]

Employee names have occupational codes with kll what type of work they do.

b6
b7C

FD-340c (4-11-03)

File Number 194A-AN-13620-TSTEVENS-1A39

Field Office Acquiring Evidence

Serial # of Originating Document 76

Date Received 03/28/07

From [redacted]
(Name of Contributor/Interviewee)

(Address)

ANCHORAGE, AK
(City and State)

By [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

b6
b7C

Title: POLAR PEN

Reference:
(Communication Enclosing Material)

Description: ☒ Original notes re interview of

[redacted]

[redacted] 05

[redacted] (Nile) 03/28

[redacted] [redacted]

[redacted] UNION - BUT NOT A TIME.

LAST WORKED

CHRISTENSEN (?) [redacted] COULD HAVE

TS HOUSE - GINDWOOD ~ 5 WKS BEFORE CORBER

IN 2000 - FIRE WINTER RECALLS SNOW.

[redacted]

SHOWN BIN PICTURE

OF HOUSE - DOESN'T THINK OTHER WAS DONE

WORK IN PROGRESS

MAY HAVE DONE A LITTLE WORK ON

TS DECK

[redacted] - MENTIONED IT WAS TED'S

[redacted] ANOTHER CHRISTENSEN

SOME VECO PEOPLE AT SITE

ROCKY - WAS DOING AS COORDINATOR.

FN [redacted] & SON.

WORKING

PAID BY CHRISTENSEN (?)

TS - DID COME BY - WAS CORDIAL

[redacted] WAS THERE

b6
b7C

(2)

TS TALKED MORE WITH ROCKY.

[redacted] WORKED FOR VECO ALASKA.
~ 1YR WITH VECO
HAD MET [redacted] VECO.
SAW [redacted] AT TS HOUSE. — DOESN'T
RECALL TS + BIL
TOGETHER.

[redacted] LOOKED AROUND

AT TS HOUSE ~ 5 WEEKS.
DID NOT WORK ON [redacted] HOUSE.
(2) DID NOT WORK TOGETHER

[redacted]

[redacted]

[redacted]

b6
b7C

(3)

SHOWN FAX

RECOGNIZED LAYOUT

NEVER WENT BACK.

SHOWN ANOTHER SET OF DIAGRAMS.

WHEN HE WAS DONE HOUSEWAS READY FOR RESIDENCY

SHOWN PURELL LIST

- RECOGNIZED SOME OF THE JOBS - BUT NOT THE LIST ITSELF.

SHOWN MORE DIAGRAMS.

HAD ALSO INSTALLED BATHROOM CABINETS.

THINGS WERE MOVING.

LUMPER MAY HAVE DONE SOME OF THE FRAMING.

[redacted] CAME BY TIME TO TIME.

TS + [redacted] JOGGED TOGETHER.

b6
b7C

FD-340c (4-11-03)

File Number 194-AN-13620-TSTEVENS (1A38)

Field Office Acquiring Evidence ANCHORAGE, ALASKA

Serial # of Originating Document 79

Date Received 03-06-07

From [redacted]
(Name of Contributor/Interviewee)

[redacted]
(Address)

[redacted]
(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☑ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☑ No

b3
b6
b7C

Title:

Reference:
(Communication Enclosing Material)

Description: ☒ Original notes re interview of

[redacted]

FD-340 (Rev. 4-11-03)

(1A-39)

File Number 144A-AN-13620 - T STEVENS

MEDIA ✓

Field Office Acquiring Evidence Anchorage

Serial # of Originating Document

Date Received 5/5/07

From Self

(Name of Contributor/Interviewee)

(Address)

(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

Title:

Reference:

(Communication Enclosing Material)

Description: ☐ Original notes re interview of

- photo in Courtroom (pic)

E409JS502163147E23

b6
b7C

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E409JS502163147E23

Original

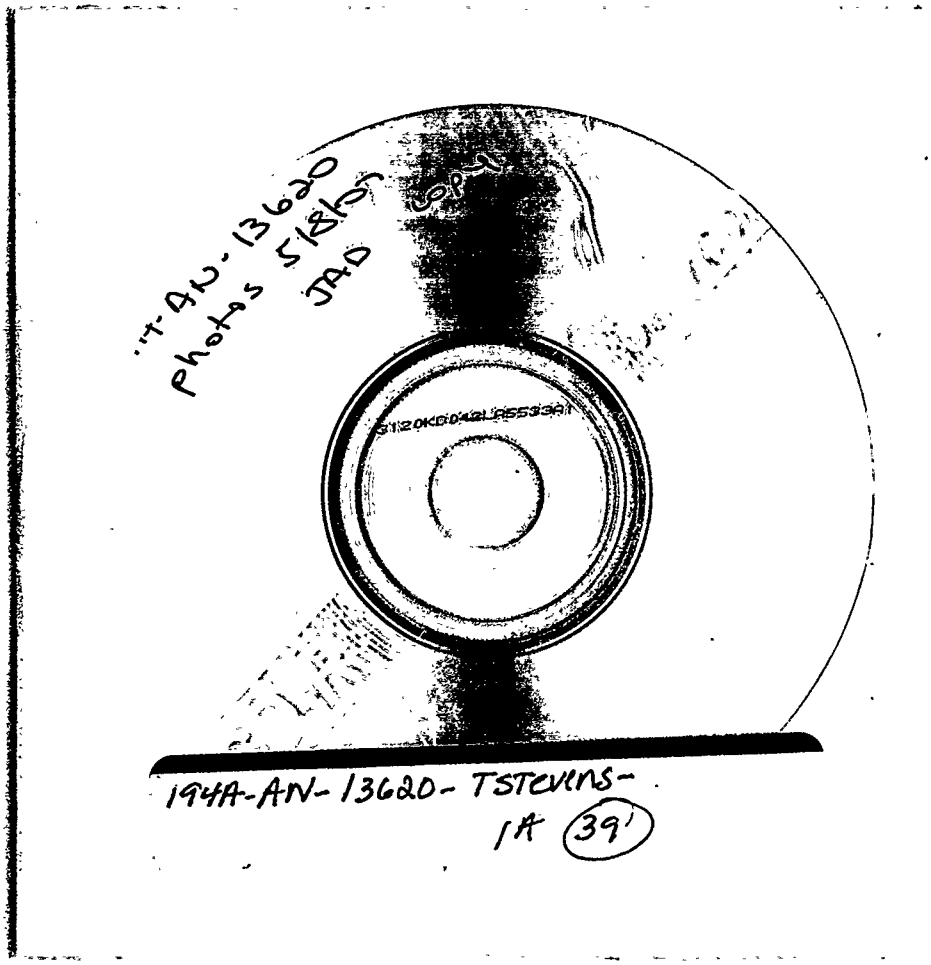
JMD

194A-AN-13620-TSTEVENS
1A (39)

NCE EVIDEN

INVESTIGATION FEDERAL BUREAU OF INV

FBI - Stevens-5243


194A-AN-13620
Photos 5/8/97
JAD
194A-AN-13620-TSTEVENS-
1A (39)

FD-340 (7-19-00)

Universal Case File Number 194A-AN-13620-TStevensS-1A40

Field Office Acquiring Evidence AN.

Serial # of Originating Document 80

Date Received 04-20-07

From _____
(Name of Contributor)

_____
(Address of Contributor)

_____
(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure
☐ Yes ☐ No

Federal Taxpayer Information (FTI)
☐ Yes ☐ No

Title:

b6
b7C

Reference: FD-302 dated 04/20/07.
(Communication Enclosing Material)

Description: ☑ Original notes re interview of

– [redacted]

4-20-07 / 8:09 AM.

[redacted] W/M [redacted]

[redacted] Anch [redacted]

Full Stated VECO [redacted] prior a few months off + on
from →

operation staff on Slope, [redacted]

- 2000 [redacted]

- 2002 ish ~~around~~ moved into [redacted]

- 2003/2004 [redacted]

Left April, 2006, [redacted]

b6
b7C

Specialty elect contractor doing

- Work done @ Stevens Chalet

- Had been there but, [redacted] did work there about 2002

workers - [redacted] (works for Kiyuto now)

[redacted] lives in WASILLA

[redacted]

Prior to H2000's autos pack.

only know what the electrical guys were doing, [redacted] would it done.

- After construction - [redacted] did small projects & was instructed by [redacted]

time went to overhead - Veco construction.

[redacted] - put in on his overhead account. After which it went to the Corporate Veco Account.

Went personally to [redacted] Δ @ 2005. [redacted] had installed a gutter system which wasn't working (heat tracer)

Met w/ Ted Stevens - Replaced breaker for him
No one was billed for this cost. equipment worth $60 + 2605 drilling

[redacted] was superintendent of our sewer projects, but worked @ pg mount + other fuel ~~[illegible]~~ passers.

Doesn't know how much [redacted] was @ Bedford Stevens Δ.
[redacted] was working for [redacted] Knows much in New Orleans
[redacted] e costs went to overhead.

b6
b7C

[redacted] for [redacted]

Ted called [redacted] called [redacted] then called [redacted]
Ted sent key for whichever. w/ ~~[illegible]~~ + thank you note.

Rocky Williams - Handyman
[redacted]
[redacted] + Vaco eq. Rech.
[redacted] works for [redacted]

FD-340 (7-19-00)

Universal Case File Number 194A-AN-13620-TStevens S-1A41

Field Office Acquiring Evidence AN

Serial # of Originating Document 81

Date Received 05-02-07

From _____
(Name of Contributor)

_____
(Address of Contributor)

_____
(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☐ No

Title:

Reference: FD-302 dated 05/02/2002-
(Communication Enclosing Material)

Description: ☑ Original notes re interview of

[redacted]

b6
b7C

Add.
DOB.

[redacted]

[redacted] 5-02-07 8:00 hr

present - [redacted]

b6
b7C

pr' Vero Coun[redacted] - [redacted]

Former Supv's - [redacted]

& [redacted]

[redacted]

- I [redacted] aunt to Crawford. in the winter time
- [redacted] asked him to go to " [redacted]
[redacted] in Gaston.

[redacted]

[redacted]

- Work done @ cabin owned by Ted Stevens - was told by (?) & there were photos of Stevens family in the cabin

Was told to do this work by Supervisor.

MATERIALS - [redacted]

@ the cabin

All antiques were furnished - don't remember if they were @ the cabin or if he took it at his - but it was furnished.

[redacted]

[redacted]

- Ø what had to be done on the panel in garage.

- was there at the cabin about 6 hrs. - had 0 to do [redacted]

- Ø memory of heat tape, heat trace on the roof.

- filled in time working for Veco Const. - Reported time as always - working different.

~~drove car to the site~~. can't remember driving any particular vehicle to the Gridwood site.

- wasn't f[redacted] before [redacted] driver's lic. had lic. back for [redacted] yrs.

b6
b7C

FD-340c (4-11-03)

File Number 194 A - AN - 13620 - T Stevens 1A42

Field Office Acquiring Evidence ANCHORAGE, ALASKA

Serial # of Originating Document 62

Date Received 03/07/07

From [redacted]

(Name of Contributor/Interviewee)

[redacted]

(Address)

ANCHORAGE, ALASKA

(City and State)

By SA [redacted]

b6
b7C

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☐ No

Title:

Reference:

(Communication Enclosing Material)

Description: ☒ Original notes re interview of

[redacted]

- [redacted] overseas project ([redacted]

- VECO may have put Christmas lights near Steven's house
- ~~Heard~~ overheard it from VECO employees
- can't recall names
- [redacted] known him for a long time
- ~~Been~~ Did various projects for [redacted]
- fund raising projects
- [redacted] asked for surplus light pole
? that be used at a cabin ?
- [redacted] ~~worked~~ had interaction with the FAB shop. unknown if a member
- ~~Prof~~

- Rocky Williams - worked with [redacted]
[redacted]
- Head guy for [redacted] 's project

b6
b7C

involved in fundraising

[redacted]

~~[illegible]~~ not aware of Steven home remodeling. Became aware through his attorney.

? worked on a cabin at [redacted]
? [redacted]

[redacted]

[redacted] and Buddy work under the direction of [redacted]

D [redacted] and [redacted] did not work for Norcom during ~~[illegible]~~ Marrow's tenure

b6
b7C

did not participate in the [redacted] home renovation project

did not have supervise any electrical workers

[redacted]

other than Christmas lights he doesn't know anything else

[redacted]

fs UECO Alaska

[redacted] fs

UECO

b6
b7C

[redacted]

[redacted] cell phone

[redacted]

b6
b7C

- VECO consultant ([redacted]
- [redacted]
- [redacted] Veco Alaska ([redacted]
- [redacted] Narrow
- BEFORE [redacted] projects [redacted]
- [redacted]
- [redacted]
- Always based in Anchorage
- [redacted] Major projects
  - reviewing projects
  - reviewing bids
  - visiting projects (performance evaluation)
- Veco ~~doing~~ did commercial work for Best Buys for a couple of years

FD-340b (Rev. 4-11-03)

A43

File Number 194A-AN-13620-TSTevens

Field Office Acquiring Evidence _____

Serial # of Originating Document 92

Date Received 5/4/07

From [redacted]
(Name of Contributor/Interviewee)

_____
(Address)

_____
(City and State)

By [redacted]

To Be Returned ☐ Yes ☐ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☐ No

b6
b7C

Title:

Reference: _____
(Communication Enclosing Material)

Description: ☒ Original notes re interview of

[redacted]

BH BC
BIRCH, HORTON, BITTNER AND CHEROT
A PROFESSIONAL CORPORATION

[redacted]
ATTORNEY AT LAW

ANCHORAGE, AK • WASHINGTON, DC
1127 WEST SEVENTH AVENUE, ANCHORAGE ALASKA 99501
Tel: (907) 276-1550 (800) 478-1550 Fax: (907) 276-2822
Direct [redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

b6
b7C

[redacted]

3 4 yrs Ago

[redacted] Having

[redacted] Fans Pony

Looking for House [redacted]

1 1/2-2 ton [redacted] 35 Room Tower.

75 Down Pay [redacted]

Pays [redacted] Fee. Broker

in Lorain

x 125 for Dr [redacted]

[redacted] $350.

He Drove Sam A Bike

Broke his Is Friend Wanted.

Persons Company has to Do work

He Has Been Crossing to Bike

A Concrete Step in Front of

Building

b6
b7C

Sounds A Small Bill To

~~Cover your Cost~~ To

The Tune 503

[redacted]

[redacted] Is No.

[redacted] Sec

VECO ep [redacted] Work

[redacted]

Is [redacted] Not Good When To

Work N/ VECO [redacted]

Do Not Tow Not What

Cinder - Do Not Lico

b6
b7C

FD-340c (4-11-03)

File Number 194A-AN-13620 - TSTevens - 1A44

Field Office Acquiring Evidence _____

Serial # of Originating Document _____

Date Received MAY 3, 2007 + MAY 16, 2007

From [redacted]
(Name of Contributor/Interviewee)

Professional Legal Copy, 360 K Street, #101
(Address)

Anchorage, Alaska
(City and State)

b6
b7C

By SA [redacted]

To Be Returned ☐ Yes ☐ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☐ No

Title:

Polar Pen

Reference: _____
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

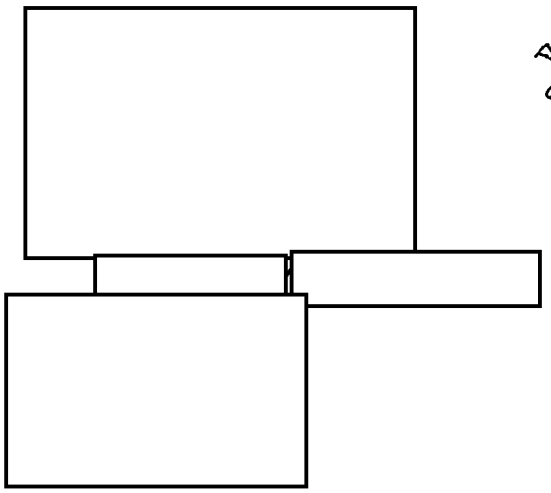
(A) FD-597 DATED 5-3-07

(B) FD-597 DATED 5-16-06

(C) PRINT order # 80015

(D) PLC INVOICE # 81739

5/4/07



AIG Co
62

b6
b7C

TYPE OF WORK [illegible]

ASKED TO WORK ON GIRDWOOD PROJECT (138 NORTHLAND)

WHO ASKED

DID WORK ON OR NOT

WHY

KNOWLEDGE OF ANYONE ELSE WHO WORKED ON GIRDWOOD

APPROACHES BY OTHERS

Double Musky

GPO FORM 2511B
(R1/89)P .51718-6

PRINT ORDER

You are hereby authorized to manufacture and ship the following described product in accordance with the purchase order and specifications indicated.

DEPARTMENT	REQ. NO.	DATE	PURCHASE ORDER NO.	PRINT ORDER NO.
Treasury-IRS CI	~~07-07217~~ 704679		R0090	80015

CONTRACTOR	JACKET NO.	ESTIMATED COST	SHIP/DEL DATE
Professional Legal Copy	676322		

TITLE	OBJECT CLASS	STATE CODE	CONTR'S CODE	PROGRAM NO.
Scanning Project	24:00	015	71649	2052S

PROOFS	SETS	DATE DUE TO GOV'T	DAYS GOV'T WILL HOLD	RETURN DATE TO CONTR.
Galley				
Page				
Slugs				

APPROPRIATION CHARGEABLE	BILLING ADDRESS CODE (BAC)	QUANTITY
	4830-01	

COMPOSITION	QUALITY LEVEL	TRIM SIZE
Phototype Cold Type Hot Metal		

MATERIAL FURNISHED TO CONTRACTOR
Manuscript | Halftones | Line Illus. | Camera Copy | Negatives | Binders | Other

b6
b7C

TEXT STOCK	COVER STOCK	NO. OF TEXT PAGES (including blanks)	FOLD-IN STOCK

FOUR COLOR PROCESS PRNTG.	INK	COVER PRINTS	FOLD-INS/FORMS	STRIP-INS	NEGATIVES (No. req)
Cover 1 2 3 4 Text	Cover Text	1 2 3 4	Face Only Face & Back		

BINDING

1 ULC	Sew	Band in Units of
Saddle	Trim 4 Sides	Shrink Film Wrap Units of
Side	Perf. on Fold	Other
Perfect	Adhesive Strip	

Drill ____ Round Holes ____ " in diameter on ____ " side ____ inches c. to c.
Center holes ____ inches from ____ edge of sheet.
Pads of ____ sheets/sets each. Pad on the ____ side. Chipboard required.
Pack ____ per shipping container. ☐ Pallets required

DISTRIBUTION

RETURN NEGS TO GPO FOR STORAGE NO ☑ YES ☐

RETURN ORIG. AND/OR NEGS. TO:

We are requesting: Bates Stamping, Scanning in format that up loads to concordance.

DEPARTM	PURCHASE OBLIGATION	DATE SENT TO CONTRACTOR
SA		5/3/07

CONTRAC[illegible]RE FORM TO: COMPTROLLER-FME, FINANCIAL MANAGEMENT SERVICE, U.S. GOVERNMENT PRINTING OFFICE, WASHINGTON, DC 20401

Contractor Invoice No. ____ Date Prepared ____

Date of Delivery/Shipment ____ Discount Terms ____

ARTICLES OR SERVICES	QUANTITY	COST	UNIT PRICE PER	AMOUNT
IF ADDITIONAL SPACE IS REQUIRED USE STD FORM 1034, 1035, OR ATTACH YOUR INVOICE			TOTAL	

I CERTIFY THAT THE MATERIALS, GOODS, OR SERVICES HAVE BEEN DELIVERED/SHIPPED ON THE DATE INDICATED ABOVE, AND THAT PAYMENT OR CREDIT HAS NOT BEEN RECEIVED.

____
(Signature of person authorized to sign)

The penalty for making false statements to the Government is prescribed in 18 USC 1001

Professional Legal Copy

EIN - 13-4333691

Invoice / Delivery

360 K Street
Suite 101
Anchorage, Alaska 99501

Phone: 277-2679
Fax: 277-2689
www.prolegalcopy.com

Date	Invoice #
5/15/2007	81739

Bill To	Ship To
U.S. Government Printing Office 4735 East Marginal Way South Seattle, Washington 98134	Federal Bureau of Investigation 101 East 6th Ave. Anchorage, Alaska 99501

Client Matter	Terms	Ship Via
R0090	EOM	Our Truck

Description	Qty	Rate	Amount
Purchase Order # R0090 Req.No. 7-04679 Jacket # 676322 Print Order #80015			
Scanning II (a) 2 (1) Format A Scan Grey Scale/Black & White	700	0.10	70.00
II (a) 3 (1) Format A Scan Grey Scale/Black & White / Glass Work	144	0.18	25.92
II (b) 2 (1) Format A Color Scan	3	0.69	2.07
OCR	847	0.02	16.94
Additional Charges Bates Numbering	847	0.065	55.06
Objective Subjective & In-Text Coding III (a) Data Entry	389	0.045	17.51
CD Duplication	1	10.00	10.00
Have A Great Day.		**Total**	

Remit Payment To
360 K Street, Suite 101
Anchorage, Alaska 99501

FBI - Stevens 3263

Professional
Legal
Copy

360 K Street
Suite 101
Anchorage, Alaska 99501

EIN - 13-4333691

Invoice / Delivery

Phone: 277-2679
Fax: 277-2689
www.prolegalcopy.com

Date	Invoice #
5/15/2007	81739

Bill To	Ship To
U.S. Government Printing Office 4735 East Marginal Way South Seattle, Washington 98134	Federal Bureau of Investigation 101 East 6th Ave. Anchorage, Alaska 99501

Client Matter	Terms	Ship Via
R0090	EOM	Our Truck

Description	Qty	Rate	Amount
Attn; [redacted]			
Have A Great Day.		Total	$197.50

b6
b7C

Remit Payment To
360 K Street, Suite 101
Anchorage, Alaska 99501

FBI - Stevens-5264

FD-597 (Rev 8-11-94)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
Receipt for Property Received/Returned/Released/Seized

File # 194A-AN-13620

On (date) May 16, 2006

item(s) listed below were:
- ☐ Received From
- ☒ Returned To
- ☐ Released To
- ☐ Seized

(Name) [redacted]

(Street Address) 101 E 6th Ave

(City) Anchorage, AK

Description of Item(s): A) Two envelopes labeled Double Mysky Inn
B) One Box labeled Double Mysky Inn
C) CD of scanned docs

b6
b7C

FBI - Stevens-5265

Received By: [redacted] (Signature)

Received From: [redacted] (Signature)

FD-597 (Rev 8-11-94)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
Receipt for Property Received/Returned/Released/Seized

80,015

File # 194A-AN-13620

On (date) MAY 3, 2007

item(s) listed below were:
- ☐ Received From
- ☐ Returned To
- ☒ Released To
- ☐ Seized

(Name) [redacted]

(Street Address) 360 K STREET, STE 101

(City) Anchorage, ALASKA

Description of Item(s): A) Two envelopes labeled Double Musky Inn, Site 23
B) one Box Labeled Double Musky Inn, Site 23
(3 items #1, 2, + 3)

b6
b7C

FBI - Stevens-5266

Received By: _____ (Signature)

Received From: SA [redacted] (Signature)

FD-340 (Rev. 4-11-03) 1A45

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document

Date Received 5/21/07

From SA [redacted]

(Name of Contributor/Interviewee)

(Address)

(City and State)

By ECT [redacted]

To Be Returned ☐ Yes ☐ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☐ No

Title: FINAL DISPOSITION

Reference:

(Communication Enclosing Material)

Description: ☐ Original ~~notes re interview of~~

package copies of FD-192's and chains of custody for 1B674 and 1B675, copy of FD-597

b6
b7C

Title and Character of Case:

POLAR PEN
-

Date Property Acquired: 08/31/2006

Source from which Property Acquired:
DOUBLE MUSKY
MILE .3 CROW CREEK
GIRDWOOD AK

Anticipated Disposition:

Acquired By: [redacted]

Case Agent: [redacted]

b6
b7C

Description of Property:

Date Entered

1B 674

ONE COMPAQ PRESARIO 6000 COMPUTER
SITE#23, ITEM#4

Barcode: E03985996 Location: ECC CABINET 13SHELF 3 09/15/2006

FINAL DISPOSITION

Case Number: 194A-AN-13620
Owning Office: ANCHORAGE

1B674

FD-1004
6-13-2006

FEDERAL BUREAU OF INVESTIGATION

EVIDENCE CHAIN-OF-CUSTODY

Evidence Type: ☑ General ☐ Drug ☐ Valuable

Special Handling Instructions	Initial Receipt	Date and Time
☐ Batteries ☐ Biohazard ☑ Computer ☐ FGJ ☐ Firearms ☐ HAZMAT ☐ Latents ☐ Refrigerate ☐ Requires Charging ☐ Other _____ ☐ None	Signature: [redacted] Printed Nam [redacted] ☒ Collected at Scene ☐ Recovered ☐ Seized ☐ Contributed	8/31/06 1655

Relinquished Custody	Accepted Custody	Date and Time
Signature: [redacted] Printed Nam [redacted] Reason: To Evidence	Signature: [redacted] Printed Name: [redacted] Reason: Storage	9/9/06 10:30Am

Relinquished Custody	Accepted Custody	Date and Time
Signatu [redacted] Printed [redacted] Reason: CART Processing	Signature: [redacted] Printed Nam [redacted] Reason: CART	9/29/06 10:47A

Relinquished Custody	Accepted Custody	Date and Time
Signature: [redacted] Printed Name: [redacted] Reason: Return to Evidence	Signature: [redacted] Printed Name: [redacted] Reason: Storage	10/2/06 ~~10:5~~ SAB 1:53 Pm

Relinquished Custody	Accepted Custody	Date and Time
Signature: [redacted] Printed Name: [redacted] Reason: To Recover	Signature: [redacted] Printed Name: [redacted] Reason: RETURN	5/24/2007 2:30P.M.

Relinquished Custody	Accepted Custody	Date and Time
Signature:	Signature:	
Printed Name:	Printed Name:	
Reason:	Reason:	

Firearms Certification:
Printed Name: _____ Signature: FBI - Stevens-5269 Date: _____

Case ID: 194A-AN-13620 1B: 674 Barcode: E03985996

b6
b7C

Title and Character of Case:

POLAR PEN

b6
b7C

Date Property Acquired: 08/31/2006

Source from which Property Acquired:
DOUBLE MUSKY
MILE .3 CROW CREEK
GIRDWOOD AK

Anticipated Disposition:

Acquired By: [redacted]

Case Agent: [redacted]

Description of Property:
1B 675

Date Entered

ONE COMPAQ PRESARIO 2200 LAPTOP WITH ONE BLACK CASE
CONTAINING ACCESSORIES
SITE#23, ITEM#5

Barcode: E03985997 Location: ECC CABINET 13SHELF 3 09/15/2006

FINAL DISPOSITION

Case Number: 194A-AN-13620
Owning Office: ANCHORAGE

FBI - Stevens-5270

1B675

FD-1004
6-13-2006

FEDERAL BUREAU OF INVESTIGATION

EVIDENCE CHAIN-OF-CUSTODY

Evidence Type: ☑ General ☐ Drug ☐ Valuable

Special Handling Instructions	Initial Receipt	Date and Time
☐ Batteries ☐ Biohazard ☑ Computer ☐ FGJ ☐ Firearms ☐ HAZMAT ☐ Latents ☐ Refrigerate ☐ Requires Charging ☐ Other _____ ☐ None	Signature: [redacted] Printed Name: [redacted] ☒ Collected at Scene ☐ Recovered ☐ Seized ☐ Contributed	8/31/06 1655

Relinquished Custody	Accepted Custody	Date and Time
Signature: [redacted] Printed Name: [redacted] Reason: To Evidence	Signature: [redacted] Printed Name: [redacted] Reason: Storage	9/9/06 10:30 Am
Relinquished Custody	**Accepted Custody**	**Date and Time**
Signature: [redacted] Printed Name: [redacted] Reason: Cart Processing	Signature: [redacted] Printed Name: [redacted] Reason: CART	9/29/2006 10:47A
Relinquished Custody	**Accepted Custody**	**Date and Time**
Signature: [redacted] Printed Name: [redacted] Reason: Return to ECR	Signature: [redacted] Printed Name: [redacted] Reason: Storage	10/2/06 3:55Pm
Relinquished Custody	**Accepted Custody**	**Date and Time**
Signature: [redacted] Printed Name: [redacted] Reason: To Return	Signature: [redacted] Printed Name: [redacted] Reason: RETURN	5/24/2007 2:30P.m.
Relinquished Custody	**Accepted Custody**	**Date and Time**
Signature: Printed Name: Reason:	Signature: Printed Name: Reason:	

b6
b7C

Firearms Certification:
Printed Name: _____ Signature: _____ Date: _____

Case ID: 194A-AN-13620 1B: 675 FBI - Stevens-5271 Barcode: E03985997

MEDIA ✓

FD-340c (4-11-03)

1A-46

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence Anchorage

Serial # of Originating Document _____

Date Received 4/1/07

From _____
(Name of Contributor/Interviewee)

_____
(Address)

_____
(City and State)

By [redacted]

b6
b7C

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☑ No

Federal Taxpayer Information (FTI)

☐ Yes ☑ No

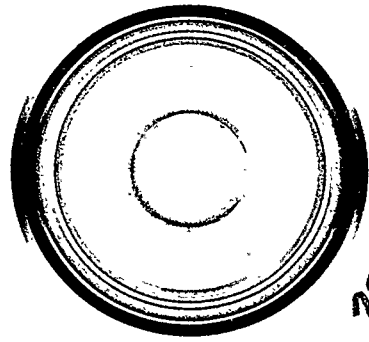
Title: Polar Pen; CSLPO; OO:AN

Reference: _____
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

Photographs of 3104 Highwood Ct. Residence of Ted Stevens

194A-AN-13620



3904 Highwood Ct
Washington, DC

194A-AN-13620-TSTEVENS
1A (46)

FBI - Stevens-5273

FD-340c (4-11-03)

File Number 194A - AN - 13620 - TSTEVENS - (1A47)

Field Office Acquiring Evidence ANCHORAGE

Serial # of Originating Document 100

Date Received 5/24/2007

From FBI
(Name of Contributor/Interviewee)

(Address)

ANCHORAGE, ALASKA
(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☐ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☐ No

Title: POLAR PEN

b6
b7C

Reference: FD-302 dated 05/25/2002,
(Communication Enclosing Material)

Description: ☑ Original notes re interview of

[redacted] ESQUIRE

(2) FD597's ISSUED TO [redacted]

FBI - Stevens-5274

*U.S. GPO: 2004-305-792/81146

FD-597 (Rev 8-11-94)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
Receipt for Property Received/Returned/Released/Seized

File # 194A-AN-13620

On (date) 5/24/2007

item(s) listed below were:
- ☐ Received From
- ☐ Returned To
- ☒ Released To
- ☐ Seized

(Name) [redacted]

b6
b7C

(Street Address) 500 L STREET

(City) ANCHORAGE, ALASKA

Description of Item(s):

(1) COMPUTER DISK LABELED DOUBLE MUSKY. COPY 1/1
(2) COMPAQ PRESARIO 6000 COMPUTER
SERIAL # 2H23KMZ7NOX3
(3) COMPAQ LAPTOP COMPUTER
SERIAL # CNF44100W8
WITH BLACK CASE, CABLES, START UP GUIDE, MICROSOFT DISK,
WITH DOCUMENTS, 1 BOTTLE THE DRY LOOK HAIR SPRAY

FBI - Stevens-5275

PHONE MEMO

TO [redacted] DATE TIME AM PM

FRO [redacted] ( )

OF ( )

FAX ( )

MESSAGE [redacted]

SIGNED

PHONED ☐ CALL BACK ☐ RETURNED CALL ☐ WANTS TO SEE YOU ☐ WILL CALL AGAIN ☐ WAS IN ☐ URGENT ☐

[redacted]

b6
b7C

1. 2 BANKERS
ALBICAS GREAT EAGLE } 2 DEAD HOUSE

CLOTHING TAKING OUT OF AREA

2. PACKET - HANDWRITING OF INFO AT TRA STEVENS CASE. PHOTOS OF STEVENS HOUSE DISCRIMINATORY DOCUMENTS.
- ALL OTHER TOOK PHOTOS RECENTLY - CALLS & CORRESPONDENCE @ STEVENS OVER 7TH YEARS. [redacted] SURVEILLANCE
- ATTORNEY CALLS CLIENT [redacted] NEW. [redacted] MAPS. STEVENS HOUSE [redacted] PROBLEM WITH ZONING AT STEVENS HOUSE. -
STEVENS HAD [redacted] SENT TO [redacted] SENT [redacted] TO TRA STEVENS.
[redacted] OUT BUT TRA 2/13/06 8:03 A - FAXED TO STEVENS 20 MINUTES LATER
+ E-MAIL TRAFFIC
- RECENTLY, WE REQUIRE TO FOU (5/11/07) SUBPOENA, STEVENS DA [redacted] TRA STEVENS THEY WANT BACK THE ALL BILLS [redacted] STEVENS SIGNED BILL - SO [redacted] FAXED TO [redacted] HANDWRITING IS FROM TRA STEVENS.

[redacted]

- ATE(N) [redacted] TO PULL OFF ANY E-MAIL @ TED STEVENS. - AS FAR BACK AS HE COULD GO.
NATHAN @ RAY STEVENS & [redacted]
NATHAN @ [redacted]

4/17/07 TO 5/17/07

MAY 17, 2007 AT SIGNIFICANT -
SENATOR SAYS ABOUT E-MAIL STEVENS
BUSY MONTH DUE COMMENCEMENT @ STEVENS

- MECHANICSBURG PS [redacted]

b6
b7C

- THANKS PLUSUS BUNDT NEW COMPUTER AFTER STEVENS.

- THINK ALL ARCHIVED DELETED E-MAILS ON HIS CURRENT COMPUTER THAT WE DO NOT HAVE. BEFORE SEPT. & BOTH OF THE ONES HE PURCHASED. NOT ENABLE ANYTHING BUT JUST RENTED PRACTICE & DELETED.

- THAT WAS SOME DELETED E-MAIL TRAFFIC - CAST WITH - CONFERENCE HOTELS.
(CAN ONLY BACKUP)
- [redacted] WANT CALLS PLUSUS - DISSEMINATE AMONG PARTIES AS CHAT TO A1 @ HOTEL. [redacted]

FELDMAN ORLANSKY & SANDERS
COUNSELORS AT LAW
500 L STREET, FOURTH FLOOR
ANCHORAGE, ALASKA 99501

[redacted]
Direct Tel: [redacted]

TEL: 907.272.3538
FAX: 907.274.0819

May 23, 2007

[redacted] Asst. U.S. Attorney
U.S. Department of Justice
U.S. Attorneys Office
Federal Building, U.S. Courthouse
222 West 7th Avenue, Room C-253
Anchorage, Alaska 99513-7567

Re: Grand Jury Appearance of [redacted] on May 30, 2007

b3
b6
b7C

Dear [redacted]

With this letter I am producing the documents in the custody of [redacted] which he was commanded to bring to the grand jury when he appears on May 30, 2007. If you have any questions concerning these materials, please feel free to call me.

Very truly yours,

FELDMAN ORLANSKY & SANDERS

[redacted]

ETS/psc
Enclosures

FD-597 (Rev 8-11-94)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
Receipt for Property Received/Returned/Released/Seized

File # 194A-AN-13620

On (date) 5/24/2007

item(s) listed below were:
- [x] Received From
- [ ] Returned To
- [ ] Released To
- [ ] Seized

(Name) [redacted]

(Street Address) [redacted]

(City) ANCHORAGE, ALASKA

Description of Item(s):

b3
b6
b7C

Received By: [redacted]
(Signature)

Received From: FBI - Stevens-5279
(Signature)

FD-597 (Rev 8-11-94)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
Receipt for Property Received/Returned/Released/Seized

File # 194A-AN-13620

On (date) 5/24/2007

item(s) listed below were:
- ☐ Received From
- ☐ Returned To
- ☑ Released To
- ☐ Seized

(Name) [redacted]

(Street Address) [redacted]

(City) ANCHORAGE, ALASKA

Description of Item(s):

(1) COMPUTER DISK LABELED DOUBLE MUSKY COPY 1/1

(2) COMPAQ PRESARIO 6000 COMPUTER
SERIAL # 2H23KMZ7NOX3

(3) COMPAQ LAPTOP COMPUTER
SERIAL # CNF44100W8
WITH BLACK CASE, CABLES, START UP GUIDE, MICROSOFT DISK,
WITH DOCUMENTS, 1 BOTTLE THE DRY LOOK HAIR SPRAY

b6
b7C

FBI - Stevens-5280

Received By: _____ (Signature)

Received From: [redacted] (Signature)

FD-340b (Rev. 4-11-03)

1A48

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence ANCHORAGE

Serial # of Originating Document 106

Date Received 5/30/2007

From FBI
(Name of Contributor/Interviewee)

(Address)

ANCHORAGE, ALASKA
(City and State)

By [redacted]

b6
b7C

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

Title: POLAR BEAR

Reference: FD-302 dated 05/31/07,
(Communication Enclosing Material)

Description: ☒ Original notes re interview of

[redacted] 4

DRIVERS LICENSE PHOTO

FBI - Stevens-5281

2561 E. Sun Mountain Ave.
Wasilla, AK 99654

Phone: 907-352-3103
Fax: 907-352-3101

b6
b7C

Sales Specialist
Electrical and Lighting.

5/30/2007

[redacted]

NECU EMPLOYEE - FIRST THAT EMPLOYEE - JOB TITLE → SOMETHING ENGINEER
[redacted] - WHAT CAT - WORK SCHEDULE BUT
[redacted] I HAD TO FIND WHAT TO DO.
I WORKED BUT WAS [redacted]
NO CONCEPT WORKS THERE. CALL AT MATHEWS:
ARCTIC SLOPE REGIONAL [redacted]
- HUMAN RESOURCES
- [redacted] - [redacted] AT NECU. b6 b7C
CALL
[redacted] BOSS WAS [redacted] WHO IS RUNNING THE
- 2 THING OTHER BUSINESS ON THE CHANGE. HIS WIFE STILL WORKS
FOR NECU. AN ELECTRICAL CONTRACTOR.
- 1ST THE - HAS ANY OF THEM LOOKED @ DOCUMENTS - I ASSUME
- 2nd THE - SMELLS THERE - XMAS TREE - PERSON WE FIRST TALK
SOC STATUS - LIGHT ON AT. [redacted] WANT [redacted] TO BREAK ONE SO WORKS
TO TURN BOOK ON DESK.
- THAT CAME TO NECU
- GOING TO WORK IN NECU THE

WHAT [redacted] TRUCK - [redacted] WOULD SHOW HIM WHAT HAD TO BE DONE.
[redacted] BROKE A BLUE CHEW. PICKED UP.
- [redacted] BROKE A WHITE NECU WORK VAN. BROKE THIS BOTH TIMES HE WENT
THERE. NO PARTICULAR REASON AT BY CUSTOMER. TO CONTACT [redacted] SAID TO
JUST PUT "GROUNDS HOUSE" OR "SENATORS HOUSE" ON HIS TIME SHEET. DIDN'T
HAVE TO GO @ SENATOR.

BOTH FAMILY CLOSE TOGETHER IN BECKWITH.

- 1ST TIME: [redacted] - CLOSE TO CONNECTICUT.

[redacted] HAS TO BE WITHIN A WEEK OR 2 OF CONNECTICUT.

[redacted] HOW TO SMUGGLE HOME. SAME PROCEDURE OF HOME OR PAPER. SAME ~~THAT~~ LITTLE BAY.

HOME. DON'T RECALL ANYONE.

- WHO ELSE THERE? - [redacted] → GREW PARENTS [redacted] BUT DON'T SEEM

5'10" WHITE

230

SHORT BROWN HAIR

NOT CLEAN SHAVEN

WEARING BLUE CAP.

USUALLY REEKED OF ALCOHOL.

AGE: ABOUT EARLY 30'S.

WOULD RECOGNIZE AGAIN.

b6
b7C

- JOB DONE: [redacted] → HAD PROBLEM @ LOCKED IN BIG TRUCK. HE FIXED THAT.

HAD PROBLEM @ MOTOR SMOKE LIGHT - FIXED THAT

PUT ON COVER PLATES ON A SWITCH IN BACK INSIDE PART OF GARAGE.

RE THE LIGHT; PROBLEM WAS SOMETHING WRONG @ SWITCHING.

DOESN'T KNOW WHO INSTALLED LIGHT. DAVE SAID WE INSTALLED THE

FOR THE SMUGGLER. DAVE DOESN'T KNOW IF DAVE WORKED FOR NECO.

DAVE'S TIME: HE WAS WORKING 30 A.M. HRS. WITH ABOUT TWO -

120.00 FOR HIS WORKS. DRIVE [redacted] WAS ONE TWO OF THAT 45 MINUTES

TO HAVE EACH TIME.

- FOR HIS THE CARS, HE MOVED WITH HIS LIGHT THE YARD - OFF OF BETTER

- A NECO BUILDING. HE HAD TO GET THE VAN FROM HERE. HE OWNS EQUIPMENT

INSIDE VAN. CAMERAS & TOOLS.

- HE WAS ALLEGEDLY ASSIGNED TO SEE THAT CAR STUFF AT [redacted] OF ANCHORAGE. [redacted] WANT CAR HIM TO GO TO OTHER PLACE. HE HAS TO GO TO [redacted] PLACE ONCE BUT DIDN'T DO ANYTHING. TALKING ABOUT SOME [redacted] STUFF. BY CREEK. WHERE? - HAS TO BE SOME ON FEB 2003. THIS WAS WITH DAVE.

- WENT OVER TO [redacted] HOUSE. CAN'T REMEMBER NAME. LIKE A REMODEL, TAKING OUT A WALL OVER. STARTED DANCE THIS BUT DIDN'T FINISH THAT COUNT OF A 3rd WOMAN FOUTRA TEAM. → HE & DAVE WENT CLASSES OF TEAM.
DANCE DIDN'T KNOW IF [redacted] SAW WOMAN FOR NEED.

- 2nd TIME AT [redacted] HOUSE!
[redacted] HUSB.
- WITHIN A COUPLE OF [redacted] X WAS OF 2002.
- [redacted] OUT [redacted] WAS THERE, } BALANCE SALMON STARTED HAD RUFF LIGHT. DIDN'T WANT SOMETHING TO HAPPEN TO BRING OVER. SO [redacted] EXTENDED A BOX OUT & RAN CONDUIT TO DOWN TO A SWITCH.
- SOMETHING DRIVE UP ONE A GRAY FORD TRUCK - ONE OF FOREMAN DRIVING TRUCK. HAD GRANDKIDS - ABOUT } KIDS IN TRUCK.

- SOMETIMES STUFF WORKING @ DANCE. - ALSO WITH [redacted] AT HOME.

- DANCE DRIVING NEW VAN.
- [redacted] INTRODUCED DANCE TO SOMETHING AS ONE OF THEIR EMPLOYEES

- ~~what~~ THAT WAS IT FOR THAT TRIP.

- TOOK CARD: DRIVE THAT PLUS THIS JOB - PROBABLY 4-6 HOURS
- ~~THAT SEE~~ [redacted] MEAN OF HIS TIME CARD SAID GRAY VAN, SOMETIMES HUSB. OR NEED. HE WOULD HAVE WRITTEN WHAT HE WAS TOLD TO WRITE.

- WHO ELSE THERE:
SOMETIMES WIFE
BUT STAYING AT HIS WIFE - CHECKING INTO THERE.
[redacted]

FBI - Stevens-5286

b6
b7C

OTHER CARS:

[redacted]

ONE OTHER VEHICLE PARKED IN FRONT OF GARAGE.
FIRETRUCK DRIVING THE OFF & LEFT.

- [redacted] TRUCK WAS WORTH $50K.
[redacted] SAID VEGO GAME STARTED TO THEM. A GIFT, [redacted] SAY WIFE.
SMELLS OF ALCOHOL.

- TIME OF DAY: CLOSE TO LUNCHTIME.
WHEN GOT OFF FIRETRUCK, TALKED ABOUT MAKING SANDWICHES & SOMETHING WENT OFF COMING FOR A SANDWICH.

- WEATHER: FIRST TIME WEATHER NOT TOO BAD.
SAME TIME - SNOWING QUITE A BIT BUT THEY GOT DECENT AS HE GOT CLOSER.

b6
b7C

- KNOW OF ANYBODY ELSE WHO WORKED AT HOUSE?.. NO

- [redacted] → WHAT - INCLUDE AREA SOUTH OF [redacted] WEST OF INCLUDE RACE ARMORY. JUST NOT [redacted] + [redacted] - A [redacted] - WHERE? - [redacted] → 003. (TIME - 1/2 HR TO HOME. SHE WAS NOT HOME. HAS GOT TO HIM OFFICE.
LOOKING AT POSITIONS A WHEELCHAIR INCLUDE THE HOUSE.

[redacted] STILL TALKING ABOUT IT ✓ [redacted] SAID WHAT WAS HAPPENING. WAS COMING TO COME UP WITH A GAME PLAN. THAT CAN? - YES BUT BUSINESS RACE WHAT HE PUT DOWN - MAYBE [redacted]

- [redacted] SAID PUT DOWN SOMETHING STRONGER ✓ [redacted] ✓ [redacted] TAKE CARE OF IT.

FBI - Stevens-5287

- NO LAPTOPS COMPUTER. JUST A VEGO THAT CAME TURNED ON AT END OF COFFEE.

[redacted]

G'o 220

DOB: [redacted]
SSAN:
POB:

[redacted]

b6
b7C

- CAN'T MEASURE IF HE CISCO HAS DOWNLOADED CREDIT ALREADY AT THAT.
CHANGED WITH CREDIT CARD
WAS [redacted] - START AT NEW.

- NO OTHER JURISDICTION. INTERPRET DATA STORES - RUST W CHARGED STATUS CONSPIRACY TERRC

FD-340b (Rev. 4-11-03)

1A49

File Number 194A-AN-13620 - ~~SUB~~ T STEVENS

Field Office Acquiring Evidence ANCHORAGE

Serial # of Originating Document 102, 108, 109

Date Received May 31, 2007

From _____
(Name of Contributor/Interviewee)

_____
(Address)

_____
(City and State)

By SA [redacted]

b6
b7C

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☑ No

Federal Taxpayer Information (FTI)

☐ Yes ☑ No

Title: POLAR PEN

Reference: (3) FD-302s dated 08/01/02,
(Communication Enclosing Material)

Description: ☒ Original notes re interview of

Interview notes from [redacted] of Senator Ted Stevens including [redacted]

5/31/07

[redacted]

Girdwood, AK 99587

[redacted]

about [redacted] yrs - no idea about renovations

- Senator there occasionally - 4x per yr
only friends family there every so often

- Someone comes to slough snow off roof
- many potted plants - Alyska? Someone around

He works [redacted] → Anchorage
She works [redacted]

Knew there had been some gutter damage

b6
b7C

May 31, 2007

[redacted]

Girdwood, AK 99587

[redacted] Cell

b6
b7C

Renters [redacted] moved from [redacted] to AK

Do not know anything about Ted Stevens. Someone pointed out his house to them, but that is all they know.

Will contact landlords and have them contact us.

5/31/07

[redacted]

[redacted] Cel

b6
b7C

lived here about a year

[redacted]

FD-340b (Rev. 4-11-03)

1A50

File Number 194A-AN-13620-B SPECIMEN

Field Office Acquiring Evidence ANCHORAGE

Serial # of Originating Document 110

Date Received 5/31/2007

From FBI
(Name of Contributor/Interviewee)

(Address)

ANCHORAGE, ALASKA
(City and State)

b6
b7C

By [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

Title: PAGAR PAY

Reference: FD-302 dated 06/05/07
(Communication Enclosing Material)

Description: ☒ Original notes re interview of

[redacted]

Neighbor Interview Topics/Questions

1. How long have you resided at this location? (most pertinent time period was 7/00-12/02) If they did not reside there during that time period, do they know the name of the previous resident?

2. Do they know Senator Stevens [redacted] What is the extent of their relationship?

3. Have they been to the Senator home? Before or after the renovations?

4. Did the Senator or his wife discuss their plans for the renovations? If so, what was content of discussions?

-Cost of renovations
-Budget for renovations
-Contractors hired
-renovations made
-loan for renovations

5. Did you see work vehicles at the residence with VECO logo on the side? Did the workers have VECO labeled apparel?

-Meet or talk to any of the workers

6. Did you observe a boom truck hoisting a grill onto the deck? Who owned the boom truck?

b6
b7C

7. Did you observe workers placing lights in a tree and stringing lights on the residence? Was any special equipment used? Do you know who was stringing the lights or who they were employed by?

8. Did you ever see a problem with ice on the roof? Do you know how the problem was resolved? Do you know who was involved in fixing the problem? Did you talk with anyone about the problem? (heat tape was installed by VECO)

9. Did the Senator [redacted] discuss any repairs that were needed at the house?

10. When was the house painted? Do you recall who painted the house?

11. If you saw a problem at the Senator's house, who would you notify and how would you notify them?

12. What do you know about the statue of fish on the porch?

13. Do you know if anyone beside the Senator [redacted] have access to the residence?

5/31/07

[redacted] [redacted]

[redacted] HAS. AW.

- USED TO BE 1 STORY. CLIFTON IT TO 2 STORY [redacted] HAS AW.

- WITH ALONE WOMAN? - DON'T KNOW
OTHERS SEEING THEM BUT NO WITNESSES.

- NO DISCUSSIONS @ STEVENS -

- HAD A BOOM OR ERRANT. LOUD SOUND. SAW SOMEONE @ ONE OF WINDOWS ABOUT PUTTING UP HER COAT. THEY CAUGHT & CAN CONTINUE WHAT REPORT OF CORRECT NAME.

- RE LEGITIMATE THEFT - KNOW PUT UP BUT DON'T KNOW WHO.

- HUSBAND IS DISTINGUISHED & LOVE AMERICA FOR A WHILE.

- SHE HAS BEEN INSIDE BEFORE AFTERWARDS & AFTER.

- PICTURE OF INSIDE HOUSE? - [redacted] DIDN'T TAKE ANY.
HAS PICTURES OF KIDS INSIDE THE HOUSE.

- THEY ARE NEIGHBORS
RING WAY & [redacted] THAT HOUSE - [redacted] YRS AGO.
THEY HAD THEIR 1ST BABY THERE SO WHEN TAKEN TO HOSPITAL.

- DON'T REALLY CHECK VEHICLES. NOTHING THAT STANDS OUT. BROADWAY WAS THAT NOTICED - FAMILY WORKS ON OIL BUSINESS.

- CHECK? SEES CHECK BUT DON'T REALLY HOLLERING AND BACK.

- REPAIRS - DON'T KNOW. - SHE WAS AWARE HUSBAND TOOK PHOTOS - BUT DOESN'T SEE.

- ARGUMENTS? - NO INFO

b6
b7C

- AK PHOTOS:

How: SOMEBODY GET A WITNESS OF THE PLANE - [redacted] OUT THAT PLANE + TRACK THE TO THAT PLANE CAN THE ABOUT PILOTS.

WHERE? - DON'T KNOW. GUESS PLANE AGAINST A RAINE GUTTER NEAR AIRPORT. PERSONS PLANE UNKNOWN.

WHAT? - WAITE TO GO BACK AND [redacted] CAN THAT COMPLETE THE CATCH + [redacted] TRACK ALTITUDE THAT OCCURS.

- [redacted] CALLED [redacted] TO THE HOTEL PLANTS MARY. [redacted] TRACK TO SHOW THEM TO THE STEVENS CIRCUIT (DON'T KNOW WHERE).

- THE STEVENS BAND BANK CART AWAY ON BASIC HUNT. HOW MUCH - DON'T KNOW - BUT BY CHECK.

- BANK MADE A BIG + TRACK MADE ARRESTS. [redacted] PHOTO CAP ON AN COMPUTER - ON A 3565 ARCTIC BOW.
D + W PHOTO →

- NO DISCUSSING @ STEVENS AT ANCHORAGE.

- [redacted]
DOB: [redacted]
SSAN: [redacted]
GRAYLING, AK 99587
[redacted]

- FISH MAN ON COAST GUARD AVE. - MOUNTAIN RANGE + BOBCAT CLUB.

b6
b7C

FD-340b (Rev. 4-11-03)

1A51

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence Anchorage

Serial # of Originating Document 111, 112, 113

Date Received 5/31/07

From _____
(Name of Contributor/Interviewee)

_____
(Address)

_____
(City and State)

By [redacted]

b6
b7C

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☑ No

Federal Taxpayer Information (FTI)

☐ Yes ☑ No

Title: Polar Pan; CSLPO; 00:AN

Reference (3) FD-302s dated 06/01/07
(Communication Enclosing Material)

Description: ☑ Original notes re interview of

[redacted]

5/31/02

[redacted]

Senator may know his name.

At house, once for fundraiser.

[redacted] yrs. in house once

Funky Gladwood Cabin - not elaborate

Only knows what he read in newspaper.

[redacted] - Davos - large home on [redacted] mural on [redacted]

[redacted]

2 story house on right [redacted]

tuck under garage [redacted] house down

[redacted] house for sale.

[redacted] house

Hasn't talked w/ anyone, first read in newspaper

b6
b7C

5/31/07

[redacted]

Never met Senator R [redacted]

Cabin was raised, new first floor may have been a garage.
Chevy Pickup used to put grill on deck (Boom truck) -
never talked to workers
doesn't remember logo's on truck.

[redacted] (Right)

Walkways - only. (Left)

Never saw ice damming.

Winter - boom crane string lights
Grew lines

b6
b7C

[redacted] (H) 5/31/07

[redacted] Girdwood [redacted] (C)

[redacted] Lived in Girdwood

[redacted] - sold [redacted]

[redacted] years friends w/ TS.

[redacted] Moved back to Alaska from [redacted]

Saw house before - once

Saw after remodel.
6 times a year. Dinner at double Mosley.

Sometimes fished Winterquest. trail.

House remodel never a topic of conversation. b6 b7C

[redacted] Case taken - Senator told him.

[redacted] Senator mentioned best tape and quiet. Asked for a recommendation for a company to fix it. He said he wanted a bill and wanted to pay for the repairs. Asked if FBI talked w/ him.

[redacted] said TS is more concerned about his son.

Met [redacted] at New Jersey Party at Total Business and Socially

[redacted] - wedding

Knows TS better than [redacted] not dissuaded. [redacted]

FBI - Stevens-5300

Senator always made sure that he got his share of the bill.

FD-340b (Rev. 4-11-03)

1A52

File Number 194A-AL-13620 ~~Sub~~ TS REVIEW

Field Office Acquiring Evidence ANCHORAGE

Serial # of Originating Document 116

Date Received 06/4/2007

From FBI

(Name of Contributor/Interviewee)

(Address)

ANCHORAGE, ALASKA

(City and State)

By [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☐ No

Title: POLAR PEN

Reference: FD-302 dated 06/04/07

(Communication Enclosing Material)

Description: ☒ Original notes re interview of

[redacted]

b6
b7C

MUNICIPALITY OF ANCHORAGE
Planning Department Land Use Enforcement Division

[redacted]
Code Enforcement Officer

4700 Bragaw Street
Mail: P.O. Box 196650
Anchorage, Alaska 99519-6650
Telephone [redacted]
Fax (907) 343-8437
Email [redacted]

b6
b7C

Property Appraisal
Municipality of Anchorage, Alaska

Public Inquiry Parcel Details

b6
b7C

Show Parcel on Map

Parcel: 076-021-21-000 Residential Single Family 06/01/07

STEVENS THEODORE [redacted]

PO Box 100879
Anchorage AK 99510

ALYESKA #1
BLK 18 LT 9

Site 138 Northland Rd

Lot Size:	12,500	---Date Changed---		----Deed Changed----	
Zone :	GRST2	Owner :	04/05/85	Stateid:	0955 / 0000738
Tax Dist:	004	Address:	04/05/85	Date :	08/26/83
Grid :	SE4916	Hra # :		Plat :	
GRW:	PIWR			REF #:	

ASSESSMENT HISTORY

	---Land--	--Building-	---Total---	
Appraised Val 2005:	60,100	268,600	328,700	
Appraised Val 2006:	73,800	287,300	361,100	--Exemption---
Appraised Val 2007:	132,900	308,000	440,900	-----Type-----
Exempt Value 2007:	0	0	0	
State Credit 2007:			0	
Resid Credit 2007:			20,000	RESIDENTIAL
Taxable Value 2007:			420,900	

Liv Units: 001 Common Area: Leasehold: Insp Dt: 08/01 Land Only
08/01 Ext Ownr/Oc
/

IMPROVEMENT DATA

Style : Bi-Level Story Ht : 2.5 Exterior Walls: Wood

FBI - Stevens 5304

LAND USE ENFORCEMENT OFFICE

OVERLAY RECORDS:

NO RECORDS ONE DATA BASE.

[redacted]

b6
b7C

FD-340b (Rev. 4-11-03)

1A53

File Number 194A-AN-13620 T STEVENS

Field Office Acquiring Evidence ANCHORAGE

Serial # of Originating Document 117

Date Received 6/4/2007

From FBI
(Name of Contributor/Interviewee)

(Address)

ANCHORAGE, ALASKA
(City and State)

By [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure
☐ Yes ☒ No

Federal Taxpayer Information (FTI)
☐ Yes ☒ No

Title: POLAR PEN

Reference: FD-302 dated 06/04/07
(Communication Enclosing Material)

Description: ☒ Original notes re interview of

[redacted]

b6
b7C

MUNICIPALITY OF ANCHORAGE

Department of Development Services
Building Safety Division

[redacted]
Project Manager

4700 S. Bragaw
Mail : P.O. Box 196650
Anchorage, Alaska 99519-6650

Telephone [redacted]
Fax (907) 249-7458

e-mail [redacted]

b6
b7C

DEVELOPMENT SERVICES

GUIDING SAFE CONSTRUCTION AND RESPONSIBLE DEVELOPMENT FOR THE COMMUNITY

Year Built :	1971	Remodeled:	00	Effective Year:	1985
Total Rooms:	10	Bedrooms :	04	Recreation Rms:	0
Full Baths :	3	Half Bths:	0	Add't Fixtures:	0
Heat Type :	Central	Fuel Type:	Natural Gas	Sys Heat Type :	Forced Air
Fp: Stacks :		Openings :		Free Stand :	
Extra Value:	1 Jetted Tub	Extra Val:	1 Sauna	E-Z Set Firepl:	1
Condo Style:		Condo Flr:		Condo Com Prop:	
Grade :	Average	Cst/Desgn:		Condition :	Average

IMPROVEMENT AREA

Basement :	0	FIN/BSMT :		Basement Gar:	Car	Living
1st Floor :	1,139	2nd Floor :	1,044	3rd Floor :	0	Area:
Half Floor:	0	Attic Area:	576	FIN DEEP BSM:		2471

ADDITIONAL FEATURES

Basement:	1st Floor:	2nd Floor:	3rd Floor:	Area:
	Attached Garage			440
	Cov'rd Open Porch			32
		Wood Deck		364
		Cov'rd Open Porch		216
			Wood Deck	32

Feedback E-mail: wwfipa@muni.org

Contact Us | Disclaimer | Privacy Statement | (c) 2002 MOA IT e-Gov

FBI - Stevens-5308

601410

[redacted]

MUNI.ORG

TITLE 21

- NO BUILDING PERMIT ON FILE
- CHECKED ASSESS &
  PROPERTY DESCRIPTION -
  THERE IS A PERMIT FOR BLOCK 9
  1048' ABOVE & BELOW
  EXPIRED & NOT CLOSED OUT & BEGINNERS
  PERMIT # 00-0783 - LAND USE PERMIT - BEGINNING ON GRADING

- NO INSPECTIONS OF LAND USE PERMIT FOR BEGINNING PART OF IT.

- CAN'T HAVE COPIES OF ENGINEER'S REPORT: LANDTECH
  "LAND & CONSTRUCTION SURVEYORS - PLANNERS - ENGINEERS
  440 W. BENSON BLVD. # 103
  ANCHORAGE, ALASKA 99503
  (907) 562-5291
  WORK ORDER # 2000-L-4284
  DRAWN BY KLB
  [redacted]
  TOM HOMEMARK TRS STEERING
  LOT 9, BLOCK 18
  ALYS
  ALYESKA SUBD. FIRST. ADDN.
  KENNETH DRYER'S LAND SURVEYOR

- [redacted] CHECK PLUMBING & ELECTRICAL WORK.

- NO INSPECTIONS - PLOT PLANS SUBMITTED FIRST.
  → STAMPING LAND SURVEYOR WHAT THINK & DECIDED AS TO PLOT PLANS
- RECORDED AS BUILT - IS WHAT IS NEEDED TO CLOSE.
  ↓
  NOT SUBMITTED.
  ↓
  NOT ALLOWED TO HAVE ADDITIONAL PERMITS UNTIL THIS IS CLOSED OUT
- LAND USE ENFORCEMENT OFFICERS WORK OFF A CODE - NOT BUILT.
  ↓
  ISSUING BUILT OFF A CODE UNLESS A COMPLAINT.
- ONLY TITLE 21 ZONING CODE ON GRADING

b6
b7C

FD-340c (4-11-03)

File Number 194A - AN - 13620 - TSTEVENS 1A54

Field Office Acquiring Evidence Anchorage

Serial # of Originating Document 118

Date Received 5/15/07

From _____
(Name of Contributor/Interviewee)

_____
(Address)

_____
(City and State)

b6
b7C

By [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☑ No

Federal Taxpayer Information (FTI)

☐ Yes ☑ No

Title: Polar Pen;
CSLPO;
OO: AN

Reference: FD-302 dated 05/16/2001.
(Communication Enclosing Material)

Description: ☑ Original notes re interview of

[redacted]

(1)

[redacted]

Start 1:00P
Stop 1:41P

MBK SA
LB SA

[redacted] Position

Amer. Govt

[redacted] for Sen. Steve

left

[redacted]

thru 2004

[redacted] took the

[redacted]

b6
b7C

Sen Stevens went to Commerce Comm.

[redacted] re Chalet w/be directed to [redacted]

Remember issue re Windwood but don't recall the phone call.

[redacted]

Senator had improvements to his home. M.A. was aware of the improvements through office talk

T.S Attitude to finances: he had some bad invest in past. Not flashy. Don't know about specific investments. made money with [redacted] (Ph) before he moved to blind trust

2

- Recollect. Daily News was looking into the improvements, knew they were asking how they were paid for

Senator Spector is where [redacted] don't know if she is coming back

[redacted] lives in [redacted] Va

ADN or Anchorage Press wrote story per M.A. recollection.

- VECO Corp [redacted] - don't recall the connection between them.

Just recall the Chalet had a deck built on the Chalet. b6 b7C

[redacted] DOB
[redacted] Home (on business card)

Suggest: to talk to -

[redacted]

2000
2001 [redacted]

3

- Chief of Staff
  scheduler } know T.S friends.

- No red flags

J.R.
B.P.

FD-340c (4-11-03)

File Number 194A-AN-13620-TSTEVENS-1A55

Field Office Acquiring Evidence AN

Serial # of Originating Document 119

Date Received 5/15/07

From _____
(Name of Contributor/Interviewee)

_____
(Address)

_____
(City, State)

b6
b7C

By [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

Title: Polar Pen; CSLPO; OO:AN

Reference: FD-302 dated 05/16/07.
(Communication Enclosing Material)

Description: ☑ Original notes re interview of

[redacted]

[redacted]

~ B/C -

C.B (1) Start 4:45 P.M

[redacted]

[redacted] Political Science, Communic.

[redacted]

Senator Stevens!

[redacted]

quit b6 b7C

[redacted] - Sen. Spector

Press Call - 04 or 05 re Chalet renovations

Summary of re renovations.

Handled with [redacted] "Turnagain Times"

that [redacted] VECO had done the renovations

no charge. "Senator Stevens" Don't Know

what happened referred her to [redacted]

[redacted]

- [redacted] 1st they said to the senator

Senator to [redacted] - He could not remeber.

[redacted] had canceled checks for work

they had a friend in G.W. oversee the project.

- Answer to Turnagain - no we have canceled checks

for the work. Call went away

(2)

Don't believe provide newspaper copy because would have a file copy. Don't believe I had a file copy. Don't know if file maintained - may also have been purged.

Believe the reporter was prob. a man. If ADA - don't remember since I don't recall specifically means she did not work with reporter frequently.

Probable a call to [redacted] Reaction - indignant - [redacted]

Any follow-up Senator? believe I did because personal tonnage, docs to prove allegation was incorrect.

Person from newspaper had an unnamed source for the information. No details re source. Don't remember a story so doubt the issue went any further.

b6
b7C

- Others in office discuss? Prob. [redacted] maybe [redacted] - just [redacted] don't know for sure.

Reaction - [redacted] T/S - nothing

Did you know VECO, B.A before current press? YES, VECO owned Voice of Times

FBI - Stevens-5316

[redacted] B.A. So know major corps

ing between ~~allegatio~~ work; allegation.

Don't remember who checks were payable to.
Remember seeing copies of invoices.

Any stmts re Veco work - no stmts re whether Veco had done work
Don't recall whether it was Veco, Veco and someone else or someone else.
Just don't recall who checks/invoices vendors paid to.
Want to say T.S. had a filefilder on it.

C.B Belief - if it had happened it would have been an oversight. If Veco had paid not been reimbursed. Believe they would have corrected it i.e. paid Veco back.

b6
b7C

Senator S. good at ethics (Senate) rules. T.S. helped write some of ethics rules. He wanted staff to be aware of ethics standards. Example - gifts above monetary limit he would return for example.

- Home [redacted] D.O.B

Relationship [redacted] : T/S Know they knew each other believe they considered each other friends.

FD-340b (Rev. 8-7-97)

1A-56

194A-AN-13620 TSTEVENS

Universal Case File Number _____

Field Office Acquiring Evidence _____

Serial # of Originating Document 129 + 130

Date Received 6/5/07

From _____
(Name of Contributor)

_____
(Address of Contributor)

By [redacted]
(Name of Special Agent)

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e), Federal Rules of Criminal Procedure

☐ Yes ☒ No

Title: POLAR Pen
CSPLU

b6
b7C

Reference: _____
(Communication Enclosing Material)

Description: ☒ Original notes re interview of

[redacted]

FBI/DOJ

[redacted]

ALYESKA SKI AREA
ANCHORAGE GOLF COURSE

P.O. Box 249
GIRDWOOD, ALASKA 99587
RESORT (907) 754-1111
DIRECT [redacted]
FACSIMILE (907) 754-2296
EMAIL [redacted]
WEBSITE www.alyeskaresort.com

b6
b7C

Girdwood

[redacted] / lot

/ start const

STILL in progress=

now B was there built by

[redacted]

TS- [redacted] m ago=

Date? ∅ much time in summer

b6
b7C

one weekend cut spruce near
lot= debris on lot/area=

who in charge? [redacted]
(knew him) mess/ will clean up

Const underway

met TS/ [redacted] acq=
Hello= spoke=

BW @ fundraiser for [redacted]
BS EXECDir Spec Olympics

Fundraiser = Renov done [redacted] first
$50 (HUD) under

Never disc Renov w/ TS/[redacted]

never saw TS/[redacted] there =

= No re cost
= no ore Bud =

b6
b7C

= CTRS = No = Person in Chg =

= single Jacked up Typical
Foundation Garage

Roof (bad) poor design =
always =

U.S. Natls = not often @ Girdwood

No re VECO logo = would have
notices Veco Contl Bnr =
interact =

FBI - Stevens-5321

People & Man who

@ weekend during ski season

= saw GRILL on ground & on deck
how it got there ø idea.

= sculp no see how got here

LIGHTS = saw = how = a manlift
but not see put up =
sign feat

No disc re. renov = only Hi/Hello =

Paint JOB? No =

POC - not sure saw a
lock smith 2 maybe
yesterday [redacted] there
ten clo [redacted]
STAFFERS there
a daughter there 2 labor, operations
[redacted] b6
[redacted] b7C
u/out
mow lawn
VECO =
Common know [redacted] lawn 2
& others fired
APOC

[redacted]

b6
b7C

[redacted]

MWH

[redacted]

MWH Americas, Inc.
1835 S. Bragaw Street, Suite 350
Anchorage, Alaska 99508
[redacted]

Telephone: [redacted]
Direct Line:
Home Phone
Cell Phone:
Facsimile: 907 248 8884

Delivering Innovative Projects and Solutions Worldwide

b6
b7C

[redacted]

⇒ [redacted] years =

99587

⇒ know Sen. & [redacted]

see sometimes move to

house = "guy" when plant

emer help out

DICK Redmond =

To Home: 50 x 20 at times

[redacted] = Keep eye on plane

Renov: 1 story bldg then

2 story =

desc re. renov. & redlet

b6
b7C

heard [redacted] more house

b6
b7C

direct = no

= no - cost

= new Budget

= CTR - NO

Saw house up in air

@ Gene DICK Redmond died?

DICK alive then?

left? - common people built in Redmond?

on crappy found = jack it

up? can say 25/30 hoes

left = Foots was ctr?

UECO = NO egg truck = cleaned

NO see emp

FBI - Stevens-5326

no bath rooms did work
@ Northland

DECK: broom hit w
LIGHT = SEM saw result asked
"who?" a little bit =
talked to [redacted] how work
work good & ask install =
Ice Storm this year "go the year
resol = a cons w/ [redacted]
did / did not? It was removed
metal roof heat tape = damage
repair not know - cpla jump
shovel his roof = w/ [redacted] & Sen
only really working [redacted] is one
chat w/

b6
b7C

only cons this year

[redacted] wanted trees

asses "health"

an arborist = tried to put together

called cple times

no follow thru =

= [redacted]

called Jer @ lot deductio

he say re tree lights

it need lights out

Keep that pay/lot =

if was a bucket truck help

get lights out

pay you "I'll pay" specifically

cause you talked can Cherry picker

give leave = avail let know

b6
b7C

fish status

came from "fish derby" @

Kenai River protection work

[redacted] & [redacted] guest sculp

weekend unload went

Mark Rothman helped him heavy got loader

[redacted] fork left p/c

railing & steel on deck

replace ~~#~~ no payment

[redacted] screw gun / I got get

[redacted] results app.

Senator summer of

BBS? = 2005 = 7/04

[redacted] has access

FBI - Stevens-5329

BX on ground; realize too big to move

by hand = when Fay got called

Paint = $

Q do for Ser do for everyone
neighbors "help"

local / anchorage group
small ctr

b6
b7C

Clear Valley Const

[redacted] Mont Co

[redacted]

Rain Proof Roofing =

[redacted]

NoReVeCo NO
clue
& surprised
MIGHT help find

lift is special

eqp = Jacks

FBI - Stevens-5330

Who Knows

Contem no talk Re GB

b6
b7C

FD-340b (Rev. 4-11-03)

1A-57

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence Anchorage

Serial # of Originating Document 120

Date Received 4/27/07

From _____
(Name of Contributor/Interviewee)

_____
(Address)

_____
(City and State)

By [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☑ No

Federal Taxpayer Information (FTI)

☐ Yes ☑ No

Title: Polar Pen;
CSLPO;
OO:AN

Reference: _____
(Communication Enclosing Material)

_____

Description: ☐ Original notes re interview of

T. Stevens financial documents

_____

_____

_____

Department of Justice
Federal Bureau of Investigation
Serial: 1
09/30/2007 2:23
$300

194A-AN-13620-TSTEVENS

b6
b7C

STEVENS

TED STEVENS, ALASKA, CHAIRMAN

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ARLEN SPECTER, PENNSYLVANIA
PETE V. DOMENICI, NEW MEXICO
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RICHARD C. SHELBY, ALABAMA
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ROBERT F. BENNETT, UTAH
BEN NIGHTHORSE CAMPBELL, COLORADO
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STEVEN J. CORTESE, STAFF DIRECTOR
JAMES H. ENGLISH, MINORITY STAFF DIRECTOR

United States Senate
COMMITTEE ON APPROPRIATIONS
WASHINGTON, DC 20510-6025

SECRETARY OF THE SENATE
97 MAY 22 PM 2:10
H.D.

May 22, 1997

The Honorable Gary Sisco
Secretary of the Senate
Office of Public Records
232 Hart Senate Office Building
United States Senate
Washington, D.C. 20510

Dear Gary:

Pursuant to Senate Rule 34 and section 102(f) of the Ethics in Government Act of 1978, I am filing with the Office of Public Records the enclosed blind trust document which has been approved by the Senate Select Committee on Ethics.

With best wishes,

Cordially,

TED STEVENS

Enclosure

TRUST AGREEMENT

THIS TRUST AGREEMENT made and entered into this 13th day of May, 1997, between Senator Theodore F. Stevens whose home address is 4409 W Street, N.W., hereinafter called the Grantor, and M.A. Schapiro & Co., Inc., whose business address is One Chase Manhattan Plaza, New York, New York 10005, hereinafter called the Trustee.

WITNESSETH

GRANTOR is a United States Senator for the State of Alaska. To avoid any conflict of interest, or appearance of any such conflict, which may arise from his duties and powers in such office and any other office to which he may subsequently be appointed to the extent provided for by Section 102(f)(4)(A) of the Ethics in Government Act of 1978 (Pub. L. 95-521, as amended) [hereinafter referred to as the "Act"], Grantor hereby creates a trust to be administered in accordance with the requirements of the Act, which shall become effective on the date this agreement bears.

The Trustee is an eligible person, as specified in Section 102(f)(3)(A) who meets the requirements of such section.

Grantor, therefore, hereby delivers to the Trustee, and the Trustee hereby acknowledges receipt of, the property listed in the annexed Schedule A, subject to the provisions of this Trust and the Act, and other applicable Federal laws.

The primary purpose of this Trust is to entrust to the Trustee decisions as to when and to what extent the original assets of the Trust are to be sold or disposed of and in what investments the proceeds of sale are to be reinvested, without any participation in, or knowledge of, such decisions by any interested person. Accordingly, the Grantor and the Trustee agree as follows:

FIRST: (A) This Trust shall terminate upon the first to occur of the following: (1) Grantor's ceasing for any reason to serve as a U.S. Senator and in any other position to which he may have been subsequently appointed or elected in the Federal Government and Grantor thereafter giving Trustee written notice directing that this Trust be terminated; or (2) Grantor's death or incompetence. The period between the date of this agreement and the termination of the Trust shall be called the "Trust Term".

(B) Notwithstanding Paragraph (A) of this Article FIRST, this Trust Agreement may in addition be terminated through revocation.

SECOND: The Trustee shall administer this trust in accordance with the requirements of the Act and, in the exercise of its authority and discretion to manage and control the assets of this Trust shall not consult or notify any interested party.

THIRD: (A) Each asset listed in the annexed Schedule A is free of any restriction with respect to its transfer or sale, except as fully described in such Schedule A, and none of the assets listed are prohibited by any law or regulation.

(B) During the Trust Term, the interested parties shall not pledge, mortgage, or otherwise encumber their interests in the property held in trust hereunder.

FOURTH: The Trustee shall not knowingly or negligently disclose to the public or to any interested party any information as to the acquisition, retention, or disposition of any particular securities or other Trust property; except that, the Trustee shall promptly notify the Grantor, the U.S. Senate Select Committee on Ethics, and the Secretary of the Senate, Office of Public Records when the holdings of a particular asset transferred to the Trust by any interested party have been completely disposed of or when the value of that asset becomes less than $1,000.

FIFTH: The income tax return of the Trust shall be prepared by the Trustee or his designee, and such return and any information relating thereto (other than the Trust income summarized in appropriate categories necessary to complete an interested party's tax return), shall not be disclosed to the public or to any interested party. To effectuate the provisions of this Article FIFTH, the Trustee shall use its best efforts to provide the interested party, promptly after the close of each taxable year of the Trust during the Trust Term, with that information concerning the Trust, including information on income, expenses, capital gains and capital losses, which is necessary for the interested party to prepare and file tax returns required by the laws of the United States and the laws of any State, district or political subdivision; provided however, that in no event shall the Trustee disclose publicly or to any interested party any information whatsoever which might identify the securities or other property which comprise the assets of the Trust or identify the securities or other property which have been sold from the assets of the Trust.

SIXTH: An interested party shall not receive any report on the holdings and sources of income of the Trust other than provided by Article FOURTH of this trust; except that the Trustee shall:

(A) Make quarterly reports of the total cash value of such interested party's interest in the Trust,

(B) Report the net income or loss of the Trust and make other reports necessary to enable the interested party to complete an individual tax return required by law (in accordance with Article FIFTH of this Trust), and

(C) Provide an annual report for purposes of Section 102(a)(1) of the Act of the aggregate amount of the Trust's income attributable to the beneficial interest in the Trust of such interested party, categorized in accordance with the provisions of such section.

FBI - Stevens-5337

SEVENTH: There shall be no direct or indirect communication between an interested party and the Trustee with respect to the Trust unless:

(A) It relates to a request for a distribution from the Trust of cash or other unspecified assets of the trust, or

(B) The communication is in writing and is filed by the person initiating the communication at the office of the U.S. Senate Select Committee on Ethics within five days of the communication, and it relates only:

(1) To the general financial interest and needs of the interested party (including, but not limited to, an interest in maximizing income or long-term capital gain),

(2) To the notification of the Trustee of a law or regulation subsequently applicable to the reporting individual which prohibits the interested party from holding an asset, which notification directs that the asset not be held by the Trust, or

(3) To directions to the Trustee to sell all of an asset initially placed in the Trust by an interested party which in the determination of the Grantor creates a conflict of interest or the appearance thereof due to the subsequent assumption of duties by the Grantor (but any such direction is not required).

EIGHTH: The interested parties shall not take any action to obtain, and shall take appropriate action to avoid receiving, information with respect to the holdings of, and the sources of income of, the Trust, including obtaining a copy of any Trust tax return filed by the Trustees or any information relating thereto, except for the reports and information specified in Article SIXTH of this Trust.

NINTH: The Trustee shall not knowingly and willfully, or negligently:

(A) Disclose any information to any interested party with respect to this Trust that may not be disclosed pursuant to any provision or requirement of Title I of the Act or this Trust.

(B) Acquire any holding the ownership of which is prohibited by, or not in accordance with the terms of, this Trust, including the acceptance of any contribution in cash or in kind to the trust from an individual other than the Grantor.

(C) Solicit advice from any interested party with respect to this Trust, which solicitation is prohibited by any provision or requirement of Title I of the Act or this Trust, or

(D) Fail to file any document required by Title I of the Act.

TENTH: The Grantor shall not knowingly and willfully, or negligently:

FBI - Stevens-5338

(A) Solicit or receive any information with respect to this Trust that may not be disclosed pursuant to any provision or requirement of Title I of the Act or this Trust. or

(B) Fail to file any document required by Title I of the Act.

ELEVENTH: Subject to such amounts as the Trustee may from time to time reserve for the payment of such income taxes as may be due and payable by the Trust, and for payment of expenses and compensation as provided for in this Trust, during the Trust Term the Trustee shall pay to the Grantor such amounts as the Grantor shall direct from time to time.

TWELFTH: In addition to the rights, duties, and powers conferred upon the Trustee by law, the Trustee shall have the following powers, rights, and discretion with respect to any Trust property held by him:

(A) To sell, exchange, or otherwise dispose of the property in such manner and upon such terms as the Trustee in its sole discretion shall deem appropriate.

(B) Except as limited by specific enumeration in this Trust Agreement or subsequent notification pursuant to Article SEVENTH, paragraph (B)(2), to invest and reinvest the principal and any undistributed income, in property of any kind.

(C) Except as limited by specific enumeration in this Trust Agreement, to participate in any reorganization, consolidation, merger, or dissolution of any corporation having stocks, bonds or other securities which may be held at any time, to receive and hold any property which may be allocated or distributed to it by reason of participation in any such reorganization, consolidation, merger, or dissolution.

(D) To exercise all conversion, subscription, voting, and other rights of whatsoever nature pertaining to any such property and to grant proxies, discretionary, or otherwise, with respect thereto.

(E) To elect, appoint, and remove directors of any corporation, the stock of which shall constitute Trust property, and to act through its nominee as a director or officer of any such corporation.

(F) Except as limited by specific enumeration in this Trust Agreement, to manage, control, operate, convert, reconvert, invest, reinvest, sell, exchange, lease, mortgage, grant a security interest in, pledge, pool, or otherwise encumber and deal with the property of this Trust for Trust purposes and in behalf of the Trust to the same extent and with the same powers that any individual would have with respect to his own property and funds (but such actions may not take into account any interests of an interested party or other individual outside of those interests held by the Trust).

(G) Except as limited by specific enumeration in this Trust Agreement, to borrow money from any person or corporation (including the Trustee hereunder) and for the

FBI - Stevens-5339

purpose of securing the payment thereof, to pledge, mortgage, or otherwise encumber any and all such Trust property for Trust purposes upon such terms, covenants, and conditions as it may deem proper and also to extend the time of payment of any loans or encumbrances which at any time may be encumbrances on any such Trust property irrespective of by whom the same were made or where the obligations may or should ultimately be borne on such terms, covenants, and conditions as it may deem proper (but such actions may not take into account any interests of an interested party or other individual outside of those interests held by the Trust).

(H) To register any property belonging to the Trust in the name of its nominee, or to hold the same unregistered, or in such form that title shall pass by delivery.

(I) To abandon, settle, compromise, extend, renew, modify, adjust, or submit to arbitration in whole or in part and without the order or decree of any court any and all claims whether such claims shall increase or decrease the assets held under this Trust Agreement.

(J) To determine whether or to what extent receipts should be deemed income or principal, whether or to what extent expenditures should be charged against principal or income, and what other adjustments should be made between principal and income, provided that such adjustments shall not conflict with well-settled rules for the determination of principal and income adjustments, or the Uniform Principal and Income Act, if in effect in the State of New York.

(K) To determine whether or not to amortize bonds purchased at a premium.

(L) Except to the extent otherwise expressly provided in this Trust Agreement, to make distributions to or at the request of an interested party in kind or in cash or partly in each and for such purposes to fix, insofar as legally permissible, the value of any property.

(M) To pay such persons employed by the Trustee to assist it in the administration of the Trust, including investment counsel, accountants, and those engaged for assistance in preparation of tax returns, such sums as the Trustee deems to be reasonable compensation for the services rendered by such persons. Such persons may rely upon and execute the written instructions of the Trustee, and shall not be obliged to inquire into the propriety thereof.

(N) No person may be employed or consulted by the Trustee to assist it in any capacity in the administration of the Trust or the management and control of Trust assets, including investment counsel, investment advisers, accountants, and those engaged for assistance in preparation of tax returns, unless:

(1) if any such employment or consultation is known to any interested party, the person is a signatory to this Trust instrument as a party, subject to the prior approval of the U.S. Senate Select Committee on Ethics,

FBI - Stevens-5340

(2) such person, under all the facts and circumstances, would be determined to be independent of any interested party with respect to the trust arrangement pursuant to the requirements of 102(f)(3)(A)(ii),

(3) such person is instructed by the Trustee to make no disclosure to the public or to any interested party which might identify the securities or other property which comprise the assets of the Trust or identify securities or other property which have been sold from the assets of the Trust, or of any other information which may not be disclosed by the Trustee, and

(4) such person is instructed by the Trustee to have no direct communication with any interested party, and that any indirect communication with an interested party shall be made only through the Trustee pursuant to Article SEVENTH of this Trust.

(O) Except as specifically limited in this Trust Agreement, to do all such acts, take all such proceedings, and exercise all such rights and privileges, although not otherwise specifically mentioned in this Article TWELFTH, with relation to any such Trust property, as if the Trustee were the absolute owner thereof, and in connection therewith to make, execute, and deliver any instruments and to enter into any covenants or agreements binding the Trust.

THIRTEENTH: The Trustee shall not at any time be held liable for any action taken or not taken or for any loss or depreciation of the value of any property held in the Trust whether due to an error of judgment or otherwise where the Trustee has exercised good faith and ordinary diligence in the exercise of its duties such as would have been exercised by a prudent man.

FOURTEENTH: No Trustee hereunder shall be required, in any jurisdiction, to furnish any bond or other security, or to obtain the approval of any court before applying, distributing, selling, or otherwise dealing with property.

FIFTEENTH: Except as provided in Article SIXTH of this Trust, the Trustee shall make no accounting to the Grantor until the date of termination of this Trust, and, at such time, it shall be required to make full and proper accounting and turn over to the Grantor all assets of the Trust then held by it the said Trustee.

SIXTEENTH: The Trustee shall be compensated in accordance with the table in the annexed Schedule B, or as provided for by the laws of the State of New York.

SEVENTEENTH: The Trustee (and any substitute or successor) shall have the right, by a duly acknowledged instrument delivered to the Grantor to resign as Trustee in which event the Grantor shall designate and appoint a substitute or successor Trustee (subject to the prior written approval of the U.S. Senate Select Committee on Ethics) in his place and stead, which shall have all of the rights, powers, discretions, and duties conferred or imposed hereunder upon the original Trustee.

FBI - Stevens-5341

EIGHTEENTH: Any amendment of the terms of this Trust Agreement, including the appointment of a substitute or successor Trustee, shall require the prior written approval of the Committee, upon a showing of necessity and appropriateness unless it relates to the testamentary provisions of this trust. Any such substitute or successor Trustee shall have all of the rights, powers, discretions, and duties conferred or imposed hereunder upon the original Trustee.

The term "interested party" as used in this Trust means the Grantor, his spouse, any minor or dependent child, and their representatives.

The validity, construction, and administration of this Trust shall be governed by the Act (and regulations thereunder) and the laws of the State of New York.

Dated this 13th day of May, 1997.

Theodore F. Stevens

Senator Theodore F. Stevens
Grantor

The above Trust is accepted this 14th day of April, 1997.

M. A. Schapiro & Co., Inc.
Trustee

By: George D. Reycraft
George D. Reycraft
Chairman

SCHEDULE B

Compensation of the Trustee

One percent (1%) of the assets held by the Trust, payable out of the Trust on a quarterly basis.

CERTIFICATION OF INDEPENDENCE OF TRUSTEE OF QUALIFIED BLIND TRUST

Trust Name: Theodore F. Stevens Trust

With respect to the trust of Theodore F. Stevens (Grantor) which has been submitted to the Select Committee on Ethics of the United States Senate for approval as a blind trust pursuant to Section 102(f) of the Ethics in Government Act of 1978, as amended ["the Act"], the undersigned proposed Trustee of such trust, or the person in addition to the Trustee who is designated in the trust instrument as an investment adviser, or an officer or employee of the undersigned, is eligible to serve in such a capacity in accordance with Section 102(f)(3)(A) of the Act:

1. The undersigned is:
   - ( ) a financial institution;
   - ( ) an attorney;
   - ( ) a certified public accountant;
   - (X) a broker under the definition set forth in Section 3(a)(4) of the Securities and Exchange Act of 1934 (15 U.S.C. 78c(a)(4)); or
   - ( ) an investment advisor who, other than with respect to his or her involvement with this trust, is generally involved in his or her role as such an advisor in the management or control of trusts.

2. The undersigned and any officer or employee of the undersigned person or entity who is involved in, or who will be involved in the management or control of the trust:
   - (a) Is independent of and not associated with any interested party so that the trustee or other person cannot be controlled or influenced in the administration of the trust by any interested party (an "interested party" is defined in Section 102(f)(3)(E) of the Act);
   - (b) Is not and has not been an employee of or affiliated with any interested party and is not a partner of, or involved in any joint venture or other investment with, any interested party; and
   - (c) Is not a relative of any interested party (a "relative" is defined in Section 109(16) of the Act).

The undersigned certifies that the statements contained herein are true, complete, and correct to the best of his or her knowledge and belief.

Certified by: George D. Reycraft Date: April 14, 1997

Name of Trustee: M.A. Schapiro & Co., Inc.
One Chase Manhattan Plaza
New York, New York 10005

00021065087

UNITED STATES SENATE PUBLIC FINANCIAL DISCLOSURE REPORT FOR ANNUAL AND TERMINATION REPORTS

Last Name	First Name and Middle Initial	Annual Report	Senate Office / Agency In Which Employed
Stevens	Theodore F.	Calendar Year Covered by Report: 2001	U. S. Senate
Senate Office Address *(Number, Street, City, State, and ZIP Code)*	**Senate Office Telephone No.** *(Include Area Code)*	**Termination Report**	**Prior Office / Agency in Which Employed**
522 Hart Senate Office Bld. Washington, D.C.	202-224-3004	**Termination Date (Mo., Day, Yr.):**	

AFTER READING THE INSTRUCTIONS - ANSWER EACH OF THESE QUESTIONS AND ATTACH THE RELEVANT PART

Did any individual or organization make a donation to charity in lieu of paying you for a speech, appearance, or article in the reporting period? If yes, Complete and Attach PART I.	YES [ ] NO [x]	Did you, your spouse, or dependent child receive any reportable travel or reimbursements for travel in the reporting period (i.e., worth more than $260 from one source)? If yes, Complete and Attach PART VI.	YES [ ] NO [x]
Did you or your spouse have earned income (e.g., salaries or fees) or non-investment income of more than $200 from any reportable source in the reporting period? If yes, Complete and Attach PART II.	YES [x] NO [ ]	Did you, your spouse, or dependent child have any reportable liability (more than $10,000) during the reporting period? If yes, Complete and Attach PART VII.	YES [ ] NO [x]
Did you, your spouse, or dependent child receive unearned or investment income of more than $200 in the reporting period or hold any reportable asset worth more than $1,000 at the end of the period? If yes, Complete and Attach PART IIIA and/or IIIB.	YES [x] NO [ ]	Did you hold any reportable positions on or before the date of filing in the current calendar year? If yes, Complete and Attach PART VIII.	YES [x] NO [ ]
Did you, your spouse, or dependent child purchase, sell, or exchange any reportable asset worth more than $1,000 in the reporting period? If yes, Complete and Attach PART IV.	YES [x] NO [ ]	Do you have any reportable agreement or arrangement with an outside entity? If yes, Complete and Attach PART IX.	YES [ ] NO [x]
Did you, your spouse, or dependent child receive any reportable gift in the reporting period (i.e., aggregating more than $260 and not otherwise exempt)? If yes, Complete and Attach PART V.	YES [x] NO [ ]	If this is your FIRST Report: Did you receive compensation of more than $5,000 from a single source in the two prior years? If yes, Complete and attach Part X.	YES [ ] NO [ ]

File this report and any amendments with the Secretary of the Senate, Office of Public Records, Room 232, Hart Senate Office Building, U.S. Senate, Washington, D.C. 20510. $200 Penalty for filing more than 30 days after due date.

This Financial Disclosure Statement is required by the Ethics in Government Act of 1978, as amended. The statement will be made available by the Office of the Secretary of the Senate to any requesting person upon written application and will be reviewed by the Select Committee on Ethics. Any individual who knowingly and willfully falsifies, or who knowingly and willfully fails to file this report may be subject to civil and criminal sanctions. (See 5 U.S.C. app. 6, 104, and 18 U.S.C. 1001.)

For Official Use Only - Do Not Write Below This Line

SECRETARY OF THE SENATE
02 MAY 15 PM 2:24

Certification	Signature of Reporting Individual	Date *(Month, Day, Year)*
I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge and belief.	Theodore F. Stevens	5/15/02

For Official Use Only - Do Not Write Below This Line

It is the opinion of the reviewer that the statements made in this form are in compliance with Title I of the Ethics in Government Act.	Signature of Reviewing Official	Date *(Month, Day, Year)*

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Previous Editions Cannot Be Used

2/02

Reporting Individual's Name
Theodore F. Stevens

PART II. EARNED AND NON-INVESTMENT INCOME

Page Number
2

Report the source (name and address), type, and amount of earned income to you from any source aggregating $200 or more during the reporting period. For your spouse, report the source (name and address) and type of earned income which aggregate $1,000 or more during the reporting period. No amount needs to be specified for your spouse (see page 3, Part B of the Instructions). Do not report income from employment by the U.S. Government for you or your spouse.

Individuals not covered by the Honoraria Ban:
For you and/or your spouse, report honoraria income received which aggregates $200 or more by exact amount, give the date of, and describe the activity (speech, appearance or article) generating such honoraria payment. Do not include payments in lieu of honoraria reported on Part I.

	Name of Income Source	Address (City, State)	Type of Income	Amount
Example:	JP Computers MCI (Spouse)	EXAMPLE Wash., D.C. Arlington, VA	EXAMPLE Salary Salary	$15,000 Over $1,000
S1	Chamer Co. IInc. (spouse family investment company)	Anchorage, Alaska	Legal Fees Directors Fees	over $1,000
S2	Mayer, Brown, Rowe & Maw	Chicago, IL	salary	over $1,000
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2/02

Reporting Individual's Name: Theodore F. Stevens

PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Page Number 3

BLOCK A — Identity of Publicly Traded Assets and Unearned Income Sources

Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child (see page 3, Part B of the Instructions), for production of income or investment which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or

(2) generated over $200 in "unearned" income during the reporting period.

Include on this Part IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.

BLOCK B — Valuation of Assets

At close of reporting period. If none, or less than $1,001, check the 1st column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

S, DC or J	Block A: Identity of Publicly Traded Assets and Unearned Income Sources	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Block C: Type of Income: Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	Amount of Income: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required if "Other" Specified
	Example: IBM Corp. (stock) NYSE			x		EXAMPLE								x	EXAMPLE								x			EXAMPLE							
	Example: Keystone Equity Fund (widely diversified)				x	EXAMPLE												x	EXAMPLE						x	EXAMPLE							
J 1	U.S. Senate Credit Union Washington, D.C.				x											x								x									
J 2	Salomon Smith Barney Money Washington, D.C. Market			x										x		x					Net Capital Loss	x											
S 3	Salomon Smith Barney -IRA Washington, D.C. TRAKEM			x										x																			
S 4	First American Title (payment on Phoenix, AZ contract of sale)		x													x								x									
J 5	Riggs Bank Money Washington, D.C. Market		x													x																	
J 6	Wells Fargo (formerly National Anchorage, AK Bank of Alaska)		x													x							x										
S 7	Donaldson, Lufkin & Jenrette San Francisco, CA (money market)				x									x											x								
8	Monterey Murphy Biotechnology Fund Hauppauge, NY		x											x																			
S 9	Mayer, Brown, Rowe & Maw Chicago, IL (401K)		x											x			x																
10																																	

EXEMPTION TEST ***(see instructions before marking box):*** If you omitted any asset because it meets the three-part test for exemption described in the Instructions, please check here. [x]

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Previous Editions Cannot Be Used

2/02

Reporting Individual's Name: Theodore F. Stevens

PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Page Number 4

BLOCK A — Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state), and description of each interest held by you, your spouse, or your dependent child (see page 3, Part B of the Instructions) for the production of income or investment in a non-public trade or business which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or

(2) generated over $200 in income during the reporting period.

Include the above report for each underlying asset which is not incidental to the trade or business. Publicly traded assets held by a non-public entity may be listed on Part IIIA.

BLOCK B — Valuation of Assets

At close of reporting period. If none, or less than $1,001, check the 1st column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

S, DC or J	Block A: Identity of Non-Publicly Traded Assets and Unearned Income Sources	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Type of Income: Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	Amount of Income: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000**	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Only if "Other" Specified
Example:	JP Computers, Wash., D.C. (Computer Sales)			x			EXAMPLE															x				EXAMPLE							
	Undeveloped land in Dubuque, Iowa					x		EXAMPLE									EXAMPLE																
S 1	National Bank of Vermont Montpelier, VT (Life Insurance)		x													x						x											
2	Oil Interests (ind. wells on Bellman Farm - Oklahoma City, OK)				x																Oil & gas working interest												$4,634
3	Stevens Trust U/T/A	x																		x					x								
4	JLS Properties, LLC (real estate Anch) Anchorage, AK Estimated figures final to be provided when available						x														Ltd. Liability Co.												153,901
S 5	Chamer Co. Inc., Anchorage, AK (holds promissory note)			x										x										x									
6	Grantsville Development Co. Anchorage, AK (Subdivision ~~development in Grantsville, UT~~)			x																	Ltd. Liability Co.												$58477
7	Jillian Square Apts. (Apt. building in Fairbanks, AK) Anchorage, AK			x																	Ltd. Liability Co.												7,266

EXEMPTION TEST *(see instructions before marking box):* If you omitted any asset because it meets the three-part test for exemption described in the Instructions, please check here. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Previous Editions Cannot Be Used

2/02

Reporting Individual's Name: Theodore F. Stevens

PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

BLOCK A — Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state), and description of each interest held by you, your spouse, or your dependent child (see page 3, Part B of the Instructions) for the production of income or investment in a non-public trade or business which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or

(2) generated over $200 in income during the reporting period.

Include the above report for each underlying asset which is not incidental to the trade or business. Publicly traded assets held by a non-public entity may be listed on Part IIIA.

BLOCK B — Valuation of Assets

At close of reporting period. If none, or less than $1,001, check the 1st column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

S, DC or J	Block A	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Only if "Other" Specified
Example:	JP Computers, Wash., D.C. (Computer Sales)			x			EXAMPLE									EXAMPLE						x			EXAMPLE								
	Undeveloped land in Dubuque, Iowa					x	EXAMPLE									EXAMPLE						x			EXAMPLE								
1	Sacks Restaurant, LLC Anchorage, AK		x																T	Liability Co.	Ltd.												$155
S 2	State of Alaska Permanent Fund		x											x										x									
3	State of Alaska Permanent Fund		x											x										x									
4	Key Trust Co. National Asso. Invested in McKinley Capital Mgt. Anchorage, AK					x											x					x											
5	Pointe Bank (real estate Aventura, FL Florida)					x										x						x											
6	Centerpoint I, LLC (real estate-Anch) Anchorage, AK Estimated figures final to be provided when available)						x													Liability Co.	Ltd.												0
7	Centerpoint II, LLC (real estate Anchorage, AK Anchorage) (Estimated figures; final to be provided when available)				x															Liability Co.	Ltd.												-222

EXEMPTION TEST *(see instructions before marking box):* If you omitted any asset because it meets the three-part test for exemption described in the Instructions, please check here. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Reporting Individual's Name: Theodore F. Stevens

PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Page Number 6

BLOCK A — Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state), and description of each interest held by you, your spouse, or your dependent child (see page 3, Part B of the Instructions) for the production of income or investment in a non-public trade or business which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or

(2) generated over $200 in income during the reporting period.

Include the above report for each underlying asset which is not incidental to the trade or business. Publicly traded assets held by a non-public entity may be listed on Part IIIA.

BLOCK B — Valuation of Assets

At close of reporting period. If none, or less than $1,001; check the 1st column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

S, DC or J	Block A	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Only if "Other" Specified
Example:	JP Computers, Wash., D.C. (Computer Sales)			x			EXAMPLE									EXAMPLE						x			EXAMPLE							
	Undeveloped land in Dubuque, Iowa					x		EXAMPLE								EXAMPLE						x			EXAMPLE							
1	Northern TV (telecomm corp.) Anchorage, AK	x															x					x											
2																																	
3																																	
4																																	
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7																																	

EXEMPTION TEST ***(see instructions before marking box):*** If you omitted any asset because it meets the three-part test for exemption described in the Instructions, please check here. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Previous Editions Cannot Be Used

2/02

Reporting Individual's Name: Theodore F. Stevens

PART IV. TRANSACTIONS

Page Number 7

Report any purchase, sale, or exchange by you, your spouse, or dependent child (see page 3, Part B of the Instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.

S DC or J	Identification of Assets	Transaction Type (x): Purchase	Sale	Exchange	Date (Mo., Day, Yr.)	Amount of Transaction (x): $1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000**	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
Example:	IBM Corp. (stock) NYSE EXAMPLE				2/1/0X		x			EXAMPLE						
1	Dissolve Stevens Trust U/T/A		x		12/18/01			x								
2	Centerpoint I, LLC (real estate) Anchorage, AK	x			10/23/01				x							
3	Centerpoint II, LLC (real estate) Anchorage, AK	x			10/23/01		x									
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EXEMPTION TEST ***(see instructions before marking box):*** If you omitted any transaction because it meets the three-part test for exemption described in the Instructions, please check here. ☐

** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Previous Editions Cannot Be Used

2/02

Reporting Individual's Name: Theodore F. Stevens

PART V. GIFTS

Page Number: 8

Report the source, brief description and value of all gifts aggregating more than $260 in value received by you, your spouse, or your dependent child (see page 3, Part B of the Instructions), from each source. Gifts with a value of $104 or less need not be aggregated towards the disclosure threshold. "Gift" is defined in the Instructions.

Exclude: (1) Bequests and other forms of inheritance; (2) Political campaign contributions; (3) Communications to your offices including subscriptions to newspapers and periodicals; (4) Consumable products provided by home state businesses to your offices, if those products are intended for consumption by persons other than yourself; (5) Gifts received prior to your Federal employment; (6) Gifts to your spouse or dependent child totally independent of his or her relationship to you; (7) Gifts from relatives; (8) Personal hospitality of any individual (see Instructions); (9) Meals and beverages unless consumed in connection with a gift of overnight lodging; and (10) Food, lodging, transportation, and entertainment provided by a foreign government within a foreign country, or by federal, state, D.C., or local governments.

	Name of Source	Address of Source	Dates and Brief Description	Value of gift
Example:	Mr. John Q. Smith EXAMPLE	Anytown, VA EXAMPLE	August 12, 200X, Silver platter—Ethics Committee waiver granted EXAMPLE	$400
1	Alaska Mint/Special Olympics	Anchorage, AK	3/6/01 Special commemorative gold Olympic coin struck by Senator Stevens as Honorary Chairman of the 2001 World Special Olympics	$1,100
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Note: Most gifts in excess of $49.99 are prohibited by the Senate Gifts Rule.

Reporting Individual's Name: Theodore F. Stevens

PART VIII. POSITIONS HELD OUTSIDE U.S. GOVERNMENT

Report any positions held by you during the applicable reporting period whether compensated or not. Positions include, but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. Both the year and month must be reported for the period of time that the position was held.

Exclude: Positions with federal government, religious, social, fraternal, or political entities, and those solely of an honorary nature.

	Name of Organization	Address of Organization	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
Example:	Nat'l Assn. of Rock Collectors	NY, NY EXAMPLE	Non-profit education EXAMPLE	President EXAMPLE	6/90	Present
	Jones & Smith	Hometown, USA EXAMPLE	Law firm EXAMPLE	Partner EXAMPLE	7/85	11/00
1	The John F. Kennedy Center for Performing Arts	Washington, D.C.	Non-profit Performing Arts	Congressional Rep. member Bd. of Trustees	1/97	present
2	Dwight D. Eisenhower Memorial Commission	Washington, D.C.	Presidential Appointment	Member of Board	4/01	present
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Compensation in excess of $200 from any position must be reported in Part II.

Previous Editions Cannot Be Used

2/02

Amendment Filed For Senator Stevens For Calendar Year '01

SECRETARY OF THE SENATE
02 JUN 10 PM 2:28

Reporting Individual's Name: Theodore F. Stevens

PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

BLOCK A — Identity of Publicly Traded Assets and Unearned Income Sources

Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child (see page 3, Part B of the Instructions), for production of income or investment which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or

(2) generated over $200 in "unearned" income during the reporting period.

Include on this Part IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.

BLOCK B — Valuation of Assets

At close of reporting period. If none, or less than $1,001, check the 1st column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

S, DC or J	Block A: Identity of Publicly Traded Assets and Unearned Income Sources	None	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Block C: Type of Income: None (or less than $201)	Dividends	Rent	Interest	Capital Gains	Business Income	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	Amount of Income: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required If "Other" Specified
	Example: IBM Corp. (stock) NYSE						EXAMPLE									EXAMPLE								x			EXAMPLE						
	Example: Keystone Equity Fund (widely diversified)	x			x		EXAMPLE													EXAMPLE					x		EXAMPLE					
J 1	U.S. Senate Credit Union Washington, D.C.				x																												
J 2	Salomon Smith Barney Money Market Washington, D.C.																					Net Capital Loss											
S 3	Salomon Smith Barney IRA TRAKEM Washington, D.C.																																
S 4	First American Title (payment on contract of sale) Phoenix, AZ		x																														
J 5	Riggs Bank Money Market Washington, D.C.		x																														
J 6	Wells Fargo (formerly National Bank of Alaska) Anchorage, AK		x																					x									
S 7	Donaldson, Lufkin & Jenrette San Francisco, CA (money market)				x																				x								
8	Monterey Murphy Biotechnology Fund Hauppauge, NY		x															x															
S 9	Mayer, Brown, Rowe & Maw (401K) Chicago, IL		x																														
10																																	

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the Instructions, please check here. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Previous Editions Cannot Be Used

2/02

Amendment Filed For Senator Stevens For Calendar Year '01

SECRETARY OF THE SENATE
02 AUG -1 PM 4:14

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00021072976

Reporting Individual's Name: Theodore F. Stevens

PART IIIB: NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Page Number 4

BLOCK A — Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state), and description of each interest held by you, your spouse, or your dependent child (see page 3, Part B of the instructions) for the production of income or investment in a non-public trade or business which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or

(2) generated over $200 in income during the reporting period.

Include the above report for each underlying asset which is not incidental to the trade or business. Publicly traded assets held by a non-public entity may be listed on Part IIIA.

BLOCK B — Valuation of Assets At close of reporting period. If none, or less than $1,001, check the 1st column.

BLOCK C — Type and Amount of Income If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

S, DC or J	Asset	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Type of Income: None	Rent	Interest	Capital Gains	Dividends	Excepted Trust	Other (Specify Type)	Amount of Income: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Only if "Other" Specified
Example:	JP Computers, Wash., D.C. (Computer Sales)						EXAMPLE									EXAMPLE									EXAMPLE					
Example:	Undeveloped land in Dubuque, Iowa							EXAMPLE								EXAMPLE										EXAMPLE				
S 1	National Bank of Vermont Montpelier, VT (Life Insurance)		x																											
2	Oil Interests (ind. wells on Bellman Farm - Oklahoma City, OK)				x														Oil & gas working interest											
3	Stevens Trust U/T/A																													$4,634
4	JLS Properties, LLC (real estate) Anchorage, AK						x												Ltd. liability Co.											-34,652
S 5	Chamer Co. Inc., Anchorage, AK (holds promissory note)																					x								
6	Grantsville Development Co. Anchorage, AK (Subdivision ~~development in Grantsville, UT~~)																		Ltd. liability Co.											$58477
7	Jillian Square Apts. (Apt. building in Fairbanks, AK) Anchorage, AK																		Ltd. liability Co.											7,266

EXEMPTION TEST *(see instructions before marking box):* If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check here. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Previous Editions Cannot Be Used

2/02

FBI 8/1/02

00021072977

Reporting Individual's Name: Theodore F. Stevens

PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Page Number: 5

BLOCK A — Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state), and description of each interest held by you, your spouse, or your dependent child (see page 3, Part B of the instructions) for the production of income or investment in a non-public trade or business which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or

(2) generated over $200 in income during the reporting period.

Include the above report for each underlying asset which is not incidental to the trade or business. Publicly traded assets held by a non-public entity may be listed on Part IIIA.

BLOCK B — Valuation of Assets

At close of reporting period. If none, or less than $1,001, check the 1st column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

	Block A	Block B: $1,001 - $15,000	$50,001 - $100,000	$250,001 - $500,000	Over $1,000,000***	$5,000,001 - $25,000,000	Over $50,000,000	Block C: Rent	Capital Gains	Excepted Trust	Other (Specify Type)	$201 - $1,000	$2,501 - $5,000	$15,001 - $50,000	$100,001 - $1,000,000	$1,000,001 - $5,000,000	Actual Amount Only if "Other" Specified
B, DG or J	Example: JP Computers, Wash., D.C. (Computer Sales)			EXAMPLE								x		EXAMPLE			
	Example: Undeveloped land in Dubuque, Iowa				EXAMPLE				EXAMPLE				EXAMPLE				
1	Sacks Restaurant, LLC Anchorage, AK	x									Ltd. ability Co.						$155
S 2	State of Alaska Permanent Fund	x															
3	State of Alaska Permanent Fund	x															
4	Key Trust Co. National Asso. Invested in McKinley Capital Mgt. Anchorage, AK																
5	Pointe Bank (real estate Aventura, FL Florida)								x								
6	Centerpoint I, LLC (real estate-An Anchorage AK			x							Ltd. ability Co.						0
7	Centerpoint II, LLC (real estate Anchorage, AK Anchorage)										Ltd. ability Co.						-2,652

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check here. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Previous Editions Cannot Be Used

2/02

00000043349

Amendment Filed For Senator Stevens For Calendar Year '02

SECRETARY OF THE SENATE
03 JUN 18 PM 4:22

B (2)

00000043350

Reporting Individual's Name: Ted Stevens

PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Page Number 3

BLOCK A — Identity of Publicly Traded Assets and Unearned Income Sources

Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child (see page 3, Part B of the Instructions), for production of income or investment which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or

(2) generated over $200 in "unearned" income during the reporting period.

Include on this Part IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.

BLOCK B — Valuation of Assets

At close of reporting period. If none, or less than $1,001, check the 1st column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

S, DC or J	Block A: Identity of Publicly Traded Assets and Unearned Income Sources	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Block C: Type of Income: Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	Amount of Income: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000**	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required if "Other" Specified
Example:	IBM Corp. (stock) NYSE					EXAMPLE								x		EXAMPLE							x			EXAMPLE							
Example:	Keystone Equity Fund (widely diversified)				x		EXAMPLE											x	EXAMPLE					x		EXAMPLE							
J 1	U. S. Senate Credit Union Washington D.C.						X									X								X									
J 2	Salmon Smith Barney Money Market Washington, D.C.		X											X		X						X											
S 3	Salomon Smith Barney IRA TRAKEM Washington, D.C.			X										X		X	X					X											
S 4	First American Title Co. (payment on contract of sale) Phoenix, AZ	X														X						X											
J 5	Riggs Bank Money Market Washington, D.C.		X													X						X											
J 6	Wells Fargo Bank Anchorage AK		X													X						X											
S 7	CSFB LLC (was: Donaldson, Lufkin...) San Francisco, CA money mkt				X									X		X						X											
8	Monterey Murphy Biotechnology Fund Hauppauge, NY	X												X		X						X											
S 9	Mayer, Brown, Rowe & Maw 401(k) Chicago, IL			X										X		X		X				X											
10																																	

EXEMPTION TEST *(see instructions before marking box):* If you omitted any asset because it meets the three-part test for exemption described in the Instructions, please check here. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Previous Editions Cannot Be Used

5/16/2003

2/03

03 JUN 16 PM 4:22 SENATE

Amendment Filed For Senator STEVENS For Calendar Year 2002

(4) B

Individual's Name: Ted Stevens

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PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES continued

BLOCK A — Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state), and description of each interest held by you, your spouse, or your dependent child (see page 3, Part B of the Instructions) for the production of income or investment in a non-public trade or business which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or

(2) generated over $200 in income during the reporting period.

Include the above report for each underlying asset which is not incidental to the trade or business. Publicly traded assets held by a non-public entity may be listed on Part IIIA.

BLOCK B — Valuation of Assets

At close of reporting period. If none, or less than $1,001, check the 1st column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

S, DC or J	Block A	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Only if "Other" Specified
Example:	JP Computers, Wash., D.C. (Computer Sales)			X			EXAMPLE									X						X											
	Undeveloped land in Dubuque, Iowa					X		EXAMPLE																	EXAMPLE								
S 1	State of Alaska Permanent Fund		X											X									X										
2	State of Alaska Permanent Fund		X																					X									
3	Key Trust Co. National Asso. Invested in McKinley Capital Mgt. Anchorage, AK					X												X															
4	Pointe Bank (real estate Aventura, FL Florida)					X											X																
5	Centerpoint I, LLC (real estate Anchorage, AK Anchorage)						X													Ltd. Liability Co.												10,998	
6	Centerpoint II (real estate Anchorage, AK Anchorage)						X													Ltd. Liability Co.												17,036	
7	Alaska's Great Eagle, LLC Girdwood, AK (Investment Group) No underlying assets over $1,000	X																		Ltd. Liability Co.												0	

EXEMPTION TEST *(see instructions before marking box):* If you omitted any asset because it meets the three-part test for exemption described in the Instructions, please check here. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Previous Editions Cannot Be Used

2/03

SECRETARY OF THE SENATE 03 JUN 26 AM 10:08

00000050377

Reporting Individual's Name: Theodore F. Stevens (Ted)

PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Page Number

BLOCK A

Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state), and description of each interest held by you, your spouse, or your dependent child (see page 3, Part B of the instructions) for the production of income or investment in a non-public trade or business which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or

(2) generated over $200 in income during the reporting period.

Include the above report for each underlying asset which is not incidental to the trade or business. Publicly traded assets held by a non-public entity may be listed on Part IIIA.

BLOCK B

Valuation of Assets

At close of reporting period. If none, or less than $1,001; check the 1st column.

BLOCK C

Type and Amount of Income

If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

S, DC or J		None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Only if "Other" Specified
Example:	JP Computers, Wash., D.C. (Computer Sales)			X			EXAMPLE							X		EXAMPLE							X			EXAMPLE							
	Undeveloped land in Dubuque, Iowa					X		EXAMPLE								EXAMPLE						X			EXAMPLE								
1	Northern TV (telecomm corp.) Anchorage, AK																X						X										
2																																	
3																																	
4																																	
5																																	
6																																	
7																																	

EXEMPTION TEST *(see instructions before marking box):* If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check here. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Previous Editions Cannot Be Used

2/02

Reporting Individual's Name: Ted Stevens

PART IV. TRANSACTIONS

Page Number: 6

Report any purchase, sale, or exchange by you, your spouse, or dependent child (see page 3, Part B of the Instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.

SDC or J	Identification of Assets	Transaction Type (x): Purchase	Sale	Exchange	Date (Mo., Day, Yr.)	Amount of Transaction (x): $1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000**	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000
Example:	IBM Corp. (stock) NYSE EXAMPLE				2/1/0X		x			EXAMPLE					
1	Monterey Funds Hauppauge, NY		X		10/7/02										
2	Alaska's Great Eagle, LLC Girdwood, AK Investment group formed to purchase horse				9/23/02										
3															
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12															
13															
14															
15															

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any transaction because it meets the three-part test for exemption described in the Instructions, please check here. ☐

** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Previous Editions Cannot Be Used

2/03

00000041877

UNITED STATES SENATE PUBLIC FINANCIAL DISCLOSURE REPORT FOR ANNUAL AND TERMINATION REPORTS

Last Name	First Name and Middle Initial	Annual Report	Senate Office / Agency in Which Employed
Stevens	Theodore F. (Ted)	Calendar Year Covered by Report: 2002	U.S. Senate
Senate Office Address (Number, Street, City, State, and ZIP Code)	Senate Office Telephone No. (Include Area Code)	Termination Report	Prior Office / Agency in Which Employed
522 Hart Senate Office Bldg. Washington, D.C. 20510	202-224-3004	Termination Date (Mo., Day, Yr.):	

AFTER READING THE INSTRUCTIONS - ANSWER EACH OF THESE QUESTIONS AND ATTACH THE RELEVANT PART

Did any individual or organization make a donation to charity in lieu of paying you for a speech, appearance, or article in the reporting period? If yes, Complete and Attach PART I.	YES [ ] NO [X]	Did you, your spouse, or dependent child receive any reportable travel or reimbursements for travel in the reporting period (i.e., worth more than $260 from one source)? If yes, Complete and Attach PART VI.	YES [X] NO [ ]
Did you or your spouse have earned income (e.g., salaries or fees) or non-investment income of more than $200 from any reportable source in the reporting period? If yes, Complete and Attach PART II.	YES [X] NO [ ]	Did you, your spouse, or dependent child have any reportable liability (more than $10,000) during the reporting period? If yes, Complete and Attach PART VII.	YES [ ] NO [X]
Did you, your spouse, or dependent child receive unearned or investment income of more than $200 in the reporting period or hold any reportable asset worth more than $1,000 at the end of the period? If yes, Complete and Attach PART IIIA and/or IIIB.	YES [X] NO [ ]	Did you hold any reportable positions on or before the date of filing in the current calendar year? If yes, Complete and Attach PART VIII.	YES [X] NO [ ]
Did you, your spouse, or dependent child purchase, sell, or exchange any reportable asset worth more than $1,000 in the reporting period? If yes, Complete and Attach PART IV.	YES [X] NO [ ]	Do you have any reportable agreement or arrangement with an outside entity? If yes, Complete and Attach PART IX.	YES [ ] NO [X]
Did you, your spouse, or dependent child receive any reportable gift in the reporting period (i.e., aggregating more than $260 and not otherwise exempt)? If yes, Complete and Attach PART V.	YES [ ] NO [X]	If this is your FIRST Report: Did you receive compensation of more than $5,000 from a single source in the two prior years? If yes, Complete and attach Part X.	YES [ ] NO [ ]

File this report and any amendments with the Secretary of the Senate, Office of Public Records, Room 232, Hart Senate Office Building, U.S. Senate, Washington, D.C. 20510. $200 Penalty for filing more than 30 days after due date.

This Financial Disclosure Statement is required by the Ethics in Government Act of 1978, as amended. The statement will be made available by the Office of the Secretary of the Senate to any requesting person upon written application and will be reviewed by the Select Committee on Ethics. Any individual who knowingly and willfully falsifies, or who knowingly and willfully fails to file this report may be subject to civil and criminal sanctions. (See 5 U.S.C. app. 6, 104, and 18 U.S.C. 1001.)

For Official Use Only - Do Not Write Below This Line

SECRETARY OF THE SENATE
03 MAY 15 AM 10: 45

Certification	Signature of Reporting Individual	Date (Month, Day, Year)
I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge and belief.	Ted Stevens	5/13/03

For Official Use Only - Do Not Write Below This Line

	Signature of Reviewing Official	Date (Month, Day, Year)
It is the opinion of the reviewer that the statements made in this form are in compliance with Title I of the Ethics in Government Act.		

Previous Editions Cannot Be Used

.2/03.

A (8)

Reporting Individual's Name	PART II. EARNED AND NON-INVESTMENT INCOME	Page Number
Ted Stevens		2

Report the source (name and address), type, and amount of earned income to you from any source aggregating $200 or more during the reporting period. For your spouse, report the source (name and address) and type of earned income which aggregate $1,000 or more during the reporting period. No amount needs to be specified for your spouse (see page 3, Part B of the Instructions). Do not report income from employment by the U.S. Government for you or your spouse.

Individuals not covered by the Honoraria Ban:
For you and/or your spouse, report honoraria income received which aggregates $200 or more by exact amount, give the date of, and describe the activity (speech, appearance or article) generating such honoraria payment. Do not include payments in lieu of honoraria reported on Part I.

	Name of Income Source	Address (City, State)	Type of Income	Amount
Example:	JP Computers MCI (Spouse)	EXAMPLE Wash., D.C. Arlington, VA	EXAMPLE Salary Salary	$15,000 Over $1,000
S1	Chamer Co. Inc. (spouse family investment company)	Anchorage, Alaska	Legal Fees Directors Fees	Over $1,000
S2	Mayer, Brown, Rowe & Maw	Chicago, IL	salary	Over $1,000
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				

Reporting Individual's Name: Ted Stevens

PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

BLOCK A — Identity of Publicly Traded Assets and Unearned Income Sources

Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child (see page 3, Part B of the Instructions), for production of income or investment which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or

(2) generated over $200 in "unearned" income during the reporting period.

Include on this Part IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.

BLOCK B — Valuation of Assets

At close of reporting period. If none, or less than $1,001, check the 1st column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

S, DC or J	Block A	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required if "Other" Specified
Example:	IBM Corp. (stock) NYSE			x		EXAMPLE								x		EXAMPLE							x			EXAMPLE							
	Keystone Equity Fund (widely diversified)				x		EXAMPLE											x	EXAMPLE						x		EXAMPLE						
J 1	U. S. Senate Credit Union Washington D.C.						X									X								X									
J 2	Salmon Smith Barney Washington, D.C. Money Market		X											X		X						X											
S 3	Salomon Smith Barney Washington, D.C. IRA TRAKEM			X										X		X	X						X										
S 4	First American Title Co. Phoenix, AZ (payment on contract of sale)	X														X								X									
J 5	Riggs Bank Washington, D.C. Money Market		X													X						X											
J 6	Wells Fargo Bank Anchorage AK		X													X						X											
S 7	CSFB LLC (was Donaldson, Lufkin...) San Francisco, CA money mkt				X									X										X									
8	Monterey Murphy Biotechnology Fund Hauppauge, NY	X												X								X											
S 9	Mayer, Brown, Rowe & Maw Chicago, IL 401(k)			X										X		X						X		?									
10																																	

EXEMPTION TEST *(see instructions before marking box):* If you omitted any asset because it meets the three-part test for exemption described in the Instructions, please check here. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Reporting Individual's Name: Ted Stevens

PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Page Number 4

BLOCK A — Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state), and description of each interest held by you, your spouse, or your dependent child (see page 3, Part B of the Instructions) for the production of income or investment in a non-public trade or business which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or

(2) generated over $200 in income during the reporting period.

Include the above report for each underlying asset which is not incidental to the trade or business. Publicly traded assets held by a non-public entity may be listed on Part IIIA.

BLOCK B — Valuation of Assets

At close of reporting period. If none, or less than $1,001, check the 1st column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

S, DC or J	Block A	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Only if "Other" Specified
Example:	JP Computers, Wash., D.C. (Computer Sales)			x			EXAMPLE							x		EXAMPLE							x			EXAMPLE							
Example:	Undeveloped land in Dubuque, Iowa					x		EXAMPLE								EXAMPLE						x			EXAMPLE								
S 1	National Bank of Vermont Montpelier, VT (Life Insurance)		X													X						X											
2	Oil Interests (ind. wells on Bellman Farm Oklahoma City, OK)				X																oil&gas working interest												$722
3	JLS Properties, LLC (real estate Anchorage, AK Anchorage)						X														Ltd. Liability Co.												$3650
S 4	Chamer Co. Inc., Anchorage, AK (holds Promissory note)			X										X										X									
5	Grantsville Development Co. Anchorage, AK (subdivision development in Gransville, UT)				X																Ltd. Liability Co.												$4259
6	Jillian Square Apts. (Apartment Anchorage, AK building in Fairbanks, AK)			X																	Ltd. Liability Co.												$7996
7	Sacks Restaurant, LLC Anchorage, AK		X																		Ltd. Liability Co.												$285

EXEMPTION TEST *(see instructions before marking box):* If you omitted any asset because it meets the three-part test for exemption described in the Instructions, please check here. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Previous Editions Cannot Be Used

2/03

00000041881

Reporting Individual's Name: Ted Stevens

PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES continued

Page Number 5

BLOCK A — Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state), and description of each interest held by you, your spouse, or your dependent child (see page 3, Part B of the Instructions) for the production of income or investment in a non-public trade or business which:
(1) had a value exceeding $1,000 at the close of the reporting period; and/or
(2) generated over $200 in income during the reporting period.
Include the above report for each underlying asset which is not incidental to the trade or business. Publicly traded assets held by a non-public entity may be listed on Part IIIA.

BLOCK B — Valuation of Assets At close of reporting period. If none, or less than $1,001, check the 1st column.

BLOCK C — Type and Amount of Income If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

S, DC or J	Block A	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Only if "Other" Specified
Example:	JP Computers, Wash., D.C. (Computer Sales)			x			EXAMPLE							x	EXAMPLE								x		EXAMPLE							
Example:	Undeveloped land in Dubuque, Iowa					x		EXAMPLE							EXAMPLE							x										
S 1	State of Alaska Permanent Fund		X											X										X									
2	State of Alaska Permanent Fund		X											X										X									
3	Key Trust Co. National Asso. Invested in McKinley Capital Mgt. Anchorage, AK					X												X				X											
4	Pointe Bank (real estate Aventura, FL Florida)					X											X					X											
5	Centerpoint I, LLC (real estate Anchorage, AK Anchorage)						X														Ltd. Liability Co.												-10,998
6	Centerpoint II (real estate Anchorage, AK Anchorage)						X														Ltd. Liability Co.												-17,036
7																																	

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check here. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

2/03

Previous Editions Cannot Be Used

Reporting Individual's Name: Ted Stevens

PART IV. TRANSACTIONS

Report any purchase, sale, or exchange by you, your spouse, or dependent child (see page 3, Part B of the Instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.

S DC or J	Identification of Assets	Transaction Type (x): Purchase	Sale	Exchange	Date (Mo., Day, Yr.)	Amount of Transaction (x): $1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000**	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
	Example: IBM Corp. (stock) NYSE EXAMPLE	x			2/1/0X		x			EXAMPLE						
1	Monterey Funds Hauppauge, NY		X		10/7/02	X										
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EXEMPTION TEST *(see instructions before marking box):* If you omitted any transaction because it meets the three-part test for exemption described in the Instructions, please check here. ☐

** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Reporting Individual's Name: Ted Stevens

PART VI. REIMBURSEMENTS

Report necessary travel related expenses from each source aggregating more than $285 in value during the reporting period received by you, your spouse and/or dependent child in connection with your provision of services at a speaking engagement, fact-finding event, or other event (personal, campaign, or otherwise). Disclosure is required regardless of whether those expenses were **reimbursed** to the individual or **paid directly** by the sponsoring organization. A description of the itinerary, including date(s) and the nature of expenses is required. If you are reimbursed for more than one trip from the same sponsor (and the trips added together are worth more than $285), then you must report each trip individually, even if the reimbursement for each separate trip does not equal more than $285. Report Gifts of travel in Part V.

Exclude: Travel related expenses provided by federal, state, D.C., and local governments; or by a foreign government; reimbursements from campaign funds which are reported to the FEC; reimbursements to a spouse or dependent child totally independent of his or her relationship to you; and reimbursements reported to the Office of Public Records pursuant to Senate Rule 35. For further information, see Instructions.

	Name of Source	Address of Source	Dates and Brief Description
Example:	All States Company EXAMPLE	Maintown, TX EXAMPLE	Roundtrip air travel from Washington, D.C. to Maintown, TX and lunch for self and spouse for speaking engagement: May 1–3, 200X
1	Totem Ocean Trailer Express, Inc.	San Diego, CA	Ground transportaton and lodging expenses for speaking engagement 8/2/- 8/3/02
2	MBNA	Wilmington, DE	Roundtrip air travel from Washington, D.C. as spouse of Catherine Stevens, Director of Wyeth Center Farnsworth Museum 9/20-9/22
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Previous Editions Cannot Be Used

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Reporting Individual's Name: Ted Stevens

PART VIII. POSITIONS HELD OUTSIDE U.S. GOVERNMENT

Report any positions held by you during the applicable reporting period whether compensated or not. Positions include, but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. Both the year and month must be reported for the period of time that the position was held.

Exclude: Positions with federal government, religious, social, fraternal, or political entities, and those solely of an honorary nature.

	Name of Organization	Address of Organization	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
Example:	Nat'l Assn. of Rock Collectors	NY, NY EXAMPLE	Non-profit education EXAMPLE	President EXAMPLE	6/90	Present
Example:	Jones & Smith	Hometown, USA EXAMPLE	Law firm EXAMPLE	Partner EXAMPLE	7/85	11/00
1	The John F. Kennedy Center for Performing Arts	Washington, D.C.	Non-profit Performing Arts	Congressional Rep. member Bd. of Trustees	1/97	Present
2	Dwight D. Eisenhower Memorial Commission	Washington, D.C.	Presidential Appointment	Member of Board	4/01	Present
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Compensation in excess of $200 from any position must be reported in Part II.

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Previous Editions Cannot Be Used

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UNITED STATES SENATE FINANCIAL DISCLOSURE REPORT FOR ANNUAL AND TERMINATION REPORTS

Last Name	First Name and Middle Initial	Annual Report	Senate Office / Agency in Which Employed
Stevens	Theodore F. (Ted)	Calendar Year Covered by Report: 2003	
Senate Office Address (Number, Street, City, State, and ZIP Code)	Senate Office Telephone Number (Include Area Code)	Termination Report	Prior Office / Agency in Which Employed
		Termination Date (mm/dd/yy):	

AFTER READING THE INSTRUCTIONS - ANSWER EACH OF THESE QUESTIONS AND ATTACH THE RELEVANT PART

	YES	NO
Did any individual or organization make a donation to charity in lieu of paying you for a speech, appearance, or article in the reporting period? If Yes, Complete and Attach PART I.		X
Did you or your spouse have earned income (e.g., salaries or fees) or non-investment income of more than $200 from any reportable source in the reporting period? If Yes, Complete and Attach PART II.	X	
Did you, your spouse, or dependent child receive unearned or investment income of more than $200 in the reporting period or hold any reportable asset worth more than $1,000 at the end of the period? If Yes, Complete & Attach PART IIIA and/or IIIB.	X	
Did you, your spouse, or dependent child purchase, sell, or exchange any reportable asset worth more than $1,000 in the reporting period? If Yes, Complete and Attach PART IV.	X	
Did you, your spouse, or dependent child receive any reportable gift in the reporting period (i.e., aggregating more than $285 and not otherwise exempt)? If Yes, Complete and Attach PART V.	X	
Did you, your spouse, or dependent child receive any reportable travel or reimbursements for travel in the reporting period (i.e., worth more than $285 from one source)? If Yes, Complete and Attach PART VI.		X
Did you, your spouse, or dependent child have any reportable liability (more than $10,000) during the reporting period? If Yes, Complete and Attach PART VII.		X
Did you hold any reportable positions on or before the date of filing in the current calendar year? If Yes, Complete and Attach PART VIII.	X	
Do you have any reportable agreement or arrangement with an outside entity? If Yes, Complete and Attach PART IX.		X
If this is your FIRST Report: Did you receive compensation of more than $5,000 from a single source in the two prior years? If Yes, Complete and Attach PART X.		

File this report and any amendments with the Secretary of the Senate, Office of Public Records, Room 232, Hart Senate Office Building, U.S. Senate, Washington, DC 20510. $200 Penalty for filing more than 30 days after due date.

This Financial Disclosure Statement is required by the Ethics in Government Act of 1978, as amended. The statement will be made available by the Office of the Secretary of the Senate to any requesting person upon written application and will be reviewed by the Select Committee on Ethics. Any individual who knowingly and willfully falsifies, or who knowingly and willfully fails to file this report may be subject to civil and criminal sanctions. (See 5 U.S.C. app. 6, 104, and 18 U.S.C. 1001.)

FOR OFFICIAL USE ONLY
Do Not Write Below this Line

SECRETARY OF THE SENATE
04 MAY 17 PM 4: 15

Certification	Signature of Reporting Individual	Date (Month, Day, Year)
I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge and belief.	Ted Stevens / Theodore F. Stevens	5/17/04

For Official Use Only - Do Not Write Below This Line

	Signature of Reviewing Official	Date (Month, Day, Year)
It is the Opinion of the reviewer that the statements made in this form are in compliance with Title I of the Ethics in Government Act.		

11 A

Reporting Individual's Name
Theodore F. (Ted) Stevens

PART II. EARNED AND NON-INVESTMENT INCOME

Page Number
1

Report the source (name and address), type, and amount of earned income to you from any source aggregating $200 or more during the reporting period. For your spouse, report the source (name and address) and type of earned income which aggregate $1,000 or more during the reporting period. No amount needs to be specified for your spouse. (See p.3, CONTENTS OF REPORTS Part B of Instructions.) Do not report income from employment by the U.S. Government for you or your spouse.

Individuals not covered by the Honoraria Ban:
For you and /or your spouse, report honoraria income received which aggregates $200 or more by exact amount, give the date of, and describe the activity (speech, appearance or article) generating such honoraria payment. Do not include payments in lieu of honoraria reported on Part I.

	Name of Income Source	Address (City, State)	Type of Income	Amount
Example:	*JP Computers*	*Wash., DC* *Example*	*Salary* *Example*	*$15,000*
	MCI (Spouse)	*Arlington, VA* *Example*	*Salary* *Example*	*Over $1,000*
1	Chamer Co., Inc. -Family investment Company (spouse)	Anchorage, Alaska	Director's fees	over $1000
2	Mayer, Brown, Rowe & Maw (spouse)	Washington D.C.	salary	over $1000
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Reporting Individual's Name: Theodore F. (Ted) Stevens

PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Page Number 2

BLOCK A — Identity of Publicly Traded Assets And Unearned Income Sources

Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child, *(See p.3, CONTENTS OF REPORTS Part B of Instructions)* for production of income or investment which:
(1) had a value exceeding $1,000 at the close of the reporting period; and/or
(2) generated over $200 in "unearned" income during the reporting period.
Include on this PART IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.

BLOCK B — Valuation of Assets

At the close of reporting period. If None, or less than $1,001, Check the first column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

	S, DC, or J	Block A	None (or less than $1,000)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required if "Other" Specified
Example:		*IBM Corp. (stock)*				X									X							*Example*		X										*Example*
		(S) Keystone Fund					X										X		X			*Example*				X								*Example*
1	J	U. S. Senate Federal Credit Union Washington D.C.						X									X										X							
2	J	Salomon Smith Barney Washington, D.C. money market		X											X		X						X											
3	S	Salomon Smith Barney (IRA TRAKNAV investment program - invested in 8 publicly traded Smith Barney Funds - see attachment 1 Washington, D.C.			X														X				X											
4	J	Riggs Bank Washington, D.C. - (money market)			X												X						X											
5	J	Wells Fargo Bank Anchorage Alaska (checking acct)		X													X						X											
6	S	CSFB, LLC San Francisco, CA (money market)				X									X									X										
7	S	Meyer, Brown, Rowe & Maw Chicago, IL 401(k) Funds invested in Vanguard U.S. Growth; Scudder Equity 500 Index; Franklin Small-Mid Cap Growth; Putnam International Growth - see attachment 2				X													X				X											
8																																		
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EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Reporting Individual's Name: Theodore F. (Ted) Stevens

PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Page Number 3

BLOCK A — Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state and description) of each interest held by you, your spouse, or your dependent child (See p.3, CONTENTS OF REPORTS Part B of Instructions) for the production of income or investment in a non-public trade or business which:
(1) had a value exceeding $1,000 at the close of the reporting period; and/or
(2) generated over $200 in "unearned" income during the reporting period.
Include the above report for each underlying asset, which is not incidental to the trade or business. Publicly traded assets held by non-public entity may be listed on Part IIIA.

BLOCK B — Valuation of Assets

At the close of reporting period. If None, or less than $1,001, Check the first column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

	S, DC, or J	Asset	None (or less than $1,000)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required if "Other" Specified
Example:	S, DC, or J	*JP Computer, Wash DC*				X									X							*Example*		X										*Example*
Example:	S, DC, or J	*Undeveloped land, Dubuque, Iowa*					X															*Example*	X											*Example*
1	S	National Bank of Vermont Montpelier, VT (Life Insurance)		X													X						X											
2		Oil Interests (individual wells on Bellmon Farm) Oklahoma City, OK				X																oil & gas working interest												1,637
3		JLS Properties, LLC, Anchorage, AK (See attachment 3)						X														Limited Liability co												4,271
4	S	Chamer Co., Inc, (Family real estate investment Co.) Anchorage AK (rental property)					X																X											
5		Grantsville Development Co. (subdivision development in Grantsville, UT) Anchorage, AK					X															Limited Liability co												65,018
6		Jillian Square Apartments, LLC (apartment complex in Fairbanks, AK) Anchorage, AK					X															Limited Liability co												5,843
7		Sacks Restaurant, LLC Anchorage, AK		X																		Limited Liability co												-425
8	S	State of Alaska (Payments made to Alaskans each year by state) Permanent Fund													X										X									
9		State of Alaska (Payments made to Alaskans each year by state) Permanent Fund													X										X									
10		Key Trust Co. National Asso. Anchorage, AK (Invested in McKinley Capital Mgt.)					X												X							X								

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Reporting Individual's Name: Theodore F. (Ted) Stevens

PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Page Number 4

BLOCK A — Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state and description) of each interest held by you, your spouse, or your dependent child (See p.3, CONTENTS OF REPORTS Part B of Instructions) for the production of income or investment in a non-public trade or business which:
(1) had a value exceeding $1,000 at the close of the reporting period; and/or
(2) generated over $200 in "unearned" income during the reporting period.
Include the above report for each underlying asset, which is not incidental to the trade or business. Publicly traded assets held by non-public entity may be listed on Part IIIA.

BLOCK B — Valuation of Assets

At the close of reporting period. If None, or less than $1,001, Check the first column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

	S, DC, or J	Block A: Identity of Non-Publicly Traded Assets and Unearned Income Sources	Block B: None (or less than $1,000)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Block C: Type of Income: Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	Amount of Income: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required if "Other" Specified
Example:		*JP Computer, Wash DC*				X									X							*Example*		X										*Example*
		Undeveloped land, Dubuque, Iowa					X															*Example*	X											*Example*
1	J	Contract right to purchase Carroll Walk Condominiums Bay Harbor, FL	X															X																$129,250
2		Centerpoint I, LLC (Office building at 3900 C Street) Anchorage, AK					X															Limited Liability Co.												-47,158
3		Centerpoint II, LLC (undeveloped land Centerpoint subdivision - Eureka at 40th) Anchorage, AK						X														Limited Liability Co.												-6,388
4		Alaska's Great Eagle, LLC Girdwood, AK (10% interest in horse)		X																		Limited Liability Co.												-3,896
5		Ted Stevens D/B/A Bed Bug Outfit (undivided half interest in livestock) Congress, AZ		X																			X											
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7																																		
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EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Reporting Individual's Name: Theodore F. (Ted) Stevens

PART V. GIFTS

Report the source, brief description and value of all gifts aggregating more than $285 in value received by you, your spouse, or your dependent child, (See p.3 CONTENTS OF REPORTS Part B of Instructions), from each source. Gifts with a value of $114 or less need not be aggregated towards the disclosure threshold. "Gift" is defined in the Instructions.

Exclude: (1) Bequests and other forms of inheritance; (2) Political campaign contributions; (3) Communications to your offices including subscriptions to newspapers and periodicals; (4) Consumable products provided by home state businesses to your offices, if those products are intended for consumption by persons other than yourself; (5) Gifts received prior to your Federal employment; (6) Gifts to your spouse or dependent child totally independent of his or her relationship to you; (7) Gifts from relatives; (8) Personal hospitality of any individual (see instructions); (9) meals and beverages unless consumed in connection with a gift of overnight lodging; and (10) Food, lodging, transportation, and entertainment provided by a foreign government within a foreign country, or by federal, state, D.C., or local governments.

	Name of Income Source	Address of Source	Dates and Brief Description	Gift Value
Example:	*Mr. John Q. Smith*	*Anytown, VA* *Example*	*August 12, 200X, Silver platter - Ethics Committee waiver granted*	*$400*
1	Kenal River Sport Fishing Asso. 501(c)(3)	Kenai, Alaska	August 2003 - Sled dog given as honorary award in recognition of public service (Dog's twin purchased for $250)	$250
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Note: The Senate Gift Rule prohibits most gifts in excess of $49.99.

Reporting Individual's Name: Theodore F. (Ted) Stevens

PART IV. TRANSACTIONS

Page Number: 6

Report any purchase, sale, or exchange by you, your spouse, or dependent child (See p.3 CONTENTS OF REPORTS Part B of Instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.

	S, Example: DC, or J	Identification of Assets	Transaction Type (x): Purchase	Sale	Exchange	Transaction Date (Mo., Day, Yr.)	Amount of Transaction (x): $1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
		IBM Corp. (stock) NYSE	X			*2/1/9X*		X			E	X	A	M	P	L	E
		(DC) Microsoft (stock) NASDAQ/OTC		X		*1/27/9X*				X	E	X	A	M	P	L	E
1	J	Sale of contract right to purchase Carroll Walk Condominium (located in Bay Harbor, FL)		X		6/12/03				X							
2		Ted Stevens D/B/A Bed Bug Outfit (Individual interest in livestock) Congress, AZ	X			11/5/03	X										
3																	
4																	
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EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Reporting Individual's Name: Theodore F. (Ted) Stevens

PART VIII. POSITIONS HELD OUTSIDE U.S. GOVERNMENT

Page Number 7

Report any positions held by you during the applicable reporting period whether compensated or not. Positions include, but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. Both the year and month must be reported for the period of time that the position was held.

Exclude: Positions with federal government, religious, social, fraternal, or political entities, and those solely of an honorary nature.

	Name of Organization	Address (City, State)	Type of Organization	Position Held	From (Mo/Yr)	To (Mo/Yr)
Example:	*National Assn. of Rock Collectors*	*NY,NY* **EXAMPLE**	*Non-profit education*	*President*	*6/90*	*Present*
	Jones & Smith	*Hometown, USA* **EXAMPLE**	*Law Firm*	*Partner*	*7/85*	*11/00*
1	John F. Kennedy Center for Performing Arts	Washington, D.C.	non-profit performing arts	Congressional rep. member of Board of Trustees	1/97	Present
2	Dwight D. Eisenhower Memorial Commission	Washington, D.C.	Presidential Appointment	Member of Board	4/01	Present
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Compensation in excess of $200 from any position must be reported in Part II.

Attachment 1
re: Part IIIA
Line 3
Spouse
Salomon Smith Barney (IRA TRAKNAV investment program invested in 7 publicly traded Smith Barney Funds:

CG Capital Markets - Government Money Investments
Value of Asset - None (or less than $1,000)
Type of Income- Excepted Investment Fund
Amount of Income - None (or less than $201)

CG Capital Markets - Large Cap Value Investments
Value of Asset - Between $1,001 and $15,000
Type of Income- Excepted Investment Fund
Amount of Income - None (or less than $201)

CG Capital Markets - Small Cap Value Investments
Value of Asset - Between $1,001 and $15,000
Type of Income- Excepted Investment Fund
Amount of Income - None (or less than $201)

CG Capital Markets - Emerging Markets Investments
Value of Asset - Between $1,001 and $15,000
Type of Income- Excepted Investment Fund
Amount of Income - None (or less than $201)

CG Capital Markets - International Equity Investments
Value of Asset - Between $1,001 and $15,000
Type of Income- Excepted Investment Fund
Amount of Income - None (or less than $201)

CG Capital Markets - Large Cap Growth Investments
Value of Asset - Between $1,001 and $15,000
Type of Income- Excepted Investment Fund
Amount of Income - None (or less than $201)

CG Capital Markets - Small Cap Growth Investments
Value of Asset - Between $1,001 and $15,000
Type of Income- Excepted Investment Fund
Amount of Income - None (or less than $201)

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Attachment 2
Part IIIA
Line 7
Spouse
Mayer, Brown, Rowe & Maw
Chicago, IL
Investment program 401(k) invested in following 4 funds:

Vanguard U.S. Growth
Value of Asset - Between $1,001 and $15,000
Type of Income- Excepted Investment Fund
Amount of Income - None (or less than $201)

Scudder Equity 500 Index
Value of Asset - Between $1,001 and $15,000
Type of Income- Excepted Investment Fund
Amount of Income - None (or less than $201)

Franklin Small-Mid Cap Growth
Value of Asset - Between $1,001 and $15,000
Type of Income- Excepted Investment Fund
Amount of Income- None (or less than $201)

Putnam International Growth
Value of Asset - Between $1,001 and $15,000
Type of Income- Excepted Investment Fund
Amount of Income - None (or less than $201)

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Attachment 3
Part IIIB
Line 3

JLS Properties

4333 Bering Street and Arctic Manor Lt 1 B (Garage and parking lot)	Value of Asset	$15,000-$50,000
Crossroads Business Park (Undeveloped land)	Value of Asset	$15,000-$50,000
2000 W. International (Business Park)	Value of Asset	$100,000-$250,000

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UNITED STATES SENATE PUBLIC FINANCIAL DISCLOSURE REPORT FOR ANNUAL AND TERMINATION REPORTS

Last Name	First Name and Middle Initial	Annual Report	Senate Office / Agency In Which Employed
Stevens	Theodore F.	Calendar Year Covered by Report: 2000	U.S. Senate
Senate Office Address (Number, Street, City, State, and ZIP Code)	Senate Office Telephone No. (Include Area Code)	Termination Report	Prior Office / Agency in Which Employed
522 Hart Senate Office Blg. Washington, D.C. 20510	202-224-3004	Termination Date (Mo., Day, Yr.):	

AFTER READING THE INSTRUCTIONS - ANSWER EACH OF THESE QUESTIONS AND ATTACH THE RELEVANT PART

Did any individual or organization make a donation to charity in lieu of paying you for a speech, appearance, or article in the reporting period? If yes, Complete and Attach PART I.	YES [ ] NO [x]	Did you, your spouse, or dependent child receive any reportable travel or reimbursements for travel in the reporting period (i.e., worth more than $260 from one source)? If yes, Complete and Attach PART VI.	YES [ ] NO [x]
Did you or your spouse have earned income (e.g., salaries or fees) or non-investment income of more than $200 from any reportable source in the reporting period? If yes, Complete and Attach PART II.	YES [x] NO [ ]	Did you, your spouse, or dependent child have any reportable liability (more than $10,000) during the reporting period? If yes, Complete and Attach PART VII.	YES [ ] NO [x]
Did you, your spouse, or dependent child receive unearned or investment income of more than $200 in the reporting period or hold any reportable asset worth more than $1,000 at the end of the period? If yes, Complete and Attach PART IIIA and/or IIIB.	YES [x] NO [ ]	Did you hold any reportable positions on or before the date of filing in the current calendar year? If yes, Complete and Attach PART VIII.	YES [x] NO [ ]
Did you, your spouse, or dependent child purchase, sell, or exchange any reportable asset worth more than $1,000 in the reporting period? If yes, Complete and Attach PART IV.	YES [x] NO [ ]	Do you have any reportable agreement or arrangement with an outside entity? If yes, Complete and Attach PART IX.	YES [ ] NO [x]
Did you, your spouse, or dependent child receive any reportable gift in the reporting period (i.e., aggregating more than $260 and not otherwise exempt)? If yes, Complete and Attach PART V.	YES [ ] NO [x]	If this is your FIRST Report: Did you receive compensation of more than $5,000 from a single source in the two prior years? If yes, Complete and attach Part X.	YES [ ] NO [ ]

File this report and any amendments with the Secretary of the Senate, Office of Public Records, Room 232, Hart Senate Office Building, U.S. Senate, Washington, D.C. 20510. $200 Penalty for filing more than 30 days after due date.

This Financial Disclosure Statement is required by the Ethics in Government Act of 1978, as amended. The statement will be made available by the Office of the Secretary of the Senate to any requesting person upon written application and will be reviewed by the Select Committee on Ethics. Any individual who knowingly and willfully falsifies, or who knowingly and willfully fails to file this report may be subject to civil and criminal sanctions. (See 5 U.S.C. app. 6, 104, and 18 U.S.C. 1001.)

For Official Use Only - Do Not Write Below This Line

SECRETARY OF THE SENATE
01 MAY 15 AM 10:40

Certification	Signature of Reporting Individual	Date (Month, Day, Year)
I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge and belief.	Theodore F. Stevens	5/10/01

For Official Use Only - Do Not Write Below This Line

	Signature of Reviewing Official	Date (Month, Day, Year)
It is the opinion of the reviewer that the statements made in this form are in compliance with Title I of the Ethics in Government Act.		

Previous Editions Cannot Be Used

Revised 2/01

Reporting Individual's Name
Theodore F. Stevens

PART II. EARNED AND NON-INVESTMENT INCOME

Report the source (name and address), type, and amount of earned income to you from any source aggregating $200 or more during the reporting period. For your spouse, report the source (name and address) and type of earned income which aggregate $1,000 or more during the reporting period. No amount needs to be specified for your spouse (see page 3, Part B of the Instructions). Do not report income from employment by the U.S. Government for you or your spouse.

Individuals not covered by the Honoraria Ban:
For you and/or your spouse, report honoraria income received which aggregates $200 or more by exact amount, give the date of, and describe the activity (speech, appearance or article) generating such honoraria payment. Do not include payments in lieu of honoraria reported on Part I.

	Name of Income Source	Address (City, State)	Type of Income	Amount
Example:	JP Computers MCI (Spouse)	EXAMPLE Wash., D.C. Arlington, VA	EXAMPLE Salary Salary	$15,000 Over $1,000
S 1	Chamer Co. Inc. (Spouse: family investment company)	Anchorage, AK	Director's Fees	over $1,000
S 2	Terra Foundation for the Arts	Chicago, IL	salary	over $1,000
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Previous Editions Cannot Be Used

Revised 2/01

Reporting Individual's Name: Theodore F. Stevens

PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

BLOCK A. Identity of Publicly Traded Assets and Unearned Income Sources

Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child (see page 3, Part B of the Instructions), for production of income or investment which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or

(2) generated over $200 in "unearned" income during the reporting period.

Include on this Part IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.

BLOCK B. Valuation of Assets At close of reporting period. If none, or less than $1,001, check the 1st column.

BLOCK C. Type and Amount of Income If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

S, DC or J	Block A	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Type of Income: Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	Amount of Income: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required If "Other" Specified
	Example: IBM Corp. (stock) NYSE							EXAMPLE								EXAMPLE															
	Example: Keystone Equity Fund (widely diversified)							EXAMPLE										EXAMPLE							EXAMPLE						
J 1	U. S. Senate Credit Union Washington, D.C.				x																x										
J 2	Smith Barney Shearson Washington, D.C. - Money Mkt.				x																		x		EXAMPLE						
S 3	Smith Barney Shearson Washington, D.C. - IRA TRAKEM																			net capital loss											
S 4	First American Title (payment on contract of sale) Phoenix, AZ																						x								
J 5	Riggs Bank Washington, D.C. - Money Market		x																				x								
J 6	National Bank of Alaska Anchorage, AK	x																													
S 7	Donaldson, Lufkin & Jenrette San Francisco, CA (money market)				x									x							x										
8	Monterey Murphy Biotechnology Fund Hauppauge, NY																						x								
S 9	Alaska Communications System Anchorage, AK	x													x								x								
10															x										x						

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check here. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Previous Editions Cannot Be Used

Revised 2/01

Reporting Individual's Name: Theodore F. Stevens

PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

BLOCK A — Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state), and description of each interest held by you, your spouse, or your dependent child (see page 3, Part B of the Instructions) for the production of income or investment in a non-public trade or business which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or

(2) generated over $200 in income during the reporting period.

Include the above report for each underlying asset which is not incidental to the trade or business. Publicly traded assets held by a non-public entity may be listed on Part IIIA.

BLOCK B — Valuation of Assets

At close of reporting period. If none, or less than $1,001, check the 1st column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

S, DC or J	Block A	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Only if "Other" Specified
	Example: JP Computers, Wash., D.C. (Computer Sales)						EXAMPLE															x				EXAMPLE							
	Example: Undeveloped land in Dubuque, Iowa			x				EXAMPLE								EXAMPLE									EXAMPLE								
1	Northern TV (telecomm corp.) Anchorage, AK	x															x																
S 2	National Bank of Vermont Montpelier, VT (Life insurance		x																														
3	Oil Interests (ind. wells on Bellman Farm - Oklahoma City, OK)				x																Oil & gas working interest												10,490
4	Stevens Trust U/T/A	x																															
5	JLS Properties, LLC (real estate-two pieces of property in Alaska) Anchorage, AK						x														Ltd. Liability Co.												
S 6	1135 H St., Anchorage, AK 1/3 interest in rental house	x													x		x									x							19,430
S 7	Chamer Co., Inc., Anchorage, AK (holds promissory note)	x																						x									

EXEMPTION TEST *(see instructions before marking box):* If you omitted any asset because it meets the three-part test for exemption described in the Instructions, please check here. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Previous Editions Cannot Be Used

Revised 2/01

Reporting Individual's Name: Theodore F. Stevens

PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

BLOCK A — Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state), and description of each interest held by you, your spouse, or your dependent child (see page 3, Part B of the Instructions) for the production of income or investment in a non-public trade or business which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or

(2) generated over $200 in income during the reporting period.

Include the above report for each underlying asset which is not incidental to the trade or business. Publicly traded assets held by a non-public entity may be listed on Part IIIA.

BLOCK B — Valuation of Assets

At close of reporting period. If none, or less than $1,001, check the 1st column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

S, DC or J	Asset	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Only if "Other" Specified
Example:	JP Computers, Wash., D.C. (Computer Sales)			x																											
Example:	Undeveloped land in Dubuque, Iowa					x																									
1	Grantsville Development, Co. Anchorage, AK (Subdivision development in Grantsville, UT)		x																Ltd. Liability Company			x									-116
2	Jillian Square Apts. (Apt. building in Fairbanks, AK) Anchorage, AK			x															Ltd. Liability Company												-153
3	Sacks Restaurant, LLC (Restaurant Anchorage, AK) Anchorage, AK		x																Ltd. Liability Company												-614
4	State of Alaska Permanent Fund		x										x									x									
S 5	State of Alaska Permanent Fund		x										x									x									
6	Pointe Bank, Aventura, FL (real estate-Florida)												x									x									
7	Key Trust Co. National Asso. - invested in McKinley Capital Mgt., Anchorage, AK					x							x									x									

EXEMPTION TEST *(see instructions before marking box):* If you omitted any asset because it meets the three-part test for exemption described in the Instructions, please check here. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Previous Editions Cannot Be Used

Revised 2/01

Reporting Individual's Name: Theodore F. Stevens

PART IV. TRANSACTIONS

Page Number: 6

Report any purchase, sale, or exchange by you, your spouse, or dependent child (see page 3, Part B of the Instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.

	SDC or J	Identification of Assets	Transaction Type (x): Purchase	Sale	Exchange	Date (Mo., Day, Yr.)	Amount of Transaction (x): $1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
	Example:	IBM Corp. (stock) NYSE EXAMPLE				2/1/0X		x			EXAMPLE						
1	S	1135 H Street, Anchorage, AK (1/3 interest)		x		5/24/00			x								
2		Northern Television (stock)		x		6/2/00	x										
3	S	Alaska Communications System (stock received from Chamer Co.) 7/7/00)		x		7/31/00				x							
4	S	Alaska Communications System Group Inc. Com (stock received from Chamer Co. 7/7/00)		x		12/19/00	x										
5	S	United Pan Europe (Held in Smith Barney - stock)	x			3/10/00	x										
6	S	United Pan Europe (Held in Smith Barney - stock)		x		12/15/00	x										
7		Monterey Murphy New World Biotechnology Fund	x			11/2/00	x										
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EXEMPTION TEST *(see instructions before marking box):* If you omitted any transaction because it meets the three-part test for exemption described in the Instructions, please check here. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Previous Editions Cannot Be Used

Revised 2/01

Reporting Individual's Name: Theodore F. Stevens

PART VIII. POSITIONS HELD OUTSIDE U.S. GOVERNMENT

Report any positions held by you during the applicable reporting period whether compensated or not. Positions include, but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. Both the year and month must be reported for the period of time that the position was held.

Exclude: Positions with federal government, religious, social, fraternal, or political entities, and those solely of an honorary nature.

	Name of Organization	Address of Organization	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
Example:	Nat'l Assn. of Rock Collectors	NY, NY **EXAMPLE**	Non-profit education **EXAMPLE**	President **EXAMPLE**	6/90	Present
	Jones & Smith	Hometown, USA **EXAMPLE**	Law firm **EXAMPLE**	Partner **EXAMPLE**	7/85	11/00
1	The John F. Kennedy Center for Performing Arts	Washington, D.C.	Non profit - Performing Arts	Congressional Rep. member Bd. of Trustees	1/97	present
2	UCLA School of Public Policy & Social Research	Los Angeles, CA	Non profit - Education	Member - Advisory Board	4/99	3/01
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Compensation in excess of $200 from any position must be reported in Part II.

Previous Editions Cannot Be Used

Revised 2/01

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UNITED STATES SENATE FINANCIAL DISCLOSURE REPORT FOR ANNUAL AND TERMINATION REPORTS

Last Name	First Name and Middle Initial	Annual Report Calendar Year Covered by Report:	Senate Office / Agency in Which Employed
Stevens	Theodore F. (Ted)	2004	
Senate Office Address (Number, Street, City, State, and ZIP Code)	**Senate Office Telephone Number** *(Include Area Code)*	**Termination Report** **Termination Date (mm/dd/yy):**	**Prior Office / Agency in Which Employed**
522 Hart Senate Bldg. Washington, D.C. 20510	202-224-3004		

AFTER READING THE INSTRUCTIONS - ANSWER EACH OF THESE QUESTIONS AND ATTACH THE RELEVANT PART

	YES	NO
Did any individual or organization make a donation to charity in lieu of paying you for a speech, appearance, or article in the reporting period? If Yes, Complete and Attach PART I.		X
Did you or your spouse have earned income (e.g., salaries or fees) or non-investment income of more than $200 from any reportable source in the reporting period? If Yes, Complete and Attach PART II.	X	
Did you, your spouse, or dependent child receive unearned or investment income of more than $200 in the reporting period or hold any reportable asset worth more than $1,000 at the end of the period? If Yes, Complete & Attach PART IIIA and/or IIIB.	X	
Did you, your spouse, or dependent child purchase, sell, or exchange any reportable asset worth more than $1,000 in the reporting period? If Yes, Complete and Attach PART IV.	X	
Did you, your spouse, or dependent child receive any reportable gift in the reporting period (i.e., aggregating more than $305 and not otherwise exempt)? If Yes, Complete and Attach PART V.	X	
Did you, your spouse, or dependent child receive any reportable travel or reimbursements for travel in the reporting period (i.e., worth more than $305 from one source)? If Yes, Complete and Attach PART VI.		X
Did you, your spouse, or dependent child have any reportable liability (more than $10,000) during the reporting period? If Yes, Complete and Attach PART VII.	X	
Did you hold any reportable positions on or before the date of filing in the current calendar year? If Yes, Complete and Attach PART VIII.	X	
Do you have any reportable agreement or arrangement with an outside entity? If Yes, Complete and Attach PART IX.		X
If this is your FIRST Report: Did you receive compensation of more than $5,000 from a single source in the two prior years? If Yes, Complete and Attach PART X.		

Each question must be answered and the appropriate PART attached for each "YES" response.

File this report and any amendments with the Secretary of the Senate, Office of Public Records, Room 232, Hart Senate Office Building, U.S. Senate, Washington, DC 20510. $200 Penalty for filing more than 30 days after due date.

This Financial Disclosure Statement is required by the Ethics in Government Act of 1978, as amended. The statement will be made available by the Office of the Secretary of the Senate to any requesting person upon written application and will be reviewed by the Select Committee on Ethics. Any individual who knowingly and willfully falsifies, or who knowingly and willfully fails to file this report may be subject to civil and criminal sanctions. (See 5 U.S.C. app. 6, 104, and 18 U.S.C. 1001.)

Certification	Signature of Reporting Individual	Date (Month, Day, Year)
I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge and belief.	Theodore F. (Ted) Stevens	5/16/05

For Official Use Only - Do Not Write Below This Line

	Signature of Reviewing Official	Date (Month, Day, Year)
It is the Opinion of the reviewer that the statements made in this form are in compliance with Title I of the Ethics in Government Act.		

FOR OFFICIAL USE ONLY
Do Not Write Below this Line

SECRETARY OF THE SENATE
05 MAY 16 PM 5:33

14A

Reporting Individual's Name	PART II. EARNED AND NON-INVESTMENT INCOME	Page Number
Theodore (Ted) F. Stevens		1

Report the source (name and address), type, and amount of earned income to you from any source aggregating $200 or more during the reporting period. For your spouse, report the source (name and address) and type of earned income which aggregate $1,000 or more during the reporting period. No amount needs to be specified for your spouse. (See p.3, CONTENTS OF REPORTS Part B of Instructions.) Do not report income from employment by the U.S. Government for you or your spouse.

Individuals not covered by the Honoraria Ban:
For you and /or your spouse, report honoraria income received which aggregates $200 or more by exact amount, give the date of, and describe the activity (speech, appearance or article) generating such honoraria payment. Do not include payments in lieu of honoraria reported on Part I.

	Name of Income Source	Address (City, State)	Type of Income	Amount
Example:	*JP Computers*	*Wash., DC*	*Example*	*Salary*	*Example*	*$15,000*
	MCI (Spouse)	*Arlington, VA*	*Example*	*Salary*	*Example*	*Over $1,000*
1	Chamer Co., Inc. - Family investment Company	Anchorage, AK	Director's fee	$1,000
2	Mayer, Brown, Rowe & Maw (spouse)	Washington, D.C.	salary	over $1,000
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Reporting Individual's Name: Theodore (Ted) F. Stevens

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PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

BLOCK A — Identity of Publicly Traded Assets And Unearned Income Sources

Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child, *(See p.3, CONTENTS OF REPORTS Part B of Instructions)* for production of income or investment which:
(1) had a value exceeding $1,000 at the close of the reporting period; and/or
(2) generated over $200 in "unearned" income during the reporting period.
Include on this PART IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.

BLOCK B — Valuation of Assets

At the close of reporting period. If None, or less than $1,001, Check the first column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

	S, DC, or J	Block A	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required if "Other" Specified
Example:		IBM Corp. (stock)				X									X							Example		X										Example
		(S) Keystone Fund					X										X		X			Example	X											Example
1	J	U.S. Senate Federal Credit Union Washington, D.C.						X									X								X									
2	J	Salomon Smith Barney Washington D.C. money market		X											X		X						X											
3	S	Salomon Smith Barney (IRA TRAKNAV investment program invested in 7 publicly traded Smith Barney Funds- see attachment 1) Washington, D.C.			X														X					X										
4	J	Riggs Bank Washington, D.C. (money market)			X												X						X											
5	J	Wells Fargo Bank Anchorage, AK (checking acct.)		X													X						X											
6	S	CSFB, LLC San Francisco, CA (money market)				X									X										X									
7	S	Mayer, Brown, Rowe & Maw Chicago, IL 401(k) funds invested in Vanguard U.S. Growth; Scudder Equity 500 Index; Franklin Small-Mid Cap Growth; (continued below)				X													X							X								
8		Putnam International Growth; State Street Research Emerging, Fidelity Adv. Diversified Int, TCW Galileo Select Equities Fund - see attachment 2																																
9																																		
10																																		

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

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Reporting Individual's Name: Theodore (Ted) F. Stevens

PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

BLOCK A — Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state and description) of each interest held by you, your spouse, or your dependent child (See p.3, CONTENTS OF REPORTS Part B of Instructions) for the production of income or investment in a non-public trade or business which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or

(2) generated over $200 in "unearned" income during the reporting period.

Include the above report for each underlying asset, which is not incidental to the trade or business. Publicly traded assets held by non-public entity may be listed on Part IIIA.

BLOCK B — Valuation of Assets

At the close of reporting period. If None, or less than $1,001, Check the first column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

S, DC, or J	Asset	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required if "Other" Specified
Example:	JP Computer, Wash DC				X									X							Example		X										Example
	Undeveloped land, Dubuque, Iowa					X															Example	X											Example
1	JLS Properites, LLC (land & buildings -see attachment 3) Anchorage, AK Sold in 2004	O															X				Limited Liability Co.								X				(392)
2	Jillian Square Apartments, LLC, Anchorage, AK · Apartment complex in Fairbanks, AK Sold in 2004	O															X				Limited Liability Co.								X				4,804
3	Centerpoint I, LLC (Office building at 3900 C Street) Anchorage, AK Sold in 2004	O															X				Limited Liability Co.								X				2,439
4	Centerpoint II, LLC (undeveloped land Centerpoint subdivision – Eureka at 40th) Anchorage, AK Sold in 2004	O															X				Limited Liability Co.								X				33,666
5	Promissory Note for sale of JLS, Jillian Square, Centerpoint I, Centerpoint II -Transferred to Trust 2004	O														X										X							
6	Centerpoint Financial (office building under construction) Anchorage, AK Sold in 2004	O															X												X				
7																																	
8	Grantsville Development Co. (subdivision development in Grantsville, Ut) Anchorage, AK Sold in 2004	O																			Limited Liability Co.												60,012
9																																	
10	Key Trust Co. National Asso. Anchorage, AK (invested in McKinley Capital Mgt.)					X												X							X								

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Reporting Individual's Name: Theodore (Ted) F. Stevens

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PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Page Number 4

BLOCK A — Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state and description) of each interest held by you, your spouse, or your dependent child (See p.3, CONTENTS OF REPORTS Part B of Instructions) for the production of income or investment in a non-public trade or business which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or

(2) generated over $200 in "unearned" income during the reporting period.

Include the above report for each underlying asset, which is not incidental to the trade or business. Publicly traded assets held by non-public entity may be listed on Part IIIA.

BLOCK B — Valuation of Assets

At the close of reporting period. If None, or less than $1,001, Check the first column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

	S, DC, or J	Asset	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Type of Income: Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	Amount of Income: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required if "Other" Specified
Example:		JP Computer, Wash DC				X									X							Example		X										Example
		Undeveloped land, Dubuque, Iowa					X															Example	X											Example
1	S	State of Alaska (Payments made to Alaskans each year by state) Permanent Fund													X									X										
2		Sacks Restaurant, LLC Anchorage, AK		X																		Limited Liability Co.												(420)
3		Alaska's Great Eagle, LLC Girdwood, AK (10% interest in horse) liquidated 2004	X																			Limited Liability Co.												(4,638)
4		Alaska's Great Eagle As Well, LLC Girdwood, AK (12.5% interest in horses)		X																		Limited Liability Co.												(5,494)
5		Ted Stevens D/B/A Bed Bug Outfit (undivided half interest in livestock) Congress, AZ		X																			X											
6		Theodore Stevens Blind Trust Anchorage, AK									X									X						X								
7	S	Chamer Co. Inc. (Family Investment Co.) Anchorage, AK (see attachment 4)					X																X											
8	S	National Bank of Vermont Montpelier, VT (Life Insurance)			X												X						X											
9		Oil Interests (Individual wells on Belmon Farm) Oklahoma City, OK				X																oil & gas working interest												(2,686)
10		State of Alaska (Payments made to Alaskans each year by state) Permanent Fund													X									X										

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

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Reporting Individual's Name: Theodore (Ted) F. Stevens

PART IV. TRANSACTIONS

Page Number 5

Report any purchase, sale, or exchange by you, your spouse, or dependent child (See p.3 CONTENTS OF REPORTS Part B of Instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.

		Identification of Assets	Transaction Type (x): Purchase	Sale	Exchange	Transaction Date (Mo., Day, Yr.)	Amount of Transaction (x): $1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
Example:	S, DC, or J	IBM Corp. (stock) NYSE	X			2/1/0X		X			E	X	A	M	P	L	E
		(DC) Microsoft (stock) NASDAQ/OTC		X		1/27/0X				X	E	X	A	M	P	L	E
1		JLS Properties, LLC Anchorage AK (Sale of ownership interest) see attachment #5		X		6/15/04	*$288,000										
2		Jillian Square Apartments, Fairbanks, AK (Sale of Interest)		X		6/15/04	*$166,000										
3		Centerpoint I, LLC (Office building at 3900 C Street) Anchorage, AK (Sale of Interest)		X		6/15/04	*$219,000										
4		Centerpoint II, LLC (Undeveloped land Centerpoint subdivision) Anchorage, AK (Sale of Interest)		X		6/15/04	*$227,000										
5		Grantsville Development Co. (subdivision development in Grantsville, UT) (sale of interest)		X		12/28/04	*$150,000										
6		Centerpoint Financial- land - Anchorage, AK (Non-taxable distribution from Centerpoint II)	X			1/1/04				X							
7		Centerpoint Financial (Sale of interest)		X		1/1/04	*$138,000										
8		Alaska's Great Eagle As Well, LLC Girdwood, AK Investment group formed to purchase horses	X			3/25/04	X										
9		Alaska's Great Eagle LLC - Liquidation ($436.00 received)				12/31/04											
10	S	Vangurad U.S. Growth; Franklin Small-Mid Cap Growth; Putnam International Equity			X	3/26/04			X								
11	S	State Street Research Emerging; Fidelity Advl. Diversified Int.; TCW Galileo Select Equities Fund			X	3/26/04			X								
12						*actual amounts rounded to nearest $1,000.											

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Reporting Individual's Name

Theodore (Ted) F. Stevens

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PART V. GIFTS

Page Number 6

Report the source, brief description and value of all gifts aggregating more than $305 in value received by you, your spouse, or your dependent child, (See p.3 CONTENTS OF REPORTS Part B of Instructions), from each source. Gifts with a value of $122 or less need not be aggregated towards the disclosure threshold. "Gift" is defined in the Instructions.

Exclude: (1) Bequests and other forms of inheritance; (2) Political campaign contributions; (3) Communications to your offices including subscriptions to newspapers and periodicals; (4) Consumable products provided by home state businesses to your offices, if those products are intended for consumption by persons other than yourself; (5) Gifts received prior to your Federal employment; (6) Gifts to your spouse or dependent child totally independent of his or her relationship to you; (7) Gifts from relatives; (8) Personal hospitality of any individual (see instructions); (9) meals and beverages unless consumed in connection with a gift of overnight lodging; and (10) Food, lodging, transportation, and entertainment provided by a foreign government within a foreign country, or by federal, state, D.C., or local governments.

	Name of Income Source	Address of Source	Dates and Brief Description	Gift Value
Example:	*Mr. John Q. Smith*	*Anytown, VA* *Example*	*August 12, 200X, Silver platter - Ethics Committee waiver granted*	*$400*
1	President of Azerbaijan	Azerbaijan	August, 2004 Medium size hand made rug - Given to Secretary of Senate	$800
2	President of Azerbaijan	Azerbaijan	August, 2004 Tea set - Given to Secretary of Senate	$150
3	King Abdullah	Jordan	December, 2004 - Grape serving set- Given to Secretary of Senate	$150
4	President of France	Paris, France	March 2004 - Watch- Given to Secretary of Senate	$328
5				
6				
7				
8				
9				
10				
11				
12				

Note: The Senate Gift Rule prohibits most gifts in excess of $49.99.

Reporting Individual's Name: Theodore (Ted) F. Stevens

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PART VII. LIABILITIES

Page Number: 7

Report liabilities over $10,000 owed by you, your spouse, or dependent child (See p.3 CONTENTS OF REPORTS Part B of Instructions), to any one creditor at any time during the reporting period. Check the highest amount owed during the reporting period. Exclude: (1) Mortgages on your personal residences unless rented; (2) loans secured by automobiles, household furniture or appliances; and (3) liabilities owed to certain relatives listed in Instructions. See Instructions for reporting revolving charge accounts.

	S, Example: DC, or J	Name of Creditor	Address	Type of Liability	Date Incurred	Interest Rate	Term if Applicable	$10,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
		First District Bank	*Wash., DC*	*Mortgage on undeveloped land*	*1991*	*13%*	*25yrs*			X		E	X	A	M	P	L	E
		(J) John Jones	*Wash., DC*	*Promissory Note*	*1999*	*10%*	*On dmd*				X	E	X	A	M	P	L	E
1		Internal Revenue Services	Wash., DC	Taxes due to sale of limited liability company interests. Taxes were paid in full when due in April 2005.							X							
2																		
3																		
4																		
5																		
6																		
7																		
8																		
9																		
10																		
11																		
12																		

Category of Amount of Value (x)

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Reporting Individual's Name: Theodore (Ted) F. Stevens

PART VIII. POSITIONS HELD OUTSIDE U.S. GOVERNMENT

Page Number: 8

Report any positions held by you during the applicable reporting period whether compensated or not. Positions include, but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. Both the year and month must be reported for the period of time that the position was held.

Exclude: Positions with federal government, religious, social, fraternal, or political entities, and those solely of an honorary nature.

	Name of Organization	Address (City, State)	Type of Organization	Position Held	From (Mo/Yr)	To (Mo/Yr)
Example:	*National Assn. of Rock Collectors*	*NY,NY* **EXAMPLE**	*Non-profit education*	*President*	*6 / 90*	*Present*
	Jones & Smith	*Hometown, USA* **EXAMPLE**	*Law Firm*	*Partner*	*7 / 85*	*11 / 0X*
1	John F. Kennedy Center for Performing Arts	Washington, D.C.	non-profit performing arts	Congressional rep. member of Board of Trustees	1/97	2/05
2	Dwight D. Eisenhower Memorial Commission	Washington, D.C.	Presidential Appointment	Member of Board	4/01	Present
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						

Compensation in excess of $200 from any position must be reported in Part II.

Attachment 1
re:Part IIIA
Line 3
Spouse
Salomon Smith Barney (IRA TRAKNAV investment program invested in 7 publicly traded)
Smith Barney Funds:

CG Capital Markets- Government Money Investments
Value of Asset- None (or less than $1,000)
Type of Income- Excepted Investment Fund
Amount of Income- None (or less than $201)

CG Capital Markets- Large Cap Value Investments
Value of Asset- $1,001-$15,000
Type of Income- Excepted Investment Fund
Amount of Income-None (or less than $201)

CG Capital Markets- Small Cap Value Investments
Value of Asset- $1,001-$15,000
Type of Income- Excepted Investment Fund
Amount of Income-$201-$1,000

CG Capital Markets- Emerging Markets Investments
Value of Asset- $1,001-$15,000
Type of Income- Excepted Investment Fund
Amount of Income-None (or less than $201)

CG Capital Markets- International Equity Investments
Value of Asset- $1,001-$15,000
Type of Income- Excepted Investment Fund
Amount of Income-None (or less than $201)

CG Capital Markets-Large Cap Growth Investments
Value of Asset- $1,001-$15,000
Type of Income- Excepted Investment Fund
Amount of Income- None (or less than $201)

CG Capital Markets- Small Cap Growth Investments
Value of Asset- $1,001-$15,000
Type of Income- Excepted Investment Fund
Amount of Income-None (or less than $201)

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Attachment 2
Part IIIA
Line 7
Spouse
Mayer, Brown, Rowe and Maw
Chicago, IL
Investment program 401(k) invested in the following 7 funds:

Vanguard U.S. Growth
Value of Asset - None (or less than $1,000)
Type of Income-Excepted Investment Fund
Amount of Income-None (or less than $201)

Scudder Equity 500 Index
Value of Asset - $15,001-$50,000
Type of Income-Excepted Investment Fund
Amount of Income- $1,001-$2,500

Franklin Small Mid Cap Growth
Value of Asset - None (or less than $1,000)
Type of Income-Excepted Investment Fund
Amount of Income- None (or less than $201)

Putnam International Equity
Value of Asset - None (or less than $1,000)
Type of Income- Excepted Investment Fund
Amount of Income- None (or less than $201)

State Street Research Emerging
Value of Asset - $15,001-$50,000
Type of Income-Excepted Investment Fund
Amount of Income- None (or less than $201)

Fidelity Advl. Diversified Int
Value of Asset - $15,001-$50,000
Type of Income-Excepted Investment Fund
Amount of Income- $2,501- $5,000

TCW Gallieo Select Equities Fund
Value of Asset - $15,001-$50,000
Type of Income-Excepted Investment Fund
Amount of Income- $2,501-$5,000

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Attachment 3
Part IIIB
Line I

JLS Properties

4333 Bering Street and Arctic Manor Lt 1 B (Garage and parking lot)	Value of Asset	$15,000-$50,000
Crossroads Business Park (Undeveloped land)	Value of Asset	$15,000-$50,000
2000 W. International (Business Park)	Value of Asset	$100,000-$250,000

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Attachment 4
Part IIIB
Line 7

Spouse

Chamer and Co (Family investment company) holds the following underlying assets:

Interest in Rental House Wickenburg AZ	Value of Spouse's interest : $50,001-$100,000
Interest in Cash in Banks	Value of Spouse's interest: $15,001-$50,000
Interest in Commercial Property Anchorage AK	Value of Spouse's interest: $15,001-$50,000

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Attachment 5

Ted Stevens

In 2004 the interests of Ted Stevens in JLS Properties, Jillian Square Apartments, Centerpoint I, Centerpoint II, Centerpoint Financial Center and Grantsville Development listed on Part IIIB were sold. Cash and promissory notes, for the sales prices disclosed on Part IV, were received. The note received in connection with the sale of JLS, Jillian Square, Centerpoint I and II was from Leonard Hyde and Jon Rubini, and provided for interest at the rate of 8% with payments due quarterly. The note received from the sale of Grantsville was from Nickel, Inc. and provided for interest at the rate of 4% and is payable in full on June 1, 2005. All the cash and notes resulting from the above described sales were conveyed to the Theodore F. Stevens Blind Trust which was created in 2004. Senator Stevens had no interest in those LLC's or the notes at year end and so the value of each is listed as "0".

Centerpoint Financial Center LLC was formed effective January 1, 2004 by means of distribution from Centerpoint II. Senator Stevens sold his interest effective that day.

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SECRETARY OF THE SENATE

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TRUST AGREEMENT

THIS TRUST AGREEMENT made and entered into this 3rd day of December, 2004, between Hon. Theodore F. Stevens, whose home address is Northland Drive, Alyeska Basin, Lot 9, Block 18, Girdwood, Alaska 99587 (P.O. Box 100879, Anchorage. Alaska 99510), hereinafter call the **Grantor**, and Wells Fargo Alaska Trust Company, N.A., whose business address is P.O. Box 196127, Anchorage, Alaska 99519-6127, hereinafter called the **Co-Trustee** and J. Patrick Beattie, whose address is 10700 Prospect Drive, Anchorage, Alaska 99507-6495, hereinafter called the **Co-Trustee**.

WITNESSETH

GRANTOR is a United States Senator for the State of Alaska. To avoid any conflict of interest, or appearance of any such conflict, which may arise from his duties and powers in such office and any other office to which he may subsequently be appointed to the extent provided for by section 102(f)(4)(A) of the Ethics in Government Act of 1978 (Pub. L. 95-521, as amended) [hereinafter referred to as the "Act"], Grantor hereby creates a trust to be administered in accordance with the requirements of the Act, which shall become effective on upon the execution of this agreement.

The Co-Trustees are eligible persons, as specified in Section 102 (f)(3)(A) who meets the requirements of such section.

Grantor, therefore, hereby delivers to the Co-Trustees, and the Co-Trustees hereby acknowledge receipt of, the property listed in the annexed Schedule A, subject to the provisions of this Trust and the Act, and other applicable Federal laws.

The primary purpose of this Trust is to entrust to the Co-Trustees decisions as to when and to what extent the original assets of the Trust are to be sold or disposed of and in what investments the proceeds of sale are to be reinvested, without any participation in, or knowledge of, such decisions by any interested person. It is the express intention of the Grantor that the Co-Trustees will have full authority to freely communicate with each other as to all aspects of the management of this Trust, while strictly adhering to the limitations in the Act regarding communications with the Grantor. Accordingly, the Grantor and the Co-Trustees agree as follows:

FIRST: (A) This Trust shall terminate upon the first to occur of the following -- (1) Grantor's ceasing for any reason to serve as a U.S. Senator or in any other position to which he may have been subsequently appointed or elected in the Federal Government and Grantor thereafter giving each Co-Trustee written notice directing that this Trust be terminated; or (2) Grantor's death or

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Stevens, Ted

incompetence. Upon termination in the event of Grantor's death, the Co-Trustees shall distribute the remaining trust estate to the personal representative for the Grantor's estate. Upon termination in the event of the Grantor's incompetence, the Co-Trustees shall distribute the remaining trust estate to the Grantor's court appointed conservator. The period between the date of this agreement and the termination of the Trust shall be called the "Trust Term."

(B) Not withstanding Paragraph (A) of this Article FIRST, this Trust agreement may in addition be terminated through revocation.

SECOND: The Co-Trustees shall administer this trust in accordance with the requirements of the Act and, in the exercise of their authority and discretion to manage and control the assets of this Trust, shall not consult or notify any interested party.

THIRD: (A) Each asset listed in the annexed Schedule A is free of any restriction with respect to its transfer or sale, except as fully described in such Schedule A, and none of the assets listed are prohibited by any law or regulation.

(B) During the Trust Term, the interested parties shall not pledge, mortgage, or otherwise encumber their interests in the property held in trust hereunder.

FOURTH: The Co-Trustees shall not knowingly or negligently disclose to the public or to any interested party any information as to the acquisition, retention, or disposition of any particular securities or other Trust property; except that, the Co-Trustees shall promptly notify the Grantor, the U.S. Senate Select Committee on Ethics, and the Secretary of the Senate, Office of Public Records when the holdings of a particular asset transferred to the Trust by any interested party have been completely disposed of or when the value of that asset becomes less than $1,000.

FIFTH: An income tax return for the Trust shall be prepared by the Co-Trustees or their designee, and such return and any information relating thereto (other than the Trust income summarized in appropriate categories necessary to complete an interested party's tax return), shall not be disclosed to the public or to any interested party. To effectuate the provisions of this Article Fifth, the Co-Trustees shall use its best efforts to provide the interested party, promptly after the close of each taxable year of the Trust during the Trust Term, with that information concerning the Trust, including information on income, expenses, capital gains and

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capital losses, which is necessary for the interested party to prepare and file tax returns required by the laws of the United States and the laws of any State, district or political subdivision; provided however, that in no event shall the Co-Trustees disclose publicly or to any interested party any information whatsoever which might identify the securities or other property which comprise the assets of the Trust or identify the securities or other property which have been sold from the assets of the Trust.

SIXTH: An interested party shall not receive any report on the holdings and sources of income of the Trust other than provided by Article FOURTH of this trust; except that the Co-Trustees shall –

(A) Make quarterly reports of the aggregate account market value of such interested party's interest in the Trust,

(B) Report the net income or loss of the Trust and make other reports necessary to enable the interested party to complete an individual tax return required by law (in accordance with Article FIFTH of the Trust), and

(C) Provide an annual report for purposes of section 102(a)(1) and section 102(d)(1) of the Act and Senate Rule 34 of the aggregate amount of the Trust's value and income attributable to the beneficial interest in the Trust of such interested party, categorized in accordance with the provisions of such sections and of such Rule.

SEVENTH: There shall be no direct or indirect communication between an interested party and the Co-Trustees with respect to the Trust unless –

(A) It relates to a request for a distribution from the Trust of cash or other unspecified assets of the trust, or

(B) The communication is in writing and is filed by the person initiating the communication at the office of the U.S. Senate Select Committee on Ethics within five days of the communication, and it relates only –

(1) To the general financial interest and needs of the interested party (including, but not limited to, an interest in maximizing income or long-term capital gain),

(2) To the notification of the Co-Trustees of a law or regulation subsequently applicable to the reporting individual which prohibits

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the interested party from holding an asset, which notification directs that the asset not be held by the Trust, or

(3) To directions to the Co-Trustees to sell all of an asset initially placed in the Trust by an interested party which in the determination of the Grantor creates a conflict of interest or the appearance thereof due to the subsequent assumption of duties by the Grantor (but any such direction is not required).

EIGHTH: The interested parties shall not take any action to obtain, and shall take appropriate action to avoid receiving information with respect to the holdings of, and the sources of income of, the Trust, including obtaining a copy of any Trust tax return filed by the Trustee or any information relating thereto, except for the reports and information specified in Article SIXTH of this Trust.

NINTH: The Co-Trustees shall not knowingly and willfully, or negligently:

(A) Disclose any information to any interested party with respect to this Trust that may not be disclosed pursuant to any provision or requirement of Title I of the Act or this Trust,

(B) Except for the assets initially transferred into this Trust, as set forth in Schedule A, attached, acquire any holding the ownership of which is prohibited by, or not in accordance with the terms of this Trust, including the acceptance of any contribution in cash or in kind to the trust from an individual other than the Grantor,

(C) Solicit advice from any interested party with respect to this Trust, which solicitation is prohibited by any provision or requirement of Title I of the Act or this Trust, or

(D) Fail to file any document required by Title I of the Act.

TENTH: The Grantor shall not knowingly and willfully, or negligently:

(A) Solicit or receive any information with respect to this Trust that may not be disclosed pursuant to any provision or requirement of Title I of the Act or this Trust, or

(B) Fail to file any document required by the Title I of the Act.

ELEVENTH: Subject to such amounts as the Co-Trustees may from time to time reserve for the payment of such income taxes as may be due and payable by the Trust, and for payment of expenses and compensation as provided for in this Trust, during the Trust Term

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the Co-Trustees shall pay to the Grantor, on a regular basis, such proceeds as are agreed by the Grantor and the Co-Trustees to be appropriate.

TWELFTH: In addition to the rights, duties, and powers conferred upon the Co-Trustees by law, the Co-Trustees shall have the following powers, rights, and discretion with respect to any Trust property held by them.

(A) To sell, exchange, or otherwise dispose of the property in such manner and upon such terms as the Co-Trustees in their sole discretion shall deem appropriate;

(B) Except as limited by specific enumeration in this Trust agreement or subsequent notification pursuant to Article SEVENTH, paragraph (B)(2), to invest and reinvest the principal and any undistributed income, in property of any kind;

(C) Except as limited by specific enumeration in this Trust agreement, to participate in any reorganization, consolidation, merger, or dissolution of any corporation having stocks, bonds, or other securities which may be held at any time, to receive and hold any property which may be allocated or distributed to it by reason of participation in any such reorganization, consolidation, merger, or dissolution;

(D) To exercise all conversion; subscription, voting, and other rights of whatsoever nature pertaining to any such property and to grant proxies, discretionary, or otherwise, with respect thereto;

(E) To elect, appoint, and remove directors of any corporation, the stock of which shall constitute Trust property, and to act through its nominee as a director or officer of any such corporation;

(F) Except as limited by specific enumeration in this Trust agreement, to manage, control, operate, convert, reconvert, invest, reinvest, sell, exchange, lease, mortgage, grant a security interest in, pledge, pool, or otherwise encumber and deal with the property of this Trust for Trust purposes and in behalf of the Trust to the same extent and with the same powers that any individual would have with respect to his own property and funds (but such actions may not take into account any interests of an interested party or other individual outside of those interests held by the Trust);

(G) Except as limited by specific enumeration in this Trust agreement, to borrow money from any person or corporation

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(including the Co-Trustees hereunder) and for the purpose of securing the payment thereof, to pledge, mortgage, or otherwise encumber any and all such Trust property for Trust purposes upon such terms, covenants, and conditions as it may deem proper and also to extend the time of payment of any loans or encumbrances which at any time may be encumbrances on any such trust property irrespective of by whom the same were made or where the obligations may or should ultimately be borne on such terms, covenants, and conditions as it may deem proper (but such actions may not take into account any interests of an interested party or other individual outside of those interests held by the Trust);

(H) To register any property belonging to the Trust in the name of its nominee, or to hold the same unregistered, or in such form that title shall pass by delivery;

(I) To abandon, settle, compromise, extend, renew, modify, adjust, or submit to arbitration in whole or in part and without the order or decree of any court any and all claims whether such claims shall increase or decrease the assets held under this Trust agreement;

(J) To determine whether or to what extent receipts should be deemed income or principal, whether or to what extent expenditures should be charged against principal or income, and what other adjustments should be made between principal and income, provided that such adjustments shall not conflict with well-settled rules for the determination of principal and income adjustments, or the Uniform Principal and Income Act, if in effect in the State of Alaska;

(K) To determine whether or not to amortize bonds purchased at a premium;

(L) Except to the extent otherwise expressly provided in this Trust agreement, to make distributions to or at the request of an interested party in kind or in cash or partly in each and for such purposes to fix, insofar as legally permissible, the value of any property;

(M) To pay such persons employed by the Co-Trustees to assist them in the administration of the Trust, including investment counsel, accountants, and those engaged for assistance in preparation of tax returns, such sums as the Co-Trustees deem to be reasonable compensation for the services rendered by such persons. Such persons may rely upon and execute the written

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instructions of the Co-Trustees, and shall not be obliged to inquire into the propriety thereof;

(N) No person may be employed or consulted by the Co-Trustees to assist them in any capacity in the administration of the Trust or the management and control of Trust assets, including investment counsel, investment advisers, accountants, and those engaged for assistance in preparation of tax returns, unless –

(1) if any such employment or consultation is known to any interested party, the person is a signatory to this Trust instrument as a party, subject to the prior approval of the U.S. Senate Select Committee on Ethics,

(2) such person, under all the facts and circumstances, would be determined to be independent of any interested party with respect to the trust arrangement pursuant to the requirements of 102(f)(3)(A)(ii),

(3) such person is instructed by the Co-Trustees to make no disclosure to the public or to any interested party which might identify the securities or other property which comprise the assets of the Trust or identify securities or other property which have been sold from the assets of the Trust, or of any other information which may not be disclosed by the Co-Trustees, and

(4) such person is instructed by the Co-Trustees to have no direct communication with any interested party, and that any indirect communication with an interested party shall be made only through the Co-Trustees pursuant to Article SEVENTH of this Trust;

(5) except as specifically limited in this Trust agreement, to do all such acts, take all such proceedings, and exercise all such rights and privileges, although not otherwise specifically mentioned in this Article TWELFTH, with relation to any such Trust property, as if the Co-Trustees were the absolute owners thereof, and in connection therewith to make, execute, and deliver any instruments and to enter into any covenants or agreements binding the Trust.

THIRTEENTH: The Co-Trustees shall not at any time be held liable for any action taken or not taken or for any loss or depreciation of the value of any property held in the Trust whether due to an error of judgment or otherwise where the Co-Trustees have exercised good faith and ordinary diligence in the exercise of their duties such as would have been exercised by a prudent man.

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FOURTEENTH: The Co-Trustees hereunder shall not be required in any jurisdiction, to furnish any bond or other security, or to obtain the approval of any court before applying, distributing, selling, or otherwise dealing with property.

FIFTEENTH: Except as provided in Article SIXTH of this Trust, the Co-Trustees shall make no accounting to the Grantor until the date of termination of this Trust, and, at such time, it shall be required to make full and proper accounting and turn over to the Grantor all assets of the trust then held by it the said Co-Trustees.

SIXTEENTH: The Co-Trustees shall receive reasonable compensation for services hereunder pursuant to their fee schedules as published from time to time, current copies of which are attached in the annexed Schedule B, or as provided for by the laws of the State of Alaska. The Co-Trustees are authorized to deduct such fees as well as all other expenses and costs of administration, from the funds in their hands.

SEVENTEENTH: Either of the Co-Trustees (and any substitute or successor Trustee) shall have the right, by a duly acknowledged instrument delivered to the Grantor, to resign as a Co-Trustee in which event the Grantor shall designate and appoint a substitute or successor Trustee (subject to the prior written approval of the U.S. Senate Select Committee on Ethics) in his place and stead, which shall have all the rights, powers, discretions, and duties conferred or imposed hereunder upon the original Trustee.

EIGHTEENTH: Any amendment of the terms of the Trust Agreement, including the appointment of a substitute or successor Trustee, shall require the prior written approval of the Committee, upon a showing of necessity and appropriateness unless it is related to the testamentary provisions of this trust. Any such substitute or successor Trustee shall have all the rights, powers, discretions, and duties conferred or imposed hereunder upon the original Trustee.

NINETEEN: The Co-Trustees shall have the right to employ the services of other departments or divisions of the corporate trustee or of any affiliate of the corporate trustee in connection with the performance of its duties hereunder, including, but not limited to, purchasing securities transactions through an affiliated broker and purchasing insurance through an affiliated agency. The Grantor understands that the corporate trustee or its affiliate may have an underwriter's stake in such transaction or may charge fees or commissions for services rendered which include a profit and the Grantor specifically authorizes the corporate trustee to undertake

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such transactions on behalf of the trust estate and to pay such fees for commissions from the trust estate so long as the transactions are on terms and under circumstances comparable to those generally available through nonaffiliated entities. In utilizing the services of affiliates of the corporate trustee, the Co-Trustees shall proactively instruct such affiliates as to the restrictions and obligations regarding disclosure and communications with the Grantor that are imposed upon the affiliates of the corporate trustee by the Act. Any provisions in this paragraph are subject to the requirements of paragraphs 12(M) and 12(N) of this Agreement. In addition, any person or entity employed by the Co-Trustees is subject to the same duties, restrictions, and requirements as the Co-Trustees under the Act.

TWENTIETH: The Grantor recognizes that some persons may be hesitant to serve as Trustee hereunder because of concern about potential liability. Therefore, the Grantor directs that: (i) no Trustee shall incur any liability by reason of any error of judgment, mistake of law, or action of any kind taken or omitted to be taken in connection with the administration of any trust created hereunder if in good faith reasonably believed by such Trustee to be in accordance with the provisions and intent hereof, except for matters involving such Trustee's own willful misconduct t or gross negligence proved by clear and convincing evidence, and (ii) any Trustee shall be fully indemnified by the trust estate against any claim or demand by any trust beneficiary or trust creditor, except for any claim or demand based on such Trustee's own willful misconduct or gross negligence proved by clear and convincing evidence. Expenses incurred by a Trustee in defending any such claim or demand shall be paid by the trust estate in advance of the final disposition of such claim or demand, upon receipt of an undertaking by or on behalf of such Trustee to repay such amount if it shall ultimately be determined that such Trustee is not entitled to be indemnified. Nothing in this paragraph or Agreement shall limit the authority or actions of the Senate Select Committee on Ethics or the Department of Justice, including under Section 102(f)(6)(C) of the Act, or any other provision of the Act, or any other rule, regulation, statute, or law.

TWENTY FIRST: A Co-Trustee shall have the authority: (a) To deal with matters involving the actual or threatened contamination of trust assets, including real estate, oil gas and minerals, collateral for secured loans/mortgages and interests in closely-held entities (sole proprietorships, partnerships, limited liability companies or corporations and any assets owned by such business entities) by

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hazardous substances, or involving compliance with environmental law(s), and

(i) To periodically inspect, monitor and obtain environmental audit assessment reports on any property, as it deems necessary, to determine compliance with any environmental law affecting such property, with all expenses of such inspection, monitoring and reporting to be paid from the income or principal of the trust;

(ii) To respond (or take any other action necessary to prevent, abate or "clean-up") as it shall deem necessary, prior to or after the initiation of enforcement action by any governmental body, to any actual or threatened violation of any environmental law affecting any of such property, the cost of which shall be payable from trust assets;

(iii) To refuse to accept property as a trust asset if it is determined that such property is contaminated by any hazardous substance or that such property is being used or has been used for any substances which could result in liability to the trust or otherwise impair the value of trust assets;

(iv) To decline to foreclose on any real estate secured loan or mortgage in the event the collateral is found to be contaminated by hazardous materials;

(v) To settle or compromise at any time any claim against this trust related to any such matter asserted by any governmental body or private party;

(vi) To decline to serve as a Co-Trustee or, having undertaken to serve, resign at any time it believes there is or may be a conflict between it in its fiduciary capacity and in its individual capacity because of potential claims or liabilities which might be asserted against this trust because of the type or condition of trust assets.

(b) A Co-Trustee shall not be liable to any beneficiary or other party interested in this trust, or to any third parties, for any claim against this trust for the diminution in value of trust property resulting from such matters, including any reporting of or response to (1) the contamination of trust property by hazardous substances, or (2) violations of environmental laws related to the trust; provided that the Co-Trustee shall not be excused from liability for its own negligence or wrongful or willful acts;

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(c) When used in the document the term "hazardous substance(s)" shall mean any substance defined as hazardous or toxic or otherwise regulated by any federal, state or local law(s), rule(s) or regulation(s) relating to the protection of the environment or human health ("environmental law(s)").

(d) The Grantor, on behalf of himself and his successors, heirs and assigns, hereby indemnifies and holds harmless the Co-Trustees from and against any and all claims, liabilities, penalties and costs, including attorneys' fees, arising from any claim, demand, order or other action related in any way to (1) the actual or threatened contamination of trust property by any hazardous substance(s), or (2) the generation, use, treatment, storage, disposal, release (actual or threatened) or discharge on or from trust property or in connection with operations conducted on trust property of any hazardous substances in violation of any environmental law(s).

TWENTY SECOND: The Co-Trustees are authorized (but not directed) to acquire and retain investments not regarded as traditional for trusts, including investments in real property, improved or unimproved, and including investments that would be forbidden or would be regarded as imprudent, improper, or unlawful by the "Prudent Person" rule, "Uniform Prudent Investor Act," or any other rule or law which restricts the capacity of the fiduciaries to make investments." In addition to the investment powers conferred above, the Co-Trustees are authorized (but are not directed) to acquire and retain investments not regarded as traditional for trusts, including investments that would be forbidden or would be regarded as imprudent, improper or unlawful by the "prudent person" rule, "Uniform Prudent Investor Act," or any other rule or law which restricts a fiduciary's capacity to make investments. The Co-Trustees in the exercise of their sole and absolute discretion, may invest in any type of property, wherever located, including any type of security or option, improved or unimproved real property, a closely held business, including any limited liability corporation, and tangible or intangible personal property, and in any manner, including direct purchase, joint ventures, partnerships, limited partnerships, limited liability companies, corporations, mutual funds, business trusts or any other form of participation or ownership whatsoever. In making investments, the Co-Trustees may disregard any or all of the following factors:

(a) Whether a particular investment, or the trust investments collectively, will produce a reasonable rate of return or result in the preservation of principal.

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(b) Whether the acquisition or retention of a particular investment or the trust investments collectively are consistent with any duty of impartiality as to the different beneficiaries. The Grantor intends that no such duty shall exist, and hereby waive any such duty which otherwise would exist.

(c) Whether the trust is diversified. The Grantor intends that no duty to diversify shall exist, and hereby waive any such duty which otherwise would exist.

(d) Whether any or all of the trust investments would traditionally be classified as too risky or speculative for trusts. The entire trust may be so invested. The Grantor intends the Co-Trustees to have sole and absolute discretion in determining what constitutes acceptable risk and what constitutes proper investment strategy.

The Grantor's purpose in granting the foregoing authority is to modify the "prudent person" rule, "Uniform Prudent Investor Act," or any other rule or law which restricts a fiduciary's ability to invest insofar as any such rule or law would prohibit an investment or investments because of one or more factors listed above, or any other factor relating to the nature of the investment itself. The Grantor does this because the Grantor believes it is in the best interests of the beneficiaries of the trust created hereunder to give the Co-Trustees broad discretion in managing the assets of the trusts created hereunder. Accordingly, the Co-Trustees shall not be liable for any loss in value of an investment merely because of the nature of the investment or the degree of risk presented by the investment.

The term "interested party" as used in this Trust means the Grantor, his spouse, any minor or dependent child, and their representatives.

The validity, construction and administration of this Trust shall be governed by the Act (and regulations there under) and the laws of the State of Alaska.

Dated this 3rd Day of December, 2004

Theodore H. Stevens
Grantor

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The above Trust is accepted this 6th day of December, 2004.

Co-Trustee

By: Maribeth Conway

Vice President, Regional Trust Manager
Title

By: Patrick Beattie
Co-Trustee,

J. Patrick Beattie

DISTRICT of COLUMBIA)
) ss.
)

This is to certify that on this, the 3rd day of DECEMBER of before me, the undersigned, a notary public in and for DISTRICT of COLUMBIA, duly commissioned and sworn as such, personally appeared Hon. Theodore F. Stevens, who, being duly sworn, stated that he is the Grantor of the foregoing instrument and that he executed the foregoing instrument as Grantor of said Trust by authority of the Trust Agreement and by his free and voluntary act and deed for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 3rd day of December, 2004.

Notary Public in and for DC
My commission expires: 31 Jan 2009

NOTARY PUBLIC
DISTRICT OF COLUMBIA

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

This is to certify that on this, the 6th day of December 2004 before me, the undersigned, a notary public in and for the State of Alaska, duly commissioned and sworn as such, personally appeared Maribeth Conway, who, being duly sworn, stated that she is the Vice President and Regional Trust Manager of Wells Fargo Alaska Trust Company, N.A., a national association, and that she executed the foregoing instrument on

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behalf of said corporation as the free act and deed of said corporation by authority of a resolution of its Board of Directors or by virtue of its Bylaws for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 10th day of December, 2004.

Diana R. Jordan
Notary Public in and for Alaska
My commission expires: 9.25.08

DIANA R. JORDAN
My Commission Expires
NOTARY PUBLIC
September 25, 2008
STATE OF ALASKA

STATE OF California)
) ss.
COUNTY OF Riverside)

This is to certify that on this, the 8th day of December 04, before me, the undersigned, a notary public in and for the State of California, duly commissioned and sworn as such, personally appeared J. Patrick Beattie, who, being duly sworn, stated that he is the Co-Trustee of the foregoing instrument and that he executed the foregoing instrument as Co-Trustee of said Trust by authority of the Trust Agreement and by his free and voluntary act and deed for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 8th day of December, 2004.

Katherine Del Rio
Notary Public in and for California
My commission expires: June 27th 2008

KATHERINE DEL RIO
Commission # 1497033
Notary Public - California
San Bernardino County
My Comm. Expires Jun 27, 2008

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SCHEDULE A
Trust Agreement of Senator Ted Stevens

ASSETS TO BE PLACED IN TRUST:

1) Cash. Value: $250,001 - $500,000.

2) Unsecured note receivable. The amount owed on the note is amortized over 5 years at 8 per cent interest. Payments are made quarterly. Value: $500,001 - $1,000,000.

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SCHEDULE B
Trust Agreement of Senator Ted Stevens

TRUSTEE FEES

1) Fees charged by co-trustee Wells Fargo.

2) Fees charged by co-trustee J Patrick Beattie.

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Fee Schedule

Revocable & Irrevocable Trusts

WELLS FARGO

Personal Trusts are agreements under which Wells Fargo acts as Trustee for the benefit of specified beneficiaries.

Standard Annual Fees
(Based on Periodic Market Value of Assets)

Individual Securities / Non-Wells Fargo Mutual Funds / Diversified Investment Funds

Comprised of the market value charge for administration, the portfolio management process and investment management.

Market Value Account Charge

1.20%	on the first	$1,000,000
0.70%	on the next	$1,000,000
0.60%	on the next	$3,000,000
0.50%	on the balance over	$5,000,000

Wells Fargo Mutual Funds/ "Multi-Strategy Trusts" Diversified Investment Funds

Comprised of the market value charge for administration and portfolio management.

0.65%	on the first	$1,000,000
0.40%	on the next	$1,000,000
0.35%	on the next	$3,000,000
0.30%	on the balance over	$5,000,000

Where Wells Fargo or an affiliate receives investment management or investment advisory fees at the fund level, the account will not be charged similar fees at the account level.

Minimum Annual Fees $3,500

A $2,000 minimum fee applies to accounts invested more than 50% in Wells Fargo Mutual Funds. Applicable minimum fees will be determined annually.

Note: This Schedule may be revised from time to time. To ensure that these rates are current, please contact any of our account officers.

Additional Information

- *The Standard annual fee will be increased by .25% on the first $1 million when Wells Fargo acts as co-trustee, or shares management/investment authority with the client or a third party.*
- *Brokerage commissions on trades are charged to the account.*
- *Fees for services including tax services, real estate management, loans, closely held assets, oil, gas, mineral management, and payroll processing are quoted in separate fee schedules.*
- *Wells Fargo retains the right to charge special fees for extraordinary services not covered in our regular fee schedule. These services will be charged at $150/hour. An additional fee of 1.0% is applicable where Wells Fargo provides estate settlement services.*
- *Account termination fees may be charged based on time and complexity with a minimum of $1,000.*
- *A special fee of .50% will be charged on the value of alternative financial instruments such as collars, options, exchange funds, etc., for the due diligence and placement.*
- *Wells Fargo and/or its affiliates may provide services to certain mutual funds and may receive compensation for these services as set forth in the prospectus applicable to the Fund.*
- *Wells Fargo manages "Multi-Strategy Trusts" Diversified Investment Funds which invest in hedge fund strategies. There is a Fund level management fee of 1.00% paid to Wells Fargo on these Funds in addition to the account level fee disclosed on this Schedule.*
- *Wells Fargo generally collects fees according to the following guidelines unless other written arrangements are made between the client and Wells Fargo:*
  - *Fees are collected monthly. We reserve the right to change the frequency of the fees charged.*
  - *Monthly fees are taken for the prior month; i.e., a fee taken in September will be for the period August 1 through August 31.*

PRIVATE | CLIENT | SERVICES

J. PATRICK BEATTIE
10700 PROSPECT DRIVE
ANCHORAGE, AK. 99507-6495

June 22, 2004

Senator Ted Stevens
4409 "W" Street NW
Washington, D.C. 20007

Dear Senator Stevens:

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You are in the process of establishing a blind trust in order to insulate your assets from yourself and avoid any perception of conflicts with regard to your investments and your job as a Senator in the United States Senate. In that regard you have asked me to consider being a co-trustee with the Wells Fargo Alaska Trust Company (Wells Fargo) in order to assist in the investment of your assets that will be placed in the trust. I am happy to perform such a function.

My fee for this service will be based on an hourly rate, and will be based solely on the hours spent working with the bank trustee on the handling of your investments. My hourly rate for this work will be $85.00. Invoices for this work will be submitted directly to Wells Fargo. If you have any concerns regarding this fee arrangement, please call me to discuss.

Warm regards,

J. PATRICK BEATTIE

Cc: Maribeth Conway
Regional Trust Manager
Wells Fargo Alaska Trust Company

CERTIFICATION OF INDEPENDENCE OF CO-TRUSTEE OF QUALIFIED BLIND TRUST

Trust Name: Hon. Theodore F. Stevens Blind Trust Agreement

With respect to the Trust of the Hon. Theodore F. Stevens (Grantor), which has been submitted to the Select Committee on Ethics of the United States Senate for approval as a blind trust pursuant to section 102(f) of the Ethics in Government Act of 1978, as amended ["the Act"], the undersigned proposed Co-Trustee of such trust, or the person in addition to the Co-Trustee who is designated in the trust instrument as an investment adviser, or an officer or employee of the undersigned, is eligible to serve in such a capacity in accordance with section 102(f)(3)(A) of the Act:

1. The undersigned is:
   ( ) a financial institution;
   ( ) an attorney;
   (✓) a certified public accountant;
   ( ) a broker under the definition set forth in section 3(a)(4) of the Securities and Exchange Act of 1934 (15 U.S.C. 78c(a)(4)); or
   ( ) an investment advisor who, other than with respect to his or her involvement with this trust, is generally involved in his or her role as such an advisor in the management or control of trusts.

2. The undersigned and any officer or employee of the undersigned person or entity who is involved in or who will be involved in the management or control of the trust:

   (a) is independent of and not associated with any interested party so that the trustee or other person cannot be controlled or influenced in the administration of the trust by any interested party (an "interested party" as defined in section 102(f)(3)(E) of the Act);

   (b) is not and has not been an employee of or affiliated with any interested party and is not a partner of, or involved in any joint venture or other investment with, any interested party; and

   (c) is not a relative of any interested party (a "relative" as defined in section 109(16) of the Act).

The undersigned certifies that the statements contained herein are true, complete, and correct to the best of his or her knowledge and belief.

Certified by [signature] Date: 7/12/04

Name of Co-Trustee J. Parrick Beattie

Address 10700 Prospect Drive, Anchorage, AK 99515

FBI - Stevens 5423

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CERTIFICATION OF INDEPENDENCE
OF CO-TRUSTEE OF QUALIFIED BLIND TRUST

Trust Name: Hon. Theodore F. Stevens Blind Trust Agreement

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1. The undersigned is:
   (✓) a financial institution;
   ( ) an attorney;
   ( ) a certified public accountant;
   ( ) a broker under the definition set forth in section 3(a)(4) of the Securities and Exchange Act of 1934 (15 U.S.C. 78c(a)(4)); or
   ( ) an investment advisor who, other than with respect to his or her involvement with this trust, is generally involved in his or her role as such an advisor in the management or control of trusts.

2. The undersigned and any officer or employee of the undersigned person or entity who is involved in or who will be involved in the management or control of the trust:

   (a) is independent of and not associated with any interested party so that the trustee or other person cannot be controlled or influenced in the administration of the trust by any interested party (an "interested party" as defined in section 102(f)(3)(E) of the Act);

   (b) is not and has not been an employee of or affiliated with any interested party and is not a partner of, or involved in any joint venture or other investment with, any interested party; and

   (c) is not a relative of any interested party (a "relative" as defined in section 109(16) of the Act).

The undersigned certifies that the statements contained herein are true, complete, and correct to the best of his or her knowledge and belief.

WELLS FARGO ALASKA
TRUST COMPANY N.A.
BY MARJBETH CONWAY VP7
REGIONAL TRUST MANAGER

Certified by MConway Date: 7/9/04

Name of Co-Trustee Wells Fargo Alaska Trust Company, NA

Address PO Box 196127 Anchorage Alaska 99519-6127

FBI - Stevens-5424

TED STEVENS, ALASKA, CHAIRMAN

THAD COCHRAN, MISSISSIPPI
ARLEN SPECTER, PENNSYLVANIA
PETE V. DOMENICI, NEW MEXICO
CHRISTOPHER S. BOND, MISSOURI
MITCH McCONNELL, KENTUCKY
CONRAD BURNS, MONTANA
RICHARD C. SHELBY, ALABAMA
JUDD GREGG, NEW HAMPSHIRE
ROBERT F. BENNETT, UTAH
BEN NIGHTHORSE CAMPBELL, COLORADO
LARRY CRAIG, IDAHO
KAY BAILEY HUTCHISON, TEXAS
MIKE DEWINE, OHIO
SAM BROWNBACK, KANSAS

ROBERT C. BYRD, WEST VIRGINIA
DANIEL K. INOUYE, HAWAII
ERNEST F. HOLLINGS, SOUTH CAROLINA
PATRICK J. LEAHY, VERMONT
TOM HARKIN, IOWA
BARBARA A. MIKULSKI, MARYLAND
HARRY REID, NEVADA
HERB KOHL, WISCONSIN
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BYRON L. DORGAN, NORTH DAKOTA
DIANNE FEINSTEIN, CALIFORNIA
RICHARD J. DURBIN, ILLINOIS
TIM JOHNSON, SOUTH DAKOTA
MARY L. LANDRIEU, LOUISIANA

JAMES W. MORHARD, STAFF DIRECTOR
TERRENCE E. SAUVAIN, MINORITY STAFF DIRECTOR

United States Senate

COMMITTEE ON APPROPRIATIONS
WASHINGTON, DC 20510-6025
www.senate.gov/~appropriations

June 28, 2004

Chairman George V. Voinovich
Vice Chairman Harry Reid
Select Committee on Ethics
United States Senate
Washington, D. C. 20510.

Re: Co-Trustees of the Ted Stevens Qualified Blind Trust

Dear Mr. Chairman and Vice Chairman:

As you may know, I have determined that I should place a number of my personal financial investments into a qualified blind trust. In making this determination, I have concluded that seeking the participation of two independent trustees would serve my interests in administering the qualified blind trust. The two trustees will be independent of me and my family and will serve with shared and equal responsibilities for the management of the trust and its assets.

In that context, I have selected Wells Fargo Alaska Trust Company, N.A. and J. Patrick Beattie, both of Anchorage, Alaska, to serve as the Co-Trustees of the qualified blind trust. Wells Fargo Alaska Trust Company, N.A. is a large investment and trust management company with a number of years of experience as a professional fiduciary. Wells Fargo Alaska Trust Company, N.A. will be represented in this matter by Ms. Maribeth Conway, the Vice President and Regional Trust Manager for Wells Fargo Alaska Trust Company, N.A. The other Co-Trustee will be Mr. J. Patrick Beattie, a Certified Public Accountant and the now-retired head of the Anchorage office of KPMG, one of the nation's largest public accounting firms. Both Co-Trustees have agreed to serve and their service will be compensated.

Both Co-Trustees are independent of me and my family and are independent of each other as well. While they will serve jointly in the administration of the trust, they are otherwise independent of each other for purposes of the application of the Ethics in Government Act to qualified blind trust fiduciaries.

With best wishes,

Cordially,

TED STEVENS

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Amendment for

Senator Stevens

2004 Calendar Year

00000162482

Reporting Individual's Name: Theodore (Ted) F. Stevens

Amendment

PART IV. TRANSACTIONS

Page Number

Report any purchase, sale, or exchange by you, your spouse, or dependent child (See p.3 CONTENTS OF REPORTS Part B of Instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.

	S, Example: DC, or J	Identification of Assets	Transaction Type (x): Purchase	Sale	Exchange	Transaction Date (Mo., Day, Yr.)	Amount of Transaction (x): $1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
		IBM Corp. (stock) NYSE	X			2/1/0X		X			E	X	A	M	P	L	E
		(DC) Microsoft (stock) NASDAQ/OTC		X		1/27/0X				X	E	X	A	M	P	L	E
1		JLS Properties, LLC Anchorage AK (Sale of ownership interest)		X		6/15/04	*$288,000										
2		Jillian Square Apartments, Fairbanks, AK (Sale of interest)		X		6/15/04	*$166,000										
3		Centerpoint I, LLC (Office building at 3900 C Street) Anchorage, AK (Sale of interest)		X		6/15/04	*$219,000										
4		Centerpoint II, LLC (Undeveloped land Centerpoint subdivision) Anchorage, AK (Sale of interest)		X		6/15/04	*$227,000										
5		Grantsville Development Co. (subdivision development in Grantsville, UT) (sale of interest)		X		12/28/04	*$150,000										
6		Centerpoint Financial- land - Anchorage, AK (Non-taxable distribution from Centerpoint II)	X			1/1/04				X							
7		Centerpoint Financial (Sale of interest)		X		1/1/04	*$138,000										
8		Alaska's Great Eagle As Well, LLC Girdwood, AK Investment group formed to purchase horses	X			3/25/04	X										
9		Alaska's Great Eagle LLC - Liquidation ($436.00 received)				12/31/04											
10	S	Vangurad U.S. Growth; Franklin Small-Mid Cap Growth; Putnam International Equity			X				X								
11	S	State Street Research Emerging; Fidelity Advi. Diversified Int.; TCW Galileo Select Equities Fund			X				X								
12		IRA w/KeyTrust Co. N.A. as Custodian (see attachment 7				*actual amounts rounded to nearest $1,000.											

05 MAY 26 PM 2:13 SECRETARY OF THE SENATE

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right.

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

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Reporting Individual's Name: Theodore (Ted) F. Stevens

PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Page Number

BLOCK A — Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state and description) of each interest held by you, your spouse, or your dependent child (See p.3, CONTENTS OF REPORTS Part B of Instructions) for the production of income or investment in a non-public trade or business which:
(1) had a value exceeding $1,000 at the close of the reporting period; and/or
(2) generated over $200 in "unearned" income during the reporting period.
Include the above report for each underlying asset, which is not incidental to the trade or business. Publicly traded assets held by non-public entity may be listed on Part IIIA.

BLOCK B — Valuation of Assets

At the close of reporting period. If None, or less than $1,001, Check the first column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

	S, DC, or J	Asset	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required if "Other" Specified
Example:		JP Computer, Wash DC				X									X							Example		X										Example
		Undeveloped land, Dubuque, Iowa					X															Example	X											Example
1		JLS Properites, LLC (land & buildings -see attachment 3) Anchorage, AK Sold in 2004	O															X				Limited Liability Co.								X				(392)
2		Jillian Square Apartments, LLC, Anchorage, AK Apartment complex in Fairbanks, AK Sold in 2004	O															X				Limited Liability Co.								X				4,804
3		Centerpoint I, LLC (Office building at 3900 C Street) Anchorage, AK Sold in 2004	O															X				Limited Liability Co.								X				2,439
4		Centerpoint II, LLC (undeveloped land Centerpoint subdivision - Eureka at 40th) Anchorage, AK Sold in 2004	O															X				Limited Liability Co.								X				33,666
5		Promissory Note for sale of JLS, Jillian Square, Centerpoint I, Centerpoint II -Transferred to Trust 2004	O														X										X							
6		Centerpoint Financial (office building under construction) Anchorage, AK Sold in 2004	O															X												X				
7																																		
8		Grantsville Development Co. (subdivision development in Grantsville, Ut) Anchorage, AK Sold in 2004	O																			Limited Liability Co.												60,012
9																																		
10																																		

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

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Reporting Individual's Name: Theodore (Ted) F. Stevens

PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Page Number

BLOCK A — Identity of Publicly Traded Assets And Unearned Income Sources

Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child, *(See p.3, CONTENTS OF REPORTS Part B of Instructions)* for production of income or investment which:
(1) had a value exceeding $1,000 at the close of the reporting period; and/or
(2) generated over $200 in "unearned" income during the reporting period.
Include on this PART IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.

BLOCK B — Valuation of Assets

At the close of reporting period. If None, or less than $1,001, Check the first column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

	S, DC, or J	Asset	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required if "Other" Specified
Example:	S, DC, or J	*IBM Corp. (stock)*				X									X							*Example*		X										*Example*
		(S) Keystone Fund					X										X		X			*Example*	X											*Example*
1	J	U.S. Senate Federal Credit Union Washington, D.C.						X									X									X								
2	J	Salomon Smith Barney Washington D.C. money market		X											X		X						X											
3	S	Salomon Smith Barney (IRA TRAKNAV investment program invested in 7 publicly traded Smith Barney Funds- see attachment 1) Washington, D.C.			X														X					X										
4	J	Riggs Bank Washington, D.C. (money market)			X												X						X											
5	J	Wells Fargo Bank Anchorage, AK (checking acct.)		X													X						X											
6	S	CSFB, LLC San Francisco, CA (money market)				X									X										X									
7	S	Mayer, Brown, Rowe & Maw Chicago, IL 401(k) funds invested in Vanguard U.S. Growth; Scudder Equity 500 Index; Franklin Small-Mid Cap Growth; (continued below)				X													X							X								
8		Putnam International Growth; State Street Research Emerging, Fidelity Adv. Diversified Int, TCW Galileo Select Equities Fund - see attachment 2																																
9		IRA w/KeyTrust Co. N.A. as Custodian. (See attachment 6)					X								X			X								X								
10																																		

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Attachment 6 to Part IIIA,
2004 Disclosure Report
Ted Stevens

SECRETARY OF THE SENATE
05 MAY 26 PM 2:14

Investments Held in Ted Stevens' Key Trust IRA Account at year end or which generated income of more than $200 during year

Description	Quantity of Shares	Market value	Type of Income	Amount of Income
COOPER INDUSTRIES L TO FGN COM CL A	20.00	$1001 - $15000	Dividends	None or less than $201
UBS AG FGN COM	20.00	$1001 - $15000		None or less than $201
ACTIVISION INC NEW	77.00	$1001 - $15000	Capital Gains	$201-$1000
ALTRIA GROUP INC	50.00	$1001 - $15000		None or less than $201
AMERICA MOVIL S A DE C V SPONS ADR SER L	65.00	$1001 - $15000		None or less than $201
ARMOR HOLDINGS INC	55.00	$1001 - $15000		None or less than $201
AVID TECHNOLOGY INC	35.00	$1001 - $15000		None or less than $201
AVOCENT CORP	70.00	$1001 - $15000		None or less than $201
BROCADE COMMUNICATIONS SYS INC	435.00	$1001 - $15000		None or less than $201
CAPITAL ONE FINANCIAL CORP	20.00	$1001 - $15000	Dividends Capital Gains	$201-$1000
COMVERSE TECHNOLOGY INC	140.00	$1001 - $15000		None or less than $201
CONSTELLATION BRANDS INC COM CL A	80.00	$1001 - $15000		None or less than $201
COOPER COS INC	45.00	$1001 - $15000	Capital Gains	$201-$1000
WALT DISNEY CO	85.00	$1001 - $15000		None or less than $201

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ELAN PLC	120.00	$1001 - $15000	Capital Gains	$201-$1000
ADR				
EPICOR SOFTWARE CORP	190.00	$1,001 - $15,000		None or less than $201
GILEAD SCIENCES INC	95.00	$1001 - $15000		None or less than $201
GOLDMAN SACHS GROUP INC	30.00	$1001 - $15000		None or less than $201
GOOGLE INC	25.00	$1001 - $15000		None or less than $201
COM CL A				
INTEL CORP	100.00	$1001 - $15000	Dividend	None or less than $201
L-3 COMMUNICATIONS CORPORATION	35.00	$1001 - $15000	Dividend	None or less than $201
MGM MIRAGE	40.00	$1001 - $15000	Dividend	None or less than $201
MCAFEE INC	80.00	$1001 - $15000		None or less than $201
MCDONALDS CORP	115.00	$1001 - $15000	Dividend	None or less than $201
MICROSOFT CORP	60.00	$1001 - $15000		None or less than $201
OPENWAVE SYSTEMS INC	235.00	$1001 - $15000		None or less than $201
PHARMION CORP	35.00	$1001 - $15000		None or less than $201
RESEARCH IN MOTION L TO	15.00	$1001 - $15000	Capital Gains	$201-$1000
FGN COM				
SANOFI-AVENTIS	60.00	$1001 - $15000		None or less than $201
SPONS ADR				
SATYAM COMPUTER SERVICES LTD	80.00	$1001 - $15000		None or less than $201
SPONS ADR				
SHANDA INTERATIVE ENTMT LTD	60.00	$1001 - $15000		None or less than $201
SPONS ADR				
STATION CASINOS INC	55.00	$1001 - $15000	Dividends	None or less than $201

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SYNAPTICS INC	50.00	$1001 - $15000		None or less than $201
TARGET CORP	65.00	$1001 - $15000	Dividends	None or less than $201
UNITED TECHNOLOGIES CORP	25.00	$1001 - $15000		None or less than $201
URBAN OUTFITTERS INC	25.00	$1001 - $15000	Capital Gains	$201-$100
VERISIGN INC	50.00	$1001 - $15000	Capital Gains	$201-$100
WILLIAMS COS INC DEL	195.00	$1001 - $15000	Dividend	None or less than $201
WYETH	70.00	$1001 - $15000	Dividend	None or less than $201
XM SATELLITE RADIO HLDGS INC COM CL A	35.00	$1001-$15000	Capital Gains	$201-$1000
XTO ENERGY INC	58.00	$1001-$15000	Dividend Capital Gains	$201-$1000
AIM Short Term Investment Prime Money Market Account		$1001-$15000	Dividend	None or less than $201
K-Mart Holding Corp	0	0	Capital Gains	$201-$1000
Palmone Inc	0	0	Capital Gains	$1001-$2500
Martek Biosciences Corp.	0	0	Capital Gains	$201-$1000
Nextel Communications Inc	0	0	Capital Gains	$1001-$2500
Terex Corp New	0	0	Capital Gains	$201-$1000
Occidental Pete. Corp Del	0	0	Dividends Capital Gains	$201-$1000
Southwestern Energy Co	O	O	Capital Gains	$1001-$2500
Varian Medical Systems Inc	0	0	Capital Gains	$201-$1000
NetFlix Com Inc	0	0	Capital Gains	$1001-$2500
Foundry Networks Inc	0	0	Capital Gains	$1001-$2500
New York Community Bancorp, Inc	0	0	Capital Gains	$201-$1000
Cisco Systems Inc	0	0	Capital Gains	$1001 - $2500

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AU Optronics Corp	0	0	Capital Gains	$201-$1000
Advanced Auto Parts Inc	0	0	Capital Gains	$201-$1000
Invitrogen Corp	0	0	Capital Gains	$201-$1000
Amedisys Inc	0	0	Capital Gains	$201-$1000
Net Total for Account		*$110,000	Dividends Capital Gains	$5001 to $15,000

Notes: This account is managed by a broker, not the account holder. Assets with "0" value were sold during the year. Disclosure lists only those investments held at year end or which resulted in income of more than $200 in 2004. Investment losses are not disclosed.

*Actual value rounded to the nearest $1,000.

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Attachment 7 to Part IV
2004 Disclosure Report
Ted Stevens

SECRETARY OF THE SENATE
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Transactions in Ted Stevens' Key Trust Co
IRA Account

Date	Description	Amount
01/07	CITIGROUP INC	
	PURCHASE 35 SHS	$1,001 - $15,000
01/07	NETFLIX.COM INC	
	SALE 50 SHS	$1,001 - $15,000
01/08	CITIGROUP INC	
	PURCHASE 35 SHS	$1,001 - $15,000
01/09	NEW YORK COMMUNITY BANCORP INC	
	SALE 30 SHS	$1,001 - $15,000
01/13	ANDREW CORP	
	PURCHASE 135 SHS	$1,001 - $15,000
01/14	UTSTARCOM INC	
	SALE 95 SHS	$1,001 - $15,000
01/16	TEREX CORP NEW	
	PURCHASE 50 SHS	$1,001 - $15,000
01/26	MERRILL LYNCH & CO INC	
	SALE 25 SHS	$1,001 - $15,000
01/26	PHELPS DODGE CORP	
	PURCHASE 15 SHS	$1,001 - $15,000
01/27	AMR CORP	
	PURCHASE 120 SHS	$1,001 - $15,000
02/04	YELLOW ROADWAY CORP	
	SALE 40 SHS	$1,001 - $15,000
02/11	ACTIVISION INC NEW	
	PURCHASE 60 SHS	$1,001 - $15,000
02/13	AVAYA INC	
	PURCHASE 95 SHS	$1,001 - $15,000
02/13	CISCO SYS INC	
	SALE 125 SHS	$1,001 - $15,000
02/13	SANDISK CORP	
	SALE 25 SHS	$1,001 - $15,000

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02/13	ULTRATECHINC	
	SALE 85 SHS	$1,001 - $15,000
02/13	VARIAN MEDICAL SYSTEMS INC	
	SALE 15 SHS	$1,001 - $15,000
02/13	WEBEX COMMUNICATIONS INC	
	PURCHASE 45 SHS	$1,001 - $15,000
02/17	MILLIPORE CORP	
	PURCHASE 20 SHS	$1,001 - $15,000
02/24	AMR CORP	
	PURCHASE 70 SHS	$1,001 - $15,000
02/24	ELAN PLC	
	PURCHASE 185 SHS	$1,001 - $15,000
03/01	CONSTELLATION BRANDS INC	
	SALE 105 SHS	$1,001 - $15,000
03/03	ROCKWELL AUTOMATION INC	
	SALE 75 SHS	$1,001 - $15,000
03/04	OCCIDENTAL PETE CORP DEL	
	PURCHASE 40 SHS	$1,001 - $15,000
03/09	XM SATELLITE RADIO HLDGS INC	
	PURCHASE 65 SHS	$1,001 - $15,000
03/23	AMR CORP	
	SALE 100 SHS	$1,001 - $15,000
03/25	FOOT LOCKER INC	
	PURCHASE 50 SHS	$1,001 - $15,000
03/30	MERIX CORP	
	SALE 70 SHS	$1,001 - $15,000
04/07	ALVARION LTD	
	PURCHASE 90 SHS	$1,001 - $15,000
04/07	AU OPTRONICS CORP	
	SALE 60 SHS	$1,001 - $15,000
04/07	PALMONE INC	
	PURCHASE 75 SHS	$1,001 - $15,000
04/07	SYBASE INC	
	SALE 60 SHS	$1,001 - $15,000

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04/07	URBAN OUTFITIERS INC	
	SALE 25 SHS	$1,001 - $15,000
04/08	AU OPTRONICS CORP	
	SALE 50 SHS	$1,001 - $15,000
04/14	PHARMACEUTICAL RESOURCES INC	
	SALE 20 SHS	$1,001 - $15,000
04/19	GRAFTECH INTERNATIONAL LTD	
	SALE 70 SHS	$1,001 - $15,000
04/19	GUIDANT CORP	
	PURCHASE 20 SHS	$1,001 - $15,000
04/19	MILLIPORE CORP	
	PURCHASE 25 SHS	$1,001 - $15,000
04/19	PHELPS DODGE CORP	
	SALE 25 SHS	$1,001 - $15,000
04/21	SECURE COMPUTING CORP	
	SALE 115 SHS	$1,001 - $15,000
04/26	MOTOROLA INC	
	PURCHASE 165 SHS	$1,001 - $15,000
04/26	WEBEX COMMUNICATIONS INC	
	SALE 70 SHS	$1,001 - $15,000
05/04	L-3 COMMUNICATIONS CORPORATION	
	PURCHASE 20 SHS	$1,001 - $15,000
05/05	INFOSPACE INC	
	SALE 35 SHS	$1,001 - $15,000
05/12	CHECK POINT SOFTWARE TECH LTD	
	PURCHASE 95 SHS	$1,001 - $15,000
05/13	CATERPILLAR INC DEL	
	SALE 30 SHS	$1,001 - $15,000
05/14	CATERPILLAR INC DEL	
	SALE 15 SHS	$1,001 - $15,000
05/18	AMERICAN INTL GROUP INC	
	PURCHASE 45 SHS	$1,001 - $15,000
05/20	FIRST DATA CORP	
	PURCHASE 50 SHS	$1,001 - $15,000

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06/02	GENENTECH INC	
	PURCHASE 35 SHS	$1,001 - $15,000
06/02	GUIDANT CORP	
	SALE 45 SHS	$1,001 - $15,000
06/02	GUIDANT CORP	
	SALE 30 SHS	$1,001 - $15,000
06/02	SEPRACOR INC	
	PURCHASE 35 SHS	$1,001 - $15,000
06/04	AMEDISYS INC	
	PURCHASE 45 SHS	$1,001 - $15,000
06/04	DAVITA INC	
	PURCHASE 25 SHS	$1,001 - $15,000
06/04	KMART HOLDING CORP	
	PURCHASE 20 SHS	$1,001 - $15,000
06/10	UBS AG	
	PURCHASE 30 SHS	$1,001 - $15,000
06/10	CITIGROUP INC	
	SALE 70 SHS	$1,001 - $15,000
06/22	ACCENTURE LTD	
	PURCHASE 70 SHS	$1,001 - $15,000
07/02	COOPER INDUSTRIES LTD	
	PURCHASE 20 SHS	$1,001 - $15,000
07/02	ELAN PLC	
	SALE 60 SHS	$1,001 - $15,000
07/02	INTERNATIONAL STEEL GROUP INC	
	SALE 55 SHS	$1,001 - $15,000
07/02	MANPOWER INC	
	PURCHASE 35 SHS	$1,001 - $15,000
07/02	MICROSOFT CORP	
	PURCHASE 60 SHS	$1,001 - $15,000
07/02	XTO ENERGY I	
	SALE 60 SHS	$1,001 - $15,000
07/29	CHECK POINT SOFTWARE TECH I TO	
	SALE 95 SHS	$1,001 - $15,000

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07/29	ANDREW CORP	
	SALE 150 SHS	$1,001 - $15,000
07/30	PACCAR INC	
	PURCHASE 35 SHS	$1,001 - $15,000
07/30	SCHERING PLOUGH CORP	
	PURCHASE 90 SHS	$1,001 - $15,000
08/13	HARLEY DAVIDSON INC	
	PURCHASE 35 SHS	$1,001 - $15,000
08/16	AVAYA INC	
	SALE 85 SHS	$1,001 - $15,000
08/18	UNITED HEALTH GROUP INC	
	PURCHASE 40 SHS	$1,001 - $15,000
08/19	PALMONE INC	
	SALE 30 SHS	$1,001 - $15,000
08/19	RESEARCH IN MOTION LTD	
	PURCHASE 35 SHS	$1,001 - $15,000
08/19	TARGET CORP	
	PURCHASE 55 SHS	$1,001 - $15,000
08/20	PALMONE INC	
	SALE 30 SHS	$1,001 - $15,000
08/31	MGM MIRAGE	
	PURCHASE 25 SHS	$1,001 - $15,000
08/31	MARTEK BIOSCIENCES CORP	
	SALE 30 SHS	$1,001 - $15,000
09/13	DEAN FOODS CO	
	SALE 77 SHS	$1,001 - $15,000
09/14	CISCO SYS INC	
	PURCHASE 105 SHS	$1,001 - $15,000
09/17	IMCLONE SYSTEMS INC	
	PURCHASE 30 SHS	$1,001 - $15,000
09/21	SPRINT CORP	
	PURCHASE 105 SHS	$1,001 - $15,000
09/21	TEREX CORP NEW	
	SALE 30 SHS	$1,001 - $15,000

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10/07	AMERICA MOVIL S A DE C V	
	PURCHASE 25 SHS	$1,001 - $15,000
10/07	CONSTELLATION BRANDS INC	
	PURCHASE 30 SHS	$1,001 - $15,000
10/07	IMCLONE SYSTEMS INC	
	PURCHASE 20 SHS	$1,001 - $15,000
10/07	MILLIPORE CORP	
	SALE 40 SHS	$1,001 - $15,000
10/07	OCCIDENTAL PETE CORP DEL	
	SALE 40 SHS	$1,001 - $15,000
10/07	SANDISK CORP	
	PURCHASE 70 SHS	$1,001 - $15,000
10/07	SOUTHWESTERN ENERGY CO	
	SALE 25 SHS	$1,001 - $15,000
10/07	SPRINT CORP	
	SALE 105 SHS	$1,001 - $15,000
10/08	SMITHFIELD FOODS INC	
	SALE 55 SHS	$1,001 - $15,000
10/08	UNITED TECHNOLOGIES CORP	
	PURCHASE 15 SHS	$1,001 - $15,000
10/12	VARIAN MEDICAL SYSTEMS INC	
	SALE 40 SHS	$1,001 - $15,000
10/13	BROCADE COMMUNICATIONS SYS INC	
	PURCHASE 435 SHS	$1,001 - $15,000
10/13	GENENTECH INC	
	SALE 35 SHS	$1,001 - $15,000
10/15	WALT DISNEY CO	
	PURCHASE 85 SHS	$1,001 - $15,000
10/15	FIRST DATA CORP	
	SALE 50 SHS	$1,001 - $15,000
10/15	GOOGLE INC	
	PURCHASE 15 SHS	$1,001 - $15,000
10/15	SATYAM COMPUTER SERVICES LTD	
	PURCHASE 40 SHS	$1,001 - $15,000

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10/18	ACCENTURE I TO	
	SALE 85 SHS	$1,001 - $15,000
10/18	MCDONALDS CORP	
	PURCHASE 90 SHS	$1,001 - $15,000
10/18	SATYAM COMPUTER SERVICES LTD	
	PURCHASE 40 SHS	$1,001 - $15,000
10/18	SOUTHWESTERN ENERGY CO	
	SALE 25 SHS	$1,001 - $15,000
10/19	AMERICAN INTL GROUP INC	
	SALE 20 SHS	$1,001 - $15,000
10/19	SANDISK CORP	
	SALE 70 SHS	$1,001 - $15,000
10/20	AMERICAN INTL GROUP INC	
	SALE 25 SHS	$1,001 - $15,000
10/20	INTEL CORP	
	SALE 75 SHS	$1,001 - $15,000
10/20	PARAMETRIC TECHNOLOGY CORP	
	PURCHASE 300 SHS	$1,001 - $15,000
10/21	PALMONE INC	
	PURCHASE 50 SHS	$1,001 - $15,000
10/21	SHANDA INTERACTIVE ENTMT LTD	
	PURCHASE 45 SHS	$1,001 - $15,000
10/22	UNITED HEALTH GROUP INC	
	SALE 40 SHS	$1,001 - $15,000
10/26	CONVERSE TECHNOLOGY INC	
	PURCHASE 50 SHS	$1,001 - $15,000
10/26	MOTOROLA INC	
	SALE 160 SHS	$1,001 - $15,000
10/26	PACCAR INC	
	SALE 35 SHS	$1,001 - $15,000
10/26	VERISIGN INC	
	PURCHASE 45 SHS	$1,001 - $15,000
10/27	SYNAPTICS INC	
	PURCHASE 35 SHS	$1,001 - $15,000

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10/29	GILEAD SCIENCES INC	
	PURCHASE 40 SHS	$1,001 - $15,000
11/02	GOLDMAN SACHS GROUP INC	
	PURCHASE 20 SHS	$1,001 - $15,000
11/03	IMCLONE SYSTEMS INC	
	SALE 50 SHS	$1,001 - $15,000
11/03	TEREX CORP NEW	
	SALE 35 SHS	$1,001 - $15,000
11/08	OPENWAVE SYSTEMS INC	
	PURCHASE 130 SHS	$1,001 - $15,000
11/08	PHARMION CORP	
	PURCHASE 35 SHS	$1,001 - $15,000
11/08	RESEARCH IN MOTION LTD	
	SALE 20 SHS	$1,001 - $15,000
11/08	WYETH	
	PURCHASE 65 SHS	$1,001 - $15,000
11/09	DITECH COMMUNICATIONS CORP	
	SALE 75 SHS	$1,001 - $15,000
11/10	ARMOR HOLDINGS INC	
	PURCHASE 55 SHS	$1,001 - $15,000
11/10	OPENWAVE SYSTEMS INC	
	PURCHASE 105 SHS	$1,001 - $15,000
11/16	CISCO SYS INC	
	SALE 75 SHS	$1,001 - $15,000
11/16	EPICOR SOFTWARE CORP	
	PURCHASE 75 SHS	$1,001 - $15,000
11/18	SINA CORP	
	PURCHASE 50 SHS	$1,001 - $15,000
11/18	AVID TECHNOLOGY INC	
	PURCHASE 35 SHS	$1,001 - $15,000
11/18	GOLDMAN SACHS GROUP INC	
	PURCHASE 10 SHS	$1,001 - $15,000
11/18	PALMONE INC	
	SALE 45 SHS	$1,001 - $15,000

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11/19	CAPITAL ONE FINANCIAL CORP	
	SALE 20 SHS	$1,001 - $15,000
11/22	KMART HOLDING CORP	
	SALE 15 SHS	$1,001 - $15,000
11/23	ALTRIA GROUP INC	
	PURCHASE 40 SHS	$1,001 - $15,000
11/23	AMEDISYS INC	
	SALE 45 SHS	$1,001 - $15,000
11/23	CONVERSE TECHNOLOGY INC	
	PURCHASE 55 SHS	$1,001 - $15,000
11/23	OCCIDENTAL PETE CORP DEL	
	SALE 30 SHS	$1,001 - $15,000
11/23	WILLIAMS COS INC DEL	
	PURCHASE 115 SHS	$1,001 - $15,000
12/06	PFIZER INC	
	PURCHASE 65 SHS	$1,001 - $15,000
12/06	SCHERING PLOUGH CORP	
	SALE 90 SHS	$1,001 - $15,000
12/06	SEPRACOR INC	
	SALE 35 SHS	$1,001 - $15,000
12/10	ACTIVISION INC NEW	
	SALE 130 SHS	$1,001 - $15,000
12/10	SANOFI-AVENTIS	
	PURCHASE 60 SHS	$1,001 - $15,000
12/10	VERISIGN INC	
	SALE 35 SHS	$1,001 - $15,000
12/20	HARLEY DAVIDSON INC	
	SALE 35 SHS	$1,001 - $15,000
12/20	PALMONE INC	
	SALE 30 SHS	$1,001 - $15,000
12/22	AVOCENT CORP	
	PURCHASE 35 SHS	$1,001 - $15,000
12/22	COOPER COS INC	
	PURCHASE 20 SHS	$1,001 - $15,000

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12/22	PFIZER INC	
	SALE 120 SHS	$1,001 - $15,000
12/23	AVOCENT CORP	
	PURCHASE 35 SHS	$1,001 - $15,000
12/27	MCAFEE INC	
	PURCHASE 80 SHS	$1,001 - $15,000
12/28	SINA CORP	
	SALE 50 SHS	$1,001 - $15,000

Notes: This account is managed by a broker, not by the account holder.

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UNITED STATES SENATE FINANCIAL DISCLOSURE FOR ANNUAL AND TERMINATION REPORTS

Last Name	First Name and Middle Initial	Annual Report	Senate Office / Agency in Which Employed
STEVENS	THEODORE (TED) F.	Calendar Year Covered by Report: 2005	
Senate Office Address (Number, Street, City, State, and ZIP Code)	**Senate Office Telephone Number** *(Include Area Code)*	**Termination Report**	**Prior Office / Agency in Which Employed**
522 SENATE HART OFC. BLDG WASHINGTON, DC 20510	202.224.3004	Termination Date (mm/dd/yy):	

AFTER READING THE INSTRUCTIONS - ANSWER EACH OF THESE QUESTIONS AND ATTACH THE RELEVANT PART

	YES	NO
Did any individual or organization make a donation to charity in lieu of paying you for a speech, appearance, or article in the reporting period? If Yes, Complete and Attach PART I.		X
Did you or your spouse have earned income (e.g., salaries or fees) or non-investment income of more than $200 from any reportable source in the reporting period? If Yes, Complete and Attach PART II.	X	
Did you, your spouse, or dependent child receive unearned or investment income of more than $200 in the reporting period or hold any reportable asset worth more than $1,000 at the end of the period? If Yes, Complete & Attach PART IIIA and/or IIIB.	X	
Did you, your spouse, or dependent child purchase, sell, or exchange any reportable asset worth more than $1,000 in the reporting period? If Yes, Complete and Attach PART IV.	X	
Did you, your spouse, or dependent child receive any reportable gift in the reporting period (i.e., aggregating more than $305 and not otherwise exempt)? If Yes, Complete and Attach PART V.		X
Did you, your spouse, or dependent child receive any reportable travel or reimbursements for travel in the reporting period (i.e., worth more than $305 from one source)? If Yes, Complete and Attach PART VI.		X
Did you, your spouse, or dependent child have any reportable liability (more than $10,000) during the reporting period? If Yes, Complete and Attach PART VII.		X
Did you hold any reportable positions on or before the date of filing in the current calendar year? If Yes, Complete and Attach PART VIII.	X	
Do you have any reportable agreement or arrangement with an outside entity? If Yes, Complete and Attach PART IX.		X
If this is your FIRST Report: Did you receive compensation of more than $5,000 from a single source in the two prior years? If Yes, Complete and Attach PART X.		

Each question must be answered and the appropriate PART attached for each "YES" response.

File this report and any amendments with the Secretary of the Senate, Office of Public Records, Room 232, Hart Senate Office Building, U.S. Senate, Washington, DC 20510. $200 Penalty for filing more than 30 days after due date.

This Financial Disclosure Statement is required by the Ethics in Government Act of 1978, as amended. The statement will be made available by the Office of the Secretary of the Senate to any requesting person upon written application and will be reviewed by the Select Committee on Ethics. Any individual who knowingly and willfully falsifies, or who knowingly and willfully fails to file this report may be subject to civil and criminal sanctions. (See 5 U.S.C. app. 6, 104, and 18 U.S.C. 1001.)

FOR OFFICIAL USE ONLY
Do Not Write Below this Line

RECEIVED
SECRETARY OF THE SENATE
06 MAY 15 PM 3:28

Certification	Signature of Reporting Individual	Date (Month, Day, Year)
I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge and belief.	Ted Stevens	5/15/06

For Official Use Only - Do Not Write Below This Line

	Signature of Reviewing Official	Date (Month, Day, Year)
It is the Opinion of the reviewer that the statements made in this form are in compliance with Title I of the Ethics in Government Act.		

20

Theodore (Ted) Stevens

PART II. EARN N-INVESTMENT INCOME

Report the source (name and address), type, and amount of earned income to you from any source aggregating $200 or more during the reporting period. For your spouse, report the source (name and address) and type of earned income which aggregate $1,000 or more during the reporting period. No amount needs to be specified for your spouse. (See p.3, CONTENTS OF REPORTS Part B of Instructions.) Do not report income from employment by the U.S. Government for you or your spouse.

Individuals not covered by the Honoraria Ban:
For you and /or your spouse, report honoraria income received which aggregates $200 or more by exact amount, give the date of, and describe the activity (speech, appearance or article) generating such honoraria payment. Do not include payments in lieu of honoraria reported on Part I.

	Name of Income Source	Address (City, State)	Type of Income	Amount
Example:	*JP Computers*	*Wash., DC* *Example*	*Salary* *Example*	*$15,000*
	MCI (Spouse)	*Arlington, VA* *Example*	*Salary* *Example*	*Over $1,000*
1	(S) MAYER BROWN ROWE & MAW	WASHINGTON, DC	SALARY	OVER $1,000
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				

Theodore (Ted) F. Stevens 0000031581

PART IIIA. PUBLICLY TRA AND UNEARNED INCOME SOURCES

2

BLOCK A
Identity of Publicly Traded Assets And Unearned Income Sources

Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child, *(See p.3, CONTENTS OF REPORTS Part B of Instructions)* for production of income or investment which:
(1) had a value exceeding $1,000 at the close of the reporting period; and/or
(2) generated over $200 in "unearned" income during the reporting period.
Include on this PART IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.

BLOCK B
Valuation of Assets
At the close of reporting period. If None, or less than $1,001, Check the first column.

BLOCK C
Type and Amount of Income
If "None (or less than $201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

	Block A (S, Example: DC, or J)	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Type of Income: Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	Amount of Income: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required if "Other" Specified
	IBM Corp. (stock)				X									X							*Example*		X										*Example*
	(S) Keystone Fund					X										X		X			*Example*	X											*Example*
1	(S) Credit Suisse Securities LLC San Francisco, CA (money market)				X									X										X									
2	(J)United States Senate Federal Credit Union Washington, DC						X							X											X								
3	IRA w/KeyTrust Co., National Asso. as Custodian Anchorage, AK (Closed 2005)	X																			IRA Distrib.												$4,414
4	(J) Wells Fargo (Checking Account) Anchorage, AK		X													X						X											
5	IRA w/Fidelity Investments as Custodian: (Fidelity Cash Reserves)					X								X									X										
6	(S) Bank of America (Checking Account) Washington, DC		X													X						X											
7	Stockmen's Bank (Checking Account) Wickenburg, AZ		X													X						X											
8	(J) PNC Bank (frmrly Riggs Bank) (money mkt)Washington, DC (Closed 2005)	X														X						X											
9																																	
10																																	

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right.
*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate. ☐

Theodore (Ted) F. Stevens 8 2

PART IIIA. PUBLICLY TRA ; AND UNEARNED INCOME SOURCES

3

BLOCK A
Identity of Publicly Traded Assets And Unearned Income Sources

Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child, *(See p.3, CONTENTS OF REPORTS Part B of Instructions)* for production of income or investment which:
(1) had a value exceeding $1,000 at the close of the reporting period; and/or
(2) generated over $200 in "unearned" income during the reporting period.
Include on this PART IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.

BLOCK B
Valuation of Assets
At the close of reporting period. If None, or less than $1,001, Check the first column.

BLOCK C
Type and Amount of Income
If "None (or less than $201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

	Block A	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required if "Other" Specified
Example: S, DC, or J	*IBM Corp. (stock)*				X									X							*Example*		X										*Example*
	(S) Keystone Fund					X										X		X			*Example*	X											*Example*
1	(S) SMITH BARNEY CITIGROUP IRA Consisting of the following funds:																																
2	(S) CGCM Large Cap Value Eq Investments		X															X					X										
3	(S) CGCM Large Cap Growth Investments		X															X				X											
4	(S) CGCM Small Cap Value Investments		X															X						X									
5	(S) CGCM Small Cap Growth Investments		X															X				X											
6	(S) CGCM International Equity Investments		X															X				X											
7	(S) CGCM Emerging Mkts Equ Investments		X															X				X											
8	(S) CGCM Govt Money Investments	X																X				X											
9																																	
10																																	

EXEMPTION TEST *(see Instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right.
*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate. ☐

Theodore (Ted) F. Stevens 00000231683

PART IIIA. PUBLICLY TRAI AND UNEARNED INCOME SOURCES

4

BLOCK A
Identity of Publicly Traded Assets And Unearned Income Sources

Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child, *(See p.3, CONTENTS OF REPORTS Part B of Instructions)* for production of income or investment which:
(1) had a value exceeding $1,000 at the close of the reporting period; and/or
(2) generated over $200 in "unearned" income during the reporting period.
Include on this PART IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.

BLOCK B
Valuation of Assets
At the close of reporting period. If None, or less than $1,001, Check the first column.

BLOCK C
Type and Amount of Income
If "None (or less than $201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

	Block A	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required if "Other" Specified
Example: S, DC, or J	*IBM Corp. (stock)*				X									X							*Example*		X										*Example*
	(S) Keystone Fund					X										X		X			*Example*	X											*Example*
1	(S) MAYER, BROWN, ROWE & MAW 401(k) plan administered by																																
2	BOK Financial Services and consists of the following funds:																																
3	(S) Scudder Equity 500 Index Fund			X														X						X									
4	(S) TCW Galileo Select Equity Fund			X														X						X									
5	(S) STI Classic SmCap Growth Stock Fund			X														X							X								
6	(S) Fidelity Adv. Diversified Intl Fund			X														X								X							
7	(S) State St. Research Emerg. Grwth Fund	X																X				X											
8																																	
9																																	
10																																	

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. *** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate. ☐

Theodore (Ted) F. Stevens 0000023168 4

PART IIIB. NON-PUBLICLY TRADED AND UNEARNED INCOME SOURCES

5

BLOCK A
Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state and description) of each interest held by you, your spouse, or your dependent child (See p.3, CONTENTS OF REPORTS Part B of Instructions) for the production of income or investment in a non-public trade or business which:
(1) had a value exceeding $1,000 at the close of the reporting period; and/or
(2) generated over $200 in "unearned" income during the reporting period.
Include the above report for each underlying asset, which is not incidental to the trade or business. Publicly traded assets held by non-public entity may be listed on Part IIIA.

BLOCK B
Valuation of Assets
At the close of reporting period. If None, or less than $1,001, Check the first column.

BLOCK C
Type and Amount of Income
If "None (or less than $201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

	Block A	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required if "Other" Specified
S, Example: DC, or J	*JP Computer, Wash DC*				X									X							*Example*		X										*Example*
	Undeveloped land, Dubuque, Iowa					X															*Example*	X											*Example*
1	(S) National Life (life insurance) Montpelier, VT (corrected name)		X													X						X											
2	(S) State of Alaska Permanent Fund Dividend													X									X										
3	State of Alaska Permanent Fund Dividend													X									X										
4	Alaska's Great Eagle As Well, LLC Girdwood, AK (12.5% interest in horses)		X																		LLC												(3982)
5	Alaska's Great Eagle, LLC (new in 2005) Girdwood, AK (10% interest in horses)		X																		LLC												(237)
6	TFStevens D/B/A/ BedBug Outfit -undivided 1/2 interest in livestock Congress, AZ			X																													(2625)
7	Oil Interests (individual wells) Oklahoma City, OK				X																wrkg interest												8493
8	Sacks Restaurant, LLC Anchorage, AK		X																		LLC												$1
9	Theodore F. Stevens Blind Trust Anchorage, AK							X											X								X						
10																																	

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right.
*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate. ☐

Theodore (Ted) P. Stevens 00000231585

PART IIIB. NON-PUBLICLY T TS AND UNEARNED INCOME SOURCES

6

BLOCK A
Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state and description) of each interest held by you, your spouse, or your dependent child (See p.3, CONTENTS OF REPORTS Part B of Instructions) for the production of income or investment in a non-public trade or business which:
(1) had a value exceeding $1,000 at the close of the reporting period; and/or
(2) generated over $200 in "unearned" income during the reporting period.
Include the above report for each underlying asset, which is not incidental to the trade or business. Publicly traded assets held by non-public entity may be listed on Part IIIA.

BLOCK B
Valuation of Assets
At the close of reporting period. If None, or less than $1,001, Check the first column.

BLOCK C
Type and Amount of Income
If "None (or less than $201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

	Block A	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required if "Other" Specified
S, DC, or J	*JP Computer, Wash DC*				X									X							*Example*		X										*Example*
	Undeveloped land, Dubuque, Iowa					X															*Example*	X											*Example*
1	(S) CHAMER COMPANY INC: Anchorage, AK (Family Investment Co.)																																
2	(S) Investment in Rental House Wickenburg, AZ				X																	X											
3	(S) Interest in Commercial Property Anchorage, AK			X																		X											
4	(S) Interest in Bank Account Wells Fargo; Anchorage, AK			X																		X											
5																																	
6																																	
7																																	
8																																	
9																																	
10																																	

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right.
*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate. ☐

Theodore (Ted) F. Stevens 00000231686

PA NSACTIONS

7

Report any purchase, sale, or exchange by you, your spouse, or dependent child (See p.3 CONTENTS OF REPORTS Part B of Instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.

	Identification of Assets	Transaction Type (x): Purchase	Sale	Exchange	Transaction Date (Mo., Day, Yr.)	Amount of Transaction (x): $1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
S, Example: DC, or J	*IBM Corp. (stock) NYSE*	X			2/1/0X		X			E	X	A	M	P	L	E
	(DC) Microsoft (stock) NASDAQ/OTC		X		1/27/0X				X	E	X	A	M	P	L	E
1	THEODORE F. STEVENS KEY TRUST CO. IRA ACCOUNT Made the following transactions:															
2	APPLE COMPUTER INC.	X			1/3/05	x										
3	LYONDELL CHEMICAL CO.	x			1/3/05	x										
4	PENN NATIONAL GAMING INC.	x			1/3/05	x										
5	ALASKA AIR GROUP INC.	x			1/4/05	x										
6	PENN NATIONAL GAMING INC.	x			1/4/05	x										
7	COGENT INC.	x			1/6/05	x										
8	RESEARCH IN MOTION LTD.	X			1/28/05	X										
9	URBAN OUTFITTERS INC.	X			1/28/05	X										
10	ALLIANCE CAPITAL MGMT HOLDING	X			2/1/05	X										
11	ALLIANCE CAPITAL MGMT HOLDING	X			2/2/05	X										
12	AMGEN INC	X			2/10/05	X										

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

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Theodore (Ted) F. Stevens 0000031687

PART II TRANSACTIONS

8

Report any purchase, sale, or exchange by you, your spouse, or dependent child (See p.3 CONTENTS OF REPORTS Part B of Instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.

	Identification of Assets	Transaction Type (x)			Transaction Date (Mo., Day, Yr.)	Amount of Transaction (x)										
		Purchase	Sale	Exchange		$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
Example: S, DC, or J	*IBM Corp. (stock) NYSE*	X			2/1/0X		X			E	X	A	M	P	L	E
	(DC) Microsoft (stock) NASDAQ/OTC		X		1/27/0X				X	E	X	A	M	P	L	E
1	Transactions made by the Key Bank IRA: KINETIC CONCEPTS INC	X			2/10/05	X										
2	AMGEN INC	X			2/11/05	X										
3	UNIT CORP	X			2/15/05	X										
4	SASOL LTD.	X			2/17/05	X										
5	BUNGE LTD.	X			3/1/05	X										
6	FISHER SCIENTIFIC INTL INC	X			3/7/05	X										
7	UNITED TECHNOLOGIES CORP	X			3/11/05	X										
8	SPRINT NEXTEL CORP	X			3/17/05	X										
9	TEVA PHARMACEUTICAL INDS LTD	X			3/21/05	X										
10	TEVA PHARMACEUTICAL INDS LTD	X			3/21/05	X										
11	JOHNSON & JOHNSON	X			4/8/05	X										
12	WELLPOINT INC.	X			4/8/05	X										

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

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Theodore (Ted) F. Stevens 00000231688

PA NSACTIONS

9

Report any purchase, sale, or exchange by you, your spouse, or dependent child (See p.3 CONTENTS OF REPORTS Part B of Instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.

	Identification of Assets	Transaction Type (x): Purchase	Sale	Exchange	Transaction Date (Mo., Day, Yr.)	Amount of Transaction (x): $1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
Example: S, DC, or J	*IBM Corp. (stock) NYSE*	X			2/1/0X		X			E	X	A	M	P	L	E
	(DC) Microsoft (stock) NASDAQ/OTC		X		1/27/0X				X	E	X	A	M	P	L	E
1	Transactions made by the Key Bank IRA: GENENTECH INC	X			4/20/05	X										
2	INTEL CORP	X			4/26/05	X										
3	HCA INC	X			6/17/05	X										
4	WCI COMMUNITIES INC	X			4/29/05	X										
5	CORNING INC	X			5/2/05	X										
6	INTEL CORP	X			5/6/05	X										
7	HARTFORD FINL SVCS GROUP INC	X			5/9/05	X										
8	JOHNSON & JOHNSON	X			5/19/05	X										
9	GENERAL ELEC CO	X			5/23/05	X										
10	BANK OF AMERICA CORP	X			5/24/05	X										
11	GILLETTE CO	X			6/10/05	X										
12	JOHNSON & JOHNSON	X			6/16/05	X										

EXEMPTION TEST *(see Instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

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Theodore (Ted) F. Stevens 9000031689

PART II TRANSACTIONS

10

Report any purchase, sale, or exchange by you, your spouse, or dependent child (See p.3 CONTENTS OF REPORTS Part B of Instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.

	Identification of Assets	Transaction Type (x): Purchase	Sale	Exchange	Transaction Date (Mo., Day, Yr.)	Amount of Transaction (x): $1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
S, Example: DC, or J	*IBM Corp. (stock) NYSE*	X			*2/1/0X*		X			E	X	A	M	P	L	E
	(DC) Microsoft (stock) NASDAQ/OTC		X		*1/27/0X*				X	E	X	A	M	P	L	E
1	Transactions made by the Key Bank IRA: INTEL CORP		X		1/3/05	X										
2	UNITED TECHNOLOGIES CORP		X		1/3/05	X										
3	STATION CASINOS INC		X		1/4/05	X										
4	XTO ENERGY INC		X		1/6/05	X										
5	OPENWAVE SYSTEMS INC		X		1/27/05	X										
6	BROCADE COMMUNICATIONS SYS INC		X		1/28/05	X										
7	OPENWAVE SYSTEMS INC		X		1/28/05	X										
8	UBS AG		X		2/1/05	X										
9	GILEAD SCIENCES INC		X		2/10/05	X										
10	WYETH		X		2/10/05	X										
11	WYETH		X		2/11/05	X										
12	ARMOR HOLDINGS INC		X		2/17/05	X										

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

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Theodore (Ted) F. Stevens 00000231690

PART II TRANSACTIONS

Report any purchase, sale, or exchange by you, your spouse, or dependent child (See p.3 CONTENTS OF REPORTS Part B of Instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.

	Identification of Assets	S, Example: DC, or J	Transaction Type (x): Purchase	Sale	Exchange	Transaction Date (Mo., Day, Yr.)	Amount of Transaction (x): $1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
	IBM Corp. (stock) NYSE		X			2/1/0X		X			E	X	A	M	P	L	E
	(DC) Microsoft (stock) NASDAQ/OTC			X		1/27/0X				X	E	X	A	M	P	L	E
1	Transactions made by the Key Bank IRA: COGENT INC			X		3/7/05	X										
2	APPLE COMPUTER INC			X		3/8/05	X										
3	URBAN OUTFITTERS INC			X		3/10/05	X										
4	AVOCENT CORP			X		3/17/05	X										
5	FISHER SCIENTIFIC INTL INC			X		4/8/05	X										
6	LYONDELL CHEMICAL CO			X		4/13/05	X										
7	GOOGLE INC			X		4/20/05	X										
8	EPICOR SOFTWARE CORP			X		4/26/05	X										
9	CAPITOL ONE FINANCIAL CORP			X		5/9/05	X										
10	PENN NATIONAL GAMING INC			X		5/9/05	X										
11	GOLDMAN SACHS GROUP INC			X		5/23/05	X										
12	ALLIANCE CAPITAL MGMT HOLDING			X		5/24/05	X										

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

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Theodore (Ted) F. Stevens 00000231691

PA ISACTIONS

12

Report any purchase, sale, or exchange by you, your spouse, or dependent child (See p.3 CONTENTS OF REPORTS Part B of Instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.

	Identification of Assets	Transaction Type (x)			Transaction Date (Mo., Day, Yr.)	Amount of Transaction (x)										
		Purchase	Sale	Exchange		$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
S, Example: DC, or J	*IBM Corp. (stock) NYSE*	X			*2/1/0X*		X			E	X	A	M	P	L	E
	(DC) Microsoft (stock) NASDAQ/OTC		X		*1/27/0X*				X	E	X	A	M	P	L	E
1	Transactions made by the Key Bank IRA: MCDONALDS CORP		X		6/16/05	X										
2	MCDONALDS CORP		X		6/17/05	X										
3	RESEARCH IN MOTION LTD		X		6/22/05	X										
4	BUNGE LTD		X		7/11/05	X										
5	L-3 COMMUNICATIONS CORPORATION		X		5/24/05	X										
6	COOPER INDUSTRIES LTD		X		7/11/05	X										
7	SEAGATE TECHNOLOGY		X		7/11/05	X										
8	ACTIVISION INC NEW		X		7/11/05	X										
9	ALTRIA GROUP INC		X		7/11/05	X										
10	AMERICA MOVIL S A DE C V		X		7/11/05	X										
11	AMGEN INC		X		7/11/05	X										
12	APPLE COMPUTER INC		X		7/11/05	X										

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

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	Identification of Assets	Transaction Type (x)			Transaction Date (Mo., Day, Yr.)	Amount of Transaction (x)										
		Purchase	Sale	Exchange		$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
S, Example: DC, or J	*IBM Corp. (stock) NYSE*	X			*2/1/0X*		X			E	X	A	M	P	L	E
	(DC) Microsoft (stock) NASDAQ/OTC		X		*1/27/0X*				X	E	X	A	M	P	L	E
1	Transactions made by the Key Bank IRA: AVID TECHNOLOGY INC		X		7/11/05	X										
2	BANK OF AMERICA CORP		X		7/11/05	X										
3	COMVERSE TECHNOLOGY INC		X		7/11/05	X										
4	CONSTELLATION BRANDS INC		X		7/11/05	X										
5	CORNING INC		X		7/11/05	X										
6	WALT DISNEY CO		X		7/11/05	X										
7	GENENTECH INC		X		7/11/05	X										
8	GENERAL ELEC CO		X		7/11/05	X										
9	GILLETTE CO		X		7/11/05	X										
10	GOOGLE INC		X		7/11/05	X										
11	HCA INC		X		7/11/05	X										
12	HARTFORD FINL SVCS GROUP INC		X		7/11/05	X										

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

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Theodore (Ted) F. Stevens 00000231693

PART II TRANSACTIONS

14

Report any purchase, sale, or exchange by you, your spouse, or dependent child (See p.3 CONTENTS OF REPORTS Part B of Instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.

	Identification of Assets (S, DC, or J)	Transaction Type (x): Purchase	Sale	Exchange	Transaction Date (Mo., Day, Yr.)	Amount of Transaction (x): $1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
Example:	IBM Corp. (stock) NYSE	X			2/1/0X		X			E	X	A	M	P	L	E
Example:	(DC) Microsoft (stock) NASDAQ/OTC		X		1/27/0X				X	E	X	A	M	P	L	E
1	Transactions made by the Key Bank IRA: INTEL CORP		X		7/11/05	X										
2	JOHNSON & JOHNSON		X		7/11/05	X										
3	KINETIC CONCEPTS INC		X		7/11/05	X										
4	L-3 COMMUNICATIONS CORPORATION		X		7/11/05	X										
5	MGM MIRAGE		X		7/11/05	X										
6	MCAFEE INC		X		7/11/05	X										
7	MICROSOFT CORP		X		7/11/05	X										
8	OPENWAVE SYSTEMS INC		X		7/11/05	X										
9	PENN NATIONAL GAMING INC		X		7/11/05	X										
10	SANOFI-AVENTIS		X		7/11/05	X										
11	SASOL LTD		X		7/11/05	X										
12	SATYAM COMPUTER SERVICES LTD		X		7/11/05	X										

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Theodore (Ted) F. Stevens 00000231694

PA ISACTIONS

15

Report any purchase, sale, or exchange by you, your spouse, or dependent child (See p.3 CONTENTS OF REPORTS Part B of Instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.

	Identification of Assets (S, Example: DC, or J)	Transaction Type (x): Purchase	Sale	Exchange	Transaction Date (Mo., Day, Yr.)	Amount of Transaction (x): $1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
Example:	*IBM Corp. (stock) NYSE*	X			*2/1/0X*		X			E	X	A	M	P	L	E
Example:	*(DC) Microsoft (stock) NASDAQ/OTC*		X		*1/27/0X*				X	E	X	A	M	P	L	E
1	Transactions made by the Key Bank IRA: SPRINT NEXTEL CORP		X		7/11/05	X										
2	TARGET CORP		X		7/11/05	X										
3	TEVA PHARMACEUTICAL INDS LTD		X		7/11/05	X										
4	UNIT CORP		X		7/11/05	X										
5	UNITED TECHNOLOGIES CORP		X		7/11/05	X										
6	URBAN OUTFITTERS INC		X		7/11/05	X										
7	VERISIGN INC		X		7/11/05	X										
8	WCI COMMUNITIES INC		X		7/11/05	X										
9	WELLPOINT INC		X		7/11/05	X										
10	WILLIAMS COS INC DEL		X		7/11/05	X										
11	XM SATELLITE RADIO HLDGS INC		X		7/11/05	X										
12	GENERAL ELEC CO	X			6/25/05											

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Theodore (Ted) F. Stevens 00000231695

PA NSACTIONS

16

Report any purchase, sale, or exchange by you, your spouse, or dependent child (See p.3 CONTENTS OF REPORTS Part B of Instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.

	Identification of Assets	Transaction Type (x): Purchase	Sale	Exchange	Transaction Date (Mo., Day, Yr.)	Amount of Transaction (x): $1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
Example: S, DC, or J	*IBM Corp. (stock) NYSE*	X			*2/1/0X*		X			E	X	A	M	P	L	E
	(DC) Microsoft (stock) NASDAQ/OTC		X		*1/27/0X*				X	E	X	A	M	P	L	E
1	(S) SMITH BARNEY CITIGROUP- Individual Retirement Account Consisting of the following funds:															
2	(S) CGCM - Small Cap Value Equity		X		1/24/05	X										
3	(S) CGCM - Large Cap Equity		X		1/24/05	X										
4	(S) CGCM - International Equity	X			1/24/05	X										
5	(S) CGCM - Small Cap Growth Equity	X			1/24/05	X										
6	(S) CGCM - Small Cap Value Equity	X			12/16/05	X										
7																
8	IRA w/ Fidelity Investments as Custodian: Fidelity Cash Reserves	X			12/9/05				X							
9	IRA w/Key Trust Co., National Association as Custodian		X		12/9/05				X							
10																
11																
12																

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Theodore (Ted) F. Stevens 00000231696

PA ISACTIONS

17

Report any purchase, sale, or exchange by you, your spouse, or dependent child (See p.3 CONTENTS OF REPORTS Part B of Instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.

	Identification of Assets	Transaction Type (x)			Transaction Date (Mo., Day, Yr.)	Amount of Transaction (x)										
		Purchase	Sale	Exchange		$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
S, Example: DC, or J	*IBM Corp. (stock) NYSE*	X			*2/1/0X*		X			E	X	A	M	P	L	E
	(DC) Microsoft (stock) NASDAQ/OTC		X		*1/27/0X*				X	E	X	A	M	P	L	E
1	(S) MAYER, BROWN, ROWE & MAW - 401(k) plan Administered by BOK Financial Services. Consisting of the following funds:															
2	(S) State St Resrch Emerg Grwth Fund exchanged for STI Classic SmCap Gr. Stock Fund			X	1/1/05		X									
3	(S) Scudder Equity 500 Index Fund	X			1/1/05	X										
4	(S) TCW Galileo Select Equity N Fund	X			1/1/05	X										
5	(S) STI Classic SmCap Gr. Stock T Fund	X			1/1/05	X										
6	(S) Fidelity Adv Divrsfd Int'l Fund	X			1/1/05	X										
7	(S) Scudder Equity 500 Index Fund	X			4/1/05	X										
8	(S) TCW Galileo Select Equity N Fund	X			4/1/05	X										
9	(S) STI Classic SmCap Gr. Stock T Fund	X			4/1/05	X										
10	(S) Fidelity Adv. Divrsfd Int'l Fund	X			4/1/05	X										
11																
12																

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Theodore (Ted) F. Stevens 00000231697

PART II: TRANSACTIONS

18

Report any purchase, sale, or exchange by you, your spouse, or dependent child (See p.3 CONTENTS OF REPORTS Part B of Instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.

	Identification of Assets	Transaction Type (x): Purchase	Sale	Exchange	Transaction Date (Mo., Day, Yr.)	Amount of Transaction (x): $1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
Example: S, DC, or J	*IBM Corp. (stock) NYSE*	X			*2/1/0X*		X			E	X	A	M	P	L	E
	(DC) Microsoft (stock) NASDAQ/OTC		X		*1/27/0X*				X	E	X	A	M	P	L	E
1	(S) MAYER, BROWN, ROWE & MAW - 401(k) plan continued:															
2	(S) Scudder Equity 500 Index Fund	X			7/1/05	X										
3	(S) TCW Galileo Select Equity Fund	X			7/1/05	X										
4	(S) STI Classic SmCap Gr. Stock T Fund	X			7/1/05	X										
5	(S) Fidelity Adv Divrsfd Int'l Fund	X			7/1/05	X										
6																
7																
8	Alaska's Great Eagle, LLC	X			10/06/05	X										
9																
10																
11																
12																

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

PART VIII. POSITIC UTSIDE U.S. GOVERNMENT

Report any positions held by you during the applicable reporting period whether compensated or not. Positions include, but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. Both the year and month must be reported for the period of time that the position was held.

Exclude: Positions with federal government, religious, social, fraternal, or political entities, and those solely of an honorary nature.

	Name of Organization	Address (City, State)	Type of Organization	Position Held	From (Mo/Yr)	To (Mo/Yr)
Example:	*National Assn. of Rock Collectors*	*NY,NY* **EXAMPLE**	*Non-profit education*	*President*	*6 / 90*	*Present*
	Jones & Smith	*Hometown, USA* **EXAMPLE**	*Law Firm*	*Partner*	*7 / 85*	*11 / 0X*
1	John F. Kennedy Center for Performing Arts	Washington, DC	Non-profit performing arts	Cong. rep member of Board of Trustees	1/97	2/05
2	Dwight D. Eisenhower Memorial Commission	Washington, DC	Presidential Appointment	Member of Board	4/01	Present
3						
4						
5						
6						
7						
8						
9						
10						
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13						

Compensation in excess of $200 from any position must be reported in Part II.

00000232256

Amendment for

Senator Stevens

2005 Calendar Year

SECRETARY OF THE SENATE
06 JUN -9 PM 3:54

Attached is an amendment to Senator Stevens' 2005 Financial Disclosure. The amendment corrects the valuation of assets in item line #6 from 15,001-50,000 to 1,001-15,000.

I can be reached at 224.1023 should there be any questions.

Thank You,

Robyn Engibous

0000023222 57

BLOCK A — Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state and description) of each interest held by you, your spouse, or your dependent child (See p.3, CONTENTS OF REPORTS Part B of Instructions) for the production of income or investment in a non-public trade or business which:
(1) had a value exceeding $1,000 at the close of the reporting period; and/or
(2) generated over $200 in "unearned" income during the reporting period.
Include the above report for each underlying asset, which is not incidental to the trade or business. Publicly traded assets held by non-public entity may be listed on Part IIIA.

BLOCK B — Valuation of Assets

At the close of reporting period. If None, or less than $1,001, Check the first column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

	Block A	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required if "Other" Specified
Example: S, DC, or J	*JP Computer, Wash DC*				X									X							*Example*		X										*Example*
	Undeveloped land, Dubuque, Iowa					X															*Example*	X											*Example*
1	(S) National Life (life insurance) Montpelier, VT (corrected name)		X													X						X											
2	(S) State of Alaska Permanent Fund Dividend													X									X										
3	State of Alaska Permanent Fund Dividend													X									X										
4	Alaska's Great Eagle As Well, LLC Girdwood, AK (12.5% interest in horses)		X																		LLC												(3982)
5	Alaska's Great Eagle, LLC (new in 2005) Girdwood, AK (10% interest in horses)		X																		LLC												(237)
6	TFStevens D/B/A/ BedBug Outfit -undivided 1/2 interest in livestock Congress, AZ		X																														(2625)
7	Oil Interests (individual wells) Oklahoma City, OK				X																wrkg interest												8493
8	Sacks Restaurant, LLC Anchorage, AK		X																		LLC												$1
9	Theodore F. Stevens Blind Trust Anchorage, AK							X												X								X					
10																																	

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Ted Stevens 6/7/06

06 JUN 8 PM 3:54 SECRETARY OF THE SENATE

UNITED STATES SENATE FINANCIAL DISCLOSURE REPORT FOR ANNUAL AND TERMINATION REPORTS

Last Name	First Name and Middle Initial	Annual Report	Senate Office / Agency in Which Employed
STEVENS	THEODORE (TED) F.	Calendar Year Covered by Report: 2006	
Senate Office Address (Number, Street, City, State, and ZIP Code)	Senate Office Telephone Number (Include Area Code)	Termination Report	Prior Office / Agency in Which Employed
SENATE HART 522 WASHINGTON DC 20510	(202)224-3004	Termination Date (mm/dd/yy):	

AFTER READING THE INSTRUCTIONS - ANSWER EACH OF THESE QUESTIONS AND ATTACH THE RELEVANT PART

	YES	NO
Did any individual or organization make a donation to charity in lieu of paying you for a speech, appearance, or article in the reporting period? If Yes, Complete and Attach PART I.		X
Did you or your spouse have earned income (e.g., salaries or fees) or non-investment income of more than $200 from any reportable source in the reporting period? If Yes, Complete and Attach PART II.	X	
Did you, your spouse, or dependent child hold any reportable asset worth more than $1,000 at the end of the period, or receive unearned or investment income of more than $200 in the reporting period? If Yes, Complete & Attach PART IIIA and/or IIIB.	X	
Did you, your spouse, or dependent child purchase, sell, or exchange any reportable asset worth more than $1,000 in the reporting period? If Yes, Complete and Attach PART IV	X	
Did you, your spouse, or dependent child receive any reportable gift in the reporting period (i.e., aggregating more than $305 and not otherwise exempt)? If Yes, Complete and Attach PART V.	X	
Did you, your spouse, or dependent child receive any reportable travel or reimbursements for travel in the reporting period (i.e., worth more than $305 from one source)? If Yes, Complete and Attach PART VI.		X
Did you, your spouse, or dependent child have any reportable liability (more than $10,000) during the reporting period? If Yes, Complete and Attach PART VII.		X
Did you hold any reportable positions on or before the date of filing in the current calendar year? If Yes, Complete and Attach PART VIII	X	
Do you have any reportable agreement or arrangement with an outside entity? If Yes, Complete and Attach PART IX.		X
If this is your FIRST Report: Did you receive compensation of more than $5,000 from a single source in the two prior years? If Yes, Complete and Attach PART X.		

Each question must be answered and the appropriate PART attached for each "YES" response.

File this report and any amendments with the Secretary of the Senate, Office of Public Records, Room 232, Hart Senate Office Building, U.S. Senate, Washington, DC 20510. $200 Penalty for filing more than 30 days after due date.

This Financial Disclosure Statement is required by the Ethics in Government Act of 1978, as amended. The statement will be made available by the Office of the Secretary of the Senate to any requesting person upon written application and will be reviewed by the Select Committee on Ethics. Any individual who knowingly and willfully falsifies, or who knowingly and willfully fails to file this report may be subject to civil and criminal sanctions. (See 5 U.S.C. app. 6, 104, and 18 U.S.C. 1001.)

FOR OFFICIAL USE ONLY
Do Not Write Below this Line

07 JUL 17 PM 2:26

Certification	Signature of Reporting Individual	Date (Month, Day, Year)
I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge and belief.	Ted Stevens	7/17/07

For Official Use Only - Do Not Write Below This Line

	Signature of Reviewing Official	Date (Month, Day, Year)
It is the Opinion of the reviewer that the statements made on this form are in compliance with Title I of the Ethics in Government Act		

Reporting Individual's Name
Theodore (Ted) F. Stevens

PART II. EARNED AND NON-INVESTMENT INCOME

Page Number
2

Report the source (name and address), type, and amount of earned income to you from any source aggregating $200 or more during the reporting period. For your spouse, report the source (name and address) and type of earned income which aggregate $1,000 or more during the reporting period. No amount needs to be specified for your spouse. (See p.3, CONTENTS OF REPORTS Part B of Instructions.) Do not report income from employment by the U.S. Government for you or your spouse.

Individuals not covered by the Honoraria Ban:
For you and /or your spouse, report honoraria income received which aggregates $200 or more by exact amount, give the date of, and describe the activity (speech, appearance or article) generating such honoraria payment. Do not include payments in lieu of honoraria reported on Part I.

	Name of Income Source	Address (City, State)	Type of Income	Amount
Example:	*JP Computers*	*Wash., DC* *Example*	*Salary* *Example*	*$15,000*
	MCI (Spouse)	*Arlington, VA* *Example*	*Salary* *Example*	*Over $1,000*
1	(S) Mayer, Brown, Rowe & Maw, LLP	Washington, DC	Salary	over $1,000
2				
3				
4				
5				
6				
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8				
9				
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12				
13				
14				

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Reporting Individual's Name: Theodore (Ted) F. Stevens

PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Page Number: 3

BLOCK A — Identity of Publicly Traded Assets And Unearned Income Sources

Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child, *(See p.3, CONTENTS OF REPORTS Part B of Instructions)* for production of income or investment which:
(1) had a value exceeding $1,000 at the close of the reporting period; and/or
(2) generated over $200 in "unearned" income during the reporting period.
Include on this PART IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.

BLOCK B — Valuation of Assets

At the close of reporting period. If None, or less than $1,001, Check the first column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

	Block A	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required if "Other" Specified
Example: S, DC, or J	IBM Corp. (stock)				X									X							Example		X										Example
	(S) Keystone Fund					X										X		X			Example	X											Example
1	(S) Credit Suisse Securities, LLC San Francisco, CA (Money Market)				X									X											X								
2	(J) United States Senate Federal Credit Union Washington, DC					X										X									X								
3	(J) Wells Fargo (Checking Account) Anchorage, AK		X													X						X											
4	(S) Bank of America (Checking Account) Washington, DC	X														X						X											
5	(S) Wells Fargo (Checking Account) Wickenburg, AZ (1/3 interest)		X													X						X											
6																																	
7																																	
8																																	
9																																	
10																																	

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Reporting Individual's Name: Theodore (Ted) F. Stevens

PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Page Number: 4

JUL-17-2007 21:49 MCCLATCHYDC

BLOCK A — Identity of Publicly Traded Assets And Unearned Income Sources

Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child. *(See p.3, CONTENTS OF REPORTS Part B of Instructions)* for production of income or investment which:
(1) had a value exceeding $1,000 at the close of the reporting period; and/or
(2) generated over $200 in "unearned" income during the reporting period.
Include on this PART IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.

BLOCK B — Valuation of Assets

At the close of reporting period. If None, or less than $1,001, Check the first column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

	Block A	Block B: None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Block C: Type of Income: Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	Amount of Income: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required if "Other" Specified
S, Example: DC, or J	IBM Corp. (stock)				X									X							Example		X										Example
	(S) Keystone Fund					X										X		X			Example	X											Example
1	IRA w/Fidelity Investments as Custodian Consisting of the following:																																
2	Fidelity Cash Reserves	X												X										X									
3	Fidelity International Small Cap Opportunity Fund					X								X								X											
4																																	
5																																	
6																																	
7																																	
8																																	
9																																	
10																																	

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right.
*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate. ☐

Reporting Individual's Name: Theodore (Ted) F. Stevens

PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Page Number: 5

BLOCK A — Identity of Publicly Traded Assets And Unearned Income Sources

Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child. *(See p.3, CONTENTS OF REPORTS Part B of Instructions)* for production of income or investment which:
(1) had a value exceeding $1,000 at the close of the reporting period; and/or
(2) generated over $200 in "unearned" income during the reporting period.
Include on this PART IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.

BLOCK B — Valuation of Assets

At the close of reporting period. If None, or less than $1,001, Check the first column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual

	Block A	Block B: None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Block C: Type of Income: Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	Amount of Income: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required if "Other" Specified
Example: S, DC, or J	*IBM Corp. (stock)*				X									X							*Example*		X										*Example*
	(S) Keystone Fund					X										X		X			*Example*	X											*Example*
1	(S) CITIGROUP SMITHBARNEY IRA Consisting of the following funds:																																
2	(S) CGCM Large Cap Value Eq Investments		X															X						X									
3	(S) CGCM Large Cap Growth Investments			X														X				X											
4	(S) CGCM Small Cap Value Investments		X															X					X										
5	(S) CGCM Small Cap Growth Investments		X															X				X											
6	(S) CGCM International Equity Investments		X															X					X										
7	(S) CGCM Emerging Mkts Equ Investments		X															X						X									
8	(S) CGCM Govt Money Investments		X															X				X											
9																																	
10																																	

EXEMPTION TEST *(see instructions before marking box)*. If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate

Reporting Individual's Name: Theodore (Ted) F. Stevens

PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Page Number: 6

BLOCK A — Identity of Publicly Traded Assets And Unearned Income Sources

Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child, *(See p.3, CONTENTS OF REPORTS Part B of Instructions)* for production of income or investment which:
(1) had a value exceeding $1,000 at the close of the reporting period; and/or
(2) generated over $200 in "unearned" income during the reporting period.
Include on this PART IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.

BLOCK B — Valuation of Assets

At the close of reporting period. If None, or less than $1,001, Check the first column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

	Block A	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Type of Income: Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	Amount of Income: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required if "Other" Specified
Example: S, DC, or J	*IBM Corp. (stock)*				X									X							*Example*		X										*Example*
	(S) Keystone Fund					X										X		X			*Example*	X											*Example*
1	(S) MAYER, BROWN, ROWE & MAW 401(k) plan administered by:																																
2	BOK Financial Services and consists of the following funds:																																
3	(S) DWS Equity 500 Index Fund (Formerly Scudder Equ 500 Index Fund)			X														X								X							
4	(S) TCW Select Equities Fund 1 (Formerly TCW Galileo Select Equ Fund)			X														X				X											
5	(S) Jennison Small Company Z			X														X					X										
6	(S) STI Classic Sm Cap Growth Stock Fund	X																X					X										
7	(S) Fidelity Adv. Diversified Intl Fund			X														X								X							
8																																	
9																																	
10																																	

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Reporting Individual's Name: Theodore (Ted) F. Stevens

PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

BLOCK A — Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state and description) of each interest held by you, your spouse, or your dependent child (See p.3, CONTENTS OF REPORTS Part B of Instructions) for the production of income or investment in a non-public trade or business which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or

(2) generated over $200 in "unearned" income during the reporting period.

Include the above report for each underlying asset, which is not incidental to the trade or business. Publicly traded assets held by non-public entity may be listed on Part IIIA.

BLOCK B — Valuation of Assets

At the close of reporting period if None, or less than $1,001, Check the first column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

	Block A	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Type of Income: Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	Amount of Income: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required if "Other" Specified
Example: S, or J	JP Computer, Wash DC				X									X							Example		X										Example
Example: S, or J	Undeveloped land, Dubuque, Iowa					X															Example	X											Example
1	(S) National Life (Life Insurance) Montpelier, VT		X													X							X										
2	(S) State of Alaska Permanent Fund Dividend													X										X									
3	State of Alaska Permanent Fund Dividend													X										X									
4	Alaska's Great Eagle As Well, LLC Girdwood, AK		X																		LLC												(6424)
5	Alaska's Great Eagle, LLC Girdwood, AK		X																		LLC												(4264)
6	Theodore F. Stevens Blind Trust Anchorage, AK							X												X								X					
7	Oil Interests (individual wells) Oklahoma City, OK				X																wrkg intrst												9048
8	Sacks Restaurant, LLC Anchorage, AK		X																		LLC												157
9																																	
10																																	

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Reporting Individual's Name: Theodore (Ted) F. Stevens

PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

BLOCK A — Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state and description) of each interest held by you, your spouse, or your dependent child (See p.3, CONTENTS OF REPORTS Part B of Instructions) for the production of income or investment in a non-public trade or business which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or

(2) generated over $200 in "unearned" income during the reporting period.

Include the above report for each underlying asset, which is not incidental to the trade or business. Publicly traded assets held by non-public entity may be listed on Part IIIA.

BLOCK B — Valuation of Assets

At the close of reporting period. If None, or less than $1,001, Check the first column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

	Block A	Block B: None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Block C: Type of Income: Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	Amount of Income: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required if "Other" Specified
S, Example: DC, or J	JP Computer, Wash DC				X									X							Example		X										Example
	Undeveloped land, Dubuque, Iowa					X															Example	X											Example
1	(S) CHAMER COMPANY INC: Anchorage, AK (Family Investment Co.)																																
2	(S) Investment in Rental House Wickenburg, AZ				X																	X											
3	(S) Interest in Commercial Property Anchorage, AK			X																		X											
4	(S) Interest in Bank Account- Wells Fargo Anchorage, AK			X																		X											
5																																	
6																																	
7																																	
8																																	
9																																	
10																																	

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

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JUL-17-2007 21:51

Reporting Individual's Name: Theodore (Ted) F. Stevens

PART IV. TRANSACTIONS

Page Number: 9

Report any purchase, sale, or exchange by you, your spouse, or dependent child (See p.3 CONTENTS OF REPORTS Part B of Instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.

	Identification of Assets	Transaction Type (x): Purchase	Sale	Exchange	Transaction Date (Mo., Day, Yr.)	Amount of Transaction (x): $1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
S, Example: DC, or J	IBM Corp. (stock) NYSE	X			2/1/0X		X			E	X	A	M	P	L	E
	(DC) Microsoft (stock) NASDAQ/OTC		X		1/27/0X				X	E	X	A	M	P	L	E
1	Alaska's Great Eagle, LLC (Capital Call)				6/6/06	X										
2	Alaska's Great Eagle, LLC (Capital Call)				11/28/06	X										
3	Alaska's Great Eagle As Well, LLC (Capital Call)				5/18/06	X										
4	IRA with Fidelity Investments as custodian: Fidelity International Small Cap Opp Fund	X			10/8/06				X							
5	Stockmen's Bank (Now National Bank of Arizona) (checking account) Wickenburg, AZ (Gifted to Family)				5/15/06	X										
6	TFStevens Bedbug Outfit - undivided 1/2 interest in Livestock Congress, AZ (Gifted to Family)				05/15/06	X										
7																
8																
9																
10																
11																
12																

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

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JUL-17-2007 21:52

Reporting Individual's Name: Theodore (Ted) F. Stevens

PART IV. TRANSACTIONS

Page Number: 10

Report any purchase, sale, or exchange by you, your spouse, or dependent child (See p.3 CONTENTS OF REPORTS Part B of Instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.

	Identification of Assets (S, Example: DC, or J)	Transaction Type (x): Purchase	Sale	Exchange	Transaction Date (Mo., Day, Yr.)	Amount of Transaction (x): $1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
	IBM Corp. (stock) NYSE	X			2/1/0X		X			E	X	A	M	P	L	E
	(DC) Microsoft (stock) NASDAQ/OTC		X		1/27/0X				X	E	X	A	M	P	L	E
1	(S) CITIGROUP SMITHBARNEY- IRA Consisting of the following funds:															
2	(S) CGCM- Large Cap Value Equity	X			1/30/06	X										
3	(S) CGCM- Small Cap Value Equity		X		1/30/06	X										
4	(S) CGCM- Emerging Markets Equity		X		1/30/06	X										
5	(S) CGCM- International Equity	X			1/30/06	X										
6	(S) CGCM- Large Cap Growth Equity	X			1/30/06	X										
7	(S) CGCM- Small Cap Growth Equity		X		1/30/06	X										
8	(S) CGCM- International Equity		X		8/22/06	X										
9	(S) CGCM- Large Cap Growth Equity	X			8/22/06	X										
10	(S) CGCM- Large Cap Value Equity	X			12/15/06	X										
11																
12																

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Reporting Individual's Name: Theodore (Ted) F. Stevens

PART IV. TRANSACTIONS

Report any purchase, sale, or exchange by you, your spouse, or dependent child (See p.3 CONTENTS OF REPORTS Part B of instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.

	Identification of Assets	Transaction Type (x): Purchase	Sale	Exchange	Transaction Date (Mo., Day, Yr.)	Amount of Transaction (x): $1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
S, Example: DC, or J	*IBM Corp. (stock) NYSE*	X			*2/1/0X*		X			E	X	A	M	P	L	E
	(DC) Microsoft (stock) NASDAQ/OTC		X		*1/27/0X*				X	E	X	A	M	P	L	E
1	(S) MAYER; BROWN, ROWE & MAW- 401(k) plan administered by BOK Financial Services. Consisting of the following funds:															
2	(S) DWS Equity 500 Index Fund	X			1/1/06	X										
3	(S) TCW Select Equities Fund 1	X			1/1/06	X										
4	(S) STI Classic Sm Cap Growth Stock T Fund	X			1/1/06	X										
5	(S) Fidelity Adv. Diversified Int'l Fund	X			1/1/06	X										
6	(S) DWS Equity 500 Index Fund	X			4/1/06	X										
7	(S) TCW Select Equities Fund 1	X			4/1/06	X										
8	(S) STI Classic Sm Cap Growth Stock T Fund	X			4/1/06	X										
9	(S) Fidelity Adv. Diversified Int'l Fund	X			4/1/06	X										
10	(S) STI Classic Sm Cap Growth Stock T Fund exchanged for Jennison Small Company Z			X	10/1/06		X									
11	(S) DWS Equity 500 Index Fund		X		11/22/06	X										
12	(S) TCW Select Equities Fund 1		X		11/22/06	X										

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

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Reporting Individual's Name: Theodore (Ted) F. Stevens

PART IV. TRANSACTIONS

Page Number: 12

Report any purchase, sale, or exchange by you, your spouse, or dependent child (See p.3 CONTENTS OF REPORTS Part B of Instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.

	Identification of Assets	Transaction Type (x): Purchase	Sale	Exchange	Transaction Date (Mo., Day, Yr.)	Amount of Transaction (x): $1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
Example: DC, S, or J	*IBM Corp. (stock) NYSE*	X			2/1/0X		X			E	X	A	M	P	L	E
	(DC) Microsoft (stock) NASDAQ/OTC		X		1/27/0X				X	E	X	A	M	P	L	E
1	(S) MAYER, BROWN, ROWE & MAW- 401(k) plan administered by BOK Financial Services. Consisting of the following funds:															
2	(S) Jennison Small Company Z		X		11/22/06	X										
3	(S) Fidelity Adv. Diversified Int'l Fund		X		11/22/06	X										
4																
5																
6																
7																
8																
9																
10																
11																
12																

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

PART V. GIFTS

P.14/13

Report the source, brief description and value of all gifts aggregating more than $305 in value received by you, your spouse, or your dependent child, (See p.3 CONTENTS OF REPORTS Part B of Instructions), from each source. Gifts with a value of $122 or less need not be aggregated towards the disclosure threshold. "Gift" is defined in the Instructions.

Exclude: (1) Bequests and other forms of inheritance; (2) Political campaign contributions; (3) Communications to your offices including subscriptions to newspapers and periodicals; (4) Consumable products provided by home state businesses to your offices, if those products are intended for consumption by persons other than yourself; (5) Gifts received prior to your Federal employment; (6) Gifts to your spouse or dependent child totally independent of his or her relationship to you; (7) Gifts from relatives; (8) Personal hospitality of any individual (see instructions); (9) meals and beverages unless consumed in connection with a gift of overnight lodging; and (10) Food, lodging, transportation, and entertainment provided by a foreign government within a foreign country, or by federal, state, D.C., or local governments.

	Name of Income Source	Address of Source	Dates and Brief Description	Gift Value
Example:	*Mr. John Q. Smith*	*Anytown, VA* *Example*	*August 12, 200X, Silver platter - Ethics Committee waiver granted*	*$400*
1	Kenai River Sportsfishing Assoc. 501(c)3	Kenai, Alaska	July 2006, Smith & Wesson; Engraved for public service	$1,400
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				

Note: The Senate Gift Rule prohibits most gifts in excess of $49.99.

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Reporting Individual's Name: Theodore (Ted) F. Stevens

PART VIII. POSITIONS HELD OUTSIDE U.S. GOVERNMENT

Report any positions held by you during the applicable reporting period whether compensated or not. Positions include, but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. Both the year and month must be reported for the period of time that the position was held.

Exclude: Positions with federal government, religious, social, fraternal, or political entities, and those solely of an honorary nature.

	Name of Organization	Address (City, State)	Type of Organization	Position Held	From (Mo/Yr)	To (Mo/Yr)
Example:	*National Assn. of Rock Collectors*	*NY,NY* EXAMPLE	*Non-profit education*	*President*	*6/90*	*Present*
	Jones & Smith	*Hometown, USA* EXAMPLE	*Law Firm*	*Partner*	*7/85*	*11/0X*
1	Dwight D. Eisenhower Memorial Commission	Washington, DC	Presidential Appointment	Member of the Board	4/01	Present
2						
3						
4						
5						
6						
7						
8						
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12						
13						

Compensation in excess of $200 from any position must be reported in Part II.

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Reporting Individual's Name
Theodore (Ted) F. Stevens

PART V. GIFTS

Page Number
Amendment 2007

Report the source, brief description and value of all gifts aggregating more than $305 in value received by you, your spouse, or your dependent child, (See p.3 CONTENTS OF REPORTS Part B of Instructions), from each source. Gifts with a value of $122 or less need not be aggregated towards the disclosure threshold. "Gift" is defined in the Instructions.

Exclude: (1) Bequests and other forms of inheritance; (2) Political campaign contributions; (3) Communications to your offices including subscriptions to newspapers and periodicals; (4) Consumable products provided by home state businesses to your offices, if those products are intended for consumption by persons other than yourself; (5) Gifts received prior to your Federal employment; (6) Gifts to your spouse or dependent child totally independent of his or her relationship to you; (7) Gifts from relatives; (8) Personal hospitality of any individual (see instructions); (9) meals and beverages unless consumed in connection with a gift of overnight lodging; and (10) Food, lodging, transportation, and entertainment provided by a foreign government within a foreign country, or by federal, state, D.C., or local governments.

	Name of Income Source	Address of Source	Dates and Brief Description	Gift Value
Example:	*Mr. John Q. Smith*	*Anytown, VA* *Example*	*August 12, 200X, Silver platter - Ethics Committee waiver granted*	*$400*
1	Kenai River Sportsfishing Assoc. 501(c)3	Kenai, Alaska	July 2002, Marlin Guide; Engraved for Public Service	$850
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				

Note: The Senate Gift Rule prohibits most gifts in excess of $49.99.

Ted Stevens

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JUL-17-2007 21:54 MCCLATCHYDC P.16/19

Reporting Individual's Name
Theodore (Ted) F. Stevens

PART V. GIFTS

Page Number
Annual Report
2003

Report the source, brief description and value of all gifts aggregating more than $305 in value received by you, your spouse, or your dependent child. (See p.3 CONTENTS OF REPORTS Part B of Instructions), from each source. Gifts with a value of $122 or less need not be aggregated towards the disclosure threshold. "Gift" is defined in the Instructions.

Exclude: (1) Bequests and other forms of inheritance; (2) Political campaign contributions; (3) Communications to your offices including subscriptions to newspapers and periodicals; (4) Consumable products provided by home state businesses to your offices, if those products are intended for consumption by persons other than yourself; (5) Gifts received prior to your Federal employment; (6) Gifts to your spouse or dependent child totally independent of his or her relationship to you; (7) Gifts from relatives; (8) Personal hospitality of any individual (see instructions); (9) meals and beverages unless consumed in connection with a gift of overnight lodging; and (10) Food, lodging, transportation, and entertainment provided by a foreign government within a foreign country, or by federal, state, D.C., or local governments.

	Name of Income Source	Address of Source	Dates and Brief Description	Gift Value
Example:	*Mr. John Q. Smith*	*Anytown, VA* *Example*	*August 12, 200X, Silver platter - Ethics Committee waiver granted*	*$400*
1	Kenai River Sportsfishing Assoc. 501(c)3	Kenai, Alaska	July 2003, Winchester Model 70 Super Grade; Engraved for Public Service	$1,400
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				

Note: The Senate Gift Rule prohibits most gifts in excess of $49.99.

RECEIVED
SECRETARY OF THE SENATE
07 JUL 17 PM 2:26

JUL-17-2007 21:55 MCCLATCHYDC P.17/19

Reporting Individual's Name
THEODORE (TED) F. STEVENS

PART V. GIFTS

Page Revision
2004 Amend

Report the source, brief description and value of all gifts aggregating more than $305 in value received by you, your spouse, or your dependent child, (See p.3 CONTENTS OF REPORTS Part B of Instructions), from each source. Gifts with a value of $122 or less need not be aggregated towards the disclosure threshold. "Gift" is defined in the Instructions.

Exclude: (1) Bequests and other forms of inheritance; (2) Political campaign contributions; (3) Communications to your offices including subscriptions to newspapers and periodicals; (4) Consumable products provided by home state businesses to your offices, if those products are intended for consumption by persons other than yourself; (5) Gifts received prior to your Federal employment; (6) Gifts to your spouse or dependent child totally independent of his or her relationship to you; (7) Gifts from relatives; (8) Personal hospitality of any individual (see instructions); (9) meals and beverages unless consumed in connection with a gift of overnight lodging; and (10) Food, lodging, transportation, and entertainment provided by a foreign government within a foreign country, or by federal, state, D.C., or local governments.

	Name of Income Source	Address of Source	Dates and Brief Description	Gift Value
Example:	*Mr. John Q. Smith*	*Anytown, VA* *Example*	*August 12, 200X, Silver platter - Ethics Committee waiver granted*	*$400*
1	Kenai River Sportsfishing Assoc. 501(c)3	Kenai, Alaska	July 2004, Beretta 470 Silver Engle Side by Side; Engraved and accepted in recognition for public service	$1,800
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				

07 JUL 17 PM 2:28

Note: The Senate Gift Rule prohibits most gifts in excess of $49.99.

Ted Stevens 7/17/07

Reporting Individual's Name
THEODORE (TED) F. STEVENS

PART V. GIFTS

Page Number
2008 Amend

Report the source, brief description and value of all gifts aggregating more than $305 in value received by you, your spouse, or your dependent child, (See p.3 CONTENTS OF REPORTS Part B of Instructions), from each source. Gifts with a value of $122 or less need not be aggregated towards the disclosure threshold. "Gift" is defined in the Instructions.

Exclude: (1) Bequests and other forms of inheritance; (2) Political campaign contributions; (3) Communications to your offices including subscriptions to newspapers and periodicals; (4) Consumable products provided by home state businesses to your offices, if those products are intended for consumption by persons other than yourself; (5) Gifts received prior to your Federal employment; (6) Gifts to your spouse or dependent child totally independent of his or her relationship to you; (7) Gifts from relatives; (8) Personal hospitality of any individual (see instructions); (9) meals and beverages unless consumed in connection with a gift of overnight lodging; and (10) Food, lodging, transportation, and entertainment provided by a foreign government within a foreign country, or by federal, state, D.C., or local governments.

	Name of Income Source	Address of Source	Dates and Brief Description	Gift Value
Example:	*Mr. John Q. Smith*	*Anytown, VA* *Example*	*August 12, 200X, Silver platter - Ethics Committee waiver granted*	*$400*
1	Kenai River Sportsfishing Assoc. 501(c)3	Kenai, Alaska	July 2005, Ruger Alaskan Revolver; Engraved and accepted in recognition for public service	$800
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				

Note: The Senate Gift Rule prohibits most gifts in excess of $49.99.

Ted Stevens 7/12/07

RECEIVED IN THE SENATE
07 JUL 17 PM 2:40

(1A-58)

FD-340b (Rev. 4-11-03)

File Number 194A-AN-13620 - T STEVENS

Field Office Acquiring Evidence ANCHORAGE

Serial # of Originating Document 115

Date Received 6/4/2017

From FBI

(Name of Contributor/Interviewee)

(Address)

ANCHORAGE, ALASKA

By [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

Title: POLAR PERT

b6
b7C

Reference:

(Communication Enclosing Material)

Description: ☒ Original notes re interview of

[redacted]

6/4/2007 [redacted]

GENERAL MGR.

- THIS WAS ONE AS BUILT. SURVEY TOO JUST GO TO COASTING, SURVEY & DO DRAWING NOT A PLOT PLAN & THEY DIDN'T ADD ANYTHING. HAVING SOME ANCHOR. b6 b7C

- DO 2W TO 4W A YEAR

- [redacted] ANNUALIZE THIS.
  PAYMENTS AT DIFFERENT COM.
  $75.00 WAS COST.
  PAID 225.00 INC CAPEX @ BALANCE OF $50.00
  PAID 7/26/07.

1A Envelope

Case ID: 194A-AN-13620-TSTEVENS

~~AN~~	~~58~~	[redacted] ~~INTERVIEW NOTES~~
AN	59	FGJ BRIEFING OF [redacted]
AN	60	[redacted] INTERVIEW NOTES
AN	61	FGJ BRIEFING OF [redacted]
AN	62	[redacted] INTERVIEW NOTES
AN	63	[redacted] INTERVIEW NOTES
AN	64	[redacted] INTERVIEW NOTES
AN	65	ORIGINAL NOTES RE INTERVIEW OF T. STEVENS NEIGHBORS IN GIRDWOOD, [redacted]
AN	66	DRIVERS LICENSE PHOTOS OF [redacted] AND BACKGROUND INFO
AN	67	ORIGINAL NOTES RE INTERVIEW OF [redacted]
AN	68	ORIGINAL NOTES RE INTERVIEW OF [redacted] FD-597
AN	69	[redacted] MUSTANG PHOTOS (198 PHOTOS); ORIGINAL CD S/N 312OKD042LA5517A1; 1 COPY OF CD LOCATION: [redacted] [redacted] NOTES b3 b6 b7C
AN	70	ORIGINAL INTERVIEW NOTES FROM TED STEVENS NEIGHBORS IN GIRDWOOD, ALASKA: [redacted]
AN	71	ORIGINAL INTERVIEW NOTES OF [redacted]
AN	72	ORIGINAL INTERVIEW NOTES OF [redacted]
AN	73	INTERVIEW NOTES FROM TELEPHONE INTERVIEW WITH [redacted] AND PARCEL INFORMATION FOR [redacted] GIRDWOOD, AK
AN	74	FD-597 ISSUED TO [redacted]
AN	75	FD-597 ISSUED TO [redacted]
AN	76	ORIGINAL NOTES RE INTERVIEW OF [redacted] 7/23/07 AND DOCUMENT DISCUSSED WITH [redacted]
AN	77	[redacted] IN RESPONSE TO GRAND JURY SUBPOENA
AN	78	ORIGINAL PHOTO CD - T. STEVENS HOUSE IN GIRDWOOD X-MAS LIGHTS REMOVAL
AN	79	ORIGINAL NOTES RE INTERVIEW OF [redacted] 7/26/07 AND CLEANSWEEP BUSINESS CARD OF [redacted]

1A Envelope

Case ID: 194A-AN-13620-TSTEVENS

AN	80	ORIGINAL CARD 1 JSW. CD1, CD2, CD3, CD4, CD5; PHOTO LOG
AN	81	COPY OF CARD 1 JSW, 5 CD COPIES. PHOTO LOG COPY

FD-340b (Rev. 4-11-03)

(1A-59)

File Number 194A-AN-13620 TS FIELDNOTES

Field Office Acquiring Evidence ANCHORAGE

Serial # of Originating Document _____

Date Received 6/5/2007

From FBI

(Name of Contributor/Interviewee)

(Address)

ANCHORAGE, ALASKA

By [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

Title: POLAR PEN

b3
b6
b7C

Reference: _____

(Communication Enclosing Material)

Description: ☒ Original notes re interview of

FGJ BRIEFING OF [redacted]

1A-60

FD-340b (Rev. 4-11-03)

File Number 194A-AN-13620 T STEVENS

Field Office Acquiring Evidence ANCHORAGE

Serial # of Originating Document 122

Date Received 6/5/07

From FBI
(Name of Contributor/Interviewee)

(Address)

ANCHORAGE, ALASKA
(City and State)

By [redacted]

To Be Returned ☐ Yes ☐ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☐ No

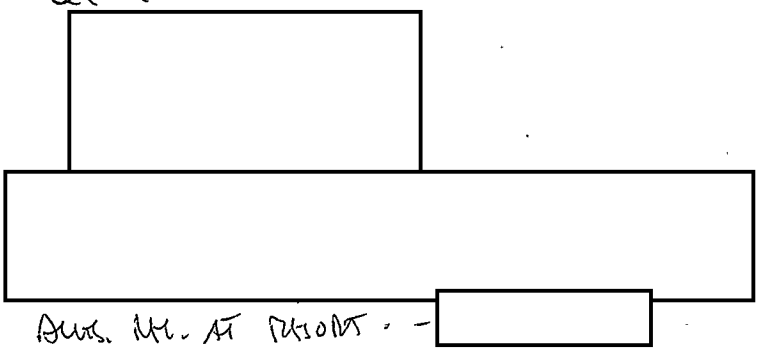
Title: PICOR PEN

b6
b7C

Reference:
(Communication Enclosing Material)

Description: ☑ Original notes re interview of [redacted]

6/5/01



b6
b7C

Also Mr. At Prison -

Still on Probation

(1A-61)

FD-340b (Rev. 4-11-03)

File Number 194A-AN-13620 - TSTEVENS

Field Office Acquiring Evidence ANCHORAGE

Serial # of Originating Document

Date Received 6/6/2007

From FBI
(Name of Contributor/Interviewee)

(Address)

ANCHORAGE, ALASKA
(City and State)

By [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

Title: POLAR PEN

b3
b6
b7C

Reference:
(Communication Enclosing Material)

Description: ☒ Original notes re interview of

FGJ BRIEFING OF [redacted]

(A-62)

FD-340b (Rev. 4-11-03)

File Number 194A-AN-13620 TSTEVENS

Field Office Acquiring Evidence ANCHORAGE

Serial # of Originating Document 123

Date Received 6/8/2007

From FBI
(Name of Contributor/Interviewee)

(Address)

ANCHORAGE, ALASKA
(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

Title: POLAR PEN

b6
b7C

Reference:
(Communication Enclosing Material)

Description: ☒ Original notes re interview of [redacted]

FBI - Stevens-5500

* [redacted]

GREENWOOD, ALASKA 99587

6/7/2007 [redacted]

CELL-TO SAY

ONE WALKER.

CALL WE PUTTER ART.

LIKE THINK [redacted]

b6
b7C

— DID SHE SEE WORK?

CALLING THEN SHE REPORTS — SHE SAW WHITE TRUCK HAULING CONCRETE COMING FROM REDWOODS AND THE EXCAVATOR DIDN'T KNOW FIGURING.

REDWOODS — THE EXCAVATION COMPANY OR GRANDWORK.

↓

ON DIRECT BUSIC.

↓

WHO HAS AUTHORITY OVER THE QUARTERED

↓

LOOKED ON DIRECT [redacted]

GREENWOOD

— RE X WAS COUNTS? — CAN'T SAY WHICH CHILDREN
PROBABLY AFTER THEY GOT COUNTS REPRESENTATIVES.
NOT SOMETHING DIRECT AS THE TRUCK ON GREENWOOD — COULD GO ON
AT FAR AS CAMPER GOES. 80-100 "TRUCK TRUCK.
WHITE TRUCK? — WHITE, CHEERY PICKUP LONG ARM EXTENSION
BUCKET. WHITE DISTINGUISH ON DOORS.

OTHER ACTIVITIES? CAN'T SAY —

— HAVENT BEEN ONCE STAYING HOME. INVITED ONCE BUT DIDN'T GO.
HAS SEEN STAYING AT FRIEND'S HOUSE & COMING AT 7 CRACKER
STAYING AS MANY LONG TIME.

— NO KNOWLEDGE OF PARENTS.

— SHE HAS 2 CHILDREN

— CHANGE A CONSIDER AT GAME.

FBI - Stevens-5501

1A-63

FD-340b (Rev. 4-11-03)

File Number 194A-AN-13620 - T STEVENS

Field Office Acquiring Evidence ANCHORAGE

Serial # of Originating Document 124

Date Received 6/8/07

From FBI
(Name of Contributor/Interviewee)

(Address)

ANCHORAGE, ALASKA
(City and State)

By [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure
☐ Yes ☒ No

Federal Taxpayer Information (FTI)
☐ Yes ☐ No

Title: POLAR PEN

b6
b7C

Reference:
(Communication Enclosing Material)

Description: ☒ Original notes re interview of

[redacted]

FBI - Stevens-5502

$ [redacted]

→ DMV: [redacted]

SSA: [redacted]

[redacted]

BUSINESS TRANSFERRED TO AND STAFF
HAVE MANAGE -

AT SINGLE HOUSE -

HAS SPECIALTIES WORK, THE SAME
LICENSED [redacted]
THE STAFF - CLEANING ABOUT CLEANING
OUT CLEANING WHAT OF
SEVERAL HOUSE -

[redacted] BUILDING -
CHRISTMAS BOXES - AND WORKING WORK - THE WORK

SAUNA - ~~CAPTAINS~~ BUNKHOUSE

UPSTAIRS ~~BUNKHOUSE~~ - SAME BATHROOM

SAME FIREPLACE UPSTAIRS - AND UPSTAIRS THE TREE - FALLING -

- WORKED STACKING THE CHRISTMAS + [redacted]

- HOW CAN I BACK ON CUT WITH BUDGET FORECASTING OF OUTPUT COST TO
COMPANY -

WAS THAT 25 BACK.

- ASK THE CHRISTMAS BUSINESS.
- NUMBER HOUR WEEK - ABOUT 20.00 PER HOUR.
TO
22.00

- NEED -
SAW [redacted] COMPANY OF TIME - PRESIDENT OF NEED.
ALONE -
BUDGET TALK TO GO - HE JUST TALKED TO CHRISTMAS BUSINESS GUY

- START AND [redacted] HOUSE - YEAR [redacted] [redacted] CONTRACTOR CO CHRISTMAS
BUSINESS. [redacted]

- AND ABOUT 4 JOBS FOR
CHRISTMAS BUSINESS
YEAR HAVE -

- COMES ON OUR NEW.

- STATE OF ALASKA # [redacted]

[redacted]

b6
b7C

(1A-64)

FD-340b (Rev. 4-11-03)

File Number 194A-AN-13620 T STEVENS

Field Office Acquiring Evidence ANCHORAGE

Serial # of Originating Document 125

Date Received 6/8/2007

From FBI
(Name of Contributor/Interviewee)

(Address)

ANCHORAGE ALASKA
(City and State)

By [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

b6
b7C

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☐ No

Title: POLAR PERT

Reference:
(Communication Enclosing Material)

Description: ☒ Original notes re interview of

[redacted]

FBI - Stevens-5504

6/8/07 [redacted]

- PHOTOS OF STEVENS HOUSE
  DATE: DAY OF CONGRESSIONAL CEREMONY ON GROUNDS FOR NEW LIBRARY
  WASH 17 - CONTROLS

- WHO ASKED:
  HE [redacted] CALLED ON TM'S HOUSE - SAW [redacted] OUTSIDE
  & HAD ALSO SEEN - GENERALLY ON EAST COAST THINKS THE LOOK ON THAT WEEK - [redacted]
  & HEARD BUILT ONCE. ASSUMED SIMILAR DETAILS OF TM'S
  HOUSE SO EVERYONE CAN SEE WHAT IT COULD LOOK.

[redacted]

b6
b7C

WHAT? [redacted]

& BASIC HOUSE -

[redacted] WANTED TO SIMULATE STEVENS - PRIVATE CONTROLS & THE BASIC.

[redacted]

- [redacted]

- [redacted]

- [redacted] AND BUILT -

[redacted]

- BASIC PHOTOGRAPHS CONTROL OF HOUSE.

- HOW MUCH - [redacted]

- WHO PAID - SIMULATED STEVENS - PAID COUPLE OF WEEKS APPROXIMATELY.
  PAID ON DAILY. HE DESCRIBED CHANGE. FROM SIMULATED STEVENS.
  NEW INVOICE.

- [redacted]

- [redacted]

FBI - Stevens-5505

[redacted]

DOB: [redacted]

SSAN: [redacted]

[redacted]

GRANDWOOD, [redacted] [redacted]

— CONNES [redacted]

99503

b6
b7C

FD-340b (Rev. 4-11-03)

1A65

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence ANCHORAGE

Serial # of Originating Document 126, 127, 128

Date Received JUNE 6, 2007

From _____
(Name of Contributor/Interviewee)

_____
(Address)

_____
(City and State)

By SA [redacted] b6 b7C

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

Title: POLAR PEN

Reference: _____
(Communication Enclosing Material)

Description: ☒ Original notes re interview of

Interview notes from T. Stevens neighbors in Girdwood, AK: [redacted]

Telephonic

6/6/07

[redacted]

Girdwood, AK [redacted]

[redacted]

b6
b7C

- Lived there since [redacted] w/ wife
- do not know senator [redacted] but know they like there
- have not been to home
- did not see any construction - did not notice or recall - not unusual to see construction in Girdwood
- [redacted] - so in + out of Girdwood [redacted] retired)
- does not know where statue came from - but have seen it on porch - he + his wife ~~think~~ it is very nice statue

[redacted]

Telephonic

June 5, 2007

[redacted]

ANCHORAGE, AK 99502

[redacted]

- Husband [redacted] built house at [redacted] Rd, Girdwood, AK ~ [redacted] yrs Ago

- Had no idea Senator Ted Stevens lives @ house in Girdwood.

b6
b7C

- Have rented home on [redacted] all but 1 yr - have never lived there

- Renter for [redacted] yrs just moved to [redacted] - owned [redacted]

Telephonic

6/6/07
10:10 am

[redacted] home

Anchorage, AK 99517 [redacted] work

[redacted] yrs. owned - not there often in summer (3-4x); mostly visit in winter

- Do not know Sen. Stevens but knows they live there
- Not been to home of Sen. Stevens, not spoken to them
- Saw lights on house, but did not see who put them up
- Saw construction progress, but doesn't remember seeing trucks, logos, signs or any indication of who may have done the work

own [redacted]
Girdwood, AK

b6
b7C

FD-340c (4-11-03)

- 1A66

File Number 194A-AN-13620 - T STEVENS

Field Office Acquiring Evidence ANCHORAGE

Serial # of Originating Document _____

Date Received 5/24/07

From FBI
(Name of Contributor/Interviewee)

(Address)

ANCHORAGE ALASKA
(City and State)

By [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

b6
b7C

Title:

Reference: _____
(Communication Enclosing Material)

Description: ☐ Original notes re interview of [redacted]

DRIVERS LICENSE PHOTOS of

@ BACKGROUNDS INFO.

FBI - Stevens-5511

PSTD100P TERMID: Y#4F DMV VEHICLE INFORMATION 05/24/07 14:34:47.3

OWNER: [redacted]

LICENSE: [redacted] SERIAL: [redacted] I/M REQ: N

MODEL YEAR: [redacted] MAKE: EZLD MODEL: STYLE: BT

COLOR: SIL CLASS: 35 UNLADEN WGT: 1549 METHOD: A

ATC: 2ND SERIAL: RESTRICT: Y

EXPIRATION: [redacted] LIENHOLDER:

	STREET/EXTRA LINE	CITY/COUNTRY	ST	ZIP/DATE
MAILING:	[redacted]	ANCHORAGE	AK	[redacted]
RESIDENCE:	[redacted]	ANCHORAGE	AK	

BASE ST: COUNTRY: PREV: **

* * * * * * * * * * * * * * STOLEN/STATUS INFORMATION * * * * * * * * * * * * * *

MSG: AGENCY:

PF6 VEH SRCH PF7 LIEN PF10 XMIT TO NCIC PF11 TITLE

b6
b7C

FBI - Stevens-5513

PSTD100P TERMID: Y#4F DMV VEHICLE INFORMATION 05/24/07 14:34:55.4

OWNER: [redacted]

LICENSE: [redacted] SERIAL: [redacted] I/M REQ: N

MODEL YEAR: [redacted] MAKE: RNGE MODEL: STYLE: FB

COLOR: BLK CLASS: 35 UNLADEN WGT: 550 METHOD: A b6

ATC: 2ND SERIAL: RESTRICT: Y b7C

EXPIRATION: [redacted] LIENHOLDER:

	STREET/EXTRA LINE	CITY/COUNTRY	ST	ZIP/DATE
MAILING:	[redacted]	ANCHORAGE	AK	[redacted]
RESIDENCE:	[redacted]	[redacted]	AK	

BASE ST: COUNTRY: PREV: **

* * * * * * * * * * * * * * STOLEN/STATUS INFORMATION * * * * * * * * * * * * *

MSG: AGENCY:

PF6 VEH SRCH PF7 LIEN PF10 XMIT TO NCIC PF11 TITLE

FBI - Stevens-5514

PSTD100P TERMID: Y#4F DMV VEHICLE INFORMATION 05/24/07 14:34:59.9

OWNER:

LICENSE: SERIAL: I/M REQ: N
MODEL YEAR: MAKE: ALJO MODEL: STYLE: TV
COLOR: TAN CLASS: 35 UNLADEN WGT: 7300 METHOD: E
ATC: 2ND SERIAL: RESTRICT: Y
EXPIRATION: LIENHOLDER:

b6
b7C

	STREET/EXTRA LINE	CITY/COUNTRY	ST	ZIP/DATE
MAILING:		ANCHORAGE	AK	
RESIDENCE:			AK	

BASE ST: COUNTRY: PREV: NV

* * * * * * * * * * * * * * STOLEN/STATUS INFORMATION * * * * * * * * * * * * * *

MSG: AGENCY:

PF6 VEH SRCH PF7 LIEN PF10 XMIT TO NCIC PF11 TITLE

FBI - Stevens-5515

PSTD100P TERMID: Y#4F DMV VEHICLE INFORMATION 05/24/07 14:35:04.4

OWNER: [redacted]

LICENSE: [redacted] SERIAL: [redacted] I/M REQ: N

MODEL YEAR: [redacted] MAKE: EZLD MODEL: STYLE: BT

COLOR: SIL CLASS: 35 UNLADEN WGT: 654 METHOD: A

ATC: 2ND SERIAL: RESTRICT: Y

EXPIRATION: [redacted] LIENHOLDER:

b6
b7C

	STREET/EXTRA LINE	CITY/COUNTRY	ST	ZIP/DATE
MAILING:	[redacted]	ANCHORAGE	AK	[redacted]
RESIDENCE:		ANCHORAGE	AK	

BASE ST: COUNTRY: PREV: **

* * * * * * * * * * * * * * STOLEN/STATUS INFORMATION * * * * * * * * * * * * * *

MSG: AGENCY:

PF6 VEH SRCH PF7 LIEN PF10 XMIT TO NCIC PF11 TITLE

PSTD100P TERMID: Y#4F DMV VEHICLE INFORMATION 05/24/07 14:35:09.9

OWNER:

LICENSE: SERIAL: I/M REQ: N
MODEL YEAR: MAKE: FORD MODEL: STYLE: PK
COLOR: RED CLASS: 40 UNLADEN WGT: 4956 METHOD: A
ATC: 2ND SERIAL: RESTRICT: Y
EXPIRATION: LIENHOLDER:

	STREET/EXTRA LINE	CITY/COUNTRY	ST	ZIP/DATE
MAILING:		ANCHORAGE	AK	
RESIDENCE:			AK	

BASE ST: COUNTRY: PREV: **

* * * * * * * * * * * * * * STOLEN/STATUS INFORMATION * * * * * * * * * * * * *

MSG: AGENCY:

PF6 VEH SRCH PF7 LIEN PF10 XMIT TO NCIC PF11 TITLE

b6
b7C

FBI - Stevens-5517

PSTD100P TERMID: Y#4F DMV BOAT INFORMATION 05/24/07 14:35:14.6

OWNER: [redacted]

BOAT NUM: [redacted] NAME: CLASS: B2

HIN: [redacted] ADF&G NO: LENGTH: 18 MODEL YEAR: 2004

MAKE: WILLIE BOATS INC TYPE: OTHER FUEL: NONE

USE: PLEASURE HULL: ALUMINUM/METAL POWER: OARS/PADDLES

COLOR: HULL: [redacted] CABIN: TRIM: WHITE

2ND HIN: RESTRICT: Y EXPIRATION: [redacted] PREV: **

MAILING: [redacted] ANCHORAGE AK

RESIDENCE: [redacted] [redacted] AK

b6
b7C

* * * * * * * * * * * * * * STOLEN/STATUS INFORMATION * * * * * * * * * * * * * *

MSG: AGENCY:

PF6 VEH SRCH PF10 XMIT TO NCIC PF11 TITLE

PSTD100P TERMID: Y#4F DMV VEHICLE INFORMATION 05/24/07 14:35:19.1

OWNER: [redacted] OR
OWNER: [redacted]

LICENSE: [redacted] SERIAL: [redacted] I/M REQ: E5
MODEL YEAR: [redacted] MAKE: MERZ MODEL: STYLE: 4D
COLOR: GRY CLASS: 10 UNLADEN WGT: 4320 METHOD: A
ATC: 2ND SERIAL: RESTRICT: Y
EXPIRATION: [redacted] LIENHOLDER:

	STREET/EXTRA LINE	CITY/COUNTRY	ST	ZIP/DATE
MAILING:	[redacted]	ANCHORAGE	AK	[redacted]
RESIDENCE:	[redacted]	ANCHORAGE	AK	

BASE ST: COUNTRY: PREV: **

* * * * * * * * * * * * * * STOLEN/STATUS INFORMATION * * * * * * * * * * * * *

MSG: AGENCY:

PF6 VEH SRCH PF7 LIEN PF10 XMIT TO NCIC PF11 TITLE

b6
b7C

FBI - Stevens-5519

PSTD100P TERMID: Y#4F DMV BOAT INFORMATION 05/24/07 14:35:23.4

OWNER: [redacted]

BOAT NUM: [redacted] NAME: CLASS: B1

HIN: [redacted] ADF&G NO: LENGTH: 20 MODEL YEAR: 2006

MAKE: KOFFLER BOATS TYPE: OTHER FUEL: GAS

USE: PLEASURE HULL: ALUMINUM/METAL POWER: OUTBOARD

COLOR: HULL: [redacted] CABIN: TRIM:

2ND HIN: RESTRICT: Y EXPIRATION: [redacted] PREV: **

MAILING: [redacted] ANCHORAGE AK

RESIDENCE: [redacted] [redacted] AK

b6
b7C

* * * * * * * * * * * * * * STOLEN/STATUS INFORMATION * * * * * * * * * * * * * *

MSG: AGENCY:

PF6 VEH SRCH PF10 XMIT TO NCIC PF11 TITLE

FBI - Stevens-5520

PSTD100P TERMID: Y#4F DMV VEHICLE INFORMATION 05/24/07 14:35:27.4

OWNER:

LICENSE: SERIAL: I/M REQ: N
MODEL YEAR: MAKE: KING MODEL: STYLE: BT
COLOR: CLASS: 35 UNLADEN WGT: 3800 METHOD: A
ATC: 2ND SERIAL: RESTRICT: Y
EXPIRATION: LIENHOLDER:

	STREET/EXTRA LINE	CITY/COUNTRY	ST	ZIP/DATE
MAILING:		ANCHORAGE	AK	99508 05/17/2006
RESIDENCE:		SOLDOTNA	AK	99669 05/17/2006

BASE ST: COUNTRY: PREV: **

* * * * * * * * * * * * * * STOLEN/STATUS INFORMATION * * * * * * * * * * * * *

MSG: AGENCY:

PF6 VEH SRCH PF7 LIEN PF10 XMIT TO NCIC PF11 TITLE

b6
b7C

PSTD100P TERMID: Y#4F DMV BOAT INFORMATION 05/24/07 14:35:34.9

OWNER: [redacted]

BOAT NUM: [redacted] NAME: CLASS: B1

HIN: [redacted] ADF&G NO: LENGTH: 9 MODEL YEAR: 2004

MAKE: YAMAHA MOTOR CO LTD TYPE: PWC (I.E. JET SKI) FUEL: GAS

USE: PLEASURE HULL: FIBERGLASS/PLASTIC POWER: OUTBOARD

COLOR: HULL: WHITE CABIN: TRIM:

2ND HIN: RESTRICT: Y EXPIRATION: [redacted] PREV: WA

MAILING: [redacted] ANCHORAGE AK

RESIDENCE: [redacted] SOLDOTNA AK

b6
b7C

* * * * * * * * * * * * * * STOLEN/STATUS INFORMATION * * * * * * * * * * * * * *

MSG: AGENCY:

PF6 VEH SRCH PF10 XMIT TO NCIC PF11 TITLE

PSTD100P TERMID: Y#4F DMV VEHICLE INFORMATION 05/24/07 14:35:40.2

OWNER: [redacted]

LICENSE: [redacted] SERIAL: [redacted] I/M REQ: N

MODEL YEAR: MAKE: HWK MODEL: STYLE: BT

COLOR: GRY CLASS: 35 UNLADEN WGT: 150 METHOD: A

ATC: 2ND SERIAL: RESTRICT: Y

EXPIRATION: [redacted] LIENHOLDER:

STREET/EXTRA LINE CITY/COUNTRY ST ZIP/DATE

MAILING: ANCHORAGE AK [redacted]

RESIDENCE: [redacted] AK

BASE ST: COUNTRY: PREV: WA

* * * * * * * * * * * * * * STOLEN/STATUS INFORMATION * * * * * * * * * * * * *

MSG: AGENCY:

PF6 VEH SRCH PF7 LIEN PF10 XMIT TO NCIC PF11 TITLE

b6
b7C

FBI - Stevens-5523

PSTD300P TERMID: P#8C BASIC PERSON RECORD 05/22/07 13:07:23.3

PERSON NAME:
DOB:
SEX: F HGT: WGT: 150 HAIR:
BIRTH PLACE CITY:
SSN:
STATE:
FP ON FILE:
EYE COLOR: BLU
MONIKER:
FELON: N
PERM ID:
RACE:
IFFS:
SOR:

MOST CURRENT	STREET/EXTRA LINE	CITY/COUNTRY	ST	LAST CHG
MAILING ADDR:		ANCHORAGE	AK	
(VEH REG)				
RES ADDR:		ANCHORAGE	AK	
(VEH REG)				

b6
b7C

APSIN ID:
STATUS:
CDL STATUS:

CLASS	EXPIRES	CLASS	EXPIRES	CLASS	EXPIRES	CLASS	EXPIRES
D		ID					

ADL:
DMV ID:
RESTRICTIONS:

PF2 MULT PER PF3 FWP HST PF6 DMV VEH DIS PF7 DMV DR HST
PF8 CRIM HST PF10 NCIC W/W PF11 ADDR DISP

4-© 1 Sess-1 146.63.51.196 P#8C 2/1

FBI - Stevens-5524

Property Appraisal
Municipality of Anchorage, Alaska

Public Inquiry Search Results for [redacted]

To find another property, enter new name and click Submit Searc

Owner Name [redacted] [redacted]

Click on a parcel below to display detail information.

Parcel ID	Name	Site Address	
[redacted]	[redacted]		NORTHW SEWARD
		[redacted]	NORTHW CAPTAIN
			NORTHW WICKERS
		[redacted]	ALYESK. BLK 6A T SNOW RI
	ROYAL FORK BUFFET		NORTHW CZAR AL
	[redacted]		TUDOR F BLK 2 LT
	PENNINGTON & SONS LLC		RAINBO TR E-1B BUTTEC
	[redacted]		HIDDEN BLK 1 LT

b6
b7C

Feedback E-mail: wwfipa@muni.org
Contact Us | Disclaimer | Privacy Statement | (c) 2002 MOA IT e-Gov

FBI - Stevens-5525

b6
b7C

PSTD300P TERMID: P#8C BASIC PERSON RECORD 05/22/07 13:06:16.6

PERSON NAME:
DOB: SSN: PERM ID:
SEX: M HGT: WGT: 182 HAIR: BRO EYE COLOR: GRN RACE: W
BIRTH PLACE CITY: STATE: OR MONIKER: IFFS:
FP ON FILE: FELON: N SOR:

MOST CURRENT	STREET/EXTRA LINE	CITY/COUNTRY	ST	LAST CHG
MAILING ADDR:		ANCHORAGE	AK	
(VEH REG)				
RES ADDR:			AK	
(VEH REG)				

APSIN ID: STATUS: CDL STATUS:

CLASS	EXPIRES	CLASS	EXPIRES	CLASS	EXPIRES	CLASS	EXPIRES
D		ID					

ADL:
DMV ID:
RESTRICTIONS:

PF2 MULT PER PF3 FWP HST PF4 CASE INFO PF6 DMV VEH DIS PF7 DMV DR HST
PF8 CRIM HST PF10 NCIC W/W PF11 ADDR DISP

4-© 1 Sess-1 146.63.51.196 P#8C 2/1

FBI - Stevens-5526

FD-340c (4-11-03)

File Number 194A - AN - 13620 - TSTEVENS - 1A67

Field Office Acquiring Evidence Anchorage

Serial # of Originating Document [illegible]

Date Received 6/5/07

From _____
(Name of Contributor/Interviewee)

_____
(Address)

_____
(City and State)

By [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☑ No

Federal Taxpayer Information (FTI)

☐ Yes ☑ No

Title: Polar Pen;
CSL PO;
OO:AN

b6
b7C

Reference: _____
(Communication Enclosing Material)

Description: ☑ Original notes re interview of

[redacted]

[redacted] dos [redacted] (c) 6/5/07
[redacted]

Work order to melt VECO @ address in Girdwood
Lots of commercial business not residential.

Met a guy w/ Harley T-Shirt @ chalet
said it was Ted Stevens House.
Bronzed Glass front - 15 units were fogged
Recommended install low energy glass

b6
b7C

Work up 2 estimates -
- Replace [redacted] - 21K to 41K
- Full remodel 20K

Time stamp [redacted]

Beer Belly, mustache, shoulder length hair, brown/black
- 27 [illegible]
[redacted] fireweed / arctic
[redacted]

[redacted] want out to Stevens.

City of Anchorage - School District

Medical cards needed -

(1) Preamble

(2) 3/24/07 14:43 - JW/JFP
[redacted] asking about [redacted] half houses

(3) 3/28/07 10:51 - SW/JFP
Met w/ [redacted] not selling anything

(4) 3/28/07 12:35 Message SW

(5) 4/17/07 10:12 JFP, JW

(5a) 4/17/07 10:21 JFP

5/4/07 6:20

(7) 5/7 14:15

(8) 12:26 6/5

b6
b7C

FD-340b (Rev. 4-11-03)

1A68

File Number 194A-AN-13620-FSTEVENS

Field Office Acquiring Evidence ANCHORAGE

Serial # of Originating Document 133

Date Received 6/12/2007

b6
b7C

From FBI
(Name of Contributor/Interviewee)

(Address)

ANCHORAGE, ALASKA
(City and State)

By [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

Title: PULSE PERF

Reference:
(Communication Enclosing Material)

Description: ☑ Original notes re interview of

[redacted]

FD 597 ISSUED TO [redacted]

FD-597 (Rev 8-11-94)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
Receipt for Property Received/Returned/Released/Seized

File # 194A-ANC-13620

On (date) 6/12/07

item(s) listed below were:
- [x] Received From
- [ ] Returned To
- [ ] Released To
- [ ] Seized

(Name) [redacted]

(Street Address) [redacted]

(City) ANCHORAGE, ALASKA

Description of Item(s):

(1) EMAILS FROM [redacted] TO TED STEVENS (275 PAGES)
(2) EMAILS FROM TED STEVENS TO [redacted] (167 PAGES)
(3) EMAILS FROM [redacted] TO [redacted] (3 PAGES)
(4) EMAIL FROM TED STEVENS TO [redacted]
AND FROM [redacted] TO TED STEVENS ON 6/11/07 - 2 PAGES

b6
b7C

FBI - Stevens-5562

Received By: [redacted] (Signature)

Received From: _____ (Signature)

[redacted]

Phone Logs Analysis

- 9/05/06 & 6/5/07

b6
b7C

Stephen

- Purchasing Buildings

Winter:

Im from DC

Kelly -

MEDIA ✓

1A-69

FD-340c (4-11-03)

File Number 194A-AN-13620 - T.STEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document

Date Received 05/21/07

From
(Name of Contributor/Interviewee)

(Address)

(City and State)

By [redacted]

To Be Returned ☐ Yes ☐ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☐ No

b6
b7C

Title:

Reference:
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

[redacted] Mustang Photos (198 photos)

- Original CD S/N 3120KD042LA5517A1
- 1 copy of CD

Location [redacted]

- notes

5/21/07

421 pm arrive @ res, find garage opener, open garage

422 Started photos

1 yellow MUSTANG INSIDE Garage

[redacted]

Parked in garage covered by a Blue TARP.

-1 Silver in Color (Inside Crossfire?)

[redacted] - Kena: Chrysler TAG

~~422 pm Started Photo's~~

Covered by Gray TARP

1 MAZDA 626 (outside)

Blue [redacted]

END 1709 photo end/

1711 depart

Body 76A

Color 7

TRIM 26

Date 07L

DSO - 26

Axel —

TRAS 1--6

Vehicle weight [redacted]

mileage 55768.6

HANGING TAG ON

Garage wall

[redacted]

b6
b7C

[redacted]

[redacted]

[redacted]

[redacted]

FBI

05/14/2007

FBI - Stevens-5565

VM 5/17/07

1030AM

[redacted]

4pm Tues

1102am

[redacted]

[redacted]

b6
b7C

05/31/2007

FBI - Stevens-5566

Consent to Photograph 1964.5 Ford Mustang Located in a Garage at

1. hereby gives the FBI his consent to photograph a 1964.5 Ford Mustang further described as bearing VIN color yellow, registered to

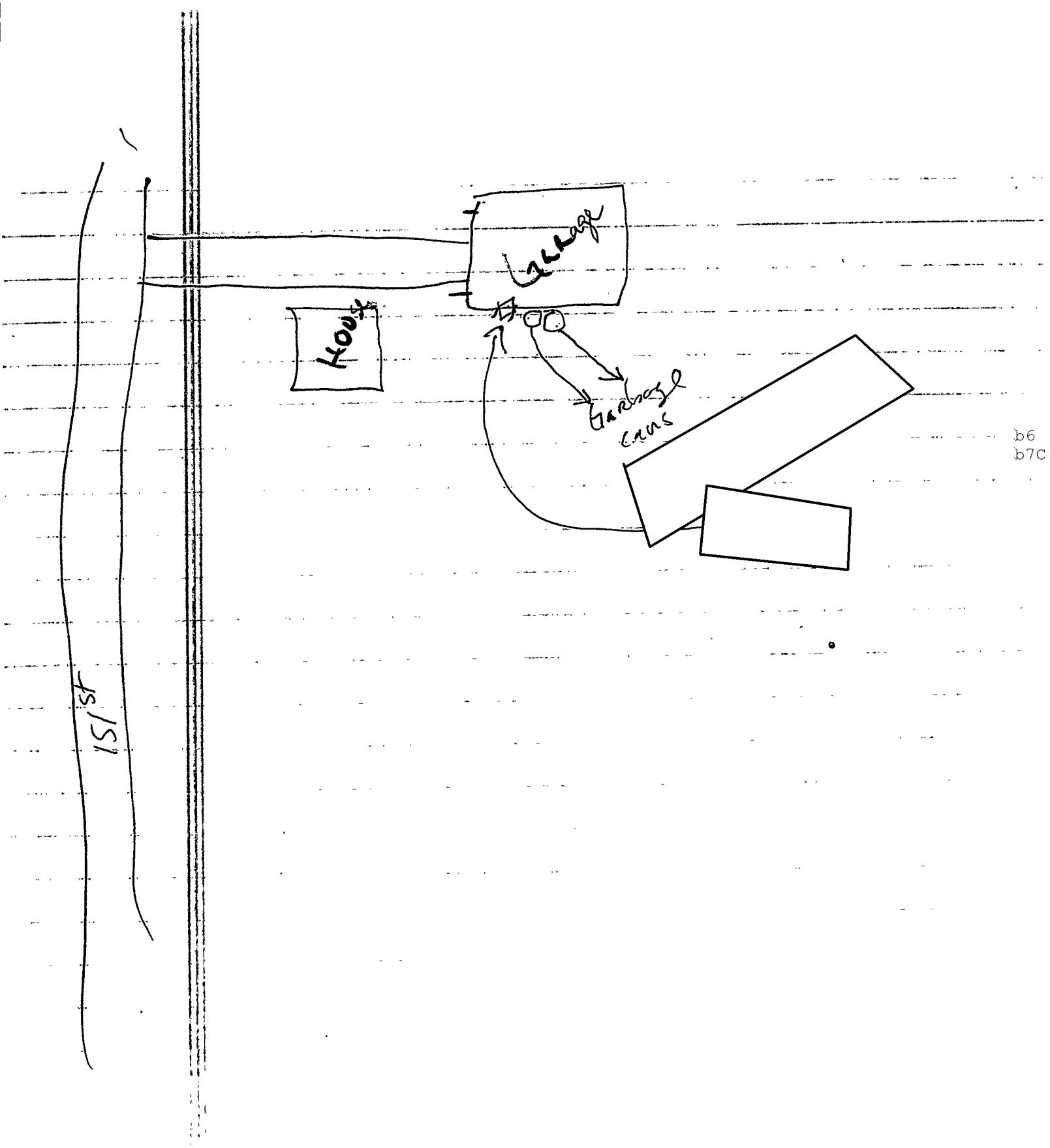
2. The above described Ford Mustang is stored in a garage located at the residence of advised that he has complete access to his Ford Mustang while it is being stored for him at residence. further advised that while s currently out of the country, he has obtained permission from to allow the FBI to enter the garage for the sole purpose of photographing the Ford Mustang.

3. The foregoing is based on the understanding that the FBI will not search, photograph or examine anything else in the garage.

b6
b7C

May 18th, 2007

Witnesses:



b6
b7C

Web Images Video News **Maps** Gmail more ▾

SEA - Seattle-Tacoma Intl Airport
WA 98158

Drive [redacted]

1. Head **southeast** — 1.5 mi, 3 mins

2. [redacted]
3.
4.
5.
6.
7.

[redacted]

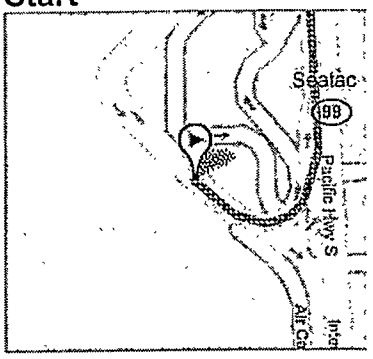
These directions are for planning purposes only. You may find that construction projects, traffic, or other events may cause road conditions to differ from the map results.

Map data ©2007 NAVTEQ™

Overview

[redacted]

Start



b6
b7C

End

[redacted]

Map data ©2007 NAVTEQ™

FBI - Stevens-5569

FD-340c (4-11-03)

1A70

File Number 194A-AN-13620-T STEVENS

Field Office Acquiring Evidence ANCHORAGE

Serial # of Originating Document 136 & 137

Date Received 6/14/2007

From _____
(Name of Contributor/Interviewee)

_____
(Address)

_____
(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

Title: POLAR PEN

b6
b7C

Reference: FD-302s dated 06/14/07 & 06/15/07
(Communication Enclosing Material)

Description: ☒ Original notes re interview of

Interview notes from Ted Stevens Neighbors in Girdwood, AK [redacted]

[redacted]

[redacted]

[redacted]

— Lived in Girdwood for [redacted] years @ [redacted] (no address # provided)

— Knew Sen. Stevens lived in area - Someone told her he had impressive lights on tree in front of house, but she only drove by a few times. She never noticed house, just tree.

b6
b7C

— She didn't go down his street very often. She didn't go outside much in winter & spend every day in Anchorage.

— She knew he lived one street over.

— Did not see renovations

— [redacted]

— Stated [redacted] very ~~nl~~ nice man & good landlord.

— Saw Stevens once in town, but never met him

[redacted]

Anchorage, AK [redacted] pgr office

- Had friend built house in [redacted] yrs ago.
- Had no idea that Senator Stevens lived in area.
- Only knew Senator Stevens remodeled home from what he read in newspapers
- [redacted] lived in residence for [redacted] years - verified residence was [redacted], Girdwood - cant locate contact info, but knew they [redacted] in Anchorage moved to [redacted]. Believes they now own an [redacted] in Oregon.

b6
b7C

FD-340b (Rev. 4-11-03)

1A71

File Number 196A-AN-13620 T STEVENS

Field Office Acquiring Evidence ANCHORAGE

Serial # of Originating Document 141

Date Received 6/20/2007

From FBI
(Name of Contributor/Interviewee)

(Address)

ANCHORAGE, ALASKA
(City and State)

b6
b7C

By [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure
☐ Yes ☒ No

Federal Taxpayer Information (FTI)
☐ Yes ☐ No

Title: POLAR PEN

Reference: FD-302 dated 06/20/07.
(Communication Enclosing Material)

Description: ☐ Original notes re interview of
[redacted]

FBI - Stevens-5574

6/20/2007

[redacted]

Reviews:

[redacted] [illegible] of [illegible] / [illegible] & [illegible].

b6
b7C

INITIAL STATEMENT [illegible].

- [illegible] AND MY [illegible]. WOULD HAVE [illegible] HAND [illegible]. WITH THE TV TRUCK [illegible]

- WITH [illegible] BANK.

FD-340b (Rev. 4-11-03)

1A72

File Number 194A-AN-13620 T STEVENS

Field Office Acquiring Evidence ANCHORAGE

Serial # of Originating Document 142

Date Received 6/20/2007

From FBI

(Name of Contributor/Interviewee)

(Address)

ANCHORAGE, ALASKA

(City and State)

By [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

b6
b7C

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☐ No

Title: POLAR PEN

Reference: FD-302 dated 06/20/07.

(Communication Enclosing Material)

Description: ☒ Original notes re interview of

[redacted]

VAR -
Jotter

6/20/2007

[redacted]
[redacted] CELL

- USCG -
GH was [illegible] Surveillance
[illegible] & [illegible] [illegible] Reg. [illegible]
Except for month scat.
- BM work on [illegible], [illegible]
& [illegible]

- USCG:
STARTING
STARTED [redacted]

- [illegible] employees at [illegible]
4/5 - with [illegible] crews
[redacted]
crews that for small projects, [illegible] of specific jobs, [illegible] sticks in [illegible]
put 3-4 times.

[redacted]

[redacted] - First of December
that stuck out except not doing [illegible] task
on [illegible] work.

b6
b7C

[redacted]

- HE SAID CAUSE AND THEY HAS BACKGROUND
  THIS WAS WHAT COMMERCIAL THE CONSTRUCTION.
- [redacted]

- ~~Gas~~
  UECO WAS SUPPOSED TO HAVE A ELECTRICAL CONSTRUCTION MANAGER - [redacted]
  THINK [redacted]

- THOUGHT THIS WAS SOME BASIC'S BAG ON THE TRANSACTION TIME.
  ↓
  COST HOW SYSTEM WORKED FOR UECO ON PIONEER PROJECT ON MONTHSCALE
  [redacted] FROM EXCEL IN
  SPEC CUTS ON AUCTIONS.

- HE WAS DEFINITELY WHAT TO DO. THINKS [redacted]

- HE WAS ON LOCAL WHO CAME BY [redacted] DIDN'T @ OUR PLANT - CHRISTMAS LIGHTING.
  "HAD SOME DECORATIVE LIGHTING BACK FOR THE HOLIDAYS. SOMEONE WANTED BY THEM
  TO PURCHASE COMPANY. DIDN'T BOUGHT A TON OF CHRISTMAS LIGHTS AT COST.
  [redacted] WANTED HIM PURCHASE NATURAL LIGHTS - THINK PURCHASE OTHER CHRISTMAS.
  - COULD HAVE BEEN SOMEONE ELSE WHO DID CHRISTMAS LIGHTS. - DON'T MEAN WHO DID
    IT. TO HIS KNOWLEDGE - CHRISTMAS LIGHTS BOUGHT THEM UECO.
  - HE DIDN'T ACTUALLY SEE THE LIGHTS.

- WITNESS & CLAIM - AN UECO EMPLOYEE
  WHO PERFORMED A SOB HOUSEKEEPING & COST. CONT } WORKED ON OUTSIDE THAT CAMPUS - ISSUES YOU HAVE
  FROM OF THE EMPLOYEE
  PROVIDED BY: HIS BOSS - BASED ON [redacted] ON
  WORKS [redacted] - SYSTEM AT UECO
  FORMER AS U.A. OF CONSTRUCTION FOR AUSTIN

b6
b7C

- [illegible] THAT CAMES. HOW TO KNOW IF STEVENS HAS?

HE ASKS GUNNE A COMPANY FOR ANOTHER

- WANTS CARE FOR A COMPANY ACCOUNT, [redacted] COULD ACCURATE THAT.

HAS TO DO MONTHLY COST.

WOULD HAVE [redacted]'S FOR CONTRACT AWARDED

FOR HOME RENOVATIONS - POSSIBLY HOME.

WAS IT DIFFICULT TO SEE.

- HE WANT SENT GUNNE OVER ADAS, PAPERWORK, ETC, [redacted] ETC

DIDN'T ANSWER SEE PROJECTS.

[redacted]

DOB:

SSN: [redacted]

CR) [redacted]

WASILLA, AK.

[redacted]

(W) ASRC - WORKED FOR COMPANY THRU OCT. 18, 2006

[redacted]

ANCHORAGE, AK 99

[redacted]

JOB TITLE: [redacted]

WORKS ON NORTH SLOPE

3 WEEKS ON 3 WEEKS OFF

- PROBE; BOSS [redacted]

ANCHORAGE, AK.

[redacted] - HAVE FOR WEEKS

AT PRESENT TIME

b6
b7C

FD-340b (Rev. 4-11-03)

-1A73

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence ANCHORAGE

Serial # of Originating Document 144

Date Received July 13, 2007

From [redacted]
(Name of Contributor/Interviewee)

(Address)

(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure
☐ Yes ☒ No

Federal Taxpayer Information (FTI)
☐ Yes ☒ No

b6
b7C

Title: POLAR PEN

Reference:
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

Interview notes from telephonic interview with [redacted] and parcel information for [redacted] Gudwood, AK

FBI - Stevens-5580

7/13/07

[redacted] [redacted]

Anchorage, AK [redacted]

b6
b7C

- Owned [redacted] Girdwood since early [redacted] yrs
- Mostly recreational home - visits several times a year for weekends or 2-3 days at a time
- A friend told him Senator Stevens lives in area, but [redacted] has no idea where
  - He even saw picture of Stevens house in paper, but couldn't place it.
- Did not notice any construction on any neighboring streets that stood out to him, people are always building or adding on in the area and he didn't notice.
  - no knowledge on construction during 2000-2002

* Left original message on 6/6/07 @ 10:24 am.
  Returned call on 7/13/07 @ 1:00pm

FD-340b (Rev. 4-11-03) -1A74

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence ANCHORAGE

Serial # of Originating Document _____

Date Received 7/17/2007

From FBI
(Name of Contributor/Interviewee)

_____
(Address)

ANCHORAGE, ALASKA
(City and State)

By [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☒ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

b3
b6
b7C

Title: POLAR PEN

Reference: _____
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

FD 597 ISSUED TO [redacted]

[redacted]

FD-597 (Rev 8-11-94)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
Receipt for Property Received/Returned/Released/Seized

File # 194A-AN-13620

On (date) 7/17/2007

item(s) listed below were:
- [x] Received From
- [ ] Returned To
- [ ] Released To
- [ ] Seized

(Name) [redacted]

(Street Address) [redacted]

(City) ANCHORAGE, ALASKA

b3
b6
b7C

Description of Item(s): [redacted]

b6
b7C

FBI - Stevens-5584

Received By: [redacted]
(Signature)

Received From: [redacted]

FD-340b (Rev. 4-11-03)

-1A75

File Number 194A-AN-13620-TS TEMP

Field Office Acquiring Evidence ANCHORAGE

Serial # of Originating Document 149

Date Received 7/18/2007

From FBI
(Name of Contributor/Interviewee)

(Address)

ANCHORAGE, AK
(City and State)

By [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☒ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

Title: POLAR PEN

b3
b6
b7C

Reference:
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

FD 597 ISSUED TO [redacted]

FD-597 (Rev 8-11-94)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
Receipt for Property Received/Returned/Released/Seized

File #: 194A-AN-13620

On (date) 7/18/2007

item(s) listed below were:
- [x] Received From
- [ ] Returned To
- [ ] Released To
- [ ] Seized

(Name) [redacted]

(Street Address) [redacted]

(City) ANCHORAGE, ALASKA

Description of Item(s): b3 b6 b7C

(1) [redacted]
(2)
(3)
(4)
(5)

b6 b7C

FBI - Stevens-5586

Received By: [redacted] (Signature)

Received From: [redacted] (Signature)

1A76

FD-340b (Rev. 4-11-03)

File Number 194A-AN-13620-TStevens

Field Office Acquiring Evidence AN

Serial # of Originating Document 153

Date Received 7/23/07

From [redacted]
(Name of Contributor/Interviewee)

[redacted]
(Address)

[redacted]
(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure
☐ Yes ☒ No

Federal Taxpayer Information (FTI)
☐ Yes ☒ No

b6
b7C

Title: Polar Pen

Reference: _____
(Communication Enclosing Material)

Description: ☒ Original notes re interview of [redacted] 7/23/07 and document discussed with [redacted]

7/23/07

I was complaining didn't treat me fairly in Proposal
gave it to same company
make large contributions to George Bush's
campaign.

↳ Specific ken
got on line type in campaign they list
people that make contributions
→ george Bush. - NOT sure

↳ State never researched

George Bush Appts Director for National
Science Foundation - person of U.S says
by the way.

Mr E. B. Don't Remember - wrote letter
NSF that Represents the U.S. Congress
The Protector to make sure every thing
gets - Couple Lawyers to make
sure → w/i Compliance

Filed Complaint - They said they looked
into it and it was all legitimate
NO dealings with Veco.

NO idea why there's was better than
mine - My contract was Fair
They didn't consider it

veco has every Right to do what they can
IF people in charge. threw veco w/ get it
again

U.S govt Everyone s/ have equal Right

↳ I had mentioned

Worked For Congress - oversaw Problems NOT
sure what his -

he said w/ investigate - Didn't Find

Inspector general(?) maybe complained think
OIG → Thinks that who I complained

Had to keep calling him Back. 6 mos
Later - He said NO. → If I find
letter. wrote an official letter

Sent: Sat Dec 11 10:59:41 2004
Subject: Artic Project

Dear [redacted]

[redacted] spent 4 months and a lot of money in the submission of our Artic Research Support and Logistics Services Proposal and now I just saw that the current contract was extended because no one submitted a proposal to your department? Thats a bunch of crap!
I have the top people in the world working for me. How corrupt can a department get. I guess I forgot to attach my check for a million dollars to the people reviewing the proposals like VECO did. My mistake, I guess I will know the next time.

b6
b7C

[redacted]

FBI - Stevens-5590

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-JStevens -1A77

Field Office Acquiring Evidence _____

Serial # of Originating Document _____

Date Received 7/5/2007

From [redacted] (Name of Contributor/Interviewee)

[redacted] (Address)

[redacted] (City and State)

By [redacted]

b3
b6
b7C

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☒ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

Title:

Reference: _____ (Communication Enclosing Material)

Description: ☐ Original notes re interview of

FBI - Stevens-5591

Letter from [redacted] in response to Grand Jury Subpoena

CO 293 (Rev. 8/91) Subpoena to Testify before Grand Jury

United States District Court

FOR THE DISTRICT OF COLUMBIA

SUBPOENA TO TESTIFY BEFORE GRAND JURY

TO: [redacted]

SUBPOENA FOR:
[ ] PERSON [X] DOCUMENT(S) OR OBJECT(S)

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

PLACE	**UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution, N.W. Washington, D.C. 20001**	COURTROOM	3rd Floor GRAND JURY ROOMS
		DATE AND TIME	July 6, 2007 9:00 a.m.

b3
b6
b7C

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):*

PLEASE SEE ATTACHMENT.

NOTE: In lieu of personal appearance, you may comply with this subpoena by providing via **express delivery** the subpoenaed records to FBI Special Agent [redacted] prior to the required date. Special Agent [redacted] may be reached at [redacted] or at the following address:

Special Agent [redacted]
Federal Bureau of Investigation
Washington Field Office
601 Fourth Street, NW
Washington, D.C. 20535

☐ *Please see additional information on reverse.*

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT NANCY MAYER-WHITTINGTON	DATE June 13, 2007
(By) Deputy Clerk	

This subpoena is issued upon application of the United States of America.	NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY Nicholas A. Marsh [redacted] Trial Attorneys, Criminal Division, Public Integrity Section U.S. Department of Justice 1400 New York Avenue, N.W., 12th Floor Washington, D.C. 20005 Tel: (202) 514-1412

FBI Stevens-5594

* If not applicable, enter "none".

*U.S.GPO:1993-0-350-792/80398

A 110 (Rev. 12/89) Subpoena to Testify Before Grand Jury

RETURN OF SERVICE(1)		
RECEIVED BY SERVER	DATE	PLACE
SERVED	DATE	PLACE
SERVED ON (PRINT NAME)		
SERVED BY (PRINT NAME)		TITLE

STATEMENT OF SERVICE FEES		
TRAVEL	SERVICES	TOTAL

DECLARATION OF SERVER(2)

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on _____ Date _____ Signature of Server

_____ Address of Server

ADDITIONAL INFORMATION

b3
b6
b7C

(1) As to who may serve a subpoena and the manner of its service see Rule 17(d), Federal Rules of Criminal Procedure, or Rule 45(c), Federal Rules of Civil Procedure.
(2) "Fees and mileage need not be tendered to the witness upon service of a subpoena issued on behalf of the United States or an officer or agency thereof (Rule 45(c), Federal Rules of Civil Procedure; Rule 17(d), Federal Rules of Criminal Procedure) or on behalf of certain indigent parties and criminal defendants who are unable to pay such costs (28 USC 1825, Rule 17(b) Federal Rules of Criminal Procedure)".

MEDIA

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620 - T. Stevens -1A78

Field Office Acquiring Evidence AN

Serial # of Originating Document

b6
b7C

Date Received 7/26/07

From T. Stevens Rec. - Gurdwood
(Name of Contributor/Interviewee)

(Address)

(City and State)

By

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure
☐ Yes ☑ No

Federal Taxpayer Information (FTI)
☐ Yes ☑ No

Title:

Reference:
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

Original photo CD - T. Stevens house in Gurdwood X-mas lights removal

-1A79

FD-340b (Rev. 4-11-03)

File Number 194A-AN-13620 - TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document 155

Date Received 7/26/07

From [redacted]
(Name of Contributor/Interviewee)

[redacted]
(Address)

Girdwood Alaska
(City and State)

b6
b7C

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure
☐ Yes ☒ No

Federal Taxpayer Information (FTI)
☐ Yes ☒ No

Title: Polar Pen

Reference:
(Communication Enclosing Material)

Description: ☒ Original notes re interview of [redacted] 7/26/07 + Cleansweep business card of [redacted]

Licensed Insured

CleanSWEEP

CHIMNEY CLEANING SERVICE

PO Bo[redacted] Girdwood,
Alaska 99587

b6
b7C

FBI - Stevens-5600

2:30pm

Working On v.

Blue Pick up 3/4 Ton Dodge P/U [redacted]

took down his X-mas [redacted] was person who did it

→ tree Lights

[redacted]

had Blue man Lift know anyone w

[redacted] asked B/c Ted Stevens said

put in Plastic Bags in Front of Door. 2 Black Bags In Front

B/c man Lift WAS there

I Contacted man Lift. Know anyone.

Didn't get Paid. I didn't invoice

[redacted] Knows

↳ is the [redacted] Known each other long

time. → [redacted] Ski Resort

Downtime —

he called me Back this morning

might have done small JOB years ago

b6
b7C

Cut them to get out of tree → wanted me to save

them. → in front of garage

[redacted]

$450 a day get Running Hours

↳

↳ Send Bill Stevens

Who paid the TRuck Rental?

Who will be invoiced?

There w/ Anyone else? NO

United Rentals → The man it was Rented

↳ Used it for a JOB yesterday all day used

8 hrs → drove it over Stevens Over today

telephone 3:13pm.

75/machine 24/man

Dont know how Long [redacted] was there. Est 1.5 h
I will invoice T. Stevens. $75/hr + 74/hr
Will invoice → Will cost $149 to remove

b6
b7C

Called alot of people
Thought heavy w/ use it on it on mountain

Already called him →

MEDIA ✓

Original

1A80

FD-340

File Number 194A-AN-13620-TSTEVENS

Office Acquiring Evidence AN

b6
b7C

1 # of Originating Document

Received 07/30/2007

(Name of Contributor/Interviewee)

(Address)

(City and State)

[redacted]

e Returned ☐ Yes ☑ No

pt Given ☐ Yes ☑ No

d Jury Material - Disseminate Only Pursuant to Rule 6 (e)

al Rules of Criminal Procedure

☐ Yes ☑ No

al Taxpayer Information (FTI)

☐ Yes ☑ No

Polar Pen

ence: Search Warrant

(Communication Enclosing Material)

☐ Original notes re interview of

1 JSW CD1 s/n 4080 2123 2341

CD2 s/n 4080 2123

CD3 s/n 4080 2123

CD4 s/n 4080 2123

CD5 s/n 4080 2123

Copy

MEDIA ✓

FD-340 (Rev. 4-11-03)

- 1A 81

File Number 194A-AN-13620 - TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document _____ b6 b7C

Date Received 7/30/07

From _____
(Name of Contributor/Interviewee)

_____
(Address)

_____
(City and State)

By [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

Title: Polar Pen

Reference: Search Warrant
(Communication Enclosing Material)

138 Northland Dr., Girdwood, AK

Description: ☐ Original notes re interview of

Card #1 JSW 5 CD Copies

Photo Log copy

card 1

Type of camera Nikon D2xs

Photographer [redacted]

Address 138 Northland Rd. Girdwood AK 99587

Page 1 of 1

Date 7/30/07

b6
b7C

1	photo log		
2-29	exterior photos		
30-46	tree front corner - electrical components		
47-71	exterior of deck		
72-73	distant shot - tree front corner (same as #30-46)		
74-83	detail photos - lower deck		
84-99	lower deck w/boulders		
100-104	woodbox		
KW	~~105 rear of house by woodpile - gas meter~~		
did not photograph			

FBI - Stevens-5605

1A Envelope

Case ID: 194A-AN-13620-TSTEVENS

AN	82	ORIGINAL CARD 2. PHOTO LOG FOR CD
AN	83	COPIES OF CARD 2. COPY OF PHOTO LOG
AN	84	CARD 3 JSW
AN	85	COPY OF CARD 3 JSW, PHOTO LOG
AN	86	ORIGINAL CARD 4 JSW, CD1, CD2, CD3
AN	87	COPY OF CARD 4 JSW; COPY 3 DISKS; PHOTO LOG COPY
AN	88	ORIGINAL NOTES RE INTERVIEW OF [redacted]
AN	89	ORIGINAL NOTES RE INTERVIEW OF [redacted]. BUSINESS CARDS FOR DIVERSIFIED CONSTRUCTION AND DIVERSIFIED MAINTENANCE
AN	90	ORIGINAL NOTES RE INTERVIEW OF [redacted]
AN	91	ORIGINAL NOTES RE INTERVIEW OF [redacted]. ACCOUNT PRINTOUT FOR [redacted]
AN	92	ORIGINAL NOTES RE INTERVIEW OF [redacted]
AN	93	ORIGINAL NOTES RE INTERVIEW OF [redacted] 8/6/07
AN	94	PICTURES OF TED STEVENS HOUSE (REMODELING)
AN	95	LETTER DATED 5/23/07 TO SENATOR STEVENS. LETTER DATED 6/17/07 FROM SENATOR STEVENS. 2 WHITE BOUND REPORTS BY [redacted]
AN	96	ORIGINAL NOTES RE INTERVIEW OF [redacted]

b6
b7C

ORIGINAL

[redacted]

MEDIA ✓

<1A82

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TStevens

Field Office Acquiring Evidence Anchorage

Serial # of Originating Document

Date Received 7/30/07

From
(Name of Contributor/Interviewee)

(Address)

(City and State)

By [redacted]

b6
b7C

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☐ No

Title:

Reference:
(Communication Enclosing Material)

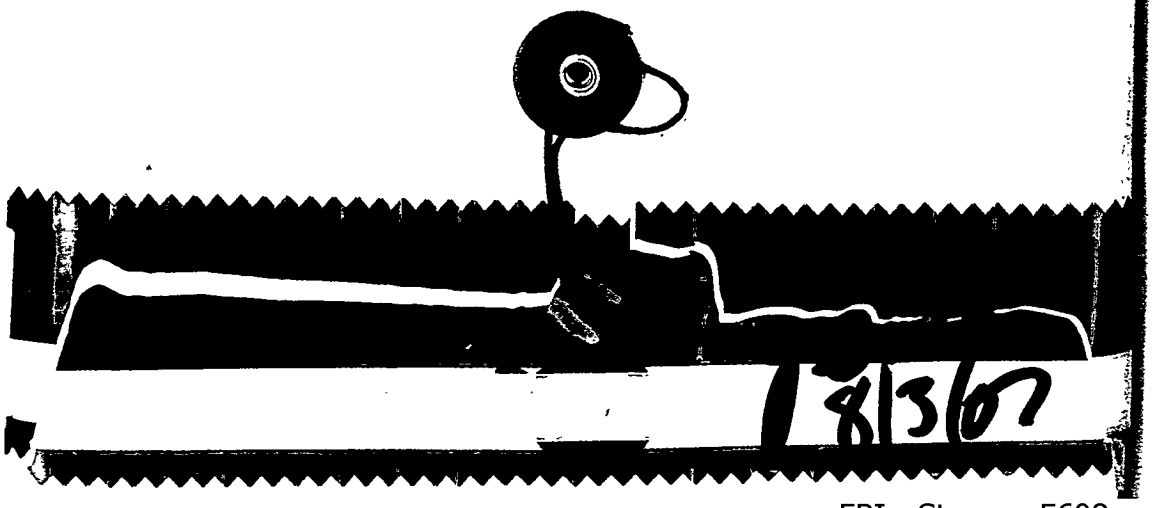
[redacted] Original notes re interview of

[redacted] - Card 2 - 1 CD

[redacted] E0814+09805131 [redacted]

[redacted] log for CD

[redacted]



FBI - Stevens-5608

Type of camera
Photographer [redacted]
Address 138 Northland Road

Page 1 of 2
Date 07/30/2007

b6
b7C

1	photo log	83-	plastic rainguard & weldings
2-7	gas meter by	93	over lower deck
	corner of woodpile	99-	fish sculpture on
8-12	electric box meter at rear	102	lower deck
	of house	103-	railing & lower deck
13	same as above schematic	118	
14	closeup of electric meter	119-	fish sculpture on lower
15-17	escape ladder from	122	deck w/ lights on
	top of house	123-	new electrical outlets
18-	third floor balcony	127	on lower deck
20	at rear of house	128-	Joslyn electronic systems
24-26	from rear of garage	130	"ACS" box on side of
	electrical device on		house on lower deck
	garage roof	131-	electrical outlet under
27-	water faucet rear	134	second story deck by
28	of garage		stairs
29-	new electrical outlet	135-	snow melting remote
32	rear of garage	137	control unit at front
33-45	generator & cover		of house
	at rear of garage	138-	electrical unit above
46-	new vents from rear of	140	snow melting remote
48	garage above generator		control unit
49-	exterior boiler exhaust at	141-	electrical unit on
54	side of garage	143	front of garage
55-	outdoor staircase to	144-	fire escape - opened
68	upper deck	147	
69-	roof covering woodpile		
82			

FBI - Stevens-5609

Type of camera [redacted]
Photographer [redacted]
Address 138 Northland Road

Page 2 of 2
Date 07/30/2007

b6
b7C

148	heat tape device on		
171	roof		
172	Barbegue grill on		
176	upper deck		
177	light fixtures - front of		
180	house - upper deck		
		FBI - Stevens-5610	

FBI

7/30

194A-AN-

0180

194A-AN-13620-TSTEVENS
-1A (82)

Copies

MEDIA ✓

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620 - T Stevens - 1A83

Field Office Acquiring Evidence AN

Serial # of Originating Document _____

Date Received 7/30/07

From _____
(Name of Contributor/Interviewee)

_____
(Address)

_____
(City and State)

By [redacted]

b6
b7C

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☑ No

Federal Taxpayer Information (FTI)

☐ Yes ☑ No

Title: Polar Pen

Reference: _____
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

Copies - Card #2

Copy of Photo Log.

Card #2

Type of camera _____
Photographer [redacted]
Address 138 Northland Road

Page 1 of 2
Date 07/30/2007

b6
b7C

1	photo log	83-	plastic rainguard & weldings
2-7	gas meter by	93	over lower deck
	corner of woodpile	97-	fish sculpture on
8-12	electric box/meter at rear	102	lower deck
	of house	103-	railing & lower deck
13	same as above schematic	118	
14	close up of electric meter	119-	fish sculpture on lower
15-17	escape ladder from	122	deck w/ lights on
	top of house	123	new electrical outlets
18-	third floor balcony	127	on lower deck
23	at rear of house	128-	Josyln electronic systems
24-26	from rear of garage	130	"ACS" box on side of
	electrical device on		house on lower deck
	garage roof	131-	electrical outlet under
27-	water faucet rear	134	second story deck by
28	of garage		stairs
29-	new electrical outlet	135	snow melting remote
32	rear of garage	137	control unit at front
33-45	generator & cover		of house
	at rear of garage	138-	electrical unit above
46-	new vents from rear of	140	snow melting remote
48	garage above generator		control unit
49-	exterior boiler exhaust at	141-	electrical unit on
54	side of garage	143	front of garage
55-	outdoor staircase to	144-	fire escape - opened
68	upper deck	147	
69-	roof covering woodpile		FBI - Stevens-5613
82			

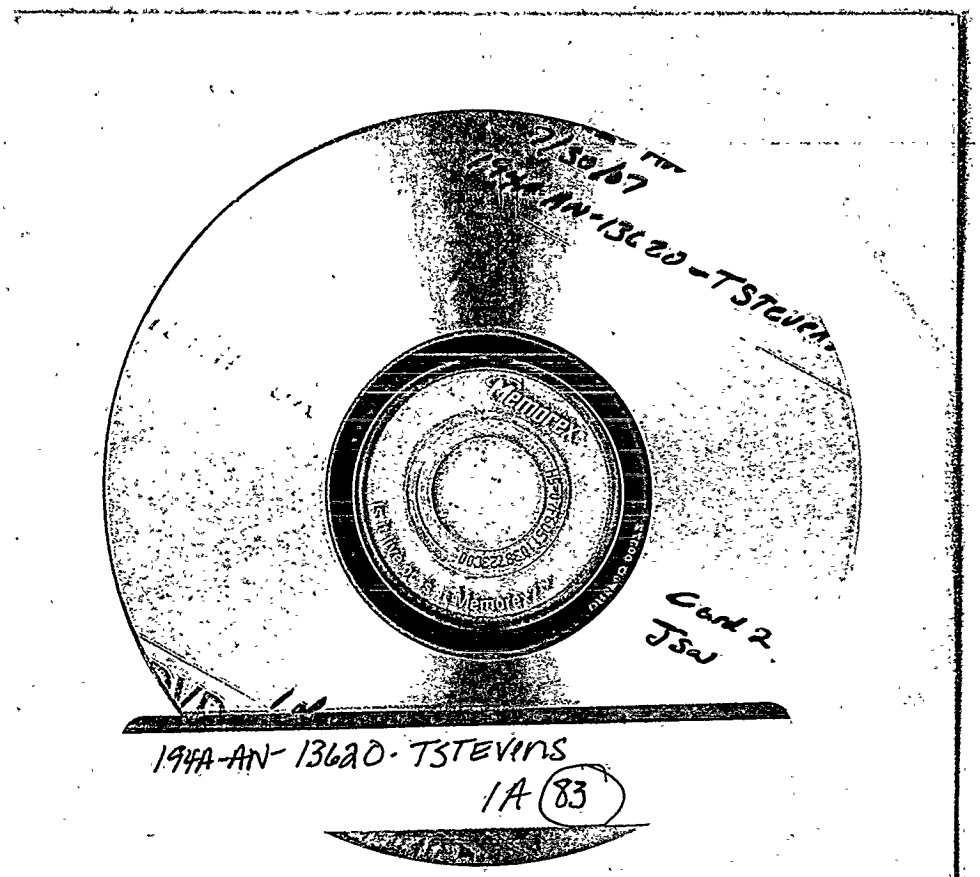
Type of camera _____
Photographer [redacted]
Address 138 Northland Road

Date 07/30/2007

b6
b7C

148	Went tape device on		
171	roof		
172	Barbeque grill on		
176	upper deck		
177	light fixtures - front of		
180	house - upper deck		
			FBI - Stevens-5614

194A-AN-13620 - TSTevens
Memorex
Card 2
JSJ
1 of 1
194A-AN-13620 - TSTEVENS
1A (83)


194A-AN-13620 - TSTevens
Memorex
Card 2
JSJ
194A-AN-13620 - TSTEVENS
1A (83)

Original

MEDIA ✓

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620 - T Stevens - 1A 84

Field Office Acquiring Evidence AN

Serial # of Originating Document _____

Date Received 7/30/07

From _____
(Name of Contributor/Interviewee)

_____
(Address)

_____
(City and State)

By [redacted]

b6
b7C

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☑ No

Federal Taxpayer Information (FTI)

☐ Yes ☑ No

Title: Polar Pen

Reference: Search Warrant
(Communication Enclosing Material)

[redacted] 138 Northland Rd, Girdwood, AK.

Description: ☐ Original notes re interview of

[redacted] JSW CDI 6143D7105121 3 G [redacted]

FBI - Stevens-5616

[redacted]

Audit
LAK

Type of camera Nikon D2XS
Photographer [redacted]
Address 1

Page 1 of 1
Date 7/30/07

b6
b7C

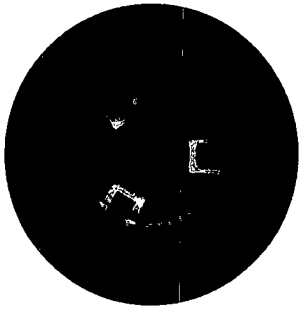
1	Photo Log	99-101	garage window close to door - manufacturer sticker
2-4	Fire Escape from.		
5-14	OUT DOOR yard/landscaping From Deck	103-104	Room D-Window
15	left side of house when		manufacturer sticker
	facing	105	Kitchen window - no sticker
15,16	boulders from	106-122	banisters lower deck
	upper deck		
19-20	view of yard from front deck	123-128	section 1 of 2 of front
21-44	view of back yard		porch w/ scale
45-47	fan above top deck	129-135	section 2 of 2 of front
48	handrails on stairs		porch w/ scale
61	to upper deck	136-141	boulders at front of porch
62-64	Weds on lower deck		
65-70	front window manufacturer		
79	stickers		
80-83	bathroom window		
	manufacturer sticker		
84	Room M-window box		
86	wood box - manufacter		
	sticker		
87-89	Room M - back window		
	manufacturer sticker		
90	Room N - back window		
93	manufacturer sticker		
94-96	Room N - side window		
	manufacturer sticker		
97-98	garage windows - no sticker		FBI - Stevens-5618
	window "manufacturer"		

Agency: FBI

Office: AN Date: 7/30/02

se No.: 194A-AN-13620-TSTEVENS DVD No.: 1

Original
Copy



Video .AVI ☐

Image MJPEG ☑

Wave File ☐

ecurity
assification:

194A-AN-13620-TSTEVENS-
1A (84)

Copies

MEDIA ✓

FD-340 (Rev. 4-11-03)

-1A85

File Number 194A-AN-13620-T Stevens

Field Office Acquiring Evidence AN

Serial # of Originating Document _____

Date Received 7/30/07

From _____
(Name of Contributor/Interviewee)

_____
(Address)

_____
(City and State)

By _____ [redacted] _____

b6
b7C

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☑ No

Federal Taxpayer Information (FTI)

☐ Yes ☑ No

Title: Polar Pen

Reference: Search Warrant
(Communication Enclosing Material)

138 Northland Rd, Girdwood, AK.

Description: ☐ Original notes re interview of

Card #3 JSW

Photo Log

FBI - Stevens-5620

Type of camera [illegible] Dans
Photographer [redacted]
Address 1

Page 1 of 1
Date 7/30/07

b6
b7C

1	Photo Log	99-101	garage window close to door - manufacturer sticker
2-4	Fire Escape from.		
5-14	outdoor yard/landscaping from Deck	102-104	Room D - window
~~15~~	left side of house when		manufacturer sticker
	facing	105	kitchen window - no sticker
15-18	boulders from	106-122	banisters lower deck
	upper deck		
19-20	view of yard from front deck	123-128	section 1 of 2 of front
21-24	view of back yard		porch w/ scale
25-47	pan above top deck	129-135	section 2 of 2 of front
48	handrails on stairs		porch w/ scale
51	to upper deck	136-141	boulders at front of porch
52-64	welds on lower deck		
65-70	front window manufacturer		
71	stickers		
80-83	bathroom window		
	manufacturer sticker		
84-	Room M - window box		
86	wood box - manufacter		
	sticker		
87-89	Room M - back window		
	manufacturer sticker		
90-	Room N - back window		
93	manufacturer sticker		
94-96	Room N - side window		
	manufacturer sticker		
97-98	garage windows - no sticker		
	window "manufacturer"		

FBI - Stevens-5621

Agency: FBI

Date: 7/30/07

Office: AN

DVD No.: 1

Case No.: 194A-AN-13620-TSTevens

Video .AVI ☐

Image MJPEG ☑

Wave File ☐

☐ Original

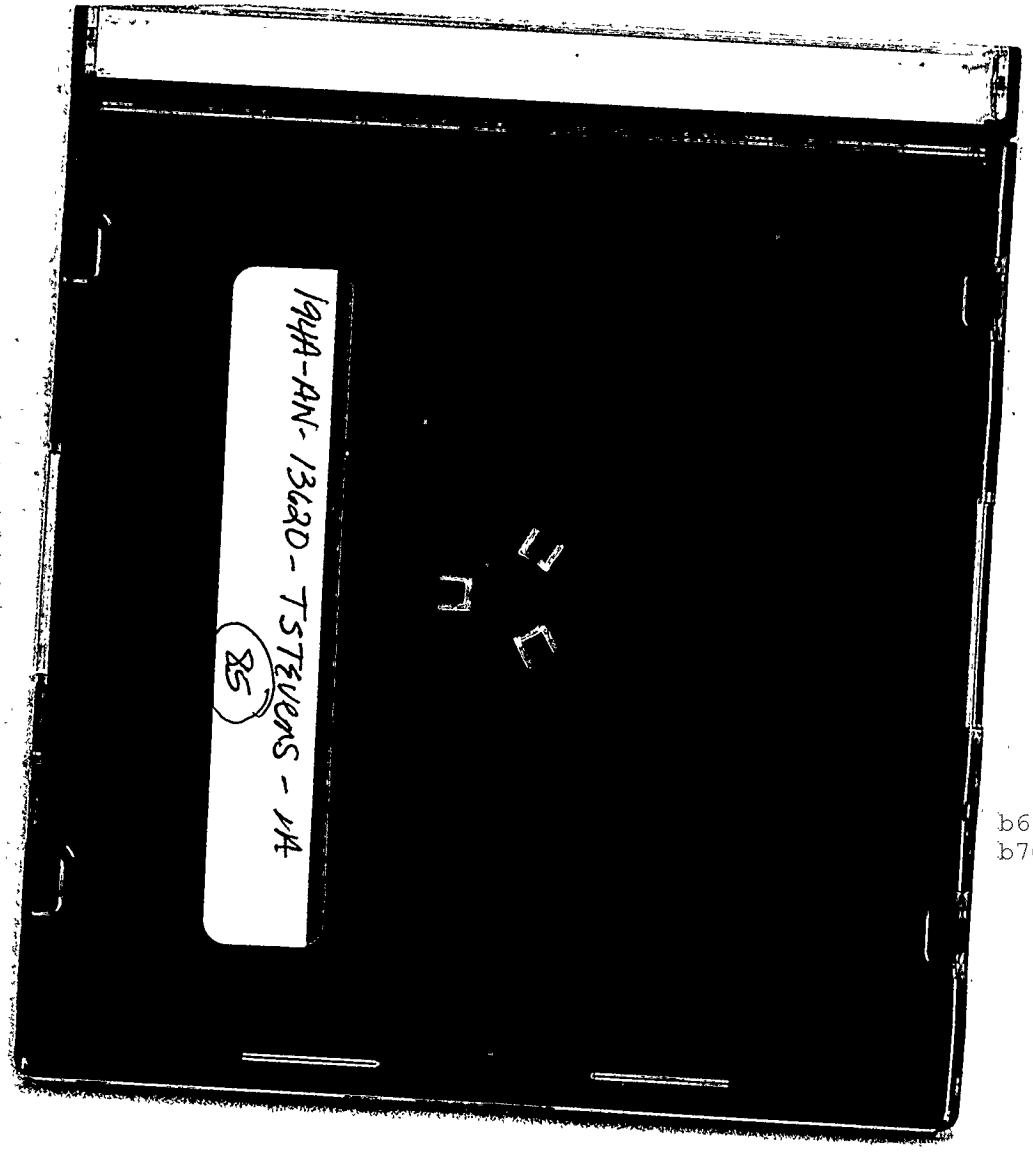
☑ Copy

General Purpose 2X 4.7v2 DVD-R

Security Classification:

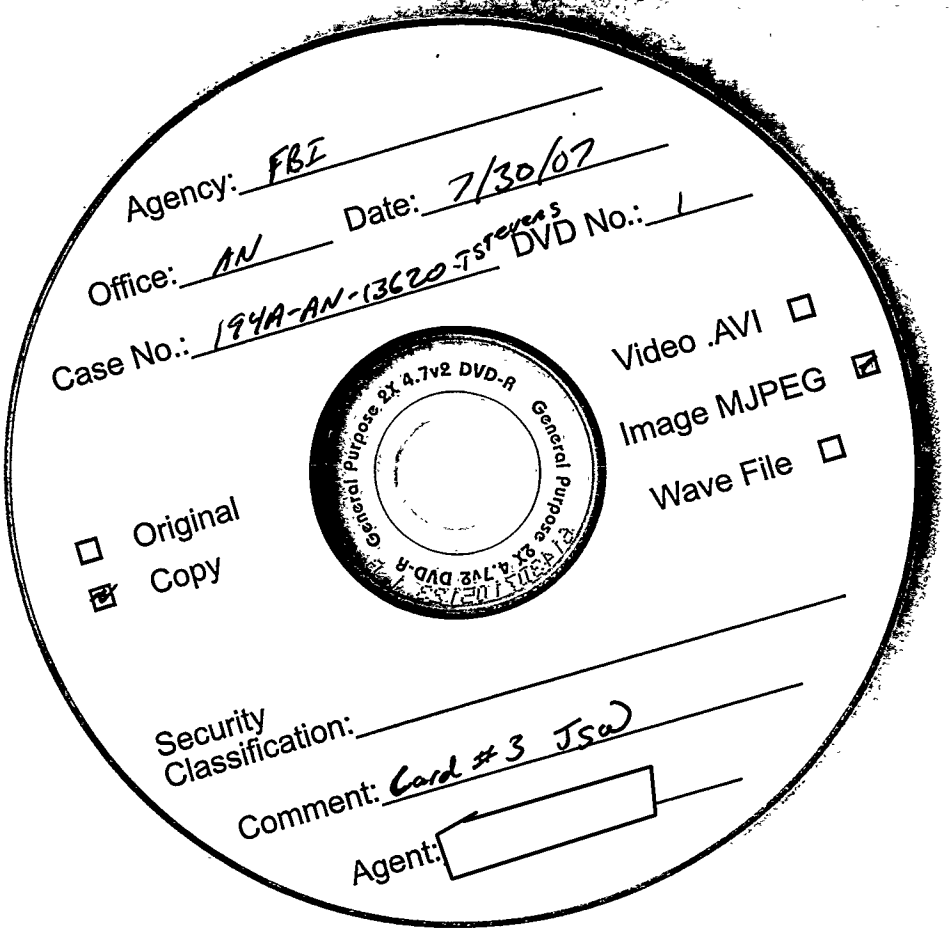
Comment: Card#3 JSW

Agent:



b6
b7C

194A-AN-13620-TSTEVENS
1A (85)


Agency: FBI
Office: AN
Date: 7/30/07
Case No.: 194A-AN-13620-TSTEVENS
DVD No.: 1
Video .AVI
Image MJPEG
Wave File
Original
Copy
General Purpose 2X 4.7v2 DVD-R
Security Classification:
Comment: Card #3 JSA
Agent:

b6
b7C

MEDIA ✓

Original

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TSteven-1A86

Field Office Acquiring Evidence AN

Serial # of Originating Document

Date Received 7/30/07

From
(Name of Contributor/Interviewee)

(Address)

(City and State)

By [redacted] b6 b7C

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

Title: Polar Pen

Reference: Search Warrant
(Communication Enclosing Material)

[redacted] 138 Northland Dr., Gridwood [redacted]

[redacted] 5124KD142LH04314

[redacted] 5123KD152LH28117

[redacted] 07-697

FBI

FBI - Stevens-5625

Card #4 JSW

Type of camera Nikon D2xs
Photographer [redacted]
Address 138 Northland Road

Page 1 **of** 1
Date 7/30/2007

b6
b7C

1	photo log		
2-72	exit photos		

FBI - Stevens-5626

194A-AN-13620 - TSTEVENS -
1A 86

FBI AN
194A-AN-13620-TSTEVENS
7/30/07

Original

Card 4
JSW

1 of 3

DSC. 0001 to DSC. 0028

194A-AN-13620-TSTEVENS
1A (86)

FBI AN
194A-AN-13620-TSTEVENS
7/30/07

Original

2 of 3

Card 4
JSW

DSC_0029 to DSC_0056

FOI AN
194A-AN-13620-TStevens
7/30/07

Original

3 of 3

Card 4
JSW

DSC-0057 to DSC-0072

194A-AN-13620- TSTEVENS
1A (86)

Copy

MEDIA ✓

FD-340 (Rev. 4-11-03)

-1487

File Number 194A-AN-13620 - TSTevens

Field Office Acquiring Evidence AN

Serial # of Originating Document _____

Date Received 7/30/07

From _____
(Name of Contributor/Interviewee)

_____
(Address)

_____
(City and State)

By [redacted]

b6
b7C

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

Title: Polar Pen

Reference: Search Warrant
(Communication Enclosing Material)

138 Northland Dr. Girdwood, AK

Description: ☐ Original notes re interview of

Card #4 JSW Copy 3 Disks

Photolog Copy

Card #4 JSW

Type of camera Nikon D2xs
Photographer [redacted]
Address 138 Northland Road

Page 1 of 1
Date 7/30/2007

b6
b7C

1	photo log		
2-12	exit photos		

194A-AN-13620-TSTEVENS
1A (87)

COPY
FBI AN
194A-AN-13620-TSTEVENS
7/30/07
Card #4 JSW

Disk 1 of 3

194A-AN-13620-TSTEVENS-
1A (87)

Copy
FBI-AN
7/30/07
Carol #4 JSW

194A-AN-13620-TSTEVENS

2 of 3

194A-AN-13620-TSTEVENS
1A (87)

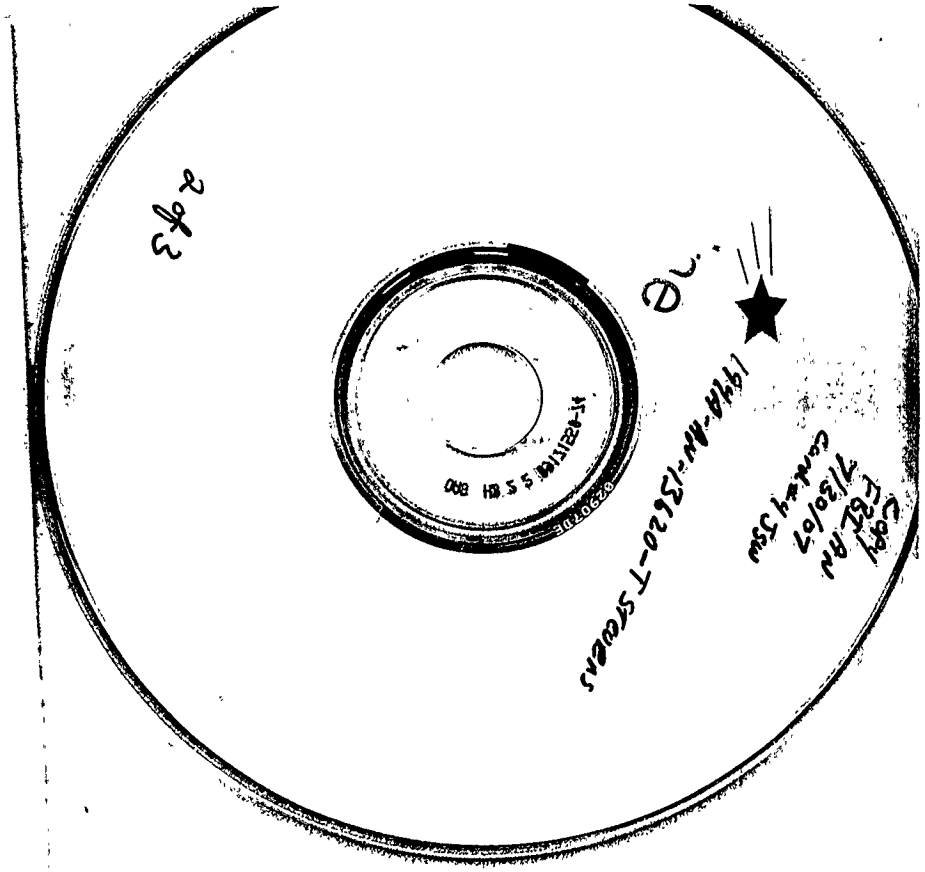
COPY
194A-AN-13620-TSTEVENS
7/30/07
Count #4 JSW
FBI-AN

3 of 3

194A-AN-13620- TSTEVENS
1A (87)

COPY
194A-AN-13620-TSTEVENS
FBI AN
7/30/07
Card #4 JSW
Disk 1 of 3

194A-AN-13620-TSTEVENS-
1A (87)



Copy
FBI-AN
7/30/07
194A-AN-13620-T.STEVENS
Card #4 JSW

3 of 3

194A-AN-13620-TSTEVENS
1A (87)

FD-340b (Rev. 4-11-03)

-1A88

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document 161

Date Received 8.1.07

From [redacted]
(Name of Contributor/Interviewee)

Telephonic Complaint
(Address)

Anchorage, AK
(City and State)

By [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure
☐ Yes ☑ No

Federal Taxpayer Information (FTI)
☐ Yes ☑ No

Title: POLAR PEN
CSPLD

Reference: _____
(Communication Enclosing Material)

Description: ☑ Original notes re interview of
[redacted]

b6
b7C

8.1.07

[redacted] → [redacted] [redacted] [redacted] Alaska Integrat Products.

[redacted] → Senator Stevens.

→ Valic / origins. – Extension & vino.

→ [redacted]

CIRI – Neighbors – 96 purchased company – stayed on board as President

Neighbors [redacted]

20 % – Receive ownership.

Cook Inlet Regional Inc.

None → Alaska Interstate Construction 98 / 05 terminated.

Expend a lot of money $60-80,000 in wine. → $30.M Litigation.

went → Golden Horn Lodge going there.

↳ Fly Stevens there.

8000 / 02

Nabors Corporate Service

Current Ligation b/w – [redacted] + ATC.

Expense Report → CIRI wine. come from me

civil suit b/w

b6
b7C

[redacted] + Stevens good friends — (Lives in Juneau)
— free Jet trips (3-4 corporate Jets
[redacted] lives i

b6
b7C

→ Alaska Frontier — new company [redacted]
(C Street.)

196-0
[redacted]

Stevens
Property.

-1A89

FD-340c (4-11-03)

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document 159

Date Received 7/20/07

From [redacted]
(Name of Contributor/Interviewee)

Girwood, Alaska
(Address)

(City and State)

By SA [redacted]

b6
b7C

To Be Returned ☐ Yes ☐ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☐ No

Title:

Reference:
(Communication Enclosing Material)

Description: ☑ Original notes re interview of [redacted]

- Business Cards for Diversified Construction and Diversified Maintenance

Licensed, Bonded
& Insured

DIVERSIFIED CONSTRUCTION

PO Box 1095, Girdwood, Alaska 99587

Anchorage (907) 346-3944
Girdwood (907) 783-3275

b6
b7C

Licensed &
Insured

DIVERSIFIED
MAINTENANCE

PO Box 1095, Girdwood, Alaska 99587

(907) 346-3944

3:20
7/26

[redacted] / Diversified Maintenance

(c) [redacted]

removed XMas lights
Sen Ted Stevens' house / [redacted]

[redacted]

20 mins b/4 / got job call
started 10:15a / 9:45 call today

- Know where Senator St. house is
- where is lift? / snowbird condos
Alyeska view hgwy. / day earlier
chimney stacks work

- put lights in box / leave by
garage / black bag / full by
garage / cut / not sure if would
[redacted] hire [redacted] other things
[redacted] Senator / shovel

b6
b7C

LD office told hotel

alone today (no one else

FD-340c (4-11-03)

-1A90

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence ANCHORAGE

Serial # of Originating Document 157

Date Received July 26, 2007

From [redacted]
(Name of Contributor/Interviewee)

(Address)

(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

b6
b7C

Title: POLAR PEN

Reference:
(Communication Enclosing Material)

Description: ☒ Original notes re interview of

Interview notes of [redacted]

Address ~~will~~ changed to: [redacted]
on [redacted]

[redacted] worked for VECO
She worked @ [redacted] took summer
to [redacted]

here admin in HR
quit Feb 2000 maybe

- Did not know who worked on house, but remembers seeing the house lifted up and wondered if it would hold.

- Fish statue - didn't know there was a fish statue on porch

- She sees steven very little

→ [redacted]

- ~~Someone~~ Someone was there the entire winter of ~2000 working on interior

b6
b7C

7/26/07

Name: [redacted]

[redacted] met [redacted] after 1990.

Girdwood, AK

- Lived here since [redacted] Stayed home during summer of 2000 to 2001 to remodel her own home (bathroom, yard, etc.). Noticed Stevens remodeling his own home

- Used to be one story. Looked like they paid little attention. Doesn't remember seeing him much
- said house was not very nice.

- Never met Ted [redacted] Stevens
- Never been inside house

- Lights on front yard - had to have big cherry picker truck - very involved - took more than one day.

- Jane [redacted] saw Veco trucks sitting up picking for Ted Stevens at his house - she did not see because that was before she moved here

- Thought "it's about time" to fix up house & she was curious.
- [illegible] who did the work.

b6
b7C

FD-340c (4-11-03)

-1A91

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document 1-2

Date Received 8/2/07

From [redacted]
(Name of Contributor/Interviewee)

(Address)

(City and State)

By [redacted]

b6
b7C
b7E

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☐ No

Title:

Reference:
(Communication Enclosing Material)

Description: ☑ Original notes re interview of [redacted]

printout for [redacted]

[redacted]

8/2/07
9:30a

w/ [redacted]

Girdwood AK [redacted]

- served subpoena 9:30a
- told sub. is to produce docs and testify / noted date on front of sub.
- stated he rec'd a call from VA - didn't say from who - that they saw [redacted] in the Senator's (Stevens) house on the news

[redacted]

b3
b6
b7C

FD-340b (Rev. 4-11-03)

-1A92

File Number 194A-AN-13620-T STEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document 162

Date Received 08.01.07

From [redacted]
(Name of Contributor/Interviewee)

Pacific Rim Properties
(Address)

Anchorage, AK
(City and State)

By [redacted]

b6
b7C

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☑ No

Federal Taxpayer Information (FTI)

☐ Yes ☑ No

Title: POLAR PEN
CSPLO

Reference: _____
(Communication Enclosing Material)

Description: ☑ Original notes re interview of

[redacted]

8.2.07

I

[redacted]

Elmendorf Privatization flow housing [redacted] b6 b7C

Open / bid up housing on AFB for public Mgt.

Bid process open. One condition was to have

- Local Property Mgt. Firm teamed up w/ Developer
- Each Team was RATED

#1 Team has somany days to finalize proposal.

50 yr. contract

development of new housing & management

Pacific Rim Properties w/ Hunt Brothers from Texas.

submitted proposal in a timely manner

#2 Rated

?

#1 Rated J and L Properties Ted Stevens associates w/ them

teamed w/ Δ no knowledge of Stevens involvement.

60-90 days to finalize contract. if not Team #2 will receive opportunity to negotiate and get contract.

End of period came and went. - NOT approved

Δ called HB to advise them of conflict and lack of contract b/w J&L + AFB.

Hunt Brothers stopped returned their calls.

Called AFB personnel in charge of Bid to obtain more info. on bid

- Days and was informed that

"The contract was awarded" to

?

J + L Properties teamed up w/ Hunt. Brothers

II

?

Boss - forget it. did not follow up w/ legal suit. after learning
↳ [redacted] Pacific Rim Properties

b6
b7C

↳ conservative guy.

AFB - office ? - [redacted]

- Reas paper put 50 K in Int Properties.
- Daily news report J & L
-

50 yrs contract w/ AF.

FD-340b (Rev. 4-11-03) -1A93

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document 165

Date Received 8/6/07

From [redacted]
(Name of Contributor/Interviewee)

[redacted]
(Address)

Anchorage Alaska
(City and State)

By SA [redacted]

b6
b7C

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

Title: Polar Pen

Reference: _____
(Communication Enclosing Material)

Description: ☒ Original notes re interview of

[redacted] 8/6/07

8/6/07 [redacted]

→ 274-0020 [redacted] USAO - call for letter

will give us his letter and Teds letter Back

IN May (21st) left the office early. Stopped by [redacted]

[redacted] They first moved here I lived in Gradwood - They ran Gradwood Grille. They Became good friends. went to Hay [redacted] trial Experience

See Them Periodically at Costco and Sometimes to NOT Bedde's on close They are to Ted [redacted] But we are friend [redacted] SAID Ted is concerned.

Ted is concerned NOT about [redacted]. Then He explained, in desc w/ Ted. Ted felt [redacted]

White House Dinner For Ted we are leaving from A.M. Give Ted my Best. He's in Prayers

went to check out carried on conversation what is diff Btw [redacted] + Ted. [redacted] said Funny exactly way I described him earlier 2d

b6 b7C

Wed 23rd came into office and felt
sincere feelin problems up here a long time
when [redacted] Thought problems w/ Ted
Stevens But didn't feel Ted Resp for
[redacted] 700K for Special Olympic
[redacted] OR, OR maybe [redacted]
[redacted] whoever said it
[redacted] DI Rich. That is bizarre
Growing up driving cross country loved it
[redacted] So I waste b6 b7C
letter to Ted. I be proud heard WH dinner
honoring good friends from Girdwood as
far as I Know family first
we talked about Race Track Stuff
[redacted] w/ Ted + [redacted] + # of
others in Race Horses a Jax w/o deal
[redacted] said Boy wish I misjudge [redacted]
Character. [redacted] my understanding he
may have gone to WH dinner + talked
to GJ about [redacted] (think from papers)
Faxed + Sent original 23rd.
From talking to Settle Mal Berton
He was In Anchorage I.RS Gave him
Copy of my letter + what Ted sent
the $1,350K Quote from Letter
small amt.
↳ 5 OR 6 Blocks

log cabin across on 4th Blue Mouse
down Street F Street station

[redacted]

b6
b7C

Return original - ask CA.

[redacted] involved in investments left town for 3 mos
Alaska USA Fed C.U. → at final stages of High Rise

Monday 650 Radio Station was talking about Raid
Said Gorkowski s/ be next. Conservative talks over
over Palin announced special session on PPT.

b6
b7C

AG Alaska appt by Governor.

mike
Talk Show Friday called let know Strage call +
2 pg. email re: better not have over Stoa on answers

Lady said better not have W call screener

was on Franks campaign commute known for years
when he came back from DC
Thicker Birder on Tpr [redacted]
Resigned B/C gaslines negotiations was its going

[redacted] - Nice of State of State
↳ nice to meet Tx. and then felt Conduct
negotiation thought actions were criminal
i were you are absolutely Right. Later at Sarah's
Swearing in

FBI - Stevens-5660

introduced self to Tom, was on phone with him he saw this stuff extremely appreciative → I said Conduct By Frank Murkowski he said I agree with you –

They thought it was so Bad they Resign a memo to AG asking [redacted] asking for advice press conference in Fairbanks

[redacted] as Public Response. Responding on Alia

b6
b7C

MEDIA
✓
-1A94

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document

Date Received 08.07.07

From [redacted]
(Name of Contributor/Interviewee)

[redacted]
(Address)

Anchorage, Alaska [redacted]
(City and State)

By [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☑ No

Federal Taxpayer Information (FTI)

☐ Yes ☑ No

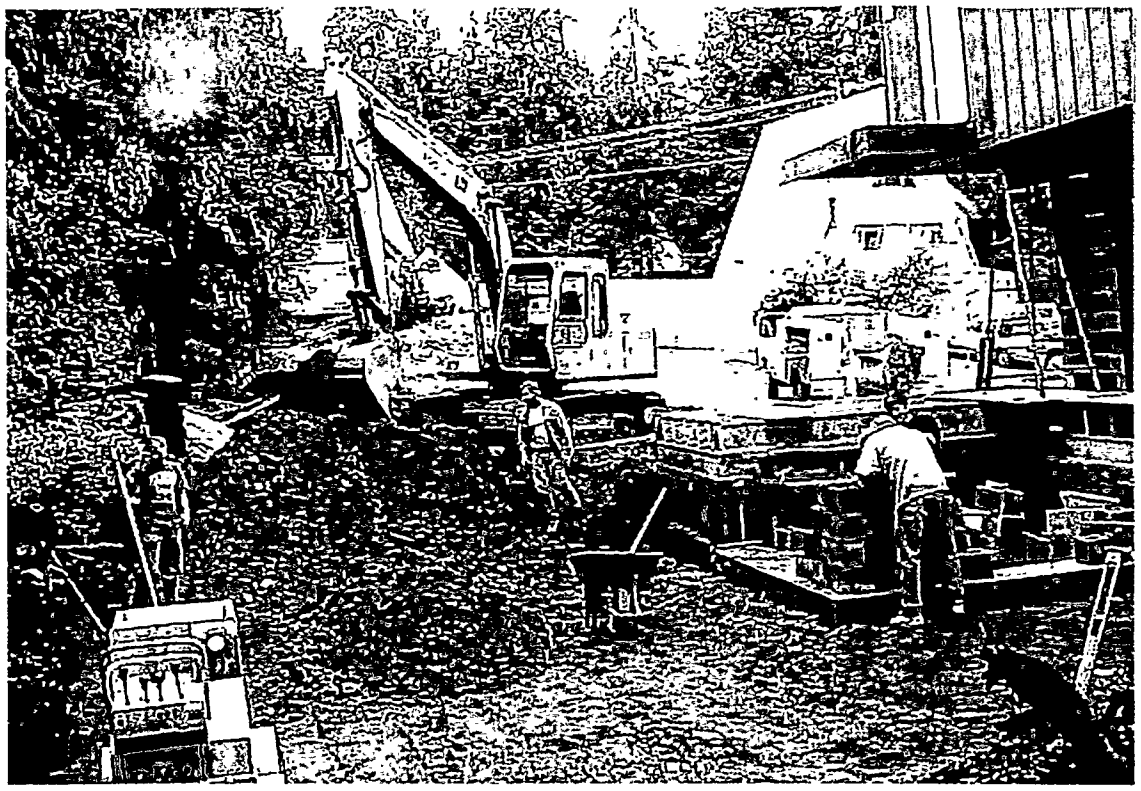
Title: POLAR PEN
CSLPO

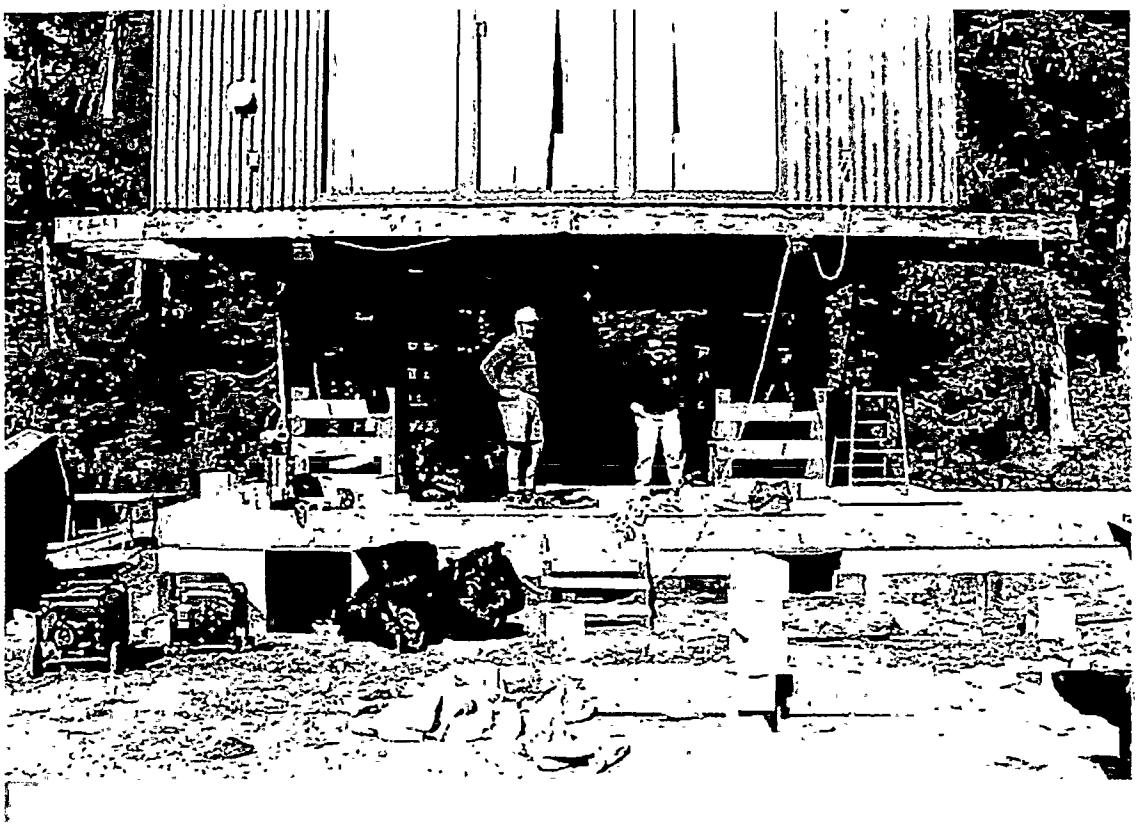
Reference:
(Communication Enclosing Material)

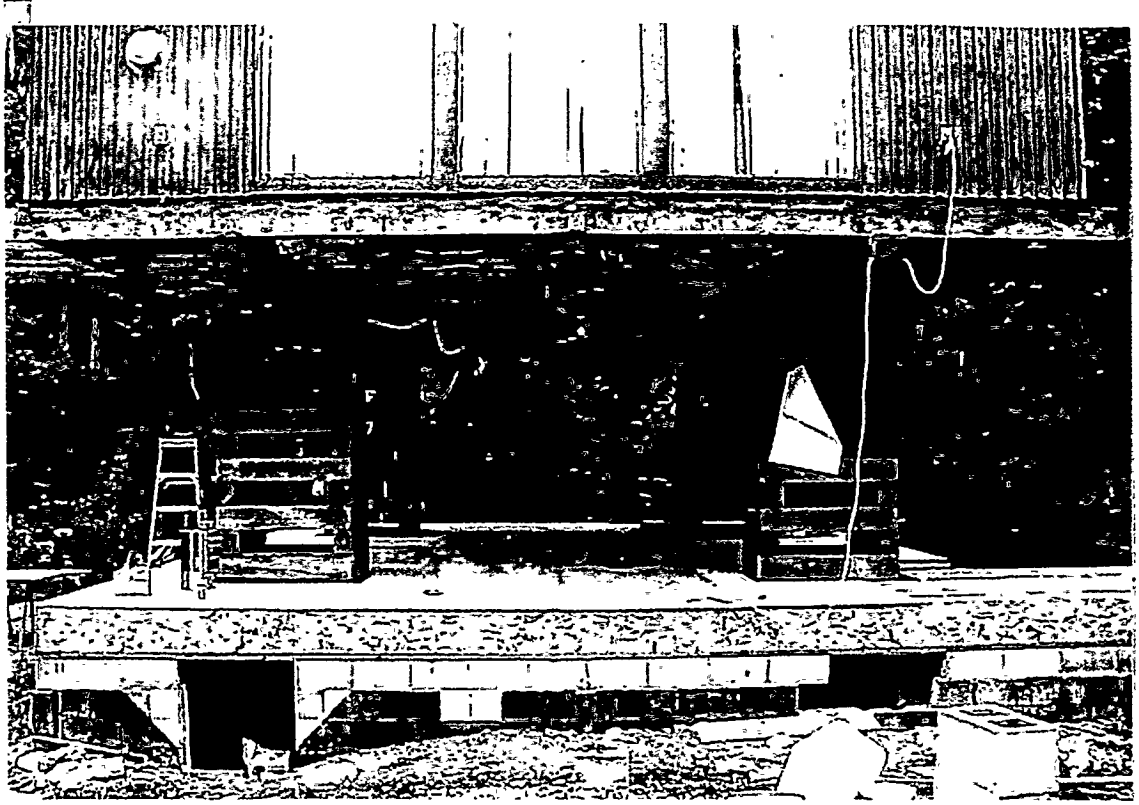
Description: ☐ Original notes re interview of

- Pics of Ted Stevens House (Remodeling)

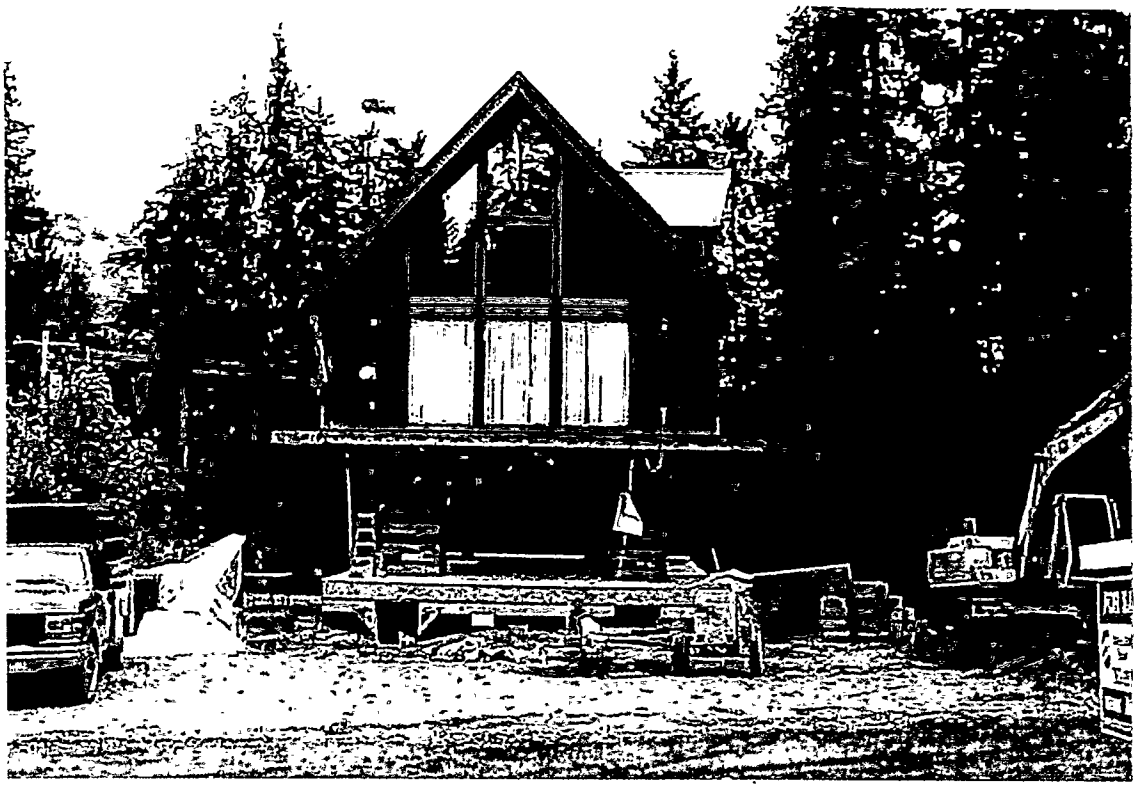
b6
b7C

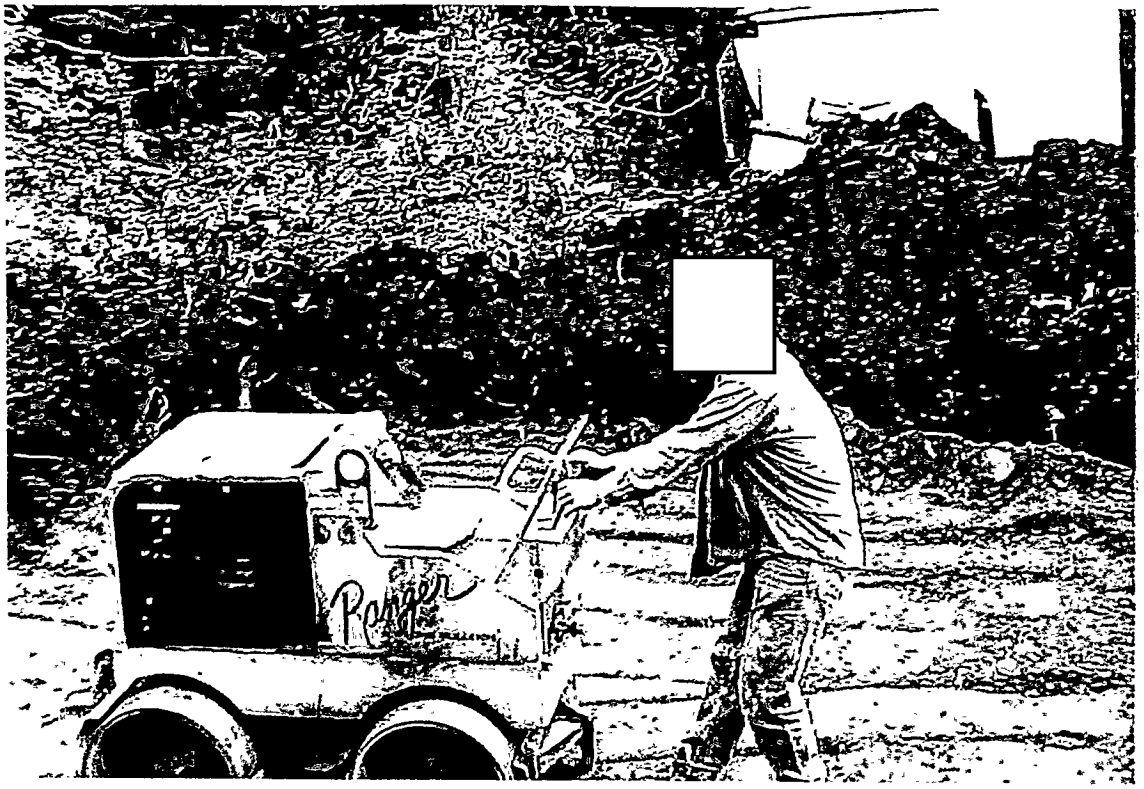




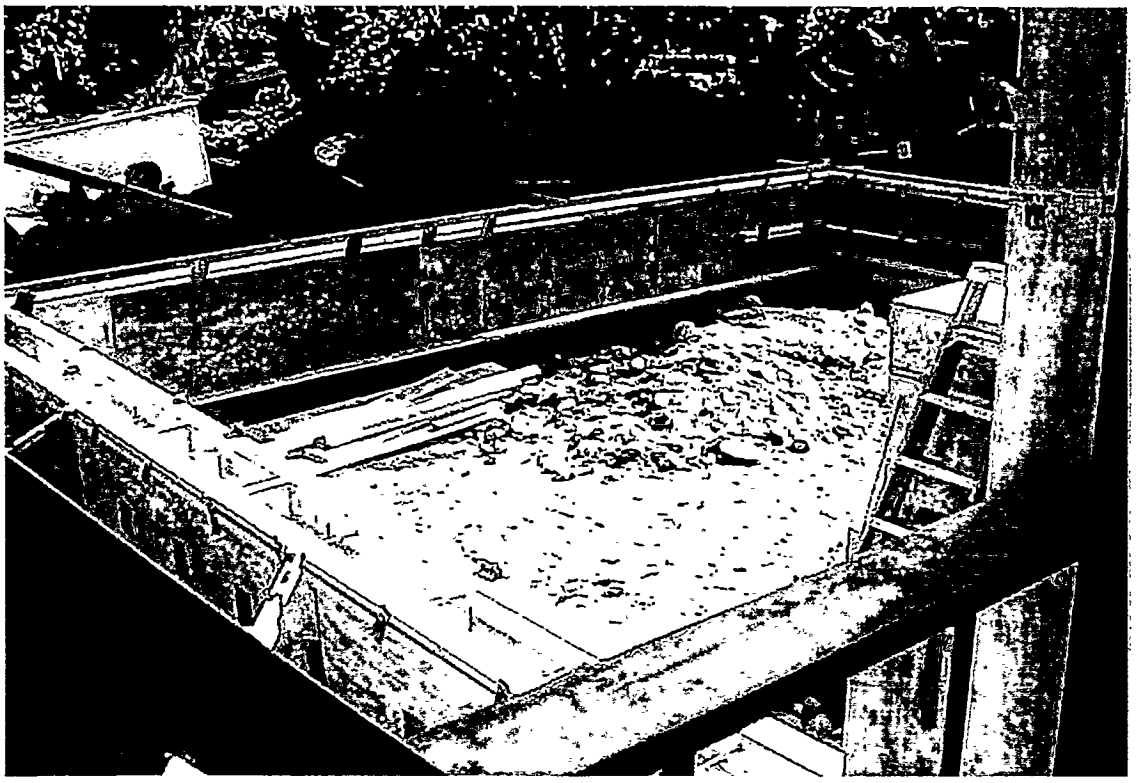


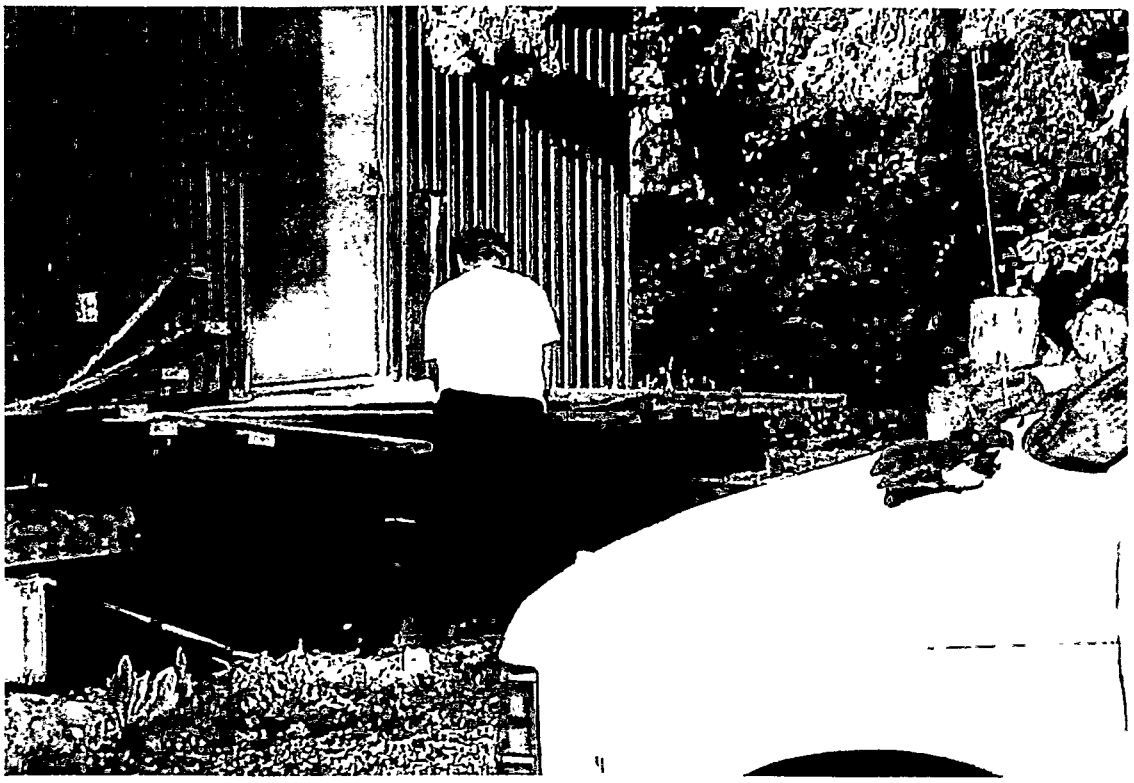
FBI - Stevens-5665

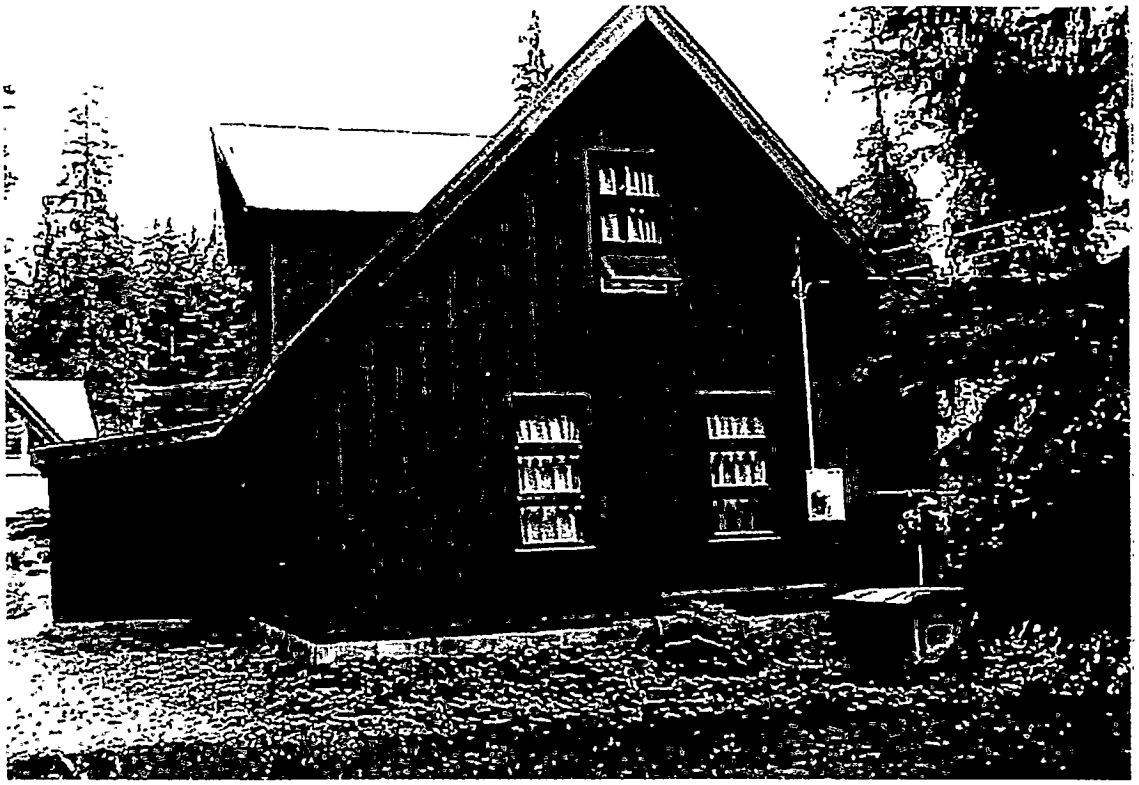


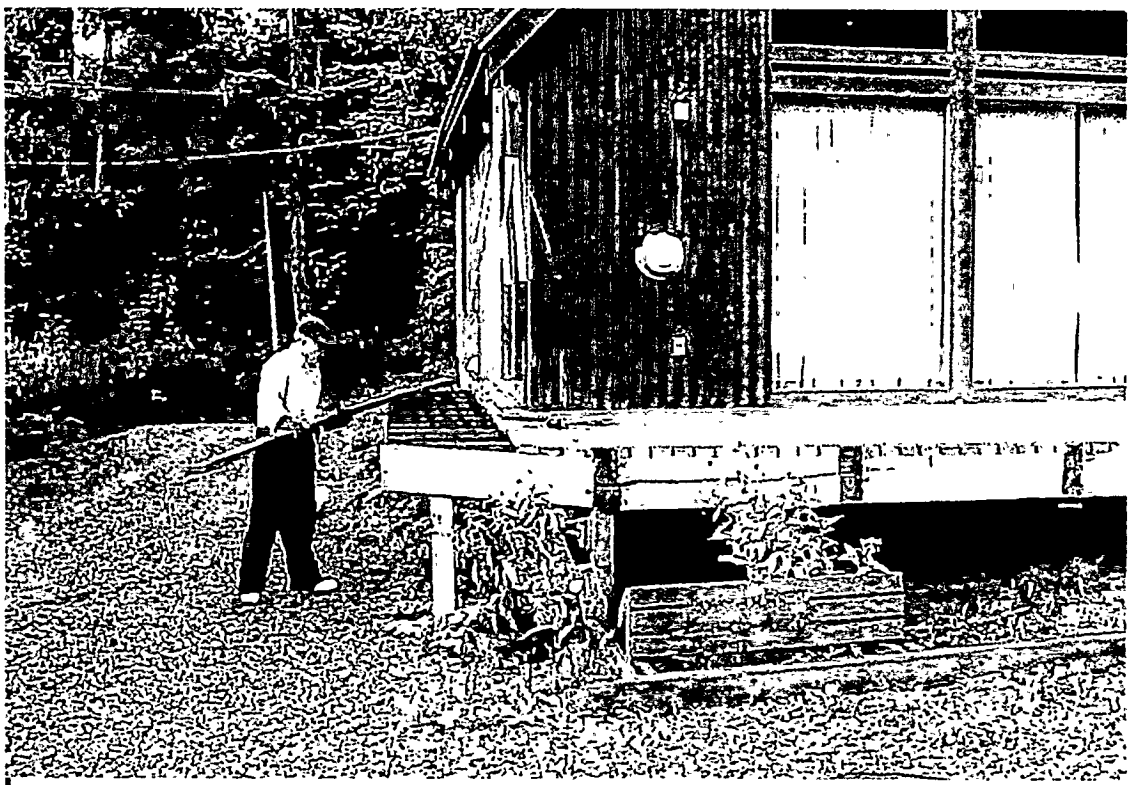


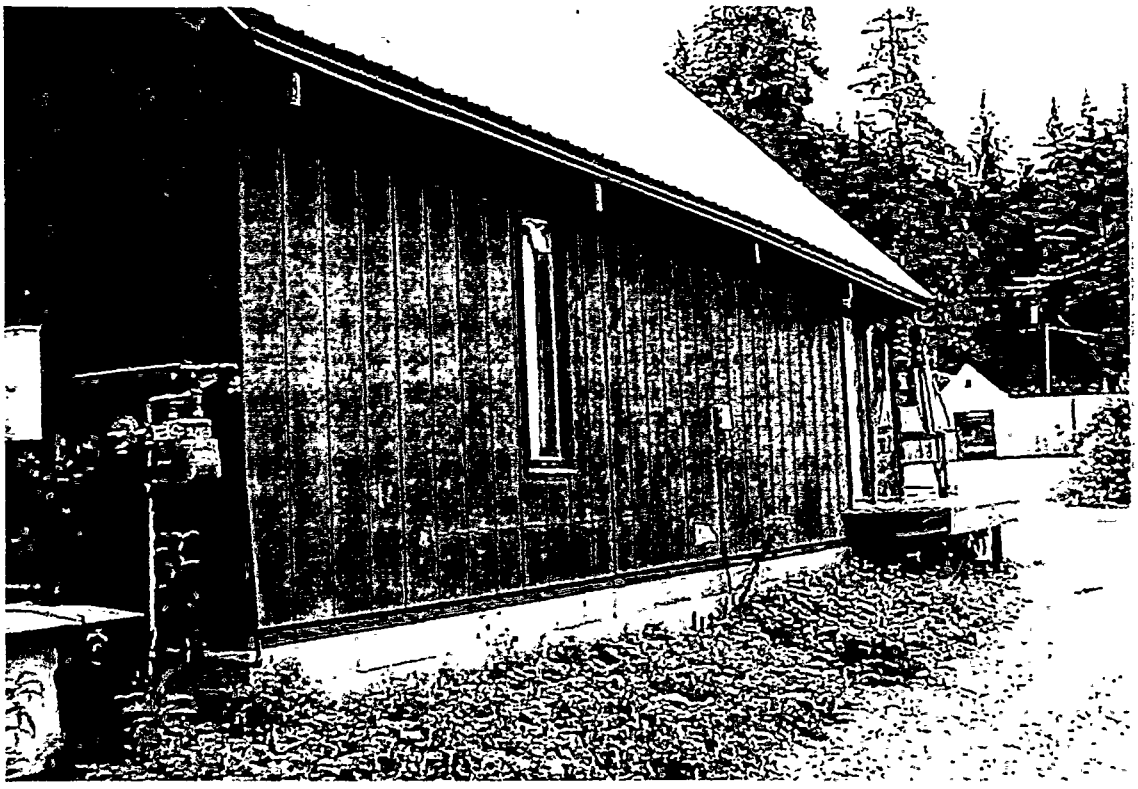
b6
b7C

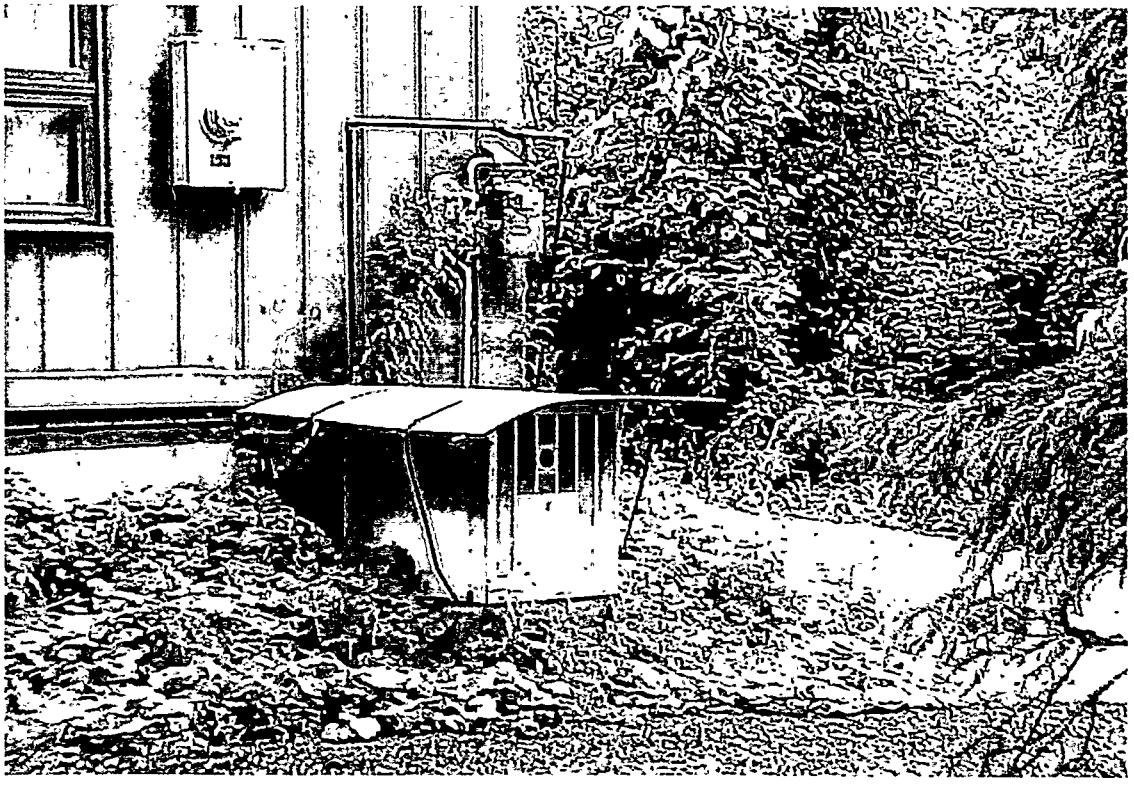


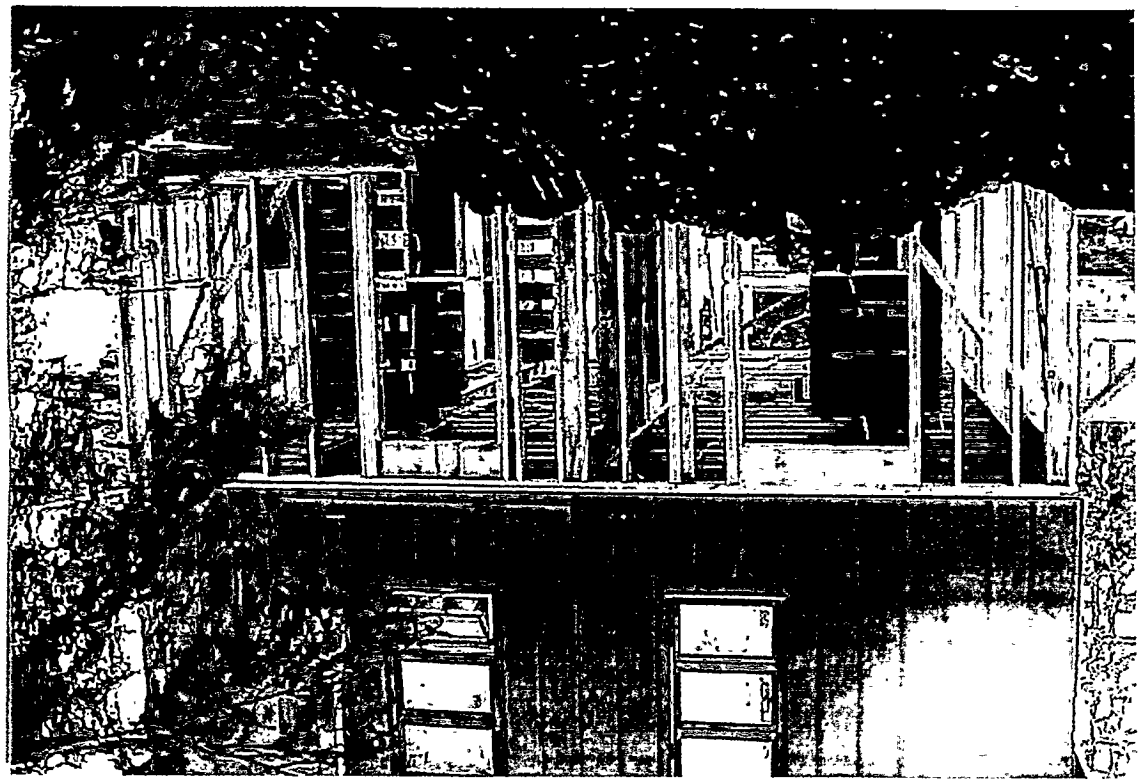


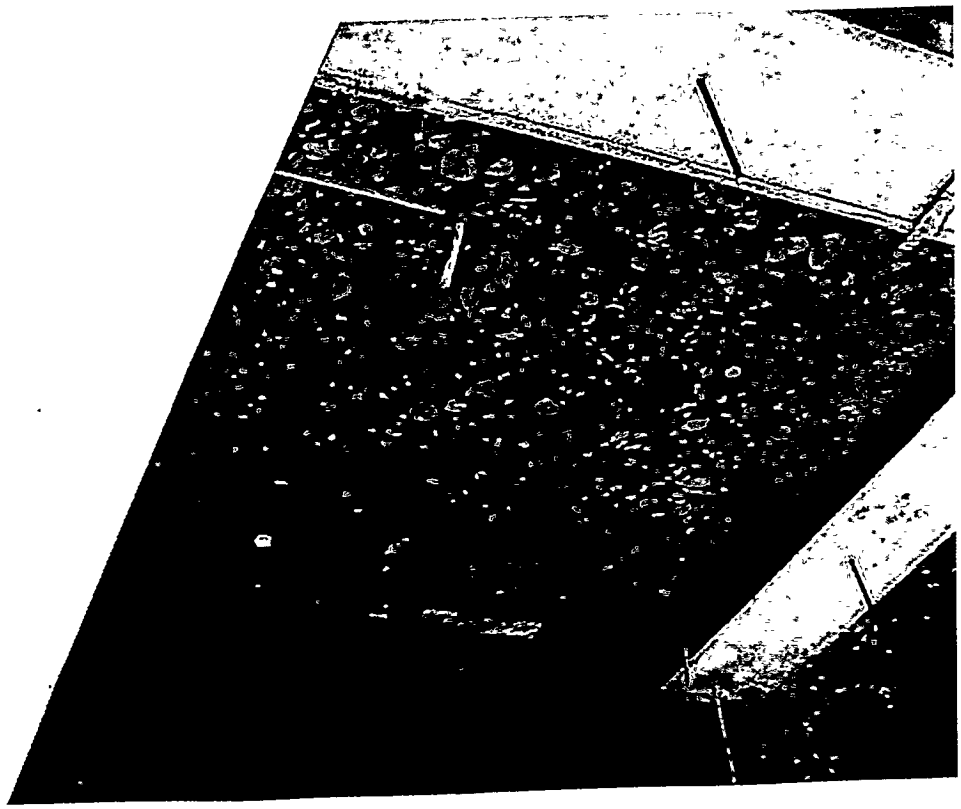


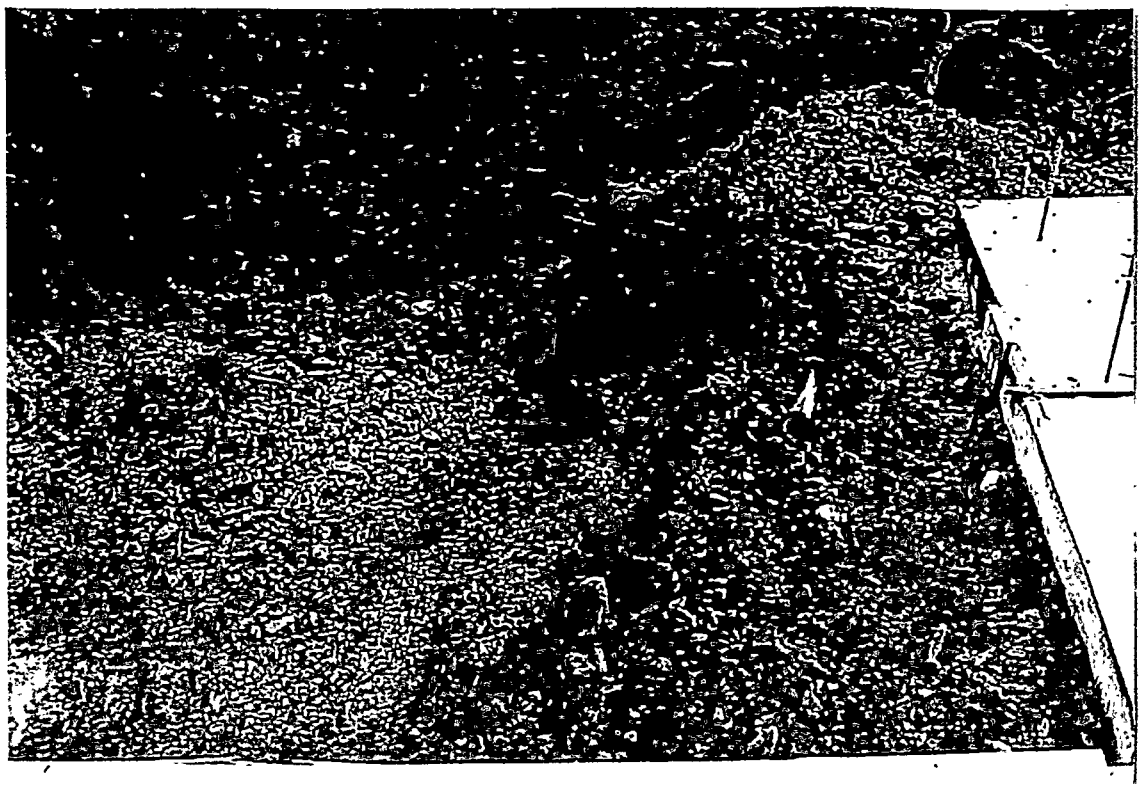


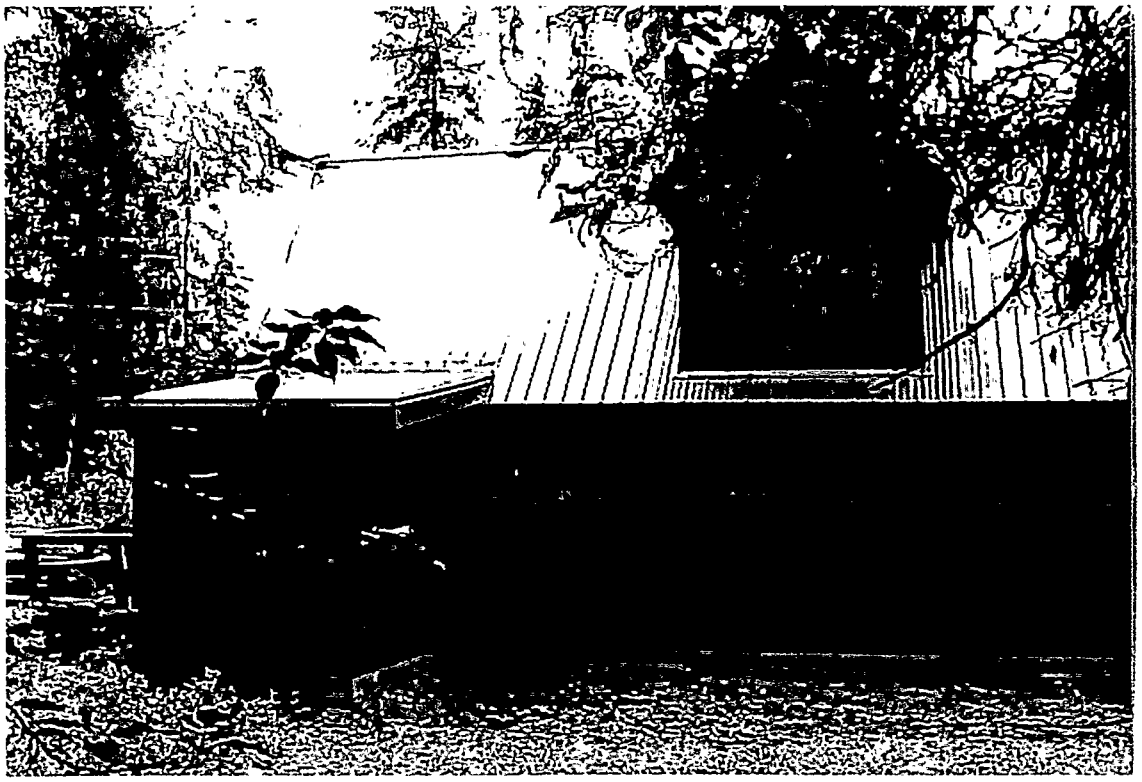


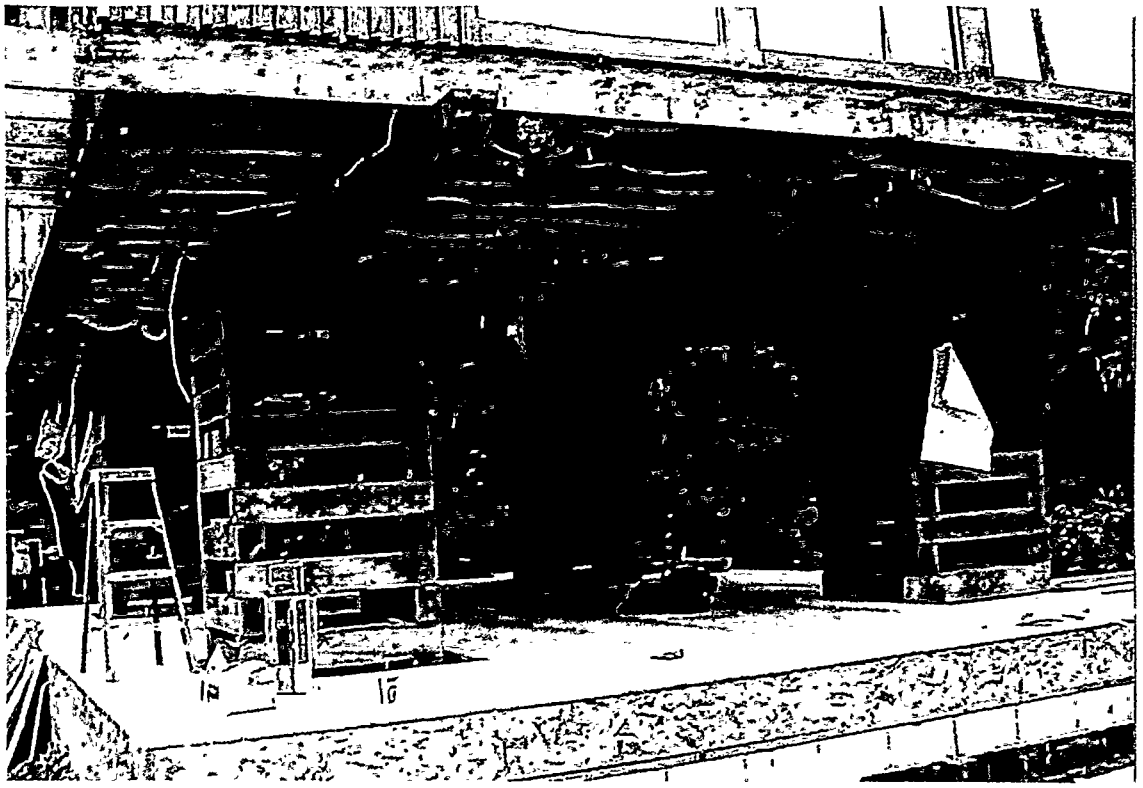


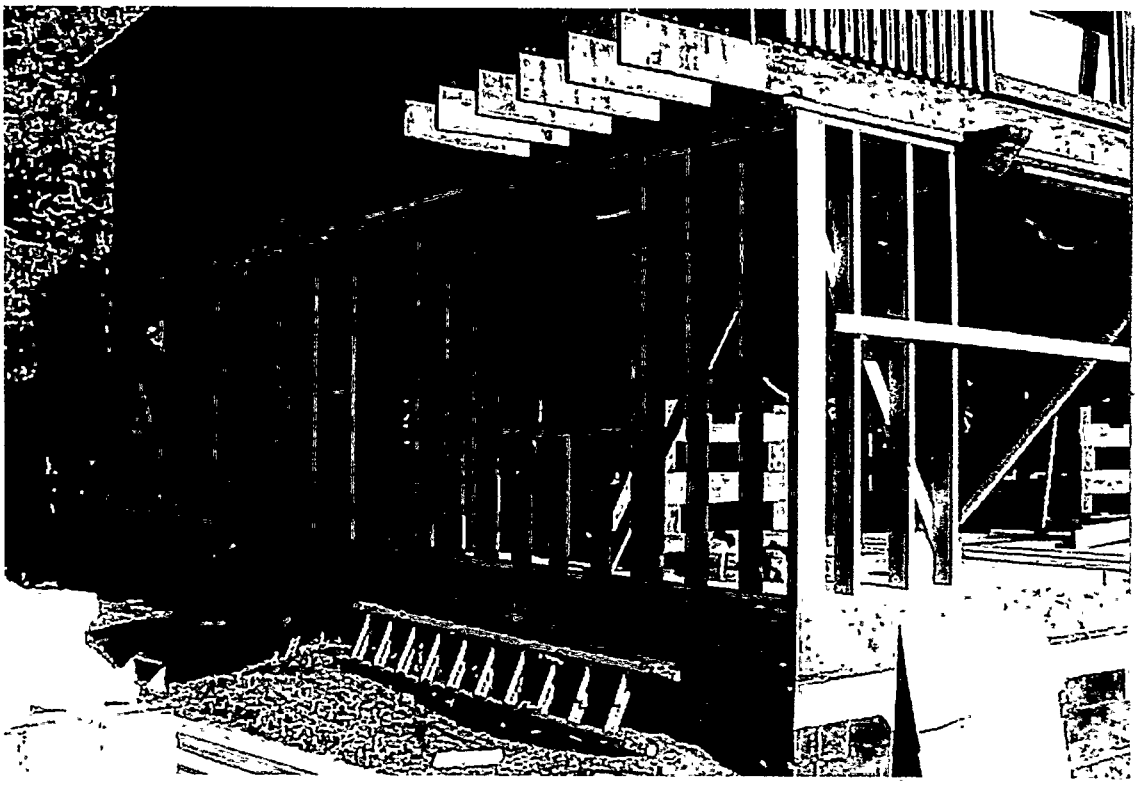












FD-340 (Rev. 4-11-03)

-1A96

File Number 194A-AN-13620-T STEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document 166

Date Received 08.07.07

From [redacted]
(Name of Contributor/Interviewee)

[redacted]
(Address)

Anchorage, Alaska [redacted]
(City and State)

By [redacted]

To Be Returned ☐ Yes ☐ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☐ No

b6
b7C

Title: POLAR PEN
CSLPO

Reference: _____
(Communication Enclosing Material)

Description: ☑ Original notes re interview of

[redacted]

8.7.07

[redacted] DOB [redacted] (protec identity)

Res. [redacted]

[redacted] home

✓ ⇒ [redacted]

✓ 8 Hrs. per. wk @ VECO: [redacted]

✓ [redacted] Hrs. ago. – [redacted]

✓ 2000 → work to see Glenwood House. w/ Rocky Williams

✓ ▲ Always took pics of VECO's jobs. Hoodies

[redacted] House.

✓ RW tells A about jobwork.

✓ Went out SAW house.

✓ No common to work on houses except on VECO's MGT.'s houses.

✓ Like [redacted]

✓ [redacted] + Tes good friends.

✓ Tes disappointed – [redacted] talked about Tes's [redacted] w/o advising him.

✓ Not involved.

✓ No knowledge of cost or who paid for renovations @ TS's house.

b6
b7C
b7D

1A Envelope

Case ID: 194A-AN-13620-TSTEVENS

AN	97	ORIGINAL CARD 1 - 12 CD'S TOTAL PHOTO LOG
AN	98	CARD 1 - COPIES OF 12 CD'S
AN	99	ORIGINAL CARD 2 - 3 CD'S TOTAL PHOTO LOG
AN	100	COPIES OF CARD 2 - 3 CD'S
AN	101	ORIGINAL CARD 3 - 3 DISKS TOTAL PHOTO LOG
AN	102	COPY OF CARD 3 - 3 CD'S
AN	103	ORIGINAL CARD 4 - 3 DISKS TOTAL
AN	104	COPY - CARD 4 - 3 DISKS
AN	105	ORIGINAL CARD 5 - 2 DISKS TOTAL
AN	106	COPIES CARD 5 - 2 DISKS
AN	107	ORIGINAL CARD 6 - 2 DISKS TOTAL PHOTO LOG
AN	108	COPY - CARD 6 - 2 DISKS
AN	109	ORIGINAL CARD 7 - 2 DISKS TOTAL PHOTO LOG
AN	110	COPIES OF CARD 7 - 2 DISKS

MEDIA ✓

ORIGINAL

[redacted]

A47

) (Rev. 4-11-03)

Number 194A-AN-13620-JSTevens

Office Acquiring Evidence Anchorage

l # of Originating Document

Received 7/30/07

(Name of Contributor/Interviewee)

(Address)

(City and State)

[redacted]

b6
b7C

Returned ☐ Yes ☐ No

ot Given ☐ Yes ☐ No

Jury Material - Disseminate Only Pursuant to Rule 6 (e)
l Rules of Criminal Procedure

☐ Yes ☐ No

l Taxpayer Information (FTI)

☐ Yes ☐ No

Polar Pen

nce: Search Warrant

(Communication Enclosing Material)

38 Northland Dr. Girdwood

ption: ☐ Original notes re interview of

FED

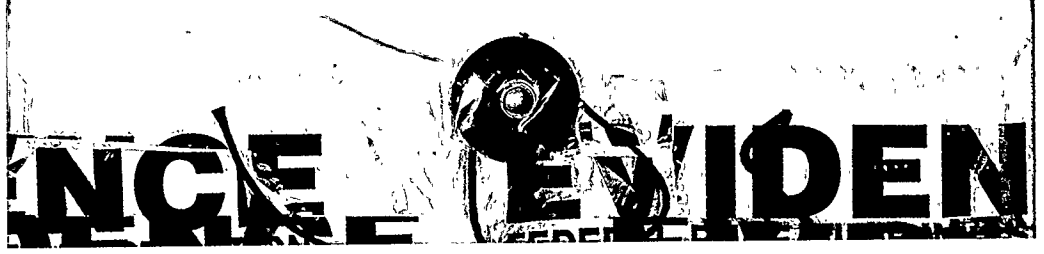
EVI

FEDERAL BU

CD 4 S/N 5123KD152LH24281B4
CD5 S/N 5123 KD152LH24153A4
CD6 S/N 5123KD142LH24018A2
CD7 S/N 5123KD152LH29824B4
CD8 S/N 5123KD152LH29843A3
CD9 S/N 5123KD152LH28775A3
D10 S/N 5123KD152LH28773A1
D11 S/N 5123KD152LH28738A2
12 S/N 5123KD152LH28735B3

b6
b7C

Request For copy of Photo log
[redacted] 9/18/08 - Re-scanned.



Copies

FD-340c (4-11-03)

MEDIA ✓

File Number 199A-AN-13620 - TSTevens - 1A98

Field Office Acquiring Evidence AN

Serial # of Originating Document

Date Received 7/30/07

From

(Name of Contributor/Interviewee)

(Address)

(City and State)

By [redacted]

b6
b7C

To Be Returned ☐ Yes ☐ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☐ No

Title: Polar Pen

Reference: Search Warrant

(Communication Enclosing Material)

138 Northland Dr. Girdwood AK

Description: ☐ Original notes re interview of

Card 1 Copies of 12 CDs

FBI - Stevens-5680

Copies

Type of Camera Nikon D2XS
Photographer(s) [redacted]
Address 138 Northland, Girdwood, AK

Page 1 of 9
Date 7-30-2007
File # 194A-AN-13620

b6
b7C

1	Photo Log		
2	misfire		
3-9	foyer closet - Room A		
10-32	foyer ~~vgr~~ Room A		
33-35	Stairs going up to second floor		
36-53	Living room/Kitchen upstairs - Rm B		
54	misfire		
55-105	Room B - upstairs		
106	upstairs hallway		
107-108	" " Closets ~~vgr~~		
109-111	" " Closet		
112	Second hallway closet upstairs		
113-115	hallway - upstairs		
116-134	Bathroom - 2nd floor - Room C		
135-199	Office - upstairs Room D		
200-255	Bedroom - 2nd floor Room E		
256	stairway to 3rd floor		
257	misfire		
258-262	Stairway to third floor		
263-268	third floor entry - Room F		
269-293	3rd floor BATH - Room G		
294-330	Room H - 3rd floor Bedroom		
	END of CARD #1 CVK		

FBI - Stevens-5681

CARD # 1 CVK

original

MEDIA

1A99

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TStevens

Field Office Acquiring Evidence Anchorage

Serial # of Originating Document

Date Received 7/30/07

From
(Name of Contributor/Interviewee)

(Address)

(City and State)

By [redacted] b6 b7C

To Be Returned ☐ Yes ☐ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☐ No

Title: Polar Pen

Reference: Search Warrant
(Communication Enclosing Material)

138 Northland Dr. Girdwood, AK

Description: ☑ Original notes re interview of [redacted] card 2- 3 CD's

CD1 S/N 5123KD152LH28556A4

CD2 S/N 5123KD152LH29684B4

CD3 S/N 5123KD152LH28747A3

Photo Log

EVIDENCE
FEDERAL BUREAU OF INVESTIGATION

MEDIA ✓

Copy

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-T Stevens - 1A100

Field Office Acquiring Evidence AN

Serial # of Originating Document _____

Date Received 7/30/07

From _____
(Name of Contributor/Interviewee)

_____
(Address)

_____
(City and State)

By [redacted]

b6
b7C

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

Title: Polar Pen

Reference: Search Warrant
(Communication Enclosing Material)

138 Northland Dr. Birdwood AK

Description: ☐ Original notes re interview of

Copies of Card 2

Copy - Stevens-5683

Type of Camera
Photographer(s) [redacted]
Address Anche

Page 3 of 9
Date
File #

b6
b7C

1	Photo Log		
2	Room H - 3rd floor bedroom		
3-73	GARAGE - Room I		
74-79	crawl space above garage		
80-83	garage		

end of CARD 2

FBI - Stevens-5684

CARD #2 CRK

ORIGINAL

MEDIA ✓

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TStevens -1A101

Field Office Acquiring Evidence Anchorage

Serial # of Originating Document

Date Received 7/30/07

From
(Name of Contributor/Interviewee)

(Address)

(City and State)

By [redacted] b6 b7C

To Be Returned ☐ Yes ☐ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☐ No

Title: Polar Pen

Reference: Search Warrant
(Communication Enclosing Material)

138 Northland Dr. Girdwood, AK

Description: ☐ Original notes re interview of

3 - CVK - 3 disks total

CD1 S/N 5123KD152LH242740

CD2 S/N 5123KD152LH28745B1

CD3 S/N 5123KD151LH18631A1

Photo Log

FEDERAL BUREAU OF INVESTIGATION

Copy

MEDIA ✓

FD-340 (Rev. 4-11-03)

-1A102

File Number 194A-AN-13620-T Stevens

Field Office Acquiring Evidence AN

Serial # of Originating Document

Date Received 7/30/07

From
(Name of Contributor/Interviewee)

(Address)

(City and State)

By [redacted] b6 b7C

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☑ No

Federal Taxpayer Information (FTI)

☐ Yes ☑ No

Title: Polar Pen

Reference: Search Warrant
(Communication Enclosing Material)

138 Northland Dr, Birdwood, AK

Description: ☐ Original notes re interview of

FBI - Stevens-5686

Copy of Cord #3

Type of Camera NIKON D2XS
Photographer(s) [redacted]
Address ~~AA~~ 138 Northland, Birdwood, AK

Page 3 of 9
Date 7-30-2007
File # 194A-AN-13620

b6
b7C

1	Photo Log		
2	Entry Room A		
3-26	Wine cellar + Room J crawl space		
27	misfire		
28-29	Ruger Rifle + scope		
30	" " serial # 133-93709		
31-60	Room K - downstairs Living Rm		
61-66	Hallway downstairs + closets / Laundry Rm		
67-82	Bathroom downstairs - Room L		

end of CARD #3 CVK

FBI - Stevens-5687

CARD #3 CVK

MEDIA ✓

Original

-1A103

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TSTevens

Field Office Acquiring Evidence Anchorage

Serial # of Originating Document

Date Received 7/30/07

From
(Name of Contributor/Interviewee)

(Address)

(City and State)

By [redacted] b6 b7C

To Be Returned ☐ Yes ☐ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☐ No

Title:

Reference: Search Warrant
(Communication Enclosing Material)

138 Northland Dr. Girdwood, AK

Description: ☑ Original notes re interview of

- Card 4 - CVK - 3 disks [illegible]

S/N 5123KD151LH18639A1

CD2 S/N 5123KD152LH28613B

CD3 S/N 5123KD152LH28613B1

File to log

FDEI BUREAU OF INVESTIGATION ICE

Copy

MEDIA ✓

FD-340 (Rev. 4-11-03)

-1A104

File Number 194A-AN-13620-T Stevens

Field Office Acquiring Evidence AN

Serial # of Originating Document _____

Date Received 7/30/07

From _____
(Name of Contributor/Interviewee)

_____
(Address)

_____
(City and State)

By [redacted]

b6
b7C

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

Title: Polar Pen

Reference: Search Warrant
(Communication Enclosing Material)

138 Northland Dr, Gardwood AL

Description: ☐ Original notes re interview of

Copy - Card 4 3 Disks

Copy

Type of Camera Nikon - D2XS
Photographer(s) [redacted]
Address 138 Northland; Girdwood, AK

Page 4 of 9
Date 7/30/2007
File # 194A-AN-13620

b6
b7C

1	Photo Log		
2 - 6	Room L - Downstairs Bathroom		
7 - 36	Bedroom - Room M - downstairs		
37 - 79	Bedroom - Room N - downstairs		

END OF CARD #4 CVK

FBI - Stevens-5690

CARD #4 CVK

MEDIA
✓

ORIGINAL

FD-340 (Rev. 4-11-03)

1A 105

File Number 194A-AN-13020-TJStevens

Field Office Acquiring Evidence Anchorage

Serial # of Originating Document

Date Received 7/30/07

From
(Name of Contributor/Interviewee)

(Address)

(City and State)

By [redacted] b6 b7C

To Be Returned ☐ Yes ☐ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☐ No

Title: Polar Pen

Reference: Search Warrant
(Communication Enclosing Material)

138 Northland Dr. Girdwood, AK

Description: ☐ Original notes re interview of

CD1 - CNK - 2 disks total
CD1 S/N 3120KD152LH2379981
CD2 S/N 5123KD152LH2413982
Photo Log

DEN
BUREAU OF INVESTIGATION

Copies

MEDIA ✓

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-T Stevens - 1A106

Field Office Acquiring Evidence AN

Serial # of Originating Document

Date Received 7/30/07

From
(Name of Contributor/Interviewee)

(Address)

(City and State)

By [redacted] b6 b7C

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☑ No

Federal Taxpayer Information (FTI)

☐ Yes ☑ No

Title: Polar Pen

Reference: Search Warrant
(Communication Enclosing Material)

138 Northland Dr Girdwood, AK

Description: ☐ Original notes re interview of

Card 5 2 Disk Copies

Copies

Type of Camera Nikon D2XS
Photographer(s) [redacted]
Address 138 Northland, Cordwood, AK

Page 5 of 9
Date 7-30-07
File # 194A AN-13620

b6
b7C

1	Photo Log		
2-10	Crawlspace in floor of Closet - Rm N		
11-13	wine box from cellar "C MARRS"		
14-17	Wine Box - Petroncelli Syrah '03		
18-20	Wine Box - white wine - Bought w/ Russ		
21-23	Box of wine - Red (Serghesio)		
24-26	Box of wine - Petroncelli Merlot 03		
27-29	Box of wine - Petroncelli Syrah '03		
30-32	Box of wine - Petroncelli - Syrah '03		
33-36	Box of wine - Red - NOPKIN BIG RED		
37-40	Box of wine (122360) Petroncelli MERLOT 03		
#			

END OF CARD #5 CVK

FBI - Stevens 5693

CARD # 5 CVK

MEDIA

Original

1A107

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TStevens

Field Office Acquiring Evidence Anchorage

Serial # of Originating Document _____

Date Received 7/30/07

From _____
(Name of Contributor/Interviewee)

_____
(Address)

_____
(City and State)

By [redacted] b6 b7C

To Be Returned ☐ Yes ☐ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☐ No

Title: Polar Pen

Reference: Search Warrants
(Communication Enclosing Material)

138 Northland Dr. Girdwood, AK

Description: ☒ Original notes re interview of

Card 6 - 2 disks total

CD 1 S/N 5123KD152LH01612

CD 2 S/N 5123KD151LH06855

Photo log

NC INVESTIGA EV FEDER

COPY

MEDIA ✓

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620 - T STEVENS - 1A108

Field Office Acquiring Evidence AN

Serial # of Originating Document

Date Received 7/30/07

From
(Name of Contributor/Interviewee)

(Address)

(City and State)

By [redacted]

b6
b7C

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☑ No

Federal Taxpayer Information (FTI)

☐ Yes ☑ No

Title: Polar Pen

Reference: Search Warrant
(Communication Enclosing Material)

138 Northland Dr. Girdwood AK

Description: ☐ Original notes re interview of

Copy Card 6

Type of Camera NIKON D2XS
Photographer(s) [redacted]
Address 138 Northland, Girdwood, AK

Page 6 of 9
Date 7-30-2007
File # 194A-AN-13620

b6
b7C

1	Photo LOG		
2	Room I - landing/stairs		
3-4	garage door opener		
5-6	electrical conduit - Room I garage		
7-8	David Green fur coat (garage Rm I)		
9-10	Chain saw - garage Room I		
11-15	Boiler - garage Room I		
16-17	hot water heater (garage) Room I		
18	Heater (modine) garage Room I		
19	Electrical Box (garage) Room I Rouler		
20	trash bag Rope lights Room I garage		
21	carved Eagle entry Room A		
22	entry wall w/artwork snow shoes		
23	snow shoes - entry - Room A		
24	Pop Art Totem Top - Entry Rm A		
25	~~SONY TV - Room K - 35-WS500 9757~~ SONY sound system Serial # 004		
26	Sony TV - serial number Room K #9711450 8/2001		
27	misfire		
28-33	3rd floor BALCONY from Room H		
34	Light switch Box - Room H		
35-38	Bed - Room H - 3rd floor		
39-40	Stain glass in Room B		
~~41~~			
	END of CARD #6 CVK		

CARD # 6 CVK

MEDIA

original

FD-340 (Rev. 4-11-03)

-1A109

File Number 194A-AN-13620-TStevens

Field Office Acquiring Evidence Anchorage

Serial # of Originating Document _____

Date Received 7/30/07

From _____
(Name of Contributor/Interviewee)

_____
(Address)

_____
(City and State)

By [redacted] b6 b7C

To Be Returned ☐ Yes ☐ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☐ No

Title: Polar Pen

Reference: Search Warrants
(Communication Enclosing Material)

Description: ☒ Original notes re interview of 138 Northland Dr. Girdwood, AK

Original - Card 7 - 2 disks total

CD 1 S/N 3120KD152LH23277A3

CD 2 S/N 3120KD152LH23279A1

Photo log

Copy

MEDIA ✓

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-T Stevens -1A 110

Field Office Acquiring Evidence AN

Serial # of Originating Document

Date Received 7/30/07

From
(Name of Contributor/Interviewee)

(Address)

(City and State)

By [redacted] b6 b7C

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☑ No

Federal Taxpayer Information (FTI)

☐ Yes ☑ No

Title: Polar Pen

Reference: Search Warrant
(Communication Enclosing Material)

138 Northland Dr. Birdwood AN

Description: ☐ Original notes re interview of

Copies of Card 7

Type of Camera NIKON D2XS
Photographer(s) [redacted]
Address 138 Northland; GERDIWOOD, AK

Page 7 of 9
Date 7-30-07
File # 194A-AN-13620

b6
b7C

1	Photo LOG		
2-5	artwork on stairs to 3rd floor		
6	tag by front door - AM Residential Services - Snow Removal		
7	furcoat/whale trim Room A closet		
8	Baseboard Room A - Entry		
9	Sink in Room K		
10	Kenmore trashcompacter - Kitchen Room B		
11	" " Model 005 13608790 S/N SK3067851		
12	GE microwave Room B Model JM1660AB002 S/N RV928348S		
13	oven - Kenmore Room B Model 911.93576790 S/N 72232217Q		
14	Kenmore dishwasher Room B Model 665.15824009 S/N FK3702797		
15	Kenmore Refrig. 7718879, Model # S/N EB1125055 3/97		
16	INSINKerator Room B Model PRO3399 S/N TK69968874		
17-20	instant hot water dispenser		
21	" " S/N Model H770-22 0406871372 6		
22-23	Fireplace in Room B		
24	Jet tub 2nd floor Bath Room C		
25-30	Stairway Artwork between 1st & 2nd FLOOR		
31-32	Night Stand - Room H - 3rd floor Bedroom		
33-36	dresser Room H 3rd floor Bedroom		
37-40	Built-in drawers - Room H "		
41	Manual for Boiler Garage Room I		
	end of card #7 C/K		

FBI - Stevens-5699

CARD #7 C/K

1A Envelope

Case ID: 194A-AN-13620-TSTEVENS

AN	111	ORIGINAL CARD 8 - 12 CD'S TOTAL PHOTO LOG
AN	112	COPY OF CARD 8 - 12 CD'S
AN	113	ORIGINAL CARD 9 - 3 CD'S TOTAL PHOTO LOG
AN	114	COPIES OF CARD 9 - 3 DISKS
AN	115	SURVEILLANCE NOTES 7/27/07, 138 NORTHLAND RD, GIRDWOOD, AK
AN	116	PHOTOGRAPHS TAKEN AT 138 NORTHLAND RD, GIRDWOOD, AK PHOTOS ON CD (TWO COPIES ENCLOSED)
AN	117	ORIGINAL NOTES RE INTERVIEW OF [redacted] AND [redacted]
AN	118	ORIGINAL NOTES RE INTERVIEW OF [redacted] 8/3/07 AND CCH FOR [redacted]
AN	119	[redacted]
AN	120	[redacted]
AN	121	[redacted]
AN	122	ORIGINAL NOTES RE INTERVIEW OF [redacted] 8/17/07
AN	123	[redacted]
AN	124	[redacted]
AN	125	[redacted]
AN	126	[redacted]
AN	127	ORIGINAL NOTES RE INTERVIEW OF [redacted]
AN	128	[redacted]
AN	129	[redacted]
AN	130	[redacted]

b3
b6
b7C

Universal Case File Number: 174A-AN-13620-TSTEVENS

Field Office Acquiring Evidence: AN

Serial # of Originating Document:

Date Received: 7/30/07

From: (Name of Contributor)

(Address of Contributor)

(City and State)

By: [redacted]

b6
b7C

To Be Returned ☐ Yes ☐ No

Receipt Given ☐ ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☐ No

Title: Polar Pen

Reference: Search Warrant
(Communication Enclosing Material)

138 Northland Dr. Girdwood, AK

Description: ☐ Original notes re interview of

CD3 total → CD1 - S/N 3[illegible]

CD3 - S/N [illegible]

Opened for copy of
Photo by 9/4/09
Resealed yw

Audit
LAK

EVIDENCE

FEDERAL BUREAU OF INVESTIGATION

FBI - Stevens-5702

Type of Camera NIKON D2XS
Photographer(s) [redacted]
Address 138 Norenland; Girdwood, AK

Page 8 of 9
Date 7-30-2007
File # 194A-AN-13620

b6
b7C

1	Photo LOG	71-74	Counter between ~~bet~~ Kitchen/Living Rm - Rm B
2-3	manuals/generator - Room I garage	75	Steamist Sauna Heater manual Room L - downstairs Bath
4	water heater manual - Room I garage	76-98	inside Sauna - Room L
5-10	Various manuals - garage Rm I	99-124	3rd floor bedroom Rm H Exit photos
11	Olympic torch Rm B	125-147	Exit photo Room G - 3rd floor bath
12-13	Newspaper in basket, Rm D	148-150	Room F exit photos
14-16	hrn envelope drawer credenza Rm D	151	exit 3rd floor stairs "
17-37	Various owner manuals - Room D	152	exit Room B - from stairs (exit)
38	Room B - Shelf / model ship	153-156	exit stairs 3rd floor stairs (exit)
39-43	Room D - Desk drawers (office)	157-221	exit Room B - exit photo (exit)
44-45	Room D - nightstand drawers	222-223	2nd floor HALLWAY exit photo
46-51	Room D - credenza drawers	224-239	Bath Room C - exit photo
52-54	Metal state of Alaska	240	Shelf in 2nd floor hallway (exit)
55	QUASAR TV - Room B S/N LD72270333 model OP3220V	241-262	Room D - Office - exit photos
56-57	Behind Refrigerator Room B	263-276	Room E - bedroom - exit photos
58	garage - papers on wall - Room I	277-279	stairway to 1st floor
59	pull down stairs - garage Rm I	280-300	Exit photos wine cellar - Room J
60	Heat Blower Manual - garage, Rm I	301-303	" " " " " "
61	Direct Vent Wall Furnace manual - " "	304-314	Exit photos - Bedroom Room M
62	Room L - downstairs Bath inside toilet tank SLOAN Flushmate model M-101526-F S/N 021800-F01-1129	315-330	Exit photos - garage Room I
63	Room C - 2nd floor BATH inside toilet M-101526-F S/N 021800-F01-1131 Sloan Flushmate		
64	Room G 3rd Floor Bath SLOAN Flushmate model M-101526-F S/N 121301-F0K-1146		
65-67	Stain glass - Room B		
68-70	under counter lights Kitchen Room B		

END OF CARD #8 CVK

FBI - Stevens-5703

CARD #8 CVK

194A-AN-13620-TSTEVENS-
1A (111)

194A-AN-13620-TSTEVENS
1A-(11)

FBI AN
194A-AN-13620-TSTEVENS
Original
700
8/1/07
Card 8
CVK
2 of 12
DSC.0030 to DSC.0057

194A-AN-13620-TSTEVENS-
1A (11)

FBI AN
194A-AN-13620-TSTEVENS
Original

Imagine Plus
CD-R
80min 700MB
Recordable

3 of 12

Card 8
CYK
on 8/11/11

DSC.0058 to DSC.0085

FBI AN
194A-AN-13620-TSTEVENS

Original

Card 8
on 8/1/07
CVK

4 of 12

DSC.0086 to DSC.0113

194A-AN-13620-TSTEVENS-14

FBI AN

194A-AN-13620-TSTEVENS

Original

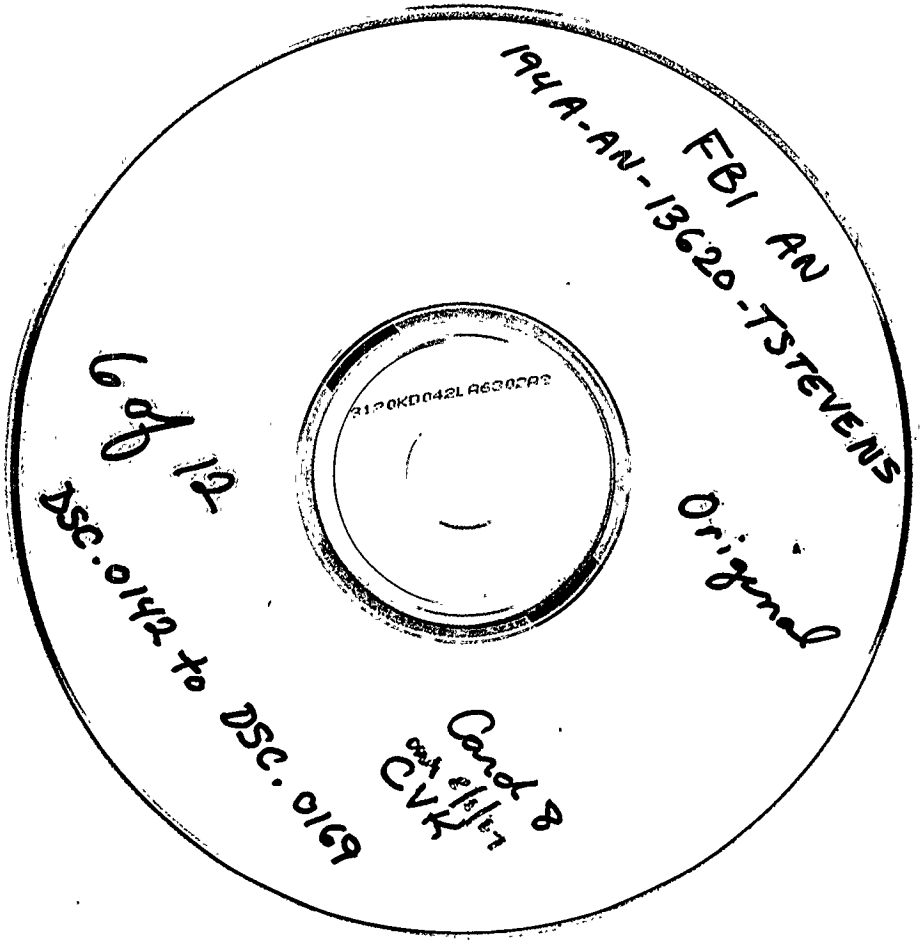
5 of 12

Card 8

CVK

DSC.0114 to DSC.0141

194A-AN-13620 TSTEVENS-1A (111)



194A-AN-13620-TSTEVENS-1A
(131)

FBI AN
194A-AN-13620-TSTEVENS
Original
Card 8
7 of 12
DSC.0170 to DSC.0197
Imagine Plus

194A-AN-13620-TSTEVENS-1A
(11)

FBI AN

194A-AN-13620-TSTEVENS

Original

Card 8

CVK

8 of 12

DSC.0198 to DSC.0225

194A-AN-13620-TSTEVens 1A

(111)

FBI AN

194A-AN-13620-TSTEVENS

Original

9 of 12

Card 8

CVK

DSC.0226 to DSC.0253

194A-AN-13620-TSTEVENS-1A

(111)

194A-AN-13620-TSTEVENS-14

(III)

FBI AN

194A-AN-13620-TSTEVENS

Original

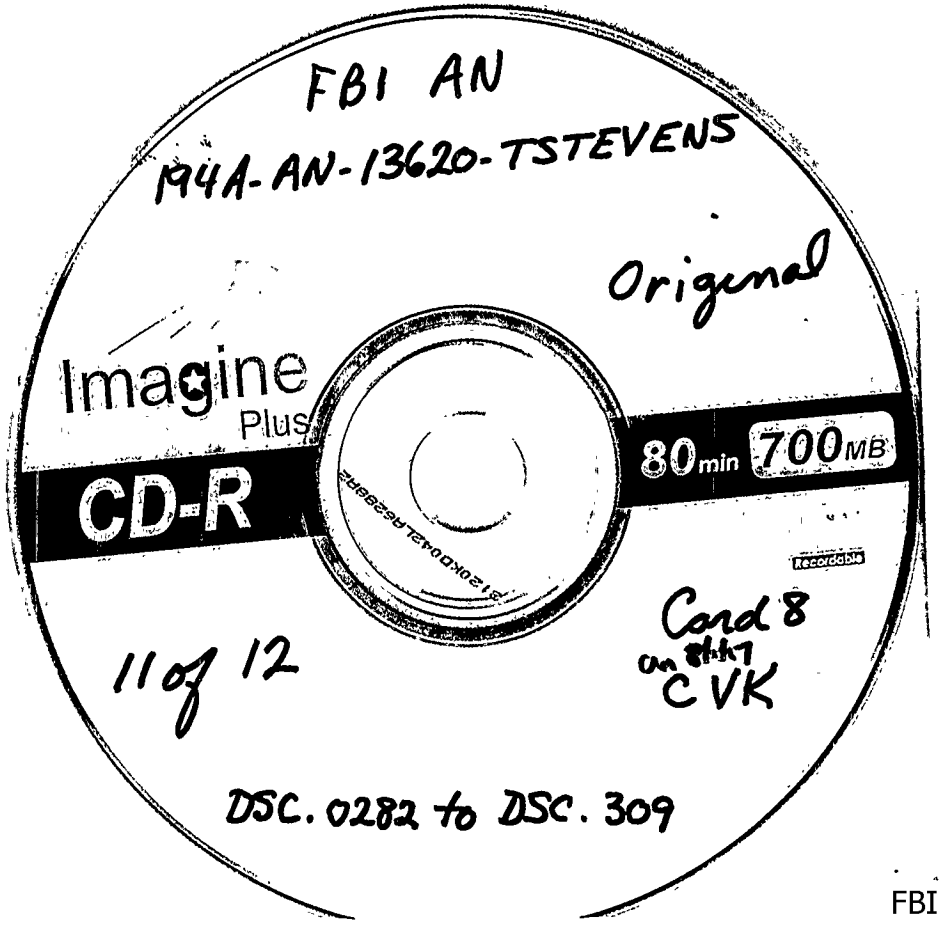
3120KD042LA6286A2

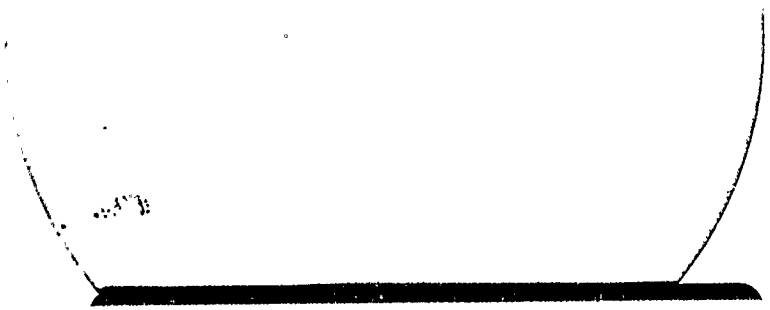
10 of 12

Card 8

DSC. 0254 to DSC. 0281

CVK





194A-AN-13620- TSTEVENS - 1A

111

194A-AN-13620 - TSTEVENS - 1A

(111)

FBI AN

194A-AN-13620-TSTEVENS

Original

12 of 12

DSC. 0310 to DSC. 0330

Card 8

CVK

FBI - Stevens-SC

FD-340c (4-11-03)

Copy

MEDIA ✓

File Number 199A-AN-13620-TSTEVENS - 1A112

Field Office Acquiring Evidence AN

Serial # of Originating Document

Date Received 7/30/07

From

(Name of Contributor/Interviewee)

(Address)

(City and State)

By [redacted]

b6
b7C

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

Title: Polar Pen

Reference: Search Warrant

(Communication Enclosing Material)

138 Northland Dr. Girdwood, AK

Description: ☐ Original notes re interview of

Copy of Card #8 CVK

Copy

Type of Camera Nikon D2VS
Photographer(s) [redacted]
Address 138 Northland, Girdwood, AK

Page 8 **of** 9
Date 7-30-2007
File # 194A-AN-13620

b6
b7C

1	Photo LOG
2-3	manuals / generator - Room I Garage
4	water heater manual - Room I garage
5-10	Various manuals - garage Rm I
11	Olympic torch Rm D
12-13	Newspaper in basket Rm D
14-16	bra envelope drawer credenza Rm L Rm D
17-37	Various owner manuals - Room D
38	Room B - Shelf / model ship
39-43	Room D - Desk drawers (office)
44-45	Room D - nightstand drawers
46-51	Room D - credenza drawers
52-54	metal state of Alaska
55	Quasar TV - Room B S/N LD7227 0333 model QP3220V
56-57	Behind Refrigerator Room B
58	garage - papers on wall Room I
59	pull down stairs - garage Rm I
60	Heat Blower Manual - garage Rm I
61	Direct Vent Wall Furnace manual " "
62	Room L downstairs Bath inside toilet tank SLOAN Flushmate model M-101526-F S/N 021800-F01-1129
63	Room C 3rd floor Bath inside toilet M-101526-F S/N 021800-F01-1131 Sloan Flushmate
64	Room G 3rd Floor Bath model SLOAN Flushmate M-101526-F S/N 121301-F0K-1146
65-67	Stain glass - Room B
68-70	under counter lights Kitchen Room B
71-74	Counter between ~~Bet~~ Kitchen / Living Rm - Rm B
75	Room L - downstairs Bath Steamist Sauna Heater manual
76-98	inside Sauna - Room L
99-124	Exit photos 3rd floor bedroom Rm H
125-147	Exit photo Room G - 3rd floor bath
148-150	Room F exit photos
151	exit 3rd floor stairs "
152	exit Room B - from stairs exit
153-156	exit stairs 3rd floor stairs exit
157-221	exit Room B - exit photo exit
222-223	2nd floor HALLWAY exit photo
224-239	Bath Room C - exit photo
240	Shelf in 2nd floor hallway (exit
241-262	Room D - Office - exit photos
263-276	Room E - bedroom - exit photos
277-279	stairway to 1st floor
280-300	Exit photos wine cellar Room J
301-303	" " " " " "
304-314	Exit photos - Bedroom Room M
315-330	Exit photos - garage Room I

END OF CARD #8 CVK

CARD #8 CVK

194A-AN-13620-TStevens-1A (112)

1 of 12

Copy
FBI-AN
194A-AN-13620-TStevens
Card 8 CVK
7/30/07

700 MB

SIGRAH SIGRAH

CLEAR

1 of 12

194A-AN-13620-TSTEVENS-1A
112

el pg 2

FBI - AN
COPY
194A AN-13620-T STEVENS
Card #8 CVK

7/30/07

FBI - Stevens-5719

2 of 12

3 of 12

1944-AN-13620 - TSTevens 1A

(112)

194A-AN-13620-TStevens-1A

(112)

4 of 12

194A-AN-13620-TSTevens-1A

(112)

5 of 12

5 of 12

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194A-AN-13620-TSTevens
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7/30/57

FBI - Stevens-5722

194A-AN-13620-TSTEVENS-1A
(112)

2 of 2

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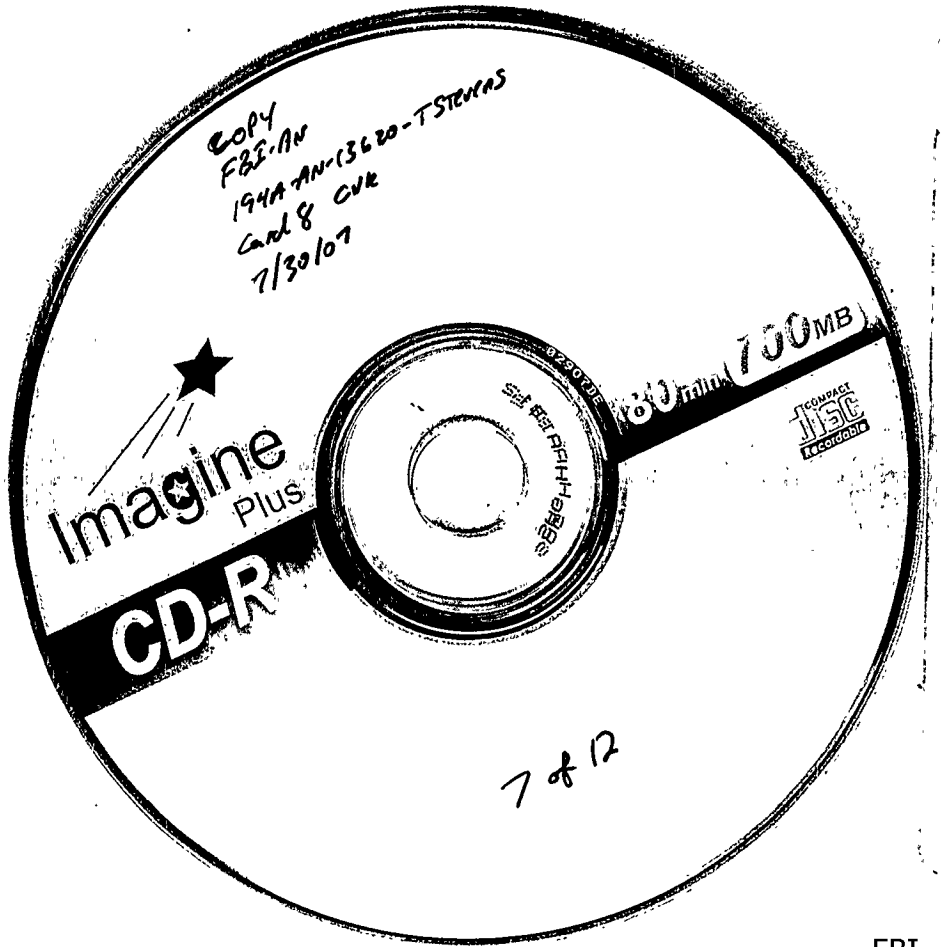
FBI-AN
194A-AN-13620-TSTEVENS
Card #8 CVK
7/30/07

6 of 12

FBI - Stevens 5723



194A-AN-13620-TSTevens-
1A (112)

7 of 12

194A-AN-13620-TSTEVENS 1A 112

1944-AN-13620-TStevens 1A 112

9 of 12

Imagine
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80min
700MB
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disc
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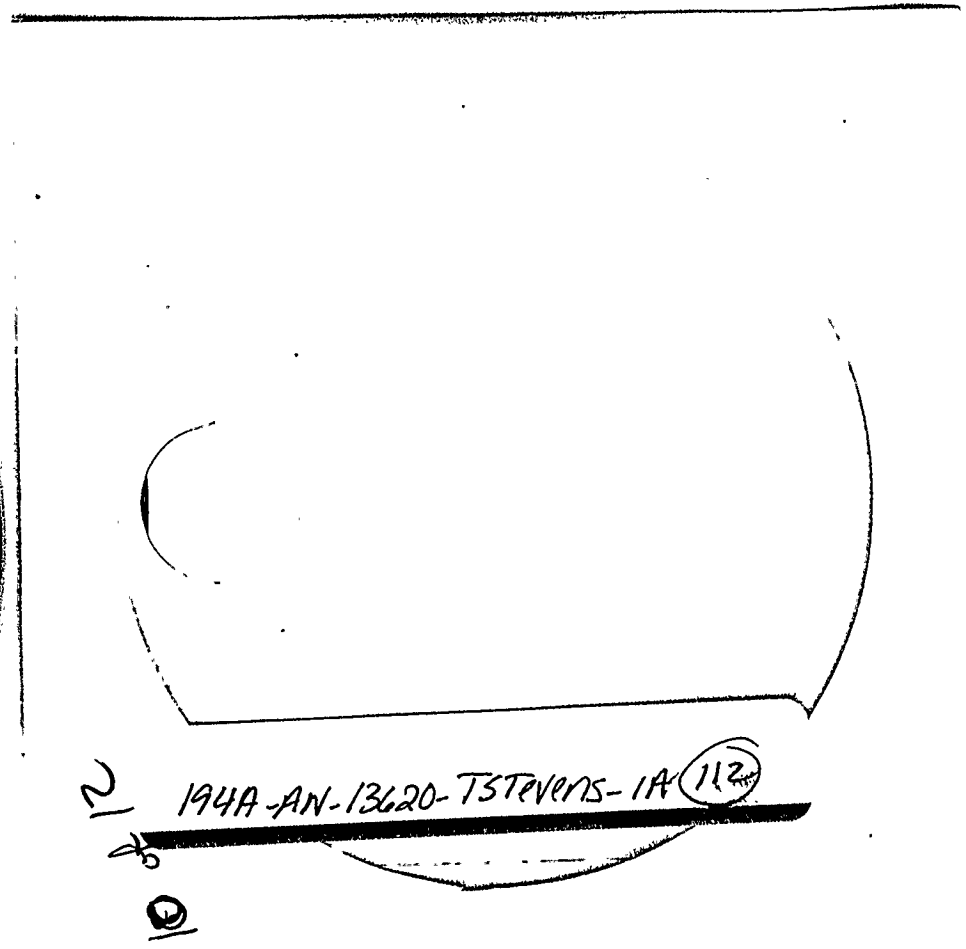
194A-AN-13620-TSTEVENS
Cont 8 CUK
7/30/07
10 of 12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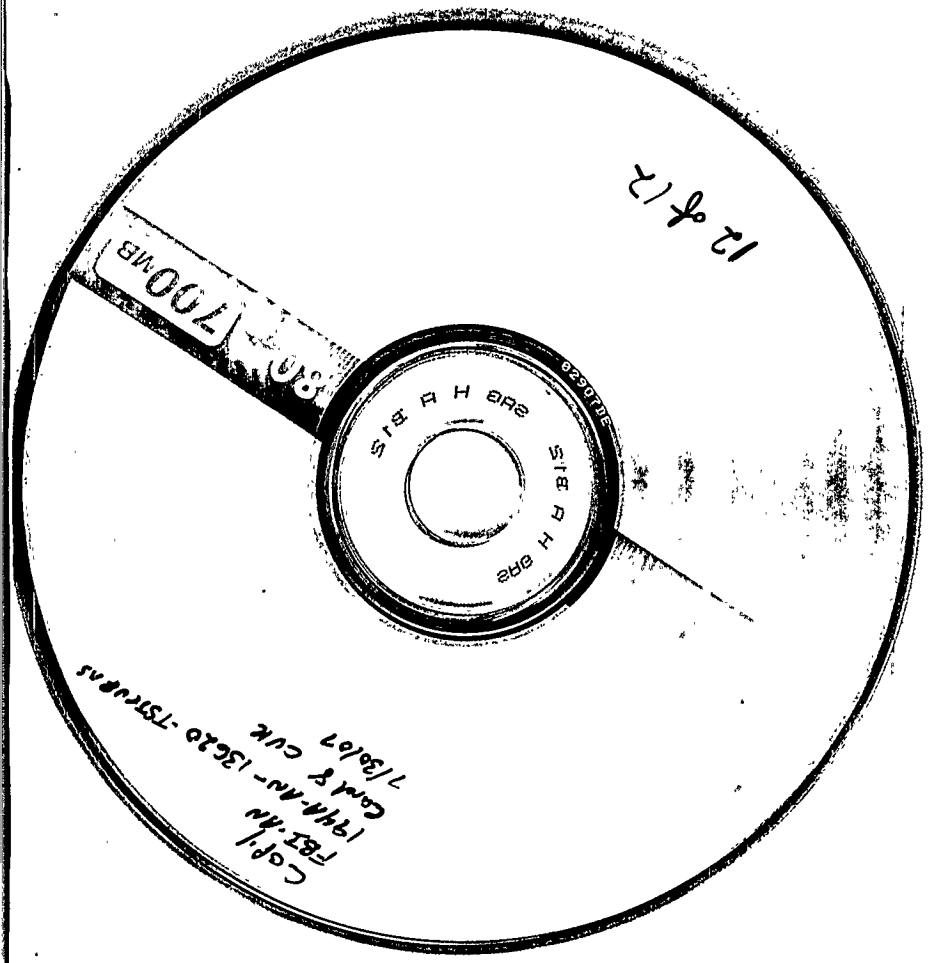
194A-AN-13620-TSTEVENS-1A (152)

11 of 12



12 of 12

194A-AN-13620-TJSTEVENS-1A (112)

ORIGINAL

FD-340 (Rev. 4-11-03)

MEDIA

File Number 194A-AN-13620-TSTEVENS -1A113

Field Office Acquiring Evidence AN

Serial # of Originating Document

Date Received 7/30/07

From

(Name of Contributor/Interviewee)

(Address)

(City and State)

By

b6
b7C

To Be Returned ☐ Yes ☐ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☐ No

Title: Polar Pen

Reference: Search Warrant

(Communication Enclosing Material)

138 Northland Dr. Girdwood, AK

Description: ☐ Original notes re interview of

CD #0 - CVK - 3 CD's total

CD1 S/N 312 OKD 042 LA 6372 A2

CD2 S/N 312 OKD 042 LA 6373 A1

CD3 - S/N 312 OKD 042 LA 6377 A1

Photo Log

EVI ENC

FEDERAL BU J OF INVESTIG

N

FBI - Stevens 5730

Original for copy of photo only 7/8/09 [illegible]

audit cat

EVIDENCE

FEDERAL BUREAU OF INVESTIGATION

FBI - Stevens-5731

194A-AN-13620
original

3120KD042LA6372A2

7/31/2007
an

7/30/07 search of Northland
card #9
1 of 3

194A-AN-13620-TSTEVENS-1A
(113)

194A-AN-13620-TStevens-1A
113

194A-AN-13620
original

Card #9
3 of 3

7/31/47
cm

MEDIA ✓

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-T Stevens - 1A114

Field Office Acquiring Evidence AN

Serial # of Originating Document

Date Received 7/30/07

From
(Name of Contributor/Interviewee)

(Address)

(City and State)

By [redacted]

b6
b7C

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

Title: Polar Pen

Reference: Search Warrant
(Communication Enclosing Material)

138 Northland Dr. Birdwood, AK

Description: ☐ Original notes re interview of

3 Disk copies of Card 9

Type of Camera NIKON D2SX
Photographer(s [redacted]
Address 138 Northland, Girdwood, AK

Page 9 of 9
Date 7-30-2007
File # 194A-AN-13620

b6
b7C

1	Photo Log		
2-8	Exit photos - garage Room I		
9-17	Exit photos - Room L - downstairs BATH		
18-35	Exit photos - Room N		
36	Hallway - 1st floor		
37-38	Exit photos - Room K - WARRANTS on table; trunk		
39-59	" " - Room K		
60-71	Exit Photos - Room A		

end of CARD #9

CARD #9 CVK

Type of Camera NIKON D2SX
Photographer(s) [redacted]
Address 138 Northland, Girdwood, AK

Page 9 of 9
Date 7-30-2007
File # 194A-AN-13620

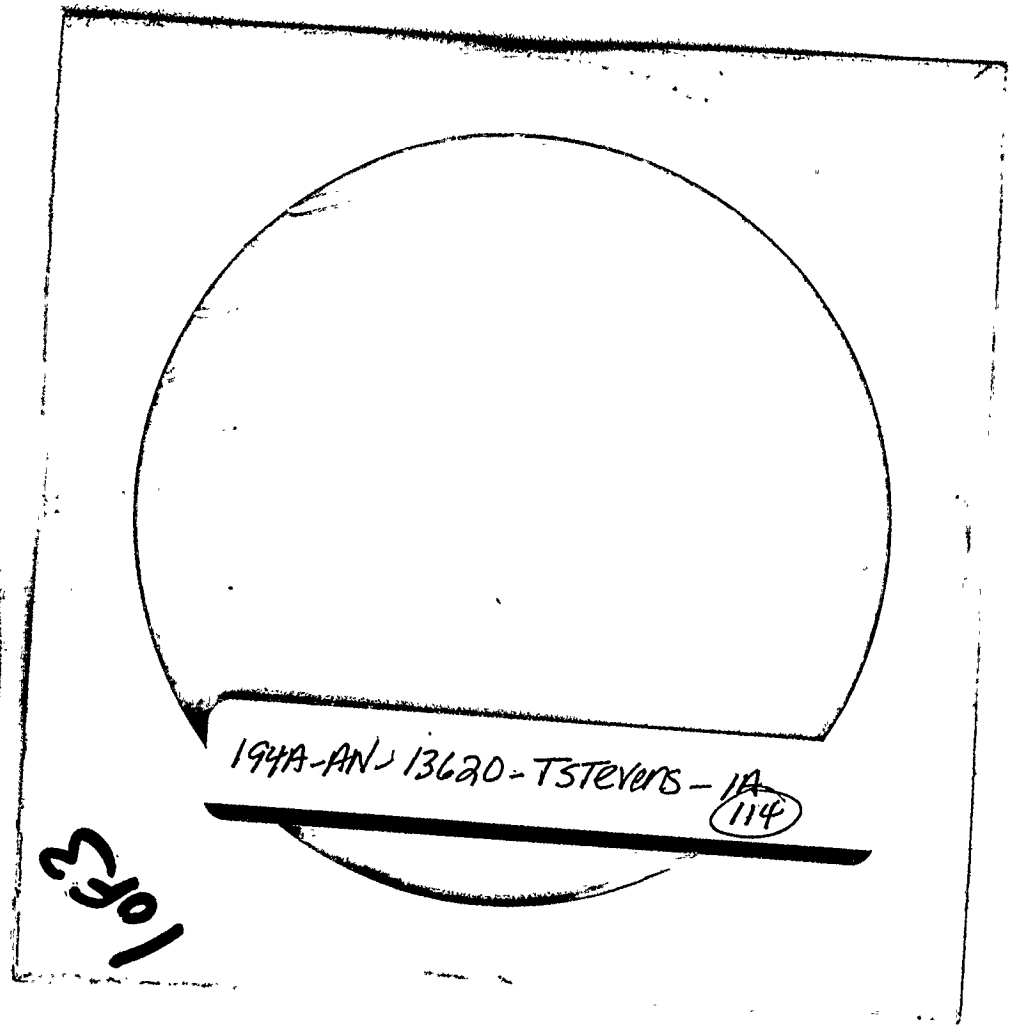
b6
b7C

1	Photo Log		
2-8	Exit photos - garage Room I		
9-17	Exit photos - Room L - downstairs BATH		
18-35	Exit photos - Room N		
36	Hallway - 1st Floor		
37-38	Exit photos - Room K - WARRANTS on table in trunk		
39-59	" " - Room K		
60-71	Exit Photos - Room A		

end of CARD #9

CARD #9 CVK

Copy
FBI-AN
194A-AN-13620-TSTevens
7/30/07
Card 9 CVR
Imagine
Plus
CD-R
80min/700MB
COMPACT
disc
recordable
1 of 3


194A-AN-13620-TSTevens-1A
114
3 of 1

1944-AN-13620-TSTEVENS 1A
(114)
2 of 3

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700MB
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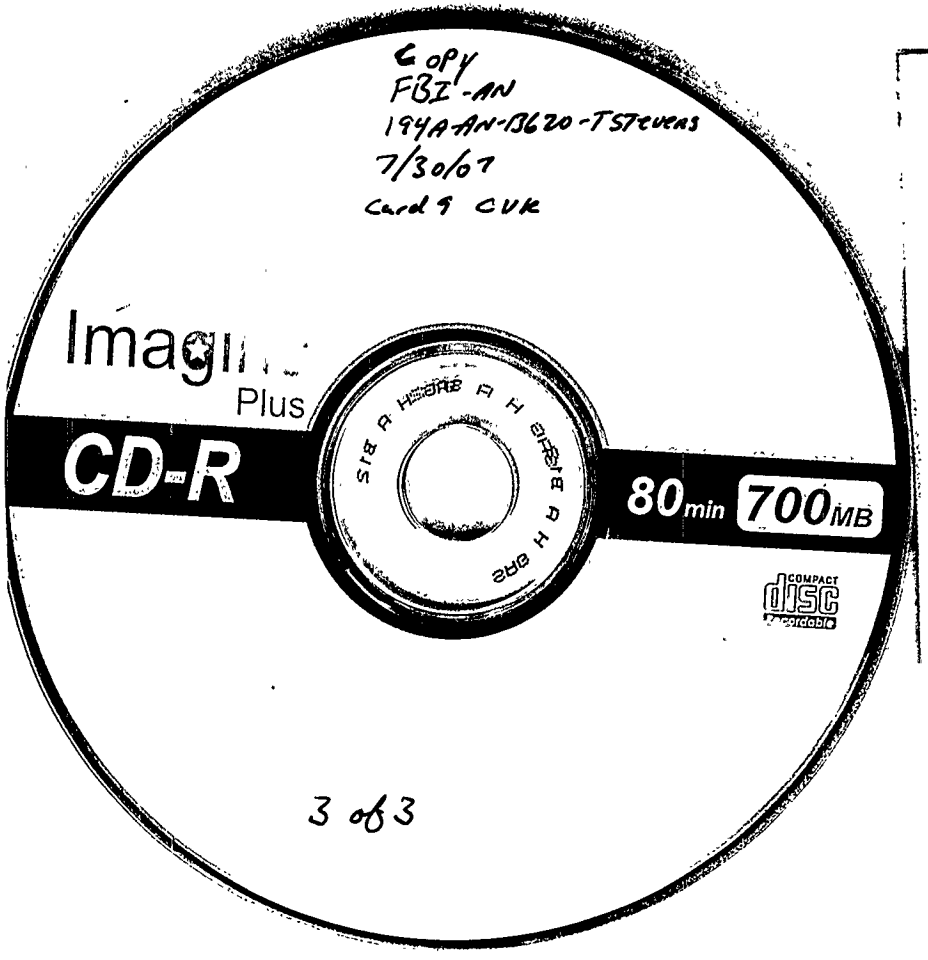
F30-AN
1944-AN-13620-TSTEVENS
7/30/07
Card 9 CVK
2 of 3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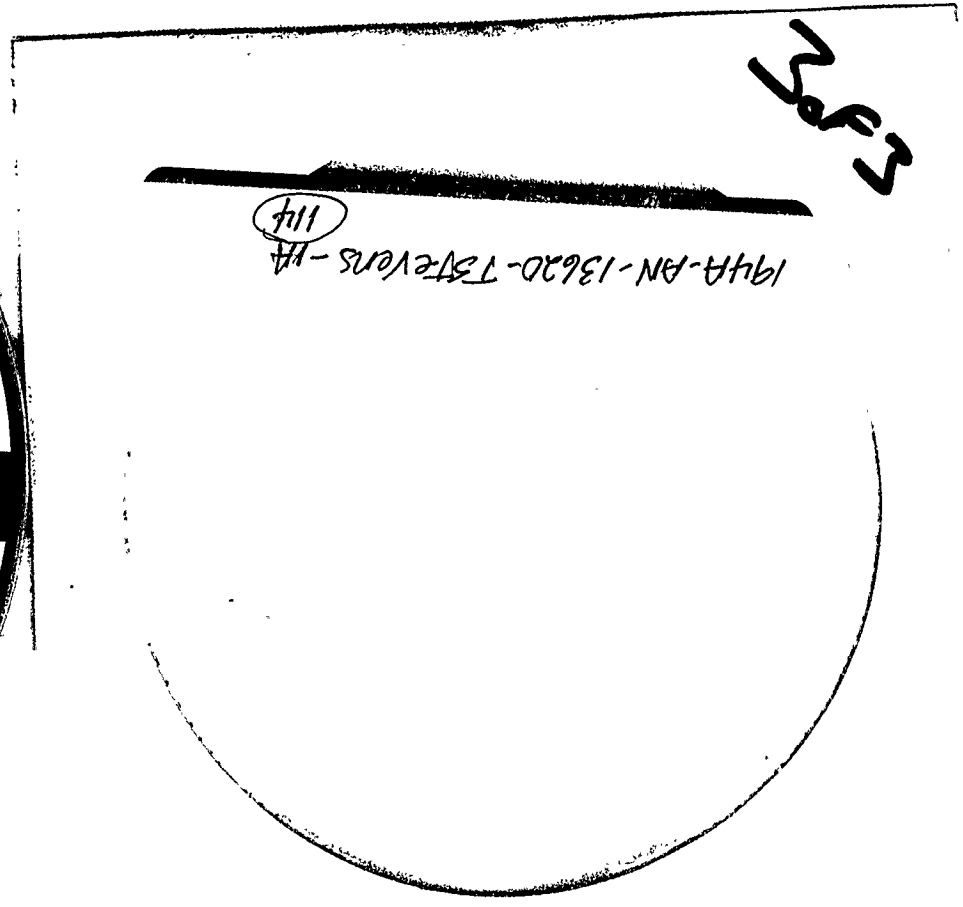
7/30/07
Card 9 CVK
Imagine
Plus
CD-R
80min 700MB
COMPACT disc recordable
3 of 3


194A-AN-13620-TSTevens-114
3 of 3

FD-340b (Rev. 4-11-03)

1A 115

File Number 194A-AN-13620-TSTevens

Field Office Acquiring Evidence AN

Serial # of Originating Document _____

Date Received 7/27/07

From SA [redacted]
(Name of Contributor/Interviewee)

(Address)

(City and State)

By SA [redacted]

b6
b7C

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

Title: Polar Pen

Reference: _____
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

Surveillance Notes 7/27/07
138 Northland Road, Ginduood,
Alaska

7/27 5:42 man walked to Front door key entry
5:44 then came to garage 5:43 pulled bag
into garage

5:54 → Leaves Locksup walks away up hill
Past Surveillance

MEDIA ✓

FD-340c (4-11-03)

- 1A116

File Number 194A-AN-13620-TSTevens

Field Office Acquiring Evidence AN

Serial # of Originating Document

Date Received 7/27/07

From SA [redacted] SA [redacted]
(Name of Contributor/Interviewee)

(Address)

Girdwood, Alaska
(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

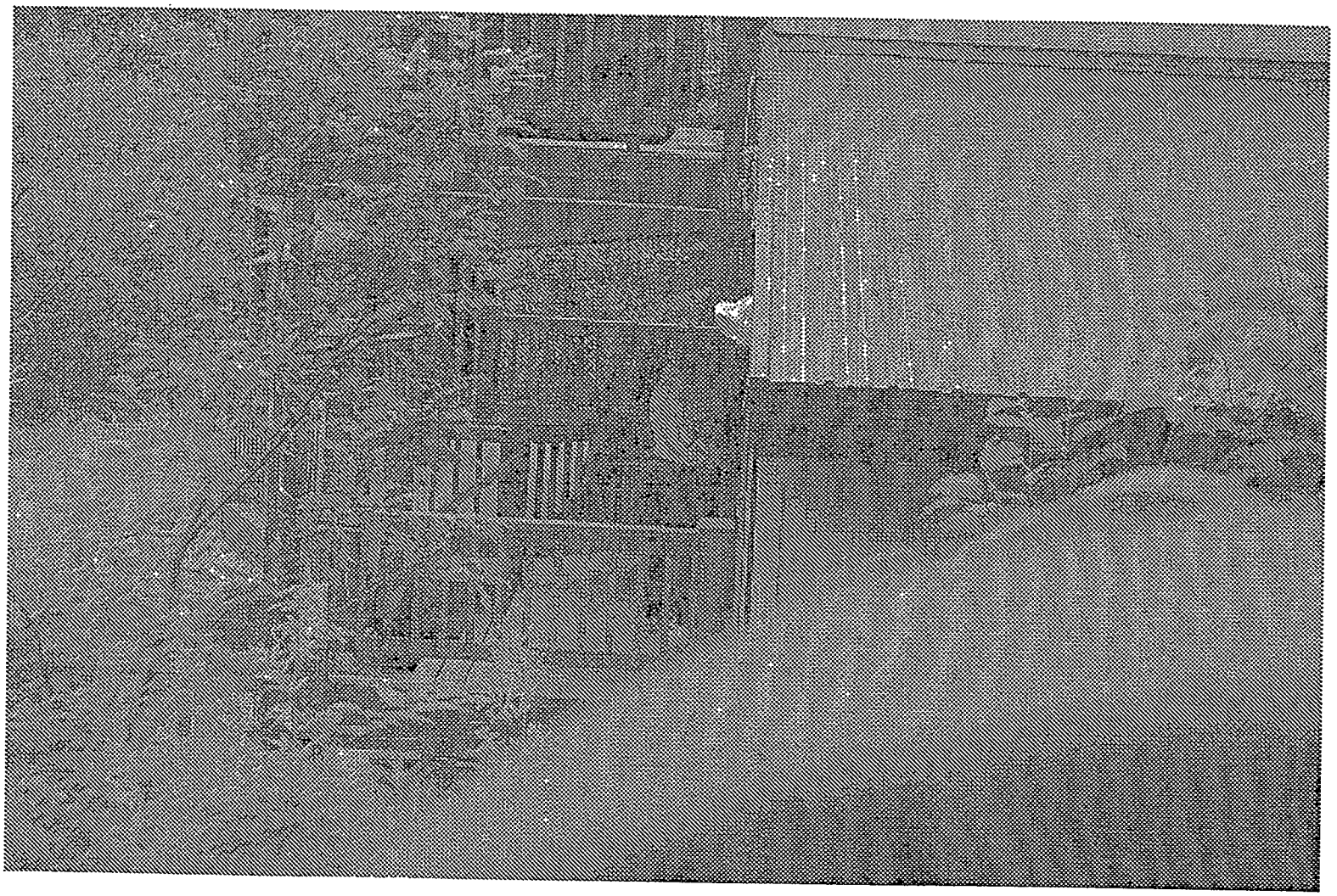
Title: Polar Pen

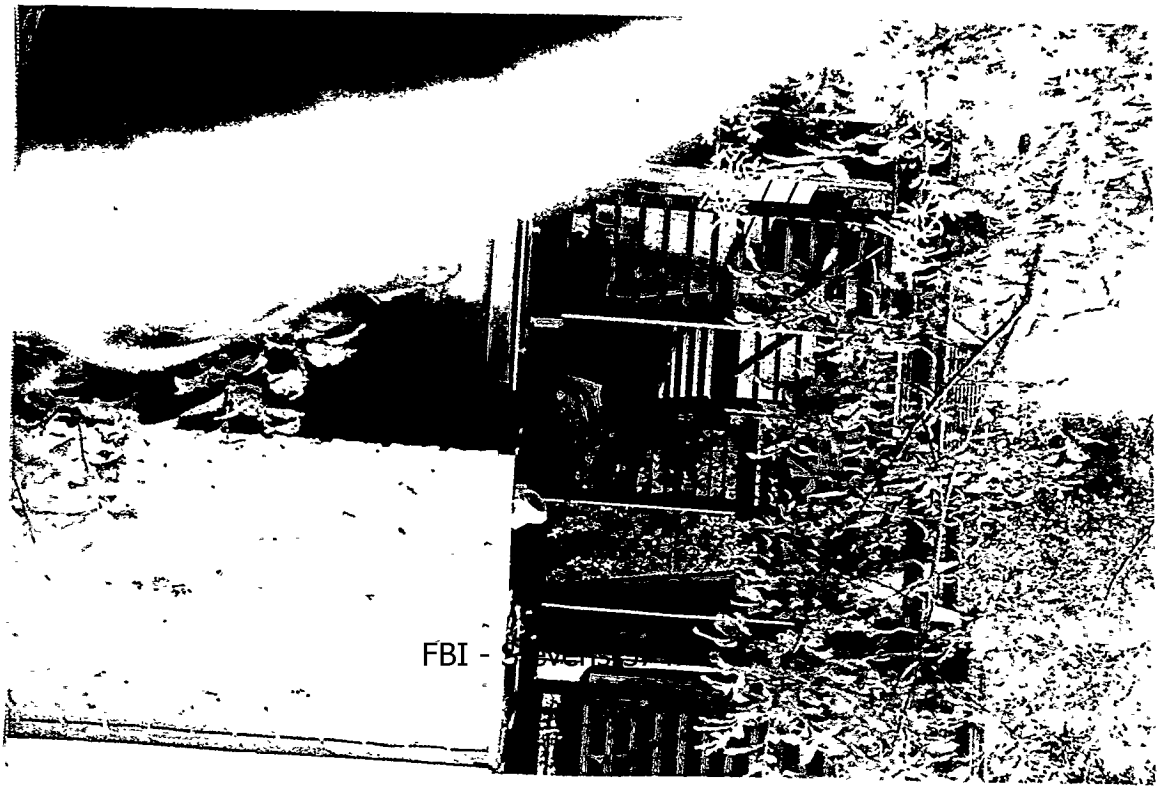
Reference:
(Communication Enclosing Material)

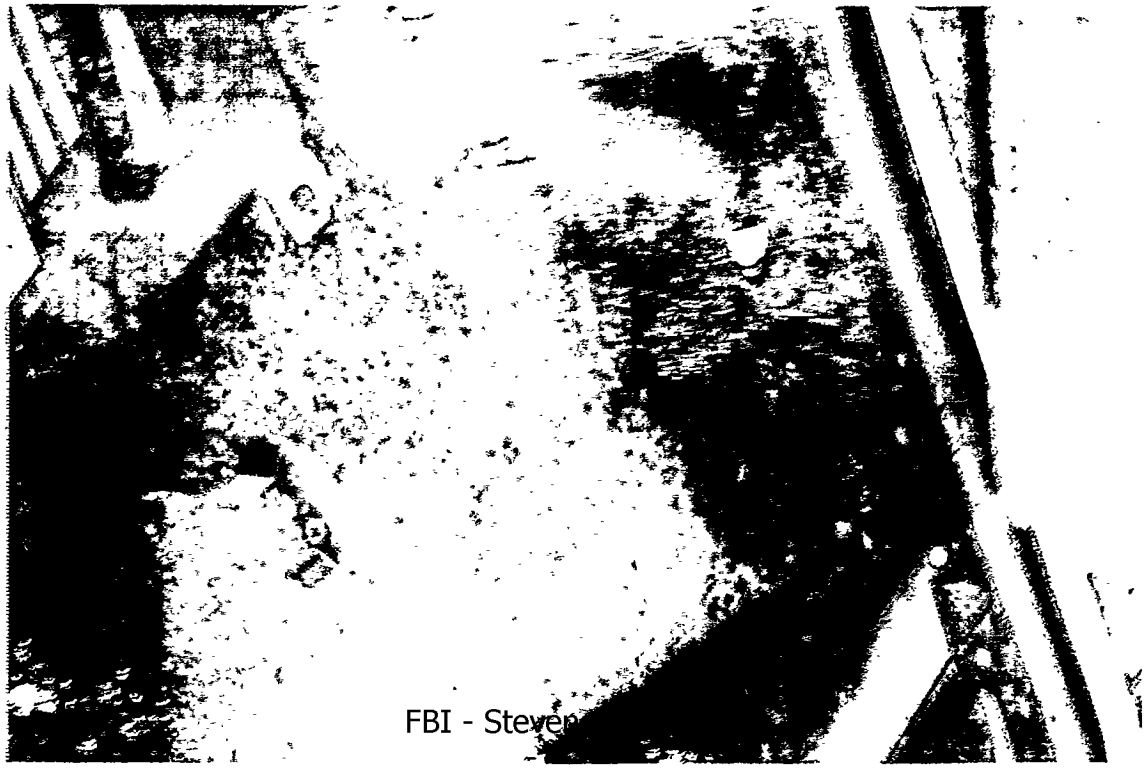
Description: ☐ Original notes re interview of

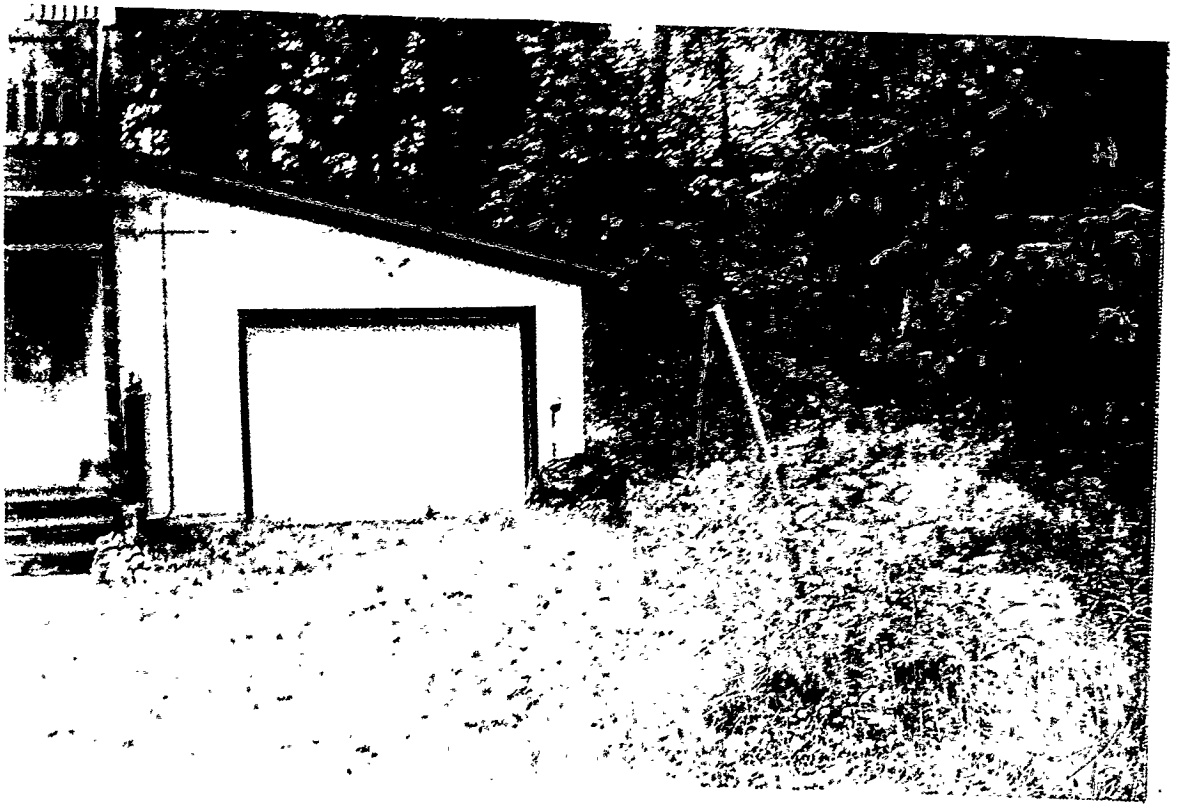
- photographs taken at 138 Northland Road, Girdwood, Alaska
- photos on CD (two copies enclosed)

b6
b7C




FBI -





FBI - Stevens-5750

194A-AN-13620

7/26/2007 Photos
cwk 8/1/07

[redacted]

b6
b7C

194A-AN-13620 JSTEVENS
1A (116)

7/27/07
Surveillance
Photos

Sen. Stevens'
Girdwood House

194A-AN-13620- TSTEVENS-1A (116)

194A-AN-13620-TSTEVENS-LA (116)

1944-AN-13620-TSTEVENS-14
(H6)

FD-340b (Rev. 4-11-03)

-1A117

File Number 194A-AN-13620-TStevens

Field Office Acquiring Evidence AN

Serial # of Originating Document

Date Received 8/6/07

From [redacted]

(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☐ No

b6
b7C

Title:

Reference:

(Communication Enclosing Material)

Description: ☒ Original notes re interview of [redacted] and [redacted]

8/6/07
9:10a

[redacted]

Adt. [redacted]

[redacted] Esq.

Re: Ct & Jail in Barbados / being built ~~FA~~ by VECO

- ~~Old woman / Lawyer / know of Atty's?~~
- ~~Reputation / benefit in helping us will help their client~~ not substantiated
- VECO / Douglas company / DE Entities
- ~~The Commonwealth~~ - construction co.
- [redacted] / civil servant
- Look @ [redacted] @ Veco
- ~~close to~~ [redacted] VECO law comp. / not substanti

[redacted] / AUSAs

Tampa /

b6
b7C

b6
b7C

FD-340b (Rev. 4-11-03)

1A18

File Number 194A-AN-13620-TSTCUENS

Field Office Acquiring Evidence AN

Serial # of Originating Document _____

Date Received 8/3/07

From [redacted]
(Name of Contributor/Interviewee)

(Address)

[redacted] Alaska
(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

b6
b7C

Title: Polar Pen

Reference: _____
(Communication Enclosing Material)

Description: ☒ Original notes re interview of [redacted] 8/3/07 and CCH for [redacted]

[redacted] Kenai Supply Lumber [redacted] Started Cissell Construction

[redacted] and | Home [redacted]

[redacted] | [redacted] years [redacted]

I got confronted to work on T. Stevens. MR [redacted] he will pay under table [redacted]

I Knew people at VECO

doing 175 hours years down

O.C.S. - Battling for kids thru them. Misusing gaut

The whole Branch

[redacted]

[redacted]

b6
b7C

They wanted ~~you~~ he to subcontract

Frame on it interior. They would Ask

Cash. They w/ hide under Books w/not

[redacted] said he w/ pay. Said it wasn't

3 years Ago → Finish work

when he Said. I Knew

Others That Kne. Talked via phone

Couple laborers [redacted] Lnu Lnu → Day laborers

That

→ Never Knew who the working for

They were GRUNTS Cutting

Didn't

[redacted] Then - SUB out in oil Fields

FBI - Stevens-5760

Kickbacks to Kenai P.D.'S. - have nice

VECO'S houses - have nice houses

[redacted] Hall Quarry Bulder - does alot of
↓ talk to

/ State Police as

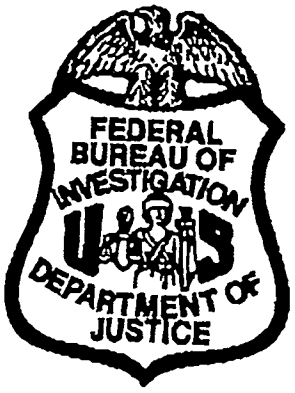
[redacted] — Kenai PD
Officer [redacted] Kenai P.D

> Know alot of pple at vecot have Nice Houses

b6
b7C

to Rural Housing Auth. in Sodotna - by hospital
Farm Homes govt. [redacted]
↓ Signed 10 houses
to do > govt.

They had no one - 10 Jobs Kasilof
never started



FEDERAL BUREAU OF INVESTIGATION

LITTLE ROCK DIVISION

WESTERN DISTRICT OF ARKANSAS

FORT SMITH RESIDENT AGENCY

PHONE 479/452-5873
FAX 479/478-7170
fbi-fsm@cox-internet.com

b6
b7C

To: _____ Date: 8/2/07

Attn: _____ Fax: (907) 265-8400

From: _____ # of pages 5
(includes cover sheet)

Re: CCH

Originator's Name: _____

Approved: _____

P.O. Box 3384, Fort Smith 72913
1501 South Waldron Road, Suite 209, Fort Smith, AR 72903

FBI - Stevens-5762

WARNING

nformation attached to the cover sheet is U.S. Government Property. If you are not the intended recipient of this information, disclosure, reproduction, istribution, or use of this information is prohibited (18.USC, 641). Please notify the originator at 479/452-5873 to arrange for proper disposition.

FD-340 (Rev. 3-8-01)

Universal Case File Number 194A-AN-13620-TSTEVENS- 1A119

Field Office Acquiring Evidence

Serial # of Originating Document

Date Received 1-29-07

From [redacted]
(Name of Contributor)

(Address of Contributor)

(City and State)

By FA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☒ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

Title:

PolarPen

Reference:
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

[redacted]

b3
b6
b7C

FBI FACSIMILE

COVER SHEET

PRECEDENCE

- ☐ Immediate
- ☐ Priority
- ☒ Routine

CLASSIFICATION

- ☐ Top Secret
- ☐ Secret
- ☐ Confidential
- ☐ Sensitive
- ☒ Unclassified

Time Transmitted:
Sender's Initials: kcb
Number of Pages: 6
(including cover sheet)

To: [redacted]
Name of Office

Date: 01/25/2007

Facsimile Number: [redacted]

Attn: [redacted]
Name Room Telephone

b3
b6
b7C

From: FBI - Anchorage
Name of Office

Subject: [redacted]

Special Handling Instructions:

Originator's Name: FA [redacted] Telephone: [redacted]

Originator's Facsimile Number: 907-265-8400

Approved: TMF/kcb

Brief Description of Communication Faxed:

WARNING

FBI - Stevens-5770

Information attached to the cover sheet is U.S. Government Property. If you are not the intended recipient of this information, disclosure, reproduction, distribution, or use of this information is prohibited (18.USC, § 641). Please notify the

UNITED STATES DISTRICT COURT

A070346

DISTRICT OF ALASKA

TO: [redacted]

SUBPOENA TO TESTIFY BEFORE GRAND JURY

SUBPOENA FOR:
☐ PERSON ☒ DOCUMENT(S) OR OBJECT(S)

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

PLACE	COURTROOM
Federal Building & U.S. Courthouse 222 W. 7th Avenue Anchorage, AK 99513	Grand Jury
	DATE AND TIME 2/6/07 9:00 A.M.

b3
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b7C

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):*

[redacted]

☐ *Please see additional information on reverse.*

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

CLERK	DATE
IDA ROMACK, Clerk	1/22/07
(By) Deputy Clerk [signature]	
This subpoena is issued on application of the United States of America	NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY [redacted] Asst. U.S. Atty. Federal Bldg. & U.S. Courthouse, 222 W. 7th Ave., #9, Rm 253 Anchorage, AK 99513-7564 (907) 271-5071

* If not applicable, enter "none".

AO110 (Rev. 12/89) Subpoena to Testify Before Grand Jury

U.S. Department of Justice

United States Attorney
District of Alaska

Federal Building & U.S. Courthouse
222 West 7th Avenue, #9, Room 253
Anchorage, Alaska 99513-7567

Commercial: (907) 271-5071
Fax Number: (907) 271-1500

January 22, 2007

[redacted]

Re: Grand Jury Subpoena

Dear [redacted]

You have been served with a grand jury subpoena duces tecum, to produce certain enumerated records before the grand jury in Anchorage, Alaska at 9:00 a.m., Tuesday, February 6, 2007. If you need additional time to comply with this subpoena please contact our office for an extension.

You have the right to appear before the grand jury. To minimize your inconvenience in complying with this subpoena, you may mail the requested documents certified to our office, or provide the documents to the agent(s) serving the subpoena in lieu of personally producing the documents before the grand jury.

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Should you decide to provide the documents by certified mail, the officer responsible for complying with this subpoena must execute the enclosed affidavit before a notary public. This affidavit must accompany the documents being forwarded.

Please be advised that disclosure of this subpoena may impede an ongoing criminal investigation.

If you have any questions regarding the subpoena or the method by which that subpoena may be satisfied, please contact me collect at (907) 271-5071.

Sincerely,

[redacted]

Assistant U.S. Attorney

Enc: Affidavit of Compliance

b6
b7C

[redacted]
Assistant U.S. Attorney

Federal Building & U.S. Courthouse
Room 253
222 West 7th Avenue, #9,
Anchorage, Alaska 99513-7567
(907) 271-5071

AC70346

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF ALASKA

IN RE GRAND JURY INVESTIGATION _____	))))))))))	AFFIDAVIT OF COMPLIANCE WITH GRAND JURY SUBPOENA DUCES TECUM

_____, being first duly sworn, deposes and says:

1. I am associated with _____ (the "Company") as _____ _____. In this position I have the responsibility for the Company's compliance with the subpoena duces tecum issued to me on _____, 2007, which calls for the production of certain documents before a Grand Jury of this Court.

2. I personally have conducted or supervised compliance by the Company with the subpoena duces tecum. To the best of my knowledge, information and belief, based upon due diligence and reasonable inquiry, the documents enclosed herewith, bearing the numbers _____, constitute all the documents in the possession, custody or control of the Company that fall within the terms of the subpoena duces tecum.

3. No documents responsive to the subpoena duces tecum have been withheld by the Company pursuant to a claim of privilege or otherwise. To the best of my knowledge, information and belief, based upon due diligence and reasonable inquiry, no one has directed the destruction of any documents responsive to the subpoena duces tecum and no such documents have been destroyed.

4. The documents made by the Company and produced in compliance with the subpoena duces tecum are memoranda, reports, records or data compilations of acts, events, conditions, opinions or diagnoses that were made at or near the time, by or from information transmitted by, a person with knowledge and that have been kept in the course of the Company's regularly conducted business activity. It has been the Company's regular practice in that business activity to make those memoranda, reports, records or data compilations. Neither the source of information, nor the method of circumstances of preparation, indicate a lack of trustworthiness for those memoranda, reports, records or data compilations.

5. I understand that the furnishing of these documents to counsel for the United States in response to the subpoena duces tecum and the execution of this Affidavit, are at the sole discretion and election of myself and the Company, and are in lieu of personally producing the documents before the grand jury which right to appear is expressly waived.

6. I am authorized by the Company to execute this Affidavit, and I have reviewed all of its terms with counsel for the Company before signing and swearing to it.

FURTHER AFFIANT SAYETH NAUGHT.

_____
AFFIANT

SUBSCRIBED AND SWORN TO before me this ___ day of _____, 2007, at _____

_____
Notary Public
My commission expires: _____.

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TSTEVENS - 1A 120

Field Office Acquiring Evidence _____

Serial # of Originating Document _____

Date Received 2-12-2007

From [redacted]
(Name of Contributor/Interviewee)

(Address)

(City and State)

By FA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure
☒ Yes ☐ No

Federal Taxpayer Information (FTI)
☐ Yes ☒ No

Title:

Polar Pen

Reference: _____
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

[redacted]

b3
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b7C

A070344

b6
b7C

[redacted]
Assistant U.S. Attorney

Federal Building & U.S. Courthouse
Room 253
222 West 7th Avenue, #9,
Anchorage, Alaska 99513-7567
(907) 271-5071

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF ALASKA

IN RE GRAND JURY INVESTIGATION _____	)	AFFIDAVIT OF COMPLIANCE WITH GRAND JURY SUBPOENA DUCES TECUM

b3
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b7C

[redacted] being first duly sworn, deposes and says:

1. I am associated with [redacted] (the "Company") as [redacted] _____. In this position I have the responsibility for the Company's compliance with the subpoena duces tecum issued to me on JANUARY 30, 2007, which calls for the production of certain documents before a Grand Jury of this Court.

2. I personally have conducted or supervised compliance by the Company with the subpoena duces tecum. To the best of my knowledge, information and belief, based upon due diligence and reasonable inquiry, the documents enclosed herewith, bearing the numbers _____, constitute all the documents in the possession, custody or control of the Company that fall within the terms of the subpoena duces tecum.

3. No documents responsive to the subpoena duces tecum have been withheld by the Company pursuant to a claim of privilege or otherwise. To the best of my knowledge, information and belief, based upon due diligence and reasonable inquiry, no one has directed the destruction of any documents responsive to the subpoena duces tecum and no such documents have been destroyed.

4. The documents made by the Company and produced in compliance with the subpoena duces tecum are memoranda, reports, records or data compilations of acts, events, conditions, opinions or diagnoses that were made at or near the time, by or from information transmitted by, a person with knowledge and that have been kept in the course of the Company's regularly conducted business activity. It has been the Company's regular practice in that business activity to make those memoranda, reports, records or data compilations. Neither the source of information, nor the method of circumstances of preparation, indicate a lack of trustworthiness for those memoranda, reports, records or data compilations.

5. I understand that the furnishing of these documents to counsel for the United States in response to the subpoena duces tecum and the execution of this Affidavit, are at the sole discretion and election of myself and the Company, and are in lieu of personally producing the documents before the grand jury which right to appear is expressly waived.

6. I am authorized by the Company to execute this Affidavit, and I have reviewed all of its terms with counsel for the Company before signing and swearing to it.

FURTHER AFFIANT SAYETH NAUGHT.

[redacted] b3 b6 b7C

AFFIANT

SUBSCRIBED AND SWORN TO before me this 30th day of January, 2007, at _____

Vicki Burton

Notary Public

My commission expires: _____.

Notary Public, Henry Co., GA
My Commission Exp. January 22, 2010

FD-340 (Rev. 3-8-01)

1A121

Universal Case File Number 194A-AN-13620- TSTEVENS-

Field Office Acquiring Evidence _____

Serial # of Originating Document _____

Date Received 2-12-07

From [redacted]

[redacted] Name of Contributor)

[redacted] ss of Contributor)

(City and State)

By FA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☒ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

b3
b6
b7C

Title:

Polar Pen

Reference: _____

(Communication Enclosing Material)

Description: ☐ Original notes re interview of

[redacted]

UNITED STATES DISTRICT COURT

170000033735

DISTRICT OF
ALASKA

TO:

[redacted]

SUBPOENA TO TESTIFY BEFORE GRAND JURY

SUBPOENA FOR:
☐ PERSON ☒ DOCUMENT(S) OR OBJECT(S)

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

PLACE	COURTROOM
Federal Building & U.S. Courthouse 222 W. 7th Avenue Anchorage, AK 99513	Grand Jury
	DATE AND TIME 2/6/07 9:00 A.M.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):*

[redacted]

b3
b6
b7C

☐ *Please see additional information on reverse.*

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

CLERK	DATE
IDA ROMACK, Clerk	
(By) Deputy Clerk Pla Stevens	1/22/07
This subpoena is issued on application of the United States of America	NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY [redacted] Asst. U.S. Atty. Federal Bldg. & U.S. Courthouse, 222 W. 7th Ave., #9, Rm 253 Anchorage, AK 99513-7564 (907) 271-5071

* If not applicable, enter "none".

A070345

[redacted]
Assistant U.S. Attorney

Federal Building & U.S. Courthouse
Room 253
222 West 7th Avenue, #9,
Anchorage, Alaska 99513-7567
(907) 271-5071

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF ALASKA

IN RE GRAND JURY INVESTIGATION _____	))))))))))	AFFIDAVIT OF COMPLIANCE WITH GRAND JURY SUBPOENA DUCES TECUM

[redacted] ng first duly sworn, deposes and says:

1. I am associated with [redacted] "Company") as [redacted] b3 b6 b7C

[redacted] n this position I have the responsibility for the Company's compliance with the subpoena duces tecum issued to me on Jan. 26, 2007, which calls for the production of certain documents before a Grand Jury of this Court.

2. I personally have conducted or supervised compliance by the Company with the subpoena duces tecum. To the best of my knowledge, information and belief, based upon due diligence and reasonable inquiry, the documents enclosed herewith, bearing the numbers _____, constitute all the documents in the possession, custody or control of the Company that fall within the terms of the subpoena duces tecum. b3

3. No documents responsive to the subpoena duces tecum have been withheld by the Company pursuant to a claim of privilege or otherwise. To the best of my knowledge, information and belief, based upon due diligence and reasonable inquiry, no one has directed the destruction of any documents responsive to the subpoena duces tecum and no such documents have been destroyed.

4. The documents made by the Company and produced in compliance with the subpoena duces tecum are memoranda, reports, records or data compilations of acts, events, conditions, opinions or diagnoses that were made at or near the time, by or from information transmitted by, a person with knowledge and that have been kept in the course of the Company's regularly conducted business activity. It has been the Company's regular practice in that business activity to make those memoranda, reports, records or data compilations. Neither the source of information, nor the method of circumstances of preparation, indicate a lack of trustworthiness for those memoranda, reports, records or data compilations.

5. I understand that the furnishing of these documents to counsel for the United States in response to the subpoena duces tecum and the execution of this Affidavit, are at the sole discretion and election of myself and the Company, and are in lieu of personally producing the documents before the grand jury which right to appear is expressly waived.

6. I am authorized by the Company to execute this Affidavit, and I have reviewed all of its terms with counsel for the Company before signing and swearing to it.

FURTHER AFFIANT SAYETH NAUGHT.

[redacted]

AFFIANT

b3
b6
b7C

SUBSCRIBED AND SWORN TO before me this 2 day of February, 2007, a[redacted]

Beth Blanock

Notary Public
My commission expires: 1/29/10.

FD-340b (Rev. 4-11-03)

-1A122

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document _____

Date Received 8/17/07

From [redacted]
(Name of Contributor/Interviewee)

[redacted]
(Address)

[redacted]
(City and State)

By SA [redacted]

b3
b6
b7C

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure
☑ Yes ☐ No

Federal Taxpayer Information (FTI)
☐ Yes ☑ No

Title: Polar Pen

Reference: _____
(Communication Enclosing Material)

Description: ☒ Original notes re interview of
[redacted] 8/17/07

FD-340c (4-11-03) [redacted] - [redacted] - [redacted] - [redacted]

File Number 194A-AN-13620-TSTEVENS - 1A123

Field Office Acquiring Evidence [redacted] AN

Serial # of Originating Document 177

Date Received 8/21/07

From [redacted]
(Name of Contributor/Interviewee)

(Address)

(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☒ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

Title: Polar Pen

Reference:
(Communication Enclosing Material)

Description: ☐ Original notes re interview of [redacted]

b3
b6
b7C

FD-340c (4-11-03)

File Number 194A-AN-13620-TST-1-1-1S -1A124

Field Office Acquiring Evidence Anchorage

Serial # of Originating Document

Date Received 8/12/07

From [redacted]
(Name of Contributor/Interviewee)

(Address)

(City and State)

By [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☑ No

Federal Taxpayer Information (FTI)

☐ Yes ☑ No

b3
b6
b7C

Title: Polar Pen;
CSLPO;
OO:AN

Reference:
(Communication Enclosing Material)

Description: ☐ Original notes re interview of [redacted] 7/5/07 Re: subpoena

FBI - Stevens-5830

CO 293 (Rev. 8/91) Subpoena to Testify before Grand Jury

United States District Court

FOR THE DISTRICT OF COLUMBIA

TO: [redacted]

SUBPOENA TO TESTIFY BEFORE GRAND JURY

SUBPOENA FOR:
[ ] PERSON [X] DOCUMENT(S) OR OBJECT(S)

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

PLACE	**UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States Courthouse Third & Constitution, N.W. Washington, D.C. 20001**	COURTROOM: 3rd Floor GRAND JURY ROOMS
		DATE AND TIME: July 6, 2007 9:00 a.m.

b3
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b7C

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):*

PLEASE SEE ATTACHMENT

NOTE: In lieu of personal appearance, you may comply with this subpoena by providing via **express delivery** the subpoenaed records to FBI Special Agent [redacted] prior to the required date. Special Agent [redacted] may be reached at [redacted] or at the following address:

Special Agent [redacted]
Federal Bureau of Investigation
Washington Field Office
601 Fourth Street, NW
Washington, D.C. 20535

☐ *Please see additional information on reverse.*

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

U.S. MAGISTRATE JUDGE OR CLERK OF COURT NANCY MAYER-WHITTINGTON	DATE June 13, 2007
(By) Deputy Clerk	
This subpoena is issued upon application of the United States of America.	NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY Nicholas A. Marsh [redacted] Trial Attorneys, Criminal Division, Public Integrity Section U.S. Department of Justice 1400 New York Avenue, N.W., 12th Floor Washington, D.C. 20005 Tel: (202) 514-1412

FBI - Stevens-5833

* If not applicable, enter "none".

*U.S.GPO:1993-0-350-792/80398

A 110 (Rev. 12/89) Subpoena to Testify Before Grand Jury

RETURN OF SERVICE(1)		
RECEIVED BY SERVER	DATE	PLACE
SERVED	DATE	PLACE
SERVED ON (PRINT NAME)		
SERVED BY (PRINT NAME)		TITLE

STATEMENT OF SERVICE FEES		
TRAVEL	SERVICES	TOTAL

DECLARATION OF SERVER(2)

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Proof of Service is true and correct.

Executed on _____ _____
Date *Signature of Server*

_____
Address of Server

ADDITIONAL INFORMATION

b3

(1) As to who may serve a subpoena and the manner of its service see Rule 17(d), Federal Rules of Criminal Procedure, or Rule 45(c), Federal Rules of Civil Procedure.
(2) "Fees and mileage need not be tendered to the witness upon service of a subpoena issued on behalf of the United States or an officer or agency thereof (Rule 45(c), Federal Rules of Civil Procedure; Rule 17(d), Federal Rules of Criminal Procedure) or on behalf of certain indigent parties and criminal defendants who are unable to pay such costs (28 USC 1825, Rule 17(b) Federal Rules of Criminal Procedure)".

Pat-Stevens-7634

FD-340c (4-11-03)

[redacted]

File Number 194A-AN-13620-TSTEVENS -1A125

Field Office Acquiring Evidence AN

Serial # of Originating Document 186

Date Received 8/21/2007

From [redacted]
(Name of Contributor/Interviewee)

(Address)

(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

b3
b6
b7C

Title: Polar Pen

Reference:
(Communication Enclosing Material)

Description: ☒ Original notes re interview of

[redacted]

FD-340b (Rev. 4-11-03)

-1A126

File Number 194A-AN-13626-TSTevens-w

Field Office Acquiring Evidence AN

Serial # of Originating Document _____

Date Received 8/9/07

From [redacted]
(Name of Contributor/Interviewee)

(Address)

(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☒ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

Title:

Polar Pen

Reference: _____
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

[redacted]

b3
b6
b7C

#9403120

A070736

UNITED STATES DISTRICT COURT

DISTRICT OF
ALASKA

2007 AUG -7 PM 12: 06

RECEIVED
US ATTORNEY OFFICE

TO:

SUBPOENA TO TESTIFY BEFORE GRAND JURY

SUBPOENA FOR:
☐ PERSON ☒ DOCUMENT(S) OR OBJECT(S)

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

PLACE	COURTROOM
Federal Building & U.S. Courthouse 222 W. 7th Avenue Anchorage, AK 99513	**Grand Jury**
	DATE AND TIME **08/07/07 9:00 A.M.**

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):*

See attached.

b3
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b7C

☐ *Please see additional information on reverse.*

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

CLERK	DATE
IDA ROMACK, Clerk	06/28/07
(By) Deputy Clerk	

This subpoena is issued on application of the United States of America

NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY
[redacted] Asst. U.S. Atty.
Federal Bldg. & U.S. Courthouse, 222 W. 7th Ave., #9, Rm 253
Anchorage, AK 99513-7564 (907) 271-5071

FBI - Stevens-5847

* If not applicable, enter "none".

U.S. Department of Justice

United States Attorney
District of Alaska

Federal Building & U.S. Courthouse
222 West 7th Avenue, #9, Room 253
Anchorage, Alaska 99513-7567

Commercial: (907) 271-5071
Fax Number: (907) 271-1500

June 28, 2007

[redacted]

Re: Grand Jury Subpoena

Dea[redacted]

You have been served with a grand jury subpoena duces tecum, to produce certain enumerated records before the grand jury in Anchorage, Alaska at 9:00 a.m., Tuesday, August 7, 2007. If you need additional time to comply with this subpoena please contact our office for an extension.

b3
b6
b7C

You have the right to appear before the grand jury. To minimize your inconvenience in complying with this subpoena, you may mail the requested documents certified to our office, or provide the documents to the agent(s) serving the subpoena in lieu of personally producing the documents before the grand jury.

Should you decide to provide the documents by certified mail, the officer responsible for complying with this subpoena must execute the enclosed affidavit before a notary public. This affidavit must accompany the documents being forwarded.

Please be advised that disclosure of this subpoena may impede an ongoing criminal investigation.

If you have any questions regarding the subpoena or the method by which that subpoena may be satisfied, please contact me collect at (907) 271-5071.

Sincerely,

[redacted]

Enc: Affidavit of Compliance

A070736

b6
b7C

[redacted]
Assistant U.S. Attorney
Federal Building & U.S. Courthouse
Room 253
222 West 7th Avenue, #9,
Anchorage, Alaska 99513-7567
(907) 271-5071

2007 AUG -7 PM 12: 06
RECEIVED
US ATTORNEY OFFICE

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF ALASKA

IN RE	)	
	)	AFFIDAVIT OF COMPLIANCE
GRAND JURY INVESTIGATION	)	WITH GRAND JURY SUBPOENA
	)	DUCES TECUM
_____	)	
	)	
	)	
	)	
	)	
_____	)	

_____, being first duly sworn, deposes and says:

1. I am associated with _____ (the "Company") as _____ _____. In this position I have the responsibility for the Company's compliance with the subpoena duces tecum issued to me on _____, 2007, which calls for the production of certain documents before a Grand Jury of this Court.

2. I personally have conducted or supervised compliance by the Company with the subpoena duces tecum. To the best of my knowledge, information and belief, based upon due diligence and reasonable inquiry, the documents enclosed herewith, bearing the numbers _____, constitute all the documents in the possession, custody or control of the Company that fall within the terms of the subpoena duces tecum.

3. No documents responsive to the subpoena duces tecum have been withheld by the Company pursuant to a claim of privilege or otherwise. To the best of my knowledge, information and belief, based upon due diligence and reasonable inquiry, no one has directed the destruction of any documents responsive to the subpoena duces tecum and no such documents have been destroyed.

4. The documents made by the Company and produced in compliance with the subpoena duces tecum are memoranda, reports, records or data compilations of acts, events, conditions, opinions or diagnoses that were made at or near the time, by or from information transmitted by, a person with knowledge and that have been kept in the course of the Company's regularly conducted business activity. It has been the Company's regular practice in that business activity to make those memoranda, reports, records or data compilations. Neither the source of information, nor the method of circumstances of preparation, indicate a lack of trustworthiness for those memoranda, reports, records or data compilations.

5. I understand that the furnishing of these documents to counsel for the United States in response to the subpoena duces tecum and the execution of this Affidavit, are at the sole discretion and election of myself and the Company, and are in lieu of personally producing the documents before the grand jury which right to appear is expressly waived.

6. I am authorized by the Company to execute this Affidavit, and I have reviewed all of its terms with counsel for the Company before signing and swearing to it.

FURTHER AFFIANT SAYETH NAUGHT.

_____
AFFIANT

SUBSCRIBED AND SWORN TO before me this ___ day of _____, 2007, at _____

_____
Notary Public
My commission expires: _____.

FD-340b (Rev. 4-11-03)

-1A127

File Number 194A-AN-13620-TSTCvens

Field Office Acquiring Evidence AN

Serial # of Originating Document

Date Received 8/16/2007 + 8/9/07

From [redacted]
(Name of Contributor/Interviewee)

(Address)

Colorado
(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

Title:
Polar Pen

Reference:
(Communication Enclosing Material)

Description: ☒ Original notes re interview of [redacted]

b3
b6
b7C

FD-340c (4-11-03)

-1A128

File Number 194A- AN- 13620 - TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document

Date Received 8/24/2007

From [redacted]
(Name of Contributor/Interviewee)

(Address)

[redacted]
(City and State)

By [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☒ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

b3
b6
b7C

Title: Palm Jen

Reference:
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

[redacted]

FBI FACSIMILE

COVER SHEET

2007 AUG 23 PM 2:11
RECEIVED
US ATTORNEY'S OFFICE

PRECEDENCE

- ☐ Immediate
- ☐ Priority
- ☒ Routine

CLASSIFICATION

- ☐ Top Secret
- ☐ Secret
- ☐ Confidential
- ☐ Sensitive
- ☒ Unclassified

Time Transmitted: _____
Sender's Initials: _____
Number of Pages: _____
(including cover sheet)

To: [redacted]
Name of Office

Date: 08/16/2007

Facsimile Number: [redacted]

Attn: [redacted]
Name Room Telephone

b3
b6
b7C

From: FBI
Name of Office

Subject: Subpoena

Special Handling Instructions: Please call if you have questions. An original copy is also being sent via mail.

Originator's Name: [redacted] Telephone: [redacted]

Originator's Facsimile Number: _____

Approved: _____

Brief Description of Communication Faxed: _____

WARNING

Information attached to the cover sheet is U.S. Government Property. If you are not the intended recipient of this information, disclosure, reproduction, distribution, or use of this information is prohibited (18.USC. § 641). Please notify the

UNITED STATES DISTRICT COURT

A070836

DISTRICT OF ALASKA

TO:

2007 AUG 23 PM 2:11

RECEIVED
US ATTORNEY OFFICE

SUBPOENA TO TESTIFY BEFORE GRAND JURY

SUBPOENA FOR:
☐ PERSON ☒ DOCUMENT(S) OR OBJECT(S)

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

PLACE	COURTROOM
Federal Building & U.S. Courthouse 222 W. 7th Avenue Anchorage, AK 99513	Grand Jury
	DATE AND TIME 09/11/07 9:00 A.M.

b3
b6
b7C

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):*

See attached.

☐ *Please see additional information on reverse.*

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

CLERK	DATE
IDA ROMACK, Clerk	
(By) Deputy Clerk Nancy [illegible]	08/15/07
This subpoena is issued on application of the United States of America	NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY [redacted], Asst. U.S. Atty. Federal Bldg. & U.S. Courthouse, 222 W. 7th Ave., #9, Rm 253 Anchorage, AK 99513-7564 (907) 271-5071

* If not applicable, enter "none".

FD-340b (Rev. 4-11-03)

-1A129

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document

Date Received 8/28/07

From [redacted]
(Name of Contributor/Interviewee)

(Address)

[redacted]
(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☒ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

Title: Polar Pen

Reference:
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

[redacted]

b3
b6
b7C

[redacted]

faxed & mailed to [redacted]
8/22

FBI FACSIMILE

COVER SHEET

PRECEDENCE

- ☐ Immediate
- ☐ Priority
- ☒ Routine

CLASSIFICATION

- ☐ Top Secret
- ☐ Secret
- ☐ Confidential
- ☐ Sensitive
- ☒ Unclassified

Time Transmitted: 9:40 Am
Sender's Initials: MSC
Number of Pages:
(including cover sheet)

To: [redacted]
Name of Office

Date: 08/17/2007

b3
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b7C

Facsimile Number: [redacted]

Attn:
Name Room Telephone

From: FBI
Name of Office

Subject: Subpoena

Special Handling Instructions: Please call if you have questions.

Originator's Name: [redacted] Telephone: [redacted]

Originator's Facsimile Number: 907-265-8400

Approved:

Brief Description of Communication Faxed: Our address is FBI 101 E. 6th Avenue Anchorage, AK 99501

Thanks [redacted]

WARNING

Information attached to the cover sheet is U.S. Government Property. If you are not the intended recipient of this information, disclosure, reproduction, distribution, or use of this information is prohibited (18.USC, § 641). Please notify the

A070835

[redacted]
Assistant U.S. Attorney
Federal Building & U.S. Courthouse
Room 253
222 West 7th Avenue, #9,
Anchorage, Alaska 99513-7567
(907) 271-5071

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF ALASKA

b3
b6
b7C

IN RE GRAND JURY INVESTIGATION _____	))))))))))	AFFIDAVIT OF COMPLIANCE WITH GRAND JURY SUBPOENA DUCES TECUM

[redacted] being first duly sworn, deposes and says:

1. I am associated with [redacted] the "Company") as [redacted] _____. In this position I have the responsibility for the Company's compliance with the subpoena duces tecum issued to me on 8/17, 2007, which calls for the production of certain documents before a Grand Jury of this Court.

2. I personally have conducted or supervised compliance by the Company with the subpoena duces tecum. To the best of my knowledge, information and belief, based upon due diligence and reasonable inquiry, the documents enclosed herewith, bearing the numbers [redacted] constitute all the documents in the possession, custody or control of the Company that fall within the terms of the subpoena duces tecum. b3

3. No documents responsive to the subpoena duces tecum have been withheld by the Company pursuant to a claim of privilege or otherwise. To the best of my knowledge, information and belief, based upon due diligence and reasonable inquiry, no one has directed the destruction of any documents responsive to the subpoena duces tecum and no such documents have been destroyed.

4. The documents made by the Company and produced in compliance with the subpoena duces tecum are memoranda, reports, records or data compilations of acts, events, conditions, opinions or diagnoses that were made at or near the time, by or from information transmitted by, a person with knowledge and that have been kept in the course of the Company's regularly conducted business activity. It has been the Company's regular practice in that business activity to make those memoranda, reports, records or data compilations. Neither the source of information, nor the method of circumstances of preparation, indicate a lack of trustworthiness for those memoranda, reports, records or data compilations.

5. I understand that the furnishing of these documents to counsel for the United States in response to the subpoena duces tecum and the execution of this Affidavit, are at the sole discretion and election of myself and the Company, and are in lieu of personally producing the documents before the grand jury which right to appear is expressly waived.

6. I am authorized by the Company to execute this Affidavit, and I have reviewed all of its terms with counsel for the Company before signing and swearing to it.

FURTHER AFFIANT SAYETH NAUGHT.

[redacted] b3

AFFIANT

SUBSCRIBED AND SWORN TO before me this ___ day of _____, 2007, at _____

_____
Notary Public
My commission expires: _____.

6. I am authorized by the Company to execute this Affidavit, and I have reviewed all of its terms with counsel for the Company before signing and swearing to it.

FURTHER AFFIANT SAYETH NAUGHT.

[redacted] b3

AFFIANT

SUBSCRIBED AND SWORN TO before me this ___ day of _____, 2007, at _____

_____
Notary Public
My commission expires: _____.

FD-340c (4-11-03)

File Number 194A-AN-13620-TSTEVENS -1A130

Field Office Acquiring Evidence AN

Serial # of Originating Document _____

Date Received 9/5/07

From [redacted]
(Name of Contributor/Interviewee)

b3
b6
b7C

(Address)

[redacted]
(City and State)

By SA Cockwood

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☒ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

Title:
Polar Pen

Reference: _____
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

[redacted]

FD-448 (Rev. 9-2-97)

FBI FACSIMILE

COVER SHEET

PRECEDENCE

- ☐ Immediate
- ☐ Priority
- ☒ Routine

CLASSIFICATION

- ☐ Top Secret
- ☐ Secret
- ☐ Confidential
- ☐ Sensitive
- ☒ Unclassified

Time Transmitted: _____
Sender's Initials: _____
Number of Pages: _____
(including cover sheet)

b3
b6
b7C

To: [redacted]
Name of Office

Date: 08/23/2007

Facsimile Number: [redacted]

Attn: _____
Name Room Telephone

From: FBI
Name of Office

Subject: Subpoena. An original is also being mailed.
The subpoena is related to the attached invoice.

Special Handling Instructions: Please call if you have questions.

Originator's Name: [redacted] Telephone: [redacted]

Originator's Facsimile Number: 907-265-8400

Approved: _____

Brief Description of Communication Faxed: Our address is FBI 101 E. 6th Avenue Anchorage, AK 99501

Thanks [redacted]

WARNING

Information attached to the cover sheet is U.S. Government Property. If you are not the intended recipient of this information, disclosure, reproduction, distribution, or use of this information is prohibited (18.USC, § 641). Please notify the

UNITED STATES DISTRICT COURT

A070859

DISTRICT OF
ALASKA

TO:

SUBPOENA TO TESTIFY BEFORE GRAND JURY

SUBPOENA FOR:
☐ PERSON ☒ DOCUMENT(S) OR OBJECT(S)

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

b3
b6
b7C

PLACE	COURTROOM
Federal Building & U.S. Courthouse 222 W. 7th Avenue Anchorage, AK 99513	Grand Jury
	DATE AND TIME 09/11/07 9:00 A.M.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):*

☐ *Please see additional information on reverse.*

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

CLERK	DATE
IDA ROMACK, Clerk	
(By) Deputy Clerk Nancy Fabian	08/22/07
This subpoena is issued on application of the United States of America	NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY Asst. U.S. Atty. Federal Bldg. & U.S. Courthouse, 222 W. 7th Ave., #9, Rm 253 Anchorage, AK 99513-7564 (907) 271-5071 FBI - Stevens-6049

* If not applicable, enter "none".

U.S. Department of Justice

United States Attorney
District of Alaska

Federal Building & U.S. Courthouse
222 West 7th Avenue, #9, Room 253
Anchorage, Alaska 99513-7567

Commercial: (907) 271-5071
Fax Number: (907) 271-1500

August 22, 2007

[redacted]

Re: Grand Jury Subpoena

Dear [redacted]

b3
b6
b7C

You have been served with a grand jury subpoena duces tecum, to produce certain enumerated records before the grand jury in Anchorage, Alaska at 9:00 a.m., Tuesday, September 11, 2007. If you need additional time to comply with this subpoena please contact our office for an extension.

You have the right to appear before the grand jury. To minimize your inconvenience in complying with this subpoena, you may mail the requested documents certified to our office, or provide the documents to the agent(s) serving the subpoena in lieu of personally producing the documents before the grand jury.

Should you decide to provide the documents by certified mail, the officer responsible for complying with this subpoena must execute the enclosed affidavit before a notary public. This affidavit must accompany the documents being forwarded.

Please be advised that disclosure of this subpoena may impede an ongoing criminal investigation.

If you have any questions regarding the subpoena or the method by which that subpoena may be satisfied, please contact me collect at (907) 271-5071.

Sincerely,

[redacted]

Assistant U.S. Attorney

Enc: Affidavit of Compliance

A070859

[redacted]
Assistant U.S. Attorney
Federal Building & U.S. Courthouse
222 West 7th Avenue, #9, Room 253
Anchorage, Alaska 99513-7567
(907) 271-5071

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF ALASKA

b3
b6
b7C

IN RE	)	
	)	AFFIDAVIT OF COMPLIANCE
GRAND JURY INVESTIGATION	)	WITH GRAND JURY SUBPOENA
	)	DUCES TECUM
_____	)	
	)	
	)	
	)	
	)	
_____	)	

[redacted], being first duly sworn, deposes and says:

1. I am associated with [redacted] (the "Company") as [redacted] _____. In this position I have the responsibility for the Company's compliance with the subpoena duces tecum issued to me on 8/22/, 2007, which calls for the production of certain documents before a Grand Jury of this Court.

2. I personally have conducted or supervised compliance by the Company with the subpoena duces tecum. To the best of my knowledge, information and belief, based upon due diligence and reasonable inquiry, the documents enclosed herewith, bearing the numbers _____, constitute all the documents in the possession, custody or control of the Company that fall within the terms of the subpoena duces tecum. b3

3. No documents responsive to the subpoena duces tecum have been withheld by the Company pursuant to a claim of privilege or otherwise. To the best of my knowledge, information and belief, based upon due diligence and reasonable inquiry, no one has directed the destruction of any documents responsive to the subpoena duces tecum and no such documents have been destroyed.

4. The documents made by the Company and produced in compliance with the subpoena duces tecum are memoranda, reports, records or data compilations of acts, events, conditions, opinions or diagnoses that were made at or near the time, by or from information transmitted by, a person with knowledge and that have been kept in the course of the Company's regularly conducted business activity. It has been the Company's regular practice in that business activity to make those memoranda, reports, records or data compilations. Neither the source of information, nor the method of circumstances of preparation, indicate a lack of trustworthiness for those memoranda, reports, records or data compilations.

5. I understand that the furnishing of these documents to counsel for the United States in response to the subpoena duces tecum and the execution of this Affidavit, are at the sole discretion and election of myself and the Company, and are in lieu of personally producing the documents before the grand jury which right to appear is expressly waived.

6. I am authorized by the Company to execute this Affidavit, and I have reviewed all of its terms with counsel for the Company before signing and swearing to it.

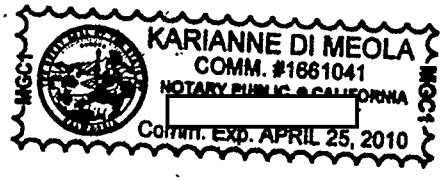
FURTHER AFFIANT SAYETH NAUGHT.

[redacted]

AFFIANT

SUBSCRIBED AND SWORN TO before me this 28 day of August, 2007, at 12:41pm

b3
b6
b7C



Karianne DiMeola
Notary Public
My commission expires: 4/25/2010.

FEDERAL BUREAU OF INVESTIGATION
FOI/PA
DELETED PAGE INFORMATION SHEET
FOI/PA# 1392090-1

Total Deleted Page(s) = 327
Page 8 ~ Duplicate;
Page 81 ~ b6; b7C;
Page 82 ~ b6; b7C;
Page 83 ~ b6; b7C;
Page 84 ~ b6; b7C;
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Page 86 ~ b6; b7C;
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Page 152 ~ b3; b6; b7C;
Page 157 ~ b3; b6; b7C;
Page 162 ~ b3;
Page 163 ~ b3;
Page 164 ~ b3;
Page 165 ~ b3;
Page 167 ~ b3;
Page 168 ~ b3;
Page 169 ~ b3;
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Page 174 ~ b3;
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Page 194 ~ b3; b6; b7C;
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Page 313 ~ b3; b6; b7C;
Page 314 ~ b3; b6; b7C;
Page 315 ~ b3; b6; b7C;
Page 316 ~ b3; b6; b7C;
Page 317 ~ b3; b6; b7C;
Page 318 ~ b3; b6; b7C;
Page 319 ~ b3; b6; b7C;
Page 320 ~ b3; b6; b7C;
Page 321 ~ b3; b6; b7C;
Page 322 ~ b3; b6; b7C;
Page 323 ~ b3; b6; b7C;
Page 324 ~ b3; b6; b7C;
Page 325 ~ b3; b6; b7C;
Page 326 ~ b3; b6; b7C;
Page 327 ~ b3; b6; b7C;
Page 328 ~ b3; b6; b7C;
Page 329 ~ b3; b6; b7C;
Page 330 ~ b3; b6; b7C;
Page 331 ~ b3; b6; b7C;

Page 332 ~ b3; b6; b7C;
Page 333 ~ b3; b6; b7C;
Page 334 ~ b3; b6; b7C;
Page 335 ~ b3; b6; b7C;
Page 336 ~ b3; b6; b7C;
Page 337 ~ b3; b6; b7C;
Page 338 ~ b3; b6; b7C;
Page 339 ~ b3; b6; b7C;
Page 340 ~ b3; b6; b7C;
Page 341 ~ b3; b6; b7C;
Page 342 ~ b3; b6; b7C;
Page 343 ~ b3; b6; b7C;
Page 344 ~ b3; b6; b7C;
Page 345 ~ b3; b6; b7C;
Page 346 ~ b3; b6; b7C;
Page 347 ~ b3; b6; b7C;
Page 348 ~ b3; b6; b7C;
Page 349 ~ b3; b6; b7C;
Page 350 ~ b3; b6; b7C;
Page 351 ~ b3; b6; b7C;
Page 352 ~ b3; b6; b7C;
Page 364 ~ OTHER;
Page 449 ~ b3; b6; b7C;
Page 450 ~ b3;
Page 451 ~ b3;
Page 452 ~ b3;
Page 453 ~ b3;
Page 454 ~ b3;
Page 455 ~ b3;
Page 456 ~ b3;
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Page 488 ~ b3; b6; b7C;
Page 489 ~ b3; b6; b7C;

Page 490 ~ b3; b6; b7C;
Page 491 ~ b3; b6; b7C;
Page 492 ~ b3; b6; b7C;
Page 493 ~ b3; b6; b7C;
Page 494 ~ b3; b6; b7C;
Page 495 ~ b3; b6; b7C;
Page 496 ~ b3; b6; b7C;
Page 497 ~ b3; b6; b7C;
Page 498 ~ b3; b6; b7C;
Page 499 ~ b3; b6; b7C;
Page 500 ~ b3; b6; b7C;
Page 501 ~ b3; b6; b7C;
Page 503 ~ b3; b6; b7C;
Page 504 ~ b3; b6; b7C;
Page 505 ~ b3; b6; b7C;
Page 506 ~ b3; b6; b7C;
Page 507 ~ b3; b6; b7C;
Page 508 ~ b3; b6; b7C;
Page 509 ~ b3; b6; b7C;
Page 511 ~ b3; b6; b7C;
Page 512 ~ b3; b6; b7C;
Page 513 ~ b3; b6; b7C;
Page 514 ~ b3; b6; b7C;
Page 515 ~ b3; b6; b7C;
Page 516 ~ b3; b6; b7C;
Page 517 ~ b3; b6; b7C;
Page 518 ~ b3; b6; b7C;
Page 519 ~ b3; b6; b7C;
Page 656 ~ Duplicate;
Page 657 ~ Duplicate;
Page 658 ~ Duplicate;
Page 659 ~ Duplicate;
Page 660 ~ Duplicate;
Page 661 ~ Duplicate;
Page 670 ~ b3;
Page 671 ~ b3;
Page 672 ~ b3;
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Page 675 ~ b3;
Page 676 ~ b3;
Page 677 ~ b3;
Page 678 ~ b3;
Page 679 ~ b3;
Page 680 ~ b3;
Page 681 ~ b3;
Page 682 ~ b3;
Page 683 ~ b3;
Page 684 ~ b3;
Page 686 ~ b3; b6; b7C;
Page 687 ~ b3; b6; b7C;
Page 688 ~ b3; b6; b7C;
Page 689 ~ b3; b6; b7C;
Page 690 ~ b3; b6; b7C;

Page 691 ~ b3; b6; b7C;
Page 692 ~ b3; b6; b7C;
Page 693 ~ b3; b6; b7C;
Page 694 ~ b3; b6; b7C;
Page 695 ~ b3; b6; b7C;
Page 696 ~ b3; b6; b7C;
Page 697 ~ b3; b6; b7C;
Page 698 ~ b3; b6; b7C;
Page 699 ~ b3; b6; b7C;

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XXXXXXXXXXXXXXXXXXXXXXXXX
X   Deleted Page(s)    X
X   No Duplication Fee X
X   For this Page      X
XXXXXXXXXXXXXXXXXXXXXXXXX
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1A Envelope

Case ID: 194A-AN-13620-TSTEVENS

AN	153	[redacted]
AN	154	ORIGINAL NOTES RE INTERVIEW OF [redacted]
AN	155	ORIGINAL NOTES RE INTERVIEW OF [redacted]
AN	156	EMAILS SHOWED TO [redacted] TO TED STEVENS
AN	157	ORIGINAL NOTES RE INTERVIEW OF [redacted]
AN	158	ORIGINAL NOTES RE INTERVIEW OF [redacted] DOCUMENTATION OF TED STEVENS DC BOAT REGISTRATION, BILL OF SALE AND INFO ON CAPITAL YACHT CLUB
AN	159	ORIGINAL NOTES RE INTERVIEW OF [redacted] ON 8/31/07
AN	160	ORIGINAL NOTES RE INTERVIEW OF [redacted]
AN	161	ORIGINAL NOTES RE INTERVIEW OF [redacted]
AN	162	ORIGINAL NOTES RE INTERVIEW OF [redacted]
AN	163	HISTORY ASSESSMENT OF 138 NORTHLAND ROAD
AN	164	ORIGINAL NOTES RE INTERVIEW OF [redacted]
AN	165	ORIGINAL NOTES RE INTERVIEW OF [redacted]
AN	166	ORIGINAL NOTES RE INTERVIEW OF [redacted]
AN	167	ORIGINAL NOTES RE INTERVIEW OF [redacted]
AN	168	ORIGINAL NOTES REGARDING INTERVIEW OF [redacted]
AN	169	[redacted]
AN	170	[redacted]
AN	171	[redacted]
AN	172	ORIGINAL NOTES RE INTERVIEW OF [redacted]
AN	173	[redacted]
AN	174	[redacted]
AN	175	[redacted]
AN	176	PHOTOS OF GIRDWOOOD SUBJECT FROM [redacted]

b3
b6
b7C

1A Envelope

Case ID: 194A-AN-13620-TSTEVENS

AN	177	[redacted]
AN	178	ORIGINAL NOTES RE INTERVIEW OF & ORIGINAL SKETCH NOTES OF RESIDENCE SW
AN	179	FD-597 FOR DELIVERY OF DOCUMENTS TO PROFESSIONAL LEGAL COPY
AN	180	ORIGINAL NOTES RE INTERVIEW OF [redacted]
AN	181	ORIGINAL NOTES RE INTERVIEW OF [redacted]
AN	182	DESTROYED CELL PHONE [redacted]
AN	183	[redacted] - ORIG. INTV. NOTES
AN	184	ORIGINAL NOTES RE INTERVIEW OF [redacted]
AN	185	ORIGINAL NOTES RE INTERVIEW OF [redacted]
AN	186	ORIGINAL NOTES RE INTERVIEW OF [redacted]
AN	187	ORIGINAL NOTES RE INTERVIEW OF [redacted]
AN	188	[redacted] b3 b6 b7C Separate 1A (STORED IN GJ ROOM)
AN	189	[redacted] Separate 1A (STORED IN GJ ROOM)
AN	190	ORIGINAL NOTES RE INTERVIEW OF [redacted]
AN	191	[redacted]
AN	192	RECORDERS OFFICE UCC ONLINE FILING DOCUMENT DISPLAY FOR TED [redacted] STEVENS
AN	193	[redacted] (STORED IN GJ ROOM)
AN	194	[redacted] (STORED IN GJ ROOM)
AN	195	[redacted] (STORED IN GJ ROOM)

1A Envelope

Case ID: 194A-AN-13620-TSTEVENS

AN	196	[redacted] (STORED IN GJ ROOM)
AN	197	[redacted] (STORED IN GJ ROOM)
AN	198	[redacted] SEARCH RESULTS FOR: [redacted] [redacted] DO NOT DISSEMINATE
AN	199	FINANCIAL DISCLOSURES FOR TED STEVENS 1995 - 2004
AN	200	[redacted] DO NOT DISSEMINATE (STORED IN GJ ROOM)
	Separate 1A	
AN	201	ORIGINAL NOTES RE INTERVIEW OF [redacted]
AN	202	ORIGINAL NOTES RE INTERVIEW OF [redacted]
AN	203	TWO ORIGINAL AFFIDAVITS REGARDING [redacted] ONE FROM SA [redacted] ONE FROM SSA [redacted]
AN	204	SA [redacted] SSA [redacted] AFFIDAVITS
AN	205	HANDWRITTEN NOTE ABOUT [redacted] AND TED STEVENS [redacted]
D7	206	LAB#WO#080014 INCOMING ECS ORIGINAL REFERENCE MATERIAL 12 CDS CORRESPONDENCE EMAILS NOTES INSTRUMENT PRINT OUTS CHARTS GRAPHS PHOTOS SHIPPING INVOICE
AN	207	2 E-MAILS FROM [redacted] ALASKAS GREAT EAGLE AS WELL LLC AGREEMENT
AN	208	[redacted]
AN	209	SA [redacted] NOTES REGARDING INTERVIEW OF [redacted]
AN	210	NOTES POSSIBLY OF INTERVIEW OF [redacted]

b3
b6
b7C

01 E. 6th Avenue
nchorage, AK 99501-2524
Official Business
enalty for Private Use $300

FD-340b (Rev. 8-7-97)

-1A156
TSTEVENS

Universal Case File Number 194A-AN-13620-

Field Office Acquiring Evidence Anchorage

Serial # of Originating Document _____

Date Received 1/24/08

From _____
(Name of Contributor)

_____
(Address of Contributor)

By [redacted]
(Name of Special Agent)

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e), Federal Rules of Criminal Procedure

☐ Yes ☑ No

Title: Polar Pen;
CSLPO;
OO: AN

b6
b7C

Reference: _____
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

Emails showed to [redacted]
[redacted] to Ted Stevens

FBI/DOJ

FBI -
Stevens-6391

1

From: [redacted]
To:
CC:
BCC:
Sent Date: 2006-12-07 23:41:30:105
Received Date: 2006-12-07 23:41:30:105
Subject: RE: Is this okay?
Attachments:

b6
b7C

-----Original Message-----
From: [redacted]
Sent: Thursday, December 07, 2006 6:35 PM
To [redacted]
Subject: Is this okay?

The Stevens family 's wish is that their fellow Alaskans and all the people of our world may experience the peace, joy and wonder this season represents.

[redacted]
[redacted] **to Senator Stevens**
Phone [redacted]

FBI -
Stevens-6392

MB0015476

From: [redacted]
To:
CC:
BCC:
Sent Date: 2006-06-12 22:05:01:277
Received Date: 2006-06-12 22:05:01:277
Subject: RE: Books for [redacted]
Attachments:

I did not send him a book.
-----Original Message-----
From: [redacted]
Sent: Monday, June 12, 2006 6:02 PM
To: [redacted]
Subject: RE: Books for [redacted]

Do you know the book that TS sent to [redacted] for his birthday? I am trying to keep track of all the gifts sent to family.

From [redacted]
Sent: Monday, June 12, 2006 4:19 PM
To: [redacted]
Subject: RE: Books for [redacted]

b6
b7C

No check unless tfs is now doing that for the little guys, I would send the train of states, not sure we didnt send the others in the past.
-----Original Message-----
From: [redacted]
Sent: Monday, June 12, 2006 2:48 PM
To [redacted]
Subject: Books for [redacted]

[redacted]
TS said he wanted to send a book to [redacted] for his birthday [redacted]. I went to the gift shop downstairs and bought 1 copy each of Cheryl Shaw Barnes' Washington Mouse series ("Marshall, the Courthouse Mouse"; "House Mouse, Senate Mouse" and "Woodrow the White House Mouse") these are all autographed copies.

I also got a copy of "The Train of States" which is a picture book about all 50 states.

We could send all of these to [redacted] or we could send one and keep the others on hand as gifts. Also, do you want to send a check for [redacted]

[redacted]
[redacted] to Senator Stevens
Phone [redacted]

IRS CIRCULAR 230 NOTICE. Any advice expressed above as to tax matters was neither

FBI -
Stevens-6393

(2)

From:
To:

CC:
BCC:
Sent Date: 2007-04-06 22:19:16:060
Received Date: 2007-04-06 22:19:16:060
Subject: Re: I emailed the etickets
Attachments:

[redacted]"it never rains but wht it pours"-we,ve got our share of rain-I feel for those people who checked out of their hotel and found as they tried to check in the plane was cancelled-with little kids running around!

The print out shows I have a seat reserved from Miami to DC but [redacted] As you know neither of us have seats assigned from here to Miami.

I tried to get thru to [redacted] I don"t know how to track him down. And the Congressional desk isn"t answering as you know.

Our problem is we were told here that if you don't have a seat assignment you are on standby-meaning we won"t know until about 2'20 whether we will leave on that plane. And the gal in charge today said this island is really plagued by mainline people who overbook these return trips.

I am cracking my brain to determine how we can get on that blasted plane. My plan is to take the bags over about 10:30 and try to check in.

[redacted] could not get [redacted] a reservation until Monday! She was seeking a thru trip to Alaska so that may be worse than our trio to DC.

If [redacted] have any ideas on how we can be assured of getting out of here let me know. I curse myself for changing the originalk reservation for tomorrow. [redacted] appointment was postponed so there is no emergency and [redacted] said she'd go up to be with [redacted] if she needs help- [redacted]

Thanks for all your effort. I think the cats will be OK. Teds

b6
b7C

Sent from my Wireless Blackbery Device

-----Original Message-----
From [redacted] Stevens)
To [redacted]
Sent: Fri Apr 06 16:48:50 2007
Subject: RE: I emailed the etickets

Im sure if we think hard enough we could come up with a few more problems [redacted] will check the cats this evening and I left a message with [redacted] to see if she can check them tomorrow.

From: [redacted]
Sent: Friday, April 06, 2007 4:38 PM
To [redacted] Stevens)
Subject: Re: I emailed the etickets

How could there be any problems now. You dealt with all of them this afternoon!

Sent from my Wireless Blackbery Device

-----Original Message-----
From [redacted]
To [redacted]

FBI -
Stevens-6395

10

From: [redacted]
To:
CC:
BCC:
Sent Date: 2007-01-01 02:47:01:818
Received Date: 2007-01-01 02:47:01:818
Subject: Re:
Attachments:

Have not seen or heard from her got back saturday at 11 am.
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b6
b7C

-----Original Message-----
From: [redacted]
To: teds8042@bbi.senate.gov; [redacted]
Sent: Sat Dec 30 20:32:34 2006
Subject:

I saw you both front and center on tv tonight. Your speech was very good, Senator. I don't know if [redacted] knows you are back in town. I haven't been able to get a hold of her. So, she may still show up at the house to take care of Tigger.

Sent from my BlackBerry

(13)

From: [redacted] (Stevens)
To: [redacted]
CC:
BCC:
Sent Date: 2006-12-07 20:42:27:000
Received Date: 2006-12-07 20:42:41:000
Subject: RE: Commerce Clips
Attachments:

Okay. By the way, have you had a chance to look at the quotes for the Christmas card that we sent earlier? They are waiting for the edits before they make another draft of the card.

From: [redacted]
Sent: Thursday, December 07, 2006 3:21 PM
To [redacted] (Stevens)
Subject: RE: Commerce Clips

No I said that I do get the Alaska clips on e mail, but do not get Commerce, and would like to continue getting them. Thanks.

b6
b7C

-----Original Message-----
From: [redacted]
Sent: Thursday, December 07, 2006 3:16 PM
To: [redacted]
Subject: Commerce Clips

I know that you don't need to get the Alaska clips anymore, but do you want to get the commerce clips? I saw a note from TS that you don't need to get them anymore but I wanted to double check with you before I tell Commerce to stop sending them to you.

[redacted]
[redacted] to Senator Stevens
Phone [redacted]

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This email and any files transmitted with it are intended solely for the use of the individual or entity to whom they are addressed. If you have received this email in error please notify the system manager. If you are not the named addressee you should not disseminate, distribute or copy this e-mail.

(14)

From: [redacted]
To: [redacted] (Stevens)'
CC:
BCC:
Sent Date: 2007-07-12 16:24:09:965
Received Date: 2007-07-12 16:24:09:965
Subject: RE: Fish
Attachments:

I would like to give some sides to the [redacted] for sure. I think the whole King and King sides should go to the house, and maybe the balance of it unless he needs some for colleagues...
-----Original Message-----
From: [redacted]
Sent: Thursday, July 12, 2007 11:23 AM
To [redacted]
Subject: Fish

[redacted]

b6
b7C

Today we received the following fish from Alaska.

15 sides of Red Salmon (about 2 lbs each)
1 whole King Salmon (head off) and two sides of King Salmon (about 2.5 lbs each)

They are not vacuum packed. They are just wrapped in plastic. The Senator asked what you would suggest be done with them.

[redacted]
[redacted] to Senator Stevens
522 Hart Senate Office Building
[redacted]

FBI -
Stevens-6398

15

From: [redacted]
To: [redacted]
CC:
BCC:
Sent Date: 2006-12-13 00:27:07:033
Received Date: 2006-12-13 00:27:07:033
Subject: Re:
Attachments:

b6
b7C

That is okay. Let's wait til I know they are there and I have other gifts for them.
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-----Original Message-----
From: [redacted]
To: [redacted]
Sent: Tue Dec 12 19:07:58 2006
Subject:

I forgot to mention that I forgot to bring [redacted] crab to the house. I can bring it up tomorrow.

Sent from my BlackBerry

FBI -
Stevens-6399

21

From: [redacted]
To:
CC:
BCC:
Sent Date: 2005-12-05 23:07:03:090
Received Date: 2005-12-05 23:07:03:090
Subject: Re: TS Christmas gift
Attachments:

Call me at the house. And I am copying [redacted]
IRS CIRCULAR 230 NOTICE. Any advice expressed above as to tax matters was neither written nor intended by the sender or [redacted] to be used and cannot be used by any taxpayer for the purpose of avoiding tax penalties that may be imposed under U.S. tax law. If any person uses or refers to any such tax advice in promoting, marketing or recommending a partnership or other entity, investment plan or arrangement to any taxpayer, then (i) the advice was written to support the promotion or marketing (by a person other than [redacted] of that transaction or matter, and (ii) such taxpayer should seek advice based on the taxpayers particular circumstances from an independent tax advisor.

b6
b7C

-----Original Message-----
From: [redacted]
To: [redacted]
Sent: Mon Dec 05 18:04:57 2005
Subject: TS Christmas gift

Hi [redacted]

I sent you an e-mail earlier about the DVD player you would like to get for the Senator for Christmas. There are some accessories that you may want to get with it. They are in this link, let me know if you want any of them and I will order them along with the DVD player.

http://www.circuitcity.com/rpsm/OID/122684/QUANTITY/1/cmCatID/SITE%2BNAVIGATION%2B%253E%2BTV%2B%2526%2BVIDEO%2B%253E%2BDVD%2BPLAYERS%2BAND%2BRECORDERS%2B%253E%2BPORTABLE%2BDVD%2BPLAYERS/rpem/ccd/addToCart.do

[redacted]
[redacted] to Senator Stevens
Phone [redacted]

FBI -
Stevens-6400

23

From: [redacted]
To: [redacted] (Stevens)
Sent: Sat May 06 18:01:32 2006
Subject: Re [redacted]

Did she get to the house Friday afternoon??
IRS CIRCULAR 230 NOTICE. Any advice expressed above as to tax matters was neither written nor intended by the sender or [redacted] to be used and cannot be used by any taxpayer for the purpose of avoiding tax penalties that may be imposed under U.S. tax law. If any person uses or refers to any such tax advice in promoting, marketing or recommending a partnership or other entity, investment plan or arrangement to any taxpayer, then (i) the advice was written to support the promotion or marketing (by a person other than [redacted] of that transaction or matter, and (ii) such taxpayer should seek advice based on the taxpayers particular circumstances from an independent tax advisor.

-----Original Message-----
From: [redacted] (Stevens)
To: [redacted]
Sent: Thu May 04 16:02:14 2006
Subject: RE: [redacted] 9/11 print

Yes, but not to anyone. It just has his signature.

From: [redacted]
Sent: Thursday, May 04, 2006 4:00 PM
To: [redacted] (Stevens)
Subject: Re: [redacted] 9/11 print

b6
b7C

I assume it is signed by [redacted]
IRS CIRCULAR 230 NOTICE. Any advice expressed above as to tax matters was neither written nor intended by the sender or [redacted] to be used and cannot be used by any taxpayer for the purpose of avoiding tax penalties that may be imposed under U.S. tax law. If any person uses or refers to any such tax advice in promoting, marketing or recommending a partnership or other entity, investment plan or arrangement to any taxpayer, then (i) the advice was written to support the promotion or marketing (by a person other than [redacted]) of that transaction or matter, and (ii) such taxpayer should seek advice based on the taxpayers particular circumstances from an independent tax advisor.

-----Original Message-----
From: [redacted] Stevens)
To: [redacted]
Sent: Thu May 04 15:15:01 2006
Subject: [redacted] 9/11 print

[redacted]
There was only one [redacted] 9/11 print in the Senator's closet in SH522. It was packaged as if ready to be shipped and there was a memo from [redacted] taped on the outside that said there were two prints. However, under that memo was another one that talks about shipping one of the prints to Girdwood. So, maybe that's where the second print is?

Do you want me to send this print to the Greens? It is signed.

[redacted]
[redacted] to Senator Stevens
Phone [redacted]

FBI -
Stevens-6401

MB0017229

FD-340c (4-11-03)

File Number 194A-AN-13620-TSTEVENS - 1A157

Field Office Acquiring Evidence Anchorage

Serial # of Originating Document 243

Date Received 11/24/08

From _____
(Name of Contributor/Interviewee)

_____
(Address)

_____
(City and State)

By [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☑ No

Federal Taxpayer Information (FTI)

☐ Yes ☑ No

Title: Pdae Pen; CSLPO; DO'AN

Reference: _____
(Communication Enclosing Material)

Description: ☑ Original notes re interview of [redacted]

b6
b7C

[redacted]

Ted Stevens
United States Senator
Alaska

522 Hart Senate Office Bldg.
Washington, D. C. 20510
[redacted]
[redacted]@stevens.senate.gov

b6
b7C

[redacted]

[redacted]

Dept. of State - Foggy Bottom

[redacted]

b6
b7C

RM / MJK
1/24/08

0645

[redacted] WHAT HSE [redacted] IN TS

WASH SCH FOR [redacted]

STARTED AS [redacted] : BASICALLY RUN LIFE

[redacted] .

STILL IS THE [redacted]

HANDLE BOTH PER / BUS PER = [redacted]

[redacted] USING TS PER CC

BILLS ARE ESSETIALLY AUTOPAY ENSURE IN CK REGISTER

ASSIST

WITH TS & [redacted]

b6
b7C

CK REGISTER IS ELECTRONIC USED MONEY ON COMPUTER IN OFFICE

SENATE [redacted]

[redacted] BUT NOT SURE WHERE

BILLS SENT HOME & BROUGHT THEM TO OFFICE

PO BOX IN AK

CAMPAIGN BOX IN DC MAINTAINED BY CAMPAIGN STAFF

[redacted] @ SCU

[redacted] DON'T XFER ALL THAT OFTEN

CASH W/DRAWALS BUT NOT OFTEN WHEN GOING ON TRAVEL

DC HOUSE HELPED CONTACT REPAIRS

NOTHING W/ GERWOOD OCASION CLEANING OF HOUSE

NOT INVOLVED W/ GOOD RELATIONS NO STAFFERS [redacted] PAID BILLS

WENT DIRECTLY W/ TS UNAWARE OF WHAT PERSONAL ACCOUNT

AWARE OF RENOVATIONS WANTED MORE SPACE W/ FAMILY FBI - Stevens-6405

VISITED AFTER RENOVATIONS COMPLETE APPROX. [redacted]

KNOWS [redacted] OF TS

HAD ROLE w/ GWOOD RENNOVATIONS

[redacted] COORDINATED CONTRACTORS

NOT AWARE OF EXACT DETAILS FOR RENNOVATIONS KNEW RAISE HOUSE

CONCERNS ABOUT Y2K NO GENERATOR FOR GWOOD UNAWARE OF SPECIFICS

SEVERAL VEHICLES SINCE WORKED FOR TS REALLY HAVING A VAN, ABSOW AK EXPLORER

LINK TOWN CAR, MUSTANG IN DC IN GAR ⇒ [redacted]

BUT NOT AWARE OF TRADE DETAILS WENT TO [redacted] CAR MAY HAVE

WENT TO [redacted] KNEW [redacted]

[redacted] BUT NEW VEHICLE HANDLED BY [redacted]

POSSIBLE MAY HAVE SENT XFERS TO [redacted]

NOT SURE OF DETAILS AROUND DS PURCHASE FOR [redacted]

HANDLES INS MATTERS AS WELL

SENATOR APPROVES ALL APPOINTMENTS MAY SEEK RECOMMENDATIONS

[redacted] CALL/APPT. FOLDERS TO TS FOR HIS APPROVAL

HEARD OF INVESTIGATION ON CSPAN w/ GWOOD LOCAL SEARCHED 2007

STAFF TOLD ON TS INVOLVEMENT w/ [redacted]

b6
b7C

QUITE OF STAFF INFORMED AFTER SW

WHY HE CANT TALK TO PRESS

TSOR [redacted] TS TALKED TO STAFF NOT DELETE EMAILS / COOPERATE w/ INVESTIGATO

[redacted] HAD NOT REALLY DISCUSSED

RENNOVATION FILES MAYBE @ HOUSE NOT SURE MAY HAVE BEEN @ OFFICE

[redacted] MORE INVOLVED w/ RENNOVATION

[redacted] TOOK OVER FROM HIM

FBI - Stevens-6406

BANKING COMMITTEE

NOT KNOWN TO GO TO FBI [redacted] HE WAS PAYING THE [redacted] SUPPOSED TO PAY

REMINDS HER THAT HE NEED A [redacted] TO PRIVATE FLIGHTS

PAID REGULARLY [redacted] REIMBURSED FUNDS ALSO DOG [redacted] MATS

RAMMERSENS

[redacted] PERSONAL TRAVEL ALSO [redacted] B/C TRAVEL W/ TS

DONT MGT MAINTAIN CS SCH HELPS MAINTAIN SOCIAL FUNCTIONS FOR [redacted]

[redacted] UNAWARE OF EXACT DUTIES

[redacted] OUTSIDE OF SEN SAL [redacted]

W/ OCCASIONAL OK $1000 CK 1ST & $500 within last couple of years

SFCU ACCOUNT CKS DRAWN ON

FINANCIAL DISCLOSURES [redacted] SHE HAS HAD NO

INVOLVEMENT IN PREPARATIONS, ACCTS ALSO HELP PREPARE MAY HAVE HELPED LOCATE

FILE

OFFICE KEEPS TRACK OF PERSONAL GIFTS HELP TO ENSURE W/IN GIFT RULES

KNOW SET @ $100 OR LESS DOES NOT RECALL ANYTHING ABOVE GIFT LAW

HEARD OF BROOKSTONE CHAIR ARRIVED FROM [redacted] GUESTS @ STEVENS

HOUSE @ ONE POINT [redacted] COMPLAIN ABOUT CHAIR IN HOUSE

[redacted] MAINTAIN PAPER FLOW

HAVE BEEN PAID [redacted] TO HELP MOVE FURNITURE

PERSONAL [redacted] IN ADDITION TO [redacted]

[redacted] ASSISTED W P FIN DISC LAST YR

ACCTS. BASED NOW IN McCLAIN W/ LAST 2YRS OLD ACCTS. IN AK

HUSB, SON, SON FRIEND HELPED TS MOVE RESIDENCES HERE EVEN [redacted]

HELPED W/ CHANGE OF ADDRESS MATTERS

CTING TRAVEL USED PAYMENTS ANY ?S WILL ASK [redacted]

ASSIST W/ [redacted] FOR TS ON [redacted]

[redacted] B/ CK R. MAY HAVE BEEN PAID IN CASH OR W/ DITIES IN

[redacted] B-DAY PRESENTS WHEN HE TRAVELS SOME @ AK CRAFT FAIRS

RELATIONSHIP W/ SEN WAS PROFESSIONAL ATTENDING SOME RECEPTIONS & DINNERS

[redacted] HAS BECOME LAST FEW YEARS SEEMS CLOSER COMFORTABLE RELATIONS

b6
b7C

NOT PERSONALLY SPOKE TO ANY ATTORNEYS CONCERNING INVESTIGATION

PULLED FILES FOR SENATOR TO VIEW I.E. RENOVATION FILES

[redacted] PULL EMAIL FILES

MAIN CONCERN CORRESPONDENCE W/ [redacted] CONSISTING OF ANYTHING EMAIL TO NAN

KEEPS COPIES OF EVERY CORRESPONDENCE

[redacted] MAINTAINS FILES RESP. FOR PAPER DOCS.

CURRENTLY THESE DOCS SHOULD BE IN OFFICE

CANT [redacted] [redacted] ARE LOBBYISTS THAT COME TO MIND

LEGISLATION [redacted] PERSONALLY ~~BENEFIT~~ FRIENDS UNAWARE OF LEGISLATION

[redacted] MAKE NOTE OF INDIV & TOPIC OF MEETING ~~STAFFER TW. SEATSIT~~

IN ON MEETINGS

NOT AWARE OF EARMARKS PERSONALLY BENEFIT CLOSE FRIENDS b6

NOT SURE IF THERE IS WRITTEN POSITION DESCRIPTION [redacted] b7C

[redacted]

[redacted] ALL SLEEP DOCS BACK IN AK [redacted]

[redacted]

[redacted]

NEWS CLIPPINGS MAINTAINED FOR ALL TO REVIEW I.E. TS, [redacted] STAFF OK

[redacted] ASSIST TS W/ SOME WK IN AK

NOT SURE WHY [redacted] WANTS COMMERCE CLIPS

~~TS ASKED FOR~~ SCHEDULES TS TO BE @ CAMPAIGN EVENTS. NOW CAREFULLY

INVITED DAY TO DAY CAMPAIGN

HELPS W/ [redacted] USE HELP HELPS GET PHOTO COORDINATION

[redacted] TO FLY W/ TS TOOK TIME OFF OF AIS IN DC

FBI - Stevens-6408

TS DEMONSTRATED THAT [redacted] DID WHAT HE DID NO LONGER FRIENDS

IS A TYPE OF PERSON TO STAND UP AND ADMIT TO DOING SOMETHING WRONG
ALWAYS TRIES TO DO ALL THINGS LEGAL

b6
b7C

[redacted] HOME #

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-T STEVENS - 1 A158

Field Office Acquiring Evidence AN

Serial # of Originating Document 244

Date Received 1/25/2008

From SGT. [redacted]
(Name of Contributor/Interviewee)

550 WATER ST. SW
(Address)

WASHINGTON, D.C.
(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

b6
b7C

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☑ No

Federal Taxpayer Information (FTI)

☐ Yes ☑ No

Title: POLAR PEN
CSLPO

Reference: FD-302
(Communication Enclosing Material)

Description: ☑ Original notes re interview of [redacted]

- Documentation of TED STEVENS' DC BOAT REGISTRATION, BILL OF SALE, & INFO. ON CAPITAL YACHT CLUB.

FBI - Stevens-6410

METROPOLITAN POLICE DEPARTMENT
HOMELAND SECURITY
SPECIAL OPERATIONS DIVISION

[redacted]
SERGEANT

b6
b7C

550 WATER STREET, SW
WASHINGTON, DC 20024

TEL: [redacted]

KLS
1/25/08

* Interview at D.C. Harbor Master's Office
w/ MBK & MJ

b6
b7C

Sgt. [redacted]

- CW S Way currently owned by T. Stevens & registered in D.C.
- T. Stevens has no other vessels registered in D.C.
- Kept at Capital Yacht Club → located end of marina

* Provided all relevant documentation.

PD.. 330A Rev. 02/06

DC Boat Registratior IEWAL for 20 07

Review information, SIGN and RETURN BOTH PARTS wit eck or money order for $ $35.00 DC 2475 D

NAME OF OWNER
STEVENS,THEODORE F

NAME OF CO-OWNER OR LIEN
[redacted]

I/WE THE OWNER(S) OF THE BOAT DESCRIBED BELOW HEREBY APPLY FOR RENEWAL OF CERTIFICATE OF BOAT NUMBER [redacted] 4-16-07

OW ERS DATE

OWNER SIGN HERE DATE

DECAL # D1354

A. USE THE SPACE BELOW FOR ADDRESS CORRECTIONS ONLY.

STREET

CITY STATE

ZIP PHONE

MARK APPROPRIATE BOX FOR CHANGE OR CORRECTION ONLY.

B. FUEL		C. PROPULSION		D. USE	
GAS		INBOARD		PLEASURE	
		OUTBOARD		LIVERY	
DIESEL		IN/OUTBOARD			
		SAIL ONLY		DEALER	
ELECTRIC		AUX SAIL INBOARD		GOVERNMENT	
		AUX SAIL OUTBOARD			
OTHER		OTHER		OTHER	

E. TITLE # OR COD # 645877

202-342-0863 202-224-1027 CYC
COD EX 1/08
8832 $0.00 2927 4/16/2007

b6
b7C

PD.. 330A Rev. 02/06

DC Boat Registration RENEWAL for 20 08 $35.00 DC 2475 D

Review information, SIGN and RETURN BOTH PARTS with a check or money order for $

NAME OF OWNER
STEVENS,THEODORE F

NAME OF CO-OWNER OR LIEN
STEVENS,CATHERINE

I/WE THE OWNER(S) OF THE BOAT DESCRIBED BELOW HEREBY APPLY FOR RENEWAL OF CERTIFICATE OF BOAT NUMBER 12-6-07

OWNER [redacted] DATE 12-6-07

OWNER DATE

DECAL # 0254

A. USE THE SPACE BELOW FOR ADDRESS CORRECTIONS ONLY.

STREET

CITY STATE

ZIP PHONE

MARK APPROPRIATE BOX FOR CHANGE OR CORRECTION ONLY.

B. FUEL		C. PROPULSION		D. USE	
GAS		INBOARD		PLEASURE	
		OUTBOARD		LIVERY	
DIESEL		IN/OUTBOARD			
		SAIL ONLY		DEALER	
ELECTRIC		AUX SAIL INBOARD		GOVERNMENT	
		AUX SAIL OUTBOARD			
OTHER		OTHER		OTHER	

E. TITLE # OR COD # 645877

CYC 202-342-0863 202-224-1027
COD EX 1/08
$0.00 2927

FBI -
Stevens-6413

P.D. 330 Rev. 12/91

APPLICATION FOR BOAT CERTIFICATE OF TITLE/ REGISTRATION NUMBER

The District of Columbia Boat Titling Act of 1983 requires that, beginning March 14, 1984, any vessel principally used on District of Columbia waters and required to be registered shall have a certificate of title issued by the Harbor Master prior to issuance or renewal of a registration number. The application for a certificate of title must be accompanied by:

NEW VESSEL: 1. A manufacturer's Certificate of Origin issued by the dealer at the time of purchase.

USED VESSEL: 1. A notarized invoice stating gross purchase price, date of purchase, and a description of the watercraft.

2. Proof of purchase if the watercraft was registered in another state, or a signed transfer from the registered owner if previously registered in the District of Columbia.

For Use by Harbor Master

Title Number: 645877

Date Title Issued: 4/16/07

Audit Control Number: DC 2475 D

Validation Sticker Number: 1354

REASON FOR APPLICATION

- [x] **Application for Original Title/Registration Number** *(Complete Sections A through E)*
- [ ] **Request for Duplicate Copy of Title - No.** _____ *(Complete Sections A and D)*
  _____ *Reason For Request*
- [ ] **Dealer's Acquisition of Vessel** *(Complete Sections A through E)*
- [ ] **Lienholder's Repossession of Vessel - Title No.** _____ *(Complete Sections A, D, and E)*
- [ ] **Application to Title Abandoned Vehicle - Title No.** _____ *(Complete Sections A through E)*
- [ ] **Entry of Lien Information on Previously Issued Title Title No.** _____ *(Complete Sections A through E)*

SECTION A. OWNER INFORMATION

NAME OF OWNER	DATE OF BIRTH	SOCIAL SECURITY NO. OR PERMIT NO.
Theodore F. Stevens	11/18/23	550-20-7038 (State)
OWNER'S ADDRESS	**CITY, STATE & ZIP CODE**	**BUSINESS PHONE**
3904 Highwood Ct	Washington, DC 20007	(202) 224-1077 Area Code
	MARINA WHERE BOAT KEPT	**BOAT LENGTH** / **YEAR BUILT**
	Capital Yacht Club	38 ft Feet, Inches / 1981

b6 b7C

NAME OF BOAT	HULL I.D. NUMBER	MAKE/MODEL OF BOAT	TYPE OF FUEL USED
CW'S WAY	645877 / CCITDQO 55M82C	Chris Craft	

HULL MATERIAL	PROPULSION	USE
[ ] Wood	[ ] Outboard	[x] Pleasure
[ ] Steel	[x] Inboard	[ ] Livery
[ ] Aluminum	[ ] In/Outboard	[ ] Dealer
[x] Fiberglass (plastic)	[ ] Auxiliary Sail/Outboard	[ ] Manufacturer
[ ] Other _____	[ ] Auxiliary Sail/Inboard	[ ] Commercial Passenger
	[ ] Sail Only	[ ] Commercial Fishing
	[ ] Other _____	[ ] Other _____

SECTION B. ACQUISITION

[ ] I [ ] new [x] We acquired this vessel [x] used on 12/12/06 (date)

City, State & Zip Code

at the price of $35,000.00

LIEN INFORMATION

LIEN HOLDER	DATE OF LIEN	TELEPHONE ( ) Area Code
ADDRESS OF LIEN HOLDER	CITY, STATE, & ZIP CODE	

FBI - Stevens-6414

SECTION D. CERTIFICATION

[ ] I [ ] We hereby certify, under penalty of law, that the above information is true and correct to the best of [ ] my [ ] our knowledge, information and belief.

Theodore F. Stevens

Signature

Date 4/16/07

SECTION E. NOTARIZATION

Subscribed and swore to me this _____ day of _____, 19 _____.

Signature of Notary Public

My Commission expires: _____

SECTION F. Office Use Only

Processed by	Date 4/16/07
Title Tax (6%)	DCC
Title Fee ($2.00)	
Registration Fee	35.00
Duplicate Copy Fee	
Lien Recording Fee ($1.00)	
TOTAL	35.00

When completed, return this form to the Harbor Branch, Special Operations Division, Metropolitan Police Department, 550 Water Street, S.W., Washington, D.C. 20024. Inquiries may be directed to the Harbor Branch on (202) 727-4582.

DISTRIBUTION: Copy 1 to File. Copy 2 to Applicant.

Coast Guard Vessel Documentation

Data found in current database.

Vessel Name:	**CW S WAY**	USCG Doc. No.:	645877
Vessel Service:	RECREATIONAL	IMO Number:	*
Trade Indicator:	Recreational	Call Sign:	*
Hull Material:	FRP (FIBERGLASS)	Hull Number:	CCHDQ055M82C
Ship Builder:	CHRIS CRAFT CORPORATION	Year Built:	1981
		Length (ft.):	37.8
Hailing Port:	VALDEZ AK	Hull Depth (ft.):	7.3
Owner:	THEODORE F STEVENS 3904 HIGHWOOD COURT WASHINGTON, DC 20007	Hull Breadth (ft.):	14
		Gross Tonnage:	25
		Net Tonnage:	20
Documentation Issuance Date:	December 13, 2007	Documentation Expiration Date:	January 31, 2009
Previous Vessel Names:	ENCORE HALCYON	**Previous Vessel Owners:**	

b6
b7C

FBI -
Stevens-6415

DHS, USCG, CG-1270 (REV. 06-03)

OMB APPROVED 2115-0110

UNITED STATES OF AMERICA

DEPARTMENT OF HOMELAND SECURITY
UNITED STATES COAST GUARD

NATIONAL VESSEL DOCUMENTATION CENTER

CERTIFICATE OF DOCUMENTATION

VESSEL NAME	OFFICIAL NUMBER	IMO OR OTHER NUMBER	YEAR COMPLETED
CW S WAY	645877	CCHDQ055M82C	1981

HAILING PORT	HULL MATERIAL	MECHANICAL PROPULSION
VALDEZ, AK	FRP (FIBERGLASS)	YES

GROSS TONNAGE	NET TONNAGE	LENGTH	BREADTH	DEPTH
25 GRT	20 NRT	37.8	14.0	7.3

PLACE BUILT
HOLLAND, MI

OWNERS
THEODORE F STEVENS
[redacted]

OPERATIONAL ENDORSEMENTS
RECREATION

b6
b7C

MANAGING OWNER
THEODORE F STEVENS
3904 HIGHWOOD COURT
WASHINGTON, DC 20007

RESTRICTIONS
NONE

ENTITLEMENTS
NONE

REMARKS
NONE

FBI -
Stevens-6416

ISSUE DATE
JANUARY 24, 2007

THIS CERTIFICATE EXPIRES
JANUARY 31, 2008

GAC
6616297

Thomas Willis
DIRECTOR, NATIONAL VESSEL DOCUMENTATION CENTER

UNITED STATES COAST GUARD SEMPER PARATUS 1790

WOID WOID WOID WOID

ANTI-FRAUD PROTECTION: PATENTS & TRADEMARKS, TUBES, ETC.

April 12, 2007

b6
b7C

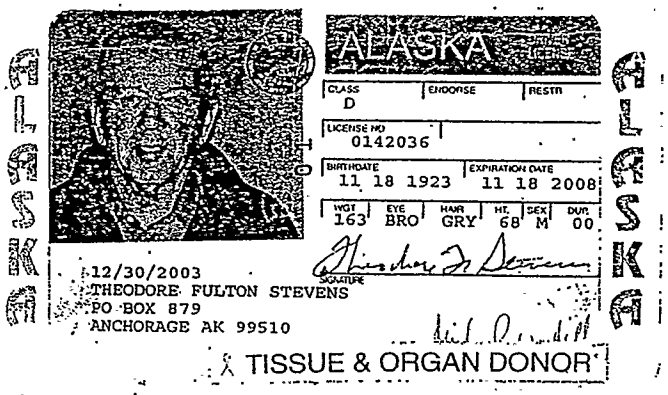
To Whom It May Concern:

[redacted] has my permission to conduct business on my behalf concerning the registration of my boat, CW's Way.

Sincerely,

Ted Stevens

b6
b7C



APP

APP

FBI -
Stevens-6418

OMB APPROVED
2115-0110

DEPARTMENT OF TRANSPORTATION
U.S. COAST GUARD
CG-1340 (REV. 9-92)

BILL OF SALE

THIS SECTION FOR COAST GUARD USE ONLY

1. VESSEL NAME
ENCORE

2. OFFICIAL NUMBER OR HULL ID NUMBER
645877
CCHDQO55M82C

3. NAME(S) AND ADDRESS(ES) OF SELLERS:
[redacted]

RECORDED:
BOOK: PAGE:
PORT (IF NOT FILING PORT)
DOCUMENTATION OFFICER

3A. TOTAL INTEREST OWNED (IF LESS THAN 100%) _____ %

4. NAME(S) AND ADDRESS(ES) OF BUYER(S) AND INTEREST TRANSFERRED TO EACH:

Ted Stevens
[redacted]
3904 Highwood Ct.
Washington, DC. 20007

4A. TOTAL INTEREST TRANSFERRED (100% UNLESS OTHERWISE SPECIFIED) _____ %

4B. MANNER OF OWNERSHIP. UNLESS OTHERWISE STATED HEREIN, THIS BILL OF SALE CREATES A TENANCY IN COMMON, WITH EACH TENANT OWNING AN EQUAL UNDIVIDED INTEREST. CHECK ONLY ONE OF THE FOLLOWING BLOCKS TO SHOW ANOTHER FORM OF OWNERSHIP.

b6
b7C

☐ JOINT TENANCY WITH RIGHT OF SURVIVORSHIP ☐ TENANCY BY THE ENTIRETIES ☐ COMMUNITY PROPERTY

☐ OTHER (DESCRIBE)

5. CONSIDERATION RECEIVED: **$35,000.00**
(ONE DOLLAR AND OTHER VALUABLE CONSIDERATION UNLESS OTHERWISE STATED)

6. I (WE) DO HEREBY SELL TO THE BUYER(S) NAMED ABOVE, THE RIGHT, TITLE AND INTEREST IDENTIFIED IN BLOCK 4 OF THIS BILL OF SALE, IN THE PROPORTION SPECIFIED HEREIN.

VESSEL IS SOLD FREE AND CLEAR OF ALL LIENS, MORTGAGES, AND OTHER ENCUMBRANCES OF ANY KIND AND NATURE, EXCEPT AS STATED ON THE REVERSE HEREOF. VESSEL IS SOLD TOGETHER WITH AN EQUAL INTEREST IN THE MASTS, BOWSPRIT, SAILS, BOATS, ANCHORS, CABLES, TACKLE, FURNITURE, AND ALL OTHER NECESSARIES THERETO APPERTAINING AND BELONGING, EXCEPT AS STATED ON THE REVERSE HEREOF.

7. SIGNATURES OF SELLER(S) OR PERSON(S) SIGNING ON BEHALF OF SELLER(S).
[redacted] [redacted]

8. DATE SIGNED
12-12-06

9. NAME(S) OF PERSON(S) SIGNING ABOVE, AND LEGAL CAPACITY IN WHICH SIGNED (E.G., OWNER, AGENT, TRUSTEE, EXECUTOR)
[redacted] [redacted]

FBI -
Stevens-6419

10. ACKNOWLEDGMENT (TO BE COMPLETED BY NOTARY PUBLIC OR OTHER OFFICIAL AUTHORIZED BY A LAW OF A STATE OR THE UNITED STATES TO TAKE OATHS.)

ON 12-12-06 (DATE) THE PERSON(S) NAMED IN SECTION 9 ABOVE ACKNOWLEDGED EXECUTION OF THE FOREGOING INSTRUMENT IN THEIR STATED CAPACITY(IES) FOR THE PURPOSE THEREIN CONTAINED.

STATE: Virginia
COUNTY: Prince William
NOTARY PUBLIC Judith A. Chilcot
MY COMMISSION EXPIRES 8/31/09

SN 7530-00-F01-1020

PREVIOUS EDITION OBSOLETE

few minutes to respond to these questions. This is for my information only and may be done y. Return by mail or fax (202) 727-3663. Thank you for your time.

ncerns do you have (if any) regarding the pleasure boaters visiting the DC area?

Do you feel that the DC Harbor Patrol has improved enforcement over the past year? SMALL DECREASE

Comments: SEEMS OFFICERS ASSUME AUTHORITIES THEY DO NOT HAVE

What area of our enforcement has had the most impact to you and/or club mambers? Good or Bad? INTERPRETATION THAT ANYONE ON BOW OF VESSEL IS "BOW RIDING" SHOWS A MISUNDERSTANDING OF THE ISSUE

What DC boating regulation would you change or like to see added. N/A

Do you feel restricted by DC regulations? NO, ONLY SOME OFFICER'S INTERPRETATIONS

Do you rely on these regulations to help ensure your customers are reliable slip renters? NO

Approximately how many visiting boaters do you rent to in a year? 2007

Number of visitor/temporary accommodations you offer. VARIES BETWEEN 10-25

Do you require proof of ownership by COD and/or any state registration? NO

b6
b7C

What is the average length of time for a temporary slip rental? 4 DAYS

Do you require permanent renters to provide proof of a current DC registration? YES

Do you require or verify insurance on a vessel? YES

Will you require current Certificate of Documentation (COD)? YES

Approximately how many permanent renters last year? 80

Do you have a problem with abandoned vessels? NO

FBI - Stevens-6420

Would you like me to contact you in response to any of the above questions?

Phone # [redacted]

Email:

Information File

Business Name: CAPITAL YACHT CLUB

Office Phone: [redacted]

Circle Description: Marina (Club) Livery

Contact: [redacted]

Phone [redacted]

Other: _____

Fax: 202-488-1429

EMAIL: _____

b6
b7C

Physical Address: 1000 WATER ST SW, WASH, DC 20024

Mailing Address: _____
(if different)

Marina Vessel Capacity:

Slips: 87 Land: Ø Mooring: Ø Total: 87

Club:

Number of Club Members: ≈150 ACTIVE + LIFE
20 ASSOCIATE
20 CRUISING
190

Livery:

Number of Rentals available: _____
N/A

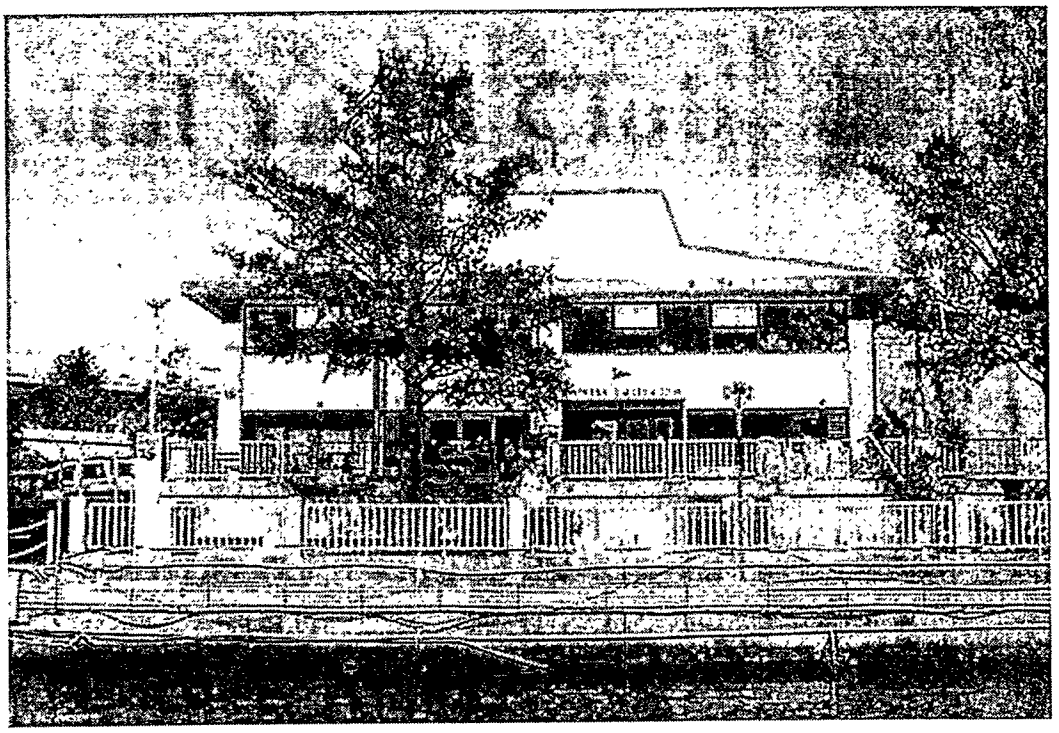
Comments or Special Information:

FBI -
Stevens-6421

Capital Yacht Club

1000 Water Street, SW Washington, DC 20024 202-488-8110
38.52° N, 77.01° W office@capitalyachtclub.com

Location
Officers
Facilities
Club Events
Reservations
Rates
Members
Home



FBI -
Stevens-6422

Capital Yacht Club

1000 Water Street, SW Washington, DC 20024 202-488-8110
38.52° N, 77.01° W office@capitalyachtclub.com

Capital Yacht Club Officers

Commodore

Paul Lain

commodore@capitalyachtclub.cor

Flag Officers

flagofficers@capitalyachtclub.com

Deeanna Burleson
Vice Commodore

vicecommodore@capitalyachtclub.com

Mike Corbett
Rear Commodore

rearcommodore@capitalyachtclub.com

FBI -
Stevens-6423

Board of Directors

bod@capitalyachtclub.com

Scott Berg Tom Des Jardins Guy Nolan

Sam Russ Mike Wallace

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TSTEVENS-1A159

Field Office Acquiring Evidence HQ

Serial # of Originating Document 196

Date Received 8/31/2007

From [redacted]
(Name of Contributor/Interviewee)

(Address)

(City and State)

By [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

b6
b7C

Title:

Reference: (Communication Enclosing Material)

Description: ☒ Original notes re interview of [redacted] on 8/31/2007

[redacted]

①

8/31/07

[redacted]

[redacted] told her that this might hit paper &
her name might come out - prob. after story about GJ - said didn't [redacted] but may get calls from
[redacted] - came by to say hello & told her she
was busy & didn't want to talk
don't think she knew [redacted]
this in addition to [redacted]

[redacted]

approx 5 to 10 mins. came by her office

think told him [redacted], asked no quest. re:
substance of conv. - occur. at her office,
prob. 5 to 10 min
420A in Hart Bldg.
[redacted] she would prob. get
press calls
press called on a later day
no one else contacted her about inv. except
news outlets
no recent contact w/ [redacted] - last
contact @ [redacted]

b3
b6
b7C

FBI - Stevens-6425

[redacted]

[redacted] took over her role on [redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted] - guess

was [redacted] so she did stuff [redacted]

b3
b6
b7C

remember [redacted]

don't rem. [redacted]

don't know [redacted]

think saw [redacted]

generally there would be a folder everyday [redacted] from Stevens with work in it - some portion was personal

[redacted] would call her - official reason why
she would call either he left something at
home & need to pick it up - couple times a week would call
Infrequent contact w/ [redacted] - couple times a yr maybe
talked to [redacted] a few times - [redacted]
[redacted] Sen. gave [redacted] for [redacted]
[redacted] so nature of conv. would be how many
[redacted]
doesn't recall any contact w/ [redacted] or family

[redacted]

[redacted] - looked at docs - doesn't remember
anything

b3
b6
b7C

FBI - Stevens-6427

Girdwood
TS said make sure [redacted]

[redacted]

[redacted]

[redacted]

Boats always wanted one
talked about boats - don't think ever had one
put name on list for slip & his name would come up
but wouldn't have a boat
may have [redacted]

b3
b6
b7C

other transactions:

[redacted]

no personal shopping
investment accounts - TSP withdrawal talked about
doing for a long time & then did
oil & gas accounts dealt with
assistance of refinancing W Street - arranged to
sign paperwork; Stevens filled out paperwork
arranged for closing / refinanced a couple times

[redacted]

[redacted] - only time sent [redacted]
other income was from senate employment
[redacted] personal investments that AN Daily
News looking into at that time
[redacted]
if needed to call Alaska in afternoon
[redacted]
for $500 for all you do - she said she didnt feel
comfortable doing that
shortly thereafter [redacted]
[redacted]
[redacted]
[redacted]

b6
b7C

[redacted]

(b)

at house - couple memos, her resume, description of her job duties

[redacted]

1964 1/2 Ford Mustang
aware he owned it
drove it in every once in awhile

[redacted]

saw car in about 2002 was in good condition
heard Ted bought it from another senator
dont recall TS [redacted] - think TS
made an exchange w/ [redacted]
shipped out to [redacted] in enclosed vehicle b6
corner [redacted] TS paid for shipping b7C

[redacted]

never talked w/ [redacted] directly / talked w/ sec.
in exchange for used Land Rover - family new but used

[redacted]

transaction possibly 2000 to 2001
[redacted] calling USAA to have Mustang removed & Land Rover added
dont know where LR purchased
LR was shipped to [redacted] from Alaska - [redacted]
Stevens paid for shipping b/c [redacted]
was couple thousand

[redacted]

no knowledge of 2005 Jeep Grand Cherokee - may have been gone by then
Stevens loved the Mustang / he didn't drive it [redacted]
part of his thrill was that he was going to [redacted]
[redacted] - never heard of

Kenai River Classic

Stevens attended on yearly basis around July 4th
[redacted] assoc. w/ that - knowledge of this through reading articles
understood they had auction there
think TS bid on things there
remember TS got plane tickets through bidding - don't think he was ever able to use them
don't specifically recall gifts from River Classic to put on financial disclosure
don't know of any guns
TS got two sled dogs - don't know where they came from / dogs didn't like DC
never did anything w/ respect to dogs

has been to W Street - had party after election; interns came for ice cream socials; haven't been a lot of times

b6
b7C

[redacted]

no knowledge of [redacted] purchasing items at auction
& giving to TS

salary

[redacted]

very rarely recd phone call at home

b6
b7C

[redacted]

[redacted] of Sen. Stevens

[redacted]

contacting tax preparer re financ. disclosure - considered
official

FBI - Stevens-6432

tried to do off the hill

[redacted]

[redacted]

20% mined
box

FD-340b (Rev. 8-7-97)

1A160

TSTEVENS

Universal Case File Number 194A-AN-13620

Field Office Acquiring Evidence Anchorage

Serial # of Originating Document 245

Date Received 2/13/08

From _____
(Name of Contributor)

_____
(Address of Contributor)

B [redacted]
(Name of Special Agent)

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e), Federal Rules of Criminal Procedure

☐ Yes ☑ No

Title: Polar Pen;
CSLPO;
OO:AN

b6
b7C

Reference: _____
(Communication Enclosing Material)

Description: ☑ Original notes re interview of

[redacted]

FBI/DOJ

[redacted]

2/13/08

Answered ad in paper for Christenson Buildings.
Worked on a house for [redacted]
Referred to VECO project - [redacted]
Started his own business -
Referred to VECO - [redacted]
hourly rate - pd by VECO - [redacted] house
[redacted] TS house.
Installed [redacted]
installed [redacted] in house
once. No material supplied by Brian.
[redacted] days to complete project.
[redacted] per hour - approx [redacted] hrs on dark
Worked on [redacted]
on beams on [redacted] house.
No business records - Check VECO no cash
[redacted] - was main contact
Met [redacted] directly and he interfered w [redacted]
[redacted] was on site - off and on [redacted]
Scrawny - pathy looking - smaller 120 lbs - [redacted]
[redacted] for installed frame out 1 wall
dark 4 X 12 perimeter - inset beam flush back
[redacted] said he didn't live in Fairbanks 2nd floor
Didn't meet neighbors. No BP ATS on [redacted] at house.
Felt used. put in concrete and rods around posts at stem.
had a film camera -
[redacted]
[redacted] - could be jobs
[redacted] no one called

b6
b7C

FBI - Stevens-6434

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TSTEVENS / 1A161

Field Office Acquiring Evidence Anchorage

Serial # of Originating Document 249

Date Received 2/12/08

From _____
(Name of Contributor/Interviewee)

_____
(Address)

_____
(City and State)

By [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure
☐ Yes ☑ No

Federal Taxpayer Information (FTI)
☐ Yes ☑ No

Title: Polar Pen; CSLPO; OO: AN

b6
b7C

Reference: _____
(Communication Enclosing Material)

Description: ☑ Original notes re interview of [redacted]

2/12/08

[redacted]

[redacted] laid off, got called to work for 2 weeks during 9/11/01.

[redacted] behind. - [redacted] - supervisor working on [redacted] house on [redacted] worked on house thru summer

Worked on project in Gingerwood. [redacted] Drove red tow truck w/ VGCO Ford 350. In Gingerwood, [redacted] b6 b7C [redacted] labor on job. [redacted] - contractor on the job. [redacted] dock 1st floor. [redacted]

Put visqueen tarp to cover front of house. Went to Double Musky to go to bathroom. Didn't know at the time it was Ted Stevens house. Learned about it later. Worked at [redacted] came by once. YS not were ~~every~~ never there when he was. [redacted] Bottom dock had metal frame - placed roof material. [redacted] did metal framing [redacted] work. Water pretty last thing he did. No screening, no windows replaced, outside was painted. No yard work. Didn't talk to neighbors

[redacted] out the whole time. [redacted] was there sometimes
put down his drums on the stat. [redacted] dealt at and at work
picked up motorcycle occasionally.

[redacted], DOB [redacted] (b)
[redacted] (c).

b6
b7C

Left VECO and of [redacted]
saw no deadening s-

FD-340b (Rev. 8-7-97)

1A162

TSTEVENS

Universal Case File Number 194A-AN-13620-

Field Office Acquiring Evidence AN

Serial # of Originating Document 254

Date Received 4/7/08

From _____

(Name of Contributor)

(Address of Contributor)

By [redacted]

(Special Agent)

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e), Federal Rules of Criminal Procedure

☐ Yes ☑ No

Title: Polar Pen; CSLPO; OO: AN

b6
b7C

Reference: _____

(Communication Enclosing Material)

Description: ☑ Original notes re interview of [redacted]

FBI - Stevens-6438

FBI/DOJ

[redacted], attorney [redacted]

[redacted], DOB [redacted] 3/26/08

[redacted]

Grew up in [redacted]

Moved to Washington DC.

[redacted] Started in Hill

[redacted]

b6
b7C

Never went to Giuliani Residence

[redacted]

- Looking out draft form.

[redacted]

[redacted] gifts generally

[redacted] would bring to Balis attorneys

[redacted] set up for [redacted]

[redacted] draft disclosure form.

DR

[redacted] would bring it to [redacted] for review
[redacted] would compare it to previous y
[redacted] Senator discussed the fra
[redacted] emailed stuff for gifts received.

Revai Classic: [redacted], maybe
[redacted] attended
Charity fundraiser for KRSA.

Doesn't remember TS getting any firearms
from Classic.
Doesn't recall giving advice on disclosure from
501(3)(c) groups.
Doesn't recall discussing w/ Senate.
Received 02, 03, 04.
Spouse gifts no reporting.

Threshold for reporting, from foreign countries.
Would call ethics committee on issues.

Carol White got bribes from [redacted]
[redacted] former Senate [redacted] b6
[redacted]

TS at dad house from [redacted]
[redacted] gave [redacted] a list w/ gifts for his
review, an email doesn't recall the
list of gifts.

DR

Had business w/ [redacted] and TS about what disclose or not.

TS sent the boys back.

At: wide

203 riffs on the wall of office where there before he got there.

"Here we go again" - TS attitude towards disclosures

TS never discussed uncertainty w/ [redacted] heard in general.

[redacted] live in Anchorage

[redacted] in Anchorage.

[redacted] of VECO. not at fundraisers

Good friend [redacted] (TS.

[redacted] following events.

Knows [redacted] worked for TS.

[redacted] friend.

[redacted] live in Eagle.

Wights at Doyle Musky office.

No reports from VECO for oil

[redacted] no Brookstone Exec.

b6
b7C

FBI - Stevens-6441

Didn't sit w/ senator at Anchorage event.

DR

Doesn't know about George Stative.
Doesn't recall ever hearing of Building Library
Recalled about where his records would go.

[redacted]

CY - doesn't recall Have reports [redacted]
- Analyze pers - remember an [redacted]
- Doesn't know how Senter responded.

-Hotel a Fortune for him 2 weeks ago
-No discussion about investigation
No conversation w/ [redacted]
Had conversation w/ [redacted]
Spoke w/ [redacted] a few weeks ago.
Got brief announcement from [redacted]
No contact w/ Stern lawyer
Important to get facts right.
Either TSA or BF would have put in 1A
regarding the bag.

b6
b7C

FBI - Stevens-6442

Sat down w/ [redacted] and reviewed facts before [illegible]

i DR

-5-

Silver & receive de gift bags
gift bags received by [illegible] wks pd.
- Duffle bags w/ logo's
- gloves, glove warmers
- hats.

No contact w/ [redacted] b6 b7C

FD-340b (Rev. 8-7-97)

1A(163)
TSTEVEN

Universal Case File Number 194A-AN-136020-

Field Office Acquiring Evidence AN

Serial # of Originating Document _____

Date Received 4/7/08

From _____
(Name of Contributor)

_____
(Address of Contributor)

By [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

b6
b7C

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e), Federal Rules of Criminal Procedure

☐ Yes ☑ No

Title: Polar Pen;
CSLPO;
OO: AN

Reference: _____
(Communication Enclosing Material)

Description: ☐ Original notes re interview of
Assessment history of 138 Northland Rd

FBI/DOJ

FBI - Stevens-6444

Municipality of Anchorage

P.O. Box 196650 • Anchorage, Alaska 99519-6650 • Telephone: (907) 343-6770 • Fax: (907) 343-6599 http://www.muni.org

Mayor Mark Begich

Department of Finance
Property Appraisal Division

[redacted]
101 E. 6th Avenue
Anchorage, AK 99501

April 4th, 2008

We have been asked to furnish you with an assessed valuation on the following described real property:

Site Address: 138 Northland Rd.
Legal Description: Alyeska #1 Blk 18 Lot 9

Assessor's Parcel Identification Number: 076-021-21-000

VALUATION YEAR:	1999	2000	2002
LAND VALUE:	55,100	55,100	60,900
BUILDING VALUE:	70,000	81,200	192,300
TOTAL ASSESSMENT VALUE:	125,100	136,300	253,200

b6
b7C

THIS IS TO CERTIFY THAT THIS IS A TRUE COPY OF THE PROPERTY ASSESSMENT RECORDS ON FILE WITH THE MUNICIPALITY OF ANCHORAGE THIRD JUDICIAL DISTRICT.

If you have questions concerning this information, you may contact us at (907) 343-6770.

Sincerely,

for [redacted]
Customer Service & Records Supervisor

Valuation Page for 2001 was too blurry to read - So I was unable to provide info for that year. Sorry!

FBI - Stevens-6445

[redacted]

Community, Security, Prosperity

FD-340b (Rev. 4-11-03)

-1A 164

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document 257

Date Received 4/14/08

From _____
(Name of Contributor/Interviewee)

_____
(Address)

_____
(City and State)

By [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure
☐ Yes ☑ No

Federal Taxpayer Information (FTI)
☐ Yes ☑ No

Title: Polar Pan; CSLPO; OV; AN

b6
b7C

Reference: _____
(Communication Enclosing Material)

Description: ☑ Original notes re interview of [redacted]

FBI - Stevens-6446

[redacted] 262-4435(w), [redacted] (H) 4/14 b6 b7C

DCB [redacted]

[redacted] people to Hawaii Classic Event

Attended auction [redacted]

Last couple of years, [redacted]

[redacted] w/ Auction at Sports Center

last [redacted] on the main floor on the side.

Did accounting by hand, then bareback an auction program from Boys and Girls Club. Then bought the program.

[redacted] may have [redacted]

Silent/Live auction one program
- program books had market value.

Responsibilities ended at the end of each year

[redacted] several years on Auction

Stopped [redacted] ago. After respons. slots

may have been [redacted]

Ski Dog auctioned off from a local musher.
- Senator Stevens may have won it.
- if looked at printout. Might know.

Guns have been auctioned off. Didn't pay much attention.
- doesn't recall if one year was granted to the state Stevens.

Doesn't recall fish sculpture.

TS purchased items from auction, doesn't recall items. - airline tickets: maybe -
TS won ~~item~~ cash prize, sold 52 cards cut in half & his card was drawn

FD-340b (Rev. 4-11-03)

1A166

File Number 194A-AN-13620 . TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document 2601

Date Received 4/28/08

b6
b7C

From _____
(Name of Contributor/Interviewee)

_____
(Address)

_____

By [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☑ No

Federal Taxpayer Information (FTI)

☐ Yes ☑ No

Title: Police Pers, CSLPO

Reference: _____
(Communication Enclosing Material)

Description: ☑ Original notes re interview of [redacted]

EBI - Stevens-6464

[redacted] (c); [redacted] (H) 4/28/08

In wheel chair for [redacted] no access to Kenai River
Agreed to help if they built handicap access to River
[redacted]
[redacted] auction- [redacted]ers - in a row.
[redacted]
Stopped working after [redacted]
worked on w/ [redacted]

[redacted] items from local vendors
VIP's also contributed auction items
[redacted]
Organized data - [redacted] receipts - [redacted]
[redacted] buyers. [redacted] buyers
[redacted] database - [redacted]
Records turned over to [redacted]
Last year auction program was used.
She kept database format.
Named tables after fish
Received firearms - [redacted] - signal from
over to [redacted] had firearms like
Senator Stevens received them as gifts.
- Firearm dealer provided 2 guns each time
with intent to give one to Senator Stevens.
Required to purchase gift for Senator Stevens each year
- Sled dog puppy was donated to Auction.
- Sled dog was given to Senator Stevens. Doesn't
Know Tuke purchased Huskies [illegible]

b6
b7C

FBI - Stevens-6465

[redacted] bought many items and gave to Stevens.
Stevens stayed [redacted]

Was aware that TS need firearm each year.
Personally aware of a gift - [redacted]
[redacted] told [redacted] to get gift for Senator
each year less than $200
- [redacted] hand sewn doll - sewn by
Cut - $150.00 in shadow box.
Picked unusual items.

Remembers large fish statue - beautifully
carved - purchased by corporate sponsor.
- Recalls fish statue going to Senator.
- Shipped by Fedex - donated shipping for
all items.

Senator - purchased airline tickets
- Delta and AK donated tickets
- Got great deal on tickets.

FBI - Stevens-6466

[redacted] - made arrangements for puppy to
be transferred [redacted] and TS asked [redacted]
to arrange shipment. Talked to [redacted]
Talked to CAS and got it shipped.
Positive it was not a gift from KRSA.

b6
b7C

FD-340b (Rev. 4-11-03)

-1A 167

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document 261

Date Received 5/8/08

From [redacted]

(Address)

(City and State)

By

To Be Returned ☐ Yes ☐ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☐ No

b6
b7C

Title:

Reference:

(Communication Enclosing Material)

Description: ☒ Original notes re interview of [redacted]

5/8/08

1:00 – 2:[illegible]

JN NM JG
JB ES

b3
b6
b7C

Nick opens – explains

2

[redacted]

NM: [redacted]

b3
b6
b7C

[redacted]

[redacted]

[redacted]

NM – second wave of work 2nd story deck, lights, [redacted]
Specif
2nd floor deck & no 1st floor deck.
Dont have a clear memory - I remember something
about 2 dell decks [redacted] showing me weld pipe

welding into place.
Fiberglass deck to stop rain
I know that its there, I think that's its there
D R Circumstances Conversation water leaking through, vague memory.
No distinct memory of 1½ later lights, deck, stain ice melt
I remember talk about that. Vague memories.
I D R anything specifics about that, Created a problem, there's a problem now I wish I could remember this
Y guys will get in to this when u get older
I wish I could remember all this
Rather get root canal
Dont want to do this

b6
b7C

NM - Conv w/ TS re lights
Thought [redacted] doing all this, Know UEO involved b/c [redacted]
Chugach Suerve
Shocking when I heard myself on that tape.
I dont remember stuff from last week

hard time remembering my ann
Don dont remember conv 5 ya
At time
JG Important to Senator
PM to u at the time re emails

ES - argues that need to see emails

I never said I didn't know [redacted] + RW were there. They were always there.

Was house well built?
Not designed well ice slid off roof cracked sheetrock in garage. Don't think of things that way. Fine.

NM Falling apart bad design & constr
April 2004 "tightly built house"
Tightly built & well built 2 diff things. Tight ventilation, easy to heat. b6 b7C
like a fine cabinet
I described the entire house that way? Degrees wouldn
B/4 later problems showed up thought the house was well designed cracked SR

break - consult

TS + [redacted] in house business. When needed checks? [redacted]
No.
I know [redacted] - acc talked to [redacted]
[redacted]
Who at SS office talk to about that
[redacted]
No not aware role of personal finances
[redacted]

NM

NM

b3

16

No. (conv w/ Senator, emails, etc

ES In terms of documents seized his HD
emails at his computer U held that
voluntarily all emails found a lot of time get u what was there -
Sorry his answers not consistent w/ emails
Not sinister
- Asks client to step out —
Don't view as sinister
No vs I don't R
Attorney argues not bad intention
completely forthcoming
Don't think guy intentionally
I wasn't involved w/ house construction
Gave him POA re recording
Oct 7 2002 the house [redacted] gone
Downstairs deck cover 1½ new wall fan some circ.
ES → that doesn't indicate he knew re construction
wanted to be TS BF going by house, here what seeing b6
Was [redacted] running show? What to do, what not? b7C
TS telling relative [redacted] in charge of house.
Dating as agent said [redacted]
His desc things to me not inc. with what [redacted] said.
Have at him. Hit him over the head w/ it.
I think he understands that now.

Every year someone contact me,
K1 and I give my BK #card/
Delynn or BF & they'll say where's the K1

/s/ [illegible]

IA(168)

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13622-TSTEVENS

Field Office Acquiring Evidence Anchorage

Serial # of Originating Document 2102

Date Received 5/2/08

From _____
(Name of Contributor/Interviewee)

_____
(Address)

_____
(City and State)

By [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☑ No

Federal Taxpayer Information (FTI)

☐ Yes ☑ No

Title: Polar Pen; CSLPU; OO: AN

b6
b7C

Reference: _____
(Communication Enclosing Material)

Description: ☑ Original notes re interview of

[redacted]

[redacted]

[redacted] 5/2/08

[redacted] called from Home and gave him the statement:

[redacted]

[redacted] VECO Employee

stayed w/ them in lobby [redacted]

Argued w/ [redacted] regarding pace horse running LA Times.

I had guy out materials working on Stevens Residence in Girdwood. b6 b7C

[redacted]

"That's how business gets done" [redacted] towards LA Times Article.

[redacted] attitude changed after Sound of Stevens Resid.

[redacted] shipped guys out material down to Stevens Residence. [redacted] Model for fundraising events.

[redacted] order materials out deliver them

Known since 1999 [redacted]

[redacted] worked on Fab Shop.

FBI - Stevens-6476

Called TStevens office about a year later.

Told [redacted] that source was on project, dark built for fundraiser, info from VECO employee. CB I'm sure that didn't happen. I'll check it out.

Several days later [redacted] called back from home and read [redacted] the statement verbatim and [redacted] typed it. [redacted] called w/ Senator [redacted] voice in statement not TS.

[redacted] confident that TS hadn't done anything wrong. Never offered invoices to [redacted]

Chew that all 3 - TS, [redacted] needed to talk.

"I have a statement for you." no dit chat

[redacted] called back to give an update before final call.

Inverted the story -

Wikipedia - Senator doesn't live by a way to avoid appearance of wrong doing.

b6
b7C

House [redacted] was building was for [redacted]
DY - asking for lots of change orders - [illegible] contractor
30¢ on a $1.00 - Charging DY.
[redacted] purchased real estate for [redacted] and
he was going to pay [redacted]
[redacted] attorney - had company stop project
and removed the house.
[redacted] - girl friend
- worked several months
- off Homestead Rd: KGB Road.

Wink and nod for realestate
HR thinks [redacted] not there. [redacted] was part of project.
Another bathroom added, 1 floor

Says calling DY tonight about. Probably ok
then to see house.

FD-340 (Rev. 4-11-03)

1A 169

File Number 194A-AN-13620-TStevens-

Field Office Acquiring Evidence

Serial # of Originating Document

Date Received 8-7-08

From [redacted]
(Name of Contributor/Interviewee)

(Address)

(City and State)

By FA [redacted]

b3
b6
b7C

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure
☒ Yes ☐ No

Federal Taxpayer Information (FTI)
☐ Yes ☒ No

Title:

Polar Pen

Reference:
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

[redacted]

Subpoena Number: A080588

Date: 6-9-08

To: JWB / MBK

From: [redacted], **Grand Jury Clerk**

Date of Pick Up:

Signature of Person Receiving Materials:

b3
b6
b7C

CALL	Message/Voice Mail	DATE

Entered into Grand Jury Log:

UNITED STATES DISTRICT COURT

DISTRICT OF ALASKA

A080588

2008 JUN -9 AM 9:50

TO:

[redacted]

RECEIVED
S ATTORNEY OFFICE

SUBPOENA TO TESTIFY BEFORE GRAND JURY

SUBPOENA FOR:
☐ PERSON ☒ DOCUMENT(S) OR OBJECT(S)

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

PLACE	COURTROOM
Federal Building & U.S. Courthouse 222 W. 7th Avenue Anchorage, Alaska 99513	Grand Jury
	DATE AND TIME **06/03/08 9:00 A.M.**

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):*

RECEIVED Bank of America

See Attachment

JUN 5 2008

b3
b6
b7C

If you have any questions regarding the invoice, please contact [redacted] Grand Jury Clerk (collect) at (907) 271-5071.

☐ *Please see additional information on reverse.*

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

CLERK	DATE
IDA ROMACK, Clerk	
(By) Deputy Clerk Nancy Dixon	5/21/08
This subpoena is issued on application of the United States of America	NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY [redacted] Asst. U.S. Atty. Federal Bldg. & U.S. Courthouse, 222 W. 7th Ave., #9, Rm 253 Anchorage, AK 99513-7564 (907) 271-5071

* If not applicable, enter "none".

FBI - Stevens-6482

FD-340 (Rev. 4-11-03)

1A171

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document

Date Received 12/03/2007

From [redacted]
(Interviewee)

(Address)

[redacted]

By SA [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☑ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☑ No

b3
b6
b7C

Title: POLAR PEN
CSLPO

Reference: FBI - Stevens-6484
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

[redacted]

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TSTEVENS - 1A171

Field Office Acquiring Evidence _____

Serial # of Originating Document _____

Date Received 5-9-08

From [redacted]
(Name of Contributor/Interviewee)

(Address)

(City and State)

By FA[redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☒ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

b3
b6
b7C

Title:

Polar Pen

Reference: _____
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

[redacted]

This pouch is resealable.

UNITED STATES DISTRICT COURT

DISTRICT OF
ALASKA

A080474

2008 MAY -5 AM 10: 51

TO:

[redacted]

SUBPOENA TO TESTI
BEFORE GRAND JUR

SUBPOENA FOR:
☐ PERSON ☒ DOCUMEN

[redacted]

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the Unit
at the place, date, and time specified below.

PLACE	COURTROOM
Federal Building & U.S. Courthouse 222 W. 7th Avenue Anchorage, Alaska 99513	Grand Jury
	DATE AND TIME 05/06/08 9:00 A.M.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):*

See Attachment

08 APR 22 AM 6: 40

b3
b6
b7C

If you have any questions regarding the invoice, please contac [redacted] Grand Jury Clerk (collect) at (907) 271-5071.

☐ *Please see additional information on reverse.*

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

CLERK	DATE
IDA ROMACK, Clerk	
(By) Deputy Clerk Nancy Gilbert	4/15/08

	NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY
This subpoena is issued on application of the United States of America	[redacted] Asst. U.S. Atty. Federal Bldg. & U.S. Courthouse, 222 W. 7th Ave., #9, Rm 253 Anchorage, AK 99513-7564 (907) 271-5071

FBI - Stevens-6497

* If not applicable, enter "none".

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TSTEVENS -1A 17

Field Office Acquiring Evidence Anchorage

Serial # of Originating Document 263

Date Received 7/31/08

From _____
(Name of Contributor/Interviewee)

_____
(Address)

By [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☑ No

Federal Taxpayer Information (FTI)

☐ Yes ☑ No

b6
b7C

Title: Polar Pen; CSLPO; OO: AN

Reference: _____
(Communication Enclosing Material)

Description: ☑ Original notes re interview of

[redacted]

[redacted]

7/31/08

[redacted] years old now [redacted]

In [redacted] worked for VECO as [redacted] and Ted Stevens. residence.

[redacted] called and said there was a job residence at Ted Stevens. Side job in Girdwood.

Couple of months - winter [redacted] time from Full Time.
Worked at [redacted] week before assigned to TS project
Returned to [redacted] and left.

Complete [redacted]
- did some work on [redacted]
- complete Kitchen, Garage [redacted] replaced.
- traced the out [redacted] to make sure it was all done, also and a
- a little [redacted] on 3rd
- all [redacted] 2nd Floor.
[redacted]

b6
b7C

Materials were ordered through VECO.
- called Supervisors and they called it in.
- Parts house.
- Rocky Williams also called to get materials.
- Cost of materials - 10K
- Wage per hour $[redacted] - [redacted]
-

Rocky Williams - Running carpenters
- 2 other union for carpenters.

Saw Ted Stevens [redacted] three ~~several~~ twice times.
Exchanged pleasantaries.
She asked cost of light fixtures -
- installing fixtures in garage and asked how much they cost
- ~~[illegible]~~
Rented a car so no VECO logo on truck.
No VECO labeled apparell.
VECO apparently electrician out for 3 weeks.

Plumbers, carpenters, all electrician
Plumber died in 2005 - Mark Tyree.
at least doing some of it.

[redacted] of Double Muckly came by and looked at the house a couple of times - 2004 for 10 hour days - 7 days a week
Submitted time to [redacted]

[redacted] was out on site. A little out as much as [redacted]

Rocky - superintendent - carpentry, framing inside.
Union Carpenter put on metal roof.
Foam - spray insulation.
Rocky drove VECO truck.

Comments about 100K into TS rep where in VECO.
No thank you, notes.
installed dish washer w/ Rocky Williams.
[redacted] brought cookies, bought at store.

b6
b7C

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TStevens- 1A 173

Field Office Acquiring Evidence _____

Serial # of Originating Document _____

Date Received 1-10-2008

From [redacted] (Name of Contributor/Interviewee)

(Address)

(City and State)

By FA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure
☒ Yes ☐ No

Federal Taxpayer Information (FTI)
☐ Yes ☒ No

Title:

Polar Pen

FBI - Stevens-6524

Reference: _____ (Communication Enclosing Material)

b3
b6
b7C

AO110 (Rev. 12/89) Subpoena to Testify Before Grand Jury

UNITED STATES DISTRICT COURT

A080184

DISTRICT OF ALASKA

2008 JAN 10 AM 10: 25

RECEIVED
US ATTORNEY OFFICE

TO:

[redacted]

SUBPOENA TO TESTIFY BEFORE GRAND JURY

SUBPOENA FOR:
☐ PERSON ☒ DOCUMENT(S) OR OBJECT(S)

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

PLACE	COURTROOM
Federal Building & U.S. Courthouse 222 W. 7th Avenue Anchorage, AK 99513	Grand Jury
	DATE AND TIME 01/08/08 9:00 A.M.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):*

See attached.

b3
b6
b7C

☐ *Please see additional information on reverse.*

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

CLERK	DATE
IDA ROMACK, , Clerk	
(By) Deputy Clerk D Watson	12/12/07

This subpoena is issued on application of the United States of America

NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY

[redacted] Asst. U.S. Atty.
Federal Bldg. & U.S. Courthouse, 222 W. 7th Ave., #9, Rm 253
Anchorage, AK 99513-7564 (907) 271-5071

FBI - Stevens-6526

* If not applicable, enter "none".

2008 JAN 10 AM 10: 25

A080184

RECEIVED
US ATTORNEY OFFICE

[redacted]
Assistant U.S. Attorney
Federal Building & U.S. Courthouse
222 West 7th Avenue, #9, Room 253
Anchorage, Alaska 99513-7567
(907) 271-5071

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF ALASKA

IN RE GRAND JURY INVESTIGATION _____	)	AFFIDAVIT OF COMPLIANCE WITH GRAND JURY SUBPOENA DUCES TECUM

b3
b6
b7C

[redacted] being first duly sworn, deposes and says:

1. I am associated with [redacted] (the "Company") as [redacted] [redacted]n this position I have the responsibility for the Company's compliance with the subpoena duces tecum issued to me on Dec. 14, 2007, which calls for the production of certain documents before a Grand Jury of this Court.

2. I personally have conducted or supervised compliance by the Company with the subpoena duces tecum. To the best of my knowledge, information and belief, based upon due diligence and reasonable inquiry, the documents enclosed herewith, bearing the numbers "NA", constitute all the documents in the possession, custody or control of the Company that fall within the terms of the subpoena duces tecum.

3. No documents responsive to the subpoena duces tecum have been withheld by the Company pursuant to a claim of privilege or otherwise. To the best of my knowledge, information and belief, based upon due diligence and reasonable inquiry, no one has directed the destruction of any documents responsive to the subpoena duces tecum and no such documents have been destroyed.

4. The documents made by the Company and produced in compliance with the subpoena duces tecum are memoranda, reports, records or data compilations of acts, events, conditions, opinions or diagnoses that were made at or near the time, by or from information transmitted by, a person with knowledge and that have been kept in the course of the Company's regularly conducted business activity. It has been the Company's regular practice in that business activity to make those memoranda, reports, records or data compilations. Neither the source of information, nor the method of circumstances of preparation, indicate a lack of trustworthiness for those memoranda, reports, records or data compilations.

5. I understand that the furnishing of these documents to counsel for the United States in response to the subpoena duces tecum and the execution of this Affidavit, are at the sole discretion and election of myself and the Company, and are in lieu of personally producing the documents before the grand jury which right to appear is expressly waived.

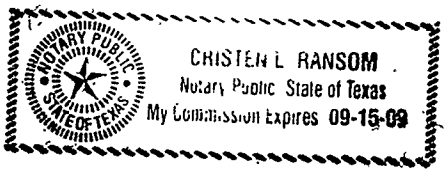
6. I am authorized by the Company to execute this Affidavit, and I have reviewed all of its terms with counsel for the Company before signing and swearing to it.

FURTHER AFFIANT SAYETH NAUGHT.

AFFI [redacted]

b3

SUBSCRIBED AND SWORN TO before me this 2nd day of January, 2008, a [redacted]



Cristen L. Ransom
Notary Public
My commission expires: 9-15-09

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TSTEVENS-1A174

Field Office Acquiring Evidence _____

Serial # of Originating Document _____

Date Received 1-28-2008- ~~1A 174~~

From [redacted]
(Name of Contributor/Interviewee)

(Address)

(City and State)

By FA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure
☒ Yes ☐ No

Federal Taxpayer Information (FTI)
☐ Yes ☒ No

b3
b6
b7C

Title: Polar Pen

FBI - Stevens-6534

Reference: _____
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

[redacted]

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TStevens -1A175

Field Office Acquiring Evidence _____

Serial # of Originating Document _____

Date Received 12-29-2007

From [redacted]
(Name of Contributor/Interviewee)

(Address)

(City and State)

By FA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure
☒ Yes ☐ No

Federal Taxpayer Information (FTI)
☐ Yes ☒ No

b3
b6
b7C

Title:

Polar Pen

FBI - Stevens-6539

Reference: _____
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

[redacted]

A080183

[redacted]
Assistant U.S. Attorney
Federal Building & U.S. Courthouse
222 West 7th Avenue, #9, Room 253
Anchorage, Alaska 99513-7567
(907) 271-5071

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF ALASKA

b3
b6
b7C

IN RE GRAND JURY INVESTIGATION _____	)	AFFIDAVIT OF COMPLIANCE WITH GRAND JURY SUBPOENA DUCES TECUM

[redacted] being first duly sworn, deposes and says:

1. I am associated with [redacted] (the "Company") as [redacted] _____. In this position I have the responsibility for the Company's compliance with the subpoena duces tecum issued to me on 12-19, 2007, which calls for the production of certain documents before a Grand Jury of this Court.

2. I personally have conducted or supervised compliance by the Company with the subpoena duces tecum. To the best of my knowledge, information and belief, based upon due diligence and reasonable inquiry, the documents enclosed herewith, bearing the numbers _____, constitute all the documents in the possession, custody or control of the Company that fall within the terms of the subpoena duces tecum.

3. No documents responsive to the subpoena duces tecum have been withheld by the Company pursuant to a claim of privilege or otherwise. To the best of my knowledge, information and belief, based upon due diligence and reasonable inquiry, no one has directed the destruction of any documents responsive to the subpoena duces tecum and no such documents have been destroyed.

4. The documents made by the Company and produced in compliance with the subpoena duces tecum are memoranda, reports, records or data compilations of acts, events, conditions, opinions or diagnoses that were made at or near the time, by or from information transmitted by, a person with knowledge and that have been kept in the course of the Company's regularly conducted business activity. It has been the Company's regular practice in that business activity to make those memoranda, reports, records or data compilations. Neither the source of information, nor the method of circumstances of preparation, indicate a lack of trustworthiness for those memoranda, reports, records or data compilations.

5. I understand that the furnishing of these documents to counsel for the United States in response to the subpoena duces tecum and the execution of this Affidavit, are at the sole discretion and election of myself and the Company, and are in lieu of personally producing the documents before the grand jury which right to appear is expressly waived.

6. I am authorized by the Company to execute this Affidavit, and I have reviewed all of its terms with counsel for the Company before signing and swearing to it.

FURTHER AFFIANT SAYETH NAUGHT.

[redacted]

AFFIANT

b3

SUBSCRIBED AND SWORN TO before me this 14th day of December, 2007, at 4:30 p.m. [redacted]

Lucki Burton

Notary Public

My commission expires: _____.

Notary Public, Henry Co., GA
My Commission Exp. January 22, 2010

FD-340c (4-11-03)

File Number 194A-AN-13620-TSTEVENS - 1A-176

Field Office Acquiring Evidence Anchorage

Serial # of Originating Document

Date Received 8/5/08

From [redacted] (Contributor/Interviewee)

(Address)

(City and State)

By [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☑ No

Federal Taxpayer Information (FTI)

☐ Yes ☑ No

Title: Polar Pen; CSLPO; OU. AW

Reference: (Communication Enclosing Material)

Description: ☑ Original notes re interview of

Photo's of firewood project from [redacted]

b6
b7C

[redacted]

[redacted]

01 AUG 20

UNITED STATES POSTAL SERVICE

U.S. POSTAGE PAID LITTLETON, CO 80120 AUG 01, '08 AMOUNT $0.42

0000 99501 00042057-04

b6
b7C

F.B.I.

Attn: [redacted]

101 E. 6TH Ave

Anchorage, Alaska

99501

99501+2523 C002

7-31-08

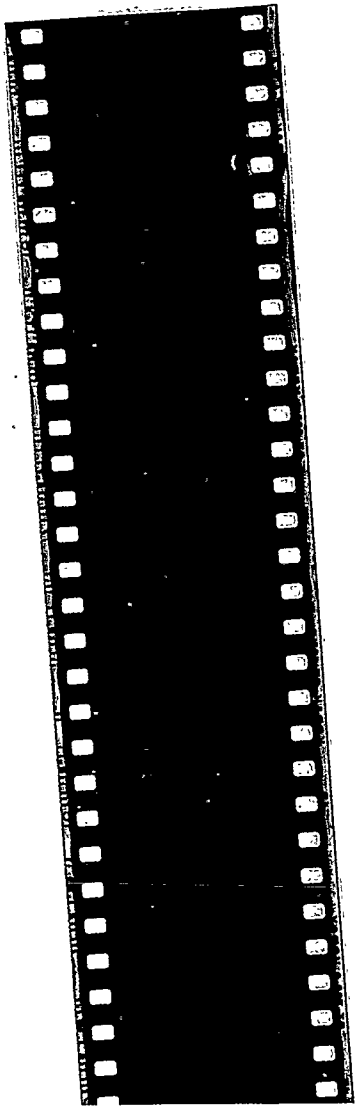
Attn [redacted]

[redacted] here are the pictures and negatives that I had from the Ted Stevens house remodel in Girdwood in 2000.Looking back I wish that [redacted] If you have anymore questions please give me a call.

[redacted]

b6
b7C

[redacted]



FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TSTEVENS- 1A 177

Field Office Acquiring Evidence _____

Serial # of Originating Document _____

Date Received 8-4-08

From [redacted]

(Name of Contributor/Interviewee)

(Address)

(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☒ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

b3
b6
b7C

Title:

Polar Pen

FBI - Stevens-6557

Reference: _____

(Communication Enclosing Material)

Description: ☐ Original notes re interview of

[redacted]

UNITED STATES DISTRICT COURT

DISTRICT OF ALASKA

A080588

2008 JUL 31 AM 11:54

TO:

[redacted]

RECEIVED
ATTORNEY OFFICE

SUBPOENA TO TESTIFY BEFORE GRAND JURY

SUBPOENA FOR:
☐ PERSON ☒ DOCUMENT(S) OR OBJECT(S)

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

PLACE	COURTROOM
Federal Building & U.S. Courthouse 222 W. 7th Avenue Anchorage, Alaska 99513	Grand Jury
	DATE AND TIME 06/03/08 9:00 A.M.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):*

RECEIVED - Bank of [illegible]

See Attachment

b3
b6
b7C

If you have any questions regarding the invoice, please contact [redacted] Grand Jury Clerk (collect) at (907) 271-5071.

☐ *Please see additional information on reverse.*

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

CLERK	DATE
IDA ROMACK, Clerk	
(By) Deputy Clerk Nancy [illegible]	5/21/08
This subpoena is issued on application of the United States of America	NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY [redacted] Asst. U.S. Atty. Federal Bldg. & U.S. Courthouse, 222 W. 7th Ave., #9, Rm 253 Anchorage, AK 99513-7564 (907) 271-5071 FBI - Stevens-6559

* If not applicable, enter "none".

14-178

FD-340c (4-11-03)

File Number 194A-AN-13620-TStevens

Field Office Acquiring Evidence AN

Serial # of Originating Document

Date Received 07/30/07

From
(Name of Contributor/Interviewee)
138 Northland Rd
(Address)
Girdwood, Alaska
(City and State)

By SA [redacted]

b6
b7C

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

Title:

Reference:
(Communication Enclosing Material)

Description: ☒ Original notes re interview of
+ Original Sketch Notes of Respondent SW

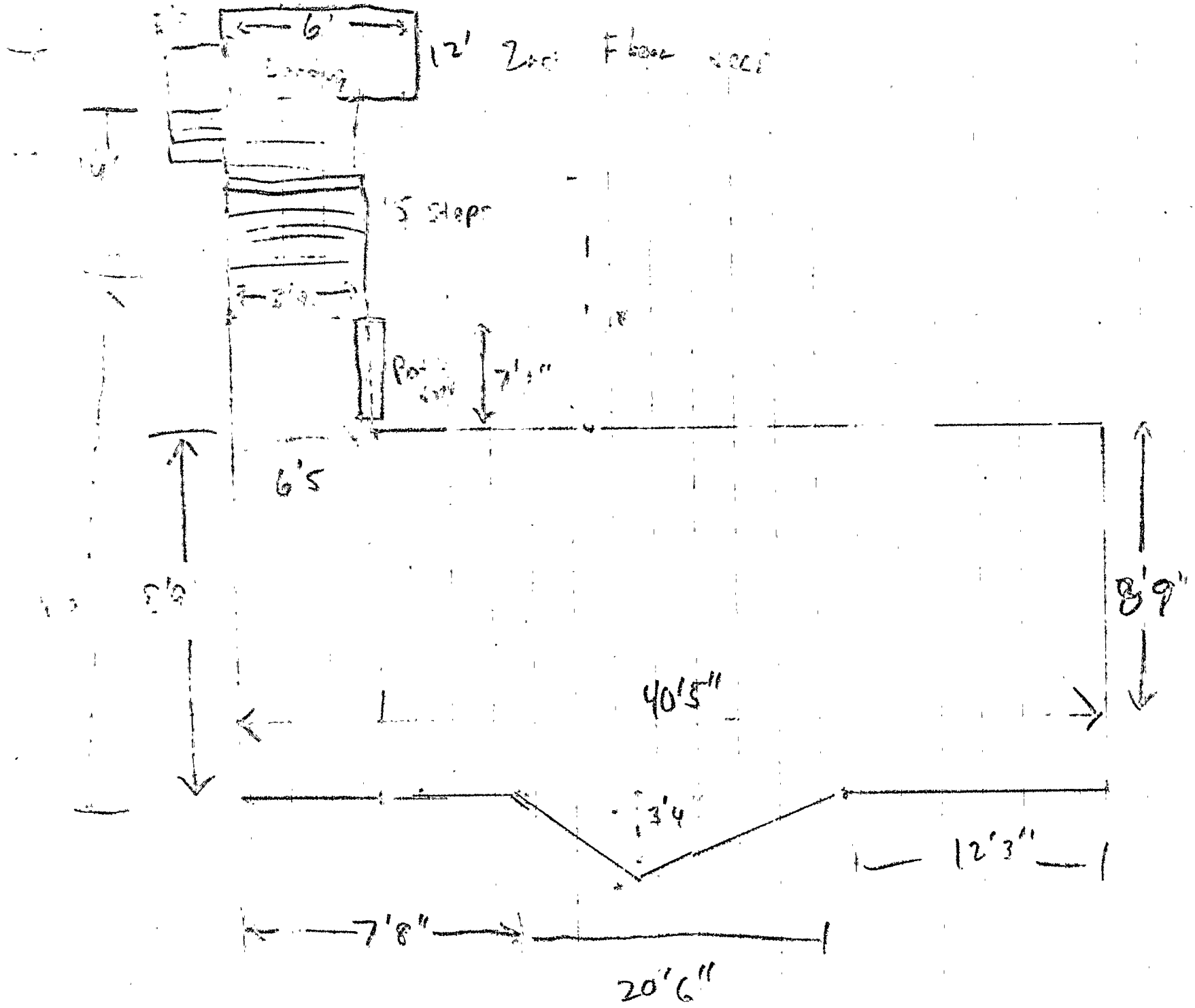
Pergo	Baseboard
Room H	electric baseboard
Room B	pergo, radiant B/B
Kitchen	pergo
Room C	radiant B/B
Room E	radiant B/B
2nd floor hallway	pergo
Room A	radiant B/B
Room K	pergo, radiant B/B
Room L	radiant B/B
N	radiant B/B
M	radiant B/B
1st floor hallway	pergo

08/29/2007

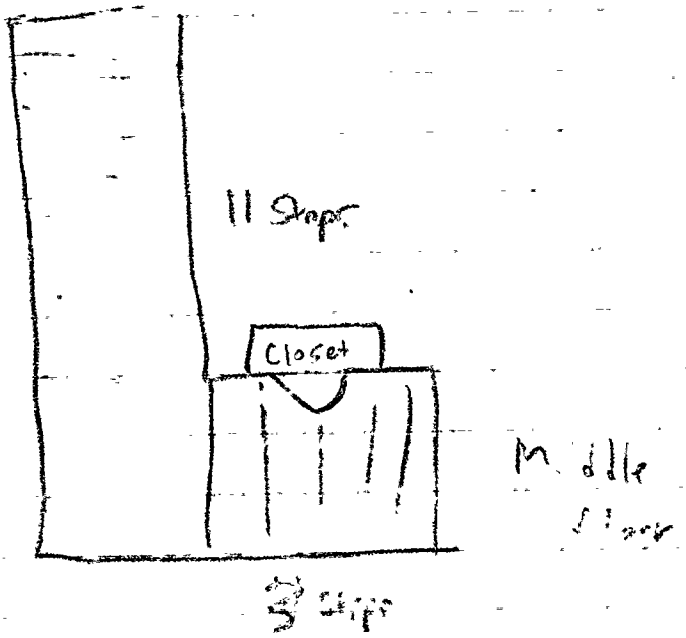
Room I Garage
Room A Entry
Room J Crawl access under stairs
Room B Living Room

Room D Downstairs Offices
Room E Bedroom Downstairs
Room F Top floor Landing
Room G Top floor Bathroom
Room H Top floor Bedroom (Master)
Room L Downstairs Bathroom
Room K Game Room 1st floor
Room M Bedroom 2
Room N Bedroom 1

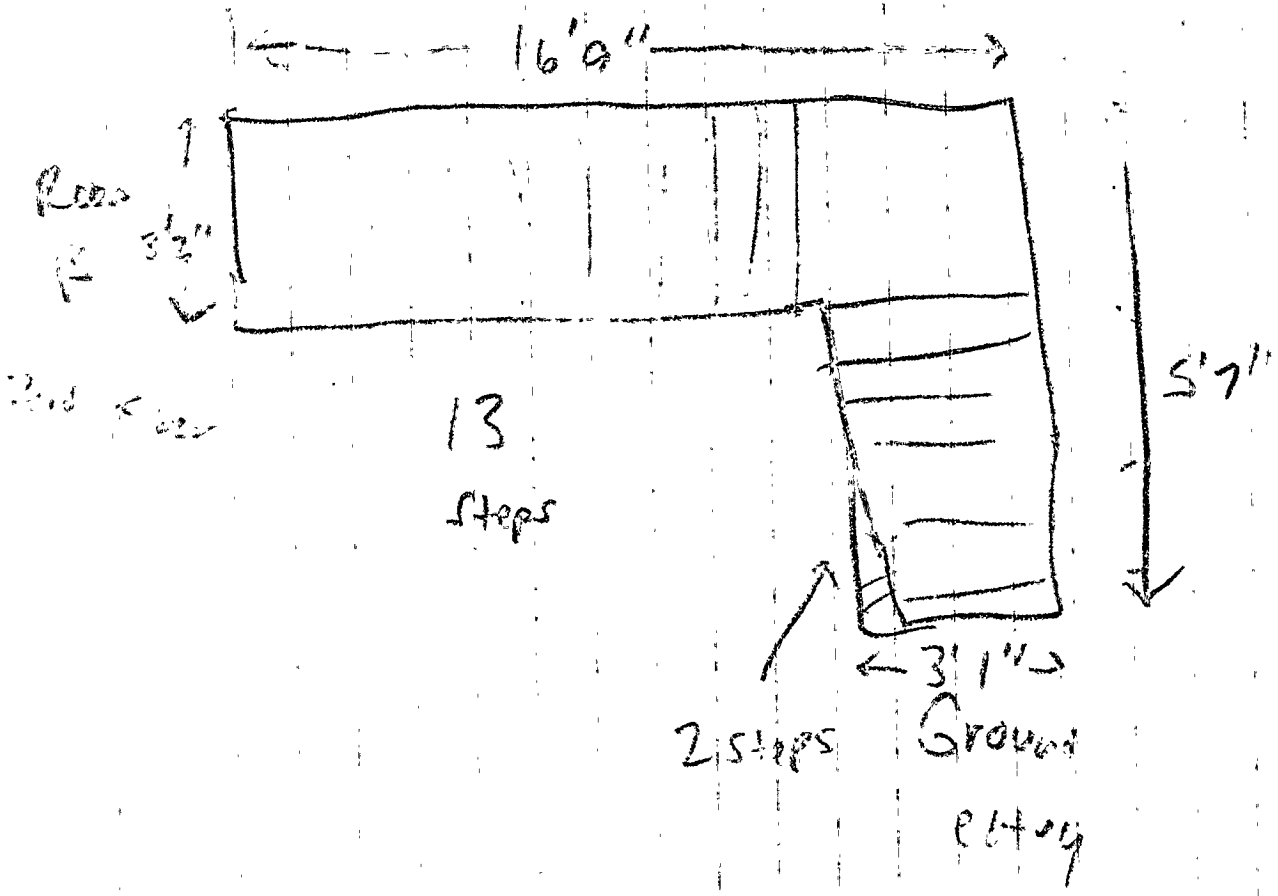
Same floor as W/D


6'
12'
5 steps
7'1"
6'5
8'9"
40'5"
3'4"
12'3"
7'8"
20'6"

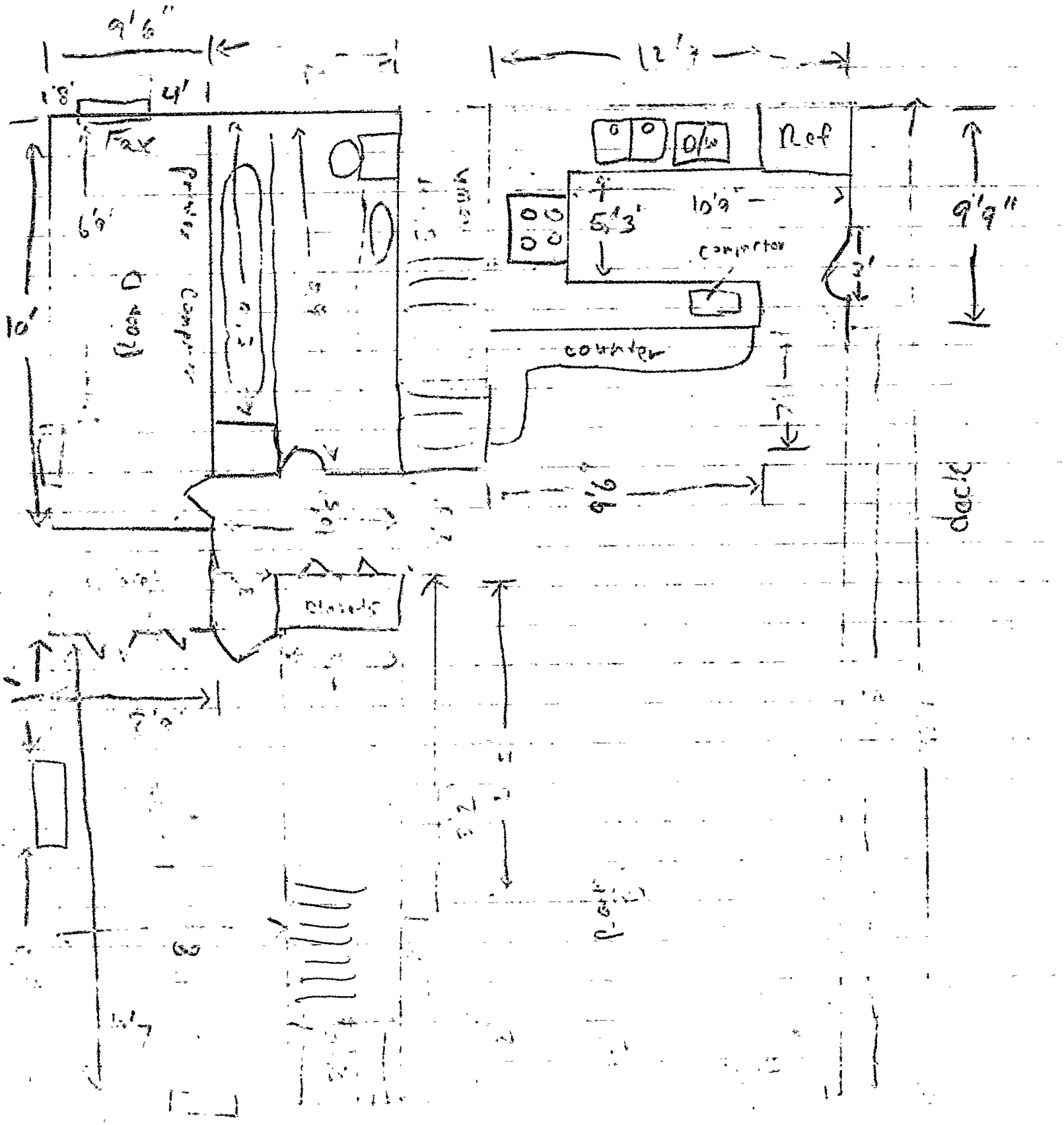
Top floor



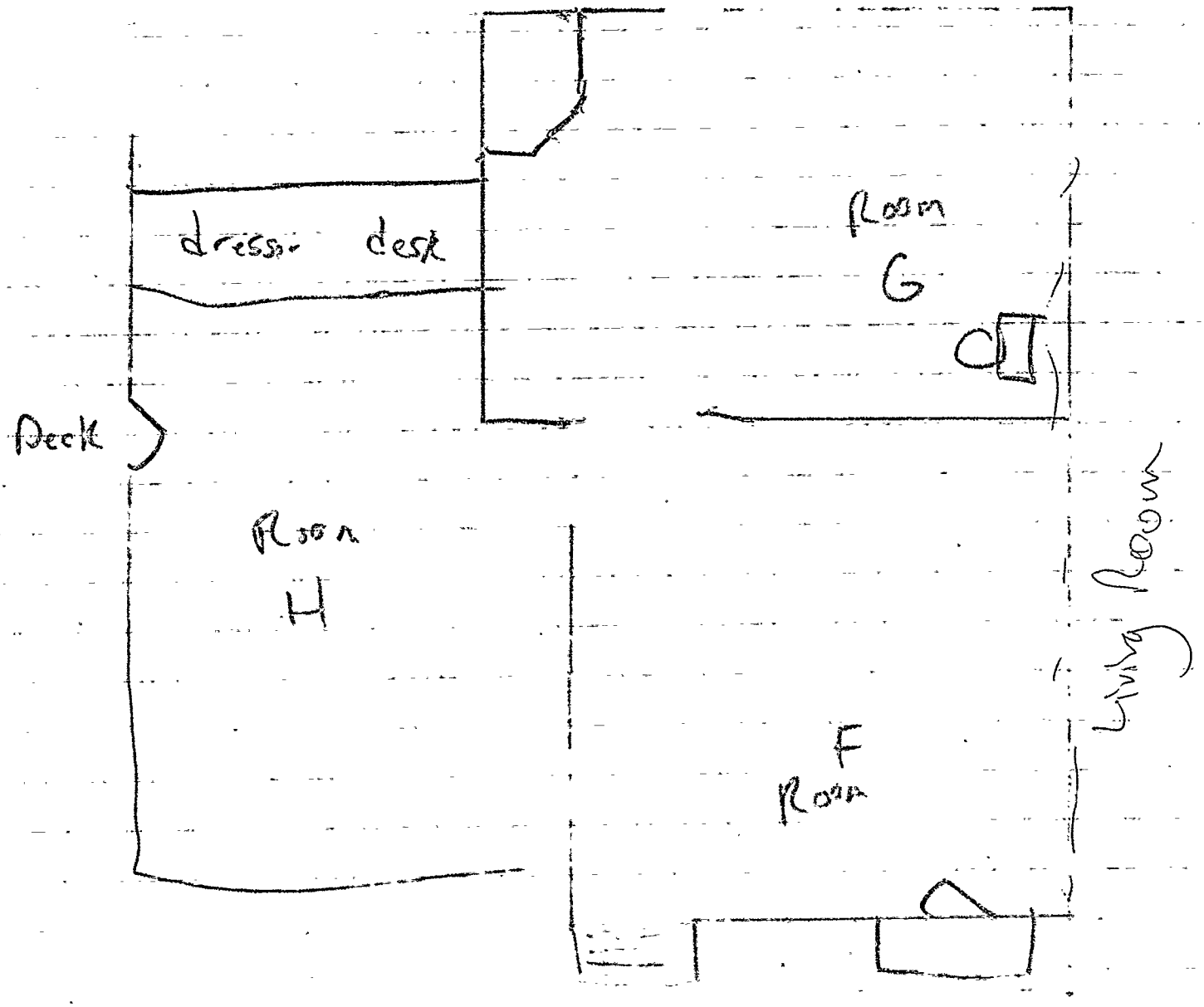
Stairs
between Ground & 1st floor



2nd floor

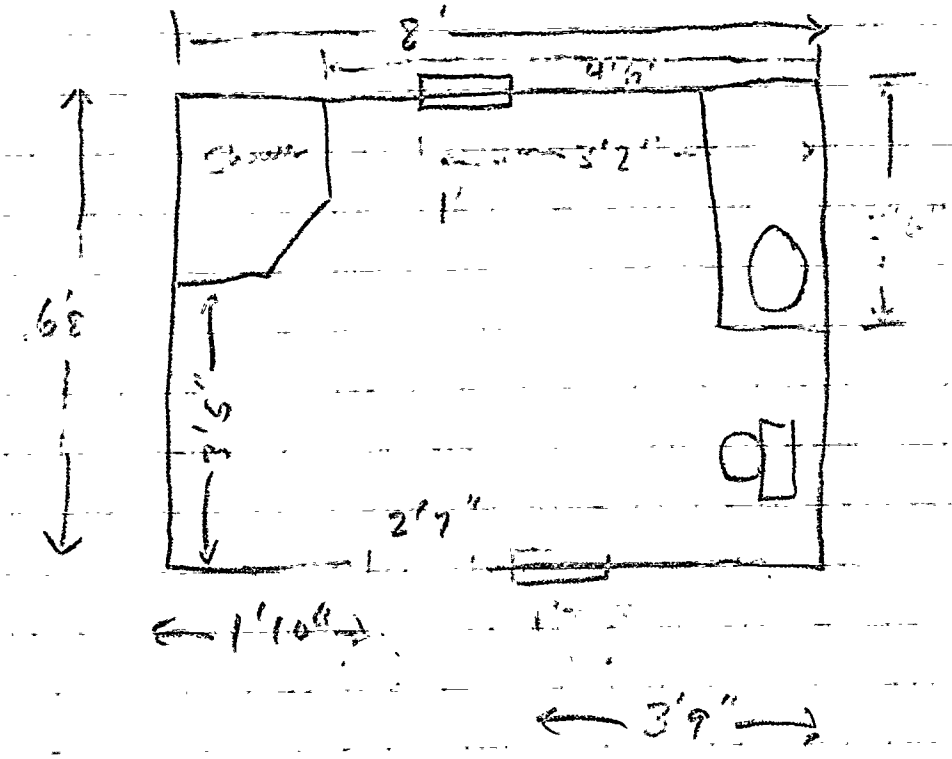

9'6"
12'7
1'8"
4'
Fax
6'6"
10'
Ref
10'9"
5'3"
computer
counter
9'9"
9'6
deck
Blinds

Top floor



top floor

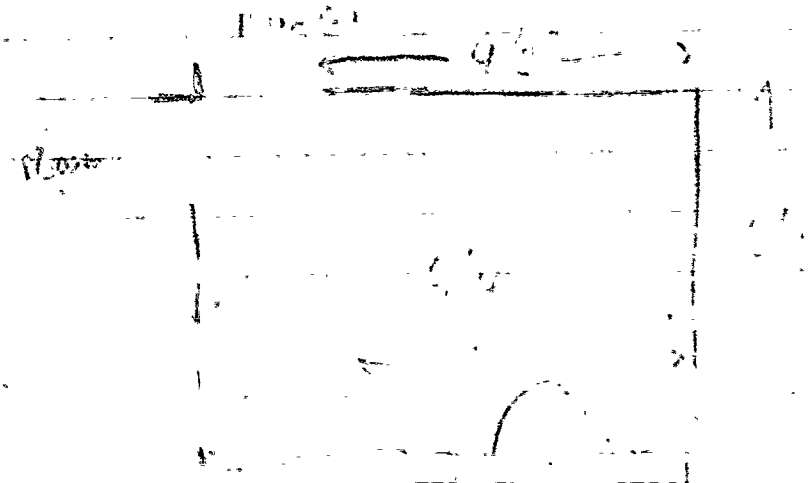
Room G

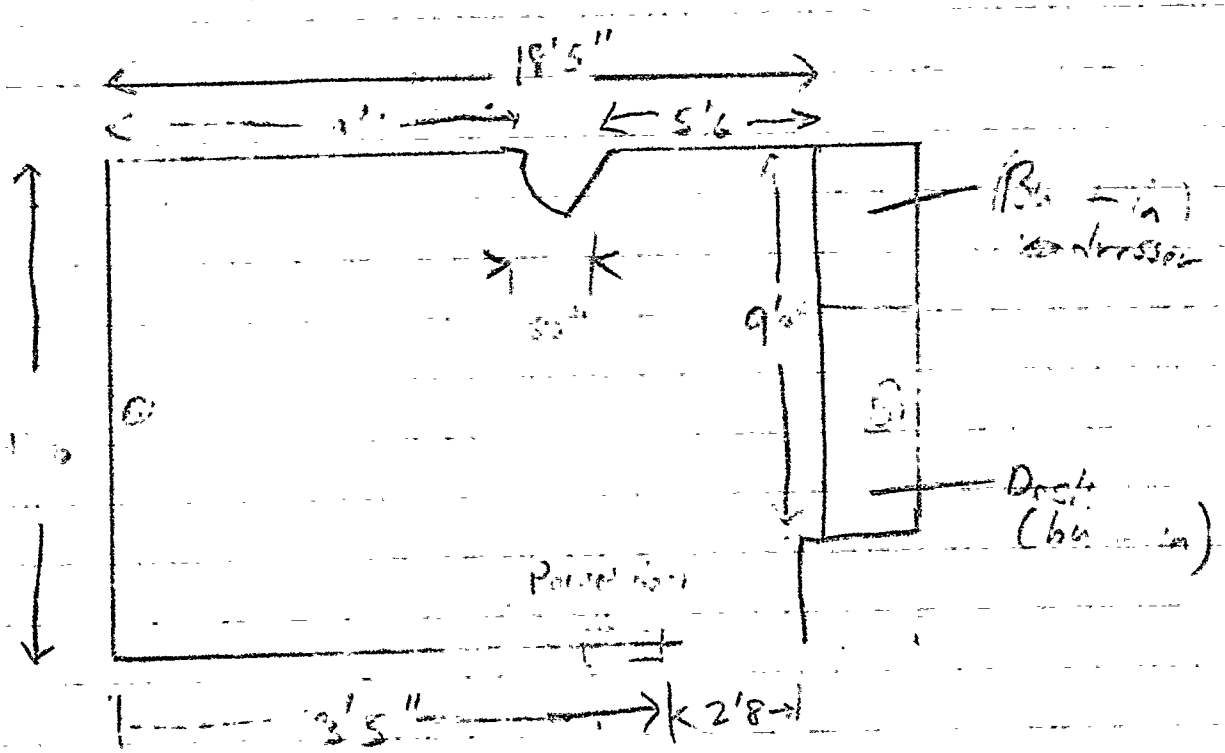


Room F

top floor

Landing

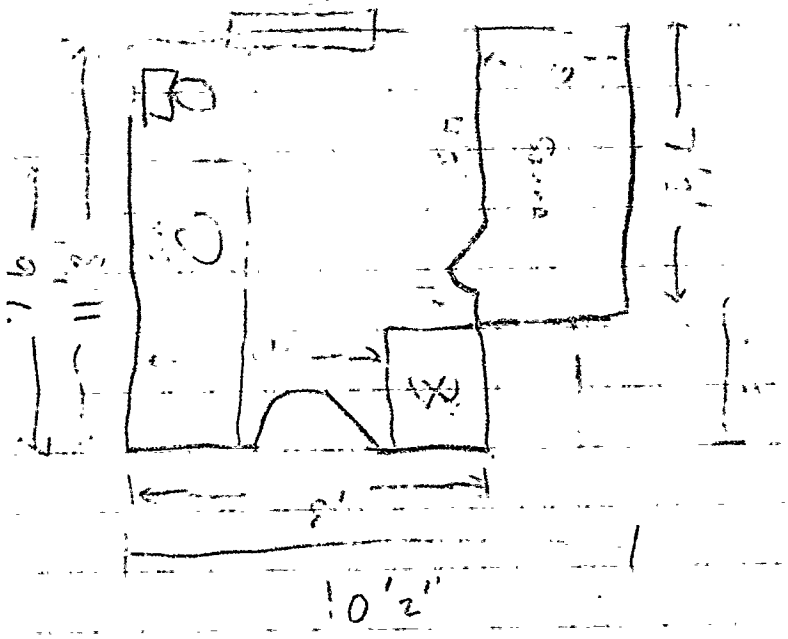




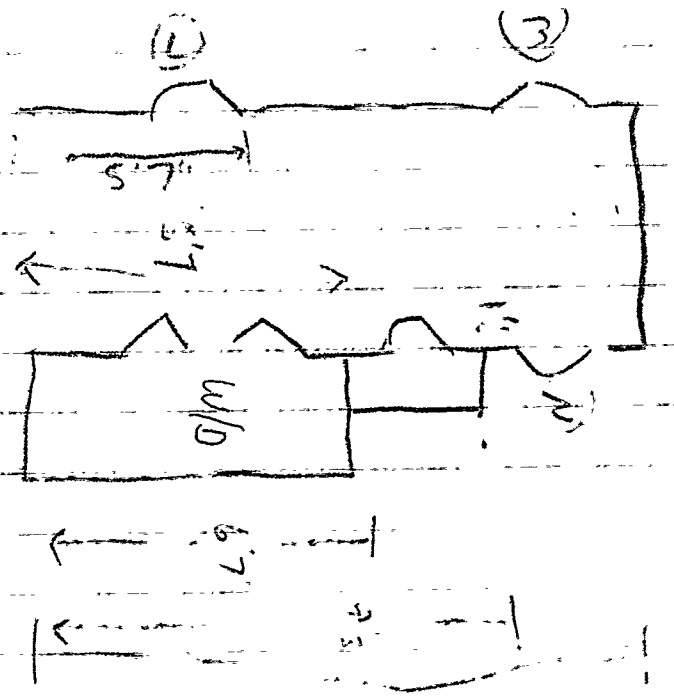
Note

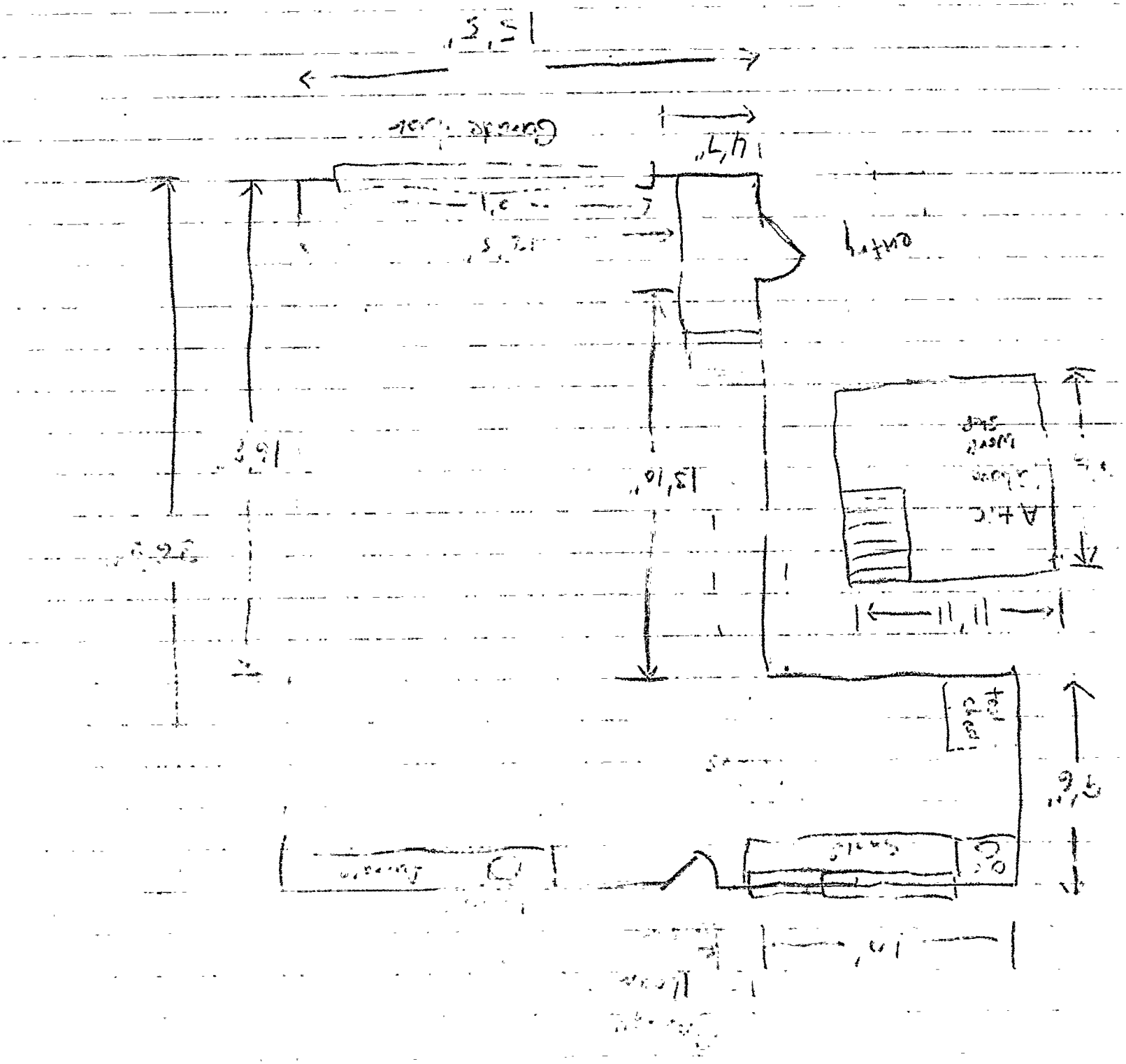
[illegible] -- Walls are [illegible]

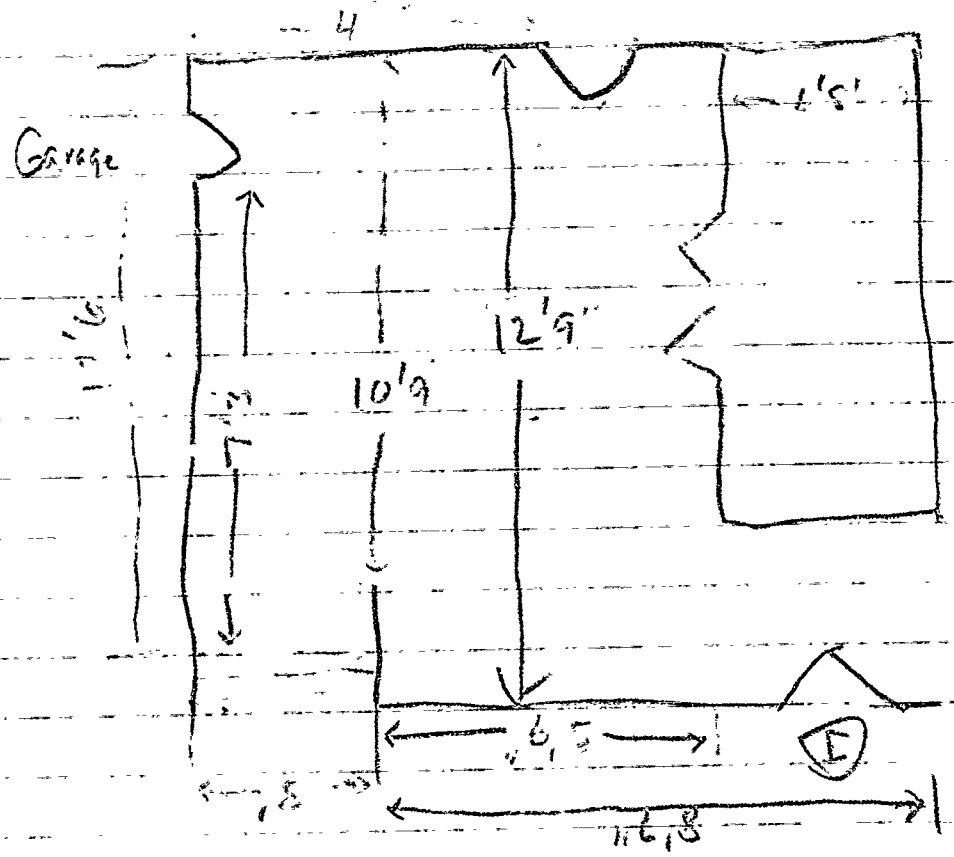
Bed room 4'1

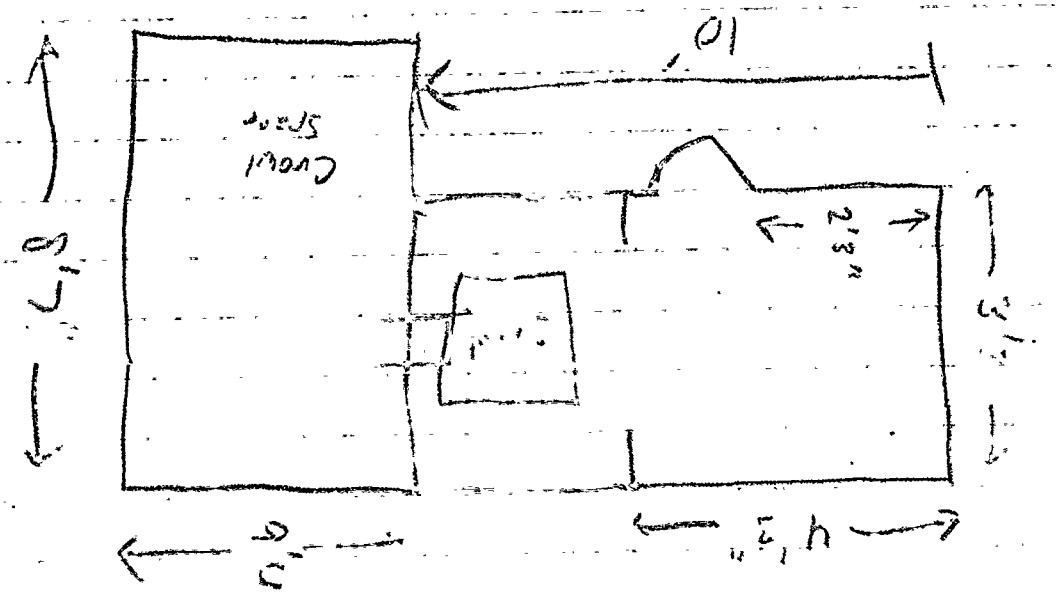


Hallway





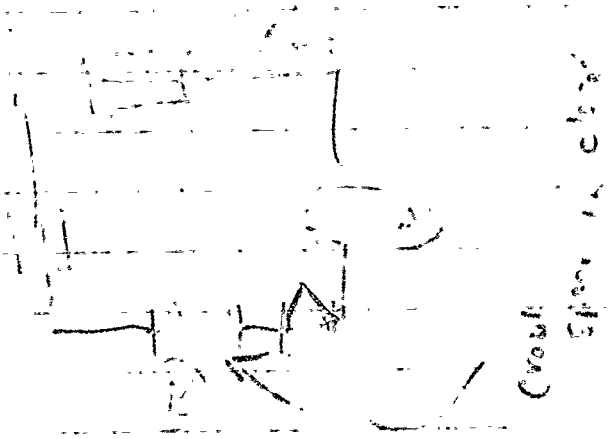

Garage
12'9"
10'9
1'5"
E


10'
Cool Space

Bedroom 2

Room [illegible]

10' 11" x 8' 7"

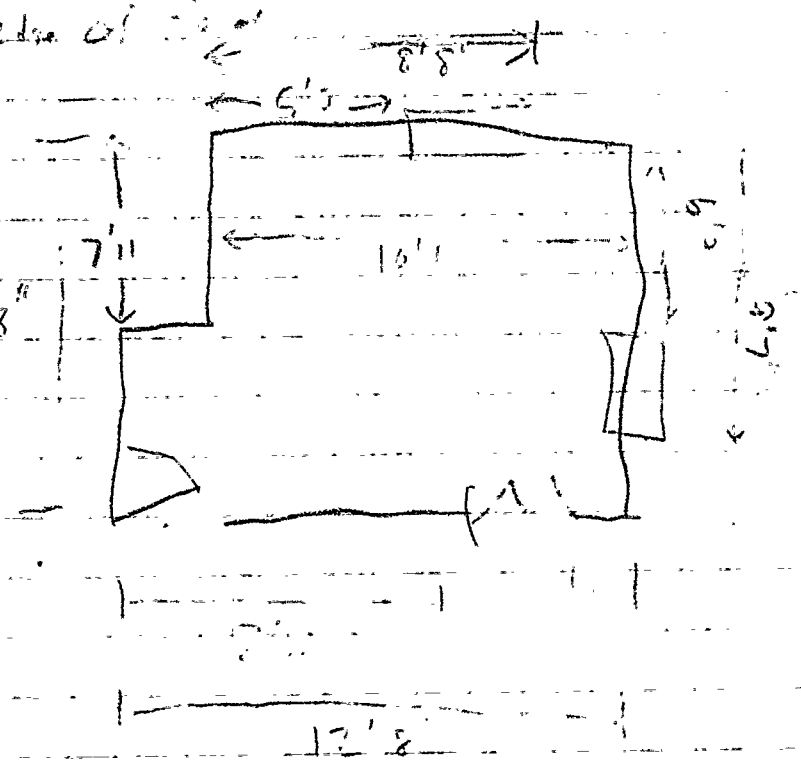


(a) 4' [illegible] from [illegible] to [illegible]

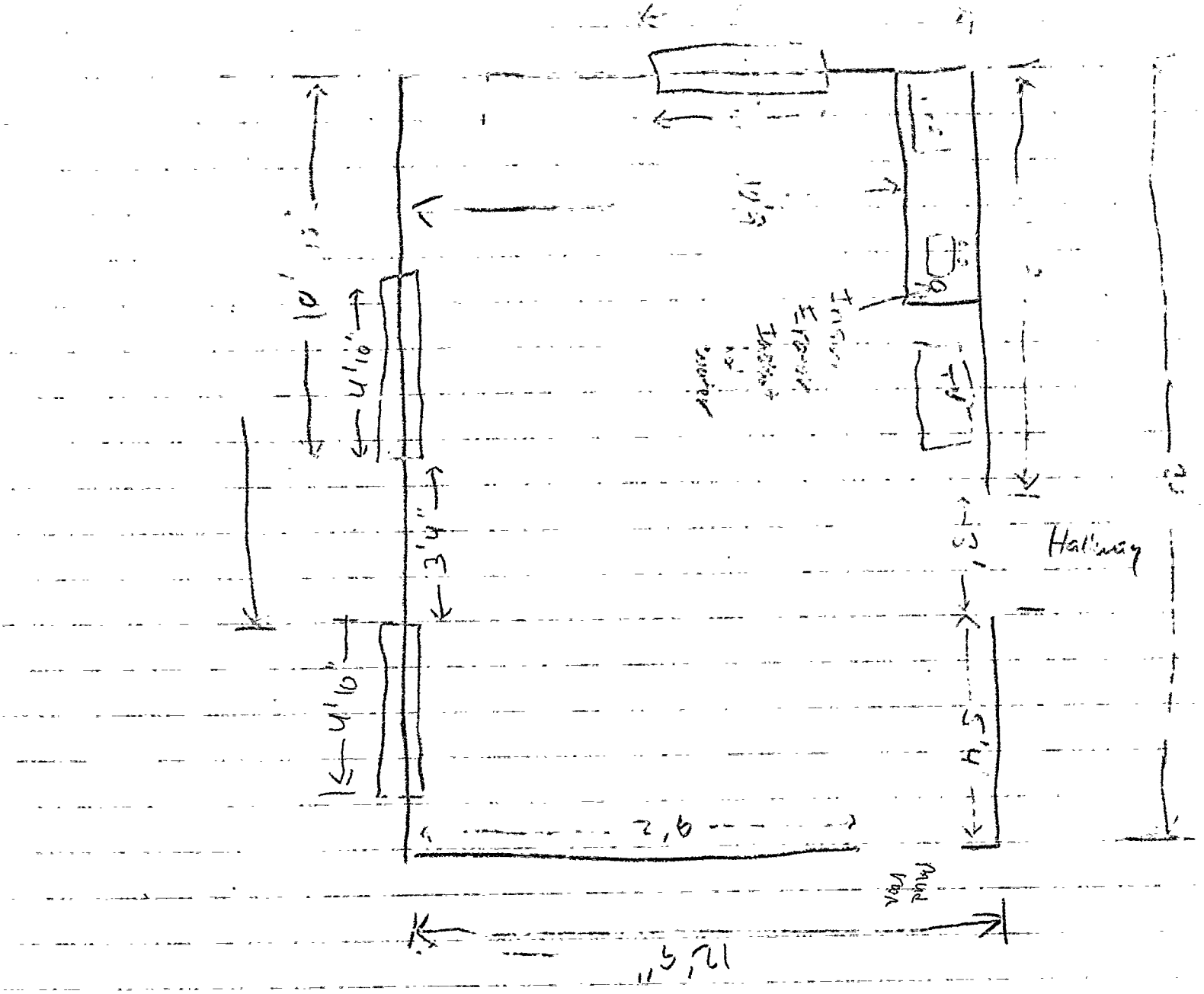
4' 3" from door to edge of closet

(b) 7' 4" [illegible] edge of [illegible]

Room m Bedroom 1



Game Room



FD-340c (4-11-03)

File Number 194 A-AN-13620-T STEVENS - 1A179

Field Office Acquiring Evidence Anchorage

Serial # of Originating Document

Date Received 8/6/08

From
(Name of Contributor/Interviewee)

(Address)

(City and State)

By [redacted]

b6
b7C

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☑ No

Federal Taxpayer Information (FTI)

☐ Yes ☑ No

Title: Polar Pen;
CSLPU;
OO: AN

Reference:
(Communication Enclosing Material)

Description: ☐ Original notes re interview of
FD-597 For delivery of documents to Professional Legal Copy

FD-597 (Rev 8-11-94)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
Receipt for Property Received/Returned/Released/Seized

File # 194A-AN-13620-TSTEVENS

On (date) 8/6/08

item(s) listed below were:
- ☐ Received From
- ☐ Returned To
- ☑ Released To
- ☐ Seized

(Name) Professional Legal Copy
(Street Address) 360 K St. Suite 101
(City) Anchorage, AK 99501

Description of Item(s):
1. Folder - TSTEVENS Receipt - Evidence.
2. Photographs of Stevens house under construction.
3. [redacted] documents in folder.
4. Folder containing documents from Broadway Signs.
5. Folder containing documents from HR Redwood
6. Folder containing documents from [redacted]
7. Folder containing documents from Classic Floors
8. Accordion file containing documents from USAA
9. ~~Folder containing - letter from municipality on property assessment~~ MSK
10. Folder containing - documents from FEMA.
11. Folder - accordian containing documents from [redacted] b6 b7C
12. Folder containing - Documents from municipality - Blds Safety
13. Accordian Folder - ~~Document~~ Manual for Boiler
14. Accordian Folder - Manual for Generator
15. Folder - VECO cost reports
16. Folder - Wev Shea letter
17. Folder - Engineered Equipment Company Documents

FBI - Stevens-6738

Received By: [redacted] Received From: [redacted]

FD-597 (Rev 8-11-94)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
Receipt for Property Received/Returned/Released/Seized

File # 194A-AN-13620-TSTEVENS

On (date) 8/6/08

item(s) listed below were:
- ☐ Received From
- ☐ Returned To
- ☑ Released To
- ☐ Seized

(Name) Professional Legal Copy
(Street Address) 360 K St. Suite 101
(City) Anchorage, AK 99501

Description of Item(s):
1. 1 accordion file folder containing Polar Supply Records
2. 8 manila file folders containing Polar Supply Records.
3. Stack of documents from [redacted]
4. Envelope containing documents from Hannah General Contracting.
5. Stack of documents from Action Locksmith.
6. Envelope containing documents from Summit Doors + Windows
7. Envelope containing documents from Uresco Construction Materials.
8. Accordian File Folder containing documents from Christensen Bros.
9. UPS box containing documents from United Rentals.
10. Stack of documents from Johnstone Supply.
11. Stack of documents from ~~[illegible]~~ VECO - Girdwood House Expe

b6
b7C

Received By: [redacted] (Signature)

FBI

Received From: [redacted] (Signature)

FD-597 (Rev 8-11-94)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
Receipt for Property Received/Returned/Released/Seized

File # 194A-AN-13620 - TSTEVENS

On (date) 8/6/08

item(s) listed below were:
- ☐ Received From
- ☐ Returned To
- ☑ Released To
- ☐ Seized

(Name) Professional Legal Copy
(Street Address) 360 K St. Suite 101
(City) Anchorage, AK 9950

Description of Item(s):
① 1 box of VECO Document - Bate Stamp - 1658-4984

Received By [redacted] FBI - Ste

Received From: [redacted]
(Signature)

b6
b7C

FD-597 (Rev 8-11-94)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
Receipt for Property Received/Returned/Released/Seized

File # 194A-AN-13620-TSTEVENS

On (date) 8/6/08

item(s) listed below were:
- ☐ Received From
- ☐ Returned To
- ☑ Released To
- ☐ Seized

(Name) Professional Legal Copy
(Street Address) 360 K St Suite 101
(City) Anchorage AK 99501

Description of Item(s):
1. [redacted]
2.
3.
4.
5.
6.

b3
b6
b7C

FBI - Stevens-6741

Received By: [redacted] (Signature)

Received From [redacted]

FD-597 (Rev 8-11-94)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
Receipt for Property Received/Returned/Released/Seized

File # 194A-AN-13620-TSTEVENS

On (date) 8/6/08

item(s) listed below were:
- ☐ Received From
- ☐ Returned To
- ☑ Released To
- ☐ Seized

(Name) Professional Legal Copy
(Street Address) 300 K St. Suite 101
(City) Anchorage, AK 99501

Description of Item(s):
(1) 2 boxes from National Science Foundation.

Received By [redacted] FBI - S[redacted]

Received From: [redacted]

b6
b7C

FD-597 (Rev 8-11-94)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
Receipt for Property Received/Returned/Released/Seized

File # 194A-AN-13620-TSTEVENS

On (date) 8/6/08

item(s) listed below were:
- ☐ Received From
- ☐ Returned To
- ☑ Released To
- ☐ Seized

(Name) Professional Legal Copy
(Street Address) 360 K St. Suite 101
(City) Anchorage, AK 99501

Description of Item(s):
(1) 1 box of documents from [redacted]

b3
b6
b7C

FBI - Stevens-6743

Received By: [redacted]

Received From: [redacted]

FD-597 (Rev 8-11-94)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
Receipt for Property Received/Returned/Released/Seized

File # 194A-AN-13620-TSTEVENS

On (date) 8/6/08

item(s) listed below were:
- ☐ Received From
- ☐ Returned To
- ☑ Released To
- ☐ Seized

(Name) Professional Legal Copy
(Street Address) 360 K St. Suite 101
(City) Anchorage, AK 99501

Description of Item(s):
(1) 1 box of documents from Spenard Builders Supply.

Received By: [redacted]

FBI - [redacted]

Received From: [redacted]
(Signature)

b6
b7C

FD-597 (Rev 8-11-94)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
Receipt for Property Received/Returned/Released/Seized

File # 194A-AN-13620-TSTEVENS

On (date) 8/6/08

item(s) listed below were:
- ☐ Received From
- ☐ Returned To
- ☑ Released To
- ☐ Seized

(Name) Professional Legal Copy
(Street Address) 360 K St. Suite 101
(City) Anchorage, AK 99501

Description of Item(s):
(1) Box of Records from AIH.

Received By: [redacted]

Received From: FBI - St[redacted]
(Signature)

b6
b7C

FD-597 (Rev 8-11-94)

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
Receipt for Property Received/Returned/Released/Seized

File # 194A-AN-13620

On (date) 8/6/08

item(s) listed below were:
- ☐ Received From
- ☐ Returned To
- ☑ Released To
- ☐ Seized

(Name) Professional Legal Copy
(Street Address) 360 K Street Suite 101
(City) Anchorage, AK 99501

Description of Item(s):
(1) 2 boxes of documents from USAID.

Received By: [redacted] (Signature)

FBI

Received From [redacted] (Signature)

b6
b7C

1A - 18D

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13670-TSTEVENS

Field Office Acquiring Evidence Anchorage

Serial # of Originating Document

Date Received 4/24/03

From

(Name of Contributor/Interviewee)

(Address)

By [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☑ No

Federal Taxpayer Information (FTI)

☐ Yes ☑ No

Title: Polar Pen, CSLR, Co-AN

Reference:

(Communication Enclosing Material)

Description: ☑ Original notes re interview of [redacted]

b6
b7C

FBI - Stevens-6747

4/24/08

Lt. In factory

as

Senator Stungenski

Supply / property

for legislature

Senate

for through 79

b6
b7C

talk job in DC. Many

will get a job.

well as

Absorbed into office worked for Senator direc

moved to be the

previous

for senator.

did the thing:

Emptied basket case - each morning processed th paper. Make the copies for EC. Central Memo File - Copies for the office. Nasler don't go to file. Committee documents usually didn't go to central memo file. Memos, speeches, photo

[redacted]

Correspondence File
filed Annually - Handwritten notes.
Yellow Files -
list of codes - Capcone, IQ cone
Scanning occurred in last year. - CMF now has
the originals.
[redacted] got [redacted] sent to the
[redacted] it would go back to Sender.
2 cards - government expense, non government
expense. front of card bottom - Government expense
WA would occasionally question if it was Rule
Searches for investigations - instruction from headquarters
List of words -
mostly Verbal
3 searches conducted -
1st time pulled 100 boxes - Search
[redacted] - [redacted] [redacted] [redacted] [redacted]
[redacted] Racehorse, Pakistan, VECT
Access database - basic description of content
of boxes. Handwritten notes, energy files,
foreign affairs,
Office Manager, Correspondence Clerk, WA can
pull box.
[redacted] - [redacted] refused to give him
access to database. WA keeps a box
list. in cabinet on shelf in WA cubicle
Completed search #1 in 2003/07 - 1 Cubic Ft.
Made copy, returned original to box, stamped
[redacted] and sent documents -

b6
b7C

Still sitting in a file cabinet. Not locked.
[redacted] asked [redacted] "You working on
VECO stuff." [redacted] said yes. Checked this
morning on email to see date of search
request 9/6/06. 2nd email from [redacted] that
said add [redacted] to the list

World Bank and Pakistan - funding Pakistan.
[redacted] - [redacted] was [redacted] prior to [redacted]
[redacted] not a search parameter.

Searched [redacted] in Faiebank's.

2nd search past fall - Oct 2007 when [redacted] b6 b7C
assumed IT doing an electronic file. [redacted]
also searching financials.
[redacted] was leaving in [redacted].
Search terms different than IT search.
[redacted] IT, [redacted] and [redacted] at least
3rd hide of documents. Didn't do 2nd step
looking.
Several weeks ago asked to search correspo
Used cap core system to run list. Told
not to go through boxes. Had a list
from a paragraph. [redacted] handed
him a copy of list. [redacted] called by [redacted]
to court. Senator's Office and met w/
2 attorney's and showed paragraph

Some Notes are transcribed into system
Last 5-6 yrs. of yellows in office.
Yellows are filed alphabetically
Incoming not in yellows.
[redacted] a new name added
Pakistan // Russia stuff not included in search
because lawyer said don't include
Computer screen printer means he couldn't find docum
Doesn't know if Anchorage searched their
files.
examples 000405, 000407
[redacted]
000013 - document # handwritten w/ page
000038 - found outside system 14.5
Handwritten notes sometimes had stamps.
[redacted], sent keys to her
travel request, fedex accounts. doesn't (b6 b7C
if she handled personal work.
[redacted] - Briefcase duty, saw travel
documents like plane ticket. Sorted by
Subject Line.
Saw photos of residence before. Never been
to Senator's house.
Briefcase had folders for Belgium or Bahrain
occasionally were in Briefcase.
Want to first have a lot to transport sent
a briefcase. Sorters arrive before [redacted]
[redacted] in cash -
left him a plain crown
[illegible] down payment for company.

and didn't know it was campaign. later Rd. [redacted] after [redacted] told him.

[redacted] [redacted] [redacted] [redacted] to Committee (all more) helped w/ research on Sled. Colorado Cougars [redacted] the dogs - 2 huskies, sent back to the sled dogs to [redacted]

Ted Stevens Foundation will turn over documents to educational institution. Chair will be endowed UAA & UAF. Created several yrs ago. Architect told him to stay out of it. Juliet said it was not official.

Does not know if personal financial documents in the office.

Never told to give up original documents. Gave sealed matter from 3rd Search to attorn [redacted]

b6
b7C

1A 181

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence Anchorage

Serial # of Originating Document 279

Date Received 2/23/07

From _____
(Name of Contributor/Interviewee)

_____
(Address)

_____
(City and State)

By [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☑ No

Federal Taxpayer Information (FTI)

☐ Yes ☑ No

b6
b7C

Title: Polar Pen;
CSLPO;
OO: AN

Reference: _____
(Communication Enclosing Material)

Description: ☑ Original notes re interview of

[redacted]

FBI - Stevens-6753

[redacted] /NEK 2/23/07
[redacted] at VECO

[redacted] for Senator Stevens [redacted] b6 b7C

[redacted]

[redacted] that encounter w/ [redacted]
- met w/ Senator on Sakhalin Island
[redacted] was supposed to go [redacted]

Pool Oilfield / VECO / Natchiq - all working on the project.
Exxon had to work with.

VECO wanted to convince ~~Russians~~ Oil companies that Russians could be subcontracted to do the work.

[redacted] someone for Natchiq Services
Pool subsidiary of CIRI

[redacted] occurred before 9/99 trip to Sakhalin. (#1 - Confidential Sakhalin Trip)
Sat in on the meeting. Discussed how to get US companies involved in Russian work.
Wall Street Journal / Washington Post, NY Times [illegible] and article on approximately

Identify folks as project managers, brought to Univer. of Alk. Train on American equipment and techniques to learn. Companies would allow students to learn on projects. Companies wanted money to cover their expenses. This was to satisfy American investigators so oil companies would invest in Russia

Couple meetings w/ [redacted] and [redacted] was pushing hard on project. [redacted] head of Amoco Russian program

[redacted] talked about project.

b6
b7C

Doesn't recall any subsequent app [redacted] - went on trip for Appropriation and defense approps. [redacted] thinks she went.

VECO arranged travel and meetings
- who pd for travel - doesn't know
probably on commercial airline.

VECO bigger company - 800 lb gorilla - than Peak and others, probably volunteered to make arrangements

1. Free trade zone for Kenai - [redacted] not involved
2. Doesn't know "battle w/ Natchig"

FBI - Stevens-6755

5. Doesn't recall Exxon's involvement.

Doesn't recall Russian's visiting Senator in US.
Doesn't recall Senator's response to trip
[redacted] no earlier trips
[redacted] yr buddies, most conversations would not included in.

Worked for Senator [redacted] yrs. [redacted] per year
to Paris Air show maybe because of defense-[illegible]
China, Mexico-Vacation, troop visits.
Dealt w/ Stevens foreign relations for several yrs.
See Senator's schedule, [redacted] can't say if Senator's
trip to Sakhalin was out of ordinary
[redacted] never travelled

#2 [redacted] to Senator Stevens
[redacted] doesn't recall Sakhalin Equip must Supply Stdy,
does recall some discussion regarding
equipment in Sakhalin.
Ask do you have private source of money,
sustainability of project.
Staff got briefing books, studies, agreements
Briefing books, etc go to Archives - no formal filing
method. Senator's office has no filing system
Congressional Archive service used
Rarely reviewed stuff. Next staffer inherited files

b6
b7C

Studies could come from private or public sources.
Oct. Appropriation went thru
[redacted] would deal w/ him in passing.
[redacted] - spoke to at fund raising
[redacted]
[redacted] was working for Senator
[redacted] UCR approach u[redacted]
[redacted] postal service issue.
No knowledge how [redacted] started w/ Senator.
[redacted] finishing [redacted], still
working w/ Senator

#3 [redacted] letter to [redacted]
Doesn't recall this letter or telephone call.
Probably leading up to [redacted] appropriations.

#4 2/14/00 [redacted] email to [redacted]
- aide to [redacted]
[redacted] - doesn't know
- [redacted] memo to Stevens from [redacted]
not his words, helped [redacted]
[redacted] regularly interacted w/ State Dept.
Had meeting and updated Senator
Short timeframe on federal [redacted] letter
[redacted] not sure who emailed to [redacted]
Not unusual to forward memo to constituent.
Doesn't recall RFP.
[redacted] - staffer for [redacted]

b6
b7C

Private Sector refers to participating companies.
Was Alaska Companies that would bid on projects
Peak, Natchiq, VECO.
These companies don't benefit from many but
benefit them in long run.
3 companies makes it more likely to be approved.
Than if benefitting single company.

Senator did get earmark for projects that were
not requested by the entity to receive the money.

[redacted] recalls that UofA was asking for money
for training Russians through Russ Howell.

VECO wanted to use UAA for training
benefit is to run the program

#5 [redacted] email from VECO to Tal
Doesn't know if waterflood project went through
REP to cancel would have stink money already
[redacted] doesn't know who he is maybe Exxon.

b6
b7C

#6 [redacted] AK Export Assist. Center
[redacted] - JS knows him re: trade, timber
gas, fish experts
USAID Grants. Not familiar with
Liaison Prep. - some economic development.

Believes that 3 paragraph could may be confusing the issue

#6 Earmark for NSF, [redacted] worked on it after it was started. North Slope Oil and Gas Assessment [redacted] David Ison.

465 [redacted]

#7 [redacted] letter to Ted from [redacted]
40 [redacted] Rings a bell.
HAARP and Poker Flats - way the defense side of Stevens office. [redacted] didn't work on the proje
Didn't work on this earmark to NSF.
(Maybe [redacted] NOAA Fisheries, Commerce - Ward led this [redacted] did HUD, or [redacted])
Why isn't NOAA running this RAC project?
NSF - National Academy of Science Study ~~that~~ that was issued. 2½ - 3 million study NAS - Joe Polacanskis. This was already in progress prior to JS's employment. Hire people to gather information test and study, peer reviews. No relationship to VECO. TS set up to get independent 3rd party review to help ANWR opening efforts. SRI International VECO Polar Research not familiar with.

b6
b7C

#8 [redacted] From [redacted] to JS Alaska BAT Program
JS doesn't recall seeing. [redacted] - worked on DOL stuff. Not applicable to [redacted]

Doesn't remember this issue at all.
[redacted] would know [redacted]. Most powerful 40.
Next to TS is [redacted] deal #2 most powerful.
Everyone knows [redacted] fundraising efforts in AK.

Ahtna - one of 13 of AK native corporations.
Worked frequently w/ native corporations.
Irag work in Murkowski Office
SBA 8A - sole source program for small disadvantaged businesses. Up to $3 to 5 million.
Native corps can get sole source unlimited dollar amounts.
[redacted] a lobbyist in town.
Minority must own 51%, mentor protégé 60%-40%
ASRC got huge contract.

[redacted] of Ahtna, only person [redacted] knows.
[redacted] when Bush was in transition
identified positions in plum book
gave Senator long list of names that were recommended
#9 [redacted] email from [redacted]
Doesn't think [redacted] got position
TS [redacted]
Doesn't recall [redacted]

b6
b7C

#10 VECO-0-00014604-06

Doesn't Recall [redacted]
Sole source contract
DOE clean up project
Ahtna/VECO putting together deal to get on work
*Doesn't Know what TS did on this or what JS did.
US Domenici high powered Senator.
$3.5 Million Range and lobbying to increase to $1 million
Bribed by someone at VECO
[redacted] Ahtna.
[redacted] may have had a lead.
[redacted] currently eligible to retire.

#11 Notes [redacted]
[redacted] - she is right hand person
for [redacted]

[redacted] for many years left
to lobby. [redacted]
Fisheries, CDQ groups, native groups.
Village of St. Paul USCG.
[redacted] Zane, very good
w/ Don office. Hire [redacted] and you get things
done in DY's. "Part of the family"
[redacted] have close relationship
[redacted] - viewed as fraternity by TS.
w/ Stevens [redacted] he could screw up a lot for them
brought in shady *ORC
DEY DOCK
Ex Vomend - TDX Corporation - surplus items
X contractor.

b6
b7C

Moved dry dock to Hawaii instead of Alaska for Synd
[redacted] came to [redacted] and he didn't push it.
Stevens and [redacted] are close friends. TS
got pissed off at [redacted]
Village of St. Paul Corporation
TDX Corporation - approached $ to consult/lobby
board understands problems w/ [redacted]
Under ANSCA - Villages have set up corporations
Environmental services contract for NOAA.
Hard to do clean up work. telecom.

b6
b7C

Forest: ARC
BP - Middle
Conoco Phillips - Hard Charger
Exxon - Lost involvs
VECO - "Got to get gas line going" Worried that
w/o gas line contracts will reduce

#12 [redacted] Emil [redacted] white paper on gas line
doesn't recall what was in it. Foothills came in
Oil companies sending in papers
Energy Bill - hold up in ~~off~~ didn't pass
until ~~of~~ AK gas stuff was add on. Campaigning
for LM at that time. 02-04 heavy lobbying
for AK gas line. Exxon didn't want any
~~restrictions~~ options removed. FM running for
president in 02. Daddie offers amendment to
stop over the top Route. Not viable. Congressman opposed

VECO working on projects all over the world
Doesn't recall Asia Petroleum
Issue w/ pipeline project in ASIA, JS not involved in how to fix it. VECO wanted JS to apply pressure to Ambassador or other person to get payment for work that was holdup.
BA met w/ JS on this issue

#13 [redacted] Handwritten Notes
Staffer needs to be assigned
[redacted] would have worked on this - worked on IMF and World Bank issues. JS had contact w/ World Bank - doesn't recall name.

#14 [redacted] Letter to JS from [redacted]
re: Pakistani Gasline.
[redacted] probably got this letter would have brought b6
[redacted] She could battle chain. b7C
[redacted] would have led meetings w/ VECO. Foreign Ops
Sub-Committee. [redacted] had good working rel
JS may have called Ambassador or [redacted]

#15 Fax from [redacted] w/ letter Pakistan Pipeline
Contact US director of World Bank - note
"pass the buck letter"
letter may have come from [redacted]
letter doesn't contain "standard tag line"

JS doesn't know if World Bank took action based on the letter.
TS picks up the phone is not unusual
Doesn't know the outcome.
No contact w/ [redacted] on this issue.

Girdwood Renovations
want to have before and after.
1 constituent mailing at house after renovations.
[redacted] Director of Samson Conoco Phillips, BP, want to Double Musky and to house for drinks.

I want to do renovation expanded the house.
interest rates good, I'm going to take a Mortgage out." [redacted] took it to mean that he would hire people to do it.
TS said VECO was working up plans, lifting house and doing some of the work on it.

VECO did Residential work on [redacted] house and [redacted] upset about costs.
VECO not in business of home building.

Senator concerned about Y2K. on a committee that worked on this

b6
b7C

FEMA work in Yugoslavia
No recollection of TS helping.

[redacted] VECO we better do things the way the oil companies to get a pipeline otherwise won't get it. b6 b7C

Doesn't recall VECO connections to Native organization

Don Young - doesn't recall what kind of gathering.

9/14/99

~~CONFIDENTIAL~~

SAKHALIN TRIP ([redacted])

August 27 - September 13, 1999

b6
b7C

OBJECTIVES:

1. SENATOR'S STEVENS TRIP TO YUZHNO (VECO WAS AUTHORISED TO DO ALL ARRANGEMENTS INCLUDING SETTING UP ALL OFFICIAL MEETINGS)
   WE SET UP THE FOLLOWING SUBJECTS TO BE DISCUSSED BETWEEN SENATOR STEVENS AND THE RUSSIAN AUTHORITIES:

   - TRAINING OF THE SAKHALIN OIL & GAS INDUSTRY CRAFTSMEN IN ALASKA AND CREATION OF A FOUNDATION FOR THE MODULE INDUSTRY IN SAKHALIN;
   - ASSISTANCE IN ENERGY CRISIS IN SAKHALIN
   - ESTABLISHING FREE ECONOMIC ZONES TO SOLVE CUSTOMS PROBLEMS FOR OIL & GAS INDUSTRY

2. TO WIN THE SAKHALIN ADMINISTRATION AND DUMA'S FAVOUR IN THE POLITICAL "BATTLE" WITH NATCHIQ

3. TO PRESENT A WHEEL-CHAIR MANUFACTURED AT VECO'S EXPENSE AND REQUESTED BY THE SAKHALIN DUMA THROUGH RAMONA BARNES

4. TO WIN SAKHALIN ENERGY (SEIC) CONFIDENCE TO AWARD A CONTRACT TO VECO/MONTAZH JV

5. TO EXPLAIN THE BENEFITS OF EXXON/VECO'S IDEA OF THE TRAINING PROGRAM OF THE SAKHALIN CRAFTSMEN IN ALASKA TO THE WESTERN OIL COMPANIES IN SAKHALIN, AS AS WELL AS LOCAL AUTHORITIES

   - THE PROGRAM HELPS TO OBSERVE THE RUSSIAN CONTENT REQUIREMENT IN PSA;
   - THE PROGRAM MAY HELP TO START BUILDING MODULES FOR SAKHALIN IN ALASKA AND AT THE SAME TIME TO CREATE A FOUNDATION FOR THE MODULE INDUSTRY IN SAKHALIN

A LIST OF RUSSIAN OFFICIALS WE ESTABLISHED WORKING, IN SOME CASES, FRIENDLY RELATIONSHIP OR HAD MEETINGS WITH:

Sakhalin Region Administration

- [redacted] Governor
- [redacted] Head of Governor's Secretariat (Confidant)
- [redacted] First Vice-Governor, Economic Affairs
- [redacted] Vice-Governor, Construction Affairs
- [redacted] Department of the Development of Mineral Resources Offshore Sakhalin (Shelf Department), Director
- [redacted] Shelf Department, Deputy Director
- [redacted] Shelf Department, Economy & Legal Issues
- [redacted] Department of Foreign Economic Relations, Deputy Director
- [redacted] Investment Policy Department, Director

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Sakhalin Regional Duma

- [redacted] Chairman
- [redacted] First Deputy
- [redacted] Industry, Construction, Transportation & Energy Committee
- [redacted] Economy & Budget Committee

Ministry of Foreign Affairs of Russia

- [redacted] Sakhalin Representative

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When we arrived to Yuzhno-Sakhalinsk to our surprise everybody (oil companies and some Russian officials) seemed to be cold towards us. During our initial meetings with the Russian officials and oil industry representatives we figured out that Natchiq and [redacted] Shelf Department had spread rumors that the reason we were bringing Senator Stevens over was the last minute effort to get the contract for VECO/Montazh JV. (The final decision who gets the contract has not been announced by SEIC.) At the time of our arrival the contract was going to Natchiq. Even [redacted] of Exxon commented that Natchiq did a good selling job on everybody including Exxon and SEIC. In fact [redacted] words to [redacted] were: 'You are trying to drive attack with a sledge hammer.' That seemed to be a general attitude with some ex-pats. It took [redacted] a lot of explanation to do to [redacted] and [redacted] with Exxon, to [redacted] who was filling in for [redacted] with Sakhalin Energy (SEIC), [redacted] with Mobil, [redacted] with ARCO and even [redacted] with ABC (Department of Commerce affiliation) that a training program would be a lot bigger deal than SEIC's small contract.

On a previous trip we left video tapes on a mix module with every oil company manager and some Russian officials but we don't think anybody has watched it [redacted] insisted that everybody would watch it. Literally [redacted] had to force every mentioned person in above paragraph to watch it in front of him. Without fail everybody that [redacted] had made watch the video was impressed and got an idea.

[redacted] believes that one big help as far as Exxon concern was [redacted] phone call to [redacted] in Houston. Evidentily, [redacted] explained to [redacted] that he had originated and shared with VECO the idea of the training program in Sakhalin [redacted] also thinks that [redacted] talked to [redacted] in Houston because [redacted] second visit with [redacted] was 180° warmer.

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Every day we went to have lunch at the Pacific café, favorite place of the oil companies executives who had their own tables. By the end of our stay we became part of that "elite" group sharing our meals with them.

Simultaneously, we started to arrange meetings with the Russian authorities. We started with [redacted] Duma First Deputy. By her request we brought a wheel-chair for a boy without a leg and arm. After numerous meetings and lunches and dinners together we won [redacted] confidence and friendship.

Shortly before Senator Stevens arrival [redacted] asked me to come to see her. She would not hold a meeting in her office but in a secure place. She explained that she had had a meeting with [redacted] to find out what was going on. Per [redacted] VECO had a bad reputation because VECO had done some bad job on a pipeline. (We assume she is talking about VECO's project in Sakhalin in the beginning of 1990-s) [redacted] who is close to the Governor and the oil companies, said to [redacted] she would support Natchiq.

We believe, in the end we managed to put the rumors to rest and break the ice.

The way we convinced everone about VECO's true intentions and good reputation was through the numerous meetings with [redacted] people from her department and other officials and through our JV partners and SMNG management [redacted] was most helpful. She did some "intelligence" job with the top officials. She definitely is VECO's ally.

Gradually as we we have been working hard on convincing everybody they stared to slowly warm up to VECO's idea of the trainng program.

Definitely, Natchiq had worked very hard on [redacted], the Governor and his Administration and the oil companies. At the time of our departure from Sakhalin they had [redacted] an engineer [redacted] other ex-pats and Sakhalin employees. They have a direct line with Exxon through [redacted] who is a close friend with [redacted] Enviromental Engineer permanently based in Yuzhno and whose Russian [redacted] works for Natchiq as well. Their office is located at ABC and they do favors for [redacted]

One of the big things that broke the ice with the [redacted] was the wheel chair. [redacted] pushed this project. [redacted] used the presentation with the chair to promote VECO. This event was marked by the mass media and was warmly accepted.

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Senator Stevens trip would have been a failure if we did not come a week earlier. In the beginning the only person who understood Senator's position in a Senate and the importance of his visit for Sakhalin was [redacted] How can one expect the Russians understand Senator's importance if even [redacted] with Exxon did not have an understanding of Senator's position and power at the time of our arrival.

So the week prior to Senator's arrival we had to break the ice, convince everybody about the importance of his trip for Sakhalin and to explain the goals of the trip which were to start a training program of the Sakhalin craftsmen and managers in Alaska on modules and construction projects which would eventually move to Sakhalin. The second priority was to help Sakhalin with their supply of energy.

The Governor's priority is just the opposite. His # 1 priority is the energy problem. If there is a power problem this winter the Governor will not be reelected. And it's anybody's guess who would be the next Governor. All the alternatives would not be good for the oil industry in Sakhalin besides [redacted] Her chances are probably minimal.

If there is not a shoratge of the electric power this and next winters the Governor will have a good chance to be reelectd. SEIC really wants the Governor to be reelected. Exxon thinks it will be good as well. For Exxon it does not make as big a difference who is elected because the general population is pro oil development. Exxon is willing to wait and to invest as little money as possible. Stratigically Exxon is in a better position than SEIC because they do not have investments or assets in Sakhalin as SEIC does.

Our summary of Senator Stevens visit in the end was very positive for the training program, energy problem and VECO's image.

Senator was very positive on the training program. The oil companies indicated that they would be willing to supple some private money. Ted said this would help to get the Federal money for the training program. Ted mentioned that the possible ratio would be 75% US federal money to 25% that would come in some form from the Sakhalin based oil companies. Both, Senator and the Department of Commerce would have to have assuarances that this money would be spent for the training program only.

Senator Stevens believes that he can help to cure the energy problem with the investment of around $20.000.000 in the equipment to help with the coal supply to 2 main power houses in Sakhalin. One is in Yuzhno and the other one is in Vakhrushevo (both in the southern part of the Sakhalin Island).

[redacted] met with [redacted] with SEIC after he returned to Sakhalin from Houston. It was a very positive meeting. [redacted] said confidentially that SEIC would speed up their $20.000.000 due in the end of December for the Sakhalin Administration as a bonus to help the development of the Sakhalin inftastructure. (Prior to

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this meeting, [redacted] had a conversation with [redacted] who asked [redacted] to help the Administration through Senator Stevens to speed up the payment of the bonus.) Ten million dollars will be paid next week and another 10 million dollars the following week. [redacted] said that it would be a real strong possibility that VECO coud build the water flood module in Alaska in the beginning of 2001.

Senator called [redacted] from Washington D.C. to ask if we would look at the coal mines. So, [redacted] and I delayed our departure from September 10 to September 13, 1999, to accomplish Ted's request.

The next day, September 9, we arranged a meeting with [redacted] First Deputy Governor, his right hand man and whose makes most of the decisions for the Governor and things to happen. That was our second meeting with him during our stay.

[redacted] indicated that the most urgent help which would be much appreciated by the Sakhalin Administration in the energy crisis would be in the form of equipment (bulldozers, back hoes and trucks). He put us in touch with the Sakhalin Coal Corporation management. The next day, [redacted] Corporation Deputy Director provided us with the list of the required Caterpillar equipment.

[redacted] made the arrangements for us to go to the town of Nevelsk, 1.5 hour drive south of Yuzhno. The Mayor of Nevelsk, gave us a tour of 2 coal pits and a coal processing plant (concentrating mill).

[redacted] findings on the southern region (Nevelsk) are that they do need the dirt and coal mooving heavy equipment which consists of back hoes, heavy bulldozers with reepers and a combination of heavy duty trucks for off road for hauling dirt and coal in the open mines, as well as lighter trucks to transport the coal from the mines to the processing plant which is 15 km from the open mines.

The processing plant was built in 1929 and reminds a surrealistic picture. Seems, a time machine moved you a century back in history. It is a very dismal facility with the holes in the walls, hardly moving conveyor, few unhappy women inside and hazardous conditions for health. But it was working when we were there. We saw some coal loaded on the rail road which looked like it operated. The railroad will deliver it to the both power houses. However, this (brown) coal is not of high quality as the coal from the north region, as we were told. From one source we heard that this coal would be mixed with the coal from the northern region or with the coal shipped from the main land.

On Friday we took 5-hour trip one way on a dirt road (350 km) to Shaktersk, the coal mine town and a port in Uglegorsk Region. We shared a car with [redacted] President of Sakhalin Coal Corporation. [redacted] and his assistant were following us in another car.

We had two reasons to visit Uglegorsk Region. First, to see more coal mines which have better quality (rock) coal and which contains 0.3% of sulphurs.

We toured Solntzevskoye coal pit.

During our conversation with the Director of the mine he knew that they have to violate a lot of rules during the coal mining. They are required to produce as much coal as quick as possible with insufficient equipment. It means that they have to loose a lot of coal, mix it with dirt, etc. Also, they are violating safety rules. They have no time and equipment to reinforce the hills. They work under the constant fear of landslide. Not long ago a truck driver was killed during such landslid.

The second reason was to inspect the port facility in the town of Shahtersk. The dock is next to the processing plant, open coal storages, a railway spur and left overs of the conveyor line.

The processing plant was built in 1948 and is in a much better shape that in Nevelsk. We were there on Friday, in the middle of the day. The plant was deserted.

With the present capacities the port is able to load only a 100-ton vessel at a time. The water is very shallow by the existing dock.

The Sakhalin Coal Corporation is building a new dock. They have built 80 meters of piling and steel filled up with rocks towards the sea. In the spring of the next year they will build another 40 meters of the dock and put the concrete on the whole length of the dock (we have drawings). The new dock will allow a 10,000 ton barge to be loaded right by the dock. The depth of the water is 5-6 meters.

To get the coal loaded on sea going vessels there would have to be a conveyor system installed from the coal storage to the new dock. The coal could be shipped by sea and by rail.

On our last day, September 13, we got appointments with the Governor and his First Deputy. We had to cancel our Reeve flight in the morning and book the last Aeroflot flight from Yuzhno to Anchorage in the evening. How Aeroflot almost did not let us fly back to USA is another separate story. The Governor and his Deputy confirmed that if would help to mine and deliver coal quicker with the additional heavy equipment (we have a list) and with the new conveyor system at the port of Shahtersk.

It will help a lot if a coal specialist could come and inspect the coal facilities and write a detailed report.

September 29, 1999

The Honorable Ted Stevens
United States Senate
522 Hart Building
Washington, DC 20510-0201

Dear Senator Stevens:

Enclosed is the Sakhalin Equipment Supply Study. Ted, I have had VECO people working on this study since my return from Sakhalin. They have completed an in-depth study and have located Caterpillar equipment west of the Rocky Mountains. The equipment is good used equipment and would last at least five years, at which time the power plants are expected to be converted to gas. They investigated new equipment, but it was determined to be too expensive.

As you can see, if we have an answer on the funding by the end of October, we could make the schedule work. Please let us know if we can be of further assistance.

Sincerely,

Enclosure

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November 23, 1999

[redacted]
Senator Stevens Office
522 Hart Senate Office Building
Washington, D.C. 20510

Dear [redacted]

In response to our telephone conversation this morning regarding a technology transfer program between Sakhalin and Alaska, we respectfully submit the following comments. The technology transfer program would provide western technology training for Russian managers, engineers, supervisors and craftsmen. Alaska has many advantages, and is uniquely situated to provide the technology transfer anticipated by this program.

- Advantage of Current Module Construction – It is important that the technology transfer have a practical, real-life component. To **have a current process-module project** available to provide this hands-on experience will be a vital component of this program. VECO has a current project requiring at least 150 000 man-hours over the next two years (2000/2001) to provide processing facilities. This project has a scope of work that is identical to the processing facilities anticipated in the Russian Far East.

- Engineering/Procurement/Construction Advantage – Production module fabrication requires a broad range of skills. To provide training to meet the requirements of this industry, it is necessary for the contractor to **have a broad range of engineering, procurement and construction capabilities.** The contractor should have the capability to work in all aspects of module development including: project management, project controls, quality controls, planning, scheduling, procurement, logistics, fabrication, production operations technology, preventative maintenance programs, and oil and gas field construction experience.

- Advantage of Proximity– Alaska has a **four-hour business day overlap** with the East Coast of the US and the same with the Russian Far East. Afternoon in Alaska equals morning in the Russian Far East. This allows the contractor to keep good contact with the project in Russia.

- Air Link Advantage – There are **direct flights between Alaska and the Russian Far East.** The travelling time to and from Russia is significantly decreased when compared to other US locations. This is not only a cost savings, but is a great psychological advantage for people separated from friends and family during training.

- Arctic Experience Advantage – The production modules will need to be designed and built to sustain the arctic environments. **Experience with construction in arctic conditions** needs to be an essential element of the technology transfer. The remote logistics and local hazards of arctic construction must be understood and be a part of the technology training program. Experience with arctic condition and materials such as foundations in permafrost, low temperature steel, and insulation systems is critical.

- Human Advantage – Training in Alaska will be a natural for Russians living in the Russian Far East. Alaska and the Russian Far East enjoy similar temperatures and geographic conditions. Physical challenges of living in similar **high latitude and northern climates** will be reduced if the program is implemented in Alaska.

- Cultural Advantage – **Historical and cultural similarities** between Alaska and Russian Far East will reduce the culture shock of the program participants. Alaska was purchased from Russia, and both share a great deal of history and culture. The frontier experience of being geologically far from the center of federal government provides a unique bond between Alaskans and Russian Far Easterners.

- Russian Content Advantage – The support from major oil companies will require that the training meet the "Russian content" under the Petroleum Sharing Agreements. Companies that can provide training within a framework that is at least 50% owned by Russians will qualify as **meeting Russian content**. This will be important for full industry support.

- Business Support Advantage – There is a significant amount of business that happens between Alaskan and Russian companies. The State of Alaska Division of Trade and Development, U.S. Department of Commerce Alaska Export Assistance Center and the University of Alaska through the American Russian Center provide business support between Russia and Alaska. The Alaska governor and state legislatures support business development between Russia and Alaska. **Local and state support** is important for the technology transfer program to succeed. Labor issues, housing and transportation issues will need to be coordinated with local and state agencies.

We trust these few thoughts will help you to include appropriate language into the technology transfer legislation. Please let us know if we can be of any further assistance.

Sincerely,

[redacted]
Project Manager

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Message0051	
Subject:	**Russian Training Program**
From:	[redacted]
Date:	2/14/2000 2:05:23 PM
To	[redacted]

Message Body

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February 10, 2000

To: Senator Stevens
Fr: [redacted]

RE: Russian Training Program

Staff met with representatives from the Departments of State, Commerce and Labor today to discuss the Russian Training program for Alaska. You will recall that you told staff the initial phase of the program should involve six to eight people to ensure the program is successful and to avoid getting too far ahead of the private sector. The representatives voiced support for this approach and agreed that the program should be organized through the University of Alaska.

The next step is to get the University and the private sector companies to agree on a final project proposal. Timing is critical because of the existing RFP in the Federal Register (currently set to close on March 3). If you still support the idea of having the program operated by the University, then staff can proceed to finalize agreements between the University and the private sector companies. If you agree on the approach, we can encourage the companies and the University to formalize and finalize the project within the next two to three weeks.

Staff recalls your message to slow the process down. However, given the current March 3 deadline on the RFP and the apparent momentum within the Departments, it may be a good idea to seize the opportunity available to organize the Alaska participants and finalize the program. Just because an agreement is reached by the Alaska participants doesn't mean the program has to be accelerated beyond the desires of the private sector. The program could be designed around the time frame and needs of the individual companies based on the actual business environment in the RFP and the type of projects that will be pursued. An agreement between the University and the companies within the next two to three weeks may still take months to put in place and implement, thus giving the companies time to get ready for this first phase of the project.

Additionally, you should be aware that the Departments have been receiving inquiries about the proposal in the Federal Register. Some of the Departments feel that based on the scaled down size of this new approach there will be money left over. Therefore, they are continuing to accept applications and plan to fund other projects with the aim of training Russian oil workers in Alaska. There are 3 ways to handle the RFP:

1. Cancel the notice (rarely done but possible and probably not necessary)
2. Issue revisions to the original notice - i.e. extending the closing date
3. Continue to accept applications but wait until this project is finalized before obligating funds for any other projects

Staff recommends requesting revisions to the notice (extending the closing date to March 15).

Do you have a preference in how the RFP should be handled?

Outlook Header Information

Conversation Topic: Russian Training Program
Sender Name: [redacted]
Received By: [redacted]
Delivery Time: 2/14/2000 2:05:23 PM
Creation Time: 2/14/2000 2:07:37 PM
Modification Time: 2/14/2000 2:07:37 PM
Submit Time: 2/14/2000 1:11:57 PM
Importance: Normal
Priority: Normal
Sensitivity: Normal
Flags: 1 = Read
Size: 7474

Standard Header Information

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[redacted]@VECO.com>
Subject: Russian Training Program
Date: Mon, 14 Feb 2000 12:11:57 -0700
MIME-Version: 1.0
X-Mailer: Internet Mail Service (5.5.2448.0)
Content-Type: text/plain;
charset="iso-8859-1"

russian.txt

VECO CORPORATION

Phone: [redacted]
Fax:

Fax

Number: (305) 367-2224
PLEASE HOLD FOR SENATOR STEVENS, HARBOR HOUSE #15
Date: Friday, February 11,2000 Pages: 4

Ted, I'm enclosing the response that I received from Sakhalin Energy. As you can see, they are going to bigger companies than we have in Alaska. I don't think the companies are any more capable than we are; but it seems like oil companies always want to go with the big boys. Aker is a Norwegian company; Kvarner is really out of London; and Mitsui is, of course, Japanese. Not one is an American company, despite two of them having Houston addresses.
I talked to [redacted], who is over the waterflood project, and he feels like they would get more of the Russian content by building them in Russia. The waterflood project would be the seed project to start a fabrication yard in Russia that could later build more and bigger modules. I asked [redacted] for a list of the Russian companies that have fabrication yards in Russia, but I haven't yet received the list.
With reference to [redacted] memo of February 10 and the three choices for handling the RFP: I favor number 1 (cancel the notice), as I do not believe there is a chance of Alaska building any modules or doing any fabrication for Sakhalin. If that choice is too cumbersome, then I would favor number 2 (issue a revision extending the closing date). Personally, I feel that choice number 3 (continuing to accept applications) would be a waste of money. I'll try to get more information about their plans; but, again, I don't see a chance that we'll ever build modules in Alaska for Sakhalin Energy.
Later, after Exxon drills their well this summer on Sakhalin, there might be a shot for doing something for Exxon. Even though the Russian Training Program, and building modules in Alaska, was [redacted] idea, I think there is a good possibility that Exxon will do the same thing as Sakhalin Energy. It stands to reason that if there is a fabrication yard in Russia with the experience of the waterflood module, there is a good chance that Exxon will use the same yard.

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February 10, 2000

To: Senator Stevens
Fr: [redacted]
RE: Russian Training Program

Staff met with representatives from the Departments of State, Commerce and Labor today to discuss the Russian Training program for Alaska. You will recall that you told staff the initial phase of the program should involve six to eight people to ensure the program is successful and to avoid getting too far ahead of the private sector. The representatives voiced support for this approach and agreed that the program should be organized through the University of Alaska.

The next step is to get the University and the private sector companies to agree on a final project proposal. Timing is critical because of the existing RFP in the Federal Register (currently set to close on March 3). If you still support the idea of having the program operated by the University, then staff can proceed to finalize agreements between the University and the private sector companies. If you agree on the approach, we can encourage the companies and the University to formalize and finalize the project within the next two to three weeks.

Staff recalls your message to slow the process down. However, given the current March 3 deadline on the RFP and the apparent momentum within the Departments, it may

be a good idea to seize the opportunity available to organize the Alaska participants and finalize the program. Just because an agreement is reached by the Alaska participants doesn't mean the program has to be accelerated beyond the desires of the private sector. The program could be designed around the time frame and needs of the individual companies based on the actual business environment in the RFP and the type of projects that will be pursued. An agreement between the University and the companies within the next two to three weeks may still take months to put in place and implement, thus giving the companies time to get ready for this first phase of the project.

Additionally, you should be aware that the Departments have been receiving inquiries about the proposal in the Federal Register. Some of the Departments feel that based on the scaled down size of this new approach there will be money left over. Therefore, they are continuing to accept applications and plan to fund other projects with the aim of training Russian oil workers in Alaska. There are 3 ways to handle the RFP:

Cancel the notice (rarely done but possible and probably not necessary)
Issue revisions to the original notice - i.e. extending the closing date
Continue to accept applications but wait until this project is finalized before obligating funds for any other projects

Staff recommends requesting revisions to the notice (extending the closing date to March 15).

Do you have a preference in how the RFP should be handled?

Alaska Export Assistance Center
U.S. Department of Commerce
World Trade Center
431 West 7th Avenue, Suite 108
Anchorage, Alaska 99501

Tel: (907) 271-6237 • Fax: (907) 271-6242 • www.export.gov

January 13, 2005

Mr. Al Clough
State of Alaska
Department of Commerce, Community & Economic Development
P.O. Box 110809
Juneau, Alaska 99811-0809

Ref: USAID Grants

Dear Al:

I strongly urge you to request an extension through the 2005 federal fiscal year of the USAID grants that your Department has been administering.

As I mentioned in our conversation, it would be an egregious loss to both the private and public sector interests of the State of Alaska to have the funds reprogrammed for the benefit of operations in another state.

Funds from these grants are being used to train Russian welder trainers in advanced welding technology and a cadre of welders trainees are present learning these skills with others awaiting the next skills training program. The Sakhalin I and II consortia, headed up by ExxonMobil and Shell, have committed to a 70% local hire target for hydrocarbon development on the island. We have companies such as Peak Oilfield Service Co., the VECO Corporation, ASCG Incorporated, and others that are active players on the island. They need trained Russian welders to satisfy the requirements of their contracts. Senator Ted Stevens and USAID understand this and have acted to make the funds available for the training.

Another grant has laid the foundation for enhancing aviation security and fostering critical support of the establishment of a direct air link to Yuzhno-Sakhalinsk from Anchorage. Presently executives and managers of Alaska companies operating on Sakhalin must use

Korean Airlines to Seoul in order to get to Yuzhno-Sakhalinsk. This impedes economic growth and trade development and places a heavy strain on these Alaskan businessmen and women. Moreover, within the near future, offshore oil leases in Magadan will be coming up for auction, and mining activity is planned to accelerate. The Chukotka region has also announcement plans for petroleum and minerals development. In the absence of adequate transportation infrastructure, opportunities for Alaska companies to gain market share in these projects will be thwarted. I could go on, but in the interests of time, which is extremely short, I will not.

You should also know that USAID is on record as being supportive of authorizing an extension of the grants. The following is an extract of a message sent by Jess Bratton, USAID Moscow to Charlene Derry with FAA on December 23…

> "Orion informed me that he has no objection to granting an extension. However, the request must come from the grantee, the State of Alaska, DECD. Together with the extension request the DECD should submit a summary of the program results to date and a work plan for 2005."

Once again Al, I strongly urge you to reconsider your position and to proceed quickly with a request for an extension of the USAID grants. They are playing a key role in job development and project opportunities for Alaska companies.

Best regards,

/signed

Chuck Becker
Director

Sent via e-mail, fax and U.S. surface mail

April 23, 1999

The Honorable Ted Stevens
United States Senate
SH-522 Senate Hart Office Building
Washington, DC 20510-0201

Dear Senator Stevens:

I wish to inform you of the involvement of VECO Alaska Inc. in the National Science Foundation's Relocatable Atmospheric Observatory (RAO) project. If this project proceeds, VECO will provide engineering and construction expertise to fabricate and construct the large antenna structures and to participate on an ongoing basis in the scheduled relocations of the RAO. Please find enclosed, for your information, a background paper and briefing charts on the RAO.

The RAO project (estimated at $40M) will provide a number of specific benefits to the State of Alaska. My company, using our engineering experience stemming from our activities on the North Slope, will perform a significant portion of the design and construction over a period of 2 to 3 years. In addition, the first location of the RAO is scheduled to be at the Poker Flats Rocket Range near Fairbanks and subsequent locations could include the HAARP facility at Gakona. I believe these locations may not only provide new benefits for Alaskan science and scientists, but will draw scientists from around the U.S. to participate in the groundbreaking research made possible by the RAO.

As the background paper and briefing point out, the RAO is a key component to a better understanding of space weather and its impact on man-made systems. Such an understanding can help us in a wide variety of areas, including operating satellites and power systems to better withstand solar effects, improve space and ground-based communications systems, and space-based sensors.

I respectfully request your support of the RAO program in this year's legislative cycle. I have taken the liberty to include some suggested language for inclusion in the report supporting the HUD, VA, and Independent Agencies Appropriations Bill.

Thank you for your time and consideration.

Sincerely,

[redacted] b6 b7C

BA:lc

Enclosures: RAO Briefing Charts, draft Workshop report, suggested language

DRAFT SUGGESTED LANGUAGE

Relocatable Atmospheric Observatory (RAO)

"Over the last two years, the National Science Foundation (NSF) has included funding for the Polar Cap Observatory (PCO) to conduct basic research in the polar cap, the critical unexplored region of sun-earth interactions. In response to congressional concerns, NSF is reformulating the PCO concept. In particular, by making the system relocatable, NSF substantially increases the number of scientific and other missions it can perform, including both polar and non-polar research. The committee is encouraged by NSF's effort to develop the RAO concept."

E-MAIL TRANSMISSION

FROM: [redacted] b6 b7C

TO: [redacted] b6 b7C

RE: Alaska BAT Program

DATE: 12/22/99

[redacted]

I tried to call you earlier today regarding a new matter which I wanted to bring to your attention. Recently, VECO Alaska, Inc., one of the VECO Companies which operates primarily in Alaska, requested authorization from the Bureau of Apprenticeship and Training ("BAT") to establish an apprenticeship and training program. As you know, in Alaska there is a tremendous need for qualified training programs for individuals seeking employment in the construction and oil field service industries.

Federal Regulations allow for a reduction in the wages and benefits paid to apprentices enrolled in a BAT training program. Pursuant to the regulations, employers can pay apprentices 60% of both the prevailing wage and prevailing benefits established for journeyman. Of course, the wage and benefit reduction makes sense given the fact that apprentices are in training and are significantly less productive than journeyman.

VECO Alaska's application to establish a BAT program includes the allowable reduction for both wages and benefits. However, to date, BAT has stated that the VECO Alaska program could only include a reduction in the wages paid to apprentices. Despite the Federal Regulations, BAT has stated that VECO Alaska must pay 100% of the prevailing benefits to apprentices enrolled in its program.

I have asked our attorney, [redacted] to fax you copies of the materials we recently submitted to BAT asking that it reconsider its position regarding the benefits reduction. As you can see from the materials, the reduction in benefits is authorized by the applicable regulations and is necessary for VECO Alaska to fully implement its training program. Without the allowable reduction in both wages and benefits, VECO Alaska will be required to either cancel the training program or, at a minimum, dramatically reduce the training opportunities for individuals interested in enrolling in the program.

At this point we are not asking that either you or Senator Stevens take any action on this matter. We just wanted to make you aware of it in the event BAT continues in its refusal to comply with the applicable regulations. If that turns out to be the case, we may ask for your help.

In closing I want to emphasize a few things. First, this matter does not have anything to do with the training program for the Sackalins we have been discussing. The VECO Alaska program will apply

[redacted]

From: [redacted]
Sent: Friday, January 05, 2001 9:50 AM
To: [redacted]@veco.com
Subject: Fw: Letters to Ted Stevens (executive appointees)

GWB Transition

b6
b7C

----- Original Message -----
From: [redacted]
To: [redacted]@veco.com
Sent: Friday, January 05, 2001 9:40 AM
Subject: Letters to Ted Stevens (executive appointees)

[redacted]

Just sending a copy to you of the letters I am dropping off to Senators office this morning.
Thanks [redacted] .

AHTNA

INCORPORATED

January 3, 2001

Ted Stevens
United States Senator
222 West 7th Avenue
Suite 2
Anchorage, Alaska 99513-7569

RE: Executive Appointment for [redacted]

b6
b7C

Dear Ted Stevens,

The current transition in the government has brought about an opportunity to benefit the Alaska Native Corporation and Indian preference business standings for Alaskans. Ahtna, Inc. has been actively marketing the U.S. Department of Defense and Energy for contract opportunities. [redacted] has been instrumental in supporting our efforts at the Small Business Administration – Hawaii. [redacted] has taken a lead role in SBA promotion of ANC and Indian preference small business. He has been a strong advocate of ANC and Indian owned enterprises for Indian preference Small business first tier contracts. We are in favor of advocating [redacted] to be appointed to Special Assistant to the Deputy Director or appropriate position to facilitate the advocacy of ANC and Indian preference to the SBA .

Please feel free to contact me anytime.

Sincerely,

b6
b7C

[redacted]
AHTNA, INC. Corporate Liaison
4000 Credit Union Drive, Suite 600
Anchorage, AK 99503
Cell [redacted]
Email [redacted]@ahtna-inc.com

AHTNA

INCORPORATED

January 3, 2001

Ted Stevens
United States Senator
222 West 7th Avenue
Suite 2
Anchorage, Alaska 99513-7569

RE: Executive Appointee - [redacted]

Dear Ted Stevens,

The current transition in the government has brought about an opportunity to benefit the Alaska Native Corporation and Indian preference business standings for Alaskans. Ahtna, Inc. has been actively marketing the U.S. Department of Energy for contract opportunities. To date DOE has supported our effort by changes in contracting policies, information sharing, and sole-source efforts. [redacted] has been instrumental as the point of contact at DOE for the development and implementation of the favorable changes. [redacted] is a Navajo Indian from Arizona and currently an executive appointee. His term is up on January 19th, 2001. [redacted] has taken a lead role in DOE; he has been a strong advocate of ANC and Indian owned enterprises for Indian preference Small business first tier contracts. We are in favor of advocating [redacted] to be re-appointed to current level or special assistant.

b6
b7C

Please feel free to contact me anytime.

Sincerely,

[redacted]
AHTNA, INC. Corporate Liaison
4000 Credit Union Drive, Suite 600
Anchorage, AK 99503
Cell [redacted]
Email [redacted]@ahtna-inc.com

cc: Ce

Ahtna / VECO - MOAB Project file

Moab ~ Atlas Mine Tailing Project Meeting
Sole-Source Effort

Agenda:

- Project Description
- Team Members
- Team Members Political Ties
- Funding needed

$30 + million Annually

Seek funding for project this year (2001), DOE said no funding, no sole-source contract. DOE indicated that a small amount of funding "earmarked" for the AHTNA Team should be in the range of 3 to 5 million dollars, 10 million dollars would be better.

- Coordination of political efforts

Congressional support for securing project, engage U.S. Energy and Natural Resources Committee for support (U.S. Senator Frank Murkowski and U.S. Senator Pete Domenici).

Coordinated effort for engaging congressional assistance should be done all at the same time and each team member must be working off the same action plan.

DOE is hosting a SBA/DOE conference June 20th through June 22nd of this year. Mr. Demer and Mr. Mouringhan would like to meet our whole team at conference. Rob Jordan can coordinate schedules for each company representative.

4/20/01

(1) [redacted] working funding

(2) [redacted] will get justification memo from DoE for [redacted]

b6 Per FBI
b7C

Background for team members:

Ahtna Government Services Corporation ~ Marketing and Support:
U.S. Senator Frank Murkowski letter of support
DOE, Office of Small and Disadvantaged Business Utilization, Nick Deemer and Steve Mouringhan championing sole-source efforts within the DOE
SBA has sent Search Letter for Sole-source to DOE
Verbal support from [redacted] for U.S. Energy and Natural Resources
Verbal support from [redacted] for New National Energy Policy
Verbal support from [redacted] U.S. Senate Approbations
Developing comprehensive State of Qualifications (SOQ) for the DOE

Cabrera Services Inc., a minority owned, 8(a) certified, company that specializes in radiation protection, industrial hygiene & safety, and environmental protection. Because the Moab Mill Tailings Pile contains low-level radioactive material, Cabrera Services will provide a vital service to our project team assuring worker safety and providing appropriate design criteria.

b6 Per FBI
b7C

Cabrera ~ Marketing and Support:
Latin American Management Association (LAMA), [redacted] is marketing DOE for our sole-source effort.

VECO Corporation Inc., an Alaska based global engineering firm specializing in complex project designs and capable of supporting construction operations worldwide. VECO has significant experience with design of large complex engineering projects, procurement & logistics, and construction.

Laguna Construction Company Inc. is a federally chartered small disadvantaged business and is wholly owned by the Pueblo (Tribally owned) of Laguna. They recently received 8(a) certification and are HUB Zone certified. They offer services in environmental clean-up, land reclamation, highway and heavy construction, as well as construction management.
Laguna ~ Marketing and Support:
Laguna has support from another Energy committee member, U.S. Senator Pete Domenici.
They've excellent organizational directors, for example: Chairman of the Board Manuel Lujan, former Secretary of Interior for 41st President of the United States, George Bush.

b6 Per FBI
b7C

Thurs. + Fri. (4/27 + 4/28)

Murkowski [redacted]

Chief of Staff
Energy

[redacted] Direct
362 Dirksen Bldg.
11:00 A.M. Thurs. 4/27/00
Hehesan 11:45 meeting

Young [redacted]

[redacted]

Energy possible

Chief of Staff
Noon - Thurs. 4/27/00
(Lunch)

out till 4/24/00 Asst to call me

[redacted] mail [redacted] House.Gov

Stevens

10AM Friday - [redacted]
4/28/00 - [redacted]

FROM THE DESK OF [redacted]

VECO

Ahtna/VECO

[redacted]

Ahtna / VECO
file

8a & [redacted] Native set a side
876 Audit

August 23, 1999

The Honorable Ted Stevens
United States Senate
522 Hart Building
Washington, DC 20510-0201

Dear Senator Stevens:

b6
b7C

I'm hoping you and your staff can give me some assistance with VECO's Pakistan partnership, Asia Petroleum Ltd. (APL).

We need the World Bank to assist the shareholders of APL to persuade the Government of Pakistan (GOP) to sign the Implementation Agreement for the Hub Power Plant Fuel Oil Pipeline Project. The Government has continually delayed signing the agreement; and this puts both the shareholders of APL and the World Bank at risk should the GOP execute some change in terms or if the power plant were to convert to gas.

We would like a World Bank representative to attend the APL board meeting on September 30, 1999, in Islamabad for discussions with the GOP officials and the board members. Could you have your staff work with [redacted] of VECO Corporation, [redacted] of VECO Corporation, [redacted] We have made some preliminary contacts with your staff to expedite this process.

Your assistance is and always will be greatly appreciated.

Sincerely,

[redacted]

VECO CORPORATION • 813 W. Northern Lights Blvd. • Anchorage, AK 99503-2495 • Tel: (907) 264-8101 • Fax: (907) 264-8130

1A 182

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document

Date Received 8/25/08

From [redacted]
(Name of Contributor/Interviewee)

b6
b7C
b7D

(Address)

(City and State)

By [redacted]

To Be Returned ☐ Yes ☐ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☐ No

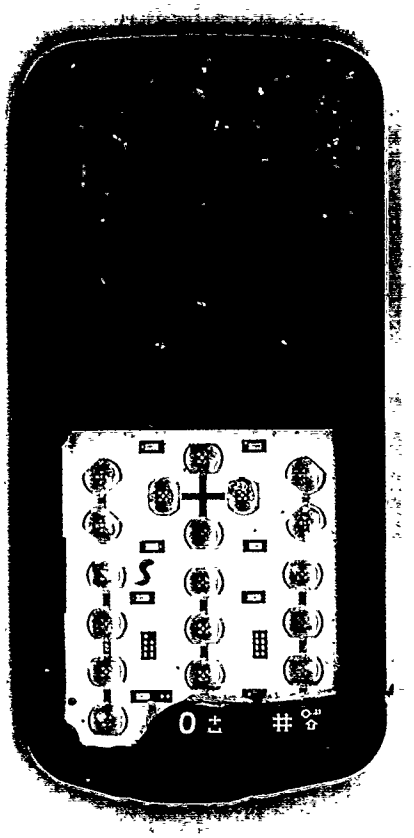
Title:

Reference:
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

Destroyed cell phone ([redacted]

FBI - Stevens-6791


0 +
#

FD-340c (4-11-03)

File Number 194A-AN-13620-TStevens-1A (183)

Field Office Acquiring Evidence AN

Serial # of Originating Document 248

Date Received 01/24/08

From [redacted]
(Name of Contributor/Interviewee)

(Address)

(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

b6
b7C

Title:

Reference:
(Communication Enclosing Material)

Description: ☒ Original notes re interview of [redacted]

01/24/08

[redacted]

[redacted] (H) [redacted] b6
(C) b7C
(W)

Background
Undergrad
- [redacted] - [redacted]
- [redacted]
- [redacted]
* [redacted]
* [redacted]
→ [redacted]
→ Moved to [redacted]
offer hired * handled [redacted] for Sen. Stevens.
→ Move [redacted]

b6
b7C

- Socialize when with staff are invited but does not socialize personally
  - Never helped [redacted] on anything
→ Never been to Girdwood
  * ~~believe~~ heard about renovations thru press
  * Never heard staff talk about

- → TS has told staff to cooperate w/ FBI but informed staff that he would not talk about it w/ staff

→ [redacted] has been asked to look into (via newspaper article)
ASLC
regarding the history of the Dirkwood - regarding the

history of the language and has the Senator released the
- provided copy to the Senator after produced the history
- either to Sen. or Chief of Staff
- in response to the reporter contacting them
- [redacted]

- Never did personal requests for Stevens
  - no bills, no gifts

- [redacted] (VECO) - doesn't remember nts him
  - met him, [redacted]
  - met him, possibly [redacted]
  - w/ [redacted]
    but not sure when
  - doesn't think met him
  - " "
  - " "
  - sounds familiar
  - yes met - social event
  - yes, has met w/ [redacted]
    for his client - [redacted]

b6
b7C

[redacted]

- no > maybe pres.
- no

(3)

- Not aware of legislation for VECO

- Has not assisted Sen Stevens personally and only some

True

- Worked closely w/ [redacted]

(1) [redacted]

(2) [redacted]

(3) [redacted]

office (personnel office) regarding the sharing of information regarding AK

(4) [redacted]

[redacted]

(1) When [redacted] was with [redacted] the process

(2) Personal relationship + [redacted] working acon [redacted]

possibly

(3) Not lobbying [redacted] doesn't think [redacted] lobbying the Senator

(4) Maybe [redacted] working on campaign but MB not
- not sure is [redacted] being pd

→ [redacted]

- [redacted]
- [redacted]

political designee for campaigns

b6
b7C

(4)

[redacted]

- [redacted] on regarding ~~the~~ a couple of [redacted]

- Arnade property - several emails back + forth as well as w/ [redacted] - not sure on # of emails but felt it was over a short period of time

* regarding the language of the appropriations

[redacted]

- met w/ TS + TS's lobbyist [redacted] b6 b7C

→ has met [redacted] but not sure when + [redacted] doesn't know him well

→ ASLC

- asked for funding a # of times
- have received funding thru a number of bills ~~(also HHS appropr.)~~

→ City of Seward -

- met a number of times
- met various council members, Mayor Varga
- discussed appropriations

→ Reviewed language before [redacted] involved and then when she became involved then ~~&~~ may not have been involved

- Sen. Stevens advised at ~~meetings~~ mtgs & w/ Seward that it was old language for NPS parcels + never thought the ~~&~~ was going to be left over

(5)

- Also present at meeting from Sen. Steve
  - [redacted] Sen Stevens + [redacted] came later
  - City was upset but [redacted] said no picotags on the land so city couldn't expect too much but [redacted] felt they wanted at least the mayor wanted it
  - Not sure about the City being upset over the language of vacating Washington St.

- After mtg [redacted] had convo w/ [redacted] felt [redacted] was discussing issue w/ [redacted]
  - [redacted] then and she had [redacted] w/ the issues

b6
b7C

- Emails after mtg
  - [redacted] language for bill and may have ha a price amount which [redacted] would have taken it out because the Senator wouldn't have allowed it

[redacted] recalled city was never going to buy property and [redacted] recalls that she + [redacted] bout ASLC if they would b willing purchase [redacted] property + [redacted] said they would as long as the ASLC board agreed

2004 - NPS mandate to purchase the parcels

[redacted]

(6)

- Any communications w/ NPS?
  - someone in DC, not sure who, about the status of negotiations
- received email about the estimates + offers
  - Also found out from NPS, [redacted] was also speaking to NPS - [redacted] draft letter from DC contact to Sen. that they did not want to purchase some of the properties b6 b7C
  - May have spoken to local NPS personnel regarding appropriat
- the local support (AK) differed than the DC NPS
  - AK = very supportive
  - DC = not very supportive

→ Kept some emails + correspondence regarding ASLC as well as a memo w/ timeline - Gave copies to chief of staff

→ Recalled talking to Sen about the appropriations - Sen. became unsolved after mayor mtg. when he learned that all the land had not been purchased - This spawned further conversation regarding the vacation of WA st + whether the city would get compensation for vacating

- they went back to NPS to see if they wanted the land (last 3 properties) + NPS said no, they didn't need it for the multi-agency complex
- Sen. Stevens wanted to write some thing into law then he was afraid the city of Seward would get no benefit and the $ could be taken back + DOI could have taken the $ + put into general act.

(7)

→ Why not just city of Seward?

* went back to Vacating of WA St. + city didn't want to

→ Why continue to purchase Arcade property if NPS said didn't need it?

- Just don't know how to answer the question but [redacted] told [redacted] that NPS had wanted to purchase those properties

→ [redacted] stops by when in town

- Sen Stevens had final approval on the language and the week after city mtg it was an on-going conversation - drafts and approved by him

* Sen. aware [redacted]

- Was discussed [redacted] + Senator felt ok to do long as decisions went thru Board of Director + not mandatory to buy

b6
b7C

→ Had convo ~~Es~~ about property + [redacted] had said he was sure the ASLC would purchase the property ~~of~~ because only way to expand ASLC

- Not aware of payoffs or inappropriate payments to [redacted] or [redacted]

1A 184

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-~~AN~~ TS

Field Office Acquiring Evidence _____

Serial # of Originating Document 298

Date Received 09/03/08

From _____
(Name of Contributor/Interviewee)

_____
(Address)

_____
(City and State)

b6
b7C

By [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☐ No

Title: Polar Pen.
CSLPO

Reference: _____
(Communication Enclosing Material)

Description: ☒ Original notes re interview of [redacted]

[redacted] → [redacted] cell phone

worked at [redacted]
unknown when work was done
prior to [redacted] coming up
doing renovations for [redacted] use

has Cabin in Gindwood
not making special trip
1st aware work done - newspaper media
may have been temporary B's use

[redacted]

Maj. work = commercial
period. do custom residential

Met. in [redacted]

b6
b7C

[redacted]

provided results telph.
no plans
telephonic
file in basement
didn't bill for work

never contacted by Ted or [redacted]
plans at hourly basis
Typically [redacted]

follow-up? none / just as fyi

small cabin
possibilities to do something

partners w/ [redacted]
[redacted]
worked for another arch.

[redacted]

A1-185

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TS

Field Office Acquiring Evidence _____

Serial # of Originating Document 299

Date Received 09/03/08

From _____
(Name of Contributor/Interviewee)

_____
(Address)

b6
b7C

By [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☐ No

Title: Polar Pen
CSLPO

Reference: _____
(Communication Enclosing Material)

Desc[redacted]

[redacted]

Retired [redacted] years

[redacted]

~~The Opo~~

Anchorage Opera
fundraising event on New Years Eve.
CP

Prior year – Live Auction
Lead table for next year – table for 10
all in name of raising funds for
preferred seating / wine
non-profit giving

b6
b7C

[redacted]

Ted Stevens was CP at table as
unknown who else
[redacted] Ted decide to buy next year's table

not a C/P table / but at event

always New Years Eve
Dec 31 '04

watched as Boss bid
ok to pay
consortium

Function – Ball
fundraiser
silent / live auction
have dinner
dance band
entertainer

[redacted]

FBI - Stevens-6804

Dec 31 '05
unknown who wont
[illegible] by that time

1A-186

FD-340 (Rev. 4-11-03)

File Number 15A-AN-13620

Field Office Acquiring Evidence SEATTLE

Serial # of Originating Document 307

Date Received 9/11/02

From [redacted]

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

b6
b7C

Title: Person PSW - DS

Reference: _____
(Communication Enclosing Material)

Description ☐ [redacted]

(1)

FBI - Stevens-6805

(1)

9/11/88
T/C

[redacted]

— LIVES AT ADDRESS ON [redacted]

— [redacted] MOVED IN AROUND [redacted] YRS AGO [redacted]

— HOME RAN BY [redacted] GAME ROOM [redacted]

b6
b7C

+ [redacted] KEEPS EYE ON PLACE

— A [redacted] HAS KEY. [redacted] OFFICER TO CHECK PLACE

— [redacted]

— HAS TO MAKE OFFICE CALL OFF AT 6:00 [illegible] AT [redacted] FOR

(2)

[redacted]

[redacted]

[redacted]

b6
b7C

[redacted]

[redacted]

[redacted]

[redacted]

1A - 187

FD-340 (Rev. 4-11-03)

b6
b7C

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document 319

Date Received 9/19/08

From _____
(Name of Contributor/Interviewee)

_____
(Address)

_____
(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure
☐ Yes ☑ No

Federal Taxpayer Information (FTI)
☐ Yes ☑ No

Title: POLAR PEN;
CSLPO

FBI - Stevens-6808

Reference: FD 302
(Communication Enclosing Material)

① KVS

9/19/08

[redacted]

[redacted] → worked for Ted Stevens
→ D.C. office

[redacted]
↳ [redacted]

[redacted] to TS → [redacted]

- [redacted] TS [redacted]
- Position evolved → [redacted]
- [redacted]
- [redacted] → receptions hosted by TS' office

- Pager → [redacted] of Capitol

b6
b7C

M-F Available all the time; Weekends were personal time [redacted]

- Free to take care of personal errands during work day if time is available

* TS used personal vehicle for work, etc.
  1) Minivan — used primarily by TS
  2) SUV — [redacted] Ford explorer
  3) Mustang kept in garage at Senate

TS → used Mustang occasionally in summer (canary yellow) "Banana Shake" → was to be [redacted] car upon graduation

* Parking slots based on seniority at Senate

Pat [redacted]

[redacted] instructed [redacted] on all tasks; Direct Sup. to [redacted]

- TS aware [redacted]

Yearly bonuses given → not sure of parameters
↳ provided across board to staffers in office

"Green Book" → provides employee salaries (bonuses?)

- Would ↑ salary to cover bonuses (over 4 pay periods) last 3 months?
- taxes taken out

b6
b7C

[redacted] → [redacted]

[redacted] moved to position of [redacted]

AA & Office Mgr. decided bonuses → w/ TS approval

* [redacted] when TS traveled, esp. holiday periods → TS pd. out of his own pocket

- Weekend f.r. → [redacted] turned hrs. over & was pd. by campaign

Discussed

[redacted] Issues → saw TS at event on strip

- No discussion re: investigation

b6
b7C

- No knowledge of [redacted] transaction w/ [redacted] →

[redacted]

1A190

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13260 - TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document _____

Date Received 9/26/08

From _____
(Name of Contributor/Interviewee)

_____
(Address)

_____
(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☑ No

Federal Taxpayer Information (FTI)

☐ Yes ☑ No

b6
b7C

Title: POLAR PEN;
CSLPO

Reference: FD302
(Communication Enclosing Material)

Description: ☑ Original notes re interview of

[redacted]

FBI - Stevens-6812

7/26/08
SA [redacted]
SA [redacted]
@ Village Inn
Anchorage AK

[redacted]

[redacted]

Started @ [redacted] bankers after that

Worked for [redacted]
in ≈ [redacted] filled [redacted] persons position [redacted]
— [redacted]

In approx [redacted] went

Previously she was real estate @ [redacted]
Got sol'd there [redacted]

Only dealt w/ company stuff — not personal
[redacted]

Worked for [redacted]
Only saw [redacted] 4-6x in bank

Has no info re loans to Stevens [redacted]

Nor loans to anyone — kept personal seperate from personal

[redacted]

[redacted] — tracking only
Posted rents

[redacted]

most of time — She only saw [redacted] 2-4 x's. Spoke to him on phone a few x's

[redacted] CPA

Had one property relationship w/ Stevens — NOT certain but believes they owned something together.

[redacted] worked for [redacted]
In role — strictly books

May have just been from Stevens helping with Kenai Classic — Political aspect did not appeal to [redacted] — she was trying to learn her job

[redacted] — oversaw the several businesses that Penco was involved in

[redacted] did more of Kenai classic & fundraising stuff

[redacted] finally left because of [redacted]

FBI - Stevens-6813

b6
b7C

[redacted] & Stevens seemed friendly to eachother

Never saw Sen. Stevens

Really liked [redacted] - very old school -
[redacted] is more refined & both very gentlemen

Believes [redacted] to be a good businessman

[redacted] seemed to love family not sure how towards friends. Did not observe anything she ever questioned legally or ethically - albeit, she was only there [redacted]

[redacted] handled personal & business [redacted] approx early 90's early 95)
@ the time, [redacted] trying to transfer to [redacted]

b6
b7C

[redacted]
Cell [redacted]

)) 1A - 191

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TSTEVENS-

Field Office Acquiring Evidence _____

Serial # of Originating Document _____

Date Received 12-18-2007

From [redacted]
(Name of Contributor/Interviewee)

(Address)

(City and State)

By FA [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☑ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☑ No

Title:

Polar Pen

Reference: _____
(Communication Enclosing Material)

FBI - Stevens-6815

Description: ☐ Original notes re interview of [redacted]

b3
b6
b7C

1A-192

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence _____

Serial # of Originating Document _____

Date Received 9-27-2006

From AK Recorder's Office - WEB SITE
(Name of Contributor/Interviewee)

_____
(Address)

_____ b6 b7C
(City and State)

By [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

Title: Polar Pen

Reference: _____
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

Recorders Office UCC OnLine filing document display for TED and [redacted]

Recorder's Office

Alaska Department of Natural Resources

Recorders Office - Document Display

Selected Document: 2005-009497-0
in District: 301 - ANCHORAGE

See Index Codes Cannot view images?

Document Year: 2005 Number: 009497 Suf: 0	District: 301 - ANCHORAGE
Date Recorded: 02/14/2005 *Time:* 12:27PM *Pages:* 1	
	Associated Doc: 2001-006632-0
Index: M - MORTGAGES	*Other ID:* 3754 334
Desc: SUB OF TRUSTEE AND FULL RECON	
Grantor - WELLS FARGO FINANCIAL NATIONAL BANK	
Grantee - STEVENS THEODORE	
Grantee - STEVENS CATHERINE A	
Location: Lot: 9 *Block:* 18	*Plat:* 64-3
Comments: DUAL RECORDING - INDEXED AS FULL RECON	

All information has been displayed

Back

UCC documents will be shown as active or inactive. Active does not necessarily mean effective. A Wildcard reference means it does not tie to an active filing.

Last updated on 09/27/2006.

FBI - Stevens-6835

NOTICE: Documents are entered in nonsequential batches. Temporary document number gaps may e

Recorder's Office

Alaska Department of Natural Resources

Recorders Office - Document Display

Selected Document: 2001-006632-0
in District: 301 - ANCHORAGE

See Index Codes Cannot view images?

Document Year: 2001 Number: 006632 Suf: 0	District: 301 - ANCHORAGE
Date Recorded: 01/18/2001 *Time:* 08:33AM *Book:* 3754 *Page:* 334 *Pages:* 6	
Index: M - MORTGAGES	*Amount:* $100,000.00
Desc: DEED OF TRUST	
Grantor - STEVENS THEODORE	
Grantor - STEVENS CATHERINE A	
Grantee - NATIONAL BANK OF ALASKA	
Location: Lot: 9 *Block:* 18	*Plat:* 64-3
Comments: TRUSTEE AND BENEFICIARY ARE THE SAME	

All information has been displayed

Back

UCC documents will be shown as active or inactive. Active does not necessarily mean effective. A Wildcard reference means it does not tie to an active filing.

Last updated on 09/27/2006.

NOTICE: Documents are entered in nonsequential batches. Temporary document number gaps may e current data.

FBI - Stevens-6836

Recorder's Office

Alaska Department of Natural Resources

Recorders Office - Document Display

Selected Document: 1990-009204-0
in District: 301 - ANCHORAGE

See Index Codes Cannot view images?

Document Year: 1990 Number: 009204 Suf: 0	District: 301 - ANCHORAGE
Date Recorded: 02/23/1990 *Time:* 08:33AM *Book:* 2002 *Page:* 398 *Pages:* 1	
Index: M - MORTGAGES	*Other ID:* 1105 254
Desc: RECONVEYANCE	
Grantor - SAFECO	
Grantee - STEVENS THEODORE F	
Grantee - STEVENS CATHERINE A	
Location: Lot: 9 *Block:* 18	*Plat:* 64-3

All information has been displayed

Back

UCC documents will be shown as active or inactive. Active does not necessarily mean effective. A
Wildcard reference means it does not tie to an active filing.

Last updated on 09/27/2006.

NOTICE: Documents are entered in nonsequential batches. Temporary document number gaps may e current data.

If you identify a possible indexing error (typo, reversed names, etc) or can not locate the record you are trying t please contact us.

FBI - Stevens-6837

Recorder's Office

Alaska Department of Natural Resources

Recorders Office - Document Display

Selected Document: 1984-042958-0
in District: 301 - ANCHORAGE

See Index Codes Cannot view images?

Document Year: 1984 Number: 042958 Suf: 0	District: 301 - ANCHORAGE
Date Recorded: 06/01/1984 *Time:* 12:02PM *Book:* 1105 *Page:* 254 *Pages:* 2	
Index: M - MORTGAGES	
Desc: D/TRUST 80,000.00	
Grantor - STEVENS THEODORE F	
Grantor - STEVENS CATHERINE A	
Grantee - SAFECO	
Grantee - SEATTLE FIRST NATIONAL BANK	
Location: Lot: 9 *Block:* 18	*Plat:* 64-3

All information has been displayed

Back

UCC documents will be shown as active or inactive. Active does not necessarily mean effective. A Wildcard reference means it does not tie to an active filing.

Last updated on 09/27/2006.

NOTICE: Documents are entered in nonsequential batches. Temporary document number gaps may e current data.

FBI - Stevens-6838

Recorder's Office

Alaska Department of Natural Resources

Recorders Office - Document Display

Selected Document: 1983-066850-0
in District: 301 - ANCHORAGE

See Index Codes Cannot view images?

Document Year: 1983 Number: 066850 Suf: 0	District: 301 - ANCHORAGE
Date Recorded: 08/29/1983 *Time:* 12:38PM *Book:* 955 *Page:* 738 *Pages:* 1	
Index: D - DEEDS	
Desc: W.DEED	
Grantor - CAMAROT CAROLYN M	
Grantee - STEVENS THEODORE & CATHERINE A	
Location: Lot: 9 *Block:* 18	*Plat:* 64-3

All information has been displayed

Back

UCC documents will be shown as active or inactive. Active does not necessarily mean effective. A Wildcard reference means it does not tie to an active filing.

Last updated on 09/27/2006.

NOTICE: Documents are entered in nonsequential batches. Temporary document number gaps may e current data.

If you identify a possible indexing error (typo, reversed names, etc) or can not locate the record you are trying t please contact us.

FBI - Stevens-6839

1A-193

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence _____

Serial # of Originating Document _____

Date 1/2/2008

From [redacted]

me of Contributor/Interviewee)

(Address)

(City and State)

By FA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☒ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

b3
b6
b7C

Title: Polar Pen

Reference: _____

(Communication Enclosing Material)

Description: ☐ Original notes re interview of / /

[redacted]

1A-194

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TSTEVENS-

Field Office Acquiring Evidence _____

Serial # of Originating Document _____

Date Received 1-20-2008

From [redacted]
(Name of Contributor/Interviewee)

(Address)

(City and State)

By EA [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☑ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☑ No

b3
b6
b7C

Title: Polar Pen

Reference: _____
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

[redacted]

1A- 195

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620 - TSTEVENS

Field Office Acquiring Evidence

Serial # of Originating Document

Date Received 1/30/2007

From [redacted]
(Name of Contributor/Interviewee)

(Address)

(City and State)

By FA [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☑ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☑ No

b3
b6
b7C

Title: Polar Pen

Reference:
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

[redacted]

1A - 196

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620- TSTEVENS-

Field Office Acquiring Evidence _____

Serial # of Originating Document _____

Date Received 1-2-2008

From [redacted]
(Name of Contributor/Interviewee)

(Address)

(City and State)

By FA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☒ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

b3
b6
b7C

Title: Polar Pen

Reference: _____
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

[redacted]

1A-197

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TSTEVENS-

Field Office Acquiring Evidence _____

Serial # of Originating Document _____

Date Received 1/20/2008

From [redacted] (Contributor/Interviewee)

(Address)

(City and State)

By FA [redacted]

To Be Ret[redacted] ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☑ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☑ No

b3
b6
b7C

Title:

POLAR PEN

Reference: _____
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

[redacted]

DO NOT DISSEMINATE

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TSTEVENS-1A-198

Field Office Acquiring Evidence _____

Serial # of Originating Document _____ b3

Date Received 6/29/2006 b6

b7C

From [redacted]

(Name of Contributor/Interviewee)

(Address)

(City and State)

By ~~[illegible]~~ SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

Title: POLAPPEN

Reference: _____

(Communication Enclosing Material)

Description: ☐ Original notes re interview of

[redacted] search results for:

[redacted] and

[redacted]

DO NOT DISSEMINATE

On June 29, 2006, the following individuals and companies were searched through [redacted]

[redacted]

b3
b6
b7C

On June 29, 2006, the following individuals and companies were searched through [redacted]

b3

[redacted]

On June 29, 2006, the following individuals and companies were searched through [redacted]

b3
b6
b7C

[redacted]

1A 199

b6
b7C

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TSTEVENS-

Field Office Acquiring Evidence _____

Serial # of Originating Document _____

Date Received _____

From _____
(Name of Contributor/Interviewee)

_____
(Address)

_____
(City and State)

By [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☑ No

Federal Taxpayer Information (FTI)

☐ Yes ☑ No

Title:

PolarPen

Reference: _____
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

Financial Disclosures for Ted Stevens 1995 through 2004.

FBI - Stevens-6891

UNITED STATES SENATE FINANCIAL DISCLOSURE
FOR ANNUAL AND TERMINATION REPORTS

Last Name	First Name and Middle Initial	Annual Report Calendar Year Covered by Report:	Senate Office / Agency In Which Employed
Stevens	Theodore F. (Ted)	2004	
Senate Office Address (Number, Street, City, State, and ZIP Code)	Senate Office Telephone Number *(Include Area Code)*	Termination Report Termination Date (mm/dd/yy):	Prior Office / Agency In Which Employed
522 Hart Senate Bldg. Washington, D.C. 20510	202-224-3004		

AFTER READING THE INSTRUCTIONS - ANSWER EACH OF THESE QUESTIONS AND ATTACH THE RELEVANT PART

	YES	NO
Did any individual or organization make a donation to charity in lieu of paying you for a speech, appearance, or article in the reporting period? If Yes, Complete and Attach PART I.		X
Did you or your spouse have earned income (e.g., salaries or fees) or non-investment income of more than $200 from any reportable source in the reporting period? If Yes, Complete and Attach PART II.	X	
Did you, your spouse, or dependent child receive unearned or investment income of more than $200 in the reporting period or hold any reportable asset worth more than $1,000 at the end of the period? If Yes, Complete & Attach PART IIIA and/or IIIB.	X	
Did you, your spouse, or dependent child purchase, sell, or exchange any reportable asset worth more than $1,000 in the reporting period? If Yes, Complete and Attach PART IV.	X	
Did you, your spouse, or dependent child receive any reportable gift in the reporting period (i.e., aggregating more than $305 and not otherwise exempt)? If Yes, Complete and Attach PART V.	X	
Did you, your spouse, or dependent child receive any reportable travel or reimbursements for travel in the reporting period (i.e., worth more than $305 from one source)? If Yes, Complete and Attach PART VI.		X
Did you, your spouse, or dependent child have any reportable liability (more than $10,000) during the reporting period? If Yes, Complete and Attach PART VII.	X	
Did you hold any reportable positions on or before the date of filing in the current calendar year? If Yes, Complete and Attach PART VIII.	X	
Do you have any reportable agreement or arrangement with an outside entity? If Yes, Complete and Attach PART IX.		X
If this is your FIRST Report: Did you receive compensation of more than $5,000 from a single source in the two prior years? If Yes, Complete and Attach PART X.		

Each question must be answered and the appropriate PART attached for each "YES" response

File this report and any amendments with the Secretary of the Senate, Office of Public Records, Room 232, Hart Senate Office Building, U.S. Senate, Washington, DC 20510. $200 Penalty for filing more than 30 days after due date.

This Financial Disclosure Statement is required by the Ethics in Government Act of 1978, as amended. The statement will be made available by the Office of the Secretary of the Senate to any requesting person upon written application and will be reviewed by the Select Committee on Ethics. Any individual who knowingly and willfully falsifies, or who knowingly and willfully fails to file this report may be subject to civil and criminal sanctions. (See 5 U.S.C. app. 6, 104, and 18 U.S.C. 1001.)

Certification	Signature of Reporting Individual	Date (Month, Day, Year)
I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge and belief.	Theodore F. (Ted) Stevens	5/16/05

For Official Use Only - Do Not Write Below This Line

	Signature of Reviewing Official	Date (Month, Day, Year)
It is the Opinion of the reviewer that the statements made in this form are in compliance with Title I of the Ethics in Government Act.		

FOR OFFICIAL USE ONLY
Do Not Write Below this Line

SECRETARY OF THE SENATE
05 MAY 16 PM 5:33

14A

Reporting Individual's Name	PART II. EARNED AND NON-INVESTMENT INCOME	Page Number
Theodore (Ted) F. Stevens		1

Report the source (name and address), type, and amount of earned income to you from any source aggregating $200 or more during the reporting period. For your spouse, report the source (name and address) and type of earned income which aggregate $1,000 or more during the reporting period. No amount needs to be specified for your spouse. (See p.3, CONTENTS OF REPORTS Part B of Instructions.) Do not report income from employment by the U.S. Government for you or your spouse.

Individuals not covered by the Honoraria Ban:
For you and /or your spouse, report honoraria income received which aggregates $200 or more by exact amount, give the date of, and describe the activity (speech, appearance or article) generating such honoraria payment. Do not include payments in lieu of honoraria reported on Part I.

	Name of Income Source	Address (City, State)	Type of Income	Amount
Example:	*JP Computers*	*Wash., DC* *Example*	*Salary* *Example*	*$15,000*
	MCI (Spouse)	*Arlington, VA* *Example*	*Salary* *Example*	*Over $1,000*
1	Chamer Co., Inc. - Family investment Company	Anchorage, AK	Director's fee	$1,000
2	Mayer, Brown, Rowe & Maw (spouse)	Washington, D.C.	salary	over $1,000
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				

Reporting Individual's Name
Theodore (Ted) F. Stevens

PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

BLOCK A — Identity of Publicly Traded Assets And Unearned Income Sources

Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child, *(See p.3, CONTENTS OF REPORTS Part B of Instructions)* for production of income or investment which:
(1) had a value exceeding $1,000 at the close of the reporting period; and/or
(2) generated over $200 in "unearned" income during the reporting period.
Include on this PART IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.

BLOCK B — Valuation of Assets

At the close of reporting period. If None, or less than $1,001, Check the first column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

	S, DC, or J	Asset	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required if "Other" Specified
Example:	S	*IBM Corp. (stock)*				X									X							*Example*		X										*Example*
	(S)	*Keystone Fund*					X										X		X			*Example*	X											*Example*
1	J	U.S. Senate Federal Credit Union Washington, D.C.						X									X									X								
2	J	Salomon Smith Barney Washington D.C. money market		X											X		X						X											
3	S	Salomon Smith Barney (IRA TRAKNAV investment program invested in 7 publicly traded Smith Barney Funds- see attachment 1) Washington, D.C.			X														X					X										
4	J	Riggs Bank Washington, D.C. (money market)			X												X						X											
5	J	Wells Fargo Bank Anchorage, AK (checking acct.)		X													X						X											
6	S	CSFB, LLC San Francisco, CA (money market)				X									X										X									
7	S	Meyer, Brown, Rowe & Maw Chicago, IL 401(k) funds invested in Vanguard U.S. Growth; Boudder Equity 500 Index; Franklin Small-Mid Cap Growth (continued below)				X													X								X							
8		Putnam International Growth; State Street Research Emerging, Fidelity Adv. Diversified Int, TCW Galileo Select Equities Fund - see attachment 2																																
9																																		
10																																		

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Reporting Individual's Name

Theodore (Ted) F. Stevens

PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

BLOCK A
Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state and description) of each interest held by you, your spouse, or your dependent child (See p.3, CONTENTS OF REPORTS Part B of Instructions) for the production of income or investment in a non-public trade or business which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or
(2) generated over $200 in "unearned" income during the reporting period.

Include the above report for each underlying asset, which is not incidental to the trade or business. Publicly traded assets held by non-public entity may be listed on Part IIIA.

BLOCK B
Valuation of Assets

At the close of reporting period. If None, or less than $1,001, Check the first column.

BLOCK C
Type and Amount of Income

If "None (or less than $201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

	S, DC, or J		None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 – $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Type of Income: Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	Amount of Income: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required if "Other" Specified
Example:		*JP Computer, Wash DC*				X									X							*Example*		X										*Example*
		Undeveloped land, Dubuque, Iowa					X															*Example*	X											*Example*
1		JLS Properites, LLC (land & buildings -see attachment 3) Anchorage, AK Sold in 2004	O															X				Limited Liability Co.								X				(392)
2		Jillian Square Apartments, LLC, Anchorage, AK Apartment complex in Fairbanks, AK Sold in 2004	O															X				Limited Liability Co.								X				4,804
3		Centerpoint I, LLC (Office building at 3900 C Street) Anchorage, AK Sold in 2004	O															X				Limited Liability Co.								X				2,439
4		Centerpoint II, LLC (undeveloped land Centerpoint subdivision - Eureka at 40th) Anchorage, AK Sold in 2004	O															X				Limited Liability Co.								X				33,666
5		Promissory Note for sale of JLS, Jillian Square, Centerpoint I, Centerpoint II -Transferred to Trust 2004	O														X											X						
6		Centerpoint Financial (office building under construction) Anchorage, AK Sold in 2004	O															X												X				
7																																		
8		Grantsville Development Co. (subdivision development in Grantsville, Ut) Anchorage, AK Sold in 2004	O																			Limited Liability Co.												60,012
9																																		
10		Key Trust Co. National Asso. Anchorage, AK (Invested in McKinley Capital Mgt.)					X												X								X							

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Reporting Individual's Name: Theodore (Ted) F. Stevens

PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

BLOCK A — Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state and description) of each interest held by you, your spouse, or your dependent child (See p.3, CONTENTS OF REPORTS Part B of Instructions) for the production of income or investment in a non-public trade or business which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or

(2) generated over $200 in "unearned" income during the reporting period.

Include the above report for each underlying asset, which is not incidental to the trade or business. Publicly traded assets held by non-public entity may be listed on Part IIIA.

BLOCK B — Valuation of Assets

At the close of reporting period. If None, or less than $1,001, Check the first column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

	S, DC, or J	Asset	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required if "Other" Specified
Example:		JP Computer, Wash DC				X									X							Example		X										Example
		Undeveloped land, Dubuque, Iowa					X															Example	X											Example
1	S	State of Alaska (Payments made to Alaskans each year by state) Permanent Fund													X									X										
2		Sacks Restaurant, LLC Anchorage, AK		X																		Limited Liability Co.												(420)
3		Alaska's Great Eagle, LLC Girdwood, AK (10% interest in horse) liquidated 2004	X																			Limited Liability Co.												(4,638)
4		Alaska's Great Eagle As Well, LLC Girdwood, AK (12.5% interest in horses)		X																		Limited Liability Co.												(5,494)
5		Ted Stevens D/B/A Bed Bug Outfit (undivided half interest in livestock) Congress, AZ		X																			X											
6		Theodore Stevens Blind Trust Anchorage, AK									X										X						X							
7	S	Chamer Co. Inc. (Family Investment Co.) Anchorage, AK (see attachment 4)					X																X											
8	S	National Bank of Vermont Montpelier, VT (Life Insurance)			X												X						X											
9		Oil Interests (Individual wells on Belmon Farm) Oklahoma City, OK				X																oil & gas working interest												(2,686)
10		State of Alaska (Payments made to Alaskans each year by state) Permanent Fund													X									X										

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. *** *This category applies only if the asset is/was held independently by the spouse or dependent child.* If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate. ☐

Reporting Individual's Name: Theodore (Ted) F. Stevens

PART IV. TRANSACTIONS

Page Number 5

Report any purchase, sale, or exchange by you, your spouse, or dependent child (See p.3 CONTENTS OF REPORTS Part B of Instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.

	S, Example: DC, or J	Identification of Assets	Transaction Type (x): Purchase	Sale	Exchange	Transaction Date (Mo., Day, Yr.)	Amount of Transaction (x): $1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
		IBM Corp. (stock) NYSE	X			2/1/0X		X			E	X	A	M	P	L	E
		(DC) Microsoft (stock) NASDAQ/OTC		X		1/27/0X				X	E	X	A	M	P	L	E
1		JLS Properties, LLC Anchorage AK (Sale of ownership interest) see attachment #5		X		6/15/04	*$288,000										
2		Jillian Square Apartments, Fairbanks, AK (Sale of interest)		X		6/15/04	*$166,000										
3		Centerpoint I, LLC (Office building at 3900 C Street) Anchorage, AK (Sale of Interest)		X		6/15/04	*$219,000										
4		Centerpoint II, LLC (Undeveloped land Centerpoint subdivision) Anchorage, AK (Sale of Interest)		X		6/15/04	*$227,000										
5		Grantsville Development Co. (subdivision development in Grantsville, UT) (sale of interest)		X		12/28/04	*$150,000										
6		Centerpoint Financial- land - Anchorage, AK (Non-taxable distribution from Centerpoint II)	X			1/1/04				X							
7		Centerpoint Financial (Sale of interest)		X		1/1/04	*$138,000										
8		Alaska's Great Eagle As Well, LLC, Girdwood, AK Investment group formed to purchase horses	X			3/25/04	X										
9		Alaska's Great Eagle LLC - Liquidation ($436.00 received)				12/31/04											
10	S	Vangurad U.S. Growth; Franklin Small-Mid Cap Growth; Putnam International Equity			X	3/26/04			X								
11	S	State Street Research Emerging; Fidelity Advl. Diversified Int.; TCW Galileo Select Equities Fund			X	3/26/04			X								
12																	

*actual amounts rounded to nearest $1,000.

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Reporting Individual's Name
Theodore (Ted) F. Stevens

PART V. GIFTS

Report the source, brief description and value of all gifts aggregating more than $305 in value received by you, your spouse, or your dependent child, (See p.3 CONTENTS OF REPORTS Part B of Instructions), from each source. Gifts with a value of $122 or less need not be aggregated towards the disclosure threshold. "Gift" is defined in the Instructions.

Exclude: (1) Bequests and other forms of inheritance; (2) Political campaign contributions; (3) Communications to your offices including subscriptions to newspapers and periodicals; (4) Consumable products provided by home state businesses to your offices, if those products are intended for consumption by persons other than yourself; (5) Gifts received prior to your Federal employment; (6) Gifts to your spouse or dependent child totally independent of his or her relationship to you; (7) Gifts from relatives; (8) Personal hospitality of any individual (see instructions); (9) meals and beverages unless consumed in connection with a gift of overnight lodging; and (10) Food, lodging, transportation, and entertainment provided by a foreign government within a foreign country, or by federal, state, D.C., or local governments.

	Name of Income Source	Address of Source	Dates and Brief Description	Gift Value
Example:	*Mr. John Q. Smith*	*Anytown, VA* *Example*	*August 12, 200X, Silver platter - Ethics Committee waiver granted*	*$400*
1	President of Azerbaijan	Azerbaijan	August, 2004 Medium size hand made rug - Given to Secretary of Senate	$800
2	President of Azerbaijan	Azerbaijan	August, 2004 Tea set - Given to Secretary of Senate	$150
3	King Abdullah	Jordan	December, 2004 - Grape serving set- Given to Secretary of Senate	$150
4	President of France	Paris, France	March 2004 - Watch- Given to Secretary of Senate	$328
5				
6				
7				
8				
9				
10				
11				
12				

Note: The Senate Gift Rule prohibits most gifts in excess of $49.99.

Reporting Individual's Name
Theodore (Ted) F. Stevens

PART VII. LIABILITIES

Page Number 7

Report liabilities over $10,000 owed by you, your spouse, or dependent child (See p.3 CONTENTS OF REPORTS Part B of Instructions), to any one creditor at any time during the reporting period. Check the highest amount owed during the reporting period. Exclude: (1) Mortgages on your personal residences unless rented; (2) loans secured by automobiles, household furniture or appliances; and (3) liabilities owed to certain relatives listed in Instructions. See Instructions for reporting revolving charge accounts.

	Name of Creditor	Address	Type of Liability	Date Incurred	Interest Rate	Term if Applicable	Category of Amount of Value (x)										
							$10,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
Example: S, DC, or J	*First District Bank*	*Wash., DC*	*Mortgage on undeveloped land*	*1991*	*13%*	*25yrs*			X		E	X	A	M	P	L	E
	(J) John Jones	*Wash., DC*	*Promissory Note*	*1999*	*10%*	*On dmd*				X	E	X	A	M	P	L	E
1	Internal Revenue Services	Wash., DC	~~Taxes~~ due to sale of limited liability company interests. Taxes were paid in full when due in April 2005.							X							
2																	
3																	
4																	
5																	
6																	
7																	
8																	
9																	
10																	
11																	
12																	

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Click to create an additional page for this part

Reporting Individual's Name	PART VIII. POSITIONS HELD OUTSIDE U.S. GOVERNMENT	Page Number
Theodore (Ted) F. Stevens		8

Report any positions held by you during the applicable reporting period whether compensated or not. Positions include, but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. Both the year and month must be reported for the period of time that the position was held.

Exclude: Positions with federal government, religious, social, fraternal, or political entities, and those solely of an honorary nature.

	Name of Organization	Address (City, State)	Type of Organization	Position Held	From (Mo/Yr)	To (Mo/Yr)
Example:	*National Assn. of Rock Collectors*	*NY,NY* **EXAMPLE**	*Non-profit education*	*President*	*6 / 90*	*Present*
	Jones & Smith	*Hometown, USA* **EXAMPLE**	*Law Firm*	*Partner*	*7 / 85*	*11 / 0X*
1	John F. Kennedy Center for Performing Arts	Washington, D.C.	non-profit performing arts	Congressional rep. member of Board of Trustees	1/97	2/05
2	Dwight D. Eisenhower Memorial Commission	Washington, D.C.	Presidential Appointment	Member of Board	4/01	Present
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						

Compensation in excess of $200 from any position must be reported in Part II.

Attachment 1
re:Part IIIA
Line 3
Spouse
Salomon Smith Barney (IRA TRAKNAV investment program invested in 7 publicly traded)
Smith Barney Funds:

CG Capital Markets- Government Money Investments
Value of Asset- None (or less than $1,000)
Type of Income- Excepted Investment Fund
Amount of Income- None (or less than $201)

CG Capital Markets- Large Cap Value Investments
Value of Asset- $1,001-$15,000
Type of Income- Excepted Investment Fund
Amount of Income-None (or less than $201)

CG Capital Markets- Small Cap Value Investments
Value of Asset- $1,001-$15,000
Type of Income- Excepted Investment Fund
Amount of Income-$201-$1,000

CG Capital Markets- Emerging Markets Investments
Value of Asset- $1,001-$15,000
Type of Income- Excepted Investment Fund
Amount of Income-None (or less than $201)

CG Capital Markets- International Equity Investments
Value of Asset- $1,001-$15,000
Type of Income- Excepted Investment Fund
Amount of Income-None (or less than $201)

CG Capital Markets-Large Cap Growth Investments
Value of Asset- $1,001-$15,000
Type of Income- Excepted Investment Fund
Amount of Income- None (or less than $201)

CG Capital Markets- Small Cap Growth Investments
Value of Asset- $1,001-$15,000
Type of Income- Excepted Investment Fund
Amount of Income-None (or less than $201)

Attachment 2
Part IIIA
Line 7
Spouse
Mayer, Brown, Rowe and Maw
Chicago, IL
Investment program 401(k) invested in the following 7 funds:

Vanguard U.S. Growth
Value of Asset - None (or less than $1,000)
Type of Income-Excepted Investment Fund
Amount of Income-None (or less than $201)

Scudder Equity 500 Index
Value of Asset - $15,001-$50,000
Type of Income-Excepted Investment Fund
Amount of Income- $1,001-$2,500

Franklin Small Mid Cap Growth
Value of Asset - None (or less than $1,000)
Type of Income-Excepted Investment Fund
Amount of Income- None (or less than $201)

Putnam International Equity
Value of Asset - None (or less than $1,000)
Type of Income- Excepted Investment Fund
Amount of Income- None (or less than $201)

State Street Research Emerging
Value of Asset - $15,001-$50,000
Type of Income-Excepted Investment Fund
Amount of Income- None (or less than $201)

Fidelity Advl. Diversified Int
Value of Asset - $15,001-$50,000
Type of Income-Excepted Investment Fund
Amount of Income- $2,501- $5,000

TCW Gallieo Select Equities Fund
Value of Asset - $15,001-$50,000
Type of Income-Excepted Investment Fund
Amount of Income- $2,501-$5,000

Attachment 3
Part IIIB
Line I

JLS Properties

4333 Bering Street and Arctic Manor Lt 1 B (Garage and parking lot)	Value of Asset	$15,000-$50,000
Crossroads Business Park (Undeveloped land)	Value of Asset	$15,000-$50,000
2000 W. International (Business Park)	Value of Asset	$100,000-$250,000

Attachment 4
Part IIIB
Line 7

Spouse

Chamer and Co (Family investment company) holds the following underlying assets:

Interest in Rental House Wickenburg AZ.	Value of Spouse's interest : $50,001-$100,000
Interest in Cash in Banks	Value of Spouse's interest: $15,001-$50,000
Interest in Commercial Property Anchorage AK	Value of Spouse's interest: $15,001-$50,000

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Attachment 5

Ted Stevens

In 2004 the interests of Ted Stevens in JLS Properties, Jillian Square Apartments, Centerpoint I, Centerpoint II, Centerpoint Financial Center and Grantsville Development listed on Part IIIB were sold. Cash and promissory notes, for the sales prices disclosed on Part IV, were received. The note received in connection with the sale of JLS, Jillian Square, Centerpoint I and II was from Leonard Hyde and Jon Rubini, and provided for interest at the rate of 8% with payments due quarterly. The note received from the sale of Grantsville was from Nickel, Inc. and provided for interest at the rate of 4% and is payable in full on June 1, 2005. All the cash and notes resulting from the above described sales were conveyed to the Theodore F. Stevens Blind Trust which was created in 2004. Senator Stevens had no interest in those LLC's or the notes at year end and so the value of each is listed as "0".

Centerpoint Financial Center LLC was formed effective January 1, 2004 by means of distribution from Centerpoint II. Senator Stevens sold his interest effective that day.

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Reporting Individual's Name: Theodore (Ted) F. Stevens

Amendment

PART IV. TRANSACTIONS

Page Number

Report any purchase, sale, or exchange by you, your spouse, or dependent child (See p.3 CONTENTS OF REPORTS Part B of Instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.

		Identification of Assets	Transaction Type (x): Purchase	Sale	Exchange	Transaction Date (Mo., Day, Yr.)	Amount of Transaction (x): $1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
Example:	S, DC, or J	IBM Corp. (stock) NYSE	X			2/1/0X		X			E	X	A	M	P	L	E
	(DC)	Microsoft (stock) NASDAQ/OTC		X		1/27/0X				X	E	X	A	M	P	L	E
1		JLS Properties, LLC Anchorage AK (Sale of ownership interest)		X		6/15/04	*$288,000										
2		Jillian Square Apartments, Fairbanks, AK (Sale of interest)		X		6/15/04	*$166,000										
3		Centerpoint I, LLC (Office building at 3900 C Street) Anchorage, AK (Sale of Interest)		X		6/15/04	*$219,000										
4		Centerpoint II, LLC (Undeveloped land Centerpoint subdivision) Anchorage, AK (Sale of Interest)		X		6/15/04	*$227,000										
5		Grantsville Development Co. (subdivision development in Grantsville, UT) (sale of interest)		X		12/28/04	*$150,000										
6		Centerpoint Financial- land - Anchorage, AK (Non-taxable distribution from Centerpoint II)	X			1/1/04				X							
7		Centerpoint Financial (Sale of interest)		X		1/1/04	*$138,000										
8		Alaska's Great Eagle As Well, LLC Girdwood, AK Investment group formed to purchase horses	X			3/25/04	X										
9		Alaska's Great Eagle LLC - Liquidation ($436.00 received)				12/31/04											
10	S	Vangurad U.S. Growth; Franklin Small-Mid Cap Growth; Putnam International Equity			X				X								
11	S	State Street Research Emerging; Fidelity Advi. Diversified Int.; TCW Galileo Select Equities Fund			X				X								
12		IRA w/KeyTrust Co. N.A. as Custodian (see attachment 7				*actual amounts rounded to nearest $1,000.											

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

05 MAY 26 PM 2:13 SECRETARY OF THE SENATE

17B

Reporting Individual's Name: Theodore (Ted) F. Stevens

PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Page Number

BLOCK A — Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state and description) of each interest held by you, your spouse, or your dependent child (See p.3, CONTENTS OF REPORTS Part B of Instructions) for the production of income or investment in a non-public trade or business which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or

(2) generated over $200 in "unearned" income during the reporting period.

Include the above report for each underlying asset, which is not incidental to the trade or business. Publicly traded assets held by non-public entity may be listed on Part IIIA.

BLOCK B — Valuation of Assets

At the close of reporting period. If None, or less than $1,001, Check the first column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

	S, DC, or J	Asset	Block B: None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Block C: Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required if "Other" Specified
Example:		*JP Computer, Wash DC*				X									X							*Example*		X										*Example*
		Undeveloped land, Dubuque, Iowa					X															*Example*	X											*Example*
1		JLS Properites, LLC (land & buildings -see attachment 3) Anchorage, AK Sold in 2004	O															X				Limited Liability Co.								X				(392)
2		Jillian Square Apartments, LLC, Anchorage, AK Apartment complex in Fairbanks, AK Sold in 2004	O															X				Limited Liability Co.								X				4,804
3		Centerpoint I, LLC (Office building at 3900 C Street) Anchorage, AK Sold in 2004	O															X				Limited Liability Co.								X				2,439
4		Centerpoint II, LLC (undeveloped land Centerpoint subdivision - Eureka at 40th) Anchorage, AK Sold in 2004	O															X				Limited Liability Co.								X				33,666
5		Promissory Note for sale of JLS, Jillian Square, Centerpoint I, Centerpoint II -Transferred to Trust 2004	O														X										X							
6		Centerpoint Financial (office building under construction) Anchorage, AK Sold in 2004	O															X												X				
7																																		
8		Grantsville Development Co. (subdivision development in Grantsville, Ut) Anchorage, AK Sold in 2004	O																			Limited Liability Co.												60,012
9																																		
10																																		

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right.

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate. ☐

Reporting Individual's Name: Theodore (Ted) F. Stevens

PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Page Number

BLOCK A — Identity of Publicly Traded Assets And Unearned Income Sources

Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child, *(See p.3, CONTENTS OF REPORTS Part B of Instructions)* for production of income or investment which:
(1) had a value exceeding $1,000 at the close of the reporting period; and/or
(2) generated over $200 in "unearned" income during the reporting period.
Include on this PART IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.

BLOCK B — Valuation of Assets

At the close of reporting period. If None, or less than $1,001, Check the first column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

	S, DC, or J	Asset	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required if "Other" Specified
Example:		*IBM Corp. (stock)*				X									X							*Example*		X										*Example*
		(S) Keystone Fund					X										X		X			*Example*	X											*Example*
1	J	U.S. Senate Federal Credit Union Washington, D.C.						X									X									X								
2	J	Salomon Smith Barney Washington D.C. money market		X											X		X						X											
3	S	Salomon Smith Barney (IRA TRAKNAV investment program invested in 7 publicly traded Smith Barney Funds- see attachment 1) Washington, D.C.			X														X					X										
4	J	Riggs Bank Washington, D.C. (money market)			X												X						X											
5	J	Wells Fargo Bank Anchorage, AK (checking acct.)		X													X						X											
6	S	CSFB, LLC San Francisco, CA (money market)				X									X										X									
7	S	Mayer, Brown, Rowe & Maw Chicago, IL 401(k) funds invested in Vanguard U.S. Growth; Scudder Equity 500 Index; Franklin Small-Mid Cap Growth; (continued below)				X													X								X							
8		Putnam International Growth; State Street Research Emerging, Fidelity Advt. Diversified Int, TCW Galileo Select Equities Fund - see attachment 2																																
9		IRA w/KeyTrust Co. N.A. as Custodian. (See attachment 6)					X								X			X									X							
10																																		

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐
*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

TFStevens

Attachment 6 to Part IIIA, 2004 Disclosure Report
Ted Stevens

SECRETARY OF THE SENATE
05 MAY 26 PM 2:14

Investments Held in Ted Stevens' Key Trust IRA Account at year end or which generated Income of more than $200 during year

Description	Quantity of Shares	Market value	Type of Income	Amount of Income
COOPER INDUSTRIES L TO	20.00	$1001 - $15000	Dividends	None or less than $201
FGN COM CL A				
UBS AG	20.00	$1001 - $15000		None or less than $201
FGN COM				
ACTIVISION INC NEW	77.00	$1001 - $15000	Capital Gains	$201-$1000
ALTRIA GROUP INC	50.00	$1001 - $15000		None or less than $201
AMERICA MOVIL S A DE C V	65.00	$1001 - $15000		None or less than $201
SPONS ADR SER L				
ARMOR HOLDINGS INC	55.00	$1001 - $15000		None or less than $201
AVID TECHNOLOGY INC	35.00	$1001 - $15000		None or less than $201
AVOCENT CORP	70.00	$1001 - $15000		None or less than $201
BROCADE COMMUNICATIONS SYS INC	435.00	$1001 - $15000		None or less than $201
CAPITAL ONE FINANCIAL CORP	20.00	$1001 - $15000	Dividends Capital Gains	$201-$1000
COMVERSE TECHNOLOGY INC	140.00	$1001 - $15000		None or less than $201
CONSTELLATION BRANDS INC	80.00	$1001 - $15000		None or less than $201
COM CL A				
COOPER COS INC	45.00	$1001 - $15000	Capital Gains	$201-$1000
WALT DISNEY CO	85.00	$1001 - $15000		None or less than $201

ELAN PLC	120.00	$1001 - $15000	Capital Gains	$201-$1000
ADR				
EPICOR SOFTWARE CORP	190.00	$1,001 - $15,000		None or less than $201
GILEAD SCIENCES INC	95.00	$1001 - $15000		None or less than $201
GOLDMAN SACHS GROUP INC	30.00	$1001 - $15000		None or less than $201
GOOGLE INC	25.00	$1001 - $15000		None or less than $201
COM CL A				
INTEL CORP	100.00	$1001 - $15000	Dividend	None or less than $201
L-3 COMMUNICATIONS CORPORATION	35.00	$1001 - $15000	Dividend	None or less than $201
MGM MIRAGE	40.00	$1001 - $15000	Dividend	None or less than $201
MCAFEE INC	80.00	$1001 - $15000		None or less than $201
MCDONALDS CORP	115.00	$1001 - $15000	Dividend	None or less than $201
MICROSOFT CORP	60.00	$1001 - $15000		None or less than $201
OPENWAVE SYSTEMS INC	235.00	$1001 - $15000		None or less than $201
PHARMION CORP	35.00	$1001 - $15000		None or less than $201
RESEARCH IN MOTION L TO	15.00	$1001 - $15000	Capital Gains	$201-$1000
FGN COM				
SANOFI-AVENTIS	60.00	$1001 - $15000		None or less than $201
SPONS ADR				
SATYAM COMPUTER SERVICES LTD	80.00	$1001 - $15000		None or less than $201
SPONS ADR				
SHANDA INTERATIVE ENTMT LTD	60.00	$1001 - $15000		None or less than $201
SPONS ADR				
STATION CASINOS INC	55.00	$1001 - $15000	Dividends	None or less than $201

SYNAPTICS INC	50.00	$1001 - $15000		None or less than $201
TARGET CORP	65.00	$1001 - $15000	Dividends	None or less than $201
UNITED TECHNOLOGIES CORP	25.00	$1001 - $15000		None or less than $201
URBAN OUTFITTERS INC	25.00	$1001 - $15000	Capital Gains	$201-$100
VERISIGN INC	50.00	$1001 - $15000	Capital Gains	$201-$100
WILLIAMS COS INC DEL	195.00	$1001 - $15000	Dividend	None or less than $201
WYETH	70.00	$1001 - $15000	Dividend	None or less than $201
XM SATELLITE RADIO HLDGS INC COM CL A	35.00	$1001-$15000	Capital Gains	$201-$1000
XTO ENERGY INC	58.00	$1001-$15000	Dividend Capital Gains	$201-$1000
AIM Short Term Investment Prime Money Market Account		$1001-$15000	Dividend	None or less than $201
K-Mart Holding Corp	0	0	Capital Gains	$201-$1000
Palmone Inc	0	0	Capital Gains	$1001-$2500
Martek Biosciences Corp.	0	0	Capital Gains	$201-$1000
Nextel Communications Inc	0	0	Capital Gains	$1001-$2500
Terex Corp New	0	0	Capital Gains	$201-$1000
Occidental Pete. Corp Del	0	0	Dividends Capital Gains	$201-$1000
Southwestern Energy Co	O	O	Capital Gains	$1001-$2500
Varian Medical Systems Inc	0	0	Capital Gains	$201-$1000
NetFlix Com Inc	0	0	Capital Gains	$1001-$2500
Foundry Networks Inc	0	0	Capital Gains	$1001-$2500
New York Community Bancorp, Inc	0	0	Capital Gains	$201-$1000
Cisco Systems Inc	0	0	Capital Gains	$1001 - $2500

AU Optronics Corp	0	0	Capital Gains	$201-$1000
Advanced Auto Parts Inc	0	0	Capital Gains	$201-$1000
Invitrogen Corp	0	0	Capital Gains	$201-$1000
Amedisys Inc	0	0	Capital Gains	$201-$1000
Net Total for Account		*$110,000	Dividends Capital Gains	$5001 to $15,000

Notes: This account is managed by a broker, not the account holder. Assets with "0" value were sold during the year. Disclosure lists only those investments held at year end or which resulted in income of more than $200 in 2004. Investment losses are not disclosed.

*Actual value rounded to the nearest $1,000.

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Attachment 7 to Part IV
2004 Disclosure Report
Ted Stevens

SECRETARY OF THE SENATE
05 MAY 26 PM 2:14

Transactions in Ted Stevens' Key Trust Co IRA Account

Date	Description	Amount
01/07	CITIGROUP INC	
	PURCHASE 35 SHS	$1,001 - $15,000
01/07	NETFLIX.COM INC	
	SALE 50 SHS	$1,001 - $15,000
01/08	CITIGROUP INC	
	PURCHASE 35 SHS	$1,001 - $15,000
01/09	NEW YORK COMMUNITY BANCORP INC	
	SALE 30 SHS	$1,001 - $15,000
01/13	ANDREW CORP	
	PURCHASE 135 SHS	$1,001 - $15,000
01/14	UTSTARCOM INC	
	SALE 95 SHS	$1,001 - $15,000
01/16	TEREX CORP NEW	
	PURCHASE 50 SHS	$1,001 - $15,000
01/26	MERRILL LYNCH & CO INC	
	SALE 25 SHS	$1,001 - $15,000
01/26	PHELPS DODGE CORP	
	PURCHASE 15 SHS	$1,001 - $15,000
01/27	AMR CORP	
	PURCHASE 120 SHS	$1,001 - $15,000
02/04	YELLOW ROADWAY CORP	
	SALE 40 SHS	$1,001 - $15,000
02/11	ACTIVISION INC NEW	
	PURCHASE 60 SHS	$1,001 - $15,000
02/13	AVAYA INC	
	PURCHASE 95 SHS	$1,001 - $15,000
02/13	CISCO SYS INC	
	SALE 125 SHS	$1,001 - $15,000
02/13	SANDISK CORP	
	SALE 25 SHS	$1,001 - $15,000

02/13	ULTRATECHINC	
	SALE 85 SHS	$1,001 - $15,000
02/13	VARIAN MEDICAL SYSTEMS INC	
	SALE 15 SHS	$1,001 - $15,000
02/13	WEBEX COMMUNICATIONS INC	
	PURCHASE 45 SHS	$1,001 - $15,000
02/17	MILLIPORE CORP	
	PURCHASE 20 SHS	$1,001 - $15,000
02/24	AMR CORP	
	PURCHASE 70 SHS	$1,001 - $15,000
02/24	ELAN PLC	
	PURCHASE 185 SHS	$1,001 - $15,000
03/01	CONSTELLATION BRANDS INC	
	SALE 105 SHS	$1,001 - $15,000
03/03	ROCKWELL AUTOMATION INC	
	SALE 75 SHS	$1,001 - $15,000
03/04	OCCIDENTAL PETE CORP DEL	
	PURCHASE 40 SHS	$1,001 - $15,000
03/09	XM SATELLITE RADIO HLDGS INC	
	PURCHASE 65 SHS	$1,001 - $15,000
03/23	AMR CORP	
	SALE 100 SHS	$1,001 - $15,000
03/25	FOOT LOCKER INC	
	PURCHASE 50 SHS	$1,001 - $15,000
03/30	MERIX CORP	
	SALE 70 SHS	$1,001 - $15,000
04/07	ALVARION LTD	
	PURCHASE 90 SHS	$1,001 - $15,000
04/07	AU OPTRONICS CORP	
	SALE 60 SHS	$1,001 - $15,000
04/07	PALMONE INC	
	PURCHASE 75 SHS	$1,001 - $15,000
04/07	SYBASE INC	
	SALE 60 SHS	$1,001 - $15,000

04/07	URBAN OUTFITIERS INC	
	SALE 25 SHS	$1,001 - $15,000
04/08	AU OPTRONICS CORP	
	SALE 50 SHS	$1,001 - $15,000
04/14	PHARMACEUTICAL RESOURCES INC	
	SALE 20 SHS	$1,001 - $15,000
04/19	GRAFTECH INTERNATIONAL LTD	
	SALE 70 SHS	$1,001 - $15,000
04/19	GUIDANT CORP	
	PURCHASE 20 SHS	$1,001 - $15,000
04/19	MILLIPORE CORP	
	PURCHASE 25 SHS	$1,001 - $15,000
04/19	PHELPS DODGE CORP	
	SALE 25 SHS	$1,001 - $15,000
04/21	SECURE COMPUTING CORP	
	SALE 115 SHS	$1,001 - $15,000
04/26	MOTOROLA INC	
	PURCHASE 165 SHS	$1,001 - $15,000
04/26	WEBEX COMMUNICATIONS INC	
	SALE 70 SHS	$1,001 - $15,000
05/04	L-3 COMMUNICATIONS CORPORATION	
	PURCHASE 20 SHS	$1,001 - $15,000
05/05	INFOSPACE INC	
	SALE 35 SHS	$1,001 - $15,000
05/12	CHECK POINT SOFTWARE TECH LTD	
	PURCHASE 95 SHS	$1,001 - $15,000
05/13	CATERPILLAR INC DEL	
	SALE 30 SHS	$1,001 - $15,000
05/14	CATERPILLAR INC DEL	
	SALE 15 SHS	$1,001 - $15,000
05/18	AMERICAN INTL GROUP INC	
	PURCHASE 45 SHS	$1,001 - $15,000
05/20	FIRST DATA CORP	
	PURCHASE 50 SHS	$1,001 - $15,000

06/02	GENENTECH INC	
	PURCHASE 35 SHS	$1,001 - $15,000
06/02	GUIDANT CORP	
	SALE 45 SHS	$1,001 - $15,000
06/02	GUIDANT CORP	
	SALE 30 SHS	$1,001 - $15,000
06/02	SEPRACOR INC	
	PURCHASE 35 SHS	$1,001 - $15,000
06/04	AMEDISYS INC	
	PURCHASE 45 SHS	$1,001 - $15,000
06/04	DAVITA INC	
	PURCHASE 25 SHS	$1,001 - $15,000
06/04	KMART HOLDING CORP	
	PURCHASE 20 SHS	$1,001 - $15,000
06/10	UBS AG	
	PURCHASE 30 SHS	$1,001 - $15,000
06/10	CITIGROUP INC	
	SALE 70 SHS	$1,001 - $15,000
06/22	ACCENTURE LTD	
	PURCHASE 70 SHS	$1,001 - $15,000
07/02	COOPER INDUSTRIES LTD	
	PURCHASE 20 SHS	$1,001 - $15,000
07/02	ELAN PLC	
	SALE 60 SHS	$1,001 - $15,000
07/02	INTERNATIONAL STEEL GROUP INC	
	SALE 55 SHS	$1,001 - $15,000
07/02	MANPOWER INC	
	PURCHASE 35 SHS	$1,001 - $15,000
07/02	MICROSOFT CORP	
	PURCHASE 60 SHS	$1,001 - $15,000
07/02	XTO ENERGY I	
	SALE 60 SHS	$1,001 - $15,000
07/29	CHECK POINT SOFTWARE TECH I TO	
	SALE 95 SHS	$1,001 - $15,000

07/29	ANDREW CORP	
	SALE 150 SHS	$1,001 - $15,000
07/30	PACCAR INC	
	PURCHASE 35 SHS	$1,001 - $15,000
07/30	SCHERING PLOUGH CORP	
	PURCHASE 90 SHS	$1,001 - $15,000
08/13	HARLEY DAVIDSON INC	
	PURCHASE 35 SHS	$1,001 - $15,000
08/16	AVAYA INC	
	SALE 85 SHS	$1,001 - $15,000
08/18	UNITED HEALTH GROUP INC	
	PURCHASE 40 SHS	$1,001 - $15,000
08/19	PALMONE INC	
	SALE 30 SHS	$1,001 - $15,000
08/19	RESEARCH IN MOTION LTD	
	PURCHASE 35 SHS	$1,001 - $15,000
08/19	TARGET CORP	
	PURCHASE 55 SHS	$1,001 - $15,000
08/20	PALMONE INC	
	SALE 30 SHS	$1,001 - $15,000
08/31	MGM MIRAGE	
	PURCHASE 25 SHS	$1,001 - $15,000
08/31	MARTEK BIOSCIENCES CORP	
	SALE 30 SHS	$1,001 - $15,000
09/13	DEAN FOODS CO	
	SALE 77 SHS	$1,001 - $15,000
09/14	CISCO SYS INC	
	PURCHASE 105 SHS	$1,001 - $15,000
09/17	IMCLONE SYSTEMS INC	
	PURCHASE 30 SHS	$1,001 - $15,000
09/21	SPRINT CORP	
	PURCHASE 105 SHS	$1,001 - $15,000
09/21	TEREX CORP NEW	
	SALE 30 SHS	$1,001 - $15,000

10/07	AMERICA MOVIL S A DE C V	
	PURCHASE 25 SHS	$1,001 - $15,000
10/07	CONSTELLATION BRANDS INC	
	PURCHASE 30 SHS	$1,001 - $15,000
10/07	IMCLONE SYSTEMS INC	
	PURCHASE 20 SHS	$1,001 - $15,000
10/07	MILLIPORE CORP	
	SALE 40 SHS	$1,001 - $15,000
10/07	OCCIDENTAL PETE CORP DEL	
	SALE 40 SHS	$1,001 - $15,000
10/07	SANDISK CORP	
	PURCHASE 70 SHS	$1,001 - $15,000
10/07	SOUTHWESTERN ENERGY CO	
	SALE 25 SHS	$1,001 - $15,000
10/07	SPRINT CORP	
	SALE 105 SHS	$1,001 - $15,000
10/08	SMITHFIELD FOODS INC	
	SALE 55 SHS	$1,001 - $15,000
10/08	UNITED TECHNOLOGIES CORP	
	PURCHASE 15 SHS	$1,001 - $15,000
10/12	VARIAN MEDICAL SYSTEMS INC	
	SALE 40 SHS	$1,001 - $15,000
10/13	BROCADE COMMUNICATIONS SYS INC	
	PURCHASE 435 SHS	$1,001 - $15,000
10/13	GENENTECH INC	
	SALE 35 SHS	$1,001 - $15,000
10/15	WALT DISNEY CO	
	PURCHASE 85 SHS	$1,001 - $15,000
10/15	FIRST DATA CORP	
	SALE 50 SHS	$1,001 - $15,000
10/15	GOOGLE INC	
	PURCHASE 15 SHS	$1,001 - $15,000
10/15	SATYAM COMPUTER SERVICES LTD	
	PURCHASE 40 SHS	$1,001 - $15,000

10/18	ACCENTURE I TO	
	SALE 85 SHS.	$1,001 - $15,000
10/18	MCDONALDS CORP	
	PURCHASE 90 SHS	$1,001 - $15,000
10/18	SATYAM COMPUTER SERVICES LTD	
	PURCHASE 40 SHS	$1,001 - $15,000
10/18	SOUTHWESTERN ENERGY CO	
	SALE 25 SHS	$1,001 - $15,000
10/19	AMERICAN INTL GROUP INC	
	SALE 20 SHS	$1,001 - $15,000
10/19	SANDISK CORP	
	SALE 70 SHS	$1,001 - $15,000
10/20	AMERICAN INTL GROUP INC	
	SALE 25 SHS	$1,001 - $15,000
10/20	INTEL CORP	
	SALE 75 SHS	$1,001 - $15,000
10/20	PARAMETRIC TECHNOLOGY CORP	
	PURCHASE 300 SHS	$1,001 - $15,000
10/21	PALMONE INC	
	PURCHASE 50 SHS	$1,001 - $15,000
10/21	SHANDA INTERACTIVE ENTMT LTD	
	PURCHASE 45 SHS	$1,001 - $15,000
10/22	UNITED HEALTH GROUP INC	
	SALE 40 SHS	$1,001 - $15,000
10/26	CONVERSE TECHNOLOGY INC	
	PURCHASE 50 SHS	$1,001 - $15,000
10/26	MOTOROLA INC	
	SALE 160 SHS	$1,001 - $15,000
10/26	PACCAR INC	
	SALE 35 SHS	$1,001 - $15,000
10/26	VERISIGN INC	
	PURCHASE 45 SHS	$1,001 - $15,000
10/27	SYNAPTICS INC	
	PURCHASE 35 SHS	$1,001 - $15,000

10/29	GILEAD SCIENCES INC	
	PURCHASE 40 SHS	$1,001 - $15,000
11/02	GOLDMAN SACHS GROUP INC	
	PURCHASE 20 SHS	$1,001 - $15,000
11/03	IMCLONE SYSTEMS INC	
	SALE 50 SHS	$1,001 - $15,000
11/03	TEREX CORP NEW	
	SALE 35 SHS	$1,001 - $15,000
11/08	OPENWAVE SYSTEMS INC	
	PURCHASE 130 SHS	$1,001 - $15,000
11/08	PHARMION CORP	
	PURCHASE 35 SHS	$1,001 - $15,000
11/08	RESEARCH IN MOTION LTD	
	SALE 20 SHS	$1,001 - $15,000
11/08	WYETH	
	PURCHASE 65 SHS	$1,001 - $15,000
11/09	DITECH COMMUNICATIONS CORP	
	SALE 75 SHS	$1,001 - $15,000
11/10	ARMOR HOLDINGS INC	
	PURCHASE 55 SHS	$1,001 - $15,000
11/10	OPENWAVE SYSTEMS INC	
	PURCHASE 105 SHS	$1,001 - $15,000
11/16	CISCO SYS INC	
	SALE 75 SHS	$1,001 - $15,000
11/16	EPICOR SOFTWARE CORP	
	PURCHASE 75 SHS	$1,001 - $15,000
11/18	SINA CORP	
	PURCHASE 50 SHS	$1,001 - $15,000
11/18	AVID TECHNOLOGY INC	
	PURCHASE 35 SHS	$1,001 - $15,000
11/18	GOLDMAN SACHS GROUP INC	
	PURCHASE 10 SHS	$1,001 - $15,000
11/18	PALMONE INC	
	SALE 45 SHS	$1,001 - $15,000

11/19	CAPITAL ONE FINANCIAL CORP	
	SALE 20 SHS	$1,001 - $15,000
11/22	KMART HOLDING CORP	
	SALE 15 SHS	$1,001 - $15,000
11/23	ALTRIA GROUP INC	
	PURCHASE 40 SHS	$1,001 - $15,000
11/23	AMEDISYS INC	
	SALE 45 SHS	$1,001 - $15,000
11/23	CONVERSE TECHNOLOGY INC	
	PURCHASE 55 SHS	$1,001 - $15,000
11/23	OCCIDENTAL PETE CORP DEL	
	SALE 30 SHS	$1,001 - $15,000
11/23	WILLIAMS COS INC DEL	
	PURCHASE 115 SHS	$1,001 - $15,000
12/06	PFIZER INC	
	PURCHASE 65 SHS	$1,001 - $15,000
12/06	SCHERING PLOUGH CORP	
	SALE 90 SHS	$1,001 - $15,000
12/06	SEPRACOR INC	
	SALE 35 SHS	$1,001 - $15,000
12/10	ACTIVISION INC NEW	
	SALE 130 SHS	$1,001 - $15,000
12/10	SANOFI-AVENTIS	
	PURCHASE 60 SHS	$1,001 - $15,000
12/10	VERISIGN INC	
	SALE 35 SHS	$1,001 - $15,000
12/20	HARLEY DAVIDSON INC	
	SALE 35 SHS	$1,001 - $15,000
12/20	PALMONE INC	
	SALE 30 SHS	$1,001 - $15,000
12/22	AVOCENT CORP	
	PURCHASE 35 SHS	$1,001 - $15,000
12/22	COOPER COS INC	
	PURCHASE 20 SHS	$1,001 - $15,000

12/22	PFIZER INC	
	SALE 120 SHS	$1,001 - $15,000
12/23	AVOCENT CORP	
	PURCHASE 35 SHS	$1,001 - $15,000
12/27	MCAFEE INC	
	PURCHASE 80 SHS	$1,001 - $15,000
12/28	SINA CORP	
	SALE 50 SHS	$1,001 - $15,000

Notes: This account is managed by a broker, not by the account holder.

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UNITED STATES SENATE FINANCIAL DISCLOSURE REPORT
FOR ANNUAL AND TERMINATION REPORTS

Last Name	First Name and Middle Initial	Annual Report	Senate Office / Agency In Which Employed
Stevens	Theodore F. (Ted)	Calendar Year Covered by Report: 2003	
Senate Office Address (Number, Street, City, State, and ZIP Code)	Senate Office Telephone Number (*Include Area Code*)	Termination Report	Prior Office / Agency In Which Employed
		Termination Date (mm/dd/yy):	

AFTER READING THE INSTRUCTIONS, ANSWER EACH OF THESE QUESTIONS AND ATTACH THE RELEVANT PART

	YES	NO		YES	NO
Did any individual or organization make a donation to charity in lieu of paying you for a speech, appearance, or article in the reporting period? If Yes, Complete and Attach PART I.		X	Did you, your spouse, or dependent child receive any reportable travel or reimbursements for travel in the reporting period (i.e., worth more than $285 from one source)? If Yes, Complete and Attach PART VI.		X
Did you or your spouse have earned income (e.g., salaries or fees) or non-investment income of more than $200 from any reportable source in the reporting period? If Yes, Complete and Attach PART II.	X		Did you, your spouse, or dependent child have any reportable liability (more than $10,000) during the reporting period? If Yes, Complete and Attach PART VII.		X
Did you, your spouse, or dependent child receive unearned or investment income of more than $200 in the reporting period or hold any reportable asset worth more than $1,000 at the end of the period? If Yes, Complete & Attach PART IIIA and/or IIIB.	X		Did you hold any reportable positions on or before the date of filing in the current calendar year? If Yes, Complete and Attach PART VIII.	X	
Did you, your spouse, or dependent child purchase, sell, or exchange any reportable asset worth more than $1,000 in the reporting period? If Yes, Complete and Attach PART IV.	X		Do you have any reportable agreement or arrangement with an outside entity? If Yes, Complete and Attach PART IX.		X
Did you, your spouse, or dependent child receive any reportable gift in the reporting period (i.e., aggregating more than $285 and not otherwise exempt)? If Yes, Complete and Attach PART V.	X		If this is your FIRST Report: Did you receive compensation of more than $5,000 from a single source in the two prior years? If Yes, Complete and Attach PART X.		

File this report and any amendments with the Secretary of the Senate, Office of Public Records, Room 232, Hart Senate Office Building, U.S. Senate, Washington, DC 20510. $200 Penalty for filing more than 30 days after due date.

This Financial Disclosure Statement is required by the Ethics in Government Act of 1978, as amended. The statement will be made available by the Office of the Secretary of the Senate to any requesting person upon written application and will be reviewed by the Select Committee on Ethics. Any individual who knowingly and willfully falsifies, or who knowingly and willfully fails to file this report may be subject to civil and criminal sanctions. (See 5 U.S.C. app. 6, 104, and 18 U.S.C. 1001.)

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Do Not Write Below this Line

SECRETARY OF THE SENATE
04 MAY 17 PM 4:15

Certification	Signature of Reporting Individual	Date (Month, Day, Year) *
I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge and belief.	Ted Stevens / Theodore F. Stevens	5/17/04

For Official Use Only - Do Not Write Below This Line

	Signature of Reviewing Official	Date (Month, Day, Year)
It is the Opinion of the reviewer that the statements made in this form are in compliance with Title I of the Ethics in Government Act.		

11 A

Reporting Individual's Name	PART II. EARNED AND NON-INVESTMENT INCOME	Page Number
Theodore F. (Ted) Stevens		1

Report the source (name and address), type, and amount of earned income to you from any source aggregating $200 or more during the reporting period. For your spouse, report the source (name and address) and type of earned income which aggregate $1,000 or more during the reporting period. No amount needs to be specified for your spouse. (See p.3, CONTENTS OF REPORTS Part B of Instructions.) Do not report income from employment by the U.S. Government for you or your spouse.

Individuals not covered by the Honoraria Ban:
For you and /or your spouse, report honoraria income received which aggregates $200 or more by exact amount, give the date of, and describe the activity (speech, appearance or article) generating such honoraria payment. Do not include payments in lieu of honoraria reported on Part I.

	Name of Income Source	Address (City, State)	Type of Income	Amount
Example:	*JP Computers*	*Wash., DC*	*Salary*	*$15,000*
	MCI (Spouse)	*Arlington, VA*	*Salary*	*Over $1,000*
1	Chamer Co., Inc. -Family investment Company (spouse)	Anchorage, Alaska	Director's fees	over $1000
2	Mayer, Brown, Rowe & Maw (spouse)	Washington D.C.	salary	over $1000
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				

Reporting Individual's Name: Theodore F. (Ted) Stevens

PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Page Number: 2

BLOCK A — Identity of Publicly Traded Assets And Unearned Income Sources

Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child, *(See p.3, CONTENTS OF REPORTS Part B of Instructions)* for production of income or investment which:
(1) had a value exceeding $1,000 at the close of the reporting period; and/or
(2) generated over $200 in "unearned" income during the reporting period.
Include on this PART IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.

BLOCK B — Valuation of Assets

At the close of reporting period. If None, or less than $1,001, Check the first column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

		Block A	Block B: None (or less than $1,000)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Block C: Type of Income: Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	Amount of Income: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required if "Other" Specified
Example:	S, DC, or J	*IBM Corp. (stock)*				X									X							*Example*		X										*Example*
	(S)	*Keystone Fund*					X										X		X			*Example*				X								*Example*
1	J	U. S. Senate Federal Credit Union Washington D.C.						X									X										X							
2	J	Salomon Smith Barney Washington, D.C. money market		X											X		X						X											
3	S	Salomon Smith Barney (IRA TRAKNAV investment program - invested in 5 publicly traded Smith Barney Funds - see attachment 1 Washington, D.C.			X														X				X											
4	J	Riggs Bank Washington, D.C. - (money market)			X												X						X											
5	J	Wells Fargo Bank Anchorage Alaska (checking acct)		X													X						X											
6	S	CSFB, LLC San Francisco, CA (money market)				X									X									X										
7	S	Mayer, Brown, Rowe & Maw Chicago, IL 401(k) Funds invested in Vanguard U.S. Growth; Scudder Equity 500 Index; Franklin Small-Mid Cap Growth; Putnam International Growth - see attachment 2				X													X				X											
8																																		
9																																		
10																																		

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Reporting Individual's Name: Theodore F. (Ted) Stevens

PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

BLOCK A — Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state and description) of each interest held by you, your spouse, or your dependent child (See p.3, CONTENTS OF REPORTS Part B of Instructions) for the production of income or investment in a non-public trade or business which:
(1) had a value exceeding $1,000 at the close of the reporting period; and/or
(2) generated over $200 in "unearned" income during the reporting period.
Include the above report for each underlying asset, which is not incidental to the trade or business. Publicly traded assets held by non-public entity may be listed on Part IIIA.

BLOCK B — Valuation of Assets

At the close of reporting period. If None, or less than $1,001, Check the first column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

	S, DC, or J	Asset	None (or less than $1,000)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required If "Other" Specified
Example:		*JP Computer, Wash DC*				X									X							*Example*		X										*Example*
		Undeveloped land, Dubuque, Iowa					X															*Example*	X											*Example*
1	S	National Bank of Vermont Montpelier, VT (Life Insurance)		X													X						X											
2		Oil Interests (Individual wells on Bellmon Farm) Oklahoma City, OK				X																oil & gas working interest												1,637
3		JLS Properties, LLC; Anchorage, AK (See attachment 3)						X														Limited Liability co												4,271
4	S	Chamer Co., Inc. (Family real estate investment Co.) Anchorage AK (rental property)					X																X											
5		Grantsville Development Co. (subdivision development in Grantsville, UT) Anchorage, AK					X															Limited Liability co												65,018
6		Jillian Square Apartments, LLC (apartment complex in Fairbanks, AK) Anchorage, AK					X															Limited Liability co												5,843
7		Secks Restaurant, LLC Anchorage, AK		X																		Limited Liability co												-425
8	S	State of Alaska (Payments made to Alaskans each year by state) Permanent Fund													X										X									
9		State of Alaska (Payments made to Alaskans each year by state) Permanent Fund													X										X									
10		Key Trust Co. National Asso. Anchorage, AK (Invested in McKinley Capital Mgt.)					X												X							X								

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Reporting Individual's Name: Theodore F. (Ted) Stevens

PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

BLOCK A — Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state and description) of each interest held by you, your spouse, or your dependent child (See p.3, CONTENTS OF REPORTS Part B of Instructions) for the production of income or investment in a non-public trade or business which:
(1) had a value exceeding $1,000 at the close of the reporting period; and/or
(2) generated over $200 in "unearned" income during the reporting period.
Include the above report for each underlying asset, which is not incidental to the trade or business. Publicly traded assets held by non-public entity may be listed on Part IIIA.

BLOCK B — Valuation of Assets

At the close of reporting period. If None, or less than $1,001, Check the first column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

	S, DC, or J	Block A	None (or less than $1,000)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required if "Other" Specified
Example:	S, DC, or J	*JP Computer, Wash DC*				X									X							*Example*		X										*Example*
		Undeveloped land, Dubuque, Iowa					X															*Example*	X											*Example*
1	J	Contract right to purchase Carroll Walk Condominiums Bay Harbor, FL	X															X																$129,250
2		Centerpoint I, LLC (Office building at 3900 C Street) Anchorage, AK					X															Limited Liability Co.												-47,158
3		Centerpoint II, LLC (undeveloped land Centerpoint subdivision - Eureka at 40th) Anchorage, AK						X														Limited Liability Co.												-6,388
4		Alaska's Great Eagle, LLC Girdwood, AK (10% interest in horse)		X																		Limited Liability Co.												-3,896
5		Ted Stevens D/B/A Bed Bug Outfit (undivided half interest in livestock) Congress, AZ		X																			X											
6																																		
7																																		
8																																		
9																																		
10																																		

EXEMPTION TEST *(see Instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Reporting Individual's Name	PART V. GIFTS	Page Number
Theodore F. (Ted) Stevens		5

Report the source, brief description and value of all gifts aggregating more than $285 in value received by you, your spouse, or your dependent child, (See p.3 CONTENTS OF REPORTS Part B of Instructions), from each source. Gifts with a value of $114 or less need not be aggregated towards the disclosure threshold. "Gift" is defined in the Instructions.

Exclude: (1) Bequests and other forms of inheritance; (2) Political campaign contributions; (3) Communications to your offices including subscriptions to newspapers and periodicals; (4) Consumable products provided by home state businesses to your offices, if those products are intended for consumption by persons other than yourself; (5) Gifts received prior to your Federal employment; (6) Gifts to your spouse or dependent child totally independent of his or her relationship to you; (7) Gifts from relatives; (8) Personal hospitality of any individual (see instructions); (9) meals and beverages unless consumed in connection with a gift of overnight lodging; and (10) Food, lodging, transportation, and entertainment provided by a foreign government within a foreign country, or by federal, state, D.C., or local governments.

	Name of Income Source	Address of Source	Dates and Brief Description	Gift Value
Example:	*Mr. John Q. Smith*	*Anytown, VA* *Example*	*August 12, 200X, Silver platter - Ethics Committee waiver granted*	*$400*
1	Kenai River Sport Fishing Asso. 501(c)(3)	Kenai, Alaska	August 2003 - Sled dog given as honorary award in recognition of public service (Dog's twin purchased for $250)	$250
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12				

Note: The Senate Gift Rule prohibits most gifts in excess of $49.99.

Reporting Individual's Name: Theodore F. (Ted) Stevens

PART IV. TRANSACTIONS

Page Number: 6

Report any purchase, sale, or exchange by you, your spouse, or dependent child (See p.3 CONTENTS OF REPORTS Part B of Instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.

	S, DC, or J	Identification of Assets	Transaction Type (x): Purchase	Sale	Exchange	Transaction Date (Mo., Day, Yr.)	Amount of Transaction (x): $1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
Example:		*IBM Corp. (stock) NYSE*	X			*2/1/9X*		X			E	X	A	M	P	L	E
		(DC) Microsoft (stock) NASDAQ/OTC		X		*1/27/9X*				X	E	X	A	M	P	L	E
1	J	Sale of contract right to purchase Carroll Walk Condominium (located in Bay Harbor, FL)		X		6/12/03				X							
2		Ted Stevens D/B/A Bed Bug Outfit (Individual interest in livestock) Congress, AZ	X			11/5/03	X										
3																	
4																	
5																	
6																	
7																	
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12																	

EXEMPTION TEST *(see Instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Reporting Individual's Name	PART VIII. POSITIONS HELD OUTSIDE U.S. GOVERNMENT	Page Number
Theodore F. (Ted) Stevens		7

Report any positions held by you during the applicable reporting period whether compensated or not: Positions include, but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. Both the year and month must be reported for the period of time that the position was held.

Exclude: Positions with federal government, religious, social, fraternal, or political entities, and those solely of an honorary nature.

	Name of Organization	Address (City, State)	Type of Organization	Position Held	From (Mo/Yr)	To (Mo/Yr)
Example:	*National Assn. of Rock Collectors*	*NY,NY* **EXAMPLE**	*Non-profit education*	*President*	*6 / 90*	*Present*
	Jones & Smith	*Hometown, USA* **EXAMPLE**	*Law Firm*	*Partner*	*7 / 85*	*11 / 00*
1	John F. Kennedy Center for Performing Arts	Washington, D.C.	non-profit performing arts	Congressional rep. member of Board of Trustees	1/97	Present
2	Dwight D. Eisenhower Memorial Commission	Washington, D.C.	Presidential Appointment	Member of Board	4/01	Present
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Compensation in excess of $200 from any position must be reported in Part II.

Attachment 1
re: Part IIIA
Line 3
Spouse
Salomon Smith Barney (IRA TRAKNAV investment program invested in 7 publicly traded Smith Barney Funds:

CG Capital Markets - Government Money Investments
Value of Asset - None (or less than $1,000)
Type of Income- Excepted Investment Fund
Amount of Income - None (or less than $201)

CG Capital Markets - Large Cap Value Investments
Value of Asset - Between $1,001 and $15,000
Type of Income- Excepted Investment Fund
Amount of Income - None (or less than $201)

CG Capital Markets - Small Cap Value Investments
Value of Asset - Between $1,001 and $15,000
Type of Income- Excepted Investment Fund
Amount of Income - None (or less than $201)

CG Capital Markets - Emerging Markets Investments
Value of Asset - Between $1,001 and $15,000
Type of Income- Excepted Investment Fund
Amount of Income - None (or less than $201)

CG Capital Markets - International Equity Investments
Value of Asset - Between $1,001 and $15,000
Type of Income- Excepted Investment Fund
Amount of Income - None (or less than $201)

CG Capital Markets - Large Cap Growth Investments
Value of Asset - Between $1,001 and $15,000
Type of Income- Excepted Investment Fund
Amount of Income - None (or less than $201)

CG Capital Markets - Small Cap Growth Investments
Value of Asset - Between $1,001 and $15,000
Type of Income- Excepted Investment Fund
Amount of Income - None (or less than $201)

Attachment 2
Part IIIA
Line 7
Spouse
Mayer, Brown, Rowe & Maw
Chicago, IL
Investment program 401(k) invested in following 4 funds:

Vanguard U.S. Growth
Value of Asset - Between $1,001 and $15,000
Type of Income- Excepted Investment Fund
Amount of Income - None (or less than $201)

Scudder Equity 500 Index
Value of Asset - Between $1,001 and $15,000
Type of Income- Excepted Investment Fund
Amount of Income - None (or less than $201)

Franklin Small-Mid Cap Growth
Value of Asset - Between $1,001 and $15,000
Type of Income- Excepted Investment Fund
Amount of Income- None (or less than $201)

Putnam International Growth
Value of Asset - Between $1,001 and $15,000
Type of Income- Excepted Investment Fund
Amount of Income - None (or less than $201)

Attachment 3
Part IIIB
Line 3

JLS Properties

4333 Bering Street and Arctic Manor Lt 1 B (Garage and parking lot)	Value of Asset	$15,000-$50,000
Crossroads Business Park (Undeveloped land)	Value of Asset	$15,000-$50,000
2000 W. International (Business Park)	Value of Asset	$100,000-$250,000

UNITED STATES SENATE PUBLIC FINANCIAL DISCLOSURE REPORT FOR ANNUAL AND TERMINATION REPORTS

Last Name	First Name and Middle Initial	Annual Report	Senate Office / Agency in Which Employed
Stevens	Theodore F. (Ted)	Calendar Year Covered by Report: 2002	U.S. Senate
Senate Office Address (Number, Street, City, State, and ZIP Code)	Senate Office Telephone No. (Include Area Code)	Termination Report	Prior Office / Agency in Which Employed
522 Hart Senate Office Bldg. Washington, D.C. 20510	202-224-3004	Termination Date (Mo., Day, Yr.):	

AFTER READING THE INSTRUCTIONS - ANSWER EACH OF THESE QUESTIONS AND ATTACH THE RELEVANT PART

Did any individual or organization make a donation to charity in lieu of paying you for a speech, appearance, or article in the reporting period? If yes, Complete and Attach PART I.	YES [ ] NO [X]	Did you, your spouse, or dependent child receive any reportable travel or reimbursements for travel in the reporting period (i.e., worth more than $260 from one source)? If yes, Complete and Attach PART VI.	YES [X] NO [ ]
Did you or your spouse have earned income (e.g., salaries or fees) or non-investment income of more than $200 from any reportable source in the reporting period? If yes, Complete and Attach PART II.	YES [X] NO [ ]	Did you, your spouse, or dependent child have any reportable liability (more than $10,000) during the reporting period? If yes, Complete and Attach PART VII.	YES [ ] NO [X]
Did you, your spouse, or dependent child receive unearned or investment income of more than $200 in the reporting period or hold any reportable asset worth more than $1,000 at the end of the period? If yes, Complete and Attach PART IIIA and/or IIIB.	YES [X] NO [ ]	Did you hold any reportable positions on or before the date of filing in the current calendar year? If yes, Complete and Attach PART VIII.	YES [X] NO [ ]
Did you, your spouse, or dependent child purchase, sell, or exchange any reportable asset worth more than $1,000 in the reporting period? If yes, Complete and Attach PART IV.	YES [X] NO [ ]	Do you have any reportable agreement or arrangement with an outside entity? If yes, Complete and Attach PART IX.	YES [ ] NO [X]
Did you, your spouse, or dependent child receive any reportable gift in the reporting period (i.e., aggregating more than $260 and not otherwise exempt)? If yes, Complete and Attach PART V.	YES [ ] NO [X]	If this is your FIRST Report: Did you receive compensation of more than $5,000 from a single source in the two prior years? If yes, Complete and attach Part X.	YES [ ] NO [ ]

File this report and any amendments with the Secretary of the Senate, Office of Public Records, Room 232, Hart Senate Office Building, U.S. Senate, Washington, D.C. 20510. $200 Penalty for filing more than 30 days after due date.

This Financial Disclosure Statement is required by the Ethics in Government Act of 1978, as amended. The statement will be made available by the Office of the Secretary of the Senate to any requesting person upon written application and will be reviewed by the Select Committee on Ethics. Any individual who knowingly and willfully falsifies, or who knowingly and willfully fails to file this report may be subject to civil and criminal sanctions. (See 5 U.S.C. app. 6, 104, and 18 U.S.C. 1001.)

For Official Use Only - Do Not Write Below This Line

SECRETARY OF THE SENATE
03 MAY 15 AM 10: 45

Certification	Signature of Reporting Individual	Date (Month, Day, Year)
I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge and belief.	Ted Stevens	5/13/03

For Official Use Only - Do Not Write Below This Line

It is the opinion of the reviewer that the statements made in this form are in compliance with Title I of the Ethics in Government Act.	Signature of Reviewing Official	Date (Month, Day, Year)

Previous Editions Cannot Be Used

2/03

A (8)

Reporting Individual's Name	PART II. EARNED AND NON-INVESTMENT INCOME	Page Number
Ted Stevens		2

Report the source (name and address), type, and amount of earned income to you from any source aggregating $200 or more during the reporting period. For your spouse, report the source (name and address) and type of earned income which aggregate $1,000 or more during the reporting period. No amount needs to be specified for your spouse (see page 3, Part B of the Instructions). Do not report income from employment by the U.S. Government for you or your spouse.

Individuals not covered by the Honoraria Ban:
For you and/or your spouse, report honoraria income received which aggregates $200 or more by exact amount, give the date of, and describe the activity (speech, appearance or article) generating such honoraria payment. Do not include payments in lieu of honoraria reported on Part I.

	Name of Income Source	Address (City, State)	Type of Income	Amount
Example:	JP Computers MCI (Spouse)	EXAMPLE Wash., D.C. Arlington, VA	EXAMPLE Salary Salary	$15,000 Over $1,000
S1	Chamer Co. Inc. (spouse family investment company)	Anchorage, Alaska	Legal Fees Directors Fees	Over $1,000
S2	Mayer, Brown, Rowe & Maw	Chicago, IL	salary	Over $1,000
3				
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Previous Editions Cannot Be Used

2/03

Reporting Individual's Name: Ted Stevens

PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

BLOCK A — Identity of Publicly Traded Assets and Unearned Income Sources

Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child (see page 3, Part B of the Instructions), for production of income or investment which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or

(2) generated over $200 in "unearned" income during the reporting period.

Include on this Part IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.

BLOCK B — Valuation of Assets

At close of reporting period. If none, or less than $1,001, check the 1st column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

S, DC or J	Block A: Identity of Publicly Traded Assets and Unearned Income Sources	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Block C: Type of Income: Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	Amount of Income: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required if "Other" Specified
Example:	IBM Corp. (stock) NYSE			x		EXAMPLE								x	EXAMPLE								x			EXAMPLE							
Example:	Keystone Equity Fund (widely diversified)				x		EXAMPLE											x	EXAMPLE						x		EXAMPLE						
J 1	U. S. Senate Credit Union Washington D.C.						X									X								X									
J 2	Salmon Smith Barney Money Washington, D.C. Market		X											X		X						X											
S 3	Salomon Smith Barney IRA Washington, D.C. TRAKEM			X										X		X	X						X										
S 4	First American Title Co. (payment Phoenix, AZ on contract of sale)	X														X								X									
J 5	Riggs Bank Money Market Washington, D.C.		X													X						X											
J 6	Wells Fargo Bank Anchorage AK		X													X						X											
S 7	CSFB LLC (was Donaldson, Lufkin..) San Francisco, CA money mkt				X									X										X									
8	Monterey Murphy Biotechnology Fund Hauppauge, NY	X												X								X											
S 9	Mayer, Brown, Rowe & Maw Chicago, IL 401(k)			X										X		X						X											
10																																	

EXEMPTION TEST *(see instructions before marking box):* If you omitted any asset because it meets the three-part test for exemption described in the Instructions, please check here. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Reporting Individual's Name: Ted Stevens

PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

BLOCK A — Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state), and description of each interest held by you, your spouse, or your dependent child (see page 3, Part B of the Instructions) for the production of income or investment in a non-public trade or business which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or

(2) generated over $200 in income during the reporting period.

Include the above report for each underlying asset which is not incidental to the trade or business. Publicly traded assets held by a non-public entity may be listed on Part IIIA.

BLOCK B — Valuation of Assets

At close of reporting period. If none, or less than $1,001, check the 1st column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

S, DC or J	Block A	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Only if "Other" Specified
Example:	JP Computers, Wash., D.C. (Computer Sales)			x			EXAMPLE							x		EXAMPLE							x			EXAMPLE							
Example:	Undeveloped land in Dubuque, Iowa					x		EXAMPLE								EXAMPLE						x			EXAMPLE								
S 1	National Bank of Vermont Montpelier, VT (Life Insurance)		X													X						X											
2	Oil Interests (ind. wells on Bellman Farm Oklahoma City, OK)				X															oil&gas working interest													$722
3	JLS Properties, LLC (real estate Anchorage, AK Anchorage)						X													Ltd. Liability Co.													$3650
S 4	Chamer Co. Inc., Anchorage, AK (holds Promissory note)			X										X									X										
5	Grantsville Development Co. Anchorage, AK (subdivision development in Gransville, UT)				X															Ltd. Liability Co.													$4259
6	Jillian Square Apts. (Apartment Anchorage, AK building in Fairbanks, AK)			X																Ltd. Liability Co.													$7996
7	Sacks Restaurant, LLC Anchorage, AK		X																	Ltd. Liability Co.													$285

EXEMPTION TEST *(see instructions before marking box):* If you omitted any asset because it meets the three-part test for exemption described in the Instructions, please check here. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Reporting Individual's Name: Ted Stevens

PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES continued

Page Number 5

BLOCK A — Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state), and description of each interest held by you, your spouse, or your dependent child (see page 3, Part B of the Instructions) for the production of income or investment in a non-public trade or business which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or

(2) generated over $200 in income during the reporting period.

Include the above report for each underlying asset which is not incidental to the trade or business. Publicly traded assets held by a non-public entity may be listed on Part IIIA.

BLOCK B — Valuation of Assets

At close of reporting period. If none, or less than $1,001, check the 1st column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

S, DC or J		None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000**	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Only if "Other" Specified
Example:	JP Computers, Wash., D.C. (Computer Sales)			X			EXAMPLE							X		EXAMPLE							X			EXAMPLE							
	Undeveloped land in Dubuque, Iowa					X		EXAMPLE								EXAMPLE						X			EXAMPLE								
S 1	State of Alaska Permanent Fund		X											X										X									
2	State of Alaska Permanent Fund		X											X										X									
3	Key Trust Co. National Asso. Invested in McKinley Capital Mgt. Anchorage, AK					X												X				X											
4	Pointe Bank (real estate Aventura, FL Florida)					X											X					X											
5	Centerpoint I, LLC (real estate Anchorage, AK Anchorage)						X														Ltd. Liability Co.												10,998
6	Centerpoint II (real estate Anchorage, AK Anchorage)						X														Ltd. Liability Co.												17,036
7																																	

EXEMPTION TEST *(see instructions before marking box):* If you omitted any asset because it meets the three-part test for exemption described in the Instructions, please check here. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Previous Editions Cannot Be Used

2/03

Reporting Individual's Name: Ted Stevens

PART IV. TRANSACTIONS

Report any purchase, sale, or exchange by you, your spouse, or dependent child (see page 3, Part B of the Instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.

SOL DC	Identification of Assets	Transaction Type (x): Purchase	Sale	Exchange	Date (Mo., Day, Yr.)	Amount of Transaction (x): $1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
Example:	IBM Corp. (stock) NYSE EXAMPLE	X			2/1/0X		x			EXAMPLE						
1	Monterey Funds Hauppauge, NY		X		10/7/02	X										
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EXEMPTION TEST *(see Instructions before marking box):* If you omitted any transaction because it meets the three-part test for exemption described in the Instructions, please check here. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

FBI - Stevens-6939

Reporting Individual's Name
Ted Stevens

PART VI. REIMBURSEMENTS

Report necessary travel related expenses from each source aggregating more than $285 in value during the reporting period received by you, your spouse and/or dependent child in connection with your provision of services at a speaking engagement, fact-finding event, or other event (personal, campaign, or otherwise). Disclosure is required regardless of whether those expenses were **reimbursed** to the individual or **paid directly** by the sponsoring organization. A description of the itinerary, including date(s) and the nature of expenses is required. If you are reimbursed for more than one trip from the same sponsor (and the trips added together are worth more than $285), then you must report each trip individually, even if the reimbursement for each separate trip does not equal more than $285. Report Gifts of travel in Part V.

Exclude: Travel related expenses provided by federal, state, D.C., and local governments; or by a foreign government; reimbursements from campaign funds which are reported to the FEC; reimbursements to a spouse or dependent child totally independent of his or her relationship to you; and reimbursements reported to the Office of Public Records pursuant to Senate Rule 35. For further information, see Instructions.

	Name of Source	Address of Source	Dates and Brief Description
Example:	All States Company EXAMPLE	Maintown, TX EXAMPLE	Roundtrip air travel from Washington, D.C. to Maintown, TX and lunch for self and spouse for speaking engagement: May 1–3, 200X
1	Totem Ocean Trailer Express, Inc.	San Diego, CA	Ground transportaton and lodging expenses for speaking engagement 8/2 - 8/3/02
2	MBNA	Wilmington, DE	Roundtrip air travel from Washington, D.C. as spouse of Catherine Stevens, Director of Wyeth Center Farnsworth Museum 9/20-9/22
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FBI - Stevens-6940

Reporting Individual's Name	PART VIII. POSITIONS HELD OUTSIDE U.S. GOVERNMENT	Page Number
Ted Stevens		8

Report any positions held by you during the applicable reporting period whether compensated or not. Positions include, but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. Both the year and month must be reported for the period of time that the position was held.

Exclude: Positions with federal government, religious, social, fraternal, or political entities, and those solely of an honorary nature.

	Name of Organization	Address of Organization	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
Example:	Nat'l Assn. of Rock Collectors	NY, NY EXAMPLE	Non-profit education EXAMPLE	President EXAMPLE	6/90	Present
	Jones & Smith	Hometown, USA EXAMPLE	Law firm EXAMPLE	Partner EXAMPLE	7/85	11/00
1	The John F. Kennedy Center for Performing Arts	Washington, D.C.	Non-profit Performing Arts	Congressional Rep. member Bd. of Trustees	1/97	Present
2	Dwight D. Eisenhower Memorial Commission	Washington, D.C.	Presidential Appointment	Member of Board	4/01	Present
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Compensation in excess of $200 from any position must be reported in Part II.

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2/0:

UNITED STATES SENATE PUBLIC FINANCIAL DISCLOSURE REPORT FOR ANNUAL AND TERMINATION REPORTS

Last Name	First Name and Middle Initial	Annual Report	Senate Office / Agency in Which Employed
Stevens	Theodore F.	Calendar Year Covered by Report: 2001	U. S. Senate
Senate Office Address *(Number, Street, City, State, and ZIP Code)*	Senate Office Telephone No. *(Include Area Code)*	Termination Report	Prior Office / Agency in Which Employed
522 Hart Senate Office Bld. Washington, D.C.	202-224-3004	Termination Date (Mo., Day, Yr.):	

AFTER READING THE INSTRUCTIONS - ANSWER EACH OF THESE QUESTIONS AND ATTACH THE RELEVANT PART

Did any individual or organization make a donation to charity in lieu of paying you for a speech, appearance, or article in the reporting period? If yes, Complete and Attach PART I.	YES [ ] NO [x]	Did you, your spouse, or dependent child receive any reportable travel or reimbursements for travel in the reporting period (i.e., worth more than $260 from one source)? If yes, Complete and Attach PART VI.	YES [ ] NO [x]
Did you or your spouse have earned income (e.g., salaries or fees) or non-investment income of more than $200 from any reportable source in the reporting period? If yes, Complete and Attach PART II.	YES [x] NO [ ]	Did you, your spouse, or dependent child have any reportable liability (more than $10,000) during the reporting period? If yes, Complete and Attach PART VII.	YES [ ] NO [x]
Did you, your spouse, or dependent child receive unearned or investment income of more than $200 in the reporting period or hold any reportable asset worth more than $1,000 at the end of the period? If yes, Complete and Attach PART IIIA and/or IIIB.	YES [x] NO [ ]	Did you hold any reportable positions on or before the date of filing in the current calendar year? If yes, Complete and Attach PART VIII.	YES [x] NO [ ]
Did you, your spouse, or dependent child purchase, sell, or exchange any reportable asset worth more than $1,000 in the reporting period? If yes, Complete and Attach PART IV.	YES [x] NO [ ]	Do you have any reportable agreement or arrangement with an outside entity? If yes, Complete and Attach PART IX.	YES [ ] NO [x]
Did you, your spouse, or dependent child receive any reportable gift in the reporting period (i.e., aggregating more than $260 and not otherwise exempt)? If yes, Complete and Attach PART V.	YES [x] NO [ ]	If this is your FIRST Report: Did you receive compensation of more than $5,000 from a single source in the two prior years? If yes, Complete and attach Part X.	YES [ ] NO [ ]

File this report and any amendments with the Secretary of the Senate, Office of Public Records, Room 232, Hart Senate Office Building, U.S. Senate, Washington, D.C. 20510. $200 Penalty for filing more than 30 days after due date.

This Financial Disclosure Statement is required by the Ethics in Government Act of 1978, as amended. The statement will be made available by the Office of the Secretary of the Senate to any requesting person upon written application and will be reviewed by the Select Committee on Ethics. Any individual who knowingly and willfully falsifies, or who knowingly and willfully fails to file this report may be subject to civil and criminal sanctions. (See 5 U.S.C. app. 6, 104, and 18 U.S.C. 1001.)

For Official Use Only - Do Not Write Below This Line

SECRETARY OF THE SENATE
02 MAY 15 PM 2:24

Certification	Signature of Reporting Individual	Date *(Month, Day, Year)*
I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge and belief.	Theodore F. Stevens	5/15/02

For Official Use Only - Do Not Write Below This Line

It is the opinion of the reviewer that the statements made in this form are in compliance with Title I of the Ethics in Government Act.	Signature of Reviewing Official	Date *(Month, Day, Year)*

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2/02

Reporting Individual's Name
Theodore F. Stevens

PART II. EARNED AND NON-INVESTMENT INCOME

Report the source (name and address), type, and amount of earned income to you from any source aggregating $200 or more during the reporting period. For your spouse, report the source (name and address) and type of earned income which aggregate $1,000 or more during the reporting period. No amount needs to be specified for your spouse (see page 3, Part B of the Instructions). Do not report income from employment by the U.S. Government for you or your spouse.

Individuals not covered by the Honoraria Ban:
For you and/or your spouse, report honoraria income received which aggregates $200 or more by exact amount, give the date of, and describe the activity (speech, appearance or article) generating such honoraria payment. Do not include payments in lieu of honoraria reported on Part I.

	Name of Income Source	Address (City, State)	Type of Income	Amount
Example:	JP Computers MCI (Spouse)	EXAMPLE Wash., D.C. Arlington, VA	EXAMPLE Salary Salary	$15,000 Over $1,000
S1	Chamer Co. Inc. (spouse family investment company)	Anchorage, Alaska	Legal Fees Directors Fees	over $1,000
S2	Mayer, Brown, Rowe & Maw	Chicago, IL	salary	over $1,000
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Previous Editions Cannot Be Used

Reporting Individual's Name: Theodore F. Stevens

PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

BLOCK A — Identity of Publicly Traded Assets and Unearned Income Sources

Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child (see page 3, Part B of the Instructions), for production of income or investment which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or

(2) generated over $200 in "unearned" income during the reporting period.

Include on this Part IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.

BLOCK B — Valuation of Assets

At close of reporting period. If none, or less than $1,001, check the 1st column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

SDC or J	Block A: Identity of Publicly Traded Assets and Unearned Income Sources	Block B: None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Block C: Type of Income: Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	Amount of Income: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required if "Other" Specified
Example:	IBM Corp. (stock) NYSE			x		EXAMPLE								x		EXAMPLE							x			EXAMPLE							
	Keystone Equity Fund (widely diversified)				x		EXAMPLE											x	EXAMPLE						x		EXAMPLE						
J 1	U.S. Senate Credit Union Washington, D.C.				x											x								x									
J 2	Salomon Smith Barney Money Washington, D.C. Market			x										x		x					Net Capital Loss	x											
S 3	Salomon Smith Barney -IRA Washington, D.C. TRAKEM			x										x								x											
S 4	First American Title(payment on Phoenix, AZ contract of sale		x													x								x									
J 5	Riggs Bank Money Washington, D.C. Market		x													x						x											
J 6	Wells Fargo (formerly National Anchorage, AK Bank of Alaska)		x													x							x										
S 7	Donaldson, Lufkin & Jenrette San Francisco, CA (money market)				x									x											x								
8	Monterey Murphy Biotechnology Fund Hauppauge, NY		x											x								x											
S 9	Mayer, Brown, Rowe & Maw Chicago, IL (401K)		x											x			x					x											
10																																	

EXEMPTION TEST *(see instructions before marking box):* If you omitted any asset because it meets the three-part test for exemption described in the Instructions, please check here. [x]

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate

Reporting Individual's Name: Theodore F. Stevens

PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

BLOCK A — Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state), and description of each interest held by you, your spouse, or your dependent child (see page 3, Part B of the Instructions) for the production of income or investment in a non-public trade or business which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or

(2) generated over $200 in income during the reporting period.

Include the above report for each underlying asset which is not incidental to the trade or business. Publicly traded assets held by a non-public entity may be listed on Part IIIA.

BLOCK B — Valuation of Assets

At close of reporting period. If none, or less than $1,001, check the 1st column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

SDC or J	Block A	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Type of Income: Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	Amount of Income: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Only if "Other" Specified
Example:	JP Computers, Wash., D C (Computer Sales)			x			EXAMPLE							x		EXAMPLE							x			EXAMPLE							
Example:	Undeveloped land in Dubuque, Iowa					x		EXAMPLE								EXAMPLE						x			EXAMPLE								
S 1	National Bank of Vermont Montpelier, VT (Life Insurance)		x													x						x											
2	Oil Interests (ind. wells on Bellman Farm - Oklahoma City, OK)				x															oil & gas working interest													$4,634
3	Stevens Trust U/T/A	x																		x						x							
4	JLS Properties, LLC (real estate Anch) Anchorage, AK Estimated figures, final to be provided when available						x													Limited Liability Co.													-53,901
S 5	Chamer Co. Inc., Anchorage, AK (holds promissory note)			x										x											x								
6	Grantsville Development Co. Anchorage, AK (Subdivision ~~development in Grantsville, UT~~)			x																Limited Liability Co.													$58,477
7	Jillian Square Apts. (Apt. building in Fairbanks, AK) Anchorage, AK			x																Limited Liability Co.													7,266

EXEMPTION TEST *(see instructions before marking box):* If you omitted any asset because it meets the three-part test for exemption described in the Instructions, please check here. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Reporting Individual's Name: Theodore F. Stevens

PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

BLOCK A — Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state), and description of each interest held by you, your spouse, or your dependent child (see page 3, Part B of the Instructions) for the production of income or investment in a non-public trade or business which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or

(2) generated over $200 in income during the reporting period.

Include the above report for each underlying asset which is not incidental to the trade or business. Publicly traded assets held by a non-public entity may be listed on Part IIIA.

BLOCK B — Valuation of Assets

At close of reporting period. If none, or less than $1,001, check the 1st column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

S DC or J	Asset	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Only if "Other" Specified
Example:	JP Computers, Wash, D.C (Computer Sales)			x			EXAMPLE							x		EXAMPLE							x			EXAMPLE						
Example:	Undeveloped land in Dubuque, Iowa					x		EXAMPLE								EXAMPLE						x			EXAMPLE							
1	Sacks Restaurant, LLC Anchorage, AK		x																		Ltd. Liability Co.												$155
S 2	State of Alaska Permanent Fund		x											x										x									
3	State of Alaska Permanent Fund		x											x										x									
4	Key Trust Co. National Asso. Invested in McKinley Capital Mgt. Anchorage, AK					x												x				x											
5	Pointe Bank (real estate Aventura, FL Florida)					x											x					x											
6	Centerpoint I, LLC (real estate-Anch) Anchorage, AK Estimated figures final to be provided when available)						x														Ltd. Liability Co.												0
7	Centerpoint II, LLC (real estate Anchorage, AK Anchorage) (Estimated figures; final to be provided when available)					x															Ltd. Liability Co.												-222

EXEMPTION TEST *(see instructions before marking box):* If you omitted any asset because it meets the three-part test for exemption described in the Instructions, please check here. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Reporting Individual's Name: Theodore F. Stevens

PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

BLOCK A — Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state), and description of each interest held by you, your spouse, or your dependent child (see page 3, Part B of the Instructions) for the production of income or investment in a non-public trade or business which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or

(2) generated over $200 in income during the reporting period.

Include the above report for each underlying asset which is not incidental to the trade or business. Publicly traded assets held by a non-public entity may be listed on Part IIIA.

BLOCK B — Valuation of Assets

At close of reporting period. If none, or less than $1,001, check the 1st column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

SDC or J	Asset	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Only If "Other" Specified
Example:	JP Computers, Wash., D.C. (Computer Sales)			x			EXAMPLE							x		EXAMPLE							x			EXAMPLE							
Example:	Undeveloped land in Dubuque, Iowa					x		EXAMPLE								EXAMPLE						x			EXAMPLE								
1	Northern TV (telecomm corp.) Anchorage, AK	x															x						x										
2																																	
3																																	
4																																	
5																																	
6																																	
7																																	

EXEMPTION TEST *(see instructions before marking box):* If you omitted any asset because it meets the three-part test for exemption described in the Instructions, please check here. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate

Reporting Individual's Name: Theodore F. Stevens

PART IV. TRANSACTIONS

Report any purchase, sale, or exchange by you, your spouse, or dependent child (see page 3, Part B of the Instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.

SOC or J	Identification of Assets	Transaction Type (x): Purchase	Sale	Exchange	Date (Mo., Day, Yr.)	Amount of Transaction (x): $1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
Example:	IBM Corp. (stock) NYSE EXAMPLE	x			2/1/0X		x			EXAMPLE						
1	Dissolve Stevens Trust U/T/A		x		12/18/01			x								
2	Centerpoint I, LLC (real estate) Anchorage, AK	x			10/23/01				x							
3	Centerpoint II, LLC (real estate) Anchorage, AK	x			10/23/01		x									
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EXEMPTION TEST *(see instructions before marking box):* If you omitted any transaction because it meets the three-part test for exemption described in the Instructions, please check here. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate

Reporting Individual's Name	PART V. GIFTS	Page Number
Theodore F. Stevens		8

Report the source, brief description and value of all gifts aggregating more than $260 in value received by you, your spouse, or your dependent child (see page 3, Part B of the Instructions), from each source. Gifts with a value of $104 or less need not be aggregated towards the disclosure threshold. "Gift" is defined in the Instructions.

Exclude: (1) Bequests and other forms of inheritance; (2) Political campaign contributions; (3) Communications to your offices including subscriptions to newspapers and periodicals; (4) Consumable products provided by home state businesses to your offices, if those products are intended for consumption by persons other than yourself; (5) Gifts received prior to your Federal employment; (6) Gifts to your spouse or dependent child totally independent of his or her relationship to you; (7) Gifts from relatives; (8) Personal hospitality of any individual (see Instructions); (9) Meals and beverages unless consumed in connection with a gift of overnight lodging; and (10) Food, lodging, transportation, and entertainment provided by a foreign government within a foreign country, or by federal, state, D.C., or local governments.

	Name of Source	Address of Source	Dates and Brief Description	Value of gift
Example:	Mr. John Q. Smith EXAMPLE	Anytown, VA EXAMPLE	August 12, 200X, Silver platter—Ethics Committee waiver granted EXAMPLE	$400
1	Alaska Mint/Special Olympics	Anchorage, AK	3/6/01 Special commemorative gold Olympic coin struck by Senator Stevens as Honorary Chairman of the 2001 World Special Olympics	$1,100
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Note: Most gifts in excess of $49.99 are prohibited by the Senate Gifts Rule.

Reporting Individual's Name: Theodore F. Stevens

PART VIII. POSITIONS HELD OUTSIDE U.S. GOVERNMENT

Report any positions held by you during the applicable reporting period whether compensated or not. Positions include, but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. Both the year and month must be reported for the period of time that the position was held.

Exclude: Positions with federal government, religious, social, fraternal, or political entities, and those solely of an honorary nature.

	Name of Organization	Address of Organization	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
Example:	Nat'l Assn. of Rock Collectors	NY, NY **EXAMPLE**	Non-profit education **EXAMPLE**	President **EXAMPLE**	6/90	Present
	Jones & Smith	Hometown, USA **EXAMPLE**	Law firm **EXAMPLE**	Partner **EXAMPLE**	7/85	11/00
1	The John F. Kennedy Center for Performing Arts	Washington, D.C.	Non-profit Performing Arts	Congressional Rep. member Bd.of Trustees	1/97	present
2	Dwight D. Eisenhower Memorial Commission	Washington, D.C.	Presidential Appointment	Member of Board	4/01	present
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Compensation in excess of $200 from any position must be reported in Part II.

UNITED STATES SENATE PUBLIC FINANCIAL DISCLOSURE REPORT FOR ANNUAL AND TERMINATION REPORTS

Last Name	First Name and Middle Initial	Annual Report	Senate Office / Agency in Which Employed
Stevens	Theodore F.	Calendar Year Covered by Report: 2000	U.S. Senate
Senate Office Address (Number, Street, City, State, and ZIP Code)	Senate Office Telephone No. (Include Area Code)	Termination Report	Prior Office / Agency in Which Employed
522 Hart Senate Office Blg. Washington, D.C. 20510	202-224-3004	Termination Date (Mo., Day, Yr.):	

AFTER READING THE INSTRUCTIONS - ANSWER EACH OF THESE QUESTIONS AND ATTACH THE RELEVANT PART

Did any individual or organization make a donation to charity in lieu of paying you for a speech, appearance, or article in the reporting period? If yes, Complete and Attach PART I.	YES [ ] NO [x]	Did you, your spouse, or dependent child receive any reportable travel or reimbursements for travel in the reporting period (i.e., worth more than $260 from one source)? If yes, Complete and Attach PART VI.	YES [ ] NO [x]
Did you or your spouse have earned income (e.g., salaries or fees) or non-investment income of more than $200 from any reportable source in the reporting period? If yes, Complete and Attach PART II.	YES [x] NO [ ]	Did you, your spouse, or dependent child have any reportable liability (more than $10,000) during the reporting period? If yes, Complete and Attach PART VII.	YES [ ] NO [x]
Did you, your spouse, or dependent child receive unearned or investment income of more than $200 in the reporting period or hold any reportable asset worth more than $1,000 at the end of the period? If yes, Complete and Attach PART IIIA and/or IIIB.	YES [x] NO [ ]	Did you hold any reportable positions on or before the date of filing in the current calendar year? If yes, Complete and Attach PART VIII.	YES [x] NO [ ]
Did you, your spouse, or dependent child purchase, sell, or exchange any reportable asset worth more than $1,000 in the reporting period? If yes, Complete and Attach PART IV.	YES [x] NO [ ]	Do you have any reportable agreement or arrangement with an outside entity? If yes, Complete and Attach PART IX.	YES [ ] NO [x]
Did you, your spouse, or dependent child receive any reportable gift in the reporting period (i.e., aggregating more than $260 and not otherwise exempt)? If yes, Complete and Attach PART V.	YES [ ] NO [x]	If this is your FIRST Report: Did you receive compensation of more than $5,000 from a single source in the two prior years? If yes, Complete and attach Part X.	YES [ ] NO [ ]

File this report and any amendments with the Secretary of the Senate, Office of Public Records, Room 232, Hart Senate Office Building, U.S. Senate, Washington, D.C. 20510. $200 Penalty for filing more than 30 days after due date.

This Financial Disclosure Statement is required by the Ethics in Government Act of 1978, as amended. The statement will be made available by the Office of the Secretary of the Senate to any requesting person upon written application and will be reviewed by the Select Committee on Ethics. Any individual who knowingly and willfully falsifies, or who knowingly and willfully fails to file this report may be subject to civil and criminal sanctions. (See 5 U.S.C. app. 6, 104, and 18 U.S.C. 1001.)

For Official Use Only - Do Not Write Below This Line

SECRETARY OF THE SENATE
01 MAY 15 PM 12:40

Certification	Signature of Reporting Individual	Date (Month, Day, Year)
I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge and belief.	Theodore F. Stevens	5/10/01

For Official Use Only - Do Not Write Below This Line

	Signature of Reviewing Official	Date (Month, Day, Year)
It is the opinion of the reviewer that the statements made in this form are in compliance with Title I of the Ethics in Government Act.		

Previous Editions Cannot Be Used

Revised 2/01

7
A

Reporting Individual's Name
Theodore F. Stevens

PART II. EARNED AND NON-INVESTMENT INCOME

Report the source (name and address), type, and amount of earned income to you from any source aggregating $200 or more during the reporting period. For your spouse, report the source (name and address) and type of earned income which aggregate $1,000 or more during the reporting period. No amount needs to be specified for your spouse (see page 3, Part B of the Instructions). Do not report income from employment by the U.S. Government for you or your spouse.

Individuals not covered by the Honoraria Ban:
For you and/or your spouse, report honoraria income received which aggregates $200 or more by exact amount, give the date of, and describe the activity (speech, appearance or article) generating such honoraria payment. Do not include payments in lieu of honoraria reported on Part I.

	Name of Income Source	Address (City, State)	Type of Income	Amount
Example:	JP Computers MCI (Spouse)	EXAMPLE Wash., D.C. Arlington, VA	EXAMPLE Salary Salary	$15,000 Over $1,000
S 1	Chamer Co. Inc. (Spouse family investment company)	Anchorage, AK	Director's Fees	over $1,000
S 2	Terra Foundation for the Arts	Chicago, IL	salary	over $1,000
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Previous Editions Cannot Be Used

Revised 2/01

Reporting Individual's Name: Theodore F. Stevens

PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

BLOCK A — Identity of Publicly Traded Assets and Unearned Income Sources

Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child (see page 3, Part B of the Instructions), for production of income or investment which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or

(2) generated over $200 in "unearned" income during the reporting period.

Include on this Part IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.

BLOCK B — Valuation of Assets

At close of reporting period. If none, or less than $1,001, check the 1st column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

S, DC or J	Block A: Identity of Publicly Traded Assets and Unearned Income Sources	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Type of Income: Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	Amount of Income: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	Actual Amount Required if "Other" Specified
	Example: IBM Corp. (stock) NYSE			x			EXAMPLE							x			EXAMPLE						x			EXAMPLE						
	Example: Keystone Equity Fund (widely diversified)				x		EXAMPLE											x	EXAMPLE						x		EXAMPLE					
J 1	U. S. Senate Credit Union Washington, D.C.				x											x										x							
J 2	Smith Barney Shearson - Money Mkt. Washington, D.C.			x										x							net capital loss	x											
S 3	Smith Barney Shearson - IRA TRAKEM Washington, D.C.													x											x								
S 4	First American Title (payment on contract of sale) Phoenix, AZ			x												x									x								
J 5	Riggs Bank Washington, D.C. - Money Market		x													x						x											
J 6	National Bank of Alaska Anchorage, AK				x											x							x										
S 7	Donaldson, Lufkin & Jenrette San Francisco, CA (money market)					x								x		x									x								
8	Monterey Murphy Biotechnology Fund Hauppauge, NY		x											x			x								x								
S 9	Alaska Communications System Anchorage, AK	x															x									x							
10																																	

EXEMPTION TEST *(see instructions before marking box):* If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check here. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Previous Editions Cannot Be Used

Revised 2/01

Reporting Individual's Name: Theodore F. Stevens

PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

BLOCK A — Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state), and description of each interest held by you, your spouse, or your dependent child (see page 3, Part B of the Instructions) for the production of income or investment in a non-public trade or business which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or

(2) generated over $200 in income during the reporting period.

Include the above report for each underlying asset which is not incidental to the trade or business. Publicly traded assets held by a non-public entity may be listed on Part IIIA.

BLOCK B — Valuation of Assets

At close of reporting period. If none, or less than $1,001, check the 1st column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

S, DC or J	Block A: Identity of Non-Publicly Traded Assets and Unearned Income Sources	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Type of Income: Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	Amount of Income: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Only if "Other" Specified
Example:	JP Computers, Wash., D.C. (Computer Sales)			x			EXAMPLE							x		EXAMPLE							x			EXAMPLE							
Example:	Undeveloped land in Dubuque, Iowa					x		EXAMPLE								EXAMPLE						x			EXAMPLE								
1	Northern TV (telecomm corp.) Anchorage, AK	x															x									x							
S 2	National Bank of Vermont Montpelier, VT (Life insurance		x													x						x											
3	Oil Interests (ind. wells on Bellman Farm - Oklahoma City, OK)				x																Oil & gas working interest												$10,490
4	Stevens Trust U/T/A			x																x		x											
5	JLS Properties, LLC (real estate- two pieces of property in Alaska) Anchorage, AK						x														Ltd. liability Co.												$19,430
S 6	1135 H St., Anchorage, AK 1/3 interest in rental house	x													x		x										x						
S 7	Chamer Co., Inc., Anchorage, AK (holds promissory note)			x										x											x								

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the Instructions, please check here. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Reporting Individual's Name: Theodore F. Stevens

PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

BLOCK A — Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state), and description of each interest held by you, your spouse, or your dependent child (see page 3, Part B of the Instructions) for the production of income or investment in a non-public trade or business which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or

(2) generated over $200 in income during the reporting period.

Include the above report for each underlying asset which is not incidental to the trade or business. Publicly traded assets held by a non-public entity may be listed on Part IIIA.

BLOCK B — Valuation of Assets

At close of reporting period. If none, or less than $1,001, check the 1st column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

S, DC or J	Asset	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$101,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Type of Income: Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	Amount of Income: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Only if "Other" Specified
Example:	JP Computers, Wash., D.C. (Computer Sales)			x			EXAMPLE							x		EXAMPLE							x			EXAMPLE							
Example:	Undeveloped land in Dubuque, Iowa					x		EXAMPLE								EXAMPLE						x			EXAMPLE							
1	Grantsville Development, Co. Anchorage, AK (Subdivision development in Grantsville, UT)		x																		Ltd. Liability Company												-116
2	Jillian Square Apts. (Apt. building Anchorage, AK in Fairbanks, AK)			x																	Ltd. Liability Company												-153
3	Sacks Restaurant, LLC (Restaurant Anchorage, AK Anchorage, AK)		x																		Ltd. Liability Company												-614
4	State of Alaska Permanent Fund		x											x									x										
S 5	State of Alaska Permanent Fund		x											x									x										
6	Pointe Bank, Aventura, FL (real estate-Florida)	x														x						x											
7	Key Trust Co. National Asso. - invested in McKinley Capital Mgt., Anchorage, AK					x												x															

EXEMPTION TEST *(see instructions before marking box):* If you omitted any asset because it meets the three-part test for exemption described in the Instructions, please check here. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Reporting Individual's Name: Theodore F. Stevens

PART IV. TRANSACTIONS

Report any purchase, sale, or exchange by you, your spouse, or dependent child (see page 3, Part B of the Instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.

S DC or J	Identification of Assets	Transaction Type (x): Purchase	Sale	Exchange	Date (Mo., Day, Yr.)	Amount of Transaction (x): $1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
	Example: IBM Corp. (stock) NYSE EXAMPLE	x			2/1/0X		x			EXAMPLE						
S	1135 H Street, Anchorage, AK (1/3 interest)		x		5/24/00			x								
2	Northern Television (stock)		x		6/2/00	x										
S	Alaska Communications System (stock received from Chamer Co. 7/7/00)		x		7/31/00				x							
S	Alaska Communications System Group Inc. Com (stock received from Chamer Co. 7/7/00)		x		12/19/00	x										
S	United Pan Europe (Held in Smith Barney - stock)	x			3/10/00	x										
S	United Pan Europe (Held in Smith Barney - stock)		x		12/15/00	x										
7	Monterey Murphy New World Biotechnology Fund	x			11/2/00	x										
8																
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10																
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EXEMPTION TEST *(see Instructions before marking box):* If you omitted any transaction because it meets the three-part test for exemption described in the Instructions, please check here. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Reporting Individual's Name: Theodore F. Stevens

PART VIII. POSITIONS HELD OUTSIDE U.S. GOVERNMENT

Report any positions held by you during the applicable reporting period whether compensated or not. Positions include, but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. Both the year and month must be reported for the period of time that the position was held.

Exclude: Positions with federal government, religious, social, fraternal, or political entities, and those solely of an honorary nature.

	Name of Organization	Address of Organization	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
Example:	Nat'l Assn. of Rock Collectors	NY, NY EXAMPLE	Non-profit education EXAMPLE	President EXAMPLE	6/90	Present
	Jones & Smith	Hometown, USA EXAMPLE	Law firm EXAMPLE	Partner EXAMPLE	7/85	11/00
1	The John F. Kennedy Center for Performing Arts	Washington, D.C.	Non profit - Performing Arts	Congressional Rep. member Bd. of Trustees	1/97	present
2	UCLA School of Public Policy & Social Research	Los Angeles, CA	Non profit - Education	Member - Advisory Board	4/99	3/01
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Compensation in excess of $200 from any position must be reported in Part II.

Amendment Filed For Senator STEVENS For Calendar Year '01

SECRETARY OF THE SENATE
02 JUN 10 PM 2:28

Reporting Individual's Name: Theodore F. Stevens

PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

BLOCK A — Identity of Publicly Traded Assets and Unearned Income Sources

Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child (see page 3, Part B of the Instructions), for production of income or investment which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or

(2) generated over $200 in "unearned" income during the reporting period.

Include on this Part IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.

BLOCK B — Valuation of Assets

At close of reporting period. If none, or less than $1,001, check the 1st column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

S DC or J	Block A	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required If "Other" Specified
	Example: IBM Corp. (stock) NYSE			x		EXAMPLE								x	EXAMPLE								x			EXAMPLE							
	Example: Keystone Equity Fund (widely diversified)				x		EXAMPLE											x	EXAMPLE						x		EXAMPLE						
J 1	U.S. Senate Credit Union Washington, D.C.				x																												
J 2	Salomon Smith Barney Money Washington, D.C. Market																				Net Capital Loss												
S 3	Salomon Smith Barney -IRA Washington, D.C. TRAKEM																																
S 4	First American Title (payment on Phoenix, AZ contract of sale)		x																														
J 5	Riggs Bank Money Washington, D.C. Market		x																														
J 6	Wells Fargo (formerly National Anchorage, AK Bank of Alaska)		x																				x										
S 7	Donaldson, Lufkin & Jenrette San Francisco, CA (money market)				x																				x								
8	Monterey Murphy Biotechnology Fund Hauppauge, NY		x																														
S 9	Mayer, Brown, Rowe & Maw Chicago, IL (401K)		x														x																
10																																	

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the Instructions, please check here. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

BOB SMITH, NEW HAMPSHIRE, CHAIRMAN
HARRY REID, NEVADA, VICE CHAIRMAN
PAT ROBERTS, KANSAS
GEORGE VOINOVICH, OHIO
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VICTOR BAIRD, STAFF DIRECTOR AND CHIEF COUNSEL
ANNETTE GILLIS, CHIEF CLERK

United States Senate

SELECT COMMITTEE ON ETHICS

HART SENATE OFFICE BUILDING, ROOM 220
SECOND AND CONSTITUTION AVENUE, NE.
WASHINGTON, DC 20510-6425
TELEPHONE (202) 224-2981

August 6, 1999

The Honorable Ted Stevens
United States Senate
Washington, D.C. 20510

Dear Senator Stevens:

This responds to your recent letter to the Select Committee on Ethics regarding your receipt of the Dwight D. Eisenhower Leadership Prize (the "Prize"). The Prize includes a one-time cash grant of $25,000. You have asked the Committee if, pursuant to the Senate Gifts Rule (Rule 35), you may accept this cash grant.

According to your letter and to information provided to the Committee by the Eisenhower Institute (the "Institute"), the Institute sponsors the Prize in honor of the memory of the late President Dwight D. Eisenhower. The Institute is a nonpartisan, not-for-profit entity which does not lobby and which takes no positions on legislation. The Prize was first awarded in 1991. The prior recipients of the Prize are: Secretary of Defense Cohen (1998), Nobel Laureate Elie Wiesel (1997), Former President Bush (1996), Former Senator Dole (1995), Former Senator Bentsen (1994), General Colin Powell (1993), and Lieutenant General Brent Scowcroft (1992).

Award recipients are chosen annually by the Chair of the Institute, the President of Gettysburg College and the Executive Committee of the Institute. In selecting the Prize recipient the Institute looks to its published guiding principles to select someone whose lifetime accomplishments reflect President Eisenhower's legacy of (i) integrity and leadership, (ii) promoting broader understanding of America's role and responsibilities in world affairs, and (iii) fostering leadership development and public service in America and its youth.

In material provided to the Committee, Ms. Mary Eisenhower Atwater, grand-daughter of President Eisenhower, discussed the basis for your selection as the Prize recipient:

> "(You have been) a pillar in American political culture for over 30 years. (Your) intuition, dedication, and experience have also served as a bridge, a bridge that brought the great territory of Alaska closer to her family in the United States, and also a bridge that has brought the integrity, brilliance, devotion, and hope of the '50's carefully and gently through the quagmires of the recent events."

The Committee understands that you did not solicit the Prize nor did you participate in anyway in the process through which you were selected. The Committee further understands that neither you nor any member of your family is affiliated with either the Prize or the Institute.

Senate Rule 35 prohibits a Member, officer or employee of the Senate from receiving any gift of a value of $50 or more, or gifts (of $10 or more) from one source aggregating $100 or more in one

calendar year; there are a number of exceptions to Rule 35 pursuant to which certain gifts exceeding these dollar value limits may be accepted. One such exception, set forth at paragraph 1(c)(11) of Rule 35, provides that a Member, officer or employee may accept

> Honorary degrees (and associated travel, food, refreshments, and entertainment) and other bona fide, *nonmonetary* awards presented in recognition of public service (and associated food, refreshments, and entertainment provided in the presentation of such degrees and awards). [Emphasis added.]

In elaborating upon this provision the Committee has stated--in the Senate Ethics Manual, 1999 ed. at page 43--that "Members, officers, and employees who are the intended recipient of a cash award that is bestowed in connection with an event not open to the public may accept the honor of the award, but the proposed cash award should be given directly to a designated charity."

The Prize is not "open to the public" as that term has been construed previously by the Committee for purposes of the Gifts Rule. Thus, absent a decision by the Committee to grant a waiver you could not accept the cash component of the Prize in conformity with the requirements of Rule 35. The Committee has authority to grant a waiver of Senate Rule 35 relating to acceptance of gifts pursuant to Rule 14(a)(3) of its Rules of Procedure. Paragraph 1(c)(21) of Rule 35 provides an exception to the limits of the Rule for "[a]nything for which, in an unusual case, a waiver is granted by the" Committee.

Based on the specific facts before it in this matter, as set forth above and as summarized below, the Committee has determined that it will grant a waiver of Senate Rule 35, the Gifts Rule, to allow you to personally accept and retain the $25,000 cash grant which accompanies the 1999 Dwight D. Eisenhower Leadership Prize. In granting this waiver the Committee notes its consideration of the following factors presented by this particular matter: neither the Prize nor the Institute has a direct interest in or takes positions on legislation; the Prize is an established program of recognition under which the Prize has been awarded on a regular basis in the past; the Institute looks to its published guiding principles to select the Prize recipient; the selection process for the Prize appears to be designed to minimize the potential for arbitrary or preferential decision making; the Prize has not "targeted" elected officials as recipients; the Institute, which sponsors the Prize, is a not-for-profit, nonpartisan entity and the Prize is bestowed on a nonpartisan basis; the Prize is being bestowed upon you based on your sustained accomplishments over the course of your long career; you did not solicit the Prize or participate in any way in the selection process; and neither you nor any member of your family is affiliated with the Institute or the Prize.

Note that, should you decide to accept the Prize's cash grant, the value of that grant should be reported on Part V, relating to gifts, on your annual financial disclosure form.

If you have any further questions about this matter, please do not hesitate to contact the Committee.

Sincerely,

Bob Smith
Chairman

Harry Reid
Vice Chairman

FBI - Stevens-6961

UNITED STATES SENATE PUBLIC FINANCIAL DISCLOSURE REPORT FOR ANNUAL AND TERMINATION REPORTS

Last Name	First Name and Middle Initial	Annual Report	Senate Office / Agency in Which Employed
Stevens	Ted F.	Calendar Year Covered by Report: 1999	U. S. Senate
Senate Office Address (Number, Street, City, State, and ZIP Code)	Senate Office Telephone No. (Include Area Code)	Termination Report	Prior Office / Agency in Which Employed
522 Hart Senate Office Bld. Washington, D.C. 20510	202-224-3004	Termination Date (Mo., Day, Yr.):	

AFTER READING THE INSTRUCTIONS - ANSWER EACH OF THESE QUESTIONS AND ATTACH THE RELEVANT PART

Did any individual or organization make a donation to charity in lieu of paying you for a speech, appearance, or article in the reporting period? If yes, Complete and Attach PART I.	YES [ ] NO [x]	Did you, your spouse, or dependent child receive any reportable travel or reimbursements for travel in the reporting period (i.e., worth more than $260 from one source)? If yes, Complete and Attach PART VI.	YES [ ] NO [x]
Did you or your spouse have earned income (e.g., salaries or fees) or non-investment income of more than $200 from any reportable source in the reporting period? If yes, Complete and Attach PART II.	YES [x] NO [ ]	Did you, your spouse, or dependent child have any reportable liability (more than $10,000) during the reporting period? If yes, Complete and Attach PART VII.	YES [ ] NO [x]
Did you, your spouse, or dependent child receive unearned or investment income of more than $200 in the reporting period or hold any reportable asset worth more than $1,000 at the end of the period? If yes, Complete and Attach PART IIIA and/or IIIB.	YES [x] NO [ ]	Did you hold any reportable positions on or before the date of filing in the current calendar year? If yes, Complete and Attach PART VIII.	YES [x] NO [ ]
Did you, your spouse, or dependent child purchase, sell, or exchange any reportable asset worth more than $1,000 in the reporting period? If yes, Complete and Attach PART IV.	YES [x] NO [ ]	Do you have any reportable agreement or arrangement with an outside entity? If yes, Complete and Attach PART IX.	YES [ ] NO [x]
Did you, your spouse, or dependent child receive any reportable gift in the reporting period (i.e., aggregating more than $260 and not otherwise exempt)? If yes, Complete and Attach PART V.	YES [x] NO [ ]	If this is your FIRST Report: Did you receive compensation of more than $5,000 from a single source in the two prior years? If yes, Complete and attach Part X.	YES [ ] NO [ ]

File this report and any amendments with the Secretary of the Senate, Office of Public Records, Room 232, Hart Senate Office Building, U.S. Senate, Washington, D.C. 20510. $200 Penalty for filing more than 30 days after due date.

This Financial Disclosure Statement is required by the Ethics in Government Act of 1978, as amended. The statement will be made available by the Office of the Secretary of the Senate to any requesting person upon written application and will be reviewed by the Select Committee on Ethics. Any individual who knowingly and willfully falsifies, or who knowingly and willfully fails to file this report may be subject to civil and criminal sanctions. (See 5 U.S.C. app. 6, 104, and 18 U.S.C. 1001.)

For Official Use Only - Do Not Write Below This Line

OFFICE OF THE SENATE
OCT 1 5 2000
H.U.

Certification	Signature of Reporting Individual	Date (Month, Day, Year)
I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge and belief.	[signature]	5/10/00

For Official Use Only - Do Not Write Below This Line

It is the opinion of the reviewer that the statements made in this form are in compliance with Title I of the Ethics in Government Act.	Signature of Reviewing Official	Date (Month, Day, Year)

Previous Editions Cannot Be Used

Revised 3/00

Reporting Individual's Name	PART II. EARNED AND NON-INVESTMENT INCOME	Page Number
Ted Stevens		2

Report the source (name and address), type, and amount of earned income to you from any source aggregating $200 or more during the reporting period. For your spouse, report the source (name and address) and type of earned income which aggregate $1,000 or more during the reporting period. No amount needs to be specified for your spouse (see page 3, Part B of the Instructions). Do not report income from employment by the U.S. Government for you or your spouse.

Individuals not covered by the Honoraria Ban:
For you and/or your spouse, report honoraria income received which aggregates $200 or more by exact amount, give the date of, and describe the activity (speech, appearance or article) generating such honoraria payment. Do not include payments in lieu of honoraria reported on Part I.

	Name of Income Source	Address (City, State)	Type of Income	Amount
Example:	JP Computers MCI (Spouse)	EXAMPLE Wash., D.C. Arlington, VA	EXAMPLE Salary Salary	$15,000 Over $1,000
S 1	Chamer Company, Inc. (Spouse family investment company)	Anchorage, AK	Director's Fees	over $1,000
S 2	Terra Foundation for the Arts	Chicago, IL	Salary	over $1,000
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Previous Editions Cannot Be Used

Revised 3/00

62-605 00 - 2

Reporting Individual's Name: Ted Stevens

PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

BLOCK A — Identity of Publicly Traded Assets and Unearned Income Sources

Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child (see page 3, Part B of the Instructions), for production of income or investment which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or

(2) generated over $200 in "unearned" income during the reporting period.

Include on this Part IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.

BLOCK B — Valuation of Assets

At close of reporting period. If none, or less than $1,001, check the 1st column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

S, DC or J	Block A: Identity of Publicly Traded Assets and Unearned Income Sources	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Type of Income: Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	Amount of Income: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required if "Other" Specified
Example:	IBM Corp. (stock) NYSE			x		EXAMPLE																											
	Keystone Equity Fund (widely diversified)				x		EXAMPLE							x									x			EXAMPLE							
J 1	U. S. Senate Credit Union Washington, D.C.																	x	EXAMPLE						x								
D C 2	U. S. Senate Credit Union Washington, D.C.					x										x											x						
J 3	Smith Barney Shearson - Money Mkt. Washington, D.C.			x												x								x									
S 4	Smith Barney Shearson - IRA TRAKEM Washington, D.C.		x											x								x											
S 5	First American Title (payment on contract of sale) Phoenix, AZ				x									x												x							
J 6	Chevy Chase Financial Services Chevy Chase, MD - money mkt.			x												x									x								
J 7	Riggs Bank Washington, D.C. - money mkt.	x												x											x								
8			x													x							x										
9																																	
10																																	

EXEMPTION TEST *(see instructions before marking box):* If you omitted any asset because it meets the three-part test for exemption described in the Instructions, please check here. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Previous Editions Cannot Be Used

Revised 3/00

Reporting Individual's Name: Ted Stevens

PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

BLOCK A — Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state), and description of each interest held by you, your spouse, or your dependent child (see page 3, Part B of the Instructions) for the production of income or investment in a non-public trade or business which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or

(2) generated over $200 in income during the reporting period.

Include the above report for each underlying asset which is not incidental to the trade or business. Publicly traded assets held by a non-public entity may be listed on Part IIIA.

BLOCK B — Valuation of Assets
At close of reporting period. If none, or less than $1,001, check the 1st column.

BLOCK C — Type and Amount of Income
If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

S, DC or J	Block A	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Only if "Other" Specified
Example:	JP Computers, Wash., D.C. (Computer Sales)			x			EXAMPLE															x				EXAMPLE							
	Undeveloped land in Dubuque, Iowa					x		EXAMPLE								EXAMPLE																	
1	Northern TV (telecomm corp.) Anchorage, AK		x																														
2	National Bank of Vermont Montpelier, VT (Life Insurance)		x																														
3	Oil Interests (ind wells on Bellman Farm - Oklahoma City, OK)				x															Oil & gas working interest													$3,412
4	Stevens Trust U/T/A				x														x					x										
5	JLS Properties, LLC Anchorage, AK (real estate - ~~two pieces of property in Alaska~~)					x												Ltd. Partnership income															$17,664
S 6	1135 H St., Anchorage, AK 1/3 interest in rental house			x											x									x										
S 7	Chamer Co., Inc., Anchorage, AK (holds promissory note)			x																													

EXEMPTION TEST *(see instructions before marking box):* If you omitted any asset because it meets the three-part test for exemption described in the Instructions, please check here. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

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Reporting Individual's Name: Ted Stevens

PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Page Number 5

BLOCK A

Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state), and description of each interest held by you, your spouse, or your dependent child (see page 3, Part B of the Instructions) for the production of income or investment in a non-public trade or business which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or

(2) generated over $200 in income during the reporting period.

Include the above report for each underlying asset which is not incidental to the trade or business. Publicly traded assets held by a non-public entity may be listed on Part IIIA.

BLOCK B

Valuation of Assets

At close of reporting period. If none, or less than $1,001, check the 1st column.

BLOCK C

Type and Amount of Income

If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

S, DC or J		None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Only if "Other" Specified
Example:	JP Computers, Wash., D.C. (Computer Sales)			x			EXAMPLE							x		EXAMPLE							x			EXAMPLE							
	Undeveloped land in Dubuque, Iowa					x		EXAMPLE								EXAMPLE						x			EXAMPLE							
1	Grantsville Development, Co. Anchorage, AK (Subdivision ~~development in Grantsville, UT~~		x																		Ltd. liability company												-31
2	Jillian Square Apts. (Apartment Anchorage, AK bldg. Fairbanks, AK)				x																Ltd. liability company												504
3	Sacks Restaurant, LLC (Restaurant Anchorage, AK Anchorage, AK)		x																		Ltd. liability company												-1719
4	State of Alaska Permanent Fund													x										x									
S 5	State of Alaska Permanent Fund		x											x										x									
DC 6	State of Alaska Permanent Fund		x											x										x									
7	Pointe Bank (real estate- Aventura, FL Florida)		x																		0												

EXEMPTION TEST *(see Instructions before marking box):* If you omitted any asset because it meets the three-part test for exemption described in the Instructions, please check here. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Previous Editions Cannot Be Used

Revised 3/00

Reporting Individual's Name
Ted Stevens

PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

BLOCK A

Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state), and description of each interest held by you, your spouse, or your dependent child (see page 3, Part B of the Instructions) for the production of income or investment in a non-public trade or business which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or
(2) generated over $200 in income during the reporting period.

Include the above report for each underlying asset which is not incidental to the trade or business. Publicly traded assets held by a non-public entity may be listed on Part IIIA.

BLOCK B

Valuation of Assets

At close of reporting period. If none, or less than $1,001, check the 1st column.

BLOCK C

Type and Amount of Income

If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

S, DC or J	Asset	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Type of Income: Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	Amount of Income: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Only if "Other" Specified
	Example: JP Computers, Wash., D.C. (Computer Sales)							EXAMPLE																									
	Example: Undeveloped land in Dubuque, Iowa								EXAMPLE																								
1	Key Trust Co. National Asso. - invested in McKinley Capital Mgt., ~~Anchorage, AK~~						x																										
2																																	
3																																	
4																																	
5																																	
6																																	
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EXEMPTION TEST *(see instructions before marking box):* If you omitted any asset because it meets the three-part test for exemption described in the Instructions, please check here. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Previous Editions Cannot Be Used

Revised 3/00

Reporting Individual's Name: Ted Stevens

PART IV. TRANSACTIONS

Report any purchase, sale, or exchange by you, your spouse, or dependent child (see page 3, Part B of the Instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.

	SDC or J	Identification of Assets	Transaction Type (x): Purchase	Sale	Exchange	Date (Mo., Day, Yr.)	Amount of Transaction (x): $1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
		Example: IBM Corp. (stock) NYSE EXAMPLE									EXAMPLE						
1		Key Trust Co. National Asso. - Invested in McKinley Capital Mgt. Anchorage, Ak	x			2/1/9X		x									
2		Jillian Square Apartments, LLC Anchorage, AK - Apartment building in Fairbanks	x			9/16/99				x							
3		Sacks Restaurant, LLC Anchorage, AK Restaurant in Anchorage	x			8/30/99		x									
4		Pointe Bank Aventura Harbor Manor Development Ltd. D/B/A Carroll Walk, Ltd. Aventura, Florida	x			7/12/99	x										
5			x			5/20/99	x										
6																	
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EXEMPTION TEST *(see Instructions before marking box):* If you omitted any transaction because it meets the three-part test for exemption described in the Instructions, please check here. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Previous Editions Cannot Be Used

Revised 3/00

Reporting Individual's Name

Ted Stevens

PART V. GIFTS

Report the source, brief description and value of all gifts aggregating more than $260 in value received by you, your spouse, or your dependent child (see page 3, Part B of the Instructions), from each source. Gifts with a value of $100 or less need not be aggregated towards the disclosure threshold. "Gift" is defined in the Instructions.

Exclude: (1) Bequests and other forms of inheritance; (2) Suitable mementos of a function honoring the reporting individual; (3) Political campaign contributions; (4) Communications to your offices including subscriptions to newspapers and periodicals; (5) Consumable products provided by home state businesses to your offices, if those products are intended for consumption by persons other than yourself; (6) Gifts received prior to your Federal employment; (7) Gifts to your spouse or dependent child totally independent of his or her relationship to you; (8) Gifts from relatives; (9) Personal hospitality of any individual (see Instructions); (10) Meals and beverages unless consumed in connection with a gift of overnight lodging; and (11) Food, lodging, transportation, and entertainment provided by a foreign government within a foreign country, or by federal, state, D.C., or local governments.

	Name of Source	Address of Source	Dates and Brief Description	Value of gift
Example:	Mr. John Q. Smith EXAMPLE	Anytown, VA EXAMPLE	August 12, 199X, Silver platter—Ethics Committee waiver granted EXAMPLE	$400
1	Nippon Suisan Kaisha, Ltd.	Chiyoda-ku, Tokyo, Japan	For display - Commemorative Japanese sword to honor Japanese and American fishing relationship under Magnuson-Stevens Act. November 3, 1999	antique est. $3,800
2				
3	The Eisenhower World Affairs Institute	Washington, D.C.	August 16, 1999 1999 Eisenhower Leadership Award Ethics Comm. waiver granted August 6, 1999	$25,000
4	The Eisenhower World Affairs Institute	Washington, D.C.	May 18, 1999 Commerative bust of Eisenhower	$1,000
5				
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Note: Most gifts in excess of $49.99 are prohibited by the Senate Gifts Rule.

Previous Editions Cannot Be Used

Revised 3/00

62-605 00 - 3

Reporting Individual's Name
Ted Stevens

PART VIII. POSITIONS HELD OUTSIDE U.S. GOVERNMENT

Report any positions held by you during the applicable reporting period whether compensated or not. Positions include, but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. Both the year and month must be reported for the period of time that the position was held.

Exclude: Positions with federal government, religious, social, fraternal, or political entities, and those solely of an honorary nature.

	Name of Organization	Address of Organization	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
Example:	Nat'l Assn. of Rock Collectors	NY, NY EXAMPLE	Non-profit education EXAMPLE	President EXAMPLE	6/90	Present
	Jones & Smith	Hometown, USA EXAMPLE	Law firm EXAMPLE	Partner EXAMPLE	7/85	11/9X
1	The John F. Kennedy Center for Performing Arts	Washington, D.C.	Non-profit - performing arts	member - Board of Trustees	1/97	present
2	UCLA School of Public Policy & Social Research	Los Angeles, CA	Non-profit - Education	member - Advisory Board	4/99	present
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Compensation in excess of $200 from any position must be reported in Part II.

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UNITED STATES SENATE PUBLIC FINANCIAL DISCLOSURE REPORT FOR ANNUAL AND TERMINATION REPORTS

Last Name	First Name and Middle Initial	Annual Report	Senate Office / Agency in Which Employed
Stevens	Ted F.	Calendar Year Covered by Report: 1998	U. S. Senate
Senate Office Address (Number, Street, City, State, and ZIP Code)	Telephone No. (Include Area Code)	Termination Report	Prior Office / Agency in Which Employed
522 Hart Senate Bldg. Washington, D.C.20510	202-224-3004	Termination Date (Mo., Day, Yr.):	

AFTER READING THE INSTRUCTIONS - ANSWER EACH OF THESE QUESTIONS AND ATTACH THE RELEVANT PART

Did any individual or organization make a donation to charity in lieu of paying you for a speech, appearance, or article in the reporting period? If yes, Complete and Attach PART I:	YES [ ] NO [X]	Did you, your spouse, or dependent child receive any reportable travel or reimbursements for travel in the reporting period (i.e., worth more than $250 from one source)? If yes, Complete and Attach PART VI.	YES [ ] NO [X]
Did you or your spouse have earned income (e.g., salaries or fees) or non-investment income of more than $200 from any reportable source in the reporting period? If yes, Complete and Attach PART II.	YES [X] NO [ ]	Did you, your spouse, or dependent child have any reportable liability (more than $10,000) during the reporting period? If yes, Complete and Attach PART VII.	YES [ ] NO [X]
Did you, your spouse, or dependent child receive unearned or investment income of more than $200 in the reporting period or hold any reportable asset worth more than $1,000 at the end of the period? If yes, Complete and Attach PART IIIA and/or IIIB.	YES [X] NO [ ]	Did you hold any reportable positions on or before the date of filing in the current calendar year? If yes, Complete and Attach PART VIII.	YES [X] NO [ ]
Did you, your spouse, or dependent child purchase, sell, or exchange any reportable asset worth more than $1,000 in the reporting period? If yes, Complete and Attach PART IV.	YES [X] NO [ ]	Do you have any reportable agreement or arrangement with an outside entity? If yes, Complete and Attach PART IX.	YES [ ] NO [X]
Did you, your spouse, or dependent child receive any reportable gift in the reporting period (i.e., aggregating more than $250 and not otherwise exempt)? If yes, Complete and Attach PART V.	YES [ ] NO [X]	If this is your FIRST Report: Did you receive compensation of more than $5,000 from a single source in the two prior years? If yes, complete and attach Part X.	YES [ ] NO [ ]

File this report and any amendments with the Secretary of the Senate, Office of Public Records, Room 232, Hart Senate Office Building, U.S. Senate, Washington, D.C. 20510. $200 Penalty for filing more than 30 days after due date.

This Financial Disclosure Statement is required by the Ethics in Government Act of 1978, as amended. The statement will be made available by the Office of the Secretary of the Senate to any requesting person upon written application and will be reviewed by the Select Committee on Ethics. Any individual who knowingly and willfully falsifies, or who knowingly and willfully fails to file this report may be subject to civil and criminal sanctions. (See 5 U.S.C. app. 6, 104, and 18 U.S.C. 1001.)

For Official Use Only - Do Not Write Below This Line

Certification	Signature of Reporting Individual	Date (Month, Day, Year)
I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge and belief.	T. Stevens	5/15/99

For Official Use Only - Do Not Write Below This Line

It is the opinion of the reviewer that the statements made in this form are in compliance with Title I of the Ethics in Government Act.	Signature of Reviewing Official	Date (Month, Day, Year)

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Reporting Individual's Name	PART II. EARNED AND NON-INVESTMENT INCOME	Page Number
Ted Stevens		2

Report the source (name and address), type, and amount of earned income to you from any source aggregating $200 or more during the reporting period. For your spouse, report the source (name and address) and type of earned income which aggregate $1,000 or more during the reporting period. No amount needs to be specified for your spouse (see page 3, Part B of the Instructions). Do not report income from employment by the U.S. Government for you or your spouse.

Individuals not covered by the Honoraria Ban:
For you and/or your spouse, report honoraria income received which aggregates $200 or more by exact amount, give the date of, and describe the activity (speech, appearance or article) generating such honoraria payment. Do not include payments in lieu of honoraria reported on Part I.

	Name of Income Source	Address (City, State)	Type of Income	Amount
Example:	JP Computers MCI (Spouse)	EXAMPLE Wash., D.C. Arlington, VA	EXAMPLE Salary Salary	$15,000 Over $1,000
S_1	Chamer Co., Inc. (Spouse family investment company)	Anchorage, AK	Director's Fees	Over $1,000
S_2	Terra Foundation for the Arts	Chicago, IL	Salary	Over $1,000
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Reporting Individual's Name: Ted Stevens

PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

BLOCK A — Identity of Publicly Traded Assets and Unearned Income Sources

Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child (see page 3, Part B of the Instructions), for production of income or investment which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or

(2) generated over $200 in "unearned" income during the reporting period.

Include on this Part IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.

BLOCK B — Valuation of Assets

At close of reporting period. If none, or less than $1,001, check the 1st column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

S, DC or J	Block A	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required if "Other" Specified
	Example: IBM Corp. (stock) NYSE			x		EXAMPLE								x		EXAMPLE							x			EXAMPLE							
	Example: Keystone Equity Fund (widely diversified)				x		EXAMPLE											x	EXAMPLE						x		EXAMPLE						
1	Washington State King County Tax free General Obligation Bond	x												x										x									
J 2	U. S. Senate Credit Union Washington, D.C.					x										x										x							
DC 3	U. S. Senate Credit Union Washington, D.C.			x												x								x									
J 4	Smith Barney Shearson -Money Washington, D.C. Market		x											x								x											
S 5	Smith Barney Shearson Washington, D.C. IRA TRAKEM				x									x			x								x								
S 6	First American Title (payment on Phoenix, AZ contract of sale)			x												x									x								
J 7	Chevy Chase Financial Services Chevy Chase, MD - Money Market					x								x									x										
8																																	
9																																	
10																																	

EXEMPTION TEST (see instructions before marking box): If you omitted any asset because it meets the three-part test for exemption described in the Instructions, please check here. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

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Reporting Individual's Name: Ted Stevens

PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

BLOCK A — Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state), and description of each interest held by you, your spouse, or your dependent child (see page 3, Part B of the Instructions) for the production of income or investment in a non-public trade or business which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or

(2) generated over $200 in income during the reporting period.

Include the above report for each underlying asset which is not incidental to the trade or business. Publicly traded assets held by a non-public entity may be listed on Part IIIA.

BLOCK B — Valuation of Assets

At close of reporting period. If none, or less than $1,001, check the 1st column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

	Block A	Block B: None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Block C: Type of Income: Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	Amount of Income: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Only if "Other" Specified
S, DC or J	Example: JP Computers, Wash., D.C. (Computer Sales)			x			EXAMPLE							x		EXAMPLE							x			EXAMPLE							
	Example: Undeveloped land in Dubuque, Iowa					x		EXAMPLE														x			EXAMPLE							
1	Northern TV (telecomm corp.) Anchorage, AK		x											x								x											
2	National Bank of Vermont Montpelier, VT Life Insurance		x											x								x											
3	Oil Interests (ind wells on Bellman Farm- Oklahoma City, OK)				x																oil & gas working interest												$176
4	Stevens Trust U/T/A				x															x					x								
5	JLS Properties, LLC Anchorage, AK (real estate - two pieces of property in Alaska)					x															Ltd. Partnership income												$19, 692
S 6	1135 H St., Anchorage, AK 1/3 interest in rental house			x											x									x									
S 7	Chamer Co., Inc., Anchorage, AK (holds promissory note)			x										x										x									

EXEMPTION TEST (see instructions before marking box): If you omitted any asset because it meets the three-part test for exemption described in the Instructions, please check here. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

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Reporting Individual's Name: Ted Stevens

PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

BLOCK A — Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state), and description of each interest held by you, your spouse, or your dependent child (see page 3, Part B of the Instructions) for the production of income or investment in a non-public trade or business which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or

(2) generated over $200 in income during the reporting period.

Include the above report for each underlying asset which is not incidental to the trade or business. Publicly traded assets held by a non-public entity may be listed on Part IIIA.

BLOCK B — Valuation of Assets

At close of reporting period. If none, or less than $1,001, check the 1st column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

S, DC or J	Block A	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Type of Income: Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	Amount of Income: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Only if "Other" Specified
Example:	JP Computers, Wash., D.C. (Computer Sales)			x			EXAMPLE							x		EXAMPLE						x				EXAMPLE							
Example:	Undeveloped land in Dubuque, Iowa					x		EXAMPLE														x			EXAMPLE							
1	Grantsville Development Co., Anchorage, AK(Subdivision development in Grantsville, UT)		x																	Ltd. Liability company													-34
2	State of Alaska Permanent Fund													x									x										
S 3	State of Alaska Permanent Fund													x									x										
D 4 C	State of Alaska Permanent Fund													x									x										
5																																	
6																																	
7																																	

EXEMPTION TEST (see instructions before marking box): If you omitted any asset because it meets the three-part test for exemption described in the Instructions, please check here. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

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Reporting Individual's Name: Ted Stevens

PART IV. TRANSACTIONS

Report any purchase, sale, or exchange by you, your spouse, or dependent child (see page 3, Part B of the Instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.

	Identification of Assets	Transaction Type (x)			Date (Mo., Day, Yr.)	Amount of Transaction (x)									
S DC or J		Purchase	Sale	Exchange		$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
Example:	IBM Corp. (stock) NYSE EXAMPLE	x			2/1/9X		x			EXAMPLE					
1	Washington State King Co. Tax Free General Obligation Bond		x		12/1/98		x								
2															
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EXEMPTION TEST (see instructions before marking box): If you omitted any transaction because it meets the three-part test for exemption described in the Instructions, please check here. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

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Reporting Individual's Name		Page Number
Ted Stevens	**PART VIII. POSITIONS HELD OUTSIDE U.S. GOVERNMENT**	7

Report any positions held by you during the applicable reporting period whether compensated or not. Positions include, but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. Both the year and month must be reported for the period of time that the position was held.

Exclude: Positions with federal government, religious, social, fraternal, or political entities, and those solely of an honorary nature.

	Name of Organization	Address of Organization	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
Example:	Nat'l Assn. of Rock Collectors	NY, NY EXAMPLE	Non-profit education EXAMPLE	President EXAMPLE	6/90	Present
	Jones & Smith	Hometown, USA EXAMPLE	Law firm EXAMPLE	Partner EXAMPLE	7/85	11/9X
1	The John F. Kennedy Center for Performing Arts	Washington, D.C.	Non-profit - performing arts	member - Board of Trustees	1/97	present
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Compensation in excess of $200 from any position must be reported in Part II.

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UNITED STATES SENATE PUBLIC FINANCIAL DISCLOSURE REPORT
FOR ANNUAL AND TERMINATION REPORTS

Last Name	First Name and Middle Initial	Annual Report: Calendar Year Covered by Report	Senate Office / Agency in Which Employed
Stevens	Ted. F.	1997	U.S. Senate
Senate Office Address (Number, Street, City, State, and ZIP Code)	**Telephone No. (Include Area Code)**	**Termination Report: Termination Date (Mo., Day, Yr.)**	**Prior Office / Agency in Which Employed**
522 Hart Senate Office Bd. Washington, D.C. 20510	202-224-3004		

AFTER READING THE INSTRUCTIONS - ANSWER EACH OF THESE QUESTIONS AND ATTACH THE RELEVANT PART

Did any individual or organization make a donation to charity in lieu of paying you for a speech, appearance, or article in the reporting period? If yes, Complete and Attach PART I.	YES [ ] NO [x]	Did you, your spouse, or dependent child receive any reportable travel or reimbursements for travel in the reporting period (i.e., worth more than $250 from one source)? If yes, Complete and Attach PART VI.	YES [x] NO [ ]
Did you or your spouse have earned income (e.g., salaries or fees) or non-investment income of more than $200 from any reportable source in the reporting period? If yes, Complete and Attach PART II.	YES [x] NO [ ]	Did you, your spouse, or dependent child have any reportable liability (more than $10,000) during the reporting period? If yes, Complete and Attach PART VII.	YES [x] NO [ ]
Did you, your spouse, or dependent child receive unearned or investment income of more than $200 in the reporting period or hold any reportable asset worth more than $1,000 at the end of the period? If yes, Complete and Attach PART IIA and/or II B.	YES [x] NO [ ]	Did you hold any reportable positions on or before the date of filing in the current calendar year? If yes, Complete and Attach PART VIII.	YES [x] NO [ ]
Did you, your spouse, or dependent child purchase, sell, or exchange any reportable asset worth more than $1,000 in the reporting period? If yes, Complete and Attach PART IV.	YES [x] NO [ ]	Do you have any reportable agreement or arrangement with an outside entity? If yes, Complete and Attach PART IX.	YES [ ] NO [x]
Did you, your spouse, or dependent child receive any reportable gift in the reporting period (i.e., aggregating more than $250 and not otherwise exempt)? If yes, Complete and Attach PART V.	YES [x] NO [ ]	If this is your FIRST Report: Did you receive compensation of more than $5,000 from a single source in the two prior years? If yes, complete and attach Part X.	YES [ ] NO [x]

File this report and any amendments with the Secretary of the Senate, Office of Public Records, Room 232, Hart Senate Office Building, U.S. Senate, Washington, D.C. 20510. $200 Penalty for filing more than 30 days after due date.

This Financial Disclosure Statement is required by the Ethics in Government Act of 1978, as amended. The statement will be made available by the Office of the Secretary of the Senate to any requesting person upon written application and will be reviewed by the Select Committee on Ethics. Any individual who knowingly and wilfully falsifies, or who knowingly and wilfully fails to file this report may be subject to civil and criminal sanctions. (See 5 U.S.C. app. 6, 104, and 18 U.S.C. 1001.)

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SECRETARY OF THE SENATE
98 MAY 15 PM 2:15
F.D.

Certification	Signature of Reporting Individual	Date (Month, Day, Year)
I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge and belief.	Ted Stevens	5/11/98
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It is the opinion of the reviewer that the statements made in this form are in compliance with Title I of the Ethics in Government Act	Signature of Reviewing Official	Date (Month, Day, Year)

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Reporting Individual's Name: Ted Stevens

PART II. EARNED AND NON-INVESTMENT INCOME

Page Number 2

Report the source (name and address), type, and amount of earned income to you from any source aggregating $200 or more during the reporting period. For your spouse, report the source (name and address) and type of earned income which aggregate $1,000 or more during the reporting period. No amount needs to be specified for your spouse (see page 3, Part B of the Instructions). Do not report income from employment by the U.S. Government for you or your spouse.

Individuals not covered by the Honoraria Ban:
For you and/or your spouse, report honoraria income received which aggregates $200 or more by exact amount, give the date of, and describe the activity (speech, appearance or article) generating such honoraria payment. Do not include payments in lieu of honoraria reported on Part I.

	Name of Income Source	Address (City, State)	Type of Income	Amount
Examples:	JP Computers MCI (Spouse)	Wash., D.C. Arlington, VA	Salary Salary	$15,000 Over $1,000
S P 1	Chamer Co., Inc. (Spouse family investment company)	Anchorage, AK	Director's Fees	Over $1000
S P 2	Terra Foundation for the Arts	Chicago, IL	Salary	Over $1000
S P 3	Boom Boom Ltd. (Art Consultant)	Wilmington, DE	compensation/ commission	Over $1000
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Reporting Individual's Name: Ted Stevens

PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Page Number: 3

BLOCK A — Identity of Publicly Traded Assets and Unearned Income Sources

Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child (see page 3, Part B of the Instructions), for production of income or investment which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or

(2) generated over $200 in "unearned" income during the reporting period.

Include on this Part IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.

BLOCK B — Valuation of Assets

At close of reporting period. If none, or less than $1,001, check the 1st column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

	Block A: Identity of Publicly Traded Assets and Unearned Income Sources	Block B: None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000**	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Block C: Type of Income: Dividends	Rent	Interest	Capital Gains	Qualified Blind Trust	Excepted Trust	Other (Specify Type)	Amount of Income: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required if "Other" Specified
6/7 Example	KM Corp. (stock) NYSE																					x										
6/7 Example	Keystone Equity Fund (widely diversified)				x																			x								
1	Washington State King Co. Tax Free Gen.Obligation Bond		x													x							x									
2	U. S. Senate Credit Union Washington,D.C.					x										x								x								
3	U. S. Senate Credit Union Washington, D.C.		x													x						x										
4	Smith Barney Shearson Washington, D.C. money market	x												x							x											
5	Smith Barney Shearson Wash.D.C.Tax Free IRATRAKER		x											x			x							x								
6	First American Title Phoenix, AZ (payment on contract of sale)		x													x									x							
7																																
8																																
9																																
10																																

EXEMPTION TEST (see instructions before marking box): If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check here. ☐

** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Pencil Entries Cannot Be Used

Revised 3/96

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Reporting Individual's Name: Ted Stevens

PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Page Number 4

BLOCK A — Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state), and description of each interest held by you, your spouse, or your dependent child (see page 3, Part B of the instructions) for the production of income or investment in a non-public trade or business which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or

(2) generated over $200 in income during the reporting period.

Include the above report for each underlying asset which is not incidental to the trade or business. Publicly traded assets held by a non-public entity may be listed on Part IIIA.

BLOCK B — Valuation of Assets At close of reporting period. If none, or less than $1,001, check the 1st column.

BLOCK C — Type and Amount of Income If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

#	Block A: Identity of Non-Publicly Traded Assets and Unearned Income Sources	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000**	Over $1,000,000**	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Type of Income: Rent	Dividend	Capital Gains	Excepted Trust	Other (Specify Type)	Amount of Income: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Only if "Other" Specified
Ex.	JP Computers, Wash., D.C. (Computer Sales)																											
Ex.	Unoccupied land in Dubuque, Iowa																											
1	Northern TV (telecomm corp.) Anchorage, AK		X															X										
2	National Bank of Vermont Montpelier, VT		X															X										
3	Oil Interests (ind wells on Bellman Farm-Oklahoma City, OK)				X												Royalties Working Interest											12,590
4	Lloyds of London London, England	X															Net inc activity											-182
5	Stevens Trust U/T/A				X											X			X									
6	JLS Properties, LLC Anchorage, Alaska (real estate two pieces of property in Alaska)				X												Ltd. Partnership income											13,094
D C	State of Alaska Permanent Fund												X							X								

EXEMPTION TEST (see instructions before marking box): If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check here. ☐

** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Previous Editions Cannot Be Used

Revised 3/94

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Reporting Individual's Name: Ted Stevens

PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Page Number: 5

BLOCK A — Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state), and description of each interest held by you, your spouse, or your dependent child (see page 3, Part B of the instructions) for the production of income or investment in a non-public trade or business which:
(1) had a value exceeding $1,000 at the close of the reporting period; and/or
(2) generated over $200 in income during the reporting period.
Include the above report for each underlying asset which is not incidental to the trade or business. Publicly traded assets held by a non-public entity may be listed on Part IIIA.

BLOCK B — Valuation of Assets (At close of reporting period. If none, or less than $1,001, check the 1st column.)

BLOCK C — Type and Amount of Income (If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.)

	Block A: Identity of Non-Publicly Traded Assets and Unearned Income Sources	Block B: None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	Over $1,000,000**	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Block C: Type of Income: None (or less than $201)	Rent	Dividends	Capital Gains	Interest	Exempted Trust	Other (Specify Type)	Amount of Income: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount (Only if "Other" Specified)
Sample	JP Computers, Wash., D.C. (Computer Sales)																											
Sample	Undeveloped land in Dubuque, Iowa																											
1	State of Alaska Permanent Fund											X																
S 2	1135 H St., Anchorage, AK 1/3 interest in rental house		X										X									X						
S 3	Chamer Company, Inc. Anchorage, AK (holds promissory note)		X									X									X							
4	448 32nd St. Manhattan Beach, CA (Loss due to expenses $6201.00)	X											X								X							
5																												
6																												
7																												

EXEMPTION TEST (see instructions before marking box): If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check here. ☐

** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

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Reporting Individual's Name: Ted Stevens

PART IV. TRANSACTIONS

Page Number: 6

Report any purchase, sale, or exchange by you, your spouse, or dependent child (see page 3, Part B of the instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.

No.	Identification of Assets	Transaction Type (x): Purchase	Sale	Exchange	Date (Mo., Day, Yr.)	Amount of Transaction (x): [redacted]	$15,000 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	[redacted]
Example	IBM Corp. (stock) NYSE	x			01/01/97	x									
1	448 32nd St. Manhattan Beach, CA		x		3/3/97					x					
2															
3															
4															
5															
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14															
15															

EXEMPTION TEST (see instructions before marking box): If you omitted any transaction because it meets the three-part test for exemption described in the instructions, please check here. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Previous Editions Cannot Be Used

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Reporting Individual's Name: Ted Stevens

PART V. GIFTS

Page Number: 7

Report the source, brief description and value of all gifts aggregating more than $250 in value received by you, your spouse, or your dependent child (see page 3, Part B of the Instructions), from each source. Gifts with a value of $100 or less need not be aggregated towards the disclosure threshold. "Gift" is defined in the Instructions.

Exclude: (1) Bequests and other forms of inheritance; (2) Suitable mementos of a function honoring the reporting individual; (3) Political campaign contributions; (4) Communications to your offices including subscriptions to newspapers and periodicals; (5) Consumable products provided by home state businesses to your offices, if those products are intended for consumption by persons other than yourself; (6) Gifts received prior to your Federal employment; (7) Gifts to your spouse or dependent child totally independent of his or her relationship to you; (8) Gifts from relatives; (9) Personal hospitality of any individual (see Instructions); (10) Meals and beverages unless consumed in connection with a gift of overnight lodging; and (11) Food, lodging, transportation, and entertainment provided by a foreign government within a foreign country, or by federal, state, D.C., or local governments.

	Name of Source	Address of Source	Date and Brief Description	Value of gift
Example:	Mr. John Q. Smith	Anytown, VA	August 12, 1997, Silver plate—Ethics Committee waiver granted	$400
1	Charles A. Dana Foundation	New York, New York	October 5, 1997 Award given by Dana Foundation ~~Alliance for Brain Initiatives in recognition~~ of Distinguished Achievement. Cash award directed ~~to the University of California, Los Angeles~~	850,000
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Note: Most gifts in excess of $49.99 are prohibited by the Senate Gifts Rule.

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Ted Stevens

PART VI. REIMBURSEMENTS

Page Number 8

Report necessary travel related expenses from each source aggregating more than $250 in value during the reporting period received by you, your spouse and/or dependent child in connection with your provision of services at a speaking engagement, fact-finding event, or other event. Disclosure is required regardless of whether those expenses were reimbursed to the individual or paid directly by the sponsoring organization. A description of the itinerary, including date(s) and the nature of expenses is required. If you are reimbursed for more than one trip from the same sponsor (and the trips added together are worth more than $250), then you must report each trip individually, even if the reimbursement for each separate trip does not equal more than $250. Report Gifts of travel in Part V.

Exclude: Travel related expenses provided by federal, state, D.C., and local governments; or by a foreign government; reimbursements from campaign funds which are reported to the FEC; reimbursements to a spouse or dependent child totally independent of his or her relationship to you; and reimbursements reported to the Office of Public Records pursuant to Senate Rule 35. For further information, see instructions.

	Name of Source	Address of Source	Dates and Brief Description
Example	Al Sales Company	Meinown, TX	Roundtrip air travel from Washington, D.C. to Meinown, TX and lunch for self and spouse for speaking engagement: May 1, 199X
1	National Cable Television Asso.	New Orleans, LA	Roundtrip air travel from Washington, D.C. to New Orleans, LA; lodging & meals for self for speaking engagement 3/15-3/16/97
2	United States Telephone Asso.	Miami, FL	One way airfare to Miami, FL; lodging expenses and meals for self for speaking engagement 2/13-2/14/97
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Reporting Individual's Name: Ted Stevens

PART VII. LIABILITIES

Page Number: 9

Report liabilities over $10,000 owed by you, your spouse, or dependent child (see page 3, Part B of the instructions), to any one creditor at any time during the reporting period. Check the highest amount owed during the reporting period. Exclude: (1) Mortgages on your personal residences unless rented; (2) loans secured by automobiles, household furniture or appliances; and (3) liabilities owed to certain relatives listed in instructions. See instructions for reporting revolving charge accounts.

No.	Name of Creditor	Address of Creditor	Type of Liability	Date Incurred	Interest Rate	Term of Loan	Category of Amount of Year End: $10,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
Ex-ample:	First District Bank	Washington, D.C.	Mortgage on undeveloped land	[illegible]	13%	[illegible]		X									
Ex-ample:	John Jones	Washington, D.C.	Promissory note	[illegible]	10%	on demand	X			X				X			
1	Ryland Martgage	Columbia, MD	Mortgage on rental property (mortgage paid 3/3/97)	1990	6.875	15yrs				X							
2																	
3																	
4																	
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7																	
8																	
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10																	
11																	
12																	
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EXEMPTION TEST (see instructions before marking box): If you omitted any liability because it meets the three-part test for exemption described in the instructions, please check here. ☐

*This category applies only if the obligation was solely that of the spouse or dependent child. If the obligation was the filer's or a joint obligation with the spouse or dependent child, use the other categories, as appropriate.

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Reporting Individual's Name	PART VIII. POSITIONS HELD OUTSIDE U.S. GOVERNMENT	Page Number
Ted Stevens		10

Report any positions held by you during the applicable reporting period whether compensated or not. Positions include, but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. Both the year and month must be reported for the period of time that the position was held.

Exclude: Positions with federal government, religious, social, fraternal, or political entities, and those solely of an honorary nature.

	Name of Organization	Address of Organization	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
Examples:	Nat'l Assn. of Rock Collectors	NY, NY	Non-profit education	President	8/90	Present
	Jones & Smith	Hometown, USA	Law firm	Partner	7/65	11/93
1	The John F. Kennedy Center for Performing Arts	Washington, D.C.	Non-profit performing Arts	member Board of Trustees	1/97	present
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Compensation in excess of $200 from any position must be reported in Part II.

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Revised 3/90

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#1.60

UNITED STATES SENATE PUBLIC FINANCIAL DISCLOSURE REPORT FOR ANNUAL AND TERMINATION REPORTS

Last Name	First Name and Middle Initial	Calendar Year Covered by Report	Senate Office / Agency in Which Employed
STEVENS	TED F.	96	U.S. SENATE
Mailing Address (Number, Street, City, State, and ZIP Code)	Telephone No. (Include Area Code)	Termination Report	Prior Office / Agency in Which Employed
SH522 U.S. Senate	202-224-3004	Termination Date (Mo., Day, Yr.)	

AFTER READING THE INSTRUCTIONS - ANSWER EACH OF THESE QUESTIONS AND ATTACH THE RELEVANT PART

Question	YES	NO	Question	YES	NO
Did any individual or organization make a donation to charity in lieu of paying you for a speech, appearance, or article in the reporting period? If yes, Complete and Attach PART I.		X	Did you, your spouse, or dependent child receive any reportable travel or reimbursements for travel in the reporting period (i.e., worth more than $250 from one source)? If yes Complete and Attach PART VI.	X	
Did you or your spouse have earned income (e.g., salaries or fees) or non-investment income of more than $200 from any reportable source in the reporting period? If yes, Complete and Attach PART II.	X		Did you, your spouse, or dependent child have any reportable liability (more than $10,000) during the reporting period? If yes, Complete and Attach PART VII.	X	
Did you, your spouse, or dependent child receive investment income of more than $200 in the reporting period or hold any reportable asset worth more than $1,000 at the end of the period? If yes, Complete and Attach PART IIA and/or IIB	X		Did you hold any reportable positions on or before the date of filing in the current calendar year? If yes, Complete and Attach PART VIII.		X
Did you, your spouse, or dependent child purchase, sell, or exchange any reportable asset worth more than $1,000 in the reporting period? If yes, Complete and Attach PART IV.		X	Do you have any reportable agreement or arrangement with an outside entity? If yes, Complete and Attach PART IX.		X
Did you, your spouse, or dependent child receive any reportable gift in the reporting period (i.e., aggregating more than $250 and not otherwise exempt)? If yes, Complete and Attach PART V.	X		If this is your FIRST Report: Did you receive compensation of more than $5,000 from a single source in the two prior years? If yes, complete and attach Part X.		X

File this report and any amendments with the Secretary of the Senate, Office of Public Records, Room 232, Hart Senate Office Building, U.S. Senate, Washington, D.C. 20510. $200 Penalty for filing more than 30 days after due date.

This Financial Disclosure Statement is required by the Ethics in Government Act of 1978, as amended. The statement will be made available by the Office of the Secretary of the Senate to any requesting person upon written application and will be reviewed by the Select Committee on Ethics. Any individual who knowingly and wilfully falsifies, or who knowingly and wilfully fails to file this report may be subject to civil and criminal sanctions. (See 5 U.S.C. app. 6, 104, and 18 U.S.C. 1001.)

For Official Use Only - Do Not Write Below This Line

Certification	Signature of Reporting Individual	Date (Month, Day, Year)
I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge and belief.	Ted Stevens	5-15-97

For Official Use Only - Do Not Write Below This Line		
It is the opinion of the reviewer that the statements made in this form are in compliance with Title I of the Ethics in Government Act.	Signature of Reviewing Official	Date (Month, Day, Year)

For Office Use Only - Do Not Write Below This Line

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OFFICE OF THE SENATE

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Reporting Individual's Name: TED STEVENS	PART II. EARNED AND NON-INVESTMENT INCOME	Page Number: 2

Report the source (name and address), type, and amount of earned income to you from any source aggregating $200 or more during the reporting period. For your spouse, report the source (name and address) and type of earned income which aggregate $1,000 or more during the reporting period. No amount needs to be specified for your spouse. Do not report income from employment by the U.S. Government for you or your spouse.

Individuals not covered by the Honoraria Ban:
For you and/or your spouse report honoraria income received which aggregates $200 or more by exact amount, give the date of, and describe the activity (speech, appearance or article) generating such honoraria payment. Do not include payments in lieu of honoraria reported on Part I.

	Name of Income Source	Address (City, State)	Type of Income	Amount
Examples:	JP Computers MCI (Spouse)	Wash., D.C. Arlington, VA	Salary Salary	$15,000 Over $1,000
S	Chamer Co., Inc. (Spouse family investment company)	Anchorage, Alaska	Director's Fees	over $1000
S	Terra Foundation for the Arts	Chicago, Illinois	Salary	over $1000
S	Boom Boom Ltd. (Art Consultant)	Wilmington, Delaware	compensation/ commission	over $1000
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Form 167

Reporting Individual's Name: TED STEVENS

PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Page Number: 3

BLOCK A — Identity of Publicly Traded Assets and Unearned Income Sources

Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child, for production of income or investment which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or

(2) generated over $200 in "unearned" income during the reporting period.

Include on this Part IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.

BLOCK B — Valuation of Assets At close of reporting period. If none, or less than $1,001, check the 1st column.

BLOCK C — Type and Amount of Income If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

Line #	Identity of Publicly Traded Assets and Unearned Income Sources	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000**	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	Over $25,000,000	Actual Amount Required if "Other" Specified
EX	(Exemption) SPX Corp. (NYSE)													X																				
EX	Keystone Equity Fund (Money Overnight)					X												X																
1	Washington State King Co. Tax Free Gen.Obligation Bond			X												X								X										
2	U. S. Senate Credit Union Washington, D.C.			X												X							X											
D C	U. S. Senate Credit Union Washington, D.C.		X													X							X											
3	Smith Barney Shearson Wash.DC Money Mkt AMEX		X											X								X												
S 1	Smith Barney Shearson Wash.DC Tax Free TRATRAKPH			X										X			X							X										
S 2	First American Title Phoenix, AZ(payment on contract of sale)			X												X										X								
7																																		
8																																		
9																																		
10																																		

EXEMPTION TEST (see instructions before checking box): If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check here. ☐

** This category applies only if the asset is held independently by the spouse or dependent child. If the asset is held either by the filer or jointly held, use the other categories of value, as appropriate.

Revised 1/97

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Reporting Individual's Name: TED STEVENS

PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Page Number: 4

BLOCK A — Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state), and description of each interest held by you, your spouse, or your dependent child for the production of income or investment in a non-public trade or business which:

(1) had a value exceeding $1,000 at the close of the reporting period, and/or

(2) generated over $200 in income during the reporting period.

Include the above report for each underlying asset which is not incidental to the trade or business. Publicly traded assets held by a non-public entity may be listed on Part IIA.

BLOCK B — Valuation of Assets At close of reporting period. If none, or less than $1,001, check the 1st column.

BLOCK C — Type and Amount of Income If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

Line	Block A: Identity of Non-Publicly Traded Assets and Unearned Income Sources	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000**	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Block C: Type of Income: Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	Amount of Income: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Only if "Other" Specified
S 1	Exempted: PC Computer, Wash., D.C. (Computer Sales)		X											X									X										
S 2	Exempted: Undeveloped land in Dubuque Iowa					X																X											
1	Northern TV (telecom) Corp. Anchorage, AK		X											X								X											
2	National Bank of Vermont Montpelier, VT		X											X									X										
3	Oil interests (3nd wells on Hellman Farm-Oklahoma City, OK)				X																Pittman working interest												18,342
4	Lloyds of London London, England	X																			Net ins activit												-238
S 5	Alyeska Chalet-Girdwood, AK- loss due to expenses 10,103					X									X											X							
S 6	1135 H St., Anchorage, AK 1/3 int in rental house			X											X											X							
7	448 32nd St. Manhattan Beach, CA-[illegible] Co	X					X								X													X					

EXEMPTION TEST (see instructions before marking box): If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check here. ☐

** This category applies only if the asset is held independently by the spouse or dependent child, if the asset is held other than by the filer or jointly held, use the other categories of value, as appropriate.

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Reporting Individual's Name: TED STEVENS

PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Page Number: 5

BLOCK A — Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state), and description of each interest held by you, your spouse, or your dependent child for the production of income or investment in a non-public trade or business which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or

(2) generated over $200 in income during the reporting period.

Include the above report for each underlying asset which is not incidental to the trade or business. Publicly traded assets held by a non-public entity may be listed on Part IIIA.

BLOCK B — Valuation of Assets (At close of reporting period. If none, or less than $1,001, check the 1st column.)

BLOCK C — Type and Amount of Income (If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.)

	Block A: Identity of Non-Publicly Traded Assets and Unearned Income Sources	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000**	Over $1,000,000**	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Dividends	Rent	Interest	Capital Gains	Compensation	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000	$1,000,001 - $5,000,000	Over $5,000,000	* Actual Amount Only if "Other" Specified
Exemptions	JP Computers, Wash., D.C. (Computer Sales)		X											X								X											
	Underwood land in Dubuque, Iowa *					X																X											
1	Chamber Co., Inc. Alaska Anchorage, AK (holds promissory note)			X										X											X								
2	State of Alaska Permanent Fund													X										X									
3	State of Alaska Permanent Fund													X										X									
4																																	
5																																	
6																																	
7																																	

EXEMPTION TEST (see instructions before marking box): If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check here. ☐

** This category applies only if the asset is held independently by the spouse or dependent child. If the asset is held either jointly by the filer or jointly held, use the other categories of value, as appropriate.

Revised 3/97

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Reporting Individual's Name	PART V. GIFTS	Page Number
TED STEVENS		6

Report the source, brief description and value of all gifts aggregating more than $250 in value received by you, your spouse, or your dependent child, from each source. Gifts with a value of $100 or less need not be aggregated towards the disclosure threshold. "Gift" is defined in the instructions.

Exclude: (1) Bequests and other forms of inheritance; (2) Suitable mementos of a function honoring the reporting individual; (3) Political campaign contributions; (4) Communications to your offices including subscriptions to newspapers and periodicals; (5) Consumable products provided by home state businesses to your offices, if those products are intended for consumption by persons other than yourself; (6) Gifts received prior to your Federal employment; (7) Gifts to your spouse or dependent child totally independent of his or her relationship to you; (8) Gifts from relatives; (9) Personal hospitality of any individual (see instructions); (10) meals and beverages unless consumed in connection with a gift of overnight lodging; and (11) Food, lodging, transportation, and entertainment provided by a foreign government within a foreign country, or by federal, state, D.C., or local governments.

	Name of Source	Address of Source	Date and Brief Description	Value of gift
Example	Mr. John Q. Smith	Anytown, VA	August 12, 1990; Silver plaque—Ethics Committee waiver granted	$400
1	Pioneer Air Museum	Fairbanks, Alaska	Bolo Tie Medallion November 5, 1990, Ethics Comm.waiver granted	$160
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Note: Most gifts in excess of $49.99 are prohibited by the Senate Gifts Rule.

Revised 3/97

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Reporting Individual's Name: TED STEVENS

PART VI. REIMBURSEMENTS

Page Number: 7

Report necessary travel related expenses from each source aggregating more than $250 in value during the reporting period received by you, your spouse and/or dependent child in connection with your provision of services at a speaking engagement, fact-finding event, or other event. Disclosure is required regardless of whether those expenses were reimbursed to the individual or paid directly by the sponsoring organization. A description of the itinerary, including date(s) and the nature of expenses is required. If you are reimbursed for more than one trip from the same sponsor (and the trips added together are worth more than $250), then you must report each trip individually, even if the reimbursement for each separate trip does not equal more than $250. Report Gifts of travel in Part V.

Exclude: Travel related expenses provided by federal, state, D.C., and local governments; or by a foreign government; reimbursements from campaign funds which are reported to the FEC; reimbursements to a spouse or dependent child totally independent of his or her relationship to you; and reimbursements reported to the Office of Public Records pursuant to Senate Rule 35. For further information, see instructions.

	Name of Source	Address of Source	Dates and Brief Description
Example	All States Company	Hampton, TX	Rounding air travel from Washington, D.C. to Hampton, TX and lunch for self and spouse for speaking engagement May 1, 1997
1	Aircraft Owners & Pilots Asso.	Frederick, MD	Air travel expenses from Seattle, WA to San Jose to Houston, TX for AOPA Award Ceremony Banquet Oct. 19 & 20, 1996
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Revised 1/97

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Reporting Individual's Name: TED STEVENS

PART VII. LIABILITIES

Page Number: 8

Report liabilities over $10,000 owed by you, your spouse, or dependent child, to any one creditor at any time during the reporting period. Check the highest amount owed during the reporting period. Exclude: (1) Mortgages on your personal residences unless rented; (2) loans secured by automobiles, household furniture or appliances; and (3) liabilities owed to certain relatives listed in instructions. See instructions for reporting revolving charge accounts.

		Name of Creditor	Address of Creditor	Type of Liability	Date Incurred	Interest Rate	Term if Applicable	Category of Amount of Value (X)									
								$10,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000*	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	Over $25,000,000
S	Ex-spouse	First Dated Bank	Washington, D.C.	Mortgage on undeveloped land	1981	12%	Demand		X							X	
F		John Jones	Washington, D.C.	Promissory note	1989	10%	3 mo. or Demand				X					X	
1		Ryland Mortgage	Columbia, MD	Mortgage on rental property	1990	6.875	15yr			X							
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If you have consulted the instructions before completing this section and believe that any liability you have incurred meets the three-part test for exemption described in the instructions, please check here. ☐

*Filer should include liabilities of his or her spouse or dependent child, and the other categories, as appropriate.

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UNITED STATES SENATE PUBLIC FINANCIAL DISCLOSURE REPORT FOR ANNUAL AND TERMINATION REPORTS

-8/1,80

Last Name	First Name and Middle Initial	Calendar Year Covered by Report	Senate Office / Agency In Which Employed
STEVENS	TED F.	Annual Report, 95 (Not filing 30	U.S. SENATE
Mailing Address (Number, Street, City, State, and ZIP Code)	Telephone No. (Include Area Code)	Termination Date (Mo., Day, Yr.)	Prior Office / Agency in Which Employed
SH522 U.S. SENATE	202-224-3004	Termination Report (Not within 30 days of term. date)	

AFTER READING THE INSTRUCTIONS - ANSWER EACH OF THESE QUESTIONS

Did any individual or organization make a donation to charity in lieu of paying you for a speech, appearance, or article in the reporting period? If yes, Complete and Attach PART I.	YES [ ] NO [X]	Did you, your spouse, or dependent child receive any reportable travel or non-business/ts for travel in the reporting period (i.e., worth more than $250 from one source)? If yes, Complete and Attach PART VI.	YES [X] NO [ ]
Did you or your spouse have earned income (e.g., salaries or fees) or non-investment income of more than $200 from any reportable source in the reporting period? If yes, Complete and Attach PART II.	YES [X] NO [ ]	Did you, your spouse, or dependent child have any reportable liability (more than $10,000) during the reporting period? If yes, Complete and Attach PART VII.	YES [X] NO [ ]
Did you, your spouse, or dependent child receive unearned or investment income of more than $200 in the reporting period or hold any reportable asset worth more than $1,000 at the end of the period? If yes, Complete and Attach PART III A and/or III B.	YES [X] NO [ ]	Did you hold any reportable positions on or before the date of filing in the current calendar year? If yes, Complete and Attach PART VIII.	YES [X] NO [ ]
Did you, your spouse, or dependent child purchase, sell, or exchange any reportable asset worth more than $1,000 in the reporting period? If yes, Complete and Attach PART IV.	YES [X] NO [ ]	Do you have any reportable agreement or arrangement with an outside entity? If yes, Complete and Attach PART IX.	YES [ ] NO [X]
Did you, your spouse, or dependent child receive any reportable gift in the reporting period (i.e., aggregating more than $250 and not otherwise exempt)? If yes, Complete and Attach PART V.	YES [ ] NO [X]	**Each question must be answered and the appropriate PART attached for each "Yes" response.**	

File this report and any amendments with the Secretary of the Senate, Office of Public Records, Room 232, Hart Senate Office Building, U.S. Senate, Washington, D.C. 20510. $200 Penalty for filing more than 30 days after due date.

This Financial Disclosure Statement is required by the Ethics in Government Act of 1978, as amended. The statement will be made available by the Office of the Secretary of the Senate to any requesting person upon written application and will be reviewed by the Select Committee on Ethics. Any individual who knowingly and willfully falsifies, or who knowingly and willfully fails to file this report may be subject to civil and criminal sanctions. (See 5 U.S.C. app. 6, 104, 18 U.S.C. 1621, and 28 U.S.C. 1746.)

For Official Use Only - Do Not Write Below This Line

SECRETARY OF THE SENATE
95 MAY 15 PM 3:29
H.O.

A(9)

Certification	Signature of Reporting Individual	Date (Month, Day, Year)
I CERTIFY under penalty of perjury that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge.	Ted Stevens	5-15-96

For Official Use Only - Do Not Write Below This Line		
It is the opinion of the Ethics that the statements made in this form are in compliance with Title I of the Ethics in Government Act	Signature of Reviewing Official	Date (Month, Day, Year)

Prescribed Ethics Forms to Used

950200 1562.

Revised 1/94

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Reporting Individual's Name: TED STEVENS

PART II. EARNED AND NON-INVESTMENT INCOME

Page Number: 2

Report the source (name and address), type, and amount of earned income to you from any source aggregating $200 or more during the reporting period. For your spouse, report the source (name and address) and type of earned income which aggregate $1,000 or more during the reporting period. No amount needs to be specified for your spouse. Do not report income from employment by the U.S. Government for you or your spouse.

Individuals not covered by the Honoraria Ban:
For you and/or your spouse, report honoraria income received which aggregates $200 or more by exact amount, give the date of, and describe the activity (speech, appearance or article) generating such honoraria payment. Do not include payments in lieu of honoraria reported on Part I.

	Name of Income Source	Address (City, State)	Type of Income	Amount
Exemption	JP Computers MCI (Revenue)	Wash., D.C. Arlington, VA	Salary Salary	$13,000 Over $1,000
1	Chaney Company, Inc.	Anchorage, Alaska	Director's Fees	over $1,000.
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Revised 1/88

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Reporting Individual's Name: TED STEVENS

PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Page Number: 3

BLOCK A — Identity of Publicly Traded Assets and Unearned Income Sources

Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child, for production of income or investment which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or

(2) generated over $200 in "unearned" income during the reporting period.

Include on this Part IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.

BLOCK B — Valuation of Assets

At close of reporting period. If none, or less than $1,001, check the 1st column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

	Block A: Identity of Publicly Traded Assets and Unearned Income Sources	Block B: None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000**	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	Over $25,000,000	Block C: Type of Income: None (or less than $201)	Rent	Interest	Dividends	Capital Gains	Excepted Trust	Other (Specify Type)	Amount of Income: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required if "Other" Specified
1	Exemption: Phd Core (spec)				x																									
2	Exemption: Keystone Equity Fund (widely diversified)																													
3	Washington State King Co. Tax Free General Obligation Bond																													
4	Key Corp Albany, N.Y																													
5	U.S. Senate Credit Union Washington, D.C.		x																		x									
6	U.S. Senate Credit Union Washington, D.C.																				x									
7	Smith Barney Shearson Nash,DC Money Management MNEX		x																											
8	Smith Barney Shearson Nash,DC Tax Free IRA TRAXIM																x													
9	First American Title Phoenix, AZ (repayment of loan																													
10																														

EXEMPTION TEST: If you invested any asset because it meets the three-part test for exemption described in the instructions, please check here. ☐

** This category applies only if the asset is held independently by the spouse or dependent child. If the asset is held either jointly by the filer or jointly held, use the other categories of value, as appropriate.

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Revised 3/96

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Reporting Individual's Name: TED STEVENS

PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Page Number: 4

Block A — Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state), and description of each interest held by you, your spouse, or your dependent child for the production of income or investment in a non-public trade or business which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or

(2) generated over $200 in income during the reporting period.

Include the above report for each underlying asset which is not incidental to the trade or business. Publicly traded assets held by a non-public entity may be listed on Part IIA.

Block B — Valuation of Assets At close of reporting period. If none, or less than $1,001, check the 1st column.

Block C — Type and Amount of Income If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

No.	Description	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000	None (or less than $201)	Rent	Royalty/Lease	Capital Gains	Dividend/Interest	Blind Trust	Other (Specify Type)	None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	Over $25,000,000	Actual Amount (Only if "Other" Specified)
1	Computer	JF Computers, Wash., D.C. (Computer Leased)		X														X										
2		Undeveloped land in Dickinson, Iowa		X														X										
1		Northern TV(Falcons corp) Anchorage, AK		X														X										
2		Natl Bank of Vermont Montpelier, VT		X														X										
3		Oil Interests(Ind wells on Bellman Farm-Oklahoma City, OK)			X											oil&gas working interest												13,935
4		Lloyds of London London, England		X												net loss activity												-76
5		Alyeska Chalet-Girdwood, AK due to expenses-loss of 8,873		X							X									X								
6		1135 W 5th-1/3 int in rental house Anchorage, AK		X							X									X								
7		148 32nd St-rental house in Manhattan Beach, CA-due to expenses-loss of 19,473					X				X										X							

EXEMPTION TEST: If you marked any asset because it meets the three-part test for exemption described in the instructions, please check here. ☐

— This category applies only if the asset is held independently by the spouse or dependent child, if the asset is held by the filer or jointly held, use the other categories of value, as appropriate.

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Reporting Individual's Name: TED STEVENS

PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Page Number: 5

BLOCK A — Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state), and description of each interest held by you, your spouse, or your dependent child for the production of income or investment in a non-public trade or business which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or
(2) generated over $200 in income during the reporting period.

Include the above report for each underlying asset which is not incidental to the trade or business. Publicly traded assets held by a non-public entity may be listed on Part IIA.

BLOCK B — Valuation of Assets (At close of reporting period. If none, or less than $1,001, check the 1st column.)

BLOCK C — Type and Amount of Income (If "None (or less than $201)" is checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.)

#	Block A: Identity of Non-Publicly Traded Assets and Unearned Income Sources	Block B: Valuation of Assets	Block C: Type of Income	Block C: Amount of Income
1	Exemption: JP Computers, Wash., D.C. (Computer Store)			
2	Exemption: Undeveloped land in Cohasset, Iowa			
3	Chance Co, Inc. Alaska Corp Anch, AK holds promissory note			
4	Potsons,Carr, Stevens, Jr. Venture-1/3 int in thoroughbred in Pasadena, CA		net receipts	360
5				
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EXEMPTION TEST: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check here. ☐

— The company applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

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Reporting Individual's Name: TED STEVENS

PART IV. TRANSACTIONS

Page Number: 6

Report any purchase, sale, or exchange by you, your spouse, or dependent child during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.

#	Identification of Assets	Transaction Type (x): Purchase	Sale	Exchange	Date (Mo., Day, Yr.)	Amount of Transaction (x): $1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	$1,000,001 - $5,000,000	Over $5,000,000
Example	ABC Corp. (stock)	x			3/1/92	x							
1	Sale of Key Corp Stock		x		5/30/95							x	
2	Sale of 1/3 interest in thoroughbred owned by Persons, Carr & Stevens, d.b. Ventures		x		8/18/95	x							
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EXEMPTION TEST: If you omitted any transaction because it meets the three-part test for exemption described in the instructions, please check here. ☐

** This category applies only if the asset/gross held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, see the other categories of value, as appropriate.

Filer's Initials: 0 0 2 0 1 1 5 6 7

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Reporting Individual's Name: TED STEVENS

PART VI. REIMBURSEMENTS

Page Number: 7

Report necessary travel related expenses aggregating more than $250 in value provided in connection with a speaking engagement, fact-finding event, or other event where services are provided by the reporting individual, received by you, your spouse, or your dependent child, from each source during the reporting period. Disclosure is required regardless of whether those expenses were reimbursed to the individual or paid directly by the sponsoring organization. A description of the itinerary, including date(s) and the nature of expenses is required. If you are reimbursed for more than one trip from the same sponsor (and the trips added together are worth more than $250), then you must report each trip individually, even if the reimbursement for each separate trip does not equal more than $250. Report Gifts of travel in Part V.

Exclude: Travel related expenses provided by federal, state, D.C., and local governments; or by a foreign government; reimbursements from campaign funds which are reported to the FEC; and reimbursements to a spouse or dependent child totally independent of his or her relationship to you. For further information, see Instructions.

	Name of Source	Address of Source	Dates and Brief Description
Example	Al Stone Company	Harlowe, TX	Roundtrip air travel from Washington, D.C. to Midland, TX and lunch for self and spouse for speaking engagement, May 1, 1994
1	American Hotel/Hotel Association	New York, NY	Trainfare from NY to DC & lodging & meals for self 6/4-6/5
2	BNP-PHO Habitat Protection Program	Kenai, AK	Airfare from Anch,AK to Kenai,AK to Anch,AK & lodging & meals for self 7/5-7/9
3	" " " "	" " "	Airfare from DC to Anch,AK & return 7/2-7/9 & lodging & meals for spouse & child-received separate invitation-actual event 7/5-7/9
4	TCI	Englewood,CO	Airfare New York,NY to Wash, D.C. & lodging for self 9/19-9/20
5	Commission on Radio/TV Policy-Duke University	Durham, NC	Airfare from Wash, DC to Atlanta, GA to Wash, D.C. for spouse 10/18-10/20
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Reporting Individual's Name: TED STEVENS

PART VII. LIABILITIES

Page Number: 8

Report liabilities over $10,000 owed to any one creditor at any time during the reporting period by you, your spouse, or dependent child. Check the highest amount owed during the reporting period. Excludes: (1) Mortgages on your personal residences unless rented; (2) loans secured by automobiles, household furniture or appliances; and (3) liabilities owed to certain relatives listed in instructions. See instructions for reporting revolving charge accounts.

	Name of Creditor	Address of Creditor	Type of Liability	Date	Interest Rate	Amount of Liability (Value of Asset)	Category of Amount of Value (c) $10,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	Over $1,000,000*	$250,001 - $500,000	$500,001 - $1,000,000	Over $5,000,000
Ex.	First Direct Bank	Washington, D.C.	Mortgage on undeveloped land	[illegible]	11%	[illegible]		X						
Ex.	John Jones	Washington, D.C.	Promissory note	[illegible]	10%	[illegible]			X					
1	Ryland Mortgage	Columbia, MD	Mortgage on rental property	[illegible]		19935.875								
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EXEMPTION TEST: If you owe(d) any liability because it meets the three-part test for exemption described in the instructions, please check here. ☐

*This category applies only if the obligation was solely that of the spouse or dependent child. If the obligation was the filer's or a joint obligation with the spouse or dependent child, use the other categories, as appropriate.

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Reporting Individual's Name	PART VIII. POSITIONS HELD OUTSIDE U.S. GOVERNMENT	Page Number
TED STEVENS		9

Report any positions held by you during the applicable reporting period whether compensated or not. Positions include, but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution.

Exclude: Positions with federal government, religious, social, fraternal, or political entities, and those solely of an honorary nature.

	Name of Organization	Address of Organization	Type of Organization	Position Held	From (Mo., Yr.)	To (Mo., Yr.)
Example:	Nat'l Assn. of Rock Collectors	NY, NY	Non-profit education	President	6/80	Present
	Jones & Smith	Hometown, USA	Law firm	Partner	7/85	11/88
1	National Rifle Association	Fairfax, VA	Non-profit Membership Association	Bd of Directors	5/92	5/95
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Compensation in excess of $200 from any position must be reported in Part II.

Previous Editions Cannot Be Used

Revised 1/95

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FD-340b (Rev. 4-11-03)

1A201

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document 322

Date Received 10/01/2008

From _____
(Name of Contributor/Interviewee)

_____
(Address)

_____

b6
b7C

By SA [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure
☐ Yes ☑ No

Federal Taxpayer Information (FTI)
☐ Yes ☑ No

Title: POLAR PEN; CSLPO

Reference: FD 302
(Communication Enclosing Material)

Description: ☑ Original notes re interview of

[redacted]

[redacted]

@ Village Inn
Anchorage, AK

SA [redacted]
SA

10/1/08

LOANS =

[redacted] father
called last night/ [illegible] b4
not aware [illegible] [redacted] b6
[redacted] b7C
when they worked @ [redacted]
does not know [illegible]
[illegible] to Jed [redacted]
[redacted]

[redacted] secretary knew [redacted]
personal things

[redacted] brother of [redacted] — [illegible]
a little closer now that [redacted] [illegible]
about [redacted]

enough on her plate.

Never talked to [redacted] or [redacted] about any loans.

[redacted] said last night to [redacted] about a loan to TS [redacted]

Only [redacted] knows is [redacted]

[redacted] said he thought [redacted] had said of loan but, [redacted] knows [redacted] could not b/c [redacted] did not work there. [redacted] did. [redacted] has NO knowledge of loan

Bad blood between [redacted]

[redacted] never knew [redacted] was [redacted]

Politico & [redacted] - no match

She prefers #'s. Believed [redacted] move into real estate & Kenai classic

[redacted] commented on "poor" decisions [redacted] made.

[redacted] 1st asked about [redacted]

[redacted] asked about LOAN to [redacted] responded -

Does not know of [redacted] [redacted] When she read article in newspaper so when she learned of [redacted]

Worked [redacted] with [redacted] @ [redacted] buyer

b6
b7C

I did not work for [redacted]

I worked for [redacted]

I worked for [redacted]

Stock strug. kept her busy.

[redacted] - has [redacted] for [redacted] yrs for [redacted]

FBI - Stevens-7007

Only been to [redacted] house Cx

Needed to use repay credit card of Summer for quick book work

No holiday interactions - only one

When [redacted] called asked if
[redacted] had [redacted] said)
had mentioned that [redacted] needed
to meet w/ fed agts - [redacted]
asked why - [redacted] appologized
paying b/c she worked for [redacted]
- back to not worked for [redacted]

In 2 wks [redacted] gone, only
spoke to them 2x (in [redacted]

b6
b7C

[redacted] was a heavy equip operator
for [redacted] yrs.
[redacted] left on [redacted] in prep to
move then stroke
[redacted] not working - taking care
of [redacted]

"If I can help I will"
You need to do

-1A202

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document 323

Date Received 10/10/2008

b6
b7C

From [redacted]
(Name of Contributor)

[redacted]
(Address)

ANCHORAGE, AK
(City and State)

By SA [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☑ No

Federal Taxpayer Information (FTI)

☐ Yes ☑ No

Title:

POLAR PEN

Reference:
(Communication Enclosing Material)

Description: ☑ Original notes re interview of

[redacted]

SA [redacted]

10/10/2008 [redacted] CELL

[redacted]

[redacted]

STATE [redacted]

ANCHORAGE, AK [redacted]

[redacted]

- SMALL BIZ DEVELOPMENT PROGRAM
- U.S. DEPT OF LABOR 2.1 + 2.2 MILLION
- UNUSUAL TO DO NON-DOMESTIC PROGRAM
- SEN STEVENS, [redacted] & OTHERS
- 5-6 YEARS AGO
- FUTURE EMPLOYMENT DEPENDENT
- [redacted]
- DOL PROGRAM FOR PROG MANAGEMENT
- RUSSIAN [redacted] SAYS GET RUSSIANS UP TO SUCH SPEED TO BE HIRED BY VECO
- [redacted]
- [redacted]
- PROGRAM DESIGN PHASE & IMPLEMENTATION VECO INVOLVED
- VECO TRIED TO EXPEDITE
- ONGOING INVOLVEMENT BY VECO
- NEVER HAD THAT LEVEL OF INVOLVEMENT

b6
b7C

(2)

S ASKED [redacted] TO BE [redacted]

[redacted] FOR MASTERS DEGREES

[redacted] DID ALOT ON THE PHONE NOT MUCH

IN THE WAY OF RECORDERS

REATE A SUSTAINABLE MIDDLE CLASS

IN RUSSIA

ED DOLLARS TO TRAIN RUSSIANS THEN

SEND BACK TO RUSSIA

ARTICIPANTS DID NOT WORK FOR UECO

OME GOT MARRIED, SOME GOT PHD'S

16 UECO WAS CONTRACTING

IE MONEY ENDED

DON'T KNOW HOW TO HANDLE ANY OF THIS

AB WOULD HAVE DONE

USS LET EVERYONE GO

MONEY THROUGH DECEMBER

ASN'T TALKED TO [redacted]

USS NOBODY WORKED FOR UECO SO OK

JOINT VENTURE - UECO

DIDN'T WORK WITH ANY OTHERS

b6
b7C

- COULD HAVE BEEN VERY EXPENSIVE
- BILINGUAL VAA
- VISAS WERE EASIER
- WEREN'T INTERESTED IN SAFETY & ENVIRONMENT
- 2002 - 2004

DOL PROGRAM BEGAN IN 2000 - 2001

1A - 20

FD-340c (4-11-03)

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document

Date Received 12/15/08

From
(Name of Contributor/Interviewee)

(Address)

(City and State)

By SA [redacted]

b6
b7C

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

Title:

Reference:
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

Two original affidavits regarding [redacted] [redacted] one from SA [redacted] one from SSA [redacted]

AFFIDAVIT

I, [redacted] being duly sworn, depose and say:

1. I am a Special Agent of the Federal Bureau of Investigation (FBI) and have been so employed for more than [redacted] years. I am currently assigned to the FBI's Anchorage Field Office where I serve as the [redacted]

2. The information contained in this affidavit is based entirely on my own personal observations and interactions with [redacted]

3. On September 3 , 2006, I accompanied Special Agent (SA) [redacted] to [redacted] [redacted] residence, located in [redacted] Alaska.

4. SA [redacted] and I met with [redacted] for approximately 2 hours. The three of us sat outside [redacted] residence where SA [redacted] and I identified ourselves and advised [redacted] [redacted] of the reasons why we wanted to interview him.

5. The results of our interview was documented in an FD-302, dated September 5 , 2006.

b6
b7C

6. During the interview [redacted] SA [redacted] and I assured [redacted] that we were not there to interview him on any matter relating to [redacted] SA [redacted] and I advised [redacted] that our sole reason for interviewing him was to learn what he knew regarding [redacted] to U.S. Senator Ted Steven's Girdwood residence.

7. At no time did I or SA [redacted] offer [redacted] or [redacted] or anyone else related to [redacted] a promise of immunity. As an FBI Agent, we do not possess the authority to offer any witness or subject a promise of immunity.

8. On August 20, 2008, SA [redacted] and I met again with [redacted] and [redacted] [redacted] at their residence. During this meeting, I told [redacted] that the Affidavit dated March , 2008, which he purportedly prepared [redacted] Specifically, I told [redacted] [redacted] that at no time did I or SA [redacted] ever promise [redacted] or anyone else immunity. [redacted] acknowledged that no promise of immunity was ever given by me or SA [redacted] and [redacted] expressed their concern for [redacted] SA [redacted] and I restated our promise to not ask any questions regarding [redacted] and that we had

lived up to our word. [redacted] apologized for signing the Affidavit and stated that he [redacted] case against U.S. Senator Ted Stevens. I told [redacted]

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b7C

FURTHER, AFFIANT SAYETH NAUGHT

[redacted] 12/15/08

[redacted] Supervisory Special Agent
Federal Bureau of Investigation

AFFIDAVIT

I, [redacted] declare the following is true and correct:

1. I am a Special Agent with the Federal Bureau of Investigation (FBI), United States Department of Justice. I have been employed as a Special Agent with the FBI since [redacted] I have been assigned to the FBI Anchorage Division. Over the past [redacted] years, I have been involved in an ongoing federal investigation into corruption within the State of Alaska. I am familiar with most aspects of this investigation, including that portion involving a witness known as [redacted]

2. Throughout my contact with [redacted] from approximately [redacted] to [redacted] lived in a cabin in [redacted] Alaska with [redacted] Family Member A and several other individuals.

3. This affidavit is made in support of the government's position that the government never offered nor provided immunity to [redacted] his family, or friends.

4. On September 3, 2006, Supervisory Special Agent [redacted] and I met with [redacted] at his home in [redacted] Alaska. We interviewed [redacted] and he willingly provided a variety of information pertinent to an ongoing FBI investigation. At one point [redacted] advised he wanted to cooperate but he wanted to keep his family separate and away from his cooperation with the government. Supervisory Special Agent [redacted] responded to [redacted] statement by advising we would avoid asking him questions about his family. [redacted] continued to provide information about the ongoing investigation involving [redacted] VECO Corporation, and state and federal legislators.

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b7C

5. On March 14, 2008, I spoke with [redacted] telephonically. [redacted] advised that he had heard that Family Member A would be the next person arrested by the FBI. [redacted] asked me if the FBI was investigating or planning to arrest Family Member A. I advised [redacted] that I could not confirm or deny that information.

6. On March 16, 2008, I spoke with [redacted] telephonically. [redacted] advised he was very concerned about Family Member A, and that Family Member A was concerned about the FBI investigations and that it was due to Family Member A's relationship and history with [redacted]

7. On March 17, 2008, I spoke with [redacted] telephonically. [redacted] advised that Family Member A wanted to meet with the FBI.

8. On March 18, 2008, I spoke with [redacted] and Family Member A's [redacted] telephonically. [redacted] and Family Member A's [redacted] advised that Family Member A told them that Family Member A had not done anything wrong or illegal, and that the meeting with the FBI would be a waste of time. In addition, Family Member A's [redacted] advised that the only way Family Member A would cooperate with the FBI is if

he were provided full immunity. I told [redacted] and Family Member A's [redacted] that the FBI did not have the power to provide immunity, only the government prosecutors could enter into an immunity agreement, and that it was unlikely Family Member A would receive immunity.

9. On August 13, 2008, I spoke with [redacted] telephonically. [redacted] advised that he was contemplating using a lawyer that Family Member A hired to be a family attorney. [redacted] was concerned he could later be charged with something related to conduit campaign contributions. I advised I could not guarantee anything, but told [redacted] he could get an attorney or he could talk with the government attorneys about immunity. Later that day, I found out for the first time tha [redacted] had signed an affidavit related to immunity.

10. On August 13, 2008, Special Agent [redacted] and I met with [redacted] in Wasilla, Alaska. [redacted] discussed the affidavit he signed on [redacted] that claimed immunity for [redacted] friends, and family. [redacted] said he signed the affidavit, but that Family Member A drafted the affidavit. [redacted] said that he felt pressured to sign it because he was in the middle of a "mess" because of his relationship with Family Member A's [redacted] and Family Member A. [redacted] recognized that the contents of the affidavit were not accurate. [redacted] believed he previously told agents that he did not want Family Member A's [redacted] involved with his cooperation with the government, but recognized he did not receive immunity for himself or anyone else. b6 b7C

11. On August 20, 2008, Supervisory Special Agent [redacted] and I met with [redacted] and Family Member A's [redacted] at their home in [redacted] Alaska. [redacted] and Family Member A's [redacted] apologized for the affidavit and its inaccuracy.

12. On multiple occasions in August, September, and October 2008, government attorneys and I met with [redacted] to prepare for trial. During some of those meetings, we questioned [redacted] about his affidavit. [redacted] confirmed the affidavit was not accurate, and that he was never promised immunity for himself or any other person. [redacted] was willing to say he signed the affidavit, but was uncomfortable testifying that Family Member A drafted the affidavit because he did not want to get Family Member A in trouble.

13. Between late August and early September 2008, [redacted] came to the United States Attorney's Office (USAO) in Anchorage, Alaska for trial preparation. On two or more occasions, [redacted] b3

14. Between mid-September and October 2008, one or more government attorneys and I met with [redacted] in the DOJ Public Integrity Section Office. On one or more occasions, [redacted]

15. On a few occasions, [redacted] the Public Integrity Section in Washington, DC to [redacted] On each occasion, I provided him information and restrictions. I told him how to contact me if he needed something. I informed him the office was secure, and that he could not wander around. I advised him not to look at anything other than what we provided him. In addition, I checked on him every 10 to 30 minutes. At no time was [redacted] cellular phone taken away from him so he may have made calls to outside individuals without the government's knowledge.

16. During [redacted] review sessions both at the USAO and the office of the Public Integrity Section, I never provided [redacted] with a timeline. To my knowledge, no one ever provided him a timeline. To my knowledge, [redacted] was only shown [redacted]

17. At one point, [redacted] that he wanted to discuss or review later. I provided those to [redacted] for his use. I never [redacted] for him, and I never [redacted] To my knowledge, no one else did that to [redacted]

18. I never told [redacted] to reread documents until he recalled something correctly. To my knowledge, no one ever told [redacted] to reread documents until he recalled something correctly. In fact [redacted] told [redacted] not to follow the trial in the media because he [redacted]

b3
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19. The rooms in which [redacted] at the USAO in Anchorage, Alaska and the office of the Public Integrity Section did not contain evidence relating to the Stevens trial to my knowledge. In fact, I know that the attorney-agent work room for the Stevens trial at the Public Integrity Section was a completely different room than the one in which [redacted] If there were folders in the same room as [redacted] then those folders probably contained the photographs of Stevens' Girdwood home that we anticipated showing to [redacted]

20. On November 14, 2008, [redacted] left me multiple voice messages. The messages advised [redacted] was in town and he was there to help "smooth things over" for the meeting the government was going to have that day with Family Member A. I called [redacted] advised he wanted to show his support of Family Member A and wanted Family Member A to work things out with the government. [redacted] believed it was important for Family Member A to come to the table with the government and get things ironed out. [redacted] advised Family Member A was an integral part of the family and if anything happened to him, the family would fall apart.

21. On November 15, 2008, I received a facsimile containing a three-page unsigned letter from [redacted] This letter contained a multitude of inaccuracies, many of which I have

outlined above. I once again re-iterate that I never gave or offered [redacted] his family, or friends immunity.

I declare under the penalty of perjury that the foregoing is true and correct.

b6
b7C

Dated: December 15, 2008

[redacted]
[redacted] Special Agent
Federal Bureau of Investigation

1A-204

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-Tstevens

Field Office Acquiring Evidence AN

Serial # of Originating Document

Date Received 12/15/08

b6
b7C

From
(Name of Contributor/Interviewee)

(Address)

(City and State)

By SSA [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure
☐ Yes ☑ No

Federal Taxpayer Information (FTI)
☐ Yes ☑ No

Title: Polar Pen

Reference:
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

SA [redacted] SSA/ [redacted] affidavits

FBI - Stevens-7020

1A-20

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620 - TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document

Date Received 9/23/08

From [redacted]
(Name of Contributor/Interviewee)

(Address)

(City and State)

By [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

b6
b7C

Title:

* yellow are my notes

Reference:
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

Handwritten note about [redacted] and Ted Stevens [redacted]

b6
b7C

My [redacted] had a massive stroke a couple months ago.

His wife [redacted] worked for [redacted] until [redacted] She does [redacted] work and knows of [redacted] and not paid back. [redacted]

Ward to [redacted] to me

[redacted] - playing checkers

[redacted] - none of us knew

- lots of loans to TS

[redacted] H

CDX

FD-340c (4-11-03)

1A(207)

File Number 194A-AN-13620 - T Stevens

b6
b7C

Field Office Acquiring Evidence Anchorage

Serial # of Originating Document

Date Received 9/29/06

From
(Name of Contributor/Interviewee)

(Address)

(City and State)

By [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

Title: Polar Pen;
CSL PO;
CO: AN

Reference:
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

2 emails from [redacted]

Alaska's Great Eagle as well LLC Agreement

ADDITIONAL MEMBER SUBSCRIPTION AND CONTRIBUTION AGREEMENT AND AGREEMENT BY INITIAL MEMBERS TO ADMIT ADDITIONAL MEMBER

Parties

This agreement ("Agreement") is by and between:

(1) ALASKA'S GREAT EAGLE AS WELL, LLC ("Company"), an Alaska limited liability company, the address of which is P. O. Box 403, Girdwood, Alaska 99587; and

b6
b7C

(2) [redacted] ("Contributor"), an individual, the address of whom is [redacted]

(3) [redacted] and Ted Stevens ("Members")

Recitals

A. Company has been formed as a member-managed Alaska limited liability company under AS 10.50 and has issued Membership Interests in return for capital contributions to Company.

B. Company and Contributor have agreed that upon unanimous consent of all Members, Contributor shall be issued eleven and eleven one-hundredths percent (11.11%) of the resulting total issued Membership Interests of Company, in return for a capital contribution to Company on the following terms and conditions.

Consideration

For good, valuable and sufficient consideration received, and to be received, the parties have agreed, and hereby agree, as follows.

Terms and Conditions

1. Recitals and Exhibits. This Agreement shall be construed in light of its Recitals, which are incorporated by reference as contractual terms and conditions.

2. Admission of Contributor as Additional Member.

(a) Contributor shall become, and hereby becomes, a Member of Company.

(b) Contributor hereby subscribes to, and Company shall immediately issue to Contributor, eleven and eleven one-hundredths percent (11.11%) of the resulting total issued Membership Interests of Company ("Membership Interest").

FBI Stevens 7030

(c) All of Company's other current Members hereby jointly and severally

(i) consent to Contributor's subscription to the Membership Interest and the admission of Contributor as a Member of Company,

(ii) expressly and irrevocably waive any and all preemptive rights they may have to acquire the Membership Interest, and

(iii) agree that such Members' respective Membership Interests shall be proportionately adjusted so that the resulting total issued Membership Interests of Company shall thereupon be held as follows:

	Member	Membership Interest
(A)	[redacted]	11.11%
(B)		11.11%
(C)		11.11%
(D)		11.11%
(E)		11.11%
(F)		11.11%
(G)		11.11%
(H)		11.11%
(I)		11.11%
		100%

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b7C

3. Contribution. In exchange for the Membership Interest, Contributor shall contribute, and Company shall accept from Contributor: A promise to provide to Company, on a continuing basis, at no cost, boarding for all horses owned by Company or hosted by Company for breeding purposes, at Contributor's ranch facility [redacted] or such other ranch facility as Contributor may own or control from time to time. Such continuing services have been determined and agreed by Company and Contributor to have a fair and reasonable present value of Ten Thousand Dollars ($10,000).

4. Representations and Warranties by Contributor. As additional consideration for Company's issuance of the Membership Interest to Contributor, Contributor hereby acknowledges, represents, warrants and agrees for the benefit of Company that:

(a) Contributor has

(i) had sufficient opportunity to thoroughly inspect and review all books, records, agreements, Articles of Organization, Operating Agreement,

FBI - Stevens-7031

Subj: **Re[2]: Blonde or Brunette?**
Date: 5/23/01 6:22:18 AM Pacific Daylight Time
*From: *$Ted_Stevens@stevens.senate.gov (*$Ted Stevens)*
To: [redacted]

[redacted] I do not know how I ever found a friend like you. Thanks a bunch. I hope to see you next Wednesday. my best teds

_____ Reply Separator _____
Subject: Re: Blonde or Brunette?
Author: [redacted] at internet
Date: 5/23/01 3:46 AM

hi senator, your right. [redacted] even liked that one. [redacted] paint job and i am not happy with it so we are going to get other bids. i spoke to rocky and he said [redacted] s having a house in town painted so we may be able to get a two for one discount. i'll let you know. [redacted] and i think that is too much. everything else is done. the trees are planted, the french drain is in and the mess is cleaned up. i'll check to see that the rounds are moved and the stump gets cut down tomorrow. i'll get some grass seed and sow the back yard this week-end. my best to you [redacted]

---

hi senator, your right [redacted]
even liked that one [redacted]

[redacted] on the paint job and i am not happy with it so we are going to get

other bids. i spoke to rocky and he said [redacted] s having a house in town

painted so we may be able to get a two for one discount. i'll let you know.

[redacted] and i think that is too much. everything else is done.

the trees are planted, the french drain is in and the mess is cleaned up.

i'll check to see that the rounds are moved and the stump gets cut down

tomorrow. i'll get some grass seed and sow the back yard this week-end. my

best to you [redacted]

b6
b7C

Headers

[redacted]

Subj: **Re[4]: INJURIES**
Date: 9/14/00 12:35:40 PM Pacific Daylight Time
From: *$Ted_Stevens@stevens.senate.gov (*$Ted Stevens)
To: [redacted]

[redacted] I don't know about the steam. She is right about the city water. I hope the work proceeds in the time frame you want. I have had inquiries about Redmond. Seems some people bought property out there on the highway at a high cost and they are now trying to keep Dick from getting his property because they say he hasn't paid anything for it and that the got 1.5 acres at Indian for the homestead he didn't own. Another group, headed by the Forest Service allege that Dick has decide to put up a windmill "farm" and ruin the vista on the drive to Hope. I told my staff to stiff them all. What we are trying to do is to correct a wrong. I think Dick is entitled to what he earned and didn't get under the homestead act and that whatever he does on the land is probably subject so so many restrictions from the wetlands people and the zoning people that before he is through he'll say it wasn't worth fighting for. I just believe right is right. The future will take care of itself. We are still battling, now don't know for sure that we'll be going West tomorrow. Enjoy the peace and quiet for me. teds

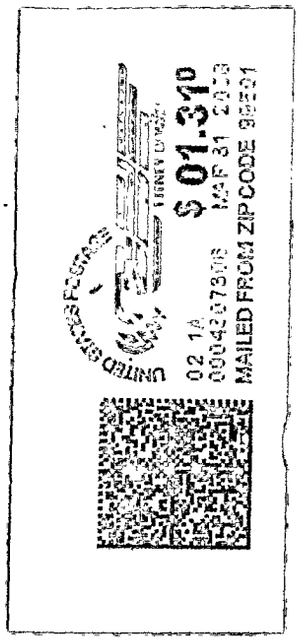
Reply Separator

Subject: Re: Re[2]: INJURIES
Author: [redacted]
Date: 09/14/2000 1:50 PM

[redacted]

b6
b7C

[redacted]



FD-340b (Rev. 4-11-03)

1A(208)

File Number 194A-AN-13620-TSteven3

Field Office Acquiring Evidence AN

Serial # of Originating Document _____

Date Received 2/31/08

From [redacted]
(Name of Contributor/Interviewee)

_____
(Address)

_____
(City and State)

By [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure
☑ Yes ☐ No

Federal Taxpayer Information (FTI)
☐ Yes ☑ No

Title: Polar Peri;
CSL PO:
OO: AN

b3
b6
b7C

Reference: _____
(Communication Enclosing Material)

Description: ☐ Original notes re interview of
[redacted]

1A-209

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TStevens

Field Office Acquiring Evidence AN

Serial # of Originating Document

Date Received Approx 9/4/06

From [redacted] b3 Per IRS b6 b7C

(Address)

(City and State)

By [redacted] b6 Per FBI b7C

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☒ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

Title:

Reference:

(Communication Enclosing Material)

b3 Per IRS b6 b7C

☐ Original notes re interview of

[redacted]

FBI - Stevens-7050

1A-2/C

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TSteven

Field Office Acquiring Evidence AN

Serial # of Originating Document

Date Received 09/18/06

From
(Name of Contributor/Interviewee)

(Address)

(ate)

By [redacted]

To Be Returned ☐ Yes ☐ No

Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☐ No

Title:

b6
b7C

Reference:
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

Notes possibly of interview of [redacted]

Wed aft [redacted] debrief on TS (Goodwood)

Tom Stone following week Tues 26th

[redacted] Key office Boxes

[redacted] week of 25th Tues 26th

- Legal all day 28th
- FBI review

09/18/04 • [redacted]

~$ [redacted] labor : materials — house already lifted

[redacted]

b6
b7C

- VECO: 1.yrd loss
- wanted a lot of steel framing [redacted]
  - from VECO
- Rocky : [redacted] frequent - VECO employee on charge

Est: $100K already there

40-50% done

I [redacted]

98% left

[redacted] Wed afternoon TS debrief

1A - 188

FD-340b (Rev. 4-11-03)

File Number 194A-AN-13620-TSTEVENS-

Field Office Acquiring Evidence _____

Serial # of Originating Document _____

Date Received 4-22-08

From [redacted]
(Name of Contributor/Interviewee)

(Address)

(City and State)

By FA [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☑ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☑ No

Title:

POLAR PEN

Reference: _____
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

[redacted]

b3
b6
b7C

AO110 (Rev. 12/89) Subpoena to Testify Before Grand Jury

UNITED STATES DISTRICT COURT

DISTRICT OF ALASKA

A080343

TO:

[redacted]

SUBPOENA TO TESTIFY BEFORE GRAND JURY

SUBPOENA FOR:
PERSON ☒ DOCUMENT(S) OR OBJECT(S)

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

PLACE	COURTROOM
Federal Building & U.S. Courthouse 222 W. 7th Avenue Anchorage, Alaska 99513	Grand Jury
	DATE AND TIME 03/04/08 9:00 A.M.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):*

See Attachment

FEB 21 2008

[redacted]

b3
b6
b7C

If you have any questions regarding the invoice, please contact [redacted] Grand Jury Clerk (collect) at (907) 271-5071.

☐ *Please see additional information on reverse.*

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

CLERK	DATE
IDA ROMACK, Clerk (By) Deputy Clerk	2/13/08
This subpoena is issued on application of the United States of America	NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY [redacted] Asst. U.S. Atty. Federal Bldg. & U.S. Courthouse, 222 W. 7th Ave., #9, Rm 253 Anchorage, AK 99513-7564 (907) 271-5071

* If not applicable, enter "none".

AO110 (Rev. 12/89) Subpoena to Testify Before Grand Jury

FBI - Stevens-7070

1A-189

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620 - TStevens

Field Office Acquiring Evidence _____

Serial # of Originating Document _____

Date Received 3-31-2008

From [redacted]

(Address)

(City and State)

By FA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☒ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☒ No

b3
b6
b7C

Title: Polar Pen

Reference: _____
(Communication Enclosing Material)

FBI - Stevens-7678

Description: ☐ Original notes re interview of

[redacted]

A080341

[redacted]

Assistant U.S. Attorney
Federal Building & U.S. Courthouse
222 West 7th Avenue, #9, Room 253
Anchorage, Alaska 99513-7567
(907) 271-5071

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF ALASKA

b3
b6
b7C

IN RE	)	
	)	AFFIDAVIT OF COMPLIANCE
GRAND JURY INVESTIGATION	)	WITH GRAND JURY SUBPOENA
	)	DUCES TECUM
_____	)	
	)	
	)	
	)	
	)	
_____	)	

[redacted] g first duly sworn, deposes and says:

1. I am associated with [redacted] npany") as [redacted] _____. In this position I have the responsibility for the Company's compliance with the subpoena duces tecum issued to me on 03-03, 2008, which calls for the production of certain documents before a Grand Jury of this Court.

2. I personally have conducted or supervised compliance by the Company with the subpoena duces tecum. To the best of my knowledge, information and belief, based upon due diligence and reasonable inquiry, the documents enclosed herewith, bearing the numbers _____, constitute all the documents in the possession, custody or control of the Company that fall within the terms of the subpoena duces tecum.

SEE ATTACH

3. No documents responsive to the subpoena duces tecum have been withheld by the Company pursuant to a claim of privilege or otherwise. To the best of my knowledge, information and belief, based upon due diligence and reasonable inquiry, no one has directed the destruction of any documents responsive to the subpoena duces tecum and no such documents have been destroyed.

4. The documents made by the Company and produced in compliance with the subpoena duces tecum are memoranda, reports, records or data compilations of acts, events, conditions, opinions or diagnoses that were made at or near the time, by or from information transmitted by, a person with knowledge and that have been kept in the course of the Company's regularly conducted business activity. It has been the Company's regular practice in that business activity to make those memoranda, reports, records or data compilations. Neither the source of information, nor the method of circumstances of preparation, indicate a lack of trustworthiness for those memoranda, reports, records or data compilations.

5. I understand that the furnishing of these documents to counsel for the United States in response to the subpoena duces tecum and the execution of this Affidavit, are at the sole discretion and election of myself and the Company, and waive my right of personally producing the documents before the grand jury which right to appear is expressly waived.

6. I am authorized by the Company to execute this Affidavit, and I have reviewed all of its terms with counsel for the Company before signing and swearing to it.

FURTHER AFFIANT SAYETH NAUGHT.

[redacted] b3

SUBSCRIBED AND SWORN TO before me this 28th day of March, 2008, at Washington DC

Notary Public
My commission expires: _____.

DEBRA KEATS, NOTARY PUBLIC
DISTRICT OF COLUMBIA
EXPIRES MARCH 14, 2010

UNITED STATES DISTRICT COURT

A080341

DISTRICT OF
ALASKA

TO:

[redacted]

SUBPOENA TO TESTIFY BEFORE GRAND JURY

ENA FOR:
SON ☒ DOCUMENT(S) OR OBJECT(S)

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

PLACE	COURTROOM
Federal Building & U.S. Courthouse 222 W. 7th Avenue Anchorage, Alaska 99513	Grand Jury
	DATE AND TIME 04/01/08 9:00 A.M.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):*

See Attachment

b3
b6
b7C

If you have any questions regarding the invoice, please contact [redacted] Grand Jury Clerk (collect) at (907) 271-5071.

☐ *Please see additional information on reverse.*

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

CLERK	DATE
IDA ROMACK, Clerk	FBI - Stevens-7683
(By) Deputy Clerk Nancy Salonga	3/03/08
This subpoena is issued on application of the United States of America	NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY [redacted] Asst. U.S. Atty. Federal Bldg. & U.S. Courthouse, 222 W. 7th Ave., #9, Rm 253 Anchorage, AK 99513-7564 (907) 271-5071

* If not applicable, enter "none".

ATE

1A-200

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence _____

Serial # of Originating Document _____

b3 Per IRS

Date Received 7/26/2006

From [redacted]

(Name of Contributor/Interviewee)

(Address)

(City and State)

b6 Per FBI
b7C

By SA [redacted]

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☐ Yes ☐ No

Federal Taxpayer Information (FTI)

☒ Yes ☐ No

Title: POLAR PEN

Reference: _____

(Communication Enclosing Material)

b3 Per IRS

Description: ☐ Original notes re interview of

[redacted]

FBI Stevens-8125

DO NOT DISSEMINATE

C

FEDERAL BUREAU OF INVESTIGATION
FOI/PA
DELETED PAGE INFORMATION SHEET
FOI/PA# 1392090-1

Total Deleted Page(s) = 870
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1A Envelope

Case ID: 194A-AN-13620-TSTEVENS

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AN	212	[redacted]
AN	213	[redacted]

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FBI - Stevens-8456

FD-340 (Rev. 4-11-03)

1A(211)

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document

Date Received 01/05/2007

From [redacted]
(Name of Contributor/Interviewee)

(Address)

(City and State)

By [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☑ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☑ No

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Title: Polar Pen;
CSLPO;
OO: AN

Reference:
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

[redacted]

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194A-AN-13620-~~TSTE~~VENS 1A(211)

Rec'd 1/5/07

FD-340 (Rev. 4-11-03)

1A(213)

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document _____

Date Received 03/24/2008

From [redacted]
(Name of Contributor/Interviewee)

(Address)

(City and State)

By [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☑ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☑ No

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CSLPO;
OO:AN

Reference: _____
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

[redacted]

AO110 (Rev. 12/89) Subpoena to Testify Grand Jury

UNITED STATES DISTRICT COURT

A080204

2008 MAR 11 AM 9:17

DISTRICT OF
ALASKA

TO:

US [redacted]

SUBPOENA TO TESTIFY BEFORE GRAND JURY

SUBPOENA FOR:
☐ PERSON ☒ DOCUMENT(S)

[redacted]

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

PLACE	COURTROOM
Federal Building & U.S. Courthouse 222 W. 7th Avenue Anchorage, Alaska 99513	Grand Jury
	DATE AND TIME 01/08/08 9:00 A.M.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):*

[redacted]

b3
b6
b7C

If you have any questions regarding the invoice, please contact [redacted] Grand Jury Clerk (collect) at (907) 271-5071.

☐ *Please see additional information on reverse.*

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

CLERK	DATE
IDA ROMACK, Clerk	
(By) Deputy Clerk P Wallace	12/19/07

This subpoena is issued on application of the United States of America

NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY

[redacted] Asst. U.S. Atty.
Federal Building & U.S. Courthouse, 222 W. 7th Ave., #9, Rm 253
Anchorage, AK 99513-7564 (907) 271-5071

FBI Stevens 8918

* If not applicable, enter "none".

AO110 (Rev. 12/89) Subpoena to Testify Before Grand Jury

1A Envelope

Case ID: 194A-AN-13620-TSTEVENS

AN	214	[redacted] b3
AN	215	
AN	216	

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TSTEVENS 1A(214)

Field Office Acquiring Evidence AN

Serial # of Originating Document

Date Received 01/08/2007

From [redacted] ontributor/Interviewee)

(Address)

(City and State)

By [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☑ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☑ No

Title: Polar Pen;
CSLPO;
OO:AN

Reference:

(Communication Enclosing Material)

Description: ☐ Original notes re interview of

[redacted]

b3
b6
b7C

FBI - Stevens-9332

C

UNITED STATES DISTRICT COURT

A070171

DISTRICT OF
ALASKA

TO:

[redacted]

SUBPOENA TO TESTIFY BEFORE GRAND JURY

SUBPOENA FOR:
☐ PERSON ☒ DOCUMENT(S) OR OBJECT(S)

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

PLACE	COURTROOM
Federal Building & U.S. Courthouse 222 W. 7th Avenue Anchorage, AK 99513	Grand Jury
	DATE AND TIME 1/9/07 9:00 A.M.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):*

See Attachment

b3
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☐ *Please see additional information on reverse.*

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

CLERK	DATE
IDA ROMACK, Clerk	
(By) Deputy Clerk Rosa Luna	11/29/06
This subpoena is issued on application of the United States of America	NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY [redacted] Asst. U.S. Atty. Federal Bldg. & U.S. Courthouse, 222 W. 7th Ave., #9, Rm 253 Anchorage, AK 99513-7564 (907) 271-5071

FBI - Stevens-9333

* If not applicable, enter "none".

U.S. Department of Justice

United States Attorney
District of Alaska

Federal Building & U.S. Courthouse
222 West 7th Avenue, #9, Room 253
Anchorage, Alaska 99513-7567

Commercial: (907) 271-5071
Fax Number: (907) 271-1500

November 29, 2006

[redacted]

Re: Grand Jury Subpoena

Dear [redacted]

You have been served with a grand jury subpoena duces tecum, to produce certain enumerated records before the grand jury in Anchorage, Alaska at 9:00 a.m., Tuesday, January 9, 2007. If you need additional time to comply with this subpoena please contact our office for an extension.

You have the right to appear before the grand jury. To minimize your inconvenience in complying with this subpoena, you may mail the requested documents certified to our office, or provide the documents to the agent(s) serving the subpoena in lieu of personally producing the documents before the grand jury.

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Should you decide to provide the documents by certified mail, the officer responsible for complying with this subpoena must execute the enclosed affidavit before a notary public. This affidavit must accompany the documents being forwarded.

Please be advised that disclosure of this subpoena may impede an ongoing criminal investigation.

If you have any questions regarding the subpoena or the method by which that subpoena may be satisfied, please contact me collect at (907) 271-5071.

Sincerely,

[redacted]

Assistant U.S. Attorney

Enc: Affidavit of Compliance

FBI - Stevens-9335

A070171

[redacted]
Assistant U.S. Attorney

Federal Building & U.S. Courthouse
Room 253
222 West 7th Avenue, #9,
Anchorage, Alaska 99513-7567
(907) 271-5071

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF ALASKA

b3
b6
b7C

IN RE GRAND JURY INVESTIGATION _____	))))))))))	AFFIDAVIT OF COMPLIANCE WITH GRAND JURY SUBPOENA DUCES TECUM

[redacted], being first duly sworn, deposes and says:

1. I am associated with [redacted] (the "Company") as [redacted]. In this position I have the responsibility for the Company's compliance with the subpoena duces tecum issued to me on Dec. 14, 2006, which calls for the production of certain documents before a Grand Jury of this Court.

2. I personally have conducted or supervised compliance by the Company with the subpoena duces tecum. To the best of my knowledge, information and belief, based upon due diligence and reasonable inquiry, the documents enclosed herewith, bearing the numbers _____, constitute all the documents in the possession, custody or control of the Company that fall within the terms of the subpoena duces tecum.

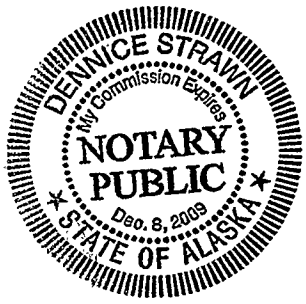
3. No documents responsive to the subpoena duces tecum have been withheld by the Company pursuant to a claim of privilege or otherwise. To the best of my knowledge, information and belief, based upon due diligence and reasonable inquiry, no one has directed the destruction of any documents responsive to the subpoena duces tecum and no such documents have been destroyed.

4. The documents made by the Company and produced in compliance with the subpoena duces tecum are memoranda, reports, records or data compilations of acts, events, conditions, opinions or diagnoses that were made at or near the time, by or from information transmitted by, a person with knowledge and that have been kept in the course of the Company's regularly conducted business activity. It has been the Company's regular practice in that business activity to make those memoranda, reports, records or data compilations. Neither the source of information, nor the method of circumstances of preparation, indicate a lack of trustworthiness for those memoranda, reports, records or data compilations.

5. I understand that the furnishing of these documents to counsel for the United States in response to the subpoena duces tecum and the execution of this Affidavit, are at the sole discretion and election of myself and the Company, and are in lieu of personally producing the documents before the grand jury which right to appear is expressly waived.

6. I am authorized by the Company to execute this Affidavit, and I have reviewed all of its terms with counsel for the Company before signing and swearing to it.

FURTHER AFFIANT SAYETH NAUGHT.



[redacted] b3

AFFIANT

SUBSCRIBED AND SWORN TO before me this 4th day of January, 2007, at 4:15 pm

Dennice Strawn
Notary Public
My commission expires: 12/8/2009.

January 4, 2007

RE: GRAND JURY SUBPOENA A070171

To Whom It May Concern:

We performed a search of the invoice records in our computer system for each of the names listed on the subpoena, as well as the address listed. [redacted]

[redacted]

b3

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-9(STEVENS) 1A(215)

Field Office Acquiring Evidence AN

Serial # of Originating Document

Date Received 01/30/2008

From [redacted]
(Name of Contributor/Interviewee)

(Address)

(City and State)

By [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure
☑ Yes ☐ No

Federal Taxpayer Information (FTI)
☐ Yes ☑ No

b3
b6
b7C

Title: Polar Pen;
CSLPO;
OO: AN

Reference:
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

[redacted]

AO110 (Rev. 12/89) Subpoena to Testify B Grand Jury

UNITED STATES DISTRICT COURT

A080204

2008 JAN 22 AM 11:06

DISTRICT OF ALASKA

RECEIVED

TO:

[redacted]

SUBPOENA TO TESTIFY BEFORE GRAND JURY

[redacted]

SUBPOENA FOR:
☐ PERSON ☒ DOCUMENT(S)

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

PLACE	COURTROOM
Federal Building & U.S. Courthouse 222 W. 7th Avenue Anchorage, Alaska 99513	Grand Jury
	DATE AND TIME 01/08/08 9:00 A.M.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):*

[redacted]

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If you have any questions regarding the invoice, please contac [redacted] Grand Jury Clerk (collect) at (907) 271-5071.

☐ *Please see additional information on reverse.*

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

CLERK	DATE
IDA ROMACK, , Clerk	
(By) Deputy Clerk P. Wallace	12/19/07
This subpoena is issued on application of the United States of America	NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY [redacted] Asst. U.S. Atty. Federal Bldg. & U.S. Courthouse, 222 W. 7th Ave., #9, Rm 253 Anchorage, AK 99513-7564 (907) 271-5071 FBI - Stevens 9468

* If not applicable, enter "none".

AO110 (Rev. 12/89) Subpoena to Testify Before Grand Jury

1A(216)

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document

Date Received 01/15/2008

From [redacted]

(Address)

(City and State)

By [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e) Federal Rules of Criminal Procedure

☑ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☑ No

b3
b6
b7C

Title: Polar Pen;
CSLPO;
OO:AN

FBI - Stevens-9821

Reference: (Communication Enclosing Material)

Description: ☐ Original notes re interview of

[redacted]

1A Envelope

Case ID: 194A-AN-13620-TSTEVENS

AN 217	[redacted]
AN 218	
AN 219	
AN 220	

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FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-STEVENS 1A(217)

Field Office Acquiring Evidence AN

Serial # of Originating Document

Date Received 01/10/2007

From [redacted]
(Name of Contributor/Interviewee)

(Address)

(City and State)

By [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure
☑ Yes ☐ No

Federal Taxpayer Information (FTI)
☐ Yes ☑ No

b3
b6
b7C

Title: Polar Pen;
CSLPO;
OO: AN

Reference:
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

[redacted]

AO110 (Rev. 12/89) Subpoena to Testify Before Grand Jury

Stevens

UNITED STATES DISTRICT COURT

A070167

194A-AN-13620 [redacted] 1A(18)

DISTRICT OF
ALASKA

TO:

[redacted]

SUBPOENA TO TESTIFY BEFORE GRAND JURY

SUBPOENA FOR:
☐ PERSON ☒ DOCUMENT(S) OR OBJECT(S)

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

PLACE	COURTROOM
Federal Building & U.S. Courthouse 222 W. 7th Avenue Anchorage, AK 99513	Grand Jury
	DATE AND TIME 1/9/07 9:00 A.M.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):*

See Attachment

POC: [redacted]

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☐ *Please see additional information on reverse.*

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

CLERK	DATE
IDA ROMACK, Clerk	
(By) Deputy Clerk Rosa Sueu	11/29/06

This subpoena is issued on application of the United States of America

NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY

[redacted] Asst. U.S. Atty.
Federal Bldg. & U.S. Courthouse, 222 W. 7th Ave., #9, Rm 253
Anchorage, AK 99513-7564 (907) 271-5071

FBI - Stevens-10106

* If not applicable, enter "none".

AO110 (Rev. 12/89) Subpoena to Testify Before Grand Jury

A070167

[redacted]
Assistant U.S. Attorney

Federal Building & U.S. Courthouse
Room 253
222 West 7th Avenue, #9,
Anchorage, Alaska 99513-7567
(907) 271-5071

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF ALASKA

b3
b6
b7C

IN RE GRAND JURY INVESTIGATION _____	))))))))))	AFFIDAVIT OF COMPLIANCE WITH GRAND JURY SUBPOENA DUCES TECUM

[redacted] being first duly sworn, deposes and says:

1. I am associated wi[redacted]he "Company") a[redacted] _____. In this position I have the responsibility for the Company's compliance with the subpoena duces tecum issued to me on 11/29, 2006, which calls for the production of certain documents before a Grand Jury of this Court.

2. I personally have conducted or supervised compliance by the Company with the subpoena duces tecum. To the best of my knowledge, information and belief, based upon du[redacted]herewith, bearing the numbers [redacted] constitute all the documents in the possession, custody or control of the Company that fall within the terms of the subpoena duces tecum. b3

3. No documents responsive to the subpoena duces tecum have been withheld by the Company pursuant to a claim of privilege or otherwise. To the best of my knowledge, information and belief, based upon due diligence and reasonable inquiry, no one has directed the destruction of any documents responsive to the subpoena duces tecum and no such documents have been destroyed.

4. The documents made by the Company and produced in compliance with the subpoena duces tecum are memoranda, reports, records or data compilations of acts, events, conditions, opinions or diagnoses that were made at or near the time, by or from information transmitted by, a person with knowledge and that have been kept in the course of the Company's regularly conducted business activity. It has been the Company's regular practice in that business activity to make those memoranda, reports, records or data compilations. Neither the source of information, nor the method of circumstances of preparation, indicate a lack of trustworthiness for those memoranda, reports, records or data compilations.

5. I understand that the furnishing of these documents to counsel for the United States in response to the subpoena duces tecum and the execution of this Affidavit, are at the sole discretion and election of myself and the Company, and are in lieu of personally producing the documents before the grand jury which right to appear is expressly waived.

6. I am authorized by the Company to execute this Affidavit, and I have reviewed all of its terms with counsel for the Company before signing and swearing to it.

FURTHER AFFIANT SAYETH NA[redacted]

b3

AFFIA[redacted]

SUBSCRIBED AND SWORN TO before me this 10 day of January, 2006, at 2:25 pm

Notary Public

My commission expires: My Commission Expires December 21, 2009

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620-TSTEVENS 1A(218)

Field Office Acquiring Evidence AN

Serial # of Originating Document

Date Received 01/03/2008

From [redacted]
(Name of Contributor/Interviewee)

(Address)

(City and State)

By [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure
☑ Yes ☐ No

Federal Taxpayer Information (FTI)
☐ Yes ☑ No

b3
b6
b7C

Title: Polar Pen;
CSLPO;
OO:AN

Reference:
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

[redacted]

FedEx

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CHEVERLY

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Scanned

For FedEx Express® Shipments Only

Align bottom of **Peel and Stick Airbill** here.

CERTIFICATION REGARDING BUSINESS RECORDS

Pursuant to 28 U.S.C. § 1746, I, the undersigned, declare:

My name is _____. I am a United States citizen, and I am over 18 years of age. I am the custodian of records of the business named below, or I am otherwise qualified as a result of my position with the business named below to make this declaration.

I am in receipt of a United States grand jury subpoena requesting specified records of the business named below. Attached hereto are original records or true and accurate copies of records responsive to the subpoena. Pursuant to Rules 902(11) and 803(6) of the Federal Rules of Evidence,[1] I hereby certify that the records attached hereto:

1. were made at or near the time of the occurrence of the matters set forth by, or from information transmitted by, a person with knowledge of those matters;

2. were kept in the course of the regularly conducted business activity; and

3. were made by the regularly conducted business activity as a regular practice.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 1-3-08
(Date)

[redacted]

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[1] As used in this declaration and as defined in Fed. R. Evid. 803(6), the term "record" includes memorandum, report, record, or data compilation, in any form, of acts, events, conditions, opinions, or diagnoses; the term "business" includes business, institution, association, profession, occupation, and calling of every kind, whether or not conducted for profit.

FD-340 (Rev. 4-11-03)

1A(219)

File Number 194A-AN-13620-TSTEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document _____

Date Received 12/28/2006

From [redacted]
(Name of Contributor/Interviewee)

(Address)

(City and State)

By [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure
☑ Yes ☐ No

Federal Taxpayer Information (FTI)
☐ Yes ☑ No

b3
b6
b7C

Title: Polar Pen;
CSLPO;
OO:AN

Reference: _____
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

[redacted]

A070175

[redacted]
Assistant U.S. Attorney

Federal Building & U.S. Courthouse
Room 253
222 West 7th Avenue, #9,
Anchorage, Alaska 99513-7567
(907) 271-5071

b3
b6
b7C

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF ALASKA

IN RE GRAND JURY INVESTIGATION _____	AFFIDAVIT OF COMPLIANCE WITH GRAND JURY SUBPOENA DUCES TECUM

[redacted] being first duly sworn, deposes and says:

1. I am associated with [redacted] (the "Company") as [redacted]. In this position I have the responsibility for the Company's compliance with the subpoena duces tecum issued to me on 12/14, 2006, which calls for the production of certain documents before a Grand Jury of this Court.

b3

3. No documents responsive to the subpoena duces tecum have been withheld by the Company pursuant to a claim of privilege or otherwise. To the best of my knowledge, information and belief, based upon due diligence and reasonable inquiry, no one has directed the destruction of any documents responsive to the subpoena duces tecum and no such documents have been destroyed.

4. The documents made by the Company and produced in compliance with the subpoena duces tecum are memoranda, reports, records or data compilations of acts, events, conditions, opinions or diagnoses that were made at or near the time, by or from information transmitted by, a person with knowledge and that have been kept in the course of the Company's regularly conducted business activity It has been the Company's regular practice in that business activity to make those memoranda, reports, records or data compilations. Neither the source of information, nor the method of circumstances of preparation, indicate a lack of trustworthiness for those memoranda, reports, records or data compilations.

5. I understand that the furnishing of these documents to counsel for the United States in response to the subpoena duces tecum and the execution of this Affidavit, are at the sole discretion and election of myself and the Company, and are in lieu of personally producing the documents before the grand jury which right to appear is expressly waived.

6. I am authorized by the Company to execute this Affidavit, and I have reviewed all of its terms with counsel for the Company before signing and swearing to it.

FURTHER AFFIANT SAYETH NAUGHT

b3

SUBSCRIBED AND SWORN TO before me this 26th day of December, 2006, a

Sandra L. Davenport
Notary Public
My commission expires: 11-01-09

SANDRA L. DAVENPORT
My Commission Expires
November 1, 2009
St. Louis County
Commission #05476730

TOTAL P.07

FD-340 (Rev. 4-11-03)

1A(220)

File Number 194A-AN-13620-STEVENS

Field Office Acquiring Evidence AN

Serial # of Originating Document

Date Received 01/08/2009

From [redacted]
(Name of Contributor/Interviewee)

(Address)

(City and State)

By [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure
☑ Yes ☐ No

Federal Taxpayer Information (FTI)
☐ Yes ☑ No

b3
b6
b7C

Title: Polar Pen;
CSRPO;
OO:AN

Reference:
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

[redacted]

EXPRESS MAIL

UNITED STATES POSTAL SERVICE®

194A-

EXTREMELY URGENT *Please Rush To Addressee*

FOR PICKUP OR TRACKING CALL 1-800-222-1

Rec'd
1/8/09

b6
b7C

[redacted]

UNITED STATES DISTRICT COURT

A070174

DISTRICT OF
ALASKA

TO: [redacted]

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b7C

SUBPOENA TO TESTIFY BEFORE GRAND JURY

SUBPOENA FOR:
☐ PERSON ☒ DOCUMENT(S) OR OBJECT(S)

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

PLACE	COURTROOM
Federal Building & U.S. Courthouse 222 W. 7th Avenue Anchorage, AK 99513	Grand Jury
	DATE AND TIME 1/9/07 9:00 A.M.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):*

See Attachment

☐ *Please see additional information on reverse.*

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

CLERK	DATE
IDA ROMACK, Clerk	11/29/06
(By) Deputy Clerk Hoaklun	

This subpoena is issued on application of the United States of America	NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY
	[redacted] Asst. U.S. Atty. Federal Bldg. & U.S. Courthouse, 222 W. 7th Ave., #9, Rm 253 Anchorage, AK 99513-7564 (907) 271-5071

FBI - Stevens-10166

* If not applicable, enter "none".

U.S. Department of Justice

United States Attorney
District of Alaska

Federal Building & U.S. Courthouse
222 West 7th Avenue, #9, Room 253
Anchorage, Alaska 99513-7567

Commercial: (907) 271-5071
Fax Number: (907) 271-1500

November 29, 2006

[redacted]

Re: Grand Jury Subpoena

Dear [redacted]

You have been served with a grand jury subpoena duces tecum, to produce certain enumerated records before the grand jury in Anchorage, Alaska at 9:00 a.m., Tuesday, January 9, 2007. If you need additional time to comply with this subpoena please contact our office for an extension.

You have the right to appear before the grand jury. To minimize your inconvenience in complying with this subpoena, you may mail the requested documents certified to our office, or provide the documents to the agent(s) serving the subpoena in lieu of personally producing the documents before the grand jury.

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Should you decide to provide the documents by certified mail, the officer responsible for complying with this subpoena must execute the enclosed affidavit before a notary public. This affidavit must accompany the documents being forwarded.

Please be advised that disclosure of this subpoena may impede an ongoing criminal investigation.

If you have any questions regarding the subpoena or the method by which that subpoena may be satisfied, please contact me collect at (907) 271-5071.

Sincerely,

[redacted]

Assistant U.S. Attorney

Enc: Affidavit of Compliance

A070174

[redacted]
Assistant U.S. Attorney

Federal Building & U.S. Courthouse
Room 253
222 West 7th Avenue, #9,
Anchorage, Alaska 99513-7567
(907) 271-5071

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF ALASKA

b3
b6
b7C

IN RE GRAND JURY INVESTIGATION _____	))))))))))	AFFIDAVIT OF COMPLIANCE WITH GRAND JURY SUBPOENA DUCES TECUM

[redacted] being first duly sworn, deposes and says:

1. I am associated with [redacted] Company") as [redacted] _____. In this position I have the responsibility for the Company's compliance with the subpoena duces tecum issued to me on Nov. 29, 2006, which calls for the production of certain documents before a Grand Jury of this Court.

2. I personally have conducted or supervised compliance by the Company with the subpoena duces tecum. To the best of my knowledge, information and belief, based upon due diligence and reasonable inquiry, the documents enclosed herewith, bearing the numbers _____, constitute all the documents in the possession, custody or control of the Company that fall within the terms of the subpoena duces tecum.

3. No documents responsive to the subpoena duces tecum have been withheld by the Company pursuant to a claim of privilege or otherwise. To the best of my knowledge, information and belief, based upon due diligence and reasonable inquiry, no one has directed the destruction of any documents responsive to the subpoena duces tecum and no such documents have been destroyed.

4. The documents made by the Company and produced in compliance with the subpoena duces tecum are memoranda, reports, records or data compilations of acts, events, conditions, opinions or diagnoses that were made at or near the time, by or from information transmitted by, a person with knowledge and that have been kept in the course of the Company's regularly conducted business activity. It has been the Company's regular practice in that business activity to make those memoranda, reports, records or data compilations. Neither the source of information, nor the method of circumstances of preparation, indicate a lack of trustworthiness for those memoranda, reports, records or data compilations.

5. I understand that the furnishing of these documents to counsel for the United States in response to the subpoena duces tecum and the execution of this Affidavit, are at the sole discretion and election of myself and the Company, and are in lieu of personally producing the documents before the grand jury which right to appear is expressly waived.

6. I am authorized by the Company to execute this Affidavit, and I have reviewed all of its terms with counsel for the Company before signing and swearing to it.

FURTHER AFFIANT SAYETH NAUGHT.

[redacted] b3

SUBSCRIBED AND SWORN TO before me this 8 day of January, ~~2006~~ 2007, at Anchorage, AK

Notary Public
My commission expires: 04/09/09

NALEE LY
My Commission Expires
NOTARY PUBLIC
April 9, 2009
STATE OF ALASKA

FD-340 (Rev. 4-11-03)

File Number 194A-AN-13620- ~~STEVENS~~ T Stevens 1C-28

Field Office Acquiring Evidence AN

Serial # of Originating Document

Date Received 04/28/2008

From [redacted]
(Name of Contributor/Interviewee)

(Address)

(City and State)

By [redacted]

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure

☑ Yes ☐ No

Federal Taxpayer Information (FTI)

☐ Yes ☑ No

b3
b6
b7C

Title: Polar Pen;
CSLPO;
OO: AN

Reference:
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

[redacted]

1C-28

194A-AN-13620-
TStevens

FBI FACSIMILE

COVER SHEET

PRECEDENCE

- ☐ Immediate
- ☒ Priority
- ☐ Routine

CLASSIFICATION

- ☐ Top Secret
- ☐ Secret
- ☐ Confidential
- ☐ Sensitive
- ☒ Unclassified

Time Transmitted:
Sender's Initials: kcb
Number of Pages: 7
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Name of Office

Date: 3/24/2008

Facsimile Number: [redacted]

Attn: [redacted] Room [redacted]
Name Telephone

From: FBI ANCHORAGE
Name of Office

Subject: Subpoena

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Special Handling Instructions:

THANK YOU ☺

Originator's Name: FA[redacted] Telephone: [redacted]

Originator's Facsimile Number: 907-265-8400

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A080420

[redacted]
Assistant U.S. Attorney
Federal Building & U.S. Courthouse
222 West 7th Avenue, #9, Room 253
Anchorage, Alaska 99513-7567
(907) 271-5071

IN THE UNITED STATES DISTRICT COURT

FOR THE DISTRICT OF ALASKA

b3
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IN RE GRAND JURY INVESTIGATION	)	AFFIDAVIT OF COMPLIANCE WITH GRAND JURY SUBPOENA DUCES TECUM

[redacted] being first duly sworn, deposes and says:

1. I am associated with [redacted] the "Company") as [redacted] In this position I have the responsibility for the Company's compliance with the subpoena duces tecum issued to me on MAR. 24, 2008, which calls for the production of certain documents before a Grand Jury of this Court.

2. I personally have conducted or supervised compliance by the Company with the subpoena duces tecum. To the best of my knowledge, information and belief, based upon due diligence and reasonable inquiry, the documents enclosed herewith, bearing the numbers _____, constitute all the documents in the possession, custody or control of the Company that fall within the terms of the subpoena duces tecum.

[redacted] b3

knowledge, information and belief, based upon due diligence and reasonable inquiry, no [redacted] directed the destruction of any documents responsive to the subpoena duces tecum and no documents have been destroyed.

4. The documents made by the Company and produced in compliance with the subpoena duces tecum are memoranda, reports, records or data compilations of acts, events, conditions, opinions or diagnoses that were made at or near the time, by or from information transmitted by, a person with knowledge and that have been kept in the course of the Company's regularly conducted business activity. It has been the Company's regular practice in that business activity to make those memoranda, reports, records or data compilations. Neither the source of information, nor the method of circumstances of preparation, indicate a lack of trustworthiness for those memoranda, reports, records or data compilations.

5. I understand that the furnishing of these documents to counsel for the United States in response to the subpoena duces tecum and the execution of this Affidavit, are at the sole discretion and election of myself and the Company, and are in lieu of personally producing the documents before the grand jury which right to appear is expressly waived.

6. I am authorized by the Company to execute this Affidavit, and I have reviewed all of its terms with counsel for the Company before signing and swearing to it.

FURTHER AFFIANT SAYETH NAUGHT.

[redacted] b3

AFFIANT

SUBSCRIBED AND SWORN TO before me this 18th day of April, 2008, at 4:35pm

STATE OF ALASKA
OFFICIAL SEAL
O. McKinstry
NOTARY PUBLIC
My Commission Expires With Office

O. McKinstry
Notary Public
My commission expires: _____

AO110 (Rev. 12/89) Subpoena to Testify Before Grand Jury

UNITED STATES DISTRICT COURT

A080420

DISTRICT OF
ALASKA

TO:

[redacted]

SUBPOENA TO TESTIFY BEFORE GRAND JURY

SUBPOENA FOR:
☐ PERSON ☒ DOCUMENT(S) OR OBJECT(S)

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

PLACE	COURTROOM
Federal Building & U.S. Courthouse 222 W. 7th Avenue Anchorage, AK 99513	Grand Jury
	DATE AND TIME 04/01/08 9:00 A.M.

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):*

**SEE ATTACHED

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☐ *Please see additional information on reverse.*

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

CLERK	DATE
IDA ROMACK, Clerk	03/21/08
(By) Deputy Clerk Nancy E. Robinson	
This subpoena is issued on application of the United States of America	NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY [redacted] Asst. U.S. Atty. Federal Bldg. & U.S. Courthouse, 222 W. 7th Ave., #9, Rm 253 Anchorage, AK 99513-7564 (907) 271-5071

* If not applicable, enter "none".

AO110 (Rev. 12/89) Subpoena to Testify Before Grand Jury

U.S. Department of Justice

United States Attorney
District of Alaska

Federal Building & U.S. Courthouse
222 West 7th Avenue, #9, Room 253
Anchorage, Alaska 99513-7567

Commercial: (907) 271-5071
Fax Number: (907) 271-1500

March 21, 2008

[redacted]

Re: Grand Jury Subpoena

Dear [redacted]

You have been served with a grand jury subpoena duces tecum, to produce certain enumerated records before the grand jury in Anchorage, Alaska at 9:00 a.m., Tuesday, April 1, 2008. If you need additional time to comply with this subpoena please contact our office for an extension.

You have the right to appear before the grand jury. To minimize your inconvenience in complying with this subpoena, you may mail the requested documents certified to our office, or provide the documents to the agent(s) serving the subpoena in lieu of personally producing the documents before the grand jury.

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Should you decide to provide the documents by certified mail, the officer responsible for complying with this subpoena must execute the enclosed affidavit before a notary public. This affidavit must accompany the documents being forwarded.

Please be advised that disclosure of this subpoena may impede an ongoing criminal investigation.

If you have any questions regarding the subpoena or the method by which that subpoena may be satisfied, please contact me collect at (907) 271-5071.

Sincerely,

[redacted]

Assistant U.S. Attorney

Enc: Affidavit of Compliance

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(Rev. 01-31-2003)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE **Date:** 06/21/2006

To: Anchorage

From: Anchorage
Squad 4
Contact: SA [redacted]

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Approved By: [redacted]

Drafted By: [redacted] cejcej

Case ID #: 194A-AN-13620 (Pending) -495

Title: POLAR PEN

GRAND JURY MATERIAL - DISSEMINATE PURSUANT TO RULE 6(e)

Synopsis: To summarize and advise status of [redacted] complaint.

Details: By way of background, [redacted] has been in Alaska fish politics for the last [redacted] years. [redacted] was a fisherman but claims to be [redacted] Alaska Senator Ben Stevens.

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On one occasion, [redacted] United States Senator Ted Stevens to want to talk to [redacted] was offered a free trip to Washington D.C. to talk to U.S. Senator Stevens. [redacted] also was contacted by Alaska Senator Ben Stevens regarding [redacted] It was a confrontational conversation.

On [redacted] contacted the writer and advised him that approximately [redacted] found a [redacted] Shortly before that time, [redacted] a friend from Kodiak, received a voicemail that [redacted] Furthermore, on [redacted] at approximately [redacted]

193cei02.EC

[redacted]

Intelligence Analyst [redacted]

On 06/21/2006, the writer contacted [redacted] and inquired whether he knew [redacted]

Based on the investigation to date, [redacted] does not believe he is in any danger. [redacted] advised he would contact the writer if further concerns arise. The writer recommends this portion of the investigations should be concluded.

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FBI -
Stevens-10292

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 09/05/2006

Source, who is in a position to testify, provided the following information:

[redacted] he/she moved up through the company [redacted] the residential improvements to U.S. Senator Ted Stevens' Girdwood home. [redacted] the project began approximately six years ago and was completed in 2004. [redacted] the total cost for the renovation to Senator Stevens' home was approximately $400,000. [redacted] the majority of the costs for the project were labor costs. [redacted] renovations to Senator Stevens' residence increased the value of the property by at least $350,000.

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[redacted] During the first year of the construction project, Senator Stevens [redacted] did not live at their Girdwood residence. Senator Stevens kept his personal belongings [redacted] The source stated that the first year of the project involved "lifting" the existing home, excavating beneath the house, pouring a foundation, and constructing an addition to the property. Source stated that another VECO employee, Rocky Williams, also worked on the project. However, Williams was later discharged [redacted]

The source stated that the entire project was paid for by VECO [redacted] Senator Stevens [redacted] were never presented with an invoice from any of the subcontractors. [redacted] the costs in VECO. The source stated that [redacted] did not want anyone knowing that VECO was actually paying for the improvements to Senator Stevens' home.

The source stated that VECO was wholly responsible for the project. The construction project was designed by VECO

Investigation on 09/03/2006 at Anchorage, Alaska

File # 194A-AN-13620; [redacted] 520 Date dictated 09/05/2006

SSA/CDC [redacted]

by SA [redacted]

FBI - Stevens-10293

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engineers, and all the labor and material costs were paid through VECO [redacted]. The source estimates that 80% of the costs of the job was paid through VECO, with the remaining 20% [redacted] construction project and that VECO was paying for the improvements to Senator Stevens' home. The source stated that Senator Stevens [redacted] were never presented with an invoice and they never paid for any of the work. However, the source stated that on at least one occasion, Senator Stevens [redacted] bought the construction crew lunch at the restaurant located at the Alyeska Ski Resort.

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The source also stated that a number of the subcontractors knew they were working on Senator Stevens' home. Among the contractors that were used during the project were an excavation company, Redmond H R Company, Alyeska Highway, Girdwood, Alaska; a plumber named Mark Tyree; [redacted] LNU, [redacted] Anchorage; and a glass company located on the corner of Fireweed and Arctic Ave., across the street from Speedy Auto Glass. Source stated that he/she will attempt to remember the other subcontractors used on the project. The source also stated that Redmond Company also plowed Senator Stevens' driveway in the winter.

The source also stated that [redacted] the Double Musky Restaurant in Girdwood, knew of the project and VECO's involvement. The source stated that [redacted] and Senator Stevens's were very good friends. The source stated that Senator Stevens has [redacted] The source also stated that [redacted] would come over to the project and assist from time to time, to include providing food for the workers. The source also stated that [redacted] media was coming to Girdwood and that they needed to remove all of VECO's trucks and equipment from the job site. Many of the vehicles used, which were commonly at the residence, had VECO signs on the sides of the vehicles.

The source stated that there was always VECO equipment and employees on the job site. The source also stated that Senator Stevens would visit the construction site from time to time and complimented the workers. The source stated that [redacted]

visited the construction site more frequently than Senator Stevens. The source stated that the Senator Stevens [redacted] knew that all the workers on the site were VECO employees.

The source further stated that during [redacted] the lifting of the house, the addition to the house, the building of the elaborate fire escape at the back of the residence, and the upper and lower level decks. [redacted] for Senator Stevens, [redacted] The source stated that in the [redacted] to the construction site. On one occasion [redacted] outdoor Christmas lights for Senator Stevens. [redacted] rope lights from Home Depot on Tudor Road. [redacted] a bucket truck from Totem Rental to hang the lights from the house and trees. [redacted] Again, all labor was paid by VECO.

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[redacted] fund raisers for the different politicians in Alaska, to include Senator Stevens, Senator Lisa Murkowski, Congressman Don Young, and other state legislative officials. [redacted]

The source stated that from [redacted] the annual "Pig Roast" for Don Young. VECO provided all the food and drinks at the pig roast. The pig roast was a fund raiser that [redacted] Anchorage, Alaska [redacted]

[redacted] which was staffed by Congressman Don Young's aides. People would sign-in and contribute to Young's campaign. The source also stated that the owners of the Buckaroo Club organized an annual golf tournament for Congressman Young. Each year Congressman Young would win the purse of money. The source stated that this was another way that Congressman Young received money. The source stated that there were a number of good golfers who gave money to the "purse" to play with Congressman Young, including a semi-pro player. The source stated that it didn't matter that Congressman Young was "not worth a shit" as a golfer, he always won the purse. The source stated that [redacted] and Congressman Young always referred to each other as [redacted]

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[redacted] Senator Lisa Murkowski's fund raiser. VECO paid for the tent, which was rented from Party World in Palmer, Alaska, and the catering from Marx Brothers restaurant. The source stated that the Marx Brother Restaurant would bill the campaign a small percent of the total costs for catering the event, with VECO paying the remainder. The source stated that Governor Frank Murkowski always kept his distance when dealing with [redacted] However, the Governor's [redacted]

The source stated that each year [redacted] to make political contributions to the politician's respective campaigns. [redacted] provided the list to other VECO employees [redacted]

[redacted] Trans-Alaska Pipeline, [redacted] State Senator Ben Stevens. [redacted] 3-D welded pipeline, 48" long, and worth approximately $1,300. [redacted] a king or queen size bed that VECO had purchased for him. The source stated [redacted] helped get Ben Stevens into the Senate and in the position of President of the Senate. [redacted]

[redacted]

[redacted]

The source also stated that VECO paid to raise and tug State Senator John Cowdery's boat from Whittier to the Anchorage port. [redacted]

The source also stated that [redacted] used to go on hunting trips with [redacted] After [redacted] became close to [redacted]

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[redacted]

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 09/13/2006

On September 6, 2006, a source, who is in a position to testify, was interviewed and provided the following information to SA [redacted] and SA [redacted]:

[redacted] has a close relationship to Ted Stevens [writer knows this to be United States Senator Ted Stevens]. [redacted] would pass on information he obtained to Stevens.

Source advised that his/her relationship with Stevens [redacted]

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Source advised that Stevens had a good wine cellar and recalled that [redacted] Stevens had a really expensive 1964 bottle of wine. Stevens and [redacted]

Source advised that after the 1989 Exxon Valdez oil spill, VECO was the big contractor and Stevens and source [redacted] During this time [redacted] (ph) and source were good friends. Stevens would also go to [redacted] house. During this time Stevens knew [redacted] Source did not go on trips with Stevens [redacted] Stevens to Washington D.C. for the Alfalfa Club. Source went to President Bush's inauguration [redacted]

When source was in DC, Stevens would ask source [redacted]

Investigation on 9/6/2006 at Anchorage

File # 194A-AN-13620 / [redacted] - 2
800A-AN-A13718-Squad 4 - 431

Date dictated 9/13/2006

by [redacted]

FBI - Stevens-10298

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194A-AN-13620

Around 1996, VECO started giving campaign contributions to Stevens. [redacted] Stevens and that Stevens has done a lot for the state of Alaska.

Source recalled that [redacted] Stevens' Northern Lights Political Action Committee [redacted] FNU LNU was a [redacted] in Alaska and source would ask him if it was legal if they put money into Northern Lights. [redacted] [writer knows this to be Ted Stevens' [redacted]. [redacted] Stevens there was no work [redacted]

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[redacted] The most recent time source [redacted] was the only time source discussed [redacted] During this conversation, source told [redacted] up on the slope [writer knows this to be the North Slope Prudoe Bay area in Alaska] with a work schedule of three weeks on and three weeks off. [redacted]

Source also recalls that [redacted]

Source talked to [redacted] get the three weeks on three weeks off schedule for [redacted] During the first three weeks on, [redacted]

Source further advised that it took awhile for [redacted] it could have moved faster. [redacted]

Source advised of a time when he/she was [redacted]

Source stated that [redacted] and that [redacted] was in management somewhere. Source also stated that [redacted]. Source stated he/she advised [redacted] that he can not have [redacted] on the slope because they do [redacted]. b6 b7C

Source advised that he/she helped [redacted] because he thought [redacted] wanted to help if he/she could.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/31/2006

[redacted] DOB [redacted] residing at [redacted] Anchorage, Alaska, was interviewed at his office at the VECO Corporation [redacted] Anchorage, Alaska. After being advised of the identities of the interviewing agents and the nature of the interview, [redacted] provided the following information:

[redacted] He has an office in the [redacted] and also maintains an office in [redacted] He started at VECO full-time on [redacted]

At [redacted] the IOLTA account. The IOLTA account was used for such things as insurance settlements. [redacted] He does not recall if there [redacted] from the IOLTA account.

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[redacted]

When asked if he was aware of any financial benefits, aside from campaign contributions or the sponsoring of fund-raisers, being paid by VECO to any public official, [redacted] stated he was aware of consultant fees being paid to State Senator Ben Stevens.

When asked if VECO has ever provided financial benefits, aside from campaign contributions or the sponsoring of fund-raisers, to [redacted] answered that he was not aware of any. He did note that [redacted] and may have provided some [redacted] services to [redacted] personally.

Investigation on 08/31/2006 at Anchorage, Alaska

File # 194A-AN-13620 Date dictated Typed 8/31/2006

by SSA [redacted] / SA [redacted] IRS-CID

FBI - Stevens-10301

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When asked if VECO has ever provided financial benefits, aside from campaign contributions or the sponsoring of fund-raisers, to [redacted] replied no.

When asked if VECO has ever provided financial benefits, aside from campaign contributions or the sponsoring of fund-raisers to former State Representative Beverly Masek, [redacted] replied that he was aware that [redacted] in the amount of several thousand dollars, perhaps four to five thousand dollars. [redacted] made arrangements for someone to pick-up the [redacted] from Masek and deliver it to [redacted]

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[redacted] was shown a check from the VECO Corporation to [redacted] Eide, Miller, and Pate in the amount of $6200.00, deposited on 05/18/2004, and a check from that firm's IOLTA account to Beverly Masek in the amount of $6200.00, dated 05/19/2004. [redacted] believes this was the payment for the [redacted] does not know why the payment for this personal expense [redacted] law firm's IOLTA account. He noted that [redacted] this type of transaction for [redacted] several times over the years. [redacted] is unaware of how VECO classifies transactions through the IOLTA account on VECO's corporate books.

[redacted] former State Representative Beverly Masek [redacted] when she was the subject of an ethics complaint filed by a former staff member. [redacted] Masek, though he was aware that VECO loaned the funds to Masek to pay [redacted] does not recall if the check to pay his fees came from VECO or from Masek personally. He does not know if Masek repaid the loan. [redacted] Eide and Pate would have copies of the invoices for [redacted]

[redacted] described the relationship between [redacted] and U.S. Senator Ted Stevens as being one between two very good friends. He believes U.S. Senator Stevens has described [redacted] is not aware of any occasion on which [redacted] or VECO has ever paid for or provided work on any home owned by U.S. Senator Stevens.

When asked if he had a role in the payment of [redacted] to [redacted] replied that he did, that he helped [redacted]

[redacted] denied that it was payment for an extortion attempt by [redacted] regarding an allegation that VECO paid for work done on U.S. Senator Ted Steven's residence in Girdwood.

[redacted] does have records relating to this settlement. He believes they would be at [redacted] He noted that a confidentiality agreement was part of the settlement, though he has no objection to releasing these documents to the FBI, so long as [redacted] provides his consent.

There were some allegations quite a long time ago that [redacted] did work on the home of U.S. Senator Stevens in Girdwood. [redacted] could not recall whether these allegations came from [redacted] or from a reporter who may have called [redacted] [redacted] did some follow-up on this allegation and talked to someone in the press office of U.S. Senator Stevens, who stated that the work had been done by a contractor. [redacted] believes that the representative from the press office may have contacted the reporter and told the reporter that the work had been done by a contractor. The representative also may have provided documents to the reporter to show the contractor had completed the work.

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[redacted] is aware that [redacted] and State Senator John Cowdery are very good friends. Cowdery has come into the VECO offices a few times. [redacted] is a friend of nearly every politician in the state. [redacted] Ralph Seekins on one occasion.

[redacted] was aware that Cowdery owned a boat that sank in the harbor near Whittier. He recalled that Cowdery asked either VECO or [redacted] to buy the boat, but VECO [redacted] declined. He is also not aware of VECO paying for storage, towing or salvage costs of the boat. [redacted] was shown copies of three checks, the first a check from VECO Corporation to the law firm of Eide & Miller dated 08/31/2001, in the amount of $7151.29, and two checks from the IOLTA account of Eide & Miller dated the same day, totaling $7151.29. [redacted] could not recall exactly what these payments were for.

[redacted] complaints made with APOC against [redacted] He did meet with [redacted]

attorneys, but has never been directly involved in anything with [redacted]. He believes [redacted] was one of the attorneys. [redacted] was concerned that [redacted] might attempt to conduct discovery related to his complaints. [redacted] did not want to see his client, VECO, dragged into the process.

[redacted] was aware that there was documentation created after [redacted] filed his complaint to show that [redacted] did work. This documentation was to show the work that [redacted] had done for VECO. [redacted] does not know exactly what work [redacted] has done, as [redacted] worked directly with [redacted] is aware that [redacted] does "all kinds of stuff" for VECO, such as federal projects, including 8A projects, and business opportunity matters. [redacted] is a federal lobbyist in Washington D.C. and helped VECO understand the inner workings of the Pentagon, including working with the Under-Secretary for military housing. VECO has obtained some contracts for military housing.

[redacted] is aware that as a corporation, VECO is limited in what it can do as far as political contributions. He is aware of the APOC regulations. He is aware that the campaign limits are $1,000 personally, and that no corporate campaign contributions are permitted, though corporations can make some contributions to political parties. He personally only makes very small donations. His funds are limited as [redacted] When asked if [redacted] or anyone else at VECO ever asked him to contribute funds to a particular candidates political campaign, [redacted] stated that they used to send around notices whenever they were sponsoring a fund-raiser for a candidate. [redacted] used to attend these occasionally, but found them boring and has not been for the past couple of years, so [redacted] eventually stopped asking him. Neither [redacted] have ever been reimbursed by VECO for personal campaign contributions they have made.

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[redacted] is aware that the VECO Corporation sponsors fund-raisers for candidates. [redacted] arrange those. [redacted] is not aware of whether or not VECO pays for any of the expenses associated with those fund-raisers. [redacted] has no involvement with those fund-raisers.

[redacted] is not provided a company vehicle by VECO. He is not sure who at VECO may have a company vehicle.

When asked if VECO had ever paid a salary to anyone who did not actually work for the company, he stated that not that he is aware of. The closest thing to that would be [redacted] though at least some of the work he did could be considered to be for VECO. [redacted] and some people may have felt she was not doing much, as she did not work hard. However, she did work [redacted] and did at least some work for her salary.

When asked if he is aware of a woman named [redacted] She works and lives in [redacted], and is currently working for a [redacted] for U.S. Senator Ted Stevens for awhile. [redacted] is not aware of VECO having ever paid a salary to [redacted] though that is not something he would be involved in. When asked if he has ever expressed concern to anyone about getting [redacted] replied that he had not. When asked if there were any other employees that he had expressed concern about "getting off the books", [redacted] replied, "not that I recall, no."

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When asked how much [redacted] is paid annually by VECO, [redacted] replied that he didn't have the "foggiest notion." [redacted] was aware that [redacted] of VECO at one time. [redacted] When asked what [redacted] did on a day to day basis [redacted] replied that he did not know what [redacted] typical day was like, but that he knew [redacted] was in various meetings with [redacted] and others at VECO on various issues. [redacted] stated that [redacted] wanted to be a [redacted] has never been concerned about the salary paid to [redacted] as he does not know what it is.

[redacted] is aware of the prison project being constructed by VECO in Barbados. He is involved in it, as he is involved in such things as [redacted] He is not aware of anyone not currently working for VECO who has been promised a job at that prison. [redacted] has not expressed an interest in being the [redacted] [redacted] noted that the prison is owned by the government of Barbados

and VECO does not have hiring authority over who works at the prison once it is constructed.

[redacted] is not aware that VECO was recently offered for sale. [redacted] stated that this is the first he had heard of it. [redacted] noted that there are many things he is not consulted on.

[redacted] does know a woman named [redacted]. She recently came to work for VECO as a [redacted] She does such things as work on the [redacted] Prior to coming to VECO, [redacted]

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[redacted] is not aware of any golf tournament sponsored by VECO to raise funds for the re-election campaign of U.S. Congressman Don Young.

[redacted] is not aware of any influence by anyone at VECO over any elected official, beyond such things as fund-raisers. He is aware that [redacted] is a "political junkie" and knows nearly every politician in the state. [redacted] has had no involvement in any contract between VECO and any politician.

Automated Serial Permanent Charge-Out
FD-5a (1-5-94)

Date: 01/19/07 Time: 17:36

Case ID: 194A-AN-13620-[redacted] Serial: 8

Description of Document:

Type : EMAIL
Date : 06/08/06
To : ANCHORAGE
From : [redacted]
Topic: SUBJECT: THE REST OF THE STORY

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Reason for Permanent Charge-Out:

Transfer to 194A-AN-14699-SEASPSVOA

Transferred to:

Case ID: 194A-AN-14699-SEASPSVOA Serial: 2

Employee: [redacted]

[redacted]

From: [redacted]
To:
Sent: Thursday, June 08, 2006 9:08 AM
Attach: header.htm
Subject: + the rest of the story

There will be No Ocean Reform without Reform School for Senator Stevens' *Ocean's Eleven*

By Victor Smith

'From the Fleet' is intended to allow individuals and organizations the opportunity to express their opinions on commercial fishing-related issues and concerns. The views expressed herein are the opinions of the author, and do not reflect nor represent those of* Fishermen's News *staff and/or any related constituents.

Coming soon to a fishery near you

Since about 2001, it's been clear that Alaskan seafood processors—with complicit backing from specific fishermen's association leaders—intended to use fleet reduction plans (like the recently approved crab buyback program) as the carrot in a bait-and-switch scheme to acquire Processor Quota shares (PQS). Anyone who's followed this will remember that it was to be only for crab and only for safety. And anyone who's followed the spread of PQS will realize now that was baloney; PQS are about the money, and they are for every fishery their proponents can apply them to. For crabbers, the stick was forcing those remaining to join 'cooperatives' selling 90% of their catch to a few PQS holders.

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Crab rights "restructuring" and the fleet buyback plan were joined at the hip by a shared dependence on U.S. Senator Ted Stevens' power to forge Appropriation riders that legislated and funded the inseparable schemes. But Stevens doesn't deserve all the credit. Both of those deals were brokered through the National Marine Fisheries Service (NMFS) and the North Pacific Fisheries Management Council (NPFMC), who both answer to NOAA. So the policy is also NOAA's.

"It was pretty obvious from the way the promised crab buyback money kept disappearing that it wouldn't occur until PQS were secured for processors," said Oliver Holm, a former United Fishermen of Alaska (UFA) vice president. "At one point, the money got shunted aside for use to pay trawlers and processors for supposed losses from the sea lion closures. Kodiak pot cod fishermen suffered the greatest losses from those closures in our region and didn't receive a dime. Of course the pot cod fishermen weren't colluding with the processors like the trawlers were to lock up the resource rights."

"When I advanced a resolution, four years ago, against processor quotas in the Bering Sea Crab fishery at the UFA board [UFA president Bob Thorstenson, Jr.] came unglued. So did [UFA executive director] Tom Gemmel; he said 'It would ruin everything.' Later that same year, UFA approved 'salmon restructuring'. I was UFA vice president and had not been included in any of the discussions. The whole thing was obviously worked out by someone else."

Randy Babich, a widely respected seiner, told me that he had watched Thorstenson fishing fall chums in lower Hood Canal, well below quality cut off lines for other boats fishing for NorQuest, the company Thorstenson was selling to. When he inquired with another fisherman as to why there were no other NorQuest boats, he said they were not allowed to go below a Canal line, 12 to 15 miles further out, due to quality concerns. Thorstenson was getting this special treatment in Alaska, too, at a time when

194A-AN-13620 [redacted] -8

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194A-AN-14699-SEASPSVOA-2

other fishermen were on strict limits.

Knowing this, I was concerned to learn that Thorstenson was at NorQuest's offices in Seattle in March of 2002. "He was just coordinating our positions for the Governor's Salmon Summit," quipped John Sund. Whose positions? It was NorQuest brass who had also just written several industry white papers seemingly intended to coordinate salmon processor's incredible market and pricing consolidation that put so many fishermen out of business that winter. And of course, NorQuest was a key player in coordinating the crab plan. It was the Salmon Summit that formally kicked off salmon industry restructuring and the Salmon Task Force, and where Thorstenson claimed the permits of his fishermen constituents didn't give them the right to fish.

"It was a setup," said Holm. "Get the UFA board to endorse the idea of restructuring and then the real control would be in the processor's hands."

"I was at first surprised at the opposition to my processor quota resolution from all the SE seine groups: Petersburg Vessel Owners Association (PVOA), Purse Seine Vessel Owners Association (PSVOA) and South East Alaska Seiners (SEAS)," Holm continued.

Surprised because at that time it appeared as if only a few fishermen's association executives were in on a dirty little secret that the eleven-member NPFMC - Senator Stevens' own *Ocean's Eleven* - had been seemingly rigged for a unanimous vote of approval for the BSAI plan that transferred rights to crab from fishermen to processors.

Conflicts of interest ran so deep and unchecked on the Council that the economic gospel endorsing PQS as the preferred option for the BSAI plan was written by an economist who referred to fishermen simply as parasites, or in his exact words, "those most egregious rent seekers."

The Council's unanimous vote wouldn't have been even plausibly credible if fishermen were opposed to it, so with the complicit aid of fishermen's association leaders they appeared to be colluding with, processors made sure fishermen didn't "wreck everything" by weighing in.

"It later became clear that [Southeast seiners] were expecting to get bought off by receiving a big buyback payment from Senator Stevens. They were evidently perfectly willing to sell out other Alaska fishermen for their payoff," Holm said.

Payoff and the rest of the story on the seine buyback

Details of the siene buyback became public knowledge on November 13, 2004, in Lynnwood, Washington, as nearly 80 members of the PSVOA attentively listened to executive director Rob Zuanich's discussion of the annual meeting's main agenda item: the Southeast seine buyback. Although the seine buyback originated with SEAS when its board made fleet reduction a priority in 2001, SEAS membership has sagged under the heavy-handed leadership of Thorstenson necessitating PSVOA's assistance.

In his short presentation, Zuanich expressed cautious optimism that seiners might get a fleet reduction plan before the start of the 2005 salmon season. He also expressed confidence that buyback could be kept under control, in U.S. Senator Ted Stevens' hands, despite jurisdictional protests from NMFS over its administration. Then it became known that Ted's son, Alaska state senator Ben Stevens, was in the middle of the deal; a deal that has begun to look less like a payoff to seiners than a scam to funnel money into Ben's future Senate campaign war chest, and to support his continued efforts to transfer Alaskan state fisheries resources to processors.

Convoluted defined

"How are we going to pay the $500,000 administration fee to Ben Stevens?" Randy Babich asked Zuanich. Zuanich replied it would "take some convoluted accounting" but he was "confident the

FBI Stevens 10309

payments could be kept off the books." He then approached Babich and suggested that a public meeting might not be the place for more such questions. It was soon discovered that in the federal Congressional Record that exactly $500,000 was set aside for the Pacific Salmon Treaty by language that Ted Stevens wrote in the Omnibus rider that funded the $50 million buyback program and other pork. Knowing ahead of time about the fees arrangement, it is only fair to ask, "Could this bee a coincidence?" Or, is it the "convoluted accounting" design creating those administration fees?

Part of the reason SEAS hired Ben was said to been because of his success in getting the crab plan funded and his obvious access to his father and the Congress. But when knowledge of Stevens' porcine riders were first made public, the senior Senator claimed he didn't know his son was involved in lobbying for the seine appropriation, so if part of Ben's sales pitch was that he had access it was either bravado, or someone wasn't telling the truth.

But in spite of Ben Stevens only getting seiners an ineffectual 130-word bill seemingly designed to fail SEAS had another vote in December to continue the deal with Ben to get a grant in the next Congress.

If Oliver Holm was right that the crab buyout was held up until the Stevens's could secure PQS in crab for the processors, perhaps salmon seiners like cooperative leaders at UFA are about to get their wish. On February 25th, with Thorstenson's and UFA's approval, Ben Stevens filed SB113A, "an Act relating to entry into and management of Gulf of Alaska groundfish fisheries."

According to Holm, "If this bill is passed, it could grant broad powers to the Board of Fisheries to make quota allocations in State managed fisheries directly to processor controlled 'associations' very similar to 'pollock coops' or federal 'groundfish coops' proposed for federal Gulf of Alaska groundfish." Certainly if you imagined PQS were going to be allocated to Alaskan salmon processors you might expect the process to be kicked off with a similar move. Could SB113 apply to other fisheries? What about halibut?"

"Last fall, trawlers in the Kodiak region had an outrageous bycatch of halibut while targeting pacific cod," Holm said. "Doug Hoedel's boat was one of the worst offenders. Afterwards, when a ruckus was raised locally by halibut fishermen, the response of both Doug and Julie Bonney (of the Alaska Groundfish Data Bank) was that the trawlers "needed" 8,000 MT of halibut bycatch instead of the 2,000 MT allowed now. They have also been pursuing being allowed to retain halibut, at least initially, to give to food banks. Doug sits on the North Pacific [Fishery] Management Council, which allocates halibut bycatch. You can see that 8,000 MT is 17,600,000 lbs. that would come out of area 3A and 3B quota. The trawlers have opted for rationalization which includes processor coops and they would get a big boost in revenue from selling the halibut and the processors would gain a guaranteed cheap supply. I believe that it would be a big enough share of the resource to wreck the open competitive halibut market."

Couldn't happen? That's exactly what Thorstenson was telling salmon fishermen several years ago. And rest assured every single pound of product acquired by Stevens' favored group of processors under this scheme works against the competitive markets of every other fishery.

"Thorstenson and the UFA board have endorsed Stevens' bill despite there being practically no guidelines as to how the BOF or the Entry Commission would allocate those fishing rights," said Holm. "This whole thing is nuts for fishermen. An intelligent board doesn't just endorse an unspecified concept for politicians to pursue. You work out the specifics of what you want first while you still have control." Exactly!

The UFA's is an intelligent board and that's exactly what Thorstenson has done on this and many other issues—worked out the specifics with his Seattle Seven friends who have control, and apparently it's all legal. Hoedel's and the trawlers halibut bycatch is an illuminating recent example. While it may be a matter for discussion, "There is no violation to investigate." (and) we do not investigate conflict of

FBI - (Stevens) 10310

interest matters," said one official within NOAA's Office of Law Enforcement. "Conflicts of interest are the responsibility of a 'designated official', defined in the Magnusson-Stevens Act as a person with expertise in Federal conflict-of-interest requirements who is designated by the Secretary, in consultation with the Council...the MS Act addresses conflicts of interest, but it does not make them a crime....The fish allocation process is always sticky because typically, someone gains and someone looses. Unfortunately, that isn't illegal either."

Which leaves one to wonder what is illegal? It's hard to believe no distinction is possible between personal conflicts of interest and deal making by those with conflicts. Before the Magnuson Act was hyphenated there was undoubtedly no idea conflicts on the Council would reach such an apparent level of influence. Sadly, as we have seen, the only control that exists now is that of a complicit Government and few big corporations' intent on reducing fishermen to the status of share-cropping field hands. It is a one-way street when NMFS plays along with processors to link cooperative losses to buyback gains, without demanding processors give up their bargaining powers when receiving Title XI financing.

"Any input from fishermen to the Alaska legislature against the changes in fishing rights ownership that SB 113 would permit would be very helpful," Holm concluded.

Victor Smith is a life-long Alaskan fisherman, reluctantly retired in 2003, who now resides in Friday Harbor, WA, and has been a frequent contributor to industry media since 2001. He can be reached at 360-378-8124 or email guide@rockisland.com.

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{approx. 2,000 words; inquiries for reprinting are welcomed.} ***RE: SB 113A—The rest of the $tory.***

To whom it may concern:

I wrote an opinion piece that was just published in the April Fishermen's News. The piece (which I have attached) is about SB-113 and the Southeast salmon seiner's buyback efforts. In the course of trying to get the piece published I received a threatening phone call on my answering machine from Ben Stevens who obviously didn't want to see it in print. Following is a transcript of that call:

"Hi, this is Ben Stevens calling from Juneau. Hey, you make some pretty incriminating statements in this article of yours Victor—how I'm funneling money to my campaign war chest—that's pretty incriminating you know. I'm wondering if you've got documentation to back that up. Anyway, I'd be happy to talk to you about it Victor—about my relationship with Zuanich. Anytime. My number is 907-465-4993. I don't think we've ever met, Victor. You seem to know so much about me when we've never even met. Obviously you've never read Senate Bill 113 because processors aren't even mentioned in SB 113. You have to do your homework before you write incriminating articles like that. We'll have fun getting to know each other."

Apparently under pressure, Brian Benkmen, a South East Seiners' Association board member I had quoted in my draft also protested, frantically, and his information was clipped from the story. But you need to know what he said. Here are some of his comments as clipped from my piece.

"Hiring Ben Stevens was something I don't understand," Benkmen said. "It

rubbed a lot of us wrong that we hired him; (but) he got the crab buyback program funded. He used that approach, 'I got this one to my credit, hire me, and I'll get dad to fund you guys too.' We've been paying him monthly since last June."

Asked how Ben was to be paid, Benkman added, "The idea was some convoluted plan to take money from the buyback's administration to pay the overhead to free up money from the other pocket to pay Ben. This was Rob and Bob's proposal (Zuanich and Thorstenson's). Bob was supposed to sign it, but I'm not sure there was a signed copy—that it wasn't just done on a handshake. I've never seen adequate minutes of the meeting to make it clear what happened. We've been trying to find out who signed it."

Alleged to currently be $5,000, Ben's monthly payments were said to double to $10,000, for five years, after a buyback plan is funded and approved. I spoke to several board members and all confirmed the agreement to hire Ben Stevens, and that he is being paid that amount. Several said they saw the contract—one saying it had space for SEAS president, Dan Castle's signature. Another suggested payment to Ben may have started last March and that up to $150,000 for administration costs may have been received by SEAS from another source last year.

"The way (the buyback) was being pursued by our lobbyist; there were a lot of hopes." Benkman added. "When they wrote it [the rider] they just did it quick and dirty...through a reference to the NMFS program, which would legitimize the way to do the buyback. We never wanted to be in the system, we wanted a system we could control...I don't know if they just didn't do their homework or what their thinking was, or lack of thinking. This thing's going nowhere because appropriating through NMFS won't work the way we had it structured. [SEAS] doesn't have a buyback plan right now. We are ready to sell our souls to the devil to get that buyback."

But in spite of Ben Stevens so far only getting seiners an ineffectual 130-word bill seemingly designed to fail, Benkman said, "We [SEAS] had another vote in December to continue the deal with Ben to get a grant in the next Congress."

In closing I'd like to say that despite the decption from proponents of the plan, SB 113A puts salmon fishermen under the same gun as the jig fishermen, and:

There needs to be an ethics investigation of Ben Stevens' (Ted Stevens too) involvement in this matter.

The Alaska newspapers are full of this stuff now with articles and letters in the Kodiak Daily Mirror, Anchorage Daily News, Juneau Empire, Sitka Sentinel, and no doubt others. You might find some of these letters interesting as they reveal who the players are and the depth of the deception they're involved in. Department heads, Council members, legislators--quite a cross section . The problem is understanding who's who and who's telling the truth. A safe rule of thumb is anyone defending the Stevens are liars and are in on or hope to benefit from the caper.

Thanks for giving this your consideration.

Sincerely,

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/25/2004

A source who is not in a position to testify provided the following information:

Representative LESIL MCGUIRE's [redacted] is [redacted] a race horse along with [redacted] from VECO and United States Senator TED STEVENS.

In 2004, [redacted] had a contract with Providence Hospital for $10,500 through [redacted] MIDNIGHT SUN CONSULTING.

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Investigation on 10/21/2004 at Juneau, AK

File # [redacted] A-2 194A-AN-13620 SUB C-46 Date dictated N/A

FBI - Stevens-10316

by SA [redacted]

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This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 03/17/2006

A source who is in a position to testify provided the following information regarding campaign contributions made by [redacted]

[redacted] is listed as a [redacted] for VECO Corporation. She made the following contributions:

Year	Candidate	Amount	Position	Check #	Check Date
2001	Ted Stevens	$1,000	[redacted]		
2002	Bev Masek	$500		[redacted]	[redacted]
2002	Earl Mayo	$500			
2002	Gail Phillips	$500			

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[redacted]. The [redacted] is chosen by the congressional delegation. It rotates among the three offices on a yearly basis. [redacted] was also listed as a [redacted] of the Senate Appropriations Committee presumably when United States Senator Ted Stevens was Chairman. No contributions records for [redacted] were located.

NBK

Investigation on 2/15/06 at Juneau, Alaska

File # 194A-AN-13620 SUB C [redacted] Date dictated Typed 3/17/06

FBI - Stevens-10317

by SA [redacted]

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194A-AN-13620-C-138

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/17/2006

A source who is in a position to testify provided the following information:

[redacted] an email at his/her home on [redacted] which was sent from United States Senator TED STEVENS. The email was sent from the account entitled teds8042@bbi.senate.gov on [redacted]

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Below is the content of received message:

[redacted]

Investigation on 10/16/2006 at Anchorage, AK

File # [redacted] 194A-AN-13620-~~SOURCE~~ C-196 Date dictated Typed on 10/17/06

by SA [redacted] mbk

FBI - Stevens-10318

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/17/2006

A source who is in a position to testify provided the following information:

On September 29, 2006, an article was published in the New York Times which was written by Jenny Anderson entitled Hedge Fund Shrinks Staff and Faces S.E.C. Inquiry. Pirate Capital who took over Cornell Companies, Inc. is under investigation by the SEC.

Source advised that website www.legistorm.com/browse_by_state/AK.html provides information related to congressional staff salaries.

On September 7, 2006, an article was published in the Seattle PI which was written by Joel Connelly entitled McGavick Digging a Bigger Hole for Himself. The article details contributions by VECO Corporation to McGavick's campaign. The article also highlights the relationship between United States Senator Ted Stevens and VECO Corporation and the FBI's investigation of corruption in the State of Alaska.

On October 9, 2006, an article appeared on marketwatch.com entitled Cornell Companies Enters into Merger Agreement with Veritas Capital. The article states that Cornell is being purchased by Veritas Capital for $518.6 million.

On October 3, 2006, an article appeared on ksrm.com entitled Chenault Responds to Receiving VECO Money. Chenault was quoted as saying, "Yeah, I take VECO money. Do I vote the way that they want me to vote? I can't tell you if I vote the way that they want me to vote. But I can tell you that I vote, not only in the way that is in the best interests of the state; but, also in the way that is in the best interest of the people in my district. The majority of the people in my district work in the oilfield related industries, or are heavily affected by that. So that's a big motivator."

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Investigation on 10/17/2006 at Anchorage

File # [redacted] 194A-AN-13620-~~SOURCE~~ 6-199 Date dictated Not Dictated

by SA [redacted]

FBI - Stevens-10319

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 11/22/2006

On November 21, 2006, source provided a recording containing four consensual conversations to the FBI dates [redacted] through [redacted] During a meeting with the FBI on November 21, 2006, it was determined by source the wires attaching the microphone and on/off switch were loose. A review of the recording showed anticipated conversations on [redacted] were not recorded as the wire attaching the on/off switch had come loose of the recording device. Actual recorded conversations included the following individuals, and have been placed in evidence:

[redacted]

Recordings which were not obtained due to the loose switch connection included the following:

[redacted] regarding discussion on the Canadian claim and insurance claim settlement;

[redacted], regarding discussion on the Canadian claim;

[redacted] regarding discussion on the Canadian claim;

[redacted] regarding discussion of a joint defense agreement to share information with [redacted]

[redacted] on [redacted] regarding discussion on the Canadian claim strategy, and the regional meeting with senior Canadian management and attorney to discuss the strategy;

[redacted] on [redacted] regarding discussion of the company potential project in a senior meeting with USA management;

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Investigation on 11/21/06 at Anchorage, AK

File # 194A-AN-13620 SUBS [redacted] SUB A; 194A-AN-13620 Date dictated 11/22/06

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FBI - Stevens-10532

by SA [redacted]

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

[redacted] SUB A; 194A-AN-13620

[redacted] regarding discussion of the suicide of PETER DENN, a friend of both [redacted] and source;

[redacted] regarding discussion of the suicide of PETER DENN;

[redacted] regarding the privatization project and protest letters on behalf of [redacted] that TED STEVENS and DON YOUNG filed asking to re-look at disqualifying DOYON. (For background, Veco and a native affiliated company, PBX, jointly filed a contract to own and operate a military facility for a 50 year contract. The facility was to be privatized. The federal government stated only VECO and PBX were certified for the contract, thus disqualifying other companies in the bid. DOYON wanted reconsideration, and STEVENS and YOUNG sent letters on their behalf to be considered.) The discussion was from [redacted] who is [redacted] for the effort and relayed conversations he had with [redacted] regarding the status; and,

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[redacted] regarding the suicide of PETER DENN.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 12/12/2006

Described below is an email communication which the source [redacted] from United States Senator TED STEVENS.

The email sent on [redacted]

Subject line was blank.

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[redacted]

Investigation on 11/30/2006 at Anchorage, AK

File # 194A-AN-13620-[redacted]-29 ; 194A-AN-13620-C

Date dictated Typed on 12/12/06

FBI - Stevens-10534

by SA [redacted] :mbk

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 03/26/2007

Source, worked jointly by the Federal Bureau of Investigation (FBI) and the Internal Revenue Service (IRS), was interviewed on February 27, 2007, by IRS Special Agents (SAs) [redacted] As the original IRS Memorandum of Interview (MOI) contained source's true identity, the report has been replicated on this document, omitting source's true name. Source provided the following information regarding conversations from [redacted]

Source had no conversations on [redacted] Source had the following conversations on [redacted]

[redacted]

[redacted] - source spoke with [redacted] regarding the recent Wall Street Journal article on the VECO investigation. They talked about TED STEVENS and the investigation.

[redacted] - source spoke with [redacted] about the Canadian claim, JM claim and the recent Wall Street Journal article on the VECO investigation.

[redacted] - source met with [redacted] to discuss the VECO Fidelity non deferred compensation plan.

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[redacted] - source met with [redacted] to discuss [redacted]

[redacted] - source met with [redacted] to discuss [redacted]

[redacted] - source met with [redacted] and discussed golf.

Investigation on 02/27/07 at Anchorage, AK

File # [redacted] 194A-AN-13620 SUBs 302; [redacted] SUB A; 194A-AN-13620 Date dictated 03/26/07

by SA [redacted]

FBI - Stevens-10551

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 03/30/2007

On September 27, 2006, a source, who is in a position to testify, was interviewed and provided the following information to SA [redacted] and SA [redacted]

Source advised of his/her relationship with [redacted] Source stated, "it's been [a] lot of years." Source did not know [redacted] was an [redacted]. Source knew [redacted] LNU, which is how source met [redacted] years ago. [redacted] how to be a good [redacted] Source and [redacted] "clicked" and the relationship developed because of [redacted] Source further advised that he/she always had a [redacted].

Source advised of a time when Exxon wanted to put a plant on the slope (writer knows this to be the Prudoe Bay North Slope area in Alaska) to turn natural gas into liquid. This was a different process than LNG. British Petroleum has a pilot plant in Kenai right now using this type of process. [redacted] and source [redacted] were in [redacted] and started to work on Exxon, which "pissed off" [redacted]. The resulting fallout was bad for [redacted]

Later, [redacted] started working on different committees and assumed [redacted] did as well.

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[redacted]

Source estimates the equipment cost between approximately $10,000 to $12,000. When source was [redacted] Source estimates this cost around $24,000 to $25,000.

[redacted] did not do the [redacted] at United States Senator Ted Stevens' house. Source stated [redacted] does not like to put in anything [redacted] For payment, source stated he/she would have wrote a check to [redacted] from source.

FBI - Stevens-10552

Investigation on 9/27/2006 at Anchorage, AK

File # 194A-AN-13620-[redacted] - 3
800A-AN-A13718-Squad 4 - 432

Date dictated 3/30/2007

by SA [redacted] & SA [redacted] /cek

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

Source does not recollect whether [redacted] ever discussed [redacted]

[redacted] also may have performed work around source's house [redacted] later did more work [redacted]

Source stated that he/she thinks he/she paid approximately [redacted] The initial invoice was for [redacted] Source advised that [redacted] told source it was just [redacted] but source said that [redacted] did more than that, so the rest was a bonus.

Source advised that [redacted] did not know whether he [redacted] was going to [redacted] Source remembers a conversation about how he/she was going to compensate [redacted] Source thought [redacted] was going to take care of it and get work [redacted] Source advised that he/she does not recall seeing a check. [redacted] did not want to give source an invoice, but source told [redacted] "bullshit, you worked hard."

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Source was going to help [redacted] but that was for [redacted] needed to earn money from someplace, but [redacted] could not work on the [redacted] at the same time as he was [redacted] told source that he was going to take care of it. Source stated he/she knew the invoice was going to be inflated to compensate [redacted] Source stated he/she never figured out how they did it.

When [redacted] it took a lot of time. Source told [redacted]

Source advised of when he/she was in [redacted] and source received a call that [redacted] was going to organize with the

[redacted] Source advised that people believed source did it, but source stated he/she did not know [redacted] was going to do this.

During the [redacted] and as a result, source does not believe he/she gave him any cash during this period. [redacted] Source stated that [redacted] had "a whole bunch" of jobs. [redacted] and then obtained a job in [redacted] During the summer, source gave [redacted] to help with the purchase of a larger [redacted] Source found a really good deal from [redacted] (writer knows this to be an [redacted] in the Anchorage, AK area). There was a guy at the [redacted] Source advised he went to look at the [redacted] and it was approximately a [redacted] The only problem with the [redacted] The $5,000.00 check from source was to help [redacted] with financing. Source does not remember how he gave [redacted] the $5,000.

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[redacted] never said a lot about his [redacted] Source knows [redacted] LNU [writer knows [redacted] Source knew this because source would [redacted] and [redacted]

The only time source gave [redacted] cash was when he gave him [redacted] at the [redacted] Source stated that in his/her mind it was a reimbursement for [redacted] though source did not tell [redacted] what it was for. In addition, source did not tell [redacted] Source does not recall anyone else who was asked to [redacted]

Regarding an [redacted] the big bidders were [redacted] The big deal was a [redacted] LNU worked for [redacted] and this was her deal as she was from [redacted] LNU's mother was going to put on the [redacted] and the money went to [redacted]. Source advised that he/she and [redacted]

, put her daughter in a number of asked source for help, not Source stated he/she gave and source also gave money for or something. Source further advised that LNU, was

Source stated would have worked on the [writer knows this to be the if source did not pay him any money. Source remembers a conversation when called source and asked, "What are my instructions?" There were a lot of strategy conversations in the suite [writer knows this to be at the in and was a part of those conversations.

Source recalls a conversation when . Source advised that there were conversations with directing him to talk to told source,

Sometimes would tell source how to proceed [writer knows this refers to and . Source stated that was working for source because they were close, but also because source wanted a .

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Source advised that there was a time when the oil companies wanted the They had a which source explained is a Latin term. As soon , and they were excited because they could not believe they got it done.

Source advised he/she would ask what he really wanted to do and would reply, " [writer knows this refers to . Source advised this was a joke. told source the best thing to be would be a and source told that he/she would help him. Source stated that he/she told that his job was to get the and that they always said that. Source does not think knew what he wanted to do.

Source advised that [redacted] told him/her it was five minutes too late for withdrawing his application to [redacted]

In response to the interviewing Agents asking what [redacted] would not have without source's assistance, source stated [redacted] came through [redacted] but source may have talked about the [redacted] directly. Source stated that [redacted] told source that source could not give [redacted] Source would probably have given [redacted] did not say anything. Source has known [redacted]

Source once told [redacted] "the hell with you" for [redacted] Source "got all over his [redacted] ass on what he was doing." [redacted] working his way up, and then started [redacted] This was about [redacted] years ago. Source "knows where I am at on the totem pole." Source tried to help [redacted] with the [redacted] tried to help source with advertisements with the Daily Paper. Source talked to [redacted] for [redacted] never thanked source or anything. Source stated that you can help [redacted] "but he won't help you." The [redacted] wanted competition but that was not good enough for [redacted]

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Source stated he/she thinks there were some other people involved in the [redacted] Source advised that all they had to do was tel [redacted] they do not want [redacted]

Source advised of the time when [redacted] was pushing the [redacted] knew guys in the [redacted] wouldn't like it. Source is not aware of why [redacted]

The interviewing Agents asked source about [redacted] that he/she gave to [redacted] Source stated that [redacted] when he was [redacted] Source thought it was his/her [redacted] After [redacted] told source that it was [redacted] take it to [redacted] Source also called his/her [redacted] to see if she ever used it. Source stated that the [redacted] and that source never [redacted]

Source advised that he/she never gave [redacted] cash during [redacted]

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Source advised that he/she has a little garage for his/her [redacted] and that there is a lot of "booze" in it. This liquor was purchased at Costco or Brown Jug and was used for [redacted]

[redacted]

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 09/05/2006

[redacted] aka [redacted] white male, residing at [redacted] Anchorage, Alaska, telephone number [redacted] was interviewed at his residence. [redacted] is employed as a [redacted] Washington, DC, telephone number [redacted] Present during the interview was Special Agent (SA) [redacted] with the Department of the Treasury, Internal Revenue Service, Criminal Investigation, from San Francisco, California, telephone number [redacted] [redacted] was apprised of the identity of the Agents and the nature of the interview, after which he voluntarily provided the following information:

[redacted] advised that since [redacted] he has been a [redacted] in Washington, DC, but is returning to Anchorage to become U.S. Representative DON YOUNG's [redacted] stated he has known [redacted] for over [redacted] years, and added that Veco is one of [redacted] stated that he has a general agreement with Veco for [redacted] is paid by [redacted] by check from Veco. [redacted] advised he has contact via email and telephone calls with [redacted] depending on the issues he is working on, such as visa matters for foreign travel by Veco personnel, gas pipeline issues, and ANWR issues. [redacted] added that he does not prepare reports.

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[redacted] advised that he has known [redacted] for about ten to fifteen years as a business associate, and had dealings with him regarding [redacted] stated he has been employed in the past with the [redacted] and continues to be actively involved with [redacted]

[redacted] advised that he is also a [redacted] Arctic Power, and coordinates their activities regarding ANWR. [redacted] stated that Arctic Power is funded by the State of Alaska and private contributions, but denied knowing who donates the money privately.

[redacted] advised that he has attended fund raisers at the Petroleum Club for Governor MURKOWSKI and others, and receives invitations in the mail for these events all the time. [redacted]

Investigation on 08/31/2006 at Anchorage, Alaska

File # 194A-AN-13620-302 62

Date dictated 09/05/2006

FBI - Stevens-10558

by SA [redacted]

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

stated he attends some, but not all of the events to which he is invited in both Alaska and Washington DC. [redacted] stated he has never been asked by Veco to make any campaign contributions at these fund raisers, but he has made personal contributions of [redacted] to candidates whose fund raisers he has attended. [redacted] added the drinks and food are provided at these events, and he does not pay for drinks himself. [redacted] denied knowing who hosted the Petroleum Club fund raiser for Governor Murkowski that he just attended this summer.

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[redacted] advised U.S. Senator TED STEVENS has been a close personal friend of his for over [redacted] years. [redacted] stated he just attended [redacted] months ago, and saw Senator STEVENS there. [redacted] stated that Veco [redacted] [redacted] advised he has never provided any benefits to Senator STEVENS, and does not know of any benefits provided by Veco.

[redacted] advised he has known U.S. Representative DON YOUNG personally for over [redacted] years, and will [redacted] stated he has never provided any benefits to Representative YOUNG, nor is his aware of any benefits provided by Veco.

[redacted] advised he attended a [redacted] hosted by Veco in early [redacted] for which he paid [redacted] [redacted] stated that [redacted] talked to him informally about the tournament, and he said about [redacted] were playing. [redacted] advised he did not know everyone who played in the tournament, but knew that DON YOUNG played, [redacted] some Washington DC visitors, [redacted] played. [redacted] believes he paid his fees to [redacted] then left early after finishing for a fishing trip with his wife and some friends. [redacted] denied knowing anything about who won the money at the end of the tournament. [redacted] advised he also attended a pig roast at the home of [redacted]

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 09/08/2006

On September 1, 2006, [redacted] SSAN [redacted] DOB [redacted] was interviewed at the [redacted] Deadhorse, Alaska. After being advised of the identities of the interviewing agents and the purpose of the interview, [redacted] provided the following information:

[redacted] was formerly employed in the [redacted] of the [redacted] During that time, he met [redacted] in approximately [redacted] persuaded [redacted] to go work for his father, [redacted], at his [redacted] [redacted] agreed and was employed at [redacted] He and [redacted] became "pretty good friends." [redacted] later began working for [redacted] VECO, in [redacted] first position at VECO was working in the VECO [redacted] in Anchorage, Alaska. Since his initial hiring, [redacted] has gradually worked his way up to his current position as an [redacted] at the VECO facility in Deadhorse, Alaska.

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[redacted] characterized his relationship with [redacted] as not only being an employee but also as being "close friends." [redacted] explained that he and [redacted] occasionally drink beer together, approximately four to five times per year. [redacted] also knows VECO [redacted] He met [redacted] after he [redacted] started working at VECO. [redacted] and [redacted] are "good friends" as well. [redacted] also occasionally drink beer together, approximately four to five times per year.

[redacted] has met United States Senator TED STEVENS on two separate occasions. The first was around [redacted] in Anchorage, Alaska. [redacted] was at the [redacted] and saw [redacted] who was attending the fights with Senator STEVENS. [redacted] introduced Senator STEVENS to [redacted] After brief introductions, the men went their separate ways.

Investigation on 09/01/2006 at Deadhorse, Alaska

File # 194A-AN-13620-302 X-68 Date dictated

by SA [redacted] ms

FBI - Stevens-10560

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

The second meeting [redacted] had with Senator STEVENS was during the summer of [redacted] It was a brief, chance, encounter on a river in Alaska [redacted] could not recall the name of the river). [redacted] was fishing on the river and happen to meet Senator STEVENS, who was also fishing on the same river. It was a very short encounter, after which, the men went their separate ways.

[redacted] had been to Senator STEVENS' Girdwood, Alaska residence. Some time ago in approximately [redacted] instructed [redacted] to deliver some building materials (a welding machine, iron rod, angle iron, and other miscellaneous supplies) to Senator STEVENS' residence. [redacted] picked up the materials from the VECO "fabrication shop" in Anchorage and delivered them to Senator STEVENS' residence in Girdwood, Alaska. [redacted] informed [redacted] that the materials were going to be used to build a staircase in Senator STEVENS' home.

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[redacted] has met Senator STEVENS' [redacted] several times. The first meeting was at a dinner party at [redacted] residence in Anchorage. Any other encounter [redacted] has had with [redacted] has been extremely brief.

[redacted] has recently met Senator STEVENS' [redacted] in Deadhorse, Alaska. [redacted] is a recent [redacted] and the two men see each other on a regular basis.

[redacted] initially advised the interviewing agents that with the exception of [redacted] he had never met nor was he aware of [redacted] of Senator STEVENS. [redacted] also advised that no member of the STEVENS family had ever given him any money nor had he been involved in any type of financial transactions with them. [redacted] had never given [redacted] money as well, except for official VECO paychecks.

The interviewing agents then provided [redacted] with a copy of check [redacted] made out to [redacted] from the WELLS FARGO BANK account of [redacted] then provided the following information:

[redacted] then "remembered" that [redacted] in Kenai, Alaska in approximately [redacted] He paid approximately [redacted] cash

[redacted] via a check written by [redacted] from his Wells Fargo account. [redacted] had saved that money over the years. [redacted] for a short period of time, approximately two months, [redacted] realized that it would not be practical to use [redacted] and that he really needed a [redacted] then decided to [redacted]

[redacted] that he wanted to [redacted] in turn, advised [redacted] that he knew a lady who may be interested in [redacted] provided [redacted] with the name and contact information of [redacted]

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[redacted] telephoned [redacted] who was going to school outside of [redacted] She advised him that she wished to trade [redacted] her [redacted] and [redacted] because that was the only way she could afford it. [redacted] agreed and shipped [redacted] for approximately $1,100.00 and then [redacted] down to the [redacted] area and met [redacted] gave [redacted] check for [redacted] [redacted] advised he "broke dead even" on the deal.

[redacted] deposited the check from [redacted] into his account at WELLS FARGO BANK and subsequently "spent all the money" on various things. He also [redacted] for $18,000.00 and used that money to pay off debts and bills.

The interviewing agents then advised [redacted] that they believed [redacted] was being untruthful and that there was information which suggested that the money [redacted] gave him was not "just spent" by [redacted]

[redacted] then provided the following information:

During [redacted] invited [redacted] over to his house for a private meeting. When [redacted] arrived, he realized [redacted] were the only ones present. [redacted] [redacted] agreed and [redacted]

then informed [redacted]

[redacted] drove [redacted] in Kenai to [redacted] Both men agreed on the [redacted] wrote a personal check to [redacted] for around [redacted] to [redacted] then deposited the check into his own account and used the money to purchase [redacted] drove the [redacted] to the VECO Fabrication Shop in Anchorage [redacted], picked up the [redacted]

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[redacted] had provided [redacted] with the contact information and telephone number for [redacted] knew at that time that [redacted] Senator TED STEVENS. [redacted] signed and gave [redacted] and she in turn [redacted] the [redacted] The meeting only took approximately five minutes. [redacted] then drove the [redacted] deposited the [redacted] check into his personal account and then wrote a check for [redacted] to an account of [redacted] as previously instructed and sent the check to him [redacted]. [redacted] name."

[redacted] advised that he considered [redacted] as [redacted] did not instruct [redacted] not to tell anyone about [redacted] nor did he advise [redacted] that it was illegal or improper. [redacted] was [redacted] explained he was planning on traveling to his residence in [redacted] anyway.

[redacted] was familiar with the BUCKAROO CLUB in Anchorage, Alaska; [redacted] an annual golf tournament for [redacted] and the BUCKAROO CLUB hosts the awards ceremony at the end of the tournament. [redacted] participated in the tournament once, several years ago. He could not recall who won any of the awards or whether or not U.S. Congressman DON YOUNG was a recipient of any awards.

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[redacted] has met Congressman YOUNG several times at an annual pig roast and fund raiser for Congressman YOUNG, hosted by [redacted] residence. [redacted] has attended the pig roast/fund raiser which is free to attend several times and he has contributed about [redacted] to Congressman YOUNG's campaign. [redacted] believes he first met Congressman YOUNG in either [redacted].

[redacted] has made "no more than ten" campaign contributions to various individuals in his life, to include Congressman Young. [redacted] has never been pressured by an employer or anyone to do so and he has never been reimbursed for any of the contributions.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 09/06/2006

On September 1, 2006, [redacted] DOB [redacted] telephone number [redacted] was interviewed at the VECO Light Duty Shop, Deadhorse, Alaska. After being advised of the identities of the interviewing agents and the purpose of the interview, [redacted] provided the following information:

[redacted] has been employed by VECO since [redacted] as a [redacted] His job description includes [redacted]

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In early [redacted] from his job with the [redacted] after it was determined [redacted] he received nearly [redacted] years before [redacted] characterized his work in [redacted] as "government work." [redacted] had discussed the fact that he had been [redacted] United States Senator TED STEVENS.

In [redacted] met [redacted] Senator TED STEVENS for dinner in [redacted] Senator STEVENS was in town with a longtime friend, [redacted]. During the meal, [redacted] and was "venting" to [redacted]. Afterwards, while Senator STEVENS was visiting with [redacted] approached [redacted] and offered him employment with VECO "up on the North Slope." [redacted] expressed interest in [redacted] proposal. Several days later, [redacted] was contacted by [redacted] (LNU), a VECO recruiter. [redacted] instructed [redacted] to submit his resume and he [redacted] would determine "what job would be good for [redacted]."

In [redacted] accepted his current position. and traveled to Anchorage, Alaska. Upon his arrival in Anchorage, [redacted] stayed at the [redacted] until he left for Deadhorse, Alaska. A VECO credit card was used to reserve the hotel room, but [redacted] used his personal credit card to pay for the room. [redacted] said that "it wouldn't look right" to pay for the room with a VECO credit card.

Investigation on 09/01/2006 at Deadhorse, Alaska

File # 194A-AN-13620-302 69 Date dictated

by SA [redacted] ms

FBI - Stevens-10565

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

[redacted] then traveled to Deadhorse, AK, and filled out a VECO employment application upon his arrival. Shortly afterwards, [redacted] was contacted by [redacted] telephonically. [redacted] asked how [redacted] was doing and inquired whether he needed anything. [redacted] advised that his finances were a "bit tight" and that, until his first paycheck, he would have to be careful with his spending. [redacted] understood this to be a loan, however, every time he tried to pay it back, [redacted] ways advised him that he [redacted] was busy. The reason [redacted] had not sent the money to [redacted] was because [redacted] wants to repay the debt to [redacted] in person.

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[redacted] current wage is [redacted] an hour while working an [redacted] During his "off-time", he flies back to [redacted] to spend time with his family. [redacted] pays for any flights to and from Anchorage, Alaska; VECO funds the flights from Anchorage to Deadhorse as with all VECO employees. [redacted] advised that, although he has no background in [redacted] he believes he was hired for his work ethics.

Prior to the interview, [redacted] had received a telephone call from [redacted] Senator TED STEVENS, who advised him that the office of [redacted] had been searched by the FBI.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 09/01/2006

[redacted] (further described below), voluntarily appeared at the office of the Federal Bureau of Investigation, Anchorage, Alaska. After being appraised of the identity of the interviewing agents and the nature of the interview, he voluntarily provided the following information:

[redacted] stated he is a friend of [redacted] He sees [redacted] nearly every day when [redacted] is in town, and sees [redacted] about once a month socially. [redacted] has known [redacted] for about [redacted] years, but has regularly socialized with him for the past [redacted] years. [redacted] and [redacted] frequently arranged golf tournaments and outings. They have hosted such events at Las Vegas, Pebble Beach and Mesquite.

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[redacted] has seen US Representative DON YOUNG and State Representative PETER KOTT about three to four times a year at social events. [redacted] the Petroleum Club of Alaska (PCA). PCA holds events for its members every Thursday. [redacted] sees YOUNG, KOTT, and other public officials at these events.

[redacted] attended a golf event in early [redacted] which was hosted by [redacted] and was held at [redacted] Golf Course. [redacted] estimated a total of sixteen people attended this event. [redacted] played with [redacted] (phonetic). KOTT, YOUNG, [redacted] or former US Congressman from Texas TOM DELAY) and other public officials and staffers attended this event.

There was not an official fee for golfing but it was understood that participants would put up $100.00 which would be used as prize money. [redacted] and two other participants helped collect the $100.00 fee. [redacted] could not recall who the other two collectors were though he indicated that it is usually [redacted] However, [redacted] did not attend this event. [redacted] described this money as "side bets." This money was to be used to pay winners. [redacted] could not recall specifically who the other two winners were, but he recalled that Congressman YOUNG got one envelope. [redacted] said he did not get involved in the pay out. When specifically asked if he had handed one of the

Investigation on 09/01/2006 at ANCHORAGE, AK

File # 194A-AN-13620-302 70

SA [redacted]

by SA [redacted] 2416

Date dictated 09/01/2006

FBI - Stevens-10567

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;

envelopes to Congressman YOUNG, [redacted] stated he could not recall if he did.

[redacted] stated that it was understood the green fees, carts, and other golf-related fees were taken care of even though he did not know by whom.

For many years, [redacted] has contributed to political campaigns and political parties. His contributions generally range from [redacted] has contributed to Congressman YOUNG's campaign. He recalled making contributions to other political candidates including KOTT, JOHN COWDERY, RICHARD FOSTER, GENE THERRIAULT, NORMAN ROKEBERG, LESIL McGUIRE, THOMAS ANDERSON, LISA MURKOWSKI, FRANK MURKOWSKI, TED STEVENS, BEN STEVENS, JERRY McKEY, JEFF BENISON, ANDREA McCLOW, BRIAN PORTER, BEVERLY MASEK, MIKE CHENAULT, and others.

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Neither [redacted] nor [redacted] ever requested that [redacted] make a contribution to a particular political candidate. Likewise, [redacted] never reimbursed [redacted] for any of the political contributions that he had made.

[redacted] indicated he has been invited to and has hosted some fund raising events. He explained that it is understood when you are attending a fund raiser, you are expected to contribute money to the specific event.

In the past, [redacted] fund raising events with [redacted]. The purpose for hosting and co-hosting an event is to draw people from one's social and business circle to support the fund raising event. The host and co-host arrange the event, but payment for the fund raiser comes out of the campaign fund. [redacted] advised that he [redacted] any fund raisers within the past few years because he [redacted] and therefore does not have the appropriate influence to draw people to these events.

[redacted] stated he does not get involved in any legislative activities and therefore is not aware of financial benefits provided to a legislator by [redacted] or any employee of VECO. Likewise, he is not aware of any action taken by a legislator in return for a financial benefit.

The following descriptive and biographical information was obtained through interview and observations:

Name:	[redacted]
Alias:	
Address:	
	Anchorage, Alaska
Telephone:	[redacted] (cellular)
Sex:	Male
Race:	White
Date of Birth:	[redacted]
Social Security Number:	[redacted]
Employment:	

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FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 09/05/2006

[redacted] date of birth [redacted] social security account number [redacted] was contacted at her place of residence, [redacted] Anchorage, Alaska [redacted] telephone number [redacted] After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] provided the following information:

[redacted] graduated from [redacted] school (Name Unknown) in [redacted] n approximately [redacted] enrolled in several business courses at Anchorage Community College between the years [redacted] Her employment history began in [redacted] when [redacted] was employed as an [redacted] From [redacted] through [redacted] worked as a secretary for the [redacted] at [redacted] in Alaska. [redacted] held the title of personnel clerk at [redacted] and was unemployed during [redacted] was the secretary to the [redacted] held the position of secretary for the [redacted] Alaska and then moved over to become the secretary to the [redacted] From [redacted] was employed as the secretary to the [redacted] final job was for VECO Corporation, Anchorage, Alaska, from [redacted] to [redacted] During her employment with VECO, [redacted] worked as [redacted] department from [redacted] of VECO, [redacted] and from [redacted] was the [redacted] for VECO. [redacted] is currently retired, although she works as a volunteer at [redacted] located near [redacted] by the airport in Anchorage, Alaska.

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[redacted] left VECO's employment because [redacted] she decided to retire to allow herself time to [redacted]

Investigation on 09/01/2006 at Anchorage, Alaska

File # 194A-AK-13620-302-81 AMB Date dictated 09/05/2006

by SA [redacted]

FBI - Stevens-10570

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[redacted] said that there were "so many things (that) went on there (VECO) that was not business as usual" and [redacted]

According to [redacted] b6 b7C

[redacted] recalled [redacted] regarding what went on at VECO. [redacted]

[redacted] a part of his life by getting them employment at VECO. As an example, [redacted] recalled a woman named [redacted] who [redacted] described as a [redacted] at the time of her hiring. [redacted] and [redacted] a job in approximately [redacted] at a VECO office in Canada. Another woman described by [redacted] involved with [redacted] became a consultant with VECO.

[redacted] said she knew who [redacted] was, but she never [redacted] The members of VECO's management team while [redacted] was employed at VECO included the following:

[redacted]

[redacted] also recalled that while she was [redacted] for the [redacted] she worked for [redacted] and then [redacted] worked for [redacted] who took over the [redacted] position after [redacted]

[redacted] said she has only known [redacted] during the time she had worked for VECO and knows [redacted] to be [redacted] of VECO. [redacted] remarked that she has not spoken to [redacted] since her retirement, although she has observed him several times in the VECO building. During her employment with VECO, [redacted] After working at VECO for [redacted]

When asked to describe [redacted] duties, [redacted] replied that [redacted] stated that [redacted] main interests were politics, his family, and [redacted] It was the opinion of [redacted] wanted to be influential in the politics of Alaska and, in her opinion, [redacted] was indeed influential. According to [redacted] was involved in every way in Alaskan politics. [redacted] explained that [redacted] was very close to Senator TED STEVENS and [redacted] frequently traveled to Washington, D.C. at the invitation of Alaskan Congressman DON YOUNG. When requested to explain how [redacted] was able to become influential, [redacted] said that [redacted] personally took advantage of every opportunity to support politicians VECO wanted...."within the law". [redacted] also remembered that [redacted] traveled a great deal, going on international trips such as to the Sakhalin Island located in far eastern Russia. [redacted] was interested in exploring for an oil field in Russia for VECO and [redacted] has had meetings with officials of Russian companies. [redacted] was not positive, but she believed that VECO was eventually successful in establishing business ventures in Russia.

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[redacted] told SA [redacted] that she has known [redacted] since joining VECO. She recalled that [redacted] which meant that [redacted] to various companies/organizations in an effort to obtain work for VECO. By the time [redacted] at VECO. According to [redacted] VECO was dependent on the oil companies for work, and [redacted] had contact with the oil companies. [redacted] was described by [redacted] as someone who was very involved in politics and she [redacted] guessed that [redacted] had a personal relationship with every politician VECO had an interest in. [redacted] further described [redacted] as very sociable and loyal to [redacted]

[redacted] has known [redacted] since she joined VECO in [redacted] duties included having the overall responsibility for the operation of various VECO entities, such as VECO's construction, engineering and international business. [redacted] was to grow VECO into an international business. It was the opinion of [redacted] was a fine person.

[redacted] has known [redacted] moved to Alaska from [redacted] and was supposed to eventually take over VECO because [redacted] most of VECO. [redacted] described [redacted] recalled that [redacted] would arrive at VECO, sit in his office, and do nothing. [redacted] commented that either [redacted] or VECO purchased a large house for [redacted] which was also used to hold social functions, particularly political fund raisers. [redacted] could not remember [redacted] was not involved in running VECO and [redacted] thought that [redacted] retired. It was [redacted] opinion that [redacted]

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[redacted] was asked if she knew [redacted] was not sure, but she thought that someone named [redacted] or [redacted] had been [redacted] in approximately [redacted]

[redacted] was considered a friend by [redacted] has known [redacted] since approximately [redacted] when [redacted] came to work for [redacted] VECO, primarily in the [redacted] wing of VECO. [redacted] explained that when the Exxon-Valdez sank in 1989 and spilled oil off the coast of Alaska, VECO received the clean-up contract and [redacted] at VECO's Corporate Headquarters located on Fireweed Lane in Anchorage at the time. [redacted] said that [redacted] reported to [redacted]

[redacted] was also described by [redacted] as a friend. Like [redacted] also came to VECO in [redacted] VECO hired a large number of people to fulfill the contract. [redacted] held the position of [redacted] at first, but eventually reached the position of [redacted] at VECO. [redacted]

[redacted] was employed by VECO when [redacted] first arrived in [redacted] that [redacted] has worked at VECO since he graduated from high school, holding the positions of [redacted] at the VECO facility located in Anchorage, Alaska. [redacted] worked directly for [redacted]

[redacted] described the organization of VECO as being in a constant state of flux, with [redacted] continually re-organizing the company. [redacted] stated that there were actually days when VECO employees didn't know who did what because [redacted]

When [redacted] was working [redacted] in VECO's [redacted] Division, she was responsible for [redacted] When asked who paid for this shopping, [redacted] replied that sometimes [redacted] would pay or he would reimburse [redacted] at a later time. [redacted] also mentioned that VECO would sometimes pay for [redacted] and the justification was that [redacted] to VECO social events. [redacted] maintained [redacted] also reviewed [redacted] expenses with [redacted] and would complete [redacted] expense report which noted who, what, when, and where in order for [redacted] to be reimbursed by VECO. As an example, when [redacted] was reviewing a dinner expense that [redacted] claimed was a business expense, [redacted] would inquire about who attended the dinner.

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[redacted] stated that her work hours at VECO were from [redacted] Monday through Friday, and would occasionally work some overtime. [redacted] filled in for [redacted] when she was gone.

[redacted]s work hours were generally [redacted] p.m., Monday through Friday, although [redacted] recalled seeing [redacted] at work on the weekend. According to [redacted] social calendar was very busy because [redacted] received lots of social invitations. [redacted] being in places where he could talk to politicians and oil company executives. [redacted] knew that [redacted] did not have a home office because [redacted] never took any work home, nor did [redacted] ever observe [redacted] bring work to the office from home. [redacted] recollected that when [redacted] was away from the office, she primarily communicated with [redacted] via telephone, although she did send a lot of facsimiles to [redacted] when he was staying at hotels during his business trips. [redacted] did not think she e-mailed [redacted] did not print, file, nor otherwise save e-mails.

[redacted] work hours varied according to [redacted] would arrive at work [redacted] described [redacted] would sometimes require his secretary to work late because [redacted] had arrived late. [redacted]

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[redacted] stated that the VECO computer system servers were located in the basement of the VECO Corporate Headquarters Building when this building was located on Northern Lights Road prior to the year 2000. In the year 2000, VECO moved to A Street, Anchorage, Alaska and the computer servers were located on the first floor, however, upper management of VECO moved to the Frontier Building, located at 36th and C Street in Anchorage, Alaska.

[redacted] Some documents were only kept 30 to 90 days, such as a memo regarding a social event, however, some documents were kept permanently on both a computer file and on a shelve in the VECO offices. Many records were archived at a warehouse located on 65th Avenue in Anchorage, Alaska. [redacted] knew that VECO maintained another facility to archive records, but [redacted] was unaware of the exact location for this second facility. [redacted] a company librarian to maintain documents, VECO never hired a librarian, rather VECO required a employee named [redacted] to generate VECO archiving policies that VECO employees were expected to follow. [redacted] was the VECO

[redacted] archiving facility VECO employees sent records to for storage.

[redacted] was not aware of any individual who received a salary from VECO but was not actually employed by VECO.

Regarding [redacted] recalled that [redacted] first arrived at VECO in [redacted] also knew that [redacted] was not cognizant of whether or not [redacted] received a salary from VECO, however, [redacted] did not have an office at VECO. [redacted] did not know if [redacted] any money, but [redacted] described [redacted] as being very, very generous. [redacted] did not know the salary amount earned by [redacted] at VECO. [redacted] said she was not aware of a law firm named Eide, Miller, and Pate paying [redacted] related that [redacted] thought of [redacted] although the actual [redacted] resided in Fairbanks, Alaska. During the time that [redacted] was employed at VECO, she was not aware of any payments VECO made to [redacted] although [redacted] claimed that VECO rented an apartment in Washington, D.C. [redacted]. When asked how she knew that [redacted] remarked that [redacted] never worked for VECO while [redacted] was employed at VECO, but [redacted] also mentioned that [redacted] According to [redacted] did not utilize a VECO vehicle.

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[redacted] never worked directly for [redacted] and did not complete his expense accounts, therefore, [redacted] was not aware of [redacted] incurred expenses. [redacted] suggested that [redacted] would have expense information related to [redacted].

[redacted] adamantly declared that she has never contributed one dime to any political campaign. [redacted] said she was never even asked to attend political fund raisers by VECO management because they were aware she [redacted] wouldn't attend. [redacted] was not aware whether the salaries paid to VECO executives included money that was expected to be contributed to political candidates. [redacted] explained that VECO kept a record required by the Alaska Public Offices Commission (APOC) which contained the amount contributed to

politicians by VECO employees. According to [redacted] would give [redacted] copies of checks or notes of the amount of cash contributed to politicians. These APOC records included details such as the total amount given to a candidate, the name of the candidate and the name of the contributor. According to law, this APOC form had to be filed within 48 hours of the contribution. [redacted] said these APOC forms were mailed or faxed. An APOC file was kept in three-ring binders and maintained in [redacted] office, although [redacted] was unsure where in [redacted] office the binders were kept. [redacted] recalled that [redacted] desk was stacked high with documents.

When asked if bonuses were paid to VECO employees in order to reimburse VECO employees for their political contributions, [redacted] responded that she did not know. [redacted] was knowledgeable about VECO sponsoring fund raisers for political candidates and she claimed that sponsoring political fund-raisers was one of [redacted] said that VECO paid for the expenses associated with sponsoring these political fund raisers. [redacted] stated she was never directed to pay for fund raising expenses.

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[redacted] commented that no VECO employee ever informed her that VECO needed to get certain vehicles off its books because of concerns arising from an IRS audit.

[redacted] was asked if VECO ever provided financial benefits to politicians, aside from campaign contributions and fund raising events, and she [redacted] provided the following names of politicians and the financial benefit they each received from VECO:

Former Alaska State Representative [redacted]

Former Alaska State Legislator [redacted] explained that when she was [redacted]

[redacted] VECO employee named ROCKY (Last Name Unknown) over to [redacted] residence in Anchorage, Alaska to make home repairs, to include roof repair at one time. [redacted] recalled that these repairs to [redacted] house by a VECO employee took place during normal work hours and occurred during the years [redacted] never saw any bills related to this repair work. [redacted] was unaware if the material used to repair [redacted] home was VECO material or if the employee (ROCKY) was reimbursed for expenses associated with this repair work.

Former Alaska State Legislator [redacted] An employee named ROCKY (Last Name Unknown) from VECO was sent to [redacted] further advised that ROCKY [redacted] while he (ROCKY) was at [redacted] home. According to [redacted]

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Alaskan Legislator [redacted] Sometime during [redacted] in which [redacted] needed money, however, VECO had already provided [redacted] with the maximum amount that VECO could legally contribute toward [redacted] said [redacted] and VECO would provide the money (Which allegedly went toward the purchase of the equipment) directly to [redacted] to "get it done". [redacted] for VECO, may know who wrote the receipt for [redacted] was not sure how much money was given to [redacted] knew that giving this money to [redacted] was not the right thing to do.

[redacted] was not familiar with VECO or [redacted] any fee for a [redacted] participated in several years ago. [redacted] was also unaware of any VECO employee paying for similar expenses for anyone else.

[redacted] knew that [redacted] would take bundles of cash on his business trips, including trips to the Paris Air Show that [redacted] attended with Alaska Senator TED STEVENS. [redacted] recalled that this cash was divided into stacks and was held together by rubber bands and placed into a briefcase. [redacted] advised that [redacted] was responsible for

accounting for VECO funds, and [redacted] suggested that [redacted] may be helpful to the FBI's investigation. [redacted] had no reason to suspect that [redacted] would attempt to conceal any cash spent by VECO.

[redacted] mentioned that [redacted] assumed the only reason Senator TED STEVENS associated with [redacted] According to [redacted] Senator TED STEVENS expected [redacted] to accompany the senator on trips and to "do things" for the senator. [redacted] said that [redacted] said as far as she knows, no VECO funds were used to pay for TED STEVENS' travel and no VECO funds were used to pay for TED STEVENS' hotel room during the frequent trips TED STEVENS took [redacted] said she [redacted] arrangements for a charter flight to change schedules to accommodate Senator TED STEVENS. [redacted] was not aware of [redacted] or VECO paying for the labor to build an addition on TED STEVENS' residence in Girdwood, Alaska.

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Regarding a 1999 Land Rover purchased by [redacted] on June 4, 1999 that was transferred to TED STEVENS 13 days later, [redacted] advised that the Land Rover was intended for Senator TED STEVENS' [redacted] was of the opinion that [redacted] traded the Land Rover for a vintage vehicle that TED STEVENS owned and [redacted] recalled that STEVENS signed over the vehicle to [redacted] was not familiar with the value of the vintage vehicle, nor was she aware of the value of the Land Rover, but she never suspected anything inappropriate. [redacted] further remembered seeing a note from Senator TED STEVENS which said, "We need to make this documented properly" and that this note was attached to the vehicle title.

At the conclusion of the interview, [redacted] was provided with a business card belonging to SA [redacted] and [redacted] agreed to contact the FBI should she recall any further information that may be helpful to the FBI's investigation.

On September 2, 2006, [redacted] contacted SA [redacted] and [redacted] at VECO. [redacted]

[redacted]

The following identifying data regarding [redacted] was obtained through interview and a review of the LexisNexis Law Enforcement Solutions database:

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Name:	[redacted]
DOB:	
POB:	
SSAN:	
Sex:	Female
Race:	White
Height:	[redacted]
Weight:	
Address:	
Home Value:	
Telephone:	

(Rev. 01-31-2003)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE **Date:** 02/01/2006

To: Anchorage

From: Anchorage
Squad 4
Contact: SSA [redacted]

Approved By: [redacted]

Drafted By: [redacted] CWS

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Case ID #: 194A-AN-13620 (Pending)

Title: POLAR PEN;
CSLPO;
OO:AN

Synopsis: To establish subfile for press articles.

Details: To collect press articles related to captioned case, it is recommended that the following subfile should be created:

194A-AN-13620-M (PRESS)

♦♦

2-1-06
Open subfile.
2/1/06

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194A-AN-13620-M - 1

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Allen tries to get off list, but lobbyist tag sticks

9/11/2003 ADN

■ APOC: Fund-raising and contributions stay — he signed up

By SEAN COCKERHAM
Anchorage Daily News

Veco Corp. chief Bill Allen, one of the most influential figures in Alaska politics, has lost a bid to get off the state's lobbyist list and be free of special limits on political fund-raising and campaign giving.

The Alaska Public Offices Commission on Wednesday, after two hours of debate, postponed until its December meeting a decision on the request by Allen, who heads the Anchorage construction firm. In effect, that means Allen loses, because the limits on his campaign activities were set to expire in January anyway.

Allen

And Allen will be forced to ride the bench for the 2003 political money season, which is starting to heat up in advance of next year's elections. Democrats and Republicans alike have fund-raisers scheduled in the coming weeks.

Allen has been a well-known presence where Alaska politics is being shaped, from the halls of the state Capitol to Juneau's political watering holes to the recent fund-raiser in Dallas hosted by Vice President Dick Cheney for U.S. Sen. Lisa Murkowski, a fellow Republican.

He and other Veco executives also have been frequent and generous contributors to state political candidates, mostly Republicans. But, since 2002, Allen has been on the state's lobbyist registration list, which means he cannot raise funds for state political campaigns or contribute to legislative candidates from outside

See Page B-4, ALLEN

ALLEN: *Stays on APOC lobbyist list*

Continued from B-1

the boundaries of the West Anchorage House district where he lives.

Allen registered as a lobbyist in January, at the beginning of this year's legislative session. He told the state he would be lobbying on legislation concerning the construction of private prisons in Alaska and would be reimbursed by Veco through his wage of $156.25 an hour. Allen's firm has been involved with the push to get the Legislature to agree to the construction of the state's first private prison in Whittier.

But after this year's session ended, Allen said he had only ended up lobbying for three-and-a-quarter hours. Under rules in effect at the time, a person only qualified as a lobbyist if he or she spent more than four hours in a month engaged in "direct communication" to influence a state lawmaker or other public official.

Allen did not attend Wednesday's APOC hearing or return a call seeking comment. His lawyer, Mary Pate, said Allen never qualified as a lobbyist.

"If the state is going to infringe on someone's constitutional rights, there has to be a compelling reason to do so," she said.

The APOC staff argued that Allen became a lobbyist when he registered as one and that there is nothing in the law or regulations that allows someone to withdraw from the lobbyist list.

The five APOC commissioners were divided over the arguments.

"It's not a simple issue," Commissioner Larry Wood said.

The commissioners directed staff to draw up regulations to cover withdrawing from the lobby list. They will consider those regulations and Allen's case in December.

The state has no good way to police how many hours people spend lobbying and is basically left taking the lobbyist's word for it.

Only time spent in "direct communication" seeking to influence a legislator or other public official — meaning in face-to-face or telephone conversation, or e-mailing — counts as lobbying for purposes of the four-hour limit.

Allen will almost surely not be on the lobbyist list next year, because the Legislature moved the limit up to 40 hours in a month.

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■ Daily News reporter Sean Cockerham can be reached at scockerham@adn.com.

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Veco mogul Bill Allen takes a licking but keeps on politicking

Mike Doogan
Daily News Columnist

(Published: May 15, 2002)

Juneau Bill Allen looked pretty used up as he left Gov. Tony Knowles' offices Saturday night. He had pushed a bill to give a huge tax break to a proposed natural gas pipeline to the House floor at astonishing speed. But it gave away too much, and during an all-day negotiating session around the governor's conference room table the bill sputtered and died.

Even in losing, Allen showed off his political muscle. Few other Alaskans could have moved the bill so far so fast, or forced negotiations between the governor and oil producers. In the 19 years since Allen decided to make his construction company, Veco, a major campaign contributor, he has become the 800-pound gorilla of legislative politics.

"Somebody says in these halls, 'Bill Allen wants this,' " Rep. Eric Croft said Tuesday, "and it gets done."

But not this session.

Allen's two big priorities were the pipeline bill and a bill to build a private prison in Whittier. His interest in the bills is clear: Veco would likely be a major contractor on the gas pipeline, and the company is a partner in the group that hopes to build the prison.

But the pipeline bill died and Tuesday evening the private prison bill was barely breathing. To add insult to injury, the Republican adjournment of the joint session on confirmations killed the appointment of Veco's chief financial officer, Roger Chan, to the state Board of Education. About the only thing the Legislature hasn't done this session is walk over to Allen's house and kick his dog.

To top it all off, the Alaska Public Offices Commission is conducting inquiries into whether Allen, Veco vice president Rick Smith and lawyer Dave Marquez should have registered as lobbyists, according to Tammy Kempton of the agency's Juneau office. Under Alaska law, employees of a company who lobby for more than four hours in any 30-day period are required to register.

To say Allen wasn't lobbying on the bill would be like saying the pope doesn't wear big hats.

"I don't think anybody escaped him," said Rep. Lisa Murkowski, a

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member of the Republican majority. "I think that he hit everybody in our party."

Murkowski, who said she met with Allen twice, described the meetings as cordial, even though she had serious questions about the bill.

"Bill is a gentleman and he treated me kindly and with great respect," she said. Everyone else I talked with echoed those sentiments.

"There was no arm-twisting," said Rep. Jim Whittaker, another Republican who didn't support the bill.

Allen also met with some House Democrats, but not all.

"I told people since he wasn't coming around, we must be part of the Veco-proof majority," quipped House Minority Leader Ethan Berkowitz.

If Allen violated the lobbying law, it won't be the first time he's gotten crosswise with the public offices commission. Veco's initial attempt to move into campaign financing was a payroll deduction plan that the commission ruled illegal. Allen has been fined several times by the commission, and once held the record for the largest fine ever paid.

But that hasn't stopped him. Veco's executives, employees and spouses are still one of the biggest sources of campaign contributions in legislative elections. For instance, Rep. Eldon Mulder, an ardent supporter of both the pipeline and prison bills, received $4,000 from them in 2000 and another $1,500 in 2001. They have also given money to Knowles, and Allen has been one of his key supporters.

In addition to giving money, Allen employs top lobbyists such as Joe Hayes, and reaches the public through the Voice of the Times. So there's every reason to expect him to bounce back from defeat.

Heck, the way things go at the end of the session, he may have done that by the time you read this.

Mike Doogan plans to write daily from the legislative session.

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FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) ANCHORAGE DAILY NEWS Anchorage, AK

Date: 04/04/04
Edition: Sunday

Title: Legislators Continue Their "Dissing" Ways

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

Indexing:

(Mount Clipping in Space Below)

Legislators continue their 'dissing' ways

Top 10 ways in which legislators are "dissing" Alaskans:

10) By reneging on a pledge to focus on fiscal gap issues during the period March 15-31.

The Republican leadership talked Gov. Murkowski out of an ill-advised special session within the regular session, promising to give the same attention to fiscal issues that would have been achieved during a special session.

But as of March 31, nothing proposed by Murkowski's Conference of Alaskans had reached the floor in either chamber. And the only revenue bill moving out of a finance committee would raise only $43 million a year, against an eventual gap of $1 billion.

9) By giving top priority to a revenue bill that would take 6.25 percent of the annual income of a worker making $1,600 and .001 percent of the income of someone earning $100,000.

Saying this is "regressive" is like saying Osama bin Laden is "irritating."

Still to be explained: Why Alaska politicians are right to oppose a progressive income tax, and why the U.S. Congress and 40-some state legislatures are wrong to impose one.

8) By titling said regressive revenue measure "an education tax," given the constitutional prohibition against dedicated funds.

The strategy seems to be that you can get away with most anything if you can wrap it in education. That's why many bills to use Permanent Fund earnings specify that the money would go to schools. But without amending the constitution, as some of the Permanent Fund legislation proposes, there's no guarantee of increased spending on education.

7) By holding 7 a.m. hearings on fiscal issues with lengthy technical discussions that make C-SPAN look like MTV.

House Ways and Means Chair Mike Hawker often notes that he's a certified public accountant, and it's reflected in the soul of his proceedings. Instead of handing off the technical minutiae to a subcommittee and concentrating on the broad, philosophical issues of tax policy, Hawker is intent on enriching espresso and latte vendors whose

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BILL McALLISTER

COMMENT

The strategy seems to be that you can get away with most anything if you can wrap it in education.

customers are fighting to stay awake.

6) By refusing to let go of the Alaska Conference of Mayors resolution expressing "no confidence" in the Legislature to fix the fiscal gap.

Hawker, among others, seldom misses an opportunity to whine about the mayors' temerity to comment on the legislative process. Remarkably, he encouraged municipal league lobbyist Kevin Ritchie to tell the mayors that lawmakers in turn have lost confidence in them. This is the parliamentary equivalent of "Yo mama!"

How about that? Legislators don't have confidence in the mayors, who have shouldered more responsibilities as the result of state budget cuts and still have managed to hold things together — however tenuously — without the deficit spending that state officials have indulged in all but two years since 1990. Thus, insult is added to injury.

5) By proposing to override the decision by Anchorage voters to forgo a runoff election when there is a 45 percent plurality.

The Republican-controlled Senate passed this amendment by Sen. Ben Stevens in what was perceived as a slap at Democratic Mayor Mark Begich, who narrowly achieved the 45-percent threshold in the same election in which the new standard was approved.

Stevens points to low voter turnout as justification for making the change. But if that's the basis for declaring something illegitimate, we could greatly reduce the size of the Legislature.

4) By ignoring statewide election results on a natural gas pipeline, in which the concept of an all-Alaska project developed by a state agency won a greater percentage of the vote than most legislators and Gov. Murkowski.

The proposed appropriations for the Alaska Natural Gas Development Authority are not commensurate with the notion of taking it seriously. Legislators say Alaskans didn't understand what they were voting for.

But to be consistent, one would have to say that voters probably didn't expect Murkowski to veto the longevity bonus, propose taxes or angle for using Permanent Fund money for government. Yet he's still governor.

And the Alaska Natural Gas Development Authority initiative is still law.

3) By chewing out concerned citizens on both style and content grounds.

Sen. Scott Ogan did a fair imitation of Thor while wielding the gavel in his Resources Committee when opponents of coal bed methane exploration got a little unruly. Sen. Ralph Seekins questioned whether the frightened property owners were "disingenuous."

It's hard work doing the people's business when the people actually show up.

2) By describing "chit sheets" as an innocuous tool for greater efficiency in the legislative process.

House Rules Chair Norm Rokeberg expressed surprise during a legislative ethics hearing that anyone would be concerned about the circulation of a piece of paper on which lawmakers check off "yes" or "no" in regard to pending legislation. To say that such activity amounts to secret voting would be like, well, like saying that closed caucuses shut out the public.

1) By continuing to hold closed caucuses even after the widespread denunciation of the practice.

■ Bill McAllister's 2-year-old daughter is learning to count to 10, but he doesn't think she'll be able to count to even 11 and 21 on fiscal issues.

[redacted] refers to this article when speaking with [redacted] 4/4/04

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FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) A-1 Anchorage Daily News Anchorage, AK

(Mount Clipping in Space Below)

Date: 04/13/2004
Edition: Tuesday

Title: Documents Show Valley Maneuvering

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

Indexing:

Documents show Valley maneuvering

COAL BED METHANE: Ruedrich backed drilling, assuaged residents.

By RICHARD MAUER
Anchorage Daily News

At a public meeting at Big Lake on Sept. 9 of last year, several state and local officials told edgy residents that there was little the officials could do under the law to regulate the new coal bed methane industry that had suddenly arrived in the Matanuska-Susitna Borough.

Not Randy Ruedrich. One of three members of the state's Oil and Gas Conservation Commission, Ruedrich confidently assured the crowd that he and his agency had their interests at heart and would protect their drinking water and streams from contamination.

But even as he was making his pledge, he was quietly attempting to skew the results of a newspaper poll to favor development, and he had leaked a confidential memo written by a state lawyer to the lobbyist for the coal-bed methane developer, Evergreen Resources.

Ruedrich, appointed to the commission by Gov. Frank Murkowski on Feb. 19, 2003, was publicly named Monday in an ethics complaint brought by the Attorney General's office. Ruedrich, while acknowledging some of the facts in the state's case were correct, denied they constituted a violation of law. He resigned under pressure from his $118,000 job on Nov. 7.

Most of the allegations contend that Ruedrich, state chairman of the Republican Party, conducted partisan political business out of his state office. But one of the most serious charges, improper disclosure of confidential information, involves the document that Ruedrich forwarded to Anchorage attorney Kyle Parker, a lobbyist for Evergreen.

According to a copy of an e-mail seized from Ruedrich's work computer, Ruedrich and the two other commissioners received a six-page analysis of a Superior Court decision in a case brought by the environmental organization Greenpeace. The analysis was written by the commission's lawyer, assistant attorney general Rob Mintz, on Aug. 14, 2003.

In his e-mail, Mintz said his opinion was too long to include in the body of the message, so he was attaching it as a "confidential" document.

A week later, Ruedrich forwarded the document, calling it a "Mintzism," to Parker at his law office.

The e-mails were among hundreds of pages of documents provided to reporters by Ruedrich's lawyer when Ruedrich decided to waive his right to confidentiality. Mintz' analysis, however, is still considered confidential by the state and was not part of the record. At the demand of state attorneys, Ruedrich's lawyer blacked out some words in Ruedrich's message that could help identify the nature of the analysis.

In addition to the word "confidential" that Mintz used in the e-mail message, the analysis itself was marked in boldface, "Privileged and Confidential Attorney Client Communication," according to the state's complaint.

In an interview, Ruedrich admitted sending the document to Parker, but said it was a mistake.

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"I never, ever noticed it was a confidential memo in any way, shape or form," he said.

Ruedrich, however, acknowledged that he is experienced in protecting secrets. "We have a lot of confidential material in the oil business," where he has worked since 1969, he said.

Parker said he doesn't remember Mintz' document. But at the time, he said, he was working with Ruedrich on drafting regulations governing coal bed methane development on behalf of Evergreen.

Mintz declined to comment Monday.

Melanie Duchin, Greenpeace's Alaska representative, said the analysis probably related to the group's appeal of drilling permits issued by the commission. The permits at issue were on the North Slope, she said, but the issues were directly applicable to coal bed methane, where operators might seek permits to drill near homes or schools. Greenpeace said the commission routinely issues permits without public notice or proper hearing, and it was trying to open up the process to the public.

"You get denied left and right," Duchin said. "The fact that this information can be passed to industry and the public can't get it, that's a smack in the face."

With the issue of coal bed methane roaring in the Valley last fall, the Frontiersman newspaper's Web site conducted an on-line poll seeking readers' opinions on this question: Do the benefits of drilling for coal bed methane in Mat-Su outweigh the risks?

On Sept. 15, three weeks after he leaked the Mintz document and six days after he gave assurances to the Big Lake crowd, Ruedrich sent an e-mail to state Republican Party headquarters. "Support coal bed methane development. Vote yes in this newspaper poll," Ruedrich wrote, providing the address for the Frontiersman Web site.

He then forwarded that e-mail, with his comments, to seven professional employees of the commission, directing them: "Voice your opinion on this timely topic."

Both e-mails became the subject of another charge in the ethics complaint. "You supervised these partially exempt employees and participated in preparing their performance evaluations," the charges said, casting his political activities in an incompatible role as a state supervisor.

And by sending the message to Republican Party members, he created a conflict of interest between his role as party official and as commissioner.

In the interview, Reudrich didn't deny sending the messages, but said that the employees could vote as they chose, not as he suggested. And there was nothing wrong with advocating development because, he said, it was safe.

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FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) A-1 Anchorage Daily News Anchorage, AK

(Mount Clipping in Space Below)

Date: 04/13/2004
Edition: Tuesday

Title: Ruedrich Faces Ethics Complaint

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

Indexing:

Ruedrich faces ethics complaint

CHARGES: GOP chairman accused of doing party business out of his public office.

By SEAN COCKERHAM and RICHARD MAUER
Anchorage Daily News

Six weeks after secretly accusing state Republican Party chairman Randy Ruedrich of violating state ethics laws for conducting party activities out of his state oil and gas commission office, the state's charges, his defense and hundreds of pages of supporting documents burst into public view Monday.

The 16-page complaint, dated Feb. 27 and released simultaneously by the attorney general's office in Juneau and by Ruedrich's attorney in Anchorage, accused Ruedrich of using his state office to do partisan work, such as plotting GOP political strategy and setting up party fund-raisers. He was also accused of leaking a sensitive state legal document to an oil lobbyist and of pressuring employees he supervised into expressing support for development of coal bed methane in the Mat-Su Borough.

The four-month investigation, confidential under state law, began Nov. 4, 2003, three days before Ruedrich resigned under pressure from his $118,000-a-year state job with the Alaska Oil and Gas Conservation Commission. The agency regulates drilling and is charged with prolonging the life of oil field production. Ruedrich, in the oil drilling business for more than 30 years, has been the volunteer chairman of the Alaska Republican Party since 2000.

In an interview with reporters in Anchorage, Ruedrich acknowledged that many of the facts in the complaint were true but argued the state interpreted them incorrectly. He denied engaging in partisan activity at the office, saying that the political work he did involved state policies and suggesting people for patronage jobs.

Ruedrich filed his formal response to the

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Continued from A-1

civil allegations Monday. Now the state will weigh it and decide whether to pursue the case further, which could mean a settlement with Ruedrich or a formal ethics hearing.

"We think that, if the activity is what it appears to be, then it is a violation of the ethics act," said Barbara Ritchie, the state lawyer in charge of the case.

The complaint includes three broad alleged violations of state ethics law, all focusing on charges that Ruedrich did extensive partisan business on government time when he was with the oil and gas commission. Ruedrich faces a maximum $5,000 fine for each violation. No criminal charges are likely to be filed, Ritchie said.

Ruedrich's attorney, Eric Sanders, said in response that there is no evidence that Ruedrich was engaging in partisan political activity on the job.

"We see no reason to proceed with the complaint," Sanders wrote.

Ruedrich did admit that he made a mistake in e-mailing a confidential attorney general's opinion to an oil company lobbyist. But his response to the state called it an "isolated mistake."

Ethics investigations are supposed to be secret, so for months the state would not acknowledge it was investigating Ruedrich, much less release the alleged evidence against him.

But recent events were bringing the matter to a head. The Daily News, KTUU-Channel 2 in Anchorage and The Associated Press sued the state to release Ruedrich's e-mail records under state public records laws.

Sarah Palin, the commission chairwoman who brought the allegations and then resigned, was chafing under restrictions that prevented her from speaking, leading to speculation over why she quit, and she was threatening to go public to clear the air.

Ruedrich finally waived his right to confidentiality, saying that if Alaskans knew the facts, they would realize how weak the case was.

"When I first heard the allegations being made, I had no idea what people were talking about," Ruedrich told reporters at his attorney's office in Anchorage. "Then when I looked at this," he said, referring to the complaint, "I could verify that my recollections of what had been done were correct, that there weren't hundreds of e-mails, there weren't tens of e-mails, and it was very much mischaracterized. So making the material public, I think, is the only way to resolve the issue, so people can see it's been hugely overstated, misrepresented and we'll respond to it to wrap it up to the best of our ability."

He also said he wanted to make it clear that the attorney general's office isn't ignoring the matter for political reasons. Ruedrich and Attorney General Gregg Renkes worked together on Republican Gov. Frank Murkowski's 2002 campaign.

Murkowski named Renkes attorney general and appointed Ruedrich, who has a background as a petroleum engineer, to be one of the three members of the Alaska Oil and Gas Conservation Commission.

Ritchie, who heads the attorney general's ethics division, said Renkes has not been involved in the investigation in order to avoid conflict-of-interest questions.

Ritchie said the state started the investigation against Ruedrich in November because of complaints against him from Palin.

The state complaint cites dozens of examples of potential ethics act violations. It said investigators found numerous e-mails on Ruedrich's state computer dealing with partisan activities, often involving polls. One featured questions meant to gauge the approval ratings of U.S. Sen. Lisa Murkowski and Gov. Murkowski.

The complaint also cites interviews with commission staff members, who said that Ruedrich pored over poll results during work hours and often dealt with Republican Party business on his cell phone while on the job.

"You were overheard discussing Republican Party business on these calls, mentioning people who should run for office and individuals you felt were 'real Republicans' and those you felt were Republican in name only. You were also heard to discuss party fund-raising activities and who should be invited to them," the complaint said.

State investigators subpoenaed and analyzed Ruedrich's cell phone records between February and September and found that during work hours he made 63 telephone calls to party vice chairwoman Paulette Simpson and 48 calls to Republican party staffer Dave Moreno.

Ruedrich responded that the cell phone calls were "infrequent and quite brief."

"I believe the cell phone records show that during the period I was a commissioner, I spent a very small fraction of my day on Republican Party activities," Ruedrich said in his response to the state's complaint.

He said he was involved in all the polls for public policy reasons, such as oil and gas taxation issues, and not for partisan politics.

"It is completely appropriate for a government official to engage in activities which relate to public policy, even if it benefits (or harms) some candidate or political party," Ruedrich's response said.

The state also pointed to a memo found on Ruedrich's state computer pondering whether former Murkowski aide Tara Sweeney should run for the state Senate and who the governor should appoint to replace outgoing state Sen. Robin Taylor, R-Wrangell, who left for a state job. Ruedrich responded that he started to draft the memo on his lunch hour to Murkowski's Chief of Staff Jim Clark, but stopped when he realized that it could be considered to be partisan.

When Gov. Murkowski appointed Ruedrich to the commission last Feburary, Ruedrich said he would do party business only on his own time and would stick to federal rather than state issues.

But documents released Monday show that Ruedrich e-mailed Clark — during the workday and using his state e-mail account — about a political poll that the two were working on together and to lobby for two "loyal" Republicans to be given state jobs.

Clark also sent an e-mail from his governor's office e-mail account to Ruedrich's state account regarding a request from national Republicans to get more rural Alaska contributions for President Bush's re-election bid. The Bush campaign wanted contributions from every "county" in America.

"Randy, how do you want to handle this?" Clark wrote in the e-mail, which he also sent to Ruedrich's private e-mail account.

Clark didn't return a phone call Monday. Murkowski spokesman John Manly said Clark is referring all questions to the attorney general's office. State lawyer Ritchie said no investigation is planned into whether Clark improperly used his state office for partisan work. A handful of e-mails wouldn't be enough to prove that, she said.

Clark was not the only Murkowski official to send a political e-mail to Ruedrich's e-mail account at the oil and gas conservation commission. Kevin Jardell, an assistant deputy commissioner at the Department of Administration, wanted Ruedrich to offer suggestions on a campaign finance bill that Jardell was working on.

Ruedrich also sent Jardell an e-mail asking him to call that evening about "mayor's races."

Jardell, who was Ruedrich's ethics supervisor, didn't return a call Monday.

THE ACCUSATIONS

A complaint, based on a preliminary investigation by the Department of Law, alleges that Alaska Republican Party chairman Randy Ruedrich violated state ethics laws in dozens of instances while he worked last year as a commissioner on the state Oil and Gas Conservation Commission. The allegations covered three legal areas:

- **Misuse of official position**
Ruedrich allegedly conducted partisan political activities while on his state job. The examples include receiving political e-mails from his home and from others on his state office computer, leaving political documents in the recycling box of his state office, and, while using his cell phone while on his state job, "discussing Republican Party business."
- **Political activities incompatible with role as state employee and supervisor**
Includes urging commission employees to "support coal bed methane development" by participating in an online poll by the Frontiersman newspaper.
- **Improper disclosure of confidential information**
Ruedrich forwarded a confidential legal memo from a state attorney to a private attorney who lobbies for Evergreen Resources on coal bed methane development in Alaska.

THE RESPONSE

In a point-by-point refutation, Ruedrich takes issue with most allegations. While acknowledging that many of the facts in the charges are correct, he says some of the state's interpretations of them were wrong. He said his on-the-job political activities were not partisan but were related to state policy development and in any case occupied a minuscule amount of work time, which he more than made up for. He says he wasn't aware the legal memo was confidential.

WHAT'S NEXT

Alaska Department of Law will determine if there's probable cause to continue the investigation. If so, the department can file formal accusations to be heard by a personnel board, with Ruedrich facing fines of up to $5,000 for each violation.

JIM LAVRAKAS / Anchorage Daily News

Ruedrich said Monday that he wanted to make the information public "so people can see it's been hugely overstated, misrepresented and we'll respond to it to wrap it up to the best of our ability."

Republican Party of Alaska chairman Randy Ruedrich answers questions Monday concerning ethics complaints. His attorney Eric Sanders listens at left.

JIM LAVRAKAS / Anchorage Daily News

FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) ADN.COM Anchorage Daily News Anchorage, AK

(Mount Clipping in Space Below)

Date: 04/24/2004
Edition: Saturday

Title: Ruedrich's Ethics Response Riles Critics

Character:
or
Classification: 194A-AN-13620
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SEE ATTACHMENT

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Anchorage Daily News

Ruedrich's ethics response riles critics

By MIKE CHAMBERS, Associated Press Writer

(Published: April 24, 2004)

JUNEAU (AP) - Republican Party Chairman Randy Ruedrich's lengthy response to allegations that he did political work on the job as an appointed state oil and gas commissioner has enlivened critics and even a few allies.

Republicans embarrassed by the scandal are calling for him to step down from his party post, while Democrats are insisting a special prosecutor be brought in to investigate the ethical complaint against him.

Sen. Hollis French, D-Anchorage, is an attorney who has been the most outspoken about the need for the state Department of Law to hand over the case to an independent investigator.

French has pored over the thick stack of documents that state lawyers are using to make their case, and he's studied Ruedrich's near point-by-point denial.

He characterized the explanations as "at the very edge of believability."

"In court you call that the straight-face test. Can you say it to a judge with a straight face?" French said. "I don't think it passes the straight-face test."

Ruedrich resigned in November from the Alaska Oil and Gas Conservation Commission - an $118,000 per-year post to which he was appointed by Republican Gov. Frank Murkowski - amid allegations he violated the state Ethics Act.

Three days earlier, the state attorney general's office had started investigating allegations he was performing GOP party work on the job.

Reams of papers on apparently political subjects turned up along with e-mail and documents on his state computer. Telephone records showed him making calls to Republican party activists and a political polling service during work hours.

Former oil and gas commissioner Sarah Palin, who brought the allegations forward, also told investigators she saw Ruedrich using his office phone and printer for party business.

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But Ruedrich's explanation, contained in a 12-page letter to assistant attorney general Paul Lyle, rebutted nearly every one of the allegations.

Democratic lawmakers doubt that the issue will be fairly examined as long as the attorney general's office in a GOP administration is overseeing the case. Still, some have been impressed by the shear weight of the evidence gathered against Ruedrich - a stack of papers about three inches thick.

"They piled enough grains of sand to make a pretty good pile," said French. "You might dispute any one of these grains of sand, but when you look at them you see he's got a pile problem."

Investigators found numerous papers in a "recycle box" in Ruedrich's office with AOGCC matters printed on one side and GOP business printed on the other.

In one case, Ruedrich had given to Palin a draft of his ethics disclosure form, stating that he directs federal activities for the Republican Party. On the back of the sheet of paper was something entitled "The Wonderful World of Reapportionment," listing Anchorage legislative districts and party workers there.

In his response to investigators, Ruedrich dismissed the party information as old material from 2002.

"I frequently resupplied my office paper stack with paper that had been used on one side at my home," Ruedrich explained.

Numerous other e-mails sent from his home to his state computer were explained as either mistakes or information he did not look at until after work.

A message drafted to Murkowski's chief of staff, Jim Clark, said: "Tara should not run for the Senate" and also listed three Republicans to replace Wrangell state Sen. Robin Taylor, who gave up his seat to take a job with Murkowski.

Ruedrich had told lawmakers during confirmation hearings that his Republican Party duties would be limited to federal issues.

In his response to investigators, Ruedrich said he began the memo to Clark during his lunch hour but realized it was a partisan document and quit writing.

In e-mail backup tapes kept by the state, investigators found a Bush/Cheney campaign Web site that Ruedrich said was linked to an article about oil drilling in Iraq.

Investigators don't have any evidence that Ruedrich sent GOP-related e-mail from his work computer during work hours, said his lawyer, Eric Sanders.

"What is the significance of a big stack of documents that don't prove anything?" Sanders said.

And he dismissed the volume of paper, thick as an Anchorage phone book, as mostly "stupid polls."

"When you back out that stuff and say, 'How much time did it take Randy Ruedrich to do whatever it is they have in that evidentiary package?' He could have done everything there in less than four hours," Sanders said.

The investigation looked at records from Feb. 19, when Ruedrich began at the AGOCC, to his resignation on Nov. 7.

Ruedrich admitted to the most serious allegation - that he leaked a confidential attorney general's memo to an oil lobbyist - saying it was an isolated mistake.

He was working with lobbyist Kyle Parker on an oil and gas issue and did not see the words "confidential" in the attorney's e-mail nor within the document, Ruedrich said.

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"He picks and chooses his places to make a defense very carefully," French said.

Republicans are divided over whether Ruedrich should step down as party chairman, said former state Republican Party chairman Tuckerman Babcock, who is a central committee member.

"Randy has done a great deal of good for the party in the past," Babcock said.

Babcock said the ethics investigation could harm the party - U.S. Sen. Lisa Murkowski faces a challenge both in the GOP primary and from former Democratic Gov. Tony Knowles - but all the facts have yet to come out.

"I really just want to convey to Randy he should make the best call for the party," said Babcock. "If he really believes what has been brought up is insignificant, he should stay. If not, he should go."

GOP state Vice Chairwoman Paulette Simpson, whose e-mails to Ruedrich's state computer were a part of the investigation, said the ethics probe proves nothing and the party chairman should remain.

But Wev Shea, a Republican party activist and former U.S. attorney in Alaska, thinks differently.

"Randy crossed the line. He still doesn't realize it and apparently Tuckerman Babcock and Paulette Simpson don't realize it," Shea said.

"The most important thing is the integrity of our political system. These folks are putting individuals and the party above the integrity of our political system," Shea said.

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FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) E-3 Anchorage Daily News Anchorage, AK

(Mount Clipping in Space Below)

Date: 04/25/2004
Edition: Sunday

Title: Ruedrich's Shady Moves Aren't Those of a Real Republican

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

Indexing:

Ruedrich's shady moves aren't those of a real Republican

On Jan. 16, 2002, the Alaska Legislature voted to override the veto of a bill that weakened campaign finance reforms. Shortly after the floor vote, an e-mail arrived in my in-box implying that my failure to be a team player meant I wasn't a real Republican. "Congratulate your Republican legislators for overriding the governor's veto on an important fund-raising bill. Every Republican voted for the override except Andrew Halcro who sided with the Democratic governor."

Two years later the sender of that e-mail finds himself accused of extensive ethics violations.

Republican Party chairman Randy Ruedrich faces allegations he illegally used state resources to conduct partisan politics while on state time. Ruedrich is accused of running party politics from his $118,000-a-year state position at the Alaska Oil & Gas Conservation Commission. Even more disturbing, he's accused of disclosing confidential commission information to a political donor and industry lobbyist. These allegations are based on hundreds of supporting documents found on his state computer and subpoenaed cell phone records. Fellow employees at the commission have also verified that Ruedrich openly conducted party business on state time.

In February of 2003, during Ruedrich's confirmation, Democrats questioned the governor's appointment and warned of impending conflicts. A year later, Ruedrich's apparent ethics meltdown has cast Rep. Ethan Berkowitz as a soothsayer. Starting in July, senior Murkowski administration officials began ignoring repeated complaints that ethics laws were being broken. During one meeting, Ruedrich was instructed to simply put his cell phone on mute during the business day.

Investigation documents show e-mails between Ruedrich and Murkowski chief of staff Jim Clark discussing polling strategies and fund-raising activities. In one e-mail they discuss polling questions regarding Democratic politicians. In another they discuss "Alaska Contributors to the Bush-Cheney" campaign. Another e-mail shows a Murkowski official asking for input to proposed campaign finance changes. The bill was OK'd by the governor and brazenly doubled campaign donations that special interests could give to political parties and candidates.

However, the most alarming allegation surrounds the release of highly confidential information regarding the most contentious development proposal in recent years — coal bed methane.

On Aug. 14, 2003, AOGCC commissioners received a legal analysis from assistant attorney general Bob Mintz marked in boldface type "Privileged and Confidential Attorney Client Communication." One week later, Ruedrich forwarded the confidential analysis to a coal bed methane industry lobbyist soliciting his desired changes prior to an upcoming hearing. "I need your best efforts ... as soon as possible," he pleaded.

Sadly, while many Mat-Su and Homer residents were fighting for their private property rights, the public official tasked with protecting those rights was secretly providing confidential information to an industry lobbyist while requesting policy advice. Ruedrich's response was he failed to notice the material was marked confidential. Curiously, he failed to explain why his e-mail message solicited input from an industry lobbyist, when his quasi-judicial responsibility as a commissioner required him to create policy independently and objectively.

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The most intriguing violation came from phone conversations overheard by AOGCC staff during business hours. Reportedly, Ruedrich was heard lecturing about "real Republicans" and those he felt were "Republican in name only." However, judging from personal history, I'm not sure if he'd recognize a real Republican if one showed up in his in-box. According to party principles, real Republicans respect the law, respect personal property rights and endeavor for government based on honesty and integrity.

Ironically, if the alleged ethics violations are proven true, Randy Ruedrich — famous for defining real Republicans — will fail to meet the party's own definition of a real Republican.

FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) B-2 Anchorage Daily News Anchorage, AK

(Mount Clipping in Space Below)

Date: 04/25/2004
Edition: Sunday

Title: Alaska Ear.....Absent Parties.....

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

Indexing:

ABSENT PARTIES . . . You all know about VG (virtual governor) Jim Clark's little dinner with the House folks Tuesday, the one about getting the House to give Gov. Frank access to the Permanent Fund. What you may not have heard is that Clark did sort of a paid political announcement in the middle of the meal, offering thanks to a group of lobbyists whom he, or someone, lined up ahead of time to pay for the event.

Is Ear the only lobe who finds this bizarre? Is it even legal?

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194A-AN-13620-M-9

FD-350 (Rev. 5-8-81)

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UNSUNG GEMS ... Is the Randy Ruedrich story still hot? Ear hasn't seen the following excerpt from a May 1, 2003, Randy e-mail quoted anywhere. It's the one that describes former Assemblyman Bob Bell as deserving "his place astride the trash heap of Anchorage political history." The attorney general's complaint doesn't make clear if Randy actually wrote this. The "document" is attributed to Art Hackney.

(Indicate page, name of newspaper, city and state.) B-2 Anchorage Daily News Anchorage, AK

Date: 04/25/2004
Edition: Sunday

Title: Alaska Ear.....Unsung Gems.....

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or
Classification: 194A-AN-13620
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FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) 7 The Press Anchorage, AK.

(Mount Clipping in Space Below)

Date: April 22-28, 2004
Edition: Weekly Edition

Title: Feeling Randy: The Ruedrich Files Offer Hours of Family Fun

Character:
or
Classification: 194A-AN-13620 -6-
Submitting Office: Anchorage

Indexing:

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SERIALIZED ____ FILED ____

MAY 03 2004

FBI - ANCHORAGE

194A-AN-13620-M-11

Feeling Randy: The Ruedrich files offer hours of family fun

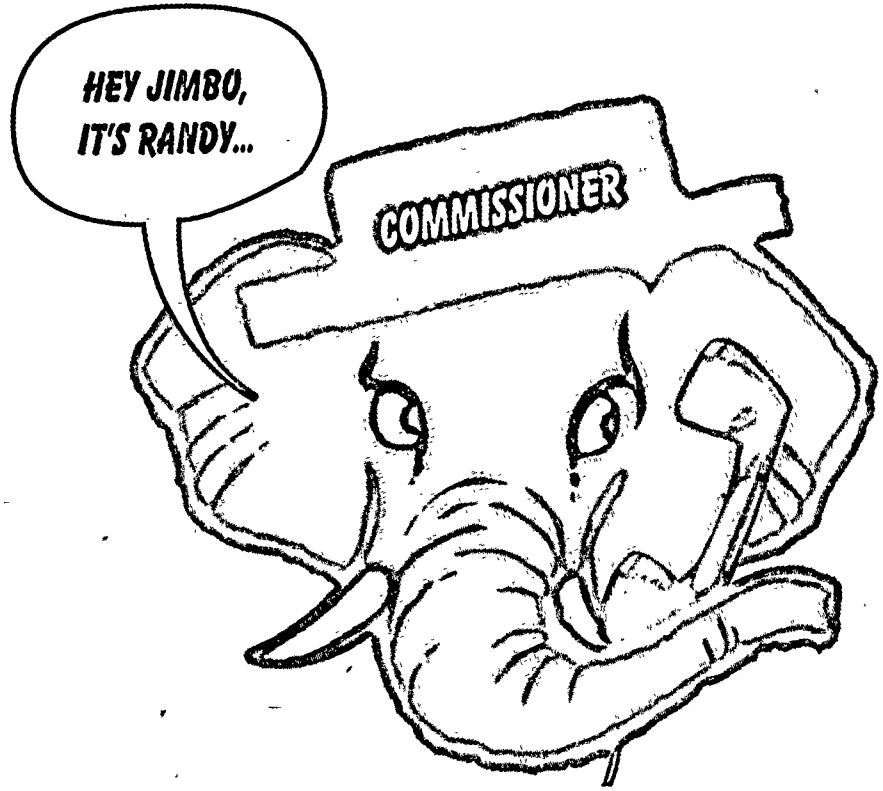
If the plight of Randy Ruedrich, chairman of the Republican Party of Alaska, has an upside, it's the release of reams of documents that offer a glimpse into the care and feeding of the state's most powerful party. Which Democrats' jobs were in jeopardy? Who gets appointed to replace departing lawmakers? It all crosses Ruedrich's desk.

In February, the state Attorney General's office filed a complaint against Ruedrich, accusing him of violating ethics laws by blending his Republican Party duties with his former job on the Alaska Oil and Gas Conservation Commission (AOGCC). Investigators pored over Ruedrich's email at work and sifted through his stack of recycled paper, where they found plenty of pages with commission business on one side and Republican Party business on the other. That's a problem because ethics rules forbid using state computers and facilities for partisan politics.

Ruedrich also stands accused of using AOGCC computers for Republican Party matters, sitting in on party conference calls while at work, leaking confidential information to a natural gas company, and encouraging state workers to vote in a newspaper poll supporting the controversial Mat-Valley coal bed methane development. (In the poll, which ran in The Frontiersman, Ruedrich wrote that state employees should "voice their opinion on this timely topic.")

Ruedrich denies all but one of the charges. He waived his right to keep the details of the investigation secret, saying his emails and other papers prove he did not intend to violate ethics rules.

Flashlight cracked open a Diet Coke and tackled the five pounds of documents produced by the state investigation. Several hours of reading poll results and private emails yielded a few interesting gems. Here are three examples:



• One page, titled "October Poll Analysis," interprets the results of a 2003 poll of registered voters. In the poll, potential voters are asked about issues ranging from Governor Murkowski's performance to cruise ship passenger taxes to whether they trust the Anchorage Daily News. The governor rated poorly with voters at the time.

The Republicans' analysis notes Murkowski's negative poll numbers and says, "Governor Davis had similar numbers recently." The Davis in question, of course, is California's Gray Davis, whom the state recalled in favor of Arnold Schwarzenegger.

"Trust and openness are our biggest problems," the poll analysis says. "The administration has not engaged Alaskans. The print and electronic media are silent on the good works. There is never a second story on anything good."

• Between September and November 2003, according to the state Attorney General, Ruedrich received an email from Republican Party vice chair Paulette Simpson at his personal account. He forwarded the email to his AOGCC account. It concerned a Tony Knowles fundraiser planned for the next week.

From: Paulette Simpson
Sent: Thursday, September 04, 2003 6:53 AM
To: randy ruedrich
Subject: [Fwd: FW: You are Invited to a Tony Knowles Fundraiser]

I am pretty sure that Nancy Barnes and David Rogers are still employed.

The Attorney General's complaint against Ruedrich notes that the Barnes and Rogers mentioned above were listed as organizers for the Knowles fundraiser, and that when Simpson wrote "still employed," investigators presumed she meant still employed by the state. Ruedrich has told the state that he forwarded the email to his work account before

business hours, and "thereafter ignored it."

• Another document — saved on Ruedrich's work computer on July 3, 2003 — is a memo to Murkowski chief of staff Jim Clark. Among other things, it appears to address the question of who should step in for state Senator Robin Taylor. (Taylor was being appointed to a new job as special assistant to the Southeast transportation director.) Ruedrich has told the Attorney General's office that he began writing this memo on his lunch break at work, then stopped when he realized it could be viewed as partisan.

Jim

Tara should not run for the Senate — numbers are not there — She should consider all out effort if Reggie leaves house seat.

2) List for Taylor replacement based on my read and history of process:

Rep. Peggy Wilson
Rep. William Williams
Dep. Com. Ray Matiashowski

With Ray becoming new senator — this based on assumption that Bill wants to stay in house.

What is job description for 3rd floor energy guy

Flashlight wonders if the "Tara" mentioned in the memo is Tara Sweeney, whom Murkowski appointed in 2003 to be a special assistant on rural issues. We also wonder, what *is* the job description for the 3rd floor energy guy? (As for Taylor's job, the governor went in another direction than Ruedrich recommended in his email. Bert Stedman, of Sitka, got the job last November.)

If found at fault, Ruedrich faces up to a $5,000 fine for each of four ethics violations, said Barbara Ritchie of the Attorney General's office. Ruedrich couldn't be reached for comment; Paulette Simpson, the Republican Party vice chair, said he was traveling in China. Asked if he was traveling on business or vacationing, Simpson said, "neither."

A former general manager for Doyon Drilling, Ruedrich became active in the state Republican Party in the late 1990s. He became chairman of the Republican Party of Alaska in 2000. Democrats criticized his appointment to the Alaska Oil and Gas Conservation Commission, questioning whether he could keep his state job separate from his party responsibilities.

Ruedrich said he'd pursue politics on his own time, which he apparently clarified in a draft ethics disclosure form. On the back of the form, however, is a flier for a 2002 Anchorage Republican fundraising dinner. Ruedrich claims an environmental defense — he says he typically recycled old papers at work.

Sara Palin, who had served on the commission with Ruedrich, turned over the form to the state investigation. She called for Ruedrich to leave office last year. He resigned last November, days after the Attorney General began its investigation. A day before he quit, according to the Juneau Empire, Ruedrich sent a proposal to Jim Clark, Murkowski's chief of staff, calling for the governor to eliminate all three AOGCC commissioner posts, apparently to save the state hundreds of thousands of dollars a year.

The AOGCC helps regulate the oil industry, including to make sure oil wells are safe and keep pumping oil (that is, pumping cash into the state's coffers). The commission's offices in Anchorage are in a nondescript, single-story building on West 7th Avenue. It's cool inside, with the soothing mechanical hum of something that could be a fridge because it's still too cold for air conditioning. The state seal hangs on a wall, flanked by pictures of Governor Murkowski and his sidekick, Lieutenant Governor Loren Leman. Flashlight unsuccessfully tried to get a tour of Ruedrich's old office, which is now locked.

Randy Ruedrich said he'd pursue politics on his own time, which he apparently clarified in a draft ethics disclosure form. On the back of the form, however, is a flier for a 2002 Anchorage Republican fundraising dinner. Ruedrich claims an environmental defense — he says he typically recycled old papers at work.

The investigation of the state's GOP chair has Democrats salivating. Still, while Ruedrich admitted to breaching the ethics rules (by forwarding a confidential document to a natural gas company), Ruedrich's lawyer wrote that it was a one-time slipup. Documents obtained by investigators never show Ruedrich sending partisan emails from work, his lawyer writes.

Governor Murkowski recently told the Anchorage Daily News he's disappointed in Ruedrich's alleged breach of ethics rules. But some of Ruedrich's peers in the Republican Party are taking a wait-and-see approach. After all, Ruedrich is slated to serve as the Republican Party's chair until 2006.

"Obviously we're not passing judgement until the whole thing is over with," said Paulette Simpson of the Republicans. "That the Democrats and the press are doing it is certainly not surprising, considering how much they fear Randy."

—Kyle Hopkins

Bedlam in Anchorage

As the workday closed Monday, employees of the Hilton Anchorage waited outside, guarding king- and double-size, shiny Serta mattresses, among hundreds of mattresses the downtown hotel is replacing this month.

Flashlight found ourselves outside the Hilton — Flashlight has yet to find ourselves inside a Hilton — after our fiancée called to encourage our hustling over there to pick up a "free" mattress for our empty love nest. No such luck, at least for Flashlight, but about 120 Hilton employees will take home the custom Hilton mattresses; a few went to charity, too.

Earlier this year, employees also got free, 20-inch television sets, if they wanted, said Kevin Batters, the hotel's general manager. The worker windfall comes as Hilton upgrades mattresses and linens and installs larger televisions, he said. With 605 rooms, that's a lot of free TVs and mattresses.

Flashlight has never been one to turn down free furniture, provided the furniture is free of spider egg sacs and crack vials. But Batters said it would have been chaos if he'd opened the giveaway to the public. So we left empty-handed, taking solace that, at least, we knew where our small bed at home has been, and who has been in it.

— Kyle Hopkins

FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) A-1 Anchorage Daily News Anchorage, AK

(Mount Clipping in Space Below)

Date: 05/07/2004
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Title: RUEDRICH VIOLATED ETHICS LAW, STATE CLAIMS

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Ruedrich violated ethics law, state claims

■ **LETTER:** GOP chairman mixed politics with state job, attorney general says.

By SEAN COCKERHAM
Anchorage Daily News

JUNEAU — The Alaska attorney general's office has rejected Republican Party boss Randy Ruedrich's claims of innocence and found probable cause that he knowingly violated state ethics law by mixing political work with his state job last year.

In perhaps the most serious charge, the state rejected Ruedrich's downplaying as "an isolated mistake" his leaking of a confidential state legal document to a lobbyist for Evergreen Resources, a company pushing coal bed methane development in the Matanuska-Susitna area.

> *"The disclosure of this document ... constitutes a serious breach of public trust and an egregious violation of the ethics act."*
> — Letter from attorney general's office

"The disclosure of this document ... constitutes a serious breach of public trust and an egregious violation of the ethics act," said a letter the attorney general's office sent this week to Ruedrich's lawyer, Eric Sanders.

Gov. Frank Murkowski appointed Ruedrich, the chairman of his political party, last spring to an $118,000-a-year job with the Alaska Oil and Gas Conservation Commission. Ruedrich, who has a background in the petroleum industry, assured lawmakers that he wouldn't mix state work with his activities on behalf of the party. Amid complaints he was doing just that, the state launched an ethics investigation and Ruedrich resigned the job in November.

Ruedrich's leak to Evergreen has called into question the objectivity of the Alaska Oil and Gas Conservation Commission and could compromise

See Back Page, RUEDRICH

Randy Ruedrich called a leak of confidential legal information to a lobbyist for Everygreen Resources, "an isolated mistake."

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RUEDRICH: *Ethics issue*

Continued from A-1

the state's position in litigation and waste thousands of dollars in state legal fees in what may very well be a losing effort to prevent complete public disclosure of that document, said the letter, written by senior assistant attorney general Paul Lyle.

The attorney general's office also charges that Ruedrich illegally used his state office to do party work, like plot political strategy and plan fund-raisers.

Ruedrich didn't return messages left on his cell and home phones early Wednesday evening. Sanders, his lawyer, said he has been out of the office and has not received the state's letter declaring probable cause for the charges. The state sent the letter to him on Monday.

"I really have to look at the complaint before I can really comment on it," he said.

The letter from the attorney general's office said the evidence indicates that Ruedrich committed four broad violations of the state ethics act. Each violation carries a maximum penalty of $5,000, the state's lawyers said.

Ruedrich remains chair of the state Republican Party, an unpaid position, and has been doing consulting work in the oil business. Some Republicans have called on him to resign as party leader, while others have firmly defended him. His status is likely to be debated at the state Republican convention in Soldotna in two weeks.

The state's lawyers are now offering to meet with Ruedrich and Sanders to talk about a possible settlement of the case, including how much the penalties should be. If that doesn't work out, the matter would go to a formal ethics hearing.

Ruedrich has contested most of the allegations, saying his political activities on the job at the state oil and gas commission were minuscule and didn't violate the state's ethics law.

The state's letter said that Ruedrich's legal justifications for his actions are based on a "misinterpretation of the ethics act." The state also took issue with a lot of Ruedrich's explanations for his actions, saying that many of them were unbelievable.

For example, Ruedrich said his Republican Party activities took up little of his time at the state job. But the state's lawyers said that didn't add up.

Investigators found numerous party-related e-mail messages that Ruedrich sent from home to work. In his explanation, Ruedrich said he ignored them at the office. That brought this reply from the state:

"Mr. Ruedrich provides no explanation for why he would have purposely e-mailed partisan political material to his AOGCC e-mail account for the purpose of ignoring it."

In fact, the state's letter said, witnesses reported "Mr. Ruedrich frequently studied polls at the office and conducted party business both on the state telephone and his cellular telephone during the business day."

The state said it found evidence that Ruedrich made 100 calls to party vice chairwoman Paulette Simpson and 60 to party staffer Dave Moreno. Ruedrich has said that the calls were brief and generally took place when he was out of the office, like driving to lunch.

Regardless of Ruedrich's assertions that he spent little time on partisan activity, the law clearly says that he cannot spend any time at his state office doing Republican Party business, the letter said.

The attorney general's office has also objected to Ruedrich sending an e-mail about the Frontiersman newspaper's online poll on the merits of coal bed methane to employees of the oil and gas commission. Ruedrich's e-mail said, "Support coal bed methane development."

Ruedrich argued that the employees were qualified and could vote as they chose. The attorney general's office responded that it looked like Ruedrich was suggesting that his subordinates vote the way he wanted.

"We believe that the implication made by his e-mail is that the state employees should vote the same way Mr. Ruedrich urged members of his political party to vote," the letter said.

■ Daily News reporter Sean Cockerham can be reached at scockerham@adn.com.

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Private prison faces hurdles

WHITTIER: City would have to restart process and play by competitive bidding rules.

By TOM KIZZIA
Anchorage Daily News

(Published: May 10, 2004)

The city of Whittier would have to start over with its plan for a private prison and seek an industry partner according to the state's competitive bidding rules under a corrections bill that appears headed for passage in the state House.

The bill would require Whittier and its private partner to submit to a cost study to see whether a mega-prison could be run privately in the Prince William Sound port for less money than a new large prison could be run by the state in the Matanuska-Susitna Borough.

Despite these obstacles, the bill found support Sunday from the Whittier prison's chief supporter in the Legislature. Rep. Mike Hawker, R-Anchorage, said the measure is "a good bill" that moves the prison-building process forward.

The hurdles for the Whittier private prison were part of a bill that passed in the Senate last month. Cornell Cos., the Texas-based prison firm that has been Whittier's partner, said last week it opposed that bill and hoped to remove those obstacles in the House.

But the Senate bill was approved Sunday by the House Finance Committee with only minor changes and appears headed for a vote in the House before the Legislature ends this week.

The only committee member who seemed unhappy Sunday was Rep. Eric Croft, D-Anchorage, who tried unsuccessfully to have the private prison cut from the bill entirely. Croft said he thought the same private partners would prevail, despite efforts to redo the bidding process. He said the state's integrity had been compromised by years of effort to fund specific private prison proposals, in Anchorage, Delta Junction and Kenai before Whittier.

"What I see, over and over, is repeated sole-source, pre-arranged, heavy-money deals that go to specific contractors. ... It's never been a clean, competitive proposal," Croft told the committee. He invoked a controversy from the 1980s over sole-source contracting for state office space that nearly led to an impeachment of then-Gov. Bill Sheffield.

"We are going to see somebody indicted and probably imprisoned over this series of proposals," Croft said.

But most committee members supported the bill as a compromise. Sen. Lyda Green, R-Wasilla, who drafted the bill, testified it would address Croft's concerns by requiring Whittier to start over in seeking a prison partner.

"Nothing that's out there currently would be grandfathered," Green said.

The bill also would involve state corrections officials more closely in design and approval of a private prison if the plan ever moves forward.

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The bill would make it almost impossible for a private prison plan to prevail if a state administration opposes the idea, said House Finance co-chairman John Harris, R-Valdez. Alaska has no private prison, and Gov. Frank Murkowski has said he prefers to build a state-run prison.

Increasing the state's bond load to build a new prison of 1,200 to 2,251 beds remains an issue as the state struggles with larger fiscal issues. The bill also authorized expanding or replacing several regional jails.

The big prison is being sought to bring home Alaska prisoners now housed in the Lower 48 at an annual cost of about $14 million. If the state builds all the prison space authorized in Green's bill, annual prison costs could grow by $27 million.

After Sunday's meeting, Hawker said he was troubled by the requirement that Whittier's contract be re-bid but called the bill a good one.

"It's a compromise bill that resolves the greatest concerns by the opponents of the Whittier proposal," he said. He said he was confident that the private-prison plan would win in a cost comparison.

The state's chief procurement officer, Vernon Jones, called on by the committee, said the current agreement between Whittier and Cornell was not reached through a process that would comply with state procurement policies. He did not elaborate.

A Cornell spokesman said last week the company is "not happy with the Senate bill."

Cornell vice president Paul Doucette said the contract had been bid fairly, "following procurement procedures appropriate for Whittier." He also insisted that a comparative cost study done for the governor's office earlier this year showed the private prison would cost less than a new state prison.

State officials have cast doubt on that comparative study, saying they had to rely on numbers provided by Cornell to gauge the private side. Doucette said the state had no reason to question what Cornell said it could accomplish.

"That's our commitment," he said.

Reporter Tom Kizzia can be reached at tkizzia@adn.com or in Homer at 1-907-235-4244. Sean Cockerham contributed to this report.

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Opinion

(Published: May 3, 2004)

Prison politics

Clever proposal unlikely to break private vs. public deadlock

State Sen. Lyda Green is trying an artful way to break the gridlock that has stymied state prison expansion for several years. Supporters of a large, for-profit, private prison and opponents of the idea, like Sen. Green, have battled to a draw -- so far.

She favors a plan to expand public prisons, including a new one in her borough. But that idea probably won't fly as long as backers of a private prison have hopes of getting their way. Sen. Green's latest proposal opens the state's door at least a crack to a private prison, though with considerable checks and balances.

Her approach -- calling for a detailed, apples-to-apples cost comparison of the public vs. private alternatives -- is a responsible attempt at compromise. But it's unlikely to mollify Cornell Cos., the private prison business, and its political supporters. Cornell has a deal wired with the city of Whittier that's worth upwards of $1 billion and it wants the Legislature's OK. "Maybe" is not the answer Cornell wants.

Both sides in the prison debate agree Alaska should bring home the 700 or so inmates now housed in Arizona. Stiff sentencing rules continue to send plenty of new prisoners into Alaska's correctional system, so there is steady demand for new space even without bringing back the Arizona inmates.

Supporters of building a large for-profit prison say it is a cheaper way for Alaska to add prison space. For-profit prisons are supposedly more efficient than ones built by the state and staffed by government employees.

That may well be true. But the harsh fact of economic life is that you get what you pay for. When comparing prices, you have to compare what you are getting. For-profit prisons may be cheaper because the state is buying less; but to make proper cost comparisons it's critical to compare equivalent facilities and standards.

There's a risk of getting a prison built to less secure or less appropriate standards, and of getting prison staff with less training. With a private operator the profit motive and the responsibility to shareholders could compete with the mission -- the state's constitutional duty to protect the public and rehabilitate prisoners. A company may have a commitment to excellent service, but any time the firm did something not specifically required in its contract, it would risk complaints from shareholders about unnecessary expenses and reduced profits. That means the contract would have to be air-tight in defense of state standards.

Sen. Green recognizes that for-profit prisons may offer something very different from public prisons. Her proposal would require the for-profit prison to meet state design standards. Guards in a for-profit prison would have to meet state training criteria. Those two requirements level the playing field when comparing costs. Not coincidentally, such a comparison could make any cost savings from a for-profit prison shrink or disappear. A study along those lines would be illuminating.

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Sen. Green's idea probably won't shift the battle lines much. It's too bad there hasn't been a thorough public airing of corrections policy and competing proposals this legislative session to sort out these issues. With less than two weeks of work left, the Legislature is likely to adjourn, again, without a plan to expand prisons.

Maybe that's just as well, at least for now. The status quo is inadequate but still manageable -- and better than taking a 25-year, $1 billion gamble with such a fundamental public safety function.

BOTTOM LINE: Compare costs and standards carefully before taking a $1 billion gamble on a big private prison.

Play ball

Alaskans seem to be warming to the idea of a fiscal fix. But that's not the same as cozy up, and nobody's volunteering to take the first hit. So the Legislature has to make like a baseball manager and fill out the lineup. How about this for a batting order:

1. **Alcohol tax:** Leadoff hitter. The industry got dinged for a tax increase in 2002 and tried to take out then-state Rep. Lisa Murkowski with a spikes-high slide. Lisa's gone on to The Show. CHARR can live with the tax.

2. **Tobacco tax:** Capable two-hole hitter. Fans are less interested in the runs this will produce than its ability to leave more Alaskans with lungs enough to run at all. Could use some more speed.

3. **Income tax:** A modest, steady, progressive force at the plate. Hits for average and power. Keeps Alaskans' heads in the game.

4. **Permanent Fund earnings:** Cleanup hitter, Triple Crown threat. When healthy, can carry the club through rough stretches and still have plenty to give in October.

5. **Oil industry taxes:** The 5-hitter has to produce more, or income taxes and Permanent Fund earnings bear too much of the burden. All kinds of power, but too often keeps the bat on its shoulder.

6. **Cruise ship, tourism taxes:** Another hitter that's fallen short of its potential but could blossom as an everyday player.

7. **Motor fuels tax:** This tax is due, as the saying goes.

8. **Reasonable user fees:** Classic utility player, can hit leadoff if necessary. Won't go yard like 3-4-5 hitters, but hits to all fields.

9. **Spending cuts:** Starting pitcher has kept us in the game, and he may have an inning or two left. But he's got to have some run support.

-- Frank Gerjevic

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FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) A-1 Anchorage Daily News / Anchorage, AK

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'Election Research' poll was used to swing votes for GOP

RUEDRICH: Investigation into ethics turned up unusual polling-marketing campaign.

By RICHARD MAUER
Anchorage Daily News

Last October, just days before the municipal election, phones started ringing at the 10,206 households of Juneau and Douglas. At the dialing end of the call was a computer owned by a high-tech telemarketing company from Herndon, Va. A Juneau resident answering the other end of the line heard a voice say, "This is Election Research with a 45-second political survey."

If residents stuck with the call and spoke "yes" or "no" in a voice clear enough for the computer to understand, they learned that three local candidates had paid for the "survey."

What they weren't told is that this was no ordinary public opinion poll, where individual responses are pooled for statistical purposes and no single person's private thoughts recorded in a way that could later identify them.

As the computer gathered the answers, it stored each one individually, making it possible to retrieve them later by phone number, household name or address for other purposes. These calls and thousands of others were also placed in the Matanuska-Susitna Borough that week.

Justin Stiefel is the campaign manager for U.S. Sen. Lisa Murkowski.

Though Alaska's local elections are officially nonpartisan, the mass phoning was organized by Republican leaders — state party boss Randy Ruedrich, vice chair Paulette Simpson of Douglas and Justin Stiefel, then chief of staff for U.S. Sen. Lisa Murkowski and now her campaign manager.

Their involvement only came to light as a result of the state ethics investigation of Ruedrich, which uncovered evidence of political activity he conducted out of the state office he occupied until

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his resignation in November. With dozens of party-related e-mail messages and documents found in his office and made public, the investigation has had the side effect of revealing the behind-the-scenes activities of one of Alaska's most successful political operatives.

The polling-marketing campaign is one of the bases for civil charges that Ruedrich used his state office in the Alaska Oil & Gas Conservation Commission for partisan activity. Last week, the state rejected Ruedrich's formal denial of wrongdoing and declared there was probable cause that he knowingly violated the Executive Ethics Act. The state is awaiting a decision by Ruedrich about whether he will fight the charges or seek to settle them. He stands accused of four separate violations, each subject to a $5,000 fine.

Among the evidence are a string of e-mails between Ruedrich's home and work computers and Stiefel, Simpson and officials from the Herndon, Va., telemarketing company, ccAdvertising. The company specializes in automated telephone surveys and marketing and can place tens of thousands of calls an hour, with the capability of varying the message midway through a call depending on the responses at the household.

The president of ccAdvertising, Gabriel Joseph III, declined to comment.

"It is our company policy to not respond to any press or press related inquiries," he wrote in an e-mail.

STIEFEL DENIES CONNECTIONS

Stiefel denied he connected the Juneau candidates with ccAdvertising. He also denied negotiating a price for the service.

"You didn't arrange with Gabriel to pull together multiple races for 10 cents a call?" Stiefel was asked in a telephone interview.

"Randy did. Not me," Stiefel replied.

But the e-mails start with a message from a personal Hotmail account maintained by Stiefel to Ruedrich's home e-mail account.

"I use a Hotmail account from my computer at home," Stiefel explained in an interview.

The time stamp on the message shows it was sent at 5:08 p.m. Washington, D.C., time — 1:08 p.m. in Alaska — on Monday, Sept. 29, eight days before Alaska's municipal elections. Stiefel said he had taken Monday afternoon off to accompany his wife to the doctor's.

In the message to Ruedrich, Stiefel reports having spoken with Joseph of ccAdvertising and passes along Joseph's cell phone number.

"I told him you have three mayors races next week — Fairbanks, Juneau and Mat-Su. He said he would wrap all 3 together for one price of 10 cents per targeted household."

In a message two days later to four recipients — Ruedrich, Stiefel, Simpson and former Anchorage Assemblyman Larry Baker — Joseph also mentioned how the price was set.

"Per my commitment to Justin Stiefel of Senator Lisa Murkowski's office, we will perform this service for you at our $0.10 per household rate," Joseph said. According to Stiefel, that rate is usually reserved for a campaign with 50,000 or more calls.

In his e-mail to Ruedrich, Stiefel also suggested the service could have additional benefits for Republicans.

"Also, don't forget to ask about comparing his computer list to the state voter list to purge the bad voters and addresses for GOP party purposes," Stiefel wrote. "Finally, you should ask him about their ability to identify potential donors from their phone calls and how that might help the party."

Told that his e-mail to Ruedrich had been made public, Stiefel said his only reason for trying to get ccAdvertising involved was to test whether its dialing and voice system would work in Alaska. He thought he might employ it on behalf of Sen. Murkowski's election in November, he said, but only if it could do the job.

"I just wanted to see if the technology would work in Alaska," Stiefel said. "So I told Randy, 'here's some technology.'

"What do I care who the mayor of Juneau is?" Stiefel said.

BAKER HAD TESTED TECHNOLOGY

But Baker, a prominent Republican and the former owner of the Burger King franchise here, said he had already told Stiefel he was pleased with the way the system worked in Alaska.

Baker learned of ccAdvertising several years ago, when he was serving on Burger King's political action committee and was told by someone at the White House about a related company that Joseph ran, FreeEats. Joseph had been surveying and marketing for McDonalds and wanted Burger King's business too, Baker said.

Baker met Joseph in Washington. Baker told Joseph he would have to demonstrate how his system worked before anyone at Burger King's corporate office would seriously consider it.

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So about 18 months ago, Baker said, Joseph's computer started dialing 104,000 households in Alaska to determine their burger and fry preferences. Baker's wife received one of the calls and asked her husband if he was behind it.

Larry Baker

As the two-minute calls were placed, Baker connected to ccAdvertising over the Internet and watched as results were posted and updated.

"I had my own internal election," Baker said.

About 20,000 to 25,000 households participated, he said, much more than 20 times the number that would be polled in a typical random-sample survey.

Had it been a real marketing campaign instead of a demonstration, Baker said, he could have gotten the names and addresses of the households that reported eating lots of burgers at McDonalds and enticed them to Burger King with free coupons.

Telling Joseph he was impressed with the results, Baker said that Joseph mentioned he was interested in breaking into Alaska politics as well.

"He had done some local races in Virginia," Baker said, and had been involved on the Republican side in the expensive, heated 2002 Senate race in South Dakota, which Democrat Tim Johnson won by 524 votes.

"He said we're doing work there, we've called every cow two or three times," Baker said.

Baker agreed to set up Joseph with the Alaska delegation.

"At that point, he contacted the Murkowski folks," Baker said. "That's how it all transpired."

GET-OUT-THE-VOTE CAMPAIGN

In his e-mail of Tuesday, Sept. 30, 2003, to Ruedrich, Stiefel, Simpson and Baker, Joseph noted that at that late date — elections were a week away — there weren't many options.

He proposed a "smart" get-out-the-vote campaign — GOTV for short — on behalf of the three Juneau candidates. The message landed on Ruedrich's state computer at 7:57 the next morning when he forwarded it from home to work.

Joseph said that if a respondent voiced an intent to vote and identified a choice of candidate, the computer would deliver a custom message.

"If they support our candidate, the candidate comes on with a 20-second GOTV thanking them for their vote and asking them to get their friends and family to vote as well," Joseph wrote. Undecided voters would receive a "knees and plead" message.

"If they support the opponent we deliver a voter suppression message," Joseph said.

Reached at his office, Joseph declined to explain what he meant by a "voter suppression message."

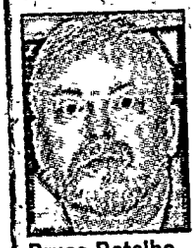
In any event, the late date and complications with Alaska's campaign finance reporting laws required the effort to be simplified. On Oct. 2, Simpson e-mailed a copy of a draft script and her comments to Ruedrich at his state office in which she noted that a recorded endorsement of one candidate by another could be viewed as a campaign contribution.

Instead, the 15 questions asked about support for local issues like a tobacco tax and a road to Juneau, and about which candidate the respondent favored. The calls were placed on behalf of mayoral candidate Dick Knapp and assembly candidates David Stone and Dale Anderson. The three referred questions from the Daily News to Simpson, who said she organized the campaign as a citizen activist, not as vice chair of the state Republican Party.

As a road supporter, Simpson said, she was interested in the poll results, which she received almost instantly. She also received a spreadsheet file listing the results of every call, but says she doesn't remember what happened to it. The candidates spent the weekend before the election working the phones themselves, trying to get their supporters to the polls, she said. She didn't think they used the list generated by ccAdvertising.

BOTELHO SUSPICIOUS

Juneau Mayor Bruce Botelho, attorney general in the Democratic administration of Tony Knowles, said he has always been suspicious of those last-minute calls. Based on information he received from supporters, there seemed to be a pattern: people who answered a poll by saying they supported him and also a road later received a follow-up call from a live person who reminded the voter that Botelho opposed a road out of Juneau while Knapp favored one.


Bruce Botelho

Botelho won the election anyway.

The three candidates each paid one-third the cost of the $1,020.60 message. Though campaign finance laws required them to disclose the address of the company, none did, listing it only as "ccAdvertising," or, in the case of Stone, just "cc." Knapp and Anderson described the purpose of the expenditure as "ad" or "advertising," while Stone said it was for "polling."

CALLS GO TO MAT-SU

In the Mat-Su Borough, ccAdvertising also made calls on behalf of borough mayor candidate Charlie Fannon. No script showed up as evidence, and Fannon said he didn't have one but recalls being upset by the text. Teachers called him to complain that the wording of a question was inaccurate and might hurt support for a school bond. Fannon agreed.

"I called Randy Ruedrich on that, and he said he would get it changed," Fannon said. But with the Virginia computer capable of calling the 20,000 numbers in Mat-Su in an hour, it's doubtful he was successful.

Fannon said that was the last he heard from the poll.

"I got no data back. I was curious what, if anything, they got. I'm not a Republican insider — I never got any feedback," he said.

Unlike the Juneau candidates, the state Republican Party paid the $1,961.80 bill from ccAdvertising on Oct. 14, 2003, correctly locating it in Herndon, Va., and describing the purpose as "GOTV effort" without saying on whose behalf the effort was made. Separately, Fannon reported a contribution from the Republican Party for that amount on Oct. 21, disclosing that the party had paid ccAdvertising on his behalf, but not listing the purpose.

Ruedrich said the ccAdvertising invoice was made out to Fannon, who should have paid for it directly.

"Under circumstances that were unclear when I saw the bill, it was paid for by the party, and I still don't understand it," Ruedrich said.

He said the party would have no interest in the survey data.

While the price per call negotiated by Stiefel also included Fairbanks, the two Republicans who faced each other for mayor there said the service wasn't used.

Stiefel said the feedback he heard from the local candidates "was that it worked very well, and that's why we decided to use it."

In April, ccAdvertising placed about 36,000 calls around Alaska as part of Murkowski's campaign for Senate, Stiefel said. They didn't reach the 50,000 break point and had to pay 15 cents a call.

"I hope it works better for Senator Murkowski than it did for me," said Fannon, who lost the election by five votes.

The ccAdvertising campaign figured into one of the ethics charges brought by the state, accusing him of conducting partisan activity out of his office. In his response to the state, Ruedrich denied the accusation.

"These materials involve nonpartisan activity," Ruedrich said, basing his assertions on the fact that the local candidates didn't run on a party ticket.

But the state flatly rejected that claim, citing the definition of "partisan political purposes" in the Executive Ethics Act: "having the intent to differentially benefit or harm a candidate or potential candidate for elective office; or political party or group..."

Told that his e-mail to Ruedrich had been made public, Stiefel said his only reason for trying to get ccAdvertising involved was to test whether its dialing and voice system would work in Alaska.

Ruedrich

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FD-350 (Rev. 3-8-81)

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Ruedrich affair

GOP chair embarrasses his party

Investigators at the state attorney general's office have acknowledged the obvious in the Randy Ruedrich ethics case. They found probable cause the former Alaska Oil and Gas Conservation commissioner had violated the executive ethics law. It wasn't a close call. E-mail and cell phone records show that Mr. Ruedrich, then and now the chairman of the Alaska Republican Party, routinely conducted party business during the workday from his $118,000-a-year state job.

Ruedrich

Mr. Ruedrich's violations were significant enough that it's fair to ask whether criminal charges are warranted. For every hour of state time he spent on party business, he collected $57 in salary. If he had taken that amount out of a state cash register and given it to the party, he would be guilty of theft. At some point, the work time he spent on Republican Party affairs ceases to be a mere ethics question.

The Alaska Republican Party cannot avoid the stain from Mr. Ruedrich's misconduct. For those Republicans — or anyone else — on the lookout for waste and fraud in government, he was the perfect two-fer.

The party directly benefited from what he did. In effect, Alaskans subsidized the Republican Party by paying Mr. Ruedrich's salary while he was doing partisan work.

Somehow the party should make amends to Alaskans. The simplest, most effective way is to remove Mr. Ruedrich as party chairman. It would be a way for the Republican Party to say: "We recognize the mistake our chairman made. He acted on our behalf. We accept our share of responsibility."

For anyone on the lookout for waste and fraud in government, Mr. Ruedrich was the perfect two-fer.

Some may be reluctant to force Mr. Ruedrich out. He has been an effective leader. He has helped cement the GOP's ascendance in Alaska politics with bare-knuckles partisanship and assiduous cultivation of moneyed interests. But the party will pay a political price for holding onto a leader who has repeatedly and systematically flouted state ethics law.

There is substantial evidence that during his time as a state official, Mr. Ruedrich was both a liar and a cheat. Since leaving office, he seems to have stopped cheating. The longer he stays as party chairman, however, the stronger the backlash the party invites from Alaska voters in November.

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Not only him

Others did party work on the job

Mr. Ruedrich wasn't the only Murkowski staffer that e-mails show did partisan business while on a state job.

Both the governor's liaison in Washington, D.C., John Katz, and his Juneau chief of staff, Jim Clark, spent at least some time responding to an e-mail asking for Republican fund-raising help in rural Alaska. Mr. Clark also received e-mails about party matters such as polls from Mr. Ruedrich's state office during the workday.

Earlier in the Ruedrich case, chief assistant attorney general Barbara Ritchie said that a handful of e-mails aren't enough partisan activity to justify an ethics charge.

Perhaps that's true. Based on evidence so far, it appears the two's transgressions were nowhere near as serious or widespread as Mr. Ruedrich's. Perhaps no more than a reminder of the rules is in order for Mr. Clark and Mr. Katz.

But no one has actually investigated their activities. Somehow the attorney general's office was able to conclude their offenses were minimal without actually going to the trouble of investigating. You could get a more thorough investigation by assigning the case to Inspector Clouseau.

Accountable

Buck stops at the governor's desk

The place where the buck stops in the Ruedrich affair is the third floor of the state Capitol, on Gov. Frank Murkowski's desk.

Mr. Ruedrich's mixing of party and public business at the AOGCC was virtually guaranteed. Many critics warned from the start that appointing him would cause an inherent conflict of interest. Putting one of the party's chief fund-raisers and cheerleaders onto the AOGCC, where he would regulate companies that might give money to the party, was just asking for trouble. Gov. Murkowski appointed him anyway. The governor resisted calls to make Mr. Ruedrich choose one job or the other, the commission or the party post.

Mr. Ruedrich faces serious consequences for his misuse of office. He resigned from his state post. He faces ethics charges that could produce $20,000 in fines. He may have to resign his party post. All that is appropriate for him.

What about the governor who put him there and kept him there even after actual reports of abuse emerged? Did the governor set an ethical standard that was inexplicably ignored by a single rogue oil and gas commissioner?

Well, no. The governor's chief of staff and the director of his Washington office also apparently felt free to engage in prohibited conduct. Whatever the governor's ethical standards, he seems to have kept them to himself.

Or, more troubling, perhaps he didn't.

■ **BOTTOM LINE:** A reckoning is in order all the way to the governor's desk in the Ruedrich affair.

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FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) B-3 Anchorage Daily News Anchorage, AK

(Mount Clipping in Space Below)

Date: 05/19/2004
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Title: RUEDRICH ASKS FOR SETTLEMENT OF HIS PENDING ETHICS CASE

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Indexing:

Ruedrich asks for settlement of his pending ethics case

■ **NO DETAILS:** Department of Law found probable cause he violated act.

By CATHY BROWN
The Associated Press

JUNEAU — Alaska Republican Party chairman Randy Ruedrich is seeking to settle a case in which the state found probable cause that he violated the state Ethics Act.

The Alaska Department of Law said earlier this month that it had probable cause to believe Ruedrich performed Republican Party work on the job as an appointed state oil and gas commissioner.

The department gave Ruedrich and his attorney, Eric Sanders, until last Monday to decide whether they wanted to discuss a settlement.

"They disagree with the state about the charges, but they have asked to meet with us to discuss a resolution," Paul Lyle, an assistant attorney general, said Tuesday.

Neither Ruedrich nor his attorney returned phone calls seeking comment Tuesday.

Ruedrich resigned in November from the Alaska Oil and Gas Conservation Commission — a $118,000-per-year post to which he was appointed in February 2003 by Republican Gov. Frank Murkowski.

In a May 3 letter, Lyle cited four apparent violations by Ruedrich, who took over as party chairman, an unpaid position, in June 2000.

Each violation carries a maximum $5,000 penalty.

Allegations include using state facilities, equipment and resources for partisan political activity, as well as engaging in outside volunteer work for the Republican Party in a manner that was inconsistent with his state job.

Lyle also wrote that there was probable cause to believe Ruedrich knowingly forwarded a confidential document to an attorney for Evergreen Resources.

Ruedrich has acknowledged he erred when he sent an attorney general's opinion to lawyer Kyle Parker, who represented Evergreen on matters pertaining to methane gas development in the Matanuska-Susitna Borough. But Ruedrich said he didn't realize until after he sent the memo that it had been marked confidential.

Lyle said settlements of Ethics Act cases normally involve a written agreement signed by the subject of a complaint and the attorney general's office.

Ruedrich

"It would set out what the resolution of the case is, and that would be a public document," Lyle said.

A payment of some financial penalty could be part of the mix, he said.

"But in terms of what the precise terms would be, or what the state would be willing to accept, I can't disclose that at this time," Lyle said. "That really has to be something that is done in the negotiation process with the subject of the complaint."

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FD-350 (Rev. 5-8-81)

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Date: 05/22/2004
Edition: Saturday

Title: RUEDRICH WINS GOP ENDORSEMENT

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or
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Submitting Office: Anchorage

Indexing:

(Mount Clipping in Space Below)

Ruedrich wins GOP endorsement

CONVENTION: Party chairman gets backing despite ethics allegations.

By SEAN COCKERHAM
Anchorage Daily News

SOLDOTNA — Alaska Republican Party boss Randy Ruedrich, the target of state ethics allegations, won the endorsement of party leaders at the party's state convention here on Friday.

The announcement of support from the party's Central Committee, which has about 80 members, came in the opening hours of the convention. It could chill calls for Ruedrich's ouster as chairman over complaints that he did Republican Party work from his office in a well-paid state job last year.

"It sounds like the party as a whole is willing to move on," said Dan Sullivan, a convention delegate and member of the Anchorage Assembly.

But at least some of the roughly 400 convention delegates don't want the issue to drop, and the matter could come up again before the convention ends this afternoon.

ALASKA ELECTION 2004

The focus of the convention so far, however, has been on the strengths of the political party that dominates Alaska politics. The mood was confident, with delegates joking to each other about the comparative weakness of the Alaska Democratic Party and bumper stickers on sale with slogans such as "Republican women ... like men."

Hot sellers also included a $10 charm bracelet engraved with GEORGE W. BUSH.

The Republicans "have tasted winning and I think they like it," said the party's vice chair, Paulette Simpson.

Which is not to say they all agree. Republican delegates are clearly split over this fall's U.S. Senate race. Mike Miller, touting himself as the more conservative candidate, is challenging Republican incumbent Lisa Murkowski. A major theme at the convention is the danger that bitter infighting could help Democratic candidate Tony Knowles win the U.S. Senate seat.

Both Miller and Murkowski will make speeches at the convention; they have booths set up to hawk their campaign paraphernalia. Knowles, a former governor, will be speaking today at the Democratic Party Convention being held in Anchorage.

The Republican convention, at the Soldotna Sports Center, drew a mixed lot. Some called themselves conservatives, religious or otherwise, and others proudly proclaimed their label to be moderate.

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Even the "Pilgrim" family, nationally known for their battles with the National Park Service over bulldozing a road into their mining claim in Wrangell-St. Elias National Park, came to play bluegrass music and sample the politics.

The 17-member family showed up in an old van inscribed with "Pilgrim Family Minstrels, Tour Van 2004." On the back of the van they had written "Honk if You Love Jesus, We do!"

A couple of the family members, who stood out at the convention in their homespun clothes, said they went to a Republican district convention in Delta Junction and got named as delegates. Papa Pilgrim, or Robert Hale, the family patriarch, said he read the party platform on Thursday. A lot of it is a "Godly approach," he declared with approval.

Today, the convention delegates will debate resolutions on where the party stands on issues such as abortion and guns and education and will vote on whom to send to the national convention.

Ruedrich, the party chairman, said those things matter, not the ethics complaints. "I think it is a dead issue. Period," he said in an interview at the convention.

The Alaska attorney general's office has found probable cause to believe Ruedrich knowingly violated state ethics law by doing party business on government time when he was an oil and gas conservation commissioner last year. He's also accused of leaking a confidential state legal opinion to an oil and gas industry lobbyist, a charge Ruedrich admits. Ruedrich has resigned the state job but could be fined up to $20,000 for the alleged wrongdoing.

The statewide Central Committee passed its resolution of confidence in Ruedrich after a briefing from the party's lawyer, William Large of Anchorage. He also addressed the other delegates, telling them the Ruedrich ethics issue has been overblown.

"If anyone has any doubts, I urge you to come talk to me," he told the delegates.

In an interview, Large said, "The evidence indicates that any potential violations are minor and are based on anonymous witness interviews."

He said he tried to get documentation of witness allegations that Ruedrich "frequently studied polls at the office and conducted party business both on the state telephone and his cellular telephone during the business day" as an $118,000-a-year commissioner. But Large said the state replied there is nothing but attorney's notes. And those are confidential.

> *"I still can't believe it. ... So, is the attorney general's office wrong?"*
>
> — Sarah Palin

Barbara Ritchie, a state lawyer handling the case, countered in a phone interview that the allegations aren't anonymous. The state complaint said the witnesses are Oil and Gas Commissioner Dan Seamount, former Commissioner Sarah Palin and staff employees at the commission, she said.

Ruedrich would have the right to question the witnesses if the case moves toward a formal ethics hearing. However, Ruedrich is pursuing a settlement.

The Central Committee found Large's 40-minute presentation convincing enough to give a "unanimous" voice vote of confidence in Ruedrich. "Everyone seemed satisfied," said vice chairwoman Simpson.

But some committee members, like former party chairman Tuckerman Babcock, abstained from the voice vote. Babcock said he found Large's explanation "biased and uninformative."

Babcock said he would leave it up to Ruedrich to decide whether to resign.

"If I were similarly accused by a law enforcement agency, I would suspend my responsibilities as a party chair until it is resolved," Babcock said.

Palin had wanted the convention to address the Ruedrich issue and said she was left confused by Large's remarks. I still can't believe it. ... So, is the attorney general's office wrong?" said Palin, a former Wasilla mayor and a convention delegate.

Convention delegate Andree McLeod of Anchorage said the party will be hurt if it ignores its "dirty laundry." But many delegates said they didn't know the details and weren't going to dispute their lawyer.

Fairbanks delegate Bonnie Williams said Ruedrich has done a lot for the party.

"I trust him," said Williams, a member of the Fairbanks borough Assembly.

Alaska Republican Party boss Randy Ruedrich received an announcement of support from party leaders Friday.

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(Indicate page, name of newspaper, city and state.) B-1 Anchorage Daily News Anchorage, AK

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Ruedrich gets support at convention

■ **GOP:** Delegates debate use of fund earnings; Senate candidates deliver speeches.

By SEAN COCKERHAM
Anchorage Daily News

SOLDOTNA — The Republican Party of Alaska convention featured mimes calling for more God in politics, condemnation of casino gambling, and dueling U.S. Senate candidates Lisa Murkowski and Mike Miller.

The convention, which ended Saturday at the Soldotna Sports Center, also highlighted party support of state party chairman Randy Ruedrich, accused of ethics violations by the attorney general's office. The party Central Committee backed Ruedrich, and there was no formal call among the 400-some delegates to discuss the issue, despite the grumbling of some Republicans in the halls.

"Between the effort to bury him and the ink the Daily News has spent on him, I'd say he is a survivor," Gov. Frank Murkowski said in a Saturday speech at the convention, looking over to Ruedrich in the crowd. "We look to you for your continued leadership. ... congratulations."

The Republican Murkowski had weeks ago expressed disappointment in Ruedrich. The attorney general's office has found probable cause to believe that Ruedrich violated state ethics law by doing party work while at the $118,000-a-year government job Murkowski appointed him to last year.

But Ruedrich has resigned the state job. A premier political strategist, he remains chief of Alaska's dominant party.

Other issues were more pressing for most of the delegates. There was a spirited debate over whether the party should demand a public vote before Permanent Fund earnings could be used for state services, as many state lawmakers suggest.

It led to a compromise statement that the party supports the dividend checks and encourages no big changes without a public vote.

Legislators already have the authority to spend fund profits without going to a public vote. So those who want to spend some of the earnings to balance the budget went along with the compromise, as did delegate Eddie Burke, leader of the dividend protection group Alaskans Just Say No.

Burke said he wanted a stronger statement, but he was glad to have support for the dividend in the platform, especially since the Democrats present themselves as defenders of the dividend.

The U.S. Senate race was a big deal at the convention. Lisa Murkowski, appointed to the Senate by her father when he left the job to become governor, is facing a challenge in the party primary from fellow Republican Mike Miller of North Pole. Both made speeches, telling the delegates they are right on the issues and are the best candidate to beat Democrat Tony Knowles in the fall election.

Murkowski, in her Friday night speech, mostly criticized Knowles and "extreme environmentalists." But she

See Page B-4, **GOP**

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GOP: *Senate candidates state cases*

Continued from B-1

also sought to put some distance between her and Miller in front of the passionately pro-Bush crowd. Bush officials, worried about losing the seat to a Democrat, have helped her raise campaign money.

"I support President Bush and I am the only candidate who can say the president and his administration supports me," Murkowski told the crowd.

She also brought up the nepotism, saying it took "incredible guts" for her father to appoint her.

"I don't hide from this appointment," she said. "I ask that you judge me on my performance."

Saturday morning, Miller made a breakfast speech, promising that "between the two of us, Republican primary voters are going to see a stark contrast." The former state Senate president said he was more consistently anti-abortion than Murkowski, and criticized her for supporting a state income tax when she was in the Legislature.

He also sought to portray himself as more actively pro-gun and anti-gay marriage, although she has the National Rifle Association endorsement and favors the president's proposal for a constitutional amendment to define marriage as between a man and a woman.

A lot of the convention delegates, especially among the more conservative pro-life wing, said they would support Miller.

And some fence sitters liked his speech for showing how he stands apart from Murkowski.

> *"I support President Bush, and I am the only candidate who can say the president and his administration supports me."*
>
> — Lisa Murkowski

Many, such as Palmer delegate and state Rep. Carl Gatto, said it was the first time they've heard a Miller campaign speech.

"I think he set the comparison, he outlined his position very clearly," Gatto said.

Murkowski's supporters said she can appeal to a broader base of voters. Several of the delegates who haven't made their choice said she is a great public speaker and praised her for confronting the nepotism issue.

Spike Jorgensen, a delegate from Tok, said her speech helped nudge him in the Murkowski direction, though he's also a big Miller fan.

"I think she did an outstanding job and has come a long way as a senator for us in the past two years," he said.

The shadow of Knowles, the former governor, loomed large over the convention. Anti-Knowles talk was everywhere, along with concessions that he's a formidable opponent.

Perhaps the biggest question from delegates was who would have the better chance to beat him. Murkowski supporters pointed to polls and campaign money and said it's clear that she's the one. But Miller partisans said nepotism could sink her with voters.

On Saturday afternoon, the convention turned to debating changes to the party platform. One proposal was adopted saying "we believe any expansion of gaming in Alaska is detrimental to our families and society." The move follows a push in the Legislature, supported by many House Republicans, to create a gaming commission that could legalize a casino in Anchorage.

Anchorage Rep. Tom Anderson, a convention delegate, argued the platform should allow for research into whether gambling — a casino, lottery, video poker machines — might benefit the state's economy. His proposal got shot down.

Anderson and several of the other delegates who called themselves moderates said the convention is dominated by social conservatives. Conservatives called it "grass roots." Their influence is reflected in standing party positions like a call for all sex education to be abstinence-based.

The pre-lunch entertainment Saturday was a teenage mime troupe, who acted out scenes as a taped narrator warned of the spirit of Sodom and Gomorrah.

"When you eliminate the Word of God from the classroom and politics, you eliminate the nation that word protects," the narrator intoned.

Reporter Sean Cockerham can be reached at scockerham@adn.com.

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(Indicate page, name of newspaper, city and state.) The Chronicle Anchorage, AK

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Judge ethics of others as you'd have your own ethics judged

Editor's note: Regrettably, this column appeared in last week's edition with several significant errors. Here is the corrected version.

BY TOM FINK
FOR THE CHRONICLE

COMMENT

Let's not set ethical standards for government employees that only a saint could meet. If we consider ourselves honest and upright, let's not set standards that we couldn't or wouldn't meet in the same position.

There currently is an investigation going on concerning possible ethics violations by a state employee who was also the chairman of the Republican Party in Alaska. Someone filed a complaint, so the Attorney General's office is properly investigating the matter. The ethical question is did Randy Ruedrich knowingly violate state ethics laws by mixing political work with his state job.

Now, some people take the narrow view that for 8 hours a day, 7 1/2 hours for state employees, the employee is only to spend his time strictly on doing his job. He or she is to do that five days a week except for 12 state holidays. Now we know that no one does that; not in state employment and not in private employment. Every employee spends some time on personal matters or personal business matters during the day. Invariably, he makes or receives phone calls, letters, personal conversations, or maybe even e-mails that have nothing to do with his or her job.

Every employer would like every employee to work totally on company business. Every employer knows that the morale of employees is important for good work. Every employer recognizes that there will be personal matters conducted during a business day. If the personal time becomes excessive, the employee is counseled or terminated. Beyond that, in this case, since he was chairman of the Oil and Gas Conservation Commission, the job required more like a 10-hour day probably 5 1/2 days a week.

When I was mayor, my workweek was probably equivalent to six 10-hour days. I can tell you that I certainly spent some part of each day on personal matters or personal business matters. I received and made personal phone calls, letters and reviewed other paper material that was not strictly part of the mayor's job. But I did a full day's work fulfilling the mayor's responsibilities.

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In Randy Ruedrich's case, there are two elements involved. First of all is the element of justice. He was appointed to do a specific job as chairman of the oil and gas commission. Did he make any decision or take any actions based on politics rather than on the decision or take any actions based on politics rather than on the merits. Did he give a full day's work for a full day's pay?

The second element is purely political. Some people and some media would like to dirty up the Republican Party. Some groups in the media are already trying to besmirch other members of government who may have communicated with Mr. Ruedrich. Because Mr. Ruedrich was Republican Party chairman, he is a particularly good target for partisans of other political parties.

In the private sector, the ethics of a full day's work for a full day's pay is more closely scrutinized by the boss than is the case in government. So some extra precautions in government are necessary. On the other hand, in government, political partisanship is a stern and sometimes unreasonable overseer.

From what I have seen or heard up until now, Mr. Ruedrich has not been accused of anything which crosses the line in mixing political work with his state job. He has been accused and acknowledged giving a legal brief to one he should not have given it to. But that isn't a political charge. Rather it is employee failure to maintain proper confidence.

As information unfolds from the investigations, we will know more. It is important that we be fair in the evaluation. An ethics violation generally is not a simple black or white question.

Did he fulfill his job responsibilities? Did he put in 71/2 hours a day fulfilling his state job responsibilities? Did he raise political money using state facilities? Did he use state facilities for personal matters or personal business matters any more than you and I would have, or any reasonable person would have? Finally, recognize partisan political shots for what they are.

Tom Fink served as mayor of Anchorage from 1988 to 1994.

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(Indicate page, name of newspaper, city and state.) B-6 Anchorage Daily News Anchorage, AK

(Mount Clipping in Space Below)

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Indexing:

Comment about Ruedrich disputed

■ SENATE CAMPAIGN: Wev Shea says Murkowski camp considers GOP boss vital.

By RICHARD MAUER
Anchorage Daily News

Republican Wev Shea, the former U.S. attorney and an announced candidate for U.S. Senate, says a high-level official in Sen. Lisa Murkowski's campaign made it clear to him that state party boss Randy Ruedrich is too valuable to be fired despite the ethics charges he's facing.

At a private meeting in March, Shea said he was told by Justin Stiefel, Sen. Murkowski's campaign manager and the former chief of staff of her Senate office, that she couldn't be elected in November without Ruedrich at the helm of the party.

And, Shea said, Stiefel told him that Sen. Murkowski's father, Frank Murkowski, couldn't have been elected governor in 2002 without the tactics, strategy and financial might that Ruedrich was able to bring to his campaign.

Given the turn of events, Shea said, he now supports the call of some Democrats in the Alaska Legislature that the state ethics case against Ruedrich be turned over to an independent counsel.

Shea

In an interview last week, Stiefel acknowledged having that meeting with Shea but denied making the remarks Shea attributed to him.

Sen. Murkowski said last week that many members of her party hold Ruedrich in high regard because of his skill at holding the party's factions together and raising large sums of money.

Shea said he will file as a Republican candidate for U.S. Senate today, primarily because he is dissatisfied with the leadership and values demonstrated by both Murkowskis and the other leading declared Republican candidate, former state Senate President Mike Miller. Shea said there is ample evidence that Ruedrich engaged in unethical behavior as a state official and he's unhappy that the other candidates haven't demanded that Ruedrich step down as state party chairman.

In February 2003, Gov. Murkowski rewarded Ruedrich with an appointment to a $118,000 position on the Alaska Oil & Gas Conservation Commission. But Ruedrich was forced out of the job after only eight months, under fire for running the party out of his state office and for leaking sensitive state documents to the lobbyist for a company he was supposed to be regulating.

He is facing civil charges for violations of the state Executive Ethics Act.

Ruedrich agreed that he sometimes conducted party business out of his office and that he provided secrets to the lobbyist, but he insisted those actions didn't amount to violations. His attorney has been talking to the state about settling the charges.

Shea said his encounter with the Ruedrich affair had its roots in a Feb-

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ruary meeting in Juneau of the Governor's Veterans Advisory Council, of which Shea, a Vietnam combat veteran, is vice chairman.

After two days of meetings, Shea encountered Lt. Gov. Loren Leman at an after-work reception in the governor's mansion on Feb. 5. Shea said that Leman, a conservative Republican, told him that a conservative needed to be recruited to run against Sen. Murkowski, a moderate, in the Republican primary.

"I was just appalled," Shea said. He thought it shocking that Leman would not only talk about ousting Sen. Murkowski, the daughter of the governor with whom Leman shared the ticket in 2002, but do it under her parents' roof.

Leman said Friday that he recalled seeing Shea that afternoon and that he might have had a discussion with him about Sen. Murkowski. But he said he didn't initiate the conversation.

"He may have asked me a question and to that I may have responded," Leman said. "I wasn't out recruiting people to run in that race, but I may have expressed concern about the ability to hold the seat and he may have interpreted that to be like you said."

Two weeks ago, Leman endorsed Miller over Sen. Murkowski.

When Shea got back to Anchorage, he gave Stiefel a call. Shea said he wanted to tip him off about Leman — he considered Sen. Murkowski a friend and a good senator — but thought the subject too sensitive to talk about over the phone. Six weeks passed before Stiefel got back to him, Shea said.

Now it was mid-March, but Republican opposition to Sen. Murkowski had still not surfaced. Her leading opponent was Democrat Tony Knowles.

"I go over there to talk to him, and I tell him that (about Leman), and he has no idea about it — I was kind of shocked that he had no idea that Leman was involved in the charge." Shea thought Stiefel's intelligence gathering from disparate elements of the Republican Party was surprisingly weak.

"That's what I had tried to tell him six weeks before," Shea said.

As it turned out, less than two weeks after Shea met with Stiefel, Miller would resign as Gov. Murkowski's commissioner of administration as a prelude to running against Sen. Murkowski.

After talking about Leman with Stiefel, Shea said he brought up Ruedrich.

"He starts praising Ruedrich. I said, Lisa doesn't need Randy Ruedrich — maybe I'm naive, maybe he has the golden slipper or something. He says to me, 'Wev, Lisa can't win without Randy Ruedrich.' He then goes and relates to me how the governor couldn't have won the 2002 election unless Ruedrich stepped in," Shea said.

"Their position is, nobody can raise money like he can and he's a great strategist," Shea said. "In my opinion, he has no ethical bounds, and he'll do whatever it takes to win, regardless of whether it's professional or not.

"I'm very sorry that Lisa is going to be hurt by all this."

In an interview last week, Stiefel recalled the meeting with Shea but described it differently. He said he was surprised by Shea's assertions regarding Leman because he "had a hard time believing the lieutenant governor would do that in the governor's house — that he would be so outward in his desire to recruit somebody by talking to other people like that."

Asked whether he told Shea that Ruedrich would be essential to Sen. Murkowski, or that Gov. Murkowski couldn't have been elected without Ruedrich, Stiefel laughed and said, "No, that's crazy — that wouldn't even stand up to the light of day."

"I think that people will acknowledge when you get into heat of camp, I'm sure he played a pivotal role," Stiefel said, but not an irreplaceable one, he added.

The endorsement of Ruedrich at the Republican state convention in Soldotna on May 22, and Gov. Murkowski's praise of him there after only weeks before expressing disappointment in Ruedrich's behavior, has convinced Shea that an independent counsel must take over the state's ethics case.

"The governor is unfit to make a call like that," Shea said. Citing two Democratic legislators who made similar calls, Shea said, "I hate to say Ethan Berkowitz and Hollis French are right," but now he agreed with them.

"And neither Lisa nor Mike Miller makes a stand regardless of the conduct of Randy Ruedrich — the whole thing stinks."

FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) B-6 Anchorage Daily News Anchorage, AK

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(Mount Clipping in Space Below)

OUR VIEW

'Wev Shea's campaign

It's a matter of principle for Republican Senate challenger

Wev Shea's entry into the U.S. Senate Republican primary was a direct result of the recent GOP state convention in Soldotna: He was appalled — his word — at the party's defense of its ethically embattled leader, Randy Ruedrich, and at Gov. Frank Murkowski's dismissive tone toward ethical concerns and Mr. Ruedrich's critics. Mr. Shea's candidacy is a protest aimed at the party establishment.

Mr. Shea is no disaffected Republican moderate marooned by a party moving tidally to the right. He is a traditionalist and a heartfelt conservative — a Navy veteran, a drug warrior, a Clinton antagonist, a lawyerly constitutionalist. He was a U.S. attorney in the first Bush administration and is a supporter of the current President Bush. He is a man of principles — like them or not — and conviction.

And his conviction is: The governor and his party made a big mistake in blowing off Mr. Ruedrich's ethical transgressions. Mr. Shea says he's going to run a campaign to register his dismay and give other Republicans a place to go in protest.

Shea

Just as important: His candidacy lays down the gauntlet for his opponents, Sen. Lisa Murkowski and former state Senate President Mike Miller. Where do they stand on Mr. Ruedrich and the party's ethical posture? Do they tacitly or directly support him? Do they support his behavior? Will they accept his help? Mr. Shea's involvement in the race will force them to deal with questions they'd rather not. That's good for voters.

Mr. Shea has proclaimed his objection to Mr. Ruedrich's appointment to the $118,000-a-year job at the Alaska Oil & Gas Conservation Commission from the very beginning. He was one of those who pointed out the inherent conflict of interest of a party chair raising money while charged with regulating the state's richest industry. He protested Gov. Murkowski's ethical blind eye in not resolving the conflict up front, and then in not demanding or enforcing scrupulous behavior by Mr. Ruedrich in office. Mr. Shea decried the resignation and then muzzling of former AOGCC commissioner Sarah Palin over Mr. Ruedrich's behavior. He also decried Mr. Ruedrich's conduct of party business from his state office and his delivering a confidential state legal analysis to one of the parties in business before the commission.

Mr. Shea is, in his point about public integrity, quite right — whatever the political implications.

Mr. Shea is eager to make the case that integrity in public office is the very core of our state and nation — that forfeiting it is fatal to public trust, that you can't be even a little bit crooked (or tolerant of it) and still govern with authority.

He is tilting at windmills, taking on a party apparatus that controls the governor's office and both houses of the Legislature — and that's desperate to hold the U.S. Senate seat this fall. But Mr. Shea is, in his point about public integrity, quite right — whatever the political implications. It will be interesting to see whether the party bosses actually succeed in marginalizing his voice.

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FBI - Stevens-46

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FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) A-1 Anchorage Daily News Anchorage, AK

(Mount Clipping in Space Below)

Date: 06/03/04
Edition: Thursday

Title: MASEK ACCUSED OF MISSPENDING FUNDS

Character:
or
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Submitting Office: Anchorage

Indexing:

Masek accused of misspending funds

Rep. Beverly Masek, R-Willow, said she denies any deliberate wrongdoing.

■ POET ACCOUNT: Former aide says leftover campaign money misused.

By LISA DEMER
Anchorage Daily News

A legislative aide has accused state Rep. Beverly Masek of illegally spending campaign and office funds on truck payments and other personal items.

The Alaska Public Offices Commission staff is investigating the complaint against the five-term Willow Republican as a civil matter.

The complaint was made last month by Eric Musser, who began working for Masek after the 2002 election and left her office in late 2003. He now is a legislative aide to Rep. Vic Kohring of Wasilla. The allegations relate largely to the period Musser worked in Masek's office.

A legislative aide off and on since 1990, Musser said he felt that Masek's actions were dishonest.

"There's a line I felt was crossed," he said.

After repeated requests for comment Tuesday and Wednesday, Masek faxed a brief written statement. She wrote that she had only just seen the complaints.

"But I already know enough to say that I can categorically deny any deliberate wrongdoing. I keep very good records, and I am going through them now to find the appropriate receipts," she wrote.

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194A-AN-13620-M-23

MASEK: *Accused of misspent POET funds*

Continued from A-1

Masek, 40, is a former Iditarod musher first elected to the state House in 1994. She is seeking her sixth term and faces two challengers in the Republican primary election this August. Whoever wins that can expect to be in a three-way contest in the November general election.

One challenger, Doyle Holmes, a former Matanuska-Borough Assembly member, said the matter likely will be a campaign issue.

"It's very significant, if the allegations are true. It's extremely dangerous to her," said Holmes, a Republican who has filed to run in the general election without a party label.

Under the state campaign reform act of 1996, candidates cannot spend leftover campaign funds on personal goods. But elected officials can use some of their unspent donations to create a public office expense term account, called a POET account. House members can transfer $5,000 a year into a POET account.

None of that money can be spent on personal goods. It is supposed to go for items that "reasonably relate to holding office," said Chris Ellingson, assistant APOC director. She said APOC is awaiting Masek's response before investigating the complaint and couldn't comment on the assertions.

Musser's complaint, dated May 20, is based on two financial disclosure reports filed earlier this year by Masek. One covers her POET account. The other is her campaign disclosure statement for 2003.

Among the allegations:

• Masek described two checks written on the POET account on Jan. 24, 2003, as being for transportation. The checks, to Alaska USA Federal Credit Union for $644.14 each, were for her personal payments on a truck loan, the complaint asserts.

• A $650 withdrawal from the POET account on Jan. 20, 2003, went toward a past-due credit card bill, as did a $200 withdrawal on Feb. 29, 2003, according to Musser's complaint. Masek's report described the payments as office expenses. Masek was not available to explain how there could be a withdrawal on Feb. 29, given that 2003 was not a leap year.

• A check on Jan. 7, 2003, for $3,100 written to her son, Michael Masek, was listed on the POET account but actually came out of her campaign account, Musser said. Masek described it as a "draw on personal funds."

• Masek reported putting $6,721.65 of her own money into the POET account and reported spending $10,971.39 for the year 2003. Under the law, politicians are not allowed to mingle leftover campaign funds with personal funds.

"It has to be leftover funds," Ellingson said. "You can't supplement that. You can't put other money in there."

The case may help define the limits of how much lawmakers can spend from POET accounts, Ellingson said. It also may test what type of spending is appropriate, she said. For instance, if a lawmaker asserts a car is necessary to legislative business, are personal car payments legitimate payments from the POET account?

"We don't have clear guidelines for it," she said.

As for the campaign account, Masek reported returning $500 donations to contributors Bill and Shannon West of Everson, Wash. According to the complaint, she didn't actually do so, though those contributions put her over the out-of-state limit of $3,000 in a House race.

"These checks were never sent. They were voided and destroyed," the complaint said.

Bill West said he is a mechanical engineer with Veco in Bellingham. Shannon West was listed on Masek's 2002 campaign filings as a Veco director.

Reached by phone, Bill West said he remembered some question had come up about the contributions but could not recall if they were returned.

The complaint also asserts that Masek listed numerous checks on her campaign account for telephone and fuel expenses when they were for her personal and home expenses.

In her written statement, Masek said she accepted responsibility if Musser made clerical errors in filling out the reports.

"I don't wish to speculate on my former employee's motives for this attack, but I feel confident we will eventually be able to get the truth out," she wrote.

Musser said Masek handled most of her own financial affairs. He said he spoke with Masek numerous times about his concerns, but until the financial reports came out in February, he didn't have the full picture.

"She managed her own account. She wrote her own checks. She was fully in charge and did things herself," Musser said.

APOC has asked Masek for a written response and for bank statements from the 2002 campaign and from the POET account, as well as copies of deposit slips for the accounts.

If APOC finds the allegations to be true, the commission can order fines of $50 to $500 per day, per violation.

Under new deadlines set in law, the case should be resolved before the August primary election, Ellingson said.

■ Daily News reporter Lisa Demer can be reached at ldemer@adn.com and 257-4390.

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SEE ATTACHMENT

(Indicate page, name of newspaper, city and state.) ADN.COM Anchorage Daily News Anchorage, AK

Date: 06/13/04
Edition: Sunday

Title: RULES DON'T COVER RUEDRICH ACTS

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adn.com
Anchorage Daily News

Rules don't cover Ruedrich acts

ETHICS LAW: Carpooling with lobbyist, private meetings aren't forbidden for oil panel.

By MIKE CHAMBERS
The Associated Press
(Published: June 13, 2004)

Republican Party of Alaska chairman Randy Ruedrich has been the target of allegations that he worked for the party out of his state office as a member of the Alaska Oil and Gas Conservation Commission. *(The Associated Press archive 2004)*

Click on photo to enlarge

JUNEAU -- During his time as a government regulator of the oil and gas industry, Randy Ruedrich held private meetings with oil officials, obtained documents from federal prosecutors on a former employer, and even carpooled with a natural gas lobbyist.

Such conduct would have been forbidden for some other state boards and commissions, such as the Regulatory Commission of Alaska, which oversees telephone companies.

But not for the Alaska Oil and Gas Conservation Commission, where Ruedrich served until late last year as a regulator of the state's most lucrative industry.

Still, those were some of the most troubling revelations that a former commissioner said she found while investigating whether Ruedrich was doing GOP work on state time.

Sarah Palin, who also served as AOGCC ethics supervisor, said she turned over witness statements and other evidence showing that Ruedrich may have been too cozy with the industry he regulated.

Other than a single confidential document that he allegedly leaked to Evergreen Resources lobbyist Kyle Parker, none of the so-called ex parte contact appears to have been probed, Palin said.

"From a regulator's role, and because I was hired to help regulate the industry and I took my responsibility very seriously, the ex parte contact was extremely serious," Palin said.

Barbara Ritchie, head of the Department of Law unit that investigated Ruedrich, said the allegations have been looked at. "At this point, we haven't found anything that is an Ethics Act issue with this," Ritchie said.

The state's Ethics Act doesn't restrict commissioners from having outside contact with industry representatives. And the AOGCC doesn't have formal regulations forbidding the practice, something that the Regulatory Commission of Alaska has recently done.

In addition, the commission overseeing the oil and gas industry is exempt from the state administrative law that governs outside contact for other boards and commissions, such as the Alaska Public Offices Commission or the state boards of Fish and Game.

Ruedrich had held private meetings with BP Exploration (Alaska) Inc. officials while the commission was investigating a well explosion.

Ruedrich also acted on his own when he met with the U.S. attorney's office to gather investigative documents on his former employer, Doyon Drilling, Palin said.

But Ruedrich defended his actions, saying he did nothing improper. He met with the U.S. attorney's office to gather documents on BP -- and not Doyon, as Palin alleges -- for the commission's records, Ruedrich said.

"The Doyon thing is just another example of it never happened and the rest of it is stretched and stretched and stretched," Ruedrich said.

Ruedrich worked for Doyon Drilling when the company and three employees pleaded guilty in 1998 to federal charges of illegally dumping waste on the North Slope.

In summer 2003, Ruedrich met with the U.S. attorney's office to request records, but a federal spokeswoman would not say what they discussed or what was turned over.

"It was publicly filed documents in the court. As a courtesy, we gave him a copy," said Assistant U.S. Attorney Deborah Smith.

Vicki Clark, who is an attorney for the environmental group Trustees for Alaska, which has battled with Evergreen over coal bed methane drilling, said Ruedrich's actions demonstrate the need for tighter regulations on the regulators themselves.

Clark had heard rumors that Ruedrich had driven with Parker to company-sponsored public meetings in the Matanuska-Susitna Borough.

Palin, who had heard the same rumors, worried that Mat-Su residents angry about the company's plans to drill for shallow gas on private lands would conclude the state was somehow in cahoots with Evergreen.

Ruedrich said he did carpool with Parker to a meeting in Sutton in September. At that meeting, the public outcry against drilling erupted, catching Ruedrich by surprise, he said.

In retrospect, he would not have shared a car ride with the Evergreen lobbyist if he had known in advance that the meeting would become contentious, he said.

"I think what's happened with Randy Ruedrich has certainly brought to light that there is an avenue for abuse," Clark said.

It would be unrealistic to forbid any contact between regulators and those being regulated because Alaska is so sparsely populated, Clark said.

But a better idea would be to at least require commissioners to divulge their contact.

Ruedrich is the state Republican Party chairman. He resigned from the $118,000-a-year AOGCC post in November and now faces state ethics charges.

He faces civil ethics charges for allegedly doing political work on state time and for sharing an internal legal opinion with the Evergreen lobbyist.

The four charges carry a fine of up to $20,000. The state is currently in settlement talks with Ruedrich.

Palin conducted the initial phase of the investigation, gathering documents and statements for the state Department of Law.

She turned the information over to the department in December and in January appealed to Republican Gov. Frank Murkowski to act.

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Palin later resigned from the commission in part due to state confidentiality restrictions that she said made little sense.

While the Ethics Act didn't bar Ruedrich from meeting with industry officials, it does require those who knew about the investigation to be quiet.

Palin said she recently decided to talk after Ruedrich and others within the GOP began to publicly denounce the department probe.

Republican Party attorney William Large called the charges overblown at a GOP convention in Soldotna this summer, while Murkowski lauded Ruedrich for surviving what he termed a media attack.

"So many people are spinning this around to what are the technical activities of this and ignoring the spirit of the Ethics Act," Palin said.

Rob Mintz, the Department of Law attorney who advises the AOGCC, said even though there are no regulations against such contact, "it's kind of implicit."

"Generally speaking, the rule is a decision maker should not have communication with fewer than all the parties unless there is notice and consent by all the other parties," Mintz said.

But since many of the issues before the AOGCC involve only a single party, commissioners at the AOGCC police themselves, said Commissioner Dan Seamount.

In his role as a regulator, Seamount doesn't hold private meetings, he said.

"I can't say one way or another whether any of the other commissioners adhere to that policy as strictly," he said.

Neither Seamount nor Mintz would talk about specific instances involving Ruedrich.

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FD-350 (Rev. 5-8-81)

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SEE ATTACHMENT

(Indicate page, name of newspaper, city and state.) ADN.COM Anchorage Daily News Anchorage, AK

Date: 07/06/04
Edition: Tuesday

Title: CONSULTING WORK PAYS OFF FOR SOME STATE LEGISLATORS

Character:
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Classification: 194A-AN-13620 - 100
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194A-AN-13620-M-25

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Consulting work pays off for some state legislators

POLITICS: Ben Stevens made $300,000 helping people who help him.

By SEAN COCKERHAM
Anchorage Daily News

(Published: July 6, 2004)

JUNEAU -- Anchorage Sen. Ben Stevens made more than $300,000 from consulting last year, working for companies whose executives also gave thousands to his most recent political campaign.

He's not alone.

Anchorage Rep. Tom Anderson collected $30,000 in consulting fees last year. Anchorage Rep. Lesil McGuire reported $10,500 in consulting fees.

Anderson and Stevens shared a major client: the influential oil field and construction services company Veco, which has helped finance both men's election campaigns and those of dozens of other Republican candidates.

McGuire, an Anchorage Republican who has a law degree, told the Alaska Public Offices Commission that she was hired by Providence Alaska Medical Center to review legal documents. She did not return calls seeking a fuller explanation.

The latest financial disclosure reports filed with the state show consulting pays off for some legislators, though the experience of Sen. Scott Ogan, a Palmer Republican, showed it can present difficulties. Last year Ogan quit his $40,000 consulting job with Evergreen Resources in the face of conflict of interest allegations.

Evergreen was pushing for legislation affecting its business, coal bed methane development, while Ogan was its consultant. Now Ogan is fighting a recall effort.

Unlike Ogan, Stevens and Anderson were both professional consultants before being elected to the Legislature. But Ogan's experience has focused attention on what lawmakers do to make a living.

Consultants aren't the only lawmakers whose careers overlap with the business of the Legislature.

The disclosure reports show, for example, that Sen. Gretchen Guess, D-Anchorage, works for Alaska Communications Systems, a company embroiled in the telephone wars that often spill over into the Legislature. Rep. Kevin Meyer, R-Anchorage, works for Conoco Phillips, a big player on issues ranging from oil taxes to incentives for a natural gas pipeline.

Commercial fishermen have long taken the lead on fisheries issues in the Legislature. Homer Republican Rep. Paul Seaton, for example, is a fisherman who chairs the House Special Committee on Fisheries.

But Leah Rush, state projects director for the nonpartisan Center for Public Integrity in Washington, D.C., argues that legislators who work as consultants raise a separate question. Consultants choose whether or not to do work for a company active in politics, she said.

"They're for hire," she said. "So it's a little bit different than someone who is working for a company or owning their own company."

Rush said it's especially important for the public to know when consultants are getting campaign contributions from companies that also hire them. That's the case with both Stevens and Anderson.

Stevens, the influential Republican majority leader of the state Senate, didn't return phone calls seeking comment.

Anderson said government affairs and public relations consulting are jobs in which he has experience, and he doesn't let it conflict with his legislative duties.

"I have to work," said the first-term lawmaker from Muldoon.

The state pays legislators $24,012 in base salary. They also get another $23,000 or so in per-diem, meant in part to help cover living expenses while they are away from home during the four months when the Legislature is in session. Lawmakers often get additional thousands for doing state work when the Legislature isn't in session.

Stevens, the son of U.S. Sen. Ted Stevens, has worked as a consultant for Veco since before Gov. Tony Knowles appointed him in 2001 to fill a vacant seat in the state Senate. His contract for "business services" with Veco last year was $47,500, according to the state reports.

Anderson just started working for Veco last year when he got a $10,000 contract for "consulting on local government and community council affairs," according to the reports he filed with the state.

Veco employees and their wives have also contributed a least $3,500 so far that can be used in his campaign this fall. He received about $4,000 in Veco-related contributions in his 2002 House race.

Stevens isn't up for election this year, but he received more than $12,000 in Veco contributions for his 2002 election campaign. He also got smaller contributions from fishing interests. Some of his biggest consulting contracts are in the fishing industry. Stevens ran unopposed in the 2002 campaign but still spent most of the $131,000 he raised and can use some of the rest to help his next campaign.

Veco is always influential in state campaigns. Its employees or their spouses donated $296,883 in the last state election, two years ago, according to a Daily News election-finance database. Veco president Pete Leathard said the support is for candidates who share the company's philosophies on issues such as developing natural resources.

Multinational Veco, one of Alaska's most successful homegrown companies, is known for its work in oil fields. But the company is also active in construction, electrical work, biotechnology, even food processing.

It has pushed bills in the Legislature related to oil and gas. But Veco has a broad interest in what happens in the Legislature, from business taxes to workers' compensation issues to attempts to limit lawsuits. Veco has some of the top lobbyists at the Capitol under contract.

And it hires legislators.

Leathard said the company's intent is not to influence them; it hires them because they are qualified for the job and shouldn't be punished financially because they serve four months of the year in Juneau.

"They have to work in the off time," he said.

Former Wrangell Republican Sen. Robin Taylor, a lawyer, had a Veco contract when he was in the Legislature. He closed his law practice and took a state job last year.

Anderson said Veco approached him about a job after the legislative session ended last spring. The company knew he had done similar consulting work before his election, Anderson said.

Anderson said the bulk of his $10,000 contract was for seeking out civic and charitable events for Veco to

become involved in. He also said he monitored neighborhood community councils in Anchorage to see if there were any zoning cases or other issues brewing that might affect Veco.

Anderson also got a $20,000 contract from the Alaska Telephone Association, a group of rural telephone companies. He said he advised on member relations and researched other states' telecommunications policies.

Anderson is chair of the House Labor and Commerce Committee, which deals with telecommunications issues. But Anderson said he's careful to avoid a conflict and hasn't pushed the interests of his employers.

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

Stevens, a former Bering Sea crab boat captain, started his consulting and lobbying business in Washington, D.C., about a decade ago. He kept many of his clients, including Veco, since joining the Legislature.

Leathard said Veco hires Stevens because he is familiar with the company and knows his way around the government maze in Washington, D.C. He said last year Stevens helped Veco get paid for work on a World Bank-sponsored pipeline project in Pakistan.

Stevens had some of his biggest consulting contracts with fishing interests more involved in federal than state politics. He has drawn criticism for the fact that his father, one of the most powerful members of Congress, pushed legislation that helps clients of his son's, such as the North Pacific Crab Association, a processor group.

The elder Stevens also backed legislation that gave the Aleut Corp. exclusive rights to catch millions of dollars' worth of pollock along the Aleutian Chain. Adak Fisheries, which stands to benefit from the deal, had a $120,000 contract with the younger Stevens last year.

Ted Stevens told the Daily News last fall that both he and his son have developed a thick skin in response to their critics.

"I don't care what they say about me. My son's now a politician. ... He doesn't care what they say about him," Stevens said at the time. "Neither one of us is getting rich. That's for damn sure. And we're doing what we think is right."

Reporter Sean Cockerham can be reached at scockerham@adn.com.

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FBI - Stevens-56

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(Indicate page, name of newspaper, city and state.) A-4 Anchorage Daily News Anchorage, AK

Date: 08/25/2004
Edition: Wednesday

Title: WAGONER AND OLSON WIN KENAI GOP PRIMARIES

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or
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Submitting Office: Anchorage

Indexing:

(Mount Clipping in Space Below)

Wagoner and Olson win Kenai GOP primaries

COSTLY: Senate challenger Jerry Ward spent $140,000 of his own money in unsuccessful try.

By TOM KIZZIA
Anchorage Daily News

Jerry Ward's effort to clamber back into state politics was beaten back Tuesday by Sen. Tom Wagoner in the Kenai-area Republican primary.

In an acrimonious race that cost Ward $140,000 of his own money, Wagoner won with almost half the votes in a three-way race among conservatives. Political newcomer Scott Hamman of Nikiski, who ran a pox-on-both-their-houses campaign, finished a fairly strong third.

Ward's campaign was based on protecting the Permanent Fund dividend above all else. Wagoner said Tuesday night that Ward's attacks had apparently backfired.

"People don't like negative campaigns," he said. "And people do not like these automated phone calls." He said his campaign had heard many complaints about repeated automated calls from Ward's campaign.

Wagoner is expected to face only token independent opposition in November's general election.

Former legislative staffer Kurt Olson won the Republican primary for the Kenai House race to replace outgoing Rep. Kelly Wolf, R-Kenai. By winning a four-way race, Olson will face Democrat Hal Smalley for the District 33 House seat in November.

Olson, who campaigned more aggressively than his competitors, was a one-term Soldotna City Council member and an aide for Wagoner and former Sen. John Torgerson. He drew 47 percent of the vote Tuesday. John "Ozzie" Osborne was second with 31 percent. Trailing behind were David L. Richards, owner of a sportfish business, and Mel Krogseng, a Kenai River lodge owner and longtime aide to former House Speaker Ramona Barnes.

Olson will face Smalley, a retired teacher and 10-year Kenai City Council veteran who was elected to a single House term in 1998.

In a Democratic state Senate primary, commercial boat owner Mike Yourkowski of Homer was well ahead of Mike Milligan of Kodiak for the Homer-Seward-Kodiak District R, with many Kodiak votes still uncounted. The winner will challenge incumbent Republican Sen. Gary Stevens of Kodiak.

The Kenai Republican Senate primary was expensive, with candidates spending about $280,000.

Ward's spending represented the most personal money election officials recall being spent on a legislative campaign. He refused to say where the money had come from other than to say it was his. He added about $30,000 in contributions.

Ward's media efforts led Wagoner to scramble to mount a $110,000 defense. Ward accused Wagoner of selling out to special interests.

Wagoner, a former Kenai mayor and Kenai Peninsula community college dean, knocked Ward out of his Senate seat in 2002 amid questions about Ward's home residence. Ward, who now lives in Sterling, said at the time he had moved from a big home in Anchorage to a small

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Wagoner

> *"People don't like negative campaigns. And people do not like these automated phone calls."*
>
> — Sen. Tom Wagoner

trailer in Nikiski so he could keep his Senate seat after the district was redrawn. Ward had other liabilities as well, including questions about a long-ago bankruptcy and his support for a proposed private prison in Kenai that local voters rejected.

Wagoner avoided a primary fight with Ward two years ago by running in the general election as a Republican Moderate. He said he wanted to avoid splitting the anti-Ward vote with another candidate. Wagoner switched parties after he won, joining the Republican majority in the Senate.

But Ward charged back, accusing Wagoner of voting to take Permanent Fund money and failing to stop government growth.

The campaign ended in a blaze of testy advertising the past few days. Wagoner publicized an endorsement from U.S. Sen. Ted Stevens, and Ward came back with a newspaper ad saying "Sen. Ted" had been "hoodwinked" because Wagoner had lied about his record.

"As our new state senator, Jerry Ward won't have to shade the truth," Ward's ad said.

Ward also sent a mailer with an endorsement from former gubernatorial candidate Wayne Anthony Ross, identified as a director of the National Rifle Association. Wagoner responded with ads reprinting a letter from the NRA citing Wagoner's "A-plus" rating. The NRA letter took an unusual slap at Ward, saying he had implied in his mailer that he had the association's endorsement when he didn't.

Ward had invested several hundred thousand dollars of his own money in previous campaigns.

Ward's political career started with his 1982 election to a House term representing Anchorage. His effort to move to the Senate failed, but in 1996 he defeated Democrat Judy Salo to win what was then a Kenai-Anchorage Senate seat.

Ward also made two unusual runs for lieutenant governor. In 1990, he teamed with John Lindauer on the Alaskan Independence Party ticket, then stepped aside to allow a successful run by Wally Hickel and Jack Coghill. In 1998, now in the Senate, Ward teamed again with Lindauer, this time on the Republican ticket. That race ended with Lindauer disgraced and disowned by the party for hiding the fact that funds for his heavily self-financed campaign had come from his wife's fortune.

■ Reporter Tom Kizzia can be reached at tkizzia@adn.com or in Homer at 1-907-235-4244.

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FBI probes complaint against Heinze

INCIDENT: Agency investigates charge the legislator solicited jobs from Railbelt utilities.

By SHEILA TOOMEY
Anchorage Daily News

(Published: September 2, 2004)

Cheryll Heinze's job discussions with utility officials were a "matter of public record," said her attorney, Jeff Feldman. *(Seanna O'Sullivan/AP)*

Click on photo to enlarge

An Anchorage legislator's suggestion to several Railbelt utilities that they hire her as a consultant has landed her in hot water, but just how hot remains unclear.

The FBI is investigating a complaint that Cheryll Heinze, a first-term House member from Anchorage, solicited jobs from companies affected by legislation she supported, Heinze's attorney, Jeff Feldman, confirmed Wednesday.

Feldman said he did not know the current status of the investigation. "Everything there is to know about this has been known since last spring," he said. "There are no new facts to develop."

As a matter of practice, federal investigators do not announce when they conclude that charges are not warranted, he said.

In recent weeks, both the FBI and the U.S. attorney's office have refused to confirm or deny the existence of the investigation.

The flap stems from conversations Heinze had with several Railbelt utility officials during the past legislative session, both sides say. However, no one interviewed admits knowing how the feds got involved.

In April, Tuckerman Babcock, a lobbyist for Matanuska Electric Association, told the Legislative Ethics office that Heinze asked him for a job under circumstances he considered inappropriate and asked for guidance about filing a complaint.

Babcock said Wednesday he was "taken aback" when Heinze suggested to him at a March 31 social gathering that MEA should hire her during the interim between legislative sessions.

FBI - Stevens-59

"I did find it inappropriate," he said. "I've never had a request like that."

Babcock did not file an official complaint after an ethics officer concluded the job request might carry the appearance of impropriety, but did not appear to be a clear violation.

He agreed that Heinze did not offer to do him any favors in return for a job.

The job request came while Babcock was in Juneau testifying against a Heinze-sponsored bill that would have allowed several of the Railbelt utility companies, but not including MEA, to form an unregulated joint operation, he said. The bill eventually died.

194A-AN-13620-M-27
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Babcock said he did not report the incident to the FBI or ask for a federal investigation.

The next he heard of the matter was when the FBI approached MEA to help with "an investigation," Babcock said." MEA "cooperated fully," he said. He refused to say if Heinze was the subject of the investigation or what kind of assistance MEA gave the FBI.

Rumors of the investigation have been rampant in political circles since July when Heinze withdrew her name as a candidate for re-election, citing ill health. But no one with first-hand knowledge of the facts had been willing to talk until Babcock broke his silence. He said he did so because the rumors were damaging his reputation.

After learning of Babcock's comments, Feldman confirmed that his client has been the subject of an FBI inquiry but said he doesn't know if it is still going on. He said Heinze's job discussions with utility officials were all open and "a matter of public record. ... That's something she was talking about to everybody."

After witnessing what she considered an unhealthy enmity among the various companies providing power to the Railbelt, Heinze suggested they hire her over the interim to "work with all the utilities to try to fashion a more harmonious policy," Feldman said.

"It didn't happen," he said. "I'm not aware anyone thinks those discussions violated anything, either law or ethics."

Heinze, reached at home Wednesday night, declined to comment, on Feldman's advice, she said.

Daily News reporter Sheila Toomey can be reached at stoomey@adn.com. Reporter Sean Cockerham contributed to this story.

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FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) Channel 2 Broadcasting
Anchorage, AK

(Mount Clipping in Space Below)

Date: 09062004
Edition: Monday

Title: THIRD-PARTY BID MAY UNSETTLE SENATE RACE

Character:
or
Classification: 194A-AN-13620 -130
Submitting Office: Anchorage

Indexing:

SEE ATTACHMENT

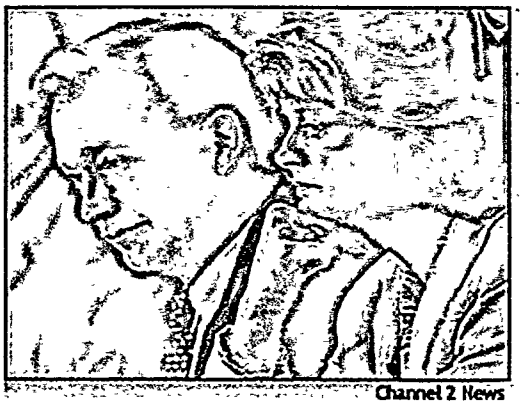
FBI - Stevens-61

SEARCHED ____ INDEXED ____
SERIALIZED ____ FILED ____
SEP 21 2004
FBI - ANCHORAGE

194A-AN-13620-M-28

Third-party bid may unsettle Senate race

Monday, September 6, 2004 - by Steve MacDonald


Channel 2 News

Anchorage, Alaska - They were bitter rivals in the Republican primary, but now Mike Miller is backing Lisa Murkowski in the race for U.S. Senate.

Miller (shown at right with Murkowski during a primary forum) made the endorsement at an event billed as a "unity rally" Monday in Fairbanks.
During the primary, Miller often criticized Murkowski for not being conservative enough.

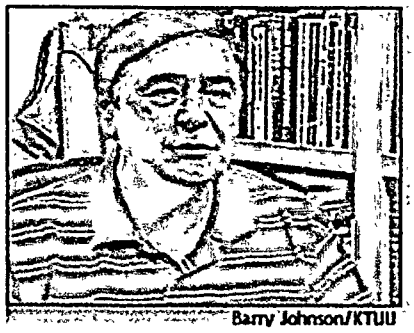
But according to Murkowski's campaign staff, Miller said that, despite their differences, he is supporting his fellow Republican. He did not say if he'll campaign for Murkowski during the general election campaign.

Barry Johnson/KTUU

Despite Miller's endorsement, Sen. Murkowski will still hear from critics who say she's not conservative enough. One of those critics is a former Republican state lawmaker who's running for the U.S. Senate as a member of the Alaskan Independence Party.

Jerry Sanders is questioning Murkowski's stance on some key issues, while a major question mark hovers over his own campaign.

Talk to Sanders and there's no doubt about his role in the November election. "I am the candidate," he insists. Nor is there doubt about what part his friend and colleague, Jerry Ward, is playing in the U.S. Senate race. "Jerry Ward is the campaign manager."


Barry Johnson/KTUU

But listen to Ward and there's still some question about whether rumors of a switch in the AIP Senate candidates could come true.

"As we speak today, it absolutely is I'm 100 percent behind Jerry Sanders," Ward says. "And if for any reason Jerry Sanders and the AIP party was to ask me to run and serve, I absolutely would consider it."

But right now it's Sanders' name on the ballot and, with the help of Ward, the two are drawing a bead on conservative Alaskan voters. To win that vote, they're touting three main issues.

"We're pro-life. We're anti-same-sex marriage. We're pro-vouchers," Sanders says. That means in favor of school vouchers. "You can see that more and more people every year are going to home schooling."

Something else Sanders says he's offering conservatives is a clear choice between himself and the two main candidates in the Senate race. "The situation that has evolved here is the special interests have given us two people to select between, to vote for. And they're just alike, just like two peas in a pod."

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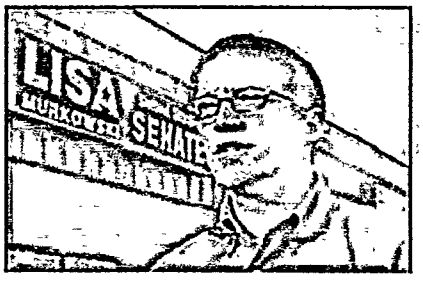
So voters can expect a reprise of a theme heard in the Republican primary race between Murkowski and Mike Miller. This time, it will be Sanders claiming he's the true conservative.



"We don't take anything for granted, but we are focused on Tony Knowles, and I think that's where most Alaskans are focused," says Murkowski campaign spokesman Elliott Bundy (right).

It's a theme that Murkowski easily conquered in the primary. But it's talk that her camp worries could fracture some of the Republican vote in November.

"We've got to remember it didn't work in '94 when Tony Knowles was

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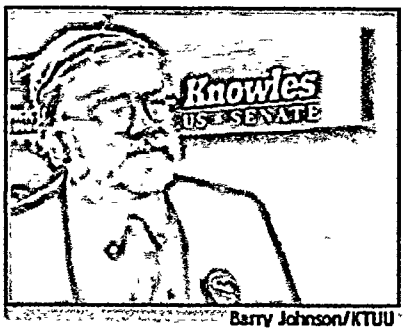
elected governor," says Bundy. "It didn't work in the primary when Sen. Murkowski won. And a continuation of this rhetoric is really the best way to insure that we have Sen. Knowles in November."



Barry Johnson/KTUU

The Knowles campaign says it's hard to gauge what effect Sanders and the Alaska Independence Party will have on the U.S. Senate race. The Democrats' campaign staff feels the potential is there to hurt the Republicans.

"My guess is that, by appealing to those conservatives who are also concerned about issues, such as outsourcing of jobs, that inevitably they'll take votes away from Lisa Murkowski," says Bob King of the Knowles campaign.

But if Sanders is going to appeal to anyone, he'll have to campaign more aggressively in the general election than he did in the primary. Facing minor opposition in August, Sanders made few appearances and spent no money. His campaign manager vows that will change.

"Jerry Sanders' campaign is going to have to spend about $400,000 in order to be successful," Ward says. "And we have every intention of doing that. And the name ID will be out there with the first $100,000."

According to Sanders, it will be his name that voters will identify as the Alaska Independence Party candidate. The AIP also says it wants Sanders on the ballot and is opposed to any change in candidates.

Back in 1990, John Lindauer and Jerry Ward were the AIP candidates for governor. But after the primary, they were dropped from the ticket and replaced by Republicans Walter Hickel and Jack Coghill, who went on to win the race.

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FBI - Stevens-63

FD-350 (Rev. 3-8-81)

(Indicate page, name of newspaper, city and state.) Anchorage Daily News
Anchorage, AK

(Mount Clipping in Space Below)

Date: 09172004
Edition: Friday

Title: MEETING TURNS INTO YELLING MATCH

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Submitting Office: Anchorage

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SEE ATTACHMENT

FBI - Stevens-64

SEARCHED ___ INDEXED ___
SERIALIZED ___ FILED ___
SEP 21 2004
FBI - ANCHORAGE

194A-AN-13620-M-29

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Anchorage Daily News

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Meeting turns into yelling match

FENCE DISPUTE: Critics of Air Force plan accused of having anti-military bias.

By ANNE AURAND
Anchorage Daily News

(Published: September 17, 2004)

A Northeast Community Council meeting Thursday night erupted in shouting, table pounding and finger pointing when one side on a military fence issue questioned the other's support for U.S. troops.

When council secretary Ron Slepecki asked the people who resisted the Air Force's plan to build a security fence across popular trails to admit they secretly disliked the military, a couple of obviously offended fellow community council members slammed their fists onto desks.

And that's when the yelling started at the standing-room-only meeting.

Board member Ainslie Phillips and council vice president Bill Wielechowski shouted at Slepecki to stop his accusations. Later in the evening both said that people should be able to disagree without calling each other names.

The council ultimately approved, on a 47-15 vote, Slepecki's motion to support Elmendorf Air Force Base's plans to build an 8-foot chain-link fence topped with barbed wire along the base's southern boundary.

Wielechowski also said he was bothered by the process that led to the decision about where to build the fence. The military did not show the council the true, final trail plan until the decision was made, he said.

But board member Troy Carlock said that security is more important than a public process and that to drag out this debate would jeopardize the Air Force.

Leadership in the Northeast Community Council has been a volatile issue since May. That's when friends of Republican state Rep. Tom Anderson, from East Anchorage, put allies -- including Slepecki, a reverend with Anchorage Baptist Temple, and Carlock, a teacher -- in some top spots.

Anderson said in May that he wanted to see more pro-business, pro-development and pro-military people running the council, which can be a jump-off point for local politicians.

The meeting Thursday started with military officials talking about why the base needs new housing and accompanying security fencing. The fence will cut off some long-established recreation trails near Bartlett High School.

Some trail users want the Air Force to consider moving the fence about 75 feet north, which would

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preserve more trails but reduce the 150-foot buffer between new housing and the fence.

Trail supporters believe that shrinking that buffer wouldn't hurt base security. But military officials and supporters in the audience said someone could throw a grenade 75 feet and the base is a target.

The majority supported the military's fence plans.

Dave Ulmer said that he hadn't come to the meeting to vote against the fence plan but that Slepecki motivated him to.

"I don't care if they build an Empire State Building," he said. But he was angry, he said, that Slepecki "infers that if I question the military I'm an anti-American commie."

The meeting was riddled with face-offs between opposing factions, several sparked by a woman who said she was a military widow and repeatedly announced her embarrassment that the council was arguing about a fence when people were fighting and dying for their country.

Daily News reporter Anne Aurand can be reached at aaurand@adn.com or 257-4591.

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FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) Channel 2 Broadcasting Anchorage, AK

(Mount Clipping in Space Below)

Date: 10/05/2004
Edition: Tuesday

Title: CITY APPROVES PLANS FOR MACKAY ANNEX

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

Indexing:

SEE ATTACHMENT

FBI - Stevens-67

194A-AN-13620-144

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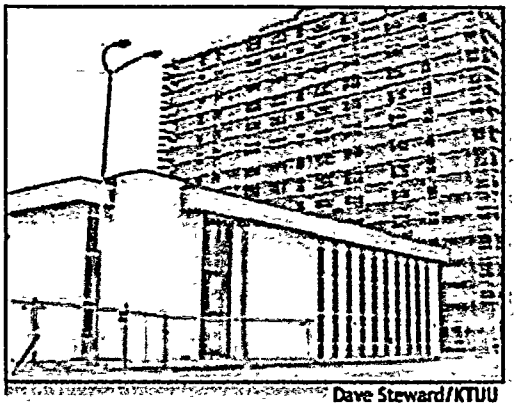
OCT 19 2004
FBI - ANCHORAGE

194A-AN-13620-M-30

City approves plans for MacKay Annex

Tuesday, October 5, 2004 - by Angela Unruh


Dave Steward/KTUU

Anchorage, Alaska - For the last 20 years, it has sat empty. While that has upset many nearby residents, the latest proposal has some wishing it would stay empty.

Monday night, the Planning and Zoning Commission unanimously approved a land use permit for the MacKay Annex on Fourth Avenue.

The business developer, Marc Marlow, has huge plans for this area that he says may create an economic boom. But some nearby business owners are still wary of what may soon lie on this property.

As drivers pass the MacKay Annex, they don't usually take a second look. But that may change after Marlow finishes his grand plans for what's now being referred to as the McKinley Tower.

"The tower is actually in the process of being split into two legal pieces," he says. The first four floors would house 58 units for assisted living. The top 10 floors would contain 100 apartments.

Dave Steward/KTUU

Marlow proposes that the annex, just west of the tower, house a residential psychiatric treatment center for boys ages 11 to 17.

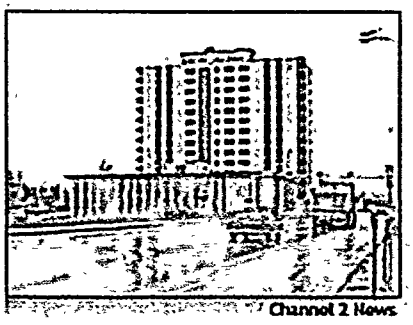
"That building will be staffed by 88 people providing professional jobs to care for the folks in need of the service," he says. "And I think will be a meaningful and dynamic component to the revitalization and economic progress on this end of our city."

This part of the plan is what has many nearby business owners upset. "We do have mixed feelings even in my own company right there, where we're not too comfortable with this right here," said Ilarion Pletnikoff, manager of Lotte International Trading.

The Planning and Zoning Commission did add, among others, a condition for the use of the annex.

"The use of the hospital cannot be converted into a detention center or into a correctional halfway house, as part of this approval," said Mary Autor, senior planner with the municipal planning department.

"Maybe some people would frown on it," said Pletnikoff. "But I think that it's a service that's probably been neglected for so long in Anchorage, and it needs to be addressed somehow, and perhaps a place needs to be provided for it."


Channel 2 News

Marlow believes developing this land is the key to creating a dynamic downtown. "The key to blossom a downtown is to have people living in the downtown. And we have a real shortage of that because we don't have any place for folks to live," he says.

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Vacant for more than 20 years, and for the past six on Marlow's drawing board, the formerly pink building with an equally colorful past may be well on its way to a new future. If everything goes well with financing, construction on the tower could begin this month, Marlow says.

Completion is expected by September 2005.

But before the annex can be developed, the Department of Health and Social Services has to determine if the facility is needed. The annex would be a locked facility, housing boys who are sex offenders, boys who have

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been abused themselves, and those who have abused others.

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FD-350 (Rev. 5-8-81)

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(Indicate page, name of newspaper, city and state.) B-9 Anchorage Daily News Anchorage, AK

Date: 10/06/2004
Edition: Wednesday

Title: BOYS' CENTER TAKES ANOTHER STEP

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or
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Submitting Office: Anchorage

Indexing:

Boys' center takes another step

MACKAY: Planning commission OKs proposal for psychiatric facility.

By ANNE AURAND
Anchorage Daily News

Anchorage's Planning and Zoning Commission unanimously agreed to allow a boys' psychiatric treatment center in the MacKay building annex as part of a broader plan to develop senior housing and apartments in the taller MacKay building next door.

The psychiatric center is proposed by developer Mark Marlow and Cornell Companies, a Texas-based company that operates private prisons as well as juvenile treatment facilities.

At a public hearing before the commission Monday night, testimony favored Marlow's proposal, which he and his supporters say will add life into the two buildings that have stood vacant for decades. Some said the residential treatment center is a needed service in Anchorage.

A smaller number were skeptical about how the proposed psychiatric hospital would affect the eastern end of downtown, and some said there are already too many social services in the downtown area.

MacKay building developer Marc Marlow said leasing the annex for the psychiatric center would help him rebuild the adjacent tower.

Marlow

Marlow requested a conditional use for this 2.4-acre property on Fourth Avenue between Cordova and Denali streets. The approval allows property uses that otherwise would not have been allowed, including hospitals, nursing homes, convalescent homes, medical clinics, senior housing and pharmacies. The boys' center is classified as a hospital for these purposes.

The commission on Monday added some conditions of approval to those already proposed by city planning staff.

Conditions include the three-story annex being filled with a 60-bed adolescent psychiatric hospital for boys between 11 and 17, the 15-floor tower building having four floors of senior housing and senior assisted-living facilities, and the rest of the building housing 100 general-rental apartments. The property will not be used for correctional or detention centers.

Conditions also require that the development be completed by September 2005.

Marlow said leasing the annex to Cornell Companies for the psychiatric center would help him rebuild the

See Page B-9, **MACKAY**

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194A-AN-13620-M-31

MACKAY: *Commission OKs boys' center*

Continued from B-1

adjacent tower.

He is awaiting a commitment from the federal Department of Housing and Urban Development to start work on the tower. Marlow said the first job, which can be done during the winter, is to restore sewer, water and heat to the building. That has been done in the annex.

Cornell must now follow through with a state process to acquire a "certificate of need" before it can put in the boys home. The state Health and Human Services Web page says Cornell has applied for the certificate.

A company official said the home could be ready next summer. The company says it will invest $10 million to $12 million in the center.

The facility would be home to up to 60 Alaska boys ages 11 to 17 with mental disabilities and psychiatric and substance-abuse problems. About 450 such youths are getting treatment in the Lower 48, and the company says bringing the kids closer to their families would help them.

Mildred "Milly" Mucha, who spoke in favor of the proposal at Monday's meeting, said the service is needed and the city needs a similar home for girls.

A retired teacher, she said she has worked in drug and alcohol programs in schools here in the past. The people in treatment can be good people, she said, and the neighbors should not worry. Mucha said she would support the center even if it was proposed in her Midtown neighborhood.

"You've got an empty building and people willing to invest and get the thing going," she said, adding, "The builder is going to salvage an eyesore."

Cornell has been pushing a private prison in Alaska, most recently in Whittier. The company has its critics, who point out lawsuits and newspaper stories about abuses or escapes in Cornell-owned facilities.

Dee Hubbard of Sterling has been researching the company since it tried to build a prison near Kenai. She's the president of a Florida-based private prison watchdog group called Private Corrections Institute. The company pays its employees poorly and executives well, she said.

"I don't want Cornell to have its hand on any kids in Anchorage," she said in a phone interview.

She said she agrees that Anchorage needs drug and alcohol treatment for youths but would rather see a publicly run facility, which she said would be more accountable.

Tim Marshall, a regional development director for Cornell, said state-run agencies have as many problems as private ones. He cited a case where girls in a public treatment home in Hawaii were abused and subsequently transferred to a Cornell facility in Salt Lake City for their safety.

He acknowledged that the company has had some problems but said Anchorage, as opposed to a rural location, should be an easy place to find quality employees. Cornell would import employees to train local hires and would recruit nationally if necessary. Employees will earn between $24,000 and $80,000 depending on the position, he said.

"We're here as a resource to the community," Marshall said. "We plan to serve Anchorage youth and families."

Mayor Mark Begich has heard that Cornell has had problems in some facilities.

"On the flip side, I've seen some of their operations, and they seem like well-run organizations," he said. "They've had problems at times but not ones that make me nervous."

■ Daily News reporter Anne Aurand can be reached at aaurand@adn.com or 257-4591.

FD-350 (Rev. 5-8-88)

(Indicate page, name of newspaper, city and state.) adn.com Anchorage, AK

(Mount Clipping in Space Below)

Date: 10/23/2004
Edition: Saturday

Title: TEACHERS SUPPORT ANDERSON

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or
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Submitting Office: Anchorage

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SEE ATTACHMENT

FBI - Stevens-72

194A-AN-13620-151

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OCT 30 2004

FBI - ANCHORAGE

194A-AN-13620-M-32

If you're still undecided on the U.S. Senate race, YOU need to think about this.
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Paid for by the National Republican Senatorial Committee and not authorized by any candidate or candidate's committee. www.nrsc.org

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Anchorage Daily News

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Teachers support Anderson

Daily News staff

(Published: October 23, 2004)

A teachers union has endorsed Republican incumbent Rep. Tom Anderson, a government affairs consultant, over three-term Anchorage School Board member and career educator Peggy Robinson.

The National Education Association Alaska, representing about 12,000 members, chose Anderson for the Muldoon House seat because he has supported schools and voted to direct millions of dollars into education, said NEA president Bill Bjork.

For example, Anderson sponsored a bill to put $35 million into classroom instruction, reducing class sizes.

"We're not going to change horses midstream," Bjork said. "He has earned it."

Robinson said she was disappointed but not surprised. When she was on the School Board she negotiated teacher contracts that kept a lid on raises and benefits for a couple of years.

With high personnel costs, the district was headed for financial trouble -- toward laying off teachers and increasing class sizes, she said.

"We had to slow down that rate of increasing costs," she said. "We had to do that to be fiscally responsible for the district."

Those contracts led to teacher strikes in 1994.

Anderson said he has always supported teachers, and knows the legislative system. Plus, he's part of the Republican majority that can work with the governor, he said.

DEMS ALLEGE DIRTY DEEDS

The Alaska Democratic Party filed a second complaint with the Federal Election Commission and the Internal Revenue Service this week against the group Business Alaska, which the party says is illegally advocating for U.S. Sen. Lisa Murkowski.

FBI - Stevens-73

The party's latest complaint is based upon a full-page ad in the Daily News on Oct. 16 that compares Murkowski to Sen. Ted Stevens. The party accuses Business Alaska, a secretive organization, of breaking federal law because the ad names a candidate for U.S. Senate and is connected to the Senate race.

In spending money to promote Murkowski's election, Business Alaska is required to file with the Internal Revenue Service as a section 527 organization, but it hasn't, the party says.

A Democratic Party letter to the group's treasurer, Tom McGrath, demanded the group stop the ads.

"They'll do anything to win, even if it means breaking the law," said the party's executive director, Bridget

194A-AN-136204

Gallagher.

The group also ran television ads against Democrat Tony Knowles in September, attacking Knowles for his support of the Pew Oceans Commission and its work on preserving the ocean environment.

A message left for McGrath at his business, Frigid North, was not returned.

INCUMBENT INOCULATED

Democratic U.S. Senate candidate Tony Knowles came out for a press conference Thursday at his campaign headquarters, stood in front of two reporters and coughed.

He said he thought he was getting a touch of the flu.

"I couldn't get a shot, like some," he said, smiling. He left the room briefly, and when he returned, coughed again, and said he might be coming down with something.

He was referring to reports this week that all members of Congress were allowed to get flu shots despite a nationwide shortage of flu vaccine.

A spokeswoman for Knowles' Republican opponent, U.S. Sen. Lisa Murkowski, confirmed that the senator did get a flu shot before she returned from Washington, D.C.

Campaign spokeswoman Kristin Pugh said Murkowski shakes hundreds of hands a day and could easily spread germs. A Murkowski Senate aide said Murkowski got her shot before the flu shortage was known.

EXXON CAN'T PLEASE KNOWLES

Exxon Mobil sent another letter to the Tony Knowles Senate campaign Friday to try to disprove a Knowles claim that Exxon received a $6.5 billion tax break, with help from Sen. Lisa Murkowski.

Knowles has been running a campaign commercial saying that opponent Murkowski voted for a recent corporate tax bill that gave Exxon the break for overseas profits.

Exxon asked Knowles to stop running the ad, but Knowles said Thursday that he needed proof first.

Exxon tried to show more proof Friday with a letter about why Exxon would not benefit under the new law. There is "little likelihood" Exxon will owe taxes on overseas profits because they are reinvested in the foreign countries, the letter says. Exxon also gets tax credits from foreign taxes paid on overseas profits, which reduces the likelihood the new tax break would apply.

"We are a public corporation with a clear fiduciary responsibility to our shareholders to provide accurate information concerning our earnings," wrote Kenneth Freeman, Alaska public affairs manager. "As we advised your campaign more than once, your allegation is completely false."

But Knowles spokesman Matt McKenna said, "They're going to do anything to hide this and shut people up who are going to blow the whistle on them. They've picked sides in this Senate race."

Campaign notebook is a periodic feature during the election season. This installment was reported by Nicole Tsong and Anne Aurand. They can be reached at ntsong@adn.com and aaurand@adn.com.

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FD-350 (Rev. 5-8-81)

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SEE ATTACHMENT

(Indicate page, name of newspaper, city and state.) adn.com Anchorage, AK

Date: 10/29/2004
Edition: Friday

Title: GOVERNOR WANTS TO BUILD TREATMENT FACILITY FOR MENTALLY ILL KIDS

Character:
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FBI - Stevens-75

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FBI - ANCHORAGE

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adn.com
Anchorage Daily News

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Governor wants to build treatment facility for mentally ill kids

RESIDENTIAL: Nearly 650 youths were sent out of state last year.

By LISA DEMER
Anchorage Daily News

(Published: October 29, 2004)

Gov. Frank Murkowski announced an initiative Thursday to help hundreds of Alaska children receive mental health care in state instead of being sent away, as many are now.

Some relatives and mental health experts have said the treatment Outside damages children by sending them far from families, friends and all that is familiar. It's also expensive for the government.

Murkowski described the "Bring the Kids Home" effort in a speech before the Alaska Federation of Natives.

In a statement released later in the day, he said that "our young people had to leave their villages and their families to seek services Outside. That's unacceptable."

Programs also need to relate to the children's culture, the statement said. About half of the children sent away are Alaska Native.

The governor's initiative will cost more than $5 million with about $2 million of that coming through the state Mental Health Trust Authority, according to his office.

Funding for the project will be included in the governor's budget request to the Legislature for next fiscal year. If legislators approve the effort, the money will be invested in Alaska facilities and community programs, the governor's statement said.

The number of Alaska children sent to Outside residential psychiatric treatment facilities for emotional disturbances has increased dramatically, nearly 700 percent in a six-year period.

Last budget year, close to 650 Alaska children and teenagers went out of state at government expense for residential psychiatric treatment.

Alaska's Medicaid insurance program spent $31 million to treat children in out-of-state psychiatric facilities in the budget year ending June 30, 2003. That's 10 times the amount spent five years before.

FBI - Stevens-76

Daily News reporter Lisa Demer can be reached at ldemer@adn.com and 257-4390.

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194A-AN-13620

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

SEE ATTACHMENT

(Indicate page, name of newspaper, city and state.) adn.com Anchorage, AK

Date: 10/30/2004
Edition: Saturday

Title: CAMPAIGN NOTEBOOK, LAST-MINUTE ATTACK AD DRAWS BEAD ON TOM ANDERSON

Character:
or
Classification: 194A-AN-13620 - 153
Submitting Office: Anchorage

Indexing:

FBI - Stevens-77

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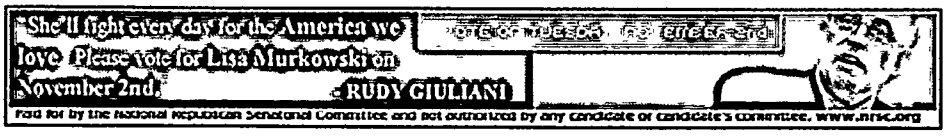
194A-AN-13620-M-34



adn.com
Anchorage Daily News

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Campaign Notebook

Last-minute attack ad draws bead on Tom Anderson

Daily News staff

(Published: October 30, 2004)

Campaign Notebook, with items about state and federal elections, will appear regularly during the campaign season.

A late-inning attack ad hitting mailboxes in East Anchorage and Muldoon on Friday accuses Republican incumbent Tom Anderson of counseling an unnamed lawmaker to "Vote 'Yes'" on a piece of pipeline legislation and remind oil companies about it later.

Anderson's Democrat opponent, Peggy Robinson, is sending the postcard out. It features the photo of a handwritten yellow "stickie" note with the words "vote 'yes' and remind Veco BP Phillips Exxon this summer." In what may be a second hand is written: "HB 277 5/13/03."

"Who looks out for YOUR interests?" Robinson's postcard says. "NOT Tom Anderson."

The ad suggests that Anderson, who was chairman of the House Labor and Commerce Committee during a hearing on the bill, was advising the other lawmaker to remind the industry of the vote in order to get financial support later.

Anderson said Friday he's unsure if the handwriting on the 18-month-old note is his, but acknowledged, "I've certainly written a lot of notes in session." However, he said he would never suggest that any legislator use a vote to solicit financial support.

"That's absolutely false," he said, calling the postcard "a classic last- minute attack."

"If she really believed the validity of these negative attacks, she could have brought these out sooner. It's not by accident she chose (a few) days before the election."

HB 277 would have loosened state regulation of pipelines and pipeline facilities. It was supported by the Murkowski administration but opposed by the Regulatory Commission of Alaska.

The bill moved out of the Anderson's committee by a 5-2 vote. But Anderson said he asked House Speaker Pete Kott a day later to return the bill to his committee and that he let it die there. He said he changed his mind about the bill after smaller independent oil companies opposed it.

Anderson said he doesn't recall writing the note. If it is genuine, there are legitimate explanations, he said.

He could have been advising a less experienced legislator to make sure oil executives knew it was Anderson who stalled the legislation.

"If I decided not to move the bill on, I was taking the heat," he said.

Robinson said another member of the committee provided the note to her campaign. She would not say who.

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194A-AN-13620

"Tom is going to vote how business interests want him to, and either get financial contributions or contracts from them," she said, "not necessarily in the best interests of the state or his constituents."

Anderson said he has always voted his conscience, "not on who contributes to my campaign."

STUDENTS BARELY ELECT BUSH

The Nader factor loomed large in a mock presidential poll in two Alaska high schools, taken as part of a national high school survey that has predicted every presidential winner since 1988.

Homer and Haines high schools were invited to join the 100 or so schools nationally taking part in the electoral exercise this week.

Alaska's three electoral votes went to George Bush, but just barely. Bush outpolled Kerry 185-178 in the Alaska schools, with 26 votes going to Ralph Nader. Kerry actually beat Bush in Homer, 149-147.

Nationally, the mock victory went to Kerry, who got 326 electoral votes to Bush's 212. Kerry drew 50 percent of the overall vote, with Bush getting 42.5 percent and Nader 4.4 percent. The voting exercise is organized every four years by Northfield Mount Hermon School, a western Massachusetts college prep school.

Maybe the biggest Alaska surprise came in the accompanying poll on six separate issues. One of the six national questions was: "Should the Arctic National Wildlife Refuge be protected from oil drilling?" Homer students in grades 9-12 voted yes, 182-139. Haines students also voted yes, 48-23.

Nationally, 80 percent of high school students opposed drilling in the refuge.

GOP FUNDING IRKS CRAWFORD

Democratic Rep. Harry Crawford on Friday filed a complaint with the Alaska Public Offices Commission that says the Alaska Republican Party has overspent the legal limit for Crawford's Republican challenger in District 21, Jeffrey Gonnason.

A political party can contribute $10,000 to a House candidate. The Anchorage Republicans Women's Club, a subsidiary of the Alaska Republican Party, donated $3,000 and the party contributed $7,000 in this race, for a total of $10,000, the complaint says.

On top of that, the party has paid for radio ads and mailers attacking Crawford. And, it mailed invitations to a campaign event that included Gonnason, according to the complaint.

Republican Party chairman Randy Ruedrich said the fliers and radio ads are independent, not coordinated with Gonnason and not subject to the $10,000 limit.

"It's something we've done in the past, and it's totally proper," he said. "It's a simple misunderstanding to file such an action."

Campaign notebook is a periodic feature during the election season. This installment was reported by Don Hunter, Tom Kizzia and Anne Aurand. They can be reached at dhunter@adn.com, tkizzia@adn.com and aaurand@adn.com.

KNOW YOUR CANDIDATES: Want to know where candidates stand on the issues? There's an easy way. The Daily News is partnering with Project Vote Smart, a nonpartisan group that helps get information about candidates to voters. About 70 percent of Southcentral legislative candidates completed an extensive survey on Alaska issues, and the results are online along with bio information and more. In House District 28, candidate Cody Downs participated; candidate Lesil McGuire refused. To see the issue surveys and more on the Nov. 2 election, go to www.adn.com/election04.

FBI - Stevens-79

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(Mount Clipping in Space Below)

SEE ATTACHMENT

(Indicate page, name of newspaper, city and state.) adn.com Anchorage, AK

Date: 10/31/2004
Edition: Sunday

Title: ALASKA EAR, THE DIVINE APPENDAGE

Character:
or
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Submitting Office: Anchorage

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FBI - Stevens-80

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194A-AN-13620-M-35

Good jobs and economic development...

adn.com
Anchorage Daily News

Alaska Ear
The Divine Appendage

(Published: October 31, 2004)

Alors, darlings. This needs to be over. The last week before any election produces piles of 11th-hour tips and "documented" accusations by and against various candidates. Maybe it's the weather or something, but this year it all seems more intense than usual. Nevertheless, some of it is amusing, which, as you know, is all Ear cares about.

At the top of the list are those two wonderful radio ads made and paid for by Anchorage lobbyist **Bill Bobrick**.

If you just read the news stories or listened to Uncle **Ted**'s tantrum about the ads, Ear thinks you might have gotten the wrong idea. They are not anti-Ted. (It's not always all about you, Uncle).

They are an attack on Outside campaigners, especially the ones trying to sell that riff about a vote for **Knowles** being a vote to destroy Ted.

Since Ear is only in it for the laughs, it seems like a good idea to let interested earwigs listen to the ads themselves and decide if they're too much. Bobrick, who is a Knowles supporter but gave money to **Frank Murkowski**'s gubernatorial campaign, pulled the ads when Tony asked him to.

Really, d'Ears, did someone think that would stop Ear? You can find them at adn.com/links.

• Who on earth designed **Harry Crawford**'s latest campaign mailer, the one that talks about politicians dancing around the issues and fighting to get the job done despite all the "tap dancing" in Juneau, then illustrates it with a near caricature '40s type photo of two black people jitterbugging? Yikes!

• Is it true that Gov. Murkowski chief of staff **Jim Clark**'s presumed vote for **Bush** is going to be canceled out by his wife's presumed vote for **Kerry**? An earwig received an e-mail from "Peace in our Lifetime" author **Susan Skog**, passed on by **Susan Clark**, urging that we "Visualize our Nation's wellness for 1+ min./day through Nov. 2nd. ... Give up focusing on Bush and visualize Kerry's growing strength," etc.

• A salute to **Lisa**'s ad people for getting in the groove with readers of the Anchorage Press. Remember their cover feature last week about the lack of plumbing in the Bush and the headline: "Do Tony and Lisa give a crap?" Well, there's a Lisa ad in last week's paper that reproduces the headline and proclaims: "Lisa does!" Is this the first time the word "crap" has appeared in a political ad? Maybe.

FLYING FACTOIDS . . . Kudos to KUDO radio for its reaction to a snotty letter from a lawyer claiming to represent **Lisa** that demanded the station stop running a **Knowles** ad about a $6.5 billion tax break Exxon Mobil will allegedly get on foreign profits thanks to a bill supported by the Republican Congress, including Lisa. Totally untrue, said the letter signed by **Timothy McKeever**.

KUDO's **Rich McClear** was incredulous. Surely a lawyer knows it's illegal for a radio station to edit political ads. But he decided to check the facts. He called Standard & Poor's, which examined the $6.5 billion figure and reported it was essentially correct, McClear reports, although S&P said that was the maximum Exxon could realize in tax savings if it brought all its foreign profits home, which it might choose not to do.

FBI - Stevens-81

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OUT AND ABOUT . . . Can you believe they're still holding fund-raisers? Restaurateur **Rick Manrique** catered two of them Friday, one for **Tony** and one for **Lisa**. Really. And at the same time, although not at the same place. The one for Lisa raised $40,000, a sponsoring earwig reports.

ALL CLEAR NOW . . . University of Alaska Anchorage created a task force of faculty and staff to rename their buildings to better communicate function and make them more "collegiate."

The results: Beatrice McDonald Building has been renamed Beatrice McDonald Hall. The Cuddy Center is now Lucy Cuddy Hall. Eugene Short Building is now Eugene Short Hall. Clearer, right?

The Arts Building is now the Fine Arts Building. Why not Hall? The Omniscient Orifice has no idea.

The Campus Center is now The Student Union. The College of Arts and Sciences is now the Social Sciences Building, which is causing heartburn for the math department housed therein.

And, to clarify the function of the ever mysterious K Building: It's now called Professional Studies.

A QUESTION . . . Who is the romantic who elaborately carved letters into 15 or so pumpkins, spelling out "Will you marry me?" then set them up in Kincaid Park on Wednesday night with lit candles?

Ear hears it was a chef from the Kincaid Grill, but doesn't know for sure.

NOTABLE . . . The BBC is going to do a live interview with our visiting Nobel laureate (economics in 2002) **Vernon Smith**, who is doing his thing for a while at UAA. The program, for a show called "Analysis," will deal with behavioral economics.

DEFINITION . . . From the Earwit in the Valley:

True bravery is arriving home puking drunk after a late night out with the boys, then being assaulted by your wife with a broom and still having the guts to ask: "Are you cleaning, or were you flying somewhere?"

FINALLY . . . As always, Ear wishes to endorse **Don Young**, Congressman for All Alaskans except Ear and a Few Others. Ear would be desolate without Darling Don running around speaking in public. And this year, with **Ramona** gone, Ear would like to put in a word for **Crash** and **Tom**, the legislative bowling team.

-- Compiled by Sheila Toomey

ear@adn.com.

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FBI - Stevens-82

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

ANCHORAGE

Cornell Companies to present MacKay Building use proposal

Texas-based Cornell Companies' proposal to locate a psychiatric treatment center for adolescent boys in the MacKay Building annex, between Third and Fourth avenues and Cordova and Denali streets downtown, will be a topic of a presentation at a Fairview Community Council meeting Thursday. The public is invited.

In October, Fairview Community Council members Sharon Chamard and Noel Rea visited a psychiatric care center in San Antonio. It is similar in some ways to what is proposed for the MacKay annex, although it is bigger and coed. Chamard and Rea traveled, at Cornell Companies' expense, to San Antonio to tour the facility and talk to neighbors about its effect on the area.

For the most part, Chamard said, neighbors didn't report any problems.

"We talked to people walking dogs on the street and old folks sitting on benches (near the facility)," Chamard said. "It would have been a massive operation for them to hoodwink us."

Chamard and Rea are scheduled to report on their impressions and research to the community council at its regular meeting at 7 p.m. Thursday at Central Lutheran Church, 15th Avenue and Cordova Street. The council invited representatives for the developer and Cornell Companies to make presentations and answer questions.

Fairview Community Council President Darrel Hess (258-3714) also scheduled a special meeting to further discuss the topic at 11 a.m. Saturday at the Fairview Recreation Center, because time will be limited on Thursday night.

—Anchorage Daily News

(Indicate page, name of newspaper, city and state.) B-2 Anchorage Daily News Anchorage, AK

Date: 11/09/2004
Edition: Tuesday

Title: CORNELL COMPANIES TO PRESENT MACKAY BUILDING USE PROPOSAL

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Classification: 194A-AN-13620 -173
Submitting Office: Anchorage

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FBI - Stevens-83

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FBI - ANCHORAGE

194A-AN-13620-M-36

FD-350 (Rev. 5-8-81)

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SEE ATTACHMENT

(Indicate page, name of newspaper, city and state.) WWW.KTUU.COM Anchorage, AK

Date: 11/15/2004
Edition: Monday

Title: GOP REGAINS POWER IN STATE HOUSE

Character:
or
Classification: 194A-AN-13620 - 157
Submitting Office: Anchorage

Indexing:

FBI - Stevens-84

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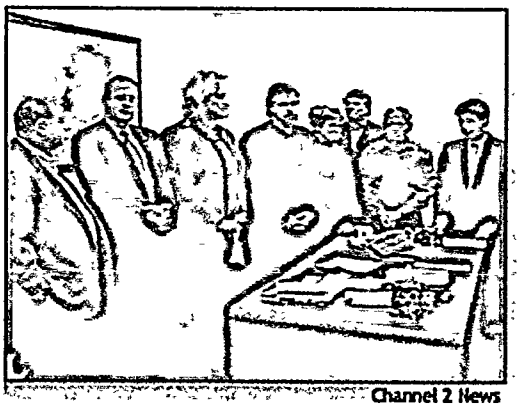
DEC 03 2004
FBI - ANCHORAGE

194A-AN-13620-M-37

GOP regains power in state House

Monday, November 15, 2004 - by Lynn Melling


Channel 2 News

Anchorage, Alaska - It's been a political roller coaster ride this weekend. The Republican majority has reclaimed power in the state House of Representatives two days after a bipartisan coalition (left) announced it was taking over.

As they wait for the dust to settle, Republican majority members say their group is solid and strong. Both Republicans and Democrats are pledging to work together this coming legislative session. However, some bridges undoubtedly have been burned this weekend.

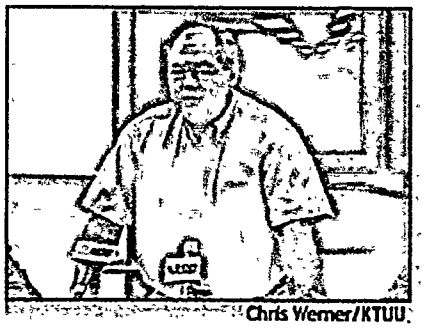
It all started Saturday night. Former House Speaker Pete Kott announced that enough Republicans had teamed up with Democrats to form a bipartisan coalition and claim control of the House, booting the Republican majority from power.

"We are here to announce that we have re-organized the House of Representatives under a Republican-led coalition, joined by my colleagues from the other side of the aisle," Kott said.

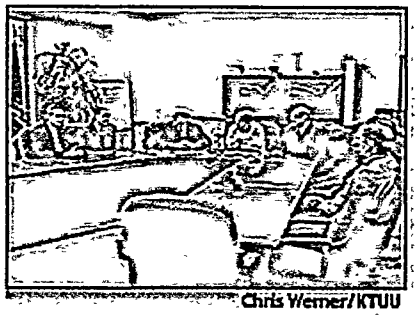
Under the coalition, Kott would keep his seat as speaker, Nancy Dahlstrom would take over as House majority leader, and Mike Hawker would co-chair of the Finance Committee.

"We've got the commitment," said Hawker. "I've got the strong commitment from my colleagues on both sides of the aisle."

But less than 48 hours later, Rep. John Harris of Valdez (right) was able to announce, "The House Republican majority leadership is intact."


Chris Wemer/KTUU

Harris said that every House Republican, with the exception of Kott, has committed to re-joining the Republican majority. The organization will stay the same, with Harris as speaker and John Coghill as House majority leader.


Chris Wemer/KTUU

Harris says the Republicans who strayed were duped. "It was a panic situation," he said. "They were called at the last minute, told the train was leaving the station. If they wanted to get involved, they needed to get involved now."

Harris says Democrat Ethan Berkowitz instigated the coalition and lied to Republicans about who had already joined it.

"I don't have a fault with him trying to organize with Republicans, in a straight up-

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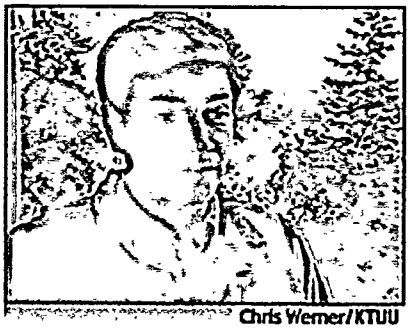
and-down deal," Harris said. "But when misinformation is put out there to confuse our members on purpose, that doesn't sit well with me at all."

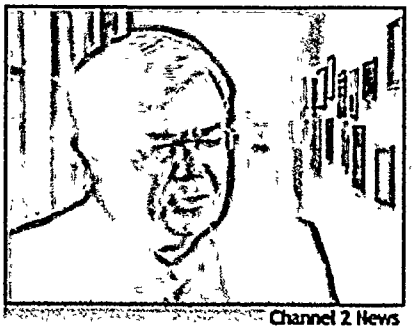

Chris Wemer/KTUU

"If people needed to find excuses to hide behind now, and they want to claim that they didn't understand or don't recall exactly, that's their prerogative," Berkowitz (left) responded. "I appreciate the political courage of people who remember things the way they actually occurred."

Berkowitz said he can't take credit for the coalition, with at least 10 Republicans on board. "We had an opportunity to try and conduct politics differently in the state of Alaska," he said. "We could move beyond partisan politics."

Now with relationships badly bruised between Republicans and Democrats -- and within the Republican Party itself -- it seems the House has reorganized again.

Sources say the list of Republicans who had joined the coalition included Kott, Dahlstrom, Hawker, Lesil McGuire, Ralph Samuels, Tom Anderson, all of Anchorage, Peggy Wilson of Wrangell, Jim Elkins of Ketchikan, Bruce Weyhrauch of Juneau, Jim Holm of Fairbanks and Vic Kohring of Wasilla.


Channel 2 News

In another twist in this story, Republican Party chairman Randy Reudrich (left) sent out a letter to party members Sunday, urging them to talk the aforementioned representatives out of their decisions and reminding them of a party rule against forming a coalition with Democrats. The consequences are a loss of financial support and tough competition in the next primary.

Assuming that all these representatives stay on board with this plan, the new leaders will take their positions of power when they're sworn in January. Right now, the future positions of the Republicans who joined the coalition are in limbo.

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

FBI - Stevens-86

FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) B-2 Anchorage Daily News Anchorage, AK

(Mount Clipping in Space Below)

Date: 11/21/2004
Edition: Sunday

Title: ALASKA EAR ARTICLES

Character:
or
Classification: 194A-AN-13620 ~~-174~~
Submitting Office: Anchorage

Indexing:

Alaska Ear

The Divine Appendage

THE REST OF THE STORY . . . The news stories about **Mayor Begich** getting that elected official of the year award from the Alaska Municipal League in Fairbanks a week ago left out the best part, which several earwigs were happy to share:

So there was Mark, in the City on the Edge of Nowhere, doing his we're all in this together thing, when a guy raising money for the AML scholarship fund says, "Hey, if I get $500 in donations, will you let us hang you upside-down by the ankles like **Ben Stevens** wants to?" Or words to that effect.

Then Mark made a big mistake. He didn't say, "No, never, not a chance."

Turns out the guy already had $450. Getting $500 was not in doubt. So Mark made a deal. He promised to match whatever the guy raised if everyone agreed no ankle yanking.

The result? He'll be writing a $900 check to the scholarship fund from his personal account.

Ear bets **Deborah** was thrilled.

OUT AND ABOUT . . . It seemed like everyone in town who owns a tux turned up at the Sheraton last weekend for the Mayor's Charity Ball. Especially Democrats bent on banishing post-Nov. 2 blues. Former Gov. **Tony Knowles** and his wife, **Susan**, got a big hand. **Bill Sheffield** (he's still a Dem, right?) got diamonds and trips. The millionaire former governor won two of the big raffle prizes of the evening, a diamond ring and a cruise for two to Hawaii.

Well, at least they went to someone who really needs them. Not.

Sheffield apparently bought the chance on the diamond for his longtime significant other, who is a former wife of **David McGuire**, who is the father of **Lesil McGuire**. Earwigs in another part of the ballroom reported the reaction from the current Ms. McGuire, who is former TV babe **Patty**

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Nathanson.

"Oh, our ex-wife won the ring," she exclaimed.

Alors, darlings, one needs a scorecard.

KUDOS . . . To Assembly chairman **Dick Traini** and wife, **Sandy**, who celebrated their 37th wedding anniversary last week. Well wishes offered from the podium at the Mayor's Charity Ball were marred only slightly by being directed to "Dick and Nancy Traini."

A QUESTION . . . Speaking of **Lesil McGuire**, is it true that she and **Tom Anderson** only joined the abortive House coalition because they thought they were being invited to join a Juneau bowling league?

BTW, is **Pete Kott** really thinking of resigning? Why would he do that? They can't take away his vote and his salary, can they? Well, can they?

QUESTIONS . . . Is it true that Rep. **John Harris**, winner of the 36-hour regime change, is telling people he wants to run for governor? Ear thought he had his eye on **Don Young's** seat.

The fantasy listing of putative governor candidates has begun in earnest, thanks to **Frank** having begun his re-election campaign in earnest. He's been giving away money with both fists, to social causes, of all things: FAS prevention, substance abuse, grass-roots community organization, etc.

All right, let's do it: **Andrew Halcro; John Binkley; Loren Leman**, although his recent public ineptness in the No. 2 slot might be a problem; Rep. **Eric Croft**; Frank, of course; a guy whose name Ear keeps forgetting; Harris. And, if you can believe it (Ear doesn't) **Tony Knowles**.

Notice: This list was never real and will be outdated before you finish reading it.

ANOTHER QUESTION . . . Is it true that Alaska's own Kaladi Brothers coffee is a finalist in a competition to decide what coffee will be served on Alaska Airlines? Ear hears it's up against Starbuck's, kind of a David and Goliath competition. Ear hates to take sides but it does seem somehow right to have Alaska coffee on Alaska Airlines. Come on, David!

NO ANSWER NEEDED . . . How political can one neighborhood get? Word is mostly Republican consultant **Art Hackney**, back in town from a sojourn in D.C., is renting an Inlet View house next door to **Bill Allen** and across the street from **Tony Knowles**.

FLYING FACTOID . . . Citizens Against Government Waste has awarded **Uncle Ted** its 2004 "Whole Hog" award for "his $524 million in pork for Alaska." Plus, North Pole, pop. 1,570, got the "Taxpayers Get Scrooged" award for a $2.2 million grant, presumably also from Ted. But maybe it was **Don** or **Lisa**. Doesn't say. Doesn't say what it's for either.

Do these people think they're insulting Ted or us? Are they delusional? Way to go, Uncle.

OOPS . . . Did Alaska architects have their feelings hurt by Juneau Mayor **Bruce Botelho's** description of the judges for the build-a-Capitol contest?

"There will be a nine-person jury," Botelho told KTUU. "Two of them will be architects of nationwide stature. The other seven of them will be Alaskans."

ON THE MOVE . . . Municipal Prosecutor **Bruce Roberts** has resigned to take a job with the Homeland Security people. He'll be legal adviser to the TSA guys in Anchorage, Juneau and Fairbanks. Those are the people at the airports who invite you to take off your shoes.

John McConnaughy has been named to take his place.

LIGHTS, CAMERA . . . News outfits are busy lining up reporters for the coming legislative session. Your Favorite Good Morning Newspaper has snared **Larry Persily**, former deputy commissioner under **Knowles** and **Murkowski**, former small-town newspaper owner, former Anchorage Times capital reporter, yadda yadda.

And Ear hears **Bill McAllister** of Juneau, who can be found on radio, television, the Web and in an occasional ADN column, will be covering the session for Channel 2. Bill has also just been elected secretary of the 300-member Association of Capitol Reporters and Editors.

■ Compiled by Sheila Toomey.

ear@adn.com

FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) B-1 Anchorage Daily News Anchorage, AK

(Mount Clipping in Space Below)

Date: 11/21/2004
Edition: Sunday

Title: HOUSE LEADERS PUNISH DEFECTORS

Character:
or
Classification: 194A-AN-13620 175
Submitting Office: Anchorage

Indexing:

House leaders punish defectors

PENALTY: Hawker, Dahlstrom stripped of their committee chairmanships.

By SEAN COCKERHAM
Anchorage Daily News

WASHINGTON — Alaska State House Republicans have stripped Republican Reps. Mike Hawker and Nancy Dahlstrom of committee chairmanships as punishment for their role in a failed coup against House leaders.

The actions against the two came after House Republicans met behind closed doors until almost 1 a.m. Saturday to talk about what to do with the Republicans who were part of the coup. Participants in the meeting said Eagle River Rep. Pete Kott — the leader of the coup — was one of only two Republicans not to participate in the meeting. The other, Kodiak Rep. Gabrielle Ledoux, was out of the country.

House Majority Leader John Coghill, R-North Pole, said Kott might have been out of town — or he might have just decided to skip the meeting.

"(Kott) needs to come and talk to us," Coghill said.

Last weekend a splinter group of Republicans had joined with House Democrats to seize control of the state House and reinstall Kott as speaker of the House.

Kott, speaker for the past two years, had lost the job to Rep. John Harris, R-Valdez, in a post-election poll of the 28 members of the House Republican majority.

The coup lasted little more than 24 hours. Harris, his allies in the Legislature and the Republican Party quickly persuaded Republican rebels to return to the fold.

There has been little communication with Kott since the rebellion, Coghill said. He returned a phone call to Harris on Friday but Harris was on a plane at the time, Coghill said.

See Page B-6, **HOUSE**

Reps. Mike Hawker and Nancy Dahlstrom lost their chairmanships as a result of their roles in the coup attempt.

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Continued from B-1

Kott has not returned repeated phone calls from the Daily News for the past week.

Most of the 10 or so Republicans said to be participants in the rebellion went unpunished Saturday. Coghill said coup organizers lured them into joining and told them Kott had the support to take over so they had better get on board. Coghill said the ex-rebels had to explain themselves to their fellow Republicans at the meeting.

"They had to eat their humble pie," he said.

Leading participants in the rebellion, such as Rep. Ethan Berkowitz, D-Anchorage, have denied that lawmakers were misled into joining the effort.

Coghill said the Republican meeting Friday night and early Saturday was emotional. He said the participants in the rebellion had to ask to get their positions back.

At one point, television cameras caught Rep. Lesil McGuire, R-Anchorage, emerging sobbing from the meeting. But McGuire, who was a part of the rebellion, kept her chairmanship of the Judiciary Committee and will be considered part of the House Republican majority leadership, Coghill said.

Coghill said there was "probably a little extra deference" for McGuire because she used to be a staffer for Kott and so was likely more willing to believe him.

Hawker and Dahlstrom lost chairmanships, Coghill said, because they joined Kott and Democratic leaders in a press conference last Saturday to announce the takeover. Coghill said they walked away from their jobs and shouldn't just get them back.

Neither Dahlstrom nor Hawker returned phone calls on Saturday. But Hawker said earlier last week that he expected to be punished for his participation.

Dahlstrom — who would have been majority leader had the coup succeeded — was stripped of her upcoming chairmanship of the House Committee on Oil and Gas.

That committee will likely play a large role in the upcoming legislative session as lawmakers debate what to do about a potential gas pipeline to the Lower 48.

Rep. Vic Kohring, R-Wasilla, will instead be the oil and gas chairman, a job he held the past two years. Coup participants had counted Kohring as being part of their rebellion. But Kohring — who did not return press calls seeking confirmation during the coup — said afterward that that was not true.

Hawker lost his chairmanship of the House Special Committee on Ways and Means. He has been a driving force behind the committee since it was founded two years ago to search for solutions to the state's chronic budget problems.

Hawker will, however, keep his coveted position as a member of the Finance Committee, which is responsible for putting together the state budget each year.

It could have been a lot worse for Hawker and Dahlstrom; they did not lose legislative staff and are not in danger of being kicked out of the majority, Coghill said.

House Majority Leader John Coghill, R-North Pole: "They (coup organizers) had to eat their humble pie."

FBI - Stevens-90

FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) B-2 Alaska Ear

Anchorage, AK

Date:
Edition:

Title: LOCALS VISIT TEXAS FACILITY

Character:
or
Classification: 194A-AN-13620 158
Submitting Office: Anchorage

Indexing:

(Mount Clipping in Space Below)

SECTION

Locals visit Texas facility

CORNELL: Council members check out San Antonio psychiatric center.

By ANNE AURAND
Anchorage Daily News

Chamard

Rea

A youth psychiatric treatment facility in Texas, like one proposed for Anchorage, doesn't appear to hurt its San Antonio neighborhood, said two Fairview residents who checked the place out.

The proposal to put the treatment center in the MacKay Building annex on Fourth Avenue sparked outrage from some area residents. They said it would hurt downtown redevelopment, or make the neighborhood unsafe or unappealing.

So the company behind the proposal, Cornell Companies of Texas, paid for Fairview Community Council members Sharon Chamard and Noel Rea to visit a similar facility.

"I would not be opposed to Cornell here," Chamard told her communi-

See Page B-5, VISIT

Continued from B-1

ty council Thursday. "I'd like it if there was something better. That said, I don't think that place would necessarily be bad."

But some business owners near the site of the proposed home for troubled boys say they worry it will hurt their businesses. Others said a boys center is not their first choice, but it is a long-awaited start at refreshing the derelict site between Third and Fourth avenues and Denali and Cordova streets.

Local residents' opinions are not the last word. The state still must certify Cornell's proposed 60-bed center.

The boys home is proposed as part of a renovation of the entire 2.4-acre property. It also holds the abandoned MacKay Building, which developer Marc Marlow says he plans to make into senior housing and market-rate apartments.

The tower redevelopment is not dependent on the Cornell facility going into the annex, Marlow said. Funding for the tower project is still awaiting approval.

Chamard, an assistant professor at the University of Alaska Anchorage Justice Center, said the San Antonio facility is about twice as big as the one proposed in Anchorage, and it's coed. It's laid out on larger grounds and is set farther back from the road. The San Antonio facility, in a suburban area with some new housing, looked "decent," she said, like an office building.

Chamard and Rea said they talked to people living around the Texas facility — at a seniors center, an apartment complex, gas stations and grocery stores. No one reported problems, they said, and some didn't know what it was.

Seven kids had escaped in the past year, but they didn't run out the door, Chamard said. They had permission to temporarily leave and never came back. Police reports didn't show

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any problems with crime associated with the area, she said.

Chamard and Rea said they only questioned how the place affected neighbors, not how the company runs its business or what goes on inside the treatment center.

Cornell, a national private prison company, has pushed for private prisons in Alaska and has drawn critics. Dee Hubbard of Sterling has been researching the company since it tried to build a prison near Kenai. She's the president of a Florida-based private prison watchdog group called Private Corrections Institute.

Hubbard accuses Cornell of spending too much on executive salaries and political campaign contributions and not enough on the people who work with youths. Financial problems and lawsuits pepper the company's record, she said.

At the Thursday meeting, Dennis Lavey, a co-owner of Days Inn near the annex, brought up examples of broken contracts and closed-down Cornell detention centers. He asked why Cornell didn't offer to take locals to one of the sites that has had problems.

A Cornell director, Michael Gilliland, acknowledged that the company has walked away from a few of its contracts; he did not elaborate. He said the San Antonio facility is the most like what's being proposed in Anchorage.

Local opinion is mixed.

Fairview Community Council member Katrina Grundahl said people need to remember that the facility is for troubled juveniles, not criminals.

"These kids aren't a threat to anybody," she said. "They need help."

That doesn't make area business people feel any better.

Basilio Gallo, who owns La Cabana across Fourth Avenue from the annex, is opposed to the boys home but doesn't believe his opinions matter. It's basically a done deal, he said.

Robin Alessi, owner of Kodiak Kafe, said she is "extremely opposed."

She wants something "vibrant" to happen on that site, and she said she's irked to know she'll help subsidize the tax breaks Marlow will get for renovating the property.

Mitch Lavey, who owns Days Inn with his father, Dennis Lavey, said he doesn't believe anything will happen on the long-defunct property.

"I have zero faith but I'm not opposed to it," he said. "Personally, any development is good development."

"I think only a few people are up in arms about this," said Fairview Community Council president Darrel Hess. "We'd like to see a nice bookstore or a restaurant, but I don't see anyone stepping up with any other proposals."

FBI - Stevens-92

FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) B-1 Anchorage Daily News Anchorage, AK

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Date: 11/24/2004
Edition: Wednesday

Title: HIGH COURT SHUTS SOFT MONEY LOOPHOLE

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or
Classification: 194A-AN-13620 ~~-159~~
Submitting Office: Anchorage

Indexing:

High court shuts soft money loophole

RULING: Supreme Court comes down in favor of disclosing donors' identities.

By DON HUNTER
Anchorage Daily News

A state requirement that political parties disclose the sources of so-called "soft money" contributions has been upheld by the Alaska Supreme Court.

The regulation, passed by the Alaska Public Offices Commission after the 2002 governor's race, closed a loophole that allowed political parties to collect unlimited amounts of money from undisclosed sources as long as it wasn't used to campaign directly for or against a particular candidate.

"Hard money," under the law, is money spent to advocate explicitly for or against a candidate. It is subject to laws that limit how much an individual or group can donate to a candidate or party, and that require the disclosure of contributors.

Soft money, however, has been used to pay for "issue ads" that indirectly attack or support candidates. Also, having soft money available to parties to pay for non-campaign purposes frees up hard money that would otherwise have to be spent for non-political purposes such as office upkeep rather than active campaigning.

In a ruling handed down Friday, the Supreme Court said, "Soft money can be used in numerous ways to evade hard money restrictions."

The issue arose during the 2002 state election cycle, when campaign finance reform advocates Mike Frank and David Finkelstein petitioned the APOC for an emergency regulation requiring disclosure of soft money contributors. Their petition said Alaska's major political parties had collected hundreds of thousands of dollars, "perhaps millions," in soft money contributions that were being used to affect state elections that year.

The campaign watchdog agency didn't issue the emergency order Frank and Finkelstein asked for, but it did adopt a regulation requiring soft money disclosure 10 days after the election. The regulation affected only political parties, not independent groups that also collect and spend soft money during campaigns.

The Democratic Party supported the regulation; Republicans opposed it. The Libertarian Party, and attorney Ken Jacobus, filed suit against it. Superior Court Judge Mark Rindner ruled the regulation legal in 2003, and the Libertarians appealed.

In last week's ruling, the Supreme Court said campaign finance disclosure "is intended to inform the electorate, deter actual corruption and avoid the appearance of corruption, and aid in the detection of violations of contribution and expenditure limits."

"Soft money disclosure" aids in that purpose "because it informs the electorate as to the sources of political par-

See Page B-2, SOFT MONEY

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SOFT MONEY: *Court says to identify donors*

Continued from B-1

ty money," the court said. "It aids in the deterrence of corruption by exposing large contributions and expenditures to the light of publicity. And it provides information that aids the commission in enforcing the hard money contribution and expenditure limits ..."

The high court also noted that the Federal Election Commission requires disclosure of similar soft money donations to political committees involved in federal elections.

In an interview Tuesday, Finkelstein said the ruling is significant because it at least lets voters know where soft money used to affect political campaigns comes from. "The APOC gets credit for recognizing it for what it was, and the courts agreed," he said.

Jacobus said he wasn't surprised by the ruling, because he thought the legal question of whether the agency had the authority to adopt a regulation without explicit legislative authorization was a close one.

The court concluded the APOC had "implied authority" to regulate "generally because soft money and hard money aren't really separate from each other," he said.

■ Daily News reporter Don Hunter can be reached at dhunter@adn.com.

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Kott says better job could lure him away

LAWMAKER: Eagle River Republican says failure of coup was not surprising.

By SEAN COCKERHAM
Anchorage Daily News

(Published: December 21, 2004)

Rep. Pete Kott, left, last spoke publicly in November in announcing the coup that could have allowed him to retain his position as speaker of the House. Several lawmakers joined him, including Democrats Sharon Cissna, Harry Crawford and Reggie Joule. *(Photo by Bob Hallinen / Anchorage Daily News)*

Click on photo to enlarge

JUNEAU -- Rep. Pete Kott, who dropped out of sight for a month after a failed coup to reinstall him as speaker of the Alaska House of Representatives, said this weekend he is thinking about quitting the Legislature.

Kott said he wasn't too surprised the coup failed; he figured all along that it had a 50-50 chance at best. Kott in the Legislature is a deal maker who has the air of a gambler about him -- all-black suits, bolo ties and laid-back drawl. He seemed resigned to the fact the cards didn't fall in his favor this time.

"That's the way the mop flops, I guess," he said.

Kott said he is making plans to relocate to Juneau for the four-month legislative session that begins Jan. 10. But he also said he was keeping his options open and might resign from office "if there is a better offer on the street."

The 12-year Republican lawmaker from Eagle River said he could be interested in a job with the state.

"I've been out looking, and we'll see what happens," Kott said in an interview Sunday with the Daily News, his first public remarks since the coup.

Kott last spoke publicly at a Nov. 13 press conference at which he and a splinter group of Republicans announced that they had joined with Democrats to seize control of the state House. The rebel coalition said it had enough support to topple incoming House Speaker John Harris and put Kott back in charge.

Kott served as speaker for the past two years but narrowly lost the job to Harris, a Valdez Republican, in a Nov. 5 poll of the 27 members of the House Republican majority.

The coup lasted less than 48 hours. Harris and his allies, who called up coalition members and urged them to abandon the rebellion, said its support was weak. The Republican Party of Alaska threatened participants with losing party support.

Kott dropped out of sight as the coalition crumbled and did not respond to media requests for interviews.

He re-emerged this weekend, wearing blue jeans and an old green fleece jacket, at a flooring job in Juneau. Kott owns a hardwood flooring business and won a bid to repair rain and water-fountain damage to the gymnasium floor in the Terry Miller Legislative Office Building.

Since the coup attempt, he said, he has been in Wisconsin at a flooring school and in Petersburg doing floors.

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Kott said he did not orchestrate the coup. He said there were a "couple of Republicans" who were interested in it and brought him and the Democrats along.

He wouldn't name the Republicans but said they wanted to maintain an atmosphere of cooperation in the state House. Kott gained a reputation as speaker for reaching across the aisle and doing bipartisan work, which his supporters preferred over the vicious party-line fights in the Senate.

Kott said commitments from coalition members seemed "fairly firm" but withered under the pressure. He said he hasn't spoken to legislators who abandoned the coup to figure out just how it fizzled. But he indicated it might have had a better chance if it had been launched nearer the start of the legislative session -- with participants keeping closer tabs on one another.

"In this case, people start spreading out and they get pulled aside, and for whatever reason decided to shift gears," Kott said.

Kott has said he wants to remain a member of the Republican majority caucus and will meet soon with incoming Speaker Harris to discuss his future. Harris is honeymooning in Hawaii.

House Majority Leader John Coghill, R-North Pole, said he believes Kott would be welcomed back in the majority caucus.

"He is highly respected among Republicans, and I think there is a willingness to work with him," Coghill said.

But Coghill said Kott's role in the coup would need to be considered when figuring out his standing within the caucus; two other Republican members of the uprising lost their committee chairmanships as punishment.

Kott said he has no plans to push for plum committee assignments. He said he could use his legislative experience in a more behind-the-scenes role.

He said he probably would not have run for re-election this fall if he had known his fellow Republicans were going to replace him as speaker. Kott easily won another two-year term, defeating Alaskan Independence Party candidate Nick Begich with almost 64 percent of the vote. Kott said he now has an obligation to the district that elected him.

"That's kind of where the real dilemma is for me," Kott said. "Even if (a job) were to come open and be a good offer, it's going to be one of those decisions I will have to wrestle with."

There is also a potential legal issue. The state constitution says legislators have to wait a year after leaving office to get a state job that was "created, or the salary or emoluments of which have been increased, while he was a member" of the Legislature.

Gov. Frank Murkowski has twice gotten around that limitation by offering legislators state jobs but not officially creating the job until after the legislator had resigned from office.

Murkowski spokeswoman Becky Hultberg said the governor's office hasn't heard from Kott about wanting a job.

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Reporter Sean Cockerham can be reached in Juneau at 1-907-586-1531 or scockerham@adn.com.

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FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) B-1 Anchorage Daily News Anchorage, AK

(Mount Clipping in Space Below)

Date: 11/21/2004
Edition: Sunday

Title: PUBLIC EVALUATES PSYCHIATRIC PLANS

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or
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Submitting Office: Anchorage

Indexing:

Public evaluates psychiatric plans

■ 2 PROPOSALS: Centers could keep young Alaskans near home.

By LISA DEMER
Anchorage Daily News

Two big corporations — one known for prisons, the other for health care — are pushing proposals to create residential psychiatric treatment centers for Alaska children and teenagers.

The public weighed in on the treatment center plans at a hearing Wednesday and offered some support, but also raised questions about staffing, medications and other operational issues.

Hundreds of Alaska children are sent Outside for residential psychiatric treatment because there is not enough help in the state. Cornell Cos. and North Star Behavioral Health System say they want to fill that gap and help children stay connected to their families and communities.

The work also can be profitable. Centers in Alaska last year received about $325 per child per day in residential psychiatric treatment; rates are lower Outside, but the Alaska children there tend to stay in care longer.

North Star operates a children's psychiatric hospital in Anchorage and residential psychiatric treatment centers for youths in Anchorage and Palmer. It wants to break ground in the spring for a $10 million, 60-bed treatment center for boys and girls next to North Star Hospital on DeBarr Road.

"We think it's a real positive proposal for the state. We've been working on it for years," James Shill, North Star chief executive officer, said at the hearing. North Star is owned by one of the country's biggest for-profit hospital operators, Universal Health Systems of King of Prussia, Pa.

Cornell is proposing to turn the MacKay Building annex into a 60-bed psychiatric treatment center for adolescent boys at a cost of more than $6 million.

"We want to make sure what we're providing is to help support a healing process," said Tim Marshall, a business development director for Cornell.

Cornell is a Houston, Texas-based operator of prisons and treatment centers for adults and juveniles, running

■ PUBLIC COMMENTS: People wanting to submit comments on the certificate of need applications can still do so. They are due today at the state Department of Health and Social Services and can be e-mailed to the state certificate of need coordinator, David Pierce, at david_pierce@health.state.ak.us or faxed to his attention at 1-907-465-4101.

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about 70 facilities across the country. It operates halfway houses in Anchorage, Bethel, Fairbanks and Nome, according to its application.

Before the projects can go forward, the state must determine they are needed and will provide quality care. This is the first year residential psychiatric treatment centers have been required to obtain a "certificate of need." Health officials were concerned there could be a flood of such facilities trying to help "bring the kids home," so they successfully sought legislation to add the review.

The state could reject the applications, approve both, or approve one, and it could tack on special conditions of operation.

The questions are many. Is treating children in institutions the best approach? What about help near home for children in Bush Alaska? Will two new centers in Anchorage draw staff — and clients — from mental health agencies already in business? And are these the right companies to provide the care?

The state's oldest children's agency, Alaska Children's Services, operates two residential psychiatric treatment centers in Anchorage and decided not to expand such care, said Jim Maley, the agency's president and chief executive officer. Instead, it's offering more services to children in the kids' own homes and in therapeutic foster homes.

"Residential beds should never be constructed at the expense of community services," Maley said at the hearing.

He estimated that it would take another 200 mental health workers to staff 120 beds and said there are already shortages in this field.

At the most, a total of 60 new beds in Anchorage should be approved, not 120, Maley said.

Regina Manteufel, a Fairview activist, urged the state to make sure there are tight controls over such centers. The state must make sure children are not overmedicated and that new drugs are not tested on them, she said. Workers will need to undergo thorough background checks, she said.

The Disability Law Center of Alaska already is looking into complaints at North Star Hospital, which provides inpatient psychiatric care in Anchorage and at its long-term residential treatment centers, lawyer Edie Zukauskas said at the hearing.

The law center is investigating complaints from parents, state workers and advocates for children about excessive medication of children, use of restraints and difficulties in working with parents, she said at the hearing.

A psychiatrist from the University of Washington looked into the complaints for the law center and found that children were being frequently tranquilized. The report by Dr. Kathleen Myers also found that there were 62 incidents of children being strapped down from June to August and 121 incidents of children being restrained by someone holding them.

Many of the problems are the result of understaffing or inadequately trained staff, Zukauskas said. The law center has forwarded the report to the state Department of Health and Social Services, which has asked the federal government for advice on what to do, said Dr. Dick Mandsager, director of the Division of Public Health.

North Star chief executive Shill and medical director Daniel Mardones said after the hearing that the care is excellent and in line with standards for psychiatric hospitals. The hospital is accredited by the Joint Commission on Accreditation of Health Care Organizations and is licensed by the state, they said.

Children admitted to the psychiatric hospital can be violent, Mardones said. Some are sedated or restrained to keep them from hurting themselves or another. In addition, the Washington state psychiatrist may have not been aware of difficulties in treating Alaska children, such as those with fetal alcohol disorders, Mardones said.

The use of restraints has dropped 19 percent in a year, he said. In Alaska, even just holding a young child who runs to follow his mother as she leaves is considered a physical restraint, he said.

Cornell also drew criticism at the hearing. Dee Hubbard of Sterling has been researching the company since it tried to build a private prison in Kenai and now is president of a watchdog group called Private Corrections Institute.

But as she tried to lay out her concerns about Cornell's record with juveniles in other states, the state official conducting the hearing cut her off.

"We're not here to talk about Arkansas," David Pierce, the certificate of need coordinator, said. He later apologized for cutting her off.

Hubbard is submitting written documentation of problems with juvenile treatment and detention facilities in Arkansas, Pennsylvania, Colorado and South Dakota.

For instance, a detention center in South Dakota closed in August just three months after opening when the state refused Cornell's demands for a rate increase of more than $50 a day, and a treatment center at the site never opened, according to news reports. Investors have blasted the company's performance, the Houston Chronicle has reported.

Marshall, the Cornell representative, said the company is on stable financial ground and is committed to the Alaska project.

As of August, 456 Alaska children and teens were being treated in psychiatric centers Outside, according to North Star. Residential psychiatric treatment capacity in Alaska is about 120 children at any time.

At the hearing, a mother spoke up in support of more psychiatric centers in Alaska. Fatima Hoger said her 17-year-old daughter is in treatment in Texas.

"I'm here to testify and say it's time," Hoger said. "I want my daughter home."

Pierce, of the state Department of Health and Social Services, is reviewing the applications. He will make a recommendation to Commissioner Joel Gilbertson by Dec. 14. Gilbertson will make the final decision on the certificate of need.

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FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) B-2 Anchorage Daily News Anchorage, AK

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Edition: Sunday

Title: ALASKA EAR

Character:
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Submitting Office: Anchorage

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(Mount Clipping in Space Below)

Alaska Ear

The Divine Appendage

HI, FRANK ... Longtime and, alas, former Daily News columnist Mike Doogan started his new job Tuesday as press aide to the legislative minority, meaning the Democrats.

Yes, it's true, darlings. And Ear can hardly bear it. How much fun will this be? Presumably he will write press releases responding to the antics of Frank and The Republicans. Just like when he was a columnist.

When Ear chatted with Mike, he seemed to be controlling his excitement at the new assignment. He's less than thrilled at the prospect of moving to Juneau for four months. And he mentioned the honor of being the only person in Alaska history to take a state job paying less money than his old job.

Irritated. That's the way we want him.

POEM FOR PETE ...

So what's the story with Pete Kott?
Is he resigning or is he not?
He's lost his might
He's vanished from sight
And Anchorage R's are eyeing his spot.

It's all talk so far, d'Ears. The rumor mill is spitting out Anna Fairclough, Dan Kendall and Deborah Luper as wannabe replacements. Ear predicts. Pete isn't going anywhere unless he can line up some lucrative lobbying gigs, presumably in addition to Veco.

BUMMER ... Did you see all those pictures of Catherine Stevens breaking a bottle on the bow of the new state ferry Chenega? Earwigs report the broken bottle cut her hand and she had to go to the hospital for stitches instead of to the christening party.

WINNER ... It's old news in fishing circles but still worth mentioning. Paul Reid, owner of New Sagaya and City

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Market, and three teammates won $381,883.34 in a marlin competition in Los Cabos. The name of the boat is the Karma.

STAND-UP ECONOMICS ... When the fall 2004 Revenue Source Book came out last week, everyone went for the oil price section, skipping over Ear's favorite part, namely the "Dedication," which read:

"... dedicated to Chuck Logsdon, who retired sometime between July and November 2004 as our chief petroleum economist. Chuck, who estimates he spent between 22.6 and 29.4 years at the Department of Revenue, issued more oil price and production forecasts than anyone in Alaska history.

"His insights, dedication — and probably his last long-term forecast — will all be missed. Thank you, Chuck, for your years of service."

Alors, darlings. Three economist jokes in a row. Who says they don't have a sense of humor?

AND NO TRANS FATS ... A DEC situation report issued Tuesday on the Selendang Ayu oil spill offered a bizarre break from oiled birds and otters:

"One beach in Skan Bay, which was previously believed to be oiled, was found instead to be covered with soybeans."

SIGNING OUT ... Earwigs with inky fingers report Alaska Newspapers Inc. is ceasing production of the Anchorage Chronicle after the Dec. 30, 2004, edition. "We have no plans to sell it and we will be concentrating on the strengthening of our other publications," said the e-mail.

Three economist jokes in a row. Who says they don't have a sense of humor?

MERRY XMAS ... Governor Frank surprised and delighted his Anchorage staff by throwing them a lovely Christmas party Wednesday at Dianne's restaurant on the ground floor of the Atwood Building. The big debate was whether alcohol would be served since it was technically not in a state office.

It wasn't. But the hot cider was fine.

SOUND TRACK ... Guess who sings with Alice Welling, Queen of the Fly by Night revues, on Kurt Reimann's newest Alaska album? None other than Mr. TV News himself, John Tracy. ADN writer Josh Niva called the cut a "sassy little rendition of 'Baby, It's Cold Outside.'"

MUSH ... Norman Vaughan is celebrating his 99th birthday today by raising money to pay for a trip to the top of Mount Vaughan next year on his 100th birthday. Earwigs will remember the peak named after him is in Antarctica and commemorates his adventures as a dog handler for Admiral Byrd's South Pole expeditions.

The party is open to all fans at the Anchorage Marriott Downtown on Seventh Avenue. It costs $49.99 and runs from 6:30 to 9 tonight.

MIRACLE SEASON TALE ... Ellen Arvold, owner of Out of the Closet downtown, took a bag of expensive designer clothes home from the shop, intending them for the dry cleaner the next day. Alas, she left the bag close enough to the trash that her son, doing his take-out duty, put it out for the garbage man along with everything else.

Ellen called hubby Chip Trantina, catering manager at the Cook and Bede's brother, the next morning in a panic. Some of them were one-of-a-kind designs by people like Chanel and Gucci, she said. The garbage had already been picked up so Chip called Solid Waste, which located the driver, who said he hadn't dumped his load yet but was on his way. Ellen and Chip dove into boots and Carhartts and raced for the dump.

Everyone was great, reports Chip. The driver dumped his truckload and staff put cones around it to ward off the tractors. Chip and Ellen slogged around knee-high in garbage for an hour but finally found the clothes. The plastic bag was intact, he reports.

"Luckily it was 11 degrees," Chip said. The dog poop and lime-green paint and boozy bottles were all frozen and the smell wasn't that bad.

Chip reports the following flying factoid: Half of Anchorage uses white plastic garbage bags. Half uses black.

— Compiled by Sheila Toomey

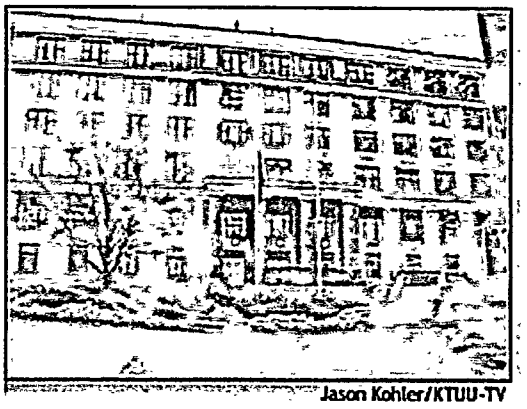
■ ear@adn.com

ASCLE 12/29/04

194A-AN-13620

One significant face missing from Juneau

Friday, January 7, 2005 - by Bill McAllister


Jason Kohler/KTUU-TV

Juneau, Alaska - The legislative session begins Monday, but where is outgoing House Speaker Pete Kott? Verified Kott sightings have been few and far between since the Eagle River Republican was ousted from his leadership role just after the November election. But an aide says Kott will be sworn in for another term Monday.

As the final weekend before session gets underway, the capital has come alive with the ritual sights and sounds of January. This evening, perhaps half or more of the 60-member Legislature has found his or her way to Juneau.

But one absence remains conspicuous.

KTUU file

Few people have seen or spoken with Pete Kott, whose term as House speaker will end Monday morning. In a vote of the new House Republican Caucus after the November election, Kott was narrowly defeated for speaker by John Harris of Valdez. He then tried to assemble a coalition of Republicans and Democrats to regain the speakership.

But the coalition failed under pressure from other Republicans and the party leadership.

There were hard feelings at the time, but now Speaker-designate Harris says he would welcome Kott back.

"I want to make full use of the speaker, Speaker Kott, if he will make himself available for that," Harris said.

Speculation has been rampant that Kott would resign his seat. But his chief of staff says it isn't true.

"He's been a loyal supporter of his district since he began in 1992, I think it was, and he looks to carry forward with his people again," said Judy Ohmer (right), Kott's aide.

Jason Kohler/KTUU-TV

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As speaker, Kott was noted for his bipartisan approach, especially in 2004. So Democrats also want to know what role he will play this year.

"In a sense how they treat Pete Kott, I guess, is going to be a litmus test of whether we're going to have a bickering session or a getting-things-done session," said Rep. Eric Croft (left), D-Anchorage.

194A-AN-13620-M-45 ~~194A-AN-13620-177~~ 1-14-05

Harris says he wants to deal fairly with everyone in the House, including Democrats and including Pete Kott.

"Some ideas that would make Kott a very valuable member of our group," said Harris (below).

The coming week should indicate whether or not there's a house divided.

Jason Kohler/KTUU-TV

Judy Ohmer says his absence really isn't that mysterious. Kott has a flooring business and has been doing a different kind of "floor sessions" this week in Bethel and Sitka. Ohmer says Kott is in Anchorage tonight for a military function, and he will fly into Juneau Monday morning in time to get sworn in.

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

FBI - Stevens-102

FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) B-2 Anchorage Daily News Anchorage, AK

Date: 01/23/2005
Edition: Sunday

Title: ALASKA EAR (VARIOUS ARTICLES)

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

Indexing:

(Mount Clipping in Space Below)

PARTY ON . . . Wasn't the inauguration lovely, darlings. The Alaska delegation feted Alaska fans at a gala for about 300 held in the Library of Congress. Invitation only, of course. Gate-crashing earwigs report there were some actual Alaskans there, including **Randy Ruedrich, Bill Allen, Jerry Hood, Frank and Nancy, Mary Hughes, Larry Baker** (where has he been?), and **Gregg Renkes**, who was described as "working the room like a D.C. lobbyist."

And the point is?

CHORAL BEEF . . . Who says our guys in Juneau don't take on the tough stuff? Sen. **Gary Wilken**, R-Fairbanks, is handing out little laminated cards to his brethren. The cards list all the senators, split into two groups: pausers and not pausers.

What Gary means is those senators who pause periodically during recitation of the pledge of allegiance to the flag each morning and those who barrel through taking only one breath, or maybe none.

Huh, you might say?

It seems the senators take turns leading the pledge. Some pause. Some don't. With just a glance at the handy-dandy cards, the rest of the chamber knows whether to say,

"Ipledgeallegiancetotheflagoftheunitedstatesofamericaandtotherepublicforwhichitstandsonenationundergodindivisiblewithlibertyandjusticeforall."

Or: "I pledge allegiance to the flag (pause) of the United States of America (pause) and to the Republic (pause) for which it stands (pause) one nation (pause) under God (pause) indivisible with liberty and justice for all."

Or something like that.

Earwigs report Wilken thinks it's messy and undignified for the senators to stumble all over each other instead of delivering the pledge in unison. He created the pause-no pause cards to end the problem.

Said one bemused senator, "He did it in the last Legislature also. This is not abnormal behavior anymore."

A PUZZLE . . . How did **Pete Kott** end up head of Legislative Affairs? First Pete lost a fight for House speaker to **John Harris** but was given Legislative Affairs as a consolation prize. Then he was speaker for five minutes during that embarrassing coup. Then he was sulking and in the dog house after the coup fell apart and **Carl Gatto**, who remained loyal during the coup, was given Legislative Affairs. Then all of a sudden, turncoat Pete has Legislative Affairs back and loyal Gatto is out.

So what's the lesson here, darlings?

Ear hears a number of R-Veco legislators were encouraged to rehabilitate Pete. Did one of them really say, "It's my Christian duty to give him another chance?"

ALL TOGETHER NOW . . . Let's guess why long-time BP spokesman **Paul Laird** really quit his job as communications director for Governor **Frank** after two weeks? It's probably just a coincidence that he bailed right after the governor dropped his little ELF bomb on the oil industry.

Right.

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VOICELESS . . . Speaking of Frank's ELF, earwigs are tickled by the absence of any comment on the issue by the people who run the Voice of the Times page in the Daily News. Frank is their guy big time. Oil is their industry, even bigger time.

Maybe they can't write anything because their heads exploded.

ON THE MOVE . . . Valley earwigs report Matanuska Electric Association has hired back Michael Pauley as its spokesman. He worked on the campaigns of Loren Leman and Mike Miller so he's real experienced at running political organizations.

NOT MOVING . . . Rep. Carl Moses has been excused from the current session to date so he can tie up the sale of his hotel in Unalaska and work on oil spill operations there. Carl already holds the record as the only legislator in state history to run for his seat in three different political parties and get elected each time. Now he may hold the record for the elected legislator who has gone the longest without being sworn in.

KUDOS . . . Former Anchorage Assembly member (and Daily News reporter) Charles Wohlforth's "The Whale and the Supercomputer" has been named one of the best books of 2004 by Library Journal.

A QUESTION . . . Was it too tres cynical of Ear to laugh upon learning that Gov. Frank and Nancy Murkowski flew to Seattle on their way to the inauguration on a commercial plane, in coach seats? Their seats were way in the back, reports someone who was on the flight, so everyone saw them trek the length of the aisle.

OK, let's examine this. Are we supposed to feel sorry that he has to hang with us peons and buy him a jet? Or do we think he's figured out that putting his jet envy in the headlines again, right as he begins his campaign for re-election, might have been a bad move?

Earmites report the governor stopped off at the boat show. Is he shopping for a new yacht?

—Compiled by Sheila Toomey

ear@adn.com

194A-AN-13620

FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) B-2 Anchorage Daily News Anchorage, AK

(Mount Clipping in Space Below)

Date: 03/20/2005
Edition: Sunday

Title: ALASKA EAR ARTICLES

Character:
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Submitting Office: Anchorage

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ON THE MOVE . . . Jessica Bury, wife of muni lobbyist Bill Bobrick, has been offered a scholarship to the Mayo Clinic Medical School and will be off this fall to become a doctor. She and Bill plan to do the long-distance relationship thing. Bill was all right with the idea, looking forward to being married to a rich M.D. Then Jessica told him she plans to work with the poor.

Don't worry, Bill, medical school will cure her of that idea.

RESULTS . . . For earwigs watching the tumultuous doings of the North East Community Council, Peggy Robinson and Bill Wielechowski held on to their seats against an effort by the Anchorage Baptist Temple/Tom Anderson coalition to unseat them. Earmites report it was close.

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Anchorage Daily News

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Alaska ear

(Published: March 27, 2005)

STRIP PLEASE ... Citizens having business at the state courthouse Monday arrived to find new security measures that required them to put their coats through the X-ray machine and take off their shoes.

Ear isn't sure (it's a secret of course), but it looked like the guards were no longer allowed to just wand someone who beeped, but had to force them to disrobe instead.

Well, d'Ears, you can imagine the mess between 8 a.m. and 8:30 a.m. on the first day, when just about everyone showed up with just enough time to get to where they were supposed to be. The result was a long line and grumbling that included the phrase, "The judge is waiting." And then attorney David Weber stuck a blow for the oppressed that was still being celebrated two days later.

The trouble apparently started when Weber's belt beeped and he was told to take it off. That was one step too far in what Weber calls "the illusion of protection." Could he be hiding a deadly weapon in his belt?

Weber told Ear there was some discussion about nine motions or muscle flexes or something being required to remove a belt, but only five to remove a pair of pants. So that's what he did. He took off his pants, walked through the metal detector in his underwear, and calmly re-robed.

Earwigs loved it, but some normal people were scandalized. "He shouldn't do that," said one observer. "He's a lawyer." Of course, that just made earwigs laugh harder.

NAMING NOWHERE ... Sen. Gary Stevens of Kodiak has introduced a resolution to change the name of Fairbanks.

No, Ear doesn't know why a Kodiak guy would do this. You ask him.

"Whereas there is located at the confluence of the Tanana and Chena Rivers in this state a city of pride and prosperity that has long been suffering under the burden of a non-indigenous name ... blah blah blah ... Be it resolved by the Alaska State Legislature that in response to the pleas of the people of the aforementioned city for freedom from the onus of a name forced upon them by an indifferent and unfeeling federal government, the legislature does hereby endow that city with a name that is its natural inheritance -- Barnette's Cache."

Darlings, Ear couldn't make this stuff up. Check the bill search function on the legislative home page. The routing number is SCR-4. Obviously these guys don't have enough to do.

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FYI, Barnette founded Fairbanks and it was originally named Barnette's Cache. But according to historians, he was the one who convinced people to rename it Fairbanks after Charles Fairbanks, an Indiana senator who later became vice president under Teddy Roosevelt.

ON THE MOVE ... Former ASEA rep Alison Reardon has been named legislative director for SEIU, the largest and fastest growing union in North America. "Legislative" as in U. S. Congress. She lives in Washington, D.C., and will orchestrate the union's congressional activities. Given what's being written about her boss, SEIU president Andrew Stern, it should be an exciting job.

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• Jay Fayette is a prosecutor again, this time supervising the prosecution section of the Office of Special Prosecutions and Appeals. Jay left the Anchorage District Attorney's office last year for a walk on the civil side.

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He says he really liked Delaney, Wiles but arguing with insurance companies about money just didn't do it for him. "I couldn't see myself doing it for the rest of my life," he said. "I need to be putting bad guys in jail."

FORM 02-8209 ... Ear is in receipt of a state personnel classification form purporting to be for former Sen. Scott Ogan's new job as a state land access manager and listing job hazards.

Exposure to cold water, contagious diseases, body fluids and sharp implements is not required. Neither will he have to grapple with or restrain people, lift more than 50 pounds or be able to distinguish tastes. And thank goodness for that.

However, he will occasionally have to walk, stand, bend, squat, kneel, climb, push, pull and be exposed to wild animals. "Seeing objects peripherally" is not essential, according to the form. Which means tunnel vision is OK.

And that's also a good thing.

REST OF THE STORY.... State Rep. Tom Anderson called to say he didn't have anything to do with the recent Northeast Community Council election that saw Bill Wielechowski and Peggy Robinson keep their board seats in the face of opposition from the Republican Party and the Anchorage Baptist Temple. And Ear believes him. Really.

"If I had anything to do with it, they would have lost," said the irrepressible Tom from Juneau. Earwigs will remember Peggy ran against him last year for his Muldoon House seat and may do so again.

NOTABLE ... Did everybody catch Governor Frank last week on HBO's "Real Time," holding his own very nicely with Bill Maher? The governor appeared via satellite from Anchorage. The subject was ANWR of course. Frank was for opening it. Bill was against. The audience seemed half and half, judging by the applause. Frank was all, let's just find out if there's a bunch of oil there, using "a very small shovel" to explore. Bill was all, it's not enough oil to matter so we need to find alternative energy sources instead of drilling.

At the end, Maher, a PETA board member, couldn't resist a jab against the Iditarod. He suggested the race could be eliminated because Alaskans have already proved that "if you hit an animal, it will run."

"The dogs are bred for it," Frank said.

"That's what they said about slavery," said Maher.

REST OF ANOTHER STORY ... Earwigs who count neither carbs nor calories report the results of the weigh-in mentioned here last week are as follows: Rep. Les Gara, no change. Rep. Ethan Berkowitz gained four pounds. Darlings, wasn't this supposed to be a weight loss contest?

-- Compiled by Sheila Toomey

ear@adn.com

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FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) A-1 Anchorage Daily News Anchorage, AK

(Mount Clipping in Space Below)

Date: 03/30/2005
Edition: Wednesday

Title: WHITTIER DROPS PRIVATE PRISON PLANS

Character:
or
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Submitting Office: Anchorage

Indexing:

Whittier drops private prison plans

CORNELL COS.: State now can pursue its own prison near Sutton.

By TOM KIZZIA
Anchorage Daily News

The city of Whittier is cutting its ties to Cornell Cos., a private corrections operator, finally ending a political battle over new prisons that has held Alaska in gridlock for a decade.

The Whittier City Council voted 5-1 last week to drop its three-year effort to win state money for a huge, privately run prison in the isolated port town. A Cornell spokeswoman said that's the end of the line for the Houston-based corrections company.

"At this point we're not going to be pursuing anything," Cornell communications director Lisa Tauser said. "We're disappointed but we respect their decision."

Private prison advocates have been wielding influence in Juneau since 1995, as proposals for private correctional facilities in Anchorage, Delta Junction, Kenai and Whittier found favor among legislators. Two prison deals were approved, and two others made it through the state House. Competing proposals to build state-run facilities were pushed aside.

But each private plan eventually died, falling victim to local opposition, resistance from correction-worker unions and skepticism from some state officials.

Meanwhile, the number of state prisoners shipped to the Lower 48 because of inadequate space in Alaska has grown to 760.

The demise of the Cornell private prison shifts attention in Juneau to plans for a big state-built prison near Sutton in the Matanuska-Susitna Borough. Money to build such a prison is likely to be a key element in budget negotiations this spring between the Legislature and Gov. Frank Murkowski.

The state has said it wants to build a facility of 1,200 to 2,200 beds. Even a 1,200-bed prison would be twice the size of the state's biggest existing prison, the Spring Creek maximum security facility in Seward.

The cost of such a prison has been estimated at $90 million to $200 million, state officials said. One possibility under discussion has been for the Mat-Su Borough to sell bonds to build the prison, paying them off with guaranteed an-

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nual payments from the state.

Nothing is settled, Murkowski spokeswoman Becky Hultberg said.

"The governor understands the need for a new detention facility," she said. "We're continuing to evaluate alternatives."

The state could also do nothing and continue to send prisoners to Arizona at a current cost of around $14 million a year. That's cheaper than running a new mega-prison here, which last year was expected to cost as much as $40 million annually.

Advocates of prison construction in Alaska have said it is foolish to export money and jobs to the Lower 48 to house the prisoners. They also argued that inmates' chances for rehabilitation are much better if they are kept closer to families and programs geared to Alaskans, especially imprisoned Alaska Natives.

Whittier city officials started traveling to Juneau in 2002 to make those arguments after Cornell approached them about a prison in the town of 180 year-round residents. The state House approved a Whittier prison that year, but the measure stalled in the Senate.

The Whittier council has seen a big turnover since then. Developing a comprehensive plan pushed the new council toward a future of recreation and tourism, Mayor Lester Lunceford said.

"Small and shoreline-poor as Whittier is, why would we want to use that area at the head of the bay for a prison?" Lunceford said Tuesday.

Cornell continues to play a role in Alaska, operating halfway houses for the state. Cornell is also working with the state to develop a juvenile psychiatric treatment facility in the old MacKay Building annex in downtown Anchorage.

Cornell has undergone turmoil nationally in the past year, with a hedge fund buying up stock and pushing to sell the company. The roiling led recently to the ouster of chief executive officer Harry Phillips Jr., whose name will live on here in the campaign contribution files of the Alaska Public Offices Commission.

Critics have long maintained that political contributions and high-priced lobbying played a major role in the Legislature's deliberations over prison space. Debate centered on whether inmates could be housed reliably, and more cheaply, in a facility designed and run by a for-profit firm. The stakes were high. A 25-year prison deal, worth $1 billion, would have been the largest state-private contract in Alaska history.

The earliest plans were promoted by Allvest, a local halfway-house management firm run by former legislator Bill Weimar. Allvest sold its prison interests to Cornell in 1998, in the midst of planning for a private prison in Delta Junction. The sale price of $21 million included the "goodwill" value of the future prison, according to the company's annual report.

The Legislature approved a Delta prison, but a local political shift resulted in the city backing out. The private consortium led by Allvest/Cornell sued. Delta Junction finally settled last October, paying the consortium $1.25 million, according to city finance officer Dave Zimmerman. The Legislature loaned Delta the money for the settlement.

The Kenai Peninsula Borough then teamed with Cornell and its high-powered design and construction allies to win state approval for a private prison in Kenai, only to be slapped down by local voters in a landslide.

Lurking around each successive plan were complaints about backroom dealing.

"What I see, over and over, is repeated sole-source, prearranged, heavy-money deals that go to specific contractors," Rep. Eric Croft, D-Anchorage, complained in a hearing last year. "It's never been a clean competitive proposal."

As late as last year, the private/Whittier and state/Mat-Su prisons were deadlocked. Compromise legislation was passed allowing the state to develop a prison with either group. But the bill saddled Cornell with new qualifications for guards and requirements for competitive bidding. Cornell's interest in the Whittier project withered after that, spokeswoman Tauser said.

Sen. Lyda Green, R-Wasilla, said last year's law will allow the state to go forward now to work with the Mat-Su on bonding for a prison, perhaps one built in smaller, less expensive increments. Such bonds would be paid off through the state's operating budget rather than as a single big-ticket capital project.

Green, co-chairwoman of the Senate Finance Committee, was cheered Tuesday by news that Cornell had dropped out of the game.

"I think it probably clears the air and helps us go ahead," she said.

FBI - Stevens-109

History of private prisons in Alaska

Plans to build the first private prison in Alaska have set off controversy in recent years:

- **APRIL 1997:** Corrections Group North, a partnership between halfway house operator Allvest and oil field service company Veco, withdraws plans for controversial 768-bed medium-security prison in South Anchorage. Project is scrapped days before city voters reject the plan by a 2-to-1 margin.
- **JANUARY 1998:** Voters in Delta Junction approve plan by Allvest to build 800-bed prison on former Fort Greely Army post.
- **AUGUST 1998:** National prison company Cornell Corrections Inc. buys Allvest for $21 million.
- **SEPTEMBER 1999:** Delta Junction City Council repeals contract with Cornell/Allvest.
- **OCTOBER 2001:** Voters on the Kenai Peninsula defeat a proposal, backed by Cornell, for an 800-bed private prison by a 3-to-1 margin.
- **MAY 2002:** Plan allowing private prison in Whittier, proposed by Cornell, passes House and stalls in Senate during Legislature's closing days.
- **MARCH 2005:** City of Whittier cuts ties to Cornell, and company says it has no plans to pursue a private prison in the state.

FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) B-2 Anchorage Daily News Anchorage, AK

(Mount Clipping in Space Below)

Date: 05/01/2005
Edition: Sunday

Title: BEN STEVENS: LEGISLATOR OR LOBBYIST?

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or
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Submitting Office: Anchorage

Indexing:

Ben Stevens:

Legislator or lobbyist?

What's the difference between a legislator and a lobbyist? A recent article in the Juneau Empire raises that question in regard to the propriety of Senate President Ben Stevens' legislation reallocating Gulf of Alaska ground fisheries. The article cites the senator's financial disclosure which evidences he's on the payroll as a consultant to several fisheries interests for a total last year of a whopping $174,200. Do any of those interests stand to profit from the senator's bill? I have no idea.

However, further examination of his disclosure forms show that the senator's employers also included not just the state of Alaska, which paid him $28,040 last year, but Veco Corp., the vocal cords behind "The Voice of the Times." Veco not only hired him for $47,500 but lavishly lauded him in an editorial for having the courage to do its bidding by introducing legislation that would invade the heretofore chaste Permanent Fund earnings absent a public vote. Since this has long been a prime objective of Veco, perhaps it will accord him a pay raise as well.

On the surface these awards make Scott Ogan's involvement with Evergreen seem penny ante. Yet surely there has to be a substantial difference or fellow legislators would have screamed in envy, if not outrage.

The Veco "Voice of the Times" has lusted for years after Permanent Fund money, realizing that once it is no longer virginal further assault will be far easier. If they can get into your prospective dividend dollars they believe, with justification, pressure for increasing oil taxes will decline along with the possibility of, heaven forbid, an income tax — even one capped at no more than your dividend. Instead they would impose a "head tax" on all and only Alaskans by reducing your prospective dividends.

Many of our so-called "conservative" legislators seem delighted that finally someone has had the "courage" to penetrate Permanent Fund earnings without the public consent the governor has said he would demand. Certainly $47,500 should buy a lot of courage, especially when the buyer's interests are compatible with one's own. Certainly no "conflict of interest" can be charged between Veco and Ben.

What started out as a relatively modest $300 million plus nonconsensual ravishing of the once virginal Permanent Fund earnings has allegedly ballooned to about $1 billion as more and more legislators line up in lustful anticipation of trophies to take home to their districts.

Apparently, many hope that in the flare of massive capital spending for "motherhood" programs, such as education, voters will be blind to the fact that many will have broken faith with constituents.

The sad thing is it's so unnecessary. There is a simple and proper way to have the Permanent Fund help provide essential government services. That's by creating a

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The senator's employers also included not just the state of Alaska ... but Veco Corp.

POMV, which would split up to 5 percent of the fund's annual market value, 60 percent for dividends and 40 percent for public services. The governor has indicated support for this front-door approach and opposition to attempts to crack open the back door without voter permission.

Such could even be done this year by statute so long as the corpus of the fund was not invaded. If the $600 million then made available were to go out in Wally Hickel's proposed "community dividend," no public vote would be required. After all, the governor's promise was that he'd demand such a vote for any uses other than dividends, therefore the community dividend would require no such vote, save at the community level.

So, to get back to the original question as to just what the difference is between a lobbyist and a legislator, my answer remains: "Darned if I know." All I do know is that if as Senate president I had been paid not $47,500 but even a mere $47.50 by, say, the Sierra Club for "consulting," no one would more loudly scream "conflict of interest" and demand my impeachment than would the Veco "Voice of the Times."

■ [illegible] ond served as governor of Alaska from 1974 to 1982.

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Indexing:

Alaska Ear

The Divine Appendage

CHEER UP ... With last week's weather, it's almost believable. Men's Health magazine has published a list of America's happiest and most depressed cities and Anchorage is No. 12 on the happy list.

The ranking is allegedly based on the sale of anti-depressants, on suicide rates and the number of days inhabitants reported being depressed.

OK, so they obviously did their counting last summer. Or talked to Alaskans on vacation in Hawaii. Or maybe it's just that we medicate with booze, not Zoloft. Or we just lied.

Actually, the first clue the ranking might be bogus was the fact that three of the four happiest cities are in Texas (Laredo, El Paso and Corpus Christi) and the other one is Jersey City. Get real.

Buffalo, Bakersfield and Fresno are all happier than we are.

The most depressed city in America is Philadelphia, followed by Detroit, St. Petersburg, St. Louis and Tampa.

ON THE OTHER HAND ... A financial advisory newsletter called BottomLine/Tomorrow is running the following warning to "savvy" travelers in its spring issue:

"Tourist Traps to Avoid ... Alaskan cruises. Sadly, the ports of call have become fake places that are designed to take as much money from tourists as quickly as possible."

A better bet for cruise tourists are the ships and schooners sailing the New England and Canadian coast or the "spectacular fjords of Scandinavia," the newsletter says.

Other "traps" include "overbuilt Caribbean islands like Nassau," "Hawaiian 'fantasy' resorts," "Venice in summer" and "Aspen in winter."

SET IT STRAIGHT ... All right, darlings, it goes against Ear's nature but the Divine Appendage must come to the defense of Crash McGuire, aka Chair of the House Judiciary Committee. It's true Crash is supporting the effort to lower the cap on non-economic jury awards in lawsuits against doctors. She says she's against all those nuisance suits filed over small matters by people just after money.

It's also true that she offered to settle for $325,000 a personal injury lawsuit, which includes claims of "emotional and mental distress," filed under her married name (McCracken) against attorney David Shoup and his wife, Trish. That is above the $250,000 max she is proposing for the rest of us. But maybe a lot of it is for lost wages or doctor bills or something. So maybe she's not an official hypocrite.

Of course, Crash does have state health insurance and, let's face it, how much could she have lost in wages?

FYI, the suit is for damages sustained in the car crash that earned Lesil her beloved nickname. She wasn't driving, but it was her second crash in a short period of time. Earwigs report she swore during a deposition last year that she wouldn't have gotten in the car that night if she suspected her friend Trish was drunk. Pardonez Ear? According to the same deposition, Trish tested out at 0.258 percent blood alcohol content, more than three times the current DWI level.

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And finally, there is no evidence that the tantrum last week at the Triangle Club that had the Capitol Building all atwitter was anything but an honest disagreement over whether there was a conspiracy to rig a bowling tournament and deny her team first place. Yes, the last bowling fracas was alcohol fueled and ended up in a police report, but this one did not. So leave the poor lady alone.

WARNING ... Is Ear reading it wrong, or was the message on invitations to an April 20 fundraiser for **Dan Sullivan**, **Anna Fairclough** and **Paul Bauer** a threat? It read:

"If you were unable to contribute before, this will be your last chance to help end these campaigns on a positive note."

Is Ear channeling to an alternate universe, or is there an implied "or else?"

KUDOS ... Former Assemblyman **Charles Wohlforth** has won the L.A. Times Book Prize for science writing for his terrific book on climate change in the Arctic called "The Whale and the Supercomputer."

Charles said the L.A. ceremony was supercool — a limo, huge TV screens, a banquet with ice sculptures, celebrities and Sally Ride making the presentation. "Not at all what I am used to," he writes.

• **Katherine Gottlieb**, CEO of Southcentral Foundation and Alaska's only genius award winner (that's officially a McArthur Fellowship), was awarded an honorary doctorate by APU at its commencement ceremonies yesterday. So does Ear have to call her Dr. Kathy now?

A QUESTION ... Do certain favored lobbyists have keys to the Capitol Building and various offices therein? That's a story going around Juneau, attached to the names of two well-known flesh-pressers. But the Omniscient Orifice must question the grapevine. The official "Capitol Key Policy" mentions only legislators, staffers and support personnel as eligible for the numbered, "don't copy" keys.

On the other hand, lobbyists are sort of "support personnel," right?

FLYING FACTOID ... The Fairbanks Economic Development Corp. just extended the employment contract of its airport marketing director **Anders Westman**, according to the News-Miner. But this time, they are insisting he do the job in Fairbanks, not Detroit, where he remained after getting hired last year. Guess those sales pitches about how it's a great place to refuel, but I wouldn't want to live there, weren't going over too well with the locals.

OLD BUT GOLD ... A rumor has been circulating for months that Republican Party boss **Randy Ruedrich** is working to get rid of **Sarah Palin** by using his oily contacts to get her husband, Todd, transferred from the North Slope to, say, Bahrain. That way she won't be around to run for anything and pull votes from the designated party candidate. Always assuming Sarah is not the designated party candidate.

Anyhow, Ear finally asked Sarah, who laughed and referred the Divine Appendage to her 14-year-old daughter, Bristol, who apparently fronted Randy at election central in November and asked him point blank.

Unfortunately, Bristol's geography was a little off and she asked Randy if he was going to get her dad transferred to Berlin. Earwigs report Randy looked puzzled and replied, "People shouldn't spread those kinds of rumors." Or words to that effect.

What Randy told Ear is that he's never given the subject a single thought.

If the earwig report of the November conversation is correct, which would be a miracle in itself, Ear can't help but notice he didn't just say no.

ON THE MEND ... ADN columnist **Heather Lende** should be back in Haines now after a plane and ferry trip home this weekend from the hospital in Seattle. She can't walk, and can barely sit, while her pelvis is mending from being run over by a truck while biking in Haines, but is expected to heal completely.

— Compiled by Sheila Toomey

FBI - Stevens-114

FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) B-7 Anchorage Daily News Anchorage, AK

(Mount Clipping in Space Below)

Date: 05/03/2005
Edition: Tuesday

Title: FORMER STATE LAWMAKER MASEK CHARGED WITH DWI

Character:
or
Classification: 194A-AN-13620 ~~-216~~
Submitting Office: Anchorage

Indexing:

WASILLA

Former state lawmaker Masek charged with DWI

Former state representative Bev Masek was arrested Sunday on charges of drunken driving and driving with a suspended license, according to Alaska State Troopers.

Masek, 41, of Willow, served in the Legislature from 1994 to 2004. She was stopped about 1:30 a.m. near Mile 58 of the Parks Highway after a trooper noticed she was driving slower than the speed limit and had drifted over the center line several times, according to a written statement released by troopers.

Her blood alcohol level was later measured at 0.189, more than twice the legal limit of 0.08 for driving, according to a report filed with the Palmer district attorney's office.

Masek was taken to the Mat-Su Pre-Trial Facility in Palmer and released on her own recognizance. She could not be reached for comment Monday.

—*Anchorage Daily News*

FBI - Stevens-115

194A-AN-13620-M-52

SEARCHED ____ INDEXED ____
SERIALIZED ____ FILED ____
MAY 05 2005
FBI - ANCHORAGE

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below:)

Opinion
Anchorage Daily News (AK)
June 1, 2005
Author: Staff
Estimated printed pages: 4

(Indicate page, name of newspaper, city and state)
ANCHORAGE DAILY NEWS
ANCHORAGE, ALASKA
Page:
Date: 06/01/2005
Edition: Wednesday

Title: Comp Bill Can't Do Good Work In The Dark

Character/Classification: 194A-AN-13620 · 355

Submitting Office: Anchorage

Indexing:

Comp bill
Can't do good work in the dark

One of Gov. Frank Murkowski's must-pass legislative priorities, the workers compensation bill, may have enough constitutional holes to sink it. That's what you get with a process that's done behind closed doors.

The workers' comp bill suffers from some squishy language -- how exactly do you define "substantial" cause of injury in an incident that exacerbates old injuries? Based on this legislation, nobody knows.

There are questions too about potential inequities in calculating workers' benefits, how chronic pain and other medical conditions will be covered and whether the new appeals commission concentrates too much power in the hands of the governor.

Critics say this legislation, which even its supporters have said is only a start, could get a judicial toss before its start is much under way.

The administration's response? Don't worry; we'll fix any problems next session. In closed-door sessions again? With last-minute amendments and changes?

Alaska's workers' compensation law is an important issue. High rates of insurance can strap small businesses. Medical expenses can multiply rapidly. Some cost controls are in order, and at one point in the regular legislative session, the House had a decent bill that offered modest changes and empaneled a task force to report on more.

The bill as finally passed still puts a task force on the case. There's no guarantee that it will bring insurance rates down. So what have we a gained? A big maybe that may be short-lived due to legal problems?

It's a risky business to predict what courts will rule. But there's well-informed doubt about

194A-AN-13620-M-53

Senate Bill 130 that suggests its passage was more about winning than sound reform to serve all hands.

The more important the issue, the more important is open scrutiny. Any time the governor or lawmakers rush a "must-pass" bill with a promise of "we'll fix it later," red flags should spring to attention -- especially when the last rush is done out of public view.

BOTTOM LINE: Legal questions around workers' comp bill reflect poor crafting and the results of doing the people's business behind closed doors.

013ma01.new.wpd

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below:)

Alaska Ear
Anchorage Daily News (AK)
June 26, 2005
Author: Staff
Estimated printed pages: 4

(Indicate page, name of newspaper, city and state)
ANCHORAGE DAILY NEWS
ANCHORAGE, ALASKA
Page:
Date: 06/26/2005
Edition: Sunday

Title: Larger Than Life

Character/Classification: 194A-AN-13620 · 356

Submitting Office: Anchorage

Indexing:

LARGER THAN LIFE . . . Coming to an airport near you: A 9-foot bronze statue of Ted Stevens, source of all federal largess and Alaska senator for life. Earwigs who can't get through security say a group of Ted admirers has created a nonprofit to raise funds for the statue, which is planned for the arrivals corridor at the Ted Stevens Anchorage International Airport and reportedly will feature Ted in his World War II flight jacket.

Details are sketchy, but Ear is told Al Augestad, Dave Rose, Perry Green, Jerry Nerland and Eric Wohlforth are among the movers.

Word is they've asked artist Joseph Princiotta to design the sculpture. He did the whale in front of the Carr-Gottstein building, across from the old courthouse.

013ma02.news.wpd

FBI - Stevens-118

194A-AN-13620- M-54

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below:)

Clark to lead talks on gas line - CONTRACT TALKS: Murkowski puts trusted chief of staff in charge.
Anchorage Daily News (AK)
June 30, 2005
Author: PAULA DOBBYN
Anchorage Daily News Staff
Estimated printed pages: 3

(Indicate page, name of newspaper, city and state)
ANCHORAGE DAILY NEWS
ANCHORAGE, ALASKA
Page:
Date: 06/30/2005
Edition: Thursday

Title: Clark To Lead Talks On Gas Line

Character/Classification: 194A-AN-13620 · 357

Submitting Office: Anchorage

Indexing:

Gov. Frank Murkowski is putting his chief of staff in charge of the state's gas line negotiations.
Jim Clark, widely viewed as the governor's most trusted and loyal aide, will try to finalize a contract with potential builders of a $20 billion gas pipeline by the end of summer so it can be presented to the Legislature in a special session this fall, the governor said Wednesday.

The contract would set tax, royalty and other terms for the proposed pipeline to carry Alaska's vast reserves of natural gas to Lower 48 markets. It would be the biggest project in the state since construction of the trans-Alaska oil pipeline, the governor said.

"We're further along in the last 24 months than we've been in the last 24 years. There's absolutely no question about that," Murkowski told reporters at a news conference in Anchorage.

Clark will keep his chief of staff job, although some chores may be delegated to Cabinet members, Murkowski said.

Murkowski said Clark has been intensely involved with the gas line negotiations and is the right person to lead the talks to a successful conclusion. He will replace international oil and gas expert Pedro van Meurs, a Dutch citizen who lives in the Bahamas, as lead negotiator. Van Meurs, who charges $3,500 a day plus expenses, will remain a consultant to the state, the governor said.

Former deputy labor commissioner Ed Fisher, who was working as a subcontractor to van Meurs at $225 an hour, is no longer working on the negotiations, said Susan Taylor, administrative services director.

Murkowski called the gas line talks the highest priority of his administration. He said that's why

194A-AN-13620-M-55

he has chosen Clark to conclude the negotiations, which have reached a critical stage.

"He's extremely well organized, and I have the utmost confidence in his commitment and capabilities," Murkowski said.

Before becoming Murkowski's chief of staff, Clark was a Juneau attorney who often represented timber and mining companies. He's known as a tireless and capable worker who can be pushy and controlling.

Rep. Ralph Samuels, R-Anchorage, said he has had scuffles with Clark, as have other legislators. But he thinks Clark is the right person to represent the state in talks with North Slope oil and gas companies, TransCanada and the Alaska Natural Gas Authority, the three groups that have submitted gas line proposals.

"You want someone with a strong personality to get the job done," Samuels said. "He's a tough guy. He understands the issues."

Samuels is the vice chairman of the Legislative Budget and Audit Committee, which acts as a liaison between the Legislature and the administration on gas line matters.

Greg O'Claray, state labor commissioner, said the governor's decision to tap Clark indicates how important the deal is to Murkowski.

"He's placing his best person at his disposal to bring those discussions to a closure," O'Claray said.

Rep. Ethan Berkowitz, D-Anchorage, questioned Murkowski's choice.

"Jim Clark does not have experience in oil and gas. That's not his expertise. I don't know why we're trusting the biggest deal this state has ever faced to someone who spent his formative years as a timber lobbyist," said Berkowitz, who plans to run for governor next year.

Clark said he doesn't need to be an expert in oil and gas. That's why Pedro Van Meurs is staying on a consultant, he said. Clark sees his role as coordinating experts in economics, law, engineering and other fields involved in the mega-project.

"Look at me more as an orchestra leader," he said.

Clark rebuted talk that the governor had offered the chief of staff job to Health and Social Services Commissioner Joel Gilbertson and that Gilbertson declined.

"It's just poppycock," Clark said.

If the governor had asked Gilbertson to do it, he would have accepted without hesitation, Clark said.

Gilbertson did not respond to interview requests.

Deputy chief of staff Mike Nizich and budget director Cheryl Frasca will take over many of the day-to-day tasks of the chief of staff, Clark said. They will act as de facto co-chiefs of staff while Clark turns his attention almost exclusively to the gas line, he said.

Clark said he plans to work 15-, 16- or 17-hour days until a gas contract that's good for Alaska is reached.

"It's time to finalize things and bring it home."

Daily News reporter Paula Dobbyn can be reached at pdobbyn@adn.com or 257-4317.
Caption:

013ma03.news.wpd

FD-550 (Rev. 5-8-81)

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

(Mount Clipping in Space Below)

Date:
Edition:

(see attached)

Title: Should He Stay or Should He Go

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

Indexing:

FBI - Stevens-122

194A-AN-13620-M-56

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Vol. 14, Ed. 26 June 30 - July 6 2005

The Anchorage Press, in Anchorage Alaska

FLASHLIGHT

Should he stay or should he go?

A recall petition aimed at taking out state Senate President Ben Stevens could be filed soon, according to Ray Metcalfe, the man behind the petition and the founder of the Republican Moderate Party. Metcalfe said Monday, June 27 that he already has more than the 972 signatures of voters from Senate District N that he needs, but that organizers "need a little more cushion," adding that his goal is 1,900 signatures.

Ben Stevens was out of town this week, according to Senate Majority press secretary Jeff Turner, who said Stevens has a standing "no comment" on the matter. That might change if Metcalfe ever turns in those signatures to the state Division of Elections - but Turner wasn't making any promises.

Stevens ran unopposed in 2002. He was initially appointed to his senate seat in 2001, by then-governor Tony Knowles, a Democrat. Metcalfe believes he should be recalled because Stevens, while a senator, has worked as a consultant for the oil field services company VECO (Stevens reported $47,500 in income from VECO last year). That amounts to failing to uphold the state constitution, Metcalfe says.

In his application for a recall petition, Metcalfe wrote that the state constitution requires Stevens to seek the "highest possible payment for Alaska's resources," and that working for VECO conflicts with that oath. Metcalfe is referring to Article Eight of

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194A-AN-13620 FBI - Stevens-123

the constitution, which says, among other things, that state-owned natural resources should be developed "for the maximum benefit" of the people.

Flashlight figures that whether an oilfield services company - or, say, a commercial mushroom buyer - is diametrically opposed to that constitutional goal is anybody's guess. We said as much to Metcalfe.

"Do you understand the term 'serving two masters'?" Metcalfe said. "Then what part of the picture doesn't fit? He's not working for (VECO) as a roughneck. He's helping them navigate the political waters of Alaska, and their objective when navigating those waters are the opposite of Alaska's best interests."

The recall is a three-step process, in which Metcalfe needs 10 percent of the number of votes cast in Stevens' last election, or 972, for the first round. If the Division of Elections approves those signatures, Metcalfe will receive official petition books and need 2,431 signatures to clear a 25-percent hurdle. After that, voters would decide if Stevens should be recalled.

Metcalfe said he's spooked about his signature cushion because of a lawsuit the state faces over a statewide initiative that would ask voters to impose a $50-per-passenger cruise-ship head tax and create new taxes for shipboard gambling. Election officials certified that petition, saying it gathered 174 more signatures than the 23,286 that were required. The industry hired a private contractor to comb through the petition books and is claiming in court that the initiative is actually short by 1,200 signatures.

- Scott Christiansen

You gonna eat that?

Flashlight caught up with performance artist Shishaldin Hanlen on a recent Sunday morning in a downtown coffee shop. Shishaldin -

The Anchorage Press, Anchorage Alaska

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FBI - Stevens-124

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below:)

(Indicate page, name of newspaper, city and state)
ANCHORAGE DAILY NEWS
ANCHORAGE, ALASKA
Page:
Date: 07/15/2005
Edition: Friday

Title: Group Paid For Trip By Governor

Character/Classification: 194A-AN-13620 · 358

Submitting Office: Anchorage

Indexing:

Group paid for trip by governor, aide - 'PERFECTLY LEGAL': Murkowski went to meeting of Republican state leaders.
Anchorage Daily News (AK)
July 15, 2005
Author: MATT VOLZ
The Associated Press
WIRE
Estimated printed pages: 3

A November 2004 trip made by Gov. Frank Murkowski to a meeting in New Orleans was paid for by a so-called 527 political committee formed last fall by a prominent Juneau banker.
The group, the Alaska to America Energy Initiative, spent $1,908.57 to send Murkowski to the Republican Governor's Association annual meeting, according to a Nov. 17 state travel authorization form.

The group also spent $2,592 for former Murkowski policy director Kris Knauss to make the trip, according to tax documents provided by the Washington-based watchdog group Center for Public Integrity.

"The question is, is it ... unethical to accept this money from a 527 for this purpose," said Center for Public Integrity researcher Kevin Bogardus. "Here's a state official being paid for a trip by a 527, and I've never seen that before."

A 527 is a tax-exempt, nonprofit political committee formed under Section 527 of the IRS code. Some 527s, such as MoveOn.org and Swift Boat Veterans for Truth, have been very influential in national and state political campaigns.

Murkowski, at a news conference Thursday, referred specific questions to staff, but said 527 committees were "perfectly legal" and there was "nothing uncommon about them."

Spokeswoman Becky Hultberg said a gift disclosure for the trip had not been located and she did not know whether one had been filed by the governor. The trip to New Orleans was considered personal business, according to the travel authorization form.

The document says the group reimbursed Murkowski just for airfare. Hultberg said it was not immediately known who paid for the governor's hotel or meals during his stay in New Orleans.

194A-AN-13620-M-57

The governor's trip cannot be considered state business because he was attending a politically partisan meeting, Hultberg said.

Knauss' trip, however, is considered state business that could have been paid for by the state, according to a June 17 memo from Linda Perez, the administration's designated ethics supervisor.

The state has traditionally paid for staff members who are required to travel with a governor attending either the Democratic or Republican Governors Association meetings, Perez wrote.

Knauss also was given the task of collecting governors' signatures for a petition to open the Arctic National Wildlife Refuge to oil and gas drilling, she wrote.

Knauss filled out an ethics disclosure form June 20. He has since left state government and could not be reached Thursday for comment.

Hultberg said later Thursday that the state would repay Alaska to America Energy Initiative the $2,592 given to Knauss.

"It was simply a mistake on our part," she said. "We should have done a closer review at the time and seen it was legitimate state business."

The Alaska to America Energy Initiative, in its 527 organization filing with the IRS, says its purpose is not to influence elections to state office in Alaska. Instead, it aims to "inform and educate about the importance of obtaining energy for the nation from Alaska and to support candidates who support that goal," according to the IRS document.

The Alaska to America Energy Initiative was formed by Juneau banker Win Gruening on Sept. 15. The group did not claim exemptions from filing reports on contributions in its organizational filing, meaning it has to disclose who donated money to it and where the money was being spent.

Knauss' travel reimbursement was listed as an expenditure on a Jan. 28 filing, but the payment to Murkowski is not listed on any of the group's disclosure forms.

Gruening did not return several calls to his office and home Thursday.

From September through January, the latest information available, the group received $15,000 in contributions. Two $5,000 donations came from oil services company Veco Corp. and Alaska lobbyist Sam Kito Jr. Also donating amounts of $2,000 or $1,000 were Anchorage residents Mark Pfeffer, Gerald Neeser and Robert Evans..

013ma04.news.wpd

FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) A-1 Anchorage Daily News Anchorage, AK

(Mount Clipping in Space Below)

Date: 07/16/2005
Edition: SUNDAY

Title: BEN STEVENS' FEE REPORTS QUESTIONED

Character:
or
Classification: 194A-AN-13620 266
Submitting Office: Anchorage

Indexing:

Ben Stevens' fee reports questioned

ADN 7/16/05

■ **DISCLOSURE:** Political opponent files complaint about money details.

By RICHARD MAUER
Anchorage Daily News

The leader of the independent Republican Moderate Party is accusing state Senate President Ben Stevens of failing to properly document what he did to justify more than $1 million in outside fees he's received from resource-dependent Alaska businesses over the last four years.

In a complaint filed Thursday at the Alaska Public Office Commission, Ray Metcalfe said Stevens failed to comply with Alaska law "which requires that Legislators provide the public with details when describing the nature of the services they are being paid."

Stevens

But Christina Ellingson, the assistant director of the agency, said that in the past it has accepted the kind of generalized descriptions used by Stevens, though she added that she hadn't had a chance to review the specifics of Metcalfe's complaint and wasn't prepared to comment on its merits.

A legislative spokesman for Stevens, Jeff Turner, said Stevens wouldn't comment.

Since his appointment to a vacant state Senate seat in 2001, Stevens, a Republican from the Sand Lake and Turnagain areas, has filed disclosures showing his personal business, Stevens & Associates, has collected more than $1.3 million from companies with business before the Legislature or that depend on regulated public resources such as fish, oil and land.

Stevens routinely described his business activity in his APOC filings as "consulting services" or "business services."

See Page B-2, FEES

FBI - Stevens-127

194A-AN-13620-M-58

SEARCHED ___ INDEXED ___
SERIALIZED ___ FILED ___

AUG 02 2005

FBI - ANCHORAGE

FEES: *Ben Stevens' money*

Continued from B-1

That description is too vague, Metcalfe said. He said Stevens had a duty to provide more details.

"The public must know that legitimate work was performed and have sufficient details to discern if that work was within the scope of Ben Stevens' professional qualifications," Metcalfe said in his complaint. He asked the public offices commission to require Stevens to "provide evidence of a work product and evidence (of) corresponding hourly billing."

Metcalfe is also leading a recall drive against Stevens, 46, the youngest son of U.S. Sen. Ted Stevens, 81. Ted Stevens is the U.S. Senate's most senior Republican and the chairman of the Senate Commerce Committee, where he is a powerful force in Congress on fisheries issues, the subject of most of the younger Stevens' consultancies and the source of more than $600,000 in fees that Stevens & Associates collected since 2001.

Ben Stevens was appointed by Democratic Gov. Tony Knowles in 2001 and ran unopposed for his first full term the following year. Before that, he had fished for salmon and crab in Alaska and started Stevens & Associates as a government relations firm in Washington, D.C., while pursuing a master's degree in business administration from George Washington University.

Metcalfe said Friday that his petition effort has gathered about 2,400 signatures, twice the number he needs for the initial petition for Stevens' recall. But he said he lacks the names of three "prime sponsors" from Stevens' Senate District N willing to stand up on behalf of the effort. Metcalfe lives in a different district.

As an example that he cites as justifying both the recall and the APOC complaint, Metcalfe criticized the consulting services that Stevens said he provided to the Alaska oil field service company Veco Corp. Over the past five years, Veco has paid Stevens & Associates an average of $48,600 a year.

"Veco's interests are the reverse of the average Alaskan's," Metcalfe said. "Veco's interests are in getting Alaska to sell its resources for as little as they can possibly persuade them to do. Alaska's interest is in getting as much as possible for those resources to pay for things like teachers, police, etc."

Longtime Veco chairman Bill Allen and president Pete Leathard were not available for comment.

■ Daily News reporter Richard Mauer can be reached at rmauer@adn.com or 257-4345.

FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) A-1 Anchorage Daily News Anchorage, AK

(Mount Clipping in Space Below)

Date: 07/17/2005
Edition: MONDAY

Title: GOP TOOK GOOD CARE OF ITS CANDIDATES IN '04

Character:
or
Classification: 194A-AN-13620 -26T
Submitting Office: Anchorage

Indexing:

GOP took good care of its candidates in '04

■ CONTRIBUTIONS: Party was top bankroller in state races, giving out $234,365.

By SEAN COCKERHAM
Anchorage Daily News

JUNEAU — The Alaska Republican Party, labor unions and Veco executives were big bankrollers of state Legislature races in last year's election, a new report says.

The Institute on Money in State Politics has created an analysis on money in Alaska's 2004 election. The report looked at contributions to legislative races and party committees. It focused on state races, not taking into account the U.S. Senate fight between Sen. Lisa Murkowski and former Gov. Tony Knowles that drew millions of dollars in donations from across the nation.

The institute determined that Republican candidates for the Legislature brought in $3.5 million. Democrats raised $2.24 million and other parties or independents $190,992.

The money talked. Incumbents on average had campaign treasuries twice as big as their challengers. In the end, not a single incumbent legislator lost in the fall general election.

Anchorage pollster David Dittman said people largely contribute money to lawmakers already in power and who are seen as having the best chance to win.

Some donors give with their "heart" and based on philosophical agreement or a personal attraction, Dittman said. But others donate with their head, and are unlikely to put their money behind a challenger with little chance of winning, he said.

"People who are thinking of it as investments," he said.

The Institute on Money in State Politics is a nonpartisan, nonprofit group based in Montana that does an analysis every two years of the top political contributors in each state. Institute staff said its database encompasses all 2004 information posted online by the state but could be updated if new reports come in. It can be considered at least 90 percent complete, the institute said.

See Page B-4, **CONTRIBUTIONS**

FBI - Stevens-129

194A-AN-13620-M-59

SEARCHED ____ INDEXED ____
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AUG 02 2005

FBI - ANCHORAGE

Continued from B-1

The Alaska Republican Party was the single biggest individual contributor to candidates in the election, according to the analysis. The party funneled $234,365 to its candidates.

The party's biggest candidate donation, $10,000, went to South Anchorage Republican Sen. John Cowdery. Political observers thought Cowdery was in a tough three-way race against Democrat Linda Zaugg and Alaskan Independence Party candidate Eddie Burke. Cowdery won handily in the end.

Executives of Veco, the Anchorage oil field services and construction company, were some of the most generous contributors both to the state Republican Party and to candidates for state House and Senate races, according to the institute.

Three Veco executives were the only individuals who weren't running for office to make the institutes' top 20 of donors to Alaska party committees and candidates for the Legislature. The rest of the top-20 list was composed of groups, such as unions, or candidates who financed their own campaigns.

Veco president Pete Leathard gave $43,750, according to the institute. The company's chief financial officer, Roger Chan, contributed $42,750. Veco chairman Bill Allen contributed $35,923 in the last election cycle, the institute said.

Almost all the Veco executives' money went to either Republican candidates or to the Alaska Republican Party.

Spouses of Veco executives and company employees have also donated heavily to political campaigns. Calls to Veco on Friday were referred to Leathard and Allen, who were both out of the office and unavailable to comment. Veco executives have been among Alaska's most generous campaign contributors for years and have said they support candidates who share the company's philosophy on issues such as natural resource development.

Veco also sometimes has lawmakers on consulting contracts. Senate President Ben Stevens, an Anchorage Republican, reported $47,500 from Veco last year.

The Alaska Democratic Party committees gave about half as much to candidates as the Alaska Republican Party did, the institute's analysis showed. The numbers fit: Democrats control 21 of the 40 seats in the Legislature and there are 67,337 registered Democrats in Alaska and 111,781 registered Republicans.

"Twice as many people, twice as many incumbents, twice as much money," said Anchorage pollster Ivan Moore. "Frankly, I'm surprised the gap wasn't larger than that."

Moore said dollars created a winning Republican Party machine, which in turn generates more money.

"Frankly, the problem the D's have is that success breeds success," said Moore, who works for Democrats.

Dittman, a Republican pollster, said unions are the financial muscle behind Democratic campaigns. Direct union contributions are against state law, as are corporate contributions. But union-affiliated political action committees can donate.

The general trade unions combined gave $362,702 for last fall's election, the institute said.

That ranked only behind candidate self-financing and political party contributions. It was about $50,000 more in political contributions than came from the oil and gas industry, which includes the donations from Veco executives.

Transportation unions, including Teamsters, gave another $186,153, the institute said. That was just behind lawyers and lobbyists and just ahead of those in the real estate industry, health professionals and telecommunications workers.

Electrical workers, laborers and public employee unions were the biggest of the labor contributors. Most of that money went to Democrats, although Republican candidates got tens of thousands of dollars from each of them. Republicans got almost as much from the Teamsters as Democrats did, the report showed.

■ Reach Daily News reporter Sean Cockerham in Juneau at scockerham@adn.com.

Political money

Top 20 contributors to state candidates and party committees for the 2004 election

CONTRIBUTOR		AMOUNT
1) Alaska Republican Party	Party committees	$234,365
2) Jerry Ward for State Senate	Candidate committees	$124,126
3) Electrical Workers	General trade unions	$95,000
4) Senate Democratic Campaign Committee of Alaska	Party committees	$87,423
5) Alaska Laborers Local 341	General trade unions	$76,850
6) Public Employees Local 71	General trade unions	$66,000
7) Alaska Public Employees Association	Public sector unions	$63,000
8) Rita Allee	Candidate, self-finance	$61,159
9) Operating Engineers Local 302	General trade unions	$61,080
10) Jerry Ward	Candidate, self-finance	$59,292
11) Kirk Wickersham	Candidate, self-finance	$58,712
12) Teamsters Alive/IBT	Transportation unions	$58,001
13) Tom Moffatt	Candidate, self-finance	$49,983
14) House Democratic Campaign Committee of Alaska	Party committees	$45,750
15) Matt Moore	Candidate, self-finance	$44,679
16) Peter Leathard	Oil and gas	$43,750
17) Roger Chan	Oil and gas	$42,750
18) Alaska Association of Realtors	Real Estate	$41,750
19) Alaska State Employees Association Local 52	Public sector unions	$37,500
20) Bill Allen	Oil and gas	$35,923

Source: Institute on Money in State Politics

FBI - Stevens-130

FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) B-2 Anchorage Daily News Anchorage, AK

Date: 07/17/2005
Edition: SUNDAY

Title: ALASKA EAR (VARIOUS ARTICLES)

Character:
or
Classification: 194A-AN-13620 -268
Submitting Office: Anchorage

Indexing:

(Mount Clipping in Space Below)

FACTOID FRACAS ... A strange press release landed on Ear's desk Friday from Commissioner of Corrections Marc Antrim, billed as a response to some bloviating by Bill O'Reilly, star of Fox News and a sleazy phone sex scandal.

"Corrections putting O'Reilly behind bars," the press release promised.

Ear got so excited.

But they were lying. O'Reilly isn't shoveling slop at Spring Creek, or even Cook Inlet Pre-trial. Antrim is just teed-off that O'Reilly included Alaska in a list of states he claims are "soft on child sex offenders," an allegation that is stupid on its face given our law mandating prison for first offenders.

Apparently O'Reilly is OK with the law being soft on people who make obscene phone calls.

However, Ear notes with dismay that in the press release, the commissioner claims to "enjoy watching Fox News." Ear can only hope that's a lie too.

HELP WANTED ... The word is Jim Clark is interviewing for a contract "assistant" to take over some of his duties for three or four months while he's busy with pipeline negotiations. Or maybe to help with the pipeline stuff itself. The rumor isn't crystal clear. Anyhow, word is Jim's telling applicants they'll have to work his hours: 24/7.

* **HEARTY PARTY** ... Darlings, Ear sometimes wonders about the judgment of non-appendages. The invitation to a July 7 fund-raiser for three House members read: "Hospitality's heavy hitters" invite you to a fund-raiser at the Cross Roads Lounge.

The sponsors were almost all big liquor industry and bar people. The beneficiaries were Tom Anderson, Lesil McGuire and Kevin Meyer. All three chair committees likely to handle proposed liquor laws — commerce, judiciary and finance.

Given Tom's industry ties and

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FBI - ANCHORAGE

Crash McGuire's reputation — remember the little alcohol-fueled police episode last year? — one earwig wondered if contributions in kind were accepted.

ASKING PRICE ... Earwigs report Sen. **Lisa Murkowski's** Government Hill home is now officially for sale, on the Multiple Listing — with a $525,000 price tag. Alors! It's a nice house, but half a mil?

People who read mail-forwarding notices report Lisa will maintain her Alaska residency with her place in Girdwood. Hmmm. Doesn't another U.S. senator, the one who is third in line to the throne, do the same? So, with 2 percent of the mighty Senate claiming official residence there, is Girdwood now the most powerful town in America?

HAIL AND FAREWELL ... This was **Deborah Williams'** last week as executive director of the Alaska Conservation Foundation. But she's not going far. She got a foundation grant to do a study called "Giving Voice to Global Warming" — talking to people who are already being affected. Like mushers, for instance.

Pat Pourchot is the new acting director.

One of her last executive director assignments was to accompany **Jimmy and Rosalynn Carter** on their first visit to the Kenai Fjords National Park, which Carter created when he signed ANILCA 25 years ago.

According to Deborah, it was an incredible adventure with nature cooperating to an eerie degree. They used the smaller of the Kenai Fjords Tours boats and Carter drove much of the way, displaying a fondness for full throttle, according to Deborah.

Right on cue, two humpbacks appeared, one of them a baby who had a grand old time breaching for 20 minutes about 10 feet from the boat. Harbor seals came to check out the explorers, porpoises joined the itinerary, and every possible bird species made an appearance.

The four Secret Service agents who accompanied the Carters didn't get in the way. Nor did the Coast Guard boat that followed at a discreet distance, Deborah said.

LADIES WHO LUNCH ... Nothing too fascinating from this year's Republican Women's Summer Salad Legislative Luncheon on Thursday. It was at Ermalee's house. Someone brought a crab salad made with imitation crab. Quel tacky.

Andy Halcro was a last-minute no-show. Juneau Rep. **Bruce Weyhrauch** was the tallest person there. And a bunch of ladies who watched ADN editorial writer **Frank Gerjevic** on Anchorage Edition last week decided he's a hottie. Said one married woman who admired Frank: "Just because I'm on a diet doesn't mean I can't read the menu."

OOPS ... Talk about idiot Earrors — The new director of the Alaska Native Arts Foundation is **Carrie Irwin Brown**, Mike's niece.

BEST WISHES ... To **Red Boucher**, who has been a mayor, a lieutenant governor, a member of the State House, a baseball manager and who knows what else. Red got two new knees on July 8 and is scheduled to go home from Providence Alaska Medical Center tomorrow. His wife, Vicky, says he's already doing stairs.

NEWS NEWS ... **Steve Lindbeck**, who runs the editorial pages as associate editor of Your Favorite Good Morning Newspaper, is leaving to become a vice chancellor at UAA. Before coming to ADN in 2000, Steve ran the Alaska Humanities Forum. At UAA he's taking **Susan Ruddy's** old job glad-handing and raising money.

Rural affairs reporter **Joel Gay** is leaving Alaska after 30 years here, heading for Albuquerque. Joel worked at the Homer News for eons before coming to ADN. Reporter **Nicole Tsong** is already at her new job with the Seattle Times.

BEARING UP ... Great Bear Brewing Co. of Wasilla is serving up a new brew called Valley Trash Blonde Ale. Darling **Ben Stevens** might want to give it a try since he coined the derogatory phrase in an e-mail exchange with a Valley voter last year, triggering both outrage and pride among Mat-Su residents.

Earwigs report the beer is pretty good. Crisp and cutting, just like Angry Ben, observed one. Sharp and bitter, is another way to put it.

—Compiled by Sheila Toomey

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Anchorage Daily News

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Legislators call for timeline, commitment on gas pipeline

CONTRACT: A deal must be struck by next month for governor to follow through on plans for a special session.

By SEAN COCKERHAM
Anchorage Daily News

(Published: July 23, 2005)

JUNEAU -- Lawmakers say a huge question surrounding the state negotiations over a natural gas pipeline contract is whether it will include a commitment to build the project and a binding timeline for getting the gas to market.

"The work commitments are something the Legislature has been pushing the (Murkowski) administration on," said Rep. Ralph Samuels, R-Anchorage, "saying, 'This is important to us -- don't bring us a contract that doesn't get a pipeline built.' "

The governor's office has been negotiating for more than a year with the three major North Slope oil companies on a contract specifying state taxes and royalties if the pipeline from the North Slope through Canada to the Lower 48 were built. The talks also involve the governor's proposal for the state to own a share of the line and to take gas as a payment instead of taxes and royalty checks.

Former Gov. Walter Hickel and Anchorage businessman David Gottstein earlier this month raised the issue in a letter to the governor, saying a contract must include "an absolute commitment to build a gas line with a definite construction start date. No contingencies." They argued that, in their interpretation, the state Stranded Gas Act requires such a commitment.

If it is not included, they said, the companies could use the contract to delay the project for years. Critics of the oil companies have claimed they are stalling on developing Alaska's gas in favor of their gas holding elsewhere in the world.

The companies -- Exxon Mobil, BP and Conoco Phillips -- say they are pursuing a gas pipeline. But a BP spokesman said it is unrealistic to require an absolute timeline.

"Anyone who is familiar with large projects knows that to be successful they require delivery of key milestones," said the BP spokesman, Dave MacDowell. "You don't pick a guaranteed startup date before you have approval from government agencies and regulators to proceed. That would be silly."

MacDowell said that after a contract is reached with the state, the next step will be for the companies to spend a billion dollars on prep work needed for regulatory applications to federal energy boards in both the United States and Canada.

The negotiations are confidential. But Jim Clark, the lead negotiator for the governor's office, said the state is "absolutely addressing the issue" of including a construction timeline.

"We are very cognizant of the need to make sure we get a pipeline out of this and not have any sort of open-ended thing," Clark said.

Clark and BP's MacDowell would not say how a timeline might be structured to allow the companies enough wriggle room and still be acceptable to the state. Samuels, a leading legislator on gas line issues, said there needs to a "fine balance," with some flexibility on timing but not too much.

"I think the Legislature requires a timeline," Samuels said. "We want to know when the gas is going to go."

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Another looming issue is when the governor's office will have the contract agreement to give to the Legislature for approval. Gov. Frank Murkowski has repeatedly told the public to expect a special session of the Legislature this fall to approve a contract.

But a deal has to be struck in the next month to meet that schedule, to allow time to draw up formal papers and to provide opportunity for public comment and revisions, according to key lawmakers and state officials.

The Legislature, under the law, could approve or turn down the deal but not make substantial changes.

Lawmakers said the special session likely would need to happen before Thanksgiving because of the holidays. If not, the Legislature could take up a contract agreement during the regular four-month legislative session that begins in January. But Legislators would rather do it in a special session devoted to the complex topic than mix it with other business.

Clark wouldn't say how close the negotiators are to delivering a contract to the Legislature.

"We are very cognizant of the need to get a pipeline built. But as far as an agreement working out what we think is a sensible formula to do that, we're not there yet," he said.

The governor's office has been in separate negotiations with TransCanada, a Calgary-based pipeline company that has also expressed interest in building the Alaska gas pipeline.

But the talks going on right now are focused on the major oil companies, which hold the North Slope gas leases.

"We have progressed on the TransCanada talks further than the one with the (oil and gas) producers," Clark said. "We are trying to bring the producer one up to speed."

There is also the Alaska Gasline Port Authority, a municipal consortium led by the City of Valdez and the Fairbanks North Star Borough, which is pushing for an "All-Alaska" gas line route. The North Slope gas would go to Valdez, to be liquefied and placed on tankers and shipped to a terminal in the Lower 48.

The oil companies have said that approach doesn't make sense. The port authority this spring lost its financial backing from San Diego-based Sempra Enegry but says it has found a new buyer interested in purchasing some Alaska gas.

The port authority would not name the potential buyer. But port authority officials are meeting with the governor to talk about it. Clark said Murkowski would carefully consider it and the other gas pipeline proposals.

Daily News reporter Sean Cockerham can be reached in Juneau at scockerham@adn.com.

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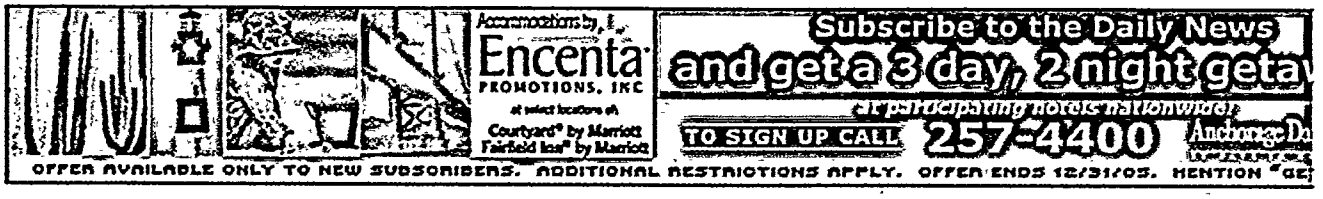

Governor to enlist ad firm

GAS PIPELINE: Coming marketing blitz could signal contract will close soon.

By SEAN COCKERHAM
Anchorage Daily News

Published: July 27th, 2005
Last Modified: July 27th, 2005 at 05:00 AM

JUNEAU -- The governor's office is looking for a company to launch a statewide advertising campaign as soon as the state strikes a deal on a natural gas pipeline contract.

The "educational public awareness campaign" over terms of the contract is expected to start next month, according to the state's online notice. That aggressive timetable is a seeming sign of optimism a deal on a gas contract could ... close.

But the contract negotiations are secret. State officials won't say how close they are to a deal with the major oil companies and others who have expressed interest in building the pipeline to ship the jumbo North Slope gas reserves to the Lower 48.

"I think what is real clear is the governor wants to make sure he is ready to move forward and is assuming we'll end up with a successful negotiation," said Chuck Logsdon, the state's spokesman on the natural gas contract negotiations.

The governor's office has been negotiating for more than a year on a contract specifying what

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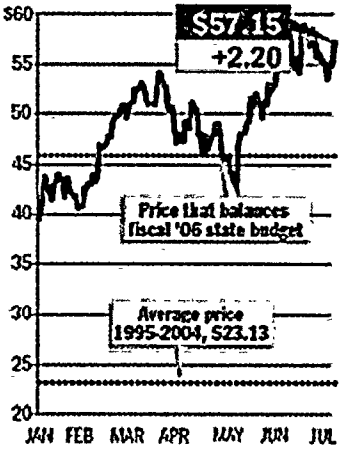

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advertising

FBI - Stevens-135

194A-AN-13620-343

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state taxes and royalties would be if the gas pipeline were built. The talks also involve Gov. Frank Murkowski's proposal for the state to own a share of the line and to take gas as payment instead of taxes and royalty checks.

The deal would have to be approved by the Legislature.

The state put out a notice Monday that it wanted companies to send in letters of interest in being hired for what it called the campaign. It's on a fast track; the letters have to be in by 1 p.m. Friday.

The chosen company must have a media relations specialist, copywriter and art director, among other positions. The state's notice mentioned print, radio, and television advertising as well PowerPoint presentations and brochures. Logsdon said the state would negotiate how much it will pay the company.

"I think for people to get an understanding of what any contract means for the state, we want to have a good and comprehensive presentation of just exactly what was done," Logsdon said.

But Anchorage Democratic Rep. Eric Croft said he is wary of the planned ad campaign.

"I think when the state hires a salesman to sell something to its citizens, watch out," he said.

Croft said it remains to be seen whether the governor's office can cut a good deal. He said that in his opinion any deal must include a definite timeline for getting North Slope gas to market.

Legislators said they were hearing conflicting rumors Tuesday about whether the state is really close to a deal.

Logsdon said the estimate of an August start for the four-month campaign is meant to fit with the timeline needed for a special session of the Legislature.

"There has been a real push here over the summer. ...There is a lot of pressure on people to get something done on that timeline," Logsdon said.

Murkowski has repeatedly told the public to expect a special session this fall to approve a gas contract. Key lawmakers and state officials said there has to be a contract agreement in the next

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month or so to meet that schedule.

Legislators have said they would much rather address the gas pipeline contract in a special session devoted to the topic than mix it with other state business during the four-month regular session that begins in January.

Lawmakers from both parties, though, have expressed concerns that the governor's office could present a flawed deal to meet the timeline of a special session this fall.

"Everyone I've talked to in the Legislature has clearly recognized that concern, and I believe the Legislature is committed to, if necessary, making the tough decision that says the deal is just not good enough for the state," said Anchorage Republican Rep. Mike Hawker.

Hawker said he has seen no sign the state negotiators are not doing a good job. Jim Clark, the state's lead negotiator in the gas pipeline talks, said last week the governor would not allow a desire for a fall special session to compromise the state's efforts.

Daily News reporter Sean Cockerham can be reached at scockerham@adn.com.

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Killing the Alaska dream

Corruption is killing the Alaska Dream and it's soon going to take your dividend, and possibly your job, if you don't pay attention.

Twenty-five years ago, State Senator George Hohman's fellow senators expelled him from the Alaska Senate and an Alaska judge sentenced him to three years because someone said he said supporting a certain legislative proposal might be good for a thousand-dollar "campaign contribution."

Today, State Senator Ben Stevens doesn't need "campaign contributions." He's collected nearly two million dollars in "consulting fees" from people hoping to benefit from his legislation. Today, prosecutors ho-hum such indiscretions to death while our ethically bankrupt Senate leadership rewards Ben's behavior with the presidency of the Alaska State Senate.

Nearly a quarter-million of Ben's payments came from VECO, in exchange for services Ben fails to define in his "Conflict of Interest Report" beyond "Consulting fees." If you find all this hard to believe, direct your browser to www.repmod.info and click on "Conflict of Interest Documentation." View the facts and decide!

In 1999, VECO supported a $350,000 campaign seeking voter permission to redirect Permanent Fund dividends to capital projects. The vote was 83 percent "NO."

Since the 1999 vote, VECO has paid $400,000 to six lobbyists and $243,000 to Ben Stevens. They seek ways to fund government from Permanent Fund earnings to thereby reduce public pressure for the state legislature to demand world market value for Alaska's oil.

VECO's interest in raiding the Permanent Fund stems from their wish to sustain an endlessly increasing series of tax breaks (commonly referred to as ELF) that the oil companies lobbied through many years ago. While oil company profits soar, ELF has cut Alaska's tax on oil in half.

ELF's tax breaks increase automatically every year. If not reversed, ELF's increases will soon cut our severance tax on North Slope oil to one-fourth of the original pre-pipeline agreement. If labor leaders continue to ignore this issue, everything from patching potholes to competitive salaries for teachers and troopers will become impossible without taking away dividends and slapping the public with a huge tax. Giving away Alaska's oil is not a winning formula for successful bargaining.

When Stevens was sworn into the state senate, he signed an oath - a contract with Alaska - promising to uphold Alaska's constitution, which requires him to seek the highest possible payment for Alaska's resources. Stevens then contracted his advice and loyalty to a company seeking to extract Alaska's resources for as little as possible.

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Shortly thereafter, Stevens introduced a bill attempting to redirect $337 million from the Permanent Fund Earnings Account into capital projects. The Permanent Fund Earnings Account has for 25 years been Alaska's piggybank for dividends.

Stevens argued that the cost would just be a few dollars per person, but divide $337 million between 650,000 Alaskans. You'll come up with $518 for every man, woman, and child in Alaska - and you can be sure they will extract more next year.

Contracting to advocate the position of two clients on matters of each client's mutually shared

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but conflicting interest is generally considered fraudulent and corrupt. Due to the opposing objectives of such contracts, it is not possible for a single consultant to loyally advocate victory for both sides. "By necessity of law," one of any two such contracts was irrefutably signed in bad faith.

Stevens' failure to define what he actually does for his "consulting fees" violates Alaska's Conflict of Interest Disclosure Law, which requires legislators to provide the public with details sufficient to tell the reader what work was performed in exchange for payment received.

Alaska Criminal Law (Sec. 11.56.110) reads: "A public servant commits the crime of receiving a bribe if the public servant solicits a benefit with the intent that the public servant's vote, opinion, judgment, action, decision, or exercise of discretion as a public servant will be influenced." Receiving a bribe is a felony.

If enough Alaskans do nothing while Ben Stevens does VECO's bidding and raids the Permanent Fund, corruption will flourish, and Alaska's Dividend distribution program will soon be history.

Please join us for a media event at noon Thursday, August 4 as we, along with a coalition of "Citizens for Ethical Government," deliver a petition to initiate the beginning of the removal of Ben Stevens from his seat in the Alaska State Senate. We'll meet at the Division of Elections, which is now at a new location on the first floor of a gray, four-story building between Fireweed and Northern Lights. The address is 2525 Gamble Street.

Ray Metcalfe, Chairman, Republican Moderate Party

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FD-350 (Rev. 5-8-81)

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(Indicate page, name of newspaper, city and state)
ANCHORAGE DAILY NEWS
ANCHORAGE, ALASKA
Page: B-1
Date: 08/13/2005
Edition: Saturday

Title: Gas Line Dividend Idea Surfaces

Character/Classification: 194A-AN-13620 ^ 359

Submitting Office: Anchorage

Indexing:

Gas line dividend idea surfaces -
SECOND PAYOUT: Some skeptical, say it's too early to plan for bonanza.
Anchorage Daily News (AK)
August 13, 2005
Author: SEAN COCKERHAM
Anchorage Daily News
Staff
Estimated printed pages: 3

An Anchorage lawmaker wants to set up a special permanent fund -- paying dividends -- with gas pipeline income that could bring billions of dollars to Alaska.
Chuck Logsdon, the state's gas pipeline spokesman, said it's not possible to give a solid estimate of how much revenue would come to Alaska if the proposed gas line from the North Slope gets built. It depends on how and where the project is built, the taxes and other factors

But, Logsdon said, a number that has been "tossed around" is as much as $2 billion or so in revenue a year if gas prices were about $5.50 per thousand cubic feet. The price climbed to over $9 this week, but that is exceptionally high. In 1995, it was $1.55.

"Suffice it to say it would be billions and billions of dollars (at the current price)," said Logsdon, who until recently was the state's chief petroleum economist.

To put it in perspective, the state general operating budget was $2.33 billion for the fiscal year ended June 30.

Rep. Bob Lynn is floating an idea for what to do with a gas bonanza. Lynn said he'd like to use it to create a second Alaska permanent fund, complete with another round of annual dividend checks.

"I just have this quaint idea people can spend their money better than the government can," he said.

The Anchorage Republican said he'd envision gas dividends perhaps being split between the public and local governments.

Juneau Republican Rep. Bruce Weyhrauch sounded skeptical. "Well, we already have one

#4

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(Permanent Fund). I don't know if there is a reason to duplicate it just because someone else wants to be the father of a permanent fund," Weyhrauch said.

He said he thinks it would make more sense to put the gas revenue into the existing Permanent Fund -- and start using fund earnings to help pay for state services.

Anchorage Republican Rep. Kevin Meyer, co-chairman of the House Finance Committee, said he thinks it's premature to start talking about what to do with gas money.

But Juneau Democratic Rep. Beth Kerttula said it's a good call for Lynn to at least suggest it, although she needs to think about whether it would be a good idea.

Legislators are doing a lot of thinking about a gas pipeline. They are hoping that Gov. Frank Murkowski will soon call them into a special session to consider a contract setting forth the tax and royalty terms of a gas pipeline.

The governor's office is negotiating a contract with the North Slope oil companies and others who have expressed an interest in building a pipeline to bring the gas to market.

The companies appear to favor a pipe through Canada to the Lower 48, while the Alaska Gasline Port Authority is pushing a route to Valdez for tanker shipment.

Those talks will help determine how much money the state would get from a gas pipeline. It is not known if the contract will include a commitment and a schedule for building a pipeline.

State gas spokesman Logsdon said any project would be lucky to get gas to market by 2012.

Murkowski has told legislators to expect a special session this fall. That's still the plan, Logsdon said. But a contract agreement would need to emerge soon to allow time for public comment and other work before a special session.

Natural gas price will be a huge factor in determining how much the state could bring in from a gas pipeline. The last time there was serious talk about a gas pipeline, five years ago, prices were much lower and the revenue department figured a pipeline would bring in a steady annual paycheck of $200 million to $400 million to the state.

Michael Williams, the state's chief petroleum economist, said the current stratospheric prices could inspire more production and less demand. That would drive prices down.

"These high prices have impacts. They may not be felt for four or five years, but they definitely have impacts," he said.

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Daily News reporter Sean Cockerham can be reached at scockerham@adn.com.
Caption:
Rep. Bob Lynn has suggested using gas line profits to create an additional permanent fund, complete with dividend checks.
Caption:
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Edition: Final
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Page: B1
Dateline: JUNEAU
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FD-350 (Rev. 5-8-81)

Anchorage Daily News
Anchorage, AK
(Indicate page, name of newspaper, city and state.)

(Mount Clipping in Space Below)

Date: 8-13-05
Edition:

Title: Ben Stevens' work in Juneau Beyond Reproach; We're Lucky to Have Him
Character:
or
Classification: 194A-AN-13620
Submitting Office: Anchorage

Indexing:

Ben Stevens' work in Juneau beyond reproach; we're lucky to have him

Over the past two years I have spent much time in Juneau during the legislative sessions. From my personal observations and experience I know firsthand that Senate President Ben Stevens is one of the hardest-working legislators and is well-prepared on Alaska issues. I am particularly impressed with his commitment to his family as well as to his responsibilities as a state senator. When the workday is over in Juneau you don't find Sen. Stevens out to dinner with lobbyists and special interests. Rather you will find him at home or at the ice rink skating and watching his children, or returning to his office to spend additional hours studying legislation before him.

Ben Stevens' values are in the right place and I am proud to know him and feel that he is totally committed to putting Alaska's best interests first. He is open-minded and sincere in his leadership role and Alaska is indeed fortunate to have this citizen legislator.

— Perry Green
Anchorage

■ **EDITOR'S NOTE:** The writer is a leading advocate of more legalized gambling in Alaska and has hired registered lobbyists to help push the necessary legislation through the state House and Senate.

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FD-350 (Rev. 5-8-81)

Anchorage Daily News
B-2
Anchorage, AK
(Indicate page, name of newspaper, city and state.)

(Mount Clipping in Space Below)

Date: 08/14/05
Edition: Sunday

Title: Alaska Ear

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

Indexing:

Alaska Ear

The Divine Appendage

PARTY FAVOR ... As the Talkeetna Bluegrass Festival played out last weekend, volunteers strolled through the beer garden and stood sentry at the exit gate handing out helpful fliers advising revelers how to not get arrested by Alaska State Troopers. Some tips: "STAY CALM! NO VIOLENCE OR THREATS EVER!"

Um, duh? Ear thinks a better tip would be "Hey, hippies, roll down all your windows and use this flier to fan the marijuana fumes from your car!"

Anyway, the flier came from a group called Citizens of the United States of America and also advised folks to invoke their Fifth Amendment right and in dealing with a trooper, to "ALWAYS state that you are in FEAR OF YOUR LIFE! WHY? Because he is armed and is applying force from the first instance, up to and including deadly force to get you to submit."

Eek. Total buzz kill.

SAY CHEESE ... Alaska's own medical examiner, Dr. Franc G. Fallico, made The New York Times last week, appearing in its review of "Grizzly Man." That's the Werner Herzog documentary on Timothy Treadwell, the Californian who sang and whispered to bears until they eventually ate him, and his unfortunate companion, out in Katmai National Park.

The review celebrates Fallico as "a character around whom an entire reality show could be built." Using audio recorded during the duo's deaths and findings from his examinations of the bear's stomach contents (ew), Fallico spins a "graphic, gruesome and thoroughly riveting" account, says The NYT.

MORE TREADWELL ... Santa Monicans are so stoked about this weekend's opening of "Grizzly Man," starring their very own Timothy, that volunteers donned grizzly costumes and prowled a Sunset Boulevard intersection Friday, passing out Bear Claw pastries. Really, darlings, you can't make something like that up.

FAIKS SIGHTING ... Eagle-eyed Earwigs might have noticed former Alaska state Senate diva Jan Faiks in a story in your Good Morning Newspaper last week. Faiks is now vice presi-

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dent for government affairs at the Pharmaceutical Research and Manufacturers Association of America. She's part of a big money campaign against a California initiative to offer prescription drug discounts to the uninsured. Juneau Earwigs still talk about the time Faiks declared, "The rich need representation, too" during a nasty debate on the Senate floor. At least one swears she used to have her dry cleaning sent to Anchorage because she didn't trust the Juneau store to do it right.

TAKE THAT, CITY FOLK ... Eagle River is one of the top 850 places to live in the country — and Anchorage isn't — says CNN and Money Magazine. Both cities made it to the mag's top 1,300, but Anchorage was edged out on the top 850 list.

Eagle River hasn't been a contender before because some argued it wasn't a real city. A rep with the company who did the study said this year they ruled Eagle River "unique enough" to stand apart from Anchorage.

Ear will let you interpret that as you will.

CHEERS ... The rumor mill buzzes that Mayor Mark may have a late-summer fund-raiser by leaders from the Anchorage restaurant and bar lobbying outfit, CHARR. That would be the first time Ear can recall CHARR backing a Democratic mayor — or Democratic anything, for that matter — with a conservative in the picture. That conservative is radio personality and Rambo shrimp pitchman **Jack Frost**. Where will Jack hold his fund-raisers without the drinking and eating elite supporting him? New Sagaya, perhaps?

Frank Dahl, CHARR boss, said a fund-raiser for Mayor Mark "isn't set yet" and "if he asked me, I would certainly consider it. I'm not saying we're throwing our support for him. Right now we're taking a wait-and-see position. But we are considering all the candidates."

Mayor Mark, are you listening? Are you thirsty?

STRICTLY RESEARCH ... Earwigs in sluggish lunch-hour traffic Friday on Fifth Avenue reported an unusual pair entering the growing strip-club complex across from Merrill Field: Anchorage Assembly members **Dick Traini** and **Anna Fairclough**.

Don't get any crazy ideas, darlings. Anyone with eyes has seen that the skin palace holding the Setter bar and the nonalcoholic Fantasies on 5th has spent many months expanding. With that comes a liquor license application, set to go before the Assembly later this month.

So our bold local leaders were simply doing a little recon. Said Traini, "We were going in there to check out the operation to see what it physically looks like."

Traini says it was his first time there, and uneventful at that. When our pair entered, there were no customers and definitely no dancers.

ON THE MOVE ... Channel 11 reporter **Maria Martin** is set to leave there next week for a public relations job with animal control. Earwigs say Channel 11 reporter **Jill Burke** is also out of there for a job with rival Channel 2.

Ed McLain has left the Anchorage School District to be an associate professor with University of Alaska Anchorage's Education Leadership Department. McLain had run the testing department for the district and before that was a deputy commissioner for the Department of Education.

Gov. Frank has lost another communications director. If you're keeping track, that's No. 4. **Bill Noll** was the most recent to leave, named commissioner of the Department of Community and Economic Development. Before Noll, there were **Dennis Fradley**, **Kevin Jardell** and **Paul Laird**, who had the job for such a brief spot that most forgot he had it at all. If Gov. Frank has no communications director, how will we know if he's running for office again?

— Compiled by Katie Pesznecker

ear@adn.com

FD-350 (Rev. 5-8-81)

Anchorage Daily News
Anchorage, AK
(Indicate page, name of newspaper, city and state.)

(Mount Clipping in Space Below)

Date: 8-18-05
Edition:

Title: Alaskans Should Support Stevens in Spite of Gadfly's Recall Efforts
Character:
or
Classification: 194A-AN-13620
Submitting Office: Anchorage

Indexing:

ADN

Alaskans should support Stevens in spite of gadfly's recall efforts

I might not always agree with Sen. Ben Stevens. But as a retiree, I watch a great deal of the legislative sessions on TV and have come to appreciate his integrity and leadership in the Alaska State Senate.

I applaud his political courage and willingness to tackle the tough issues facing our state. I am, however, appalled that perennial political gadfly and former legislator Ray Metcalfe is getting his picture in the paper announcing his intention to lead a recall of Sen. Ben Stevens ("Effort to recall Stevens finds support in police," Aug. 5).

What is worse is the Daily News is paying attention to him. The allegations against a hard working person such as Ben Stevens are nothing but a cruel joke. Ray Metcalfe was a joke in the Legislature and the recall petition more appropriately belongs on the comic page, or better yet, the obituary page rather than on a legitimate news page.

I would urge Sen. Ben Stevens to keep up the good work on behalf of Alaskans and would further remind Mr. Metcalfe that Alaskans do not appreciate lies, deceptions and innuendos.

I and many, many Alaskans are thankful for the senator's dedication and intelligence in dealing with what's good for Alaska.

194A-AN-13620

—*Jim Stewart*
Anchorage

FBI - Stevens-146

194A-AN-13620-~~Press~~ M-67

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

SEE ATTACHMENT

(Indicate page, name of newspaper; city and state.) F-1 ANCHORAGE DAILY NEWS, ANCHORAGE, AK

Date: 08/18/2005
Edition: THURSDAY

Title: SHAREHOLDERS DISPUTE CIRI VOTE

Character:
or
Classification: 194A-~~AN-13620~~ -281
Submitting Office: Anchorage

Indexing:

FBI - Stevens-147

194A-AN-13620-M-68

SEARCHED ____ INDEXED ____
SERIALIZED A FILED ____
SEP 13 2005
FBI - ANCHORAGE

Alaska silver production

State's big silver mine: Green's Creek in Southeast
Value of 2004 production: $113 million
Price this week: $7 an ounce

F SECTION

MONEY & Classified

ANCHORAGE DAILY NEWS • www.adn.com

THURSDAY, AUGUST 18, 2005

Shareholders dispute CIRI vote

■ LAWSUIT: Independent contender Jerry Ward seeks recount after close race.

By PAULA DOBBYN
Anchorage Daily News

Cook Inlet Region Inc.'s recent corporate election is being disputed in court and with state regulators.

The June 4 election seated five company-endorsed candidates for the board of directors. None of the four independent candidates won seats, although former state senator and CIRI shareholder Jerry Ward came close.

Ward and two other CIRI shareholders filed a lawsuit last week in state Superior Court in Anchorage that could force a recount. They allege that the Anchorage regional Native corporation is denying them the right to adequately review proxies, or corporate votes, cast to see if the outcome is correct.

"It's about the right to inspect documents," said Fred W. Triem, a Petersburg attorney representing the plaintiffs. "To me it seems like a no-brainer. Votes were cast and they want to see them."

Ward also filed a complaint with the state Division of Banking and Securities alleging a variety of election irregularities, including "actual voter fraud and conspiracy to design a misleading proxy."

CIRI's vice president of land and legal affairs, Keith Sanders, said Wednesday that the election was handled fairly. It fully complied with company rules and state law, Sanders said. He expects to respond to the Banking and Securities complaint by Friday and to the lawsuit within a week or so.

Complaints about elections at Native corporations, especially CIRI, are not uncommon. The congressionally created companies are often run by board members with family ties, tribal connections and, sometimes, old axes to grind. The firms often operate more like families than mainstream businesses.

As the companies mature, some

See Page F-4, CIRI

1944A - AN-13620

Jerry Ward

FBI - Stevens-148

s, though.
cmach-churning num-
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easy as it sounds.
e fees are coming out of your
ent invisibly," Benz said. Most
have a hard time keeping track
m: Although they are listed in
rospectus and on the fund's Web
they often aren't stated clearly on
nthly statements.

M.P. Dunleavey writes about personal finance for MSN Money.

STOCKS OF ALASKA INTEREST

Close	Chg.	Div. yield	P/E	P/E Prev.	52-wk high	52-wk low	YTD return
[illegible]	[illegible]	[illegible]	[illegible]	24.53	13.88	33.03	[illegible]

ABLE

in a company should be easily retrieved. This data y file, every record, every ail, every Web page."

— Bill Gates

JARGON BUSTER

Floating license: A software license for a set number of users, regardless of who they are. Also called a concurrent user license.

www.bankcd.com

Lists the best rates available fo counts and CD accounts, along the Federal Deposit Insurance Federal Reserve.

CIRI: *Post-election strife smolders*

Continued from F-1

have attempted to model their elections and business practices after publicly traded companies that are regulated by the U.S. Securities and Exchange Commission. CIRI, one of the more high-profile and profitable companies, is a case in point.

This year, the company responded to shareholder pressure to make its elections more democratic. The board decided to include independent candidates on the company proxy for the first time. The goal was to reduce the campaign costs of independents and streamline the number of mailings and solicitations shareholders would receive.

But the proxy that shareholders received was complicated and perhaps confusing, said election inspector Mike Spaan.

It allowed shareholders to cast both directed and discretionary votes. In other words, they could allow the company to spread votes among the board-endorsed candidates however it wanted. Or, the shareholders could cast votes for a particular candidate, board-endorsed or independent.

But instead of writing in the number of shares they owned, they were to cast votes. If someone owned 100 shares as is typical, they had 500 votes.

This was a change from prior years, when shareholders marked down their number of shares and not votes, said director Bob Rude. Many shareholders got confused and instead of casting 500 votes, they only marked down 100, Ward said recently.

In some cases where the shareholder voted 100 shares for an independent, the company took 400 votes and directed them to the board-endorsed slate, said John Rice, an attorney representing Ward.

"This was done to create confusion with the shareholders," Rice said. "This misleading proxy has the effect of disenfranchising shareholders."

Its effect was to give board-endorsed candidates an election sweep, Rice said. Ward lost by less than 15,000 votes out of 1.6 million cast, according to an election summary.

"There was quite a number of people who put in shares, not votes. Some of my relatives put 100 shares in there and they thought the entire 100 shares would be voted for me. But in reality the other 400 went to the board-endorsed candidates," said Rude, who won re-election to the board.

Rude has long been considered a CIRI dissident and shareholder advocate. But this year, for the first time in 22 years, he ran on the board slate. Despite that, Rude said he's disappointed in the way CIRI handled the election.

"My goal, before I retire, is to have fair elections," Rude said. "I think we have a ways to go."

Sanders said the proxy was clearly and legally worded. He's confident a judge and state securities examiners will uphold the election results.

■ Daily News reporter Paula Dobbyn can be reached at pdobbyn@adn.com or 257-4317.

FD-350 (Rev. 5-8-81)

Anchorage Daily News
Anchorage, AK

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

(Mount Clipping in Space Below)

Date: 08/21/05
Edition: Thursday

Title: Alaska Ear

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

Indexing:

Alaska Ear

The Divine Appendage

DON'T BOGART THE JAVA ... Costco is selling green coffee beans in Alaska, apparently wholesale to coffee dealers who roast their own. One potential customer faxed Ear a copy of an Aug. 15 price list for five varieties: Colombian, decaf, Costa Rica, Ethiopium, and a house blend.

"Ethiopium?" Sounds like a real pick-me-up. And only $2.10 a pound.

OUT AND ABOUT ... Former Assemblywoman Heather Flynn was in town this past week to visit her family and be feted at Bonnie Jack's Glass Ceiling Breakers event, honoring women who rose to lead the Anchorage Assembly. It was a fundraiser for AWAIC and STAR, at the 4th Avenue Theatre.

Sen. Lisa Murkowski was one of the speakers. She called for more women in high office. We need a woman governor, she said. Fran Ulmer, in the audience, probably agreed.

Some people think the first woman president was just in Alaska, she added, a reference to Hillary Clinton that did not please Republicans in attendance at the nonpartisan affair.

Bonnie, a longtime Republican activist, pointed out that Anchorage, alone among Alaska's leading cities, has never had a woman mayor. "But George Sullivan's mother was mayor of Nenana," she said.

"Now, that doesn't mean I want a woman to run against this mayor," she cautioned. Bonnie was a Republican for Begich.

MS. QUOTE ... The Department of Law put out a press release Monday with details about the sentencing of former Alaska state trooper Daniel Scott for sexual assault, trying to put a happy face on his minimum four-year prison term. It quoted Meghan Gaughan, legal advocate for the Tundra Women's Coalition, practically exulting over the wimpy plea deal: "This is huge. He is being held accountable for this conduct and we are happy it has come to this."

Reporters familiar with the work of the TWC had their doubts.

Sure enough, less than two hours later, a new version of the press release appeared with a "corrected" quote. The huge-happy line had disappeared.

The unanswered question is, did someone make up the quote, or did Gaughan have second thoughts?

A QUESTION ... What were Murkowski flacks Becky Hultberg and Dan Saddler fighting about on the sidewalk outside the state office building in downtown Anchorage? Voices were raised, says an eagle-eye earwig. Gestures were made.

ROLL THE PRESS ... The online progressive media site Insurgent49 plans to debut a newspaper version on Sept. 1. The first print run will be 10,000 copies of a "revolutionary experiment in Anchorage journalism," according to editor Aaron Selbig.

OUT AND ABOUT ... Has Anchorage School District honcho George Vakalis joined the ultracool metrosexual movement? Earwigs report he's dyed his hair strawberry blond and drives a convertible. Alors, the stud is in.

• Was that Sen. Lyda Green pushing a cart full of fabric and pillows last week at Jo-Ann Fabrics, chatting at length with other crafters?

MIXED MESSAGE ... An irritated lobe wrote to complain about the little moose that pops up when you access the Alaska Airlines Web site. Ear has no idea if he's right, but he claims the tracks that walk across the screen while you're waiting for information to appear are caribou tracks, not moose.

"If this were really an Alaskan airline, they'd have the sense to use actual moose tracks," he groused. "Alaskaposers."

Check www.alaskairlines.com and decide for yourself.

NEVERMIND ... Here's how CNN explained it: Weyerhaeuser in Oklahoma fired some employees for keeping guns in their cars in the company parking lot. Then the Oklahoma Legislature passed a law forbidding such firings. Then Conoco Phillips filed a federal lawsuit to get the Oklahoma law thrown out. It seems they also prefer that their parking lot not be loaded with armed cars.

So now the NRA is calling for a national boycott of Conoco Phillips.

OK, darlings. No more filling up at a Phillips 66 station.

Oh, that's right. There aren't any here.

FLYING FACTOIDS ... Rep. Les Gara has begun using a Darth Vader logo bearing the slogan "Return of the Jet" on press releases about you know what.

• SprocketHeads owners Carolyn Robinson and Steve Rychetnik, married last year by Jay Hammond, have a baby now — Theo, born June 18. Mom and Dad are pleased that Jay got to meet Theo a few days before he died. SprocketHeads is a video production company. Steve also plays bass in Chill Factor, John Tracy's band.

ON THE MOVE ... The Democratic National Committee has hired former legislator Kay Brown as its Alaska communications director. The press release said Kay is part of Howard Dean's plan to revitalize the party in all 50 states.

• Mark Thiessen, a supervisor from the Associated Press Salt Lake City bureau, is the new news editor for Alaska. A native of Nebraska, Thiessen succeeds Linda Ashton, who will move to Salt Lake.

• Paul Honeman, a retired police lieutenant, is the new APD spokesman, taking the place of Ron McGee who is headed for a teaching job at UAA. Honeman, like Chief Monegan and a bunch of other city officials, will be double-dipping — getting a salary and collecting his pension. Ear's attorney No-Contest Kelly says it's all perfectly legal.

SMALL TOWN OR WHAT ... From an official police report: "On August 12, 2005, at approximately 0400 hours, Wasilla Police discovered 5 vehicles parked at Wasilla High School that had been vandalized. The vehicles belonged to cheerleaders and football players who were out of town for a game (Wasilla Won!) The total damages are estimated at $1,300."

— *Compiled by Sheila Toomey*

■ ear@adn.com

M-69

194A-AN-13620 — ~~Press~~

FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) Anchorage Daily News Anchorage, AK

(Mount Clipping in Space Below)

Date: 08/25/2005
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Title: KEEP REVENUE SHARING IN ANWR BILL

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Submitting Office: Anchorage

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SEE ATTACHMENT

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SEP 13 2005
FBI - ANCHORAGE

194A-AN-13620-M-70

August 25, 2005

Anchorage Daily News

Daily News

Patrick Dougherty
Senior Vice President & Editor

Norman C. Brown
Fanning, Editor and Publisher, 1971-1983
Fanning, Editor and Publisher, 1967-1971

OPINION

COMPASS: *Points of view from the community*

Keep revenue sharing in ANWR bill

By JERRY WARD

The legal wrangling over land and resources within the Native community is not an isolated fight; it affects every single Alaskan, urban and rural.

Listen to the Outside liberal histrionics and you might believe ANWR is a place too pristine to touch, yet somehow barren and irrelevant to Alaska and our country's energy resources. We know better. With some U.S. Geological Survey data estimates, the 16 billion barrels lying beneath the frozen surface could replace our Saudi Arabian imports for three decades.

But ignoring turmoil in the Middle East isn't the opposition's only tactic to preventing Alaska from handling our own land.

Doomsday for the caribou? Since drilling began at Prudhoe Bay over two decades ago, the herd has grown from 3,000 to 27,500.

Severe damage to the ecosystem? There's a reason environmentalists pack their brochures with pictures from the part of ANWR that will never be drilled.

Disregard for local interests? Inupiat Eskimos, the only tribe indigenous to the Arctic Coastal Plain, are well aware of the economic impact of development on the North Slope and are desperate for more of the same.

As Alaskans, we know all of these facts well, but there is another fundamental fiscal and social benefit to opening ANWR: putting a stop to the welfare state of Alaska Natives and saving taxpayers hundreds of millions of dollars.

One of the natural benefits of opening ANWR is that, geographically, Arctic Slope Regional Corp. would be in a position to receive a portion of the massive oil wealth through a previous land trade with the federal government. However, in accordance with Section 7(i) of the Alaska Native Claims Settlement Act, the revenues received by ASRC from ANWR should be shared with all Alaska Natives.

A little history: Section 7(i) was one of the last provisions to be inserted into the original 1971 claims act. It resulted from a deal struck by Arctic Slope leaders and Native leaders from the rest of Alaska. The previous legislation granted land largely according to population. But Arctic Slope leaders argued that was unfair since North Slope Eskimos, relatively few in number, had traditionally ranged over a large area to meet subsistence needs.

The other Native leaders agreed to change the land and revenue formula to give Arctic Slope more of the potentially oil-rich land of the North Slope. However, in return, they extracted a key concession: Arctic Slope as well as other resource-rich regional corporations would have to share their wealth. However, a controversial out-of-court settlement arguably allows ASRC to escape its revenue sharing obligations in ANWR.

And now, with the current ANWR bill in Congress, 7(i) is ignored. Unless the ANWR legislation explicitly requires 7(i) revenue sharing, ASRC will be able to circumvent the sharing provisions associated with the ANWR lands. Other Alaska Natives were not informed, nor did we participate, in approving the land trade that gave Arctic Slope oil rights in ANWR or the settlement that gutted 7(i). As a result, we have lost vested property rights without just compensation. Potentially hundreds of millions of dollars may be kept from being shared equally.

The legal wrangling over land and resources within the Native community is not an isolated fight; it affects every single Alaskan, urban and rural. Countless millions of oil dollars and tax dollars are spent on trying to fix the serious societal problems in Native villages. From nutrition, dental care, education, alcohol abuse and many other things, the social and fiscal price tag is staggering.

Enforcing the sharing provisions of 7(i) allows Native corporations to use the revenue, which is theirs to begin with, to work on these problems themselves and build a bright future for the next generation. It also saves the U.S. taxpayer, and Alaska oil coffers, big dollars.

It is incumbent upon all Alaskans, regardless of ethnicity, urban and rural, to take notice while an ANWR bill is still possible. We have an opportunity to do things right from the beginning. Section 7(i) revenue sharing should be enforced and included in any ANWR bill.

■ Jerry Ward is a former state senator and a shareholder in Cook Inlet Region Inc.

Jerry Ward

194A-AN-13620

FBI - Stevens-152

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below:)

Governor in Texas to talk with oil companies -
NEGOTIATIONS: Clock is ticking for promised fall special session on gas line.
Anchorage Daily News (AK)
August 25, 2005
Author: SEAN COCKERHAM
Anchorage Daily News Staff
Estimated printed pages: 3

(Indicate page, name of newspaper, city and state)
ANCHORAGE DAILY NEWS
ANCHORAGE, ALASKA
Page:
Date: 08/25/2005
Edition: Thursday

Title: Governor In Texas To Talk With Oil Companies

Character/Classification: 194A-AN-13620 · 360

Submitting Office: Anchorage

Indexing:

Gov. Frank Murkowski is in Houston, Texas, to negotiate face to face on a natural gas pipeline contract with the CEOs of all three big North Slope oil companies. The direct talks come as time is running out for Murkowski to strike a gas line deal in time to have the Legislature consider a contract in a special session this fall. Murkowski has repeatedly told the public to expect the contract to be ready so legislators could act then.

The state has been negotiating for more than a year with the three major oil companies on the North Slope -- BP, Exxon Mobil and Conoco Phillips -- on how to build a pipeline to deliver North Slope gas to the Lower 48. Among the issues: determining taxes and royalties, and how the state could own a portion of the pipeline.

Most of the negotiations, led by Murkowski Chief of Staff Jim Clark, have been in Alaska between state officials and representatives of the oil companies. Murkowski's trip is a "heightened level of interaction," said his spokeswoman, Becky Hultberg.

Murkowski brought a team of state negotiators with him to Texas. Hultberg said she didn't know how many, although the list includes Clark and Mike Menge, the governor's senior adviser on energy issues. She said the governor would be in Houston on Wednesday and today and expects to return to Alaska on Friday.

FBI - Stevens-153

Hultberg described the trip as just a step in an ongoing process of reaching a gas line deal. But she said the plan is still to have a contract in time for a special session of the Legislature this fall. State officials concede that the clock is ticking.

"We're starting to push up against that deadline," said Chuck Logsdon, the state's spokesman for the gas line negotiations.

194A-AN-13620-M-71

After a preliminary agreement is struck, there needs to be time to get it published for a public comment period, which would last for at least 30 days. Then state officials would have to go back and negotiate any changes needed before a contract is submitted to the Legislature for debate and an up-or-down vote.

The special session would need to happen before Thanksgiving to meet legislators' schedules. Consideration of a gas line contract could also wait until the regular legislative session begins in January. But the governor and lawmakers would much rather take it up in a special session free from the distractions of other state issues they have to deal with in the regular session.

A gas line contract is likely to be complex and contentious. Murkowski is talking to the oil companies, which are considering a pipeline through Canada to the Lower 48, and a group that is pushing for a pipeline to Valdez. An all-Alaska pipeline would require liquefying the gas and shipping it on tankers.

A big question is whether a contract with the oil companies would include a real commitment to build a pipeline and an enforceable timeline for its construction.

The gas pipeline negotiations are confidential and state officials won't say how close they are to a deal.

"Watching the process, there are just a lot of things floating around," Logsdon said. "Trying to get something to gel, it's not simple."

Daily News reporter Sean Cockerham can be reached in Juneau at scockerham@adn.com.
Photo 1: 25Logsdon_082505.jpg
Edition: Final
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Dateline: JUNEAU
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Record Number: 868306308/25/05

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

SEE ATTACHMENT

(Indicate page, name of newspaper, city and state.) B-7 ANCHORAGE DAILY NEWS, ANCHORAGE, AK

Date: 08/27/2005
Edition: SATURDAY

Title: LEGISLATORS RESPONDED TO EDUCATION NEEDS

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or
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194A-AN-13620-M-72

Legislators responded to education needs

By SEN. JOHN COWDERY

As teachers and students prepare for the start of a new school year they will have many more resources to learn and grow with because Alaska's 60 lawmakers made education funding a top priority this year.

A renewed focus on education funding the past two years has brought together legislators, teachers, parents, students, administrators and the Murkowski administration. We didn't always agree on how to get the job done, but we worked towards achieving the same goal, raising Alaska's public school system to the next level.

School districts, especially in rural areas, needed help. Imagine a child trying to study in a classroom with a crumbling roof and a scanty heating system when it's 40 degrees below zero outside. I think you get the picture.

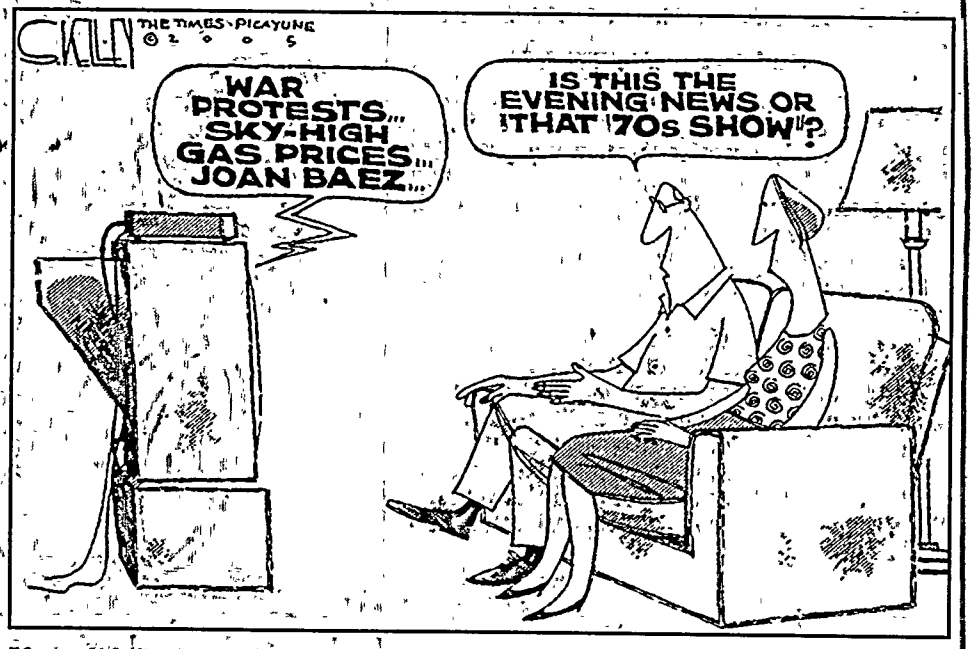
This year the legislature tackled the problem head on. In the fiscal year '06 capital budget, we funded 48 of the 71 schools on the state Department of Education and Early Development's deferred maintenance list. Almost all of the 48 schools are located in rural areas that waited years to get state funding.

Cowdery

The Legislature also renewed the 70/30 school bond debt reimbursement program. That program makes municipalities eligible to receive 70 percent state reimbursement on voter-approved school bonds. Without it, taxpayers in urban regions would shoulder the enormous cost of school construction and maintenance with property and sales taxes.

I've heard complaints saying this year's capital budget was another example of pork barrel government spending. The truth is the capital budget was on par with previous budgets.

The difference this time was that due to a reduction in federal funding, lawmakers were forced to use a greater percentage of state general fund revenues to make up for the loss of federal dollars.



If we didn't, we would have to slash school construction spending when there was plenty of cash on hand to pay for it.

Using the temporary oil price windfall for school construction was a wise decision because every child, regardless of where they live or their parents' income level, deserves to have a safe, clean school facility.

Building schools is only half the job. School districts are struggling with inflation, soaring fuel costs, higher employee salaries and the constantly growing liability to the public employee and teacher retirement systems.

Every community in the state asked us to help and we listened. Last year we increased education funding by $82 million to $4,576 per student. This year we increased it another $70 million to $4,919 per student. Overall, K-12 education funding increased 23 percent over the last three budget cycles.

That's an unprecedented increase in school funding, and I believe it demonstrates the commitment lawmakers have to the school system.

School districts have understandably worried each spring how much money the Legislature will hand out each year. This session, the lawmakers created the K-12 Education Account to start forward-funding education. That's a tremendous commitment to Alaska's education system.

Money isn't the answer to every problem in our schools. The exit exam law passed by the Legislature several years ago requires high school seniors to pass a basic skills test before receiving a regular high school diploma. The exit exam brings accountability to the schools and assures post-secondary educational institutions and employers that Alaska's high school graduates are adequately prepared.

Just because the session is over doesn't mean lawmakers have stopped doing their homework on education. This interim, a bipartisan committee is reviewing the state's school district cost factor formula, the formula that allocates additional funding to rural schools not connected to the road system. The committee will make recommendations to the entire Legislature and the administration next January.

Education funding should never be a partisan issue. I urge Alaskans to look past the hype and look at what's been accomplished in two short years. If they do, I believe they will agree with me that our education system is moving in the right direction.

Sen. John Cowdery represents District O in the Alaska Senate

FD-350 (Rev. 5-8-81)

Anchorage Daily News
B-2
Anchorage, AK
(Indicate page, name of newspaper, city and state.)

(Mount Clipping in Space Below)

Date: 08/28/05
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or
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Indexing:

Ben Stevens

Alaska Ear

The Divine Appendage

HAIL, FAREWELL ... Didn't we give Jay Hammond a nice send-off last week, just the right mix of reverence and corn-pone. Ear's favorite tortured metaphor was when Lowell Thomas, pilot and lite gov in Jay's first term, called him "a diamond in the rough with a heart of gold."

Lowell also provided the moment most enjoyed by the jaundiced politicos who call Ear. Right after the diamond-in-the-rough remark, Lowell observed — with Gov. Frank Murkowski in the audience — that while governor, Jay "was very happy to fly his own Cessna whenever he could on official business."

It took a few moments for people to make the connection, then laughter began to spread through the Atwood auditorium and quickly swelled into big applause.

Lowell did an unconvincing oh no, no. "My apologies, folks," he said. "I had not intended ... anything between the lines. It's your imagination entirely."

Yeah, right.

An earwig claims he heard Murkowski later joke to Lowell: "Why don't you teach me to fly?"

P.S. Ear's favorite name for the gov's new jet, suggested by an ADN letter writer, remains "The Longevity Bonus."

PASSING THROUGH ... Anna Dobbs, one-time food queen here during her incarnation as Midnight Sun Produce, was back in town for Jay's funeral from her new home in Syracuse, N.Y. She's now the coffee queen of Syracuse, with three "Freedom of Espresso" shops there, roasting and pouring. She greeted old friends with pastry and bags of a special "Jay's Memorial Blend."

INQUIRING MINDS ... When a reporter asked Murkowski press secretary Becky Hultberg how many people went to Texas with the governor for the gas line talks, she allowed as how she just didn't know. A helpful oil lobbyist called to say

FBI - Stevens-157

194A-AN-13620- ~~PRESS~~ M-73

08/28/05
B-2
194A-AN-13620

it was 17 or 18 but there was no way to check since, well, Becky doesn't know. Earwigs who bump into Becky might ask her what plane the governor flew in to Texas. Perhaps she'll know that.

MAJOR COOL ... The new issue of Sunset Magazine has named as best white wine in the $15-$50 range a sauvignon blanc from the Oregon vineyard of **Chancy and Toni Croft**. He's an Anchorage attorney and a Big D. The brand is J. Christopher, made of grapes from the Croft vineyard in Monmouth, Ore., priced at $18. "Exceptionally fresh and balanced," said the judges.

TIDY CITY ... Ear got this message last week from an unemployed lobe:

"Dear Ear: In today's classifieds, the municipality is advertising for a new position: Bioterrorism Coordinator. Because, you know, it's always good to keep one's bioterrorism well organized."

PAIN IN THE AK ... **Sen. John McCain**, in a Senate floor speech just before the vote on the big transportation bill cited, among other wretched excesses, the gazillion dollars going to the Alaska Way Viaduct as an example of all the pork directed to Alaska by d'Ear **Don Young**. Apparently no one told McCain that project is in Seattle, not in Alaska.

FIXITS ... Yes, d'Ears, **George Sullivan's** mother, **Viola**, was mayor of Valdez, not Nenana. Ear knew that. Really. George said she was the first woman mayor in Alaska, in the early 1930s.

And Alaska Airlines says the earwig who thinks the tracks on the airline's Web site are caribou, not moose, is wrong. "We worked with professor **(Norm) Harris** at the University of Alaska Fairbanks. He even checked their captive moose to confirm the gait. The tracks are definitely moose and not caribou. Caribou tracks are narrower and pointier," says an e-mail forwarded by an earwig.

OUT AND ABOUT ... What were **Tony Knowles** and **Jake Metcalfe** talking about at City Market?

• Alors d'Ears, this is the last week to catch the Dinosaurs of Darkness exhibit at the Alaska Museum of Natural History on North Bragaw, just up the turnoff from the Glenn Highway.

• The new fall show at the Fly By Night Club is "The Pork Fat Follies."

CYBER-POLS ... **Nate Raymond** of Fairbanks, who has "genx" in his domain name, claims we can tell who has political ambitions by checking their domain holdings. For instance, says Nate, **Sen. Ben Stevens** owns benstevens.com and benstevens.org. **Andrew Halcro** bought a 2-year lease on andrewhalcro.com last March but hasn't set up a Web site yet, says Nate.

There's a **SarahPalin.com** and an **EricCroft.com**, but no Web site yet for either.

There are no domain leases listed for **John Binkley, Rick Halford** or **Rick Mystrom**.

MarkHamilton.com appears to already belong to someone in New Jersey.

Ralph Seekins got one for his campaign and leased it through 2012. No current Web site, says Nate.

—Compiled by Sheila Toomey

■ ear@adn.com

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below:)

Voice of the Times
Anchorage Daily News (AK)
August 29, 2005
Author: Commentary
Estimated printed pages: 2

(Indicate page, name of newspaper, city and state)
ANCHORAGE DAILY NEWS
ANCHORAGE, ALASKA
Page:
Date: 08/29/2005
Edition: Monday

Title: Producers' Gas Line Offers More Jobs and State Royalties

Character/Classification: 194A-AN-13620 - 361

Submitting Office: Anchorage

Producers' gas line offers more jobs and state royalties

If Gov. Frank Murkowski calls a special session of the Legislature later this year as expected, Alaska lawmakers could be making a decision with lasting consequences.

They will be voting on one or more proposals for a natural gas pipeline from Prudhoe Bay down the Dalton and Richardson highways and across Canada to the U.S. Midwest. The terms could include part ownership in the line by the state.

Proponents of a liquefied natural gas pipeline from Prudhoe to Valdez, who call theirs the all-Alaska line, also submitted a proposal in July and have revised it twice. The LNG pipeline would require refrigerated tankers to deliver gas to the West Coast.

If the state accepts the Alaska Gasline Port Authority's plan, the result could be a financial disaster. It would be a high risk strategy and is not better by any measure.

Though its supporters claim their project would generate more jobs for Alaskans, industry studies show that building along the route through Canada would create more jobs in Alaska than the LNG line -- and probably some jobs for Alaskans on the Canadian segment.

The Alaska Milepost Guide to Alaska shows the in-state highway route to the Canadian border is 796 miles within Alaska. Since the LNG group claims their line will be 800 miles long (the Milepost sets it at 866 highway miles) the in-state portion of the Alaska Highway line would be almost as long as the LNG line.

The LNG line would carry 1.5 billion to 2 billion cubic feet a day; the line to the Midwest would have a capacity of 4.5 billion to 6 billion feet a day.

And since the North Slope processing plant for the line to the Midwest would be much larger and more costly than that for a smaller line, it would provide far more jobs during construction

194A-AN-13620-M-74

and operation.

AGPA apparently submitted the revisions because the state's experts were unimpressed with earlier versions. The producers' experts claim LNG from Alaska couldn't compete on the West Coast with gas from Pacific Rim countries that have lower production and delivery costs.

BP Exploration (Alaska) President Steve Marshall told an Anchorage audience last week that if the cost of an LNG line were put toward an Alaska Highway line, the investment would produce twice as much gas.

If so, the route through Canada would result in a higher wellhead value on the Slope and more royalty and production tax money going into state coffers and the Alaska Permanent Fund.

Marshall told the Downtown Anchorage Rotary that the cost of the producers' line would be $20 billion to $25 billion. AGPA estimates have varied, but the industry study pegged the cost of an LNG line, tankers and processing facilities at $11 billion.

If the state opted to try for an LNG line and it proved as uneconomic as many experts predict, that could result in no pipeline being built at all.

Edition: Final
Section: Alaska
Page: B5
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013ma06.news.wpd

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

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

Date: 08/30/2005
Edition: TUESDAY

Title: STEVENS EXONERATION STORY WAS BURIED DEEP

Character:
or
Classification: 194A-AN-13620 - 347
Submitting Office: Anchorage

Indexing:

August 30, 2005

Anchorage Daily News

BILL J. ALLEN
Publisher

194A-AN-13620

Vo

STEVENS EXONERATION STORY WAS . . .

Buried deep

IT WOULD COME as no surprise if you somehow missed the news that the Alaska Public Offices Commission has tossed out a complaint alleging state Sen. Ben Stevens did not adequately explain consulting fees paid to him.

If you missed it, you are not alone. Many who knew what the APOC did, and knew to look for it, had a hard time finding the story in the newspaper.

The silly beef against Stevens, president of the Senate last session, was filed by Republican Moderate Party head Ray Metcalfe, who also is leading a recall drive against Stevens, although he lives in a different election district.

When the complaint was filed, a fairly sizeable, by-lined story ran July 16 above the fold on the Alaska page in the Anchorage Daily News. The news, however, that the nonsense got the heave-ho and that the APOC found Stevens' descriptions of the fees satisfied state disclosure laws rated only an eight-paragraph digest item on B-3, under a Juneau dateline inside the Alaska section, last Wednesday.

Good grief.

It is, we suppose, a commentary on modern times that anyone — with anything in the way of ulterior motives — can file a cheap complaint that ends up being played prominently as "news." How sad.

What's worse is when the target of the attack is exonerated but rates only a ho-hum brief buried in the bowels of the newspaper.

It is the kind of thing that only lends credence to those who assert Ben Stevens is not always treated fairly by some in the news media.

You would think, with his distinguished record of public service, he would deserve better.

FBI - Stevens-161

194A-AN-13620-M-75

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below:)

(Indicate page, name of newspaper, city and state)
ANCHORAGE DAILY NEWS
ANCHORAGE, ALASKA
Page:
Date: 08/31/2005
Edition: Wednesday

Title: Brass Knuckles

Character/Classification: 194A-AN-13620 - 362

Submitting Office: Anchorage

Indexing:

Brass knuckles

In its latest proposal to the state, the Alaska Gas Pipeline Authority asks that the state commit its royalty share of North Slope gas to a liquefied natural gas line.

It also asks the state to get it more gas by using some very questionable tactics against the producer companies.

Those call on the state to:

* "Cancel, terminate, allow to expire or fail to renew any lease, Unit Agreement, or other agreements" the state has with the companies;

* Sue the leaseholders for not developing or marketing North Slope gas and require that they sell their gas to AGPA; and,

* Push for legislation giving AGPA the right to seize gas by eminent domain.

This is not the first proposal for a brass-knuckles approach to dealing with North Slope companies, but it certainly is the boldest and most self-serving.

013ma07.news.wpd

FBI - Stevens-162

194A-AN-13620-M-76

FD-350 (Rev. 5-8-81)

Anchorage Daily News
Anchorage, AK

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

(Mount Clipping in Space Below)

Date: 8-31-05
Edition:

Title: Recall Effort against Ben Stevens is Part of Democracy not an "affront"
Character:
or
Classification: 194A-AN-13620
Submitting Office: Anchorage

Indexing:

Recall effort against Ben Stevens is part of democracy, not an 'affront'

I was outraged to read Rep. Bruce Weyhrauch's recent letter to the Daily News in which he describes the recall effort against Ben Stevens as an "affront" to the democratic process ("Efforts to recall Sen. Ben Stevens are an affront to our democracy," Aug. 14). Weyhrauch states that the recall procedure should only be used for "serious offenses." What does Weyhrauch call holding the Legislature hostage for weeks into overtime session to gut the retirement system for police, firemen, teachers and other state and municipal workers? What does he call collecting and not reporting thousands of dollars in "consulting fees" from companies that have business before the Legislature? What does he call insulting Alaskans with terms like "thugs" and "Valley trash"? The list of Ben Stevens' arrogant and self-serving affronts to public office is seemingly endless, and if he is so disliked by his constituents that they choose to kick him out of office before he can do any more damage, then we know the system is working. Clearly this is democracy in action.

The real "affront" is that politicians like Weyhrauch and his friend Ben Stevens seem to keep getting away with their arrogant and self-serving disregard for the will of the people. It's time to put a stop to it.

— *Jason Nelson*
Anchorage

FBI - Stevens-163

M-77

194A-AN-13620 — ~~Press~~

FD-350 (Rev. 5-8-81)

P. 1 of 2

KTUU-TV Channel 2 Broadcasting Anchorage, AK

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

(Mount Clipping in Space Below)

Channel 2 Broadcasting Inc | Division of Elections rules against Stevens recall election

Date: 09/07/05
Edition: Wednesday

Title: Division of Elections Rules Against Stevens Recall Election

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

Indexing:

1

Division of Elections rules against Stevens recall election

Wednesday, September 7, 2005 - by Bill McAllister

KTUU File

Anchorage, Alaska - State Senate President Ben Stevens will not face a recall election unless his opponents are successful with a lawsuit to overturn a ruling made Tuesday by the state Division of Elections. The Division of Elections concluded that the recall effort against Stevens, while it had enough signatures of registered voters to go to a special election, did not provide substantial reasons for removing him from office.

The leader of the recall effort is Ray Metcalfe, a former Republican legislator and founder of the breakaway Republican Moderate Party. Metcalfe says Stevens is either incompetent or corrupt because he sponsored a bill in the last legislative session to take nearly $350 million from Alaska Permanent Fund earnings to spend on school construction.

KTUU File

Metcalfe says that's a conflict of interest because Stevens has accepted a couple of hundred thousand dollars in consulting fees from oilfield services company Veco. According to Metcalfe, Veco has a stake in the use of Permanent Fund earnings for government, in lieu of higher industry taxes, although the company denies the allegation.

Metcalfe says his application for a recall petition should have been approved because the circumstances are similar to a successful petition against former Sen. Scott Ogan last year.

"We're going to go to the court and show them that opinion that came from the Ogan case and say, show me the difference, where's the difference. It's the same charge," said Metcalfe (above right).

FBI - Stevens-164

194A-AN-13620-~~Pass~~ m.78

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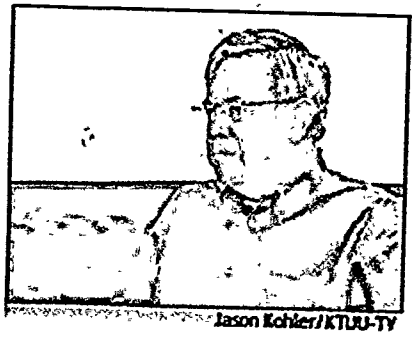
KTUU-TV (Channel 2)
09/07/05
194A-AN-13620


Jason Kohler/KTUU-TV

"The only similarities is that they were both state senators at the time the application for recall was made. Other than that, they are two different approaches to recall," said Laura Glaiser, the director of state elections.

"This was not a campaign. This was an attempt to smear someone. And I think we have the right conclusion without question," said Randy Ruedrich (left), chairman of the Republican Party of Alaska.

KTUU-TV could not reach Stevens for comment this afternoon, but we are told he will have a news conference Thursday.

This is only the fifth time a recall has been attempted and only the second time against a legislator. Sen. Scott Ogan resigned from office shortly after the recall election

http://www.ktuu.com/cms/anmviewer.asp?a=15053&print=yes

against him was certified, so Stevens would have been the first legislator actually put up for such a vote. Alaska's law on recalls is considered middle of the road among the states. Purely political recalls are not allowed, but the courts have not required a purely legal approach to the issues involved in recall, either.

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

FD-350 (Rev. 5-8-81)

Anchorage Daily News
B-1
Anchorage, AK
(Indicate page, name of newspaper, city and state.)

Date: 09/08/05
Edition: Thursday

Title: State: No Grounds for Recall

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

Indexing:

(Mount Clipping in Space Below)

State: No grounds for recall

■ **STEVENS:** Petition backers will appeal decision by elections chief.

By RICHARD MAUER
Anchorage Daily News

The Division of Elections has refused to certify the recall petition of Sen. Ben Stevens, dealing opponents of the powerful state legislator a second blow in less than a month.

State Elections Director Laura Glaiser ruled Wednesday that recall advocates failed to allege sufficient grounds in their petition to force Stevens, the Alaska Senate president, to face his district's voters in a special election.

Stevens

Relying on her own judgment and a legal opinion from the state Department of Law, Glaiser rejected the assertion that Stevens' outside consulting income from the oil-field service company Veco was corrupting.

While Glaiser said she "respects the right of the people to petition the government," state law demands that a recall petition allege facts that demonstrate an office holder's incompetence, neglect, lack of fitness or corruption. She said the Stevens petition failed to do so.

Ray Metcalfe, leader of the Republican Moderate Party and the main figure behind the recall, said he planned to appeal Glaiser's decision in court.

"What did he do for that $50,000 a year?" Metcalfe asked about the consulting fees Veco paid to Stevens, as cited in the petition. "When you are serving two masters with conflicted interests, in common law that is considered corrupt and has been for hundreds of years."

Metcalfe said Stevens did Veco's bidding by backing efforts to spend Permanent Fund earnings.

See Page B-2, STEVENS

Continued from B-1

The legal opinion, by assistant attorney general Michael Barnhill, said the petitioners failed to state how Stevens' conduct showed him unfit. Given the reality of a part-time state Legislature, "the mere acceptance of outside employment, and presumably the contracting of 'advice and loyalty' that goes along (with) any employment, is not improper," the opinion said.

A spokesman for Stevens, Jeff Turner, said Stevens would not comment Wednesday but might today. Stevens, a Republican and the youngest son of Sen. Ted Stevens, represents the Sand Lake and Bayshore/Klatt areas of South Anchorage. Under the normal four-year cycle, he would next face election in 2006.

Two weeks ago, the Alaska Public Offices Commission staff rejected a complaint filed by Metcalfe that accused Stevens of failing to properly document some $1.3 million in outside income since taking office in 2001. Metcalfe said Stevens should disclose what he did for the money, but the APOC staff said his description of the work as "consulting" or "business services" satisfied the requirements of the law.

Metcalfe said he plans to appeal that decision to the full commission.

The recall garnered 1,232 signatures from the district in the first round of petitioning.

Glaiser, a Republican, said partisan politics didn't influence her decision. She said she chose not to seek a legal opinion from a special outside counsel because she hadn't heard allegations that she or the state's Republican administration had predetermined the outcome of the legal review.

FBI - Stevens-166

194A-AN-13620 — ~~Press~~ m.79

FD-350 (Rev. 5-8-81)

Anchorage Daily News
Anchorage, AK

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

Date: 09/09/05
Edition: Friday

Title: Ruling Confirms Times Has Done ... No Wrong

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

Indexing:

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RULING CONFIRMS TIMES HAS DONE . . .

No wrong

TO ABSOLUTELY NOBODY'S SURPRISE, the Federal Election Commission has become the second government agency to embarrass the Alaska Democratic Party and its pals by squelching their attempts to muzzle the Voice of The Times.

The party, which in the last senatorial election acted as a conduit for money and workers in Tony Knowles' failed campaign, assisted an Anchorage woman, Jean Paal, in ginning up a last-minute complaint. It asserted that the Times' payment of production costs to the Anchorage Daily News should be considered a prohibited independent expenditure or an independent expenditure by Bill Allen, Times publisher and VECO's chairman.

The Democrats were particularly rankled by Times columns and editorials advocating the election of Lisa Murkowski over Knowles and claimed they were paid advertisements not entitled to what is known as the "media exemption" from election regulation.

The commission's staff unanimously disagreed.

"This arrangement represents a unique journalistic endeavor between the Daily News and the Voice in an attempt to preserve the different social, economic and political perspectives provided by both publications," the staff said.

"We conclude that the media exemption applies and recommend that the commission find no reason to believe that any of the respondents violated the act, and close the file." The panel did just that.

THE STAFF ALSO recommended Paal not be sanctioned, saying her discussion of the complaint with the news media before the FEC could act did not violate the confidentiality provisions of the law.

So ends with a whimper the Democrats' failed second run at the First Amendment as it applies to the Voice of The Times.

A sorry attempt a few years ago at the state level ended the same way. The Alaska Democratic Party tried to gag the Times during an election. It filed a very similar complaint with the Alaska Public Offices Commission — but did not even bother to show up for the hearing. The agency unceremoniously tossed out that complaint after acknowledging the Times as a journalistic enterprise.

Let's say it plainly again for the umpteenth time, so even the Democrats will catch on. Our publisher is Bill Allen. It says that on our masthead. Every day. Like publishers through history, he has something to say and is politically active. A quick look at public records will confirm that. He has an agreement with the Daily News for a half-page to preserve the editorial voice of The Anchorage Times, which was founded in 1915 and which ceased daily publication in June 1992.

Now, at both the state and federal levels, election watchdog agencies say he is doing nothing wrong and that the Voice is a journalistic enterprise.

Despite the Democrats' aversion to free speech, that's reality.

FBI - Stevens-167

194A-AN-13620 — ~~Press~~ m-80

FD-350 (Rev. 5-8-81)

B-1
Anchorage Daily News
Anchorage, AK
(Indicate page, name of newspaper, city and state.)

(Mount Clipping in Space Below)

Date: 9-9-05
Edition:

Title: Stevens Declines Questions

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

Indexing:

Stevens declines questions

■ PRESS CONFERENCE: Senator claims recall effort was personal.

By RICHARD MAUER
Anchorage Daily News

A day after state election officials threw out the recall against him, Senate President Ben Stevens declared he was being victimized by "personal attacks" at a brief press conference held at a South Anchorage park.

Stevens declined to answer most questions, including one central to the recall effort — what work he did for the $195,000 he was paid for consulting fees and business services by the oil field service company Veco.

"I don't have to say that," Stevens said. He said his disclosure reports had been ruled adequate by the Alaska Public Offices Commission staff and he wasn't required to do any more.

After six minutes at a podium set up on the grass at Jewel Lake Park, Stevens walked away with questions still coming his way.

The 2 p.m. press conference, arranged by the marketing firm of political guru Art Hackney, featured a live audience of supporters who applauded Stevens, a Republican. He stood at the lectern with his wife, Elizabeth, and their four children at his side. Elizabeth said the three older kids had been taken out of school for the occasion.

> "I've never, and would never, cross the line between my personal business affairs and the oath of office I signed ..."
>
> —Sen. Ben Stevens

In his opening statement, Stevens attacked the media and Ray Metcalfe, the leader of the Republican Moderate Party and originator of the recall.

"Ray Metcalfe's charges were baseless," Stevens said. "I've never, and would never, cross the line between my personal business affairs and the oath of office I signed to serve in the Alaska state Senate."

Metcalfe has said that Stevens' lucrative con-

FBI - Stevens-168

194A-AN-13620 - Press
m-81

B-1
1944-AN-13620

STEVENS: *Senate president holds 6-minute press conference*

Continued from B-1

sulting business left him with too many masters and conflicts of interest. He urged Stevens to resolve at least one part of his complaint by proving he actually did work for his fees. Revealing a professional work product could prove he wasn't just selling influence, Metcalfe said.

In its ruling Wednesday, the state Division of Elections said Metcalfe had failed to provide enough of a legal basis for the recall to proceed even though he filed the proper number of signatures in the first round of petitioning.

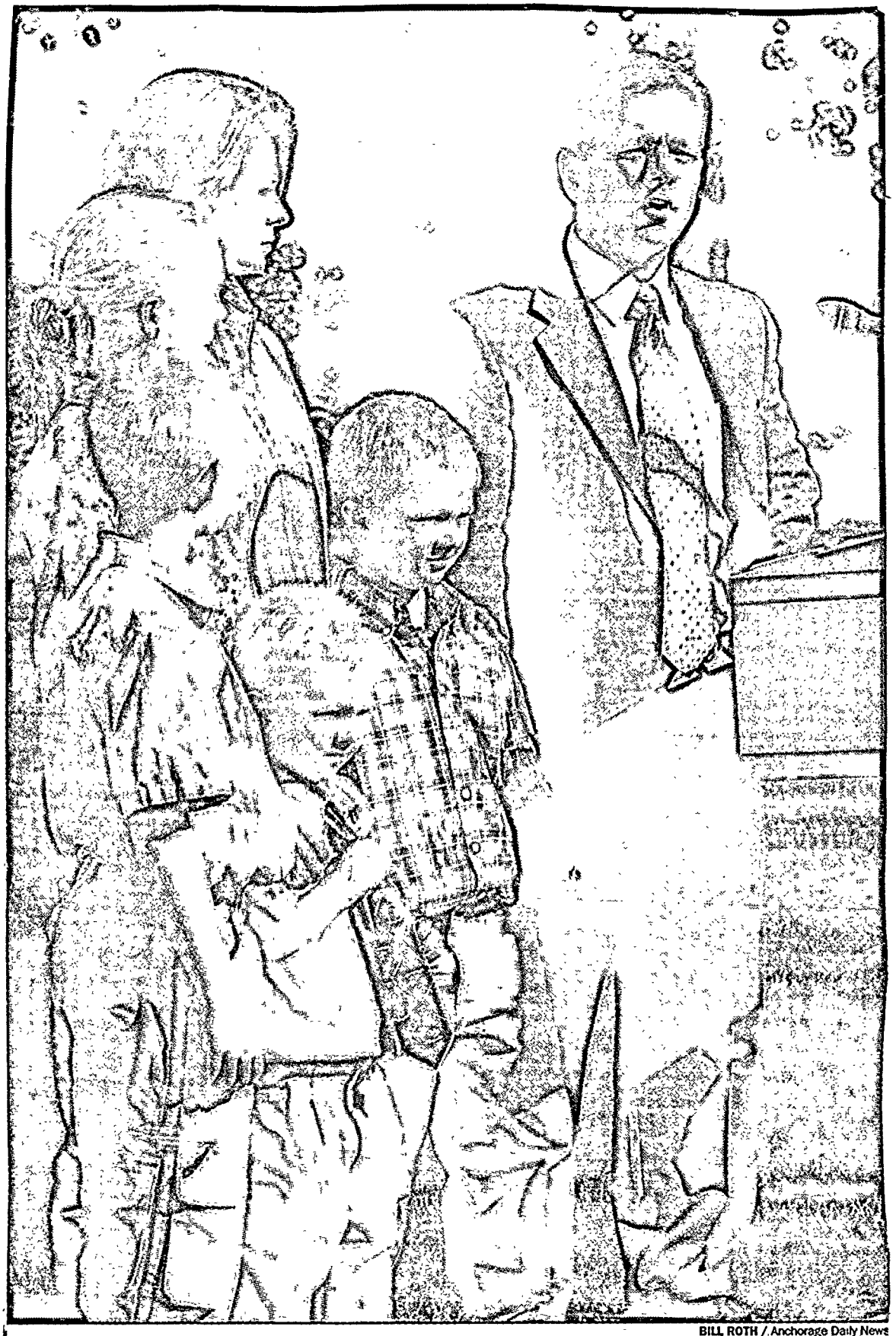
Metcalfe said Thursday he believes a judge would side with him when he appeals the state's decision in court. Acknowledging he drafted his petition without the help of an attorney, Metcalfe, a former legislator, said the state improperly set too high a bar for what should be a political — not a legal — process. Metcalfe said it's impossible to meet the burden of proof that the Division of Election seems to be requiring when he is limited by law to a 200-word recall statement.

"It would not have made any difference what I would have written in that recall, the Division of Elections would've thrown it out," Metcalfe said. "If the voters think his behavior is corrupt, they should have the right to say so in the polls, and if he thinks we're wrong, he has the right to pursue the votes otherwise."

■ Daily News reporter Richard Mauer can be reached at rmauer@adn.com or 257-4345.

Stevens Declines Questions

B-1
194A-AN-13600



BILL ROTH / Anchorage Daily News

Senate President Ben Stevens held a press conference Thursday at Jewel Lake to respond to the Division of Elections' dismissal of a recall petition. His wife, Elizabeth; daughter Susan, 11; and sons, from left, Ben, 10, Teddy, 4, and Augie, 7, joined Stevens at the brief gathering.

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

(see attached)

Anchorage Daily News
Anchorage, AK
(Indicate page, name of newspaper, city and state.)

Date: 09/09/05
Edition: Friday

Title: Scribbles on Whiteboard no Contract, Judge Rules

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

Indexing:

FBI - Stevens-171

194A-AN-13620 - ~~Press~~ m-82

adn.com
Anchorage Daily News

Print Page Close Window

Scribbles on whiteboard no contract, judge rules (09/9/2005)

ADAK SEAFOODS: Partner didn't wrest control; this now affects an Aleut Corp. case.

By RICHARD MAUER
Anchorage Daily News

(Published: September 9, 2005)

An Anchorage judge dealt Adak fish entrepreneur Kjetil Solberg a resounding defeat Thursday in his efforts to wrest total control of Adak Seafoods from the Seattle company that has been his partner since June 3, 2004.

Ruling in the first phase of a lawsuit, Superior Court Judge Craig Stowers tossed out Solberg's contention that he purchased the 50 percent share of Adak Fisheries held by Aleutian Spray Fisheries in an oral deal in March. That alleged transaction, referred to in the five-day trial as "The Deal," didn't even end in a handshake, one of Solberg's lawyers testified.

Stowers said it was "wishful thinking" on Solberg's part to believe that a complex commercial transaction could be completed with the outline of an agreement scribbled on a whiteboard.

Efforts to create a written version of "The Deal," involving multiple drafts of contracts, promissory notes, deeds of trust and other documentation, collapsed in June as the parties grew increasingly contentious. The parties had agreed that Solberg would pay $3 million for the 50 percent stake but had not reached terms on other details.

Stowers also voided Solberg's filings with the Alaska Division of Corporations in which he declared himself the sole owner of Adak Fisheries and state Sen. Ben Stevens the company president.

Control of Adak Fisheries reverts back to Aleutian Spray and its officers, Cary Swasand and his son Chris, both of Seattle, as provided in the original 2004 operating agreement. Aleutian Spray sued Solberg in June, saying he was attempting to hijack their 50 percent share of the business.

Solberg, a Norwegian who came to Adak in 1998, raced from the courthouse as soon as Stowers finished discussing his ruling. Solberg's lawyer, Chris Cyphers of Anchorage, acknowledged the ruling "was a total loss" to his side.

The Adak seafood plant is uniquely positioned to benefit from a $10 million-a-year congressional gift of pollock fishing rights along the Aleutians to Aleut Corp., the Native corporation for the region. Aleut now has control of a former Navy base on Adak, and the company wants the plant to get its fish to help support an industry on the remote island.

Thursday's court ruling opens the way to resolve a related bitter lawsuit in another courtroom. In that case, Adak Fisheries and the Aleut Corp. have traded lawsuit and countersuit over whether Adak Fisheries can continue to rent Aleut Corp. real estate.

After he had claimed control over Adak Fisheries, Solberg sued the Aleut Corp., trying to force the Native corporation to restore its 30-year lease on the island. Aleut had declared the 2001 lease void on several grounds but said it was willing to negotiate a new one as long as it knew a stable, well-capitalized company was involved with Adak Fisheries.

It has said that Aleutian Spray is such a company. But with Solberg in control, Aleut had sought to evict Adak Fisheries. Solberg asserted that Aleut was involved in a conspiracy to shift processing of fish it controls to offshore boats, including those owned by Aleutian Spray. But Aleut chief executive David Jensen said that was nonsense.

194A-AN-13620

Even as he was congratulating the Swasands as they left court Thursday, Jensen was trying to set up a meeting to attempt to resolve the lease impasse.

Stowers, who heard the case without a jury, had agreed to split the lawsuit into two phases so that the Aleut Corp. case could proceed with a determination of who owned Adak Fisheries. The second phase of the suit before Stowers, if it proceeds, will determine whether any party is entitled to damages and whether Stevens has any ownership in Adak Fisheries.

Stevens, a longtime consultant to Solberg, had attempted to buy a 25 percent interest in the company. The Swasands rejected Stevens' bid in December, but Solberg agreed to bring in Stevens after "The Deal."

Daily News reporter Richard Mauer can be reached at 257-4345 or rmauer@adn.com.

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FD-350 (Rev. 5-8-81)

Anchorage Daily News
Anchorage, AK
(Indicate page, name of newspaper, city and state.)

(Mount Clipping in Space Below)

Date: 09/10/05
Edition: Saturday

Title: Stevens hate over Suit Query

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

Indexing:

(see attached)

FBI - Stevens-174

194A-AN-13620-Press-M-83

adn.com
Anchorage Daily News

Print Page Close Window

Stevens irate over suit query

THREAT: Senator says he'll probe newspaper's circulation claims.

By LIZ RUSKIN
Anchorage Daily News

(Published: September 10, 2005)

WASHINGTON -- U.S. Sen. Ted Stevens lashed out at Alaska news reporters Friday, alleging that the Anchorage Daily News and KTUU-Channel 2 are engaged in a "vicious attack" on him and his son, state Senate President Ben Stevens.

"I intend to pursue it to find out why it is the owners of these media, that I have had a relationship with for over 40 years, have changed and decided to maliciously attack me as consistently as they have," Ted Stevens said.

Speaking with four Alaska reporters in his Capitol Hill office, he pointed his index finger, accusing them individually and collectively, blaming them and the companies they work for.

Stevens, 81, was angry that reporters had asked about a lawsuit involving his son and his connection to a company called Adak Fisheries. Ted Stevens said the questions allege that he did favors for his son, which he angrily denied.

"This is a continuation of a vicious attack against me and my son. It's politically inspired," Stevens said.

The lawsuit, which was partially resolved this week, is a complicated fight over control of Adak Fisheries and its agreement with the Aleut Corp. to lease a fish processing plant on the closed Navy base at Adak.

The stakes in the case are high because in 2003 and 2004, Ted Stevens added a rider to a federal spending bill to give the Aleut Corp. exclusive rights to a new $10 million Aleutian pollock fishery with the idea of turning the old Adak base into a thriving commercial fishing town.

A few months before the bill passed, the Aleut Corp. awarded the management of its pollock allocation to Adak Fisheries.

Back in 2003, when Stevens' fishery legislation was pending, the Daily News reported that Ben Stevens was a paid consultant to Adak Fisheries, which was poised to benefit from the bill. The paper also published the elder Stevens' denial that his son had lobbied him on the issue. In addition, the Daily News noted that Ben Stevens was on the board of an Aleut Corp. subsidiary that was working to redevelop Adak.

But a series of lawsuits and countersuits this summer revealed that Ben Stevens may have been more involved than that. According to the lawsuits, Ben Stevens obtained an option to buy 25 percent of Adak Fisheries in 2002. He signed a document attempting to exercise that option in 2004.

A judge issued a partial ruling in the case this week. He will decide in the next phase of the trial whether Ben Stevens' ownership claim in Adak Fisheries is valid, among other disputes.

What apparently ignited Ted Stevens' anger on Friday were questions about whether he awarded the pollock allocation to the Aleut Corp. to benefit his son.

He said he did it to benefit the people of the region and never discussed it with Ben.

FBI - Stevens-175

194A-AN-13620

"It had nothing to do with my son," he said.

He said he only learned of his son's possible ownership interest in Adak Fisheries "in the paper."

Actually, the Daily News has published almost nothing about Ben Stevens and his ties to Adak Fisheries since 2003, with only brief citations in two stories last year.

On Friday, the Daily News reported for the first time that Ben Stevens is a defendant in the Adak Fisheries lawsuit. The story gave the younger Stevens a passing mention and his father none at all. The paper is preparing a longer report and this week asked the senior Stevens for an interview.

KTUU has aired three stories over the past two weeks on Ben Stevens and Adak Fisheries.

Stevens alleged the Daily News and KTUU have been out to get him for years -- starting, he said, with a Daily News story in 2003 about how Stevens turned $50,000 into assets worth about $1 million by investing with Anchorage real estate developers John Rubini and Leonard Hyde.

"I know who you're after," he said, wagging his finger at the Daily News reporter in his office. "You're after me, and you've done a good job so far of keeping me tied down."

He said the "attack" on him involving his son in effect alleged a criminal conspiracy and was "very close to libel."

He said he didn't know why McClatchy Newspapers, the California-based company that owns the Daily News, would pursue the "malicious attack" on him.

"But people that live in glass houses shouldn't throw stones," he said.

He noted that McClatchy has been sued in Minnesota for allegedly inflating circulation figures for its largest paper, the Star Tribune in Minneapolis.

"I intend to find out if they're pursuing that activity in our state," Stevens said. "And I intend to show them we can fight back."

The Minnesota lawsuit was brought by four advertisers. According to a Wall Street Journal account of the case, a Star Tribune distributor whose husband works for one of the advertisers said a Star Tribune field representative told her to order extra papers to boost circulation numbers.

McClatchy maintains the claim is without merit.

Stevens hinted at some kind of congressional action.

"I believe there should be a law, a federal law, that requires truthful disclosure of circulation, and we intend to pursue that," Stevens said, in the course of venting his ire with reporters.

Is there a connection between his interest in accurate circulation numbers and his anger at media coverage of him?

"I don't see a connection, any more than you see the connection in connecting me with my son. OK? You draw your own conclusions," Stevens said.

Daily News Publisher Mike Sexton said the newspaper's reported circulation figures "will stand up to any examination" and said decisions about what to cover are made in Anchorage.

"It's unfortunate that Sen. Stevens has taken the position of attacking the media in an attempt to deflect attention from his son's current situation," Sexton said in a written statement. "I can assure the senator that

decisions about what to publish are based on newsworthiness, with those decisions being made by executives and staff located in Alaska."

Sexton said it was a "very interesting approach" to attack the newspaper for "a story about (Ben Stevens) yet to be published."

KTUU news director John Tracy said his station is owned by a family business in Washington state but is run by longtime general manager Al Bramstedt, whose father sold the station to the Washington outfit.

Stevens alleged that Alaska reporters have decreased his effectiveness as a senator, he said.

"And whether you know it or not, I'm responsible for almost $3 billion a year that goes into the Alaska economy," he said. "My ability to do that now is questioned. The reason for my doing that is questioned. I think that you've harmed Alaska by this malicious attack on me."

Reporter Liz Ruskin can be reached at lruskin@adn.com.

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FBI - Stevens-177

FD-350 (Rev. 5-8-81)

Anchorage Daily News
B-2
Anchorage, AK
(Indicate page, name of newspaper, city and state.)

(Mount Clipping in Space Below)

Date: 09/11/2005
Edition: Sunday

Title: Alaska Ear

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

Indexing:

REALITY CHECK ... Columbia Pictures is planning a horror movie set in Barrow, based on a comic book series called "30 Days of Night."

The Hollywood Reporter says it's set in "the northernmost town in the U.S., where the sun does not appear for more than 30 days during the dead of winter. An evil force emerges from the darkness, striking terror in Barrow."

According to people who have seen the story, the evil emerges from and works its nastiness in town basements.

Uh-oh. No basements in Barrow.

The evil doers are brought to heel by Sheriff Eben Olemaun and his deputy sheriff wife.

Uh-oh. Good Inupiat name, but no sheriffs in Barrow.

The guy who wrote it reportedly has never set foot in Barrow, and Ear is willing to bet not a single scene will be filmed there. Not even the exteriors. The script calls for action featuring the trans-Alaska oil pipeline, but uh-oh, The pipeline isn't even visible from Barrow.

REALITY CHECK II ... Can it be true that Tony Knowles took cooking lessons at a culinary school in Tuscany this summer? Ear has doubts, but the people behind a gonzo fundraiser for the Alaska All Star Hockey Association on Friday list among the items to be auctioned off a pasta dinner prepared by Tony and Susan and mention his new Tuscan expertise.

Ear understands Anchorage is a psycho hockey town, but this Hilton dinner event, with hockey great Gordie Howe as

FBI - Stevens-178

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B-2
194A-AN-13620

guest of honor, is way over the top. Other auction items include a 2-year-old thoroughbred horse named "One Tuff Mutha," allegedly worth $12,000, a pearl and diamond necklace, a sojourn at the Tyson Foods ocean-front estate in Cabo San Lucas, and "dinner for six at a fire station near you," donated by the Anchorage Firefighters Association.

OUT AND ABOUT ... Spotted Sept. 3 on an incoming Alaska Airlines flight, **Art Snowden**, former head of the Alaska Court System. The court administration building on Fourth Avenue is named after him. Art lives Outside now. An earmite says he was in first class and coming back to go fishing for trout and silvers on the Kenai.

QUOTABLE ... From Thursday night's Alaska Women's Political Caucus do, featuring gubernatorial hopefuls **Ethan Berkowitz**, **Eric Croft** and **Andrew Halcro** at the palatial South Anchorage digs of **Chris Cook** and **Georgianna Lincoln**:

The vertically challenged Berkowitz, referring to himself and the 6-foot-or-so Croft: "I always say that between the two of us we're tall and handsome."

ON THE MOVE ... Word is that two prosecutors, **Marcy McDannel** and **Windy East**, have defected from the Anchorage District Attorney's office to become public defenders with the Office of Public Advocacy in Palmer. It's rare but not unique for prosecutors to cross the street that way. However, the Divine Appendage is having trouble getting its lobe around the concept of Maximum Marcy as a defense attorney.

• **Milt Radford**, a long-time Channel 2 weather person, is leaving the station and Alaska. Milt is headed for KDRV-Channel 12 in Medford, Ore., where instead of forecasting snow all the time he'll get to forecast rain all the time. Actually, earwigs report he was hired as the station's assignment editor but will be called on to do the weather now and then.

VERBATIM ... This was posted last week on Salon's War Room site:

"As the authorities shuffle hurricane refugees from the Superdome in New Orleans to the Astrodome in Houston and other venues scattered around Texas, ordinary people from all across America are posting offers on the Web to let people stay with them.

As Salon reader **Sandy Harbanuk** of Juneau, Alaska, reminds us, we know of a guy from Crawford who has 1,600 acres of land and a 10,000-square foot vacation estate he's not using just now. We wonder if he's going to post a note on craigslist offering to take some 'good folks' in."

BUMPER SNICKER ... On a car spotted on West Northern Lights this week: "Build the Bridge! Skagway to Honolulu."

QUESTIONS ... Is it possible the dress code at Colony Middle School forbids clothing decorated with rabbit images because rabbits are a symbol indicating support for pornography? A mom out there swears her kid was told that and scolded for breaking the rule.

• Is Channel 11 opening a Mat-Su Valley bureau? That's the rumor. It sounds like a good idea – fastest growing area in the state, as we all know. And Ear, a fan, has been worried about their news operation since they lost their top reporter, **Jill Burke**, to Channel 2.

CULTURE CLASH ... Radio personality, Sagaya salesman, and mayoral candidate **Jack Frost** has added a younger, liberal co-host to his KUDO afternoon talk show, **Aaron Silbig**, editor of Insurgent49, a new progressive newspaper around town.

Says an amused onlooker: "The point-counterpoint is not just liberal-conservative but generational. For me, watching them in the studio is funny — Jack in shirt and tie, Aaron with a turned-around baseball cap and a T-shirt."

FLYING FACTOID ... The Anchorage Planning Commission has been asked to approve a new car wash that features three regular car washing bays, one bay for oversized vehicles, two for RVs, and two for washing dogs.

— Compiled by Sheila Toomey

■ ear@adn.com

FD-350 (Rev. 5-8-81)

Anchorage Daily News
Anchorage, AK

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

(Mount Clipping in Space Below)

Date: 09/12/05
Edition: Monday

Title: Ben Stevens has been a Good Leader for State and the Fishing Industry
Character:
or
Classification: 194A-AN-13620
Submitting Office: Anchorage

Indexing:

Ben Stevens has been a good leader for state and the fishing industry

We are disturbed by the attempt to recall state Sen. Ben Stevens. The two issues the recall is based upon are allegations of corruption related to Stevens' consulting job and sponsorship of SB 155.

The first allegation is not factual, but based on the assumption that Stevens cannot separate his private consulting relationships from his public service as a senator. The state doesn't require legislators to quit their jobs before entering office. Many other legislators also have consulting jobs. Where's the evidence of corruption in Stevens' case?

The second issue is equally weak. Stevens sponsored a bill, SB 155, which would have paid for deferred maintenance and construction of K-12 schools across the state using a portion of the Permanent Fund earnings. SB 155 was co-sponsored by 12 other legislators. If legislation using the Permanent Fund earnings is such a problem, why aren't the other 12 legislators being taken to task?

We think it is also important to relay our experiences with Stevens for those who have not had the opportunity to work with him. Stevens, an experienced fisherman, has worked endlessly since becoming a senator to help the entire fishing industry through difficult and changing times. We believe Sen. Ben Stevens is an asset for the people of Alaska and we are thankful to have him working on our behalf.

—Gig & Julie Decker
Wrangell

EDITOR'S NOTE: Julie Decker works for a fishing advocacy organization; Gig Decker is a past board member of a fishing advocacy organization.

FBI - Stevens-180

194A-AN-13620 - ~~PRESS~~ M-85

FD-350 (Rev. 5-8-81)

A-6
Mat-Su Valley Frontiersman
Wasilla, AK
(Indicate page, name of newspaper, city and state.)

(Mount Clipping in Space Below)

Date: 09/13/05
Edition: Tuesday

Title:

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

Indexing:

FBI - Stevens-181

194A-AN-13620 — Press — m86

FD-350 (Rev. 5-8-81)

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

(Mount Clipping in Space Below)

Date: 9-14-05
Edition:

Title: Hooking a Gift Fish in the Mouth

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

Indexing:

(see attached)

FBI - Stevens-182

m-87

194A-AN-13620-Press

Hooking a gift fish in the mouth

In June, Aleutian Spray Fisheries, a Seattle-based fisheries concern, sued Ben Stevens, president of the state senate, and Stevens's business partner, Kjetil Solberg. Aleutian Spray Fisheries accused the pair of trying to usurp control of Adak Fisheries. Aleutian Spray says it owns half of Adak Fisheries and that it has loaned the company millions of dollars. Solberg founded Adak Fisheries in 1998, and by some accounts owns half the business.

In 2003, Ben Stevens's father, U.S. Senator Ted Stevens, sponsored a bill that gave the Aleut Corporation, an Alaska Native corporation, 19,000 metric tons of pollock quotas, which could be worth from $10 million to $12 million a year. The Native corporation owns the only fish plant on Adak.

Adak Fisheries leased that plant from an Aleut Corp. subsidiary, Aleut Enterprise. At the time, Ben Stevens was on the board of Aleut Enterprise. He voted for the deal, which gave Adak Fisheries management of the Native corporation's pollock quotas. Ben Stevens said he had no conflict of interest, Aleut Corp. spokesman Curtis Smith said. But it looks as though the deal could potentially enrich Stevens.

Ben Stevens in fact had an option to buy part of Adak Fisheries when he voted to give the company management of the Aleut Corp.'s pollock quotas, Smith told KTUU Channel 2 news last week. Since 2002, Adak Fisheries has paid Stevens $300,000 in consulting fees, Channel 2 reported.

In June, Solberg said Stevens was the president of Adak Fisheries, and that Aleutian Spray Fisheries had no stake in the company, Aleutian Spray Fisheries attorney James Reeves told Channel 2.

An aide at Ben Stevens's Anchorage senate office said the office could not comment on a lawsuit unrelated to his work in the state legislature. A call to Ben Stevens's attorney, Mike Spaan, was not returned.

- Scott Christiansen

Anchorage Press http://www.anchoragepress.com/archives-2005/flashlightvol14ed36.shtml

194A-AN-13620

FD-350 (Rev. 5-8-81)

Anchorage Daily News
Anchorage, AK
(Indicate page, name of newspaper, city and state.) B-6

(Mount Clipping in Space Below)

Date: 9-14-05
Edition:

Title: All-Alaska Gas Line is Wishful Thinking

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

Indexing:

COMPASS: *Points of view from the community*

All-Alaska gas line is wishful thinking

By PAUL LAIRD

As Alaskans consider our options for a North Slope gas project, we'll do well to remember that wishful thinking is no substitute for actual thought.

Wishful thinking says we can build a pipeline to Valdez to sell liquefied natural gas to the West Coast. Real thought tells us the sheer volumes of LNG that would be required in order to make a project economic would depress prices in West Coast markets and undermine the economic viability of the project.

Wishful thinking says Alaska LNG can be marketed in Pacific Rim countries. Real thought says there's already an abundance of less expensive LNG from closer sources, ones that don't require a multibillion-dollar pipeline to reach tidewater.

Wishful thinking says we can tax a gas project into reality. Real thought says we'll only succeed in making Alaska an even less attractive place to invest, not only for gas commercialization but for any world-class resource development project that's subject to the vagaries of state tax policy. It will harm long-term production and eliminate private sector job and business opportunities for Alaskans, only to pump more money in the short term into a bulging state bureaucracy.

Wishful thinking says a pipeline project is economically viable already and doesn't need fiscal terms for gas and oil that are lucid and lasting in order to proceed. Real thought says that's an easy conclusion to reach when it's someone else's money, you aren't the one taking the risks on costs, and you haven't been burnt before when the state changed the rules after you made an investment.

Wishful thinking says Alaskans... can finance and build an "all-Alaska" pipeline without putting any of our assets like the Permanent Fund at risk.

Wishful thinking says Alaskans are entitled to whatever we want in terms of a gas project and won't have to assume any of the responsibility or risk ourselves, that we can finance and build an "all-Alaska" pipeline without putting any of our assets like the Permanent Fund at risk. Real thought tells us no investment bank is going to support a 100 percent debt-financed project the size of a North Slope gas pipeline. If we really want an all-Alaska line, we're going to have to mortgage Alaska's future in order to build it.

Wishful thinking says we can trust the government to build and operate a gas project. Real thought — along with an empty grain silo in Valdez, a failed fish processing facility in South Anchorage and fallow farmland at Point MacKenzie — suggest otherwise.

Wishful thinking says Alaskans can control our own destiny and won't have to depend on Canada if we build an all-Alaska line. Forget real thought. Even proponents of an all-Alaska route now say LNG exports to Canada are the catalyst to their project (the latest version).

Wishful thinking says there will be more jobs for Alaskans with an all-Alaska route. Real thought says there will be a surplus of jobs for skilled Alaskans regardless of which project prevails.

Wishful thinking says we'll get a better deal if we hold out once the one(s) being negotiated by the governor are finalized (never mind that we don't even know the terms). Real thought suggests that once negotiations yield an agreement, it just might be the best prospect for a gas project that many of us will live to see. At best, holding out for something "better" will result in years of delays — and at worst, in no project at all.

Wishful thinking says we can trust politicians who say an all-Alaska pipeline is the only acceptable option because it's best for Alaskans. Real thought says that while political posturing may be best for them, what's really best for us are new jobs, new business opportunities and a reliable new source of long-term revenues and gas supplies for Alaska's communities.

And those will come only through a project with the potential to actually be built.

■ Paul Laird is general manager of the Alaska Support Industry Alliance, a trade organization representing 400 companies and professionals that provide goods and services to the oil, gas and minerals industries.

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194A-AN-13620 — Press -

FD-350 (Rev. 5-8-81)

Anchorage Daily News
B-6
Anchorage, AK
(Indicate page, name of newspaper, city and state.)

(Mount Clipping in Space Below)

Date: 09/14/05
Edition: Wednesday

Title: Our View - Sen. Stevens Questions are fair and necessary!
Character:
or
Classification: 194A-AN-13620
Submitting Office: Anchorage

Indexing:

OUR VIEW

Sen. Stevens

Questions are fair and necessary

U.S. Sen. Ted Stevens has said the Anchorage Daily News and KTUU-Channel 2 have launched a "vicious attack" on him and his son, state Sen. Ben Stevens.

What the Daily News has done is ask questions of both senators about legislation and financial dealings, about consultant work and any connections in the activities of the two men. That's our job.

Neither $3 billion, nor $30 billion, nor $300 billion, gives politicians a free pass.

These are fair questions that all Alaskans — the people both men work for — have a right to ask. We're in the business of asking them, and pressing for answers, because Alaskans have a right to the answers.

The elder Stevens made a point of reminding reporters that he delivers almost $3 billion a year to the Alaska economy.

There's no question that Ted Stevens has delivered for Alaska in a long and distinguished career in the U.S. Senate.

But neither $3 billion, nor $30 billion, nor $300 billion, gives any politician a free pass. No politician is above questions about their financial dealings or appearances of conflict. To regard any such question as an attack is just wrong.

We'll continue to ask the questions.

■ BOTTOM LINE: No Alaska lawmaker, no matter how powerful, is above straight questions from Alaskans. 194A-AN-13620

FBI - Stevens-185

194A-AN-13620-~~Pres~~ M-89

FD-350 (Rev. 5-8-81)

Anchorage Daily News
Anchorage, AK

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

(Mount Clipping in Space Below)

Date: 09/14/05
Edition: Wednesday

Title: Ben Stevens may Not Recognize a Line

Character:
or
Classification: 194A-AN-13620
Submitting Office: anchorage

Indexing:

Ben Stevens may not recognize a line

On the same day state Sen. Ben Stevens says, "I've never, and would never, cross the line between my personal business affairs and the oath of office I signed to serve in the Alaska state Senate" ("Stevens declines questions," Sept. 9), we learn of his connection to Adak Fisheries and how they have prospered due to daddy's federal legislation ("Scribbles on whiteboard no contract, judge rules"). Wow! Does he even know what a line looks like? Please, let's have this man removed before more nepotism takes place — and he gets daddy's job.

194A-AN-13620 — *JD Daniels*
Anchorage

FBI - Stevens-186

M-90
194A-AN-13620 — Press

FD-350 (Rev. 5-8-81)

KTUU (Channel 2)
Anchorage, Alaska
(Indicate page, name of newspaper, city and state.)

(Mount Clipping in Space Below)

(see attached)

Date: 09/14/05
Edition: Wednesday

Title: Governor Pushes Oil Producers to make a Decision
Character:
or
Classification: 194A-AN-13620
Submitting Office: Anchorage

Indexing:

2e

FBI - Stevens-187

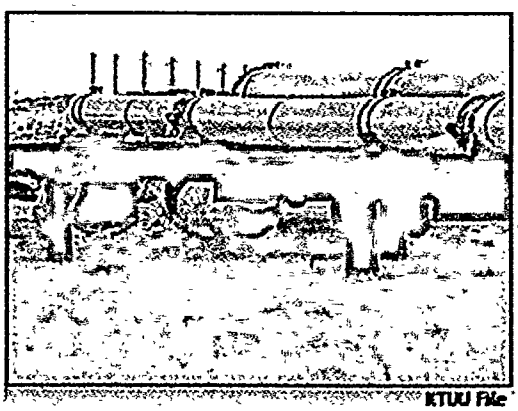
M-91

194A-AN-13620-~~PRESS~~

194A-AN-9620

Governor pushes oil producers to make a decision

Wednesday, September 14, 2005 - by Bill McAllister


KTUU File

Anchorage, Alaska - Alaska Gov. Frank Murkowski hinted today that the North Slope oil producers have a limited amount of time to come to agreement on terms for a natural gas pipeline. The governor said that he wants to hear from the producers next week on a comprehensive offer he has given them for the terms and time line of the $20 billion gas line project.

In a speech in Valdez, Murkowski said that global market conditions are right for a gas pipeline from the North Slope to the North American grid. The governor says he has put something major on the table in the confidential negotiations between the administration and the producers, and he wants them to react to it soon, or else he says he will pursue other options for getting Alaska's gas to market.

Murkowski's apparent impatience with the producers was echoed by a state representative who is gathering signatures on a citizen's ballot initiative to tax the North Slope gas reserves. Representatives of BP Alaska and ConocoPhillips say they are indeed working to make the project happen.

Mike Hederbrock/KTUU-TV

"Speaking on BP's behalf, this is one of the most important projects in our global portfolio. This is a project that our chief executive officer has had discussions with the president and the vice president of the United States about," said Daren Beaudo, BP Alaska (left).

Murkowski says a gas line deal must follow six principles: a fair share of revenues for the government; access to gas for both Alaskans and other energy companies; the ability to expand the pipeline; partial state ownership; and jobs for Alaskans.

"Yesterday we transmitted a comprehensive draft proposal -- which was the state's basic position -- to the producers -- and it covered the six principles which I've outlined," said Murkowski.

"There's an immediacy to trying to get something done. And frankly delaying a project has costs, in terms of revenues and benefits," said Chuck Logsdon, Murkowski advisor (right).

Mike Hederbrock/KTUU-TV

Some of the urgency from the administration arises from the fact that the governor had promised a special legislative session this fall to consider a gas line contract.

The governor says that money from the gas line project could be used to restore municipal revenue sharing, a program he vetoed in 2003. And Logsdon says the tax structure that the governor proposes would be progressive, so that the state would earn

more at high natural gas prices.

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

FBI - Stevens-189

FD-350 (Rev. 5-8-81)

Anchorage Daily News
B-7
Anchorage, AK
(Indicate page, name of newspaper, city and state.)

(Mount Clipping in Space Below)

Date: 09/15/05
Edition: Thursday

Title: Alaska Inspires Big Project Ideas

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

Indexing:

(8)

Alaska inspires big project ideas

By LEW M. WILLIAMS JR.

Gov. Frank Murkowski's administration is negotiating with oil companies to construct a natural gas pipeline from Prudhoe Bay to the Midwest. With the current price, the time is right to get that gas to market. Those wanting a gas line to Valdez also might be successful.

In the next few years, in conjunction with building the gas line, extending the Alaska Railroad south to connect with the continental railway system will be feasible. The governor is promoting the railroad extension, plus a road out of Juneau and a road out of Southeast via Bradfield Canal between Wrangell and Ketchikan.

The time is right for that railroad extension because of the bottleneck at West Coast shipping ports. Container ships have to wait in line to unload. That is why Prince Rupert, B.C., is building a container port.

Prince Rupert is closer to foreign ports, particularly in China, where shipping is booming. The governor points out that Alaska ports, such as Seward and Whittier, are five days closer for shippers than major West Coast ports. All Alaska needs is a railroad connection.

Williams

Alaska inspires big ideas. When Boris Yeltsin, Russia's first popularly elected leader, visited Alaska last month, he and the governor discussed a 42-mile railroad tunnel under the Bering Strait between Alaska and Russia. One problem is the lack of railroads in Russia and Alaska.

The governor brought up the tunnel with Yeltsin after the Rev. Sun Myung Moon, founder of the Unification Church, brought it up at a worldwide religious conference in Washington in June, according to the Washington Times. The Rev. Moon's organization owns the Times, United Press International and a fish processing plant in Kodiak.

Yes, Alaska seems to inspire big ideas. By constructing the Bering Strait tunnel, it would be possible to connect Labrador to Cornwall, England, now that the tunnel under the English Channel is completed. A non-profit Alaska corporation has been pushing the idea since the 1980s. It is the Interhemispheric Bering Strait Tunnel and Railway Group.

"You expect me to tell the truth, the whole truth, and nothing but the truth, and then you ask me a question like that!"

Chairman of the corporation is George Koumal of Tucson, a mining engineer with worldwide experience who also speaks Russian. Secretary is Anchorage businessman and attorney Joseph Henri. There are members from Russia. The group is talking with Mongolian government leaders and hopes to enlist Canadian membership.

FBI - Stevens-190

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194A-AN-13620-~~Press~~

There are others. A historical writer, S. Berliner III, of Glen Head, N.Y., proposes what he calls the "Strunnel," a takeoff on the 31-mile "Chunnel" from Britain to France. He pushed the idea unsuccessfully with Yeltsin, President Clinton and Gov. Tony Knowles.

There is an organization based in London called the Bering Strait Tunnel and Railroad Group, also pushing the tunnel idea. Its opponents have organized. They have a Web site, Halfbakery.com, that throws a wet towel over the idea.

Alaskans should hesitate before ridiculing Murkowski for mentioning the tunnel. Like many big ideas, it began with an Alaskan, a veteran of the Klondike Gold Rush.

John Jasper (Jack) Underwood was born in Sydney, Australia, but at an early age followed gold strikes around the world. After alternating between prospecting and editing newspapers in Nome and Council, he wrote a book.

Dodd, Mead and Co. published his "Alaska, An Empire in the Making," in 1913. In predicting Alaska's potential, he wrote:

"It is, therefore, not improbable that at some time in the not-too-remote future, engineers and financiers will join in forces in the construction of a tunnel under Bering Straits, and with the aid of a few hundred miles of railroad in Alaska and Siberia, make it possible to ride from New York to Paris on wheels."

Lots of big ideas have come and gone with Alaskans. The late Ernest Gruening's plan to build a huge hydroelectric dam at Rampart on the Yukon River comes to mind. Gruening was an Alaska governor and one its first U.S. senators.

In 1968, Gov. Wally Hickel predicted he would drive the Turnagain Arm Crossing by 1973. Gov. Murkowski's natural gas pipeline has a better chance. It will be the biggest project in modern times (until the Bering Strait tunnel), and again, the idea was born in Alaska.

The above makes Congressman Don Young's Knik Arm Crossing and the bridges from Ketchikan to Gravina Island seem puny. But let's not disparage the little projects. City of Ketchikan voters rejected a $70 million bond issue last month to expand the city's port. City officials now struggle with alternate plans. They will make it and probably build a new library and new museum along with it.

Alaskans might have two natural gas pipelines, be able to drive out of Southeast — or at least to Ketchikan's airport — and take the train to Paris in this century.

09/15/05
B-7
194A-AN-136020

FBI - Stevens-191

FD-350 (Rev. 5-8-81)

Anchorage Daily News
Anchorage, AK

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

(Mount Clipping in Space Below)

Date: 09/16/05
Edition: Friday

Title: Maybe Line Between Personal Life, Elected Office Eludes Ben Stevens

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

Indexing:

Maybe line between personal life, elected office eludes Ben Stevens

Ben Stevens "would never cross the line between (his) personal business affairs and the oath of office (he) signed"? ("Stevens declines questions," Sept. 9.) Does he know where that line actually is? His constituents want to be assured that none of his $195,000 in consulting fees in any way influenced his work as their senator in Juneau. Instead of producing factual evidence, Ben Stevens pulls his children out of school for a six-minute photo opportunity and claims he is the victim of "personal attacks."

Ben Stevens regularly makes personal attacks such as calling residents of the Mat-Su Valley "trash" and wishing to forcibly put Mayor Begich's head in a toilet and flush it.

If Ben Stevens would "never cross the line" between his personal life and his public life as an elected official, how does he explain the personal nature of his response to questions about his public life? Nothing has been alleged about Ben Stevens' wife or children. Yet Ben Stevens' response to the recall petition consisted of little more than a six-minute public viewing of his wife and children. He offered nothing of substance in response to the question actually posed by the recall petition.

Could it be that Ben Stevens cannot see the line that divides his personal life from his public work as an elected official?

—Allen Levy
Anchorage

FBI - Stevens-192

194A-AN-13620—~~Press~~ m-93

FD-350 (Rev. 5-8-81)

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Anchorage Daily News
Anchorage, AK
(Indicate page, name of newspaper, city and state.)

(Mount Clipping in Space Below)

Date: 09/18/05
Edition: Sunday

Title: Ben Stevens' Secret Trish Deal

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

Indexing:
Kjetil Solberg
Ben Stevens
Ted Stevens
Dave Jensen, CEO, Alert Corp.
Sandra Moller, President & CEO, Alert Enterprises LLC

(see attached)

FBI - Stevens-193

194A-AN-13620 — ~~Press~~ m-94

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Ben Stevens' secret fish deal

State senator helped steer Adak pollock to a company he had financial stake in

By RICHARD MAUER
Anchorage Daily News

State Sen. Ben Stevens held a secret option to buy into an Alaska seafood company at the same time his powerful father, U.S. Sen. Ted Stevens, was creating a special Aleutian Islands fishery that would supply the company with pollock worth millions of dollars a year.

The pollock allocation alone was projected to provide the company with $1.5 million in profits this year and $3.7 million in 2006, the company's founder said in an affidavit in March, before problems involving the company and the availability of fish cast doubt on those numbers. Under his deal, Ben Stevens would have been entitled to one-fourth of the profits of the company, Adak Fisheries.

During the time he held the option, the company grew in value from about $2 million to at least $8.5 million, according to an owner and court documents.

A copy of Ben Stevens' option agreement surfaced as one of hundreds of documents submitted in the last few months as evidence in several lawsuits involving the company, its owners, its landlord and government regulators.

In the past few weeks, Ben Stevens' attempt to obtain ownership in Adak Fisheries has been the subject of news stories on KTUU-Channel 2 and in the Daily News — coverage denounced by Ted Stevens at a recent news conference.

The secret option was a surprise to officials of the Aleut Corp., the intended beneficiary of the pollock fishery, they said, when they learned of it late last year. The company, the regional Native corporation for the Aleutian Islands and the Pribilofs, had invited Ben Stevens to serve as a director of Aleut Enterprise Corp., its subsidiary charged with the economic development of the former Navy base at Adak.

As a director of Aleut Enterprise Corp., and without disclosing his conflict of interest, Ben Stevens voted to transfer the pollock rights to Adak Fisheries and argued against the Aleut Corp. claiming a larger share of the profits, according to Aleut officials in court testimony or interviews with the Daily News.

Ben Stevens has repeatedly declined to answer any questions from the Daily News about the option or any aspect of his activities involving fish processing at Adak or the Aleut corporations.

"My attorneys have advised not to discuss it because it's before the court," he told reporters two weeks ago.

Nevertheless, Stevens discussed the option on an Anchorage talk radio show last week and asserted he had no obligation to disclose it.

In a deposition Aug. 10, Aleut Corp.'s corporate counsel, Roger DuBrock, said he first heard rumors about Stevens' option in summer or fall 2004, after Stevens left the Aleut Enterprise Corp. board. He said he began worrying about the consequences if it were true and word leaked out.

Ben Stevens

"My concern is that if it ever became public knowledge that Sen. Ted Stevens got legislation passed for a pollock allocation that ended up getting assigned to Adak Fisheries, and that Ben Stevens, his son, had an ownership interest in that company, there would be all kinds of unfavorable newspaper reports written that might damage Senator Stevens and might damage Ben Stevens and might damage the Aleut Corporation," DuBrock testified.

See Page A-12, STEVENS

TOP 10 QUESTIONS FOR THE FEMA DIRECTOR APPLICATION

10. Are you able to convey a false sense of security?

9. What percentage of your resume is fabricated?

8. In a crisis, which state or local officials would you blame?

7. What are your plans after you resign?

6. Do you mind if the last guy left the office smelling like Arabian horses?

5. Which is most serious: a disaster, a catastrophe, or a dis-astrophe?

4. Does Robert Blake dating again count as an emergency?

3. Can the president easily add '-ie' to your last name to form a nickname?

2. Can you screw up bad enough to take the heat off the president's mistakes?

1. Michael Brown: idiot or

"So this is weird," Depp said as hundreds of fans watched the ceremony Friday. "I mean to say that this is overwhelming is probably the understatement of the millennium."

The sidewalk honor coincided with the release of Depp's latest film, the animated "Corpse Bride," which opened in limited release Friday. The movie expands to wide release next weekend.

It was his fifth collaboration with director Tim Burton, who also directed "Charlie and the Chocolate Factory" and "Edward Scissorhands."

Depp is currently filming "Pirates of the Caribbean: Dead Man's Chest" and "Pirates of the Caribbean 3."

Spielberg foundation now part of USC

Steven Spielberg's Shoah Foundation, a repository of Holocaust testimonials, is becoming part of the University of Southern California's College of Letters, Arts and Sciences.

Spielberg

Spielberg, the foundation's chairman and a USC trustee, said moving the collection to USC will ensure its preservation and access to the public.

"All of us know that the survivors and witnesses have given us a precious gift whose wise use will build a better world for this and future generations," Spielberg said in a statement.

The repository's 52,000 testimonials from survivors and witnesses will be transferred Jan. 1 to USC indefinitely under an agreement announced Friday between

inch statue of the martial arts legend on the Avenue of Stars, which honors Hong Kong movie stars, said Hew Kuan-yau, a member of the club's committee.

Lee

Lee was born in the United States but moved to Hong Kong as a child. Most of his movies were shot and produced in Hong Kong. He died in 1973 at age 32.

His fans voted for the statue to represent a pose from his 1972 movie "Fist of Fury." Plans call for unveiling the statue on Nov. 27.

Hew said the club has only raised half of the $155,000 needed for the statue's construction, installation, insurance and publicity, and he's appealing to the government for a donation.

"We are not asking them to pay for the total sum but at least part of it," he said Thursday. "We want people to know about the legend of Bruce Lee."

FBI - Stevens-195

Teen actor faced with a revealing shot

Becca Gardner got a backside view of co-star Morgan Freeman for a scene in "An Unfinished Life."

In the new movie directed by Lasse Hallstrom, Freeman plays a ranch hand who was mauled by a bear, making him dependent on morphine. Becca's character has to give him an injection.

"I was kind of nervous to see, like, his butt, and I pulled down his pants and he was wearing a thong!" the 15-year-old told The Associated Press in an interview. "An Unfinished Life" also stars Robert Redford

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STEVENS: 'He was a friend who helped while I struggled,' Solberg says

Continued from A-12

bility for the plant.

In December 2001, he found another Seattle partner, Icicle Seafoods Inc. Together they created another company, Adak Fisheries LLC, with each partner owning 50 percent.

The new company signed a new lease with the Aleut Enterprise Corp. on Dec. 28, 2001, agreeing to pay rent of $9,000 a month to start. Beginning in 2004, the lease required Adak Fisheries to pay an additional 30 percent share of its profits to the Aleut Enterprise Corp. after deducting the base rent and capital improvements.

CONSULTING AT $10,000 A MONTH

As a new state senator, Stevens was required to disclose his sources of income beginning in 2000. Those documents show that Solberg's companies had paid him $37,000 in consulting fees that year, an amount that increased in the ensuing years.

Solberg said Stevens was worth the money.

"The good thing with Ben is that he's extremely knowledgeable when it comes to fisheries," Solberg said. "He fished out there for several years, battled the same storms."

Solberg said Stevens worked as a consultant, helping him with regulatory issues and business, and traveled to Europe with him to meet fish buyers. Stevens didn't keep track of hours or prepare formal reports, Solberg said.

"He's sending me a lot of e-mails — kind of reports," Solberg said.

Stevens was paid a flat fee of $10,000 a month.

In particular, Solberg said, Stevens went to bat for him on crab issues before the federal North Pacific Fishery Management Council "and the state, the Board of Fisheries," Solberg said. He said Stevens lobbied the state Fish Board on his behalf before he was a state senator.

Stevens did other tasks that could only be done in Anchorage while Solberg was out in Adak, including picking up fishermen at the airport.

"He was a friend who helped while I struggled," he said. "Maybe he believed in me. Who knows?"

The 46-year-old Stevens managed to get his work done despite other demands on his time, Solberg said.

"He is up at 4 o'clock in the morning working out, he can drink beer till after midnight and then be up at 4 o'clock in the morning. He does a lot. I can do a little stuff, but sometimes I need to rest a little bit, and both him and his old man — Ben just keeps going."

On July 29, 2002, Solberg and Icicle offered Ben Stevens the chance to own part of Adak Fisheries.

They drew up an option that gave Stevens until Dec. 31, 2004, to pay $50,000 down, and $450,000 over time, to buy 25 percent of the company. His share would come equally from the other partners, whose holdings would be reduced to 37½ percent each.

The agreement was signed by Solberg, Stevens and Icicle president Don Giles.

The option document notes that Adak Fisheries had been formed with an initial investment of bly worth half that much at the time Stevens obtained the option.

Reciting the reasons for granting the option, the document expresses hope that Stevens will help increase the company's worth.

"Stevens is a consultant with extensive experience in the Alaska fisheries and the skills to help increase the value of the company, and has consulted with Solberg regarding fish processing opportunities in Adak, Alaska, for several years," it says. "In recognition of Stevens' contribution to the company, and incentive for the further efforts on behalf of the company, Icicle and Solberg are prepared to grant Stevens the option as set forth in this agreement."

The company grew quickly, primarily on its cod processing, though it also processed halibut and sablefish. Valuable pollock was still off limits. In the first few months of 2004, the company showed a $2.3 million profit, Solberg has said, though it ended that year with a loss, primarily because of the business failure of a buyer in Norway that cost Adak Fisheries $900,000.

Solberg wasn't satisfied with just processing cod and other under-utilized species. As a finished product in the countries that eat salted cod — mainly Norway, Portugal and Brazil — it's a valuable food. But the best profit is in the final processing in Norway, Solberg said, not the preliminary freezing his plant was doing. Crab was much more lucrative, but the volumes were small, he said.

Getting a share of the valuable pollock catch dominated by the Seattle-based fleet could greatly improve his prospects. Pollock, a white-fleshed bottom fish, is highly valued in Asia.

"Ben and I worked very hard on getting the pollock allocation through Congress," Solberg said in an interview. "It's no secret."

Solberg said Ben Stevens gave him advice, but to his knowledge didn't personally take Adak Fisheries' case to Washington or to his father in particular.

For the allocation to pass into law, Solberg has asserted, it wasn't enough that the fish go to the Aleut Corp. The Native corporation also had to assure Congress that it had a solid long-term lease with Adak Fisheries specifically, or "it would not have been eligible for, nor would it have received, the allocation," Solberg's attorney said in a court filing in July.

At the time, Ted Stevens said giving the pollock to Adak was important for the state, for the Aleut people and for making use of a military installation that cost taxpayers more than $3 billion.

Aleut officials and Solberg stressed that processing the fish on shore would promote long-term stability for Adak's economy. There was only one onshore processor on Adak: Adak Fisheries.

In October, 2003, with Ted Stevens' $10 million pollock rider pending in Congress, a deal was struck: The Aleut Enterprise Corp., with Ben Stevens voting as a board member, amended its lease to assign the prospective pollock allocation to Adak Fisheries.

In return, Adak Fisheries' base rent doubled to $18,000 a month and the company agreed to make additional investments in the processing plant.

Moller, the Aleut Enterprise Corp. president, said she wanted an additional change in the October 2003 agreement: a bigger share of profits after rent and capital investments were deducted. The original lease called for a 70-30 split of profits: 70 percent for Adak Fisheries, 30 percent for Aleut Enterprise Corp. She proposed a 50-50 split.

"Our argument was that there was a lot to do on Adak. Lots of improvements, lots of things that need to be done, and it's a partnership, 50-50," she said in an interview.

But Stevens, she said, "was instrumental" in convincing her to let Adak Fisheries keep 70 percent of the profits.

CONCERNS AT ALEUT

Moller said she and other Aleut officials knew Stevens worked as a consultant to Adak Fisheries, but they had no idea, even as he voted on her board, that he had a personal economic interest in the company.

"Kjetil came to a meeting we all had once, with Ben as his consultant, and I asked him, 'Well, what's Ben do,' because I think he might've been on our board at that time, but I don't remember. He said, 'Oh, you know, lobbyist, and stuff like that.'"

By coincidence, on the day the Aleut Enterprise Corp. board was scheduled to assign the pollock rights to Adak Fisheries, a story appeared in the Daily News about Ted Stevens' pollock rider pending in Congress. The story mentioned Ben Stevens' consulting relationship with Adak Fisheries.

Moller said she read the story with concern. She said she expressed her worries to David Jensen, the Aleut Corp. chief executive and the chairman of her board of directors.

"This is blatant, front-page news," she recalled, urging him to get Stevens to "put it on the table."

Jensen took up her request, she said. During the meeting, Jensen asked Stevens directly whether he had any conflicts of interest other than his consulting income from Adak Fisheries.

Stevens said he didn't, Moller said.

The pollock rider passed in January 2004. Federal fishery regulators initially told the Aleut Corp. the company could obtain more than 15,000 tons of pollock in 2005 and the same in 2006, Moller said.

Despite the good news, Adak Fisheries was going through turmoil.

"They wanted to own everything themselves," Solberg said of his Icicle partners. "And I fought back and bought them out."

Solberg couldn't afford the takeover on his own, so he found another partner, Aleutian Spray Fisheries Inc., also of Seattle.

Cary Swasand, the chief executive of Aleutian Spray, testified recently that he first discussed buying into Adak Fisheries in a meeting with Solberg and Stevens on his boat in Seattle on May 1, 2004.

Swasand said he reluctantly agreed to buy in. He became less troubled, he said, when Solberg agreed that Aleutian Spray would have two votes on the Adak Fishery board to Solberg's one, giving Swasand control of the partnership.

So, in simultaneous transactions on June 3, 2004, Icicle sold its 50 percent share back to Solberg for $4.3 million, and Solberg immediately sold it to Aleutian Spray for the same price.

Solberg said he thought the 50 percent share was underpriced — the company was probably worth $10 million at the time, he said.

If Solberg's estimate is accurate, it would mean the value of Stevens' option had grown from $250,000 to $2.5 million in less than two years.

Solberg said he told Aleutian Spray's president, Swasand, about Ben Stevens' option and Swasand agreed to honor it. Swasand has testified that he learned of the option during the meeting on his boat, but whether he agreed to honor the option is an issue to be decided in one of the lawsuits. Swasand, his attorney John Young and his son Chris, all of whom are deeply involved in Adak Fisheries today, have declined to answer questions about the option because of the ongoing litigation.

On Nov. 16, 2004, Stevens attempted to exercise his option, sending a $50,000 check to Swasand, according to court documents.

The check was still in the Aleutian Spray office in Seattle in December when David Jensen, the Aleut Corp. chief executive, paid a visit.

The 2001 lease between the Aleut Enterprise Corp. and Adak Fisheries had a 33-year life. But because it was signed while the federal government still owned the land, it required a complex cascade of real estate transactions involving five entities to remain in effect. The lease contained a clause saying it would terminate when the land transfer to the Aleut Corp. was completed. That clause also required the parties to negotiate a new lease with substantially the same provisions as the old, taking into account changed conditions.

"I WAS FLOORED"

The transfer of the Navy base occurred March 17, 2004. The Aleut Corp. declared the lease void and began negotiations on a new one. But the talks dragged on, which is why Jensen visited Aleutian Spray in Seattle in December of last year. He had thought that the Aleut Corp. might propose to take a 30 percent ownership stake in Adak Fisheries and reduce the rent to $1 a year, according to a Sept. 9, 2005, affidavit by Jensen in one of the court cases.

It was there that he first learned of Stevens' option, he testified in the deposition. He was shown the $50,000 check, No. 115, and Stevens' demand letter. That suspended any talk of ownership for the Aleut Corp., since it was suddenly unclear whether 30 percent of the company was even available, he said.

"I didn't say anything other than I was floored," he said. "I had no idea of it."

Jensen also was confronted with a significant ethical issue, he said.

"Had I known about an option or ownership issue, that would have been a real problem," he said at the deposition. As far as he had known, he said, "Mr. Stevens was a consultant for Adak Fisheries, not an owner."

"He was on the board of the directors of AEC (Aleut Enterprise Corp.) ... you can't be on the board and serving your own personal interests. That wouldn't have been acceptable."

Solberg said he and Ben Stevens discussed the option with Jensen when the three traveled to Europe together in summer 2003.

Jensen insisted in his deposition that he never knew about the option until last December. At one point in his questioning, Adak Fisheries attorney Bruce Johnston pressed Jensen about whether Ben Stevens disclosed the option at a meeting in Anchorage in 2003. Jensen held firm.

"I remember him coming and talking to Roger (DuBrock) and I in my office, and he wanted to have an arrangement with Solberg," Jensen said.

"Are you telling me, Mr. Jensen, that if Mr. Stevens were to testify that he did, in fact, tell you about that option, that you would say directly that he is lying?" Johnston asked.

"I would say that he did not tell me about an option," Jensen said.

"Are you telling me that if he were to swear that he told you that, you would swear in a counter sense that he was lying?" Johnston asked.

"I'm not going to call him a liar. I'm not going to tell — I'm not going to say that I heard him say the word 'option.' Because I never heard 'option.' I have never heard that from him," Jensen said.

While Ben Stevens told reporters Sept. 8 that he couldn't discuss the case, last week he spoke by telephone to talk show host Dan Fagan on KFQD-AM and asserted that he had no requirement to disclose the option to the Aleut Enterprise Corp. The comments were rebroadcast Friday on KTUU Channel 2.

"I didn't own any interest" in Adak Fisheries, he told Fagan. "I owned an option that had to be granted. It was a right to buy under an agreement that the owners would agree to sell to me."

An expert on business ethics and the law, professor Daniel Kane of George Washington University in Washington, D.C., said conflicts involving outside directors like Stevens are not rare in business but are remedied by disclosure.

"He has a duty to tell the other directors," Kane said. "Why does it have to be a secret if it's up and up? ... It definitely could raise ethical questions of what the hell is going on."

Alaska corporate law also provides that directors must disclose conflicts to other directors and shareholders. Failing to do so opens the door to a lawsuit that could void contracts or transactions touched by the conflict of interest.

Moller, the Aleut Enterprise Corp. president, said she first learned about the option in December 2004. She was having coffee with Young, the attorney for Aleutian Spray, when he told her about it.

"I was astounded," she said. "He (Stevens) was on our board and he was apparently exercising a personal right into something that he should've been looking at as a board member. He should have at least disclosed it.

"A lot of what we did over the last five years at the board level was dealing with fisheries," Moller added. "We did have several meetings, throughout several years on what to do with the fish plant, everything from NorQuest to Icicle and Aleutian Spray."

As a board member, Stevens was privy to the discussions and voted on matters involving those Solberg companies.

Moller said Stevens signed a conflict-of-interest statement for his board service and in it failed to disclose the option.

APOC TO WEIGH IN

On Aug. 3 of this year, five days after the Daily News contacted his lawyer about the option and three years after he was offered it, Stevens asked the Alaska Public Offices Commission staff for the first time whether it was something he needed to report, according to Christina Ellingson, the agency's assistant director.

Ellingson said she told Stevens the law wasn't clear. While it specifically requires disclosure of options to purchase real estate, she said, the law doesn't specifically require the reporting of an option to buy a business.

Stevens argued to the public offices commission staff that he shouldn't have to report the option because it couldn't be sold and therefore "had no intrinsic value," she said.

Ellingson said she has sought additional documentation out of the court cases and expects the full commission to consider the issue of Stevens' option when it meets later this year.

On Dec. 23, 2004, Young returned Stevens' check and rejected his demand to exercise the option. Young's letter, entered as evidence in one of the court cases, acknowledged that Aleutian Spray's Cary Swasand knew about the option before he bought into the company. But Young said any agreement Swasand made was based on information about the company provided by Stevens and Solberg.

"As you are aware," he told Stevens, "many of those representations turned out to be inaccurate and the financial position and business prospects of the company are significantly different than what was represented to Mr. Swasand."

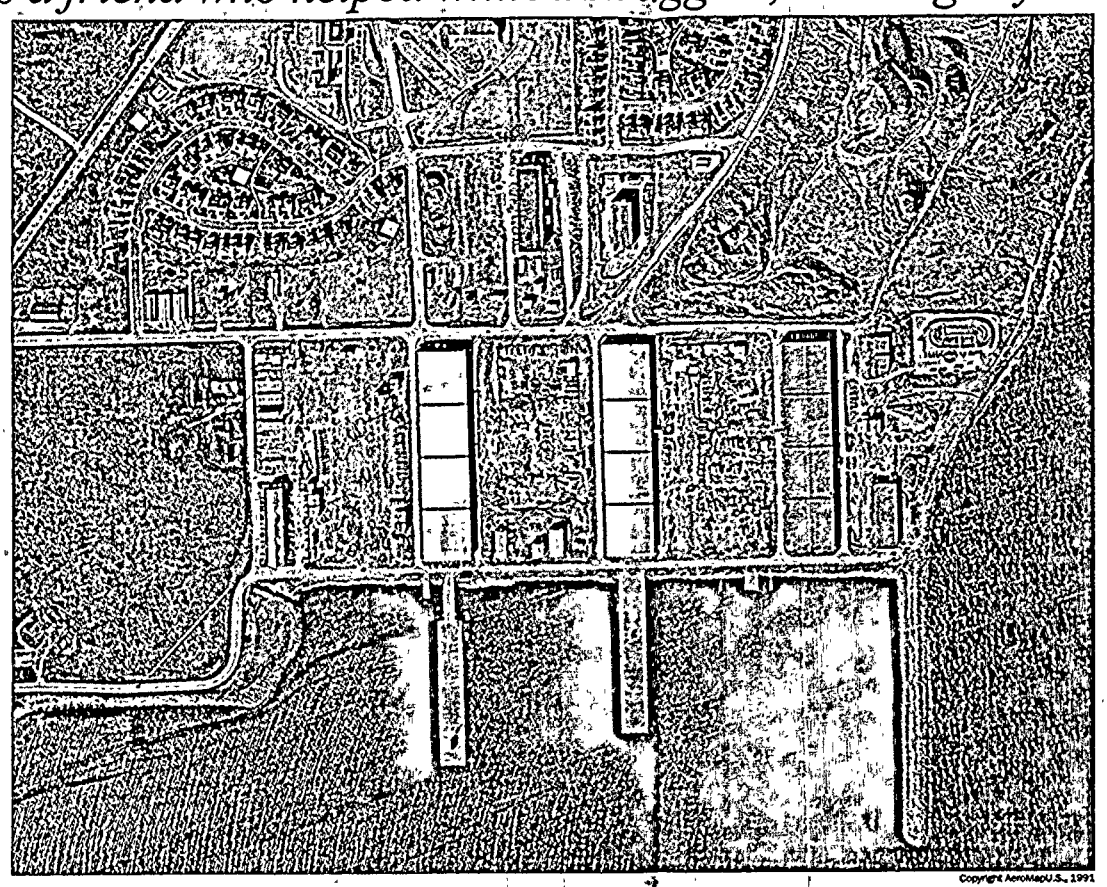
Those misrepresentations voided any obligation of Aleutian Spray to honor the option agreement, he said.

Relations between the Swasands, Solberg and Stevens deteriorated from there. In March, the Swasands agreed in principle to sell their 50 percent share to Solberg for $3 million, payable over two years. They said the deal was never completed; Solberg said it was.

Solberg, asserting he was sole owner of Adak Fisheries, accepted Stevens' $50,000 check on March 28 and honored the option, though Solberg's lawyer said he never officially transferred ownership, pending legal resolution of the competing claims.

On June 9, Aleutian Spray called a meeting of

See Page A-14, STEVENS



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The Adak Fisheries plant was built in the long warehouse at left. The Navy left the three warehouses when it pulled out of Adak in the mid-1990s. The Aleut Corp. obtained the real estate in a land trade with the federal government in 2004. Kjetil Solberg found the waters to be rich with cod in April 1998.

ON THE Web

■ PREVIOUS STORIES: To read earlier, related stories, look for these headlines:

- Aleut Corp. holds high hopes for Adak sites (Dec. 20, 1998)
- Stevens' fish rider for Adak attacked (Oct. 24, 2003)
- Stevens' way of lawmaking draws fans, critics (Nov. 9, 2003)
- Stevens defends fish rider amid widespread protests (Nov. 14, 2003)
- Senators leave with work to do (Nov. 26, 2003)
- Aleuts take over Adak with hopes and plans for a renaissance (March 17, 2004)
- Adak seafood plant changes partners, anticipates pollock (June 12, 2004)
- Adak's advocate (Aug. 22, 2004)

www.adn.com

FBI - Stevens-197

KEY PLAYERS

Kjetil Solberg
Norwegian-born entrepreneur owned a small freighter business in the 1990s, at times hauling fish from Alaska to Europe. On a tip, he visited Adak in 1998, after the Navy closed its base there, and discovered a rich, untapped cod resource. He made a deal with the Aleut Corp. to open a seafood processing plant on land the Native corporation hoped to obtain from the Navy. He befriended and then employed Ben Stevens as a consultant to a succession of companies he was associated with on Adak. He owned 50 percent of Adak Fisheries in 2002, when the company granted Ben Stevens an option to buy 25 percent of the company. He is now embroiled in lawsuits involving his partners over the ownership of the company, and with Aleut Corp. over his lease.

Ben Stevens
Son of U.S. Sen. Ted Stevens, fished for salmon and crab in Bristol Bay and the Bering Sea before starting a lucrative consulting business, Ben Stevens & Associates. Appointed by Gov. Tony Knowles to fill a vacant seat in the state Senate in July 2001, he became Senate president in 2004. He continued to do extensive consulting work while a state senator. He served as a director of the Aleut Enterprise Corp, an Aleut Corp. subsidiary, from October 1999 to October 2000 and from June 2001 through July 2004. As a director, he voted to assign $10 million worth of Aleut Corp. pollock to Adak Fisheries, a company in which he held a secret interest.

Ted Stevens
Senior Republican senator long involved in fishing issues. Served as Appropriations Committee chairman and authored a controversial rider in 2003 that allocated thousands of tons of Aleutian Island pollock to the Aleut Corp., the same fish his son voted to assign to Adak Fisheries.

TIMELINE

■ December 2001
Norwegian Kjetil Solberg and Icicle Seafoods form Adak Fisheries. The 50-50 partners invest about $2 million in the venture. They lease land and facilities for their shore-based plant from Aleut Enterprise Corp., a subsidiary of Aleut Corp., a regional Native corporation.

■ July 2002
The two owners of Adak Fisheries grant Ben Stevens an option to buy 25 percent of the company for $50,000 down, with the remaining $450,000 to be financed by Adak Fisheries. The three parties agree to keep the deal confidential. The option has to be exercised by Dec. 31, 2004.

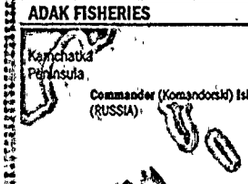
■ Fall 2003
After lobbying by Solberg and the Aleut Corp., a rider surfaces in a Senate Appropriations bill that would grant about $10 million in pollock to the Aleut Corp.

■ Oct. 24, 2003
With the allocation pending in Congress, the Aleut Enterprise Corp., with board member Ben Stevens voting, assigns the fish to Adak Fisheries, enhancing the company's value. Stevens fails to disclose his interest in the company, Aleut Corp. officials say.

■ June 3, 2004
Icicle sells its half-interest in Adak Fisheries for $4.25 million to Solberg, who in turn sells it to Aleutian Spray Seafoods of Seattle.

■ Nov. 16, 2004
Ben Stevens writes a check for $50,000 to exercise his option. But Aleutian Spray says his option is no longer valid. That is one of several ownership issues now in court.

ADAK FISHERIES



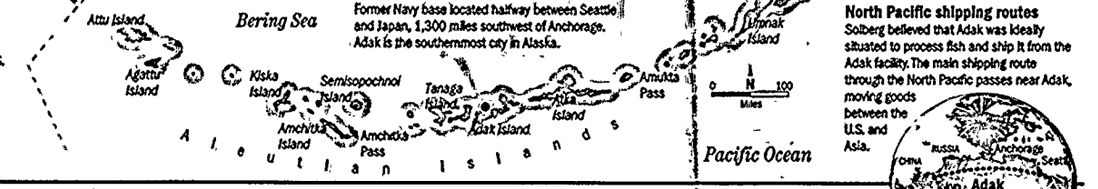
Adak Fisheries was founded in December 2001 by Solberg and Seattle-based Icicle Seafoods. It is the third venture by Kjetil Solberg to establish a fish-processing operation on Adak.

Adak Fisheries ran the seafood processing facility on Adak under contract to the Aleut Corp. Icicle was replaced in 2004 by another Seattle company, Aleutian Spray Fisheries, which paid $4.25 million for half of the company.

Ben Stevens received $280,000 in consulting income from Adak Fisheries between 2002 and 2004. He also obtained an option to buy 25 percent of Adak Fisheries from Solberg and Icicle in 2002, and he attempted to exercise that option in November 2004, but Aleutian Spray Fisheries refused to honor the option.

Now the validity of Stevens' option is the subject of a lawsuit in Anchorage.

Bering Sea pollock fishery
One of the world's largest commercial whitefish harvests. Annual catch exceeds 3 billion pounds, or about a third of all U.S. fish landings by weight.
Japan is the main market for pollock surimi, a fish paste, and pollock eggs or roe. The United States and Europe are the main markets for pollock fillets.



Adak
Former Navy base located halfway between Seattle and Japan, 1,300 miles southwest of Anchorage.
Adak is the southernmost city in Alaska.

North Pacific shipping routes
Solberg believed that Adak was ideally situated to process fish and ship it from the Adak facility. The main shipping route through the North Pacific passes near Adak, moving goods between the U.S. and Asia.

THE ALEUT CORP.

Dave Jensen
CEO of the Aleut Corp. and chairman of the board of its wholly owned subsidiary, Aleut Enterprise Corp.

The Aleut Corp.
Regional Native corporation representing the Aleut people of the Alaska Peninsula, the Aleutian Chain and the Shumagin and Pribilof Islands. The corporation obtained title in 2004 to the former Adak Navy base in a land swap approved by Congress.

The Aleut Enterprise Corp.
Recently renamed Aleut Enterprise LLC. It manages and develops Aleut Corp. assets in Adak. It leased real estate and facilities to Adak Fisheries.

Sandra Moller
President and CEO of Aleut Enterprise LLC

RON ENGSTROM / Anchorage Daily News

STEVENS: *Fish processing deal generates ethics controversy, litigation*

Continued from A-1

TED STEVENS DENIES A LINK

There is no evidence that Ted Stevens created the pollock allocation to benefit his son. In angrily denying any such link, the elder Stevens told reporters on Sept. 9 that doing so would be a crime.

In fact, he said, he never discussed the pollock allocation with his son. He said he only learned of the option from recent news reports.

Stevens said he pushed the measure to spur the economic development of Adak.

"The people I talked to are (Aleut fish consultant Clem) Tillion and the (federal North Pacific fishery management) regional council people, and I'll be glad to show you the memos that (Senate staffer) Matt Paxton wrote to me back in '03," Stevens told reporters.

The next business day, Monday, when a Daily News reporter asked to see the memos, Stevens rescinded the offer.

George Lowe, Ted Stevens' chief of staff, offered Tuesday to go "off the record" to explain why Stevens now will not provide the documents, but the Daily News declined to accept the information under such a restriction.

Stevens' spokeswoman, Courtney Boone, said Stevens' offer to provide the documents was valid only during the course of the Friday press conference. Stevens said nothing about a time limit on access to the documents at the time, although he did say the press conference would be his last comment on his son's option.

A SECRET OPTION

Corporations often grant stock options to executives as an incentive for performance that raises the value of the stock. An option typically gives the holder the right to purchase shares at a specified price during a given period of time. The price may not be discounted at the time the option is given, but the option generally anticipates a rise in value.

ON THE WEB

■ **THE OPTION:** To view a copy of the July 29, 2002, option agreement between Ben Stevens and the owners of Adak Fisheries and their acceptance on March 28, 2005, go to **www.adn.com**

Though Adak Fisheries was a limited liability company — more like a partnership than a corporation with stock — Ben Stevens' option was similar to a stock option. It gave him the right to buy a 25 percent stake in the fish processing company for an immediate payment of $50,000 and another $450,000 paid over time. The option does not specify an interest rate or term for the note.

Stevens had 29 months, until Dec. 31, 2004, to exercise the option.

Among the unresolved questions now subject to litigation is whether Stevens' option is valid.

Until two weeks ago, when a judge ruled in one of those lawsuits, Stevens was president of Adak Fisheries, for which he was paid $10,000 a month, according to a company owner's testimony.

Disclosure of Ben Stevens' option adds new political and ethical dimensions to a controversy that began in fall 2003, when a plan by Sen. Ted Stevens to allocate pollock to the Aleut Corp. surfaced in Congress.

At the time, Ted Stevens was chairman of the Senate Appropriations Committee, a powerful position from which he was extraordinarily able to push legislation through Congress. By attaching unrelated legislation to a vital spending bill and allowing it to go along for the "ride," he could bypass the usual process of introduction, committee hearings and waiting for debate to be scheduled on the Senate floor — stopping points where opponents could slow, change or kill the measure.

The pollock allocation to the Aleut Corp. was such a rider.

The rider caught the attention first of Alaska reporters and then the national press because of Ben Stevens' known connections to that part of the fishing business.

Those connections were public because, under state law, Alaska legislators must disclose their business interests. Ben Stevens had reported that, between 2002 and 2004, his consulting company, Ben Stevens & Associates, received $280,000 from Adak Fisheries.

In addition, in 2000 and 2001, three related companies — NorQuest Seafoods, Adak Fisheries Development Corp. and Adak Seafoods — had paid $77,500 to his consulting firm.

Ben Stevens also reported his service on the board of directors of Aleut Enterprise Corp., for which he received a small fee.

In 2003, the media reported on Ben Stevens' consulting relationship with Adak Seafoods in connection with his father's pollock rider. At the time, Ted Stevens dismissed any connection between his fish rider and his son's consulting activity, and any criticism of their activities.

"I don't care what they say about me. My son's now a politician. ... He doesn't care what they say about him," Stevens said in one of those stories. "Neither one of us is getting rich. That's for damn sure. And we're doing what we think is right."

At the time, Ben Stevens' year-old option was still secret, Aleut officials said.

Adak Fisheries was growing quickly in value — from an estimated $1 million to $2 million in 2002 to at least $8.5 million in 2004, according to one owner, Kjetil Solberg. As the value of the company increased, so did the value of Stevens' option.

And Adak Fisheries had the potential to grow much more, according to Solberg.

With the exclusive right to catch and process pollock, and the lease to do it at Adak, the company could eventually be worth as much as $100 million, he said.

'A RIDER ON FISHING RIGHTS'

The option eventually came to the attention of Adak Fisheries' landlord, the Aleut Corp., and raised conflict of interest concerns.

In the mid-1990s, the federal government began the process of transferring ownership of the decommissioned Navy base on Adak to the Aleut Corp. In 1997, the Aleut Corp. created a subsidiary, Aleut Enterprise Corp., to manage conversion of the base to civilian use. Ben Stevens was invited twice to join the board of directors of the Aleut Enterprise Corp., serving his longest stint from June 2001 until he resigned in July 2004, according to a company spokesman.

The Aleut Enterprise Corp. first leased some of its Adak real estate to Adak Fisheries on Dec. 28, 2001.

On Oct. 24, 2003, the rider allocating pollock rights to the Aleut Corp. was still pending in Congress but expected to pass. The Aleut Enterprise Corp. agreed to transfer the rights to those fish — worth an estimated $10 million a year — to Adak Fisheries as part of the lease agreement between the companies.

There were three directors of the Aleut Enterprise Corp. when it voted to assign those rights to Adak Fisheries. One of them was Ben Stevens, according to Aleut Corp. spokesman Curtis Smith.

Aleut Corp. chief executive David Jensen, who also serves as chairman of the Aleut Enterprise Corp. board, testified in a deposition on Aug. 9 that Ben Stevens never disclosed that he had an option to become a major owner of Adak Fisheries.

Jensen said when he found out about the option, in December 2004, he was "floored."

The secrecy surrounding the option was no accident. The parties to the deal pledged to keep it secret. In the section of the agreement headed "Confidentiality," it says:

"This agreement and its terms are to be kept strictly confidential, except to the extent necessary for any party to comply with public reporting or other requirements related to public service."

Though the language referring to public service suggests Stevens considered reporting the option in his required financial disclosures as a state senator, he never did. A spokeswoman for the Alaska Public Offices Commission said the law is unclear about whether disclosure of such an option is required.

ORIGINS OF THE DEAL

Ben Stevens was brought into the Adak deal by a plain-speaking Norwegian seaman who saw a big opportunity in a relatively untapped fishery. The Norwegian, Kjetil Solberg, recognized that Ben Stevens could be a powerful ally — even before, he says, he knew Ben Stevens was the son of Sen. Ted Stevens.

Solberg, now 49, was born in the fishing north Norwegian coastal town of Narvik and went to sea when he was 15. Later, he graduated from the Royal Norwegian Naval Academy and served in the special forces of the Norwegian navy.

After the navy, Solberg went into the sea-transport business, where he occasionally found himself in Alaska, picking up frozen cod for delivery in Europe. In Dutch Harbor in 1998, he ran into a fisherman who told him about Adak.

"He said if you go to Adak and build a fish plant there, you'll create the cod capital of the world. Naive immigrant as I was, I believed him," Solberg said, "but he was right."

With the end of the Cold War, the U.S. Navy was closing its sprawling base there, while the Aleut Corp., which hoped to obtain the site in a land trade with the U.S. government, was looking for economic partners.

"And I went home, and I looked at the globe," Solberg said. He saw the future.

"That's where you want to be if you want to do shipping in 2025 and fishing," he said. "It's a perfect location."

While an Alaskan might view Adak as the remotest of the remote — 135 miles closer to the Kamchatka capital of Petropavlovsk than to Anchorage — to Solberg, it looked like the on-ramp to a freeway connecting major ports on both sides of the Pacific.

"It's right there on the Great Circle (shipping route). Several times I crossed just south of Adak on my way from Japan, Tokyo Bay, to the U.S. Northwest and the Bay Area," he said.

Dutch Harbor, 450 miles east at the head of the Aleutian chain, is the nation's leading fishing port, serving the massive pollock fishery in the Bering Sea. To Solberg and the Aleut Corp., it wasn't a farfetched dream that the old Navy base at Adak could be transformed into another fishery hub well situated for transport.

Solberg flew to Adak in April 1998. He couldn't find a single fishing vessel, so he borrowed a rubber dinghy and a fishing pole and caught more cod than he dreamed possible.

"I was on top of an undetected chest of treasure," he said. "Cod is called 'the gold of the ocean' in Norway."

As he flew out of Adak, he drafted a letter to the Aleut Corp. expressing his desire to embark on a new line of work: fish processing.

By the end of 1998, Solberg had raised nearly $1 million by selling his Norwegian businesses and real estate, and moved his family to America. Within a year, with a Norwegian friend, Irgen Iverson, Solberg launched Adak Seafoods by converting an old Navy building at the edge of the Adak harbor into a processing plant.

In November 1998, the same Dutch Harbor man who told him about Adak introduced Solberg to Ben Stevens.

Stevens had limited involvement in Alaska public policy at the time, primarily the politics of fishery regulation and marketing. He had fished for salmon in Bristol Bay and captained a crab boat in the Bering Sea.

When he met Solberg, Ben Stevens was building a career working with regulatory agencies and giving advice — some of it on issues in which his father was involved. At that point, Solberg said, he didn't know who Ted Stevens was.

When Solberg did learn about Alaska's senior U.S. senator, he said, he didn't make the connection between father and son. In fact, Solberg was angry with legislation that Ted Stevens had recently pushed through Congress — the American Fisheries Act. The law Americanized the fishing fleet nationwide and divided up the vast pollock resource of the Bering Sea and Aleutian Chain among competing U.S. fishing groups.

Because it based fishing rights on past catches, and the Navy hadn't allowed fishing near Adak, the law excluded Solberg and others from a potentially lucrative pollock fishery in the area.

"It was quite some time after I met him (Ben), I had to ask him if he was related to that guy over there that was doing all these terrible things to me. And he said, 'Yeah, that's my dad.' "

Ben Stevens' advice to Solberg was to buy and process under-used species like brown crab and cod from local waters and be patient about changing the law, Solberg said.

In 1997, the Aleut Corp. created the Aleut Enterprise Corp. Its president and chief executive was Sandra Moller, a civil engineer educated at the University of Alaska Fairbanks.

Leaders of the parent company thought it would be helpful for the subsidiary to bring in directors with special expertise, Moller, 41, said recently.

Both Ben Stevens, with his fishing background and family connection to Ted Stevens, and Art Hackney, an Anchorage political and marketing consultant, were named as outside directors of the Aleut Enterprise Corp. on Oct. 20, 1999.

Hackney served through early 2001, according to a company spokesman. Stevens left after a year and then rejoined the board June 7, 2001. Five weeks later, Gov. Tony Knowles appointed him to a vacant state Senate seat from Anchorage.

Solberg, meanwhile, had begun the first in a series of troubled partnerships.

He and his friend Iverson sold Adak Seafoods to the established Seattle company, NorQuest Seafoods, which then created a new company, NorQuest-Adak Inc. As payment, Solberg said, he got 45 percent of the new company. But NorQuest-Adak fell behind in its rent to the Aleut Enterprise Corp., and Solberg again assumed responsi-

See Page A-13, STEVENS

STEVENS: *Looking ahead, Stevens 'crucial in this process,' Solberg says*

Continued from A-13

the Adak Fisheries board. It asserted its full control, firing Solberg as chief executive and declaring that Ben Stevens had no role in the company.

On June 15, Solberg filed documents with the state saying he was the 100 percent owner and chief executive and that Stevens had been appointed Adak Fisheries' president.

Meanwhile, the Aleut Corp. agreed to mediate the lease issues with Adak Fisheries.

On May 23, an Adak Fisheries attorney, Paul Davis, urged the Swasands and Solberg to keep their disagreements to themselves and present a "united front" to the Aleut Corp. and the mediator.

Referring to an earlier meeting between the Swasands, Solberg and the Aleut Corp., Davis wrote, "I advised all of you (Swasands and Solberg) that any further public divisiveness at this point in time would be effectively used by TAC (the Aleut Corp.) as an excuse not to negotiate a new lease, and would result in the death of AF (Adak Fisheries). I cannot be more serious in my advice to all of you. Whatever you have invested in AF is at complete and total risk of being lost."

But the relationships, if anything, got worse and more public. On June 16, Aleutian Spray sued Solberg and Stevens, seeking an order establishing that it is still the 50 percent owner of Adak Fisheries. Solberg counter-sued, asking that the alleged March sale be declared valid and seeking damages.

Adak Fisheries has sued the Aleut Corp., demanding reinstatement of the lease, and The Aleut Corp. is in court trying to evict Adak Fisheries.

Last fall, the federal government accused Adak Fisheries and Icicle Seafoods of violating federal crab quotas. The companies are in court fighting the government's proposed $3.4 million fine.

And the Aleut Corp. has sued Solberg for back rent.

The first phase of the ownership trial ended earlier this month with a judge ruling that Solberg had taken over Adak Fisheries illegally, restoring the 50-50 split between Aleutian Spray and Solberg. He voided Solberg's filing with the state that declared himself the sole owner of Adak Fisheries and Ben Stevens as president.

Solberg contends the Aleut Corp. wants to get rid of Adak Fisheries altogether and sell its pollock to at-sea processors. Moller and other Aleut Corp. officials say that's nonsense, they just want a stable company on Adak and hope to negotiate a deal with "the last one standing" after the court cases are resolved.

Somehow, seafood has continued to be processed at the plant under Solberg's supervision. That changed Thursday when Solberg turned the plant over to Aleutian Spray.

With the lease unresolved and almost all aspects of the Adak Fisheries management and finances tied up in litigation, it's unclear whether the company has any value today.

In a hearing on Aug. 22, Solberg was still looking ahead, thinking about how he could get more cod to the Adak fish plant by getting the state to open waters in the Aleutians with the help of Ben Stevens and Clem Tillion, the Aleut consultant and former state legislator.

"If we politically work together up here in Alaska we could secure our cod resource," Solberg told Superior Court Judge Michael Rindner, at times stumbling a bit in his adopted language. "If we can sit together, have Mr. Tillion, have Mr. (Ben) Stevens, and have the Aleuts and myself work together, we can secure that by maybe implement the state Board of Fisheries on an emergency basis — Mr. (Ben) Stevens for us is very crucial in this process. If we cannot do that, if we don't work together, I believe that out-of-state harvesters will profit and we will lose."

Outside of court, Solberg said he wasn't suggesting that Ben Stevens would lobby the state Board of Fisheries, an agency over which he has funding and oversight responsibility as president of the state Senate. Instead, Solberg said, Ben Stevens would work with federal fisheries managers to reduce the cod take in the Bering Sea to offset an increased harvest from state waters.

■ Reporter Richard Mauer can be reached at rmauer@adn.com or at 257-4345.

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Tuesday
October 4, 5 & 6th

FD-350 (Rev. 5-8-81)

Anchorage Daily News
Anchorage, AK

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

(Mount Clipping in Space Below)

Date: 9-21-05
Edition:

Title: Politicians Who Refuse to Explain - that's efficiency, not skulduggery
Character:
or
Classification: 194A-AN-13620
Submitting Office: Anchorage

Indexing:

Politicians who refuse to explain — that's efficiency, not skulduggery

Thanks to Ben Stevens for showing us how streamlined our political system truly is in Alaska. Our legislative offices can be easily melded with other lucrative activities (even if there is an apparent conflict of interest) without concern for accountability to voters. Family clout can help dispel the words of whistle-blowers.

Even when another politician cries foul, a legislator may call it a personal attack and simply say, "I would never do that." He need not bother with even the barest explanation of his juxtaposition with big business bedfellows. This kind of freedom is a boon to those who are actually working against the interests of their constituents. But a legislator fitting this description, when dismissing charges of wrongdoing, should bring the family along for the occasion — it lends a wholesome fragrance to his claims to purity ("Stevens declines questions," Sept. 9).

I don't get all the flap over Stevens. He's just trying to do a good job. Isn't he?

— Douglas Abbott
Anchorage

FBI - Stevens-199

194A-AN-13620 — ~~Prev~~ m-95

FD-350 (Rev. 5-8-81)

Anchorage Daily News
Anchorage, AK

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

(Mount Clipping in Space Below)

Date: 9-21-05
Edition:

Title: Stevens family's churlish attitudes in stark contrast to Hammond's
Character:
or
Classification: 194A-AN-13620
Submitting Office: Anchorage

Indexing:

Stevens family's churlish attitudes in stark contrast to Hammond's

When Gov. Jay Hammond died, several friends and I talked late into the night about why we were so sad to lose him. It wasn't because he helped us "get" Permanent Fund dividend checks. It was because we never doubted that he put Alaskans ahead of any personal, political or corporate interests. Hammond was the first person I voted for when I came of age, and he was the last elected official whose integrity I never once questioned.

So it's instructive and disheartening to read that U.S. Sen. Ted Stevens is angry that reporters dare to question him about a lawsuit involving his son, state Sen. Ben Stevens, and a potential conflict of interest ("Stevens irate over suit query," Sept. 10). It's not only acceptable that the press asks these questions — it's necessary. Elected officials and journalists each represent the public's interest in different ways. Both senators are obligated to answer questions not because the press wants to know but because the public deserves to know.

How churlish and unprofessional of Sen. Ted Stevens to appear to threaten media companies with investigations because he's unhappy with legitimate inquiries into his actions. Thanks, Senator, for reminding us again of all the money you bring in, but after all, you're a public servant, not the Emperor of Alaska.

Boy, do we miss you, Jay Hammond.

—Sherry Simpson
Anchorage

FBI - Stevens-200

194A-AN-13620 — ~~PRESS~~ m-96

FD-350 (Rev. 5-8-81)

Anchorage Daily News
B-6
Anchorage, AK
(Indicate page, name of newspaper, city and state.)

Date: 09/21/05
Edition: Wednesday

Title: Ben Stevens Alaskans Deserve answers about Senate President's actions
Character:
or
Classification: 194A-AN-13620
Submitting Office: Anchorage

Indexing:

(Mount Clipping in Space Below)

OUR VIEW

Ben Stevens

Alaskans deserve answers about Senate president's actions

The secret fish deal and "consulting" work of Alaska Sen. Ben Stevens' have raised serious questions about the ethics of one of Alaska's most powerful politicians.

It is time that Ben Stevens stood before the public and answered the obvious and troubling questions about his self-serving actions on behalf of a company that may yet reap millions of dollars from the official actions of his powerful father, U.S. Sen. Ted Stevens.

So far, Sen. Ben Stevens has dodged the tough questions and full disclosure at every turn. His principal response, time and again, has been to impugn the motives of those trying to uncover his activities. So far he has given no hint that he understands, much less embraces, the concept of public accountability for public officials.

As the Daily News and others have reported, Mr. Stevens made decisions that served his personal financial interests while hiding his conflict of interest from the corporation on whose board he served. The fact that he tried to exercise a secret option giving him the right to reap a lot of money — perhaps millions of dollars — from the allocation of a public fishery resource to a private corporation only recently surfaced as part of a complicated fight playing out in state Superior Court.

Ben Stevens

To begin that public accounting, there are two principal questions that need to be answered:

Why did Sen. Ben Stevens conceal his interest in the ownership of Adak Fisheries?

And what does it mean when one of the owners of Adak Fisheries says, "Ben and I worked very hard on getting the pollock allocation through Congress?" What did that "hard work" entail? Did it involve lobbying his influential father or members of his father's staff?

Ben Stevens refuses to say. His father angrily insists he never talked to his son about any aspect of the matter.

Ben Stevens' financial machinations aren't just harming himself and the Stevens family name. It appears that the conduct of the younger Stevens is undermining his father's ability to advocate Alaska's economic and political interests in Congress.

And he is not just the son of the state's most powerful politician. He is himself the president of the Alaska Senate.

Sen. Ben Stevens needs to explain what he has done and why. He needs to answer the questions that will, once and for all, remove the cloak of secrecy under which he has transacted this particular business. And we do not mean the minimal disclosure standards that routinely apply to office holders in Alaska. Alaskans deserve real answers, specific and detailed, to the legitimate questions that have gone unanswered.

If Sen. Ben Stevens can show that he has behaved in an ethical and aboveboard manner, then the controversy can be laid to rest. His reputation will be intact, and his father can return the full focus of his attention to the needs of the state and the nation.

At this point, nothing less than a public accounting will do.

BOTTOM LINE: State Sen. Ben Stevens needs to explain what he has done and why. 194A-AN-13620

FBI - Stevens-201

194A-AN-13620 — ~~Press~~ M-97

FD-350 (Rev. 5-8-81)

Anchorage Daily News
Anchorage, AK

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

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Date: 9-22-05?
Edition:

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Submitting Office: anchorage

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FBI - Stevens-202

194A-AN-13620 — m-98
C

FD-350 (Rev. 5-8-81)

Anchorage Daily News
B-1
Anchorage, AK
(Indicate page, name of newspaper, city and state.)

(Mount Clipping in Space Below)

Date: 09/22/05
Edition: Thursday

Title: Gas Line Set as Priority for Surplus

Character:
or
Classification: 194A-AN-13620
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Indexing:

Gas line set as priority for surplus

■ **$1.5 BILLION:** Governor says he'd like $1 billion to go to the project.

By MATT VOLZ
The Associated Press

JUNEAU — Gov. Frank Murkowski says Alaska could see a $1.5 billion surplus this year from high oil prices, and that most of it should go to pay for the state's share of a gas pipeline from the North Slope.

The state is trying to wrap up fiscal terms with three North Slope oil producers to build a natural gas pipeline to markets in the Midwest. Murkowski has proposed the state own 20 percent of the line. At an estimated $20 billion, the state's share would come to $4 billion.

Murkowski

The governor said the state could go into debt to pay for its share, but if the cash is there from oil royalties and taxes, it should be used.

"I think a reasonable cash equity is in order based on the good fortune we have had," he said.

Murkowski made the comments in Juneau Tuesday night, moments before announcing the amount of the Alaska Permanent Fund dividend for this year. Later, he said he wasn't proposing to spend the entire surplus on the gas line but figured about $1 billion would be appropriate. He did not specify what the remainder should be used for.

Murkowski also said he expected a deal with

194A-AN-13620 See Page B-5, SURPLUS

SURPLUS: *Windfall eyed*

Continued from B-1

the producers to be ready for the public by the end of the week. The state last week presented a contract proposal to the producer group of BP, Conoco Phillips and Exxon Mobil.

Spending the "windfall" from high oil prices was a major point of contention in budget battles this year, with spending on construction projects reaching levels not seen in years. And that spending was with a surplus between a third and half of what Murkowski is predicting for this year.

How to spend the windfall will likely see a heightened debate in January when the Legislature reconvenes in an election year.

The state will have a better grasp of what the oil revenue surplus will be later this year when the state Department of Revenue releases its fall forecast. This spring, the department forecast oil prices would be about $38 a barrel. On Wednesday, the price of North Slope crude was $64.80.

FBI - Stevens-203

194A-AN-13620-~~Pres~~ M-99

FD-350 (Rev. 5-8-81)

Anchorage Daily News
Anchorage, AK

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

(Mount Clipping in Space Below)

Date: 09/25/05
Edition: Sunday

Title: Propane Study

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

Indexing:

Propane study

194A-AN-13620

THE ALASKA NATURAL GAS Development Authority is looking into an innovative way to extract propane from a gas pipeline and barge it to coastal communities.

Harold Heinze, chief executive officer, told legislators recently that the authority is considering whether propane could be extracted at the Yukon River bridge from a pipeline carrying North Slope gas. It would then be shipped in large, re-usable tanks down the river to distribution centers in coastal Alaska.

Heinze said the pipeline could produce up to 50,000 barrels of propane and reduce cooking and water heating costs in water-accessible areas of rural Alaska.

FBI - Stevens-204

194A-AN-13620- ~~Press~~ M-100

FD-350 (Rev. 5-8-81)

Anchorage Daily News
B-2
Anchorage, AK
(Indicate page, name of newspaper, city and state.)

(Mount Clipping in Space Below)

Date: 09/25/05
Edition: Sunday

Title: Alaska Ear

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

Indexing:

Alaska Ear

The Divine Appendage

DO SEND A FONDU . . . to Reps. Lesil McGuire and Tom Anderson, who announced Thursday at a Young Republicans fund-raiser that they are now married. Like many newlyweds, they were coy about details, promising to reveal when and where at a future party to celebrate the happy event. The grapevine says the marriage, reportedly a quiet affair, happened early in the summer. And it might involve a large diamond ring.

Some grumpy guys groused about nepotism problems bound to arise once the session convenes. For one thing, Lesil is chairwoman of the House Judiciary Committee and Tom is vice-chair. But that seems pretty tame to Ear. The real issue is, how can they live together and live in their separate districts, as is required?

To address this dilemma, Inquisitive Ear consulted former Sen. Mike Szymanski, who was briefly married to Drue Pearce while both were in the state Senate. Mike said their residence problem was solved when he chose not to run for re-election in 1990. Ear predicts Lesil and Tom solve their problem the same way — one of them won't run again. The Omniscient Orifice bets it's Tom.

SPECIAL ALLOCATION . . . Curtis Smith of Lottsfeldt/Smith Creative and a spokesman for the Aleut Corp., quoted in last Sunday's investigative opus about Ben Stevens' secret fish deal, arrived at work Monday to find a dead salmon on the doorstep. It was wrapped in the newspaper story, with his name printed in bold.

"I thought it might be a joke," said Curtis, "but none of the usual suspects took responsibility. Besides, my friends are too cheap to part with a piece of meat with winter coming and all."

Ear still thinks it was a joke. If it was

FBI - Stevens-205

194A-AN-13620 — ~~Press~~ m-101

09/25/05
B-2
194A-AN-13620

real, it would have been a pollock, right?

AN OVERDUE FONDU . . . Republican honchos report Valley politico **Tuckerman Babcock** and **Kristie Leaf**, daughter of **Sen. Lyda Green**, are now married to each other. Court records indicate each shed a spouse this spring. Ear's invitation to the wedding must have gotten lost in the mail, but belated congratulations.

Q AND A . . . Which wealthy ex-banker and his wife pleasantly shocked Anchorage Symphony executive director **Sherry Reddick** by leaving a $25,000 personal check on their table at the Symphony Pops event last week without saying a word? Earwigs say it was **Ed and Kathy Rasmuson.**

NOTABLE . . . The Chamber of Commerce issued its annual list of "Alaska's top 40 under 40" last week. Among the honored, newlywed **Lesil McGuire**, **Anchorage District Court Judge Brian Clark**, former and maybe future Assembly candidate **Bill Wielechowski** and **Pat Flynn** of the Alaska Railroad.

. . . ADN reporter **Liz Ruskin** is officially the fastest lady reporter in Washington, D.C. On Sept. 9, she placed first among women members of the National Press Club at its annual 5K scholarship run, with a time of 23 minutes, 17 seconds.

LUCKY TIMING . . . Speaking of **Pat Flynn**, his mom, longtime Assembly member **Heather Flynn**, has moved back to Anchorage for good following the death of her husband, **Hank Rosenthal**, two years ago. Heather reports she sold her house in Galveston, Texas, in April.

CLOSE BUT NO CIGAR . . . Earmites claim that last month in Fairbanks, at a Chamber luncheon, **Gov. Murkowski** introduced **Rep. Jim Holm** as "John Holmes." A few hipsters in the audience got the giggles because John Holmes was an old porn star. Meanwhile, at the energy conference in Valdez last week, some emcee introduced **Ethan Berkowitz** as "Eric Berkowitz," efficiently combining the names of the two Democrats who have declared in the governor's race, Burkowitz and **Eric Croft**.

Earwigs did not report if Ethan's head exploded.

FLYING FACTOID . . . **Hugh Hefner** has apparently cut back from seven girlfriends to three, one of whom is "**Holly Madison** of Craig, Alaska." That's what a Web site called Girls Next Door says, so it must be true, right? Ear finds no Holly Madison in the right age range in state records, but who knows. It could happen.

ON THE MOVE . . . **Julia O'Malley**, former Juneau Empire reporter now writing for The Oregonian, will join the metro staff at Your Favorite Good Morning Newspaper next month.

OH, PAPA . . . The question is, did they do it on purpose? Hot Topic, the hip national clothing chain with an outlet at the 5th Avenue mall that caters to everyone from punks to Goths to rockers, has produced a line of T-shirts honoring different states. Check www.hottopic.com and search for "Alaska" to see ours. It depicts a map of Alaska crushing a map of Texas, which is as it should be, of course. The slogan accompanying the scene reads, "Who's Your Daddy?"

Hmmm. Is it just a coincidence, or did they pick it up from the Lisa-Tony U.S. Senate campaign?

—Compiled by Sheila Toomey

ear@adn.com

FBI - Stevens-206

FD-350 (Rev. 5-8-81)

Anchorage Daily News
B-1
Anchorage, AK
(Indicate page, name of newspaper, city and state.)

Date: 09/30/05
Edition: Friday

Title: Anderson to Leave District, not Post

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

Indexing:

Anderson to leave district, not post

■ **HOUSE:** The newly married lawmaker is departing Muldoon.

By SEAN COCKERHAM
Anchorage Daily News

Anchorage state Rep. Tom Anderson has married fellow Rep. Lesil McGuire and is moving out of his Muldoon district to live with his bride across town. But he plans to keep representing his old neighborhood in the Legislature.

Can he do that? You bet, said House Speaker John Harris, a Republican from Valdez. No way, said Kay Brown, a former five-term legislator and spokeswoman for the state Democratic Party.

The law isn't clear. The rules saying a candidate must live in the district to run for election are silent on the question of remaining there once in office.

Anderson

"As far as I know it's a question that's not been considered by a court in this state," said Tam Cook, director of legal services for the Legislature. "It's an open question."

Anderson said he is in the process of moving in with McGuire in the Klatt-Southport area of South Anchorage.

McGuire

He said he intends to finish out the last year of his two-year term and not run again for election.

Asked if he thought it was appropriate to keep representing District 19 when he no longer lives there, Anderson pointed to his Muldoon roots. He said he's lived in the district almost his entire life. He attended Muldoon Elementary, Clark Junior High and Bartlett High School.

See Page B-4, **ANDERSON**

FBI - Stevens-207

194A-AN-13620 - ~~Press~~ - M-102

09/30/05
B-1
194A-AN-13620

ANDERSON: *Opinions follow party lines*

Continued from B-1

The second-term lawmaker said that, when last elected in 2004, he had no intention of moving out. He wasn't trying to deceive voters, he said.

But Anderson said McGuire is his soulmate. So he's decided to move in with her.

"I love her so much. And I'm excited about our future together," Anderson said.

McGuire has a house on Kimberly Lynn Circle, off West Klatt Road. Anderson will be leaving his place on East Second Avenue.

He said he won't let this change of residence affect his representation. He said he's been honored to represent Muldoon in Juneau.

"I want my constituents to know that I have always put them first and foremost and I will continue to do that," Anderson said.

Peggy Robinson, a Democrat who unsuccessfully challenged Anderson in the 2004 election, said she doesn't object to him finishing out his term. She said Anderson does have deep ties to the district.

Also, she said, this isn't entirely new. Past legislators have kept up a fiction of residing in their district but spent almost all their time outside of it, she said.

But Kay Brown, communications director for the Alaska Democratic Party, said, "We think the people of his district deserve a representative who lives there."

Brown said she reads the Alaska Constitution to say that Anderson cannot legally move out and keep his House seat, although she didn't know whether the party would formally challenge him.

Here's what it says in Article 2, section 2 of the Constitution:

"A member of the Legislature shall be a qualified voter who has been a resident of Alaska for at least three years and of the district from which elected for at least one year, immediately preceding his filing for office."

William Large, attorney for the Alaska Republican Party, disagreed with Brown's interpretation. He said he didn't see anything in a literal reading of the Constitution to keep Anderson from moving out of his district and still representing it.

But he said his party, at this point, does not have a position on what Anderson is doing.

Speaker Harris said Anderson knows his district well and should be allowed to finish this term.

Harris' opinion holds a lot of weight. Alaska law declares that the state House of Representatives, which Harris leads, is the judge of the qualifications of its members.

■ Daily News reporter Sean Cockerham can be reached at scockerham@adn.com.

FD-350 (Rev. 5-8-81)

Anchorage Daily News
Anchorage, AK

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

(Mount Clipping in Space Below)

Date: 09/30/05
Edition: Friday

Title: For Alaska, an LNG Line would be ... a Bad Deal
Character:
or
Classification: 194A-AN-13620
Submitting Office: Anchorage

Indexing:

FOR ALASKA, AN LNG LINE WOULD BE . . .

A bad deal

PROPONENTS OF a liquefied natural gas pipeline from Prudhoe Bay to Valdez claim their project would employ more Alaskans than a line through Canada to the U.S. Midwest. But the numbers and simple logic don't support the claim.

The in-state portion of an Alaska Highway line would be just a few miles shorter than the LNG line and the capacity of the line through Canada would be three times greater.

The LNG line would be built to carry 1.5 billion to 2 billion cubic feet of gas a day. The Alaska Highway line capacity would be 4.5 billion to 6 billion cubic feet per day.

Those dimensions mean that everything about the line to the Midwest would be roughly three times larger, from the line's diameter to the processing and compression facilities at Prudhoe Bay and along the route. That would involve more jobs in Alaska and hold the possibility of jobs for Alaskans on the Canadian portion of the line.

More important than the number of jobs created in construction is probably that the Canadian line's cost for the throughput capacity would result in far larger tax and royalty revenues for the state.

The proponents, led by Fairbanks North Star Borough Mayor Jim Whitaker, are shrilly adamant in their claims, but in reality there isn't much to support them.

AMONG THE LNG project's other weak points are these:

- It has no gas and no customers. Getting enough gas to justify the line would require years of litigation against the North Slope producers, perhaps decades.
- The plan assumes that the project will have both federal loan guarantees and export permits needed to ship the gas to British Columbia or Mexico. But those two things are mutually exclusive; a pipeline project could theoretically have one or the other, but not both.
- Its costs per unit of gas would be higher than for a large-capacity line through Canada, about $1 more per thousand cubic feet per day. That would mean a significant reduction in wellhead value for the gas and therefore lower tax and royalty payments to the state.
- The plan would put all risk of price fluctuations, completion problems and cost overruns on the resource owners, the producers and the state of Alaska.
- The authority assumes it will receive a federal tax exemption from the Internal Revenue Service. An exemption from taxes may be possible for gas delivered within the state, but is unlikely for gas shipped out of state.
- Its plan calls for sending up to 3.3 billion cubic feet of gas a day to West Coast ports even though no receiving ports exist or even have construction permits. That volume would be greater than the West Coast could absorb and pipelines don't exist to ship it east.

The most likely role the authority could play, if the state accepted its plan, would be to spoil chances of a viable gas pipeline for many years to come.

FBI - Stevens-209

194A-AN-13620- ~~Press~~ m-103

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below:)

Ben Stevens owes it all to his dad

From Bristol Bay gillnetter to CEO of Special Olympics (thanks, Dad), to state senator (thanks again, Dad), to making "special deals." Politicians, what are we gonna do with 'em?

-- George Morris

Anchorage

10/01/2005

013ma09.news.wpd

(Indicate page, name of newspaper, city and state)
ANCHORAGE DAILY NEWS
ANCHORAGE, ALASKA
Page:
Date: 10/01/2005
Edition: Saturday -

Title: Ben Stevens Owes It All To His Dad

Character/Classification: 194A-AN-13620 363

Submitting Office: Anchorage

Indexing:

FBI - Stevens-210

194A-AN-13620-M-104

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below:)

(Indicate page, name of newspaper, city and state)
ANCHORAGE DAILY NEWS
ANCHORAGE, ALASKA
Page:
Date: 10/01/2005
Edition: Saturday

Title: Ben Stevens Redefines the Meaning of Words For His Gain -- A La Clinton

Character/Classification: 194A-AN-13620 ·364

Submitting Office: Anchorage

Ben Stevens redefines the meaning of words for his gain -- a la Clinton

As I read the lengthy Sept. 18 article about Ben Stevens' involvement with Adak Fisheries, I was getting a bit lost trying to track the political intrigue until one statement made it all too clear ("Ben Stevens' secret fish deal"). When asked about why he didn't disclose his option with Aleut enterprise Corp., Mr. Stevens stated, "I didn't own any interest" in Adak Fisheries, "I owned an option that had to be granted." Who is he trying to kid? This is nothing more than a political perversion of reality for personal gain. It is no better than when Clinton redefined sexual relations to exclude his own after he got caught in the act.

-- Joanne Heimsath

Anchorage
10/01/2005

013ma10.news.wpd

FBI - Stevens-211

194A-AN-13620-M-105

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below:)

(Indicate page, name of newspaper, city and state)
ANCHORAGE DAILY NEWS
ANCHORAGE, ALASKA
Page:
Date: 10/06/2005
Edition: Thursday

Title: Effort to Recall Sen. Ben Stevens Makes Appeal to Superior Court

Character/Classification: 194A-AN-13620 · 365

Submitting Office: Anchorage

Alaska digest
Anchorage Daily News (AK)
October 6, 2005
Author: Staff
Estimated printed pages: 4

ANCHORAGE
Effort to recall Sen. Ben Stevens makes appeal to Superior Court

The committee seeking to recall state Sen. Ben Stevens appealed Wednesday to Superior Court in Anchorage for an order overturning the state decision to throw out its petition.

Citizens for Ethical Government, a group closely aligned with the offshoot Republican Moderate Party of former legislator Ray Metcalfe, said the state Division of Elections improperly rejected the recall Sept. 7 after more than the required 1,232 signatures were submitted. Elections director Laura Glaiser said the organizers failed to allege sufficient legal grounds to recall Stevens, the Senate president and a Republican who represents a South Anchorage district.

Stevens lauded Glaiser's decision last month, but Metcalfe said it was politically inspired. Metcalfe said Glaiser, backed by the state Department of Law, set an impossibly high standard for a political process enshrined in state law.

Metcalfe's appeal was filed by Ken Jacobus, a politically active attorney who served for 20 years as the Republican Party's general counsel until he was replaced in 2003. Jacobus said he hasn't yet developed a legal strategy for the appeal but expects the matter to be handled on an expedited basis by the court.

"I have nothing against Senator Stevens," Jacobus said. "I'm trying to uphold one of the people's democratic rights."

FBI - Stevens-212

-- Anchorage Daily News

013ma11.news.wpd

194A-AN-13620-M-106

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below:)

(Indicate page, name of newspaper, city and state)
ANCHORAGE DAILY NEWS
ANCHORAGE, ALASKA
Page:
Date: 10/06/2005
Edition: Thursday

Title: Alaskans Have Had It with Greedy, Unethical Stevenses, Murkowskis

Character/Classification: 194A-AN-13620 · 266

Submitting Office: Anchorage

Alaskans have had it with greedy, unethical Stevenses, Murkowskis

As I read the latest "expose" regarding another of this state's career politicians (Ben Stevens), I am curious as to what it will take for the voting people of this state to wake up. Have we had enough yet of the Stevens-Murkowski oligarchy? How many scandals will it take before we vote these crooks and greedy, unethical, privileged renegades out of office?

I see they finally indicted Tom Delay -- big buddy of ol' Uncle Ted. These career politicians who think they are entitled to scam the public whenever they want make me sick to my stomach.

Wake up, Alaska. Let's send the Stevenses and Murkowskis a clear message ... we can't afford to have you represent yourselves at our expense any longer.

-- Lori O'Brien

Anchorage
10/06/2005

013ma12.news.wpd

FBI - Stevens-213

194A-AN- 13620-M-107

FD-350 (Rev. 5-8-81)

A-1
Anchorage Daily News
Anchorage, AK
(Indicate page, name of newspaper, city and state.)

(Mount Clipping in Space Below)

Date: 10/02/05
Edition: Sunday

Title: Alaska Airlines Takes the Idea of Flying Fish to a Whole New Level
Character:
or
Classification: 194A-AN-13620
Submitting Office: anchorage

Indexing:

(p1,2)

SALMON-THIRTY-SALMON

Alaska Airlines takes the idea of flying fish to a whole new level

$500,000 grant from federal funding pays for custom paint job on company's passenger jet

By WESLEY LOY
Anchorage Daily News

So, you landed a big king salmon this summer? It can't compare to the colossal king Alaska Airlines plans to land this morning in Anchorage.

The Seattle-based carrier has painted nearly the full length of a Boeing 737-400 passenger jet as a wild Alaska king, or chinook, salmon. The airline has dubbed its flying fish the "Salmon-Thirty-Salmon."

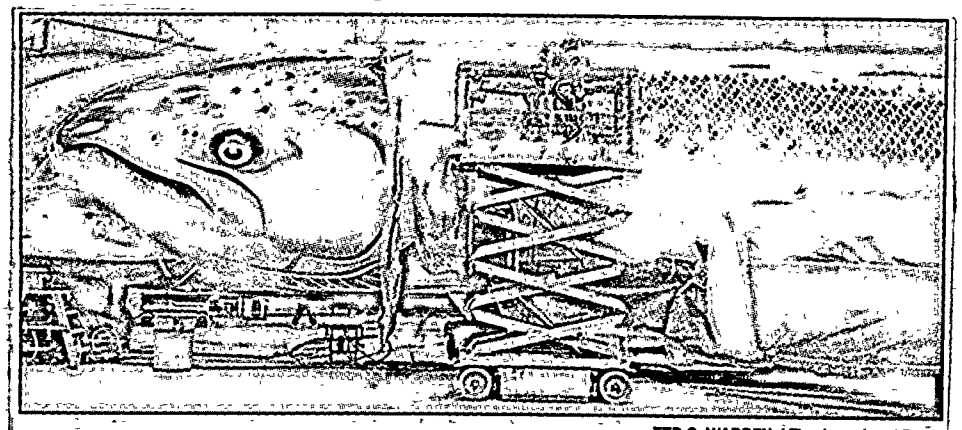
It's a bold promotional move to celebrate wild Alaska seafood and also the carrier's role in hauling millions of pounds of fresh salmon, halibut, crab, shrimp and other seafood out of the state each year.

The fishy paint job was done on a grand scale, company spokesmen said. A team of 30 painters and airbrush artists used more than 140 gallons of paint and took 24 days to render the lifelike chinook — triple the time normally needed to coat an airliner.

"There's no question, at least in my mind, that this is the finest airline art ever conceived," said Bill MacKay, the company's Anchorage-based senior vice president. "People will just be amazed at the detail."

A local nonprofit agency, the Alaska Fisheries Marketing Board, gave Alaska Airlines a $500,000 grant to paint the jet. The money came out of about $29 million in federal funding U.S. Sen. Ted Stevens of Alaska and his congressional col-

See Back Page, SALMON JET



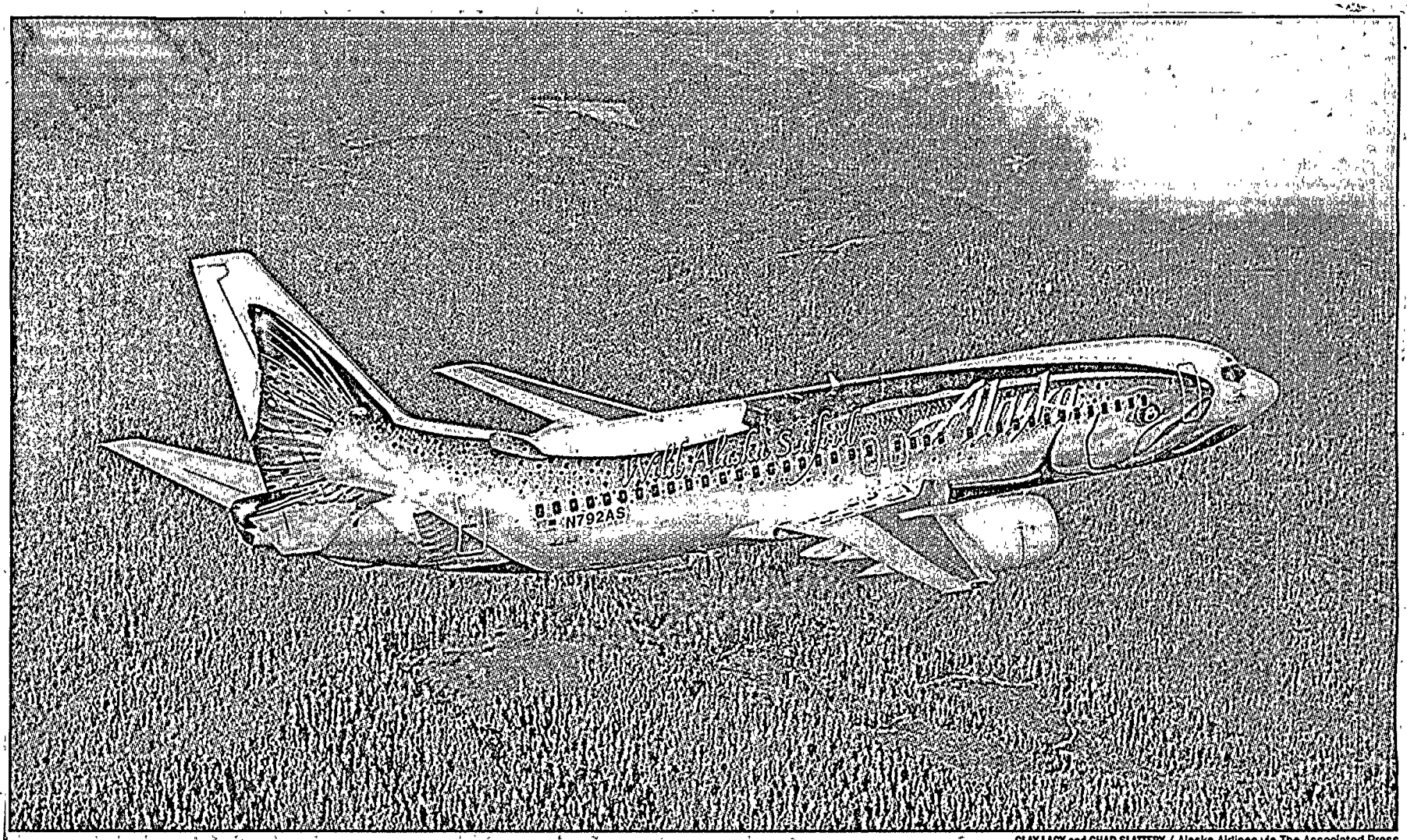
TED S. WARREN / The Associated Press

Airbrush artist Chris Coakley, a worker at Goodrich Aerospace in Everett, Wash., paints an Alaska Airlines 737, now called the "Salmon-Thirty-Salmon," to look like a giant king salmon Friday. A crew of 30 painters spent 24 days on the job.

FBI - Stevens-214

m-108
194A-AN-13620—Press-

A-1
10/02/05
194A-AN-136620



CLAY LACY and CHAD SLATTERY / Alaska Airlines via The Associated Press

A 737 painted to look like a king salmon is intended to highlight Alaska Airlines' history of shipping large quantities of fresh seafood from Alaska to points all over the country. The plane is scheduled to arrive at Ted Stevens Anchorage International Airport at 11:48 a.m. today. See story below.

FD-350 (Rev. 5-8-81)

H-1
Anchorage Daily News
Anchorage, AK
(Indicate page, name of newspaper, city and state.)

(Mount Clipping in Space Below)

Date: 10-2-05
Edition:

Title: Getting the Gas Deal Right is Paramount and Takes Time
Character:
or
Classification: 194A-AN-13620
Submitting Office: Anchorage

Indexing:

Getting the gas deal right is paramount and takes time

Should the state own part of a multi-billion-dollar North Slope gas pipeline? If a deal is finally reached between North Slope producers and the state on a pipeline deal, the state's ownership could be part of it.

It's a big question and it deserves a lot of discussion.

For starters, state and industry leaders would have to explain why having the state as a full-blown partner would help the pipeline get built.

From the companies the best answer I get is that it "aligns" the state's interests with the companies' so as to minimize chances of disagreements and lawsuits in the future.

TIM BRADNER
ECONOMY

Having a seat at the table, this argument goes, allows the state to participate in decisions on things like pipeline tariffs — the fees charged for shipping gas through the pipe — a huge source of controversy with the trans-Alaska oil pipeline.

Part of the deal could also involve the state taking its share of gas production — called royalty gas — "in kind," or in the form of gas rather than money paid by the producers after selling this gas. The deal might also involve the royalty share being enlarged to essentially replace the state production tax.

This could amount to as much as a billion cubic feet a day, making the state one of the biggest gas marketers in North America.

All this will need to be fully explained, because as a partner we would assume more risks.

What are those? One is that the project could experience delays and cost overruns, a realistic concern given recent experience with other energy mega-projects, the Sakhalin liquefied natural gas project being one case in point.

It can be argued that the tariff allowed to pipeline owners by the Federal Energy Regulatory Commission allows the owners to repay costs, whatever they are, and make a regulated and restricted profit.

An 80 percent loan guarantee by the federal government offers some further protection.

What about the state selling its royalty gas itself? If we make more money

See Page H-4, BRADNER

FBI - Stevens-216

194A-AN-13620- M-109 Pass

BRADNER: *We need to define our priorities*

H-1
194A-AN-13620

Continued from H-1

by selling our royalty gas ourselves — and transporting our gas through our share of the pipeline — than by letting the producers market the gas for us, this could be a good deal.

But what if we're not so good at marketing gas? Is there a possibility we could make less than if we'd sold our royalty to the producers? It's always a risk.

We were bumpkins 25 years ago and got taken to the cleaners in a royalty oil deal by people touting petrochemical plants in Valdez in return for generous terms on royalty oil. We learned some hard lessons.

We've done much better since then in marketing our royalty crude oil. Let's hope our luck holds with selling gas.

If the pipeline deal works right our risk could be mitigated actually. The guaranteed profit of the pipeline ownership, which is not affected by the ups and downs in the market, could give us some protection.

In a way, this is like balancing your investment portfolio with bonds and stocks. Think of pipeline ownership like a big bond, with guaranteed profits and less risk. Think of selling royalty gas like owning stocks, with more risk.

In fact, we would be exposed to all of the market and pipeline cost risk as a royalty-gas owner whether we take the gas in kind or not. That's because royalty payments are based on the wellhead value, which is determined by market prices minus transportation, the latter determined mainly by construction costs.

Looking at it this way, having some of the pipeline ownership with its guaranteed income actually reduces our risk.

There are lot of questions in all this, but here's one other big one, maybe the most important: What do Alaskans really want from a gas project? Maximum revenues and a fatter Permanent Fund dividend check? Short-term construction jobs? Long-term economic growth? (A gas pipeline will stimulate new gas exploration, and inevitably some oil will be found too.) Gas for Fairbanks and Anchorage? Gas liquids for those long-awaited petrochemical plants in Valdez, assuming they make financial sense? All of the above?

We need to sort out our priorities, but much of the above seems quite possible if this deal is put together right. That's the trick. We're all eager for an agreement and frustrated that it's taking so long.

Pedro van Meurs, an international consultant working with the state in the negotiations, counsels patience.

Getting the deal right in the beginning is all-important. If it takes a few more weeks, even a few more months, to do that, so be it, van Meurs says.

I agree. Ten, 20, 30 years from now it won't matter that it took a little longer.

FBI - Stevens-217

FD-350 (Rev. 5-8-81)

Anchorage Daily News
5-2
Anchorage, AK
(Indicate page, name of newspaper, city and state.)

(Mount Clipping in Space Below)

Alaska can model owner-state concept

Date: 10/02/05
Edition: Sunday

Title: Alaska can model owner-State Concept

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

Indexing:

WALLY HICKEL
COMMENT

It's time to plan for the next boom, whether it's a gas line, the opening of the coastal plain of ANWR, the state and federal construction agenda already in motion, or the large-scale mining operations currently being scoped and permitted.

How do Alaskans, rural and urban, prepare themselves for the job opportunities that will accompany these projects? How do our businesses benefit? How do our communities and state agencies prepare themselves for the increased demand on their services?

Before statehood, we were forced to watch from the sidelines as events like these came and went. All the decisions were made Outside. Now it is up to us.

Two weeks ago, these issues were the theme of the annual Alaska Dialogue hosted by the Institute of the North at the Talkeetna Alaskan Lodge. More than 100 Alaskans, ranging in age from 18 to 86, participated from many parts of Alaska.

The opening panelists recalled the oil pipeline construction in the early '70s, emphasizing the enormous impact of that boom, both positive and negative, and the lessons that Alaskans can learn from it.

Other speakers discussed how to prepare our work force for the future, including the high school students of today, while others explored the impact of another boom on health care delivery, public safety, education, housing and transportation.

My message was something I learned at a young age. In Dust Bowl days in Kansas, where I was raised on a tenant farm, everyone in the family worked. At the age of 8, I drove a gangplow with four head of horses, carving furrows in the rich Kansas soil.

One day I was far from the house when a storm suddenly filled the sky with lightning, and its thunder rumbled across the prairie. I was terrified. I unhooked the horses from the plow and attached a little red wagon, and we galloped for home.

My mother saw me coming from our kitchen window and was standing on the steps when we roared up to the house. By this time, somehow, the sky had cleared. The rain and lightning had stopped. I tried to explain what happened, as an 8-year-old would.

Mom stood there in her apron and listened to my story. Then she smiled and said, "Don't be afraid, Walter. Don't be afraid." Then, in a steady, gentle voice, she told her 8-year-old son to turn that team of horses around and head back to the field.

And that's my message to Alaska. Don't be afraid. Don't fear the future.

Most of the world would gladly welcome the opportunities on Alaska's doorstep, especially 35 trillion cubic feet of proven natural gas reserves at the North Slope waiting to reach the market. And think of the opportunities to create an economy by adding value to that gas if we insist that the gas line remains in-state, something we must do.

Yes, let's learn from the past, and let's be bold enough to embrace the future. Alaska can be a model for how to use wisely the gifts God has given us, not just for ourselves, but for the world.

Everyone says Alaska is unique. That's true, and what fascinates me most is the unique obligation of ownership Congress

FBI - Stevens-218

194A-AN-13620 - ~~Press~~ M-110

10/02/05
J-2
194A-AN-13620

Most of the world would gladly welcome the opportunities on Alaska's doorstep, especially 35 trillion cubic feet of proven natural gas reserves at the North Slope waiting to reach the market.

placed on our shoulders when we accepted the terms of the Alaska Statehood Act, including the provisions in our constitution. It's the responsibility of all of us to ensure that our 103 million-acre entitlement, and the resources it contains, are wisely used and cared for.

That's why the issues addressed at the recent dialogue are so important. By looking forward and planning intelligently, we can be successful in making the owner state work for the benefit of all our people. When we succeed, we truly will be a model for others, including our neighbors to the west, the Russians and Chinese.

And we might even assist the countries in Africa and elsewhere that have been unable to win the war against poverty, the breeding ground of terrorism. These are delicate and dangerous days in the world. People are looking for a new direction. They are looking for a light. And that light can come from the North.

■ Walter J. Hickel served as governor of Alaska from 1966 to 1968 and 1990 to 1994 and as U.S. secretary of the Interior from 1969 to 1970. Founder of the Institute of the North, his latest book is "Crisis in the Commons: the Alaska Solution."

FD-350 (Rev. 5-8-81)

Anchorage Daily News
Anchorage, AK
(Indicate page, name of newspaper, city and state.)

(Mount Clipping in Space Below)

(see attached)

Date: 10/02/05
Edition: Sunday

Title: Alaska Gasline Port Authority (ad)

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

Indexing:

Jim Whitaker, Chairman, Alaska Gas Pipeline Authority.

FBI - Stevens-220

194A-AN-13620 ~~Press~~ M-111

Of twelve editorials and commentaries in the Voice of the Times between May 25 and September 30 of this year that have referenced the Alaska Gasline Port Authority and All-Alaska Gasline Project, all twelve have been negative...

It is detrimental to Alaska to use the Voice of the Times as the voice of Exxon, ConocoPhillips and British Petroleum; who would like nothing more than to make the All-Alaska Gasline project disappear.

The common ownership of the Voice of the Times and major oil field engineering and service company VECO, cannot be ignored. VECO describes itself as a multi-national corporation that provides services to the energy, resource and process industries. In Alaska, the majority of that business volume results from negotiated contracts with the three major producers: Exxon, ConocoPhillips, and British Petroleum.

Of meaningful concern is that the Voice of the Times may be advocating for the self-interest of its owners. A position that is perfectly legitimate in the business world, but not a valid position if the Voice of the Times purports to speak for the good of Alaskans in general.

It is arguably conceivable that the Voice of the Times is advocating for a particular political perspective; say right of center Republicans. However, most right of center Republicans understand and support the Statehood Act, which established and requires that the State own the oil and gas resource. They also support Alaska's Constitution, which requires that Alaskans receive a maximum benefit from the oil and gas resource that they own.

Further, and very importantly, most Republican Alaskans understand the value of a free market economy, which requires and thrives upon competition; not a closed market, dominated by three companies who have a fiduciary responsibility to put their interests first; even if opposed to Alaskans' best interest.

We Alaskans are perfectly capable of discerning the perspective and therefore the motivation of the Voice of the Times, given full disclosure when editorializing on oil and gas issues. The disclosure should read something like this: ***The Voice of the Times is owned by the same person or persons who own VECO, a large service contractor whose main source of revenue is derived from negotiated contracts with British Petroleum, ConocoPhillips and Exxon.*** Alaskans can then reach their own conclusions as to whether or not the Voice of the Times speaks for the good of Alaskans, or for the benefit of its owner's business interests.

The same type of disclosure is currently available to the public through the Alaska Public Offices Commission (APOC) regarding those who are specifically tasked with putting Alaska's interests first; those we elect to state level office: the Governor and the Legislature. APOC reports indicate that by far, the single largest contributing group to Gubernatorial and Legislative political campaigns is that group associated with the oil industry, most prominently VECO; a reality which crosses party lines. Alaskans expect that the people they elect to represent only their best interests are doing so, an expectation rooted in the formation of government by the people, for the people, not for the people who contribute the most money to campaigns. The Governor and every member of the Legislature should make it very clear to the public through their words and actions that they are Alaskan Republicans or Alaskan Democrats, not Big Oil Democrats or Big Oil Republicans.

One way they can communicate this assurance to Alaskans is to insist that all business options for Alaska natural gas are fairly and publicly considered, and that a project or projects move forward in the state's best interest. This looms too large in our future to be shrouded behind unnecessary claims of confidentiality or cloaked behind closed-door political gatherings.

What is known publicly is that the All Alaska Gasline is real, ready, and capable of delivering Alaska North Slope natural gas to in-state and domestic markets for the benefit of all Alaskans, with no need for years of additional analysis.

The time is now for a fair and open comparison of project benefits for Alaska if the Legislature and Governor are to assure Alaskans that their best interests are being well protected.

Enough posturing, it is time for Alaska's gas to go to market; or for those who would obstruct a project to pay a high price.

Jim Whitaker
Chairman, AGPA
Mayor, Fairbanks North Star Borough

AGPA
ALASKA GASLINE PORT AUTHORITY

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FT Stevens

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below:)

(Indicate page, name of newspaper, city and state)
ANCHORAGE DAILY NEWS
ANCHORAGE, ALASKA
Page:
Date: 10/11/2005
Edition: Thursday

Title: A Bad Gas Deal Smells Worse Than a Bad Fish Deal

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Submitting Office: Anchorage

Indexing:

A bad gas deal smells worse than a bad fish deal

Everyone has been wondering what Veco paid Sen. Ben Stevens a substantial "consulting" fee for. If and when Gov. Frank Murkowski brings forward a phony Canadian gas-line proposal, that's when Veco will call on Ben to earn his money.

Veco will lobby the Legislature to rubber-stamp a deal with the oil companies which contains no commitment to actually build the project. At the same time, these same companies are furiously developing their overseas projects to supply foreign gas to America.

Veco will call in all its chits on campaign contributions and contracts they have with legislators, including Sen. Stevens who will be asked to use his position as Senate president to ram through a bad deal for Alaska.

A bad fish deal really stinks, but a bad gas deal smells even worse.

-- Kenneth Chu

Anchorage

10/11/2005

013ma13.news.wpd

FBI - Stevens-222

194A-AN-13620-M-112

FD-350 (Rev. 5-8-81)

A-1
Anchorage Daily News
Anchorage, AK
(Indicate page, name of newspaper, city and state.)

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Date: 10/06/05
Edition: Thursday

Title: Salmon Jet Lures Fund Questions

Character:
or
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Submitting Office: anchorage

Indexing:

Salmon jet lures fund questions

194A-AN-13620

■ **MARKETING:** How has $29 million in federal money been spent so far?

By LIZ RUSKIN
Anchorage Daily News

WASHINGTON — The Alaska Fisheries Marketing Board, created by U.S. Sen. Ted Stevens in 2003, made a big splash this week with a high-profile project: a $500,000 grant to Alaska Airlines, mostly to paint a giant king salmon on one of its jetliners.

Sen. Ted Stevens

But what else the marketing board has bought with the $29 million in federal funds it has received isn't so clear.

The law that created the board says AFMB must submit an annual report detailing its expenditures to the secretary of commerce. But the board's executive director, Bill Hines, said he is not allowed to release the report to the public.

"A lot of that information is confidential and proprietary," he said.

The board's chairman is state Sen. Ben Stevens, R-Anchorage, who did not return telephone calls Wednesday.

His father, U.S. Sen. Ted Stevens, created the board in a 2003 appropriations bill, saying he wanted to help Alaska seafood compete against imported farm-raised stocks. The state's commercial salmon industry was in crisis, with a value that had plunged 73 percent in a decade. The board was one of several initiatives aimed at reviving the industry.

See Back Page, **FISH MONEY**

FBI - Stevens-223

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194A-AN-13620 - ~~Pretty~~

FISH MONEY: *Questions*

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194A-AN-13620

Continued from A-1

Sen. John McCain, a regular critic of special funding programs Ted Stevens establishes for Alaska, took a shot at the marketing board when it was up for its second $10 million appropriation.

"Is there something wrong with these fish that warrants such an expensive program to convince us to eat them?" the Arizona Republican asked during debate last year.

The board's structure, as Stevens established it in federal law, is unusual. The board is an independent nonprofit, and its members are appointed by the commerce secretary. Hines, the director, remains an employee of the National Oceanic and Atmospheric Administration.

The board's money — about $10 million a year — comes from something called the Saltonstall-Kennedy Fund. The fund is derived from duties on imported fish and awards grants to develop American fisheries.

The Alaska Fisheries Marketing Board hasn't produced an annual report for public review, Hines said.

It also has no official Web site, he said. Some of its meetings have been open to the public, he said, but the locations and meeting times aren't advertised.

Hines did, however, provide a PowerPoint presentation that gave a general accounting of the board's budget. The bulk of the money, $12 million, has gone to salmon processors, and more than half of that has gone to the processing titans: Ocean Beauty, Peter Pan, Icicle, Trident.

Hines said the board took a new "performance-based" approach with salmon marketing. Rather than award grants based on merit of individual proposals, the board offered grants based on the amount of salmon each processor had bought.

"It's all based on the amount of fish purchased, so the more you purchase, the more you get," he said.

The grants, though, do come with restrictions.

"They have to submit a proposal for how they would spend that money, and that proposal has to do with marketing," Hines said.

Grantees have to file reports, which the board scrutinizes, he said. Information provided to the board is often sensitive, he said, because companies wouldn't want competitors to know their plans.

The PowerPoint slides also show the board gave $4.5 million to the Alaska Seafood Marketing Institute, a state-chartered organization created in 1981, $3 million to a group that promotes Alaska pollock, and $1 million to promote herring in Japan. It also gave out numerous smaller grants.

Some of the grants, such as the money to promote a branding initiative called Genuine Alaska Pollock Producers or the Japanese herring campaign, have received attention in Alaska fishing circles.

Hines was willing to discuss how some of the companies proposed to spend their grants but said the full accounting was in the report he could not release.

"I am not allowed to just release that report," he said. "That's what I was told (when) I talked to folks in D.C."

He didn't want to be more specific about where the instruction came from.

"I don't think that's important," he said.

He also said that the report didn't belong to the board because he had filed the original, as required by law, with the Department of Commerce.

The Daily News has filed a formal request for the report from the Commerce Department and is awaiting a response.

Mark Vinsel, executive director of the United Fishermen of Alaska, said he'd like to be able to tell his members of the grants available through the marketing board.

"I've been looking forward to them having a Web site," he said. "Without a Web site, I haven't been able to regularly communicate to UFA's 1,300-member e-mail list in the way we have with (other grant programs)."

Actually, the AFMB does have a Web site, although it's still under construction.

The site alaskafisheriesboard.org contains information about the organization.

"It's not an official Web site. It should not be launched," Hines said when asked about it Tuesday. On Wednesday, the site was carrying a red disclaimer saying it was under construction and that "none of the information contained herein has been approved as official content."

The site listed the agency's 11-member board of directors and gave a partial breakdown of entities that received grants and for how much, although it doesn't say what the grants were for. The AFMB board includes representatives of seafood companies, fisheries groups, Carrs/Safeway, Lynden Transport and former Ted Stevens aide Trevor McCabe, who is a business partner with Ben Stevens.

The official location of the agency's office was also unclear. The bylaws on the unapproved Web site say the principal office is in Juneau, where Hines said he lives. Hines, though, said that the office is actually in downtown Anchorage and that the board pays for an apartment for him to stay in there. His business phone is his cell phone, he said, although the organization does have a phone in the Anchorage office.

He declined to disclose his salary, which is paid through the Department of Commerce. Hines said his board members do not receive salaries but are paid $500 per meeting, in addition to per-day expenses.

Ben Stevens, the board chairman, did not list his AFMB membership on his Alaska Public Offices Commission financial disclosure forms for the past two years. The APOC form requires legislators to list profit and nonprofit boards on which they serve. Stevens did list his membership on other nonprofit boards. He was appointed to the AFMB board in late 2003.

A spokeswoman for Ted Stevens said he recommended his son and other members of the marketing board to the commerce secretary for appointment, but she said the senator made his recommendations from a list Gov. Frank Murkowski sent.

The Alaska Airlines promotion is getting national attention, not all of it positive.

Sen. Tom Coburn, R-Okla., told ABC News this week that the money was a waste.

"I don't think anybody's going to buy Alaskan seafood because they see a fish on the side of an airplane," he said in a segment broadcast Wednesday on "World News Tonight."

Keith Ashdown, spokesman for Taxpayers for Common Sense, acknowledged the plane has a lot of "wow" factor. He e-mailed news of the publicly funded paint job, saying "We couldn't make this up if we tried."

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Hines said the salmon jet has been a big hit. He called it a "flying billboard."

"It's advertising," he said. "For four to six years, we're going to have that plane flying our message."

In fact, he said, he the message may outlive the board.

"In light of what's going on today, with (Hurricane) Katrina, with Rita and other problems, I'm not optimistic that we're going to get another appropriation this year," he said.

The board was created when the market for Alaska fish was terrible; and it's now much better, he said.

"We have fulfilled our mission," he said. "We have run our course."

FD-350 (Rev. 5-8-81)

B-3
Anchorage Daily News
Anchorage, AK
(Indicate page, name of newspaper, city and state.)

(Mount Clipping in Space Below)

Date: 10/06/05
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Title: Effort to Recall Sen. Ben Stevens makes appeal to Superior Court
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ANCHORAGE

Effort to recall Sen. Ben Stevens makes appeal to Superior Court

The committee seeking to recall state Sen. Ben Stevens appealed Wednesday to Superior Court in Anchorage for an order overturning the state decision to throw out its petition.

Citizens for Ethical Government, a group closely aligned with the offshoot Republican Moderate Party of former legislator Ray Metcalfe, said the state Division of Elections improperly rejected the recall Sept. 7 after more than the required 1,232 signatures were submitted. Elections director Laura Glaiser said the organizers failed to allege sufficient legal grounds to recall Stevens, the Senate president and a Republican who represents a South Anchorage district.

Stevens lauded Glaiser's decision last month, but Metcalfe said it was politically inspired. Metcalfe said Glaiser, backed by the state Department of Law, set an impossibly high standard for a political process enshrined in state law.

Metcalfe's appeal was filed by Ken Jacobus, a politically active attorney who served for 20 years as the Republican Party's general counsel until he was replaced in 2003. Jacobus said he hasn't yet developed a legal strategy for the appeal but expects the matter to be handled on an expedited basis by the court.

"I have nothing against Senator Stevens," Jacobus said. "I'm trying to uphold one of the people's democratic rights."

—*Anchorage Daily News*

FBI - Stevens-226

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194A-AN-13620- ~~Press~~

FD-350 (Rev. 5-8-81)

Anchorage Daily News
A-
Anchorage, AK
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or
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(Mount Clipping in Space Below)

Governor places gas on the line

194A-AN-13620

■ **DEAL:** Frank Murkowski tells top oil producers to take it or leave it — now.

By WESLEY LOY
Anchorage Daily News

Gov. Frank Murkowski on Thursday delivered a contract to Exxon Mobil, BP and Conoco Phillips for state terms on a natural gas pipeline, along with a refrain for the big-three oil producers: Take this deal, and take it fast.

Murkowski declined to reveal the contract's key contents and wouldn't say whether he'll call the Legislature into special session before the end of the year to ratify it.

Pedro van Meurs is an oil and gas consultant for the state.

But he said he's hopeful the producers will accept the contract offer within a few days, after which state lawmakers and the public would have a chance to see and comment on it.

For over a year the state has been negotiating terms on taxes, ownership, in-state use of gas and other points if the producers build the pipeline. Murkowski stopped short of calling the contract the state's last and best offer, saying it might be subject to "modest adjustments."

Spokesmen for the companies had measured responses.

"We're looking forward to reviewing the state's proposal," said Daren Beaudo, the Anchorage spokesman for London-based BP. "We're working extremely hard toward an agreement on a contract that will enable the project to move forward. And we're looking forward to the day when we can dis-

See Back Page, GAS LINE

FBI - Stevens-227

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194A-AN-13620-~~Press~~

GAS LINE: *Decision expected soon*

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Continued from A-1

cuss a finalized contract. We're striving to meet the governor's desire to have a deal available for public and legislative review as soon as possible."

"We are making good progress toward a fiscal contract with the state of Alaska," said Dawn Patience, Anchorage spokeswoman for Houston-based Conoco Phillips. "We do support the governor's efforts to complete this process in a timely manner."

"We'll evaluate the state of Alaska's fiscal contract and respond when our assessment is complete," said Susan Reeves, with Exxon, based in Irving, Texas.

A pipeline to deliver the North Slope's known 35 trillion cubic feet of gas across Alaska and Canada to the energy-hungry Lower 48 would be a world-class construction project and an economic development plum for Alaska.

But it's also a goal that's frustrated many a governor, as oil companies holding rights to the gas underneath leased state-owned tundra have historically said the potential $20 billion cost makes gas production uneconomic.

Much has changed in recent years, however, especially the price of natural gas, which has skyrocketed to $14 per thousand feet, more than twice what it brought in May and even more expensive compared with the $2 or so it brought through the 1980s and '90s. Congress also has provided major incentives, including loan guarantees and tax breaks.

Now a high-stakes chess game might be reaching a climax. All summer, the Murkowski administration and oil company representatives huddled around the negotiating table, haggling over how the state would tax the pipeline, how big a stake the state would own, how many Alaskans would get construction and other jobs, and presumably when work toward building the line might start.

Meanwhile, the administration seems to have sent some tough signals to the industry, telling Exxon a week ago that it risks losing its leases on the massive Point Thomson gas field if it keeps delaying development. Point Thomson gas would be combined with Prudhoe Bay gas to fill the pipeline.

Aside from this state-corporate tension, some state lawmakers, especially Democratic critics of Murkowski, are pushing for a tax on undeveloped gas reserves. And other groups are pushing ideas for an all-Alaska pipeline, rather than one running through Canada.

Murkowski said Thursday that the state is close to a historic deal to unlock the stranded North Slope gas some 30 years after it was discovered, creating jobs and billions of dollars in state revenue. He said the contract designates four points — the Yukon River, Fairbanks, Delta Junction and Glennallen — where gas could be siphoned for local use, or even for shipment through the North Pacific in liquefied natural gas tankers.

"I anticipate receiving an affirmative response from the producers within the next few days," he said. The governor held up a white folder, about half an inch thick, that he said contained a copy of the "comprehensive contract."

On Sept. 14 in Valdez, the governor announced he had delivered a lesser document, a "contract term sheet," to the oil companies.

Pedro van Meurs, a Dutch-born oil and gas tax consultant and negotiator for the state, said the contract offer, if accepted, would give Alaska the best deal any government has ever achieved in terms of profit share on gas imported into the Lower 48. He said all three oil companies must agree to participate for the pipeline mega-project to work.

Van Meurs said, however, that it was not possible to include in the contract an actual date for construction to start, because of uncertainty in gaining regulatory clearance.

Actual construction is contingent on more than Alaska. Much of the line would cross another country, Canada, where a struggle rages over who holds the right of way for that section of pipe.

Murkowski and van Meurs said that it behooves the oil companies to accept the deal quickly.

Noting his experience negotiating contracts for pipelines and other major projects in many countries, van Meurs noted that the producers risk having to share even more of the profits if they wait. Governments around the world with oil and gas resources to market are demanding higher and higher shares now that oil and gas prices are running so high, he said.

"I believe the contract is fair and, as the governor said, I really urge the producers to have a quick acceptance of these terms," he said.

Harold Heinze, formerly president of the company now known as Conoco Phillips Alaska Inc., attended the governor's news conference and said afterward that he expects an answer from the oil companies pretty quickly. He's now chief executive of the Alaska Natural Gas Development Authority, a small agency voters created in 2002 to try to build a gas line.

"The companies don't want to have this as an open decision for a long time," Heinze said. "People will interpret a long delay as negative, won't they? If you're going to take the deal, take it now."

■ Daily News reporter Wesley Loy can be reached at wloy@adn.com or 257-4590.

What's next for the natural gas deal

1) Oil companies accept the preliminary contract or seek more negotiation.
2) If oil companies accept the agreement, a public comment period of at least 30 days occurs.
3) State commissioner of revenue might seek changes to agreement based on public comment. If so, he negotiates changes.
4) When contract is finalized, the state has 60 days to execute it. During this period, the Legislature must approve the contract as written.
- If the Legislature rejects the contract, negotiations start on a new preliminary deal.
- If the Legislature accepts the contract, the state can sign it.

5) Once the contract is signed, oil companies continue pipeline studies before deciding if they want to do the multibillion-dollar project.

ON THE Web

■ **PAST STORIES:** Go online. **www.adn.com**

FBI - Stevens-228

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Anchorage Daily News
Anchorage, AK

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Anchorage, AK

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(Mount Clipping in Space Below)

HEARING FROM ANOTHER . . .

Seattle expert

WHEN IT COMES to solving the nation's energy problems, some political leaders and public activists are so blinded by their environmental bias that they don't recognize how foolish they are.

These are the same people who are all in a froth because gasoline prices are rising in the wake of the damage caused by Hurricane Katrina.

And they are the same ones who continually raise shrill opposition to oil exploration and development on the coastal plain of the Arctic National Wildlife Refuge.

Go figure.

One of the ANWR critics is Andrew Adams. You probably never heard of him. We hadn't either, until he wrote a column in the Seattle Post-Intelligencer the other day and was identified as — get this — the "state field director for Alaska Coalition of Washington in Seattle."

Another one of those people Outside who are looking after the best interests of Alaskans — and everybody else in the country, according to Adams.

"If the U.S. government opens up one of the wildest, most natural places in the country to drilling, every square mile is effectively put in play," this watchdog for Alaska in Seattle wrote. "That means drilling off the coast of Florida, California and, yes, right here in the Puget Sound area."

Good grief.

AH, BUT THERE'S more: "Do we want to live in a world where nothing is off-limits to drilling and pollution? Where do we draw the line, the refuge in Alaska or Lake Washington?"

Where do these guys come from?

Clearly Adams isn't listening to Pete du Pont, former governor of Delaware, who says "we need to drill for more oil in America."

For starters, he says, there are 10 billion barrels of recoverable oil in ANWR, enough to make it "the equivalent of an oil-exporting nation."

Adams, the Seattle expert, begs to differ with du Pont's Sept. 20 comments in the Wall Street Journal. "The returns on drilling in the Arctic are minimal and unproved," Adams flatly says. Take his word for it.

He probably would have said the same thing about Prudhoe Bay 35 years ago, had he then been occupying his distinguished post as state field director for the Alaska Coalition of Washington in Seattle.

Du Pont has a broader view of things, saying "substantial quantities of oil and gas are out there, and America will be more secure, stable and prosperous if we gain access to them."

And even those who live and work and play in the Puget Sound area and on and around Seattle's Lake Washington will be better off as a result.

FBI - Stevens-230

M-117

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Anchorage Daily News
Anchorage, AK
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Date: 10/12/05
Edition: Wednesday

Title: Seafood-Marketing Grants Will Pay Off

Character:
or
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COMPASS: *Points of view from the community*

Seafood-marketing grants will pay off

By WILLIAM P. HINES

In response to the article "Salmon jet lures fund questions," published in the Daily News on Oct. 6, I wish to address certain issues raised regarding the operations of the Alaska Fisheries Marketing Board.

The AFMB is a private, nonprofit organization composed of 11 members, appointed by the secretary of commerce, representing a wide range of expertise in the seafood industry. Its mission is to serve as a catalyst to market, develop and promote Alaska seafood and improve related technology and transportation.

The funds utilized by the AFMB were appropriated by Congress. These funds, including the funds used to pay for the painting of the Alaska Airlines jet, did not come from taxes paid by Americans. The funds originated from duties imposed on the importation of foreign seafood products collected under the Saltonstall-Kennedy Act, which was enacted in 1954 to assist the U.S. fishing industry. Imported seafood products compete directly with U.S. fishery products, and the S-K Act provides that a portion of the duties collected will be made available as direct industry grants to assist U.S. fisheries to expand domestic and foreign markets. Congress directed the AFMB to use a portion of these funds to market Alaska seafood, with an emphasis on salmon.

The AFMB has received $29 million from Congress. The AFMB determined that the best way to assist the Alaska salmon industry is to focus on increasing the amount of product into the marketplace from producer to consumer. An innovative, performance-based allocation was developed, utilizing a formula that incorporates the amount of salmon purchased by producers from Alaska fishermen. The greater the amount of salmon purchased, the greater the amount of funds available to a quali-

FBI - Stevens-231

194A-AN-13620-~~Pres.~~ M-118

10/12/05
194A-AN-13620

While the AFMB has thus far expended approximately $24.5 million, its overhead has been extremely low. ... This has allowed nearly 98 percent of the funds expended to be used as grants to market Alaska seafood.

fied applicant. The AFMB focused on individual producers, who are best qualified to market their products and strengthen the link between consumer and producer. The funds allocated to this performance-based approach is $12,750,000, with grants made to 69 recipients in 2004 and 37 in 2005.

The AFMB has made grants to such diverse programs as the Genuine Alaska Pollock Producers, a marketing association established to ensure Alaska pollock remains strong in the marketplace; the Herring Marketing Committee, which will conduct the first-ever statewide herring marketing plan for international markets; and Alaska Protein Recovery for fish waste product development. In addition, a grant of $500,000 was made to Alaska Airlines to paint a 737-400 passenger jet and to advertise and promote wild Alaska seafood.

While the AFMB has thus far expended approximately $24.5 million, its overhead has been extremely low. The AFMB entered into a contract with Alaska Pacific University to perform all of its administrative and accounting functions. The AFMB office is collocated with APU's Pacific Rim Fisheries Program. AFMB's costs to manage and administer its day-to-day operations thus far have been approximately $500,000, an overhead rate of about 2.2 percent. This has allowed nearly 98 percent of the funds expended to be used as grants to market Alaska seafood.

Applicants seeking grants provide confidential and proprietary business information regarding operations and sales, and the AFMB has assured applicants that such information will remain confidential. Congress directed the AFMB to submit a report to the secretary of commerce, which contains information the AFMB considers proprietary business information. However, the AFMB provided the Daily News a summary of its grants and the criteria used to determine how the funds will be distributed. Because the report is now a document in the possession of the Department of Commerce, release of the entire report is a matter for the department to determine in accordance with federal law.

In the past three years, the AFMB has done much to increase the sale of seafood and promote the Alaska seafood industry. The AFMB has viewed the funds received from Congress as an investment, not a handout, with an expected return to the American people. The return is a healthy, sustainable and profitable Alaska seafood industry contributing to the economic well-being of Alaska and the nation.

William P. Hines is executive director of the Alaska Fisheries Marketing Board.

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Anchorage Daily News
B-6
Anchorage, AK
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OUR VIEW

Give us enough time

One month is too short for public comment on gas line

Thirty days hath September, April, June and November. All the rest have 31, except the monthlong public comment period for the state's anticipated natural gas pipeline deal with North Slope producers. It should be 60 days.

Alaska's Stranded Gas Act requires a minimum one month for the public and legislators to review and comment on a deal between the state and gas line project sponsors. The key word in the law is "minimum." The other key words, although admittedly not in the law, are multibillion-dollar, multi-year, multi-party contract that will bind the state with the producers until the middle of the century. That's not bad, and no doubt could be excellent, but it certainly is worthy of more than the minimum 30 days for public comment.

The governor and his staff are inching closer to a draft contract with the producers to govern tax and royalty payments on the gas line, including the state's role as possibly a $4 billion investor in the project. Legislators and the public are getting ready for the most eagerly awaited public comment period since parents starting asking their children what they want for Christmas. Alaskans want a lot from the long-awaited gas pipeline, and the answers to all those wants will be spread throughout the contract and its attachments measuring in the hundreds of pages.

State and company negotiators have put far too much good faith into negotiating the deal to now create distrust in the process, which could happen if the public is pushed to read, analyze, discuss and comment on such a major undertaking in the same time it takes to close on a simple home loan. There is nothing simple about the gas line. It's the largest private construction project ever in North America, with the potential to move more than a quarter-trillion dollars worth of natural gas over the 35-year life of the deal.

Negotiations have been under way behind closed doors for more than a year, so we can only imagine the volume of confidential material that will become public after a contract is released. There's no sense in risking all of the hard work by rushing to meet a minimum deadline in the law.

The administration should go for double the minimum, giving Alaskans two full months to think about the deal before the governor gathers up the comments, goes back to the producers for any needed changes, then submits the mega-deal to the Legislature for an up-or-down vote. Alaska has too much at stake, and we trust the governor will agree.

■ **BOTTOM LINE:** It's better to spend more time reviewing the contract to ensure Alaskans understand the benefits and risks.

It's not nice

Anti-Canadian ad is embarrassing

It's not nice to make fun of your neighbor. It's not funny to perpetuate stereotypes. And it's not productive to turn the dreams of a North Slope natural gas pipeline project into an anti-Canadian television commercial.

Come on, we all love hockey together, so why can't we work together on a gas line project?

Unfortunately, the All Alaska Alliance's recent TV commercial showing a couple of beer-drinking, bar-sitting, cigarette-smoking, slang-talking Canadian guys gloating over their pipeline construction jobs at the expense of Alaskans is in poor taste.

The best gas line project for Alaska is the one that produces the most public revenue for the longest period of time, generating cash to help pay for schools, roads, bridges, ports and all the other needs we have. If that means a profitable line from Alaska through Canada to the gas-hungry Lower 48, and if that means some Canadians get pipeline construction jobs, so be it.

Alaska would prosper with a gas line that could deposit as much as $2 billion a year into state and municipal treasuries. Those would be all-Alaska revenues.

■ **BOTTOM LINE:** Let's not make fun of Canadians.

FBI - Stevens-233

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Voice of the Times -
Detractor's hoopla over fish is hypocritical
Anchorage Daily News (AK)
October 14, 2005
Author: Commentary
Estimated printed pages: 5

THE UPROAR over federal funds being used to paint the image of a fish on the side of an Alaska Airlines jet to advertise the state's wild salmon industry would be laughable if it were not so blatantly motivated by raw politics.
Are we rubes to believe that no other state, no other private company, no other industry has received federal help? Are we to believe that the $500,000 spent on painting a fish on the plane now known as Salmon-30-Salmon, is a huge amount in the scheme of things and the only expenditure of its kind?

Those leading the attacks must be hoping we all have short memories.

The federal government, through efforts such as the Market Access and Export Enhancement programs, along with farm, irrigation, tobacco and research subsidies, funnels billions to companies and individuals to help them grow, manufacture, sell and advertise their products, here and abroad.

There are tax breaks and tax exemptions and tax deductions. There is insurance for companies that invest in risky regions of the world. There are grants. There are loans to prop up businesses. (Anybody remember Chrysler?) There are pet projects. Huge boondoggles. There are millions of ways to spend billions of federal dollars in the private arena.

And the Alaska Fisheries Marketing Board's legitimate expenditure of $500,000 for creative advertising of an Alaska product competing on the world market is somehow a terrible thing? The fish would have been cheap at twice the price. The panel could have gone for a one-minute spot during the Super Bowl (which may or may not have been remembered a month later). That would have cost a measly $5 million or so a minute.

Seattle is upset about the fish. A columnist says so. Somebody ask him about that city's boondoggle rail systems that are costing taxpayers millions. Boston is wrapped in angst about

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the fish. Ask it about the Big Dig. And they are worried about our fish?

Count us among those who believe government spending must be curbed across the land. We stand with those who believe every dime of tax money spent should be scrutinized and accounted for. But we find it well beyond hypocritical that some detractors only want that to apply to Alaska, not their home states; not their sports stadiums; not their pet projects.

All the hoopla would be easy to write off as more nonsense, more of the colonial mindset of our neighbors to the south and the anti-everything mindset of all too many Alaskans, but it goes further than that. It's cheap politics.

The Alaska Fisheries Marketing Board was set up by Sen. Ted Stevens in 2003 as an independent non-profit to help the state's foundering commercial salmon industry compete against farmed salmon. The board's chairman is state Sen. Ben Stevens.

That pretty much explains everything.

10/14/2005

013ma14.news.wpd

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below:)

(Indicate page, name of newspaper, city and state)
ANCHORAGE DAILY NEWS
ANCHORAGE, ALASKA
Page:
Date: 10/14/2005
Edition: Friday

Title: Something Smells Fishy in Paint Deal

Character/Classification: 194A-AN-13620 · ~~369~~

Submitting Office: Anchorage

Indexing:

Something smells fishy in paint deal

A half-million dollars to paint an airplane with a fish? Outrageous. An annual report that is secret because of proprietary information that could have been deleted? Outrageous. Stevens the younger didn't report his membership on the board? Outrageous. Somebody is playing hide the ball, and the whole deal smells -- well, like rotten fish.

-- Alan Powers

Anchorage
10/14/2005

013ma15.news.wpd

FBI - Stevens-236

194A-AN-13620-M-121

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(Mount Clipping in Space Below:)

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ANCHORAGE DAILY NEWS
ANCHORAGE, ALASKA
Page:
Date: 10/15/2005
Edition: Saturday

Title: Confusing Rules Make It Difficult to Decide What is Unethical.

Character/Classification: 194A-AN-13620 370

Submitting Office: Anchorage

Confusing rules make it difficult to decide what is unethical

I'd like to get a clear understanding of the rules before I run for office.

If my dad, in the U.S. Senate, slips through a bill that grants a windfall to a company I have an undisclosed interest in, everyone gets upset.

But if I get hooked up with some nice consulting contracts with companies that seek to benefit from legislation I'll be voting on, or sponsoring, and where my work consists of little more than cashing the checks, everything's just dandy.

Did I miss anything?

-- Joe Macinko

Kodiak

10/15/2005

013ma16.news.wpd

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FD-350 (Rev. 5-8-81)

Anchorage Daily News
D-1
Anchorage, AK
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(Mount Clipping in Space Below)

Date: 10/15/05
Edition: Saturday

Title: Aleut Corp. election comes amid profit, strife
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or
Classification: 194A-AN-13620
Submitting Office: Anchorage

Indexing:

Aleut Corp. election comes amid profit, strife

■ ANNUAL MEETING: Three directors will be chosen to help navigate stormy times.

By PAULA DOBBYN
Anchorage Daily News

The Aleut Corp., a regional Native corporation, will hold its annual meeting in Anchorage today where shareholders will elect three directors to the nine-member board.

The election comes at a time of record profits and internal strife at Aleut, turmoil that spawned a leadership shake-up and a tangle of lawsuits.

"For the Aleut Corp. to survive this current litigation, we will have to work to develop a united front to protect your investment," director and former company president Dick Jacobsen told shareholders in a letter last month.

Jacobsen could not be reached on Friday.

"We now face one of the most serious threats to our regional corporation. Conflict has arisen both in the boardroom and within the Aleut Corp. management," Jacobsen wrote on Sept. 29.

Aleut spokesman Curtis Smith said that he did not know what Jacobsen was talking about and that his comments are confusing.

"It's unfortunate that Mr. Jacobsen feels the need to communicate to shareholders by essentially highlighting his own shortcomings."

Jacobsen provided few specifics about why he thinks the company's future could be in jeopardy. He referred to a lease dispute with a fish processing company on Adak Island, 1,200 miles southwest of Anchorage. But he said the real threat to the company was the behavior of chief executive Dave Jensen and several board members.

"The chief executive officer has actively hidden information from the Aleut Corp. board of directors and encouraged this action be maintained through the president's office and other members of the Aleut Corp. staff. These board members have taken a very troubling course of action in choosing to ignore documentation of information withheld by our CEO," Jacobsen said.

Jacobsen is a commercial fisherman from Sand Point. He and Jensen were placed on administrative leave on June 29 after conflicts between them boiled over. After an investigation by an outside counsel hired by the company, the board removed Jacobsen as president in August. Jensen was brought back and retains the top management job.

Smith returned a call placed Friday for Jensen seeking comment.

"The past few months have been a challenge and stressful for the board and management," chairwoman Debra Mack told shareholders in a September newsletter.

Despite the upheaval, Aleut's balance sheet shines. The Anchorage-based corporation made a record profit of nearly $11 million in 2005, Mack reported in August.

"This is not only record success but also a trend we can all be proud of," Mack said.

The company makes money from government contracting, fuel sales, logistics, transportation and other sectors.

As part of its portfolio, Aleut is attempting to rehab far-flung Adak, a former naval station the company acquired from the federal government last year. Aleut wants to convert Adak into a fishing, fuel and transportation hub. To spur those plans, the company received exclusive rights to the Aleutian Islands pollock harvest through special legislation passed by Congress at the urging of Sen. Ted Stevens, R-Alaska.

"We plan to create a significant revenue stream" by processing the pollock, Smith said.

But future plans for Adak hit a snag this month with the closure of Adak Fisheries, the island's only seafood processor. The disputed lease and ownership of the business have been the subject of a court fight in Anchorage. With the plant closed, seafood is being diverted to Dutch Harbor for processing, Smith said.

"I can imagine that the fishermen are frustrated. The Aleut Corp. stands with them in frustration," he said.

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A-1
Anchorage Daily News
Anchorage, AK
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Edition: Saturday

Title: State Levy will Take Form of Gas

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Indexing:

State levy will take form of gas

Jim Clark is the state's lead negotiator.

■ **PIPELINE:** Contract detail increases risk, but Alaska has experience in marketing oil.

By WESLEY LOY
Anchorage Daily News

Under a proposed contract with major oil companies spelling out terms for a natural gas pipeline, the state would collect its severance tax on North Slope gas production in the form of gas instead of dollars, Gov. Frank Murkowski's chief of staff said this week.

The arrangement would increase the state's risk level in the megaproject because the state would be responsible for finding buyers for its gas — a chore the producers otherwise would bear. Also, the state would have to commit to capacity in the new pipeline, an estimated $20 billion asset that would be designed to a size to meet the needs of gas shippers.

Murkowski on Oct. 6 offered oil giants Conoco Phillips, Exxon Mobil and BP a contract for a gas pipeline to carry prodigious North Slope gas reserves to the Lower 48.

The contract does not guarantee actual construction.

Rather, it sets out tax and other terms such as possible state ownership of a share of the line, jobs for Alaskans and availability of gas for use within Alaska.

See Back Page, PIPELINE

The contract, which Clark says is more than 100 pages long, remains under wraps as Murkowski waits for the oil companies to either reject or sign it, which would trigger a public and legislative review period. The Legislature has final say.

Clark, speaking Thursday at an Anchorage breakfast gathering of oil field contractors, gave tantalizing clues about some of the contract's most important provisions.

Instead of collecting tax dollars from the oil companies, the state would take gas, Clark said. The state would do likewise with its royalty share of North Slope gas production.

Generally, the state gets 12.5 percent of oil and gas produced on leased state land as a royalty. The severance, or production, tax on natural gas depends on average well output but does not exceed 10 percent of its value at the point of production.

In negotiating with the oil companies, Clark said it became clear the state needed to collect its taxes and royalties in gas rather than dollars "in order to have this thing work."

Once the proposed contract becomes public, Clark said, the people will have a chance to compare the projected payoff to the state under the two options — collecting a tax or accepting and selling gas.

People will see that the contract provides Alaska not only with a fair share of the value of the Slope's gas, but a better deal than other governments around the world have achieved, Clark

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PIPELINE: *Negotiator offers clues about contract's important provisions*

What's next for the natural gas deal

1) Oil companies accept the preliminary contract or seek more negotiation.

2) If oil companies accept the agreement, a public comment period of at least 30 days occurs.

3) State commissioner of revenue might seek changes to agreement based on public comment. If so, he negotiates changes.

4) When contract is finalized, the state has 60 days to execute it. During this period, the Legislature must approve the contract as written.

- If the Legislature rejects the contract, negotiations start on a new preliminary deal.
- If the Legislature accepts the contract, the state can sign it.

5) Once the contract is signed, oil companies continue pipeline studies before deciding if they want to do the multibillion-dollar project.

said.

The state taking control of and selling fossil fuels is not a new concept.

And often, the state has ended up with more money than had it allowed oil companies to sell the product and send the state the proceeds.

In recent years, the state has taken a third or more of its North Slope royalty oil "in kind" rather than "in value" — that is, taken oil instead of dollars — and then sold that oil itself on the open market.

Early last year, the Murkowski administration negotiated a contract to sell a portion of its North Slope royalty oil to Flint Hills Resources, which operates the state's largest refinery at North Pole. At the time, state officials said the sale fetched a premium of about 30 cents per barrel, or $8 million annually, over what the oil would have brought had it been shipped Outside at considerable expense.

Spokesmen for two of the three oil companies involved in the gas line negotiations, Conoco and BP, declined Friday to comment on Clark's remarks, citing the confidentiality of the state contract talks.

Chuck Logsdon, former chief petroleum economist for the state and now Murkowski's gas pipeline spokesman, said taking the severance tax in gas instead of dollars is "almost like bartering in a way — you don't have to pay me, just give me the product and I'll take it to the market and take whatever I can get for it."

The state already has people experienced in marketing oil not only to buyers inside Alaska but in Taiwan and elsewhere, Logsdon said. It can rely on these people or it could hire contract marketers, he said, just as the Alaska Permanent Fund hires professional money management firms to handle stock and bond investments.

"In theory, if we had a successful marketing program, we should get roughly the same amount of money" by the state selling the gas versus letting the producers do it.

State Rep. Ralph Samuels, R-Anchorage, said Friday the contract is very complex and people should wait and consider it as a whole rather than looking at any one part and saying, "Well, why the hell did they do that?"

If the state takes gas as payment for taxes and royalties, he said, that adds risk to the state.

"You will have the burden of selling that gas, and obviously that's going to cost you something," said Samuels, who as vice chairman of the Legislative Budget and Audit Committee would preside over the first stage of legislative review of the contract.

On the other hand, taking the gas might help the state achieve an economic development dream it has chased for decades — actual pipeline construction.

"Maybe that moves the whole ball forward," he said.

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Anchorage Daily News
H-1
Anchorage, AK

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

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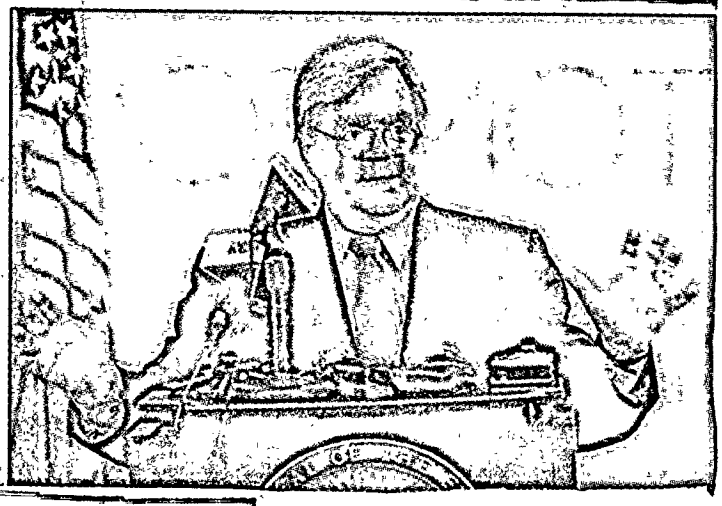
Indexing:

(Mount Clipping in Space Below)

Consultant: Gas line deal is best deal for firms and state



International oil and gas consultant Pedro van Meurs answers questions after Gov. Frank Murkowski's announcement last week that the state has delivered a gas line contract to North Slope producers.

EDITOR'S NOTE: Pedro Van Meurs helped the state negotiate with BP, Conoco Phillips and Exxon Mobil on the state's terms for a multibillion-dollar natural gas pipeline project from the North Slope.

The Dutch-born consultant has worked with more than 70 governments in the past three decades on big projects around the world.

On Oct. 6, Van Meurs joined Gov. Frank Murkowski for a press conference in Anchorage. Murkowski announced that he had delivered to the oil companies the state's proposed contract on tax, ownership, local hire and other issues.

If the companies agree to the terms, which have been negotiated for more than a year, the state will hold public hearings on the proposed contract, and the Legislature must approve it before it can become final.

While keeping terms of the proposed contract secret, Van Meurs discussed with reporters how it compares with other deals he helped negotiate, why the state wants to be part owner of the pipeline and what could derail the project. Here are excerpts from his comments:

The Alaska deal is the best deal in the world supplying the Lower 48 in terms of government take from the frontier areas. So we will have a deal that is better than any other supplier of the Lower 48; better than the MacKenzie Valley; better than Nova Scotia, better than Venezuela, better than Trinidad, better than Indonesia, better than Peru.

Not only is it one of the best in government takes in the world for gas supplying the North American market, it is among the highest anywhere supplying any market from a long distance. Obviously if you're in a middle of a market, like Alberta, you can get somewhat better terms. But Alberta's take is only slightly better.

The very innovative structure of this contract will be unique in North

See Page H-4, VAN MEURS

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VAN MEURS: *Wait too long and LNG will threaten Alaska gas profits*

Continued from H-1

America. The state will assume equity risk in the project. This drastically improves the risk-reward balance for the investors. This provides the companies with the minimum rate of return necessary for a very high risk project like this, while the state gains the maximum benefit.

I really urge the producers to have a quick acceptance of these terms. Why do I say quick acceptance? Because I work for many governments. All the governors that I work for are telling me "What can we do to increase the government take now that prices are high? Maybe we should get a little bit more." The competitive world next year will look different than this year. So if the producers don't want to sign this year, I think next year they may have to pay more.

I have in my database more than 1,400 international contracts. And I can assure you the quality of the legal work and the quality of the non-fiscal terms are among the best that I have seen from international contracts.

The Alaska hiring and training are unusually strong provisions in this agreement. In many contracts that I have seen, local hire is sometimes sloughed off with a few paragraphs. I can assure you that's not the case with this contract.

Probably the most important benefit to Alaska will be the possible access to low-cost gas, and therefore this agreement has every provision possible to ensure the lowest possible natural gas price for communities in Alaska. In fact, it has unique provisions that I haven't seen anywhere else to protect Alaskans in this respect.

The pipeline will only be full for 18 to 20 years, and then gas production will start to decline. So to make this truly long-term project, more gas needs to be found. I believe that this contract may lead to a very significant exploration effort by many companies that specialize in gas production. So not only will this project result in an economic gas line project, I think it will result eventually in discovering twice the amount of gas we have today. That will ensure its benefits to at least two generations of Alaskans.

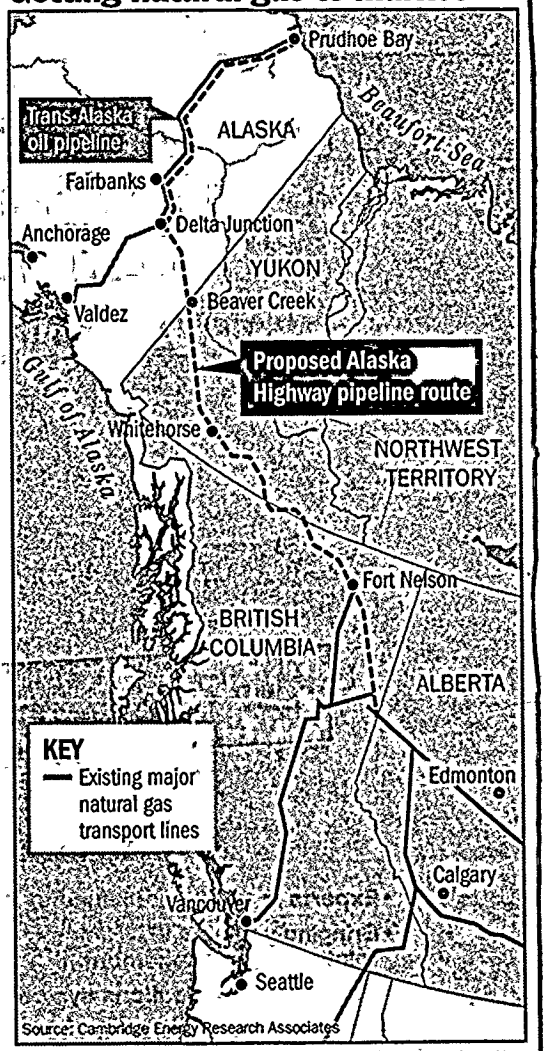
Q. You said it's the largest deal in the world. What is the next comparable deal?

A. The next comparable deal are deals such as Sakhalin project in Russia. Just to give you an idea, the Sakhalin project is a $12 billion project; we are talking $20 billion plus.

The big difference between this deal and other very large deals is that in this deal, all of the investment has to be made up front. You cannot export gas if you do not have a pipeline. In many of these other big deals, the development could take place in phases, and some of the production could be sold while constructing the project, so that is much lower risk. If the companies make the wrong decision on this project, this is a company breaker.

We need to realize the major investments in this project will start a few years from now. Companies will not start to construct this line right

Getting natural gas to market



Source: Cambridge Energy Research Associates

RON ENGSTROM / Anchorage Daily News

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away. The big problem is that the big investment will have to be made three or four years from now. We don't know what the economic conditions will be at that time. If the gas price is $2.50 four years from now, this is not an attractive project. So it depends on what happens between now and the future to know for sure whether or not it will be economic. You cannot say that today.

Q. Can you lay out the time frame for the start of construction and the completion of construction as envisioned in the contract?

A. As soon as the contract is signed, within a few days the companies will be obligated to start the work. They will have to diligently pursue that program. The total work program was submitted by the producers when they made their application.

Q. What are the repercussions for the companies if they don't follow the work commitments?

A. If they don't follow the work commitments, then the contract can be terminated if it indicates they have not worked diligently on the work program. So consequently, that will have very seriously consequences for them because then all the fiscal stability provisions of this agreement, which are very valuable to the companies, will fall by the wayside. And then it is up to the Alaska Legislature to decide what to do afterwards.

Q. So there's not a firm start date for construction?

A. That's right. That would be impossible to fix because you never know what happens with the regulatory process. There could be delays in that. They will be required to diligently pursue that work program but certain events can delay the program. That is a reasonable situation for a very big complex project of this nature. So that is why there is some flexibility in that.

Q. Some people think the North Slope producers don't actually want to build the pipeline.

A. I have a different opinion. That is because I see this from a different angle.
It is becoming increasingly difficult for the large international oil company to maintain their reserve-production ratios (the percentage of their oil and gas reserves that they produce each year). Because a low reserve-production ratio means low share values (on the stock market), that will have massive impact on the value of their shares. If the companies want to maintain attractive share values, they have to maintain good reserve-to-production ratios.

The 35 trillion cubic feet of Alaska gas would be the single biggest increment in their reserves in the world. So it would be absolutely foolish on their part not to support their share value with a significant addition to their reserve production ratio as soon as possible.

Q. Are there any gas projects negotiated that could come on and drive natural gas prices so low that the Alaska project becomes undesirable?

A. The most important event that is happening in the world's gas market today is LNG (liquefied natural gas, in which the gas is chilled into a liquid for shipment via tanker). LNG technology is improving every day. It is not impossible that 10 years from now, LNG transportation costs will be 30 or 40 percent less than what they are today.

If that happens, very large gas resources will become available from all over the world for the North American market and the competition for Alaska will be much stronger. That is why it is so important to get this deal done as soon as possible. Because if you wait too long, LNG will come in strongly and it will become more and more difficult to get a good price for your gas.

Q. Are there any incentives in the contract for the producers?

A. The only fiscal incentive for the producers is precisely the fact that we are sharing risk with them in the equity investment in the line. That is a very significant incentive. Participating in the project is an incentive that is very important to them. That is what draws the producers to the table and that's what I think will result in a successful contract.

Q. What's being placed into the contract to ensure that the state's not going to be just a minority participant with little or no leverage?

A. The exact participation of the state is confidential at this point. Equity participation (part ownership of the pipeline) improves the rate of return, the net present value and some other economic variables. That is the incentive that we are providing. We are providing the incentive of being a partner. We are not providing other incentives.

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Governor spends $3,000 on public relations firm

■ **MESSAGE:** Move related not to election but to provide "better" information, spokeswoman says.

By MATT VOLZ
The Associated Press

JUNEAU — Gov. Frank Murkowski, who has not said publicly whether he plans to run for re-election next year, used public funds to hire an international firm to boost his public relations message to Alaskans.

Rockey Hill & Knowlton was brought in to help the Republican governor "get more information and better information to the public," said Murkowski's spokeswoman, Becky Hultberg.

She said the public relations contract was not awarded with the 2006 election in mind.

"Some may read into this the governor's future plans, but that would be an incorrect assumption," she said.

The message Murkowski wants to get across, she said, is that he supports resource development, job creation, and funding for schools, roads and services.

Hultberg declined to directly say whether the firm was was given the task of boosting the governor's image, which has taken a beating almost from the start of his administration.

Since he was elected in 2002, critics and political opponents have blasted Murkowski for appointing his daughter Lisa to the U.S. Senate seat he was vacating.

They rapped his early budget cuts, including the state's longevity bonus, which gave cash payments to the elderly, and the state's municipal revenue sharing program.

More recently, House Democrats have criticized how the governor has handled negotiations with North Slope oil producers for a natural gas pipeline.

"The governor right now is not focused on polls or what pundits might say," Hultberg said. "He's focused on the gas pipeline and development, and is focused on communicating those messages to Alaskans."

Rockey Hill & Knowlton is the Seattle branch of the international public relations firm Hill & Knowlton. The $23,000 state contract was awarded in July, but it expired at the end of September with only $3,000 billed to the state. The governor's office is considering an extension to the contract.

Gov. Frank Murkowski used public funds to hire a PR firm.

The contract calls for the company to address the governor's overall communications message; to review and assist the finalization of the governor's media relations and public communications plan; and to provide communications support of state government activities.

Company officials wouldn't detail what work was done for the $3,000.

Company representative John Giese said he could not speak about his work with Murkowski's office without permission from his client. He said the company's core public relations business is with corporations and trade associations, although he does a lot of work for governments and nonprofit organizations.

Hill & Knowlton's Web site says the company helps government agencies "communicate a brand, educate on social causes, promote innovative programs and more."

Rep. Beth Kerttula, D-Juneau, said a $23,000 PR contract from the governor's office gives the appearance of campaigning, particularly if it doesn't yield anything more specific than shaping Murkowski's overall message.

"That looks pretty related and it looks inappropriate," Kerttula said. "I hope they stop the contract at $3,000 and they don't go to $23,000. They've got pretty good press people now."

Hultberg said the Murkowski administration has twice before hired public relations consultants, both times in 2004.

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Special session unlikely

■ **GAS LINE:** Time may have run out for Legislature to vote this year.

By SEAN COCKERHAM
Anchorage Daily News

JUNEAU — The governor has likely run out of time to call the Legislature into special session this year on a gas pipeline contract, several lawmakers said.

"We've probably passed the point to get to it this calendar year," said Rep. Ralph Samuels, R-Anchorage and a legislative leader on gas line issues.

Republican Gov. Frank Murkowski had said for the past several months that he planned to call the Legislature into special session this fall to consider a natural gas pipeline contract. The contract would set out terms for taxes, royalties and the state's share of the estimated $21 billion project.

See Page B-5, SESSIO

MONEY

■ **PEDRO VAN MEURS:** The man who helped the state with its negotiations on the gas pipeline proposal commented about various aspects of the plan.

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SESSION: *A vote could be held in early January*

Continued from B-1

But the deal between the state and oil companies isn't finished, and much would need to happen before a special session.

The delay could count for more than the governor missing a self-imposed deadline. It threatens to ball the high-stakes and complex gas line issues up with the deal-making, vote-trading and political side bets of the regular legislative session.

"There would be way too much temptation for basically hostage taking over votes," said Rep. Mike Hawker, R-Anchorage. "It is such an important issue that it needs to be evaluated on its own merits."

Hawker said he believes the practical deadline passed last week for the governor to strike a deal in time to have a special session this year.

But he suggested the scheduled Jan. 9 start date for the regular 2006 legislative session could be postponed. Then, if the contract was ready for ratification, the Legislature might be able to hold a special gas line session in early January.

Murkowski said on Oct. 6 that the state had delivered its contract proposal to the oil companies and that he expected an answer "within the next few days." In an interview this past week, the governor said the companies were still considering.

"I still expect to hear from them soon," Murkowski said.

If a deal is struck, the commissioner of revenue would need to prepare a report on why it is in the best interests of the state. The law also requires at least 30 days for the public to review and comment — and Murkowski wants a longer public period than that.

Any changes to the contract as a result of the public input would require the state to renegotiate with the oil companies.

Only then could the Legislature have a special session on whether to approve the deal.

The contract has been two years in the making through negotiations between the governor's office and the major North Slope oil companies — Exxon Mobil, BP and Conoco Phillips. Murkowski is also proposing the state invest about $4 billion to be a 20 percent owner of the long-sought pipeline from the North Slope to the Lower 48.

Murkowski has in recent days stopped saying when he thought the contract would be ready for a special session. Chuck Logsdon, the gas line spokesman for the governor's office, did not quarrel with statements that it is too late for this year.

Rep. Eric Croft, D-Anchorage, said the governor has been saying for well over a year that a gas contract was imminent. He said Murkowski needs to get tougher.

"Frank's plan is to ask pretty please over and over," Croft said. "I'd suggest that isn't working and is never going to work."

ON THE Web

■ **HISTORY:** For past stories on Alaska gas line plans and negotiations:

www.adn.com

Croft is running for governor next year. He is pushing a ballot initiative to tax the companies on the gas reserves if the pipeline isn't built.

If the governor does strike a deal, he said, it could be a "face saver" that gives away too much.

The governor a month ago threatened the companies that he would "pursue other opportunities" to market Alaska's gas if they didn't give him a positive response to what he called then a draft offer.

The governor dropped the threat, Croft said, which shows the companies he is desperate.

State spokesman Logsdon conceded there is no such hammer hanging over the oil companies at the moment. But there was back-and-forth with the companies after that threat.

Now it is a matter of waiting to hear the companies' response to what the state presented on Oct. 6, Logsdon said.

Legislators Samuels and Hawker said a delayed contract isn't the end of the world.

"Would you rather have a good deal or a fast deal?" Hawker asked.

FD-350 (Rev. 5-8-81)

Anchorage Daily News
Anchorage, AK

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

(Mount Clipping in Space Below)

Date: 10/16/05
Edition: Sunday

Title: Metcalfe Deserves a Hand in Trying to Expose Corrupt Stevens Family
Character:
or
Classification: 194A-AN-13620
Submitting Office: Anchorage

Indexing:

B

Metcalfe deserves a hand in trying to expose corrupt Stevens family

Kudos to Ray Metcalfe for his public, spirited efforts to bring down the corrupt Stevens political dynasty. The Republican political machine's dismissal of his recall effort in no way diminishes the validity of his allegations. Nor does ad hominem name-calling ("political gadfly") deflect mounting criticism of Ben Stevens' "consulting" activities.

If current ethics standards were in place a hundred years ago, Soapy Smith would be remembered as a model citizen and president of the chamber of commerce.

The Daily News should get the Pulitzer Prize in journalism for its outstanding exposure of the blatantly self-serving relationships between both Ted and Ben Stevens and the special interests who have dealt them in on the profits derived from their political actions.

Sigurd D. Rutter
Sitka

FBI - Stevens-247

M-128
194A-AN-13620-~~Press~~

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below:)

Stevens returned consulting fees - CIRI: State senator says he sent back $145,000 because he was unable to complete a job.
Anchorage Daily News (AK)
November 2, 2005
Author: RICHARD MAUER
Anchorage Daily News Staff
Estimated printed pages: 5

(Indicate page, name of newspaper, city and state)
ANCHORAGE DAILY NEWS
ANCHORAGE, ALASKA
Page:
Date: 10/17/2005
Edition: Monday

Title: Stevens Returned Consulting Fees

Character/Classification: 194A-AN-13620 · 311

Submitting Office: Anchorage

Indexing:

Two months after collecting $145,000 in consulting fees from Cook Inlet Region Inc. in 2002, state Sen. Ben Stevens quietly returned the money, acknowledging he didn't fulfill the requirements of the job, according to CIRI chief executive Margie Brown.
Brown, responding to recent inquiries by two dissident board members and the Daily News, said Stevens "indicated he wasn't satisfied, returned the money and paid us interest on it."

Brown's disclosures come as public scrutiny has focused on outside consulting work that has paid Stevens more than $1.1 million since 2001, the year he was appointed to a vacant Senate seat. Among those jobs, all reported by Stevens in his legislative financial disclosures, were the payments from CIRI. While Alaska media and the Los Angeles Times reported on Stevens' CIRI work, the fact that one year's payment was returned came as news.

Many of the companies paying Stevens, including CIRI, have business with the state or have benefited from the actions in Congress of his father, U.S. Sen. Ted Stevens, or both. The L.A. Times story, published in July 2003, used Ben Stevens as an example among several senators' sons and spouses who collected big payments from companies seeking benefits from Congress.

Brown said Stevens' work for CIRI was not directly involved in legislative or regulatory issues.

"He was pursuing, essentially, a business opportunity in bulk water transportation and water bottling," Brown said.

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She said she was unwilling to describe the work in detail, partly because she only learned of it from reading a file -- the contract was issued by a previous CIRI head, Carl Marrs -- and partly because CIRI may someday want to pursue the opportunity and would not want to help potential competitors. She would not allow a reporter to view Stevens' work product.

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Stevens began the work in 2001, she said. He was paid $72,920, as he reported to the Alaska Public Offices Commission, and adequately completed the first phase of his assignment, she said.

But after accepting payments through 2002 totaling $145,854, Brown said, Stevens acknowledged he couldn't deliver. His check included interest "of a couple thousand bucks," Brown said. The check to CIRI was dated March 6, 2003.

Eleven days later, Stevens filed his official disclosure for 2002 to the public offices commission. It declared the $145,854 as "consulting/professional services," but didn't note the returned money, either as an addendum to the payment or as a debt he owed CIRI. In an interview last week, Stevens said he didn't have to.

"Is there anything in there that says anybody has billed somebody for something and they got to issue a refund, are you supposed to report that?" he said.

Christina Ellingson, executive director of the Public Offices Commission, said she didn't believe the law required Stevens to disclose the refund.

Brown said the files weren't clear about whether Stevens returned the money on his own initiative or whether someone in CIRI had expressed dissatisfaction with his work.

"I actually feel that CIRI has a very straight story here, and Ben appears to act appropriately when he determined that he wasn't going to be able to deliver a product that satisfied him. He did the right thing, returned the money, paid us interest. We got enough worth for four first payments, got some value out of it," Brown said.

Marrs said he didn't remember details of the arrangement with Stevens, but recalled: "He did what we asked him to do."

Through 2002, Stevens submitted invoices and was paid, Marrs said. "He just got overbusy and we sort of dropped the ball on the project anyway. It didn't look like it was going to pan out."

Stevens declined to discuss his CIRI business.

"Proprietary information, what I was doing for them. It's none of your business," he said. "And that's the end of the story. Nothing else to say."

Later in the conversation, he added: "It was a contract that was begun before I was ever a legislator, a relationship that began, it was a business arrangement and it's none of your damn business. I reported it on my APOC statement. End of story."

The two CIRI board members who requested the information, Bob Rude and Harold Rudolph,

said they weren't satisfied.

"Me and Harold asked to see the paperwork on it," Rude said. The documents weren't available when Brown explained the matter at a board meeting Oct. 19, but Rude said he hoped to view them soon.

Ben Stevens and Ted Stevens say the consultancies have nothing to do with government. But Ben Stevens' business relationship with the oil field service company Veco, which has paid him $243,000 since 2000, was cited as an example of "corruption" in the recall petition brought against Stevens by Republican Moderate Party founder Ray Metcalfe.

Metcalfe is appealing a decision by the state elections office that threw out the recall petition for failing to state legal grounds to remove Stevens from office.

Metcalfe has demanded that Stevens show the reports he has done for the Veco money to prove that he is not just selling influence. Stevens has said he owes no such public obligation.

Recent news reports have also focused on Ben Stevens' relationship to Adak Fisheries, a company that paid him $280,000 in consulting fees from 2002 to 2004. The company received an allocation of pollock worth millions of dollars through special congressional action by his father. In 2002, the two owners of Adak Fisheries also granted Ben Stevens a secret option for him to purchase 25 percent of the company.

Stevens has declined to say what he did for that money. His resistance to public exposure of his work extends to the court fight in Anchorage over the ownership of Adak Fisheries, in which he's a defendant.

That case is in the pretrial discovery phase, where the sides are required to provide each other with information. The plaintiff, Aleutian Spray Fisheries of Seattle, demanded in August that Stevens provide a detailed statement showing what he did for each payment from Adak Fisheries, along with documents relating to his services and tax returns. It also sought a complete explanation for his receipt of the option in the company.

On Oct. 12, Stevens' attorneys asked the judge in the case to throw out those questions because they were overly broad and asked for personal, confidential information. If the judge requires him to answer, Stevens asked that the judge order the other parties in the case to keep the information secret.

"The information that Aleutian Spray seeks is among the most proprietary and sensitive commercial information it could ask for," Stevens' attorneys wrote. "It is information regarding how Mr. Stevens does his business and exactly how he charges for it. That information, if disclosed, would provide competitive advantage to anyone in Mr. Stevens' field."

Five days after Stevens filed his objections, the matter was likely rendered moot when Aleutian

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Spray sold its interest in Adak Fisheries to its partner, Kjetil Solberg.

Reporter Richard Mauer can be reached at rmauer@adn.com.

013ma17.news.wpd

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below:)

Voice of the Times
Anchorage Daily News (AK)
December 7, 2005
Author: Commentary
Estimated printed pages: 5

(Indicate page, name of newspaper, city and state)
ANCHORAGE DAILY NEWS
ANCHORAGE, ALASKA
Page:
Date: 10/18/2005
Edition: Tuesday

Title: We Just Wonder Who's Next?

Character/Classification: 194A-AN-13620 · 372

Submitting Office: Anchorage

Indexing:

We just wonder who's next?
THOSE CRAZY GUYS at the Republican Moderate Party -- that ersatz, fringe political gaggle dedicated to cosmic drek, disco music and desperate ploys to keep their names in the paper -- have stumbled onto The Big Truth.

And that is this: Anybody in this state can win a prominent spot in the newspaper by going on the attack. If the target is a real Republican, that's good. If it is a noteworthy Republican, that's better. If it's a Stevens, that's the absolute best. If the smear is sleazy, so much the better.

The funsters over at the Disco Party have shown us that if you want attention, you need only file a complaint with the Alaska Public Offices Commission and the rest is virtually automatic. The accusation can be full of pejorative drivel, or false allegations or even moonbeams, but once it is on the record, the newspaper will give it more attention than you can imagine -- or it deserves.

If at first you fail and the APOC tosses the complaint, just change a few words and file it again. What do you care what APOC thinks? After all, you are there for news value, not the public good. You do not have to claim you know anything; you only have to claim there is something to know.

That pretty much sums up the vindictive, personal -- and now boringly repetitive -- attacks on state Sen. Ben Stevens, and anybody who ever sat next to him in a hamburger joint or shared a car or shook his hand. We just wonder: Who's next?

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The vexing thing to us -- the fly in the horse liniment, if you will -- is that it is very unclear whether The Big Truth is axiomatic. It has never really been fully tested on anybody but Republicans. What would happen, say, if an over-the-hill flamenco dancer from, say, the Democratic Moderate Party -- fronting for the Republicans, of course -- stamped and clapped his way into APOC (hey! hey! hey!) with a litany of charges about a prominent Democrat just to scam some headlines.

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In our heart of hearts, we would like to think The Big Truth would prove out; that the response would be the same across the board in the news media and elsewhere for Republicans or Democrats alike; that Lassie really would rescue Timmy from the well. And when the flamenco guy tappity-taps back (hey! hey! hey!) with more bogus charges, even the same bogus charges, we would like to think Lassie, by golly, will come through.

Unfortunately, The Big Truth may not stand up under close scrutiny any more than the all-Alaska gas line. It may be that real Republicans, noteworthy Republicans, and particularly those named Stevens, are destined to get the short end of the stick.

That, unfortunately, may be The Bigger Truth.

013ma18.news.wpd

FD-350 (Rev. 5-8-81)

Anchorage Daily News
Anchorage, AK
(Indicate page, name of newspaper, city and state.) B-8

(Mount Clipping in Space Below)

Date: 10-21-05
Edition:

Title: Alaskans Tired of Stevens' Cronyism, Corruption Should Vote accordingly
Character:
or
Classification: 194A-AN-13620
Submitting Office: Anchorage

Indexing:

Alaskans tired of Stevens' cronyism, corruption should vote accordingly

Sen. John McCain asked, "Is there something wrong with these fish that warrants such an expensive program to convince us to eat them?" He was referring to the Alaska Fisheries Marketing Board's $30 million federal appropriation ("Salmon jet lures fund questions," Oct. 6). Sen. McCain is on to something. In the first place, our tax dollars shouldn't go to for-profit businesses like Alaska Airlines for a $500,000 paint job on a jet or to Trident Seafood Corp. to help it market its products. They don't share their profits with us, or even pay back the marketing money. And state Sen. Ben Stevens is chair of the Alaska Fisheries Marketing Board. His dad, U.S. Sen. Ted Stevens, created the program and appropriated the money for it, which is improper. Meanwhile, Alaska is forced to cut back on rental subsidies and health care for the poorest of our poor. Voters who elected but disapprove of the cronyism and corruption of the current one-party, Republican regime might want to consider

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194A-AN-13620- Press

FD-350 (Rev. 5-8-81)

Anchorage Daily News
B-6
Anchorage, AK
(Indicate page, name of newspaper, city and state.)

(Mount Clipping in Space Below)

Date: 10/21/05
Edition: Friday

Title: Asking a Lot of a Gas Line

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

Indexing:

Asking a lot of a gas line

Alaska wants a pipeline, but we need to think about our wants

Alaskans agree on several things about the proposed North Slope natural gas pipeline. We want jobs, lots of them.

We want to burn the gas in our homes and offices and electrical-generating power plants, which will mean expensive valves and facilities and pipelines along the route so we can take off the gas at our convenience. But who will front the money for construction and guarantee the operating costs?

We want the tax and royalty revenues that will pay for our schools and roads and public services for years to come, so that we can continue to avoid taxing ourselves for all that we want.

We want new oil and gas explorers to come to the state, bringing with them more jobs and spending. And we want to guarantee that as they drill wells in the years ahead, they'll be able to ship their gas down the pipeline — even if it's full and needs costly investments to expand the line.

Some Alaskans also want a petrochemical industry to set up shop in the state, turning natural gas into plastic pellets for commercial uses, even though the state's own consultants say it's probably uneconomical.

And some Alaskans want propane plants as part of the deal, so we can fill up hundreds or even thousands of those round metal tanks and ship them across the state, especially to rural Alaskans looking to get off the expensive habit of burning diesel fuel. It's a good idea, but setting up that network could cost hundreds of millions of dollars. Who should pay?

We want all of this now, as in yesterday, not tomorrow. And we want a promise that nothing will be left out of the deal with North Slope producers, or maybe we'll get angry and ask our legislators to vote against it. Maybe we'll get real angry and vote for an initiative to impose a special tax on the producers as punishment for not building our dream project.

Meanwhile, Alaskans would like the gas sold in-state at below-market rates — let someone else pay the high prices that will supply our tax and royalty checks.

And what about heaping all those demands on the gas line project itself? Yes, we want everything good that can come to Alaska from the project, including, perhaps, someday, a liquefaction plant at Valdez to export gas elsewhere in the world if it's not all needed in the U.S. market.

And who is going to pay or all those wants? Should the state earn less tax and royalty income so that residents can get cheap power? And how much of the project's financial risk should the state take just to make sure our wants are met? As they tell gamblers, don't bet what you can't afford to lose.

Our elected officials, our political parties and next year's candidates need to be careful: Don't promise us more than the project can afford; don't entice us with gifts you can't deliver; don't set us up for disappointment when the numbers show what isn't possible.

And one other thing: Don't get so eager to make a deal with the North Slope producers that Alaska comes away with less than it should receive.

The natural gas pipeline is a risky (price of steel, construction delays, future gas prices), expensive ($20 billion and rising) and unique (possible state partnership with three multinational corporations) undertaking that could make Alaskans happy for decades to come. Let's think, let's be realistic and let's get it right.

BOTTOM LINE: A gas pipeline will be good for Alaska, but maybe it can't be everything that everybody wants.

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10/21/05
B-6
194A-AN-13620

The 'resource curse'

Alaskans like to think that our huge oil and gas deposits are an unquestioned blessing. Oil pays for so much of state government, we don't need a state income or sales tax. Our oil savings account pays every resident a nice, fat check every year just for breathing. Some lucky workers and local businesses get big paydays from working in the oil patch.

But Alaska's long dependence on easy oil money has a major downside: It's flat-out addictive. Alaskans behave like a family that won the lottery once and is now obsessed with trying to win the lottery again.

For 25 years, political and business leaders here have railed about how oil drilling rigs are locked out of the Arctic National Wildlife Refuge, the state's best shot for one more oil bonanza. Alaskans throughout the state are salivating at the prospects that the long-awaited North Slope natural gas pipeline may actually move forward. Meanwhile, the portion of the state's economy that doesn't depend on extracting natural resources or cashing government checks remains puny. Wages have slipped. Job growth is concentrated in the Wal-Mart economy.

Alaska Notebook

It's a classic example of what's known as "the resource curse." Countries that are rich in resources often lag far behind less well-endowed nations. As a New Yorker article in 2001 reported, "A 1995 study of ninety-seven developing countries by the economists Jeffrey Sachs and Andrew Warner found that the more important natural resources were to a country's economy, the lower its growth rate was."

Why?

"A dependence on natural resources fosters the illusion that you get rich by taking what's already there, rather than creating something new," The New Yorker wrote. It discourages entrepreneurialism. It "encourages people to look to the state, instead of themselves, for solutions." (Sound familiar, Alaskans?)

Alaska has escaped the worst of the resource curse thanks to two things: the Permanent Fund and the generosity of Uncle Sam. The recent tripling of oil prices has helped further mask the long-term cost of Alaska's dysfunctional dependence on oil.

But there's no denying it: We're addicted to oil and gas. We want more, more, more. To steal the New Yorker's phrases, we "prefer the comfortable squalor of staying hooked" instead of doing "the work it would take to kick the habit."

—Matt Zencey

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Gas line deal raises legal issues

PACT: Conoco, state agree to "base terms"; new concerns arise.

By WESLEY LOY
Anchorage Daily News

(Published: October 22, 2005)

Legal questions surrounding the natural gas pipeline negotiations are so great that they could force resignations from the state's gas pipeline team, state Natural Resources Commissioner Tom Irwin said in a memorandum released Friday night.

Irwin, in the dense, five-page memo, said he and his staff have been put in a "work environment where they seriously question the legality of administrative actions" taken toward achieving a deal with a trio of North Slope oil producers.

His memo to Attorney General David Marquez seeks advice on whether he and his staff members are being asked by the Murkowski administration to break the law by continuing to negotiate a state gas line contract with the oil companies that might run counter to the state's best financial interests.

Gov. Frank Murkowski, speaking from Fairbanks in an unusual after-hours news conference Friday, released the Irwin memo after the conference was over. He mentioned it as an aside to his main news: That one of the three oil companies holding long-dormant rights to develop the giant North Slope gas reserves had agreed to the "base terms" of a contract laying out tax, ownership and other details if the oil companies build the $20 billion pipeline.

That company is Houston-based Conoco Phillips, the state's No. 1 oil and gas producer. The president of the Alaska subsidiary, Jim Bowles, stood at Murkowski's side in Fairbanks and said about the agreement, "the journey has started."

The other two North Slope producers negotiating pipeline terms with the state for more than a year, BP and Exxon Mobil, still have not agreed and contract negotiations continue with all three firms, Murkowski said. A BP representative, Ken Konrad, spoke at Friday's news conference but Exxon did not have a representative.

"This is a significant milestone," the governor said of Conoco's acceptance.

Irwin also did not speak, but his memo, dated Thursday, said a great deal about a contract that remains under wraps.

He wrote that he and members of his staff have concerns they "are being asked by the administration to operate outside current law" and might face personal liability if they sign off on a gas line contract under the state's Stranded Gas Development Act, which authorizes the governor to negotiate pipeline terms subject to final approval from the Legislature.

The contract, more than 100 pages long, remains under wraps while negotiations continue, Murkowski said Friday.

Irwin asked Marquez for his opinion on the legality of pipeline negotiations in eight areas. Among his concerns:

• Whether the administration's proposed contract unnecessarily gives oil companies major incentives to develop the gas, and at the same time seems to relax their existing obligations under state leases to develop the gas in the giant Prudhoe Bay and Point Thomson fields.

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• Whether it's legal to support a contract provision under which the state would, for decades, agree to take gas instead of dollars as payment for the state's royalty interest in the gas fields. Doing so would shift project risk to the state, which would have to find buyers for the royalty gas, "without proof or compelling evidence" this would improve the viability of the pipeline project, Irwin wrote.

• Whether the contract is in the state's best interest when the state's economic models don't "show the need for the proposed fiscal support from the state to the producers." Irwin does not specify exactly what fiscal support he's referring to.

• Whether the commissioner can support a deal under which the likelihood of a gas pipeline might be tied to an agreement with the producers to alter tax methods or rates on crude oil. Irwin noted that the administration long resisted an invitation from the producers to negotiate contentious oil taxes in conjunction with a gas line. "However, this summer the administration embarked on extensive analysis and discussion of oil taxes under the umbrella" of gas line talks, Irwin wrote.

• Whether it's legal for the commissioner to sign a finding that the gas contract is in the state's best interest, when the contract would later need changes in state law to take effect. Irwin said other prospective pipeline builders who have applied for a fiscal contract under the Stranded Gas Development Act might view that as "changing the rules of the game" to "allow the award of a contract to a favored party on terms other than as advertised."

Irwin concluded his memo with the specter of possible resignations:

"I must point out that putting members of the Department of Natural Resources in a work environment where they seriously question the legality of administrative actions they are asked to participate in is so troubling that it could result in the resignation of exceedingly valuable members of our gas pipeline team," he wrote.

Irwin did not return a message left on his cell phone Friday night. Mike Chambers, a Murkowski spokesman, said he couldn't answer questions regarding Irwin's memo.

"We are very concerned about the issues raised by Commissioner Irwin," said Jim Whitaker, mayor of the Fairbanks North Star Borough and head of an organization with a competing pipeline proposal. "We think they're valid."

Daily News reporter Wesley Loy can be reached at wloy@adn.com or 257-4590.

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Tom Irwin's memo questioning the gas contracts

Memorandum to David W. Marquez, Attorney General

(Published: October 22, 2005)

For close to two years this Administration has been engaged in negotiations with the Producers, comprised of BP Exploration (Alaska) Inc., ConocoPhillips Alaska Inc., and ExxonMobil Alaska Production Inc., under the Alaska Stranded Gas Development Act. Over the course of this period the Governor's Office, together with the Departments of Revenue, Natural Resources, and Law, have become increasingly familiar with the Alaska Stranded Gas Development Act. Additionally, we have obtained extensive knowledge that we did not have at the beginning of these negotiations through the use of outside consultants and our modeling of the various alternatives available to the State for the commercialization of its North Slope gas resources. Moreover, over the course of negotiations, we have seen the positions taken by and terms acceptable to the Administration evolve. As a consequence, we now find ourselves in a position that is causing some members of the Department of Natural Resources—myself included—to seek advice on whether this Administration is operating within the limits of current law as it pushes for the conclusion of negotiations with the Producers. All our concerns may be further complicated by any split among the Sponsor Group into individual companies and whether an individual company meets the statutory requirement to be a qualified applicant with a qualified project. For these reasons, I ask that you provide the Department of Natural Resources (DNR) advice at your soonest opportunity on the matters discussed below.

I am not an attorney, and therefore cannot perform the same analysis as an attorney. However, I am concerned whether members of the DNR are being asked by the Administration to operate outside current law by our continuing participation in negotiations with the Producers under the Alaska Stranded Gas Development Act. Consequently, I would like either assurance that we are operating within the confines of law or advice on how to bring our actions into conformance with current law.

I am concerned about the legality of those negotiations in the following eight areas. First, the Alaska Stranded Gas Development Act is intended to facilitate development of this State's "stranded" gas. "Stranded gas" is defined in AS 43.82.900(13) to mean gas "that is not being marketed due to prevailing costs or price conditions as determined by an economic analysis by the commissioner [of the department of revenue] for a particular project." While it understandably took some time for the Administration and its outside consultants to complete the analysis needed to draw conclusions about whether Prudhoe Bay and Point Thomson gas—if developed as part of the project proposed by the Producers—meets the statutory definition of "stranded gas," that analysis is now complete and, as Governor Murkowski acknowledged in his recent speech before the State Chamber of Commerce in Valdez, that gas must now be considered "unstranded." This conclusion is supported by modeling performed by various staff and economic consultants to the Administration and Legislature. My first question, then, is whether this Administration is operating within the confines of current law by continuing with negotiations with the Producers under the Alaska Stranded Gas Development Act when all analyses indicate that the project gas as a whole—and particularly Prudhoe Bay and Point Thomson gas—does not meet the definition of "stranded gas" contained within that Act. And, if it is permissible to continue with the Producer negotiations, what liability might I or my staff personally face and what damage could be done to the State should I sign a preliminary fiscal interest findings and determination under the Act that concludes Prudhoe Bay and Point Thomson gas is "stranded gas" when the available data indicates that it is not.

Second, it appears that under AS 43.82.130(2) the Administration should not consent to terms in a proposed contract that materially conflict with the obligations of an oil and gas lessee to the State under an existing lease or unit agreement between that lessee and the State. However, I am concerned that the proposed Article 5 provisions on Work Commitments—especially when read together with Article 35.1, and even in spite of the potentially mitigating language proposed in Article 38—are terms that materially conflict with the obligations of lessees BP, ConocoPhillips, and Exxon Mobil under their existing North Slope lease agreements and the Prudhoe Bay and Point Thomson Unit Agreements. This is also complicated because there are other lessees not participating in the Stranded Gas negotiations whose interests would be affected. Furthermore,

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substantial and continuing pressure is being exerted on the DNR to endorse terms governing Point Thomson development that are inconsistent with and materially weaker than the Producers' current obligations to develop Point Thomson in accordance with the Point Thomson Unit Agreement and the plans of development approved under that unit agreement. Thus, I ask whether the intent and literal language of the Alaska Stranded Gas Development Act is being honored in the Producer negotiations if the Producers' obligation to diligently develop Prudhoe Bay and Point Thomson gas reserves is less under a contract proposed under the Act than under the existing lease and unit contracts with the Producers.

Third, AS 43.82.220 governs proposed contract terms relating to royalty. Subsection (a) appears to permit the Administration to make a long-term commitment to take its royalty gas in-kind and forego its current contractual right to switch to taking some or all of its royalty in value. The proposed Producer contract requires that the State make a multi-decade commitment to take all of the State's royalty gas in-kind without proof or compelling evidence that the viability of the project proposed by the Producers is dependent upon the State taking its royalty gas in-kind. Therefore, my third question is whether it will be legal for me to support/sign a preliminary fiscal interest findings and determination at this time when I believe that the State will assume significant risk without substantially improving the Producer's incentive to develop the pipeline.

Fourth, AS 43.82.400 requires a preliminary finding that the proposed contract terms are in the long-term fiscal interests of the State. DNR is concerned that no modeling can show the need for the proposed fiscal support from the State to the Producers and the need for a guarantee of fiscal certainty extending three decades from the pipeline's in-service date. Based on the Administration's project modeling (which is generally consistent with the modeling discussed publicly by others), I do not believe that the economic viability of the project requires the State's "give" nor that the prospect of long-term changes to the fiscal system are necessary. Therefore, my question here is whether current law permits me to support/sign a preliminary fiscal interest findings and determination endorsing contract terms that runs counter to the best data within the possession of the Administration.

Fifth, AS 43.82.445 instructs the Administration to include terms in any proposed contract which apply in certain events, such as a Producer's breach of a material provision of the contract, failure to comply with the approved qualified project plan, or intentional misrepresentation made in the course of negotiating the contract. It appears that the Act intends to require a commissioner's decision in the event of any such grievance, with appeal to the Alaska Superior Court. Further, the State's right to act on such a grievance by administrative decision (with appeal to the court system) is to continue up until the time the Producers commit to full project funding. However, the procedures spelled out in Article 5 (regarding lack of diligence in pursing a qualified project plan), Article 22 (mandatory dispute resolution), and Article 24 (administrative termination), as well as the definition of "administrative termination period" in Article 1, seem to contradict AS 43.82.445. My question is whether the proposed contract terms are legal under current law as reflected in the Alaska Stranded Gas Development Act, and whether I can legally support/sign a preliminary fiscal interest findings and determination accompanying a proposed contract containing such terms.

Sixth, AS 43.82.010(1) calls for the development of a proposed contract that does not significantly alter tax methodologies and rates on existing oil infrastructure and production. As you know, for a long time the Administration resisted the Producers' invitation to negotiate oil taxes in conjunction with gas pipeline matters. However, this summer the Administration embarked on extensive analysis and discussion of oil taxes under the umbrella of the Producers' application filed under the Alaska Stranded Gas Development Act. Therefore, my question is whether a commissioner can sign a preliminary fiscal interest findings and determination under the current provisions of the Alaska Stranded Gas Development Act if the proposed contract terms or the likelihood of the gas pipeline project itself are tied in any way to an agreement with the Producers regarding alteration of tax methodologies or rates on existing oil infrastructure or production.

Seventh, while I recognize that the Administration has developed a plan to address some portion of the legal impediments discussed above, I am not sure that the plan itself is sufficient or permissible. The plan, as I understand it, is to propose legislation amending current law as needed to bring the law into conformance with the proposed Producer contract. However, the Administration does not intend to introduce the proposed legislation until after the preliminary fiscal interest findings and determination is signed, which raises the issue of the legality of my actions at the time of signature as well as of the actions of this Administration at this time. Moreover, the Legislature may choose not to enact some or all of the legislation to be proposed by the Administration. Furthermore, the Stranded Gas Development Act invited potentially interested applicants to apply and negotiate with the Administration under the terms of the Act as it now reads. Changing the rules of the game at this late stage is much like changing the rules by which proposals received in response to a Request for Proposal (RFP) are evaluated so as to allow the award of a contract to a favored party on terms

other than as advertised. This, too,

strikes me as potentially improper, and I would like the Department of Law's advice on the issues raised in this paragraph as well.

Finally, DNR staff are assisting the departments of Revenue and Law in preparing the preliminary fiscal interest findings and determination under AS 43.82 (SGDA). In doing so we have been advised by the department of Revenue that the findings and determination will not include a quantitative evaluation of alternatives, such as other applications submitted under AS 43.82. Therefore, I would ask the Department of Law to evaluate whether the proposed preliminary findings and determinations meets the AS 43.82 requirements as well as the Administrations responsibility to provide a full disclosure/comparison which allows the public to adequately evaluate any proposed contract.

The requests for legal advice contained in this letter are not made lightly but with recognition of the serious and long-lasting ramifications of any proposed contract and preliminary fiscal interest findings and determination issued under the Alaska Stranded Gas Development Act. My concerns over the legality of current and anticipated actions are great and I respectfully request receiving a legal opinion on the subjects raised in this letter. Furthermore, I must point out that putting members of the Department of Natural Resources in a work environment where they seriously question the legality of administrative actions they are asked to participate in is so troubling that it could result in the resignation of exceedingly valuable members of our gas pipeline team, which would be a great loss to both the short and long-term interests of the State. For these reasons, I ask for your or your agencies immediate counsel on these issues.

In advance I would like to thank you for your assistance.

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Anchorage Daily News
Anchorage, AK
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(Mount Clipping in Space Below)

Gas line memo fuels talk

■ **SIGNIFICANCE:** Some lawmakers criticize Irwin; others fear "giveaway."

By WESLEY LOY
Anchorage Daily News

Republican lawmakers Saturday downplayed a memo from the state's natural resources commissioner, who said he and his staff were being pushed by the administration of Gov. Frank Murkowski into supporting a natural gas pipeline contract in conflict with the law and the state's best interests.

The memo by Commissioner Tom Irwin raises no new issues and doesn't threaten a year's work toward a contract laying out tax, ownership, labor and other terms should the oil trio of Conoco Phillips, BP and Exxon Mobil someday build a $20 billion pipeline, the lawmakers said.

But one Republican legislator, Rep. Mike Hawker of Anchorage, said he was disappointed that Irwin wrote the memo to Attorney General David Marquez asking for legal advice on whether the commissioner and his staff faced personal liability in signing off on the contract.

"This memo did not bring up anything new that those of us who have been working on the inside for well over a year were not cognizant of," said Hawker, an accountant and business consultant. Lawmakers have, and will, deal with all the issues and the memo is a "tempest in a teapot" that should not derail the pipeline contract talks, he said.

Irwin raised eight major worries with the contract, which remains confidential as negotiations with the oil companies continue. Irwin said it would give the companies unnecessary financial concessions and it might weaken lease obligations the companies already have to produce the gas beneath state acreage.

Irwin suggested in the five-page memo that people in the Department of Natural Resources who "seriously question the legality" of administration efforts toward a pipeline deal might resign.

"You have a petulant commissioner who didn't get his way. You can quote me on that," Hawker said.

Irwin did not return messages left on his cell phone seeking comment.

As a member of the Legislative Budget and Audit Committee, which would be the first to review a contract should the governor submit one for legislative approval, Hawker said he's received confidential briefings all summer from the Murkowski administration on the status of contract negotiations.

Rep. Ralph Samuels, R-Anchorage, declined to criticize Irwin but agreed with Hawker that the memo shouldn't have much impact.

"There's no big bomb there," Samuels said. "Those things have all been discussed. Some are problems, some are not problems."

The governor's office remained silent Saturday on Irwin and the memo, which Murkowski mentioned and released late Friday during a Fairbanks news conference to announce that one oil company, Conoco, had agreed to "base fiscal contract terms" with the state.

ON THE Web

■ **IRWIN MEMO:** Go online to read the memo to the state attorney general.
www.adn.com

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GAS LINE: *Memo stirs controversy*

Continued from A-1

Becky Hultberg, Murkowski's press aide, said Saturday the governor's office wouldn't have any further comment on the Irwin memo until Monday.

State Rep. Les Gara, D-Anchorage, said the Irwin memo reveals cracks in Murkowski's approach with the oil giants.

"What Commissioner Irwin said fed all my worst fears — that this could be a huge giveaway," Gara said.

Instead of giving the oil companies unnecessary incentives to produce the Slope's huge gas reserves, the memo lends credence to the idea that the state should "take the leases back and give them to somebody who really wants to develop the gas, rather than hold it in the ground," Gara said.

All the lawmakers interviewed Saturday from both parties said they were caught off-guard Friday when Murkowski gave out copies of Irwin's memo.

Gara said Irwin's memo shows his convictions and fears are "so great that he had to do something extraordinary."

"You have to admire the governor," Hawker said. "He made it immediately available to assure the public of the integrity of the process here."

As for Irwin's suggestion of possible resignations, "the governor should regretfully agree to accept the resignation of all those people who have offered to resign," even if they include Irwin, Hawker said.

Murkowski, a Republican, is the latest in a string of Alaska governors who have tried to persuade oil companies to build a pipeline to carry the Slope's long-dormant trove of about 35 trillion cubic feet of natural gas to domestic or overseas markets. The oil companies historically have cited the high cost of a pipeline as the main impediment.

In recent years, however, the landscape has changed, with natural gas prices spiking to painful highs in the Lower 48 and once prolific North American gas fields now tapping out.

Last December, the trio of oil companies submitted a joint proposal to the state for a contract laying out tax and other terms should they decide to build a gas line. Since then, the state and hired experts have been negotiating with the companies, and on Oct. 6 the governor announced he had offered them a contract and urged them to snap it up as a good deal for all parties.

Now Conoco, the state's top oil producer and most aggressive exploratory driller, has broken ranks with the other two companies and agreed to base terms with the state, Murkowski and the company's Alaska president, Jim Bowles, said Friday.

Samuels said it's not surprising that the three companies aren't in lockstep on the deal. People tend to perceive the oil industry as a bloc, when in reality the companies are global competitors, each with its own business priorities, he said.

"It's good one of them finally said, 'It's good enough for us.' The logjam broke," he said.

Murkowski's press aides worked hard Friday to stoke media interest in Friday's Conoco announcement, calling reporters with newspapers from Los Angeles to Denver to Chicago to New York. Murkowski called it a "significant milestone."

But the Irwin memo, which Murkowski mentioned as an aside, ended up overshadowing the Conoco announcement.

"Unfortunately, the governor mismanaged the moment," Hawker said.

Daily News reporter Wesley Loy can be reached at wloy@adn.com.

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J-2
Anchorage Daily News
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COMPASS: *Points of view from the community*

Oil lessons apply to gas line issue

By ERIC WOHLFORTH

Thirty-three years ago, in 1972, Alaskans were faced with the issue of possible state financing and ownership of the entire trans-Alaska oil pipeline. Then-Gov. Bill Egan advanced the state ownership plan because he was worried that the state would not receive an adequate share of oil revenues if the trans-Alaska oil pipeline were privately owned. With oil selling at $4 a barrel, with taxes and royalties figured on value after deducting transportation costs of the pipeline, the state's revenue take was reduced to a mere pittance.

The answer? Gov. Egan said the state of Alaska, not the oil companies, had to finance and own the pipeline to assure adequate state revenues. We had to capture the profit of transporting the oil to Valdez. The oil company presidents he summoned to Juneau in October 1971 hated Egan's suggestion. They were angry that his ownership suggestion would further delay the start of construction, already long delayed after the 1969 sale of oil leases. This bonanza $900 million sale had caused a dramatic ramp-up in state spending which Egan worried was unsustainable.

The hugely important issue demanded a thorough hearing. A joint House and Senate Commerce hearing was planned for March 1972 at the Baranof Hotel.

Sen. Ron Rettig and Rep. Dick McVeigh ran the hearing, and Attorney General John Havelock was the state's team leader, assisted by me as commissioner of revenue and Joe Henri as commissioner of administration.

The department of revenue, which I headed, provided an early computer model of the sharply different picture of revenues under state and private ownership.

Winter storms socked in Juneau, trapping the oil company officials for a week. As if in retaliation, the phalanx of their lawyers lectured us in mind-numbing detail about pipeline regulations and ICC valuation, giving numerous legal reasons why the state could not proceed. However, they were stingy with information the state wanted and needed: How much would it cost? How long would it take? Experts said the state could not market the massive volume of financing within the time required and that any such financing plan would be unconstitutional. The chairman of Standard Oil of Ohio said that he was frightened to death by the delay the state's ownership plan entailed.

After all the testimony Havelock said:

"It has been a long week and I'm sure everyone's recollection of what has taken place in this room is by now crowded with conflicting testimony and strewn heavily with a jumble of numbers."

He continued:

"In this presentation, the industry didn't give an inch, didn't leave the shadow of doubt. We can't tax, we can't regulate, we can't own. As one spectator remarked during the break yesterday, 'You know what I have found out? Everything the oil companies don't like is unconstitutional.'"

All this rhetoric smothered the state's arguments which centered on the tax-free

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The oil companies succeeded in frightening legislators into believing that even enactment of permission to negotiate an ownership statute could delay the state of construction.

nature of state ownership and state's right to tariffs for transporting the oil.

The oil companies succeeded in frightening legislators into believing that even enactment of permission to negotiate an ownership statute could delay the state of construction.

Unlike the situation today, early start of oil pipeline construction was absolutely essential to state solvency, so rapidly had we ramped up spending since the 1969 lease sale. Legislators were unwilling to risk the responsibility that the oil companies were correct that further work on the state ownership plan might fatally delay pipeline construction.

Legislators gained confidence during the hearings and in the next year passed a range of pipeline and tax measures. As described by Jack Roderick in his book, "Crude Dreams", in 1973 the Legislature narrowly missed inclusion of an option to buy 20 percent of the pipeline in the legislative package that finally passed. Many think that partial ownership of the oil line would have been to the state's advantage then and over the last 30 years, and that partial ownership of the gas line makes sense today.

■ Eric Wohlforth, a local attorney, is a former state commissioner of revenue and has been a trustee of the Permanent Fund Corp. since 1995. The views here are his own.

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OUR VIEW

Think of the long term

Alaskans should look at a gas line project with the biggest payday

An illustrious list of public officials, led this past year by the Alaska Gasline Port Authority, has been busy encouraging the dream of the so-called all-Alaska natural gas project.

The authority, heavily promoted by the Fairbanks North Star Borough and city of Valdez, believes it can borrow 100 percent of the billions of dollars it needs, putting up no cash of its own and pledging no existing assets or current revenue as collateral. It proposes to build a pipeline from the North Slope and a terminal at Valdez to liquefy gas for shipment aboard a fleet of tankers to receiving terminals that might be built on the U.S. or Canadian West Coast.

The port authority says its plan would avoid giving any construction jobs to Canadians, as if that should be the controlling factor in such a project. But to keep the line out of Canada would mean overcoming strong environmental and community opposition to liquefied gas receiving terminals on the West Coast; an act of Congress to allow foreign ships to carry the gas, or paying two or three times the price for U.S. ships; and selling an awful lot of Alaska gas into the confined West Coast market.

Isn't Alaska's gas more valuable in a cost-efficient line direct to consumers rather than piped to Valdez, liquefied, loaded aboard expensive tankers, unloaded, turned back into gas, and then stuffed into a pipeline to market?

The port authority — if it can pull it off — says it would share the wealth from its project with the state and all its municipalities.

Meanwhile, the governor is negotiating with the three major North Slope producers for their own proposal to move the gas to market — a pipeline from Alaska to connect with the entire North America distribution grid in Alberta.

While making his own commitments to ensure affordable gas for Alaskans, a fair share of the revenues for the state treasury, jobs and much, much more, the governor has avoided making any disparaging comments about the port authority.

Politics prevent the governor from publicly doubting the authority's questionable plan, but his lack of any forceful critique has helped to keep alive the all-Alaska option and its dangling proposition of more Alaska construction jobs. He will have to deal with those inflated expectations if and when he reaches a full contract with the producers to build the pipeline.

Meanwhile, Friday's announcement by the governor of another step toward a deal with the producers is encouraging, though there's still plenty of work to do.

And tossing in its opinion, the Alaska Democratic Party's state central committee has passed a resolution including the demand that any state deal with the North Slope producers include a specific commitment on the calendar to build a liquefied gas project — as if the Democrats have all the answers to the project's high hurdles.

Isn't Alaska's gas more valuable in a cost-efficient line direct to consumers rather than piped to Valdez, liquefied, loaded aboard expensive tankers, unloaded, turned back into gas, and then stuffed into a pipeline to market? Remember that lower shipping costs mean a higher value for the gas, which means billions more tax and royalty dollars for the state.

The decision should be about long-term public revenues, not short-term construction jobs. The decision should be based on the reality of getting the most for Alaska's gas.

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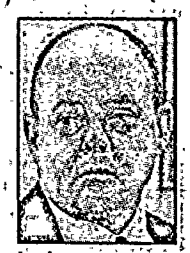
Irwin's status hushed

MEMO: Governor mum on Natural Resources head's job situation.

By SEAN COCKERHAM
Anchorage Daily News

JUNEAU — Gov. Frank Murkowski's office refused to say Monday whether Natural Resources Commissioner Tom Irwin still has a job after his publicized warning that the state is giving up too much in the governor's gas line negotiations.


Irwin

Meanwhile, several legislators from both parties said Monday that Irwin raised good questions about the gas pipeline talks. The lawmakers also said they were shocked that Murkowski had made Irwin's concerns public.

The governor at a Friday press conference released the memo Irwin wrote to the state attorney general. Irwin's memo questioned the legality

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FALLOUT: *Irwin not returning phone calls*

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of the negotiations between the governor's office and oil companies over a proposed natural gas pipeline from the North Slope to the Lower 48.

Legislators on Monday reported that rumors Irwin had been placed on administrative leave as punishment. Department of Natural Resources staff members said Irwin was not in the office and routed calls to special assistant Dan Saddler. He said he couldn't answer whether his boss was in trouble.

"You'll have to ask his supervisor, the governor, about that," Saddler said.

The governor's office wouldn't say whether Irwin has been fired.

"I just don't have any comment today on Commissioner Irwin's status," Murkowski spokeswoman Becky Hultberg repeated whenever asked questions about Irwin.

Irwin did not return multiple phone messages Monday. He has not spoken publicly about the memo since the governor released it Friday.

Murkowski appointed the sometimes gruff, no-nonsense Irwin as Natural Resources commissioner in 2003. Irwin was an executive with Fairbanks Gold Mining Inc. and had been operations manager and general manager of the Fort Knox and True North mines.

Irwin and members of his department are big players on the state's gas line negotiating team. He said in his memo the concerns he was expressing were so great they could result in resignations from the team. Anchorage Republican state Rep. Mike Hawker said over the weekend that the governor should accept any such resignations, including from Irwin himself.

Hawker said Monday that, in any organization, a chief executive must have the support of his subordinates.

He had earlier described the memo as coming from a "petulant commissioner who didn't get his way." Other legislators, though, said Irwin did the right thing.

"For me, after reading the memo, every question was a legitimate question," said North Pole Republican Rep. John Coghill, the majority leader of the state House.

Fairbanks Republican Rep. Jay Ramras said Irwin is an honorable man whose worries are a legitimate part of the debate.

Anchorage Democratic Rep. Ethan Berkowitz, the House minority leader, said Irwin showed courage.

"It's a sorry day when people like that get punished," said Berkowitz, who is a candidate for governor.

Several lawmakers said they were stunned that Murkowski made Irwin's memo public. Details of the negotiations with the oil companies over a gas pipeline contract are supposed to be confidential.

Coghill said the memo was an internal document and that he called the Republican governor Monday to ask why it was released. Coghill said late Monday that he didn't get a response.

Irwin aide Saddler said the Department of Natural Resources considered the memo confidential.

"This was something not meant to be public on our end," Saddler said.

Murkowski spokeswoman Hultberg said the governor felt the matter was serious enough to be aired publicly. She said it's in the state's best interest to have the attorney general answer the questions posed by Irwin.

Irwin raised eight legal questions. It challenged the basis for the negotiations, which are being done under the Stranded Gas Act. Irwin said that, since the data shows it is economical to build the roughly $20 billion pipeline, the gas isn't stranded and there's no need for the state to offer concessions to get the project built.

The memo said the Department of Natural Resources is "concerned that no modeling can show the need for the proposed fiscal support" the state is offering the companies. The memo didn't specifically discuss what the state is offering.

It did say the state was considering making the level of state oil tax part of the gas pipeline deal with the companies, BP, Exxon Mobil and Conoco Phillips.

The attorney general's office said it planned to respond this week to Irwin's legal questions.

Legislators said the memo illuminated a fight between two camps in the governor's negotiating team: the departments of Natural Resources and Revenue.

Deputy Revenue Commissioner Steve Porter would not go into much detail but said some of the information in Irwin's memo is a "misunderstanding."

He said that, rather than offering concessions to the oil companies, the talks are about finding a way to give the companies certainty about how, and how much, the state would collect in taxes and royalties. The talks also cover the governor's proposal for the state to own part of the line.

He said the gas is stranded — meaning uneconomical to bring to market — until the investors have that certainty. The future price of gas will also affect the economics, he said.

ON THE Web

■ FOR PAST STORIES and to read Tom Irwin's memo, go to www.adn.com

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Irwin: Memo was private

■ **GAS LINE:** Governor is still silent on future of Natural Resources head.

By SEAN COCKERHAM
Anchorage Daily News

Irwin

JUNEAU — State Natural Resources Commissioner Tom Irwin said Tuesday he still has his job despite having written an explosive memo critical of how much the state was giving up in the governor's negotiations over a natural gas pipeline.

But Irwin, who wasn't at work Monday or Tuesday, wouldn't say whether he is suspended.

"It's really not appropriate for me to be talking about it," he said. "It needs to come from the governor's office."

The governor's office, for the second day in a

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IRWIN: *Memo questioned gas contract legality*

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row, would not say Tuesday whether it still considers Irwin to be the state's commissioner of natural resources. The governor's spokeswoman would not comment on Irwin's job status.

Gov. Frank Murkowski released Irwin's gas line memo at a Friday press conference. Murkowski had called the press conference to announce he had struck a deal with Conoco Phillips on terms that would cover state taxes and royalties if the proposed natural gas pipeline were built from the North Slope to the Lower 48.

Murkowski is working on getting Exxon Mobil and BP to accept his proposal for the gas line contract. Irwin was a major player on the state's negotiating team.

Irwin, in his first public comments since the governor released the memo, said Tuesday he didn't mean for the memo to go to the press. He considered it to be confidential.

"That memo was attorney-client privilege. I am amazed, surprised that it ever got put out," Irwin said.

Irwin wrote the memo to Alaska Attorney General David Marquez. It questioned the legality of the ongoing negotiations between the governor's office and the major North Slope oil companies over what the state's share of the wealth would be if the pipeline were built.

Typical of how he posed his questions is this one, about the enforceability of the gas line contract: "My question is whether the proposed contract terms are legal under current law as reflected in the Alaska Stranded Gas Development Act."

The act is the state law under which the talks are taking place.

Irwin said in the memo that all available data show it is economical to build the pipeline and there is no reason for the state to be offering "fiscal support" — under the stranded gas act — to help the oil companies with the project.

The negotiations are confidential, and the memo didn't say specifically what the state is offering. Other state officials have characterized it as a good deal for the state.

Becky Hultberg, Murkowski's press aide, said the attorney general will soon have a response to Irwin's questions about the legality of the gas pipeline talks. The legal analysis will also address Irwin's position that his memo should have been considered confidential under attorney-client privilege, Hultberg said.

Hultberg said the governor released the memo because he thought it was important to make the issues public and get them resolved now. She would not elaborate.

Meanwhile, an attempt by Conoco Phillips to call a closed meeting of the Anchorage-area legislators fizzled Tuesday. Lawmakers reported getting calls from Conoco Phillips lobbyist Michael Hurley inviting them to the meeting at the company's Alaska headquarters in Anchorage.

Anchorage Democratic Rep. Les Gara said that, when Conoco Phillips said it wouldn't open the meeting to the general public, he asked the Legislature's legal division and ethics staff whether it would be a violation of open-meeting laws to attend. Both said their preliminary view was that the meeting could pose a legal problem. Gara said he passed that information on to all the other legislators.

Conoco Phillips spokeswoman Dawn Patience said the company called the meeting to brief the Southcentral legislators on the gas pipeline agreement and give them a chance to ask questions about it. Patience said the company has done the same for business leaders and a handful of other legislators already.

Conoco Phillips canceled the Tuesday meeting "because there were concerns raised," Patience said.

The Legislature has the power to reject the deal Murkowski made with the company. Its details will have to be made public before lawmakers can take action.

■ Daily News reporter Sean Cockerham can be reached at scockerham@adn.com.

ON THE Web

■ GAS LINE TALKS: To read Irwin's memo and past stories, access this story at www.adn.com

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Group to push Outside gas line

■ CAMPAIGN: Alaska's Future aims to counter all-Alaska effort.

By SEAN COCKERHAM
Anchorage Daily News

JUNEAU — A new political group has formed to launch a counteroffensive against the advertising campaign pushing an all-Alaska gas pipeline to Valdez.

The group calls itself Alaska's Future and is advised by veteran Republican political strategist Art Hackney. In an e-mail obtained by a reporter, Hackney said the point of the group is to "fill a vacuum on the nonpartisan, pro-business advocacy side" in the debate over a natural gas pipeline deal.

"The problem is that all the existing groups are tied directly to the (oil companies) or to the governor, whose numbers make him a bad direct advocate," Hackney wrote in the e-mail.

Republican Gov. Frank Murkowski has long been beset with low approval ratings — his "numbers" — in statewide polls.

A bitter fight is being waged over the route of the proposed pipeline from the North Slope. Some favor an all-Alaska gas pipeline to Valdez, where

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ON THE Web

■ GAS LINE: To read past stories, access this story at www.adn.com

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GAS LINE: BP gave to group

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the gas would be chilled and shipped south in special tankers. Others, including the governor and the oil companies, say the realistic project is a pipeline from the North Slope along the Alaska Highway through Canada to the Lower 48.

Murkowski is seeking a deal with the oil companies on the state's share of the pipeline costs and revenues. Hackney, in his e-mail describing Alaska's Future, said the new group "will provide a forum for analysis and honest messaging about the deal when it hits the streets to counter the negative ads" that are coming from the All-Alaska Alliance.

The All-Alaska Alliance argues that a pipeline to Valdez offers the state the best chance to get spin-off industries. The alliance is running TV commercials that show Canadians drinking beer and gloating about getting jobs that would have gone to Alaskans if the pipe had not been routed through Canada.

Hackney suggested in his e-mail that Alaska's Future has money to spread its counter message.

"The group has the resources to do statewide microtargeting; using the group that did the same for President Bush in the last election nationwide," he wrote.

Microtargeting is a sophisticated polling technique that is growing in popularity, especially on the national political scene. It involves putting together detailed profiles of voters, including their ages, what kind of houses they live in, how much money they make, even the kinds of places where they go out to eat.

Political groups use the information to target narrow slices of the population with advertising, direct mail, door-to-door visits or other means of influence.

Hackney, in a Wednesday interview, said Alaska's Future is no slick political machine. He said it's a group of young people who want to undertake a nonpolitical grass-roots effort, which he understood would be door-to-door.

He said that hiring a firm that helped Bush get elected was just a suggestion.

The president and one of the founders of Alaska's Future is 31-year-old George Culpepper. He was chairman of the college Republicans at Metro State College in Colorado and a Republican Party activist in that state. But Culpepper said his Alaska group is nonpartisan and includes Democrats.

Culpepper said he means the group to be the voice of Alaskans between the ages of 18 and 40. He said he is a 1992 graduate of Service High School in Anchorage and attended the University of Alaska Anchorage before joining the Marines. He said he came back to Alaska in July.

He said the group has at least 50 members and is going to promote whatever can bring jobs to the state. That includes getting the long-awaited natural gas pipeline built.

Culpepper would not say where the group gets its money. He said it collects donations from its members, which include businesses. He would not say who all is in the group.

Alaska's Future has gotten cash from at least one oil company, BP. Company spokesman Daren Beaudo wouldn't say how much.

Becky Hultberg, the governor's spokeswoman, said Murkowski's office has no involvement that she's aware of in Culpepper's new group. But she said Murkowski is glad to see the interest from a group that recognizes the importance of the gas project and hopes it will add to the public dialogue.

Lori Backes, the executive director of the All-Alaska Alliance, said Alaska's Future has every right to organize and spread a counter message. She said Alaskans should learn as much as they can about the huge gas pipeline issues.

Backes, like Culpepper, would not provide details of her group's financing or it membership.

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Anchorage Daily News
B-6
Anchorage, AK
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Edition: Thursday

Title: Governor, Talk to Us.

Character:
or
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Submitting Office: Anchorage

Indexing:

(Mount Clipping in Space Below)

Governor, talk to us

It's time to tell Alaskans more about the gas line negotiations

Governor, it's better that you tell Alaskans about the negotiations for a North Slope natural gas project than to have your dissatisfied Natural Resources commissioner tell only his one side of the multisided story. Commissioner Tom Irwin's memo of last week, while tantalizing for political commentators, served only to raise questions but not to provide any answers.

Tell us what is the state doing, talking about oil taxes while negotiating a fiscal deal with North Slope producers for the proposed natural gas project. That's what the commissioner's memo says. Are you trying to raise oil taxes, based on high prices, as many Alaskans have asked? If so, people would like to hear it.

Please, governor, explain to Alaskans in more detail why it helps the project if the state takes an ownership stake in the pipeline and also takes all of its royalty share and production tax in gas rather than in cash. How will Alaska sell all that gas? What are the risks to the state? What are the possible benefits?

And where might the state come up with its $4 billion to buy a 20 percent stake in the pipeline itself? What if there are construction cost overruns? Would those be the state's problem too?

And if you tell us we'll listen to why you need changes in state law to carry out the gas line contract. It's not surprising changes may be needed in the Stranded Gas Development Act, first adopted seven years ago. Meanwhile, we're skeptical of Commissioner Irwin's tone of shock and distress in his memo at the possibility, considering that potential changes in state law have been on the negotiating table for months — a table that included a chair for Mr. Irwin.

Alaska has waited almost four decades for a gas line and waiting a little while longer isn't going to hurt

The attorney general also was at the table, and we would like to hear from him soon with answers to the legal questions in the commissioner's memo.

And we need an answer from the revenue commissioner: Is the gas economically "stranded," as defined by Alaska law, and therefore eligible for this long-negotiated fiscal contract to spur development in lieu of the state's existing tax and royalty structure? Commissioner Irwin seems to believe the gas is not stranded, but that's not his decision under the law to make, nor is it up to the attorney general.

Commissioner Irwin also seems to criticize you, governor, for going outside the lines to reach a deal with North Slope producers, but he neglects to say the Stranded Gas Act specifically allows negotiation of "other terms or conditions that are necessary ... in the best interests of the state."

The best interests of the state would be served with a gas pipeline, creating jobs and earning billions of dollars for public services. Is that provision broad enough to allow whatever it is that is under negotiation?

But, governor, the best interests will not be served if you move too quickly with the deal, leaving behind a skeptical public.

So, first, slow down if that's what it takes to do it right. Alaska has waited almost four decades for a gas line and waiting a little while longer isn't going to hurt — and could help get the best deal.

Second, the state needs to stop hiding behind the confidentiality provisions of the Stranded Gas Act. The law was written to protect proprietary information submitted by project applicants, but there is nothing anywhere in the law that says all of the state's research and analysis and policy debates must be confidential.

Governor, don't let loud critics fill the empty sounds of silence. If Commissioner Irwin doesn't like the deal, that's his opinion. Give us the information so we can form our own opinion.

■ **BOTTOM LINE:** We need leadership from the governor, not complaints from a commissioner.

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M-141

194A-AN-13620 — ~~Press~~

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A-1 Anchorage Daily News) Anchorage, AK
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(Mount Clipping in Space Below)

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Irwin's memo cost him his job

Tom Irwin said the memo was confidential.

■ HOUSECLEANING: Governor dismisses natural resources commissioner; 6 others resign.

By SEAN COCKERHAM, DON HUNTER and PAULA DOBBYN
Anchorage Daily News

JUNEAU — Gov. Frank Murkowski said Thursday that state Natural Resources Commissioner Tom Irwin has lost his job after writing a memo saying Murkowski was giving up too much in the natural gas pipeline negotiations.

Irwin's removal prompted the resignation of six senior members of the state Natural Resources Department. The losses include Mark Myers, the director of the state Division of Oil and Gas. Never in memory have so many top Alaska officials resigned in a single day.

Murkowski said at a news conference that he needed a natural resources commissioner who would support the terms of the deal the governor is pursuing with oil companies on what the state would get if a gas line is built. Irwin had raised questions about the legality of the negotiations.

"Obviously there was a legitimate question as to whether Tom was going to support the administration's goal," said the Republican governor.

Murkowski named Mike Menge, his senior energy adviser, to replace Irwin.

Legislators of both parties said they were stunned by the high-echelon exit from a department playing a key role in the gas pipeline negotiations with the North Slope oil companies.

"I'm just concerned, and I suppose most Alaskans are, that he has now peeled off people who will tell him the truth. ... It is going to create a credibility problem with the Legislature," House Majority Leader John Coghill, R-North

See Back Page, IRWIN

INSIDE

■ NEW CHIEF: Michael Menge was appointed to replace Tom Irwin as commissioner of Natural Resources.

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194A-AN-13620-~~Press~~

IRWIN: *Shake-up called 'Thursday afternoon massacre'*

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Pole, said.

Coghill added there are few state officials he has admired as much as Irwin, who had a background managing gold mines.

Sen. Johnny Ellis, D-Anchorage, called it the "Thursday afternoon massacre." The huge changeover at the state's resource agency is bound to affect gas line talks, said Ellis, the Senate minority leader. "The A Team has just resigned en masse."

Murkowski said he and Irwin agreed that Irwin should go. But the letters of resignation from Irwin's colleagues all said: "I regret that I have to take this action, but I have no alternative following the dismissal of Tom Irwin as commissioner of the Department of Natural Resources."

Irwin did not return repeated messages left on his cell phones and at his home.

The shake-up comes as the state is attempting to negotiate one of the biggest deals in its history. Murkowski and his team have been talking to the major oil companies for two years about how to build the line and decide the state's share of costs and benefits.

Murkowski last Friday had released the Oct. 20 memo Irwin wrote saying the state was offering the oil companies too much. The memo, to the state attorney general, questioned the legality of the negotiations.

Murkowski said Thursday that he didn't like how Irwin handled the memo, which he said was an e-mail copied to the governor's office and other state officials.

"I personally value highly differing points of view ... yet I expect every member of my cabinet to confer with me on major policy issues, major policy disputes as they arise. I don't consider a copied e-mail really sufficient notification," Murkowski said.

Alaska Attorney General David Marquez conceded, though, the Irwin e-mail wasn't the first time the concerns it contained had been raised from within the state negotiating team.

Irwin has said he had not wanted his memo released. Murkowski, though, said, "I hardly felt that was a confidential e-mail. Several people were copied on it, it went through three of my offices, there was no mention (in it) of confidentiality."

About an hour after Murkowski said that, the Department of Natural Resources sent out a press release that said "Tom Irwin would like to clarify" that the e-mail only went to the attorney general, the governor's chief of staff and the three state officials who helped him craft it. The latter three have now resigned.

Murkowski said he was thoroughly familiar with Irwin's e-mail when he released it and that he did so because he thought the public should be familiar with the commissioner's concerns. The governor's attorney general on Thursday released an opinion that basically dismissed Irwin's concerns over the legality of the gas talks.

Marquez said the governor has broad authority to negotiate contracts and any gas pipeline deal will also have to be approved by the Legislature.

Murkowski said he did not expect the gas line negotiations would be hurt. "We're losing some qualified people. But as we all know in life, people come and go. And we will find other people to replace them," Murkowski said.

The resignations are effective Nov. 15.

Deputy commissioners Mary Rutherford and Dick LeFebvre, longtime state employees, stepped down along Myers and the others. Rutherford, who worked for the state for 23 years, and Myers were part of the state's core gas line team.

Myers, the oil and gas director for the past five years, issued a scathing resignation letter. He said the gas line talks have implications for all the state's oil and gas interests.

"I cannot continue as Director and watch silently as the state's interests are undermined by creating barriers for the new oil and gas participants that are so vital to the economic future of our state," he wrote.

Mining, Land and Water Division director Bob Loeffler also resigned. Loeffler had worked for DNR since 1978, permitting all the major mines in Alaska.

One of Irwin's closest colleagues, Office of Project Management and Permitting director Bill Jeffress, resigned saying he was "unable to support the direction of the administration."

Jeffress, a former mining executive, oversaw the coastal zone management program and the permitting of large developments. He had worked with Irwin for years at the Fort Knox gold mine in Fairbanks.

Also tendering her resignation Thursday was project assistant Nancy Welch.

"I think it's unprecedented in state history to lose that many people in one department at one time," said John Shively, a Holland America Line executive and natural resources commissioner under former Gov. Tony Knowles.

Even when a governor is elected, transitions usually unfold over months to allow government to function as smoothly as possible, Shively noted.

Steve Borell, executive director of the Alaska Miners Association, said the sudden loss of DNR's top echelon was disappointing.

"One of the things you want in government is continuity," Borell said. "It's going to cause people to take a deep breath. People are going to wonder what the heck is going on."

Shively said he spoke to one of the deputies who resigned Wednesday.

"Some of them might feel that Tom has been a very good commissioner and that he was not being treated well. And that was not something they wanted to be part of," he said, declining to name the person he spoke with.

Bob Penney, a businessman and politically connected sportfishing advocate, said he's known Irwin for three decades. "He wasn't doing that job for the money. He was doing it for the good of the state. It's a real shame," Penney said.

The six who resigned

The Department of Natural Resources officials who resigned Thursday:

- Marty Rutherford, deputy commissioner
- Richard LeFebvre, deputy commissioner
- Mark Myers, Oil and Gas Division director
- Robert Loeffler, Mining, Land and Water Division director
- William Jeffress, Office of Project Management and Permitting director
- Nancy Welch, project assistant.

BOB HALLINEN / Anchorage Daily News

Gov. Frank Murkowski shakes hands Thursday with newly appointed Commissioner of the Department of Natural Resources Michael Menge at the press conference at the governor's Anchorage office.

FBI - Stevens-275

ON THE Web

■ **IRWIN:** Read Irwin's memo, the attorney general's response and resignation letters by members of Irwin's staff.

www.adn.com

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A-1
Anchorage Daily News
Anchorage, AK
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Energy adviser takes over as commissioner

By WESLEY LOY
Anchorage Daily News

Michael L. Menge, named Thursday to replace Tom Irwin as state commissioner of natural resources, moves up from the job of Gov. Frank Murkowski's senior adviser on energy, mining and the environment.

Menge has been one of Murkowski's insiders in negotiating with major oil companies for a pipeline to carry North Slope natural gas to the Lower 48.

A geologist with roots in Arkansas, Menge has held a variety of jobs with government resource agencies.

From 1995 to 2002, he was a staffer on the U.S. Senate Energy Committee, which Murkowski chaired when he was in the U.S. Senate. Murkowski became Alaska governor in December 2002.

According to a resume distributed by Murkowski's office Thursday, Menge had retired in 2002 to a "family ranch in Arkansas," but in August 2003 he took the Juneau-based job as the governor's senior energy adviser.

In the early 1990s, Menge directed statewide environmental permitting, monitoring and enforcement in the Alaska Department of Environmental Conservation.

Prior to that he worked in Anchorage for the federal Bureau of Land Management on issues related to the trans-Alaska oil pipeline and a proposed gas pipeline route.

For most of the 1970s and '80s, he worked for agencies, including the U.S. Geological Survey, evaluating oil and mineral potential in several Western states and in the Arctic National Wildlife Refuge.

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Anchorage, AK
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Legislators question Irwin firing

GAS LINE: Legislature could nix deal if it decides governor acted improperly.

By SEAN COCKERHAM and WESLEY LOY
Anchorage Daily News

Republican leaders of the Legislature tried to talk Gov. Frank Murkowski out of getting rid of state Natural Resources Commissioner Tom Irwin and say Murkowski's decision to ignore their advice could have serious consequences.

"I think it is going to have a very negative impact," House Speaker John Harris, a Valdez Republican, said Friday.

The Republican governor on Thursday announced Irwin was losing his job, and six top officials in Irwin's department quit in protest.

Irwin's removal came days after he wrote a memo to Attorney General David Marquez saying the governor was giving up too much in the ongoing negotiations with oil companies over taxes and royalties the state would collect if a natural gas pipeline is built to the Lower 48.

Murkowski is authorized to cut a deal with the companies by the Stranded Gas Development Act that the Legislature passed in 2003. Harris said he will investigate whether Murkowski violated the intent of that act by removing Irwin.

"The intent was to have the commissioners from all different departments have an equal say in it and not be pushed out," said Harris. "I think that's what happened. One of the commissioners had a dissenting viewpoint and was pushed out."

The Legislature could kill the governor's deal with the oil companies if it decides he has acted improperly. No matter what, top legislators said, the loss of Irwin and the resignations of other resource department officials will make

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IRWIN: *Scrutiny will be greater*

Continued from A-1

them take a harder look at whatever gas deal Murkowski asks them to approve.

Irwin's removal has ignited a storm of criticism. Even Lt. Gov Loren Leman, also a Republican, said Friday that he wouldn't have done it and that Irwin "is one of the most honest, honorable people I know."

Murkowski said Thursday that he and Irwin mutually agreed Irwin should go. The governor said Irwin was removed because he would not support the gas deal Murkowski is pursuing.

Harris said that top Republican leaders met with Murkowski's senior aides on Thursday shortly before the governor told the public Irwin was out. The legislators, Harris said, told the aides to tell Murkowski that Irwin shouldn't be fired.

"I think we were fairly emphatic. We thought that would ... cause a serious blow to people's feelings about the administration," Harris said.

Others at the meeting, Harris said, were Senate President Ben Stevens and Rep. Ralph Samuels, both of Anchorage, and House Majority Leader John Coghill and Sen. Gene Therriault, both of North Pole. All are Republicans. Harris said they met with Murkowski Chief of Staff Jim Clark and Mike Menge, the governor's senior energy adviser who is replacing Irwin as natural resources commissioner.

Therriault said the group's message was that firing Irwin would be "counterproductive." He said that's because it would result in the loss of Irwin and other good people.

Murkowski spokeswoman Becky Hultberg said Clark, the governor's chief of staff, told her that the legislators brought up the subject of whether Irwin should be fired.

"They expressed the concern that from a management point of view they understood it might happen but from a political point of view they thought it would be very negative," she said.

Hultberg said the governor's office didn't want to respond specifically to Harris' suggestion that the governor might have violated the intent of the stranded gas act. She said there has been a lot of discussion among members of the governor's negotiating team about the concerns Irwin raised in his memo.

"As the governor has acknowledged, there were differences of opinion and some differences of opinion still remain. But it's the governor's job to listen to those opinions and set a policy direction," she said.

Hultberg said Murkowski is aware that what happened to Irwin is likely to put his gas deal under more scrutiny when he gives it to the Legislature for approval.

"He welcomes that scrutiny ... He is focused on getting to the point where people can judge for themselves," she said.

ON THE Web

■ **GAS LINE:** To read Tom Irwin's memo, the attorney general's response and resignation letters by members of the Irwin's staff, access this story at **www.adn.com**

Whatever deal Murkowski strikes with the oil companies will go out for public review, and ultimately must be approved by the legislature. Until then, with the negotiations continuing, the terms are confidential.

Irwin's memo revealed serious infighting among Murkowski's negotiators over the terms and questioned the legality of the governor's negotiations with the companies.

Marquez responded Thursday that the questions Irwin raised involve policy, not legal issues.

Irwin has said he never meant for the memo to be put out to the public and considered it to be attorney-client privilege. But Murkowski, who released the memo at a press conference last week, said it was neither marked nor sent over like a confidential document, and he felt the public had the right to know Irwin's concerns.

Lt. Gov. Leman said he doesn't understand why Murkowski blindsided Irwin by putting it out.

"I think doing so unnecessarily politicized this issue," Leman said in an interview.

Anchorage Democrat Rep. Ethan Berkowitz, who is running for governor in 2006, said the Legislature should get an "independent counsel" to look into Irwin's charges.

Anchorage Rep. Ralph Samuels said the governor has the right to pick his team. It will be up to the Legislature to decide if the team made a good gas deal, he said.

Ken Boyd, formerly director of the state Division of Oil and Gas and now an oil industry consultant, said the departures of Irwin and his staff will surely slow down progress toward a gas pipeline contract.

"The word the industry hates the most is uncertainty. Anytime you create uncertainty, it's a cause for delay," he said. "You've taken a few people out of the room there that have a lot of knowledge. If this thing ever gets to the Legislature, somebody has got to present it. And some of the people who would have done that aren't there now."

Dan Dickinson, a longtime Revenue Department official and member of the governor's gas pipeline team, said it's never good to lose experienced people. But a lot of the negotiating work is already done, he said.

"It's not going to be a fatal flaw," he said.

■ Daily News reporters Sean Cockerham and Wesley Loy can be reached at scockerham@adn.com and wloy@adn.com.

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Gathering supports 'magnificent 7'

IRWIN: Former DNR executives called heroes for asking legal questions.

By DON HUNTER
Anchorage Daily News

Ousted Natural Resources Commissioner Tom Irwin and six top aides who resigned with him were touted as "Alaska heroes" and "the magnificent seven" Friday at a mid-day rally in the shadow of the governor's office in the Atwood Building.

The protest, sponsored in part by groups promoting an all-Alaska natural gas line, drew several dozen people including politicians from across the spectrum. Just about all of them called on Gov. Frank Murkowski to open up his negotiations with producers to a "fair and transparent comparison" of competing pipeline proposals.

Lori Backes, director of the All Alaska Alliance, described Irwin as a "deeply committed" state employee who struggled with his doubts about Murkowski's gas line strategy. Putting them in writing to the attorney general "took a lot of courage and a lot of soul searching on his part," she said.

Other speakers included former Gov. Wally Hickel and two who have announced for next year's governor's race — Republican Sara Palin and Democrat Eric Croft. There was Fairbanks North Star Borough Mayor Jim Whitaker; former Green Party gubernatorial candidate Jim Sykes; David Gottstein, co-founder of the petroleum industry watchdog group Backbone II; and Alaska Teamsters boss Mike Kenny.

Gottstein said Irwin was punished for raising legitimate questions about the legality of the negotiations — "critically important issues that must be examined in depth and not glossed over."

Palin, a former Wasilla mayor, said the mass exodus of top Natural Resources officials is "a defining moment in our state" and "a perfect example of things that are amiss in Juneau."

Croft offered a barking dog analogy: "If your guard dog wakes you up at 2 a.m.," the Democratic state representative said, "you can investigate, or you can shoot the dog. Gov. Murkowski chose to shoot the dog."

Whitaker, who chairs the Alaska Natural Gasline Port Authority, which has a competing pipeline proposal, said in an interview after the event that he believes Murkowski will have to shed more light on his negotiations.

"It's going to happen," Whitaker said. "It must be transparent. I helped write the Stranded Gas Act. It was very clear that we required a transparent comparison of options. And it is not being fulfilled."

Murkowski has said his administration is working toward a gas line contract that will benefit Alaskans. While he respects differences of opinion among his cabinet members, the governor said Thursday, differences become problems "when we're not working as a team."

■ Daily News reporter Don Hunter can be reached at dhunter@adn.com.

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BOB HALLINEN / Anchorage Daily News

Dozens of people turned out at the Atwood building Friday to rally in support of Tom Irwin, who left his post as the Department of Natural Resources commissioner. Included among the speakers were the Green Party's Jim Sykes; former Gov. Wally Hickel, a Republican; and Rep. Eric Croft, a Democrat seeking to unseat Gov. Frank Murkowski.

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E-1
Anchorage Daily News
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DNR upheaval hard on mine firms

■ PERMITTING: Operators say loss at executive level leaves void of experience.

By PAULA DOBBYN
Anchorage Daily News

Mass resignations of upper-level staff at the Alaska Department of Natural Resources this week have stunned the state's mining industry, with several executives saying Friday the upheaval will make it tougher to do business in the days ahead because of confusion over who's in charge.

DNR Commissioner Tom Irwin and six of his top deputies abruptly announced their departures on Thursday in a dispute with Gov. Frank Murkowski over a confidential natural gas pipeline contract the state is negotiating with oil companies. The deputies — several with decades of experience in DNR — said they could no longer work for the administration in light of Irwin losing his job. Irwin was replaced with Mike Menge, the governor's energy adviser.

"Unfortunately, there will be a very large void of experience that will be difficult to replace," said Karl Hanneman of Teck-Pogo Inc., developer of the Pogo gold mine near Delta Junction.

Mining executives and others who rely on the agency for permits, leases and other stamps of approval to conduct business say the turmoil at DNR will, at the very least, slow down bureaucratic channels.

"It's going to make it much more difficult," said Bob Stiles of PacRim Coal, a company that wants to develop the Beluga coal field west of Anchorage. "The net effect is that there is an awful lot of the heart of the organization that's gone."

Consistency at an agency is important in business, and not knowing who is going to take over key positions is cause for some angst, Stiles and Hanneman said.

"It's better the devil you know than the devil you don't know," said Stiles.

See Page E-4, DNR

Continued from E-1

"That's not meant to be pejorative to the folks who left but you end up developing a comfort level and trust in their judgment."

"You can't lose capable, intelligent leadership in that volume and not be in a leadership void for a while," said Tom Hawkins, chief operating officer of Bristol Bay Native Corp. and a former DNR division director.

"State agencies steer slowly through life but they need to be steered. If all of sudden capable hands are off the tiller, well ..." said Hawkins, his voice trailing off.

Bristol Bay worked closely with DNR on an oil and gas lease sale on the Alaska Peninsula held this week. The company's property is surrounded by state land and the firm frequently depends on DNR staff to issue permits and leases, Hawkins said.

More than just pushing papers, DNR top officials set policy and make long-range decisions, several executives said. Although they don't expect any changes in DNR's mining-friendly philosophy, it's unsettling to have a wholesale gutting of upper management.

"When there is major change in the senior management it creates challenges for those who want to work with the organization. It's not any different in this case," said Bruce Jenkins, an executive with Northern Dynasty Mines, which hopes to develop the giant Pebble gold and copper deposit near Iliamna.

Ed Fogels, head of DNR's large-mine permitting team, said most of the day-to-day tasks of overseeing mines and other projects will be unaffected by the resignations because lower-level staff members conduct many of those functions. And the new people who take over will share the goals of the Murkowski administration, unlike some transitions when new governors get elected, he said.

"It's not like a Republican-Democratic flip. The general philosophy will stay the same," Fogels said.

■ Daily News reporter Paula Dobbyn can be reached at pdobbyn@adn.com or 257-4317.

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KEEP FOCUSED ON THE GOAL AND . . .

Move forward

THE HAND-WRINGING surrounding former Department of Natural Resources Commissioner Tom Irwin's quick departure from the Murkowski administration overshadowed the conclusions about the memo that triggered the flap.

Irwin, joined in his departure from the department by six of his senior staff, had suggested Gov. Frank Murkowski is giving up too much to the oil industry in ongoing talks aimed at getting a $20 billion natural gas pipeline built.

In an Oct. 20 e-mail to the attorney general, Irwin questioned whether the negotiations were legal. He even wondered if he and his staff would face personal liability for participating in the gas line negotiations with ConocoPhillips, BP and ExxonMobil.

He sent a copy of the e-mail to the governor, who released it to the public, saying Irwin's questions should be addressed. It should be noted that the questions tilled no new ground. The various points have been discussed for months by the negotiating team, lawmakers and members of the administration.

After the e-mail was sent, it was clear that Irwin was not likely to support the Murkowski administration's gas line goals, and the governor, like any other executive faced with balky team members, was forced to act.

IN THE FUROR that followed, not much was said about Attorney General David Marquez's nine-page conclusion concerning Irwin's e-mail. Marquez said in his opinion that Irwin's questions dealt with policy issues, not questions of law, and that the governor and the Legislature have broad powers under the Stranded Gas Development Act to resolve such questions.

He said the administration "has both broad authority under the Alaska Constitution to execute the laws to the fullest extent, to negotiate contracts on the state's behalf, and to propose legislation . . . ." And while Irwin and his staff worried that the state's gas actually is not "stranded" under the law, "knowledgeable experts, including Dr. (Pedro) van Meurs, still hold the opposite view . . . ," Marquez wrote.

Marquez also pointed out that the governor and the departments of Revenue and Natural Resources have broad authority to negotiate terms that would rely on future, proposed legislation that they have the authority to offer.

It truly is a shame, in our view, that this particular chapter in the gas line negotiations ended with the resignations of valuable members of the Murkowski team, but honest and passionate differences of opinion are to be expected as the intricate negotiations move forward.

Murkowski has selected Mike Menge, his senior energy adviser, to replace Irwin. A good choice.

Let's move forward.

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M-147

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Indexing:

Oil chief criticizes proposed gas deal

■ **ROADBLOCKS:** Exploration by small companies would be hampered, outgoing state official says.

By SEAN COCKERHAM
Anchorage Daily News

JUNEAU — Outgoing state oil chief Mark Myers charges that the governor's proposed natural gas pipeline deal could throw up roadblocks for the smaller, independent petroleum companies that the state needs to explore and develop its oil and gas.

"I believe the deal is bad for the state and bad for independent producers," Myers said in an interview this week.

The governor's office on Tuesday declined to respond to Myers' statements.

Myers has been director of the state Division

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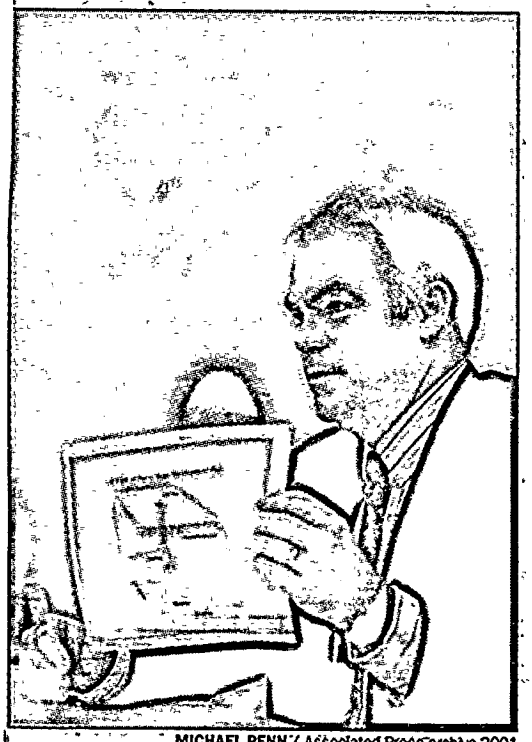

MICHAEL PENN / Associated Press archive 2001

As director of the state Division of Oil and Gas, Mark Myers delivered an overview of oil and gas production to a House committee in Juneau in January 2001. Myers resigned last week, saying he believes the Murkowski administration is negotiating a bad gas line deal for the state.

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M-148

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11/02/05
194A-AN-13620

GAS PIPELINE: *Making project pay off requires exploration, Myers says*

Continued from A-1

of Oil and Gas for five years. He is one of six top officials in the Alaska Department of Natural Resources who resigned Thursday after Murkowski announced he was getting rid of the department's commissioner, Tom Irwin. Irwin had written a memo saying the governor was giving up too much in the gas pipeline negotiations with the major oil companies.

Myers said the smaller independents are needed because they will take the risks to explore for Alaska's oil and gas. The proposed pipeline to the Lower 48 won't work without exploration.

It's widely believed there are vast amounts of North Slope natural gas yet to be found. There are 35 trillion cubic feet of proven gas reserves, mostly at the Prudhoe Bay and Point Thomson fields controlled by the major oil companies. That's enough to keep a pipeline full for the first 15 years or so, Myers said.

But more must be discovered to make the estimated $20 billion project pay off over the long term.

Murkowski has been negotiating for two years with the major companies — Conoco Phillips, BP and Exxon Mobil — over a contract setting out tax, ownership and other terms should the companies someday build the pipeline. Conoco has accepted the deal, and the others are negotiating with the state. Part of the governor's offer is for the state to invest about $4 billion to own 20 percent of the line.

The details of the governor's offer are being kept confidential until the deals are struck. At that point, the contract will go out for public review. Then the Legislature will decide whether to approve it. Pedro Van Meurs, an international oil and gas consultant working for the governor's office, has said the deal offers world-class benefits to the state. Murkowski, in a written statement, said the deal will mean jobs, state revenue and increased exploration for oil and gas.

"Critics know the only way to stop the gas pipeline is to kill the contract before I can make it public," Murkowski wrote. "I will not let this happen, despite the political theatrics of its opponents."

One of the six principles that Murkowski has said are guiding his approach to the gas pipeline is that future explorers must have access to the line. Another is that the pipeline must be expandable so new discoveries can get to market.

Myers, the governor's outgoing oil and gas director, said he would not discuss what is in the deal while it remains confidential. But, in his resignation letter, he said the negotiations have implications for all aspects of the state's oil and gas interests.

"I cannot continue as director and watch silently as the state's interests are undermined by creating barriers for the new oil and gas participants that are so vital to the economic future of our state," Myers said.

This week, Myers — emphasizing that he was speaking in general terms and not about specifics of the governor's contract — said the independents need guaranteed access to the pipeline at a reasonable cost to justify investing in exploration. They also need an idea of when the gas pipeline might be built, he said. Myers also discussed the fact, which the governor made public, that revising oil taxes are part of the gas pipeline talks.

Myers questioned whether making oil taxes part of the deal could "create an unbalanced playing field" that favors companies included in the negotiations over those that are not.

Anadarko Petroleum is worried about that, said Mark Hanley, the company's public affairs manager for Alaska. Anadarko, one of the companies known as independents, holds oil and gas leases in the Brooks Range foothills of the North Slope.

Hanley said the big three companies negotiating with the state "do not understand our interests and nor do they care." Two of them, BP and Exxon, are not even actively involved in Alaska oil exploration anymore, Hanley said.

He agreed with Myers that access to the proposed gas pipeline is a huge issue for the independents. Hanley said he is worried, but his company is not at the table with the governor's negotiating team and he does not know what is in the deal.

"The problem of all this is that the devil is in the details and we haven't seen them," Hanley said.

ON THE WEB

■ **MYERS AND THE GAS LINE:** For past stories and to read Irwin's memo and staff resignation letters, log on to **www.adn.com**

■ Daily News reporter Sean Cockerham can be reached at scockerham@adn.com.

FBI - Stevens-284

FD-350 (Rev. 5-8-81)

Anchorage Daily News
Anchorage, AK

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

(Mount Clipping in Space Below)

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Title: Irwin Memo Raises Serious Questions

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COMPASS: *Points of view from the community*

Irwin memo raises serious questions

By HOLLIS FRENCH

When the history of the Alaska gas line gets written, the Irwin memo will need its own chapter. From Gov. Frank Murkowski's decision to release the memo to the dismissal of its author, Department of Natural Resources Commissioner Tom Irwin, along with the resignations of no less than six of DNR's top professionals, the memo has already had a profound effect on the gas line process. Here's why: In five incisive pages, Irwin has given observers reason to believe that during the time that this administration has been negotiating with the "producers" — Conoco Phillips, BP and Exxon Mobil — over the terms of a proposed gas line contract, the governor has been very busy giving away the farm.

Keep in mind that no one outside the group of negotiators has seen the exact terms of the proposal. But Irwin's memo, which should be required reading for all Alaskans, throws an indirect light on what has been a shadowy process. Here are some of the concerns outlined by former Commissioner Irwin.

The governor's proposed gas line deal will have provisions that violate the Stranded Gas Act itself, the very piece of legislation that authorized the governor and prospective gas suitors to create a contract in the first place. That's called getting off to a very bad start. Irwin states that our North Slope gas isn't really "stranded," as it cannot be shown that it's uneconomical to get it to market. No stranded gas, no Stranded Gas Act contract.

Even if this hurdle is cleared, Irwin's memo outlines other legal conflicts. The memo states that future legislative changes to the act will be necessary to make this coming contract with the producers legal. How can that be fair to the other two entities that have been competing to build a gas pipeline? (The Canadian company TransCanada is vying with the producers to build a gas line to Alberta, and the Alaska Gasline Port Authority, of course, is the sponsor of the popular all-Alaska gas line.)

Irwin's memo, which should be required reading for all Alaskans, throws an indirect light on what has been a shadowy process.

If TransCanada and AGPA have been operating under the quaint belief that the rules as they stand now are really the rules, while the Murkowski-producer deal envisions the benefit of future statutory changes, then there hasn't been a free and fair competition among the bidders. It's elementary that all the players should be working off the same rule book. Result: Expect numerous lawsuits.

Another major issue with the Murkowski-producer proposal is that it apparently cuts a deal on oil taxes. Putting that promise in the gas line contract is indefensible. The state's take from North Slope oil production is already a bargain for the oil industry. Without a complete overhaul of our oil tax code, Alaska roads and schools will continue to be second-rate for the next generation.

Worst of all, the governor's deal looks like it simply gives too much away to the producers. Irwin's memo says, "DNR is concerned that no modeling can show the need for the proposed fiscal support from the state to the producers." This jibes with the analysis done by Econ One, an independent consulting company whose senior economist recently testified that the proposed gas line is "a profitable venture, certainly very economically viable. It would not appear concessions would be necessary."

The producers' record profits also show that they don't need any financial help. In the third quarter — a 90-day period — the three producers made more than $20 billion in profit, enough for them to build the entire project out of pocket.

The importance of the gas line contract cannot be overstated. This generation of Alaskans will be judged 30 years from now based on our stewardship of the resources we all were given in common at statehood. Like every Alaskan, I badly want to see a new pipeline built and our gas shipped to market. But whether we in the future are a rich state or a poor one hangs in the balance. No legislator should vote to support a contract that doesn't get us every penny that we deserve.

■ Hollis French is a Democratic state senator representing West Anchorage.

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Anchorage Daily News
Anchorage, AK

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Title: Deception and Secrecy are not the way Alaska Should Be Governed
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Deception and secrecy are not the way Alaska should be governed

I believe that wherever there is secrecy, there is always deception. I applaud the "magnificent seven" and also governor candidate Sarah Palin, who led by refusing to accept secrecy and deception as a way to govern our great state of Alaska. What Alaska needs now is to trade in those who would apply secrecy as a tool to govern. We must restore faith and trust within our government.

I would like to see ex-commissioners Sarah Palin and Tom Irwin, and those of the "magnificent seven," replace those who are now governing. We must demand that honest, ethical public servants negotiate the future of Alaska, for the people of Alaska and for our children. I'll bet the terms would be different and our future brighter than the terms presently being considered. The people of Alaska need to be heard and informed on these important issues. Otherwise, we may as well be governed by a dictator. That's not what America is about. I've served my country, state and community. I strongly believe in, "Of the people, by the people, for the people." I do not believe in deception. Alaskans must do better than that.

—Ed Martin Sr.
Cooper Landing

11/7/05

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Anchorage Daily News
Anchorage, AK

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Edition: Monday

Title: Weigh Gas Line Deal on its Merits

Character: or
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COMPASS: *Points of view from the community*

Weigh gas line deal on its merits

By REP. RALPH SAMUELS

When it comes to all of the hoopla surrounding the gas pipeline, everything but the merits seems to be in the public discussion. But when the rubber hits the road, and a contract is actually delivered to the Legislature, the only thing that should matter is the merits.

In recent weeks, there has been a flurry of activity, with people on all sides of this very complex issue pontificating about one thing or another: "This deal is great for the state," or "the governor is giving away the farm." One thing is certain, and that is this: Not enough information is out for anyone in the public to decide whether or not they like the deal.

During the extensive public comment period, as well as during Legislative hearings, the policy choices that are being made will be discussed exhaustively. At the end of the day, the Legislature will make this decision based on the merits of the deal. Advertisements advocating one side or another will appear, political pressure will be brought to bear and Alaskans, as they are want to do, will very loudly make their opinions known, hopefully based not on preconceived notions or personalities, but on the merits of the proposal.

Alaskans should not make up their minds on this based on the current political arena, or one part of a proposal that is in the public, without looking at the context that it came out of.

The choices that will be made involve tens of billions of dollars and decades of gas flow. Neither the state nor any other entity involved can afford mistakes.

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If the Legislature doesn't feel the governor made the best deal possible, the Legislature should vote no, and if the Legislature feels the governor got a good deal, it should vote yes, but it is far too early for anyone to know how they will vote.

Should Alaska be a part owner in the pipe? How about the gas? What happens if the price of gas is too low to pay the pipeline tariff? What are the odds of that happening? Where will we get the money to make up the shortfall? How will we sell our gas in the open market? What happens in the Canadian regulatory environment? What happens in the U.S. Congress? There will be hundreds of policy choices for Alaskans to consider, and there will be practical as well as political implications no matter which road we as a state choose to take.

There will be constitutional questions to answer in any event. We have a constitutional duty to develop our resources. We also have a constitutional prohibition against tying the hands of future Legislatures on tax issues. The very heart of developing our gas points out the conflict between these two constitutional provisions. If we do not provide some assurance that we will not change the tax rules once the project is built, will it get built? As a private citizen, would you invest your money if the government told you "Trust me?" Trust between the state and industry can pretty much be capsulated with the statement, "Both sides do what is best for their shareholders, in every instance."

There is good reason for both sides to be a bit wary of each other, particularly with the amount of money we are talking about.

I am deeply concerned that the rhetoric is already beginning to muddy the waters on this most important issue, before any of the facts have been released. If the Legislature doesn't feel the governor made the best deal possible, the Legislature should vote no, and if the Legislature feels the governor got a good deal, it should vote yes, but it is far too early for anyone to know how they will vote. Now is the time for all Alaskans to keep their powder dry and learn what the issues are. If politics and not merits win out, we all lose.

■ Rep. Ralph Samuels, R-Anchorage, is vice chairman of the Legislative Budget and Audit Committee, which will hold public hearings on any natural gas contract.

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Anchorage, AK
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Edition: Tuesday

Title: New Commissioner Says His Focus is on Gas Line
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Submitting Office: Anchorage

Indexing:

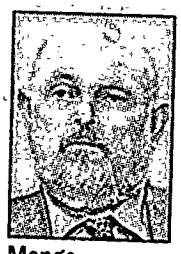
New commissioner says his focus is on gas line

■ **MENGE:** Public opinions about how he got his job don't bother him.

The Associated Press

FAIRBANKS — The new director of the Department of Natural Resources says his focus is on getting the best gas line deal possible for Alaskans, and he isn't worried about any perception that he's a yes man for the Murkowski administration.

"I don't take it seriously because I'm very secure with what I know and my job," Mike Menge, 58, told the Fairbanks Daily News-Miner. "As time goes on, people will look at my actions and judge for themselves."


Menge

Republican Gov. Frank Murkowski promoted Menge to the job Oct. 27 after publicly removing Tom Irwin from the post after Irwin wrote a memo criticizing the governor for giving up too much in the gas line negotiations.

Six of Irwin's top deputies resigned in protest over his removal.

Menge assumes responsibility for overseeing negotiations for a proposed contract with BP and Exxon Mobil (Conoco Phillips has reached a preliminary understanding with the state) and the rewriting of oil taxes on the North Slope — projects worth billions of dollars to the state treasury.

"It was bad timing, bad politics and a bad decision to let Commissioner Irwin go," said Speaker of the House John Harris, R-Valdez.

Harris and other lawmakers said the dismissal of Irwin will draw greater scrutiny to decisions made by Menge and his department, and could make it more difficult for the governor to get a gas line contract

See Page B-7, MENGE

MENGE: *More scrutiny*

Continued from B-1

through the Legislature.

"The administration has their work cut out for them," he said.

Fairbanks Republican Rep. Jay Ramras said some will wonder if Menge will simply rubber stamp the governor.

"He's going to have a difficult time because of the manner in which he came to the job," said Ramras, who as co-chairman of the House Committee on Natural Resources would sit on the review panel for Menge's confirmation hearings.

Menge has had a long association with Murkowski, serving seven years on the U.S. Senate Energy Committee, which Murkowski chaired when he was in the Senate. He helped draft federal legislation to provide incentives and loan guarantees to build a gas pipeline.

Menge joined Murkowski's administration as energy adviser in August 2003, quickly becoming a member of the governor's gas line negotiating team.

"He's a bright individual who has worked hard on the governor's vision of what the gas line should be," said Anchorage Democrat and gubernatorial candidate Rep. Ethan Berkowitz. "But there's definitely going to be a heightened level of scrutiny on him now."

> *"He's a bright individual ... But there's definitely going to be a heightened level of scrutiny on him now."*
>
> — Rep. Ethan Berkowitz

Menge said he has "a pretty good understanding of what it's going to take" to get a pipeline built.

"I'm extremely comfortable with the position the governor has taken and I look forward to defending it when it's finally released," he said.

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194A-AN-13620- ~~Press~~

FD-350 (Rev. 5-8-81)

Anchorage Daily News
Anchorage, AK
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Title: Murkowski Failed to Understand Irwin's Role as an adviser to Him
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Murkowski failed to understand Irwin's role as an adviser to him

Arrogant, aloof, obtuse, shameless, unrefined, untruthful, apathetic, brazen, haughty, incompetent, self-serving — all of these descriptors come to mind when I think of Gov. Frank Murkowski. In his recent fiasco concerning Commissioner Tom Irwin, et al., the Daily News published on Oct. 28 ("Irwin's memo cost him his job") a quote of the governor which, with the change of one word, describes the real expectations of this petty politician who has lived off the public dole his entire adult life. The quote is: "I personally value highly differing points of view.... yet I expect every member of my Cabinet to [agree] with me on major policy issues." Murkowski seemingly expects a "Yes, sir!" response as if he were a drill instructor at a Marine boot camp, while never trying to understand the benefits to him of honest disagreement and debate, and his need for integrity in his staff. He would never understand that part of Commissioner Irwin's job was to advise his boss on pertinent, sticky issues and discreetly try to keep his boss out of trouble. It appears that was exactly what Irwin was attempting to do in soliciting confidential legal advice from the attorney general.

How the Alaska voters could have elected this uncharismatic, unpersonable, egotistic pretender is arcane. Murkowski is truly a mystery in his time, which is very sad for all Alaskans and for our great state.

—*Richard Hahn*
Soldotna

11/8/05

FBI - Stevens-290

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FD-350 (Rev. 5-8-81)

B-5
Anchorage Daily News
Anchorage, AK
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Edition: Saturday

Title: A Realistic Look at Gas Line Timing

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Indexing:

A realistic look at gas line timing

By DENNIS NOTTINGHAM

As the gas line contract hopefully draws near, there is talk of construction with an economic lift and many jobs immediately following the Legislature's ratification of the contract. Perhaps it is time to reflect on the realities of mega-projects as related to timelines.

Nottingham

For example, the current Knik Arm Crossing is small by gas line standards yet this last effort starting in 2004 will not result in a constructed project before 2010. The trans-Alaska oil pipeline started formulation about 1969, yet oil did not flow until 1975 under far fewer project restrictions and less oversight than in modern day.

The current gas line negotiations will only be a first step resulting in owner/operation agreements and legislative approval. This will be followed by effectively a three-pronged effort including technical, economics/finance and regulation/environmental permitting, each of which could delay or halt the project subject to findings. Scattered among these three basic fronts are a myriad of agreements, rights-of-way, government involvement, possibly land claims, taxes and on and on.

Large projects usually start by establishing project feasibility and ability to earn a profit. Project costs are determined by extensive engineering studies initially involving some field work such as geotechnical, hydrology, environmental and surveys.

Preliminary designs are then done and costed. Usually several alternatives are reviewed to produce the best and most economical result. Optimization work is then done to determine the lowest cost/best result alternative.

Parallel economic studies use technical cost input to compare revenue, operational costs, capital costs, financial costs, taxes, environmental costs, etc., for inclusion in a final feasibility report, which defines the pros and cons of the project with a firm recommendation.

Following feasibility approval, final engineering and design will commence. The point is, all this preconstruction work takes time, involves only a few hundred people in preparation for a big construction expenditure and employment initially for thousands of workers followed by operations employment for fewer than on construction.

"When can construction start?" is an oft-asked question that has no definite answer.

With no problems or lawsuits, construction might start in six to eight years, with construction taking three to four years.

Dennis Nottingham, P.E., is president of PND Engineers Inc., Anchorage.

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194A-AN-13620 — Press —

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Anchorage Daily News
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Legislators travel to London for petroleum seminar

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■ **REPUBLICANS:** Trip is to learn taxation systems for production sharing contracts.

The Associated Press

FAIRBANKS — Four Republican state lawmakers traveled to London to attend a seminar on the fiscal details of international petroleum deals.

The sessions were designed to provide insight into complicated taxation systems and production-sharing contracts between governments and oil companies.

Aides to the traveling lawmakers said the seminar could help them evaluate details of a natural gas pipeline contract being negotiated by the Murkowski administration and major North Slope petroleum producers.

The four-day seminar began last Wednesday.

"The reason they're going is to become more educated on the methodology that we think the administration is looking at for taxing gas production," said House Speaker John Harris, R-Valdez.

The delegation included North Pole Sen. Gene Therriault, chairman of the Legislative Budget and Audit Committee; Anchorage Rep. Ralph Samuels, co-chairman of the House Resource Committee; Fairbanks Rep. Mike Kelly, a Finance Committee member; and Sitka Sen. Bert Stedman, who is on the Finance and Resource committees.

The $20,000 trip was paid for with public funds. Sara Gill, an aide to Samuels, said legislators are trying to arm themselves with knowledge to better evaluate the governor's proposal when it's finally delivered.

"The purpose of the trip is to gain a better understanding of how the contract compares to other contracts around the world," she said.

Pedro van Meurs, an international natural gas and oil consultant hired by the Murkowski administration, has characterized the fiscal details of the contract be-

See Page B-3, TRIP

ing pursued by the governor as the best deal the state can expect. Republican lawmakers, however, are not willing to accept that opinion without conducting their own evaluation, aides said.

"This is a trust-but-verify mission," said Joe Balash, Therriault's chief of staff.

"Pedro says this contract is great compared with everywhere else in the world," Gill said. "We're just trying to confirm if, in fact, the terms being negotiated are as good as Pedro has indicated."

Legislators are expecting Murkowski in the next five months to deliver a contract for a $20 billion natural gas pipeline project with the major oil producers, BP, Exxon Mobil and Conoco Phillips. Lawmakers will be tied up with other state business when the legislative session starts in January, making the London seminar the best opportunity to update lawmakers on the trend in production contracts between governments and the oil companies.

"We wanted to get these guys there and through the course sooner rather than later," Balash said.

Democrats said Friday that they were unaware of the trip, which was organized by Therriault's office in October.

Aides for the four Republicans said their bosses would share the information from the seminar with fellow legislators.

"If and when we get a contract to look at, it will be part of the information available to us to make a well-educated decision," Harris said.

The seminar was put on by Conference Connection Inc., a Singapore-based company.

FBI - Stevens-292

M-155

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D

Ben Stevens' fish tales need to stop

Article published on Friday, Nov 18th, 2005
By Stephen Taufen

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Republican Moderate Party leader, former legislator Ray Metcalfe has filed a new complaint with the Alaska Public Offices Commission to remove Senate president Ben Stevens from office and investigate wrongdoings.

Filed Nov. 17, the complaint is largely based upon media revelations after Stevens recently became the subject of lawsuits on Adak Fisheries. It repeats that Ben is staunchly unwilling to tell APOC and voters what he does to earn "consulting fees," and to produce work products: a likely cover-up, to end soon.

It alleges willful filings of knowingly improper public disclosures, and the presence of shell games to hide lobbying as consulting fees, as federal funds emerge recirculated through former fishery clients and their associations back to Stevens. It characterizes that 80 percent of $1.68 million received was calculatingly dispersed via Stevens and Assoc., owned by Ben and his wife — an apparent vehicle that hides funds from public scrutiny.

APOC is asked again to request the Office of Special Investigations to investigate buying of political influence and probable bribery. Metcalfe strongly makes the case about selling political influence by using testimony recently made in superior court by his Adak Fisheries partner, Kjetil Solberg, who testified Stevens was explicitly paid for a "political mission" — influence over the Alaska Board of Fish.

RMP's original APOC complaint centered on Stevens' consulting for the oil supply company VECO, and legislation it sought to use Permanent Funds for state expenses instead of paying larger dividends to Alaskans. The complaint re-alleges corrupt practices while in office, based on those known conflicts of interest.

But the second complaint appreciably centers on the growing story of Ben's amazingly deep conflicts involving the seafood industry.

No wonder. Given years of media reports on his role in fisheries to the contrary, it's unbelievable that Ben was "not talking" with his father.

U.S. Sen. Ted Stevens awarded the Aleut Corp. about $10 million annually in pollock, which was coincidently tied to Adak Fisheries — where Ben held the secret option to buy 25 percent of the firm and its real properties and share in that wealth.

Metcalfe clarifies that it's a legal requirement for candidates and office holders to specifically report interests in real property, and notes the 30-year lease at Adak. News reports also tied that "secret option" to Ted's federal pollock allocation, and indicated these interlocked deals make Ben's option worth upwards of $25 million in the long run.

That's an amazing coincidence for a son who was "not talking Adak" to his father — the only U.S. senator arranging for the pollock to flow to Adak — who in turn alleged he knew nothing about his son's deal of a lifetime. Especially when Ted's staff publicly said in the past that the two do talk about fisheries issues.

Ted's former aide, Trevor McCabe, now Ben's partner, has long schemed to rationalize Alaska's fisheries, by giving public resources away to select companies, including current clients.

In 2001, McCabe was already spearheading rationalization and processor quota shares in the Gulf of Alaska by e-mail. He's the former executive director of At-Sea Processors Association, who paid Ben as well.

Key to this complaint is Grimm v. Wagoner (2002 election) where the standard of required filings is "substantial compliance" to ensure that candidates and office holders reveal all material facts and give an "accurate representation" of their financial position to Alaskan voters.

Obviously, other legal issues apply, which the RMP is separately addressing in its appeal of the Division of Election's slapdash rejection of the petition to recall Stevens. The RMP already gathered signatures from 20 percent of voters in Ben's Anchorage district — twice the required level.

The Department of Law selectively applied state statutes and ignored legal precedents, and the RMP expects that rejection will be overturned in court. Grimm v. Wagoner guarantees it, along with a Supreme Court ruling last year regarding Sen. Scott Ogan, who rationally resigned under lesser circumstances.

A radical fishery bill sponsored by Ben Stevens, Senate Bill 113 awaits next session to institute "coordinated GOA rationalization," harmonizing with proposed federal guidelines being maneuvered by Ted Stevens. But it's clear to Alaskans watching from the decks of their fishing vessels that the Legislature should toss back any Stevens' fishery bill. SB 113 should not be moved from the House Fisheries subcommittee in the upcoming session.

FBI - Stevens-293

APOC now has a much-enriched complaint on its desk. And Alaska's voters will be watching alongside fleets to see if the facts finally trump Ben's fish tales.

Stephen Taufen is a part of Groundswell Fisheries Movement and a former Alaska resident. He has worked for processors in financial and operational capacities for more than 22 seasons in Alaska coastal fisheries. He is also a writer for the Fishermen's News and other publications.

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FD-350 (Rev. 5-8-81)

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

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Alaska Ear

The Diviner's Appendage

PETA ENDORSEMENT? . . . The cats were terrified, their owner in tears, the airport security guy noticeably unsympathetic. It all happened in Fairbanks as a bunch of legislators there for a House Majority caucus snaked through the metal detector to board a flight home.

The lady with two cats was ahead of the lawmakers, explaining to the TSA agent who wanted to check the carrier that her pets were skittish. Let me take them out, she pleaded, but he refused. An interim earwig reports the guy pulled out the first cat, then stuffed it back ungently. He grabbed the second cat, partially by the tail, the witness said. It screeched and leaped from his hands, racing around the barrier with another TSA agent in hot pursuit.

TSA told the owner she couldn't go past the barrier to get the cat, which ran from the pursuing agent until it slammed into a glass wall freaking out itself and its owner.

Rep. Lesil McGuire decided she'd seen enough. About half a baby pregnant, she pushed through the crowd, crossed the forbidden barrier, ran across the lobby to the cat, got down on her hands and knees, coaxed the terrified kitty into her arms and returned it to its owner as the crowd cheered.

OH DANNY BOY . . . It was announced at last week's Northeast Anchorage Community Council meeting that the venerable old Billik Inn bar has sold its liquor licenses to someone who plans to open an Irish pub downtown.

Is it true the someone is Dan Sullivan?

Dan, put in a piano bar. Pretty please.

ON THE MOVE . . . Again? The buffet crowd is abuzz with word that former Assembly woman Melinda Taylor has left that cushy new job at ACS and returned to her old job at IBEW. No word on why except speculation she wasn't comfortable with corporate life.

BUMPER SNICKER . . . Spotted around town: "Never thought I'd miss Nixon."

HO HO . . . Former Rep. Cheryll Heinze, who has opened an antique store downtown called Anna Kristine on 5th, is marketing her block as the No-No District. Meaning North of Nordstrom.

Cheryl told an earwig she saw the ads that run in movie houses pushing the block south of Nordie's as So-No. She's written to the Chamber of Commerce to make No-No official.

No-No is clearly better than So-No, she said. "So the war is on."

FLYING FACTOID . . . Dan Coffey hosted a fundraiser for Mark Begich. If City Hall politics get any weirder, Ear's lobe will explode.

STILL HAVING FUN . . . The Fun Guy is on the move again. The U.S. Department of Justice has announced the appointment of Eddie McNally as U.S. Attorney for the Southern District of Illinois. It's a four-month appointment, unless Bush nominates him for the permanent job.

When last heard from, our former district attorney, who is from Chicago, was a lawyer for the Homeland Security chief, then moved in May to a job in the criminal division of DOJ in D.C.

QUOTABLE QUIP . . . Governor Murkowski, commenting at a press conference on daughter Lisa: "She's too skinny. I'm trying to fatten her up with tapioca pudding."

Speaking of Lisa, she's definitely arrived. She was a clue in the NY Times crossword puzzle last week. First time. And they

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got her name right. A couple of weeks ago, a puzzle clue was "Yupik speakers." The answer was "Aleuts." Yikes! Will Shortz still hasn't answered Ear's complaining screed.

AND MANY MORE . . . Happy birthday to Uncle Ted, who turned 82 on Friday and surely it was the worst birthday week of his professional career. Ear got lots of items but most of them have already shown up in snarky stories from Seattle to Staten Island. Beside, the Luscious Lobe hates to pile on.

Also, the Omniscient Orifice notes it was Governor Frank who was officially declared the "worst person in the world" by Keith Olbermann on his MSNBC show Monday for telling the network he needed a plane with a toilet and, "Alaska can afford it."

SHHHH . . . It was a secret. Janice Shamberg's husband, Brock, surprised her yesterday with a "showing" of her art works at the prestigious Artique gallery downtown. Byron Birdsall agreed to lend Brock a wall during the opening of his fall show.

What a great idea. It's so hard to find a gift for someone who has everything except a majority on the Assembly.

BUMPER SNICKER 2 . . . Stuck to a back fender on a frontage road near Wasilla: "I Ain't No Senator's Son."

CLOSE ENCOUNTER . . . William Treadwell, 10, and his sister Natalie, 9, got to stand on the rope line after President Bush's speech here Monday. What did the prez say to them? "Hey, why aren't you kids in school?"

—Compiled by Sheila Toomey

ear@adn.com

FD-350 (Rev. 5-8-81)

Anchorage Daily News
B-2
Anchorage, AK
(Indicate page, name of newspaper, city and state.)

Date: 11/13/05
Edition: Sunday

Title: Alaska Ear

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

Indexing:

(Mount Clipping in Space Below)

IT'S A BIRD, IT'S A PLANE, IT'S A CONVICT! ... Alaska State Troopers launched into fly-boy frenzy mode last week, posting a dozen pics on their Web site of the slick new luxury jet for transporting prisoners. And the governor.

The light beige interior isn't exactly spacious, but seats appear cushy and certainly nicer than us regular folk get in coach. Never mind there aren't neat little air-conditioning spouts mounted above them. Would be a moot point, darlings — handcuffs and all. And if it's **Gov. Frank**, well, Ear thinks he could find someone to fan him.

The thorough troopers posted photos of the jet's windshield, landing gear, interior — but Earwigs were most amused by the picture of the toilet, perhaps the craft's most appreciated and whispered-about amenity. It gave Ear a bit of a grimace though. Really, dears, it's just too much of a visual aid.

DID YOU SEND THE FONDUE? ... Ear announced a few weeks ago that **Rep. Mary Kapsner**, D-Bethel, was engaged to sweetie **Joe Nelson** of Yakutat. Now Ear's learned they've gone and tied the knot.

Blushing bride Mary reports they got hitched Oct. 29 on the back deck of a boat just out of Juneau. She dubbed it "a really private quiet ceremony" and said even Juneau skies cooperated, leaking not a drop of rain.

The ceremony was officiated by Tlingit elder **Walter Sobeloff**, who also performed the ceremony for the groom's parents. Joe works for the University of Alaska Southeast in Juneau, helping Alaska Natives become teachers.

EVERYONE BUT ELIJAH ... Earwigs say the big dinner-auction last Saturday at the Hilton to raise money for a Jewish center here was way more fun than that type of event usually is. **Bill Sheffield, Mead Treadwell, Arliss Sturgulewski, John Cowdery, John Harris, Bill Tobin** and **Rick Mystrom** were among those who joined the frozen chosen for a night of good food and auction items like new trucks, poker lessons from **Perry Green**, and trips hither and yon. Mystrom was the auctioneer. However, the image that's burned into Ear's lobe forever is **Sarah Palin** dancing the hora. Oy vey.

KUDOS ... Anchorage satellite engineer **Mel Sather** was inducted into the Alaska Broadcasters Association Hall of Fame last week, the first Alaska Native ever. Over the years, Sather has designed and plan ted radio and television satellites throughout the state, including KUHB in St. Paul, KBRW in Barrow, KRBD in Ketchikan and Channel 4/Fox in Anchorage. He also designed those wild satellites dishes seen on the intro to KTUU Channel 2 news every night.

CALL OF DUTY ... From the Petersberg Pilot police log: "October 29, 2005: A complainant called into the department and reported the library was closed and that this was very unusual for a Saturday. An officer responded and checked the building to make sure everything was OK. The sign said closed and nobody was inside the building."

Things were apparently just as hoppin' in Bethel where duty called fire-

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fighters to "a residence in Blueberry Subdivision to assist a woman close a window that had been blown open in high winds."

Next time the lid on the pickles sticks, Ear will dial Bethel firefighters.

AH, THE GREAT OUTDOORS ... Entries from Forest Service cabin logbooks recently published in a Kenai Peninsula newspaper:

"A McDonald's would be nice at the trailhead."

"The places where trails do not exist are not well marked."

"Need more signs to keep area pristine."

"Too many rocks in the mountains."

Really, darlings, did these campers expect a groomed highway-side rest stop? Ear saved the best for last:

"Instead of a permit system or regulations, the Forest Service needs to reduce worldwide population growth to limit the number of visitors to the wilderness."

Another predator control project, perhaps?

BEGICH PAYS UP ... Mayor Mark made good on a bet while at a Fairbanks chamber luncheon when he wrote a check to pay for Fairbanks Mayor **Steve Thompson's** lunch. Seems Begich bet Thompson last college hockey season that the Seawolves would bring home the Governor's Cup.

Well, darlings, he is an optimist.

Thompson wasn't at the luncheon to take the check. Too bad, since he might have cried foul at part two of Begich's gift: a Seawolves jersey with "UAF" printed on the back. Seems the men had agreed that the losing mayor would pay for lunch while wearing the rival's jersey. And, seems Begich got out of that part of the bet, eh?

No word on whether the wager's resurrected this season. So far the series is tied 1-1, with Games 3 and 4 set for December.

ALEUT SUCCESS STORY ... Local filmmakers at SprocketHeads debuted the much-lauded "Aleut Story" at the Bear Tooth this month. Staff say both shows sold out and they had to turn away some 200 would-be film-goers.

The movie tells the story of the Aleuts' forced internment during World War II, where an estimated 10 percent perished, and their subsequent fight for civil rights and better treatment. It was nominated for Best Documentary Feature at the American Indian Film Festival, so three Ear cheers for our local filmmakers behind the project and the Aleuts who spoke out for the flick.

It's out of Bear Tooth now, but might come back for the winter film festival. And it airs locally at 9 p.m. Tuesday on PBS. Listen for narrative bits by Emmy-winner **Martin Sheen**, Grammy-winner **Mary Youngblood**, B-list celeb and GCI guy **John O' Hurley**, and the late Gov. **Jay Hammond**.

—Compiled by Katie Peznecker

■ ear@adn.com.

FD-350 (Rev. 8-8-81)

A-1 Anchorage Daily News Anchorage, AK
(Indicate page, name of newspaper, city and state.)

Date: 11/19/05
Edition: Saturday

Title: Attacks Hurt State, Stevens Says

Character:
or
Classification: 194A-AN-13620
Submitting Office: anchorage

Indexing:

(Mount Clipping in Space Below)

Attacks hurt state, Stevens says

MONEY: Criticism from Congress, media reduce federal funds, senator says.

By LIZ RUSKIN
Anchorage Daily News

WASHINGTON — Sen. Ted Stevens said he and Alaska have been under constant assault these days, and the bombardment is hurting the state's flow of federal money.

Sen. Ted Stevens

"If I'm corrupt, which I don't think I am, then I'm not going to be listened to, all right? And that sort of thing reflects back on us."

"You were here. You see the attacks that are being made on us daily," he told Alaska reporters this week. "Look at the (Alaska) things that are being reduced in the appropriations bill. Every single appropriations bill has been reduced."

John Katz, the Alaska governor's representative in Washington, doesn't think the picture is so bleak for the state.

As he reviewed the annual spending bills being passed by Congress, he said, "there have been pleasant surprises and also some disappointments."

For the first time since 1997, Stevens was not chairman of the powerful Appropriations Committee this year. As chairman, he sent billions of dollars home for everything from Arctic research to zoo improvements. He remains a member of the committee, but term limits forced him to step down as chairman in January, so he hasn't had the tremendous control over the annual spending bills he used to enjoy.

Congress hasn't passed all of this year's bills yet, but so far it looks like Alaska will have to do without the dramatic funding increases Stevens has been sending home year after year. Some Alaska programs are being slashed, others trimmed, and some have been left alone.

Take rural water and sewer projects. Last year Alaska got $71 million for rural sanitation. This year it got $60 million for the same program.

The Denali Commission got $67 million last year to build teacher housing, electrical interties and village washeterias. This year, it got $50 million for that program, slightly more than three years ago.

A $10 million appropriation to the Alaska Fisheries Marketing Board, which Stevens created, has been reduced to $7 million.

On the other hand, Congress gave Alaska $15 million to combat alcoholism, the same as last year.

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194A-AN-13620 — ~~Pres~~ M-159

A-1
11-19-05
194A-AN-13620

STEVENS: *Media criticism, ridicule from bridges take a toll, senator says*

ON THE Web

■ **ALASKA PROJECTS:** Go online for a list of projects in the spending bill.
www.adn.com

Numerous smaller Alaska appropriations were also continued at last year's level: $5 million to prepare additional timber sales, $2 million to the Child Advocacy Center, $1.5 million for wind energy, $1 million for a public safety data network.

Stevens' press office is still churning out long lists of Alaska spending — harbor projects, plant studies, marine research, park visitor centers, crime prevention — that he managed to add to the spending bills.

But speaking to Alaska reporters this week, Stevens didn't sound happy.

"I'm no longer (appropriations) chairman, and I'm not in that final meeting to protect those (programs) the way I used to be able to," Stevens said.

On top of that, he said, Alaska is getting hit because of the uproar over Alaska's bridges. Congress, facing ridicule from all quarters for funding the alleged "bridges to nowhere," has removed the controversial Knik and Gravina Island bridges from the national highway bill it passed four months ago, although Alaska gets to keep the $452 million allocated for that purpose. Stevens said the bridge episode, and several other events, have created a hostility for Alaska that hurts the state in the wallet.

He complained that he is getting "beaten up" in the Anchorage Daily News, in the national press and in Congress.

Stevens opposed an amendment banning the mistreatment of military detainees because, he said, it didn't make exceptions for covert agents. Now, he said, people are calling him the senator for torture. Democrats challenged him on his decision last week not to swear in a panel of oil company executives when they testified at a hearing he chaired. Daily News stories about him, he said, have hurt his credibility.

"If I'm corrupt, which I don't think I am, then I'm not going to be listened to, all right? And that sort of thing reflects back on us," he said.

He didn't specify which stories he was referring to, but the Daily News wrote in 2003 about his personal investments in Anchorage real estate. More recently, the paper has reported about a federal fish allocation he awarded to the Aleut Corp. that has potentially enriched his son, state Sen. Ben Stevens, R-Anchorage, a fisheries lobbyist and president of the Alaska Senate.

"It's the state that gets hurt in the long run as long as they continue to attack us," he said.

Shortly after speaking to Alaska reporters Wednesday afternoon, he took to the Senate floor and angrily complained that another senator, Dick Durbin, D-Ill., had insulted him and impugned his character. Durbin suggested in a speech that morning that Stevens didn't swear in the oil executives because he didn't want them held accountable if they lied. (Stevens maintains the swearing-in was unnecessary because, oath or no oath, it's a crime to lie to Congress.)

Keith Ashdown, spokesman for Taxpayers for Common Sense, said it's hard to say how Stevens and Alaska are doing in the spending bills this year because lawmakers aren't done with the defense bill. Stevens has the most say over that bill because he is chairman of the Defense Appropriations Subcommittee.

"I think we're seeing the writing on the wall where he doesn't have the influence that he once had," Ashdown said.

Alaska items have been reduced from the other bills "but his kingdom is now the defense bill."

Katz, the governor's lobbyist, said he didn't think Alaska is being singled out for spending cuts.

"Clearly, there is a post-Katrina congressional change in attitude," he said. "In general, Congress is scrutinizing earmarks much more carefully than previously."

After a moment's reflection, Stevens said that when it comes to the spending bills, Alaska is "still doing well, but we're not doing as well as we could've done."

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FD-350 (Rev. 5-8-81)

B-8
Anchorage Daily News
Anchorage, AK
(Indicate page, name of newspaper, city and state.)

(Mount Clipping in Space Below)

Date: 11/25/05
Edition: Friday

Title: Ted Stevens has Forgotten Basics of Public Service; Ben Never Learned
Character:
or
Classification: 194A-AN-13620
Submitting Office: Anchorage

Indexing:

Ted Stevens has forgotten basics of public service; Ben never learned

The mean-spirited, corrupt, special-interest politics being played out by the Ted and Ben Stevens Circus and Sideshow has gone too far. Statesmanship begins with a humble heart, strong character, empathy for people and an absolute commitment to public service, something Sen. Ted Stevens has forgotten and his son never knew. A servant's heart is what the people of Alaska need in its leadership so that the people can be lifted up and not pressed down by oppressive, arrogant men in high office. Honest politicians open their lives to complete transparency, volunteering whatever information is needed to maintain public confidence. Open the books and tell the truth gentlemen, and quit hiding behind the government you created. This is what Alaskans deserve.

My family has been in government in Alaska since the 1950s, with Dad serving in Congress with Ted Stevens in Washington, D.C., in the early 1970s. In recent years I have met hundreds of Alaskans who actually fear Ted and Ben Stevens as their senators and will not speak against them. Reminds me of how people feel about living in communist China. Power corrupts absolutely and in my opinion the Stevens boys are absolutely corrupted. I hope people remember the things that these two have done and not let money corrupt them as it has these purveyors of pork. It's time to stand for something bigger than self-interest. Secret government is always bad government.

—Dr. Nick Begich
Eagle River

FBI - Stevens-300

194A-AN-13620 — ~~Press~~ M-160

FD-350 (Rev. 5-8-81)

Anchorage Daily News
Anchorage, AK
(Indicate page, name of newspaper, city and state.) B-6

(Mount Clipping in Space Below)

Date: 11-26-05
Edition:

Title: I Promise I'll Spell Leman's Name Right

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

Indexing:

COMPASS: *Points of view from the community*

I promise I'll spell Leman's name right

By LARRY EDFELT

JUNEAU – A couple weeks ago, I was on the phone with one of the editors of the Anchorage Daily News, a large metropolitan newspaper that has achieved considerable prominence among people who want to know what's playing at the movies. I explained to him how his paper could be vastly improved by making a few changes, such as turning over complete editorial control to me.

His jaws locked up tighter than a cold cockle at low tide, but I took his grunting as a response of interest.

I told him how much I appreciated his tireless efforts to make sure that all of the pages in this newspaper are numbered sequentially, and I promised to uphold the highest standards of integrity.

For example, if I were to report that Lt. Gov. Loren Leman and his staff declare they have developed new ballot initiative language that is unbiased and fair to all Alaskans, you could be sure that I spelled his name right.

To prove my proficiency at political punditry, I figured I should offer a few predictions, just to show the editors I have as much sense as anyone else who would trade the Brooklyn Bridge for the Ketchikan Airport Bridge, and a minor-league road to be named later.

For those of you about to head south to open up your townhouse in Palm Springs, here are my insights to save you the trouble of worrying about what you might miss while gone:

The state's new jet has been a luxurious change for the governor and convicts who no longer have to suffer turboprop lag. The jet has the flush toilet, which prompted its

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(C)

194A-AN-136 20

I predict the governor will have his jet painted with the image of a sheep. This will signify his pulling the wool over the Legislature and fleecing the citizens of Alaska.

purchase and its prize-winning name: Incontinental Airline.

Although the governor has been making enemies over the jet as fast as rabbits make rabbits, he still considers his new ride as money well thrown away.

Not to be outdone by Alaska Airlines, which painted one of its planes to resemble a king salmon to publicize the allure of throwing away public money, I predict the governor will have his jet painted with the image of a sheep. This will signify his pulling the wool over the Legislature and fleecing the citizens of Alaska.

Sen. Ralph Seekins, R-Fairbanks, actually suggested this past session that it should be a crime to file an ethics complaint against a legislator and then tell someone. But since Seekins is a politician who wants to be governor, you have to take everything he says with at least 10 pounds of salt. This guy is so conservative, his cell phone has a rotary dial.

Because Seekins believes the problem is not unethical legislators but publicity about unethical legislators, I predict he will file a bill to outlaw all reporting during legislative sessions, including committee meetings, caucuses, hallway huddles and lobbyist-sponsored getaways.

In an unusual show of bipartisanship, House Speaker John Harris, R-Valdez, will delegate more responsibility to the minority party this coming legislative session. The Democrats will now be responsible for everything that goes wrong.

Sen. Ben Stevens, R-Anchorage, will finally disclose what he does to earn thousands upon thousands of consulting dollars every year from Veco. In response, 400,000 Alaskans will file an ethics complaint, but Seekins will make sure no one knows.

Rep. Vic Kohring, R-Oregon, will file a bill amending state law so that spouses of legislators who choose to live out of state can qualify for a Permanent Fund dividend.

Sen. Fred Dyson, R-Eagle River, will go several tokes over the line by submitting a bill that allows school districts to issue free condoms, but only with the Ten Commandments printed on them.

And my last prediction is that Murkowski will discover that the bathroom in his jet is too small, and he'll put it up for sale. Buyers, however, do not flock to purchase it, because it's got that damn sheep painted on it.

Yea, the truth shall set ewe free.

■ Larry Edfelt is a Juneau writer, political observer, humorist and retired state fisheries biologist.

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FD-350 (Rev. 5-8-81)

Anchorage Daily News
F-1
Anchorage, AK
(Indicate page, name of newspaper, city and state.)

Date: 11/30/05
Edition: Wednesday

Title: Alaska Line Bid Denied in Opinion

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

Indexing:

(Mount Clipping in Space Below)

Alaska line bid denied in opinion

■ **FINANCES:** Port Authority proposal lacks proof of funding, state says.

The Associated Press

FAIRBANKS — The all-Alaska natural gas pipeline proposal does not meet requirements of the Alaska Stranded Gas Development Act, according to the Department of Revenue.

The Alaska Gasline Port Authority has not provided proof that it possesses the finances to build the project and the ability to market the gas, Revenue officials said this week.

Whitaker

Chuck Logsdon, administration spokesman on gas line negotiations, said the port authority could correct those deficiencies or pursue a "pre-existing protocol" for developing a pipeline proposal.

The port authority is a consortium of the Fairbanks North Star Borough, the North Slope Borough and the City of Valdez. Its application is one of three competing to move the state's 35 trillion cubic feet of known natural gas reserves to market.

The authority wants to build a pipeline from the North Slope to Valdez, where natural gas would be liquefied and shipped south by tanker to West Coast or overseas markets.

Revenue officials accepted the port authority application in May with the stipulation that it provide proof that it possessed the finances to build

See Page F-4, **PIPELINE**

Continued from F-1

the multibillion-dollar project and the ability to market the gas. The port authority had 90 days to meet the requirements.

When the group failed to meet the conditions, its application was disqualified, said Steve Porter, deputy revenue commissioner.

The disqualification was revealed in a paper released by the Institute of Social and Economic Research at the University of Alaska Anchorage.

"This in no way means the Department of Revenue isn't ready to work with the port authority to correct the deficiencies in their application," Logsdon said.

Fairbanks borough Mayor Jim Whitaker, the port authority chairman, has criticized the Murkowski administration for pursuing a contract with the major oil producers, BP, Exxon Mobil and Conoco Phillips, at the expense of other proposals.

The authority responded to the Revenue Department conditions in June, maintaining that it had met the intent of the act.

"We answered the questions and received no response back, and now to get this from a third party is unacceptable," Whitaker said.

Porter acknowledged the port authority had not been notified of its disqualification. He said the state would continue to hold discussions with the port authority with the aim of developing a project after the state first reached an agreement with the producers.

The governor has said the producers have an advantage over other proposals because they hold leases to the gas and have the resources to complete the $20 billion pipeline.

"We have been told that our negotiations with the state are on hold until they reach an agreement with the producers," Whitaker said. "We think that's the wrong approach, and we're going to continue to pursue a project that's in the best interest of the state."

"From our assessment of the Stranded Gas Act, we are a legal applicant," the port authority's Jomo Stewart said.

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194A-AN-13620-~~Press~~ M-162

FD-350 (Rev. 5-8-81)

Anchorage Daily News
Anchorage, AK

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

Date: 11/30/05
Edition: Wednesday

Title: Now is not the time for Public Scrutiny

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

Indexing:

NOW IS NOT THE TIME FOR . . .

Public scrutiny

THOSE WHO INCESSANTLY search for things to carp about concerning the administration of Gov. Frank Murkowski now assert that more details of gas line negotiations under way with oil producers should be made public immediately.

The confidentiality surrounding the talks, they gravely claim, deprives Alaskans of information they need to know, information vital to the state's public policy interests. We do not recall them climbing on a soapbox and demanding such transparency in other government negotiations, for instance, talks with city or state labor unions at contract time. You would think they would at least be consistent.

The very nature of negotiations demands that all sides be able to speak candidly, posture, press their cases and be able to retreat without losing face. It would be difficult and time consuming if each petty detail, each public policy nuance, after being argued vigorously at the table, had to be defended in the newspaper and subject to critical debate on the sidelines.

Surely the detractors know all that. They also must know it is not as if a signed deal with ConocoPhillips, BP and ExxonMobil immediately locks the state into its provisions. There is a long, complicated process that will play out before the agreement will be worth the reams of paper it is written on.

ALASKA MUST go through a lengthy public hearing process, and then 60 lawmakers will examine the pact in excruciating detail and discuss its merits, perhaps in a special session sometime next year. There will be an inevitable trial by the news media and editorialists and writers of letters to the editor. Alaskans will have ample opportunity to weigh in, to understand the public policy ramifications and to accept or reject, through their representatives, the final agreement. Then there is the federal certification process. There will be few, if any, secrets when all that is completed.

In the end, the public will have a coherent, understandable product, not details released piecemeal that could mean something today, but nothing tomorrow, given the nature of the negotiation process. At some point, virtually every public policy question will be asked and answered, likely several times over during the process, and confidentiality will be a thing of the past.

If there were no open public process, no public input, it would be easy to understand a demand for details during the negotiations. In that circumstance, we might join those calling for more transparency, but given the ample opportunity for input before the Legislature acts, we are at a loss to understand why parceling out niggling details along the way would serve any worthwhile purpose.

Of course, it could just be a convenient smoke screen, a new way to carp, but all of this is too important for that kind of self-indulgence.

Much too important.

FBI - Stevens-304

194A-AN-13620-~~Press~~ M-163

FD-350 (Rev. 3-8-81)

A-1
Anchorage Daily News
Anchorage, AK
(Indicate page, name of newspaper, city and state.)

(Mount Clipping in Space Below)

Date: 12/02/05
Edition: Friday

Ben Stevens fined $150; 'consulting' won't be probed

Title: Ben Stevens Fined $150; "consulting" Won't Be Probed
Character:
or
Classification: 194A-AN-13620
Submitting Office: Anchorage

Indexing:

■ **APOC:** The commission set aside a complaint that fees the senator received were disguised graft.

By RICHARD MAUER
Anchorage Daily News

The Alaska Public Offices Commission fined Senate President Ben Stevens $150 Thursday for failing to disclose his chairmanship of a marketing board that has doled out millions of federal dollars to fishing interests.

But the commission rejected a citizen complaint that sought an investigation into the work Stevens performed for more than $1 million in fees from Alaska and Seattle businesses over the last five years. The commission said Stevens' description of the work as "consulting" was adequate, setting aside the complaint by Ray Metcalfe, a former legislator, who claimed at least some of the fees appeared to be thinly disguised graft.

And in a policy ruling, the commission said that politicians should generally report stock options as income or assets in their annual financial disclosures.

But it declined to fault Stevens, an Anchorage Republican, for his failure to report his 2002 option to purchase 25 percent of Adak Fisheries at a large discount. Acting commission chairwoman Sheila Gallagher said the rules weren't clear enough to hold Stevens accountable for past filings, but expected new guidelines or regulations will strip away doubt in the future.

Stevens claimed victory, though he walked out of the meeting without speaking to reporters. He is still facing one APOC complaint brought by Metcalfe too recently to make it onto the agenda of the commission, which meets quarterly. And

ERIK HILL / Anchorage Daily News

State Senate President Ben Stevens listens as Republican Moderate Party founder Ray Metcalfe argues for an investigation of Stevens' consulting business at a meeting of the Alaska Public Offices Commission on Thursday morning.

FBI - Stevens-305

194A-AN-13620 - ~~Pres~~ M-164

A-1
12/02/05
194A-AN-13620

STEVENS: *Senator downplays Adak Fisheries option*

Metcalfe said he has delivered evidence of Stevens' conduct to state and federal law enforcement officials.

The Adak Fisheries option, consulting income and undisclosed membership on the Alaska Fisheries Marketing Board have been the subject of persistent news coverage in Alaska and, to a lesser extent, in national newspapers, partly because they closely track issues before his father, Ted Stevens, the senior Republican in the U.S. Senate.

The elder Stevens, for instance, created an exclusive, $10 million pollock allocation for the Aleut Corp. which Ben, as a director of an Aleut Corp. subsidiary, voted to assign to Adak Fisheries. Aleut Corp. officials said they had no idea Stevens had an option to buy into Adak Fisheries at the time. One Adak Fisheries owner estimated the net worth of the option was at least $1.5 million plus future fish-processing profits.

Ted Stevens also was responsible for federal legislation that created the marketing board in 2003 and for the millions of dollars that have since flowed through it. Metcalfe said some of the beneficiaries of Ben Stevens' allocations of that money were also paying him for consulting work. In a complaint to the commission, he described those consulting fees as "kickbacks."

After listening to the commission's assistant director, Christina Ellingson, acknowledge that the term "consulting" was vague but adequate, Metcalfe took the microphone and challenged the commission's reason for being.

"I just heard staff describe a loophole that makes APOC pointless," said Metcalfe, who served in the Legislature that created the agency in the 1970s and is now chairman of the independent Republican Moderate Party. "I don't think there's a person in this room that doesn't have a pretty good idea why Ben Stevens doesn't want to shed a little more light on what he did for those payments."

Metcalfe said that if an elected official is allowed to mask any payment as a consulting fee, "there's no limit to the amount of money they could pay them. The corruption that will happen — it's already happening."

Ellingson said allegations of criminal wrongdoing are outside the scope of the agency, which is primarily to collect reports on lobbying, campaign finance and financial disclosure.

Stevens, required to be sworn in like Metcalfe, only briefly addressed the issue.

"The information I provided on all my APOC filings from 2001 have all been correct," he said. "The allegations that Mr. Metcalfe and the Republican Moderate Party insinuate that I've been influence peddling are baseless and unsubstantiated. That's about the extent of my comments."

The option first surfaced this summer during a court battle between the owners of Adak Fisheries. Joined in the case over the option, Stevens asserted in pretrial motions that he had a legal right to 25 percent of the company.

But at the APOC meeting, Stevens downplayed the value of the option. Under the law, income or assets in excess of $5,000 must be reported. The document granting the option in 2002 said it was partially given as payment for services that Stevens had provided and was expected to provide the company in the future.

During a break at the meeting, Stevens told a reporter that the option was worth less than $5,000. Asked how much he was paying his attorneys to defend his right to that option, Stevens said, "That's none of your damn business."

Commissioner John Dapcevich, a Democratic appointee from Juneau, said Stevens should have disclosed the option.

"The public has the right to know that this, being one of our legislators, has an interest in a particular business," Dapcevich said. "They have a right to know so they can see that they're not going to be voting to benefit this business."

Stevens faced a maximum fine of $2,120 for failing to disclose his membership on the Alaska Fisheries Marketing Board to the APOC. Following its usual guidelines, the staff reduced the fine to $150, an amount affirmed by the commission.

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ERIK HILL / Anchorage Daily News

Republican Moderate Party founder Ray Metcalfe hears that his Alaska Public Offices Commission complaint against Senate President Ben Stevens has been rejected at an APOC meeting Thursday morning in Anchorage.

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Alaska GOP expects leaders' missteps won't hurt

FINES: Voters unlikely to punish the party at the polls, Republicans say.

By MATT VOLZ
The Associated Press

(Published: December 6, 2005)

JUNEAU -- The Reagan legacy of the Teflon Republican is alive and well in Alaska.

Both the House speaker and Senate president were fined this week by the state commission that oversees financial activities of elected officials. It's the latest in a string of Alaska GOP scandals, misdeeds and missteps that stretches back to 2003, when party chairman Randy Ruedrich broke ethics laws by using his state Oil & Gas Conservation Commission office to conduct party business.

But while next year is an election year, Republican leaders and political watchers alike say not to expect a backlash at the polls.

"I think if we ask folks a couple of weeks from now, 90 percent of them aren't even going to remember it happened," Ruedrich said Friday in an interview with The Associated Press.

Ruedrich was speaking of the penalties levied against House Speaker John Harris, R-Valdez, and Senate President Ben Stevens, R-Anchorage, by the Alaska Public Offices Commission for breaking state laws regulating campaign contributions and financial disclosures.

Democratic pollster Ivan Moore said Ruedrich's point was well taken.

"I hate to say I agree with Randy Ruedrich, but would I say this APOC decision has caused a cumulative effect on top of the damage done by the Randy Ruedrich affair and the Gregg Renkes affair and the jet affair? No. It's probably small potatoes in comparison," he said.

Renkes, Gov. Frank Murkowski's former attorney general, resigned in February, citing continuing attacks that he allegedly used his position to shape a coal deal between the state and Taiwan that could have benefited a company in which he owned stock.

And the $2.7 million jet recently purchased by the state to shuttle Murkowski when it's not being used for prisoner transport has generated public outcry.

This week's fines against Harris and Stevens were slaps on the wrist: Harris was penalized $693 for spending nearly $7,000 in campaign money to stump for other Republicans and to lobby lawmakers in his bid for House speaker. Stevens received a $150 fine for not listing his chairmanship of the Alaska Fisheries Marketing Board on his financial disclosure statement.

Stevens' $150 penalty was reduced from a $2,120 maximum fine. Harris' fine could have been $67,950, but APOC's staff recommended waiving a penalty because the speaker had cooperated with them. The commissioners settled on $693.

"A fine by APOC is really kind of analogous to taking a Blockbuster video back late," Moore said. "There are very rare occasions when somebody gets dinged with something serious. I don't think people looked at this as very serious at all."

Steve Cleary, the director of the Alaska Public Interest Research Group, said the fines appeared to be "ridiculously low" and he wanted to know how the commission's staff arrived at their recommendations.

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"Whatever way the fines are determined, they seem too low to provide adequate deterrence," Cleary said. "I appreciate what (Commissioner John) Dapcevich said about holding politicians accountable, but a $690 fine or a $150 fine seems that they are getting away without punishment."

But, Cleary added, the commission and its staff need the tools to be more effective.

"There needs to be more funding, more resources dedicated to this so citizens can know what politicians are up to and hold them accountable," he said.

APOC assistant director Christina Ellingson said that in both cases, Harris and Stevens had cooperated and taken steps to correct their mistakes when they became aware of them. In Harris' case, she said, the speaker did not know he had misused the money.

Ruedrich called the Stevens and Harris cases "insignificant activities appropriately dispensed with by the commission."

Democratic Party Chairman Jake Metcalfe did not return calls to his office on Friday.

Aside from Renkes, Stevens, Harris and Ruedrich, who resigned his state office job two years ago but remains party chairman, the Alaska GOP has seen the resignation of another Murkowski Cabinet member amid allegations of impropriety.

Edgar Blatchford stepped down in July as commissioner of the Department of Commerce, Community and Economic Development amid conflict-of-interest allegations between that job and his leadership position with a Native corporation.

Ruedrich said he doesn't believe there will be repercussions against Republicans in next November's general election. Alaska has traditionally tilted right at election time, although most of its registered voters are listed as nonpartisans or have undeclared party affiliations.

"I expect our incumbents to do very, very well, provided they support Republican principles," Ruedrich said.

Cleary agreed with Ruedrich that the matter probably won't register with most voters next year. Both Stevens' and Harris' seats are up next November.

"I'm not sure the voters are going to care about it as much as other, more local things," Cleary said.

Murkowski spokeswoman Becky Hultberg echoed that thought. Voters will decide Alaska's next governor in November, although Murkowski has not said publicly whether he is going to try for a second term.

"I'm sure some people may speculate about potential impacts, but I think most Alaskans are focused on messages and progress on things like education, resource development and jobs," she said.

Moore said Murkowski himself will likely shoulder the brunt of any backlash, not his fellow party members.

"I think the effect of all these things is predominantly on the governor, rather than the Republican Party as a whole, but it doesn't do any good for the Republican Party," he said.

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Anchorage Daily News
Anchorage, AK
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Title: Gas Line Talks Raise Several Concerns

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COMPASS: *Points of view from the community*

Gas line talks raise several concerns

By TOM IRWIN, MARTY RUTHERFORD and MARK MYERS

Alaska is at a critical juncture. The Alaska natural gas pipeline project is now exceedingly economical and must be developed in the near future.

Decisions will be made as a result of contract negotiations under the Stranded Gas Development Act that will determine Alaska's economic future for several generations. In the past fiscal year, oil and gas revenue provided almost 90 percent of the state's unrestricted general fund revenue.

The Stranded Gas Act allows for limited changes to Alaska's fiscal terms on gas only. The proposed producer contract (BP, Conoco Phillips and Exxon Mobil) greatly exceeds the act by making far-reaching changes to Alaska's gas and oil fiscal regime. As the former Department of Natural Resources leadership team that spent over two years negotiating conditions for a North Slope gas pipeline, we would urge the public and the Legislature to focus on the following concerns.

Changes in how the state manages its oil and gas should be legal (including constitutional), fair to all parties, and continue to provide the state with a stable, secure and enhanced revenue stream. Regrettably, the forthcoming proposed producer contract exposes the state to billions of dollars in unnecessary risk without providing any significant upside and fails to provide necessary access protection for other oil and gas explorers or in-state gas users.

Furthermore, the proposed contract lacks date-specific work commitments, thereby allowing the project to be completed only when the most reluctant producer partner is ready to complete it.

The proposed contract requires the state to take its royalties and severance taxes as gas rather than receiving its cash value from the producers. This will be a big money-loser for the state. By taking the gas on the North Slope, the state will have to pay billions in production fees not otherwise required, make an upfront commitment of over $10 billion in firm transportation fees, and compete directly with the producers to sell our gas in markets they currently dominate.

These risks are enlarged since we are taking responsibility to ship and market the gas in volumes controlled not by us but by the producers that operate the fields and would be our competitors in the market.

We will surrender billions of dollars of revenue we are currently entitled to receive. Remember that the pipeline is economical without the state taking this unnecessary risk, and the state can still be a pipeline owner.

Just getting a gas pipeline is not enough. It must be the best project for Alaska. If only one contract is moved forward to the Legislature, Alaskans may be deprived of the opportunity to choose the best project. All options to get Alaska's gas to market should receive full consideration by the public and Legislature, including proposals by the producers, TransCanada (an independent pipeline to Alberta), and Alaska

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Gasline Port Authority (a liquefied natural gas project).

Information on all options, including the state's analysis, and any information necessary to make a truly informed decision on the best alternative must be made available to the public and legislature during the review.

Without this information we may accept a proposal that takes on unnecessary risk to the state; we may not maximize our opportunities and revenues; we may not ensure equal access for new oil and gas exploration companies; and we may not facilitate in-state gas use and associated economic opportunities. In short, we may not maximize the state's best interest.

A proper public review will take time, and a minimum public comment period of 90 days should be required rather than the 30- to 45-day period envisioned by the administration. Because billions of dollars are at stake, very sophisticated spin and advertising will be used to sell the proposed producer deal. The fact is that Alaska gas is economical to produce and Alaska has choices.

As Alaskans, we want to see the best gas pipeline project move forward. As concerned citizens we will stay involved. We urge you to be involved as well. It is your oil and gas, and the state's future hangs in the balance.

■ Tom Irwin is the former commissioner of the Department of Natural Resources. Marty Rutherford is former DNR deputy commissioner. Mark Myers is former director of the Division of Oil and Gas at DNR.

Irwin

Rutherford

Regrettably, the forthcoming proposed producer contract exposes the state to billions of dollars in unnecessary risk without providing any significant upside and fails to provide necessary access protection for other oil and gas explorers or in-state gas users.

Myers

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COMPASS: *Points of view from the community*

Gas pact rests on tripod of dollars, exploring, in-state use

By GOV. FRANK H. MURKOWSKI

I appreciate the gas line negotiation questions set out by the Daily News ("Questions not asked," Dec. 5 editorial Notebook), which were left over from the forum sponsored by the University of Alaska Anchorage Institute of Social and Economic Research. Let me answer the questions directed to the state.

1) Which is harder to negotiate, taxes and royalties for the proposed gas line or a rewrite of oil taxes?

We are treating each as part of one agreement. And, while the gas line agreement is very complex and no part of it has been easy to negotiate, tremendous progress has been made since July.

Fiscal certainty on oil was not included in the Stranded Gas Development Act, so we will need the Legislature's authorization to include it in the gas line contract. The producers want fiscal certainty on oil because they do not want the fiscal terms they negotiate on gas effectively reduced by new taxes on oil. (The Legislature revamped oil taxes shortly after construction started on the trans-Alaska oil pipeline. The producers remember.)

Because the state's severance tax on oil (under the Economic Limit Factor, or ELF, formula) will decline in 15 years to apply to only 19 percent of barrels produced, the state needs to change oil tax laws now. We are simply taking advantage of the fact that the producers also have reason to negotiate this issue as part of the gas line contract.

My position is clear: We will not agree to a change in the oil tax system that does not advantage the state today and going forward. Negotiations concern the premium the state is demanding during periods of high oil prices.

2) How do you factor in indirect benefits and economic development in analyzing the value of a gas project, rather than just counting tax and royalty dollars?

Obviously the dollar return to the state for its gas is a key priority of negotiations. Monies from the gas line agreement will support public services such as education, public safety, community health and transportation for decades to come.

But as your question implies, there are other values, such as third-party explorer access to the gas line and in-state use of gas. Part of the reason the negotiations are taking so long is because we have been fighting for these provisions that are clearly in Alaska's interest.

Our policy is to make sure we increase the number of North Slope explorers. If explorers cannot get their gas to market, they will not explore. Explorers who look for gas will also find oil.

The pipeline and access to it are regulated by the Federal Energy Regulatory Commission. The state fought for and obtained FERC regulations unique to Alaska in order to protect explorer access. We have maintained and strengthened these provisions in the contract.

In-state use of gas is important to Fairbanks, Anchorage, Kenai and all areas of the state. We have insisted on four off-take points along the line to ensure that Alaskans have the opportunity to use the gas in a way that benefits them. I'm not talking about subsidies, but the fact that gas used in Alaska will be cheaper than folks pay for it in the Lower 48 because transportation rates will be based on mileage from the North Slope to the point of use in Alaska.

In short, we are looking for that balance of dollars, explorer access and in-state use that is best for Alaska.

Some people wonder why these negotiations are taking so long. By the Stranded Gas Development Act, the Legislature told the administration to negotiate a business deal (not litigation) to construct the gas line.

A deal at any price could have been made long ago. Recognizing that we are negotiating a business agreement in which each party is exchanging obligations and benefits, I have instructed our team to make the best possible agreement for Alaska.

I am pleased with the progress and look forward to sharing the contract with Alaskans at the earliest opportunity.

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Some people wonder why these negotiations are taking so long. By the Stranded Gas Development Act, the Legislature told the administration to negotiate a business deal (not litigation) to construct the gas line.

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OUR VIEW

The nation is watching

Alaska could suffer backlash if we reject a reasonable gas line deal

Alaskans are not the only ones doing their part to get the finances lined up for a North Slope natural gas pipeline.

Congress figures it's done its job. It passed legislation in 2004 authorizing a federal loan guarantee for the proposed mega-project. The guarantee would protect borrowers for up to 80 percent of $18 billion in loans, making it a bit easier and less expensive for project developers to borrow the cash needed for construction.

Congress also approved an estimated $700 million in corporate tax benefits for the project and provisions requiring expedited federal permit action and judicial review of any lawsuit against the project.

The American public figures it's done its part by paying record high natural gas prices this winter, with the outlook for more high prices in the years ahead — until new sources of gas can come to the rescue. Those high prices make the Alaska project feasible for the first time since explorers found oil and gas on the slope almost 40 years ago.

Those high prices also are directing many Americans to look North for help.

"You've got a nation that is crying out for the resource," said Alaska Sen. Lisa Murkowski in a recent Daily News interview.

But what if Alaskans reject a gas line deal because the taxes and royalties aren't rich enough for us? Don't expect Congress or the public to take our side.

"The state of Alaska is not getting a lot of sympathy for our issues," Sen. Murkowski said. No doubt America's compassion for Alaska is at a low point after weeks of nationwide headlines about our bridges, coupled with constant reminders of our $32 billion Permanent Fund and our annual dividend giveaway.

Whether that's fair doesn't matter. It's starting to look like Americans are getting tired of seeing our hands reach out to the federal treasury while we're banking tax and royalty checks from near-$60-a-barrel oil.

"With statehood comes responsibility," the senator said. "We have a resource that we can contribute."

Alaskans need to remember our responsibility to the rest of the nation as we weigh the benefits of any gas line deal. Yes, we should get a fair share of the resource value for Alaska, and we shouldn't accept a bad deal. If the terms are no good, we should be prepared to say no and take the heat. But we also should think about the faith placed in us by Congress and the public to get the job done by contributing something toward getting the gas line built.

Just think how it will play in the Lower 48 if the headline says: "Alaskans reject gas line deal because there's not enough in it for them; nation to endure another decade of record-high natural gas prices."

BOTTOM LINE: Alaska should get its fair share, but also should consider we're not the only ones who need the gas line.

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Anchorage, AK
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Alaska Ear

The Divine Appendage

HE'S IN ... Sounds like the Binkley Super Cub is ready for takeoff. Here's a note from a Fairbanks earwig received late Friday night:

"Tonight, at the Alaska Riverways Inc. Christmas party at his home in Fairbanks, **John Binkley** said that 'Alaska seems to be lacking a sense of leadership' and although he and his wife, Judy, are 'reluctant' to be away from their Riverboat Discovery family, he will be filing a letter of intent to run for governor on Monday.

"He will be the first hopeful since **Jay Hammond** to stump the bush in their own airplane. 'I'll just jump in my Cub,' he said when asked about statewide campaigning."

Well, We'll see.

EARLY CHRISTMAS GIFT ... **Troy Maulden** has moved to Wasilla. The good news is he won't be running for School Board or Assembly in Anchorage. The bad new is he's running for Lite Gov. But then, who isn't.

BONUS ... It probably won't last long, but Troy lost his Internet access Friday. For earwigs who don't know Troy, he's familiar to politicians and media folks as the spam candidate, meaning he specializes in running for office via e-mail. Rarely does a day go by without a message or three from Troy.

Well, someone finally complained to SpamCop, which led to Troy's Internet provider, MTA, being blacklisted by other providers, including AOL. The result was MTA customers found they couldn't get some of their messages through until MTA took Troy off line.

MTA customers all sign a contract agreeing never to send an e-mail to more than 100 people, said an MTA spokeswoman. Sending unsolicited commercial or political e-mail is a big no-no, she said.

But maybe Troy didn't know the rules. Ear hears it was actually his father's e-mail account. Oops.

WHODUNIT ... ABC News investigative journalist **Jim Alva** was in Anchorage last week, reportedly working on a story about all the donation boxes that have been stolen during the holidays from the Raspberry Road Tastee-Freez. As Earwigs may re-

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call from a Daily News story last Christmas, the restaurant's owner, **Rich Owens**, has had his money collection boxes snagged so many times he's resorted to tying them to his counters with aircraft cable and chains.

It's unclear whether ABC was able to get to the bottom of the thefts, or why they would send a reporter all that way for relatively small potatoes.

Owens says they interviewed several locals but were like a vault when it came to talking about the angle of their story. The segment is slated to run Thursday on ABC's "Prime Time" evening show, Owens said.

"It's supposed to be 'uplifting,'" he tells Ear.

ON THE MOVE ... Seven finalists for that hot Shell Oil job, heading up their new office here, were flown to headquarters last week for a two-day ordeal, aka "the final interview." No word yet on who's got it.

NO, REALLY, NO ... Gilbert Sanchez denies the promo for tonight's Intercambios, his radio show that airs at 8 p.m. on KSKA, was intended to deliver a sub rosa political message. The show will feature Mayor **Begich**. The promo music is the "Chestnuts roasting on an open fire" song with the line that goes, "**Jack Frost** nipping at your nose." Some listeners were not amused but Gil couldn't say whether they were Begich or Frost supporters.

SCALE TALES ... An earwig riding first-class on a Seattle-to-Anchorage Alaska Airlines flight got into a conversation with the flight attendant about that salmon paint job paid for by the U.S. Treasury to make an Alaska Airlines plane look like a big fish. Apparently the paint is peeling. But it's only noticeable when the plane is on the ground, so no problem. Apparently it still looks fine to cruising birds and passengers in close-flying aircraft. Huh?

DEPUTY MAYOR ... It's Wednesday just before noon and Mayor Begich is on his way back from some meeting in Eagle River with city real estate director **Robin Ward** at the wheel. They stop at a red light on Fifth Avenue and who should be stopped in the car next to them but School Superintendent **Carol Comeau**. Everybody waves, all cheery, until a semi decides to pull around Carol's car. It gets halfway past when the back of the trailer smacks into the driver's side of Carol's car. She's not hurt. The semi driver, apparently unaware of what he's done, keeps going.

"Follow that truck," says Begich, or words to that effect. Ward gives chase. They catch up, Mark shouts out the window to the driver that he needs to turn around, he's just creamed the school superintendent. The driver turns around. Mark calls 911. Everybody has a great story to tell.

HI, BUDDY ... An earwig reports that Ashley Reed, lobbyist to the stars and a registered Democrat, got a letter from Congressman **Tom Reynolds**, head of the National Republican Congressional Committee, thanking Ashley for doing so much for the Republican Party. That was amusing in itself. Ashley occasionally contributes to a Republican candidate but that's about it.

Anyhow, the letter was happy to inform him he'd won a big award: 2005 Businesswoman of the Year. Award ceremony in California in March.

Ashley is reportedly philosophical. He gets some phony glad-handing letter every election cycle. "Now they'll hound me for a bunch of money," he is reported to have said.

—Compiled by Sheila Toomey

ear@adn.com.

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0-1
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(Mount Clipping in Space Below)

State opts to lower its cut on field

■ ROYALTY: Oil firm and Alaska strike agreement to promote new production.

By KAY CASHMAN
Petroleum News

The state has tentatively decided to lower the state-owned share of production from half of the leases in a new North Slope oil field.

Mike Menge, state commissioner of natural resources, said the reduction of the state's "royalty" share at the Oooguruk oil development was in the best interest of the state to get the field developed.

Menge

His decision starts a 30-day public comment period on the proposed reduction.

The Oooguruk field is composed of 18 leases. On nine of the leases, Menge proposes the state's royalty be one of every 20 barrels produced, rather than one of every six or eight barrels, depending on the lease.

Oooguruk is being proposed for development by Pioneer Natural Resources. It's located in the shallow waters of Harrison Bay north of the Slope's big Kuparuk River field.

Oooguruk is expected to produce 18,000 to 20,000 barrels of oil per day at peak production.

Pioneer applied for the lower royalty earlier this year.

The company didn't get everything it asked for, however. Five of the nine leases do not give the state a share of the net profits from production. Menge is proposing to change that for these five leases as part of the royalty reduction. That means Pioneer would share 30 percent of its profits from Oooguruk after operating costs have been deducted — and after $80 million in exploration costs have been recovered, which is what Pioneer told the state it had spent so far.

Still, both sides seemed pleased with the outcome of their negotiations.

"I believe we've crafted a decision that strikes a good overall balance between the risks and rewards for both the state and the leaseholders," Menge said.

Ken Sheffield, president of Pioneer's Alaska subsidiary, said, "We were pleased that the state was will-

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ROYALTY: *State's share would adjust over time*

Continued from E-1

ing to work with us. In any negotiation you never get exactly what you want and I think what the state and Pioneer agreed to is fair for both parties." Pioneer is 70 percent owner of the nine leases, with Eni Petroleum owning the rest.

Menge's approval of the royalty cut is conditional on several things, including Oooguruk development being sanctioned by its owners by Dec. 31, 2007.

Also, DNR's finding said the royalty cut would be canceled if development costs are less than 75 percent of the $246 million presented in Pioneer's application.

The state said Pioneer demonstrated Oooguruk was "extremely marginal, and has considerable risk of low investor returns" without royalty relief.

After one of the specific leases involved initially reaches payout the royalty rate on the leases would rise over four years to the original royalty rates and net profit sharing will no longer apply to the five leases with the higher royalty, under Menge's preliminary decision.

Kevin Banks of the state Division of Oil and Gas said this would be the first time the state has provided royalty relief to a field before production began.

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Arctic Power plots new strategy to open ANWR

The Associated Press
(Published: December 27, 2005)

FAIRBANKS, Alaska (AP) - The nonprofit group that lobbies for the opening of the Arctic National Wildlife Refuge to petroleum drilling is regrouping after the latest rejection by Congress.

Lobbyists for Arctic Power said they are not sure what the future holds. They will talk with Sen. Ted Stevens and rethink a strategy, they said, then follow the senator's lead.

The U.S. Senate last week refused to include the drilling measure in a defense spending bill.

Jerry Hood, an Arctic Power lobbyist, said the group is not ready to give up.

"They say, 'I don't know if you can ever do it,'" Hood said. "I don't really believe that. I think we can."

David van den Berg, director of the Northern Alaska Environmental Center, said that with a $1.2 billion surplus, the Legislature likely would continue to support the organization.

"I wouldn't be surprised if legislators doubled it next year," van den Berg said of the state's contribution to Arctic Power. "They continue to be hopeful, but they need to have it sink in that from a national perspective, the interest in draining America first doesn't work. I just think they're barking up the wrong tree."

The Legislature has given Arctic Power millions over the past decade, including $1.2 million this year. Past supporters continue to back the group.

"I've always thought, and I hope to think others think, of Arctic Power as an investment to help the next generation of Alaskans," said state Sen. Gary Wilken, R-Fairbanks, co-chairman of the Senate Finance Committee.

Rep. Vic Kohring, R-Wasilla, who sponsored a bill giving Arctic Power money this year, hopes the state keeps supporting the organization.

"They are an excellent staff and have done a great job in lobbying to open the coastal plain," said Kohring. "As far as whether we continue with further money, it will be up to my colleagues in Juneau."

"We've really waited to hear from Sen. Stevens as to what to do, and at what level," Wilken said.

If the Legislature or the Senate Finance Committee continues to see Arctic Power as an investment, they will find money for the group in the budget next year, he said.

FBI - Stevens-320

194A-AN-13620

Information from: Fairbanks Daily News-Miner; http://www.newsminer.com

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FBI - Stevens-321

FD-350 (Rev. 5-8-81)

Anchorage Daily News
Anchorage, AK

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

(Mount Clipping in Space Below)

Date: 12/31/05
Edition: Saturday

Title: We can only hope one day they'll . . . See the Light

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

Indexing:

WE CAN ONLY HOPE ONE DAY THEY'LL . . .

See the light

SEATTLE EDITORIAL writers, in their unrelenting green zeal, never cease demonstrating their lack of understanding of Alaska issues. Take the latest from the Post-Intelligencer, printed on Dec. 23 and headlined "ANWR: Environment wins."

Its publication followed the vote in the Senate that blocked a final 2005 effort to open ANWR to oil and gas exploration and development.

The P-I, hitting on its three most evil bugaboos, said Sen. Maria Cantwell "rescued the Arctic National Wildlife Refuge from oil companies, the Bush administration and Sen. Ted Stevens of Alaska."

Golly.

Cantwell, a freshman Democrat from Washington state, was credited by the newspaper with stopping "Stevens' effort to plunder the refuge."

When will these people ever see the light?

Stevens is not trying to plunder ANWR. Nobody is, as a matter of fact.

The campaign to open ANWR is not being led by the oil companies. They have kept their hands off. Rather, it is an effort led by Alaskans, including Natives who actually live on the coastal plain, to open huge petroleum reserves to alleviate the nation's energy shortages and to provide an enormous economic boost to the 49th State — not to mention Washington state and the rest of the nation as well.

It would be good if the editorial writers for the P-I and the Seattle Times, which walk in lock-step on this issue, would wake up to the fact that ANWR is not the last piece of wilderness in all of Alaska, and that the coastal plain is mostly a barren flatland with little to speak of in the way of scenic beauty.

In the process, these same folks might look around their own hometown and come to realize how much Seattle and Washington state are enriched by trade and commerce involving Alaska.

Too bad Alaska has no friends in the Seattle media.

FBI - Stevens-322

M-172

194A-AN-13620 — ~~Press~~

FD-350 (Rev. 5-8-81)

Anchorage Daily News
Anchorage, AK
(Indicate page, name of newspaper, city and state.)

Date: 01/02/06
Edition: Monday

Title: What More to Convince Them? Forget LNG

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

Indexing:

WHAT MORE TO CONVINCE THEM?

Forget LNG

ADD WALL STREET JOURNAL columnist Holman W. Jenkins Jr. to the list of well-informed observers with a low opinion of the so-called "all-Alaska" gas pipeline.

In a Wednesday column, he called it "a local construction boondoggle, lacking any economic rationale."

Jenkins, a member of the Journal's editorial board, criticized Washington Sen. Maria Cantwell for her kneejerk response to filing of an antitrust lawsuit against BP and ExxonMobil by the Alaska Gasline Port Authority. He said that Cantwell "was quick to confuse the filing of a lawsuit with proof of guilt" and said she denounced BP and Exxon simply because they were named in the suit by what he called "the deservedly obscure Alaska Gasline Port Authority."

". . . A pipeline to the U.S. Midwest via the Dalton and Alaska highways is favored by the producer companies for good reason — because it makes financial sense."

Jenkins challenged the authority's claim that the two companies have been trying to keep gas prices high by stalling on construction of a pipeline to bring the gas to market. He said BP and ExxonMobil together supply only 12 percent of the nation's natural gas and keeping North Slope reserves off the market would mostly benefit their competitors.

THE WRITER said the authority "nakedly exists to divert Alaska's untapped gas wealth into a local construction boondoggle, lacking any economic rationale.

"Indeed," he wrote, "the mere act of liquefying Alaskan gas and loading it aboard a ship would put the state in competition on absurdly unfavorable terms with far cheaper suppliers of liquefied natural gas in Qatar, Indonesia, Australia, Russia and elsewhere."

Jenkins said a pipeline to the U.S. Midwest via the Dalton and Alaska highways is favored by the producer companies for good reason — because it makes financial sense.

"This should be a no-brainer," he wrote, "but the little Putins of the Alaska Gasline Port Authority, cheered on by the silly Ms. Cantwell and the cynical Mr. Boies, are determined to politicize what should be a straightforward economic decision." David Boies is a celebrity lawyer who is representing the authority in the case.

There still appear to be some wishful thinkers in Alaska who would like the authority's LNG project to be chosen and built, but, hopefully, reality will set in and they will realize that would be an unwise — if not impossible — course.

And hopefully Jenkins' suggestion that the question should be a "no-brainer" will be considered by legislators asked to approve the contract that Gov. Frank Murkowski's negotiating team comes up with.

FBI - Stevens-323

194A-AN-13620- M-173 ~~Part~~

FD-350 (Rev. 5-8-81)

KTUU (Channel 2), Anchorage, Alaska
(Indicate page, name of newspaper, city and state.)

(Mount Clipping in Space Below)

Date: 01/04/06
Edition: Wednesday

(see attached)

Title: Despite Metcalfe's attempts, Stevens avoids recall
Character:
or
Classification: 194A-AN-13620
Submitting Office: Anchorage

Indexing:

FBI - Stevens-324

194A-AN-13620 - ~~Press~~ M-174

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Despite Metcalfe's attempts, Stevens avoids recall

Wednesday, January 4, 2006 - by Jason Moore

Phil Walczak/KTUU-TV

Anchorage, Alaska - It's been a long-running dispute with state Sen. Ben Stevens fending off allegations from Ray Metcalfe. They were at it again today in state Superior Court. This round goes to Stevens, in a case that explores the issue of when elected state officials can be recalled.

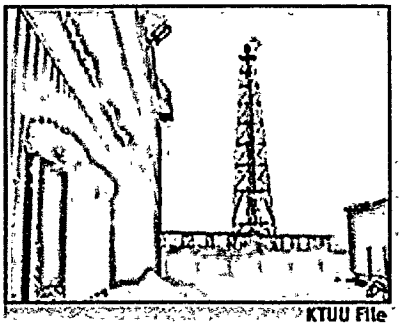
They entered the courtroom not far apart. State Sen. Ben Stevens followed Ray Metcalfe, surrounded by attorneys. No friendly gestures were exchanged. They were in court because Metcalfe is attempting to resurrect his bid to mount a recall of Ben Stevens.

Phil Walczak/KTUU-TV

"Senator Stevens is not your ordinary legislator with an employer and whether or not his extremely close and large financial ties to VECO justify recall is a matter that should be decided by the voters," said Ken Jacobus, Metcalfe's attorney (left).

Metcalfe makes the claim that since 1999 Ben Stevens earned nearly $200,000 in consulting fees from VECO, a resource development company. Metcalfe says Stevens took an oath of office to uphold the state constitution and seek the maximum payment for Alaska's resources. At the same time, he represented a company seeking to extract Alaska's resource for as little as possible. Metcalfe says that amounts to fraud and corruption.

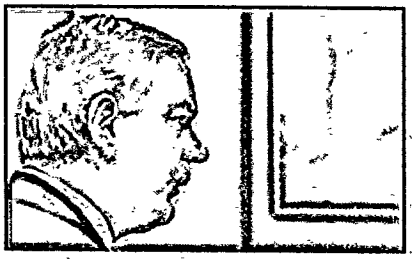
The state Department of Law says the claims are just too vague.


KTUU File

"Recalls can't be based on frivolous charges or mere insinuations and that's what I think Divisions of Election and Department of Law, we have to be cautious about that we protect the ballot from frivolous charges or mere insinuations," said Mike Barnhill, Alaska Department of Law.

Stevens' attorney said essentially the same thing: Alaska law requires a specific cause to recall legislators. Michael Spaan says if voters want to decide Ben Stevens' fate, they'll have two chances this year.

FBI - Stevens-325



"Senator Stevens has a primary in August. He has a general in November. There's hardly any fear that he'd be anointed for life as the Senator from his district," said Spaan (left).

It took Judge Craig Stowers seven minutes after listening to the arguments to make his ruling.

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"The court finds that the proposed petition as a whole fails to allege sufficient facts," said Stowers.

Phil Walczak/KTUU-TV

There will be no recall for Stevens. Leaving the courtroom, Stevens refused an interview, simply saying the court speaks for itself. Ray Metcalfe says he's not giving up.

"We may draft a new petition, we may go on to the Supreme Court. We may do both," Metcalfe said.

This frigid relationship has no appearance of warming. In the case, the judge ruled there wasn't a specific allegation in the 200-word recall petition that Stevens acted inappropriately as a legislator. Stowers said it is not illegal for state senators to be hired as consultants, even by companies that are politically active. For Metcalfe to get anywhere, he would have to be much more specific about any wrong-doing by Stevens.

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FBI - Stevens-326

FD-350 (Rev. 5-8-81)

Anchorage Daily News
Anchorage, AK

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

(Mount Clipping in Space Below)

Date: 01/09/06
Edition: Monday

Title: Metcalfe's Groundless attacks... Off the Mark
Character:
or
Classification: 194A-AN-13620
Submitting Office: Anchorage

Indexing:

METCALFE'S GROUNDLESS ATTACKS . . .

Off the mark

IT SEEMS like déjà vue all over again. And again. And, heaven help us, yet again. Another day, another ruling overwhelmingly in favor of state Sen. Ben Stevens. Another promise from a puffed up and seemingly obsessed political enemy who vows to continue his effort to oust Stevens, no matter what.

This week, Superior Court Judge Craig Stowers ruled the Division of Elections was absolutely, positively correct in dumping a recall petition aimed at Stevens and offered up by something called the Citizens for Ethical Government. It was drafted by none other than Ray Metcalfe, founder of the Republican Moderate Party, a party in name only and a veritable holding tank for political wannabes, has-beens and windmills in desperate need of a good tilting.

Stowers said the recall petition did not provide legally sufficient causes to remove Stevens from office. None. Nada. Zip. Nothing that would support Metcalfe's delusion that Stevens is corrupt or unfit for office.

Metcalfe charges, without a shred of evidence, mind you, that Stevens' job as a consultant for Veco Inc. and his position as a legislator somehow amounts to corruption. Although all that makes as much sense as the all-Alaska gas pipeline, Metcalfe has demanded Stevens divulge the nature and details of his work. Stevens, and, it should be noted, the Alaska Public Offices Commission, say he has complied fully with the law.

UNDETERRED BY Stowers' opinion, or APOC or anybody else in his right mind, Metcalfe told the Daily News he may draft a new petition or go to the state's high court, or, golly, maybe even do both.

The folks who gathered in Fairbanks to hammer out the Alaska Constitution envisioned a Legislature of citizen lawmakers who would return to their communities and their jobs after legislative sessions. They did not envision the use of that very system to unfairly besmirch the reputation of those who step forward to help lead the state.

It is difficult to imagine how groundless attacks on lawmakers such as Stevens will spur increased participation in the process. Who would want to subject themselves or their families to this kind of vicious nonsense? Which doctor or lawyer or dentist or insurance salesman or real estate agent would want to divulge in detail their client advice and business details?

Stevens appears to be the victim of a personal vendetta designed to get headlines and attention, something the smear has managed to do with the willing help of the news media. But one has to wonder how many times the former legislator will have to lose his case before he finally gives it up for lost or the media moves on to savage the next Republican for the next imagined transgression?

The unfortunate thing is that this sort of idiocy costs money and time. It costs the agencies. It costs the courts. It costs Stevens. It costs all of us. At some point, somebody should hand Metcalfe a bill.

FBI - Stevens-327

194A-AN-13620-~~Free~~ M-175

FD-350 (Rev. 5-8-81)

Anchorage Daily News
Anchorage, AK
(Indicate page, name of newspaper, city and state.)

Date: 01/14/05
Edition: Saturday

Title: Agents Search Former Fairbanks Mayor's Home Nonprofit, Church
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or
Classification: 194A-AN-13620
Submitting Office: Anchorage

Indexing:

(1)

(Mount Clipping in Space Below)

Agents search former Fairbanks mayor's home, nonprofit, church

GRANTS: Facilities received federal money engineered by Stevens.

The Associated Press

FAIRBANKS — Federal agents served search warrants at the home of former Fairbanks Mayor Jim Hayes, at the church where he serves as pastor and at a nonprofit social services center run by his wife.

The three search warrants were served simultaneously Tuesday.

FBI Agent Eric Gonzalez in Anchorage confirmed Thursday that agents searched the Hayes home, the Lily of the Valley Church of God in Christ and the LOVE Social Services Center.

Assistant U.S. attorney Jim Goeke in Anchorage would not say what agents were seeking.

"At this point, I can't. Not enough is in the public record," Goeke said. "I can't even confirm that there's an investigation."

LOVE Social Services Center has received $2.9 million in federal grants since Hayes and others formed the tax-exempt organization in 2000. The grants came at the direction of U.S. Sen. Ted Stevens, R-Alaska.

Hayes

Chris Hayes, the former mayor's wife, is the center's executive director. Her salary has been paid from the grants, according to documents obtained by the Fairbanks Daily News-Miner from the U.S. Department of Housing and Urban Development and the Department of Justice. The documents were obtained through the federal Freedom of Information Act.

The federal funds also were used by the nonprofit agency to buy a former church building from Lily of the Valley Church of God in Christ, according to the documents.

Calls to Jim and Chris Hayes were not immediately returned Friday. Members of the LOVE Social Services board of directors, which includes Jim Hayes, declined to comment or could not be reached for comment.

Stevens spokeswoman Courtney Boone said the FBI had not contacted the senator's office about any investigation. She offered no comment.

"It's a matter for the Department of Justice," she said.

LOVE Social Services operates tutoring programs in the South Fairbanks center and at the state's youth jail, according to material it has supplied the federal government. It runs a summer camp and maintains a computer lab at the center, according to a summary provided to the Juvenile Justice and Delinquency Prevention Office of the Justice Department.

LOVE Social Services was formed on Sept. 17, 2000, a month before Stevens added a $1 million earmark to benefit the new organization. The money was in the federal spending bill for the Department of Housing and Urban Development.

In an application to obtain the money, LOVE Social Services said part would be used to buy the old Lily of the Valley Church building. The application states that LOVE Social Services would spend $375,000 to buy the building and $150,000 to renovate it.

Six months earlier, the Lily of the Valley Church had also secured a $625,000 loan from Mt. McKinley Bank to partially cover

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the cost of building a new church across the street, according to the state Recorder's Office. Two modifications increased the loan to $910,000 by October 2001.

After the first $1 million from HUD in 2001, LOVE Social Services, received grants from the Department of Justice, totaling $1.7 million over three years. In fiscal 2005, which ended in October, Stevens earmarked $175,000 through HUD.

Fiscal 2006 appropriation bills, the last of which passed Congress in late December, contain no earmarks for LOVE Social Services. Boone said money was tighter this year.

Jim and Chris Hayes are longtime Fairbanks residents.

Jim Hayes worked as an investigator for the Department of Law for many years.

Following terms on the Fairbanks North Star Borough School Board and the Fairbanks City Council, he was elected city mayor. He served from 1992 to 2001.

Gov. Frank Murkowski appointed Hayes in January 2003 to the University of Alaska Board of Regents.

Chris Hayes has owned a fashion boutique and worked in the school superintendent's office. In May 2005 she was one of four recipients of the Farthest North Girl Scout Council Women of Distinction award.

She is the daughter of LeeRoy and Mazie Parham, who founded Lily of the Valley Church in 1965.

LOVE Social Services drew on Lily of the Valley church members and the Hayes family for its officers when it incorporated in 2000, according to state records. The Hayes' daughter, LeNene Scott, was an original incorporator. Fellow founders Don Thomas and Joe Thomas are deacons at the church.

Alaska Municipal League endorses all-Alaska gasline

Friday, November 11, 2005 - by Bill McAllister

Rich Jordan/KTUU-TV

Anchorage, Alaska - After a spirited debate, the Alaska Municipal League has endorsed an all-Alaska gas pipeline. The group of city and borough officials, who met in Anchorage today, spurned a plea from the Murkowski administration to stay neutral on which natural gas project is best for Alaska.

Today's discussion among the municipal leaders from all over the state did not include any advocacy for the Alaska Highway gas pipeline now being negotiated by the Murkowski administration. Instead, the debate was about whether to back the all-Alaska gasline or to stay neutral.

Rich Jordan/KTUU-TV

The Alaska Municipal League and the Conference of Mayors adopted their positions for the upcoming legislative session today, and a pipeline to market North Slope natural gas generated the greatest discussion. Earlier this week, the Murkowski administration, now in negotiations with the major oil producers, tried to persuade the city and borough officials not to back the all-Alaska gas line proposed by the Alaska Gasline Port Authority.

"Because the port authority project and this one are compatible, they don't need to be done one instead of the other, I would ask that you keep your powder dry. Wait until you see what we've negotiated, so you've got all the provisions on the table," Jim Clark said on Wednesday.

Rich Jordan/KTUU-TV

"I'm pleased to say we are close to completing an agreement, a contractual agreement, but I am concerned that some folks, some criticism, could stall the progress that's currently being made," Murkowski said on Thursday.

But a majority of the municipal officials wanted to take a stand.

Rich Jordan/KTUU-TV

"I think it's time that we decide who's going to build it for us. I think it's time that we decide how it's going to be built and who it's going to benefit," said Joe Williams, Ketchikan Gateway Borough mayor (right).

"Right now we're looking at an all-Alaska line as what we feel is the best thing to do, and we need to voice that opinion," said Fairbanks mayor Steve Thompson.

FBI - Stevens-330

One advocate for neutrality attacked a table of numbers distributed by the port authority, representing estimated revenue sharing for dozens of communities if the all-Alaska line is built.

"Are you spending that money already? Are you excited? Do you believe in a free lunch? Is the check in the mail?" said Bill Popp of the Kenai Peninsula Borough (left).

But in the end, the municipal league went ahead with a resolution supporting an all-Alaska line and a policy statement endorsing the concept put forward by the Gasline Port Authority.

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And publicly, things have not changed much on the gasline front. On Oct. 6, Gov. Frank Murkowski said he expected an affirmative response from the North Slope producers to the state's offer within a few days, he said then. ConocoPhillips officials announced Oct. 21 that they had agreed to the governor's terms, some of which are still being kept confidential. But BP and ExxonMobil have yet to sign off.

The Alaska Municipal League is asking the Legislature to reinstate revenue sharing, although they did not specifically endorse either of the governor's ideas for using permanent fund money for that purpose. They also want lawmakers to regulate the sale of over-the-counter drugs used to manufacture methamphetamine. And, of course, local governments want more assistance with those rising costs in public employee pension funds.

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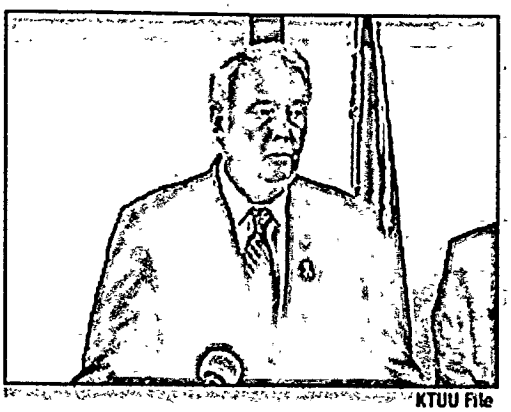
FBI - Stevens-331

In its wake, memo leaves many questions

Monday, October 24, 2005 - by Sean Doogan


KTUU File

Anchorage, Alaska - Is state Department of Natural Resources commissioner Tom Irwin on administrative leave? That question remains unanswered Monday after Irwin wrote a controversial memo to the attorney general saying he believes gas line negotiations may be illegal.

It began when Alaska Gov. Frank Murkowski announced last Friday in Fairbanks that ConocoPhillips had signed its portion of a gas pipeline deal. Questions were raised by Irwin about the governor's gas pipeline negotiations.

KTUU File

Monday, both the governor's office and Democrats reacted to the allegations.

"We have differences of opinion, we still have differences of opinion," said Murkowski.

Murkowski commented on allegations made by Irwin about gas line negotiations. Among other allegations in the memo, written by Irwin to Alaska Attorney General David Marquez, Irwin (pictured near right) says, "I am concerned whether members of DNR are being asked by the administration to operate outside current law by our continuing participation in negotiations with the producers under the Alaska Stranded Gas Development Act."

Courtesy of Governor's Office

Murkowski spokeswoman Becky Hultberg responded to the memo Monday, saying that Irwin's concerns could be used to torpedo the deal.

"This project is too important to the future of Alaska to allow any event to disrupt the process in an attempt to kill the contract before the public has an opportunity to review it, and before the legislature has a chance to ratify it," said Hultberg.

Irwin declined to be interviewed Monday.

When asked if Irwin had been put on administrative leave, the governor's office said they would not comment about his status. Some Anchorage Democrats say they are tired of being kept in the dark about the deal, and that they may push harder for the deal to be brought into the light.

Eric Sowl/KTUU-TV

"According to Tom Irwin, the contract might be relaxing their duty to produce the gas so, if he's right about that then this contract pushes us further away from a gas pipeline than we are today," said Rep. Les Gara, D-Anchorage (right).

FBI - Stevens-332

Saturday, Anchorage Republican Mike Hawker said the issues raised in the Irwin memo were old news. Hawker claims most of the concerns have already been addressed. As for the eight concerns raised by Irwin, the governor's office said they have been forwarded to the attorney general.

There is no word as to when the attorney general will review and make a recommendation on the Irwin memo. KTUU was told by his staff Monday that commissioner Irwin was in his Anchorage office, but was unavailable for comment.

The memo asks for legal advice from the attorney general and is addressed directly to him. But it was the governor who released the

194A-AN-13620 - ~~350~~ M-178

memo to the public. It was after Friday's ConocoPhillips announcement that the governor's staff gave the memo to the media. The governor said while he disagrees with the issues raised by the Irwin memo, he felt they were serious enough that the public deserved to know about them.

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FBI - Stevens-333

Governor meets with oil executives

Monday, August 29, 2005 - by Steve MacDonald

Brad Halbritz/KTUU-TV

Anchorage, Alaska - The Murkowski administration must wait before it can start building its top priority: a natural gas pipeline.

Gov. Frank Murkowski just returned from high level talks in Texas with chief executives from the three main North Slope oil producers. The meetings between the state, ConocoPhillips, BP and Exxon were the latest round in the proposed construction of the proposed $20 billion pipeline.

"I'm pleased with the reaffirmation of the commitment of the producers. We've got more details and we're still working and I think that prospects are bright to get a gas line in a relatively short period of time," said Murkowski.

A spokeswoman for the governor says the administration still hopes to a present preliminary deal to a special session of the Legislature before the end of the year.

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FBI - Stevens-334

194A-AN-13620-346 M-179

Recall drive started against Ben Stevens

by Bill McAllister - Thursday, August 4, 2005

Rich Jordan/KTU

Anchorage, Alaska - For only the second time in Alaska history, an application for a recall petition has been filed against a legislator. The target: Senate President Ben Stevens.

Last year, a recall election was scheduled for then-Sen. Scott Ogan, who resigned before it could be held. So if the recall drive that officially started against Stevens Thursday goes all the way to a vote, it would be the first election of its kind for an Alaska legislator.

The recall drive against Stevens is being led by Ray Metcalfe, a former Republican legislator and a leader of the break-away Republican Moderate Party. Metcalfe says he has collected about 2,200 signatures of registered voters from Stevens' West Anchorage district -- about 1,000 more than would be needed to start the recall process.

KTUU File

Metcalfe's allegation is that Stevens has compromised the integrity of his office taking lucrative consulting contracts from companies with major interests at the capital.

"We're asserting that he is either incompetent or corrupt, one or the other. The t that he is doing simply just don't pass muster," said Metcalfe.

Metcalfe focuses on Stevens' relationship with oilfield services company VECC says Stevens pushed legislation to take one-third of $1 billion out of the earning reserve of the Alaska Permanent Fund because it would put off the day that the industry has to pay higher taxes. And Metcalfe says the Senate president's perso is an issue.

Rich Jordan/KTU

"He gave us his pompous-ass self by comments like 'Valley Trash,'" said Metcalfe (right).

Stevens declined to be interviewed Wednesday, but he issued a statement saying the legislation he sponsored has nothing to do with his business relationships. He also said the recall effort is based on the politics of personal destruction.

One of Stevens' Senate colleagues, fellow Republican Con Bunde of Anchorage, says there should be no assumption that a legislator gives up ethical behavior by making money.

"People who see that evil in others, I suspect, by projection, find it in themselves," said Bunde.

If Stevens' accusers become the issue, that improves his odds for avoiding an election ballot that could end his politica career.

The Division of Elections in Juneau plans on checking the signatures in the recall drive as soon as Monday. In additio verifying that 1,232 registered voters from the district signed the application, state officials must do a legal review to r sure that the recall law is being followed.

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Governor puts chief of staff in charge of gas line talks

Wednesday, June 29, 2005 - by William McAllister

Barry Johnson/KTUU-TV

Anchorage, Alaska - Gov. Frank Murkowski announced a realignment in his staff today. Chief of Staff Jim Clark (left) will now focus on negotiations for a natural gas pipeline, turning some of his other duties over to assistants and commissioners of departments.

The governor says Jim Clark always has been heavily involved in the gas pipeline negotiations, so in some ways this is not that big a change. But the governor's press aides said the news conference was called to stop rumors that Clark was stepping down as chief of staff.

Barry Johnson/KTUU-TV

For Murkowski, there is no higher priority than construction of a natural gas pipeline. "I need my No. 1 person with the expertise and experience and dedication and commitment and knowledge to bring this together on behalf of the administration to present to the Legislature."

So the governor designated Clark to head up negotiations on the three applications that have been filed for the gas pipeline project.

"He's still chief of staff and he's chief counsel, but he's our chief negotiator," Murkowski said. "So if you want to roll those out and put initials on them, we can do it and see what it spells."

Barry Johnson/KTUU-TV

Clark displaces Pedro Van Muers as the leader of the state's team in the negotiations. Van Muers, a native of the Netherlands who has a home in the Bahamas, was barred from entering the United States at least once this year because of problems with his work permit. Murkowski said Van Muers will remain as a consultant.

FBI - Stevens-336

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M-181

Among legislators, reactions to the appointment of Clark differed along party lines.

"I think that's good for Alaska because I think Jim Clark has the best interests of Alaska at heart," said House Majority Leader John Coghill (right) of North Pole. "He's a detail man, but he's also a good negotiator, probably in contrast to Pedro Van Muers, who is a good detail person but not that good at negotiating."

Barry Johnson/KTUU-TV

"We've called him Gov. Clark because he tends to have a better handle on things," said Senate Minority Leader Johnny Ellis of Anchorage (below). "But his past as a lobbyist or advocate for foreign corporations -- not exactly the best interests of Alaska at heart. Now he's moved on from that. But the question is, is his loyalty to the public interest or to Gov. Murkowski?"

Barry Johnson/KTUU-TV

Murkowski has pledged to present a gas pipeline contract to the Legislature this year. Now it's up to Jim Clark to make good on that commitment.

Unfortunately, KTUU-TV was unable to share Clark's views on his transition. He attended today's news conference but did not speak, and he turned down two requests for an interview.

There's a lot of skepticism that Clark can really do both jobs. The governor said that others will pick up some slack, notably the 14-member Cabinet that runs state agencies. But Murkowski did not rule out appointing a new chief of staff. Sen. Ellis, among others, said he would not be surprised if that happens.

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FBI - Stevens-337

FD-350 (Rev. 5-8-81)

KTUU (Channel 2)
Anchorage, Alaska
(Indicate page, name of newspaper, city and state.)

(Mount Clipping in Space Below)

Date: 08/31/05
Edition: Wednesday

(see attached)

Title: Adak Fisheries and Senator Ben Stevens Sued
Character:
or
Classification: 194A-AN-13620
Submitting Office: Anchorage

Indexing:

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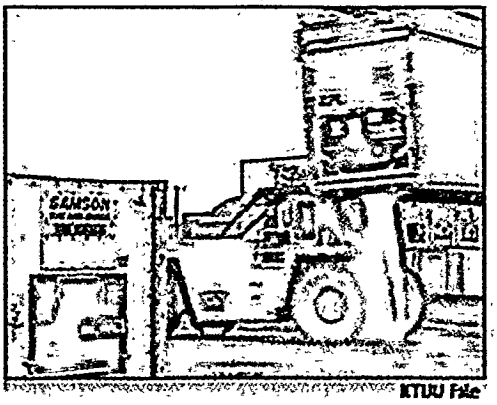
FBI - Stevens-338

194A-AN-13620-382 M-182

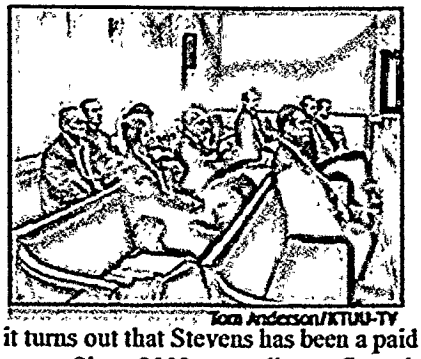
Adak Fisheries and Sen. Ben Stevens sued

Wednesday, August 31, 2005 - by Jason Moore


KTUU File

Anchorage, Alaska - On the face of it, it appears a complicated legal web involving several companies in a fish dispute on remote Adak Island. But peel back the layers, and you find Alaska Senate President Ben Stevens, who has positioned himself to cash in on legislation sponsored by his own father.

On Adak Island, there is only one fish processing plant: Adak Fisheries. The company is broiled in a dispute that involves one of Alaska's most powerful political families: the Stevens.

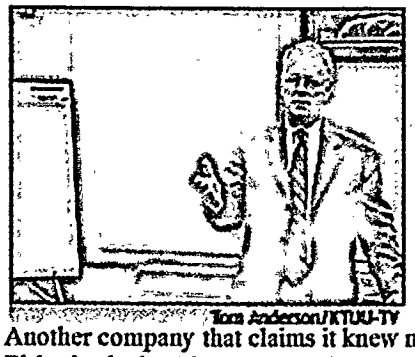

Tom Anderson/KTUU-TV

In 2003, U.S. Sen. Ted Stevens pushed legislation through Congress awarding the Aleut Corporation the exclusive right to 19,000 metric tons of pollock around Adak. Late last year, the Aleut Corporation awarded the management of its pollock allocation to Adak Fisheries.

State Sen. Ben Stevens served on the board of Aleut Enterprise Corporation, a subsidiary of Aleut Corporation, voting for that deal. Now it turns out that Stevens has been a paid consultant for Adak Fisheries for several years. Since 2002, according to financial disclosure reports, he was paid close to $300,000. In addition, he claims to have an option to buy 25 percent of Adak Fisheries.

Tom Anderson/KTUU-TV

That's what brought Stevens to court Wednesday. He and the founder of Adak Fisheries, Kjetil Solberg, are being sued by yet another company, Aleutian Spray Fisheries. Aleutian Spray acquired 50 percent of Adak Fisheries in 2004. But this spring, Solberg claimed Aleutian Spray was not an owner, and that's when Aleutian Spray says it learned about Stevens' stake in the company.


Tom Anderson/KTUU-TV

"On June 13, end of the story. Mr. Solberg filed a document with the state of Alaska in which he asserts for the first time that he was the owner of the entire membership interest and that Aleutian spray fisheries was no longer an owner and that Aleutian spray fisheries had no role whatsoever and that Mr. Stevens is the president of Adak fisheries," said James Reeves, attorney, Aleutian Spray Fisheries.

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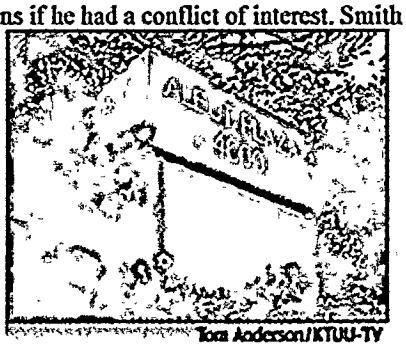
Another company that claims it knew nothing about Ben Stevens' interest in Adak Fisheries is the Aleut Corporation. Curtis Smith, a spokesman for the Aleut

194A-AN-13620

Corporation, says board members asked Stevens if he had a conflict of interest. Smith says Stevens claimed he did not, and he voted to award the management of that pollock allocation to Adak Fisheries while having this option to buy a major stake in the company. And that company now stands to cash in on the legislation authored by Ted Stevens.


Tom Anderson/KTUU-TV

The value of the exclusive pollock allocation, according to statistics from the National Marine Fisheries Service, is roughly $12 million. Sen. Ben Stevens and his attorney refused to comment on the story Wednesday.

The first phase of the trial to determine if Aleutian Spray Fisheries is, in fact, a 50 percent owner of Adak Fisheries, is expected to take a week. The second phase has to do with Sen. Stevens financial stake in the company and whether that stake is valid. At that time, more should be revealed about the apparent deal between Solberg and Stevens, which gave him the option to own a major stake in Adak Fisheries.

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

FBI - Stevens-340

FD-350 (Rev. 5-8-81)

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

B-1

Date: 10/15/2005
Edition: Anchorage Daily News Anchorage, AK
Title: Adak Fisheries Saga Far From Over
Character: or
Classification: 194A-AN-13620
Submitting Office: Anchorage

Indexing:

(Mount Clipping in Space Below)

Adak Fisheries saga far from over

■ **A CHOICE:** Aleutian Spray will sell its interest rather than buy out partner

By RICHARD MAUER
Anchorage Daily News

A major Seattle seafood company decided Friday to sell its half-interest in the Adak fish plant to the plant's founder, Norwegian Kjetil Solberg, closing a rancorous and chaotic chapter in the ownership of the potentially lucrative venture.

"I consider it a total victory," said Solberg's attorney, Chris Cyphers.

A little more somber, Solberg himself said: "We are kind of celebrating. I turned a resounding defeat into a resounding something else."

Contemplating the reopening of the remote plant on his own, Solberg said, "I've carried that burden before — I'm looking forward to that."

But while Solberg and his attorney were celebrating just weeks after they were removed from control of the company by an Anchorage judge, a spokesman for the Seattle owners was cautioning: Not so fast.

"There's more to come — stay tuned," said John Young, longtime Seattle attorney for Aleutian Spray Fisheries and its owners, Cary Swasand, also from Norway, and son Chris Swasand, the president of Adak Fisheries LLC — the little factory in a blue Navy warehouse at the center of the storm.

Forced to either buy or sell Adak Fisheries for $5 million under a court order issued Friday morning in Anchorage, the Swasands chose to sell, Young said. But Young was skeptical that Solberg, who has said he couldn't afford to post a court bond, could afford the $1 million annual payments over the next five years. And Young said Adak Fisheries still owed Aleutian Spray nearly $7 million in a separate debt that it would attempt to collect.

"We're the company's single largest creditor," Young said. "And there are numerous other creditors — about $1 million in trade debt that has to be paid as well."

Solberg disputes that accounting, as he has almost everything that the Swasands have said.

And Solberg has another huge, looming problem: an eviction fight with the Aleut Corp., which owns the fish-plant premises and the rights to millions of pounds of pollock that it has tied to the plant lease. The Aleut Corp. has said in the past that it wanted a large, established, well-capitalized company to be associated with the plant, and

See Page B-2, ADAK

Kjetil Solberg may face a fight with the corporation that owns the plant premises.

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194A-AN-13620-m-183
~~424~~

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10/15/05
Anchorage Daily News
194A-AN-13620

ADAK: *Judge rules the deal must close Monday*

Continued from B-1

Solberg on his own didn't fit the bill.

Solberg has had a succession of such partners over the last five years, all of whom eventually soured: NorQuest Seafoods, Icicle Seafoods, and now Aleutian Spray.

As it contemplated the latest turn of events Friday, the Aleut Corp. issued a cautious statement through spokesman Curtis Smith: "No matter what the personalities involved, the Aleut Corp.'s principles have not changed: that is, to get a viable tenant in that fish plant for the maximum benefit of Adak and its shareholders." Asked whether Solberg fit that description, Smith said, "That's still to be determined."

"Hopefully this will result in a lease for someone. We're not willing to commit yet that anyone, including Kjetil, will be the one person we'll do the lease with," Smith said.

Adak Fisheries has loomed larger than might be expected for a small private employer in a town of 60 permanent residents on a closed Navy base near the distant edge of the Aleutian archipelago. The contentious lawsuits between the partners, and between Adak Fisheries and the Aleut Corp., revealed a once-secret option to buy 25 percent of Adak Fisheries held by state Senate President Ben Stevens, R-Anchorage.

Stevens obtained the option from Solberg and then-partner Icicle Seafoods in July 2002 while he served as a director of the Aleut Enterprise Corp., the Aleut Corp. subsidiary that leased the plant to Adak Fisheries. A year later, Stevens' father, U.S. Sen. Ted Stevens, single-handedly pushed a measure through Congress that awarded the Aleut Corp. the exclusive rights to millions of dollars in Aleutian Islands pollock. By the time the measure passed as a rider to an appropriations bill, the Aleut Enterprise Corp., with Ben Stevens voting, had already assigned the pollock to Adak Fisheries.

Aleut Corp. officials said Stevens never disclosed his conflict of interest while serving on the Aleut Enterprise board. Ben Stevens has declined to be interviewed on the subject, though Ted Stevens said he didn't know about his son's option to buy into the company.

> "*This has been the most bizarre case I've ever been involved with.*"
>
> — John Young, long-time Seattle attorney for Aleutian Spray Fisheries and its owners

Ben Stevens, also was paid more than $300,000 by Adak Fisheries for lobbying, consulting, and, from about March to September 2005, serving as company president, attempted to execute the option and obtain his 25 percent share in November 2004. By then, Solberg and the Swasands, his partners since June 2004, were becoming estranged. They rejected Stevens' bid.

Solberg attempted to buy Adak Fisheries from the Swasands. He claimed to have consummated a $3 million purchase in March and immediately accepted Stevens' option and declared him president of the company. The Swasands said they never sold and filed suit to reclaim the company.

On Sept. 8, Superior Court Judge Craig Stowers sided with Aleutian Spray and restored control of Adak Fisheries to the Swasands. In doing so, he ruled that the original operating agreement of June 3, 2004, between Solberg and Aleutian Spray was still intact.

Solberg rushed from the courtroom that day and immediately exercised the "shotgun buyout" provision of the operating agreement. Under that provision, either party could set a price and terms for its 50 percent share. The other could either sell at that price, or buy out the share of the partner that fired the shotgun.

In court several times over the past month, Aleutian Spray has argued the shotgun provision, at least as exercised by Solberg, wasn't valid. And it tried to invoke another section of the agreement and force Solberg to sell his share for about $500,000 — half of what it said was the appraised value of the company.

But on Friday, Stowers said the matter had dragged on long enough — fishermen needed a place to sell their fish and Adak needed the jobs. In a six-page order, he told Aleutian Spray it had till noon today to decide whether it was a buyer or seller under Solberg's shotgun.

Aleutian Spray didn't wait. Attorney Young said the Swasands decided in Seattle Friday afternoon. As of Friday evening, the deal was in place but still awaited "a couple of signatures," said Cyphers, Solberg's attorney.

The judge ruled the deal must close no later than noon Monday.

But there's still more to come — in addition to whether Adak Fisheries still owes Aleutian Spray, Stowers has scheduled phase two of the trial to begin in October 2006. That concerns whether Solberg has a claim against the Swasands for mismanagement and whether Stevens had a valid option when he asserted it in November.

"This has been the most bizarre case I've ever been involved with," Young said.

Solberg said he doesn't know whether there will be a role for Stevens in the latest version of Adak Fisheries. He and Stevens plan to meet today.

The option, which expired Dec. 31, 2004, has been a significant political embarrassment for both Ben and Ted Stevens, as Aleut Corp. officials had predicted when they learned of it late last year.

Solberg said Ben Stevens' work for the company, for which the option was a partial reward, may be done.

"I don't think there is a need for Ben to be an owner any more, because the reason why we wanted to set it up that way was so we secure the fish to come to the beach," Solberg said. "But now we have all the security through my 100 percent ownership so our political mission is fulfilled."

Asked if that "political mission" included getting pollock from Congress, Solberg said no — he was talking about cod and crab, and getting more fish from state waters through the state Board of Fish. "Adak is built on the back of cod, not the pollock," he said.

■ Daily News reporter Richard Mauer can be reached at rmauer@adn.com or 257-4345.

FD-350 (Rev. 5-8-81)

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

Date: 01/14/2006
Edition: Anchorage Daily News Anchorage, AK
Title: Governor Promotes New Prison
Character: or
Classification: 194A-AN-13620
Submitting Office: Anchorage

Indexing:

(Mount Clipping in Space Below)

Governor promotes new prison

MAT-SU: Facility would house more than 2,000, end Outside incarceration.

By RINDI WHITE
Anchorage Daily News

Gov. Frank Murkowski in his state budget address Thursday gave the green light to build a new statewide mega-prison in the Matanuska-Susitna Borough.

A location hasn't been determined, but state Department of Corrections officials say they'd like to build it near the Valley population center, maybe near Houston.

Corrections Commissioner Marc Antrim has been waiting two years for Murkowski's approval. The Alaska Legislature approved the prison in 2004, but Murkowski, reluctant to commit the state to a bond program, held off.

Friday morning, Antrim and his staff were compiling a request for proposals that will be advertised to prospective contractors. Murkowski budgeted no money for the prison in his 2007 budget.

MAT-SU FOC

The plan calls for a private contractor to design, build and then lease back the facility to the state, which would operate it. The builder may finance the prison construction, as well. The state plan estimates $240 million in construction costs.

The request for proposals will take up to seven months to draft but Antrim said he expects the state will select a contractor by fall.

Antrim said he wants to break ground on the facility in 2007 and open the prison by 2009.

SU of US

The prison would house 2,250 long-term prisoners, with 100-200 beds possibly set aside for pretrial inmates, he said.

"It's a big facility," Antrim said. "Essentially, you're building a city."

A city is what's needed, Antrim said. About 770 prisoners are currently housed in Arizona, he said. State prisons are holding about 600 more prisoners than they were designed to hold.

With money for more state troopers, more prosecutors and four more judges included in Murkowski's budget, the demand for prison beds is getting higher.

And Murkowski is asking the Legislature for more money to send prisoners to Arizona this year. Corrections Department administrative services director Sharleen Griffin said more than $16 million is earmarked to pay for housing prisoners out of state.

This year, the housing cost went up 2 percent, and the state added more beds to the contract, Griffin

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194A-AN-13620-~~442~~ -M-184

PRISON: *State wants to lease it from a private developer*

B-2
Anchorage Daily News
01/14/2006
199A-AN-13620

Continued from B-1

said. The bed count went up from 770 to 850, according to the governor's budget. With added transportation costs, that means an increase to the state of more than $2.8 million.

"The kind of money we're sending down to Arizona right now, I'd much rather see spent here in our state," Antrim said. "It's about bringing that money home — and our people, more importantly."

The borough pushed for a private prison for five years as a way to bring jobs and economic development to the Valley, but its efforts were sidetracked by a proposal to develop a private prison in Alaska a few years ago. A bid by Cornell Corrections to build a private prison in Whittier fell through in March 2005.

State Sen. Lyda Green, a Wasilla Republican, introduced a bill that passed in May 2004 to expand regional jails and create a new mega-prison in Mat-Su. Murkowski, citing concerns about lowering the state's bond rating, refused to bond for the new prison.

"We covet our high bond rating," said Cheryl Frasca, director of the state Office of Management and Budget. "Whatever we put forward, we want to be sure that it doesn't result in a downgrade."

Frasca said financing a new prison would resemble the way the state leases office space. A private contractor would build the facility and the state would lease it for a five-year term or something similar, she said. Unexpected revenue from refinancing the state's tobacco bond money, Frasca said, might cover some of those lease payments.

"There's another piece of legislation that was introduced today to refinance some of the tobacco bonds," Frasca said.

Through a 1998 settlement, the state gets money each year from the four largest tobacco companies. Alaska, like other states, leverages future tobacco payments by selling bonds to private investors. State officials initially estimated they could gain $80 million to $100 million by refinancing the bond payments, Frasca said, and Murkowski proposed using $89.2 million for capital projects for the University of Alaska.

Frasca said those initial estimates were low, and it appears the state could reap $180 million from refinancing. That $90 million windfall isn't enough to cover the cost of a new prison facility, Frasca said, but it's enough to make a lot of lease payments.

While the state develops its request for proposals, Mat-Su Borough manager John Duffy said borough staff would identify a prospective site for the prison, possibly on borough-owned land.

State and borough authorities discussed expanding the Palmer Correctional Center near Sutton, but Corrections officials have cited several reasons why that location may not be the best place for a new facility.

Separated from Palmer by about 10 miles and a steep pass, Palmer Correctional Center has the lowest facility cost per prisoner ($70 per prisoner per day, versus roughly $107 per prisoner per day at other Alaska facilities). But Corrections officials have said its distance from health care facilities and the court system make it a compromise.

"We're looking probably toward Houston," Antrim said. "That's really where the significant expansion in the state is."

The location may depend on what land the Mat-Su Borough can contribute to the project. Duffy said the borough a few months ago forwarded a quick list of borough land holdings around the Valley to Corrections staff to consider as possible sites. Duffy at the time declined to release that list as too preliminary.

With the governor's announcement, borough employees will begin looking at possible sites for the new prison more closely, Duffy said. Details such as proximity to the court system and hospital, along with the need for roads, water and septic facilities on the property, he said, will be part of the discussion.

There will be an opportunity for public discussion on the land selection process, Duffy said, but it may be months before a public hearing is warranted.

Green and Mat-Su officials have pushed for the new facility as a means of creating high-paying jobs for Mat-Su residents.

Antrim said the new facility may employ as many as 600. His department is facing a shortage of corrections and probation officers right now, he said. They've stepped up an advertising campaign to get more applicants, and are posting ads on the back of Matanuska Maid milk cartons throughout the month of January.

It's working, he said, and he hopes the upward trend in applicants will continue through 2008, when jobs at the new facility should become available.

"When I talk about our staff working at crisis levels, that's the foremost thing in my mind," Antrim said. "We've been treading water, waiting for some relief and I've very happy to get here."

■ Daily News reporter Rindi White can be reached at rwhite@adn.com or (907) 352-6709.

FBI - Stevens-344

FD-350 (Rev. 5-8-81)

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

Date: 10/29/2005
Edition: Anchorage Daily News

Title: Stevens Discloses Board Work

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

Indexing:

(Mount Clipping in Space Below)

Stevens discloses board work

■ **ETHICS STATEMENT:** Fisheries panel paid for plane's paint job.

By LIZ RUSKIN
Anchorage Daily News

WASHINGTON — State Senate President Ben Stevens amended his disclosure statement to the Alaska Public Offices Commission this month to list his membership on the Alaska Fisheries Marketing Board.

The board — created in federal legislation by his father, U.S. Sen. Ted Stevens — was in the news recently for funding the painting of an Alaska Airlines jetliner to look like a giant salmon. A follow-up story noted that Ben Stevens, chairman of marketing board, didn't report his membership on the public disclosure form legislators are required to file with APOC.

Stevens

Stevens, in a telephone interview Friday, told the Daily News he did disclose his board membership when he was supposed to, but with the Alaska Legislative Ethics Committee, not with APOC.

The Daily News asked whether it was an oversight that he left the information off his APOC report.

"My answer to that is, why don't you go out and look at all the other legislators that have done the same thing?" he said.

Brooke Miles, executive director of APOC, said disclosure with the Legislature does not substitute for filing with her agency.

Legislators have to file certain forms with the Legislative Ethics Committee and other information with APOC. There is some overlap when it comes to reporting board memberships. APOC requires legislators to list every board they serve on. The Ethics Committee just requires disclosure of board service for an organization "that has a substantial interest" in the member's legislative activities.

Stevens, in response to an Oct. 7 request from APOC, amended his APOC report covering 2004 but not the one for 2003.

The Fisheries Marketing Board "was not a recognized or organized corporation in the state of Alaska in 2003," he wrote.

But in his disclosure to the Legislature early this year, he said his service on the marketing board began in September of 2003.

He told the Daily News that's when the secretary of commerce appointed him to the board

STEVENS: *Disclosure fleshed out*

Continued from B-1

"and it didn't become organized until the papers were filed and on record with the state."

Miles said he should have reported the information both years.

"If you're on a board, whether it's Alaskan or not, you're required to put it down," she said. "The statute doesn't say it has to be incorporated in Alaska."

Stevens said he is being unfairly singled out.

"The APOC filings are so complex and so convoluted nobody understands what you're supposed to file with them," he said. "You ought to go look through all 60 legislative APOC filings and compare them to the ones I filed and see who files them more accurately than me."

FBI - Stevens-345

194A-AN-13620-~~423~~ M-185

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

Ted and Ben Stevens seem to be target of a Daily News conspiracy

Even though we're wintering for a couple months down South, I still try and keep up with happenings in Anchorage via the Daily News. I'm totally amazed at the hatchet job the paper is continuing on the Stevenses (Ted and Ben).

As I wasn't physically present in Anchorage, I didn't think I should complain. Then I saw the Daily News ran a letter by a Bristol Bay fisherman who lives in Olympia, Wash., but claims Alaska as his "other home" ("Stevens' actions that help big oil and hurt environment will cost us," Lanny Carpenter, Dec. 9). That's too much.

Although I believe I've earned my time in the sun for some winter months, Alaska has been and will continue to be my main home. Thus, even though he doesn't need my defending, I want to send encouragement to my former boss Sen. Ted Stevens and Sen. Ben, also. Keep on keeping on, senators. I think the sour grapes and "what have you done for me lately?" letters are being generated by an intense get-Stevens network.

Those of us who know how he has always put Alaska first remember and appreciate it.

—Barb Andrews-Mee
Anchorage

(Indicate page, name of newspaper, city and state.)
B-8

Date: 12/29/2005
Edition: Anchorage Daily News Anchorage, AK
Title: Ted and Ben Stevens Seem to be Target of a Daily News Conspiracy
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or
Classification: 194A-AN-13620
Submitting Office: Anchorage

Indexing:

FBI - Stevens-346

194A-AN-13620-~~424~~ M-186

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

Stevens' ANWR drilling efforts are misguided in an oil-thirsty America

Alaska Sen. Ted Stevens took cynical opportunism to a new level this month when he persuaded GOP congressional leaders to attach a plan to open the Arctic National Wildlife Refuge to oil drilling to a must-pass defense spending bill. The Congress is deeply divided about Arctic drilling; a strong majority of Americans oppose it. Stevens and the GOP leadership turned to the defense bill because every other strategy they've used to shove Arctic drilling through Congress has failed.

It has failed because knowledgeable and informed people and politicians know that 65 percent of the world's known oil reserves are in the Persian Gulf; the United States has only 3 percent, but we account for 26 percent of the world demand. Consequently, we cannot drill our way into energy independence.

The only way out of this mess is to reduce our appetite for oil by improving the fuel economy of our vehicles (which consume 40 percent of our oil) and by relying on smarter, cleaner and renewable ways to power our economy. The oil beneath the refuge will not make this country any less dependent on foreign oil. Clearly, our country is addicted to oil and fossil fuels. When you're addicted to something, you don't go looking for a pusher, you look for therapy.

—David Lien
Colorado Springs, Colo.

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

B-8

Date: 12/29/2005

Edition: Anchorage Daily News Anchorage AK

Title: Stevens' ANWAR Drilling Efforts are Misguided in an Oil-Thirsty America

Character: or

Classification: 194A-AN-13620

Submitting Office: Anchorage

Indexing:

FBI - Stevens-347

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(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.)
B-7

Date: 12/29/2005
Edition: Anchorage Daily News Anchorage, AK
Title: Alaska Highway Gas Line Will Make The Most Money
Character:
or
Classification: 194A-AN-13620
Submitting Office: Anchorage

Indexing:

ALASKA HIGHWAY GAS LINE WILL MAKE THE . . .

Most money

CAN THE SO-CALLED "all-Alaska pipeline" really provide more benefit to the state than the Dalton and Alaska highways pipeline proposed by the North Slope producers?

One of of the world's leading ship and cargo brokerage firms doesn't think so. A recent issue of the Poten & Partners newsletter on liquefied natural gas issues reports that: "Even assuming markets could be found and producers dragged on board, the LNG project would be hard pressed to compete on fundamentals due to its high price tag."

New York-based Poten & Partners is a highly regarded worldwide firm that provides brokerage and consulting services to oil companies, shipowners, maritime agencies, financial institutions and shipping ventures.

The firm's newsletter said that the pipeline/LNG project being pushed by the Alaska Gasline Port Authority has major obstacles in its way, especially its high cost relative to the amount of gas it could ship to market.

The authority claims the motherhood title of "the all-Alaska pipeline" though much of the investment would be in tankers that would be built outside the state and facilities that would be fabricated elsewhere and assembled here.

The Poten & Partners newsletter noted that: "Proponents say the project's difficulties could be overcome if Juneau pledged its royalty gas, agreed to invest $4 billion in the venture and forced the producers to sell it gas." But it said even those provisions would not be enough to tip energy economics in favor of the authority's pipeline/LNG project.

Another advantage to the Alaska Highway line is that a portion of the gas it carries could be used to fill a growing need for gas fuel in development of Alberta's tar sands industry. The newsletter said the bottom-line consideration and the one most likely to tip the scales in favor of the producers' line "is that the (Alaska Highway) pipeline makes the most money for the state."

FBI - Stevens-348

M-188
194A-AN-13620-426

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

Alaskans, lawmakers can be trusted to pick the best gas pipeline project

OK, maybe it is just my background as an economics analyst, but I still don't understand why Gov. Frank Murkowski would want Alaskans and the Legislature to only evaluate one gas pipeline project when three projects exist.

The governor is correct: Both the Alaska Gasline Port Authority and the Trans-Canada proposal have stumbling blocks. But so does the producers' proposal.

Governor, trust Alaskans. Allow the Legislature to do our job. Provide all three proposals and all their information to the public and the Legislature. If the producers' highway route is the best for Alaska, we will come to the same conclusion as you have.

—Sen. Gretchen Guess
Anchorage

(Indicate page, name of newspaper, city and state.)
B-8

Date: 11/25/2005 Friday
Edition: Anchorage Daily News
Anchorage, AK
Title: Alaskans, lawmakers can be trusted to pick the best gas pipeline project,
Character:
or
Classification: 194A-AN-13620
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FBI - Stevens-349

M-189

194A-AN-13620-~~427~~

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

(see attached)

(Indicate page, name of newspaper, city and state.) KTUU website Channel 2 Broadcasting

Date: 01/09/2006

Edition: monday

Title: Modular Construction Growing in Alaska

Character: or Classification: 194A-AN-13620

Submitting Office: Anchorage

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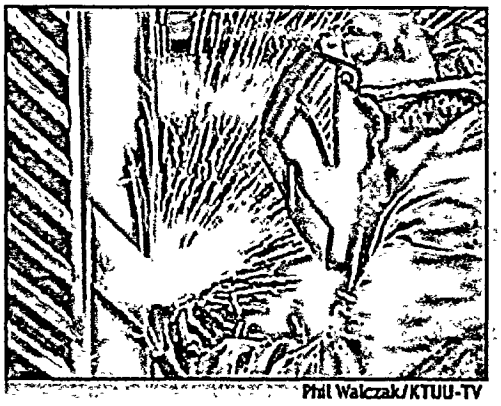
FBI - Stevens-350

194A-AN-13620-~~428~~ M-190

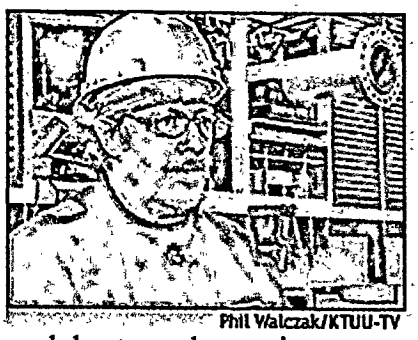
Modular construction growing in Alaska

Monday, January 9, 2006 - by Rhonda McBride


Phil Walczak/KTUU-TV

Point MacKenzie, Alaska - Hopes are high that a modular construction center at Port MacKenzie will keep jobs flowing far into the future. Years ago, this kind of work was exported outside Alaska. But modular construction is becoming a home-grown industry.

It's like the Fourth of July at Port MacKenzie, but instead of bombs bursting in air, sparks are flying everywhere. And the workers feel like they have a lot to celebrate.


Phil Walczak/KTUU-TV

"Great. I don't have to go to Anchorage. And I don't have to go to the slope. As you can see it's, what, 35 degrees out today. Beats 30 below any day," said Jerry Delaney, VECO Inc (left).

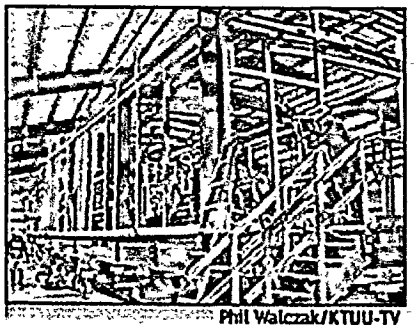
Jobs closer to home are just one way to gauge the benefits of this project, a partnership between VECO and the Alutiiq Corporation. Together they're building multi-million-dollar modules for the trans-Alaska oil pipeline, modules to replace aging pump stations with high-tech systems and it's designed to make managing the flow of oil in the pipeline more efficient.

And then, there's the flow of jobs. It looks like there's a pipeline in the works for more modular construction.

Phil Walczak/KTUU-TV

"We see it growing. And we see it as a good steady business for this particular facility out here," said Jim Erikson, CEO of Afognak Native Corporation (right)

"Well, the applications for a gas pipeline or any other new development in Alaska are tremendous," said Tom Maloney, VP of business development of VECO.


Phil Walczak/KTUU-TV

With the prospect of a gas pipeline, the location at Port MacKenzie, complete with a ferry and bridge in the works the chips seem to be falling in place.

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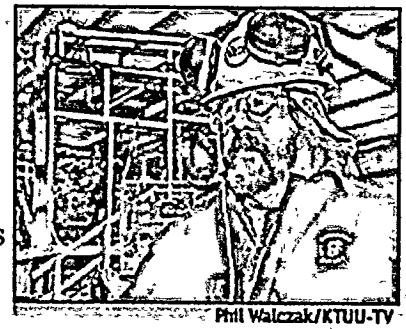
"These are technical jobs here. Welders. Mechanical engineers that are working to assemble these modules. They're very complex," said Mark van Dongen, director of Port MacKenzie.

Alutiiq Corporation, a subsidiary of the Kodiak-based Afognak Corporation, originally built this facility to make pre-fab homes. But partnering with VECO to make pump station modules has given Alutiiq workers a wider range of skills

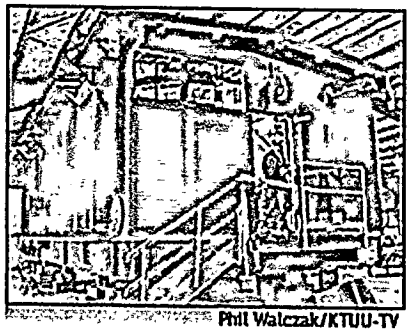
194A-AN-13620

that could lead to future work on the pipeline, like operating and maintaining these systems.


Phil Walczak/KTUU-TV

"A young person coming in here has a tremendous opportunity looking ahead on their career, if they can stay with it," said Bruce Weisman, VECO welding specialist (right).

When the oil pipeline was first built, much of the work was done out of state. One of the biggest obstacles was Alaska's high wages. Since then, VECO has built about 500 modules, proving over time that Alaska has the skilled workforce and productivity to make building modules within in the state economically feasible.


Phil Walczak/KTUU-TV

Watching the rise of the pre-fab construction industry is like watching a giant LEGO project come together. Only, each of these units weighs about 132,000 pounds. When the pump station module is done, it'll be a complete building that will be trucked up in its entirety to Delta Junction. Moving these units will create jobs as well.

Right now, it looks like the framework of economic development is in place. Some say it won't be long before it's fleshed out.

Phil Walczak/KTUU-TV

"I think you'll see this whole area all the way up to Big Lake, over the next 15 or 20 years, expand into similar to what we have in Eagle River, a residential area, with people living in those homes, commuting down to the port district to work," said van Dongen.

Looking at the growth across the inlet, perhaps this vision isn't so far fetched.

Port MacKenzie modules will be installed later this year. There are a total of 12 pump stations along the pipeline. One way to look at the significance of this project, VECO says, every drop of oil flowing from the North Slope will run through these pump stations. As for the economic impact, the project has created about 30 new jobs in the Mat-Su Valley.

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FBI - Stevens-352

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

(see attached)

(Indicate page, name of newspaper, city and state.)
KTUU website
Channel 2 Broadcasting

Date: 01/27/2006
Edition: Friday

Title: Consultant May Have Had Hand in Irwin Memo

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

Indexing:

FBI - Stevens-353

M-191

194A-AN-13620-~~429~~

Consultant may have had hand in Irwin memo

Friday, January 27, 2006 - by Bill McAllister

KTUU File

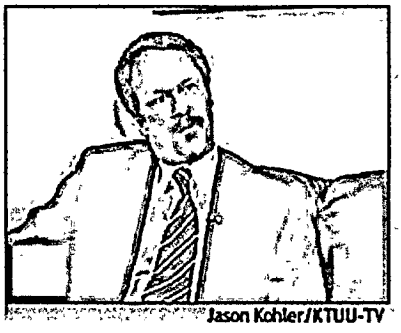
Juneau, Alaska - Three months after he left state government, Tom Irwin's memo on gas pipeline negotiations is still having repercussions in Juneau. There's an accusation that Irwin had a co-author who works for the state Legislature.

Former Department of Natural Resources commissioner Tom Irwin lost his job by sending a now famous memo to the attorney general, questioning whether Gov. Frank Murkowski's approach to negotiating a natural gas pipeline is legal. Murkowski released that memo to the public, saying it was not protected by attorney-client privilege, partly, according to the governor, because Irwin had outside help in writing it.

Jason Kohler/KTUU-TV

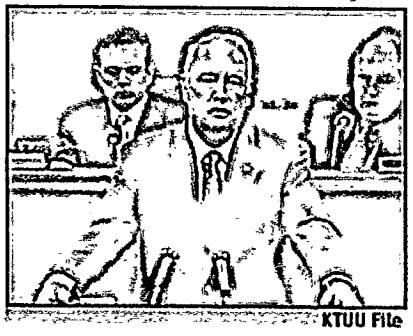
Now legislators say they've been told who the administration thinks it was, Bonnie Robson, a consultant on the gas pipeline for the Legislative Budget and Audit Committee.

"I think they were upset, the administration was upset; of just the thought that an employee of the Legislature would be quote-unquote out to get them," said Rep. John Harris, R-House speaker (left).


Jason Kohler/KTUU-TV

Sen. Gene Therriault, chairman of Legislative Budget and Audit Committee, and Rep. Ralph Samuels, the vice chair, this week decided not to delegate further work to Robson, based on e-mails and other documents that the administration says it found on DNR computers.

"It was enough for us to suspend. Was it a completely black and white? My opinion is no. But we can't handle even the appearance of a conflict," said Samuels (right).


KTUU File

Rep. Eric Croft says he doubts Robson was involved. Croft blamed the Murkowski administration for eliminating Robson from discussions on the gas pipeline.

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"They're going to purge the legislative branch too, now? It's really sad," said Croft.

Croft says the problem is that the state is losing people capable of standing up to the best lawyers and accountants the oil industry can hire.

"If we're now continuing this purge to clear out the

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legislative branch of people who know what they're talking about, know what the industry does, are really good in their field, we're going to be left defenseless in a negotiation. We need to keep these people even when they disagree. In fact, particularly when they disagree," said Croft (right).

While a gas pipeline deal remains pending, many of the players continue to let off steam.

KTUU-TV was unable to reach Robson or Irwin for comment. A spokeswoman for Murkowski declined comment, on the grounds that the Robson matter is an internal issue of the Legislature.

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http://www.ktuu.com/

FBI - Stevens-355

FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) B-3 Anchorage Daily News Anchorage, AK

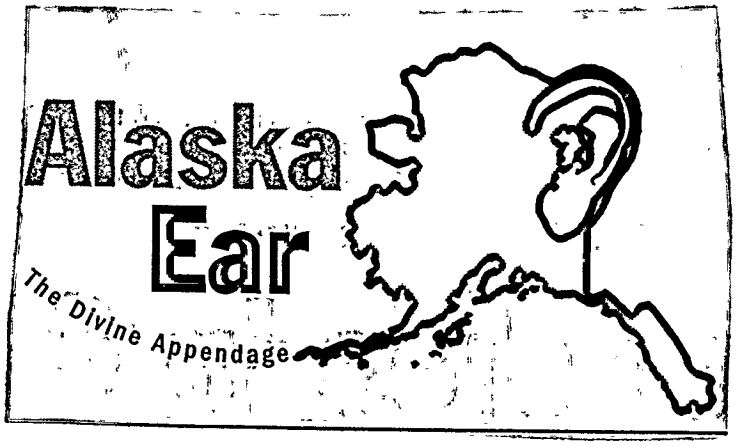
(Mount Clipping in Space Below)

Date: 05/08/2005
Edition: Sunday

Title: ALASKA EAR ARTICLES

Character:
or
Classification: 194A-AN-13620 I244
Submitting Office: Anchorage

Indexing:



Well, darlings, gossip is a little thin on the vine this week. With the Legislature in its final agony, all the great Ear items are on the front page disguised as news. With Murky's no-fee visit to the DMV office, the Republican Moderate Party's recall of Ben Stevens initiative, and Croft's no going outside Alaska for sex, what's left for a poor lobe?

Well, maybe a few tidbits. Starting with the Web site address of the RMP's attack on Stevens, which includes an animated Ben bending over to get his bare butt spanked: www.RepMod.info. Read about it yourself.

QUESTIONS ... Which Anchorage House member stepped out in the hall during debate on the Card Room bill and groused about being late to his poker game because he had to stick around to vote against the bill?

Is Ear the only lobe who finds it ironic that legislators spent State Employees Recognition Day figuring out how to ball-peen new state employees by setting their retirement program on fire? It's not as bad as it seems, though. Ear hears the governor handed out free ice cream in the state office building.

CODE ... Lite Gov. Loren Leman has been spotted around the Capitol wearing a navy blue baseball cap from the U.S. Air Force Academy, which his son attends. Plus an AF lapel pin. Asked by a lobbyist what the AF stood for, Loren, ever the merry jokester, pretended to check for eavesdroppers then whispered, "Anti Frank."

NO SCOOP ... A letter to the editor in Friday's Juneau Empire castigates "the man in the dark blue business suit" for failing to scoop the poop of a black Lab he let run free in the Capitol School playground on April 26. "I picked up the large pile of feces your dog left in the grass near where all the kids were playing," wrote Jamison Paul of Douglas.

Earwigs who never leave poop unattended identify the suit as our own Tom Anderson, who walks the black Lab for his sweetie, Crash McGuire.

A VIEW OUTSIDE ... The Statesman-Journal in Salem, Oregon's capital, labeled Uncle Ted, and presumably all us AKers, losers in its "Winners and Losers" editorial column on Friday:

"Want to know where your federal tax dollars go? As much as $1.5 million will pay for a new bus stop at the Anchorage Museum of History and Art. That pork is courtesy of Alaska's powerful Republican senator, Ted Stevens. But don't worry. Anchorage's director of public administration said that he will be frugal with the money. 'If it only takes us $500,000 to do it, that's what we will spend,' Tom Wilson told The Associated Press."

JET FANS ... In the face of near universal objection to Governor Frank leasing himself a jet and hiring a couple of jet pilots, there is apparently a group of dedicated pro-jet fans: Alaska Airlines flight attendants.

Earwigs from the friendly skies report that attendants who have to deal with Frank as a passenger are rooting for him to get his own plane so he

SEARCHED ____ INDEXED ____
SERIALIZED ____ FILED ____
JUN 17 2005
FBI - ANCHORAGE

FBI - Stevens-356

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doesn't have to fly Alaska anymore. He reportedly pitches a fit if there's no first class seat for him (Are we buying him first-class seats every time he flies? Surely not.) and manifests a compelling "sense of entitlement" with staff.

Knowles and Mystrom were just the opposite, one stew reports. They were easy to deal with, always rode coach, and wouldn't accept an upgrade if it was offered. Same with Begich. Actually, same with Theresa, the earmite claims.

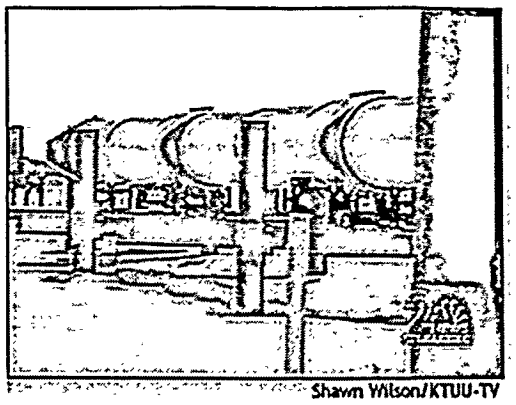
FLYING FACTOID ... A letter from Pacific Northern Academy arrived with a familiar signature: **Bob Christal**, former Anchorage School District superintendent, now "Head of School" for the private academy.

KUDOS ... ADN writer **Peter Porco** got one of those Rasmuson Foundation artist's awards. He plans to write a play. Performance artist **Angela Ramirez** was another winner.

—Compiled by Sheila Toomey

Former DNR workers call rushing gas pipeline deal a mistake

Saturday, April 15, 2006 - by Dan Fiorucci


Shawn Wilson/KTUU-TV

Anchorage, Alaska - In Anchorage Saturday, there is an urgent warning not to rush a critical natural gas pipeline deal on the North Slope. That warning comes from three former Alaska Department of Natural Resources workers who quit top state jobs in disgust last November. The three are worried Alaska may be getting a raw deal.

Prudhoe Bay is run by Conoco Phillips, Exxon Mobile Corporation and BP Exploration (Alaska) Inc. and not only is it the greatest oil field ever discovered in North America, it's also this continent's greatest natural gas field.

Negotiate the natural gas contract wrong, the former DNR officials say, and you could short-circuit Alaska's entire economic future.

"As things move forward in Juneau, it is time to provide as much public information as we can," said Mark Myers (right), former deputy commissioner of the Alaska Department of Natural Resources.

Shawn Wilson/KTUU-TV

The three former DNR managers are worried, worried that the governor and the Legislature are in a big hurry trying to get a natural gas pipeline deal before the November elections.

Saturday, Marty Rutherford, Dick Lefebvre and Mark Myers said a fast deal would be a mistake. They likened it to a private person going to a car dealership and letting the salesman know he must buy a car this afternoon.

Shawn Wilson/KTUU-TV

"The Alaska portion, let's say a 10, $12 billion project," said Rutherford (left), former deputy commissioner of the Alaska Department of Natural Resources.

These three say that if you let the salesman know how anxious you are, you're going to get taken advantage of, whether you're trying to get a car or a gas pipeline.

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"The state started to make severe concessions to the producers, concessions that we felt were both not legal or allowed under the Stranded Gas Act and they also were not needed for the project," said Myers.

Now this coming Wednesday, the state Legislature is set to vote on Senate Bill* 316, a bill which would severely limit judicial review of any pipeline deal.

Myers, Lefebvre and Rutherford believe passage of that bill would be a mistake, that the gas

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pipeline needs lots of review from the judiciary, the Legislature and the people.

With natural gas fields in Russia, Indonesia, the Middle East and Australia all coming on line, some ask, "If Alaska waits to build a natural gas pipeline, don't we risk losing markets for our gas?" Not according to the three former DNR officials. They say that liquefied natural gas can only come to America from overseas markets through some limited harbors. They say that Alaska gas fed by pipeline has cost advantages over both foreign liquefied natural gas and over declining gas fields in the lower 48. Alaska, they contend, can afford to wait for the right deal.

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FBI - Stevens-359

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

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

Date: 08/14/2005
Edition: SUNDAY

Title: EFFORTS TO RECALL SEN. BEN STEVENS ARE AN AFFRONT TO OUR DEMOCRACY

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

Indexing:

Efforts to recall Sen. Ben Stevens are an affront to our democracy

Efforts to recall Sen. Ben Stevens are an affront to those who take positions in a democracy and attempt to debate them ("Effort to recall Stevens finds support in police," Aug. 5). To start a recall effort against state Sen. Stevens simply for promoting using earnings from the Alaska Permanent Fund is outrageous.

We must, in a democracy, be able to talk about things and take positions on matters that are important, even if a majority do not go along with them. That kind of leadership and dialogue is critical to a free society. The measure that would have used Permanent Fund earnings would have used them on important economic development and education projects around the state. That is an appropriate use of fund earnings. Moreover, to attempt to recall any legislator for using Permanent Fund earnings is ridiculous because the Legislature has appropriated billions from the Permanent Fund's earnings since the fund has been in existence.

Finally, recall of a sitting elected official is a drastic measure that should only be rarely used for serious offenses. The purported reasons given by those individuals and the one union associated with this misguided recall effort are so weak that to latch onto this recall as a signator would be to give credit to those who seem to be interested only in promoting their own egos and agendas, and not to better our state or system of governance.

—*Rep. Bruce B. Weyhrauch*
House District 4
Juneau

8/14/05

194A-AN-13620

FBI - Stevens-360

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

August 24, 2005

Anchorage Daily News ★ 194A-AN-13620

JUNEAU

Complaint about consulting work of Senate president is dismissed

The Alaska Public Offices Commission staff has dismissed a complaint that Senate President Ben Stevens failed to properly explain in public filings what he does to justify hundreds of thousands of dollars a year in consulting fees.

Stevens, a South Anchorage Republican, has been required to file annual financial disclosures since joining the Legislature in 2001. They show that his business, Stevens and Associates, has collected over $1.3 million during that time. Clients include fishing industry interests and Veco, a politically active Anchorage construction firm.

Stevens describes his business activity in the filings as "consulting services" or "business services."

Ray Metcalfe, the head of the Republican Moderate Party who is also leading a recall attempt against Stevens, complained that those descriptions were too vague.

His complaint said the public needs to know whether "legitimate" work was performed.

The response from the public offices commission staff, signed by assistant director Christina Ellingson, said Stevens' descriptions were enough to satisfy the state laws governing financial disclosures.

"While it is true that the term 'consultant' is not very specific, we conclude it satisfies (Alaska statutes)," the response said.

Metcalfe has a right to appeal the staff's decision to the full public offices commission. He said he would do so and also take the matter to superior court if necessary.

—*Anchorage Daily News*

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

Date: 08/24/2005
Edition: WEDNESDAY

Title: COMPLAINT ABOUT CONSULTING WORK OF SENATE PRESIDENT IS DISMISSED

Character:
or
Classification: 194A-AN-13620-M -195
Submitting Office: Anchorage

Indexing:

FBI - Stevens-361

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

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

Date: 09/25/2005
Edition: SUNDAY

Title: IF YOU'RE UPSET AT BEN, VOTE HIM OUT

Character:
or
Classification: 194A-AN-13620-M -196
Submitting Office: Anchorage

Indexing:

If you're upset at Ben, vote him out

We don't need another Exxon Valdez, we need another Special Olympics. I would like to apply now to be Ben Stevens' personal assistant. Didn't he take home more than half a million from the last one?

As fun as this Ben bashing has been, your voice would be better heard on the next ballot. Think you can retain the indignation until then?

—*B. MacMillan*
Anchorage

9/25/05 ADN

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FBI - Stevens-362

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

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

Date: 10/14/2005
Edition: FRIDAY

Title: FISHY MARKETING BOARD HAS FUNKY SMELL OF STEVENSES ALL OVER IT

Character:
or
Classification: 194A-AN-13620-M -197
Submitting Office: Anchorage

Indexing:

'Fishy' marketing board has funky smell of Stevenses all over it

In the Daily News Oct. 6 was a front-page article titled "Salmon jet lures fund questions." The basic question is, how has $29 million been spent for far? The Alaska Fisheries Marketing Board is, by law, required to submit an annual report detailing its expenditures to the secretary of commerce. The board's executive director, Bill Hines, said he is not allowed to release the report to the public. "A lot of that information is confidential and proprietary, he said." What is confidential and proprietary about how the public's money is spent?

Oh, oh, the board's chairman is state Sen. Ben Stevens. Wow, no wonder the public does not have a right to know how the $29 million has been spent. Mr. Ben's father is our U.S. Sen. Ted Stevens, who created this board.

This fishy board has no official, functional Web site and some of this board's meetings have been open to the public (some), but the locations and meeting times aren't published. Now that is very strange. Are you dudes doing any hiring?

There are many other details the Daily News article touches on, but I've got to stop because I'm having trouble with the smell of this. I sure hope the Daily News keeps digging into this kettle of fish.

—*Alt Haug*
Anchorage

FBI - Stevens-363

FBI - Stevens-364

In Alaska, an Oil Player Loses Favor

VECO Gets Chilly Treatment From Once-Friendly Politicians As FBI Probe Jolts Statehouse

By JIM CARLTON

ANCHORAGE, Alaska—The oil industry has long enjoyed a cozy relationship with the state government here—not to mention the residents, who receive an annual dividend from the industry.

A Federal Bureau of Investigation probe of influence peddling—which has focused on one of the oil industry's most powerful players—is shaking up those ties.

At the center of the turmoil is closely held VECO Corp., the state's largest oil-services company, which has provided construction, engineering, management and other services for pipelines, refineries and other facilities.

VECO has long been one of Alaska's most prodigious campaign contributors; Chairman Bill Allen and top VECO executives have donated a total of more than $1 million to state campaigns since 1998. A year ago, a witness saw Mr. Allen in the gallery of the state legislature passing notes to a Republican politician backed by the company—at the same time that legislators were debating a measure to cut taxes on the industry.

In August, FBI agents swarmed into legislative offices throughout the state seeking evidence of payments to state lawmakers by Mr. Allen and his executives, according to a warrant. Since then, a cloud from the investigation has hung over the state's capital, Juneau.

In recent months, a number of Alaska politicians have publicly distanced themselves from VECO and refused to take any donations from it. The new governor, Republican Sarah Palin, made a refusal to accept any VECO donations part of her platform when she challenged former Gov. Tony Knowles—a Democrat who had made a similar pledge.

No VECO executives have been charged in the probe. FBI officials and Mr. Allen declined requests for comment. Amy Menard, an Anchorage attorney representing VECO, said, "There is no question that VECO and some VECO executives have always, from day one, had an interest in politics. But to suggest that there has been improper or inappropriate political contributions is an unfair charge."

In December, one state official was charged in connection with the influence-peddling investigation. The legislator, Tom Anderson, was indicted by a federal grand jury in Anchorage on charges of extortion, conspiracy, bribery and money laundering stemming from an FBI undercover operation in the case. Mr. Anderson, who had accepted campaign contributions from Mr. Allen and other VECO executives, faces up to 115 years and fines of up to $2.5 million. He has pleaded not guilty.

It isn't clear whether his case was related to VECO, nor whether the investigation extends beyond the company. It isn't clear what spurred the initial investigation. According to the search warrants executed in August on offices of VECO and six state legislators, FBI agents were authorized to seize documents relating to VECO, Mr. Allen and several other VECO officials.

VECO Corp. at a Glance

Headquarters: Anchorage, Alaska

Employees: about 5,000 world-wide

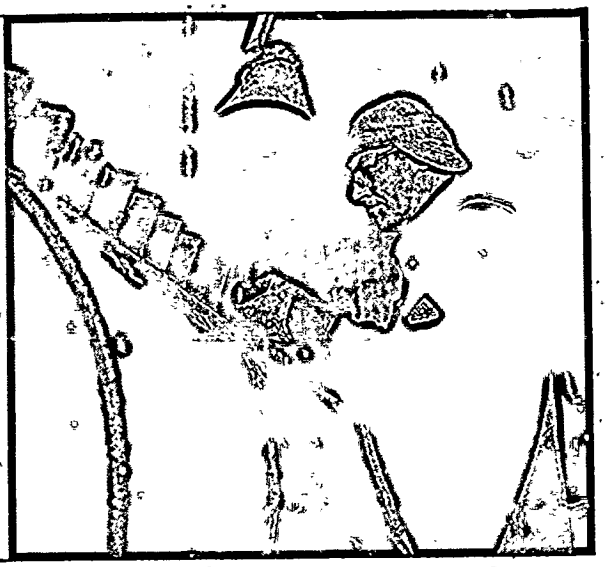
Value of contracts: Managing projects totaling in excess of $5 billion

Business Sectors Include

- Oil and gas pipelines and terminals
- Power and chemical plants
- Federal infrastructure projects

Services Include

- Engineering
- Construction and management
- Inspections



Worker repairs a steel sleeve at the VECO fabrication shop in Deadhorse, Alaska.

Source: the company

For years, regulators paid relatively little attention to the industry here. As the nation's energy supplies have become more uncertain amid political tensions around the world, the Bush administration and its allies have made tapping Alaska's oil reserves a top energy strategy. That has brought attention to the once oil-friendly political scene in Alaska.

The Environmental Protection Agency last year launched a criminal probe into BP PLC's maintenance of its aging oil facilities at Alaska's Prudhoe Bay. BP was forced to shut down the giant oil field for several days during the summer. EPA officials launched a criminal inquiry into corrosion problems on the 800-mile Trans-Alaska Pipeline, which ferries crude across the state to the ice-free port of Valdez, Alaska. The investigations are continuing.

Mr. Allen, who arrived in Alaska in 1968 as a high-school dropout from New Mexico, has built VECO into an oil-services giant, with more than 5,000 employees and $5 billion in world-wide contracts. It has helped companies like BP and ConocoPhillips construct pipelines, transport equipment and design oil-field power plants.

Along the way, the 69-year-old has fashioned himself into one of the state's formidable, behind-the-scenes political forces. From early in his career, he has talked about making sure the oil industry's views are represented in the state capital—and sometimes gotten in hot water.

In 1983, Mr. Allen co-founded a political-action committee to support five Republican legislative candidates who promised to hold down taxes on the oil industry. VECO and some of its subsidiaries then set up a payroll-deduction plan through which employees donated about $40,000 to the candidates, according to state documents.

Two years later, the Alaska Public Offices Commission fined VECO $72,660, saying the employee contributions weren't properly disclosed. The fine later was reduced to $28,000 on appeal by VECO. The candidates Mr. Allen recommended all went on to win, and later helped vote down a proposal by Democrats to increase taxes on the industry.

In 2002, Mr. Allen spent so much time personally lobbying for legislation in Juneau that state regulators ordered him to register as a professional lobbyist. Mr. Allen complained, saying he considered contacts with legislators his right as a businessman. Soon afterward, the legislature passed a law that critics dubbed "the Bill Allen bill." The law increased the time someone could spend pushing for legislation before being considered a lobbyist to 40 hours each month from four hours—effectively exempting Mr. Allen from registering as a lobbyist.

In early 2006, then-Gov. Frank Murkowski presented a proposal to give oil producers a tax break as an incentive to build a natural-gas pipeline that would ship an estimated $20 billion of natural gas from the state's North Slope field. Democrats argued that Alaska would be giving away millions in potential revenue. Mr. Allen took up residence in Juneau to help push for the measure. Though it failed to pass in the regular session, it was approved in a special session last summer.

In his December indictment, Mr. Anderson was accused of accepting $26,000 in payments from a consultant for a private corrections company. In return, the indictment claims he agreed to perform unspecified "official acts" to help that person's business, according to a Justice Department news release. The consultant was working as a confidential informant for the FBI.

Federal officials won't discuss the case nor say whether it ties into VECO. But Mr. Allen and VECO did lobby for a private prison in Alaska in 2002. Though much of VECO's business is with the oil industry, the company does other work, including building prisons.

Mike Chenault, a Republican state legislator who co-chairs the House finance committee, said he has voted for oil-industry bills backed by Mr. Allen, but not because he received money from him or anyone else. He professed an admiration for the VECO chairman, who got his start in Alaska in the legislator's district on the Kenai Peninsula. "He's actually fulfilled the Alaskan dream to come up here and do well," Mr. Chenault said.

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FBI - Stevens-365

In Alaska, an Oil Player Loses Favor

VECO Gets Chilly Treatment From Once-Friendly Politicians As FBI Probe Jolts Statehouse

By Jim Carlton

ANCHORAGE, Alaska—The oil industry has long enjoyed a cozy relationship with the state government here—not to mention the residents, who receive an annual dividend from the industry.

A Federal Bureau of Investigation probe of influence peddling—which has focused on one of the oil industry's most powerful players—is shaking up those ties.

At the center of the turmoil is closely held **VECO** Corp., the state's largest oil-services company, which has provided construction, engineering, management and other services for pipelines, refineries and other facilities.

VECO has long been one of Alaska's most prodigious campaign contributors; Chairman Bill Allen and top VECO executives have donated a total of more than $1 million to state campaigns since 1998. A year ago, a witness saw Mr. Allen in the gallery of the state legislature passing notes to a Republican politician backed by the company—at the same time that legislators were debating a measure to cut taxes on the industry.

In August, FBI agents swarmed into legislative offices throughout the state seeking evidence of payments to state lawmakers by Mr. Allen and his executives, according to a warrant. Since then, a cloud from the investigation has hung over the state's capital, Juneau.

In recent months, a number of Alaska politicians have publicly distanced themselves from VECO and refused to take any donations from it. The new governor, Republican Sarah Palin, made a refusal to accept any VECO donations part of her platform when she challenged former Gov. Tony Knowles—a Democrat who had made a similar pledge.

No VECO executives have been charged in the probe. FBI officials and Mr. Allen declined requests for comment. Amy Menard, an Anchorage attorney representing VECO, said, "There is no question that VECO and some VECO executives have always, from day one, had an interest in politics. But to suggest that there has been improper or inappropriate political contributions is an unfair charge."

In December, one state official was charged in connection with the influence-peddling investigation. The legislator, Tom Anderson, was indicted by a federal grand jury in Anchorage on charges of extortion, conspiracy, bribery and money laundering stemming from an FBI undercover operation in the case. Mr. Anderson, who had accepted campaign contributions from Mr. Allen and other VECO executives, faces up to 115 years and fines of up to $2.5 million. He has pleaded not guilty.

It isn't clear whether his case was related to VECO, nor whether the investigation extends beyond the company. It isn't clear what spurred the initial investigation. According to the search warrants executed in August on offices of VECO and six state legislators, FBI agents were authorized to seize documents relating to VECO, Mr. Allen and several other VECO officials.

VECO Corp. at a Glance

Headquarters: Anchorage, Alaska

Employees: about 5,000 world-wide

Value of contracts: Managing projects totaling in excess of $5 billion

Business Sectors Include

- Oil and gas pipelines and terminals
- Power and chemical plants
- Federal infrastructure projects

Services Include

- Engineering
- Construction and management
- Inspections

AP

Worker repairs a steel sleeve at the **VECO** fabrication shop in Deadhorse, Alaska.

Source: the company

For years, regulators paid relatively little attention to the industry here. As the nation's energy supplies have become more uncertain amid political tensions around the world, the Bush administration and its allies have made tapping Alaska's oil reserves a top energy strategy. That has brought attention to the once oil-friendly political scene in Alaska.

The Environmental Protection Agency last year launched a criminal probe into BP PLC's maintenance of its aging oil facilities at Alaska's Prudhoe Bay. BP was forced to shut down the giant oil field for several days during the summer. EPA officials launched a criminal inquiry into corrosion problems on the 800-mile Trans-Alaska Pipeline, which ferries crude across the state to the ice-free port of Valdez, Alaska. The investigations are continuing.

Mr. Allen, who arrived in Alaska in 1968 as a high-school dropout from New Mexico, has built VECO into an oil-services giant, with more than 5,000 employees and $5 billion in world-wide contracts. It has helped companies like BP and **ConocoPhillips** construct pipelines, transport equipment and design oil-field power plants.

Along the way, the 69-year-old has fashioned himself into one of the state's formidable, behind-the-scenes political forces. From early in his career, he has talked about making sure the oil industry's views are represented in the state capital—and sometimes gotten in hot water.

In 1983, Mr. Allen co-founded a political-action committee to support five Republican legislative candidates who promised to hold down taxes on the oil industry. VECO and some of its subsidiaries then set up a payroll-deduction plan through which employees donated about $40,000 to the candidates, according to state documents.

Two years later, the Alaska Public Offices Commission fined VECO $72,660, saying the employee contributions weren't properly disclosed. The fine later was reduced to $28,000 on appeal by VECO. The candidates Mr. Allen recommended all went on to win, and later helped vote down a proposal by Democrats to increase taxes on the industry.

In 2002, Mr. Allen spent so much time personally lobbying for legislation in Juneau that state regulators ordered him to register as a professional lobbyist. Mr. Allen complained, saying he considered contacts with legislators his right as a businessman. Soon afterward, the legislature passed a law that critics dubbed "the Bill Allen bill." The law increased the time someone could spend pushing for legislation before being considered a lobbyist to 40 hours each month from four hours—effectively exempting Mr. Allen from registering as a lobbyist.

In early 2006, then-Gov. Frank Murkowski presented a proposal to give oil producers a tax break as an incentive to build a natural-gas pipeline that would ship an estimated $20 billion of natural gas from the state's North Slope field. Democrats argued that Alaska would be giving away millions in potential revenue. Mr. Allen took up residence in Juneau to help push for the measure. Though it failed to pass in the regular session, it was approved in a special session last summer.

In his December indictment, Mr. Anderson was accused of accepting $26,000 in payments from a consultant for a private corrections company. In return, the indictment claims he agreed to perform unspecified "official acts" to help that person's business, according to a Justice Department news release. The consultant was working as a confidential informant for the FBI.

Federal officials won't discuss the case nor say whether it ties into VECO. But Mr. Allen and VECO did lobby for a private prison in Alaska in 2002. Though much of VECO's business is with the oil industry, the company does other work, including building prisons.

Mike Chenault, a Republican state legislator who co-chairs the House finance committee, said he has voted for oil-industry bills backed by Mr. Allen, but not because he received money from him or anyone else. He professed an admiration for the VECO chairman, who got his start in Alaska in the legislator's district on the Kenai Peninsula. "He's actually fulfilled the Alaskan dream to come up here and do well," Mr. Chenault said.

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re Leaves CEO Issue

limited relevant top-management op-ional experience.

Ir. Crittenden has a reputation for be-methodical and well-versed. At Ameri-Express, he ran the quarterly confer-calls on earnings for investors and ana-; most companies' CEOs handle such . He is known for his strong relation-s with American Ex-s's big institutional eholders. He was in-ed with the 2005 off of the company's ncial-advisory busi-s, now called eriprise. Global Net-k Services, the com-y's bank-card pro-ing unit, reported to

Gary Crittenden

I view his hire as pos-," said analyst Jo-n Dickerson, who follows both Citi-up and American Express for Atlantic ties in London. "I am not convinced the role at Citi will lay a clear path to CEO essorship, but Gary is certainly compe-enough."

eter Crist, chairman and CEO of Crist ociates, a small search firm in Hinsdale, said Mr. Crittenden is one of the best fi-ce chiefs in the business. But he sn't have enough experience manag-a diverse portfolio of businesses" to be in the next five years.

he finance chief's job was vacated last th, when Mr. Prince moved Sallie rcheck out of that post and into a job as of the bank's global wealth-manage-t division following the abrupt ouster s chief.

he is ever considered for the top job, Crittenden would join five other Citi-up executives as potential successors to Prince, who is also chairman: Manuel ina-Mora, head of Citigroup in Latin erica; Tom Maheras and Michael Klein, co-presidents of the corporate-and-investment bank; Ajay Banga, head of the international consumer business; and Ms. Krawcheck.

Asked in an interview if Mr. Crittenden has CEO potential, Mr. Prince didn't answer directly but said, "I wanted someone who had the potential to do even more" than be finance chief. He said Mr. Crittenden "stood out as the best of the best" of 40 internal and external candidates. The others included Alvaro De Molina, until recently Bank of America Corp.'s finance chief, and Charles Noski, a Morgan Stanley board member and former chief financial officer for Northrop Grumman Corp. and AT&T Corp., people familiar with the search say.

Mr. Crittenden has scaled steep learning curves before. When he became chief financial officer of Monsanto Co., a biotechnology-and-agricultural firm, in 1998, he knew little about genomics, he said. When he left Monsanto to become American Express's finance chief less than two years later, he likewise wasn't well versed in financial services.

Mr. Crittenden also was chief financial officer for retailer Sears Roebuck & Co., now Sears Holdings Corp., in 1997-98. Citigroup now owns Sears' U.S. credit-card portfolio. He began his career as a consultant at Bain & Co., is a Brigham Young University graduate and has a Harvard University M.B.A.

This month, Mr. Crittenden was nominated to the board of package-delivery company United ParcelService Inc. He is slated to stand for election at its shareholders meeting in May. He is on Staples Inc.'s board.

American Express yesterday named Dan Henry as acting chief financial officer while it searches for a permanent replacement. Mr. Henry has been finance chief of the company's U.S. cards business for more than six years and joined American Express in 1990 as comptroller.

tation Casinos Accepts Revised $5.5 Billion Offer

PETER SANDERS

nding nearly three months of silence e it first received a management-led out offer, Station Casinos Inc. accepted vised deal worth about $5.5 billion from oup led by the company's founding fam-nd closely held real-estate firm Colony ital LLC, according to people close to situation.

The Las Vegas-based no company's board rday voted to enter a definitive agree-

on the day the original $82 per share cash offer was announced, a signal they thought the price would go up. The accepted proposal reflects a premium of about 30% over Station's closing price Dec. 1, before the bid was disclosed.

Station Casinos, with a stock-market value of about $4.8 billion on Friday, operates 16 casinos in what is termed the "locals market" in suburban Las Vegas, which caters to area residents rather than tourists on the famous Las Vegas Strip. Much of Sta

Family Values

Station Casinos' daily closing share price

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Rise And Shine

Everyday sparkle from the Tiffany Victoria collection, marquise diamond earrings, $4,250.

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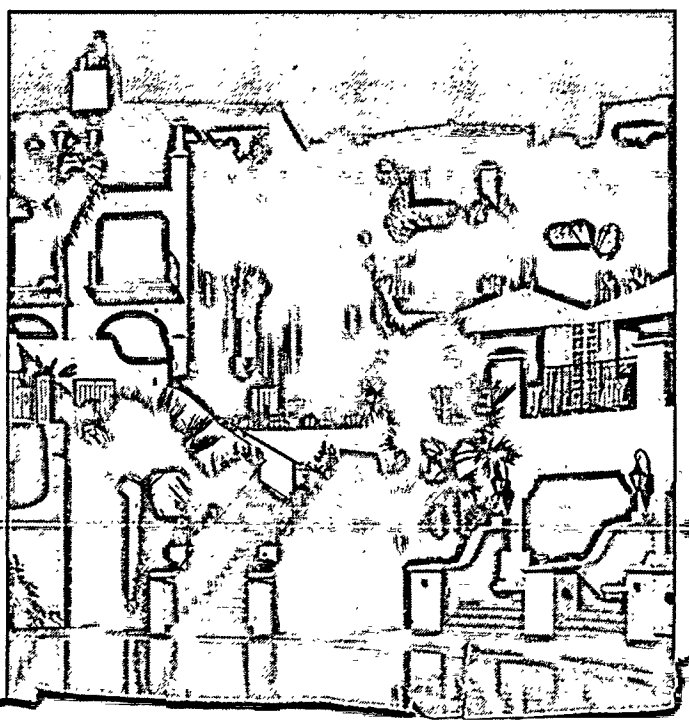

Young linked to federal investigation

By FREDERIC J. FROMMER
The Associated Press

Published: March 20, 2007
Last Modified: March 20, 2007 at 02:54 PM

WASHINGTON -- Lawmakers who championed legislation easing truck-hauling regulations said this week that they had no idea that Kenosha, Wis., businessman Dennis Troha's consulting company stood to gain financially from the legislation's passage.

U.S. Attorney Steven Biskupic said that federal investigators are looking into the deal, in which Troha will be paid by his former trucking company, JHT Holdings, through 2010 because Congress passed legislation helping the company.

The legislation, which was included as an amendment in a highway spending bill that became law in 2005, was offered by Reps. Don Young, R-Alaska, and Jim Oberstar, D-Minn., who was at the time the chairman and ranking member, respectively, of the House Transportation Committee. Both members have received more than $20,000 from Troha and his family members and associates.

In addition, Rep. Paul Ryan, R-Wis., had written to Young and Oberstar urging them to support the new regulations.

Bank records obtained by the Milwaukee Journal Sentinel show that Troha's consulting firm, T Group Consulting, received two wire transfers of more than $107,000 from JHT a month after the highway bill became law.

Troha was indicted March 1 on charges of illegally funneling more than $100,000 in campaign donations to Wisconsin Gov. Jim Doyle and the federal account of the state Democratic Party.

The indictment alleges Troha concealed the nature of the transactions in his attempt to obtain approval for a casino in Kenosha and lied to the FBI about it. Troha, the former owner of a major trucking firm now at the center of a multistate tax dispute, has pleaded not guilty.

Ryan said he has donated the $58,000 he received from Troha and his family members to the Kenosha Boys & Girls Club because of that indictment.

The new trucking regulations, which the Federal Highway Administration is scheduled to put into effect this week, will allow 97-foot-long multitruck combinations. Before that, states were allowed to impose 75-foot maximum lengths.

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A spokesman for Oberstar, who is now chairman of the House Transportation Committee, said that the congressman supported the amendment after looking into it and determining that the new rules would be safe.

"Jim has traditionally been concerned about longer vehicles," said the spokesman, John Schadl. "He took a long look at this and had to be reassured before he would allow it."

Schadl said that Oberstar meets with constituents and lobbyists all the time on issues.

"The important thing is all of these people clearly state who they are and what their agenda is," he said. "That clearly did not happen in this case, and he was very upset about it."

He added: "The congressman does feel he was misled here. A lot of people represent a lot of groups. You have to be up front."

Shadl said Oberstar was mostly lobbied by John Erickson, a JHT Holdings executive, and by the company's Washington lobbyist, Stuart Dye. Schadl said that neither of them mentioned the deal with Troha's consulting company.

Erickson said that he didn't know about the deal at the time. Dye did not immediately return a telephone message left late Monday afternoon.

The Oberstar campaign's field director, Alana Petersen, said that Oberstar will donate contributions he received from Troha, family members and associates to the U.S. Treasury's Bureau of Public Debt.

Young's office declined to comment.

Ryan described his role as providing "routine and appropriate constituent service to a large employer in my district. ... I'm as frustrated as anyone to learn that some individuals did not disclose their personal interests, which were unbeknown to me at all."

He said that he and several colleagues decided to write the letter to the committee in 2005 because they believed the change would be good public policy. Ryan argued that it will improve safety and reduce fuel consumption.

But Dmitri Iglitzin, a labor-law attorney in Seattle, said the new rule will lead to less safety, not more.

"These vehicles are one-third the size of a football field -- these are huge, huge vehicles," he said. "It's dangerous. If it loses control, you have a potential for a catastrophic accident."

He called passage of the legislation "a classic example of what's wrong with the American political system, and what's wrong with Congress."

Troha's lawyer, Franklyn Gimbel, did not return telephone messages seeking comment Monday. But he told the Journal Sentinel his client is the victim of a "media feeding frenzy."

"There is not anything in the story that suggested any criminal wrongdoing," he said.

Gimbel said none of the dealings should be questioned and the deal simply meant Troha would be able to share in any profits the company saw if the legislation were to pass. He sold his majority share in JHT in early 2005 and has since sold all ownership.

FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) B1 & B2
ANCHORAGE DAILY NEWS

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Edition: TUESDAY

Title: BRIBERY CASE DOGS CITY LOBBYIST

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

Indexing:

(Mount Clipping in Space Below)

Bribery case dogs city lobbyist

■ BILL BOBRICK: He's told others he'll face charges tied to state Rep. Tom Anderson.

By KYLE HOPKINS and LISA DEMER
Anchorage Daily News

High up in City Hall on Friday, the Anchorage Assembly talked for hours about road projects and budgets and the kind of things you usually don't sit through unless you're paid to be there. Listening from the back of the room was lobbyist Bill Bobrick.

Four months after Bobrick was linked to a federal bribery case that led to the indictment of Anchorage state Rep. Tom Anderson, he remains one of the busier lobbyists of the city. He's got to earn a living, he says to friends and acquaintances.

He also tells them his role in the bribery case is about to get bigger.

"My understanding, real clear, is that Bobrick's going to go in and plead guilty here real quick to a felony," said Assemblyman Dan Coffey.

Coffey said Bobrick told him just that after a late March town hall meeting at a local school.

> *"My understanding, real clear, is that (Bill) Bobrick's going to go in and plead guilty here real quick to a felony."*
>
> – Assemblyman Dan Coffey

Bobrick

Mayor Mark Begich, who was best man at Bobrick's wedding in 1998 and has known him for more than 20 years, said the longtime city lobbyist told him something less precise:

"He told me he was going to plead. I don't know what that means. And honestly, I didn't dive into it. That's an issue that, again, doesn't relate to the city."

Bobrick hasn't been charged with a crime. He fits the description of an un-

See Page B-2, **BOBRICK**

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Page 2

BOBRICK: *No charges are filed against him*

Continued from B-1

named conspirator described in the indictment of Anderson, who is accused of money laundering, bribery and extortion. Public records show Bobrick as owner of a company that federal prosecutors say was set up to funnel Anderson bribes. In exchange, Anderson helped promote in the Legislature a private prison and juvenile treatment facility, the indictment says. Anderson left office when his term expired in January.

Bobrick declined to be interviewed for this story.

"For the record, I would like to talk to ... it's in my nature to talk to the press," he said. "I just can't right now."

Before Anderson's indictment, Bobrick talked about getting out of the lobbying business for health reasons. He approached an Anchorage advertising firm about buying his business. But after the indictment, the deal disintegrated.

"When it wasn't as it appeared, it just fell apart and we stepped away," said Jim Lottsfeldt, owner of Lottsfeldt Smith.

As to whether Bobrick can effectively remain a lobbyist, Lottsfeldt declined to comment.

Last year, Bobrick registered to work for 12 clients, according to the city. So far this year, the list is shorter, but he still had more clients than any other registered lobbyist working before the city.

> *"For the record, I would like to talk to ... it's in my nature to talk to the press. I just can't right now."*
>
> — Bill Bobrick

One of Bobrick's employers is P. O'B. Montgomery, a firm that's developing the Glenn Square shopping center on the edge of Mountain View — a project that's expected to go before the Assembly tonight.

As of March 28, his other clients included Alaska Waste, Lantech, Marlow Development Corp. and the Cook Inlet Housing Authority, according to the city.

"We're aware of the stories that have come out," said P. O'B. Montgomery president David Irwin. "Like others who have an interest in the stories, we're kind of waiting to see what happens."

Jim Reeves, Anchorage municipal attorney, said nothing in city code prohibits a lobbyist convicted of a crime from continuing to lobby in the city.

But, he noted, a judge could restrict lobbying as part of the sentence in a criminal case.

Assemblywoman Debbie Ossiander, who represents Eagle River-Chugiak, said she was surprised Bobrick kept working after the indictment.

"Because he'd made phone calls to people and expressed some contrition, and so I thought that kind of implied that he was going to quit," she said. "And then I asked him and he said he had to keep on making a living."

Longtime Midtown Assemblyman Dick Traini said he isn't surprised Bobrick is still lobbying the city and said Bobrick has never given him a reason not to trust him.

"He's innocent until proven guilty. That's the way our government works," Traini said.

Downtown Assemblyman Allan Tesche said the same. "The question is, why wouldn't he be expected to continue to work for a living pending further developments in that case?"

Tesche said Bobrick told him that he's "in discussions" with the U.S. attorney's office.

West Anchorage Assemblyman Dan Sullivan said he isn't sure how effective Bobrick can be. Since Anderson's indictment, Bobrick hasn't approached Sullivan about Assembly business but still is "a constant presence" at meetings, Sullivan said.

"From a legislator's standpoint, it makes me uncomfortable to have him present representing clients in the Assembly chambers," he said.

Bobrick was executive director of the Alaska Democratic Party in the 1980s and later became a registered lobbyist in Anchorage. He has said he represented only clients who had city business.

In December, several Assembly members and the mayor said Bobrick called them just after Anderson was indicted and made apologies for making some type of mistake. He told people he wanted to make amends.

"He says to me on a regular basis, if this issue comes up, that he's going to do the right thing," Begich said.

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May 8, 2007

CEO of Oil-Field Firm VECO Pleads Guilty in Alaska Probe

By JIM CARLTON
May 8, 2007

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VECO Corp.'s chairman and chief executive officer, as well as one of his top lieutenants, pleaded guilty to providing more than $400,000 in illegal payments to five Alaskan state legislators in return for their political support, in a stunning fall from grace for one of the most influential players in the Alaskan oil industry.

VECO Chairman and CEO Bill Allen and Rick Smith, vice president of community and government affairs, appeared in U.S. District Court in Anchorage yesterday to enter the guilty pleas to three counts each, including extortion, bribery and conspiracy to defraud the Internal Revenue Service. Both men face maximum penalties of 20 years in prison and fines of $750,000 each. Mr. Allen is 69 years old.

MORE ON VECO

• VECO Executives Draw Deeper Scrutiny[1]
05/07/07

• In Alaska, an Oil Player Loses Favor[2]
02/26/07

• FBI Raids Alaska State Offices[3]
09/02/06

The pleas come four days after three current and former Alaskan state legislators were arrested and released on federal charges of taking bribes from two unidentified executives working for the oilfield services provider in exchange for their favorable treatment of an oil tax supported by VECO and the oil industry. Anchorage-based VECO later said Messrs. Allen and Smith were involved.

Neither man was immediately available for comment. While they were still employed at VECO as of yesterday, "the company is moving forward to take all appropriate steps in response to today's events," said Amy Menard, an attorney for VECO.

The pleas are the latest chapter in a probe that has shaken up Alaskan politics and big oil. VECO came under scrutiny eight months ago when federal agents raided offices of six legislators in a probe of alleged influence peddling in the state. The company had long been one of Alaska's most prodigious campaign contributors, with Mr. Allen and top executives having donated more than $1 million to state campaigns since 1998. The Alaska investigation is part of a broader federal crackdown on public corruption around the country.

"Today's guilty pleas highlight the FBI's continued efforts to ... root out the source of public corruption," Kenneth Kaiser, assistant director of the Federal Bureau of Investigation, said in a statement.

194A-AN-13670-M-201

Justice Department officials didn't say in a statement whether more charges were expected in the probe. All three state legislators who were arrested last week -- former state House Speaker Peter Kott, former Rep. Bruce Weyhrauch, and current Rep. Victor Kohring -- all entered pleas of not guilty. Messrs. Allen and Smith admitted to bribery and other acts of coercion involving the three state representatives, as well as with two state senators not named by officials.

But since federal officials say their probe remains ongoing, more indictments are considered likely.

Write to Jim Carlton at jim.carlton@wsj.com[4]

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SEATTLE POST-INTELLIGENCER
http://seattlepi.nwsource.com/connelly/266357_joel12.html

Passing the hat in the 'GOP Welfare State'

Wednesday, April 12, 2006

By JOEL CONNELLY
P-I COLUMNIST

With a haul of federal pork that in 2005 amounted to $984.85 for every person in the state, Alaska is a land run by crony capitalists who do their share of good -- and do awfully well -- courtesy of the federal taxpayer.

Republican Senate candidate Mike McGavick will meet some of the great fixers of the Great Land at an Anchorage fund-raiser Thursday night.

They're part of what the magazine The Washington Monthly described last year as a "GOP Welfare State," one that has drawn criticism from such conservative pundits as The Wall Street Journal's John Fund.

"Consider the controversy that just the Alaska congressional delegation has managed to stir up with the intricate web of ties between its earmarks and various relatives of the members," Fund recently wrote.

- My Brother-In-Law's Keeper: Sen. Ted Stevens' brother-in-law Bill Bittner is a sponsor of the McGavick event. Bittner has also played a major role in business deals that made Stevens a millionaire.

"An Anchorage lawyer and lobbyist, Bittner represents major business interests for whom the senator has repeatedly gone to bat," the Los Angeles Times found in a 2003 investigation.

"Stevens engineered a $9.6 million federal appropriation that chiefly benefited a Bittner client, part of South Korea's Hyundai conglomerate. Stevens tucked a single line into a must-pass appropriations bill that used federal tax dollars to buy the company out of a coal-loading facility in Seward."

- All in the Family: The Alaska congressional delegation pushed hard for the "bridge to nowhere" that will link Ketchikan to its airport, currently a six-minute ferry ride away on Gravina Island (population 50).

Congress deleted an earmark for the bridge, but Alaska was given a huge pot of highway money. Gov. Frank Murkowski OK'd the bridge and gave it a down payment of $91 million.

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The governor's wife and three siblings happen to own a 35-acre parcel of land on Gravina Island. Mrs. Murkowski has claimed they've repeatedly tried to sell it and found "no willing buyers."

Still, local officials value the plot -- one of the few private parcels on Gravina Island -- at $245,000. It sits three-quarters of a mile from the western terminus of the bridge.

Sen. Lisa Murkowski, R-Alaska, the governor's daughter, is a headline sponsor of the McGavick fund-raiser.

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• Another In-Law: A second major sponsor of McGavick's fund-raiser, Rep. Don Young, R-Alaska, championed another "bridge to nowhere" -- a $229 million span that will connect Anchorage with nearly deserted Point MacKenzie.

It'll be called Don Young's Way. The Anchorage Daily News recently reported that Art Nelson, the congressman's son-in-law, is part owner of what he called "a beautiful property" the development of which will be opened by the bridge.

Nelson told the Daily News that he talked about the land purchase with Young. Another partner in the venture is fisheries lobbyist Trevor McCabe, a former top aide to Sen. Stevens.

In turn, McCabe was formerly business partner with Stevens' son, state Sen. Ben Stevens, in a lobbying firm representing salmon fishermen.

Completing the circle, Art Nelson is chairman of the state Board of Fisheries.

• Building a Nest Egg: In 1997, Stevens invested $50,000 in a development syndicate, headed by developer Jonathan Rubini, called JLS Properties. Stevens was a self-described passive investor, whose stake grew to $250,000 as properties were bought and sold near the Anchorage Airport.

When Elmendorf Air Force Base was picked in a Pentagon program to privatize base housing, Rubini and another group of partners bid on the $450 million contract. Bittner was an investor in the Elmendorf bidding group, the L.A. Times reported.

The Rubini group apparently won the contract, only to see the Air Force renege. Stevens went to bat: A buddy on the Senate Appropriations Committee, Sen. Conrad Burns, R-Mont., threatened to take away privatization money from Elmendorf. Rubini found a new partner and got the lucrative contract.

Stevens continued as a passive investor in other Rubini ventures: According to the Times, his holdings rose to between $750,000 and $1.5 million from the initial $50,000 investment.

The Arctic Slope Regional Corp. pays $6 million a year on a 20-year lease to occupy Centerpoint I, an Anchorage office tower financed by JLS Properties.

• The Voice: The head of the giant oil services corporation Veco is on McGavick's sponsor list. Bill Allen is also publisher of Voice of the Times, an editorial voice of the defunct Anchorage Times that survives as the half of each day's Op-Ed page in the Anchorage Daily News.

The Times was famously, unabashedly prodevelopment. "The fears about damage from oil spills are like the fears of Henny Penny when she ran to tell the king that the sky was falling," one editorial stated.

FBI - Stevens-375

Curiously, however, the pro-development Voice has lately recognized that the rest of the United States is getting fed up with Alaska's pork-barrel reputation.

"As things stand, the state's reputation in Congress and on the national political stage is severely damaged," it opined recently, and called the "bridges to nowhere" catfight "but the latest problem with a national perception" of waste and greed.

Who has put Alaska in a political world of hurt? Mike McGavick should look around the room at his reception.

P-I columnist Joel Connelly can be reached at 206-448-8160 or joelconnelly@seattlepi.com.

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ALASKA STATE REPRESENTATIVE THOMAS T. ANDERSON INDICTED ON CHARGES OF EXTORTION, CONSPIRACY, BRIBERY AND MONEY LAUNDERING

WASHINGTON – A federal grand jury in Anchorage, Alaska, has indicted Thomas T. Anderson, a current elected member of the Alaska State House of Representatives, on charges of extortion, conspiracy, bribery, and money laundering, Assistant Attorney General Alice S. Fisher of the Criminal Division announced today.

The seven-count indictment returned on Dec. 6, 2006, charges Anderson with two counts of extortion, one count of bribery, one count of conspiracy, and three counts of money laundering in connection with the use of a sham corporation to hide the identity of the bribery payments. The indictment further alleges that Anderson solicited and received money from an FBI confidential source in exchange for Anderson's agreement to perform official acts to further a business interest represented by the confidential source.

The indictment also alleges that from July 2004 to March 2005, Representative Anderson, along with an individual identified as "Lobbyist A," solicited and received $26,000 in payments from an FBI confidential source, in exchange for Anderson's agreement to take official acts as a member of the Alaska State Legislature. According to the indictment, Anderson and Lobbyist A participated in the creation of a sham corporation to conceal the existence and true origin of the payments, and used the sham corporation to funnel a portion of the $26,000 to Anderson.

According to the indictment, the FBI confidential source was a consultant for a private corrections company located outside the state of Alaska, and Anderson and Lobbyist A initiated contact with the FBI confidential source in order to solicit bribery payments. The FBI confidential source, however, never communicated those solicitations or any other information to the corrections company due to the undercover nature of the operation. The corrections company was not implicated in the corrupt activities that are alleged in the indictment.

FBI - Stevens-377

If convicted, Anderson faces a maximum penalty of 20 years and a $250,000 fine on the extortion counts; a maximum penalty of 20 years and a $500,000 fine on each of the money laundering counts; a maximum penalty of 10 years and a $250,000 fine on the bribery count; and a maximum penalty of five years and a $250,000 fine on the conspiracy count.

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An indictment is merely an accusation and defendants are presumed innocent until proven guilty at trial beyond a reasonable doubt.

This case is being prosecuted by Trial Attorneys Nicholas A. Marsh and Edward P. Sullivan of the Public Integrity Section, which is headed by Acting Chief Edward C. Nucci, as well as Assistant U.S. Attorneys Joseph W. Bottini and James A. Goeke from the District of Alaska. The case is being investigated by Special Agents of the FBI.

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06-819

A project of Sunlight Foundation

Real Time Investigations
with Bill Allison and Anupama Narayanswamy

← Air Force Logs of Correspondence

An interview with a former Alaska lawmaker on the Veco scandal

Posted by Anu, May 14th, 2007 · No Comments

On May 4, federal prosecutors charged Rep. Vic Kohring, an Alaska state lawmaker, and two former statehouse colleagues, Bruce Weyhrauch, and Pete Kott, for conspiracy to commit extortion and bribery. Three days later, two top officials from the oil services firm Veco Corp., CEO Bill Allen and Rick Smith, vice president for community and government affairs, pled guilty to bribing four Alaska lawmakers—Kohring, Weyhrauch and Kott and former state Sen. Ben Stevens, the son of U.S. Sen Ted Stevens, R-Alaska.

Kohring, Weyhrauch and Kott have all pled not guilty, and Kohring has returned to his duties in the Alaska legislature.

I talked to Andrew Halcro, a former Republican lawmaker who's been very critical of his party and the influence that Veco—which is a top political donor in the state as well as a formidable lobbying presence—wields over it. Halcro served in the Alaska House of Representatives from 1999 to 2003, and ran unsuccessfully for governor in 2006, losing in a primary to Sarah Palin, who also went on to win the general election.

As a state lawmaker, Halcro was in position to observe the work of Veco executives in the state capitol. I interviewed him to get his take on the recent events; Halcro revealed that Veco's Bill Allen and Rick Smith had unfettered access to everyone in the state's legislature and were commonly seen in the hallways around the building.

Halcro shared some of his personal experiences:

I was elected in November 1998 to the state house and ran as a Republican. At the time, Veco was a big contractor and even to this day they are the "backbone of the people." They had built themselves up into this special interest group and they helped first time campaigners and got them to lean on their funding.

My real experience with them was two days after getting elected Veco had had a fundraising luncheon for me and raised about $3,000 which was 10 percent of [my] total contributions. We were to choose the party leadership that day and I get a call from Bill Allen who says, "Pete Kott should be chosen as the Speaker." I said that this was inappropriate and he bluntly told me that he had given me money when I was campaigning.

Halcro believes that he was not the only one Veco contacted during the period and that company officials also approached other first-term legislators.

Veco has also made campaign contributions to federal as well as state elected officials, including the

8004-AN-13718-SS-NY
194A-AN-13620-M-204

three members of Alaska's congressional delegation, Sen. Ted Stevens, Sen. Lisa Murkowski and Rep. Don Young, plus members from other states, including Sen. Kit Bond, R-Mo., and Sen. Tom Coburn, R-Okla. (The full story and list from the Center for Responsive Politics is here.)

Halcro noted that most of the legislators that took large contributions from Veco also support oil-drilling projects in Alaska, the top legislative priority of the company.

Halcro also recalled how the entire scandal got started. He said:

These guys wanted a $700 million tax credit on an oil tax and they didn't want it to be more than 20 percent but it was finally set at 22.5 percent with a possibility of an increase. In my last year [in the state house] 2002, Bill Allen and Rick Smith, who were not registered as lobbyists, lobbied for the tax bill and were fined. So, they came back the next year and changed the law in 2003. They were so brazen about it. They would even pass notes over the balcony.

Halcro added that Alaska's government was ill-equipped to prevent the scandal.

The main problem is that the internal public watchdog process in the state is under funded and for 10 years, the Republicans have been in power there has been no tightening of campaign finance regulations.

Tags: General Real Time

0 responses so far ↓

- There are no comments yet...Kick things off by filling out the form below.

You must log in to post a comment.

About The Project

This blog is sort of a diary of investigations, where you can follow, day by day, what my colleague, Investigative Writer Anupama Narayanswamy, and I are up to as we go about our business trying to make Congress more transparent.

An RSS Feed is available.

Recent Entries

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FBI - Stevens-380

Oil Company in Scandal Gave Outside of Alaska

• More Information About This Story
• Format to Print

VECO executives and employees have contributed $1 million to federal politicians and parties since 1989, Center finds. In Alaska, lawmakers have rushed to dump the money.

By Massie Ritsch

May 09, 2007 | The multinational oil services company at the center of a political corruption scandal in Alaska's statehouse has been a generous contributor to federal lawmakers as well, the Center for Responsive Politics has found. From 1989 through 2006, VECO, its employees and their families contributed about $1 million to current and former members of Congress from 26 states, as well as to President Bush, political parties, other committees and issue advocacy groups.

VECO has been the top Alaska-based contributor to federal politics for at least the last five election cycles, the Center found. Like most oil and gas companies, VECO is staunchly Republican; 97% of its contributions have gone to Republican interests.

The top recipients of money from the company (shown in a table below) are, not surprisingly, members of Congress representing Alaska. Rep. Don Young, a Republican who is the state's only congressman, has taken in at least $257,320 from VECO in the last 18 years through his campaign committee and political action committee. VECO has been Young's most generous campaign contributor over that period, according to CRP's research.

Alaska's senior statesman in Washington, Sen. Ted Stevens, has received at least $156,000 through his campaign and committees that he uses to support fellow Republican candidates. Stevens's son Ben, a former president of the Alaska state Senate, has been implicated in the VECO scandal. He has not been charged and denies any wrongdoing.

Two members of another prominent Alaska political family have also benefited from VECO contributions. The state's other U.S. senator, Sen. Lisa Murkowski, has received $45,250 from company employees, and her father, Frank, received at least $27,947 while he was in the U.S. Senate. Frank Murkowski appointed his daughter to take his Senate seat in 2002 after he was elected governor.

President Bush received about $24,000 from VECO employees for his 2000 and 2004 campaigns. In addition, the company itself contributed $25,000 toward a 2001 Republican fundraising dinner hosted by the president. The president's father, former President George H. W. Bush, received $9,000 from VECO employees during his unsuccessful 1992 re-election campaign.

Hawaii Sen. Daniel Inouye is the only Democrat currently serving in Congress to receive money from VECO ($15,000 in the 2004 election cycle). Sen. Christopher "Kit" Bond, a Missouri Republican, is another out-of-state member of Congress who is a top recipient of money from VECO ($10,516). A number of current members have received $6,000 or less from VECO, and some beneficiaries of VECO's largesse no longer hold federal office. The company's federal giving peaked in the 2004 cycle, when employees and their families contributed $218,600 to candidates for Congress, president and party committees.

FBI - Stevens-381

One current member of the Alaska House of Representatives and two former Republican members were indicted last week for allegedly accepting bribes from VECO in exchange for supporting the company's positions on oil and gas taxes and a natural gas pipeline. They have pleaded not guilty.

VECO's chief executive, Bill Allen, and Rick Smith, a vice president who

served as the Anchorage-based company's chief lobbyist, appeared in federal court Monday to plead guilty to paying off state legislators. In all, Allen and Smith have contributed nearly $270,000 at the federal level since 1989, the Center found. In addition to making contributions in his own name, Allen acknowledged rewarding VECO executives with bonuses as repayment for campaign contributions, which is illegal. It is unclear whether the politicians who received these contributions were state or federal officeholders.

Other than Allen's admission that he illegally rewarded employees who made contributions, no evidence has been presented publicly that VECO's donations to particular members of Congress were illegal. But no politician wants to be even tangentially associated with a corruption scandal. Several Alaska lawmakers have already dumped contributions they received from VECO, opting to donate the money to charity to avoid its taint. Members of Congress may follow suit, as they have in other scandals involving presumably legal contributions. Recipients of campaign donations from the corrupt lobbyist Jack Abramoff and his clients returned or donated more than $700,000 after Abramoff pleaded guilty to bribing officials.

Federal Recipients of VECO Contributions, 1989-2006

Recipient	Grand Total
Don Young (R-Alaska)	$257,320
Ted Stevens (R-Alaska)	$156,000
Republican National Cmte	$133,450
National Republican Senatorial Cmte	$75,000
Republican Party of Alaska	$60,170
Lisa Murkowski (R-Alaska)	$46,250
Frank H. Murkowski (R-Alaska)	$27,947
2001 President's Dinner Cmte	$25,000
George W. Bush (R)	$24,050
Richard Pombo (R-Calif)	$16,312
William L. Hensley (D-Alaska)	$16,250
Slade Gorton (R-Wash)	$15,000
Daniel K. Inouye (D-Hawaii)	$15,000
Christopher S. 'Kit' Bond (R-Mo)	$10,516
George H. W. Bush (R)	$9,000
Republican Party of Missouri	$8,000
George R. Nethercutt Jr. (R-Wash)	$7,000
Richard Burr (R-NC)	$6,000
Tom Coburn (R-Okla).	$6,000
Norm Coleman (R-Minn)	$6,000
James W. DeMint (R-SC)	$6,000
Greg Ganske (R-Iowa)	$6,000
Tim Hutchinson (R-Ark)	$6,000
John E. Sununu (R-NH)	$6,000
James M. Talent (R-Mo)	$6,000
John Thune (R-SD)	$6,000
David Vitter (R-La)	$6,000
Helen Chenoweth (R-Idaho)	$5,000
Conrad Burns (R-Mont)	$4,000
Arlen Specter (R-Pa)	$4,000
George V. Voinovich (R-Ohio)	$3,750
National Republican Congressional Cmte	$3,300
Rick White (R-Wash)	$3,000
John Ensign (R-Nev)	$2,000
Bob Beauprez (R-Colo)	$1,000
Max Burns (R-Ga)	$1,000
Jennifer Dunn (R-Wash)	$1,000
Steve Pearce (R-NM)	$1,000

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Jon Porter (R-Nev)	$1,000
Denny Rehberg (R-Mont)	$1,000
Tony Smith (D-Alaska)	$1,000
Dick Thornburgh (R-Pa)	$1,000
Jim Bunn (R-Ore)	$500
Frank A. Cremeans (R-Ohio)	$500
Barbara Cubin (R-Wyo)	$500
Democratic Party of Alaska	$500
Jim Gibbons (R-Nev)	$500
J. D. Hayworth (R-Ariz)	$500
Rick Hill (R-Mont)	$500
James B. Longley Jr. (R-Maine)	$500
Linda Smith (R-Wash)	$500
Randy Tate (R-Wash)	$500
John S. Devens (D-Alaska)	$350
Larry Craig (R-Idaho)	$200
Bob Dole (R)	$200

Grand totals include contributions to campaign committees, political action committees and parties. Based on data available April 2, 2007 from the Federal Election Commission.

CRP Researcher Douglas Weber contributed to this report.

More Information

- Campaign finance profile of Alaska (Opensecrets.org)

FBI - Stevens-383

Oil Company in Scandal Gave Outside of Alaska

• More Information About This Story
• Format to Print

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FBI - Stevens-384

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Tim Hutchinson (R-Ark)	$6,000
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James M. Talent (R-Mo)	$6,000
John Thune (R-SD)	$6,000
David Vitter (R-La)	$6,000
Helen Chenoweth (R-Idaho)	$5,000
Conrad Burns (R-Mont)	$4,000
Arlen Specter (R-Pa)	$4,000
George V. Voinovich (R-Ohio)	$3,750
National Republican Congressional Cmte.	$3,300
Rick White (R-Wash)	$3,000
John Ensign (R-Nev)	$2,000
Bob Beauprez (R-Colo)	$1,000
Max Burns (R-Ga)	$1,000
Jennifer Dunn (R-Wash)	$1,000
Steve Pearce (R-NM)	$1,000

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Jon Porter (R-Nev)	$1,000
Denny Rehberg (R-Mont)	$1,000
Tony Smith (D-Alaska)	$1,000
Dick Thornburgh (R-Pa)	$1,000
Jim Bunn (R-Ore)	$500
Frank A. Cremeans (R-Ohio)	$500
Barbara Cubin (R-Wyo)	$500
Democratic Party of Alaska	$500
Jim Gibbons (R-Nev)	$500
J. D. Hayworth (R-Ariz)	$500
Rick Hill (R-Mont)	$500
James B. Longley Jr. (R-Maine)	$500
Linda Smith (R-Wash)	$500
Randy Tate (R-Wash)	$500
John S. Devens (D-Alaska)	$350
Larry Craig (R-Idaho)	$200
Bob Dole (R)	$200

Grand totals include contributions to campaign committees, political action committees and parties. Based on data available April 2, 2007 from the Federal Election Commission.

CRP Researcher Douglas Weber contributed to this report.

More Information

- Campaign finance profile of Alaska (Opensecrets.org)

FBI - Stevens-386

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

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

Date: 06/14/2005
Edition:

Title: SEN. STEVENS AND REP. BERKOWITZ: PUT UP YOUR DUKES FOR A REAL BRAWL

Character:
or
Classification: 194A-AN-13620-M-205
Submitting Office: Anchorage

Indexing:

Sen. Stevens and Rep. Berkowitz: Put up your dukes for a real brawl

With the 2005 legislative session finally over, news has become boring once again. The clashes between Sen. Ben Stevens and Rep. Ethan Berkowitz made for great entertainment on television as well as the front page. I, like everyone else, kept waiting for that scuffle to take place outside legislative chambers. It never happened, of course. I believe all it would have taken was a good promoter to get sparks a flyin'. Eldon Mulder came to mind here.

Well, I say let's not wait until 2006 to get this started. Lace up the gloves, boys. Let's rumble down at the Sullivan Arena come July 4th! "CHAIN SAW" Berkowitz vs. "GENTLE BEN" Stevens. Twelve rounds. Winner take all in the bill department next legislative session. All monetary proceeds from said fight go to the winner's favorite charity.

Leading up this main bout I say we put Tom "LOVER BOY" Anderson in the ring with Les "THE SPARKPLUG" Gara. That would be an interesting matchup as well. Now all we need is someone to financially back this event. Bill Allen, you listening?

One last thing. Just to make things seem professional here since this event will probably be aired live on Channel 2, we're gonna need an unbiased referee. I say Anchorage Mayor Mark Begich is just the man to fit the bill. L-E-T-S R-U-M-B-L-E!!!

FBI - Stevens-387

194A-AN-13620-M-205

FD-350 (Rev. 5-8-81)

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

Date: 06/15/2005
Edition:

Title: STEVENS MADE A MILLION IN PROFIT

Character:
or
Classification: 194A-AN-13620-M - 206
Submitting Office: Anchorage

Indexing:

(Mount Clipping in Space Below)

Stevens made a million in profit

■ **INVESTMENT:** Real estate deal turned $50,000 into a lot more.

By LIZ RUSKIN
Anchorage Daily News

WASHINGTON — Sen. Ted Stevens invested $50,000 with Anchorage developer John Rubini in 1997, and Rubini made him a rich man. Exactly how much Stevens sold his Rubini-generated assets for last year was revealed Tuesday: $1.038 million, according to Stevens' last financial disclosure report.

Stevens

That's nearly a million-dollar profit, or, as Stevens once put it, "a hell of a return for what I put into it."

His venture with Rubini, and the fact that three years later Rubini sought Stevens' help to get an enormous Air Force construction project, were the subject of stories in the Daily News, the Los Angeles Times, The New York Times and elsewhere in 2003 and 2004, resulting in significant public criticism of Stevens.

ON THE Web

■ **STEVENS:** To See Stevens' and Murkowski's financial disclosure reports, go to www.adn.com

Citing "the wrath of the media," Stevens announced in January that he had sold his share of Rubini's real estate projects and put the proceeds in a blind trust. At the time, he would not say how much he sold the assets for, only that the figure would be released in his financial disclosure form.

All members of Congress must disclose their personal finances once a year. The requirement is a post-Watergate reform designed to discourage conflicts of interest and reveal whether a lawmaker is using his or her public office for personal enrichment.

FBI - Stevens-388

194A-AN-13620-M-206

REPORT: Yearly disclosure is law

Anchorage Daily News
06/15/2005
194A-AN-13620-NCR
Page 2

Continued from A-1

The morning the reports are released each year brings a minor hullabaloo to the cramped and normally quiet Senate Office of Public Records, as news reporters from all quarters come for copies.

The reports released Tuesday cover 2004. Senators had to file them in May.

Stevens' investments with Rubini included development of the Centerpoint office building in Midtown Anchorage and the Jillian Square Apartments in Fairbanks.

Stevens received at least part of the sales proceeds in the form of a promissory note from Rubini and business partner Leonard Hyde, to be paid quarterly at 8 percent interest.

Stevens has said repeatedly that the help he gave Rubini was entirely separate from his business relationship with him. Stevens didn't have a financial stake in Rubini's Air Force project, although his brother-in-law, Anchorage attorney Bill Bittner, was a minor investor. Bittner and Rubini are friends and it was through Bittner that Stevens came to invest with the developer.

The bulk of Stevens' assets, according to his disclosure form, are now in the "Theodore Stevens Blind Trust," administered by Wells Fargo and an independent Anchorage accountant. Stevens, according to the trust agreement, is not to be told how the money is invested.

In addition to the $1.038 million from selling the Alaska properties, Stevens' blind trust also holds $150,000 from the sale of his interest in a subdivision in Grantsville, Utah, a project by another Anchorage real estate developer, Bob Penney. Penney, a friend and supporter of Stevens, said in January that media harassment has forced the senator out of honest business dealings.

Stevens was not required to list the exact sales price of the properties. The disclosure rules only require stating transaction amounts in broad categories, like "$1 million to $5 million."

Stevens said in a written statement Tuesday that he wanted to report more precise amounts because reporting only the value range sometimes made his assets look bigger than they were.

He also said he didn't have to sell his real estate investments, and he remains convinced he didn't violate any Senate rules, he said in a written statement Tuesday.

"Those sales have resulted in significant taxes and I will not benefit from any future appreciation in the value of those investments," he said. "Nonetheless, the sales were the right thing to do so that the other investors in those entities will no longer be subjected to the scrutiny which they experienced as a result of my small ownership interest in those enterprises."

Stevens also reported that he and his wife have between $250,000 and $500,000 in a credit union account.

He also reported gifts — a rug, a tea set, a grape serving set, a watch — from Jordan's King Abdullah and the presidents of Azerbaijan and France. Stevens turned all the gifts over to the secretary of the Senate. Senators are not allowed to keep such gifts if they are worth more than $50.

U.S. Sen. Lisa Murkowski's disclosure report is not much different from her last one for 2003. She owns shares in Wells Fargo bank and a number of publicly traded stock funds, and a rental property

FBI - Stevens-389

FD-350 (Rev. 5-8-81)

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

(Mount Clipping in Space Below)

Date: 06/15/2005
Edition:

Title: SENATORS TRAVEL ON OTHERS' TAB

Character:
or
Classification: 194A-AN-13620-M - 207
Submitting Office: Anchorage

Indexing:

Senators travel on others' tab

■ **DISCLOSURE:** Policy organizations, private companies pay the freight.

By MIKE ALLEN and BRIAN FALER
The Washington Post

WASHINGTON — Senate Energy and Natural Resources Committee Chairman Pete Domenici, R-N.M., accepted flights and a luxury hotel stay last year from electricity interests.

Senate Foreign Relations Committee Chairman Richard Lugar, R-Ind., traveled to Honolulu, Barcelona and Cancun, Mexico, where he stayed at the Ritz-Carlton — all at the expense of the Aspen Institute.

And the Aspen Institute paid for a 15-day trip by Senate Minority Whip Dick Durbin, D-Ill., and his wife to a conference on U.S.-Russian relations in Venice.

Those were among a wide range of senatorial travel funded by private concerns that turned up on Senate financial disclosure statements released Tuesday.

Aides to the senators said the trips were worthwhile and necessary for the lawmakers to stay abreast of issues. Such trips have begun to attract attention from watchdog groups and news organizations after reports of expensive overseas travel with lobbyists by House Majority Leader Tom DeLay, R-Texas. Most of the trip sponsors were public policy organizations such as the Aspen Institute, but some are private companies that could benefit from the lawmakers who enjoyed their largesse.

In Domenici's case, three energy interests teamed up to fund a two-day speaking engagement in Scottsdale, Ariz., last Jan. 7-8.

In addition to the travel for Lugar, the Aspen Institute, a nonprofit group that aims to foster dialogue among leaders, paid for several international flights for his wife and for five-night hotel stays by the two in Venice and Geneva. Lugar's press secretary, Andy Fisher, said the trips were to conferences in which lawmakers of both parties met all day with experts and conducted discussions about how to turn ideas into legislation.

Durbin was one of the Senate's most frequent international fliers. He also reported taking a six-day trip to Cape Town, South Africa, for a conference on international affairs and "fact finding trip," paid for by the Chicago Council on Foreign Relations and the South African Institute of International Affairs.

Durbin's office said he took one trip that was not reported on the disclosure form, because the paperwork on it had been misfiled.

FBI - Stevens-390

194A-AN-13620-M-207

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

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

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Title: POLITICOS AGREE TO BIG RAISE.

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Politicos agree to big raise

■ **INTERIM PER DIEM:** Legislators turn in a voucher to get $150 a day.

By LISA DEMER
Anchorage Daily News

Pay for Alaska's lawmakers between legislative sessions has shot up from $65 to $150 a day.

The change was approved June 29 by the Legislative Council, a joint House-Senate panel in charge of administrative duties. The new interim per diem rate took effect immediately. The old rate had been in place since 1990.

Lawmakers collect the money for working when the Legislature is not in session. It is in addition to their $24,012 annual salary, reimbursement for travel and relocation expenses, session per diem, and office allowances. It is taxable income.

Over a year, the amount received by legislators for interim pay varies greatly. Last year 10 of the 60 state legislators didn't seek any. At the other end of the scale, payments to three lawmakers topped $10,000.

Most got less than $5,000.

To qualify for a day's pay, lawmakers either "must attend a meeting for a legislative or public purpose, or spend at least four hours of that day on legislative and constituent business," according to a report by the Legislative Affairs Agency. They can get it for solving problems for constituents, going to a community council meeting, an-

FBI - Stevens-391

194A-AN-13620-M-208

PER DIEM: Legislature boosts interim stipend

Continued from A-1

swering e-mail in their home legislative office or working enough hours from home.

Unlike salaries and payments to cover expenses during the legislative session, the interim pay is not automatic. Lawmakers must send in vouchers. As long as legislators are in a public meeting or work for at least four hours, those who request the money will get it, said Pam Varni, Legislative Affairs executive director, whose office processes per diem claims.

Pay issues are a sensitive area for lawmakers, who split 8-2 in approving the higher daily rate.

"I was absolutely in shock," said Rep. Sharon Cissna, an Anchorage Democrat, who is not on the Legislative Council but said she voted against efforts to boost lawmaker pay during the regular session.

Her interim pay is near the top, totaling $10,140 for 2004 and about the same as the year before. She collects more than most because she is one of few legislators who works at it full time, said Cissna, reached at her legislative office on a sunny afternoon. She co-chairs the Legislature's Health Caucus and is traveling the state to survey community and health leaders about health care issues. She pays for her own travel but collects the daily rate to cover her time, she said.

Cissna said she'll likely use the increase to contract for research assistance.

"It is a tough one when you set your own salaries," said Rep. Pete Kott, R-Eagle River and Legislative Council chairman.

Lawmakers don't want to appear to be enriching themselves but many lose money when their legislative duties pull them away from their regular jobs, he said.

Often "you lose a whole day's worth of work," said Kott, speaking by cell phone from Petersburg, where he was on a job with his hardwood flooring business. Kott collected $3,315 in per diem pay last year but said he's not diligent about sending in claims. "Half the time, I forget them."

Rep. Bruce Weyhrauch, R-Juneau, said he proposed an even higher rate of $200 a day but is satisfied with the $150.

The $24,000 salary is too low, and so was the old interim rate, he said.

"Legislators, from my own experience, work their tails off," said Weyhrauch, an attorney who collected $3,055 in interim per diem pay last year.

Some members of state boards already receive significantly higher amounts, Weyhrauch said. A bill sponsored by Kott that passed the House this year would increase the daily stipend for members of the Alaska Housing Finance Corp. from $100 to $400 to bring it up to the level of two other boards.

Sen. Hollis French, D-Anchorage, didn't seek any interim pay last year. He said he spent a lot of time campaigning. At any rate, his feelings about the payments have changed since he was first elected in 2002.

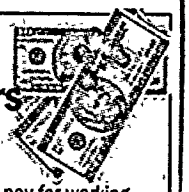
"At first I thought my legislative salary covers what I do as a legislator," said French, an attorney. So he didn't request the funds. But now, he said, he realizes the job extends well beyond the legislative session and expects to start submitting vouchers.

"If you work for it, you should be able to claim it," French said.

Voting for the increase were Republicans Kott, Weyhrauch, Rep. Norm Rokeberg, Sen. John Cowdery, Sen. Gary Stevens and Sen. Tom Wagoner, as well as Democratic Rep. Ethan Berkowitz and Sen. Bettye Davis. Republican Rep. Carl Gatto and Senate President Ben Stevens voted against it.

■ Daily News reporter Lisa Demer can be reached at ldemer@adn.com and 257-4390.

Top 10 lawmakers



These lawmakers received the most money in 2004 in pay for working between the legislative sessions. At the time the rate was $65. It was raised last week to $150.

LEGISLATOR	2004 INTERIM PAY
(1) John Harris	$12,675
(2) Kelly Wolf	$10,465
(3) Sharon Cissna	$10,140
(4) Mike Chenault	$9,490
(5) Jonny Ellis	$9,035
(6) Lesil McGuire	$8,515
(7) Tom Anderson	$8,060
(8) Richard Foster	$7,995
(9) Vic Kohring	$7,670
(10) Lyda Green	$7,150

Source: Legislative Affairs Agency

RON ENGSTROM / Anchorage Daily News

Anchorage Daily News
07/06/2005
194A-AN-13620-M-208
Page 2

FBI - Stevens-392

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(SEE ATTACHED)

(Indicate page, name of newspaper, city and state.) E1&E6
ANCHORAGE DAILY NEWS

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Edition: SUNDAY

Title: THE OIL HUNTER: RECENT RETIREE RELISHES CHANCE TO LEAD ALASKA OPERATIONS

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194A-AN-13620-M-209

LOOKING GOOD

A local businesswoman is carving a small niche in the multibillion-dollar cosmetics industry with a line of products sporting Alaska names and suited to Alaska's climate.

Monday's Money section.

MONEY

ANCHORAGE DAILY NEWS • www.adn.com SUNDAY, MAY 1

JAMES BOWLES, PRESIDENT OF CONOCO PHILLIPS ALASKA

ERIK HILL / Anchorage Daily News

James Bowles hopes to put his BowTech Patriot compound bow to use in Alaska after coming out of retirement last fall to move north and serve as president of Conoco Phillips Alaska Inc.

FBI - Stevens-394

The oil hunter

Recent retiree relishes chance to lead Alaska operations

By WESLEY LOY
Anchorage Daily News

When James Bowles isn't busy hunting oil, you might find him in the woods stalking deer or elk or even bears.

Matter of fact, Bowles bagged a black bear with a bow and arrow during a hunting trip a year ago on the Kenai Peninsula. It was a "spot and stalk" trip, where the hunter spots his prey from a boat and then comes ashore for the kill. Bowles recalls he was a pulse-pounding 35 yards from the big blackie when he launched his arrow.

TITANS OF BUSINESS

"He's now a bear rug," says Bowles, who had no idea when he took that shot that he'd soon be lured out of his retirement to take over as president of Conoco Phillips Alaska Inc.

Q&A

Bowles last October replaced Kevin Meyers, who was reassigned to manage Conoco's new Lukoil partnership in Russia.

Alaska accounts for well over a quarter of Conoco's world oil production, and it's up to Bowles to keep the company in the hunt for more North Slope crude.

Bowles, 52, came up from Houston with an Alaska pedigree, one that stretches back to the days before statehood, when his dad was stationed at Elmendorf Air Force Base. Anchorage, with what seemed to the preschooler like mountains of snow everywhere, was the first place where Bowles remembers living — and his military family lived lots of places.

The Arkansas native with a toothy smile spent a career with Phillips Petroleum Co., rising to head the Americas division including Alaska. He helped work out the deal in which Phillips took over Arco's Alaska assets in 2000, then retired two years later as Conoco and Phillips merged.

Bowles has a big job. Conoco owns over a third of the giant Prudhoe Bay oil field, and the company runs the state's second-largest field, Kuparuk, which began production in 1981. In Cook Inlet, Conoco produces natural gas from the Tyonek offshore platform, and it exports liquefied natural gas from a plant at Nikiski.

Times are good for the state's top oil producer, with record prices in excess of $50 per barrel generating big profits for Houston-based Conoco.

But Bowles, in an interview last week, cited many pressures facing his company, including the struggle to maintain production and to fight off new state taxes. Here are some excerpts.

Q. You were retired. Why in the world did you decide to jump back into this business?

A. This is a great job here. It's got a lot of responsibility and a lot of challenges to it. Just the opportunity to work in Alaska was a big driver.

Q. You wouldn't have come back to work in Houston or some other place?

A. I don't think so. The outdoors, hunting and fishing — things that really are core to Alaska — are draws to me.

Q. We asked all the executives we've interviewed for our Titans of Business series for their thoughts on the Anchorage and Alaska economies. What's your take?

A. We just closed on a house earlier this year. The economy must be very, very strong when you look at house prices. With oil prices up where they are, it looks like a very positive outlook for the economy going forward. And the gas pipeline adds to a lot of optimism I see.

Q. What part of town did you buy in?

A. Upper Hillside. You know, having spent the last seven years living in Houston, which is about as flat as you can be, the idea of being able to get a view was something that was

See Page E-6 Q&A

ConocoPhillips

- **What is it:** Third-largest U.S. integrated energy company based on market value, oil and gas reserves and production. Also the nation's largest refiner. The company's reserves rank eighth-largest globally among private companies.
- **Headquarters:** Houston, Texas.
- **Employees:** 36,000 worldwide.
- **Financials:** Total assets of $97 billion as of March 31; total revenue of $137 billion in 2004.
- **Retail brands:** Phillips 66, Conoco, 76, Jet, Kendall. Sells gasoline and other products at more than 20,000 service stations and retail outlets.
- **In Alaska:** Employs about 940 people. Produces the most oil of any company in Alaska at 335,000 barrels daily from the North Slope, about 36 percent of the total. Owns a third of the giant Prudhoe Bay field and runs the state's second-largest field, Kuparuk, as well as the Alpine field. Company owns 28 percent of the trans-Alaska pipeline. At Cook Inlet, the company runs the only U.S. liquefied natural gas export operation.
- **On the Web:** www.conocophillips.com

CHARLES ATKINS / Anchorage Daily News

M-209

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Groups fight mining industry in Latin America

GOLD RUSH: High prices entice foreign companies, but techniques concern natives.

By MARK STEVENSON
The Associated Press

MEXICO CITY — A surge in world gold prices is attracting U.S. and Canadian companies eager for another crack at the Latin American lodes that once enriched the Old World. But their modern-day methods — strip mines and cyanide-based refining — are meeting fierce resistance.

"The indiscriminate exploitation of our mines and forests with no ethical commitment is placing at risk the very purpose of creation — human life and future generations," Cardinal Oscar Andres Rodriguez, Roman Catholic archbishop of Tegucigalpa, Honduras, said recently.

The battle has mobilized Indian groups, environmentalists, farmers and religious leaders, and it sometimes has turned violent.

In January protesters fired shots, threw stones and put up barriers of

seriously wounded about 16 others in breaking through the roadblocks. The government said it had to honor the mining concession or risk a huge lawsuit by the company.

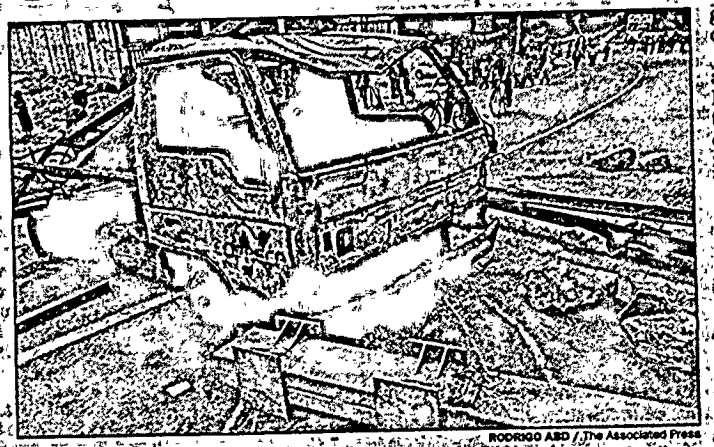
The attraction in Latin America is industry-friendly laws, says Mike Steeves, Glamis' vice president for investor relations — tax holidays and other incentives that amount to "a systematic decision to reform mining laws to encourage investment."

While Glamis is winding down its gold mine in California, where "it's hard to open any business, and mining is certainly included in that," it is operating or opening mines in Mexico and Guatemala, Steeves said.

Payat Sampal of the anti-mining group Earthworks says the new mines employ relatively few people and "generate large amounts of waste proportionate to metal created."

"The scale of these mines and the fact they're all above ground is unprecedented" in the region, Sampal said.

Foreign mining companies have been moving into Latin America since the 1990s, and the recent surge in gold



RODRIGO ABD / The Associated Press

Villagers walk next to a road blockade after clashes between protesters and police forces at Los Encuentros, north from Guatemala City, on Jan. 11. Villagers, most of them Indigenous Mayans, protested against the mine exploitation of a Canadian corporation in San Marcos, a northwestern region in Guatemala. A surge in world gold prices has sent U.S. and Canadian companies scrambling to open strip mines in Latin America, but the companies have met resistance from various groups.

gious significance for some Andean societies.

"The open-pit mines damage nature and they pollute the groundwater," said Esteban Toc, mayor of Solola, where the violence erupted in January. "Most of the people here are Mayas, who view nature as Mother Earth, and they don't want to destroy it."

Glamis still plans to start the Marlin mine this year, but Toc said the Guatemalan government has promised to grant no more mining concessions.

"If they try to start up other mine sites, there will be another confrontation," Toc said.

Cerro de San Pedro, the latest front in the mining battle, is a 400-year-old Spanish mining town riddled with abandoned mine tunnels. Modern technology, combined with high gold prices, has made even those old deposits worth mining again.

A problem for activists in Mexico and Guatemala is that trade agreements allow investors to sue for damages if their operations are affected by changes in environmental rules.

A decade ago, opponents thwarted company's plan to build a haz- s waste dump not far from Cer- San Pedro. But the company, Met- l, Inc., sued the Mexican govern- and in 2001 won $15 million.

nate finds ard to crack

The Associated Press

Mexican businessman Carlos Slim, Latin America's richest man.

dent.

"By becoming president of

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ard to crack

The Associated Press

Mexican businessman Carlos Slim, Latin America's richest man.

dent.

"By becoming president of MCI, Carlos Slim would be fulfilling his dream of entering the United States in a big way," Ryan O'Connelly wrote in the magazine America Economia in 2004. "Up until now, the magnate ... has only bought small firms in the country."

Slim has stakes in U.S. firms including the food and tobacco conglomerate Altria Group Inc. and high-end retailer Saks Inc. But both appear to be buy-low, sell-high holdings.

Analysts say Slim may well turn his sights away from his on-again, off-again interest in the U.S. market and use the estimated $1.1 billion he earned from the MCI sale to go on another buying spree in a region that has been good to him: Latin America.

Not bad for shares that Slim reportedly acquired for the equivalent of just $388 million a few years earlier.

"He may see the United States as a difficult place, as perhaps not the best growth market," Garrido said. "Now he can take his marbles and go shopping somewhere else."

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FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) B-2
ANCHORAGE DAILY NEWS

(Mount Clipping in Space Below)

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OUT AND ABOUT

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or
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Alaska Ear

The Divine Appendage

OUT AND ABOUT ... Was that Perry Green giving poker lessons to tennis great Pete Sampras last week at the Spa Resort Casino in Palm Springs? Hmmm. Perry is certainly young at heart, but do we think he got tennis lessons in return? Alors.

DO SEND A FONDU ... To Chris von Imhof, the boss at Alyeska Resort. Snow bunny earmites report he's officially engaged to Brigitte Baumann from Munich, Germany. She's a travel writer. She met Chris on a family trip to Alaska. We hear the wedding is set for May in Germany.

VERBATIM ... And wonderful. The city

FBI - Stevens-397

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ANCHORAGE DAILY NEWS

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(Mount Clipping in Space Below)

OUR VIEW

Working on the side

'I'm a consultant' isn't enough explanation for legislators' work

The public is rightfully skeptical when they get little information about legislators who earn a lot of money working for private interests in their off-hours. The answer to any real or perceived conflicts of interest is more disclosure of what lawmakers do for the money, and the Legislature this year has an opportunity to do the right thing.

Led by Rep. Berta Gardner of Anchorage, eight House Democrats have introduced House Bill 461 to shine more light on the private consulting work done by legislators and other public officials. The measure would require a detailed explanation of the job and the number of hours worked. Neither requirement is unreasonable.

More disclosure of lawmakers' consulting work is not a partisan issue; the abuses are not confined to a single political party. Special interests court whichever politicians hold power.

Though much of the focus on this issue of late has pointed to State Senate President Ben Stevens, the Republican is not the first Alaska legislator to collect large sums of money from politically well-connected interests for lucrative consulting work.

In the early 1980s, a notorious case broke into public view during the North Slope Borough corruption scandal. Kotzebue Democrat Al Adams, chair of the House Finance Committee, had collected $827,000 over several years from a contractor aiming to do business with the oil-rich North Slope Borough. The borough was part of Adams' district. As Finance Committee chair, Adams could steer a good chunk of state money to the borough, where contractors could line up to get their hands on it.

More disclosure of lawmakers' consulting work is not a partisan issue.

According to a news account at the time, contractor Thomas Gittins testified in federal court that "Adams rarely worked for him, and he didn't know of anything Adams actually did to get North Slope contracts." Still, Gittins paid Adams a lot of money for so-called consulting work.

Moving ahead 20 years, Sen. Ben Stevens has collected more than $1 million in fees from Alaska and Seattle businesses since 2001, the year he entered the Alaska Senate. Stevens is the son of Alaska U.S. Sen. Ted Stevens.

In the state's financial disclosure forms, Sen. Ben Stevens describes his lucrative contracts simply as consulting work. The Alaska Public Offices Commission has ruled that the law doesn't require him to provide any more detail than that. Such bare-bones reporting rules leave open the question of whether the work he does justifies the large sums he's being paid.

Less influential politicians have collected lesser sums from other interests with a stake in legislation. East Anchorage Republican Rep. Tom Anderson was paid by the oil field service company VECO to "attend community council meetings." When Palmer's Scott Ogan was a Republican state senator, he also worked as a paid consultant for the coal bed methane company that wanted to start drilling wells throughout his home turf.

Leaving today's weak disclosure law in place will corrode public trust in the integrity of Alaska's elected officials. This isn't about two competing private interests; it's about possibly competing public and private interests.

Unless the law is changed, Sen. Ben Stevens and other lawmakers can continue avoiding questions of whether the work they do really justifies the money they get. The public has no way to tell if a lawmaker's consulting contract is a legitimate business arrangement or little more than a legalized gift.

To keep those special interests in check and protect the integrity of Alaska's political system, legislators should pass stronger disclosure rules for officials who do consulting work on the side.

194A-AN-13620- Press

BOTTOM LINE: Consulting contracts can conceal cozy deals between special interests and Alaska lawmakers. Disclosure laws on those contracts should be tightened.

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ANCHORAGE DAILY NEWS

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(Mount Clipping in Space Below)

Alaska Ear

The Divine Appendage

ON THE MOVE 2 ... Earwigs who sometimes get stuff right report that **Harold Heinze**, executive director of the Alaska Natural Gas Development Authority and husband of ex-legislator **Cheryll Heinze**, has hired recently former Security Aviation consultant **Joe Griffith**. Not clear if it's a staff position or a consulting contract.

Joe, a retired USAF fighter wing commander, used to run Chugach Electric. The Security Aviation gig apparently lost some of its luster when the feds started raiding, arresting, and confiscating assets. C'est la vie.

ANGDA is an odd body created by voter initiative to play some bit part in the gas line drama.

FROSTY THE NO MAN ... OK, here's how the story goes: Mat-Su Assemblywoman **Betty Vehrs** visited Juneau a few weeks ago and reported that **Rep. Vic Kohring** had his office windows wide open during a meeting with her and a lobbyist, which resulted in the office temperature sinking to red nose levels and a very short meeting.

Then another contingent of borough officials visited last week and reported the same odd weather condition in Kohring's office. The temperature was about 20 degrees, said Assemblyman **Talis Colberg**. Ergo, another brisk conversation. "He said he likes the fresh air," Colberg reported.

Sure he does.

So here's the only real question: Is getting rid of annoying constituents a good enough reason to let all that cold air in, running up the Capitol heating bill? Remind Ear, isn't he allegedly a conservative?

FBI - Stevens-399

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(Indicate page, name of newspaper, city and state.) B-2 ANCHORAGE DAILY NEWS

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(Mount Clipping in Space Below)

Alaska Ear

The Divine Appendage

SWEET REVENGE ... The closer the mayor's race gets, the more fun it is for those of us not running. At the Rainbow Connection Black Tie Cowboy Ball fundraiser last weekend, they auctioned off a "topless lunch with **Mayor Begich**." The top bidder? **Jack Frost**, the mayor's main competition in the upcoming election. Jack paid $1,800 for the privilege of eating with Mark.

Jack told Ear it was for a good cause. And, besides, he plans to give the lunch to a social worker who really, really wants to lobby Mark about something.

The "topless" part turns out to be a ride to the lunch in lobbyist **Bill Bobrick**'s Cadillac convertible. With the top down. The Rainbow Connection is a therapeutic riding program for disabled children.

WELCOME TO THE WORLD ... As we know it, **Colin Hughes Cole Murkowski**, born in Texas on Tuesday to **Brian** and **Kristin Cole Murkowski**. She's former Attorney General **Charlie Cole**'s daughter. He's Gov. and **Nancy Murkowski**'s son, and Sen. **Murkowski**'s brother.

That makes 14 grandchildren for Frank and Nancy, all but three of them boys. And now you know what the "H" in Frank H. Murkowski stands for. Hughes. It's his mother's maiden name, according to Alaska writer **Carol Murkowski Sturgulewski**, who is Frank and Nancy's daughter, married to Arliss' son.

Ear has to stop now. Ear's head is going to explode.

ON THE VINE ... The rumor mill says garden guru **Jeff Lowenfels** is planning to run against **Ben Stevens** for the District N state Senate seat. Jeff is registered as "undeclared" so it could be the primary or the general, right? All Jeff will say is there will be no announcement forthcoming until he finds out if he will have to give up his gardening column.

FBI - Stevens-400

Lori Backes article

Fairbanks Daily News-Miner

Does oil money buy influence in the Legislature? It's worth asking

Sunday, March 19, 2006 - After watching the legislative hearings on Gov. Frank Murkowski's bill that would completely restructure our oil and gas taxing system, I am baffled by the fact that certain legislators are arguing that we must pass this as is, right now, without amendment, or risk scuttling the governor's gas line deal. As the Legislature conducts an unprecedentedly aggressive schedule of hearings on this legislation, Rep. Norman Rokeberg called the contention that the oil industry exercises undue influence over Alaska politics a "myth."

Is it?

According to Alaska Public Offices Commission reports, the most prolific and consistent "investor" in Alaska politics is the oil industry; with the employees of VECO Corp. standing out as the single largest contributing block. Between 1998 and 2004, reports show that VECO employees and their family members contributed no less that $914,929.71 to Alaska political campaigns, with the following totals representing the amount of donations received from only the top seven VECO executives:

Sen. John Cowdery, chairman, Senate Rules Committee: $24,550

Rep. Pete Kott, former speaker of the House: $21,300

Rep. Norman Rokeberg, chairman, House Rules Committee: $18,000

Rep. Vic Kohring, chairman, House Special Committee on Oil and Gas: $14,708.65

Gov. Frank Murkowski: $14,300 (Does not include donations to his U.S Senate campaigns.)

Rep. Kevin Meyer, co-chairman, House Finance Committee: $12,300

Rep. Mike Chenault, co-chairman, House Finance Committee: $12,000

Rep. Lesil McGuire, chairwoman, House Judiciary Committee: $12,000

Sen. Con Bunde, chairman, Senate Labor and Commerce Committee: $11,500

FBI - Stevens-401

Sen. Lyda Green, co-chair, Senate Finance Committee: $9,000

Rep. Mike Hawker, House Finance Committee member, Legislative Budget and Audit Committee: $8,050

Rep. Tom Anderson, chairman, House Labor and Commerce Committee: $8,000

One should note that these totals do not include Senate President Ben Stevens' "consulting" contract with VECO, Rep. Meyer's salary and benefits from ConocoPhillips; the salary, retirement and stock options to the Rep. Hawker household from ConocoPhillips or his own contract with ASCG, of NANA

214 e

194A-AN-13620-

Corp., which has contracts for oil field services with VECO and BP, while he was involved in confidential discussions on the gas line contract..

This is not intended to pick on any particular legislator. Many Alaskans make their living off the oil industry, and many individuals and organizations donate to political campaigns. But it does show how much VECO and the producers--Exxon Mobil, ConocoPhillips and BP--are willing to invest in our state government. Have these financial linkages and political investments afforded "undue influence" over Alaska's political players and process? Perhaps not, but certain actions might suggest otherwise.

Consistently, Rep. Kohring has voiced a patent refusal to move any legislation that might result in increased state revenue from the oil industry. Sen. Ben Stevens has already stated publicly that he supports the change in oil and gas tax as introduced, despite testimony from experts that it is filled with potentially disastrous flaws.

Most disconcerting though, is the fact that our governor, with the approval of his attorney general--former VECO attorney David Marquez--ignored all other competing gas line proposals while negotiating a secret sole-source "deal" with the producers. This is the same David Marquez who in 2002 testified on VECO's behalf that the Legislature should grant all the incentives and tax exemptions available under the Stranded Gas Act, without negotiation. He failed to convince the Legislature then, but it seems he has had more success with this governor.

So, how much would you be willing to invest to have government work on behalf of your business interests? A lot, I bet, if you could afford it. In fact, you might even be interested in contracting daily "editorial space," as VECO has, in the largest newspaper in the state to pooh-pooh the public concerns and vilify all others who suggest the state could do better on behalf of Alaskans.

This is a perfect opportunity for our legislators to take a strong stand on behalf of our future. Campaign contributions and consulting contracts don't guarantee loyalty, but do they influence? Of course they do. I urge you to watch closely the actions of the people elected to represent you while asking this question: "Who or what is influencing their decisions?" If you aren't convinced they are loyal only to Alaskans and their oath to the Constitution, be prepared to replace them with someone who is.

Lori Backes is executive director of the All Alaska Alliance, which supports construction of a gas line project that operates entirely within the state of Alaska.

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FBI - Stevens-403

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ANCHORAGE DAILY NEWS

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COMPASS: *Points of view from the community*

Follow money to governor's gas deal

By LORI BACKES

After watching the legislative hearings on Gov. Frank Murkowski's bill that would completely restructure our oil and gas taxing system, I am baffled that certain legislators are arguing that we must pass this as is, right now, without amendment, or risk scuttling the governor's gas line deal. As the Legislature conducts an unprecedentedly aggressive schedule of hearings on this legislation, Rep. Norman Rokeberg called the contention that the oil industry exercises undue influence over Alaska politics a "myth."

Is it?

According to APOC reports, the most prolific and consistent "investor" in Alaska politics is the oil industry. The employees of VECO Corp. stand out as the largest contributing block. Between 1998 and 2004, reports show that VECO employees and their family members contributed no less than $914,929 to Alaska political campaigns. The following totals represent the amount of donations received from only the top seven VECO executives:

Senate Rules Committee Chair John Cowdery: $24,550.

Rep. Pete Kott, former speaker of the House: $21,300.

House Rules Committee Chair Norman Rokeberg: $18,000.

House Oil and Gas Committee Chair Vic Kohring: $14,708.

Gov. Murkowski: $6,500 (not including donations to his U.S. Senate races).

House Finance Committee Co-Chair Kevin Meyer: $12,300.

House Finance Committee Co-Chair Mike Chenault: $12,000.

House Judiciary Committee Chair Lesil McGuire: $12,000.

Senate Labor and Commerce Committee Chair Con Bunde: $11,500.

Senate Finance Committee Co-Chair Lyda Green: 9,000.

Rep. Mike Hawker: $8,050.

House Labor and Commerce Chair Tom Anderson: $8,000.

Rep. Norman Rokeberg called the contention that the oil industry exercises undue influence over Alaska politics a "myth." Is it? According to APOC reports, the most prolific and consistent "investor" in Alaska politics is the oil industry.

One should note that these totals do not include Senate President Ben Stevens' "consulting" contract with VECO; Rep. Meyer's salary and benefits from Conoco Phillips; or the salary, retirement and stock options to the Rep. Hawker household from Conoco Phillips. Also, Rep. Hawker was apprised of confidential gas line contract negotiation information while under contract to ASCG Inc., a subsidiary of NANA Development Corp., which has contracts for oil field services with VECO and BP.

This is not intended to pick on any particular legislator. Many Alaskans make their living off the oil industry, and many individuals and organizations donate to political campaigns. But it does show how much VECO and the producers are willing to invest in our state government. Have these financial linkages and political investments afforded "undue influence" over Alaska's political players and process? Perhaps not, but certain actions might suggest otherwise.

Consistently, Rep. Kohring has patently refused to move any legislation that might result in increased state revenue from the oil industry. Sen. Ben Stevens has already stated publicly that he supports the change in oil and gas tax as introduced, despite testimony from experts that it is filled with potentially disastrous flaws.

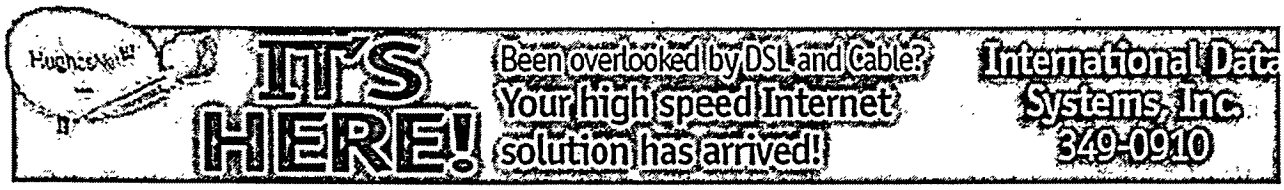
Most disconcerting though, is the fact that our governor, with the approval of his attorney general, former VECO attorney David Marquez, ignored all other competing gas line proposals while negotiating a secret sole-source "deal" with the producers. This is the same David Marquez who in 2002 testified on VECO's behalf that the Legislature should grant all the incentives and tax exemptions available under the Stranded Gas Act, without negotiation. He failed to convince the Legislature then, but it seems he has had more success with this governor.

So, how much would you be willing to invest to have government work on behalf of your business interests? A lot, I bet, if you could afford it. In fact, you might even be interested in contracting daily "editorial space" as VECO has, in the largest newspaper in the state to pooh-pooh the public concerns and vilify all others who suggest the state could do better on behalf of Alaskans.

This is a perfect opportunity for our legislators to take a strong stand on behalf of our future. Campaign contributions and consulting contracts don't guarantee loyalty, but do they influence? Of course they do.

I urge you to watch closely the actions of the people elected to represent you while asking the question: Who or what is influencing their decisions? If you aren't convinced they are loyal only to Alaskans and their oath to the constitution, be prepared to replace them with someone who is.

■ Lori Backes is the executive director of the All Alaska Alliance, a nonprofit organization that supports the all-Alaska gas line project.



Alaska Ear

Published: April 2, 2006
Last Modified: April 2, 2006 at 03:52 AM

LAUGH-IN ... It's all rumor and gossip, darlings, but Ear hears Assembly Republicans have chosen Dan Sullivan to succeed Anna Fairclough as chairman. And Debbie Ossiander as vice chairwoman.

So if it's true, and Ear certainly wouldn't guarantee that until the vote is recorded, where's Dan Coffey? Seems like he's been doing the heavy lifting for the majority this year, and earwigs expected to see him wielding the gavel next.

Oh, well. As you know, Ear is in it for the laughs. Given that both Dans want to run for mayor next time, the new regime should certainly provide lots of yuks, however it shakes out.

A REAL RACE ... The Republican convention is Thursday-Saturday in Fairbanks. The governor is hosting a reception Thursday night for delegates. There's a breakfast with Lite Gov candidates, and won't that be delightful? And by the way, Randy Ruedrich's term as party chairman is up. He's running for another and so far no one has filed to challenge him. But nominations can be made by delegates from the floor. Let's see. Tuckerman Babcock is a delegate. So is Jerry Ward. More fun.

WHEN RADIO HOSTS GO BAD ... KUDO left-leaning talk show host Aaron Selbig has challenged right-leaning KFQD host Dan Fagan to

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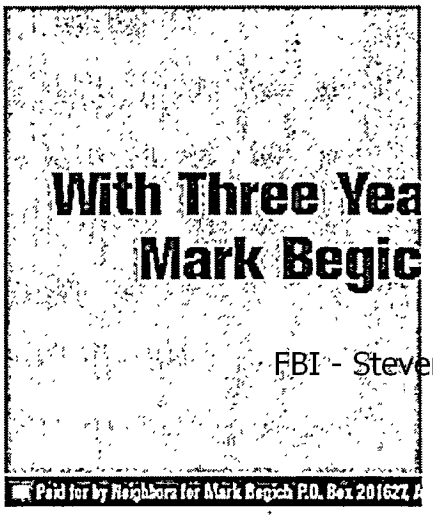

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duke it out at this week's Thursday Night At the Fights. Strictly personal, said Selbig. Nothing political. Fagan made some nasty remarks about Selbig's friend and former producer, who has been charged with sexual abuse. There's a rumor that Rick Rydell of KENI is offering to take on the winner in a cage bout. Ear is already bored.

Q AND A ... Guess how Jack Frost says he's going to vote on the city bond proposal to save the 4th Avenue Theatre?

A. No.

Guess where the Jack Frost campaign asked to have its election party?

A: 4th Avenue Theatre.

Too bad, it's booked, says Robert Gottstein.

A PICTURE IS WORTH ... It took several phone calls to get it straight, but Don Young, Congressman for All Alaskans Except Ear and a Few Others, either did or did not care that the Begich campaign is using a photo of Mark and Don on a campaign brochure. Darling Don knew he couldn't stop use of the photo since it was taken at a public event, said an aide. So when Mark called, Don said "do what you have to do," is the official word from Young's office. Whatever that means.

TRAIL MIX ... A Rogers Park woman heard a knock at her door. "Who's there?" she called out, or words to that effect.

"Jack Frost," said the candidate. "Yeah, right," she yelled back. "And I'm the Tooth Fairy."

Is this anecdote too cute to be true? It came from the Nick Moe campaign so maybe not.

BABY SPLAT ... Speaking of Nick, at an O'Malley forum last week, someone looking to lower the pressure posed a fun question: "We understand you have an ancient iPod," someone asked the 19-year-old mayoral candidate. "Have you ever had the pleasure of spinning vinyl?"

"Yes," said Nick. "I have a friend who has an old 8-track."

The largely middle-aged audience cracked up.

BELLY UP ... The bar scene downtown is jumping. Platinum Jaxx, a new restaurant and dance club on the corner of Sixth and I, opens to

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the public tomorrow. It's where La Mex used to be.

They've been doing food and service tests for invited crowds for a while and are ready for the big day, says attorney Paul Stockler, one of the partners, who also include Angi Harris, a former owner of Humpy's. Jaxx is the final resting place of The Alley liquor license, by way of the ill-fated Call of the Wild.

Meanwhile, above-mentioned Assemblyman Dan Sullivan asked and got Assembly OK Tuesday night to transfer a liquor license to 625 G St., where he and some partners plan to open McGinley's Alaskan Pub. No word yet if the Irish-themed bar, profitably close to the new convention center site, will have a piano bar.

A QUESTION ... What Veco bigwig roused comment by slooooow-dancing for hours at the Triangle Bar in Juneau with what Southcentral House member? They're both single so it's no big whoop. But doesn't Veco have lobbyists who do that sort of thing for them?

BUSTED ... You read last week in Your Good Morning Newspaper about Myrl "Boone" Thompson, the losing House candidate from the Valley who went to Juneau on his own nickel to ... a citizen lobbyist. He watches the Valley delegation and reports transgressions great and small back to their constituents via an e-mail newsletter.

Ear wonders whether someone was irked by Myrl getting ink.

Myrl says he was sitting outside House State Affairs this past week when Wayne the security guard came over all serious and said someone turned in Myrl for using a copy machine reserved for legislators. Eight copies. "He said, 'You owe the state $2,'?" according to Myrl. "Well, OK, but does it make any difference if a legislator asked me to do it?" Myrl inquired. It did, and he was unbusted -- and greatly amused. He declined to name the snitch.

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ARMS ACROSS THE AISLE ... So there was Rep. Ralph Samuels, a reasonably conservative Republican from Anchorage, taking a break from the oil tax flap in his House committee to buy a gun at the Juneau Fred Meyer. Hmmm, said a friendly passer-by. What's up with that? Ralph explained that relatively liberal Democrat Eric

Croft, also from Anchorage, pressured him into buying a galumping gat so Eric would have someone to go shooting with while the boys are away from home.

STATUTORY ... As the appendage of record, Ear is required by law to report the latest rumor regarding the possibility that Gov. Frank Murkowski might seek a second term. This week's gem is that people who want him to run (and who might that be?) have convinced the governor he should file, even if he doesn't currently covet re-election, just to preserve his options. And to maintain some juice in certain negotiations where the other side might not take him seriously if he's a lame duck.

The guv is off to D.C. this week for the Cherry Blossom Festival reportedly followed by a "trade mission" to Europe, both while the Legislature is messing with his oil tax/gas line. One can only hope this is a subterfuge.

BTW, Kim VanWyhe is this year's Alaska princess at the Cherry Blossom fete. It was Don Young's year to award the honor. There's a press release at donyoung.house.gov announcing the lovely Fairbanks-born Kim, a student at St. John's University in New York, as his choice. Oddly, it doesn't mention she's Gov. Murkowski's granddaughter. Princessing is something of a family tradition. Kim's aunt, Senator Lisa, was a princess back in the day.

LAWS AND SAUSAGES ... When it came time for Senate Resources to vote out the oil tax bill, Sen. Ben Stevens voted no, but mistakenly signed the "do pass" column. Oops, made a mistake, he explained. He automatically avoided signing the same column as Sens. Al Kookesh and Kim Elton, both Democrats who rarely vote the same way as Ben.

• Senate Judiciary was talking about the bill to ban the throwing of feces, especially at prison guards. They pondered whether the language included animal feces so it would apply to guys who work at prison farms. Sen. Ralph Seekins noted that he grew up on a farm. "I would have been going to jail twice a week" if such a law existed back then, he said. "We had some pretty wild fights with horse manure." (Write your own joke here, darlings).

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BIRD FLEW ... Senior environmental ethics

correspondent Ed Helms from Comedy Central's "Daily Show" was in Homer in March to interview all the parties in the local eagle-feeding debate. The pseudo-news reporter suggested it was anti-patriotic to oppose feeding the national birds. Told that the pesky scavengers sometimes break the radio antennae off boats in the Homer harbor, Helms reportedly suggested those radios might have been used by terrorists. The segment will run sometime after April 17, the comedy network says.

-- Compiled by Sheila Toomey

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Land deal opens SeaLife Center, Seward rift

LOBBYIST: Unused visitor center funds used to purchase ex-Stevens aide's property.

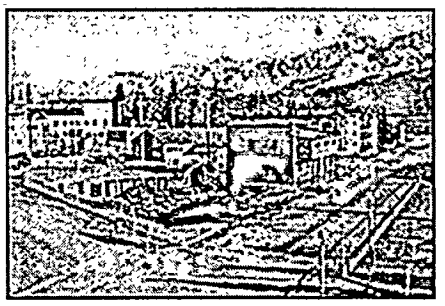
By TOM KIZZIA
Anchorage Daily News

FBI - Stevens-409

(Published: April 23, 2006)

SEWARD -- When Sen. Ted Stevens diverted federal land-purchase funds to the Alaska SeaLife Center last summer, one of the biggest beneficiaries turned out to be his former legislative aide, Trevor McCabe.

McCabe, a Seward native who is now a high-profile fish lobbyist, was looking for a buyer for the Arcade Building, a derelict waterfront structure in downtown Seward that had recently held a pawn shop. McCabe had purchased the Arcade in 2003, at a time when the National Park Service had begun looking for downtown land to build a new $20 million visitor center.



The view of downtown from the SeaLife Center roof shows the Arcade lot and, toward the mountains, Old Solly's and Legends, two buildings to be torn down for the new national park visitor center. *(Photos by ERIK HILL / Anchorage Daily News)*

The federal government eventually bought several other parcels nearby, including a second one owned by McCabe. But the government balked at McCabe's asking price for the Arcade Building, a brick-red single-story building riddled with lead and asbestos. By July 2005, negotiations had reached a dead end.

But in August, Stevens used his power over congressional appropriations to transfer all leftover money in the visitor center's land-purchase fund to the Alaska SeaLife Center, a research and tourism facility located on Seward's waterfront. The move surprised the city of Seward, which had been slated to receive the $1.6 million in leftover funds for its own projects.

Shafer *(Photos by ERIK HILL / Anchorage Daily News)*

The SeaLife Center then agreed to spend $558,000 of the federal windfall to buy the Arcade lot from McCabe and his partner, Dale Lindsey, a prominent Seward oil-sales businessman.

Sen. Stevens' office and the SeaLife Center both say the money was diverted and spent to help the marine facility and to revitalize downtown Seward, not to bail out McCabe.

But the transaction has opened a rift between the SeaLife Center and city administrators.

City Manager Clark Corbridge wrote the SeaLife Center in March, asserting city approval of such purchases is necessary "to avoid future problems and possible allegations of impropriety." He never said publicly what he meant by "impropriety" and refused to be interviewed.

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SeaLife Center officials protested vigorously, with several City Council members talking of firing Corbridge. Center officials insisted their private nonprofit operator, the Seward Association for the Advancement of Marine Science, did not have to follow a public process to buy the Arcade Building from McCabe.

The dispute continues to roil Seward, with the debate now focused on how much independence the marine facility has under its lease and operating agreement with the city. In packed city meetings and local letters to the editor, critics are challenging a second private deal between the SeaLife Center and the former Stevens aide, in which McCabe is developing a day-boat tour and dock under an exclusive no-bid contract.

The commotion has reached the point where Seward vice-mayor Willard Dunham, who is also on the SeaLife Center board, told the local paper last week he fears unfounded rumors about the center's purchase of the Arcade Building could "sour the pond" and jeopardize future federal funding for Seward projects.

A STEVENS FAVORITE

The Alaska SeaLife Center has long been a favorite of Stevens, who has steered more than $50 million in federal funds to the nonprofit facility since it opened in 1998.

McCabe, who worked eight years for Stevens in Washington, D.C., also has close ties to the marine facility. He is a past board member and helped provide financial backing when he was head of the At-Sea Processors' Association, a fishing group.

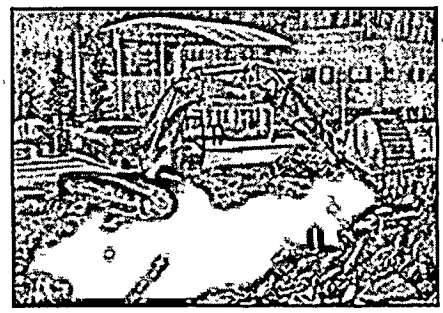
SeaLife Center officials say they were never instructed by Stevens to use the money to buy McCabe's property. They say they jumped at buying the Arcade because they desperately need new office space and his lot was ideally situated, kitty-corner from their waterfront aquarium.

Center officials say they plan to use some of the remaining Stevens money to draw up a master plan for waterfront projects. If that plan agrees, they hope to obtain funds in the future to build offices on the Arcade lot. The appropriation says the marine center can spend the money on projects that "complement the new Federal facility." They say a new office building will qualify.

"In a perfect world, we would have preferred to do a master plan first," said SeaLife Center finance director Carl Stevens. But he said it was important to move swiftly to grab the Arcade lot, which is the only property on what is seen as a major future migration corridor for tourists, between the SeaLife Center and the new Kenai Fjords National Park visitor center.

A spokeswoman for Stevens said the funds were transferred away from the city to help the SeaLife Center.

Ted Stevens *(Photo by SEANNA O'SULLIVAN)*



Workers clear the lot of Seward's old Arcade Building, which was purchased by the Alaska SeaLife Center (in background) with funds originally scheduled to go to the city of Seward. The Arcade was owned by Trevor McCabe, a former Stevens aide and former SeaLife Center board member. *(Photos by ERIK HILL / Anchorage Daily News)*

The old Seward railroad depot was purchased last year by the SeaLife Center for use as office space. City officials are challenging the nonprofit center's ability to buy properties without city approval. *(Photos by ERIK HILL / Anchorage Daily News)*

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"We knew the SeaLife Center was going to engage in waterfront development projects, and we have a long history with them," said Stevens spokeswoman Courtney Boone.

"It's my understanding that that (funds transfer) was not at Trevor McCabe's request or on behalf of Trevor McCabe."

McCabe, who worked in the senator's office from 1991 to 1999, declined to be interviewed about the transaction. He and Lindsey, who form the Centennial Group with a third partner, released a general statement about their longtime support for the federal visitor center construction and downtown revitalization.

McCabe *(Photo by JIM LAVRAKAS / Anchorage Daily News)*

In response to e-mailed questions, they said they were paid "low" prices for the two buildings, which Lindsey said have a great location and view of Resurrection Bay. "These are the best commercial properties in downtown Seward," he said.

LONG HISTORY

Stevens has a long and well-known interest in promoting economic development in Seward, a scrappy railway terminal town that was hurt badly by the 1964 earthquake and related tsunami.

The two-story Mary Lowell Center would be built across Washington Street, closing off this view of Resurrection Bay. Supporters say it will revitalize downtown. *(Photo by ERIK HILL / Anchorage Daily News)*

His support for the $56 million Alaska SeaLife Center is an example. Federal money, much of it for research into Steller sea lions and other marine mammals, has helped the SeaLife Center survive and even thrive after its original plan for supporting itself through visitor admissions proved illusory.

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This year's $16 million operating budget includes $9 million in federal funds, said center finance director Stevens. That doesn't include the $1.6 million that showed up unexpectedly last August.

The SeaLife Center now draws more than 140,000 visitors a year in Seward, including many cruise ship passengers. But the downtown blocks uphill from the four-story facility have not exactly prospered. Tourist shops, bars and unused buildings are scattered throughout, with empty car-park lots like missing teeth among the storefronts.

The new national park visitor center is the latest federal plan for helping downtown Seward.

Since its creation by Congress in 1980, Kenai Fjords National Park has served the public out of offices near Seward's small boat harbor. An effort has been under way for a decade to build the park a new visitor center. The U.S. Forest Service, which manages the surrounding Chugach National Forest, would also have offices in the new multi-agency building. And the city of Seward joined in with a conference room big enough to hold small conventions.

The building is to be named the Mary Lowell Center, after the Native-Russian woman who sold her American husband's homestead in 1903 to the founders of Seward.

Finding a location for the new federal facility proved challenging. The first site chosen had to be

dropped because of earthquake hazards. The second, for a building owned by the University of Alaska, fell apart in 2002 after the university withdrew support. The city then formed a waterfront commission to look for a new site, hiring a consultant with federal funds.

In November 2002, two months before the first public meeting called by the waterfront consultant, McCabe took out an option to buy two old buildings opposite the bay, Old Solly's and the Arcade.

BASKETBALL STAR

McCabe, 36, grew up in Seward, where he was a high school basketball star and Mount Marathon runner. His ties to Stevens are strong. As the senator's fisheries aide, McCabe was the chief political broker for the 1998 American Fisheries Act, which privatized valuable stocks of pollock in the Bering Sea. He left the next year to become executive director of the At-Sea Processors Association, the factory trawler cooperative made possible by the act. A Harvard graduate and lawyer, McCabe remains an influential player in the big-stakes fish politics. Until last September his consulting business partner was Stevens' son, state Sen. Ben Stevens.

In the written statement provided in lieu of an interview, Lindsey said McCabe tied up the two properties in 2002 with plans to buy and renovate them. He had just finished remodeling another office building in town, a project widely praised.

Lindsey said McCabe began the purchase of the two properties "before the site selection process," when the Park Service still planned to build on university land. However, an Oct. 10 story in the Seward Phoenix Log, three weeks before McCabe signed the option, reported that the university had been "getting cold feet" on the joint project since August and was reconsidering its participation.

By April 2003, in any event, consultants were looking at building the new multi-agency facility downtown. McCabe exercised his option on the two downtown Seward buildings that month, buying them through the Centennial Group.

His partner was Seward businessman Lindsey, who had built up a local fuel distributorship into Petro Marine and Harbor Enterprises, the largest independent petroleum distributor in Alaska. Lindsey has wielded considerable influence over the years on behalf of Seward projects, including the SeaLife Center, and has been an active contributor to political candidates, including Stevens. The third partner in the group is Steve Zelener.

In his written statement, Lindsey said he and McCabe teamed up to offer to build the new visitor center and lease it to the National Park Service. They even drew up plans for such a building, arguing it would expedite the project. The government turned them down and the site selection process continued.

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Negotiations went on for nearly two years. The government eventually purchased four properties on either side of Fifth Avenue, including Old Solly's from the Centennial Group.

Lindsey and McCabe say Old Solly's was a good deal for the government at $455,000, going for less than their appraised value. But Chuck Gilbert, the National Park Service acquisitions chief in Alaska, said it was 30 percent above the market value set by the government's appraiser.

Meanwhile, negotiations for the Arcade Building faltered. McCabe did not say what he paid for the building, but an initial government appraisal of $174,000 drew objections from the Centennial Group, according to Gilbert. After inspectors found the 1943 building full of asbestos, a second appraisal dropped the value to $94,000. The government was figuring it would have to add the cost of dismantling the hazardous building after the purchase.

Centennial withdrew its offer to sell the Arcade last July. The Park Service said that was fine -- the new visitor center would work fine without the Arcade property.

FBI - Stevens-413

That was when the SeaLife Center entered the picture.

UNUSUAL NUDGE

Money left over from the $3.9 million earmarked by Congress to buy land in Seward for the Mary Lowell Center was originally to have gone to the city, which planned to build waterfront pavilions and walkways. But Stevens added an unusual nudge to the project in the December 2004 appropriations bill. The city would get the funds only after it had abandoned a block of downtown Washington Street, cutting between Legends and Old Solly's, so that the new building could be built across the road.

The process of "vacating" a public right of way is usually a matter left to local government, not Congress.

"We were accused of blackmail by the city," said the Park Service's Gilbert. It was an unfair charge, he said -- the congressional stipulation came as a surprise to Park Service negotiators.

Closing off Washington Street was, in fact, the design option preferred by many city officials, including Mayor Vanta Shafer. But they sensed it would be controversial. (And they were right -- see sidebar.)

On a trip to the nation's capital last July, Shafer asked Stevens -- diplomatically, she thought -- to remove the street-vacation language from federal law so they could handle the matter locally. He obliged -- but also, to the surprise of the city, took the money away.

"I guess all I can say is that the appropriation of money for the city of Seward wasn't addressed in that meeting," Shafer said.

Stevens spokeswoman Boone said it was all a misunderstanding. Stevens thought the street had already been vacated by the city and he was providing them the money as compensation for giving up the right of way. When he found out it wasn't vacated yet, she said, he looked elsewhere for a home for the funds, which had to be committed that fiscal year.

"He was very clear to the mayor he was not trying to force the city to do anything," Boone said.

Officials at the Alaska SeaLife Center quickly proclaimed they had not sought the city's $1.6 million for themselves. But they also said now that the money was theirs, priorities for waterfront improvements would be different from the city's -- beginning with the purchase of the Arcade building.

"It would be helpful to us in the long run," said SeaLife Center executive director Tylan Schrock.

The SeaLife Center guarded the price they were paying for the Arcade until the deal closed at the end of March. The $558,000 price turned out to be slightly higher, per square foot of land, than the Park Service paid for properties other than Old Solly's. But because it included the cost of demolition -- $200,000, according to McCabe -- it was a better deal, center officials said.

The Arcade deal was set up with proper attention to appraisals, knowing it could be subject to audit by a federal inspector general, said Stevens, the SeaLife Center's finance director.

The Arcade Building was torn down by Centennial contractors in March. The SeaLife Center agreed to buy a bare lot, said Schrock. Whether the land becomes office space, an open plaza or souvenir shop will be up to the master plan, officials said.

McCabe, in a brief written statement, referred to the removal of the old building as revitalization. "When runners cross the Mount Marathon finish line this year, there will be a place to stretch with an incredible view of the bay. Everyone who visits Seward this year will appreciate the improvement," he said.

TOO MUCH POWER?

To many of Seward's civic leaders, the Alaska SeaLife Center is a shining achievement, an icon of bootstraps economic development and their town's friendship with Stevens. But critics sometimes complain the facility wields too much local power, as when it wound up with the city's waterfront-improvement funding.

The purchase of the Arcade property from McCabe could sharpen the debate about its role in the community.

Since its inception, the marine facility has been touted as a tourist magnet that will help local business, not compete with it. But several center board members say the Arcade property seems a natural not only for offices but for a retail business targeting pedestrians moving between the SeaLife Center and the new Mary Lowell Center.

Center officials say they don't want to be seen as building up retail efforts in a way that would compete with other downtown shops. On the other hand, they say they are looking for new sources of revenue because they expect Stevens' influence on the budget to wane in coming years. They predict their federal funding will decline 25 to 35 percent. (Even as federal research funds decline, the center's need for office space will increase, they say, because more scientific work is being done in-house rather than elsewhere through subcontracts.)

Another innovative SeaLife Center proposal, for two-hour day-boat tours of Resurrection Bay, comes from the same need for new revenue, officials say. The tours, to be provided by an independent contractor from a dock at the center, will provide a new attraction for visitors this summer, officials said. Center staff will serve as on-board interpreters.

"It's part of our windows to the sea," said general manager Darryl Schaefermeyer.

The proposal is controversial. SeaLife Center officials argue that short boat tours won't compete with established full-day tours now operating out of the boat harbor on the other side of town. But when the tidelands lease for the dock came up before the local planning commission last month, tour-boat operators working out of the small boat harbor lined up to speak in opposition to what they called unfair competition from a city-supported nonprofit.

SeaLife Center officials, who refused the city manager's earlier demand for information on its land purchases, accused the city administration of stalling on the dock for reasons of "bureaucracy, rumors, innuendo and petty personalized politics."

The tidelands lease is coming up for final approval Monday before the City Council.

Waiting in the wings is Alaska Northern Outfitters, the company that would provide the boat and dock for the tours. The company did not have to bid on the job. Center officials say the company came to them, answering a need they had talked about for years. As a private business, officials

said, the Alaska SeaLife Center does not have to put such a contract out to public bid.

Alaska Northern Outfitters is co-owned by Trevor McCabe.

Reporter Tom Kizzia can be reached at tkizzia@adn.com or in Homer at 1-907-235-4244.

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FBI - Stevens-415

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.) B-2
ANCHORAGE DAILY NEWS

Date: 05/21/2006
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or
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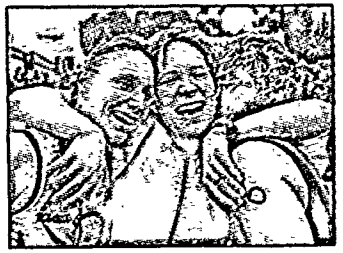
FBI - Stevens-416

B
SECTION B
ALASKA
ANCHORAGE DAILY NEWS • www.adn.com
SUNDAY, MAY 21, 2006



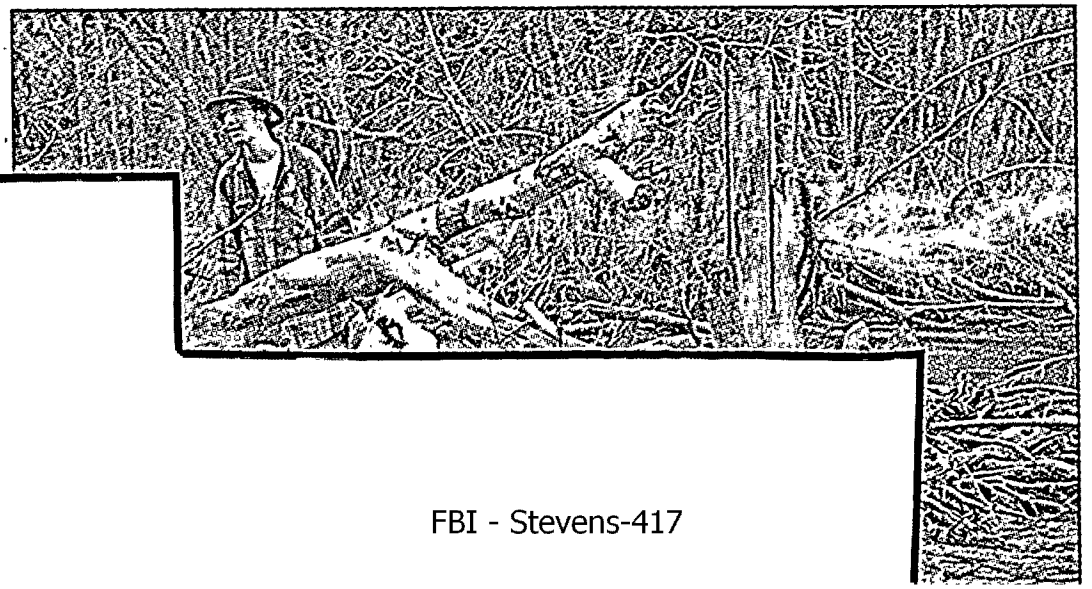
LOTS OF TRIATHLETES

More than 1,000 women are signed up for Sunday's Gold Nugget Triathlon, one of the largest women-only triathlons in the region. Last year, Olympic skier Kikkan Randall won in 1:05:32. Find out how this year's race turned out. **Monday in Sports**

TRASH AND EXOTIC TRINKETS

Creek cleanup

Family keeps record alive, wins another salvage award



FBI - Stevens-417

Senate may vote today on tax plan

■ **OIL LEVY:** Committee sets rate at 22.5 percent instead of 20 percent.

By ANNE SUTTON
The Associated Press

JUNEAU — The oil tax bill that died in the Alaska Senate at the end of the regular legislative session was back before lawmakers Saturday and could be up for another vote on the Senate floor as early as tonight.

Senators took a break from a ninth day of natural gas pipe-

Alaska Ear

The Divine Appendage

NOT THAT HE HAS AN OPINION ... Darlings, the special session is so incredibly boring that Ear is reaching back to the regular session for the following, from Alaska Budget Report notes of a special Legislative Budget & Audit Committee meeting a week ago, called by Ben Stevens among others.

The subject was oil and gas consultants hired by the committee who apparently incurred Stevens' displeasure. This part of the meeting focused on how much they got paid and featured two great Ben quotes:

"Six hundred twenty five thousand dollars going to a mystery consultant in Anchorage when the project director is in Fairbanks is staggering to me. ... It puts me to shame," said Ben.

And, noting that a draft gas contract he received in 2004 was only 90 pages compared to the governor, Stevens joked that "We all know what Jim Clark's full of. I think some of it might have rolled off into here."

SITCOM, AK ... Among ABC's new shows for the fall TV season: "Men in Trees," starring Anne Heche as a "relationship coach" who learns her fiance is cheating on her as she heads to a speaking engagement in Alaska — where she is subsequently stranded, and surrounded by "available men."

Says the press release: "She sees the amazingly beautiful world surrounding her, and for the first time she'll have the chance to stop and breathe. Now if she could just get the raccoon out of her hotel room, this place might be perfect."

Raccoons? In Alaska? In hotel rooms? A 2005 report from the U.S. Forest Service says the creatures first popped up that the current population is "very small."

And perhaps someone should share with Heche that little truism real Alaska women know about the men here: "The odds are good, but the goods are odd."

PRESS RELEASES ... Ear didn't finish reading: "Don't let your pooch become a 'Dog Bites Child' statistic."

FLYING FACTOID ... Uncle Ted's nomination by the Senate Majority Project as "Drama Queen of the US Senate," noted here recently, has been added to his Wikipedia entry. SMP, a Democratic group that looks for dirt on Republicans, swears it wasn't them.

See www.en.wikipedia.org/wiki/Ted_Stevens.

DO SEND A FONDU ... To Daily News business reporter Paula Dobbyn and long-time beau John Reed, a federal biologist, who got married May 5 on a beach in Kauai.

FAUX ... Yes, d'Ears, all of you who wrote to say Las Cruces is in New Mexico, not old Mexico as Ear said last week, are correct. Also welcome was a caller asking who paid for the poll mentioned in the item, which questioned how Gov. Murkowski would fare against a list of other real and imagined candidates.

Was it the Republican Party? Ear asked GOP boss Randy Ruedrich, who is openly supporting John Binkley. Randy said, "Not us. Don't know who." Or words to that effect.

So, does that just leave Frank himself? And why would he care about his vote-pulling strength? He hasn't filed for re-election.

Ten days to the deadline, darlings. Last week's unfounded and inevitably wrong rumors say Frank and Tony are both going to make last minute appearances.

Ear is weary of all this psephological chatter. (Look it up).

OUT AND ABOUT ... The Dems say DNC chair Howard Dean is coming here to speak on May 31. There's a $100-a-plate dinner that night at the Hilton. The DNC must think they have a real chance at liberating the governor's office.

Hmmm. Ear's not taking any heavy bets on that. Have you checked out the state Democratic party Web site lately? At www.alaskademocrats.org, if you click on "What do Democrats stand for" at the lower left of the page, you get: "Issues. Nothing to display."

GOOD THOUGHTS ... The law enforcement community is sending good wishes to Col. Julia Grimes, head of the Alaska State Troopers, whose husband Jim was badly injured last week in a motorcycle accident in Fairbanks. Jim Grimes is a retired trooper and brother of former APD Homicide Unit chief Mike Grimes. Word is he's doing better.

JUST WHAT WE NEED ... Another radio talk show has fired up, from 4 p.m. to 6 p.m. weekdays on KBYR. Hosts are Justin McDonald, the designated conservative, and Ken Smith, designated liberal. It's a Fox affiliate, so, fair and balanced, right? So far, not too much blood on the studio floor, says news director Kathy Phillips.

OUR GUY ... Former Assemblyman Craig Campbell, aka Maj. Gen. Craig Campbell, adjutant general of the Alaska National Guard and commissioner of military and veterans affairs, is scheduled to appear tonight on Dateline NBC.

He's going to talk about how totally prepared we are for gonzo earthquakes and how much we've learned from things like the Exxon-Valdez spill and the Miller's Reach fire. Tune in at 6 p.m.

Note: Craig violates the Ear rule against having more than three words in your title. It's tacky.

— Compiled by Sheila Toomey

ear@adn.com

FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) B-1
ANCHORAGE DAILY NEWS

Date: 05/25/2006
Edition: THURSDAY

Title: ALASKA LAWMAKERS ATOP LIST OF LOBBYIST LARGESSE

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or
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Submitting Office: Anchorage

-219

Indexing:

(Mount Clipping in Space Below)

Alaska lawmakers aton list of lobbyist largesse

■ **REPORT:** State's delegation got more money per legislator than did any other state's.

By LIZ RUSKIN
Anchorage Daily News

WASHINGTON — An analysis of campaign contributions by the government watchdog group Public Citizen says Washington, D.C., lobbyists are big political donors, and that Alaska's delegation to Congress scoops up more of that money per lawmaker than any other state's.

That's because Alaska has only a three-member team, and two of the members are Sen. Ted Stevens and Rep. Don Young, among the most powerful members of Congress. Stevens was chairman of the Senate Appropriations Committee, and Young is chairman of the House Transportation Committee.

Lisa Murkowski ranks 56th in the U.S. Senate for money raised from lobbyists.

Since 1998, Washington lobbyists have contributed $663,000 to Stevens' campaign and his political action committee, making him their tenth-most favored senator. Young was tenth-most favored in the House, with $652,448, according to the Public Citizen analysis.

"What it tells me is lobbyists are trying to influence Don Young and Ted Stevens," said Taylor Lincoln, the primary author of the report.

Lobbyists gave almost $275,000 to Sen. Lisa Murkowski, putting her in 56th place in the Senate, although she was not a federal candidate for much of the period Public Citizen studied. She was appointed in 2002.

Other lawmakers raked in far more from lobbyists. Three — former senator Tom Daschle, D-S.D., and Pennsylvania's Republican senators, Rick Santorum and Arlen Specter, received more than $1 million each. But lesser-known lawmakers from those states dragged the average below Alaska's.

Public Citizen, a consumer advocacy group founded by Ralph Nader, believes Washington lobbyists contribute to congressional campaigns for business purposes, because they are trying to increase their influence with key lawmakers.

"I think it takes a little bit of naivete to believe that a lobbyist in McLean, Virginia, is really that concerned about (which candidate) can do the best job representing Alaska," Lincoln said, referring to a wealthy suburb near Washington.

Public Citizen wants to limit lobbyists' contributions to $200 per candidate in

See Page B-7, MONEY

Anchorage Daily News

MONEY: *Report looks at donations*

Continued from B-1

each election.

Paul Miller, president of the American League of Lobbyists, disputed that lobbyists contribute mostly to increase their influence.

"It's a freedom of speech issue," he said. "They may strongly believe in the people they're giving to."

Lincoln called it "silly" to suggest that lobbyists give so much because they like a candidate's ideology. "I don't think that's an honest starting point in the discussion," he said.

Some lobbyists, Miller conceded, might have business reasons for giving, but the same is true of any corporate executive. As long as a lobbyist isn't paying a lawmaker for an official act, it's not wrong, he said.

"We have a set of rules right now that works," he said. "Jack Abramoff is going to prison."

Lincoln said he was careful to avoid declaring that the contributions he tallied in the report were payments that bought particular actions. But he profiled the lobbyists who contributed the most money and reported that "these lobbyists have managed to accomplish remarkable feats on Capitol Hill."

Among the examples he cited was Denny Miller and his work for Boeing on a deal to have the Air Force lease jets to use as tankers. The deal fell apart in 2003 amid a contracting abuse scandal and prison sentences for a high-ranking Air Force official and a senior Boeing executive. Sen. Stevens was the main advocate for the deal in Congress.

> *"We have a set of rules right now that works. Jack Abramoff is going to prison."*
>
> — Paul Miller, president of the American League of Lobbyists

The Public Citizen report notes that Denny Miller and his wife, Sandra Miller, have contributed $25,000 to Stevens. And the report said, the Millers organized two fundraisers in 1996 that raised $160,000 for Stevens in four hours. Denny Miller also served on the steering committee of the nonprofit Ted Stevens Foundation when it formed two years ago.

Stevens' spokeswoman, Lindsay Hayes, said there was "no link between any contributions" and the Boeing tanker lease deal. Stevens said in 2003 that he was the one who proposed to Boeing that its aircraft could replace the aging tanker fleet, not the other way around.

Young's campaign manager, Steve Dougherty, said lobbyist contributions have no influence on the congressman, and to suggest otherwise is unfair. Young, Dougherty said, campaigns hard, holding lots of fundraisers in Alaska and elsewhere.

"Congressman Young has friends and contributors all across the country," Dougherty said.

■ Reporter Liz Ruskin can be reached at lruskin@adn.com or in Washington at 1-202-383-0007.

194A-AN-1360-Press

FD-350 (Rev. 5-8-81)

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

Date: 06/06/2006
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or
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Submitting Office: Anchorage

Indexing:

(Mount Clipping in Space Below)

Lawmakers, aides see the world on others' dimes

■ 200 TIMES TO PARIS: Report, watchdog groups call travel "little more than pricey vacations."

Daily News and wire reports

WASHINGTON — Join Congress, see the world. Join a congressman's staff, see more of it.

Private groups, corporations or trade associations — many with legislation that could affect them pending before Congress — have paid nearly $50 million since 2000 to send members of Congress and their staffers on at least 23,000 trips overseas and within the United States, according to a study released Monday.

The trips included at least 200 journeys to Paris and 150 to Hawaii, room rates of up to $500 a night and some high-flying on corporate jets that cost up to $25,000 a trip, according to a report by the Center for Public Integrity, American Public Media and Northwestern University's Medill News Service.

"Some trips seem to have been little more than pricey vacations — often taken in the company of spouses or other relatives — wrapped around speeches or seminars," the report said. "In many instances, trip sponsors appeared to be buying access to elected officials or their advisers."

Congressional aides took more than 70 percent of the trips, the study found.

While the travel isn't illegal, the report shines a light on how business is often done in Washington. It comes in a congressional election year when one of the biggest issues is corruption.

The findings also emerged as Congress remains deadlocked on legislation that would restrict contacts with lobbyists and impose new ethics standards on members. As scandals have emerged over the past two years, lawmakers moved to ban privately financed travel and do away with meals and gifts from lobbyists. Eventually, both the House of Representatives and Senate passed versions of ethics legislation, though neither banned privately financed travel. Negotiations to reconcile differences in the bills haven't begun.

Under current law, lobbyists are prohibit-

See Back Page, **TRAVEL**

Rep. Don Young is No. 2 on the travel list. See Back Page

FBI - Stevens-421

Tuesday, June 13, 2006

12:00 PM MUNICIPAL DIVERSITY COUNCIL Deirdre Brust 564-2726 Municipal Light & Power, 1200 E. 1st Avenue, Main Conf Rm

3:00 PM CONVENTION CENTER NAMING COMMITTEE Mayor's Conference Room 8th Floor City Hall

4:00 PM ADA COMMISSION K Takakuwa 343-4670 Health & Human Svcs, 825 L St, 4th Floor Conference Room

7:00 PM GIRDWOOD VALLEY SA LAND USE COMMITTEE Glacier City Hall

UPCOMING MEETINGS:

A) July 13, 2006

For more information phone 343-44355. Auxiliary aids and services are available upon request. Please notify Parks and Recreation at least 48 hours in advance of event.

P.O.#190-06, Publish: June 6, 2006

Municipality of Anchorage
P.O. Box 196650
Anchorage, Alaska 99519-6650

CASE: S11508 - 1
PETITIONER: Kurt Rentfro
REQUEST: To subdivide one (1) lot into five (5) lots
TOTAL AREA: 0.85 acre(s)
SITE ADDRESS:
LOCATION: South of Lore Road and east of Winchester Street
COMMUNITY COUNCIL(S): Abbott Loop

Located at 3401 Rabbit Creek Road.

The Department of Planning recommendation will be available after 1:00 p.m. on the Friday prior to the meeting.

P.O.#193-06, Publish: June 6, 2006

NOTICE OF PUBLIC SEALED BID AUCTION

Held at the Real Estate Counter, MOA Permit Center, 4700 Bragaw Street, Anchorage, Alaska

Sealed Bids accepted between 8AM and 3PM on Monday, June 19, 2006

The Municipality of Anchorage will conduct a sealed bid auction on Monday, June 19, 2006, for the properties listed below. Property profiles and bid packets are available at the Real Estate Services/Tax Foreclosure Counter at 4700 Bragaw Street, Anchorage, Alaska. ALL PROPERTIES ARE OFFERED "AS-IS" AND "WHERE IS" WITHOUT RECOURSE AGAINST THE MUNICIPALITY OF ANCHORAGE. NO REPRESENTATION OR WARRANTY, EXPRESSED OR IMPLIED, IS MADE AS TO THE VALIDITY OF TITLE, SIZE, DIMENSION, OR CONDITION OF ANY PROPERTY, OR ITS SUITABILITY FOR ANY USE OR PURPOSE WHATSOEVER. Municipality of Anchorage reserves the right to withdraw any property from the sale.

Sale No.	Tax Parcel ID	Legal Description	Physical Address	Location	2006 Assessed Value	Minimum Bid
1	004-035-47-000	Mountain View Blk 16 Lt 4 E2 E3 N2	3320 Thompson Ave	Anchorage	$23,400	$10,000
2	017-073-73-000	Grecian Hills Blk 2 Lt 8	7960 Cox Dr	Anchorage	$31,400	$60,000
3	050-651-03-000	Mountain Valley Estates Blk 1 Lt 19	NHN Birdsong Dr	Eagle River	$40,900	$25,000
4	050-661-13-000	Mountain Valley Estates #1 Blk 5 Lt 10	NHN Birdsong Dr	Eagle River	$40,600	$40,000
5	050-661-14-000	Mountain Valley Estates #1 Blk 5 Lt 11	NHN Birdsong Dr	Eagle River	$42,300	$40,000
6	050-792-14-000	River View Estates Blk 5 Lt 19	NHN Waterfall Dr	Eagle River	$41,600	$10,000
7	050-792-15-000	River View Estates Blk 5 Lt 18	NHN Waterfall Dr	Eagle River	$41,900	$25,000
8	051-172-01-000	T15N R1W Sec 18 Lt 75	NHN Becky Lane	Birchwood	$36,000	$25,000
9	051-231-14-000	T15N R1W Sec 18 Lt 175	19326 Richner Rd	Birchwood	$63,600	$100,000
10	051-471-12-000	Sleepy Hollow #1 Blk 1 Lt 1	NHN Mountain Dr	Peters Creek	$46,300	$30,000
11	051-511-04-000	Sleepy Hollow #2 Blk 1 Lt 14	NHN Mountain Dr	Peters Creek	$46,700	$10,000

DO NOT ENTER ANY OCCUPIED PROPERTY WITHOUT THE OCCUPANT'S PERMISSION • P.O.#194-06, Publish: June 6, 2006

VISIT US ON THE INTERNET! www.muni.org

TRAVEL: *Representatives defend trips, say donations relieve taxpayers*

Continued from A-1

ed from paying for congressional travel. But a federal investigation into former lobbyist Jack Abramoff uncovered a scheme in which Abramoff used nonprofit groups to pay for extravagant Scottish golf outings for members and staffers.

The study released Monday found that Rep. Tom DeLay, R-Texas, and his aides accepted the most, to the tune of about $500,000 in trips since 2000. DeLay is resigning from Congress on Friday under a cloud cast by the investigation into Abramoff, who arranged trips for him.

The office of Rep. Don Young, R-Alaska, was No. 2 on the list with about $492,000, according to the Center for Public Integrity report. Young's office also was among the 11 taking more than $350,000 in outside travel money, and among the 10 taking more than 200 trips between January 2000 and June 2005, the report noted.

Meredith Kenny, Young's spokeswoman, said committee chairmen and other leaders need to travel more than the average member to stay educated and properly lead their committees.

The travel by Young's aides, Kenny said, was largely in service to transportation committee.

"Rep. Young chairs the largest committee in the House (Transportation) and thus is required to travel the country looking at potential projects for funding, etc," she said by e-mail Monday. Much of the aide travel was related to his committee work, she said.

"Members can't really be expected to lead a committee responsible for the funding of projects all over the country, and not be educated, first hand, on the needs of other states," she said. "This is the U.S. House of Representatives, not a state house of representatives."

The top 10 travelers identified in the study are all members of the House of Representatives and include House Majority Leader John Boehner, R-Ohio. Spokesman Kevin Madden said Boehner met all congressional requirements for his travel, including prompt and public disclosure.

"Travel funded by private interests relieves taxpayers of having to cover the costs of educational travel," Madden said.

The private organization that spent the most on travel is the Aspen Institute, an educational organization that paid about $3.5 million to send lawmakers and their spouses to high-level conferences around the globe.

The institute's congressional program began in 1983 and is run by former Sen. Dick Clark, D-Iowa. It is nonpartisan and accepts money only from foundations, not corporations. The institute defended its travel policy, noting that by getting out of Washington, members can concentrate on subjects that are likely to come before Congress.

"The idea behind this is that senators are so distracted they never give enough focus to one issue," Aspen Institute spokesman James Spiegelman said.

Watchdog groups say groups such as Aspen generally fulfill a useful purpose and that lawmakers should try to write legislation that distinguishes between non-corporate educational travel and that paid for by corporations or industry groups.

"The lines are hard to draw because some of the fact-finding trips give people access to special interests," said Dennis Thompson, director of Harvard's Edmond J. Safra Foundation Center for Ethics.

The Center for Public Integrity was forced last year to withdraw a study it conducted on White House travel because of a flawed database that inflated the amount of money spent as well as the number of staff. To avoid such errors this time, Wendell Rawls, acting executive director for the center, said the nonpartisan group had pored over the 26,000 pages of travel documents individually, hired outside consultants to comb the data and the findings, and made conservative estimates of the data tallies.

■ Knight Ridder Newspapers, The New York Times and Daily News staffers contributed to this story.

Here is a list of the 20 most expensive of the 254 trips taken by Rep. Don Young and his aides in a five-and-a-half-year period that ended in 2005, as compiled by the Center for Public Integrity.

TRAVELER	DATE	DESTINATION	SPONSOR	PURPOSE	TOTAL COST
David Heymsfeld	Feb. 2003	Brazil	American Soybean Association	No purpose listed	$9,580
Don and Lu Young	June 2003	San Diego	Totem Ocean Trailer Express Inc.	Christening of the M.V. Northstar	$8,951
Gregory F. Thom	Jan. 2002	Hong Kong, Beijing	Hong Kong Educational & Cultural Program	International trade and commerce/impact on Hong Kong	$8,138
Don Young	Jan. 2001	San Diego	American Short Line and Regional Railroad Association	Speaking engagement at annual convention	$7,772
Don Young	May 2000	Cape Town and George, South Africa	Alaska Natural Gas to Liquids	Fact-finding	$7,657
Anastasia Soumbeniotis	May 2001	Brussels, Belgium; Paris	Congressional Economic Leadership Institute	Exchange with foreign aviation officials	$7,447
Don and Lu Young	March 2002	Las Vegas	Associated General Contractors and affiliates	To speak to convention and other industry groups	$7,142
Michael K. Henry	Aug. 2000	Alaska	Resource Development Council for Alaska Inc.	Fact-finding	$6,674
Trinita E. Brown	April 2004	Singapore	No sponsor listed	Port and homeland security, and related joint U.S.-Singapore issues	$6,500
Kurt Christensen	July 2000	Juneau, Anchorage, Healy, Fairbanks and Kotzebue	National Mining Association/Gold Institute	Mining operations visit	$6,407
Kathleen Donnelly Zeen	Nov. 2003	Toulouse, France; Broughton, Wales; Paris	European Institute	[illegible] about commercial aircraft, international trade, and postal issues	$6,180
Don and Lu Young	April 2001	Napa, Calif.	Congressional Sportsmen's Foundation	[illegible]t with California wildlife conservation organizations	$6,167
Trinita E. Brown	Aug. 2004	Kuala Lumpur, Malaysia	No sponsor listed	To m[illegible]t government officials to gain understanding of Malaysia and region	$6,035
Don and Lu Young	Feb. 2003	Miami	AFL-CIO	Executive board convention and presentation	$5,864
Mark D. Zachares	Aug. 2003	Scotland	National Center for Public Policy & Research	Fact-finding	$5,643
Don and Lu Young	March 2001	Las Vegas	Cook Inlet Regional Inc.	To speak to board members	$5,404
Sharon A. Barkeloo	April 2002	Toulouse, France; Brussels, Belgium; Paris	Chamber of Commerce for the USA	Aviation and trade-related fact-finding	$5,379
David Heymsfeld	April 2002	Toulouse, France; Brussels, Belgium; Paris	Chamber of Commerce for the USA	Aviation and trade-related fact-finding	$5,379
Anastasia Soumbeniotis	April 2002	Toulouse, France; Brussels, Belgium; Paris	Chamber of Commerce for the USA	Aviation and trade-related fact-finding	$5,379
Adam Tsao	April 2002	Toulouse, France; Brussels, Belgium; Paris	Chamber of Commerce for the USA	Aviation and trade-related fact-finding	$5,379

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.) B-1
ANCHORAGE DAILY NEWS

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or
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Submitting Office: Anchorage

Indexing:

see attached

FBI - Stevens-424

Alaska Ear

The Divine Appendage

NUMBERS ... The Ivan Moore poll isn't quite hot off the press — it was in the field June 1 to 4 — but perhaps a few Ear-mites haven't seen it. They questioned about 600 most likely voters.

If the primaries were held now: It's Sarah and Tony. If it was already November (bite your tongue) and time to vote:

In a Knowles/Palin/Halcro race, Sarah and Tony are pretty much a tie.

In a Knowles/Binkley/Halcro race, it's Tony by nine points.

In a Knowles/Murkowski/Halcro race, it's Tony by 32 points.

Ear's bet with Sarah, made long before she announced her candidacy, that Murkowski would win the primary isn't looking too good. There's two pounds of Godiva chocolate riding on it.

ON THE MOVE ... The grapevine says Gov. Murkowski has signed up Cherie Solie to be his campaign "coordinator," whatever that is.

Is it different from campaign manager? We haven't seen signs of one of those yet, but the gov says he'll tell us his choice this week. Ear hears three or four people have already turned down the job, but maybe they're just bragging.

The grapevine also says Joel Gilbertson of Providence hospital, until recently the boy commissioner at DHSS, has agreed to be campaign treasurer. But what do grapes know?

SO SWEET OF THEM ... Sign posted at a local store: "All unsupervised children will be given two cans Red Bull and a free puppy."

MOVING, WITH FONDU ... Longtime Daily News Washington correspondent Liz Ruskin is leaving the paper and moving to England with a new husband and two dogs. On Sept. 3, Liz and Air Force dentist Tim Claseman plan to marry, then he's being transferred to an air base northeast of London.

Liz is trying to be nostalgic about leaving the Beltway, but she's too busy lining up clients for her new freelance business, specializing in stories about cultural rifts among the countries of the European Union.

"We'll be living near ... Stanstead, London's discount airport," she writes, "from which you can fly to European cities whose name you can't pronounce in tiny countries you've never heard of for $20."

CAN'T THEY JUST GET ALONG ... This from Sen. Kim Elton's newsletter: Nome Rep. Richard "Machine Gun" Foster says he's faced a total of 18 opponents in 10 runs for his state House seat. Kenai-Soldotna GOPer Kurt Olson is running for just his second term this year and is already up to 11 opponents.

FLYING FACTOID ... The Fraternal Order of Alaska State Troopers is running a CSI summer camp for 12- to 17-year-olds. Yes, d'Ears, as in forensic science. Brains and blood. Maggots and body fluids.

All right. Maybe not those things exactly. Wanna send your kid? Too late. It's full.

KUDOS ... Outdoor Life magazine has named The Salty Dawg in Homer one of the top fishing bars in the country in its June issue. As a matter of fact, it's at the top of the list on the press release.

ON THE MOVE ... Cindy Stanton, probably the best-known police sergeant in the city's neighborhoods, is returning to patrol duty from her job as community council liaison. In that job, she went to every community council meeting in town, or so it seemed anyhow. A bunch of patrol sergeants got promoted and the chief needs Cindy to fill in.

• As long as we're talking about law enforcement, word is Col. Julia Grimes, head of the Alaska State Troopers, plans to turn in her papers at the end of the summer, moving her retirement up a little following her husband Jimmy's motorcycle accident last month. Friends say his many broken bones are mending but they're reportedly heading to Florida.

TO DRINK OR WASH? ... Ear doesn't really want to know. The consultant's report on raising water rates that was presented at Tuesday's Assembly meeting proposed commercial rate changes for a variety of industries, from bakeries to libraries, dentists to churches. And, on the list, "Massage Parlor/Escort Service." Which prompted one earwag to ask: "Does the wastewater utility know something APD should?"

VERBATIM ... From a ruling by a federal court judge in Tampa, Fla., in a dispute between Avista Management Inc. and Wausau Insurance:

"This matter comes before the Court on Plaintiff's Motion to designate location of a ... deposition. Upon consideration of the Motion — the latest in a series of Gordian knots that the parties have been unable to untangle without enlisting the assistance of the federal courts — it is ORDERED that said Motion is DENIED. Instead, the Court will fashion a new form of alternative dispute resolution, to wit: at 4:00 P.M. on Friday, June 30, 2006, counsel shall convene at a neutral site agreeable to both parties. If counsel cannot agree on a neutral site, they shall meet on the front steps of the ... U.S. Courthouse ...

"Counsel shall engage in one (1) game of 'rock, paper, scissors.' The winner of this engagement shall be entitled to select the location for the ... deposition to be held somewhere in Hillsborough County during the period July 11-12, 2006."

The duel will be held in one of the lawyers' offices, according to a story Thursday in the Orlando Sentinel.

— Compiled by Sheila Toomey

■ ear@adn.com

FBI - Stevens-425

FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) B-4
ANCHORAGE DAILY NEWS

Date: 06/12/2006
Edition: MONDAY

Title: OUR VIEW; JUNKETS: WHO PAYS?

Character:
or
Classification: 194A-AN-13620-M - 222
Submitting Office: Anchorage

Indexing:

(Mount Clipping in Space Below)

OUR VIEW

Junkets: Who pays?

When politicians enjoy this perk, ordinary citizens are the losers

Who pays when Alaska Rep. Don Young and his wife get a $5,400 trip to Las Vegas from Cook Inlet Region Inc.?

Who pays when a business lobby pays $21,500 so four of the congressman's aides can trot around Paris and Brussels on a "fact-finding" mission?

Who pays when Rep. Young and his staff take $492,000 worth of special-interest junkets over six years — second only to disgraced influence peddler former Rep. Tom DeLay, the Texas Republican who was lobbyist Jack Abramoff's best friend in Congress?

Special interests get special consideration.

You pay, citizen.

No, you don't write the checks. But you pay in a different way. You pay because those who supply the junkets to cushy locales get to put their thumb on the political scales in Washington, D.C. They get access you don't. They get special consideration you don't. They get results you don't.

Take a look at one of Rep. Young's junket sponsors. CIRI, the Anchorage-area Native corporation, has become a financial powerhouse in part because of many decisions made by the federal government long after the 1971 Native claims act created the firm. In one particularly bountiful year, CIRI paid an average shareholder a dividend of $65,000.

CIRI is now busy now obtaining land from the federal government at Point MacKenzie. (It already has large holdings in the area.) Who is the biggest booster of federal funding for a bridge from Anchorage that would improve access to CIRI's land holdings and drastically increase their value? Rep. Young, CIRI's guest in Las Vegas.

Is this a quid pro quo? No. Rep. Young would push a Knik Arm Crossing even if CIRI weren't a big landowner on the other side. But are CIRI's views on the project going to carry more weight than the many Alaskans who think the state has more urgent uses for federal transportation money? Let's not be naive.

FBI - Stevens-426

Defenders of the rampant congressional junketeering say there is real educational value in the travel by congressional officials. (And sometimes, that is the case.) Junket sponsors are actually doing taxpayers a favor, in this view, by educating officials without spending public money.

If there is public value to a congressional trip, the public should pay for it. And if there isn't public value to it, the elected official or his minions should not go — period. They should not be hobnobbing with people who want to buy their friendship and have the stash of money needed to do so.

The money for "educational travel" of value, however, shouldn't come from citizens' pockets. It should come from the very people who are trying to win undue influence. Since they claim the travel has public-interest value, they shouldn't complain if they help finance the travel through open, public channels — like a tax.

Defenders say the travel has educational value.

It would be great fun figuring out the best way to collect the money. There could be a surtax on each special-interest's lobbying expenses — spend $1 million, pay $100,000 into the congressional travel pool.

Or maybe the fees should be pegged to the salary of the CEO or executive running the firm or organization. You've got a $10 million CEO? That'll cost you $100,000. Pay your CEO less, your travel tax is less.

Never happen, of course. The people in charge of writing the rules are the very officials who get to enjoy the junkets.

So we're stuck with the status quo, where officials enjoy the trappings of royalty and the voices of ordinary citizens don't penetrate the castle walls.

The only tool voters have for ending this royalist environment of entitlement, and the culture of corruption it breeds, is the ballot you cast in November.

Use it wisely.

194A-AN-73620-Pres

BOTTOM LINE: Congress should stop members and aides from taking special-interest junkets. If the trip is legit, pay for it with public funds.

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

As part of her investment report, Sen. Lisa Murkowski said she and her husband sold a rental house.

6/15/06

Alaskans report finances

CONGRESS: A yearly investment filing shows very few changes.

By LIZ RUSKIN
Anchorage Daily News

WASHINGTON — Alaska's members of Congress made a few changes in their financial investments last year, but nothing drastic, according to the annual personal disclosure reports released Wednesday.

Sen. Lisa Murkowski and her husband sold a rental house on Government Hill in May of last year for more than $100,000 and less than $250,000, according to her report.

Stevens' horse investment totals no more than $30,000. He lost money on it last year.

Sen. Ted Stevens reported a drop in the value of his blind trust, but whether it was a plunge or a mere dip is impossible to say because members of Congress aren't required to report the exact value of their assets. He reported that his trust was worth $500,000 to $1 million and produced income of $50,000 to $100,000 last year.

Stevens started the blind trust in 2004 with a bit more than $1 million from the sale of his interest in Alaska real estate, investments he bought into for $50,000. He said last year that "the wrath of the media" forced him to give up his lucrative partnership with Anchorage developers John Rubini and Leonard Hyde.

Rep. Don Young, as he did last year, listed his most valuable asset as his shares in a Putnam mutual fund, worth between $100,000 and $250,000. He also owns a home in an affluent neighborhood in Northern Virginia, but lawmakers don't have to disclose the value of the homes they live in.

He remains a board member of the National Rifle Association, he reported.

Perhaps the most colorful investment in the reports is Stevens' stake in race horses, which he owns through partnerships called Alaska's Great Eagle and Alaska's Great Eagle As Well. The roster of his partners sounds like a Who's Who of Alaska's rich and influential: Bill Allen, Leonard Hyde, Carl Marrs, David McGuire, Ed Rasmuson. The managing partner is Girdwood restaurateur Bob Persons. He told the magazine Blood-Horse that Alaska's Great Eagle refers to Stevens, who flew cargo planes in World War II.

The group's most illustrious horse, So Long Birdie, raced well enough to qualify for the Triple Crown last year but suffered an ankle injury and was put out to stud in New Mexico. His stud fee, according to Thoroughbred Times, is $2,000.

Stevens' horse investment totals no more than $30,000. He reported that he lost money on it last year.

(Indicate page, name of newspaper, city and state.) B-1
ANCHORAGE DAILY NEWS

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ANCHORAGE DAILY NEWS

Date: 06/19/2006
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Title: AD: RE-ELECT FRANK MURKOWSKI

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or
Classification: 194A-AN-13620-M -224
Submitting Office: Anchorage

Indexing:

see attached

FBI - Stevens-429

I agree.
I admit it.
I'm a long, long way from perfect.

At one time or another, I've made nearly the entire state of Alaska mad at me.

Maybe I should consider a personality transplant.

But in Alaska, sometimes it takes a strong will to make things happen.

The Alaskan "dream" of a natural gas pipeline is now closer to reality. It will be a second Prudhoe Bay that can bring *billions* of dollars to Alaskans each year.

In addition, when approved by the legislature, our current Petroleum Production Tax (PPT) agreement could provide an additional *billion* dollars a year for Alaskans, beginning now.

And while our gas line negotiations have been in the headlines, we have also quietly strengthened nearly every aspect of Alaska - - particularly K-12 education and the U of A system. Today, over half of Alaska's college-bound students attend the University of Alaska.

And there's a lot more.

Altogether, I believe we're on the right track. And even though I have some areas to improve on, I believe I have the best background to successfully serve Alaska at this important time.

I'd appreciate your support very much.

FBI - Stevens-430

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I'd appreciate your support very much.

Thank you,

Mounting urgency propels the hunt for 2 missing GIs

■ **ABDUCTED:** U.S. military denies rumors of $100,000 reward.

By KIM GAMEL
The Associated Press

BAGHDAD — An Iraqi farmer said Sunday that he saw seven heavily armed gunmen capture two American soldiers during an attack on a road checkpoint south of Baghdad, while U.S. troops searched for their comrades for a second day.

Another Iraqi said the Americans were offering $100,000 for information leading to the abductors, but the U.S. command denied that.

The White House promised to do everything it could to find the soldiers and had a message for anybody who may have taken the two: "Give them back."

The Defense Department identified the missing men as Pfc. Kristian Menchaca, 23, of Houston, Texas, and Pfc. Thomas L. Tucker, 25, of Madras, Ore. It said Spc. David J. Babineau, 25, Springfield, Mass., was killed in the attack. The three were assigned to the 1st Battalion, 502nd Infantry Regiment, 2nd Brigade, 101st Airborne Division (Air Assault), Fort Campbell, Ky.

Gunmen, meanwhile, kidnapped 10 bakery workers in Baghdad, and a mortar attack killed four people in the capital. Police also found 17 bodies around the city, including four women and a teenager handcuffed and shot in the head — apparently the latest victims of sectarian death squads.

While suffering the new blows to his effort to restore security in Baghdad, Iraqi Prime Minister Nouri al-Maliki pushed ahead with negotiations on a plan for reconciling the country's ethnic and religious communities.

But his proposal, which would include a limited pardon for insurgents according to a draft obtained by The Associated Press, has been snarled by stark differences on that issue among the various groups, legislators said Sunday.

U.S. troops, backed by helicopters and warplanes, fanned out across the "Triangle of Death" south of Baghdad searching for the two missing servicemen, but the military offered no new information after saying Saturday that at least four raids had been carried out.

The predominantly Sunni region is the scene of frequent ambushes of U.S. soldiers and Iraqi troops.

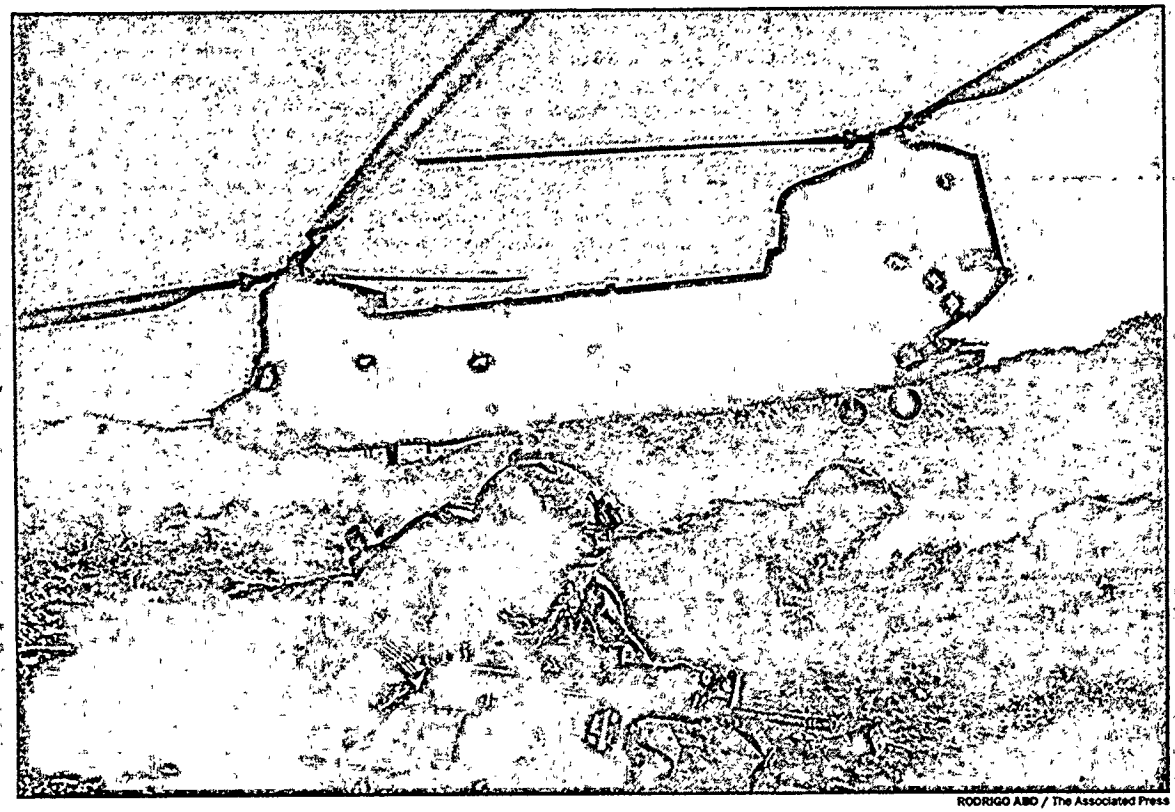
Ahmed Khalaf Falah, a farmer who said he witnessed the abduction of the Americans on Friday, said tensions were high in the area as U.S. troops raided some houses and detained men in looking for the missing soldiers. He said the Americans were setting up checkpoints on all roads leading into the area of the attack and helicopters were hovering at low altitudes.

A Youssifiyah resident, who said his house was searched by U.S. soldiers Sunday afternoon, said the Americans were using translators to offer $100,000 for information leading to those who took the soldiers.

The man in Youssifiyah said he would not cooperate.

"I will not do it even if they pay one million dollars," he said, speaking on condition of anonymity. "They deserve all that they are facing ... we are living a hard life because of them."

The two soldiers were the first to go missing in the Iraq war since Sgt. Keith M. Maupin of Batavia, Ohio, was captured on April 9, 2004. His captors say he is dead.



RODRIGO ABD / The Associated Press

U.S. soldiers from the 2nd Battalion, 87th Infantry Regiment, 10th Mountain Division take cover as a CH-47 Chinook helicopter lifts off in southern Afghanistan's Helmand province on Sunday. U.S. troops took positions atop a mountain ridge to cut off key transport routes, part of a major anti-Taliban offensive that has killed scores of suspected militants in recent days.

U.S. aims to cut Taliban route

■ **AFGHANISTAN:** The offensive is in response to a recent surge of ambushes and bombings.

By JASON STRAZIUSO
The Associated Press

BAGHRAN VALLEY, Afghanistan — U.S. soldiers descended on a mountain ridge Sunday, quickly setting up fortified posts and mortar positions overlooking a key Taliban transport route as the coalition pressed a major offensive that has killed dozens of suspected militants.

It was the first time in years that soldiers from the U.S.-led military force have ventured into Baghran Valley in the northern part of Helmand province.

Troops from the 2nd Battalion, 87th Infantry Regiment, 10th Mountain Division poured out of CH-47 Chinook helicopters in the early morning and scouted the mountain for militants.

The position will allow U.S. forces to block the movement of Taliban fighters and supplies, said one of the officers, Lt. Col. Chris Toner.

More than 10,000 coalition soldiers are spread out over four southern provinces — Helmand, Uruzgan, Kandahar and Zabul — in Operation Mountain Thrust, a blitz aimed at quelling a surge of Taliban attacks. It is the largest offensive since the 2001 ouster of the Taliban regime.

"This is the decisive part of the operation because if we do not get on the mountain, we will not be able to accomplish this mission," said Capt. Jared Wilson.

Before boarding the helicopters, Wilson warned his troops about the dangers of the operation.

Their new encampment is remote — more than 60 miles from the nearest ground forces — but Wilson said that serves as an advantage because the enemy was not expecting their arrival.

The open-ended offensive aims to hunt down Taliban fighters blamed for an onslaught of ambushes and bombings in recent months; the worst spate of militant violence since 2001.

Taliban militants Sunday killed a former chief of one of Helmand province's districts and four of his bodyguards in an ambush.

Japan chips away at commercial whaling ban

Japan chips away at commercial whaling ban

■ **VOTE:** Symbolic win provokes predictions of doom for protections.

By CAROL J. WILLIAMS
Los Angeles Times

FRIGATE BAY, St. Kitts and Nevis — The International Whaling Commission narrowly voted Sunday that a 20-year ban on commercial whale hunting no longer is necessary because marine mammals have recovered from near extinction.

The 33-32 vote gave Japan a symbolic victory in its campaign to resume whaling and signaled a power shift within the commission but did not actually jeopardize the ban, which can be overturned only by a 75 percent vote from among the 70 member nations. Environmentalists and other observers called such a scenario unlikely.

The so-called St. Kitts and Nevis Declaration also expressed the deeply divided group's "commitment to normalizing the functions of the IWC," a reference to Japan's desire to return to IWC's original role as a whalers' club with only modest responsibility to manage whale populations.

Sunday's vote demonstrated that Japan and its pro-whaling allies Norway and Iceland have finally acquired control of the IWC by enticing small Caribbean, Pacific and African countries, some of them landlocked and most of them with no interest in whaling, with lavish aid and assistance in developing fisheries.

Denmark unexpectedly voted in support of the declaration after previously siding with the conservation advocates. The European nation appeared to be swayed by the pro-whaling sentiments of its constituents in Greenland and the Faeroe Islands, despite a generally environmentalist attitude among Danes.

The resolution cast the 1986 whaling ban as a temporary measure aimed at allowing stocks to recover and deemed it "no longer necessary." It also contended that commercial whaling should resume because the commission's research has shown that "whales consume huge quantities of fish, making the issue a matter of food security for coastal nations."

Japan, Norway and Iceland have continued to kill more than 2,000 whales annually, despite the moratorium, through a loophole that allows "scientific" whaling.

The host country's initiative passed after impassioned statements by Caribbean delegates that the whaling ban was a form of "new colonialism" by wealthy states that seek to impose "emotional" arguments that are detrimental to the small islands' economic development and natural resource exploitation.

"Years ago, we were told what to eat," said Claris Charles, Grenada's Cabinet member responsible for environmental and fisheries matters, recalling how slaves imported to the islands to work sugar cane fields were fed salted fish by colonial masters.

Japan's success in luring a simple majority of IWC's members to its side provoked anger and predictions of doom for the global whale population among conservation and protection advocates. Only about 1,000 blue whales are believed to survive out of a population believed to have been about 250,000 before large-scale commercial whaling.

Vassili Papastavrou, a marine biologist for the International Fund for Animal Welfare, conceded the vote could represent the beginning of the end for those opposed to whaling.

BRENNAN LINSLEY / The Associated Press

Japanese delegates Joji Morishita, left, and Hiroko Wada rejoice after their pro-whaling motion passed the annual International Whaling Commission conference in Frigate Bay, St. Kitts and Nevis, on Sunday.

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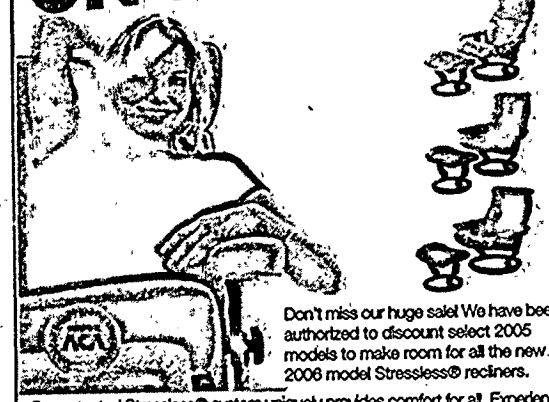

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Traffic Calming Studies for Eastern Half of Abbott Loop, Northeast, and Turnagain Community Council Areas

TURNAGAIN AREA TRAFFIC CALMING STUDY PUBLIC MEETING No. 2

Lake Hood Elementary School
Multi-Purpose Room
3601 West 40th Avenue
Monday, June 19, 2006
7:00 to 9:00 p.m.

In association with the Municipality of Anchorage Traffic Department, DOWL Engineers invites you to attend a public meeting for the Turnagain Community Council Area Traffic Calming Study. The purpose of this meeting is to present the Draft Traffic Calming Plan for the project area as detailed in the Draft Traffic Calming Study.

The project area coincides with the Turnagain Community Council area. During this project staff evaluated roadway access, pedestrian accommodations, safety and capacity, traffic speeds, and traffic volumes on study area roadways. The Draft Traffic Calming Study includes traffic calming recommendations that will guide area transportation decisions in the foreseeable future.

The public meeting will be in an Open House format and participants may attend at any time during the scheduled hours. A presentation will be made at 7:30 p.m. Project personnel will be available to discuss the project findings and take public comments.

For more information please contact:
Matthew Korshin, Project Engineer
DOWL Engineers
Mail: 4041 B Street, Anchorage, AK 99503
Phone: (907) 562-2000
Fax: (907) 563-3953

TRAFFIC
DOWL ENGINEERS

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.) B-2
ANCHORAGE DAILY NEWS

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Classification: 194A-AN-13620-M - 225
Submitting Office: Anchorage

Indexing:

FBI - Stevens-434

SEWARD'S MOUNTAIN QUEEN

Two-time women's defending Mount Marathon champ Cedar Bourgeois of Seward has mastered the yin-and-yang of being sweet off the mountain and savage on race day.

Monday's front page

ALASKA

ANCHORAGE DAILY NEWS • www.adn.com

SUNDAY, JULY 2, 2006

Capital projects atop Begich list

■ **AGENDA:** Mayor pushes economic development, building in second term.

By DON HUNTER
Anchorage Daily News

The way Mayor Mark Begich's second term is beginning, Anchorage is likely to remember him for clouds of dust and the loud clangs and growls of construction over the city's rapidly changing downtown.

Not since the oil-fueled Project 80s construction boom has Anchorage's core changed as much as it will in the next three years: A convention center, parking garages, new looks and new directions for city streets.

Q&A

Begich came into office in 2003 by the narrowest of margins. Fewer than 20 votes gave him the 45 percent plurality he needed to displace former Mayor George Wuerch.

By the time he swept into a second term in a re-election landslide — defeating Jack Frost by more than 10,700 votes — Begich was a rare figure in Anchorage politics: A Democrat in an increasingly conservative town with such lofty approval numbers that the only person willing to seriously challenge him was a radio ad man who has never held office.

Through his first term, Begich engineered double-digit bumps in fees and charges for city services to cover an inherited $30 million budget deficit and changed the way the city handles its budgets.

He hired more cops and confronted teen shootings that have become almost an everyday occurrence. He won a $10 million federal appropriation through Republican Rep. Don Young to add turn lanes at Lake Otis and Tudor, the city's most congested intersection, and overcame Republicans in Juneau who didn't support the project.

Begich sat down with Daily News reporters recently to look ahead at his second term and perhaps at his own political future. Excerpts from that interview, edited for length and clarity, follow:

Q. So, you have three more years. What do you want to accomplish?

A. It's a mix of things. First, we have a lot of economic development, capital projects in the mill. The convention center, the E Street corridor, redevelopment of Mountain View, Dowling Road is now moving forward — even though it's a state project we're heavily involved in that. Fifth and Sixth Avenue reconstruction.

See Page B-2, BEGICH

BOB HALLINEN / Anchorage Daily News

Mark Begich was inaugurated for his second term as mayor of Anchorage on Friday in the Discovery Theater downtown.

Planners consider pandemic

POLYNESIAN FLAG DAY CELEBRATION

Sea lion science

FBI - Stevens-435

Alaska Ear

The Divine Appendage

LISA'S BIG NIGHT OUT ... Sen. Lisa Murkowski showed up stag to a White House state dinner last Thursday, since hubbie Verne remained in Alaska. President Bush introduced Lisa to the guest of honor, Japanese Prime Minister Junichiro Koizumi — then surprised her with the news that she was the prime minister's date for the night.

Lisa thought it was a joke. Nope. The president said if she accepted, she could join the "adult table." Done and done: Lisa sat at the head table with the president and prime minister, dining on Maryland she-crab soup and crackling Fishers Island oysters, sesame-coated wild asparagus and Texas Kobe beef with silver corn pilaf. Not too shabby, darlings.

An Earwig close to Lisa reported the senator had a lovely evening, but her favorite date is still Verne. All together now: Awwwww.

CALM BEFORE STORMS ... It was unnaturally quiet on the political front this past week, perhaps a lull before Alaska's traditional July 4 campaign season blast-off. Still, there have been a few notable happenings:

John Binkley was scheduled to start spreading his words upon the radio waves any day now. Ear hears he's signed up Dave Carney, a New Hampshire political operative with major Republican credentials, to run his campaign.

Carney has worked for Bob Dole, Phil Gramm and Texas Gov. Perry. Earwigs so inclined can Google Carney and read about his firm collecting signatures to get Ralph Nader on the 2004 New Hampshire ballot to suck votes away from John Kerry.

There's been no official announcement, but Mike Scott appears to have started his new job as manager of Gov. Murkowski's re-election effort. ADN blogger Kyle Hopkins posted a memo announcing that Scott is taking two months' leave from his job with NANA in Seattle. Hmmm. Two months should do it, oui?

Ear bets those rumors that Norm Rokeberg might drop out of his race for Ben Stevens' Senate seat are not true. Similar rumors about Stevens are, well, interesting.

The three-way Republican primary contest for the House seat Norm is abandoning also could be interesting. The grapevine says Tom Moffatt is polling better than both Phelan Staube and Chuck Achberger.

HI AND BYE ... Earwigs with nothing better to do report Governor Frank and his chief of staff Jim Clark had a tiff about the timing of the next special session.

Ear doesn't know who wanted it when, but word is lawmakers are considering convening for a few days then adjourning for a week because a bunch of them already have unrefundable tickets to attend a couple of national conventions, one on energy and another on education.

Hey, they didn't ask to be dragged to Juneau in the middle of July, did they?

LIFE AFTER ADN ... Two reporters who went on to write mystery novels seem to be having some success: Stan Jones will be signing books Saturday at Chuck Hinson's bookstore in Girdwood. Tom Brennan from Voice of the Times and author of two collections of true crime stories will appear also.

And Mike Doogan's soon-to-be-released mystery novel, "Lost Angel," has been reviewed favorably by Kirkus and Publisher's Weekly — "engaging lucid prose," says one. It's due out in August.

WHO KNEW ... Ric Davidge, once the "water czar" under Wally Hickel, is now a "producer" and offering a seminar at Out North called "Sell Your Story to Hollywood." According to the flier that crossed Ear's desk, Ric "has successfully pitched dozens of film and TV ideas to real buyers in Hollywood and has produced his own films, concerts, and theatrical productions. Ric has well over 55 years of experience in professional entertainment."

Alors, d'Ears, either he was a child star or he's older than he looks. The seminar is July 8.

INTERNET STAR ... Star, Anchorage's beloved downtown reindeer, is officially hip: The antlered darling has a MySpace page. For those hopelessly out of touch, MySpace lets people set up Web pages, post personal info and pictures, and chat with those on their "friend lists."

Star's couple dozen "friends" so far include funky Anchorage band Wupt, the racy VivaVoom Burlesque Troupe, and a big brown dog named Hershey. Star lists her status as single — her sign, Aries. Her hobbies include eating hay and playing reindeer games and her page even includes a pic of her with Mayor Mark. For a peek, go to www.myspace.com/starreindeer.

Alas, still no sign of a Maggie MySpace page: ... Perhaps she is too busy learning how to use her treadmill?

ANOTHER STAR SIGHTING ... Bar-hopping earwigs report the boys of rock band Godsmack were hanging around Pioneer Bar on Monday night. Added one lovely local lady, "They were enjoying the girls, pretty much hitting on everyone." Well, why else does one become a rock star?

HUH? ... Did you know Alaska is considered "more liberal" than states like Kentucky, Louisiana and Nebraska?

At least according to James C. Dobson, founder and chairman of Focus on the Family Action. He wrote a commentary about gay marriage that ran on CNN's Web page June 28, listing all the states where majorities have voted to keep marriage a hetero thing, adding "even states considered to be more liberal voted for traditional marriage, including Hawaii (69 percent), Alaska (68 percent) and Oregon (57 percent)."

There you have it: We're liberal. Who knew? And has anyone told Uncle Ted?

TRANSITIONS ... KTUU Channel 2 reporter Dan Fiorucci's last day was June 23. He's headed to a Philadelphia news station. Fans will reportedly miss his prop-filled live shots but hope his late edition replacement, upstart Sean Doogan, will prove equally amusing.

WELCOME TO THE WORLD ... Also at KTUU, anchor and reporter Steve MacDonald is a first-time grandpa. Granddaughter Sheyna apparently has a handle on deadlines: She was born on Father's Day.

WARDROBE MALFUNCTION ... The Service High School varsity American Legion baseball team flew east last week to compete in a weekend tournament against seven New England and New York squads. The official event T-shirt listed the teams' hometowns — sort of. Service was listed as hailing from "Anchorage, AL." Whoopsie.

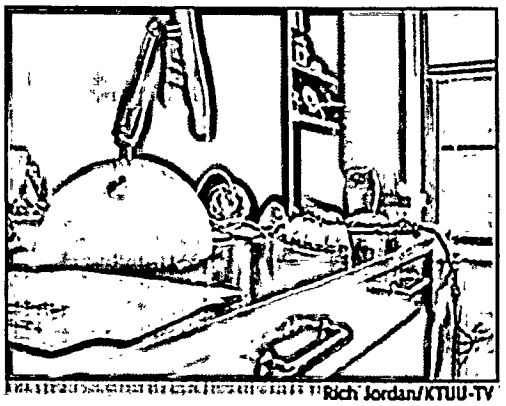
A coach's wife explained that "AL" is actually Alabama. So overnight, volunteers stitched a flag-like patch over the flaw to appease the Alaskans gathered to support the Service boys, who ended up winning one, losing three.

■ ear@adn.com

194A-AN-13620-Press
FBI - Stevens-436

Burglary of downtown ad agency leads to more questions

Thursday, July 13, 2006 - by Jason Moore


Rich Jordan/KTUU-TV

Anchorage, Alaska - A burglar at a downtown ad agency made off with some laptop computers. The burglary was not unusual for what was stolen but for what was left behind, leading some to question whether political motives may be involved.

At the Lottsfeldt-Smith ad agency downtown, nestled between the Glacier Brewhouse and Orso's restaurant, they're evaluating the damage from a robbery yesterday.

"Either they came in through that window, which was left open, which means they somehow got on the roof which is difficult, or they picked the lock and came in the front door," said Jim Lottsfeldt of Lottsfeldt-Smith.

Lottsfeldt says the thieves took three laptop computers, but he questions whether the thieves wanted the computers or the information on them. Whoever the burglar or burglars were, he said, they left a lot behind.

Rich Jordan/KTUU-TV

"They left a monitor, they left a brand-new plasma, there's DVD players, there was cash in the drawers. Nothing else was touched," he said. "Then they came over here, and there's another laptop here; they grabbed that one. There was another laptop here that belongs to my office manager. They didn't touch it but they stacked some cords on it, so we know they saw it, and then they went into Curtis' office."

Rich Jordan/KTUU-TV

So, what could have been on those computers?

The ad agency also does political consulting, working recently for gubernatorial candidates Sarah Palin and Eric Croft, as well as other legislative races. Another client is the All-Alaska Alliance, a group fighting the governor's gas pipeline contract.

FBI - Stevens-437

The Anchorage police are investigating and have taken fingerprints.

"Anything's a possibility. Certainly it's a bit strange they would take two or three laptops and leave others or other electronic equipment, which could indicate there was a single person; perhaps their hands were overloaded and just had the room for only the three that they could carry," said Anchorage Police Department Lt. Paul Honeman.

Honeman also says in the last few months downtown businesses have been targeted by computer electronics

m - 226
194A-AN-13620-Press

thieves.

It's too early to say who is responsible, and Jim Lottsfeldt is not ready to make comparisons to other more notable political burglaries. "I don't think it's Watergate. I think someone wanted to get our computers," he said. "I don't know what the motivation is. What they're going to find is a lot of iTunes music, and they'll know what kind of music I like. They're going to hear a lot of, like, '80s stuff."

He hopeful that police catch the culprit of this dirty deed done dirt cheap.

Police says they are seeing an increasing trend of personal property theft in Anchorage. Authorities say they have few leads in this case.

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

FBI - Stevens-438

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.) B-2
ANCHORAGE DAILY NEWS

Date: 08/06/2006
Edition: SUNDAY

Title: ALASKA EAR

Character:
or
Classification: 194A-AN-13620-M. ~ 227
Submitting Office: Anchorage

Indexing:

FBI - Stevens-439

ALASKA'S TOP TRIATHLETES

Which Alaskans can best combine biking, running and swimming? We'll find out today at Knik Lake in the state championships. Two-time Hawaii Ironman finisher Jens Beck should be among the racers.

Monday in Sports

ALASKA

ANCHORAGE DAILY NEWS • www.adn.com

SUNDAY, AUGUST 6, 2006

House passes 'produce or pay' tax

■ COMPROMISE: Rate would slide on the basis of investments in the state.

By MATT VOLZ
The Associated Press

JUNEAU — The Alaska House on Saturday approved a bill that would tax oil companies based on how much they invest in future oil and gas development.

The measure would tax the profits of oil companies' Alaska operations. The plan is estimated to bring the state an average of $2.7 billion in revenue each year for the next 10 years at today's oil prices, according to an analysis by legislative consultants Econ One Research Inc.

In return, the state's largest oil producers would receive nearly $4 billion in tax breaks to develop the North Slope's vast untapped natural gas fields.

Exxon Mobil Corp., BP PLC and Conoco Phillips are negotiating with the state to build a pipeline to Canada to ship the 35 trillion cubic feet of known natural gas reserves on the North Slope.

The bill passed 30-10. A final vote is scheduled for today. If it passes then, it will go to the Senate. A compromise must pass both chambers before Thursday's close of the special session, or the bill will die.

This is the third time this year the Legislature has attempted to rewrite the state's production tax laws. Each time, the debate has gotten sharper. Saturday was no exception, but Republican majority representatives were resolved that this version had the best chance to pass.

Whereas earlier votes had varied with little regard to party alliances, Republican legislators this time voted as a bloc for the bill. The exception was Rep. Vic Kohring, R-Wasilla, a staunch oil industry supporter who has consistently voted against raising production taxes.

"I'm disappointed more Republicans didn't vote against it," Kohring said.

Despite the appearance of unity, several Republicans said they had to swallow hard to vote for it.

"I just want to go get our money," said Rep. Jay Ramras, R-Fairbanks.

That appeared to be the sentiment of many who voted for the bill Saturday. One of the bill's authors, Rep. Mike Hawker, R-Anchorage, estimated Alaska was missing out on $7.3 million per day by not passing the tax.

"This argument has cost the state $2 million," he said of Saturday's lengthy debate.

Ramras said he still has reservations about the effects of the bill, and those reservations were reinforced when he saw oil company lobbyists twice go to consult with Gov. Frank Murkowski's administration officials during the floor debate.

See Page B-8, TAX

Alaska Legislature

■ ONLINE: For complete coverage of the Legislature's special session, go to **www.adn.com/legislature**

OPPONENTS SEEK TO DERAIL CHEMICAL WEED CONTROL

Extending

FBI - Stevens-440

FBI - Stevens-441

Alaska Ear

The Divine Appendage

PEEK-A-BOO ... Don Young, Congressman for all Alaskans except Ear and a Few Others, hosted his annual summer pig roast Wednesday night at **Bill Allen's** downtown home (that's Veco Bill Allen). Word is he raised about $100K. Like he needs it, right?

Ear's favorite tidbit from the hogfest was **Lu Young** showing up wearing a **Binkley** for governor T-shirt under a zippered jacket. Earwigs report she got a lot of laughs flashing it for like-minded GOPers, including Binkley himself. Until **Gov. Murkowski** showed up.

Whoops.

Zip, zip.

STILL FRIENDS ... By now you've all read that pollster-strategist **Dave Dittman** has parted company with the **Murkowski** re-election campaign. Dave wants everyone to know he's still a Frank fan and thinks the embattled governor has a fighting chance in the primary. As he pointed out, a three-way split means a candidate can win with 34 percent.

And that's 34 percent of those who take the Republican ballot, not of everybody voting.

Dittman said the split was amicable, that he felt he couldn't do the job the way it should be done on the money available. "The governor just won't put any of his own money in the campaign," Dave told Ear. (He means any more than the $50K Frank already ponied up.)

Inquiring Ear wanted to know what Dave would spend the money on if he had it.

Playful ads, for one, he said. Picking up on the personality transplant theme. Maybe one with Frank saying he tried to get a transplant but couldn't because "nobody wanted mine." Or perhaps a rueful acknowledgment of his low ratings: Frank telling folks: "I did it deliberately. I didn't want to peak too soon." All accompanied by lists of Murkowski administration accomplishments, of course.

And more of **Nancy** telling Alaskans that yes, her husband is stubborn, but still lovable.

As for himself, Dittman said he'll be voting absentee. He's going caribou hunting with his son next week and won't be back until the 23rd.

WHOM DO YOU TRUST ... Quote from a Reuters story: "BP Plc Chief Executive **John Browne** said on Thursday he hopes that a final agreement on financial terms for the proposed natural gas pipeline can be reached soon, but there is no need to rush ..."

Quote from a MarketWatch/Dow Jones story: "I believe time may be running out on us," **Murkowski** said in a conference call. "If we don't act now, there could be a multi-year delay for the project."

BUSTED ... No doubt you saw the story a couple of weeks ago about Prairie Home Companion host **Garrison Keillor** getting off a cruise ship in Juneau to do a fundraiser for KTOO and, incidentally, endorse the proposed $50 cruise passenger head tax on the August ballot. Now there's a new fuss, reported by an earwig who loves to throw gas on fires just to watch them burn: The issue is, did the cruise ship Garrison traveled on serve farmed Atlantic salmon (ugh) instead of wild Alaska salmon (yum)? Ear hears a couple of guests who also happen to work for ADF&G knew the difference and busted them. (No, not literally, d'Ears. It's not actually against the law.)

Maybe the poor d'Ears couldn't get any Alaska fish? Oh, right. It's the height of the season.

A HAPPY GUY ... Friends of retired banker **Ed Rasmuson** report he achieved a life goal last weekend: a coveted sheep permit for a hunt in Canada out of Whitehorse. Which resulted in him landing a sheep with a 45-inch horn, reportedly one of the largest taken in the area in the last 30 years. Alors, darlings, that's a big honkin' ram.

A QUESTION ... Ear got an invitation to a campaign fundraiser for the eponymously named state rep from Beaver that read as follows: Rep. **Les Gara** & Sen. **Johnny Ellis** "invite you and your friends to join us for a **Woodie Salmon** Bake."

So here's the question darlings: Shouldn't it be "a Woodie Salmon Salmon Bake?"

Oh, nevermind. It's Aug. 15.

KUDOS ... The Seattle Weekly reports that an outlet of Alaska's own Kaladi Brothers, located on Pike Street at the new Center for LGBT Health, has been voted "Best Independent Coffeehouse" in that city.

ANOTHER QUESTION ... Is Alaska Newspapers Inc. negotiating to buy Alaska Coast, the free outdoor recreation monthly published by **John Woodbury**? That's the buzz.

WELL PRESERVED ... An earwig who seems to know what he's talking about says the women with first lady **Laura Bush** on her Denali trek a week ago were not her daughters but old school chums. Of course, this mite also said Laura 'fessed up that she "once was a Democrat" so you can decide what to believe. (Actually, a People magazine profile of Laura says she was "raised a Democrat").

■ Compiled by Sheila Toomey
— *ear@adn.com*

1944-AN-13620-Press

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.) B-1
ANCHORAGE DAILY NEWS

Date: 08/16/2006
Edition: WEDNESDAY

Title: KOTT, FAIRCLOUGH IN PRIMARY RACE

Character:
or
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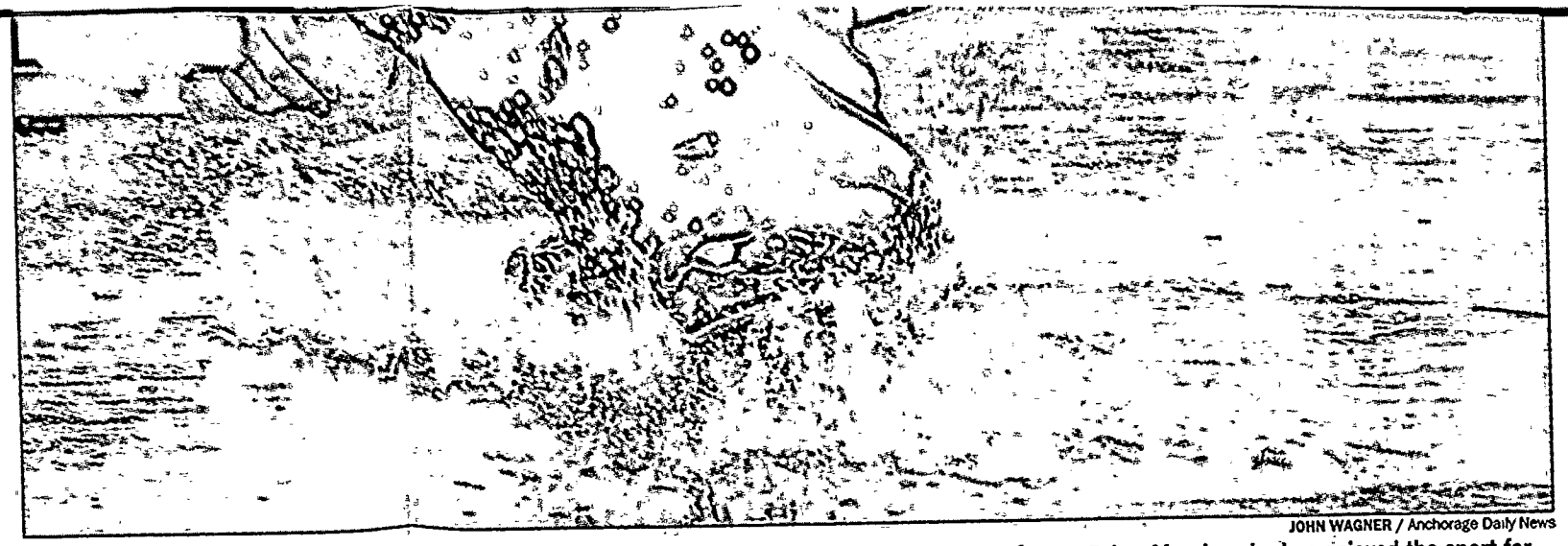

JOHN WAGNER / Anchorage Daily News

Richard Murphy blasts through a puddle on his skateboard Monday afternoon at the skate park off Minnesota Drive. Murphy, who has enjoyed the sport for 20 years, said he loves to ride in the rain, describing it as "surfing on concrete." When not on his board, he pursues a degree in elementary education at Alaska Pacific University. To find out where rain may be falling during the next four days, see Weather, Page B-10.

Finney of Fairbanks has now spent more than $1 million in a competitive three-way Republican primary race.

Tuesday, a week before the primary, was the deadline for candidates to file campaign disclosures with the Alaska Public Offices Commission.

Knowles' fundraising spurt since July 24, the last time disclosure reports were filed, puts his total contributions at $368,429 since he entered the race at the end of May. After expenses, he has $229,338 left to spend.

"You always want more, but you have to have goals, and we're pretty happy with it," said Knowles campaign spokeswoman Patty Ginsberg. "We're not on the air, we don't have print ads. The strategy of this campaign has been to focus on the nuts and bolts and break out into those things after the primary."

Knowles is the favorite against state Rep. Eric

See Page B-2, ELECTIONS

DEBATE among state candidates are slated for radio and TV through Monday. See the on-air schedule. Page B-4

8/16/06

Kott, Fairclough in primary race

■ **EAGLE RIVER:** Candidates seek to represent Republican Party.

By DON HUNTER
Anchorage Daily News

Alaska Legislature

The Republican primary for the state House seat in District 17 finds one of the chamber's most senior members facing a well-financed challenge from a third-term Anchorage assemblywoman.

Pete Kott has occupied the seat representing the Eagle River core since 1992, when Wally Hickel was in the middle of his second term as governor. Anna Fairclough was elected to the Assembly in 1999, defeating incumbent and former Anchorage cop Ted Carlson almost two-to-one.

Whoever wins the primary will face Democrat Karla Huntington in the November general election.

Most likely, voters in the mostly urban Eagle River district have seen more of Fairclough this campaign season than of Kott, who was forced to spend most of his summer in the series of special sessions Gov. Frank Murkowski called in an attempt to get legislative approval of his gas line and oil tax package.

Fairclough

Kott

By the time Kott's 30-day campaign finance report was due to the Alaska Public Offices Commission on July 24, he hadn't held a single fundraiser this year. He collected almost $24,000 in November and December 2005, with more than three-

See Page B-2, DISTRICT 17

194A-AN-13620-Press

How to vote absentee

BY MAIL: The deadline for applying has past. Applications must be sent at least 10 days before an election is scheduled.

IN PERSON: You may vote absentee during the 15 days before or on the Aug. 22 primary election date. Ballots for all 40 districts are available at all regional election offices 15 days before election day and at all airport absentee voting stations on Tuesday (election day only) from 7 a.m. to 8 p.m.

BY FAX: This is a last resort for casting your vote since it is not a secret ballot.

- You must apply separately for each election.
- Vote your ballot, have your signature witnessed and fax (or mail) the ballot according to the instructions.
- You must submit your request no later than 5 p.m. Alaska time the day before election day.

DISTRICT 17: *Republicans in primary back campaign finance reform*

Continued from B-1

fourths of the total coming from labor union political action committees.

"Right now, incumbents certainly have a disadvantage, especially in campaigning in the primary," Kott said in an interview last week, before the last special session adjourned. He said he hoped to gain some ground in fundraising before the primary.

Instead of meeting constituents face to face, Kott said, he had been substituting phone calls.

"Normally, I would be on your doorstep," he told voters, "but I can't because I'm locked up in Juneau with no opportunity for parole."

Fairclough ran a lean campaign in her first try for the Assembly, but seven years of working on local issues in Eagle River and Anchorage has allowed her to fashion a broad pool of contributors. She reported $41,000 in donations on her 30-day campaign finance report, with checks coming from developers, nurses, teachers and business people. She received $1,000 maximum contributions this year and last from retired developers Barney Gottstein and Larry Carr, and from real estate investors and developers Bob and Henry Penney.

Fairclough says her willingness to listen and compromise have brought her support from quarters — developers, for example — with whom she's had differences over land use issues like higher density cluster housing.

"I always try to hear what all people have to say on an issue," she said. "That's what I bring to the table."

Being a legislator would give her the chance to work on broader issues that affect more people, she said, offering as an example what she sees as a need to promote trade schools as well as the university system.

"The bottom line is, how do you get youth to stay in Alaska?" Fairclough said. "Jobs. And not $7.15 an hour from Wal-Mart — and that's not disparaging to Wal-Mart — but they have to have some (higher paying) jobs that they can (depend on) to live their American dream."

Kott, who served as House speaker in 2003 and 2004, got crosswise with Republican Party leaders last year when he tried to forge a bipartisan coalition of Republicans and Democrats to seize the speaker's chair from John Harris. The coup was unsuccessful, and for a time it appeared Kott had been sent to the woodshed by the Republican majority.

Kott said that's no longer an issue.

"It's all but gone to the wayside," he said. "It was an idea that at the time we thought was right. There were a number of us that were very conservative in nature and didn't feel we were heading on the right track."

Kott said he's proudest this year of his "wiretapping bill," a measure he sponsored that allows parents to legally monitor their children's telephone or online conversations without the knowledge of either party to the exchanges. Alaska law allows conversations to be recorded without a subpoena as long as at least one party is aware of the monitoring. In effect, that bars parents from eavesdropping on their children's chats.

"Almost every member of the committee said they were guilty of this offense; we all had picked up a third-party line and listened to our children," Kott said. "And with what's going on with the Internet ... there's sexual predators out there."

The measure passed and is awaiting the governor's signature.

Kott also is known for backing legislation to expand gaming in Alaska. He sponsored measures last session to allow card rooms where people could bet on poker and other games, and to establish a task force to research the pros and cons of creating a state gaming commission.

Kott says he has "kind of dropped off the gaming aspect," although he would still be willing to look at allowing card rooms "on a limited basis as long as (they were) approved by voters in municipalities" or other local governments.

Fairclough said she is against expanding current gaming regulations and worries that social ills and crime go "hand in hand" with gambling in other states. But she said she realizes that existing pull-tab and bingo revenues provide important support for hundreds of nonprofit groups in Alaska.

Both candidates said they're generally supportive of a ballot measure that would, among other things, roll back the limits on campaign contributions.

Kott said he's undecided about another ballot proposition that would add a $50 head tax on cruise ship passengers and require the cruise industry to pay the same state corporate income taxes other companies pay; he's concerned it might reduce the customer base for shop owners in Anchorage and the Mat-Su who sell to cruise passengers on their way from or to their ships.

Fairclough, recalling a cruise she took a few years back, said she doubts the extra $50 would deter many tourists. "But I'm probably going to vote no because it doesn't benefit Anchorage and it doesn't benefit Chugiak and Eagle River, and it doesn't really improve environmental quality," she said. "I just don't think it gets there."

Fairclough, 48, works as the executive director of Standing Together Against Rape, a nonprofit crisis intervention and counseling service. Kott is 56, and co-owner, with his son, of a company that installs hardwood flooring.

■ Daily News reporter Don Hunter can be reached at dhunter@adn.com.

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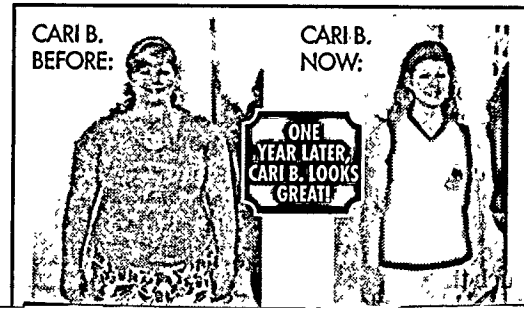

Cari B.– Anchorage, Mom of three.
OPTIFAST SUPERSTAR:
Lost 61 lbs. Non-Surgically!

Wanted: Political junkies.
Angry Voters. Campaign insiders.
Welcome Home

FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) B-1
ANCHORAGE DAILY NEWS

Date: 08/17/2006
Edition: THURSDAY

Title: VOTE NO ON PROP 1. DONATIONS HELP LEVEL THE FIELD

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

-229

Indexing:

(Mount Clipping in Space Below)

Anchorage Daily News

BILL J. ALLEN
Publisher

8/17/06

VOTE NO ON PROP 1. DONATIONS HELP . . .

Level the field

WHILE IT IS tempting to clamber aboard the so-called campaign finance reform wagon, as if actual reform were its aim, Measure 1 on the Aug. 22 primary election ballot falls far short and deserves a "No" vote.

The measure, which if enacted should rightly be called the Incumbents' Protection and Media Enhancement Act, would cut individual campaign donations to $500 and from groups, to $1,000. Compare that to federal law, which allows $2,100 in personal donations to a candidate for each election. (Apparently, money is not so evil at the federal level.) The ballot measure also limits donations to political parties to $5,000.

Reducing the amount of donations, the left says, somehow will make our elections "more democratic" and give "ordinary Alaskans" an equal voice in Alaska politics while putting the kibosh on "special interests."

If that truly were the case, why not go all the way and limit donations to, say, $200 or even $100 or even do away with them? We would have wildly democratic elections chock full of equal and robust voices — and devoid of special interests. To heck with silly notions that campaign donations are a form of political speech and that restricting them hurts the little guy facing a lack of party support and no attention from the media, which nowadays decides who is a serious candidate and who is not. How will he get his message out? The left could not care less.

WHAT THE USUAL suspects do not tell you is that if candidates cannot be heard, it only increases the power of another powerful special interest: the news media and editorialists, who can, and do, ignore many candidates. How can that be a good thing?

Limiting campaign donations is feel-good fluff the left trots out when it has no other ideas. This is not New York, where the cutoff is something like $50,100 and people are still finding ways around the limits. Our limits as they stand now are not high enough to foster political corruption, but they are enough to give the little guy a chance to be heard.

FBI - Stevens-445

Measure 1 also sets off after lobbyists. It is another feel-good bit of nonsense, with the left blaming the Legislature and Gov. Frank Murkowski for relaxing in 2004 several ridiculous restrictions on lobbyists, restrictions that were unnecessarily impinging on freedom of speech.

Thanks to Murkowski and the Legislature, if you own your own company or are an executive, you can talk to lawmakers for up to 40 hours a month without registering as a lobbyist. Because of that, you retain your constitutional right to give campaign donations to candidates in districts other than your own.

Apparently, the only special interests which should have unfettered access to lawmakers are members of the news media. Everybody else should have to report every conversation.

Measure 1 is little more than an ill-advised move to fix something that is not broken, for all the wrong reasons.

Don't be fooled. Vote "No." 194A-AN-13620-Press

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.) B-1
ANCHORAGE DAILY NEWS

Date: 08/17/2006
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Title: GOP RACE A CONTRAST OF STYLES

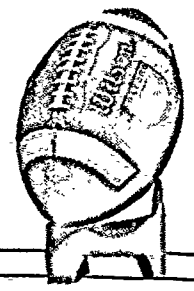
Character:
or
Classification: 194A-AN-13620-M - 230
Submitting Office: Anchorage

Indexing:

see attached

FBI - Stevens-447

B
SECTION 1



KEY GAME FOR WEST, BARTLETT

It's just the second week of the season, but Saturday could be a pivotal game for West and Bartlett. If Bartlett wins, it goes 2-0, atop the Cook Inlet Confernce. If West wins, both teams are in the thick of the race.

Sunday in Sports

ALASKA

ANCHORAGE DAILY NEWS • www.adn.com

THURSDAY, AUGUST 17, 2006

NEW BRUIN ARRIVES AT ALASKA ZOO

FBI - Stevens-448

BOB HALLINEN / Anchorage Daily News

The Alaska Zoo's newest polar bear spent his first day in Anchorage out of the public eye, but with his own gaze fastened on his potential mate. Above, Luytyik, or "Louie," looks out at Ahpun, the zoo's female polar bear, who was outside in the exhibit Wednesday.

Luytyik is a brawny, yellow-furred 5-year-old, straight from Australia's Sea World. He's here to hopefully pair with 8-year-old Ahpun. Sea World officials who traveled here with Louie say it's a great match.

"She's dominant, and that's what we need because he's a very big bear," said Trevor Long, Sea World's director of marine sciences and wildlife. "She's going to

GOP race a contrast of styles

■ LIEUTENANT GOVERNOR: Sean Parnell, Jerry Ward are seeking the nomination.

By KYLE HOPKINS
Anchorage Daily News

When Jerry Ward describes why he's running for lieutenant governor, he doesn't dwell much on reasons he wants to win. It's more about why he wants his opponent, Sean Parnell, to lose.

Ward

Parnell

"Most people don't know that he was a registered oil company lobbyist just before (Gov. Frank) Murkowski hired him," said Ward, who meets Parnell in the Republican primary Tuesday.

Yes, those are fighting words at a time when Murkowski's popularity is in the dumps and the state is sparring with oil companies over taxes and leaky pipes. Parnell, on the other hand, says he refuses to trade accusations with a foe he calls a "perennial candidate."

"I want to point people to a positive future here, not engage in mudslinging," said Parnell, a former state senator and ex-deputy director of the state Division of Oil and Gas.

Ward was a state senator too, his service overlapping with Parnell's from 1996 to 2000.

See Page B-2, **LT. GOVERNOR**

194A-AW-1

Is that

Governor's

LT. GOVERNOR: *Name recognition vs. campaign cash*

Continued from B-1

While they're now courting the same relatively small pool of voters who decide primary elections, the two campaigns could hardly be more different.

When he's not parrying criticism from Ward, Parnell talks about an almost wholesome vision for the state — "This is a place where you can do anything, be anything that you want to be through hard work and faith and devotion to purpose." He downplays his two recent years lobbying as a mere blip in a long career. A lawyer, he is currently a partner at the Anchorage firm Patton Boggs and hasn't run for election in a decade.

Ward makes a living selling real estate, he said. He portrays himself as a people's champion, willing to stand up to other legislators and party leadership. "I never got involved in serving my country and the people of Alaska to go along and get along. That's not in my nature."

Ward has run for lieutenant governor twice before and most recently lost bids for a Kenai Senate seat in 2002 and 2004 to former Kenai mayor Tom Wagoner. In the 2004 race, Ward spent $140,000 of his own money — an unprecedented amount for a legislative seat in Alaska. Ward, who filed for bankruptcy in 1987, refused at the time to say where the money had come from. This week, he said the money was from his real estate earnings.

On the Democratic side, Anchorage Rep. Ethan Berkowitz faces Nome Sen. Donny Olson, Betty Rollins and Kay Rollison. Libertarian Robert Mirabal and Alaskan Independence Party candidate Douglas Welton are also on the ballot.

For a while, it looked like Parnell might coast to victory in the primary as the sole Republican candidate. Ward entered the race just before the June 1 filing deadline.

The job has limited responsibilities compared with the governor's, but several are dependably contentious, including approving or disapproving ballot initiatives and overseeing statewide elections. Both tasks routinely lead to the lieutenant governor getting sued.

The Alaska Democratic Party, for example, is currently suing to get ballot results from the 2004 election in raw, electronic form. The Division of Elections, under Republican Lt. Gov. Loren Leman, hasn't complied with the request to the Democrats' satisfaction. A court hearing is scheduled for Sept. 25, said party spokeswoman Kay Brown.

Democrats say they want the information, in its original form, to make sure the state is accurately counting votes.

Parnell says he investigated the situation, spoke with Leman and concluded that the Democrats were given an opportunity to verify the election results but chose to pursue the court case anyway.

"I think it just smacks of political posturing more than a real desire to see a fair result," he said.

Whether the lawsuit is politically motivated is irrelevant, Ward says. The state ought to hand over the information, he said. "We should have complete transparency and openness."

In late July, an independent poll said the contest between Ward and Parnell was up for grabs, with more than half the potential voters still undecided. Ward likely has more statewide name recognition, while Parnell had more money, roughly $94,000 to Ward's $40,000, according to campaign finance reports filed Tuesday. Parnell's money came from dozens of donations by former Republican Anchorage mayors, fellow lawyers, current lawmakers, several GCI employees and others, while Ward's is mostly his own money.

First elected to the state House in 1982, Ward's career in Alaska politics has been a bumpy one. While championing hard-core conservative issues like abortion opposition, plus protecting the Permanent Fund, he also drew criticism from fellow lawmakers as a divisive grandstander and was banned from the governor's office in 1984 after a clash with then Gov. Bill Sheffield.

Parnell pointed out that his Legislative peers chose him for a leadership position on the influential Finance Committee — an honor denied Ward. But he hesitated to go on the attack. In 90 minutes of interviews, for example, he never mentioned Ward's dated criminal record.

Jerry Ward is portraying himself as a people's champion; Sean Parnell, in contrast, works to build name recognition and define himself as experienced and trustworthy.

It could be the right tack. Democratic incumbent Judy Salo lost her Senate seat to Ward in 1996 despite ads that highlighted a decades-old burglary arrest — the charges were dropped — and a 1986 gun conviction that was set aside after Ward served probation.

At the time, Ward called it dirty campaigning.

This time, it's Parnell who finds himself doing most of the explaining as Ward tells voters that Parnell's recent jobs are political sins.

"Not that any one of those things are a bad thing to be: a lobbyist, a lawyer or a Murkowski-appointed bureaucrat. But I don't want a combination of those things to be the lieutenant governor of the State of Alaska," Ward said in an interview.

Such statements seem to frustrate Parnell, who says knowing how the state's biggest industry works is a good thing. "His message is be afraid of somebody who has a little bit of oil industry experience."

Parnell was elected to the state House as a 29-year-old in 1991, serving two terms before winning a Senate seat in 1996. He served as co-chairman of the Senate Finance Committee and says he left politics in 2000 to avoid moving his two young daughters back and forth between Juneau and Anchorage.

Parnell said he planned to return to his law practice but got a job offer with Phillips Petroleum, now Conoco Phillips, where he worked as a lawyer and a lobbyist. In 2003, Murkowski appointed him as the deputy director of the Division of Oil and Gas.

As the state began natural gas pipeline talks, Parnell negotiated on behalf of the state with TransCanada and Mid-American on proposals that Murkowski later rejected in favor of negotiations with three giant oil companies — the plan the state is currently debating.

Ward was first elected to the state House in 1982, representing Anchorage. Two years later, he lost a bid for the Senate against Democrat Joe Josephson. In 1990, he ran for lieutenant governor on the same Alaskan Independence Party ticket as John Lindauer — but the pair stepped aside for candidates Wally Hickel and Jack Coghill, who went on to win the race.

In 1991, Hickel gave Ward a job with the state Corrections Department. Ward later defeated Salo for a seat in the Senate and served six years before losing to Wagoner in 2002. Wagoner beat Ward again in an expensive and bitter rematch two years later.

Now Ward is back, presenting himself as a scrappy champion of smart, small conservative government. Attempts to label Parnell as too cozy with the oil industry spearhead his campaign, while Parnell, in contrast, works to build name recognition and define himself as experienced and trustworthy.

With only days to go before the election, the candidates will soon find out which approach works.

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

How to vote absentee

BY MAIL: The deadline for applying has passed. Applications must be sent at least 10 days before an election is scheduled.

IN PERSON: You may vote absentee during the 15 days before or on the Aug. 22 primary election date. Ballots for all 40 districts are available at all regional election offices 15 days before election day and at all airport absentee voting stations on Tuesday (election day only) from 7 a.m. to 8 p.m.

BY FAX: This is a last resort for casting your vote since it is not a secret ballot.

- You must apply separately for each election.
- Vote your ballot, have your signature witnessed and fax (or mail) the ballot according to the instructions.
- You must submit your request no later than 5 p.m. Alaska time the day before election day.
- If you are returning your ballot by fax, it must be voted, witnessed and received by the appropriate fax in the absentee voting office by 8:00 p.m. Alaska time on election day.
- Download the *by fax* application at: www.ltgov.state.ak.us/elections/forms/c07.pdf

FOR MORE INFORMATION:

ltgov.state.ak.us/elections/abinfo.php

REGIONAL OFFICE: 2525 Gambell St., Suite 100, Anchorage; 1-907-522-8683

Debates on the air

Public television and radio stations are airing forums and debates featuring candidates in the Aug. 22 primary election. The programming will culminate with three nights focused on the governor's race.

"By The People: Debate For The State," a two-part, live gubernatorial debate co-sponsored by KTOO Public Television in Juneau and the Anchorage Daily News, airs from 8-9:30 p.m. tonight and Friday. The "Running" series produced by KAKM Channel 7 in Anchorage has presented Southcentral candidates for state House and Senate, the U.S. House and lieutenant governor. The final episode airs at 7 p.m. Monday and features candidates for governor. Both programs will air on KAKM Channel 7, KSKA FM 91.1, Gavel-to-Gavel, AlaskaOne (the public TV network for Fairbanks, Juneau and Bethel) and on the state-funded rural TV network, ARCS.

- **TONIGHT:** "By The People: Debate for the State," with Republican candidates including incumbent Gov. Frank Murkowski, John Binkley and Sarah Palin.
- **FRIDAY:** "By The People: Debate for the State," with Democratic candidates including former Gov. Tony Knowles and Eric Croft.
- **MONDAY:** "Running," with Republican governor candidates Murkowski, Binkley and Palin, and Democrats Knowles and Croft; all candidates have been invited.

ON THE Web

■ **FOR MORE INFORMATION,** visit the Division of Elections Web site at **ltgov.state.ak.us/elections** or call 522-8683. For a complete schedule of public broadcasting's election programming, visit **kakm.org/kakm-home.html**

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play.adn.com play Anchorage Daily News

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.) B-2
ANCHORAGE DAILY NEWS

Date: 08/20/2006
Edition: SUNDAY

Title: ALASKA EAR

Character:
or
Classification: 194A-AN-13620-M - 231
Submitting Office: Anchorage

Indexing:

see attached

FBI - Stevens-450

g that her 18.12-pound
$10,000 first prize
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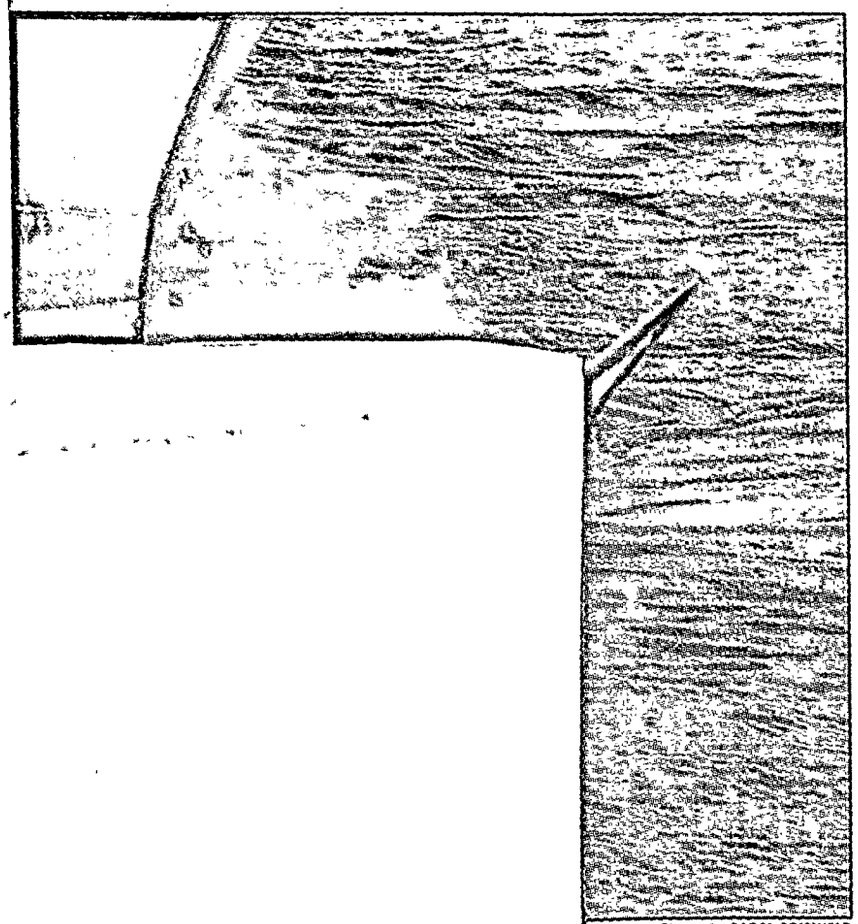
ALASKA

ANCHORAGE DAILY NEWS • www.adn.com SUNDAY, AUGUST 20, 2006

URPRISES CREW MEMBERS



Photos by CAROL GRISWOLD

ine to the carcass
t. The crew felt nothing.

ward

animal

Revised oil tax is signed into law

NEW REGIME: Revamped method could earn state $2 billion more per year.

By WESLEY LOY
Anchorage Daily News

Gov. Frank Murkowski on Saturday signed into law a landmark bill that overhauls the way the state taxes the production of crude oil.

Murkowski also proposed saving some of the billions of extra dollars his administration predicts the revamped tax will raise by stashing it in a state account called the Constitutional Budget Reserve.

The complex, 41-page oil tax bill, passed by the Republican-controlled Legislature on Aug. 10, replaces the current oil tax code with a new regime that will levy a 22.5 percent tax on oil company profits.

If oil prices hold at their current high level of about $70 per barrel, the revamped tax could yield an extra

FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) F-1
ANCHORAGE DAILY NEWS

(Mount Clipping in Space Below)

Date: 08/22/2006
Edition: TUESDAY

Title: IN STATE'S PRIVATE SECTOR, PROVIDENCE TOPS JOB LIST

Character:
or
Classification: 194A-AN-13620-M -232
Submitting Office: Anchorage

Indexing:

Providence remains biggest private employer

Private-sector employers with at least 1,000 workers last year

Rank	Name	Employees*	Business	Headquarters
1	Providence Health System	3,685	Hospital/medical center	Anchorage
2	Carrs/Safeway	3,086	Grocery	Anchorage
3	Fred Meyer	2,795	Grocery/general merchandise	Anchorage
4	Wal-Mart/Sam's Club	2,694	Grocery/general merchandise	Anchorage
5	Trident Seafoods	1,650	Seafood processing	Akutan
6	Alaska Airlines	1,515	Air carrier	Anchorage
7	ASRC Energy Services	1,506	Oil field services	Anchorage
8	Yukon-Kuskokwim Health Corp.	1,372	Health care	Bethel
9	NANA Management Services	1,358	Catering/lodging/security	Anchorage
10	Banner Health**	1,346	Hospital/medical center	Fairbanks
11	BP	1,341	Oil and gas production	Anchorage
12	GCI Communications	1,298	Communications	Anchorage
13	Alaska Native Tribal Health Consortium	1,200	Hospital/medical center	Anchorage
14	VECO	1,157	Oil field services	Anchorage
15	Southcentral Foundation	1,098	Health care	Anchorage
16	FedEx	1,084	Airfreight/courier service	Anchorage
17	Wells Fargo	1,018	Financial services	Anchorage

*Average number of employees **Includes Fairbanks Memorial Hospital

Source: Alaska Department of Labor

RON ENGSTROM / Anchorage Daily News

In state's private sector, Providence tops job list

■ **JOBS:** Retailers fill next three spots for average number of workers monthly.

By MATT WHITE
Anchorage Daily News

A trio of retailers jockeyed for the No. 2 spot, but health care firms continued to dominate the state's annual list of Alaska's largest private employers, including the name at the top: Providence Health System.

Providence reported an average monthly employment of 3,685 employees in 2005 in the health care facilities it runs across the state, about 600 more than the Safeway/Carrs grocery chain. Along with a major hospital in Anchorage and large facilities it runs in Kodiak and Seward, the company began operating the Valdez hospital in January 2005.

"A lot of that industry lends itself to larger employers," said Neal Fried, a state economist who compiled the report. "Health care is a pretty labor-intensive industry."

Still, job creation in the health sector, which accounts for five of the 17 Alaska businesses with 1,000 or more employees, slowed in 2005.

ON THE WEB

■ **TO SEE** the state's complete report on the largest private-sector employers, go to **labor.state.ak.us/trends/aug06.pdf**

"Health care was not quite the big mover it was in previous years," Fried said. "We've seen some growth slowdown taking place in the broad industry. There was still some growth but not as dramatic."

194A-AN-13620-Press

See Page F-3, EMPLOYERS

EMPLOYERS: *Wells Fargo joins list*

Continued from F-1

Behind Providence, three retailers battled for second place. The Safeway/Carrs grocery chain remained second, as on the 2004 list, with 3,086 workers, while Fred Meyer took over the third-spot with 2,795 employees, passing up Wal-Mart (and its Sam's Clubs), which dropped to fourth at 2,694.

Fifth place was Seattle-based Trident Seafoods, which owns seven seafood processing plants around the state. Though listed with 1,650 employees, Trident is the largest of many firms with work forces that are subject to major seasonal swings. According to Dan Robinson, another state economist, Trident reported 500 employees in December, but well more than 2,000 during the summer salmon season.

To account for such swings, Fried ranked firms by the average of their monthly employment numbers.

"Seasonality is taken care of in the average," he said.

The employment numbers are taken from reports that companies must file with the state under unemployment insurance laws. The data, Fried said, has some gaps, making no distinction between full- and part-time employees and ignoring the 29 percent of the state's workforce with government jobs.

Alaska Airlines landed sixth on the list.

The largest firms headquartered in Alaska followed, all with Native-corporation roots: oil field contractor ASRC Energy Services, Bethel-based Yukon-Kuskokwim Health Corp. and NANA Management Services.

The number of firms employing 1,000 or more Alaskans went up by one from 2004, with the addition of Wells Fargo.

"I think if some people would go through this list, people would be surprised by who's on this list," Fried said. "A lot of companies may not have a high profile like Providence or Carrs, but they employ a lot of people."

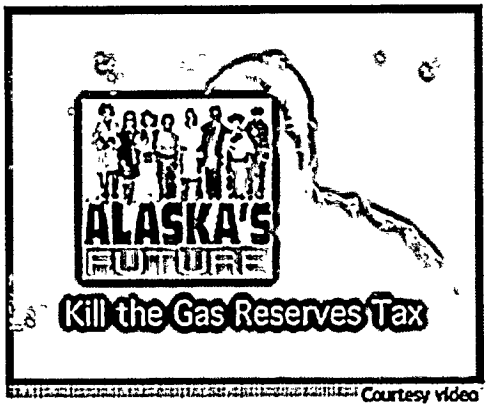
If public employers were included, the list would change dramatically. Providence would drop to sixth behind the military, other federal agencies, the state, the University of Alaska and the Anchorage School District. The municipality of Anchorage would come in at eighth, squeezing ahead of Fred Meyer and Wal-Mart.

■ Daily News reporter Matt White can be reached at mwhite@adn.com or 257-4350.

FBI - Stevens-453

Legislators demand to know identity of TV ad contributors

Friday, August 25, 2006 - by Bill McAllister



Courtesy video

Anchorage, Alaska - Sponsors of a proposed tax on natural gas reserves say they are determined to find out who is funding television ads against their ballot measure.

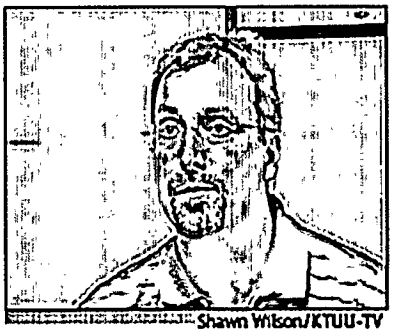
State Reps. Eric Croft and Harry Crawford say the recent ad by the non-profit group Alaska's Future crosses a line because it advocates voting against the $1 billion gas reserves tax. Croft and Crawford say that means the Alaska Public Offices Commission should require the group to disclose its contributors.

Shawn Wilson/KTUU-TV

"What the real problem is that we don't know who we're fighting against. It's a shadow group, really a front group, and we don't know who's funding them. And so that's what we're going to ask APOC to tell us, to demand, is tell us where this money's coming from: Outside, in the state, individuals, corporations. I don't mind the fight; I want to know who I'm fighting," said Croft (left).

Shane Langland, a small businessman who heads the group, says the reserves tax would not force North Slope producers to build a gas line, as Croft and Crawford say; instead, it would kill any chance of a project. Langland says it's the message that's important, not the messenger.

"No matter what you do, if you have a message, somebody will find an issue with whoever my members may be -- and they cross the state and they cross industry, from fishermen to timber to small business people like me. We cross the breadth of Alaska's economy," said Langland (right).


Shawn Wilson/KTUU-TV

APOC director Brooke Miles says she's gathering information on the ad campaign and has not come to a conclusion whether the group's contributors must be made public.

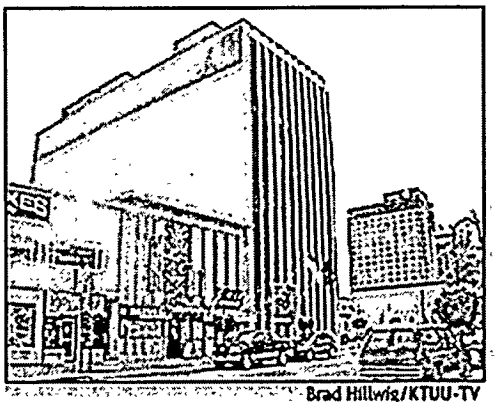
Channel 2 Broadcasting Inc.
http://www.ktuu.com/

FBI - Stevens-454

m-233
194A-AN-13620-Press

FBI agents search offices of state legislators

Thursday, August 31, 2006 - by Steve Mac Donald


Brad Hillwig/KTUU-TV

Anchorage, Alaska - FBI agents fanned out across Alaska today, questioning at least a half dozen state lawmakers who are the targets of a federal investigation. News of the investigation surfaced this afternoon when agents descended on the Legislative Information Office in downtown Anchorage.

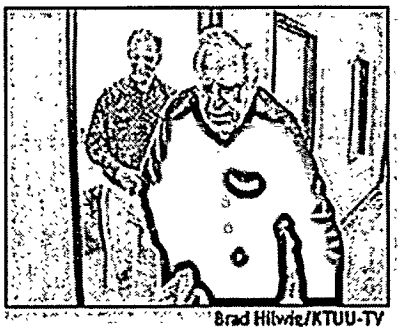
At list six lawmakers were questioned by FBI agents today and it appears that at least five of them are targets of the federal probe. Late this afternoon, several sources released word that oil field contractor Veco Corp. is also at the center of attention for investigators.

Brad Hillwig/KTUU-TV

FBI and several other federal agencies descended on at least five different locations, including the Legislative Information Office in Anchorage. Inside, they searched the offices of Sens. Ben Stevens and John Cowdery Anchorage and Sen. Donny Olson of Nome. In all three offices, the shades were drawn and the doors were shut. Every once in awhile an agent would emerge and head to another office.

Requests from reporters for information were normally answered with the door closing.

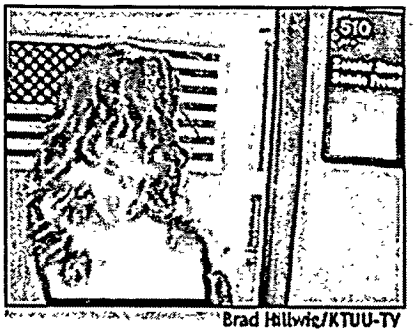
It appeared Cowdery was the only lawmaker under investigation in the building. At one point he was questioned by several agents in a conference room down the hall from his office.


Brad Hillwig/KTUU-TV

Later, when he returned to his office, he had little to say.

"Are you under criminal investigation?"

"I don't think so," Cowdery said.


Brad Hillwig/KTUU-TV

In Stevens' office, agents wearing latex gloves could be seen through gaps in the blinds rifling through files and examining a laptop computer. The same thing was happening in Cowdery's office, as well as Olson's.

FBI - Stevens-455

But it appears they are not the only lawmakers under investigation. According to sources, Eagle River Rep. Pete Kott and Wasilla Rep. Vic Kohring are also targets of the criminal probe.

At LIO, it was just after 3 p.m. when a shaken Cowdery finally was able to leave his office. He was escorted to a

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nearby elevator by FBI agents and staff members.
Downstairs, he got into his personal car. For Cowdery, it was the end of a day's ordeal, but it appears the federal investigation is far from finished.

Late this afternoon Kohring sent out a news release saying he was questioned by federal agents but was told he's not a suspect. Also, Kohring said that he was told Veco is under investigation.

Brad Hillwig/KTUU-TV

The Associated Press is reporting that Tam Cook, the state Legislature's top attorney, was named in the federal warrant.

Attempts were made to contact VECO officials today, but so far calls have not been returned.

The search warrants were served in at least five locations: Anchorage, Eagle River, Girdwood, Juneau and Wasilla. There's also a report that one may have also been served in Nome, which is the hometown of Donny Olson.

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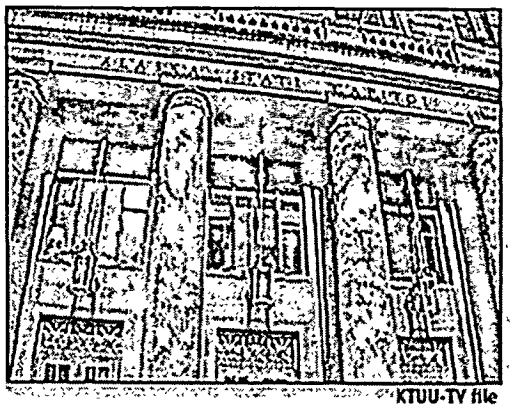
FBI - Stevens-456

Influence of oil industry on legislators questioned

Thursday, August 31, 2006 - by Bill McAllister


KTUU-TV file

Anchorage, Alaska - In the absence of hard information about the FBI searches in Alaska, talk radio and political junkies have been testing their own hypotheses involving oil and gas issues and the push to build private prisons. The influence of the oil industry has been a matter of hot debate all year.

As legislators took numerous twists and turns on their way to a new oil production tax -- through a four-month regular session and two 30-day special sessions -- a central point of contention was whether the industry was wielding too much influence. Three members of the House of Representatives who were heavily involved in the crafting of the oil tax bill repeatedly declared their conflicts of interest in order to put to rest any suggestion that they were hiding their industry connections.

But what had been a political question about big oil's influence, many speculate, is now a potential criminal issue for other legislators.

One complaint about the process came on the final day of the regular session, on May 9, as the House debated the production tax.

"This is our floor. Our floor. No telephone call's supposed to change what we're doing. No lobbyist is supposed to peer over the railing and tell us to change our mind. Never should happen," said Rep. Ethan Berkowitz (right), D-Anchorage.

KTUU-TV file

"That impugns the motive of an individual legislator. It assumes things that have happened that are absolutely incorrect," said Rep. Bruce Weyhrauch (below left), R-Juneau.

KTUU-TV file

The Associated Press reports that Weyhrauch is one of the lawmakers targeted by the search warrants that were issued today in Anchorage, Eagle River, Girdwood, Juneau and Wasilla.

FBI - Stevens-457

House Speaker John Harris says even before this story broke, he was doubtful that the House Republican caucus would give the governor the green light that he wants for a special session, which would begin Sept. 19. Harris now calls it "fairly likely" that his caucus will not tell the governor they favor the session, the third that would be held this year on the gas line contract.

And Gov. Frank Murkowski says in that event, he would not force the Legislature to return to

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the Capitol during his final three months in office.

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FBI - Stevens-458

KTVA Not just what happens, what matter

WHAT MATTERS TO YOU? GIVE US YOUR FEEDBACK

Print Article Email Article

Article Last Updated: 08/31/2006 01:30:43 PM AKDT

FBI agents search Capitol offices

Associated Press

11 SKYTRACKER WEATHER 7 DAY FORECAST

THU	FRI	SAT	SUN	MON	TUE	WED
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49	49	47	45			

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Week of August 28th

Affordable Housing Grant Info.

John Cowdery, (R Anchorage)

Federal investigators Thursday are searching legislative offices in the Alaska Capitol and in Anchorage. Two Federal Bureau of Investigation agents were in the office of Sen. John Cowdery (R-Anchorage), the Senate's Rules chairman. They declined to identify themselves or what they were looking for, instead referring a reporter to the bureau's Anchorage office.

FBI spokesman Eric Gonzalez in Anchorage says agents were executing search warrants, but wouldn't say what they were looking for. According to a legislative aide working in the Capitol, the offices of Senate President Ben Stevens, (R-Anchorage), and Representative Vic Kohring, (R-Wasilla), were also part of the raid.

Representative Vic Kohring, (R Wasilla)

Senate President Ben Stevens, (R Anchorage)

Kohring, contacted at his legislative office in Wasilla, would not confirm or deny that his office was part of the raid or what agents were searching for. He said -- quote -- "I can't talk about that right now."

Cowdery did not immediately return a call for comment, nor did Senate Republican majority spokesman Jeff Turner. The Anchorage Daily News reported on its Web site today that searches also are being conducted at the Anchorage offices of Stevens and Cowdery. The newspaper reported Cowdery was seen being questioned by federal agents in a conference room at the Legislative Information Office.

Breaking News: CBSnews.com
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- FBI agents search Capitol offices
- Teachers' contract goes to vote
- Some citizens trying to overturn smoking ban
- Alaska's Tobacco Quit Line
- Murkowski press conference
- Contract vote Wednesday

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CSI:
CRIME SCENE INVESTIGATION

THURSDAYS
AT 8
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- Deciding to make Alaska home
- Eagle River man arrested for sexual abuse
- Fort Richardson soldier arraigned on child pornography possession
- Convicted molester tells jurors his past is irrelevant
- Anchorage Police Department is looking for recruits
- Hurricane Katrina: one year later

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| MNG Corporate Site Map

FBI - Stevens-460

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Anchorage Daily News

Print Page Close Window

Federal agents raid legislative offices

By RICHARD MAUER and RICHARD RICHTMYER
Anchorage Daily News
(Published: August 31, 2006) LAST MODIFIED 12:45

FBI agents swarmed Alaska legislative offices in Anchorage today and were executing search warrants in the offices of Senate President Ben Stevens and state Sen. John Cowdery. Another state senator said legislative offices in Juneau were also being searched.

The agents refused to say what was going on, directing questions to FBI spokesman Eric Gonzales, who wasn't immediately available.

Cowdery, R-Anchorage, was seen being questioned around noon by federal agents in a fifth-floor conference room in the downtown legislative offices. Asked by a reporter as he left the room what was going on, Cowdery said to ask the agents. Is he under criminal investigation? "I don't think so," he said.

At least a dozen agents were seen in the Anchorage offices. Agents came and went from the offices of Stevens, Cowdery and a nearby conference room, with doors closed and blinds drawn.

Sen. Tom Wagoner, R-Kenai, said he arrived for a meeting a little before noon and wasn't allowed to enter the Senate offices.

"The place was crawling with FBI," Wagoner said.

Wagoner said he was told the agents were also executing search warrants in Juneau.

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FBI - Stevens-461

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m-237

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Article Last Updated: 8/31/2006 01:13 PM

FBI agents search Capitol offices

Associated Press
KTVA

Federal investigators Thursday are searching legislative offices in the Alaska Capitol and in Anchorage. Two Federal Bureau of Investigation agents were in the office of Sen. John Cowdery (R-Anchorage), the Senate's Rules chairman. They declined to identify themselves or what they were looking for, instead referring a reporter to the bureau's Anchorage office.

FBI spokesman Eric Gonzalez in Anchorage says agents were executing search warrants, but wouldn't say what they were looking for. According to a legislative aide working in the Capitol, the offices of Senate President Ben Stevens, (R-Anchorage), and Representative Vic Kohring, (R-Wasilla), were also part of the raid.

Kohring, contacted at his legislative office in Wasilla, would not confirm or deny that his office was part of the raid or what agents were searching for. He said -- quote -- "I can't talk about that right now."

Cowdery did not immediately return a call for comment, nor did Senate Republican majority spokesman Jeff Turner. The Anchorage Daily News reported on its Web site today that searches also are being conducted at the Anchorage offices of Stevens and Cowdery. The newspaper reported Cowdery was seen being questioned by federal agents in a conference room at the Legislative Information Office.

FBI - Stevens-462

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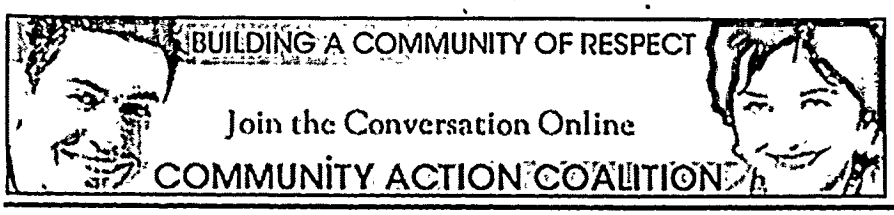

FBI agents search Capitol offices

MATT VOLZ
Associated Press Writer

JUNEAU, Alaska — Federal investigators on Thursday searched legislative offices in the Alaska Capitol.

Two Federal Bureau of Investigation agents were in the office of Sen. John Cowdery, R-Anchorage, the Senate's Rules chairman. They declined to identify themselves or what they were looking for, instead referring a reporter to the bureau's Anchorage office.

"We are executing search warrants," said FBI spokesman Eric Gonzalez, who declined to say what agents were searching for.

According to a legislative aide working in the Capitol, the offices of Senate President Ben Stevens, R-Anchorage, and Rep. Vic Kohring, R-Wasilla, were also part of the raid.

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FBI agents search Alaska legislative offices

The Associated Press

Published: August 31, 2006

JUNEAU, Alaska Federal investigators on Thursday searched legislative offices in the Alaska Capitol.

Two Federal Bureau of Investigation agents were in the office of Republican Senator John Cowdery, the Senate's Rules chairman. They declined to identify themselves or what they were looking for, instead referring a reporter to the bureau's Anchorage office.

"We are executing search warrants," said FBI spokesman Eric Gonzalez, who declined to say what agents were searching for.

According to a legislative aide working in the Capitol, the offices of Senate President Ben Stevens, and Congressman Vic Kohring, both Republicans, were also part of the raid.

Kohring, contacted at his legislative office in Wasilla, would not confirm or deny that his office was part of the raid or what agents were searching for, saying "I can't talk about that right now."

Cowdery did not immediately return a call for comment, nor did Senate Republican majority spokesman Jeff Turner.

The Anchorage Daily News reported on its Web site Thursday that searches also were conducted at the Anchorage offices of Stevens and Cowdery. The newspaper reported Cowdery was seen being questioned by federal agents in a conference room at the Legislative Information Office.

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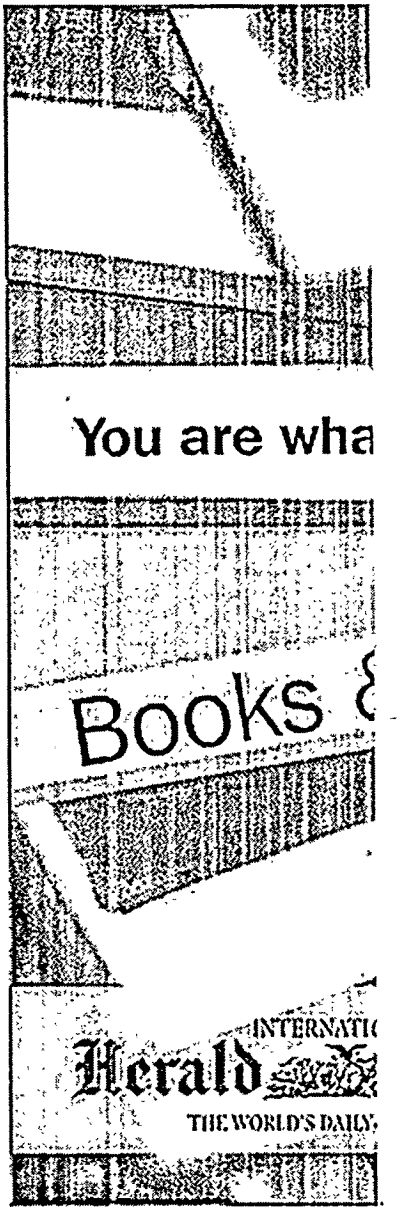

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Federal agents raid legislative offices

By RICHARD MAUER, RICHARD RICHTMYER and LISA DEMER
Anchorage Daily News
(Published: August 31, 2006) 2:47

Federal agents raided Alaska legislative offices in Juneau, Anchorage, Eagle River and Wasilla today, and were executing search warrants on several state senators.

FBI spokesman Eric Gonzalez said search warrants were being served at those offices, but wouldn't say who is being targeted, what the investigation is about or when it began.

"It's an ongoing investigation is all I can say," Gonzalez said.

Among the offices being searched were those of Senate President Ben Stevens, R-Anchorage, and Senate Rules Committee Chairman John Cowdery, R-Anchorage. They're next door to each other on the fifth floor of the downtown legislative offices.

Cowdery was seen being questioned around noon by federal agents in a conference room. Cowdery wouldn't say what the raid was about. Asked by a reporter whether he was under criminal investigation, he said, "I don't think so".

At least a dozen agents were seen in the Anchorage offices early this afternoon, and also were seen in offices in Juneau. Agents came and went from the offices of Stevens, Cowdery and a nearby conference room. Around 1:30 p.m., an agent wearing latex gloves could be seen through the blinds in Stevens' office placing items in a box.

Sen. Kim Elton, D-Juneau said he had been told that FBI agents from out of state were searching several offices including Stevens, Cowdery and Rep. Vic Kohring, R-Wasilla.

Sen. Tom Wagoner, R-Kenai, said he arrived for a meeting at the Anchorage office a little before noon and wasn't allowed to enter the Senate offices.

"The place was crawling with FBI," Wagoner said.

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FBI agents search Capitol offices

Thursday, August 31, 2006 - The Associated Press

Juneau, Alaska - Federal investigators today are searching legislative offices in the Alaska Capitol and in Anchorage.

Two Federal Bureau of Investigation agents were in the office of Sen. John Cowdery, R-Anchorage, the Senate Rules Committee chairman. They declined to identify themselves or what they were looking for, instead referring a reporter to the bureau's Anchorage office. FBI spokesman Eric Gonzalez in Anchorage says agents were executing search warrants, but wouldn't say what they were looking for.

According to a legislative aide working in the Capitol, the offices of Senate President Ben Stevens, R-Anchorage, and Rep. Vic Kohring, R-Wasilla, were also part of the raid. Kohring, contacted at his legislative office in Wasilla, would not confirm or deny that his office was part of the raid or what agents were searching for. He said, "I can't talk about that right now."

Cowdery did not immediately return a call for comment, nor did Senate Republican majority spokesman Jeff Turner.

Watch the "5 O'Clock Report" and the "NewsHour" for the latest information.

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Anchorage Daily News

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Federal agents raid legislative offices

By RICHARD MAUER, RICHARD RICHTMYER and LISA DEMER
Anchorage Daily News
(Published: August 31, 2006) 320

Federal agents raided Alaska legislative offices in Juneau, Anchorage, Eagle River and Wasilla today, with search warrants executed on the offices of several state legislators.

FBI spokesman Eric Gonzalez said warrants were being served at those offices, as well as an undisclosed location in Girdwood, but wouldn't say who is being targeted, what the investigation is about or when it began.

"It's an ongoing investigation is all I can say," Gonzalez said.

Among the offices being searched were those of Senate President Ben Stevens, R-Anchorage and Senate Rules Committee Chairman John Cowdery, R-Anchorage. They're next door to each other on the fifth floor of the downtown legislative offices. Agents were also seen in the Anchorage and Juneau offices of Sen. Donald Olson, D-Nome, and the Wasilla office of Rep. Vic Kohring, R-Wasilla.

The Associated Press is reporting that the offices of Rep. Bruce Weyhrauch, R-Juneau and Rep. Pete Kott, R-Eagle River were also part of the raid.

Around noon, Cowdery could be seen being questioned by federal agents in a conference room near his office. A left the room a few minutes later and wouldn't say what the raid was about. Asked by a reporter whether he was under criminal investigation, he said, "I don't think so".

Around 1:30 p.m., an agent wearing latex gloves could be seen through the blinds in Stevens' office placing items in a box. Later, agents could be seen in Cowdery's office searching through files.

Sen. Tom Wagoner, R-Kenai, said he arrived for a meeting at the Anchorage office a little before noon and wasn't allowed to enter the Senate offices.

"The place was crawling with FBI," Wagoner said.

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FBI agents search offices of at least seven lawmakers

JUNEAU, Alaska (AP) - Federal investigators on Thursday raided the offices of at least seven lawmakers.

"The FBI along with other agencies are executing search warrants in Anchorage, Juneau, Wasilla, Eagle River and Girdwood," said FBI spokesman Eric Gonzalez.

He declined to name the other agencies involved, which legislators and how many total were targeted or what the intent of the Girdwood search was.

"Because it's a pending investigation, that's all that I can release," Gonzalez said.

Tam Cook, the Legislature's top attorney, said she was monitoring the FBI agents as they searched Capitol offices.

When the 27-year employee was asked if she had ever seen such a raid, Cook said: "Not that I recall, since I've been working here."

Agents were conducting office searches in both Juneau and Anchorage belonging to Sen. John Cowdery, R-Anchorage, the Senate Rules chairman.

Cowdery stood by in his Anchorage office as agents searched.

The offices of Senate President Ben Stevens, R-Anchorage; Rep. Vic Kohring, R-Wasilla; Rep. Bruce Weyhrauch, R-Juneau; Sen. Donald Olson, D-Nome; and Rep. Pete Kott, R-Eagle River were also part of the raid.

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An agent wearing blue rubber gloves was seen rifling through documents in Stevens' Anchorage office. The blinds were mostly drawn and doors shut in most offices being searched at the downtown Legislative Information Office in Anchorage.

In Juneau, the few legislative aides working Thursday had little information about the raids.

"None of us know anything, but two guys with short hair and no necks looked around the corner when I came in," said Cindy Smith, an aide to Sen. Hollis

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French, whose Capitol office is next to Olson's.

Kohring, contacted at his legislative office in Wasilla, would not confirm that his office was part of the raid or what agents were searching for, saying "I can't talk about that right now."

Messages left with other lawmakers and Senate Republican majority spokesman Jeff Turner were not immediately returned.

Associated Press Writer Jeannette J. Lee in Anchorage contributed to this report.
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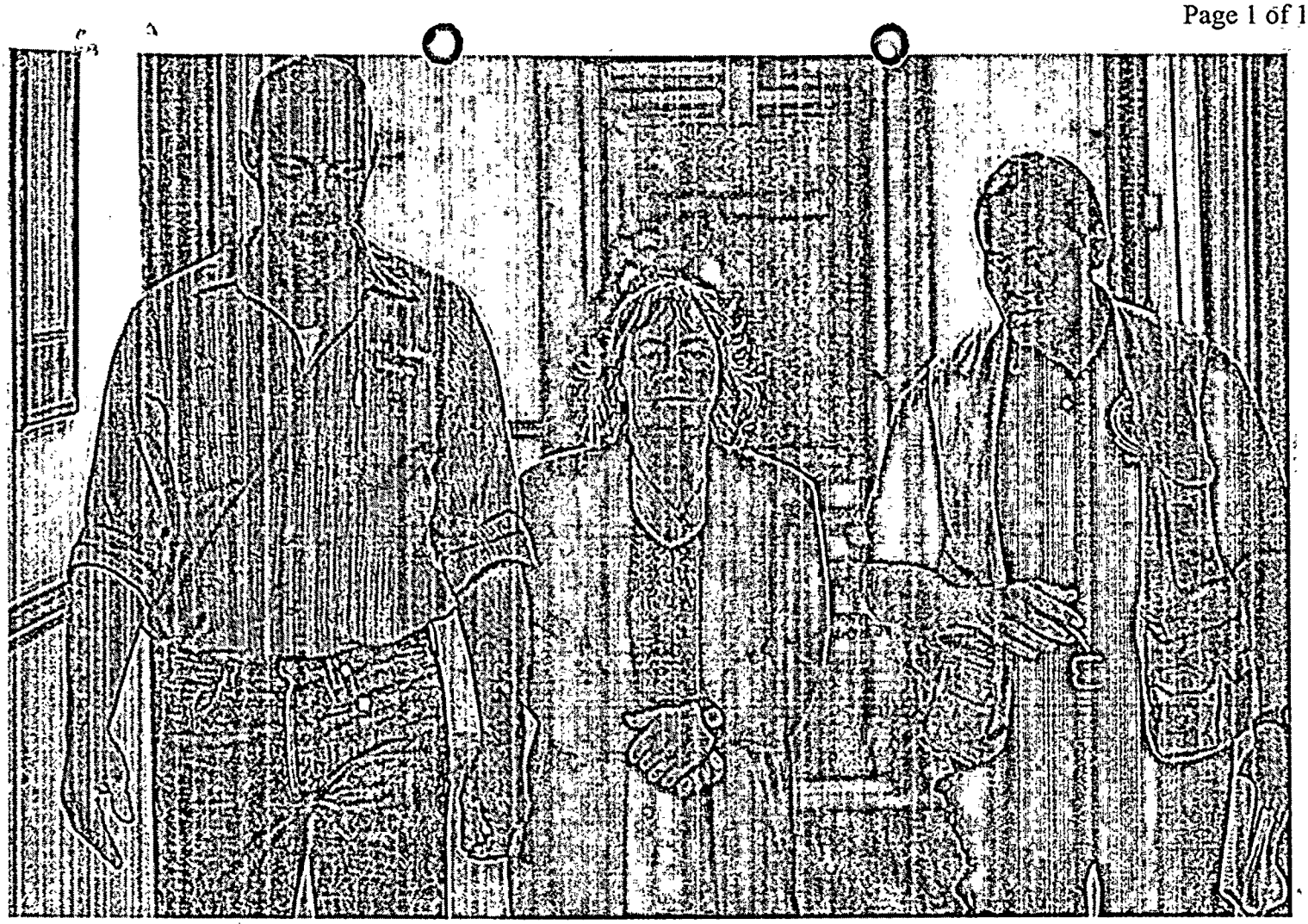

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Thursday, August 31st, 2006

Breaking News

FBI agents search offices of at least seven lawmakers

By MATT VOLZ
Associated Press Writer

JUNEAU, Alaska (AP) - Federal investigators on Thursday raided the offices of at least seven lawmakers.

"The FBI along with other agencies are executing search warrants in Anchorage, Juneau, Wasilla, Eagle River and Girdwood," said FBI spokesman Eric Gonzalez. More...

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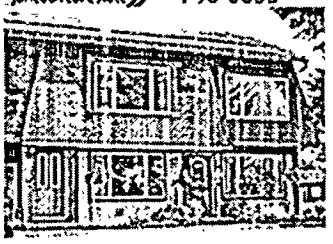

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FBI agents search offices of at least seven lawmakers

By Matt Volz, Associated Press Writer
Published August 31, 2006

JUNEAU, Alaska (AP) — Federal investigators on Thursday raided the offices of at least seven lawmakers.

"The FBI along with other agencies are executing search warrants in Anchorage, Juneau, Wasilla, Eagle River and Girdwood," said FBI spokesman Eric Gonzalez.

He declined to name the other agencies involved, which legislators and how many total were targeted or what the intent of the Girdwood search was.

"Because it's a pending investigation, that's all that I can release," Gonzalez said.

Tam Cook, the Legislature's top attorney, said she was monitoring the FBI agents as they searched Capitol offices.

When the 27-year employee was asked if she had ever seen such a raid, Cook said: "Not that I recall, since I've been working here."

Agents were conducting office searches in both Juneau and Anchorage belonging to Sen. John Cowdery, R-Anchorage, the Senate Rules chairman.

Cowdery stood by in his Anchorage office as agents searched.

The offices of Senate President Ben Stevens, R-Anchorage; Rep. Vic Kohring, R-Wasilla; Rep. Bruce Weyhrauch, R-Juneau; Sen. Donald Olson, D-Nome; and Rep. Pete Kott, R-Eagle River were also part of the raid.

An agent wearing blue rubber gloves was seen rifling through documents in Stevens' Anchorage office. The blinds were mostly drawn and doors shut in most offices being searched at the downtown Legislative Information Office in Anchorage.

In Juneau, the few legislative aides working Thursday had little information about the raids.

"None of us know anything, but two guys with short hair and no necks looked around the corner when I came in," said Cindy Smith, an aide to Sen. Hollis French, whose Capitol office is next to Olson's.

Kohring, contacted at his legislative office in Wasilla, would not confirm that his office was part of the raid or what agents were searching for, saying "I can't talk about that right now."

Messages left with other lawmakers and Senate Republican majority spokesman Jeff Turner were not immediately returned.

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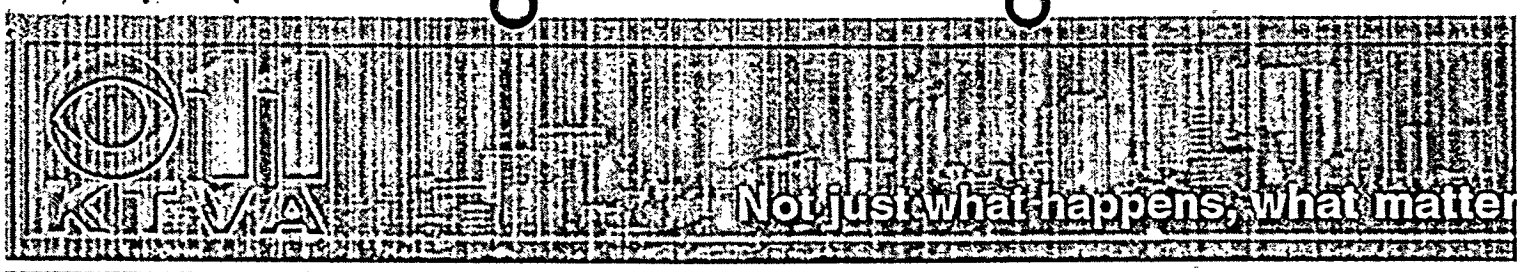

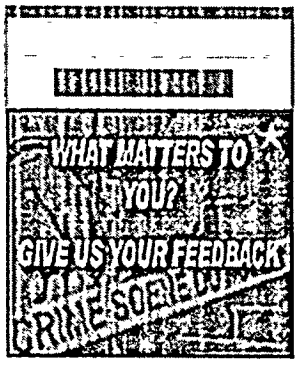

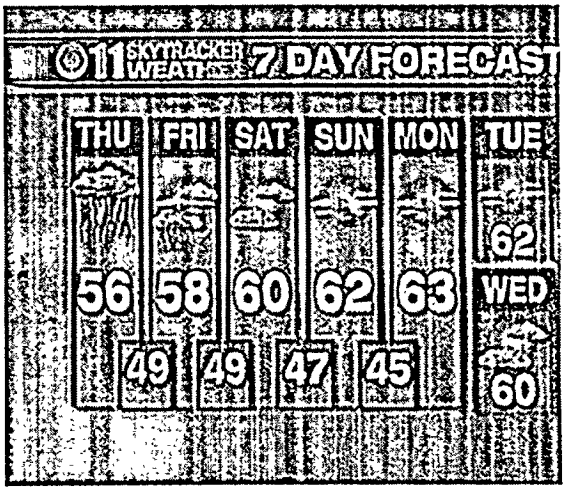

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FBI agents search Capitol offices

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John Cowdery, (R Anchorage)

Federal investigators Thursday are searching legislative offices in the Alaska Capitol and in Anchorage. Two Federal Bureau of Investigation agents were in the office of Sen. John Cowdery (R-Anchorage), the Senate's Rules chairman. They declined to identify themselves or what they were looking for, instead referring a reporter to the bureau's Anchorage office.

FBI spokesman Eric Gonzalez in Anchorage says agents were executing search warrants, but wouldn't say what they were looking for. According to a legislative aide working in the Capitol, the offices of Senate President Ben Stevens, (R-Anchorage), and Representative Vic Kohring, (R-Wasilla), were also part of the raid.

Representative Vic Kohring, (R Wasilla)

Senate President Ben Stevens, (R Anchorage)

Kohring, contacted at his legislative office in Wasilla, would not confirm or deny that his office was part of the raid or what agents were searching for. He said -- quote -- "I can't talk about that right now."

Cowdery did not immediately return a call for comment, nor did Senate Republican majority spokesman Jeff Turner. The Anchorage Daily News reported on its Web site today that searches also are being conducted at the Anchorage offices of Stevens and Cowdery. The newspaper reported Cowdery was seen being questioned by federal agents in a conference room at the Legislative Information Office.

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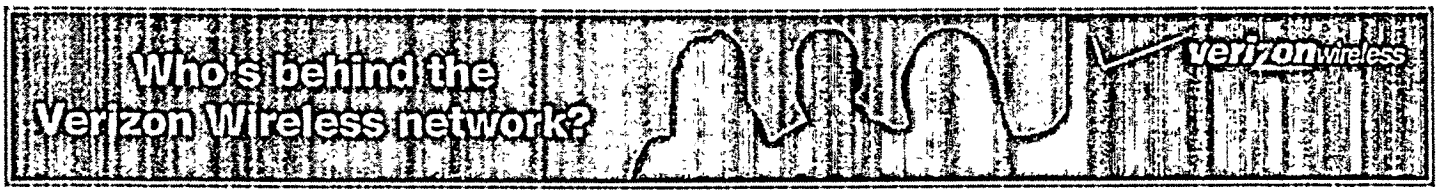

FBI searches offices of seven Alaska lawmakers

Legislators targeted in five cities as part of 'pending investigation'

Associated Press
Updated: 1 hour, 23 minutes ago

JUNEAU, Alaska - Federal investigators on Thursday raided the offices of at least seven lawmakers.

"The FBI along with other agencies are executing search warrants in Anchorage, Juneau, Wasilla, Eagle River and Girdwood," said FBI spokesman Eric Gonzalez.

He declined to name the other agencies involved, which legislators and how many total were targeted or what the intent of the Girdwood search was.

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"Because it's a pending investigation, that's all that I can release," Gonzalez said.

Tam Cook, the Legislature's top attorney, said she was monitoring the FBI agents as they searched Capitol offices.

When the 27-year employee was asked if she had ever seen such a raid, Cook said: "Not that I recall, since I've been working here."

Agents were conducting office searches in both Juneau and Anchorage belonging to Sen. John Cowdery, R-Anchorage, the Senate Rules Committee chairman.

Cowdery stood by in his Anchorage office as agents searched.

The offices of Senate President Ben Stevens, R-Anchorage; Rep. Vic Kohring, R-Wasilla; Rep. Bruce Weyhrauch, R-Juneau; Sen. Donald Olson, D-Nome; and Rep. Pete Kott, R-Eagle River were also part of the raid.

An agent wearing blue rubber gloves was seen rifling through documents in Stevens' Anchorage office. The blinds were mostly drawn and doors shut in most offices being searched at the downtown Legislative Information Office in Anchorage.

In Juneau, the few legislative aides working Thursday had little information about the raids.

"None of us know anything, but two guys with short hair and no necks looked around the corner when I came in," said Cindy Smith, an aide to Sen. Hollis French, whose Capitol office is next to Olson's.

Kohring, contacted at his legislative office in Wasilla, would not confirm that his office was part of the raid or what agents were searching for, saying "I can't talk about that right now."

Messages left with other lawmakers and Senate Republican majority spokesman Jeff Turner were not immediately returned.

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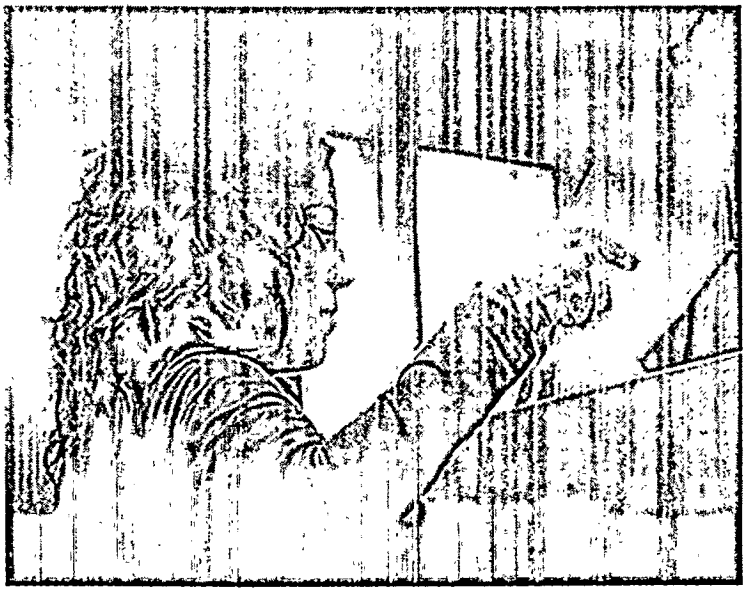

Thu Aug 31, 7:37 PM ET

AP Associated Press

An unidentified FBI agent goes through files in the office of Alaska state Sen. John Cowdery, R-Anchorage, Thursday, Aug. 31, 2006, in Anchorage, Alaska. Federal investigators on Thursday raided the offices of at least seven lawmakers. Search warrants are being executed in Anchorage, Juneau, Wasilla, Eagle River and Girdwood,' said FBI spokesman Eric Gonzalez. (AP Photo/Al Grillo)

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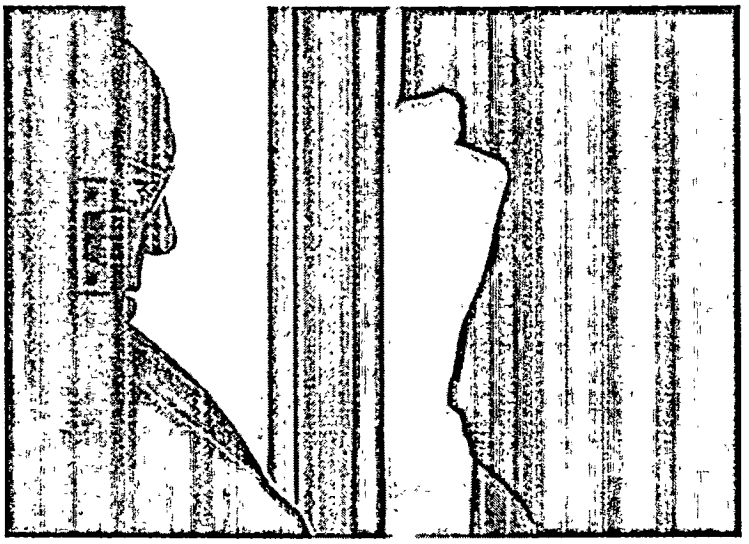

Thu Aug 31, 7:49 PM ET

Associated Press

State Sen. John Cowdery, R-Anchorage, left, sits in his office in Anchorage, Alaska, Thursday Aug. 31, 2006, as federal investigators search his office. Federal investigators on Thursday raided the offices of at least seven lawmakers, including the office of state Sen. Cowdery. (AP Photo/Al Grillo)

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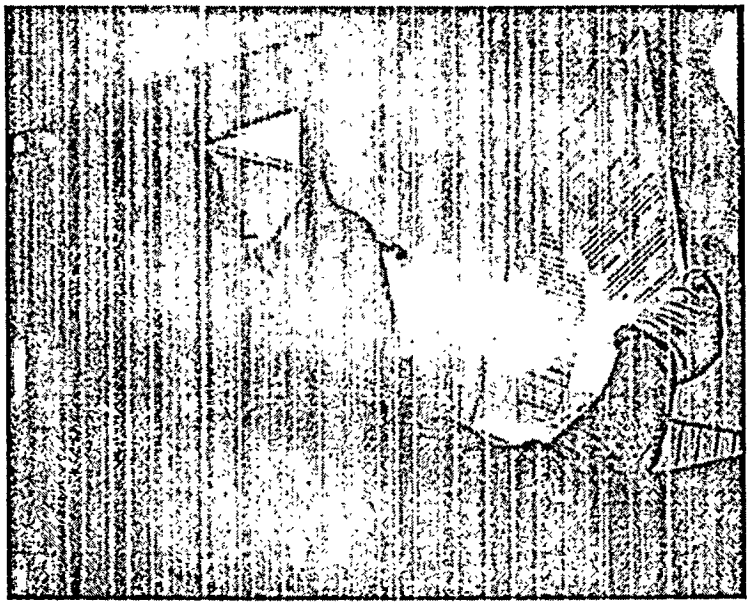

Thu Aug 31, 8:42 PM ET

Associated Press

An unknown federal agent looks through files in State Sen. John Cowdery's, R-Anchorage, office in Anchorage, Alaska, Thursday Aug. 31, 2006. Federal investigators on Thursday raided the offices of at least seven lawmakers. The FBI along with other agencies are executing search warrants in Anchorage, Juneau, Wasilla, Eagle River and Girdwood,' said FBI spokesman Eric Gonzalez. (AP Photo/Al Grillo)

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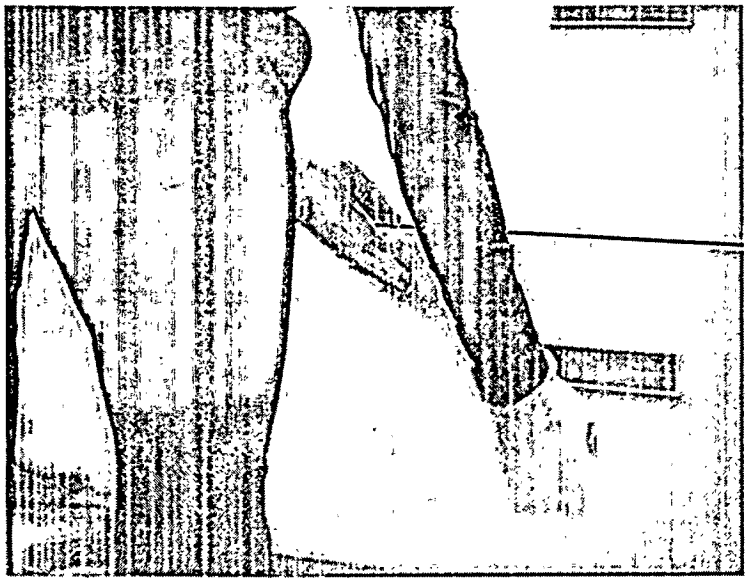

Thu Aug 31, 8:46 PM ET

Associated Press

An unknown federal agent opens a drawer in State Sen. John Cowdery's, R-Anchorage, office in Anchorage, Alaska, Thursday Aug. 31, 2006. Federal investigators on Thursday raided the offices of at least seven lawmakers. The FBI along with other agencies are executing search warrants in Anchorage, Juneau, Wasilla, Eagle River and Girdwood,' said FBI spokesman Eric Gonzalez. (AP Photo/Al Grillo)

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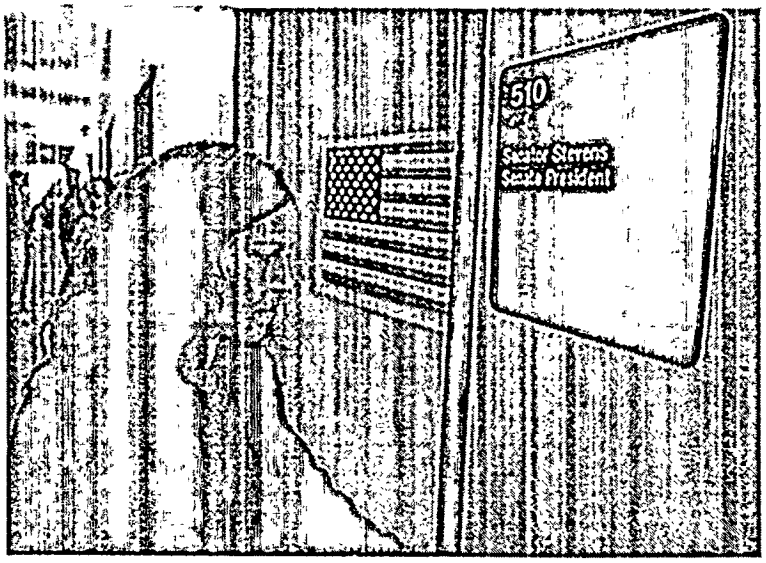

Associated Press AP - Thu Aug 31, 8:45 PM ET

An unidentified federal agent walks into state Sen. Ben Stevens office in Anchorage, Alaska Thursday, Aug. 31, 2006. Federal agents on Thursday raided the offices of at least seven Alaska lawmakers in connection with a warrant

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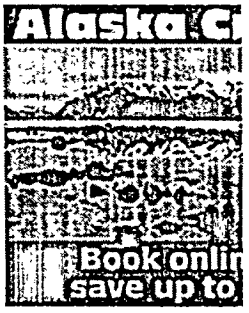

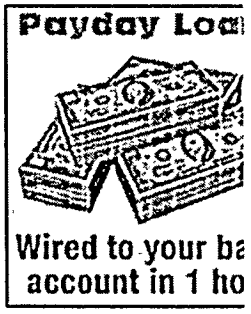

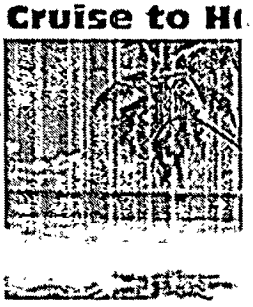

FBI and IRS raid offices of at least 6 legislators including Alaska Senate president Ben Stevens

8/31/06

Juneau, Alaska

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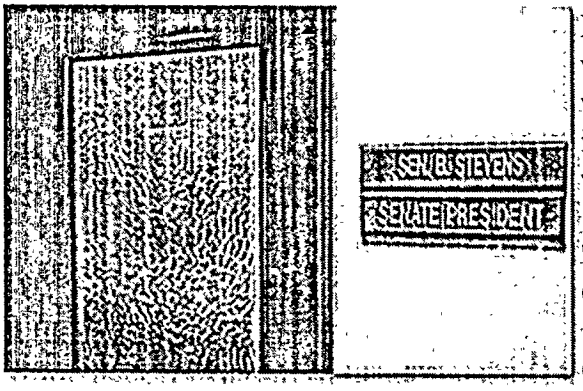
AlaskaReport.com has learned the the IRS and the FBI raided the offices of at least six Alaska lawmakers Thursday in a search for any ties between the legislators and oil field services company, VECO Corp., an Anchorage-based oil field services and construction company whose executives are major contributors to political campaigns.

As of 4:40 pm, FBI agents were still in the Juneau offices of Alaska Senate President Ben Stevens and Senate Rules Committee Chairman John Cowdery.



FBI spokesman Eric Gonzalez said search warrants were being served at those offices, but wouldn't say who is being targeted, what the investigation is about or when it began. The IRS would not confirm or deny the story.

"It's an ongoing investigation is all I can say," Gonzalez said.

Cowdery was seen being questioned around noon by federal agents in a conference room. Cowdery wouldn't say what the raid was about. Asked by a reporter whether he was under criminal investigation, he said, "I don't think so".

At least a dozen agents were seen in the Anchorage offices early this afternoon, and also were seen in offices in Juneau. Agents came and went from the offices of Stevens, Cowdery and a nearby conference room. Around 1:30 p.m., an agent wearing latex gloves could be seen through the blinds in Stevens' office placing items in a box.

FBI - Stevens-482

Sen. Kim Elton, D-Juneau said he had been told that FBI agents from out of state were searching several offices including Stevens, Cowdery and Rep. Vic Kohring, R-Wasilla.

Sen. Tom Wagoner, R-Kenai, said he arrived for a meeting at the Anchorage office a little before noon and wasn't allowed to enter the Senate offices.

"The place was crawling with FBI," Wagoner said.

194A-AN-13620-~~B~~ m-250 C

Parts of this story were from ADN.com and wire reports.

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FBI - Stevens-483

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Article Last Updated: 8/31/2006 09:40 PM

Several powerful Alaska lawmakers' offices raided

By Matthew Simon, CBS 11 News Reporter
KTVA

On Thursday, several powerful lawmakers' offices--both here in Anchorage and at the capitol in Juneau--were swarming with federal agents. Those offices included Senate President Ben Stevens, Senator Donald Olson, Representatives Vic Kohring, Bruce Weyhrauch, and Pete Kott. All FBI officials will say right now is that they and IRS officials were there to execute search warrants.

CBS 11 News has confirmed these lawmakers are being investigated because of their relationship with Veco. That is the big oil company that provides services to the energy, resource and processing industries throughout the world.

All FBI officials will say is that they served warrants in Anchorage, Juneau, Eagle River, Girdwood and Wasilla. While FBI officials are not saying who those warrants have to do with, CBS 11 News has confirmed Anchorage Senators Ben Stevens, and John Cowdery, as well as Juneau Representative Bruce Weyhrauch, Eagle River Representative Pete Kott, Wasilla Representative Vic Kohring and Nome Democratic Senator Donny Olson are all subjects of the FBI and IRS investigation.

Representative Olson's office was the one to confirm for CBS 11 News that all of this has to do with Veco--although we have no information on the specifics.

We are continuing to gather information and will update you as soon as we learn it.

To contact Matthew, call 907-273-3186.

FBI - Stevens-484

-251

194A-AN-13620-~~P~~ M

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AP National News

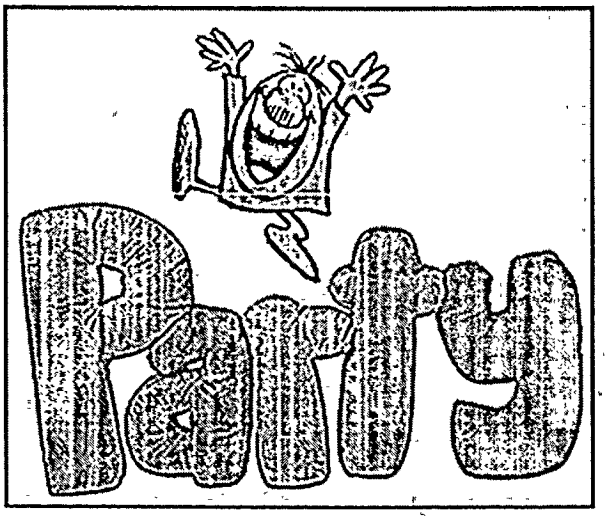
FBI Searches 6 Alaska Lawmakers' Offices

By MATT VOLZ
Associated Press Writer

August 31, 2006, 9:57 PM EDT

JUNEAU, Alaska -- Federal agents raided the offices of at least six Alaska lawmakers Thursday in an investigation of large oil field services company, officials said.

The company named in the search warrant was VECO Corp., an Anchorage-based oil field services and construction company, said Tam Cook, the Legislature's top attorney. VECO's executives are major contributors to political campaigns.



"This morning, investigators from the FBI interviewed me in my office regarding an investigation of VECO," Republican Rep. Vic Kohring said in a statement. He said he cooperated, and was told he was not a target of the investigation.

Two legislative aides, who spoke on the condition of anonymity for fear of reprisal from federal agents who told them not to talk to reporters, said FBI agents were looking for any ties including financial information and gifts.

One aide who did not view the warrant directly but was told its contents by officials said it allowed for the search of computer files, personal diaries and other documentation.

The other aide said he read the warrant and it named VECO officials Bill Allen, Rick Smith and Pete Leathard.

A message left Thursday with VECO was not immediately returned.

FBI spokesman Eric Gonzalez said the FBI and Internal Revenue Service executed search warrants in Anchorage, Juneau, Wasilla, Eagle River and Girdwood.

He declined to say who was served search warrants.

The warrants had not been filed with the clerk's office at the U.S. District Court by Thursday afternoon. The U.S. Attorney's office in Anchorage referred questions to a Department of Justice spokeswoman in Washington, D.C., who didn't answer her phone.

FBI - Stevens-485

m-252

194A-AN-13620-~~Press~~

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Agents conducted office searches in both Juneau and Anchorage belonging to Sen. John Cowdery, R-Anchorage, the Senate Rules chairman. The senator stood by in Anchorage as authorities sifted through documentation.

The offices of Senate President Ben Stevens, R-Anchorage; Kohring; Rep. Bruce Weyhrauch, R-Juneau; Sen. Donald Olson, D-Nome; and Rep. Pete Kott, R-Eagle River also were searched.

The blinds were mostly drawn and doors shut in most offices being searched at the Legislative Information Office in Anchorage. Agent wearing blue rubber gloves were visible through gaps in the blinds, rifling through documents in Stevens' Anchorage office.

Kohring, contacted at his legislative office in Wasilla, would not confirm that his office was part of the raid or what agents were searching for, saying "I can't talk about that right now." Agents were seen leaving his Juneau office with boxes that appeared to contain documents.

Messages left with other lawmakers and Senate Republican majority spokesman Jeff Turner were not immediately returned.

Associated Press Writer Jeannette J. Lee in Anchorage contributed to this report.

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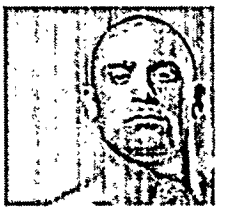

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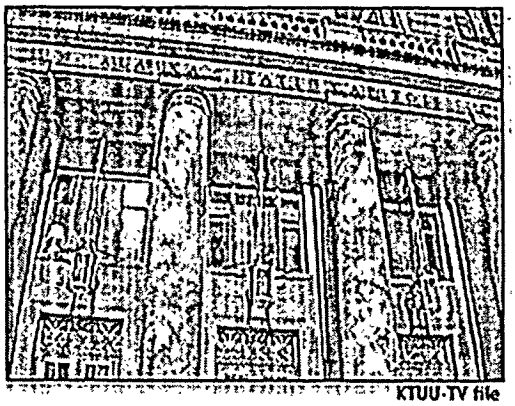
FBI - Stevens-486

Influence of oil industry on legislators questioned

Thursday, August 31, 2006 - by Bill McAllister


KTUU-TV file

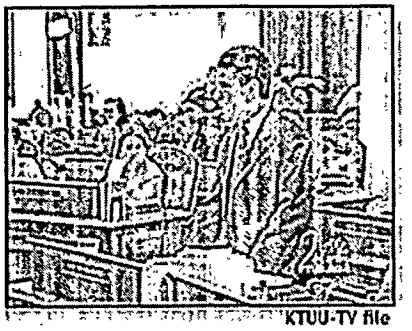
Anchorage, Alaska - In the absence of hard information about the FBI searches in Alaska, talk radio and political junkies have been testing their own hypotheses involving oil and gas issues and the push to build private prisons. The influence of the oil industry has been a matter of hot debate all year.

As legislators took numerous twists and turns on their way to a new oil production tax -- through a four-month regular session and two 30-day special sessions -- a central point of contention was whether the industry was wielding too much influence. Three members of the House of Representatives who were heavily involved in the crafting of the oil tax bill repeatedly declared their conflicts of interest in order to put to rest any suggestion that they were hiding their industry connections.

But what had been a political question about big oil's influence, many speculate, is now a potential criminal issue for other legislators.

One complaint about the process came on the final day of the regular session, on May 9, as the House debated the production tax.

"This is our floor. Our floor. No telephone call's supposed to change what we're doing. No lobbyist is supposed to peer over the railing and tell us to change our mind. Never should happen," said Rep. Ethan Berkowitz (right), D-Anchorage.


KTUU-TV file

"That impugns the motive of an individual legislator. It assumes things that have happened that are absolutely incorrect," said Rep. Bruce Weyhrauch (below left), R-Juneau.

KTUU-TV file

The Associated Press reports that Weyhrauch is one of the lawmakers targeted by the search warrants that were issued today in Anchorage, Eagle River, Girdwood, Juneau and Wasilla.

House Speaker John Harris says even before this story broke, he was doubtful that the House Republican caucus would give the governor the green light that he wants for a special session, which would begin Sept. 19. Harris now calls it "fairly likely" that his caucus will not tell the governor they favor the session, the third that would be held this year on the gas line contract.

And Gov. Frank Murkowski says in that event, he would not force the Legislature to return to the Capitol during his final three months in office.

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FBI agents search lawmakers' offices

Legislature's attorney says VECO, an oil services company, is named in warrant

Federal agents raided the offices of at least six Alaska lawmakers Thursday in a search for any ties between the legislators and a large oil field services company, officials said.

Tam Cook, the Legislature's top attorney, said the company named in the search warrant was VECO Corp., an Anchorage-based oil field services and construction company whose executives are major contributors to political campaigns.

One of the legislators approached by investigators Thursday was Rep. Vic Kohring, R-Wasilla.

"This morning, investigators from the FBI interviewed me in my office regarding an investigation of VECO," Kohring said in a prepared statement.

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

Two legislative aides, who spoke on the condition of anonymity for fear of reprisal from federal agents who told them not to talk to reporters, said FBI agents were looking for any ties including financial information and gifts.

One aide said agents did not show him the warrant, but said officials described what was in it. He said the warrant allowed for the search of computer files, personal diaries and other documentation: "It pretty much covered the gamut."

The other aide said he demanded to read the warrant before allowing the search and that VECO officials Bill Allen, Rick Smith and Pete Leathard were named in the warrant.

FBI - Stevens-488

A message left Thursday with VECO was not immediately returned.

The aide who had the warrant read to him said among documents taken were a lawmaker's 2006 day planner, travel itineraries, Alaska Public Office Commission reports and paperwork related to the draft gas contract the governor gave to every legislator in May.

194A-AN-13620-Pros m-254

FBI spokesman Eric Gonzalez said the FBI and Internal Revenue Service executed search warrants in Anchorage, Juneau, Wasilla, Eagle River and Girdwood.

He declined to say who was served search warrants.

The warrants had not been filed with the clerk's office at the U.S. District Court by Thursday afternoon. A woman who answered the phone at the U.S. Attorney's office in Anchorage said no one locally could answer questions about the raid, and referred questions to a Department of Justice spokeswoman in Washington, D.C., who didn't answer her phone.

Agents conducted searches of both Juneau and Anchorage offices belonging to Sen. John Cowdery, R-Anchorage, the Senate Rules chairman. The senator stood by in Anchorage as authorities sifted through documentation.

The offices of Senate President Ben Stevens, R-Anchorage; Kohring; Rep. Bruce Weyhrauch, R-Juneau; Sen. Donald Olson, D-Nome; and Rep. Pete Kott, R-Eagle River also were searched.

The blinds were mostly drawn and doors shut in most offices being searched at the downtown Legislative Information Office in Anchorage. Agents wearing blue rubber gloves were visible through gaps in the blinds, rifling through documents in Stevens' Anchorage office.

Kohring, contacted at his legislative office in Wasilla, would not confirm that his office was part of the raid or what agents were searching for, saying "I can't talk about that right now." Agents were seen leaving his Juneau office with boxes that appeared to contain documents.

Messages left with other lawmakers and Senate Republican majority spokesman Jeff Turner were not immediately returned.

Veco is an Alaska oil field services and construction company whose executives are major contributors to political campaigns, usually Republicans.

• Associated Press writer Jeannette J. Lee contributed to this report.
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FBI - Stevens-489

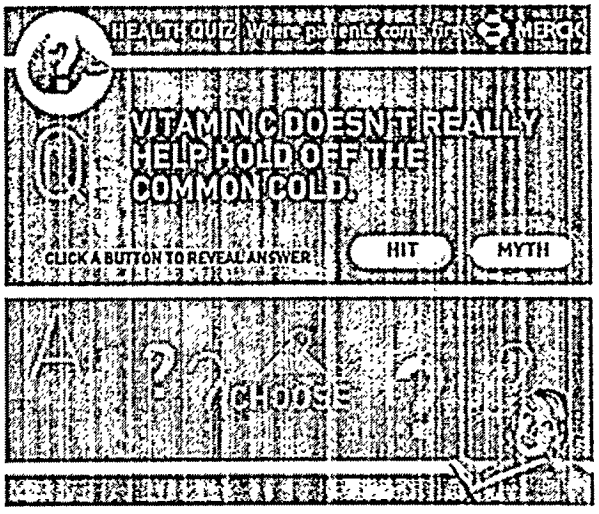
FBI Raids 6 Alaska State Lawmakers' Offices in Oil Company Probe

Friday , September 01, 2006

FBI - Stevens-490

Associated Press

JUNEAU, Alaska — Federal agents raided the offices of at least six Alaska lawmakers Thursday in an investigation of large oil field services company, officials said.



The company named in the search warrant was VECO Corp., an Anchorage-based oil field services and construction company, said Tam Cook, the Legislature's top attorney. VECO's executives are major contributors to political campaigns.

"This morning, investigators from the FBI interviewed me in my office regarding an investigation of VECO," Republican Rep. Vic Kohring said in a statement. He said he cooperated, and was told he was not a target of the investigation.

Two legislative aides, who spoke on the condition of anonymity for fear of reprisal from federal agents who told them not to talk to reporters, said FBI agents were looking for any ties including financial information and gifts.

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The offices of Senate President Ben Stevens, R-Anchorage; Kohring; Rep. Bruce Weyhrauch, R-Juneau; Sen. Donald Olson, D-Nome; and Rep. Pete Kott, R-Eagle River also were searched.

Four different teams of federal agents spent hours searching offices on each floor of the Capitol.

Agents left Stevens' Capitol office Thursday evening with 12 boxes of documents labeled "Evidence" and loaded them into a vehicle waiting them outside. Special Agent Wade Dudley said they were being taken to an undisclosed location in Juneau.

"I don't know what they're going to do with it," Dudley said. "We collect it for the case agent's review."

Meanwhile, outside Weyhrauch's office, agents wearing blue rubber gloves inspected documents, inventoried them and sealed them well into the night.

The blinds were mostly drawn and doors shut in most offices being searched at the Legislative Information Office in Anchorage. Agent wearing blue rubber gloves were visible through gaps in the blinds, rifling through documents in Stevens' Anchorage office.

Kohring, contacted at his legislative office in Wasilla, would not confirm that his office was part of the raid or what agents were searching for, saying "I can't talk about that right now." Agents were seen leaving his Juneau office with boxes that appeared to contain documents.

Messages left with other lawmakers and Senate Republican majority spokesman Jeff Turner were not immediately returned.

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FBI - Stevens-491

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FBI raids legislative offices

Agents are quiet on purpose of Alaska investigation; Veco is named in the warrants

This story was written by Daily News reporter Richard Mauer and based on reporting by Mauer and Daily News reporters Lisa Demer, Don Hunter, Richard Richtmyer and Joe Ditzler.

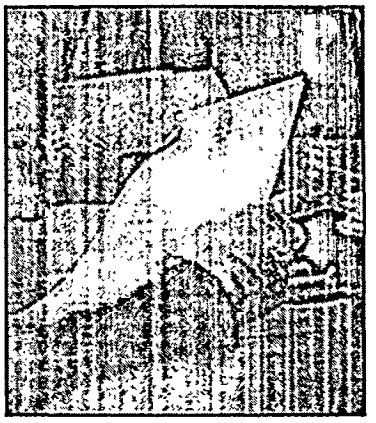
(Published: September 1, 2006)

Federal agents swarmed legislative offices around the state Thursday, executing search warrants in a coordinated series of raids that appeared to target the long-standing relationship between the oil field service company Veco and leading lawmakers.

FBI - Stevens-492

The FBI reported making no arrests.

Above Anchorage's Fourth Avenue, FBI agents spent most of the afternoon behind the closed doors and drawn blinds of the fifth-floor offices of Senate President Ben Stevens and Senate Rules Committee Chairman John Cowdery, both Anchorage Republicans. Through slits in the blinds, one agent in Stevens' office, wearing rubber gloves, could be seen packing away evidence in a container.



Investigators search through files in Senate Rules Committee Chairman John Cowdery's Anchorage office Aug. 31, 2006. *(Photos by MARC LESTER / Anchorage Daily News)*

In Juneau, tourists and residents were greeted with the extraordinary sight of FBI agents hauling out files from the Alaska State Capitol after searching offices there.

After the FBI searched his Wasilla office and questioned him, Rep. Vic Kohring, R-Wasilla, the chairman of the House Special Committee on Oil and Gas, said the investigation was focused on Veco.

"I fully cooperated and answered all their questions," Kohring said in a written statement. "I was told that I am not a target of the investigation and was asked not to discuss details of the interview."

On the 10th floor of the Frontier Building in Midtown Anchorage, where Veco has its headquarters, the FBI commandeered the glass-sided conference room of another federal agency that rents space there. In the room, Veco president Peter Leathard talked with agents from the FBI and IRS.

Leathard ( )

The FBI agent could be seen referring frequently to paperwork in a thick binder. Leathard leaned back in a chair, his back to the wall. Attorney Brian Doherty joined Leathard, first meeting with his client privately, then with the agents.

When they all emerged around 4:40 p.m., none would describe the inquiry.

"At this point, we really don't know," Leathard said, smiling as he turned to walk away. He and Doherty would not say more.

Other legislative offices known to have been searched Thursday included those of Reps. Pete Kott of Eagle River and Bruce Weyhrauch of Juneau, and Sen.

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Donny Olson of Nome. Kott, a former House speaker, and Weyhrauch are Republicans. Olson is the only Democrat in the group.

FBI spokesman Eric Gonzalez said federal agents executed about 20 search warrants Thursday, not all in legislative offices. The warrants were executed in Anchorage, Juneau, Wasilla, Eagle River and Girdwood, he said.

Gonzalez said he was not at liberty to disclose the target of the investigation, how or when it began, or whether it was likely to result in criminal charges.

"It's an ongoing investigation is all I can say," Gonzalez said.

No one would say what was the target of the Girdwood warrant. Ben Stevens' father, U.S. Sen. Ted Stevens, has a home and office there. Both were quiet and dark Tuesday afternoon. A neighbor said she saw no unusual activity at the Stevens home. A postal clerk reported the same for Stevens' office, which is in the Girdwood post office.

A spokesman for Ted Stevens didn't return several calls or an e-mail from a reporter.

Sen. Tom Wagoner, R-Kenai, arrived at the legislative offices at 716 W. Fourth Ave. in Anchorage shortly before noon for a Resources Committee meeting.

"The place was crawling with FBI," Wagoner said. When he tried to enter Cowdery's office, an agent stopped him at the door, Wagoner said.

Wagoner said a senior legislative aide who was present when the warrant was served told him they were looking for files that had to do with Veco and the oil tax legislation recently passed by lawmakers in special session.

Ray Metcalfe, a former legislator and the founder of the independent Republican Moderate Party, said he has been trying to get the authorities interested in what he described as the "corrupt" relationship between Veco and the Republican-led Legislature, principally Ben Stevens.

"I put all the stuff in front of federal prosecutors a year and a half ago," Metcalfe said Thursday, clearly relishing the turn of events. "I laid hundreds of pages of detailed information alleging bribery, and I distributed it to federal authorities, I distributed it to the U.S. Attorney's office, I distributed it to the (state attorney general's) Office of Special Prosecutions, and we held a demonstration in front of the attorney general's office that hardly anyone showed up for."

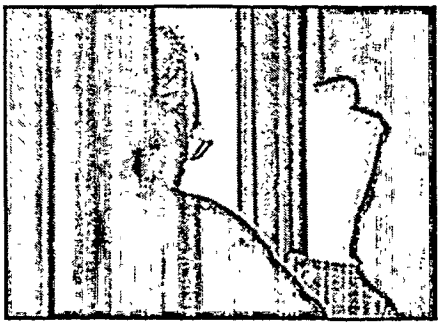
Metcalfe attempted to initiate a recall campaign against Stevens, but his effort was rejected by Lt. Gov. Loren Leman on legal grounds. After first announcing he'd run for re-election in November, Stevens changed his mind in June and opted to retire.

Ben Stevens didn't return calls placed to his home, his personal office or his legislative office. Messages left at his attorney's office and cell phone also weren't returned.

In disclosures he was required to file as a legislator, Stevens said he was paid $243,000 over the last five years as a "consultant" to Veco. Whenever he was asked to describe what he did for the money, Stevens refused to answer. The

Weyhrauch ( )

Investigators search the Anchorage office of Alaska Senate President Ben Stevens Aug.31, 2006. *(Photos by MARC LESTER / Anchorage Daily News)*



Senate Rules Committee Chairman John Cowdery reads through documents while the FBI conducts a search elsewhere in his Anchorage

company also refused to say.

Metcalfe has argued in his complaints that the money amounted to a bribe -- that Stevens has done Veco's work on many fronts, including attempting to spend Alaska Permanent Fund earnings for state government operations to reduce the need for oil taxes and pushing the industry's favored gas pipeline proposal.

There was no indication that the investigators were looking into bribery allegations.

Tamara Cook, a lawyer who heads the nonpartisan legal services division of the Legislature, said Thursday evening that she reviewed a couple of the search warrants at the request of legislators or aides upon whom they were served.

The search warrants allowed the FBI to search computers and office files including financial records, she said. The warrants named Veco Corp., she said, but she could not say whether Veco was a target or whether the investigation concerned oil taxes, its failed push to build a private prison in Alaska or something else.

"They were fairly broad," she said.

Staff members asked her whether they could open up locked legislative offices. After reviewing the warrants and believing them valid, Cook advised them to open offices either with a warrant or with a legislator's consent.

On the fifth floor of the Anchorage legislative building, reporters lingered in the hallway but were ordered by federal agents and legislative staff out of Stevens' and Cowdery's offices on the north side of the building.

Through gaps in the blinds in Cowdery's office, agents could be seen systematically going through each folder in a large file cabinet, occasionally laying documents aside and taking digital photographs of them before putting them back in place. In Stevens' office, an agent appeared drawn to something on the back of a framed picture wrapped in protective plastic.

The documents included what appeared to be printouts of e-mails, memos and other correspondence. Agents also took several photographs of various other items in Cowdery's office.

Cowdery was interviewed by several agents in a conference room around 11:30 a.m. As the elderly legislator walked back to his office with the assistance of a walker, reporters asked what he was questioned about.

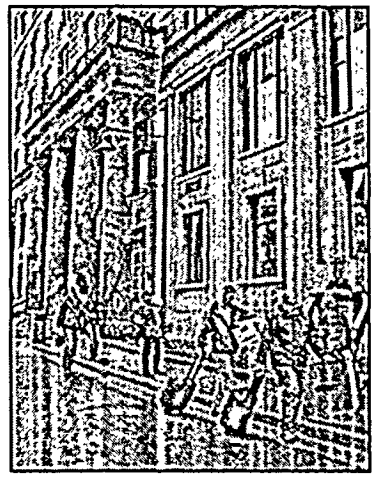
"You ask them," he said.

Asked whether he was under investigation himself, he said, "I don't think so."

Stevens was not in his office during the search, but his chief of staff, Cheryl Sutton, and two other aides were.

They stood by as the agents searched the office and took photographs. The aides left the office just after 6 p.m. and would not answer questions.

office. *(Photo by MARC LESTER / Anchorage Daily News)*



Unidentified FBI agents remove files from the state Capitol in Juneau on Thursday. Agents raided offices of at least six lawmakers Aug. 31, 2006 in Anchorage, Juneau, Wasilla, Eagle River and Girdwood. *(Photo by MICHAEL PENN / Juneau Empire)*

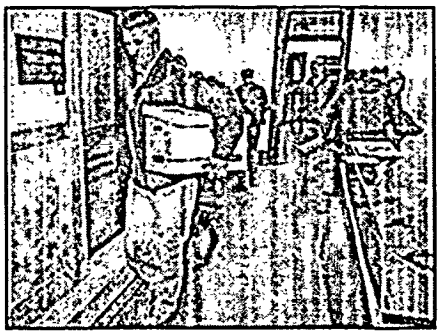
Unidentified FBI agents remove files from the state Capitol in Juneau, Alaska, Aug. 31, 2006. Federal agents raided the offices of at least seven lawmakers as search warrants were executed in Anchorage, Juneau, Wasilla, Eagle River and Girdwood, according to FBI spokesman Eric Gonzalez. *(Photo by MICHAEL PENN / Juneau Empire)*

FBI - Stevens-494

Olson, a pilot, was flying hunters out of Nome Thursday when agents tried to serve warrants at offices in Anchorage and Juneau. He later gave permission for the searches, an aide said.

It was unclear how much evidence agents took out of the Anchorage offices. When they packed up and left after 6 p.m., several appeared to be carrying little more than the equipment they brought into the building earlier in the day.

Earlier in the day, agents were seen carrying a small scanner-printer among the offices that were searched. Through the day, agents came and went. Many arrived wearing day packs and badges dangling from their belts, while others wheeled large molded containers labeled for one office or another.



Unidentified FBI agents remove files from the office of Rep. Vic Koring, R-Wasillia, Aug. 31, 2006, at the state Capitol in Juneau, Alaska. *(Photo by MICHAEL PENN / Juneau Empire)*

Daily News reporter Richard Mauer can be reached at rmauer@adn.com or 257-4345.

The following legislators' offices are known to have been searched Thursday by federal agents.

- Sen. Ben Stevens, R-Anchorage
- Sen. John Cowdery, R-Anchorage
- Sen. Donald Olson, D-Nome
- Rep. Vic Kohring, R-Wasilla
- Rep. Bruce Weyhrauch, R-Juneau
- Rep. Pete Kott, R-Eagle River Legislators' offices searched

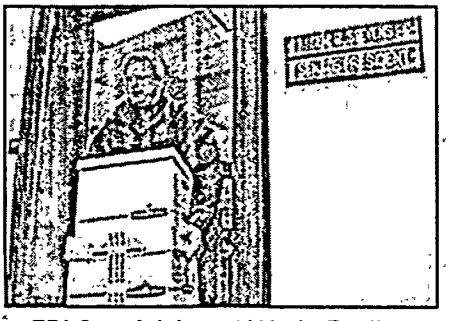
FBI - Stevens-495

Capitol building manager Don Johnston, left, and Tam Cook, center, of Alaska Legislative Legal Affairs, walk along the fourth floor of the state Capitol with an FBI agent, identified only with the last name of Zane, during an investigation, Aug. 31, 2006, in Juneau, Alaska. *(Photo by AL GRILLO / The Associated Press)*

Procedure for obtaining a search warrant

Federal law enforcement agencies aren't saying anything about why they searched legislative offices around the state Thursday. State legislators, who are immune from some state investigations while the Legislature is in session, have no special immunity from a federal search warrant. The normal procedure for getting permission to search anyone's home or office includes:

- A law enforcement officer prepares an application for a search warrant. In high-profile cases like this one, the application is usually reviewed by the Department of Justice.
- The application must specify that more likely than not a specified crime has been committed and offer facts to demonstrate that, more probably than not, evidence of the crime will be found in the place to be searched.
- The law enforcement officer presents the application to a federal magistrate in a closed hearing, including affidavits signed by investigators, recounting the facts and including a list of items to be seized.



FBI Special Agent Wade Dudley remove boxes from the office of Senate President Ben Stevens, Aug. 31, 2006, at the state Capitol in Juneau, Alaska. Federal agents raided the offices of at least seven lawmakers as search warrants were executed in Anchorage, Juneau, Wasilla, Eagle River and Girdwood, according to FBI spokesman Eric Gonzalez. *(Photo by Michael Penn/*

• A copy of the search warrant must be left at the place searched. The person served with the warrant may make it public if he wishes.

-- Anchorage Daily News

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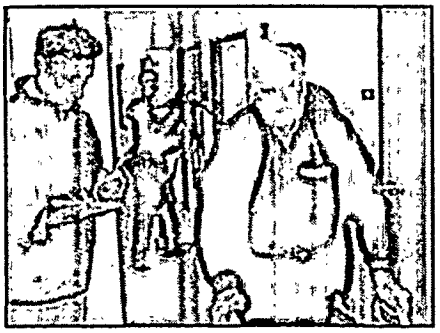
Juneau Empire)

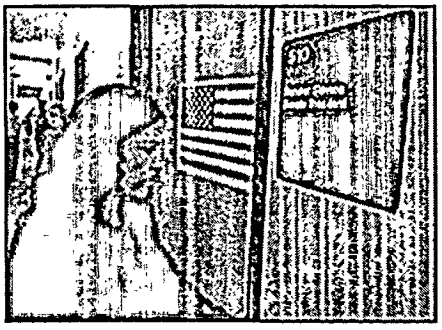


State Sen. John Cowdery, using a walker, returns to his legislative office in Anchorage after being questioned by federal agents Aug. 31, 2006. FBI agents search his office and the next-door office of Sen. President Ben Stevens. Both are Anchorage Republicans. *(Photo by RICHARD MAUER/ Anchorage Daily News)*

State Sen. John Cowdery, using a walker, returns to his legislative office in Anchorage after being questioned by federal agents Aug. 31, 2006. FBI agents search his office and the next-door office of Sen. President Ben Stevens. Both are Anchorage Republicans. *(Photo by RICHARD MAUER/ Anchorage Daily News)*

FBI - Stevens-496

State Sen. John Cowdery, R-Anchorage, left, sits in his office in Anchorage, Alaska, Aug. 31, 2006, as federal investigators search his office. Federal investigators raided the offices of at least seven lawmakers, including the office of state Sen. Cowdery. *(Photo by AL GRILLO / The Associated Press)*



Unidentified FBI agents remove files from the state Capitol in Juneau, Alaska, Aug. 31, 2006. Federal agents raided the offices of at least seven lawmakers as search warrants were executed in Anchorage, Juneau, Wasilla, Eagle River and Girdwood, according to FBI spokesman Eric Gonzalez. *(Photo by AL GRILLO / The Associated Press)*

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FBI looks for hats in probe

By MATT VOLZ
The Associated Press
(Published: September 1, 2006)

JUNEAU - Among the items federal agents were searching for in Alaska legislative offices this week are hats or garments labeled "Corrupt Bastards Club" or "Corrupt Bastards Caucus," according to the search warrant.

FBI and Internal Revenue Service agents raided a half-dozen state lawmakers' offices across Alaska Thursday and continuing Friday, looking for ties between them and oil field services giant VECO Corp.

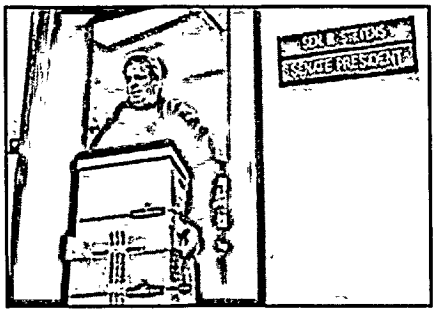
A copy of one of the search warrants, obtained by The Associated Press, links the investigation to the new production tax law signed last month by Gov. Frank Murkowski and the natural gas pipeline draft contract Murkowski and the state's three largest oil companies negotiated.

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

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

VECO's executives are top contributors to Alaska politicians, mostly Republican. Allen flew to Juneau at the end of the regular session to lobby lawmakers and watch the vote on the new production tax.

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



FBI Special Agent Wade Dudley removes boxes from the office of Senate President Ben Stevens, Thursday, Aug. 31, 2006, at the state Capitol in Juneau, Alaska. Federal agents raided the offices of at least seven lawmakers Thursday as search warrants were executed in Anchorage, Juneau, Wasilla, Eagle River and Girdwood, according to FBI spokesman Eric Gonzalez. *(Photo by MICHAEL PENN / Juneau Empire)*

FBI - Stevens-498

Investigators search the Anchorage office of Alaska Senate President Ben Stevens Aug.31, 2006. *(Photos by MARC LESTER / Anchorage Daily News)*

194A-AN-13620- Rm - 257

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

Olson was in Nome Friday. His office released a brief statement in which Olson pledged to cooperate with authorities.

"I am certain that I will not be a target of this investigation and that I have broken no laws," the senator said in the prepared release.

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

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

VECO officials and Dittman, who was duck hunting, did not immediately return calls Friday.

"We have a history of contract work with VECO," Hellenthal said Friday. "There's a ton of businesses that have a political interest that want to know how the people they are backing are doing."

Hellenthal said once or twice a year, his firm conducts polls for VECO and other businesses on governors' and legislative races. The exception was this year, when he was polling for Republican candidate John Binkley. Binkley came in second to Sarah Palin for the GOP nomination on Aug. 22. Hellenthal said he has not been contacted by federal agents.

A receipt of items seized from Olson's office by the FBI and obtained by The Associated Press lists five things: Olson's 2006 year planner, Murkowski's gas pipeline proposal released in May, a manila folder labeled "APOC," the Alaska Public Offices Commission, Olson's interim travel file and a binder related to the Alaska Stranded Gas Fiscal contract.

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

"Those actions took place yesterday in cities in Alaska as part of an ongoing law enforcement matter. The (Justice Department) and FBI won't be able to comment any further," Lesch said.

Senate Rules Committee Chairman John Cowdery reads through documents while the FBI conducts a search elsewhere in his Anchorage office. *(Photo by MARC LESTER / Anchorage Daily News)*

Unidentified FBI agents remove files from the state Capitol in Juneau on Thursday. Agents raided offices of at least six lawmakers Aug. 31, 2006 in Anchorage, Juneau, Wasilla, Eagle River and Girdwood. *(Photo by MICHAEL PENN / Juneau Empire)*

FBI - Stevens-499

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

Among the offices searched was that of Republican Senate President Ben Stevens, the son of the senior senator from Alaska. Ted Stevens' spokesman Aaron Saunders on Friday said they had no comment on the search.

Ben Stevens could not be reached at his Anchorage home on Friday.

Also searched were offices in both Juneau and Anchorage belonging to state Sen. John Cowdery, the Senate Rules chairman; Republican state Rep. Vic Kohring; Republican state Rep. Bruce Weyhrauch; and Republican state Rep. Pete Kott.

Olson is the only Democrat of the six; the rest are Republicans.

Calls to Weyhrauch and Kott were not immediately returned Friday.

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

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

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

Daily News reporter Lisa Demer contributed to this story. E-mail her at ldemer@adn.com

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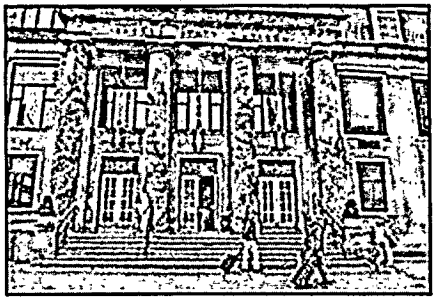
Investigators search through files in Senate Rules Committee Chairman John Cowdery's Anchorage office Aug. 31, 2006. *(Photos by MARC LESTER / Anchorage Daily News)*



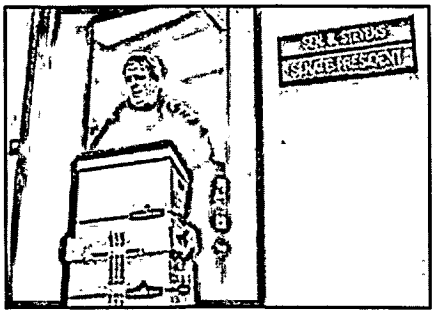
Unidentified FBI agents remove files from the state Capitol in Juneau, Alaska, Aug. 31, 2006. Federal agents raided the offices of at least seven lawmakers as search warrants were executed in Anchorage, Juneau, Wasilla, Eagle River and Girdwood, according to FBI spokesman Eric Gonzalez. *(Photo by MICHAEL PENN / Juneau Empire)*

Unidentified FBI agents remove files from the office of Rep. Vic Koring, R-Wasillia, Aug. 31, 2006, at the state

FBI - Stevens-500

Capitol in Juneau, Alaska. *(Photo by MICHAEL PENN / Juneau Empire)*

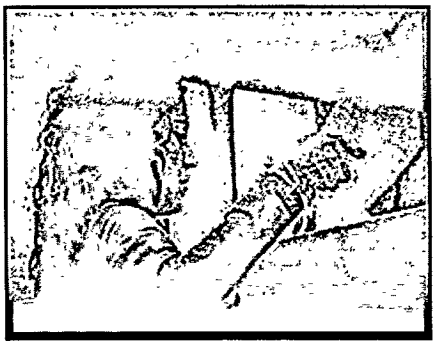
Capitol building manager Don Johnston, left, and Tam Cook, center, of Alaska Legislative Legal Affairs, walk along the fourth floor of the state Capitol with an FBI agent, identified only with the last name of Zane, during an investigation, Aug. 31, 2006, in Juneau, Alaska. *(Photo by AL GRILLO / The Associated Press)*



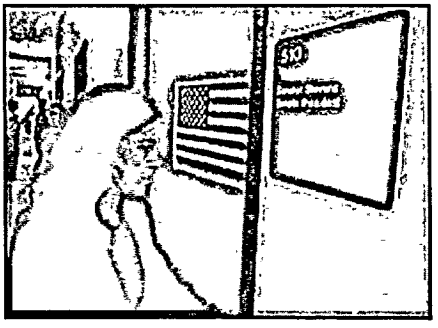
FBI Special Agent Wade Dudley remove boxes from the office of Senate President Ben Stevens, Aug. 31, 2006, at the state Capitol in Juneau, Alaska. Federal agents raided the offices of at least seven lawmakers as search warrants were executed in Anchorage, Juneau, Wasilla, Eagle River and Girdwood, according to FBI spokesman Eric Gonzalez. *(Photo by Michael Penn/ Juneau Empire)*

FBI - Stevens-501

State Sen. John Cowdery, using a walker, returns to his legislative office in Anchorage after being questioned by federal agents Aug. 31, 2006. FBI agents search his office and the next-door office of Sen. President Ben Stevens. Both are Anchorage Republicans. *(Photo by RICHARD MAUER/ Anchorage Daily News)*



Investigators search through files in Senate Rules Committee Chairman John Cowdery's Anchorage office Aug. 31, 2006. *(Photo by AL GRILLO / The Associated Press)*



FBI - Stevens-502

Unidentified FBI agents remove files from the state Capitol in Juneau, Alaska, Aug. 31, 2006. Federal agents raided the offices of at least seven lawmakers as search warrants were executed in Anchorage, Juneau, Wasilla, Eagle River and Girdwood, according to FBI spokesman Eric Gonzalez. *(Photo by AL GRILLO / The Associated Press)*

FBI - Stevens-503

FBI probes office of Sen. Stevens' son

Friday, September 01, 2006 03:53:31 PM

The offices of at least six Alaska legislators, including the son of Sen. Ted Stevens, were raided by federal agents searching for possible ties between the lawmakers and a large oil field services company, officials and aides said.

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

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

The warrant called for seizure of documents concerning any payment made to lawmakers by Bill Allen and Richard Smith, executives of oil field services giant VECO Corp. Agents also looked for documents about contracts, agreements or employment of legislators provided by VECO, Allen, Smith and company president Peter Leathard.

Sought-after items named in the search include hats or other garments bearing the phrases "CBC," "Corrupt Bastards Club" or "Corrupt Bastards Caucus." What the names referred to was unclear, and authorities would not comment.

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

VECO's executives are top contributors to Alaska politicians. The company staunchly supported the governor's production tax plan, a version of which the Legislature passed in August after twice rejecting it earlier this year. Lawmakers have also twice failed to pass legislation related to the governor's pipeline fiscal contract with BP PLC, ConocoPhillips and Exxon Mobil Corp.

There was no immediate response to a call seeking comment from VECO representatives.

Among the offices searched was that of Republican Senate President Ben Stevens, whose father is Alaska's senior senator. Ted Stevens' spokesman Aaron Saunders said Friday he had no comment on the search.

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Ben Stevens could not be reached at his Anchorage home on Friday.

Agents left Ben Stevens' Capitol office Thursday evening with 12 boxes of documents labeled "Evidence" and loaded them into a vehicle.

Also searched were offices in both Juneau and Anchorage belonging to state Sen. John Cowdery, the Senate Rules chairman; Republican state Rep. Vic Kohring; Republican state Rep. Bruce Weyhrauch; Democratic state Sen. Donald Olson, and Republican state Rep. Pete Kott.

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

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He said he didn't know why he was included in the raid or why agents seized items "unrelated to anything," including the stubs of his legislative salary checks.

Kohring said he cooperated and was told he was not a target of the investigation. Calls to Weyhrauch and Kott were not immediately returned Friday. Olson was in Nome on Friday, but his office line was busy and he could not be reached for comment.

Four different teams of at least six federal agents each spent hours searching offices on each floor of the Capitol.

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

A receipt, obtained by the AP, of items the FBI seized from Olson's office lists five things: Olson's 2006 year planner, Murkowski's gas pipeline proposal released in May, a manila folder labeled "APOC" for the Alaska Public Offices Commission, Olson's interim travel file and a binder related to the Alaska Stranded Gas Fiscal contract.

Associated Press Writer Jeannette J. Lee in Anchorage contributed to this report.

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FD-350 (Rev. 5-8-81)

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ANCHORAGE DAILY NEWS

Date: 09/01/2006
Edition: FRIDAY

Title: FBI RAIDS LEGISLATIVE OFFICES

Character:
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Classification: 194A-AN-13620-M -259
Submitting Office: Anchorage

Indexing:

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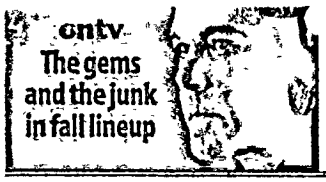
The gems and the junk in fall lineup



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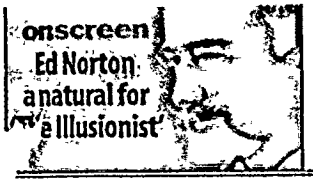
Ed Norton: a natural for 'a Illusionist'



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Anchorage Daily News

Friday, September 1, 2006 ALASKA'S NEWSPAPER www.adn.com

FBI raids legislative offices

Agents are quiet on purpose of Alaska investigation; Veco is named in the warrant

■ This story was written by Daily News reporter Richard Mauer and based on reporting by Mauer and Daily News reporters Lisa Demer, Don Hunter, Richard Richtmyer and Joe Ditzler.

Federal agents swarmed legislative offices around the state Thursday, executing search warrants in a coordinated series of raids that appeared to target the long-standing relationship between the oil field service company Veco and leading lawmakers.

Leathard

The FBI reported making no arrests.

Above Anchorage's Fourth Avenue, FBI agents spent most of the afternoon behind the closed doors and drawn blinds of the fifth-floor offices of Senate President Ben Stevens and Senate Rules Committee Chairman John Cowdery, both Anchorage Republicans. Through slits in the blinds, one agent in Stevens' office, wearing rubber gloves, could be seen packing away evidence in a container.

In Juneau, tourists and residents were greeted with the extraordinary sight of FBI agents hauling out files from the Alaska State Capitol after searching offices there.

After the FBI searched his Wasilla office and questioned him, Rep. Vic Kohring, R-Wasilla, the chairman of the House Special Committee on Oil and Gas, said the investigation was focused on Veco.

"I fully cooperated and answered all their questions," Kohring said in a written statement. "I was told that I am not a target of the investigation and was asked not to discuss details of the interview."

On the 10th floor of the Frontier Building in Midtown Anchorage, where Veco has its headquarters, the FBI commandeered the glass-sided conference room of another federal agency that rents space there. In the room, Veco president Peter Leathard talked with agents from the FBI and IRS.

The FBI agent could be seen referring frequently to paperwork in a thick binder. Leathard leaned back in a chair, his back to the wall. Attorney Brian Doherty joined Leathard, first meeting with his client privately, then with the agents.

INSIDE

■ VECO: As it grew into an industry giant, Veco Corp. became a dominant political power in the state.
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1944-AN-13620 - press

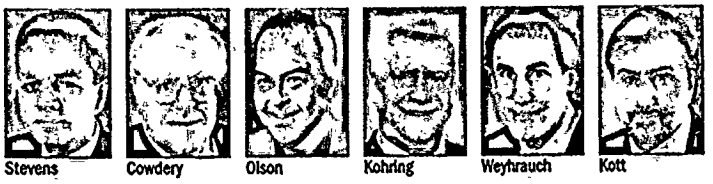
Photos by MARC LESTER / Anchorage Daily News

Investigators search through files in Senate Rules Committee Chairman John Cowdery's Anchorage office on Thursday.

Investigators search the Anchorage office of Alaska Senate President Ben Stevens on Thursday afternoon.

ON THE Web

■ MORE ON THIS STORY: Go online for a photo gallery of Thursday's searches of legislative offices. Check back throughout the day for developments on this breaking story. www.adn.com



Stevens Cowdery Olson Kohring Weyhrauch Kott

Legislators' offices searched

The following legislators' offices are known to have been searched Thursday by federal agents.

- Sen. Ben Stevens, R-Anchorage
- Sen. John Cowdery, R-Anchorage
- Sen. Donald Olson, D-Nome
- Rep. Vic Kohring, R-Wasilla
- Rep. Bruce Weyhrauch, R-Juneau
- Rep. Pete Kott, R-Eagle River

Oil field company an active political contributor

■ VECO: With success, firm increases participation in Alaska campaigns that favor resource development.

By DON HUNTER
Anchorage Daily News

Veco Corp. has grown over the last four decades from a small oil field services company working in Cook Inlet to a giant in the industry with more than two dozen subsidiaries handling projects from Prudhoe Bay to the Russian Far East and the United Arab Emirates.

Today, according to information on its Web site, Veco offers expertise in businesses ranging from pipelines and terminals and oil refining to the chemical and pharmaceutical industries and food and beverage services. A one-time owner of the now defunct Anchorage Times, Veco continues to pay for the production and publication of Voice of the Times, a half-page editorial section that runs in the Daily News.

At the same time it was emerging as a titan in Alaska business, the company became a dominant political power in the state, its executives and employees among the most regular and generous contributors to dozens of statewide and statehouse campaigns every election season. The recipients tend to be Republicans, but Veco executives have always said they make their choices by looking for candidates who are pro-industry and pro-development.

> *"We have to be involved in supporting the people who believe in development, sensible development."*
>
> — Veco president Pete Leathard

"Those are the things that make my company go forward, and provide me a job," then vice president Rick Smith said in a 2000 interview, a year in which Veco executives, employees and their family members donated almost $130,000 to candidates before the primary election.

In 2004, the last statewide election, Veco's top three donors — president Pete Leathard, chairman Bill Allen and chief financial officer Roger Chan — gave more than $122,000 to the Alaska Republican Party and state House and Senate candidates. The company has also employed active lawmakers as consultants and in other capacities, including Senate President Ben Stevens, R-Anchorage.

Veco's officers and executives have avoided getting cross-wise with state regulators who enforce campaign finance laws for the last 20 years.

In 1985, however, just a few years after the company had emerged from bankruptcy and boosted its political involvement, Veco was fined more than $72,000 for a scheme that funneled secret donations to a select slate of candidates through an employee payroll deduction plan. The fine was later reduced to $28,000, but it remains the largest ever levied by the Alaska Public Offices Commission.

In an interview last year, Veco president Leathard said the company's political involvement is a self-defense effort. Lots of groups from other states pour money into Alaska politics in an effort to throttle development in general and the oil industry in particular, he said.

"We could see that if somebody didn't get involved and try to make sure that we were getting the right people who had the right mind-set toward development elected into Juneau, we were going to drive the oil industry out of business," Leathard said then. "Our people are pretty well aligned in their thinking that we have to be involved in supporting the people who believe in development, sensible development. So we try to get those people elected."

■ Daily News reporter Wesley Loy contributed to this story. Contact reporter Don Hunter at dhunter@adn.com.

194A-AN-13620-Press

FBI RAIDS: *Offices in cities around the state targets of surprise searches*

Continued from A-1

When they all emerged around 4:40 p.m., none would describe the inquiry.

"At this point, we really don't know," Leathard said, smiling as he turned to walk away. He and Doherty would not say more.

Other legislative offices known to have been searched Thursday included those of Reps. Pete Kott of Eagle River and Bruce Weyhrauch of Juneau, and Sen. Donny Olson of Nome. Kott, a former House speaker, and Weyhrauch are Republicans. Olson is the only Democrat in the group.

FBI spokesman Eric Gonzalez said federal agents executed about 20 search warrants Thursday, not all in legislative offices. The warrants were executed in Anchorage, Juneau, Wasilla, Eagle River and Girdwood, he said.

Gonzalez said he was not at liberty to disclose the target of the investigation, how or when it began, or whether it was likely to result in criminal charges.

"It's an ongoing investigation is all I can say," Gonzalez said.

No one would say what was the target of the Girdwood warrant. Ben Stevens' father, U.S. Sen. Ted Stevens, has a home and office there. Both were quiet and dark Tuesday afternoon. A neighbor said she saw no unusual activity at the Stevens home. A postal clerk reported the same for Stevens' office, which is in the Girdwood post office.

A spokesman for Ted Stevens didn't return several calls or an e-mail from a reporter.

MARC LESTER / Anchorage Daily News

Senate Rules Committee Chairman John Cowdery reads through documents while the FBI conducts a search elsewhere in his Anchorage office.

> *"I laid hundreds of pages of detailed information alleging bribery, and I distributed it to federal authorities."*

Girdwood warrant. Ben Stevens' father, U.S. Sen. Ted Stevens, has a home and office there. Both were quiet and dark Tuesday afternoon. A neighbor said she saw no unusual activity at the Stevens home. A postal clerk reported the same for Stevens' office, which is in the Girdwood post office.

A spokesman for Ted Stevens didn't return several calls or an e-mail from a reporter.

Sen. Tom Wagoner, R-Kenai, arrived at the legislative offices at 716 W. Fourth Ave. in Anchorage shortly before noon for a Resources Committee meeting.

"The place was crawling with FBI," Wagoner said. When he tried to enter Cowdery's office, an agent stopped him at the door, Wagoner said.

Wagoner said a senior legislative aide who was present when the warrant was served told him they were looking for files that had to do with Veco and the oil tax legislation recently passed by lawmakers in special session.

Ray Metcalfe, a former legislator and the founder of the Independent Republican Moderate Party, said he has been trying to get the authorities interested in what he described as the "corrupt" relationship between Veco and the Republican-led Legislature, principally Ben Stevens.

"I put all the stuff in front of federal prosecutors a year and a half ago," Metcalfe said Thursday, clearly relishing the turn of events. "I laid hundreds of pages of detailed information alleging bribery, and I distributed it to federal authorities, I distributed it to the U.S. Attorney's office, I distributed it to the (state attorney general's) Office of Special Prosecutions, and we held a demonstration in front of the attorney general's office that hardly anyone showed up for."

Metcalfe attempted to initiate a recall campaign against Stevens, but his effort was rejected by Lt. Gov. Loren Leman on legal grounds. After first announcing he'd run for re-election in November, Stevens changed his mind in June and opted to retire.

Ben Stevens didn't return calls placed to his home, his personal office or his legislative office. Messages left at his attorney's office and cell phone also weren't returned.

In disclosures he was required to file as a legislator, Stevens said he was paid $243,000 over the last five years as a "consultant" to Veco. Whenever he was asked to describe what he did for the money, Stevens refused to answer. The company also refused to say.

Metcalfe has argued in his complaints that the money amounted to a bribe — that Stevens has done Veco's work on many fronts, including attempting to spend Alaska Permanent Fund earnings for state government operations to reduce the need for oil taxes and pushing the industry's favored gas pipeline proposal.

MICHAEL PENN / Juneau Empire

Unidentified FBI agents remove files from the state Capitol in Juneau on Thursday. Agents raided offices of at least six lawmakers Thursday in Anchorage, Juneau, Wasilla, Eagle River and Girdwood.

Procedure for obtaining a search warrant

Federal law enforcement agencies aren't saying anything about why they searched legislative offices around the state Thursday. State legislators, who are immune from some state investigations while the Legislature is in session, have no special immunity from a federal search warrant. The normal procedure for getting permission to search anyone's home or office includes:

- A law enforcement officer prepares an application for a search warrant. In high-profile cases like this one, the application is usually reviewed by the Department of Justice.
- The application must specify that more likely than not a specified crime has been committed and offer facts to demonstrate that, more probably than not, evidence of the crime will be found in the place to be searched.
- The law enforcement officer presents the application to a federal magistrate in a closed hearing, including affidavits signed by investigators, recounting the facts and including a list of items to be seized.
- A copy of the search warrant must be left at the place searched. The person served with the warrant may make it public if he wishes.

— Anchorage Daily News

tisan legal services division of the Legislature, said Thursday evening that she reviewed a couple of the search warrants at the request of legislators or aides upon whom they were served.

The search warrants allowed the FBI to search computers and office files including financial records, she said. The warrants named Veco Corp., she said, but she could not say whether Veco was

"They were fairly broad," she said.

Staff members asked her whether they could open up locked legislative offices. After reviewing the warrants and believing them valid, Cook advised them to open offices either with a warrant or with a legislator's consent.

On the fifth floor of the Anchorage legislative building, reporters lingered in the hallway but

> *"I laid hundreds of pages of detailed information alleging bribery, and I distributed it to federal authorities."*
>
> — former legislator Ray Metcalfe

Through gaps in the blinds in Cowdery's office, agents could be seen systematically going through each folder in a large file cabinet, occasionally laying documents aside and taking digital photographs of them before putting them back in place. In Stevens' office, an agent appeared drawn to something on the back of a framed picture wrapped in protective plastic.

The documents included what appeared to be printouts of e-mails, memos and other correspondence. Agents also took several photographs of various other items in Cowdery's office.

Cowdery was interviewed by several agents in a conference room around 11:30 a.m. As the elderly legislator walked back to his office with the assistance of a walker, reporters asked what he was questioned about.

"You ask them," he said.

Asked whether he was under investigation himself, he said, "I don't think so."

Stevens was not in his office during the search, but his chief of staff, Cheryl Sutton, and two other aides were.

They stood by as the agents searched the office and took photographs. The aides left the office just after 6 p.m. and would not answer questions.

Olson, a pilot, was flying hunters out of Nome Thursday when agents tried to serve warrants at offices in Anchorage and Juneau. He later gave permission for the searches, an aide said.

It was unclear how much evidence agents took out of the Anchorage offices. When they packed up and left after 6 p.m., several appeared to be carrying little more than the equipment they brought into the building earlier in the day.

Earlier in the day, agents were seen carrying a small scanner-printer among the offices that were searched. Through the day, agents came and went. Many arrived wearing day packs and badges dangling from their belts, while others wheeled large molded containers labeled for one office or another.

■ Daily News reporter Richard Mauer can be reached at rmauer@adn.com or 257-4345.

FD-350 (Rev. 5-8-81)

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

(Mount Clipping in Space Below)

Date: 09/01/2006
Edition: FRIDAY

Title: FBI AGENTS SEARCH LAWMAKERS' OFFICES

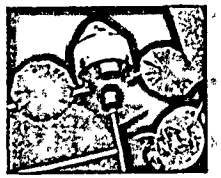
Character:
or
Classification: 194A-AN-13620-M -260
Submitting Office: Anchorage

Indexing:

see attached

FBI - Stevens-510

Space-age deal
Lockheed Martin wins bid to build new moon rocket for NASA
NATION • PAGE A4



Changing hands
Israeli army turns over border town to Lebanese, foreign troops
WORLD • PAGE A5

The next level
JDHS senior Will Egolf verbally commits to play for Bradley University
SPORTS • PAGE B1

JUNEAU EMPIRE

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FBI agents search lawmakers' offices

Legislature's attorney says VECO, an oil services company, is named in warrant

By MATT VOLZ
THE ASSOCIATED PRESS

Federal agents raided the offices of at least six Alaska lawmakers Thursday in a search for any ties between the legislators and a large oil field services company, officials said.

Tam Cook, the Legislature's top attorney, said the company named in the search warrant was VECO Corp., an Anchorage-based oil field services and construction company whose executives are major contributors to political campaigns.

One of the legislators approached by investigators Thursday was Rep. Vic Kohring, R-Wasilla.

"This morning, investigators from the FBI interviewed me in my office regarding an investigation of VECO," Kohring said in a prepared statement.

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

Two legislative aides, who spoke on the condition of anonymity for fear of reprisal, FBI agents were looking for any ties including financial information and gifts.

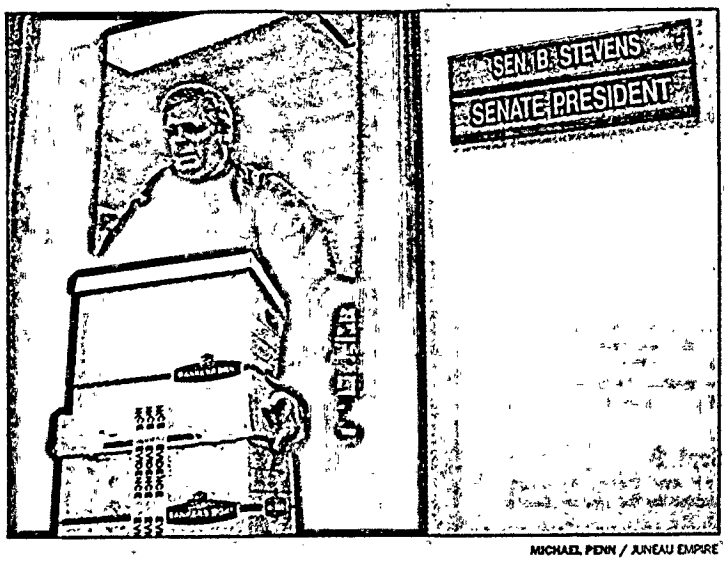
One aide said agents did not show him the warrant, but said officials described what was in it. He said the warrant allowed for the search of computer files, personal diaries and other documentation: "It pretty much covered the gamut."

The other aide said he demanded to read the warrant before allowing the search and that VECO officials Bill Allen, Rick Smith and Pete Leathard were named in the warrant.

A message left Thursday with VECO was not immediately returned.

The aide who had the warrant read to him said among documents taken were a lawmaker's 2006 day planner, travel itineraries, Alaska Public Office Commission reports and paperwork related to the draft gas contract the governor gave to every legislator in May.

FBI spokesman Eric Gonzalez said the FBI and Internal



MICHAEL PENN / JUNEAU EMPIRE

Boxing it up: FBI Special Agent Wade Dudley removes boxes from the office of Senate President Ben Stevens on Thursday at the state Capitol. Federal agents raided the offices of at least six lawmakers

Lawmakers whose offices were searched

SEN. BEN STEVENS

REP. VIC KOHRING

SEN. JOHN COWDERY

REP. PETE KOTT

State

Raid: FBI agents conduct searches in Juneau, Anchorage legislative offices

Continued from Page A1

Revenue Service executed search warrants in Anchorage, Juneau, Wasilla, Eagle River and Girdwood.

He declined to say who was served search warrants.

The warrants had not been filed with the clerk's office at the U.S. District Court by Thursday afternoon. A woman who answered the phone at the U.S. Attorney's office in Anchorage said no one locally could answer questions about the raid, and referred questions to a Department of Justice spokeswoman in Washington, D.C., who didn't answer her phone.

Agents conducted searches of both Juneau and Anchorage offices belonging to Sen. John Cowdery, R-Anchorage, the Senate Rules chairman. The senator stood by in Anchorage as authorities sifted through documentation.

The offices of Senate President Ben Stevens, R-Anchorage; Kohring; Rep. Bruce Weyhrauch, R-Juneau; Sen. Donald Olson, D-Nome; and Rep. Pete Kott, R-Eagle River also were searched.

The blinds were mostly drawn and doors shut in most offices being searched at the downtown Legislative Information Office in Anchorage. Agents wearing blue rubber gloves were visible through gaps in the blinds, rifling through documents in Stevens' Anchorage office.

Kohring, contacted at his legislative office in Wasilla, would not confirm that his office was part of the raid or what agents were searching for, saying "I can't talk about that right now." Agents were seen leaving his Juneau office with boxes that appeared to contain documents.

Messages left with other lawmakers and Senate Republican majority spokesman Jeff Turner were not immediately returned.

Veco is an Alaska oil field services and construction company whose executives are major contributors to political campaigns, usually Republicans.

• Associated Press writer Jeannette J. Lee contributed to this report.

FBI - Stevens-513

Opi

JUNEAU EMPIRE

ROBERT HALE
Publisher

LORI THOMSON
Managing editor

Alaska editorial

Ousted governor still accomplished much

This editorial appeared in the Fairbanks Daily News-Miner:

Gov. Frank Murkowski, speaking to reporters with the Alaska Public Radio Network on Tuesday as election results showed his crushing defeat, made an astute

- Appointing six people to the Board of Game who support hunting and management for sustained yield.
- Streamlining the permitting process for industry.
- Promoting state-funded construction projects, through-

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

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

Date: 09/01/2006
Edition: FRIDAY

Title: FBI RAIDS OFFICES OF 6 ALASKA LEGISLATORS

Character:
or
Classification: 194A-AN-13620-M — 261
Submitting Office: Anchorage

Indexing:

see attached

FBI - Stevens-514

FBI Raids Offices of 6 Alaska Legislators

Probe Looks for Ties With Oil-Field Firm

By MATT VOLZ
Associated Press

JUNEAU, Alaska, Sept. 1 — The offices of at least six Alaska state legislators, including that of the son of Sen. Ted Stevens (R), were raided Thursday and Friday by federal agents searching for possible ties between the lawmakers and a large oil-field services company, officials and aides said.

FBI spokesman Eric Gonzalez said 20 search warrants were being executed across Alaska, but he would not say where.

A copy of one of the search warrants, obtained by the Associated Press, links the investigation to a new production-tax law signed last month by Gov. Frank H. Murkowski (R) and to a draft natural gas pipeline contract that Murkowski and the state's three largest oil companies negotiated.

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

Sought-after items named in the warrant included hats or other garments bearing the name "Veco" or the writing "CBC," "Corrupt Bastards Club" or "Corrupt Bastards Caucus."

Those are nicknames given to 11 lawmakers after a March opinion article, published in three Alaska newspapers, listed the contributions that legislators had received from top Veco executives, said House Speaker John Harris (R).

"I've heard it a few times," Harris said Friday, adding that "they were making fun" of the article.

In it, Lori Backes, executive director of the All Alaska Alliance, questioned whether the financial links between Veco and lawmakers created "undue influence" over the state's political process. Backes's group supports a gas pipeline proposal different from the one favored by Murkowski and Veco.

Harris said he saw Smith and Rep. Pete Kott (R) handing out hats at a Juneau hotel bar during a June special session, when lawmakers voted down an earlier Murkowski petroleum tax bill. But, he said, he did not see anything with "Corrupt Bastards Club" on it.

"All they had was 'Veco' on them," Harris said.

Veco staunchly supported the governor's production-tax plan, a version of which the legislature passed last month after twice rejecting it this summer. Lawmakers have also twice failed to pass legislation related to the governor's pipeline contract with BP PLC, ConocoPhillips and Exxon Mobil Corp.

Among the offices searched was that of Republican Senate President Ben Stevens, who has reported collecting more than $240,000 in consulting fees from Veco since 2000.

Agents left his Capitol office Thursday with 12 boxes of documents labeled "Evidence" and loaded them into a vehicle.

Stevens could not be reached at his Anchorage home on Friday.

Ted Stevens's spokesman, Aaron Saunders, said Friday that he had no comment on the search.

Also searched in both Juneau and Anchorage were offices belonging to state Sen. John Cowdery (R), the Senate Rules Committee chairman; state Sen. Donald Olson (D); and state Reps. Kott, a former House speaker; Vic Kohring (R), chairman of the House Special Committee on Oil and Gas; and Bruce Weyhrauch (R).

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

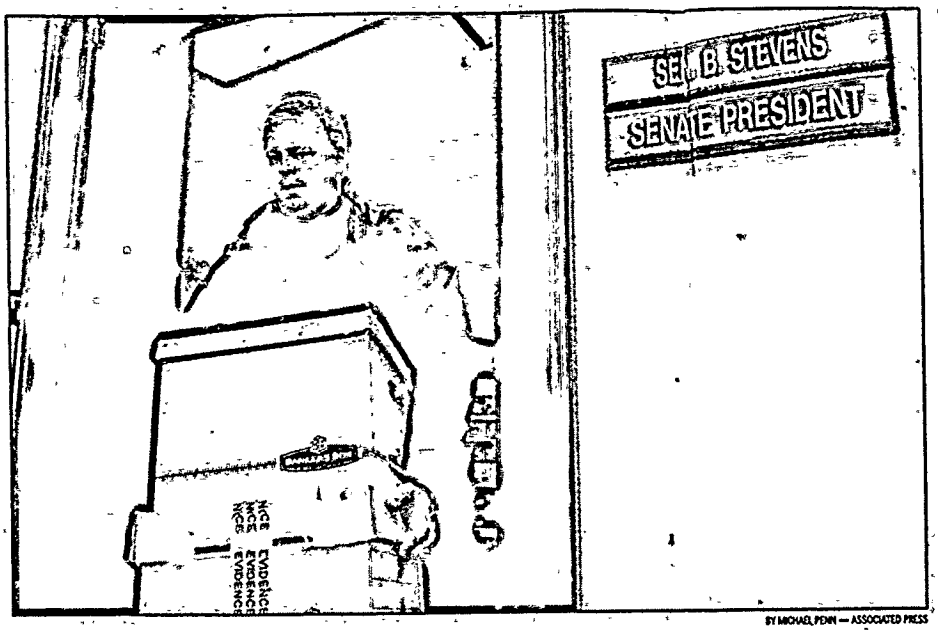
Olson issued a statement saying, "I am certain that I will not be a target of this investigation and that I have broken no laws."

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

Calls to Weyhrauch and Kott were not immediately returned Friday.

Amy Menard, an attorney for Veco, said the company would cooperate with federal agents in providing the broad range of information they want.

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



BY MICHAEL PENN — ASSOCIATED PRESS

FBI Special Agent Wade Dudley carried boxes out of Sen. Ben Stevens's office in Alaska's Capitol building on Thursday.

BY AL GRILLO — ASSOCIATED PRESS

An FBI agent looked through files in the office of Alaska state Sen. John Cowdery (R) on Thursday. Denying any wrongdoing, Cowdery called the raids "pretty bizarre."

FBI - Stevens-515

FD-350 (Rev. 7-8-81)

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.) A-2
THE BOSTON GLOBE

Date: 09/02/2006
Edition: SATURDAY

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Character:
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Classification: 194A-AN-13620-M - 262
Submitting Office: Anchorage

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see attached

FBI - Stevens-516

THE BOSTON GLOBE SATURDAY, SEPTEMBER 2, 2006

The Nation

Federal agents raid offices of six Alaska legislators

FBI searching for possible ties to oil field services firm

By Matt Volz
ASSOCIATED PRESS

JUNEAU, Alaska — The offices of at least six Alaska legislators, including the son of Senator Ted Stevens, were raided by federal agents searching for possible ties between the lawmakers and a large oil field services company, officials and aides said.

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

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

The warrant called for seizure of documents concerning any payment made to lawmakers by Bill Allen and Richard Smith, executives of oil field services giant VECO Corp. Agents also looked for documents about contracts, agreements or employment of legislators provided by VECO, Allen, Smith and company president Peter Leathard.

Sought-after items named in the search include hats or other garments bearing the phrases "CBC," "Corrupt Bastards Club" or "Corrupt Bastards Caucus." What the names referred to was unclear, and authorities would not comment.

VECO's executives are top contributors to Alaska politicians. The company staunchly supported the governor's production tax plan, a version of which the Legislature passed in August after twice rejecting it earlier this year. Lawmakers have also twice failed to pass legislation related to the governor's pipeline fiscal contract with BP PLC, ConocoPhillips, and Exxon Mobil Corp.

There was no immediate response to a call seeking comment from VECO representatives.

Among the offices searched was that of Republican Senate president Ben Stevens, whose father is Alaska's senior senator. Stevens could not be reached at his Anchorage home yesterday. Agents left his Capitol office Thursday evening with 12 boxes of documents labeled "Evidence."

Also searched were offices in both Juneau and Anchorage belonging to Senator John Cowdery, the Senate Rules chairman; Republican Representative Vic Kohring; Republican Representative Bruce Weyhrauch; Democratic Senator Donald Olson; and Republican Representative Pete Kott.

"It's pretty bizarre," Cowdery said. "I certainly haven't done anything wrong."

He said he didn't know why he was included in the raid or why agents seized items "unrelated to anything," including the stubs of his legislative salary checks.

Kohring said he cooperated and was told he was not a target of the investigation. Calls to Weyhrauch and Kott were not immediately returned. Olson was in Nome yesterday, but his office line was busy and he could not be reached for comment.

MICHAEL PENN/THE JUNEAU EMPIRE VIA ASSOCIATED PRESS

In a search that began Thursday, FBI agents removed files from the offices of six Alaska state legislators in the Capitol in Juneau.

The New York Times
nytimes.com

PRINTER-FRIENDLY FORMAT SPONSORED BY SU

September 2, 2006

Oil Industry-Lawmaker Link Is Focus of an Alaskan Inquiry

By WILLIAM YARDLEY

SEATTLE, Sept. 1 — Federal agents continued to investigate the relationship between several Alaska state lawmakers and a major oil services company on Friday, a day after agents raided legislative offices across the state.

Agents with the Federal Bureau of Investigation and the Internal Revenue Service scoured files in the offices of at least six lawmakers on Thursday and interviewed several. A spokeswoman for the Department of Justice, Jaclyn Lesch, said agents were in the field again on Friday.

Ben Stevens, a Republican who is the State Senate president and son of Senator Ted Stevens, is among those whose offices were searched on Thursday.

Ms. Lesch would not say how many lawmakers could eventually be part of the investigation nor would she discuss the raids. , But lawmakers and their aides in Alaska said the search warrants and the interviews focused on interaction between lawmakers and the VECO Corporation, a large support contractor for oil and energy businesses whose executives give generously to campaigns.

The Associated Press in Alaska reported on Friday that it had obtained a copy of a search warrant that stated that investigators were seeking "from the period of October 2005 to the present, any and all documents concerning, reflecting or relating to proposed legislation in the state of Alaska involving either the creation of a natural gas pipeline or the petroleum production tax."

FBI - Stevens-518

Gov. Frank H. Murkowski, a Republican whose office was not searched, signed the new tax into law last month. The gas pipeline is still in negotiations.

The A.P. said the warrant sought information about possible payments to lawmakers by VECO executives. The warrant also said investigators were seeking hats or other items bearing the phrases "CBC," "Corrupt Bastards Club" or "Corrupt Bastards Caucus." Details about the

194A-AN-13620-~~[illegible]~~ M-263

supposed group were unavailable.

Amy Menard, a lawyer for VECO, said that a search warrant had been issued seeking information from VECO and that the company "has information to suggest that federal agents may have been to the offices of VECO Corporation."

Ms. Menard said VECO had done nothing wrong. She said the company "has always had a strong interest in Alaska politics, but there's certainly no information we have that would remotely support what we perceive to be the investigation that's going on right now."

Critics of Ben Stevens have said he is too close with some companies that benefit from the state. Mr. Stevens has worked as a consultant to VECO while serving in the Legislature. Mr. Stevens, who was appointed to fill a vacant seat in 2001 and was elected to a full term in 2002, is not seeking re-election this year. He did not respond to messages left on Friday.

Aaron Saunders, a spokesman for Senator Ted Stevens, said by e-mail, "We have no comment on this matter."

In addition to Ben Stevens's office, The A.P. said agents on Thursday searched the offices of Senator John Cowdery, chairman of the Senate Rules Committee; Senator Donald Olson, who is on the Special Committee on Natural Gas Development; Representative Vic Kohring, chairman of the House Committee on Oil and Gas; Representative Bruce Weyhrauch, chairman of the House Ways and Means Committee; and Representative Pete Kott, chairman of the Legislative Council. All but Mr. Olson are Republicans.

Jim Pound, chief of staff for Mr. Kohring, said Friday that agents went to the lawmaker's office in Juneau on Thursday "with no warning" and took copies of legislation, including the gas pipeline proposal, as well as correspondence from Governor Murkowski.

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FBI - Stevens-519

FD-350 (Rev. 5-8-81)

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

(Mount Clipping in Space Below)

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Edition: SATURDAY

Title: FBI'S SEARCHES TARGET VECO TIES

Character:
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Classification: 194A-AN-13620-M -264
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see attached

FBI - Stevens-520

FBI's searches target Veco ties

■ INVESTIGATION WIDENS: One warrant makes it clear that agents are looking into financial relationships.

By LISA DEMER and DON HUNTER
Anchorage Daily News

Federal agents searched homes and businesses and interviewed CIRI executives and a political pollster Friday as they broadened their investigation into possible corruption involving Alaska lawmakers and the oil field services contractor Veco.

The FBI executed three more search warrants in Anchorage and one in Willow, bringing the total count to about two dozen searches in two days, said FBI spokesman Eric Gonzalez.

While the FBI won't say what the investigation is about, one of the search warrants in the case makes it clear that agents are looking into financial ties between Veco and legislators, and that they are seeking evidence of all kinds, even hats or other garments mockingly labeled "Corrupt Bastards Club," "Corrupt Bastards Caucus" or just "CBC."

Agents are looking at whether Veco's top executives, including CEO Bill J. Allen and vice president Richard Smith, have given "any thing of value" to any public official, according to the search warrant. They also want documents related to the proposed natural gas pipeline and the petroleum production tax signed into law last month.

"They are after people paying for votes during the recent oil and gas special sessions. I think that was fairly transparent," said political pollster Marc Hellenthal, who said he was interviewed Friday afternoon by two FBI agents from Sacramento, Calif. Agents also told him what they are looking for "goes back longer than that."

The FBI has brought in agents from around the country for the investigation. The Internal Revenue Service and other federal agencies also are involved, Gonzalez said.

Veco has denied any wrongdoing and says it

See Back Page, VECO

Warrant seeks information from Veco officials

Veco officials named:
- Bill Allen, chief executive officer
- Peter Leathard, president
- Roger Chan, executive vice president and chief financial officer
- Richard Smith, vice president

Allen

Leathard

Chan

INSIDE

■ LEGISLATURE: A the FBI continued t investigate offices Friday, House leaders told the governor n to bother with calli a special session, the proposed nat gas pipeline cont

Back to

194A-AN-13620-Press

FBI - Stevens-521

Special session on gas line appe unlikely

■ LEGISLATION STALLED: House leaders tell Murkowski that debate can't go on as FBI investigates.

By RICHARD RICHTMYER
Anchorage Daily News

Legislative work on a proposed state contract with oil companies over a natural gas pipeline project could be over.

A day after federal agents raided the legislative offices of several key state lawmakers, House leaders told Gov. Frank Murkowski that he shouldn't call them back to Juneau to take another try at approving his proposed natural gas pipeline contract.

The governor this week said he'd call a special session starting Sept. 19, but only if House and Senate leaders determined that there was enough support in their caucuses to advance the controversial gas deal. Murkowski, who lost his bid for re-election, wants to sign the gas contract before he leaves office Dec. 4.

But now the gas contract and a related oil tax law that was enacted last month were linked to a federal probe this week of oil field services company Veco — a development that may well have doomed Murkowski's contract.

"There's no way I could ask legislators to go back while there's a federal investigation going on," Rep. John Coghill, the House majority leader, said Friday. "The implication is that some of them are under investigation."

Coghill, R-North Pole, said he and House Speaker John Harris, R-Valdez, had polled Republican and Democratic representatives to see whether they were willing to go back to Juneau to try to advance the gas deal.

Harris said he told Murkowski on Friday that there isn't enough support to do so.

Harris said he did offer to set up a bipart he gas pipeline contract but that he isn't "working group" of House members who w on the idea.
get together with oil company representati long shot, but we think it's worth tak-
over the next couple of weeks to see whether t aid.
can find some common ground on contract te overnor will stand by his pledge not to
that lawmakers want changed. akers to Juneau unless leaders from
"If that can't happen, then it's done for go es agreed they should go. However, he
Harris said. xpects the Senate to empanel a group
Senate President Ben Stevens, whose o the one Harris has proposed.
es were among those searched in the FBI r we can get right now is a willingness to
has not commented on the investigation or h orking group, that's better than having
might affect progress on the gas pipeline contr it off at this point," Clark said.
Jeff Turner, a spokesman for the Senate owski's proposed deal with BP, Conoco
publicans, said they haven't yet determ and Exxon Mobil would set state tax
whether there is enough support for the gas ip and other terms if the companies build
in their ranks to justify a special session. lion pipeline project for the North Slope's
Jim Clark, Murkowski's chief of staff and serves of gas.
er of the administration's gas pipeline team, that the new developments further compl the already difficult task of reaching a final agree-

Reporter Richard Richtmyer can be reached at n or 257-4344.

194A-AK-13620-Proc

VECO: *FBI interviews past legislator, CIRI executives*

Continued from A-1

will cooperate with authorities. No one has been charged or arrested.

The investigation has stretched to past legislators, including former Sen. Robin Taylor, R-Wrangell, who was interviewed Thursday by FBI agents. Taylor is now a deputy commissioner in the state Department of Transportation.

"They interviewed him about his past as a lawmaker and his dealings with Veco," said Will Vandergriff, deputy press security for Gov. Frank Murkowski. "He said they are just expanding their net."

Taylor, a lawyer, reported receiving $16,800 from Veco in 2002 and $19,300 in 2001 for legal work done while he was a state senator. Taylor maintains all arrangements were proper and disclosed, Vandergriff said.

The governor had nothing to say about the investigation Friday.

"What statement could he have? We don't know anything," said Jim Clark, Murkowski's chief of staff.

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Both Hellenthal and Terry Dittman said they were told their firms aren't under investigation.

Agents with the FBI and IRS also met with the president and two other executives of Cook Inlet Region Inc. on Friday afternoon. Barbara Donatelli, CIRI's senior vice president for administration and government relations, said the interview "was related to some of the investigation that is currently under way," but that the agents told CIRI president Margie Brown that the regional Native corporation is not a target of the probe.

"They were trying to collect information," Donatelli said. "We are going to cooperate with them and any information we can supply, we will."

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As to the "Corrupt Bastards Club," the reference first sprouted in a barroom joke, according to state Rep. Mike Chenault, R-Nikiski. It happened earlier this year, after an opinion column highlighting Veco contributions to 11 lawmakers and Gov. Murkowski appeared in the Daily News and other newspapers.

MICHAEL PENN / Juneau Empire via The Associated Press

FBI Special Agent Wade Dudley removes boxes from the office of Senate President Ben Stevens on Thursday at the state Capitol. Federal agents raided the offices of at least six Alaska lawmakers Thursday in an investigation of Veco, an oil field services company, officials said.

FBI - Stevens-522

Veco investigation at a glance

- **THURSDAY MORNING:** Federal agents begin serving 20 search warrants in Juneau, Anchorage, Wasilla, Eagle River and Girdwood, including in the State Capitol and the legislative offices in Anchorage. The offices of six Alaska state legislators are raided, with warrants seeking materials showing contact with executives from the oil field services firm Veco and documents concerning proposed natural gas pipeline and petroleum production tax.
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Veco wants to assist federal investigators, she said.

"Obviously, we're in a fact-gathering stage and Veco Corp. and Veco Alaska is here to assist the government to the extent we can," Menard said. "If we're in a position to provide information they're looking for, we intend to do that."

For well over a decade, Veco has produced a steady and strong river of campaign contributions to candidates and political committees both in Alaska and nationally. In 2004, the company's executives, employees

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The warrant allows agents to search computers and seize all kinds of documents, including bank records, credit card receipts, loan documents, telephone records, travel records, expense reports, meeting notes, letters and calendars.

ON THE WEB

■ VECO: Go online to read a series about the company written in 1984.
www.adn.com

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"I can't remember (who), somebody came up and said, 'Well, you corrupt bastards,' more as a joke. That's where that came from. There is no group," he said. "Somebody thought it humorous enough to have CBC put on some hats."

Chenault, who was one of the 11, said he was questioned by federal agents Friday, but that they didn't serve him with a search warrant. "They had a myriad of questions to ask, some I don't want to go into," he said. "Basically, they were asking if I'd heard things or seen things that may not be ethical or legal. I explained I wasn't aware of any."

The federal investigation is stressful, he said. "Your mind raises 50 different things about what they might be looking for. ... You think you've done everything right, but then (you think), 'God, did I smart off sometime and say something that someone insinuates I'm on the take?'"

Attorney Amy Menard, who represents Veco Corp. and a subsidiary, Veco Alaska, said Friday that company officials had received a copy of a search warrant the day before, but that it was not immediately executed.

"It is several pages long and extremely broad in nature and we are still trying to get a broader understanding of what the authorities are after, she said, adding that she expected to meet with officials in the U.S. Attorney's Office.

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Veco executives also are known for prowling the Capitol halls and even passing notes to lawmakers on the floor to influence votes.

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- Any documents concerning "any contracts, agreements, or employment" that involves Allen, Smith, or Veco president Peter Leathard.
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Olson issued a statement saying that he's not a target of the investigation and that he's cooperating. "I have broken no laws," he said.

The FBI also searched the offices of two powerful leaders from Anchorage: Senate President Ben Stevens and Senate Rules Committee Chairman John Cowdery, who told reporters he didn't think he was under investigation.

And agents searched offices of Rep. Pete Kott, a former House speaker from Eagle River who chairs the Legislative Council; Rep. Vic Kohring of Wasilla, who chairs the House Committee on Oil and Gas, and Rep. Bruce Weyhrauch of Juneau, who chairs the House Ways and Means Committee. Five of the legislators are Republicans; Olson is a Democrat.

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In an interview Friday, he said the incident involved an oil industry lobbyist — not from Veco — and a member of the Murkowski administration. He said a group of industry lobbyists and administration officials had been sitting in the Republican majority's private caucus room watching the House floor proceedings on a big-screen TV. There was something in the way the unnamed officials interacted that set Ramras off, he said — a "gleefulness," a "coziness."

"It was just too much familiarity," he said.

■ Daily News reporters Richard Richmyer and Tom Kizzia contributed to this story. Daily News reporter Lisa Demer can be reached at ldemer@adn.com and 257-4390. Dan Hunter can be reached at dhunter@adn.com or 257-4349.

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FBI's searches target Veco ties

INVESTIGATION WIDENS: One warrant makes it clear that agents are looking into financial relationships.

By LISA DEMER and DON HUNTER
Anchorage Daily News

(Published: September 2, 2006)

Federal agents searched homes and businesses and interviewed CIRI executives and a political pollster Friday as they broadened their investigation into possible corruption involving Alaska lawmakers and the oil field services contractor Veco.

FBI Special Agent Wade Dudley removes boxes from the office of Senate President Ben Stevens Aug. 31, 2006 at the state Capitol. Federal agents raided the offices of at least six Alaska lawmakers in an investigation of Veco, an oil field services company, officials said. *(Photo by MICHAEL PENN / Juneau Empire via The Associated Press)*

The FBI executed three more search warrants in Anchorage and one in Willow, bringing the total count to about two dozen searches in two days, said FBI spokesman Eric Gonzalez.

While the FBI won't say what the investigation is about, one of the search warrants in the case makes it clear that agents are looking into financial ties between Veco and legislators, and that they are seeking evidence of all kinds, even hats or other garments mockingly labeled "Corrupt Bastards Club," "Corrupt Bastards Caucus," or just "CBC."

Agents are looking at whether Veco's top executives, including CEO Bill J. Allen and vice president Richard Smith, have given "any thing of value" to any public official, according to the search warrant. They also want documents related to the proposed natural gas pipeline and the petroleum production tax signed into law last month.

Allen ()

"They are after people paying for votes during the recent oil and gas special sessions. I think that was fairly transparent," said political pollster Marc Hellenthal, who said he was interviewed Friday afternoon by two FBI agents from Sacramento, Calif. Agents also told him what they are looking for "goes back longer than that."

The FBI has brought in agents from around the country for the investigation. The Internal Revenue Service and other federal agencies also are involved, Gonzalez said.

Veco has denied any wrongdoing and says it will cooperate with authorities. No one has been charged or arrested.

The investigation has stretched to past legislators, including former Sen. Robin Taylor, R-Wrangell, who was interviewed Thursday by FBI agents. Taylor is now a deputy commissioner

194A-AN-13620-Pages-m-265

in the state Department of Transportation.

Chan *(Photo by ERIK HILL / Anchorage Daily News)*

"They interviewed him about his past as a lawmaker and his dealings with Veco," said Will Vandergriff, deputy press security for Gov. Frank Murkowski. "He said they are just expanding their net."

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Daily News reporters Richard Richtmyer and Tom Kizzia contributed to this story. Daily News reporter Lisa Demer can be reached at ldemer@adn.com and 257-4390. Don Hunter can be reached at dhunter@adn.com and 257-4349.

Warrant seeks information from Veco officials

Veco officials named:

- Bill Allen, chief executive officer
- Peter Leathard, president
- Roger Chan, executive vice president and chief financial officer
- Richard Smith, vice president

Veco investigation at a glance

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FBI - Stevens-528

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FD-350 (Rev. 5-8-81)

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

(Mount Clipping in Space Below)

Date: 09/02/2006
Edition: SATURDAY

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

Character:
or
Classification: 194A-AN-13620-M - 2660
Submitting Office: Anchorage

Indexing:

VECO $ recipients 'Club' targeted by FBI

By MATT VOLZ
Associated Press Writer

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

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

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

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

"It was a barroom joke that [was made] after Ms. Backes wrote her article about legislators that had received money from VECO," Chenault said.

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

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

The FBI wasn't laughing when agents served a warrant at VECO's headquaters and raided the offices of six legislators this week, looking for financial ties between the company and lawmakers, and documents having to do with Murkowski's proposed gas pipeline contract and a related rewrite of Alaska's production tax laws.

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

See 'VECO recipients,' page A-3

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ECO recipients

Continued from page A-1

An

chorage; and Rep. Vic Kohring, R-Wasilla.

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

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

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

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

VECO's executives are top contributors to Alaska politicians, mostly Republican. Allen flew to Juneau at the end of the regular session to lobby lawmakers and watch the vote on the new production tax.

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

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

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

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

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

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

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

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

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

A receipt of items seized from Olson's office by the FBI and obtained by The Associated Press lists five things: Olson's 2006 year planner, Murkowski's gas pipeline proposal released in May, a manila folder labeled "APOC," the Alaska Public Offices Commission, Olson's interim travel file and a binder related to the Alaska Stranded Gas Fiscal contract.

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

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

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

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

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

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

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

(Mount Clipping in Space Below)

Date: 09/03/2006
Edition: SUNDAY

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

Character:
or
Classification: 194A-AN-13620-M - 267
Submitting Office: Anchorage

Indexing:

OUR VIEW

It's time to back off

Governor, legislators should drop plan for gas line special session

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

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

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

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

Gov. Murkowski should shut down all gas line negotiations.

The risk of further damage to Alaska's hopes of a gas pipeline is too real to ignore any longer at this point. Pressing for a decision by lawmakers in the middle of the election campaign for the governor's successor and 50 legislators is reason enough to put the contract on the shelf until calmer times. The danger is that some candidates will kick so hard at the proposed gas line deal that all the new governor's men and women next year wouldn't be able to put Humpty Dumpty back together again.

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

FBI - Stevens-531

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

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

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

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

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

194A-AN-13620-
Press

Who's up
Who's down

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

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

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

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

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

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

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

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

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

FBI - Stevens-532

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.) B-2
ANCHORAGE DAILY NEWS

Date: 09/03/2006
Edition: SUNDAY

Title: ALASKA EAR

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

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Alaska Ear

The Divine Appendage

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

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

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

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

What did poor **Dave Dittman** and **Marc Hellenthal** do to attract FBI attention? How delighted was the current CIRI management to answer questions about Veco and past CIRI management? Why does the FBI use blue latex gloves?

Right now, darlings, truth is stranger than Ear.

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

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

Darlings, this is nothing against Mr. Allridge, who is no doubt a good guy. But to proclaim a day in his honor because he showed up that night at election central, pushed in a wheelchair by Frank, thus demonstrating "commitment to open government and volunteer activism?" Give Ear a break.

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

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

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

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

JOHN FROSCHAUER / The Associated Press

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

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

VISITORS: From an AP story: Missouri Gov. **Matt Blunt** took a secret vacation to Alaska this past week with Massachusetts Gov. **Mitt Romney**, but salmon wasn't the only thing on the agenda. Romney is a potential 2008 Republican presidential contender, and the governors' getaway was hosted by **Sam Fox**, a major Republican fundraiser. An earwig says they went somewhere near Bethel.

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

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

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

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

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

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

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

— Compiled by Sheila Toomey

ear@adn.com

194A-AN-13600 - Press

Gubernatorial candidates campaign ethics after FBI raids

Tuesday, September 5, 2006 - by Bill McAllister

Eric Sowl/KTUU-TV

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

As an FBI probe continues to examine ties between certain legislative offices and the oilfield services company VECO Corp., former Democratic Gov. Tony Knowles today came out with an unspecific but strongly worded five-point stand on ethics.

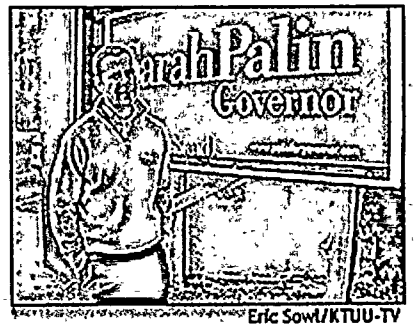
"On day one, when I take office, I will execute an executive order requiring all executive branch employees to follow the highest ethical standards and disclose any potential conflicts, so Alaskans are fully informed," said Knowles (right).

Eric Sowl/KTUU-TV

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

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

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



Eric Sowl/KTUU-TV

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

FBI - Stevens-535

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

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

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

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

Eric Sowl/KTUU-TV

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

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

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

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

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

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

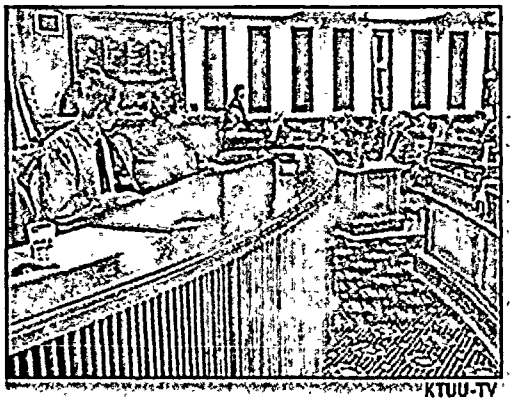
House Speaker John Harris said he expects the bill to get a stronger look next session.

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

FBI - Stevens-536

Corruption questions tar upcoming general election

Wednesday, September 6, 2006 - by Bill McAllister


KTUU-TV

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

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

KTUU-TV

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

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

KTUU-TV

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

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

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

FBI - Stevens-537

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

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

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

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

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

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

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

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

Channel 2 Broadcasting Inc.
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FBI - Stevens-538

FD-350 (Rev. 5-8-81)

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

(Mount Clipping in Space Below)

Date: 09/06/2006
Edition: WEDNESDAY

Title: VECO POLITICAL POCKETS RUN DEEP

Character:
or
Classification: 194A-AN-13620-M — 27.1
Submitting Office: Anchorage

Indexing:

see attached

FBI - Stevens-539

Veco political pockets run deep

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

By KYLE HOPKINS
Anchorage Daily News

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

Former two-term Democratic Gov. Tony Knowles said Tuesday that he won't accept donations from the four Veco officials identified in an FBI investigation that became public last week. His opponents, outspoken Veco critics Sarah Palin, a Republican, and Independent Andrew Halcro, say they want nothing to do with the company.

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

See Back Page, CANDIDATES

194A-AN-13620-Press

Veco investigation

- **DEVELOPMENTS:** State Rep. Bill Stoltze said the FBI asked him Friday if BP ever asked him to vote a certain way.
- **WASHINGTON STATE:** Republican Senate hopeful Mike McGavick has returned $14,000 he received in campaign donations from Veco executives.
  See stories, Back Page
- **ONLINE:** For complete coverage of the FBI investigation, visit the Web.
  www.adn.com/veco

In 10 years, four contributed $570,000

By MATT VOLZ
The Associated Press

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

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

The four have also contributed more than $384,000 to presidential and congressional races in Alaska and other states since 1997, according to the Federal Election Commission.

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

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

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

See Back Page, DONATIONS

194A-AN-13620-Press

CANDIDATES: FBI raid brings uncertainty

Continued from A-1

review of Alaska Public Offices Commission records.

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

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

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

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

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

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

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

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

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

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

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

Palin's running mate, Sean Parnell, received two $500 checks from Veco officers in August, including one from Veco chief executive officer Bill J. Allen, and collected about $16,000 while running for the Legislature in the 1990s.

Veco-related campaign donations

By election cycle

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

Andrew Halcro, Independent

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

Tony Knowles, Democrat

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

*Includes money donated in 1992

Sarah Palin, Republican

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

Source: Alaska Public Offices Commission

Compiled by KYLE HOPKINS / Anchorage Daily News

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

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

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

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

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

No one has been charged with a crime.

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

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

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

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

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

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

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

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

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

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

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

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

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

Continued from A-1

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

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

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

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

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

Little is known about the purpose of the investigation. But the raids have soured plans for a special session Murkowski wanted to call for Sept. 19 to again consider his pipeline deal with BP, Conoco Phillips and Exxon Mobil Corp.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

■ Daily News reporter Richard Richtmyer contributed to this story.

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

McGavick returns money

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

By RACHEL LA CORTE
The Associated Press

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

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

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

Bundy said the remaining $2,000 came in July from vice president Tom Corkran, who also had given $2,000 at the April fundraiser.

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

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

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

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

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

194A-AN-13620-Press

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

Date: 09/06/2006
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Title: MCGAVICK RETURNS MONEY

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FBI - Stevens-543

FD-350 (Rev. 5-8-81)

FBI wanted to know about Veco, hat gifts

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

By LISA DEMER
Anchorage Daily News

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Kott has not returned calls in recent days.

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

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

(Indicate page, name of newspaper, city and state.)
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FBI - Stevens-544

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

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

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

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

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

Well, duh.

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

Lawmakers are chummy with the oil industry because they need money to run for office, and the industry is chummy with lawmakers because it needs legislation to protect its interests. Each uses the other to get what it wants. Done properly, it's called lobbying, and it's legal.

BETH BRAGG
COMMENT

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

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

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

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

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

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

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

Little has changed.

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

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

He finished fifth among the bunch.

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

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

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

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

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

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~ 274

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FBI - Stevens-545

McGavick's Refund

Posted yesterday at 9:41 am by Rick Anderson

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

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

FBI - Stevens-546

M-275

194A-AN-13620-~~[illegible]~~

FD-350 (Rev. 5-8-81)

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(Mount Clipping in Space Below)

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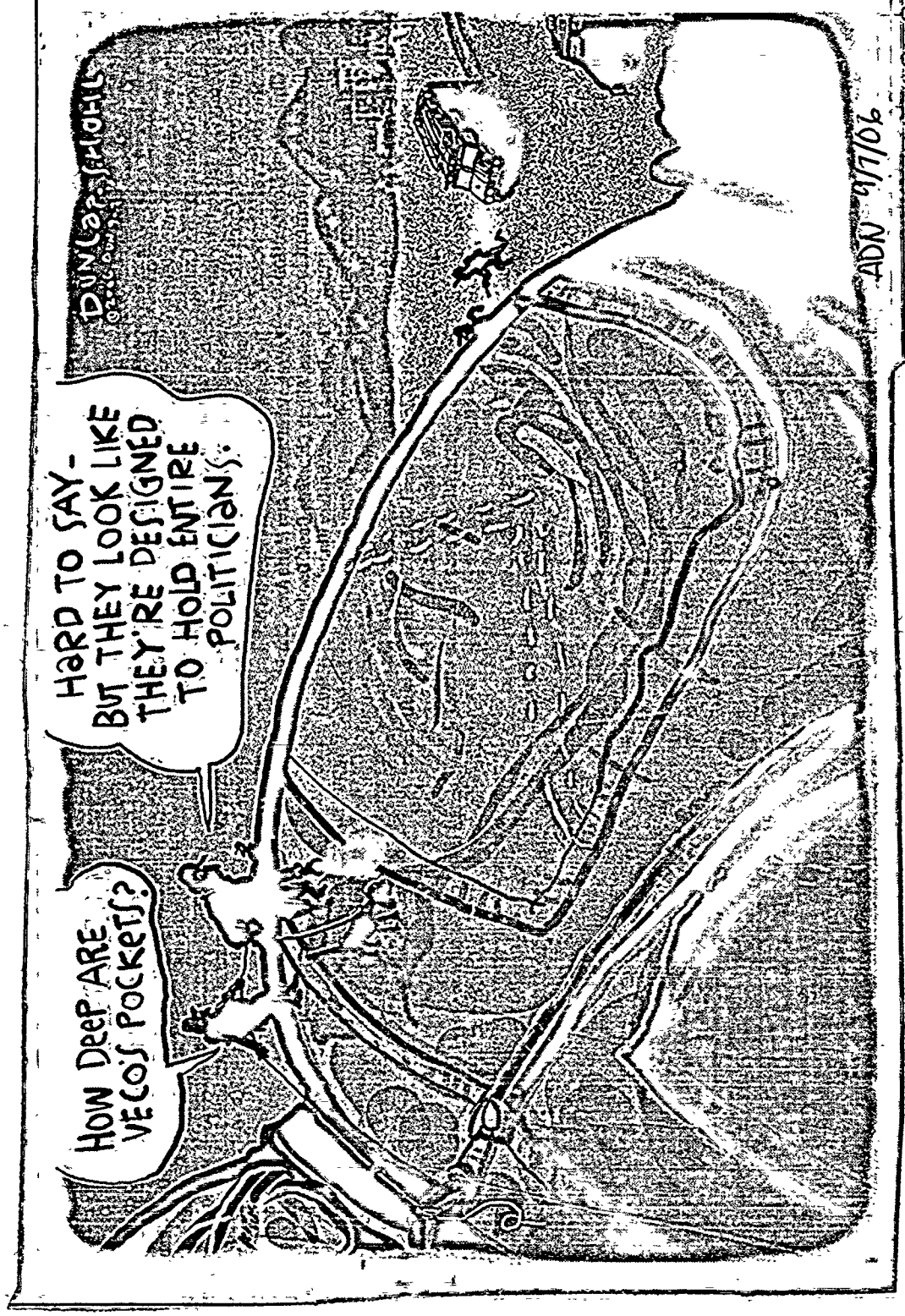

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Date: 09/07/2006
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Title: VECO'S INFLUENCE HAS BEEN PART OF CAPITOL SCENE FOR YEARS

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see attached

FBI - Stevens-548

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

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

By TOM KIZZIA
Anchorage Daily News

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

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

Crawford said he saw Rep. Tom Anderson, R-Anchorage, carry several notes from Allen to other legislators. Anderson has received Veco campaign contributions and has also reported $30,000 in consulting contracts with the company since 2003. Several other legislators say their staff observed similar goings-on.

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

Democrats were frustrated as cell phones rang and legislators returned from at-ease breaks to reverse votes they'd just taken. House minority leader Ethan Berkowitz finally stood up and gave a speech blasting undue interference in the legislative process. He said later he was referring not just to Veco but to meddling during House floor sessions from all directions, including Murkowski administration officials.

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

See Back Page, VECO

INSIDE

■ VECO Q&A: A quick rundown of what's known, what isn't and what's next in the FBI's Alaska investigation.
Back Page

194A-AN-13620-Press

FD-350 (Rev. 5-8-81)

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(Mount Clipping in Space Below)

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

By LISA DEMER
Anchorage Daily News

Q. What is the investigation about?

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

Q. Who is leading the investigation?

A. The FBI.

Q. Who is being investigated?

A. The FBI won't name the targets. About 24 search warrants have been executed in six Alaska communities: Anchorage, Juneau, Wasilla, Willow, Eagle River and Girdwood. Search warrants were executed at offices of six legislators: Senate President Ben Stevens, R-Anchorage, Sen. John Cowdery, R-Anchorage, Sen. Donny Olson, D-Nome, Rep. Pete Kott, R-Eagle River, Rep. Vic Kohring, R-Wasilla, and Rep. Bruce Weyhrauch, R-Juneau. Cowdery, Olson and Kohring have said they don't believe they are targets of the investigation. Other lawmakers and former lawmakers have been interviewed, as have executives with Cook Inlet Region Inc. and at least one Anchorage political pollster and consultant.

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

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

Q. Has anyone been charged or arrested?

A. No.

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

A. Yes. But the role of the Anchorage office isn't clear. Some prosecutors have directed queries to the U.S. Justice Department in Washington, D.C.

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

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

A. No comment, Cohen said.

Q. What does Veco say?

A. On Wednesday, Veco Corp. issued a one-page statement in which it said it is cooperating with federal agents. "To Veco's knowledge, it has done noth-

ON THE Web

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

FBI - Stevens-550

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

Q. Has the FBI seized records?

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

Q. Were wiretaps used in the investigation?

A. The FBI won't say.

Q. Can the public see the search warrants?

A. Not most of them. All of the warrants officially remain sealed at this stage in the investigation. So do the FBI affidavits that laid out the government's evidence to the magistrate judge who approved the search warrants. One state senator has given reporters a copy of the warrant served on his office, and it has been described in various news accounts. A copy of the document is online at www.adn.com.

Q. Besides the FBI, what agencies are involved?

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

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

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

Q. What's next?

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

VECO: *Allen's protests prompted restructuring of lobby laws*

Continued from A-1

longer had a copy of the e-mail.

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

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

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

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

SWAY OVER REGULATIONS

Veco's presence in Juneau is distinctive not just for its role in helping finance many campaigns but for the personal role played by Allen and several other company executives. Veco has hired top-drawer professional lobbyists in the past, as it did while pushing for a private prison between 1996 and 2002. But Allen, 69, is known for taking a personal hand in promoting his priorities, in a manner often described as gentlemanly rather than bullying.

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

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

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

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

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

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

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

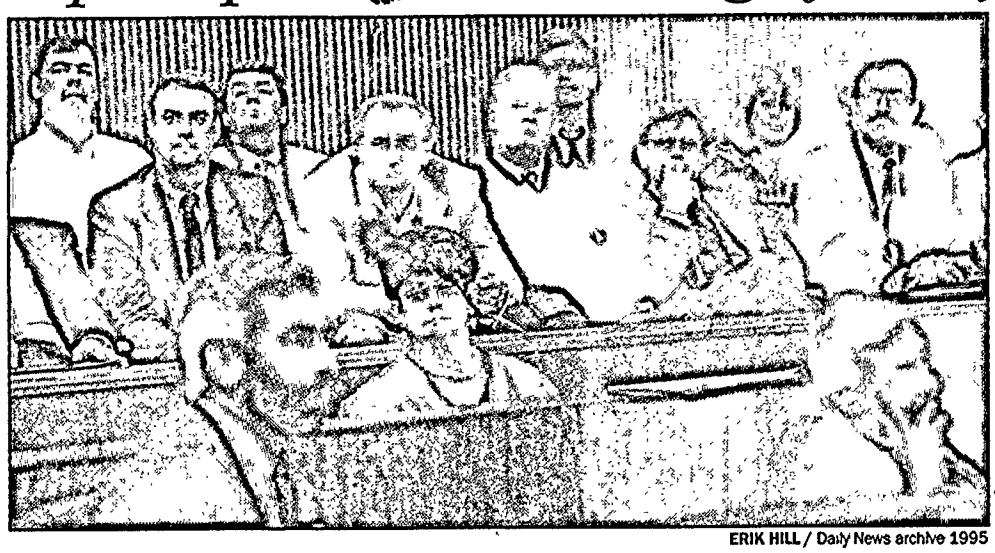
Allen eventually complied, registering for 2002 and 2003 and reporting his hourly wage as $156.25. That meant he had to forgo writing campaign checks in those years. (Not that candidates were starved for Veco money: Other company officials gave more than $200,000 to state candidates in 2002 alone.)

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

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

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

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



ERIK HILL / Daily News archive 1995

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

Veco Corp. at a glance

- **Headquarters:** Anchorage
- **Other offices:** Bellingham, Wash.; Denver; Durango, Colo.; Rock Springs, Wyo.; Calgary, Alberta; Vancouver, British Columbia; Mumbai, India; Abu Dhabi, United Arab Emirates
- **Founded:** 1968
- **Employees:** About 5,000 worldwide, 1,200 in Alaska
- **Sales:** Estimated $325 million in 2004
- **Industries works in:** Oil and gas, oil refining, pipelines and terminals, power plants and systems, chemical and petrochemical, food packaging, government.
- **Activities:** Engineering, procurement, construction, construction management, fabrication, pipeline-integrity management.
- **Owners:** Allen Limited Partnership, 62%; Tammy Kerrigan Revocable Trust, 17%; Leathard Limited Partnership, 10%; Roger Chan, 6%; Bill Allen, 5%

Other:

- Gov. Frank Murkowski named Veco the state's Exporter of the Year last spring
- Prime contractor cleaning up the 1989 Exxon Valdez oil spill
- Owns the Voice of the Times, a half-page opinion section in the Daily News
- No. 26 on Engineering News-Record magazine's list of nation's 500 largest design firms

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

Compiled by BILL WHITE / Anchorage Daily News

GROWTH INTO POLITICAL ACTIVISM

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

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

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

Some of Veco's campaign efforts ran afoul of the law. Veco was fined by APOC in 1985 for a scheme that funneled secret donations to certain candidates through employee deductions. In 1989, APOC investigated a $1,000 contribution made by Allen's girlfriend. Bank records showed she had made a $1,000 deposit and wrote the check the same day, leaving a balance of $37.15.

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

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

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

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

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

FD-350 (Rev. 5-8-81)

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

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(Mount Clipping in Space Below)

Successor to inherit gas deal

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

By MATT VOLZ
The Associated Press

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

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

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

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

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

See Back Page, **SESSION**

FBI - Stevens-553

Continued from A-1

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

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

That road map includes responding to public comments made about the contract, which could be presented in an interim meeting of the Senate Special Committee on Natural Gas Development at the end of September or the beginning of October.

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

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

"From my perspective, you just couldn't convene a Legislature under worse circumstances," French said. "The public perception, and rightfully so, would be that we're operating under a cloud."

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

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

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

FD-350 (Rev. 5-8-81)

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

Date: 09/09/2006
Edition: SATURDAY

Title: VECO CASH TOO HOT TO HANDLE

Character:
or
Classification: 194A-AN-13620-M - 280
Submitting Office: Anchorage

Indexing:

(Mount Clipping in Space Below)

Veco cash too hot to handle

INVESTIGATION: As FBI search continues, some shun donations.

By LISA DEMER and KYLE HOPKINS
Anchorage Daily News

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

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

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

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

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

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

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

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

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

See Back Page, **VECO**

FBI - Stevens-555

Continued from A-1

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

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

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

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

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

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

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

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

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

> *"I'm not interested in participating in something that could injure my good name."*
>
> — Rep. Jay Ramras

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

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

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

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

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

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

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

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

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

"My record's clear," he said.

"I didn't feel any pressure, except I knew what they wanted," said Coghill. "It certainly helps their access to me. ... But it doesn't put me under any obligation." The new petroleum profits tax was the big issue, and he said he voted for a higher tax than Veco wanted.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

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

Date: 09/10/2006
Edition: SUNDAY

Title: THAT FLUSHING SOUND IS VECO INFLUENCE

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or
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Submitting Office: Anchorage

- 281

Indexing:

That flushing sound is Veco influence

MICHAEL CAREY
COMMENT

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

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

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

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

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

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

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

Everybody in the capitol building knew Veco's money bought the company exceptional access to lawmakers. Everybody in the building knew many lawmakers, mostly Republicans, were inordinately dependent on Veco dollars for their campaigns. Everybody in the building knew Veco wanted to make the state lobbying laws less restrictive so corporate officials could report less of their activities. And succeeded when subservient lawmakers passed a measure known as "the Bill Allen bill."

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

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

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

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

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

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

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

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

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

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

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

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

FD-350 (Rev. 5-8-81)

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

(Mount Clipping in Space Below)

Date: 09/10/2006
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Title: OUR VIEW: IT'S UP TO THE VOTERS

Character:
or
Classification: 194A-AN-13620-M - 282
Submitting Office: Anchorage

Indexing:

OUR VIEW

It's up to the voters

Big money taints politics because Alaskans let it happen

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

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

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

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

The four Veco executives named in the FBI warrants contributed almost $1 million to state and federal campaigns nationwide over the past decade — all on behalf of candidates favorable to the company's agenda. Almost a quarter-million dollars went to state races in Alaska between 2004 and last month's primary election. More than $80,000 went to Republican legislative candidates or the Alaska Republican Party this year alone.

Our elected officials should start repairing the damage.

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

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

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

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

It's time to act.

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

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

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

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

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

194A-AN-13620-PROD

FD-350 (Rev. 5-8-81)

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

Date: 09/12/2006
Edition: TUESDAY

Title: FBI CASE MANAGED FROM D.C.

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

Indexing:

(Mount Clipping in Space Below)

ADN 9/12/06

FBI case managed from D.C.

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

By RICHARD MAUER
Anchorage Daily News

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

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

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

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

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

See Back Page FBI

194A-AN-13620- Press

FBI - Stevens-560

FBI: Integrity Section investigated Abramoff, Enron

Continued from A-1

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

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

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

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

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

ON THE Web

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

www.adn.com/veco

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

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

In disclosures he was required to file as a legislator, Ben Stevens has reported that Veco paid him $252,000 over the last five years to serve as a consultant, including $57,000 in 2005. Neither Stevens nor Veco has described what he did for the money. Stevens is one of six lawmakers whose offices were searched Aug. 31.

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

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

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

But the position of U.S. attorney is a political appointment headquartered in a local jurisdiction, so the Justice Department will sometimes assume control over cases involving powerful local figures.

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

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

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

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

More on money

Posted: September 12, 2006 - 8:42 pm

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

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

Anyway, back to Mayo. Lisa writes:

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

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

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

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

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

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

The Trail

A blog on the 2006 Alaska governor's race

Kyle Hopkins

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

Contact: thetrail@adn.com

ARCHIVE

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

Too much stuff? Sell it FAST!
GARAGE SALE

FBI - Stevens-562

m-284

194A-AN-13620-Pres

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

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

add new comment

Palin and Veco

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

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

reply »

Coming to a blog near you by Mike Doogan

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

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

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

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

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

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

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

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

FBI - Stevens-563

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

How far back can the FBI investigate?

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

reply »

pm

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

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

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

Moses - 9/11/2006 1:30 pm

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

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

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

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

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

Parnell - 9/6/2006 4:51 pm

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

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

Pay back - 9/5/2006 2:10 pm

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liberal democrats

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

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

reply »

follow the money

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

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

reply »

correction

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

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

reply »

You seem to have it all figured out

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

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

FBI - Stevens-564

reply »

And to this I would say

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

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

reply »

That was then, this is now...

Check out this fundraiser: http://republicanmoderate.blogspot.com/2006/09/look-how-fast-dirty-money-finds-new.html

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

reply »

Bill Allen Knows 1000's of People

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

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

reply »

A closed primary vent

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

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

reply »

To solve your problem,

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

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

reply »

Less is good

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

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

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

reply »

FBI - Stevens-565

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FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) B-1
ANCHORAGE DAILY NEWS

Date: 09/12/2006
Edition: TUESDAY

Title: SPONSORS FILE PETITION FOR GAMING COMMISSION VOTE

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

Indexing:

(Mount Clipping in Space Below)

ADN 9/12/06

Sponsors file petition for gaming commission vote

By MATT VOLZ
The Associated Press

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

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

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

The initiative would create a commission to regulate gaming in Alaska. Gaming is now overseen by the Department of Revenue and involves nearly two dozen games of chance and contests of skill from ice classics to bingo and pull-tabs.

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

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

FBI - Stevens-566

GAMING: *2008 ballot initiative goal*

Continued from B-1

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

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

Biwer said he was not put off by the task force's recommendations. The Legislature will have two sessions to pass a bill similar to his initiative if lawmakers want to keep it off the ballot, he said.

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

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

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

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

FD-350 (Rev. 5-8-81)

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

Date: 09/12/2006
Edition: TUESDAY

Title: MOSES SAYS VECO DIDN'T BUY HIS VOTE

Character:
or
Classification: 194A-AN-13620-M - 286
Submitting Office: Anchorage

Indexing:

(Mount Clipping in Space Below)

Moses says Veco didn't buy his vote

ADN 9/12/06

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

By MATT VOLZ
The Associated Press

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

Moses

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

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

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

FBI - Stevens-568

MOSES: *Tax bill seemed doomed*

Continued from A-1

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

■ Daily News reporter Kyle Hopkins contributed to this story.

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

(Mount Clipping in Space Below)

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Edition: TUESDAY

Title: FBI NET WIDENS

Character:
or
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Submitting Office: Anchorage

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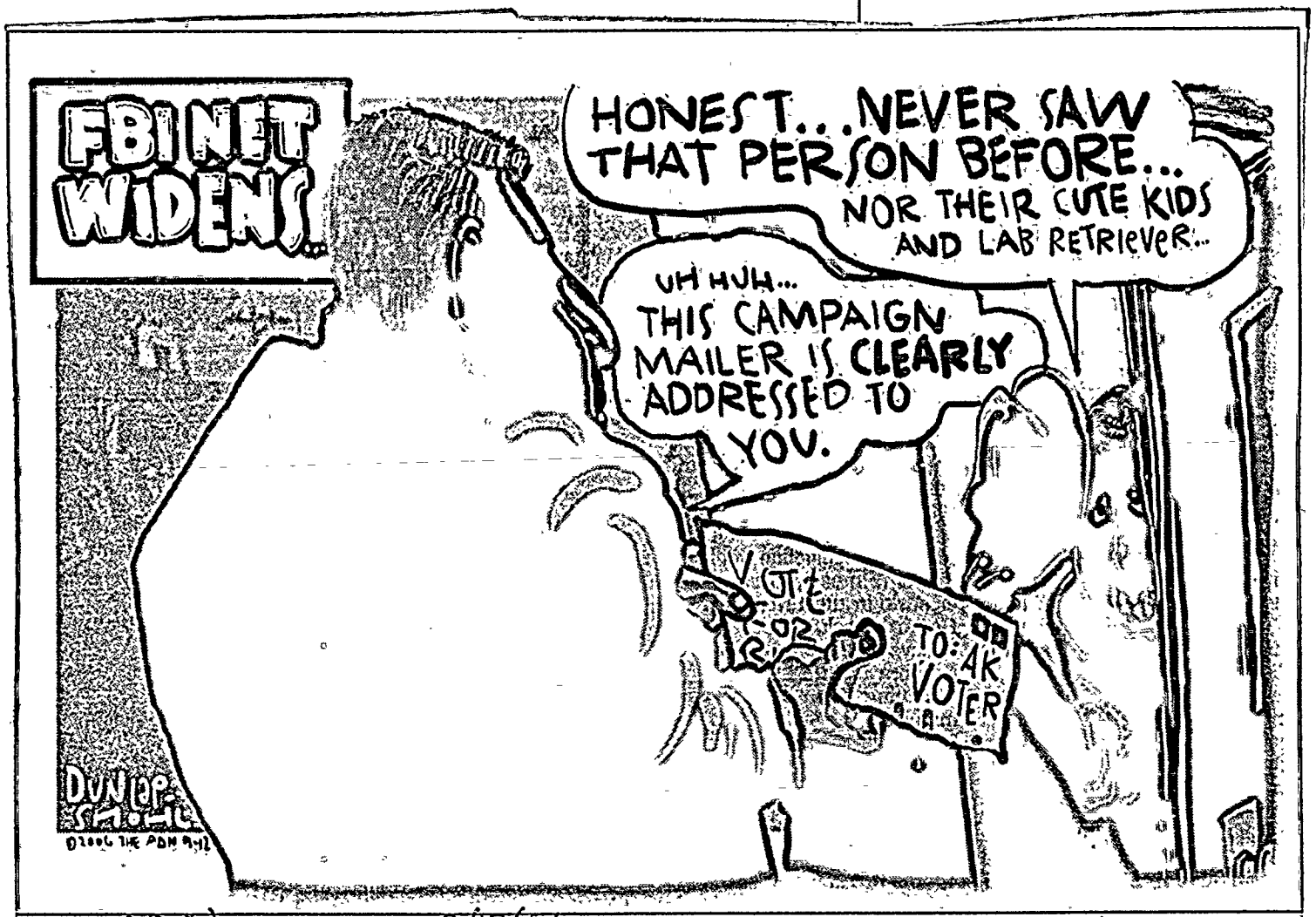

ADN 9/12/06

FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) B-6
ANCHORAGE DAILY NEWS

Date: 09/20/2006
Edition: WEDNESDAY

Title: OUR VIEW: CAMPAIGN DISCLOSURE

Character:
or
Classification: 194A-AN-13620-M -288
Submitting Office: Anchorage

Indexing:

(Mount Clipping in Space Below)

OUR VIEW

Campaign disclosure

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

194A-AN-13620-M

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.) B-6
ANCHORAGE DAILY NEWS

Date: 09/20/2006
Edition: WEDNESDAY

Title: NEW ETHICS LAW OPENS DOOR TO VIOLATIONS

Character:
or
Classification: 194A-AN-13620-M -289
Submitting Office: Anchorage

Indexing:

COMPASS: *Points of view from the community*

New ethics law opens door to violations

By ALLAN TESCHE

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

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

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

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

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

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

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

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

• What about the common law? Prior court decisions form the "common law" which, along with the constitution and statutory law comprises all of the law governing public ethics. The new code does not answer the question as to whether common law principles governing ethics will survive enactment of the new code.

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

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

■ Allan Tesche represents the downtown area on the Anchorage Assembly. 194A-AN-13620-P

FD-350 (Rev. 5-8-81)

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

Date: 09/20/2006
Edition: WEDNESDAY

Title: FBI RAID OF OUR LAWMAKERS' OFFICES WAS AN INFRINGEMENT ON OUR RIGHTS

Character:
or
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Submitting Office: Anchorage

Indexing:

ADN 9/20/06

FBI raid of our lawmakers' offices was an infringement on our rights

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

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

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

—*Steve Conn*
Seward

194A-AN-13620-Press

FBI - Stevens-573

FD-20 (Rev. 5-8-81)

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ANCHORAGE DAILY NEWS

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Date: 09/24/2006
Edition: SUNDAY

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

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

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or
Classification: 194A-AN-13620-M -291
Submitting Office: Anchorage

Indexing:

BETH BRAGG
COMMENT

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

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

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

Pass the ethics bills that died last session.

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

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

Gardner's bill would require a legislator who has a consulting job worth more than $5,000 to tell us what exactly they do to earn their money and how many hours they expect to spend on the job. Exceptions would be made if the lawmaker is a licensed professional performing services in his or her field of expertise — a licensed lawyer providing legal consultation, for instance.

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

It'd be nice if politicians gave us this information because they believe in transparency — or at the least, because they're worried it might look like they're taking the money for favors bestowed instead of services rendered.

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

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

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

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

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

Ditto if lawmakers fail to fix a loop-

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

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

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

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

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

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

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

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

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

ADN 9/24/06

FD-350 (Rev. 5-8-81)

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

(Mount Clipping in Space Below)

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Indexing:

9/24/06

FBI raids cast light on dual incomes

■ CONSULTANTS: Ethical standards for lawmakers questioned.

By TOM KIZZIA and LISA DEMER
Anchorage Daily News

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

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

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

His dual role may have surprised the Assembly in August. But it would not have surprised some members of the Northeast Community Council, the neighborhood group that opposed the stores. They recall seeing Anderson at their meetings all though 2003. They assumed he was there as the local state legislator. But Anderson's state financial disclosure form, filed the following year, revealed he was also working as a $10,000 consultant on community councils and local government for the oil field services and construction company Veco.

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

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

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

The FBI inquiry has given momentum to reform efforts.

See Page A-10, **CONSULTANTS**

FOCUS: Rep. Tom Anderson's work as a business consultant and city lobbyist has raised questions and led to a call for reform.

A-11

FBI - Stevens-576

CONSULTANTS: *Conflict of interest concerns extend beyond Veco*

Continued from A-1

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

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

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

> *"It just sets up a bad relationship when the same body you go to for funding comes to you to lobby for other things,"*
>
> — Assemblyman Dick Traini

ON THE PAYROLL

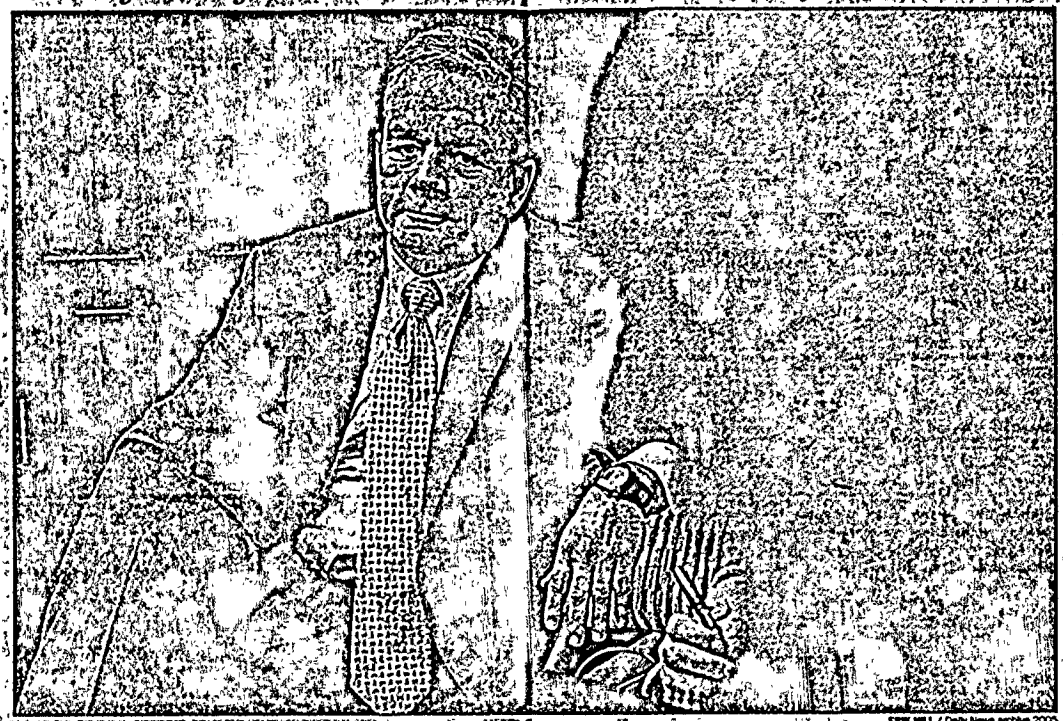
Veco executives have long been frequent and generous contributors to political campaigns in Alaska and nationally. But two current legislators also have been regulars on its consulting payroll. Anderson reported $30,000 in Veco income between 2003 and 2005.

Senate President Ben Stevens declared $252,000 in consulting work for Veco from 2001 to 2005.

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

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

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



ERIK HILL / Daily News archive 2005

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

ERIK HILL / Daily News archive 1995

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

greater disclosure of consulting and other contracts held by elected officials. Their efforts went nowhere.

The measure, introduced by Rep. Berta Gardner, D-Anchorage, would have required legislators with personal services contracts to disclose in broad terms what they did to earn the money and how much time they spent on the job. The bill required a description of the work "sufficient to make clear to a person of ordinary understanding the specific services performed."

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

> *"I think the solution probably is to tighten up the existing rules a little bit."*
>
> — House Speaker John Harris, R-Valdez

little to crimp Veco's employment of legislators. Stevens and Anderson were both consultants before they ran for office.

Arrangements between Veco and two other lawmakers show up in state disclosure forms dating back to 2002. One was for a boat rental from a fisherman, one was for legal work from a lawyer.

In 2002, Veco paid $17,600 to use a boat owned by Rep. Paul Seaton, R-Homer. The contract came in the summer before Seaton, a commercial fisherman who owns several boats, was first elected. He said his fish tender just happened to be available in my

> *"I thought I was dealing with the appearance of corruption, but maybe it's something more,"*
>
> — Rep. Berta Gardner, D-Anchorage

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

The most noted example is Stevens, who has received more than $1.6 million in consulting contracts and pay from private organizations in the past five years. He reported $362,000 in income from an Adak fisheries company that received a pollock allocation worth millions of dollars through special congressional action by his father, U.S. Sen. Ted Stevens, R-Alaska. Ben Stevens returned $145,000 in consulting fees from Cook Inlet Region Inc., in the wake of bad publicity and complaints from several CIRI board members, saying he'd been unable to complete work on the business venture they'd discussed.

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

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

While several legislators are employed directly by companies with interest in Juneau bills, the number of other reported consulting jobs remains small. One case is Rep. Vic Kohring, R-Wasilla, who reported income of $5,400 in 2004 and $38,100 in 2005 from Anchorage developer Marc Marlow.

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

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

'RED-FACE TEST'

Earlier this year, before the FBI inquiry of the lawmakers and Veco burst into public view, Democrats tried to change state law to require April and was referred to the House Judiciary Committee, where it died. The Judiciary Committee chairwoman was Rep. Lesil McGuire, R-Anchorage, who is married to Anderson. Anderson was the committee's vice-chairman.

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

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

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

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

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

Harris has a different solution. He wants evidence the legislator is truly being paid for expertise.

"I think the solution probably is to tighten up the existing rules a little bit to say the legislator has to show some either work or educational experience before they can accept a job from somebody," Harris said.

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

FOLLOW THE MONEY

A rule insisting on proper qualifications would probably have done

oil rig construction job.

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

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

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

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

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

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

Information on private-services contracts with Veco and other companies is available only through 2005. Any consulting salaries paid to legislators for 2006, in a year of high-stakes debate over oil tax and gas line issues, do not have to be disclosed until reports are due March 15, 2007.

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

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

Sen. Robin Taylor

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

Outside income for Ben Stevens and Tom Anderson

ENTITY	2001	2002	2003	2004	2005	TOTAL
BEN STEVENS						
Adak Fisheries LLC		$80,000	$120,000	$80,000	$82,308	$362,308
Veco	$52,500	$47,500	$47,500	$47,500	$57,000	$252,000
Special Olympics World Winter Games	$236,226					$236,226
Stevens & Associates	$20,000	$48,000	$48,000	$48,000	$48,000	$212,000
North Pacific Crab Assn	$12,000	$44,000	$44,000	$42,000	$24,000	$166,000
Cook Inlet Region Inc	$72,920	$145,854**				$72,920
Glacier Fish Co.		$4,200	$21,000	$21,000	$16,800	$63,000
Special Olympics Inc.	$42,000	$15,000				$57,000
Highland Light Fisheries Inc.		$4,200	$25,200	$25,200		$54,600
At-Sea Processors Assoc	$16,000	$38,000				$54,000
Yardarm Knot Inc					$33,600	$33,600
NorQuest Seafoods Inc	$25,002					$25,002
Adak Fisheries Development Inc	$15,000					$15,000
SW Ak Municipal Conf	$12,800					$12,800
Enstar Natural Gas (Semco)	$1,000	$5,000				$6,000
Aleut Enterprises Corp	$875	$1,050				$1,925
ANNUAL TOTAL	$506,323	$432,804	$159,846	$263,700	$261,708	$1,624,381
*Didn't report any income but reported serving on the board						
**Returned money in 2003						
TOM ANDERSON						
Veco			$10,000	$17,500	$2,500	$30,000
Alaska Telephone Association	***	***	$20,000			$20,000
Pacific Publishing				$10,000		$10,000
Marc Marlow					$5,000	$5,000
ANNUAL TOTAL	$0	$0	$30,000	$27,500	$7,500	$65,000

***Not in legislature

Sources: Disclosure reports filed with Alaska Public Offices Commission

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(Indicate page, name of newspaper, city and state.) A-11
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Anderson's consulting services in demand

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

By LISA DEMER and TOM KIZZIA
Anchorage Daily News

SEANNA O'SULLIVAN / The Associated Press

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

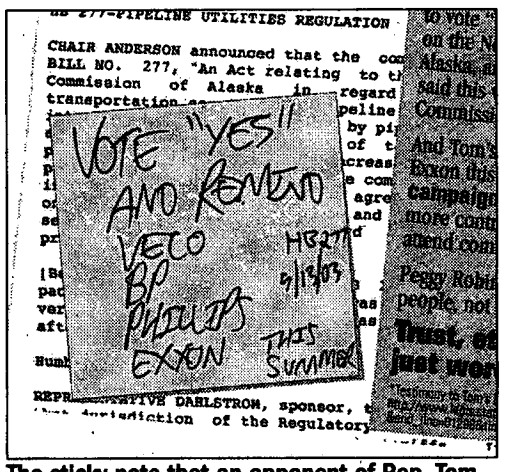
Anderson attended meetings of the Northeast Community Council during his first year in office as their legislator. His other role, as Veco's monitor of municipal neighborhood issues, didn't come to light until he filed his disclosure in 2004. Council officials said they were surprised. Veco, with offices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

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

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

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

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



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

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

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

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

This year, in the heat of debate over oil tax increases, Anderson hand-delivered notes to his colleagues on the House floor passed from Veco chairman Bill Allen, sitting in the visitor's gallery, according to several legislators.

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

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

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

> *"I have attempted at all times to fully comply with the laws and regulations governing the conduct of public officials."*
>
> — Anderson in e-mail

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

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

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

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

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FBI - Stevens-581

Alaska candidates get cash from Veco

$119,000: Six executives donated what turns out to be unwanted money.

By DON HUNTER
Anchorage Daily News

(Published: September 29, 2006)

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

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

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

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

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

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

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

Donations list

Veco executive legislative campaign contributions, 2005-2006 election cycle, as of most recent reports filed by Aug. 22.

OFFICE	AMOUNT
Senate, Seat D	
Ralph Seekins, Republican, incumbent	$2,000
Senate Seat H	
Charlie Huggins, Republican, incumbent	$3,000
Senate Seat J	
Louis "Earl" Mayo, Republican	$3,000
Senate, Seat N	
Lesil McGuire, Republican	$6,000
Norman Rokeberg, Republican	$6,000
Ben Stevens, Republican (withdrew)	$3,000
Senate, Seat P	
Con Bunde, Republican, incumbent	$3,000
Senate, Seat R	
Gary Stevens, Republican, incumbent	$3,000
House District 1	
Jim Elkins, Republican, incumbent	$2,200
House District 2	
Peggy Wilson, Republican, incumbent	$3,000
House District 5	
Bill Thomas, Republican, incumbent	$3,000
House District 9	
Jim Holm, Republican, incumbent	$3,000
House District 10	
Jay Ramras, Republican, incumbent	$3,000
House District 11	
John Coghill Jr., Republican, incumbent	$3,000
House District 12	
John Harris, Republican, incumbent	$3,000
House District 13	
Carl Gatto, Republican, incumbent	$3,000
House District 14	
Vic Kohring, Republican, incumbent	$6,000
House District 15	
Mike Neumann, Republican, incumbent	$3,000
House District 16	
Bill Stoltze, Republican, incumbent	$3,000
House District 17	
Pete Kott, Republican, incumbent	$6,000
House District 20	
Mike Hoon, Republican	$3,000
House District 21	
Jeff Gonnason, Republican	$3,000
House District 24	
Dennis Ferguson, Republican	$3,000
House District 26	
Mike Pawlowski, Republican	$3,000
House District 27	
Thomas Stoltze, Republican	$3,000
House District 29	
Ralph Samuels, Republican, incumbent	$6,000
House District 30	
Kevin Meyer, Republican, incumbent	$6,000
House District 31	
Bob Lynn, Republican	$3,000
House District 32	
Mike Hawker, Republican, incumbent	$6,000
House District 33	
Kurt Olson, Republican, incumbent	$3,000
House District 35	
Mike Chenault, Republican, incumbent	$6,000
House District 36	
Gabrielle LeDoux, Republican, incumbent	$2,200
House District 37	
Carl Moses, Democrat, incumbent	$3,000

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donations from the Veco executives in the first seven days of August.
A couple of weeks later, Moses, nursing a pinched nerve in Anchorage, flew to Juneau to break a deadlock on a revamped state oil and gas tax the company favored, one of only four Democrats to support the measure. Moses has said the donations had nothing to do with his vote.

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

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

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

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

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

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

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

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

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

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

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

the same week of Petroleum Club fundraisers.

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

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

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

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

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

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Knowles long past honeymoon with Veco

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

By TOM KIZZIA
Anchorage Daily News

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

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

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

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

See Back Page, VECO

FBI - Stevens-584

VECO: *Early contributions to Knowles faded to nothing*

Continued from A-1

won't take contributions this year from Veco employees.

All of which leaves political heads spinning.

"For so long, Bill Allen's been involved in politics up here. To ignore him would have been a mistake" in 1994, says Curtis Thayer, a longtime Republican insider who is now backing Knowles. He says many Republicans were miffed and resentful that their ally, Allen, was cooperating with Knowles at the time. "Now, ironically, 12 years later, it's seen as a problem for Knowles," he said.

Palin says voters should be aware of Knowles' one-time relationship with Veco and decide for themselves whether it is significant. "We've been told that they literally flew off together to visit oil companies after he was elected," Palin said. "This isn't being negative. These are just facts that illustrate the relationship."

Thayer

Knowles says the transition-period trips in 1994 were well-publicized symbolic gestures, carefully set up to avoid any conflicts of interest. He says his work with Allen was part of his larger effort to help the state's economy.

"He was a very strong political opponent in every race I was in, with the exception of 1998, when I was running against a wingnut," Knowles said, referring to John Lindauer, the candidate for governor whom Republicans eventually dumped in favor of a write-in campaign. "I felt as governor it was my goal to bring people together from both sides after winning a close election."

REPRIEVES FROM THE COMPANY

Knowles devoted considerable energy during his 1994-2002 term to oil field concerns — providing new drilling incentives, settling back-tax disputes and laying groundwork for a gas pipeline. Critics — including some Democrats — often accused him of being too generous to oil companies, for example when the state intervened in BP's 1999 buyout of Arco. Knowles defends those efforts now as good policy in a shaky time of low oil prices. And he says his eight years in office were never tainted by ethics scandals or political payoffs.

Veco, frequently described as the industry's main political operator in Alaska, showed some appreciation for Knowles' efforts. The oil field service and construction company and its executives and employees directed some $23,000 in campaign contributions to Knowles in the 1990s. Company officials, along with other industry figures, donated tens of thousands of dollars more to a post-victory Governor's Fund and to the Democratic Party while Knowles was in office. Those contributions were relatively small change: Veco gave hundreds of thousands of dollars during that time to the Republican Party and conservative legislative candidates. Company officials have put close to $1 million into state and federal races over the past decade, according to federal figures and tallies by nonprofit watchdog groups.

But Knowles' efforts also seemed to win him periodic reprieves from the scorn of the Veco-owned Voice of the Times, a separate conservative, pro-development editorial section published in the Daily News.

As governor, Knowles sometimes clashed with Veco over the company's legislative priorities, such as tort reform, private prisons and a property tax incentive proposed for the gas pipeline in 2002. And if Knowles hoped Veco's good will would follow him out of the governor's mansion, he was quickly disappointed.

Veco backed Frank Murkowski for governor in the 2002 election instead of Knowles' chosen successor, Lt. Gov. Fran Ulmer. And Veco froze out Knowles in his 2004 run for U.S. Senate, backing Lisa Murkowski and subjecting Knowles to an almost daily barrage of unfavorable editorials in the campaign's home stretch.

> *"I felt as governor it was my goal to bring people together from both sides after winning a close election."*
>
> — Tony Knowles

Veco officials have said in the past that they support candidates who favor economic development and a stable oil tax climate in Alaska. Allen and other Veco executives have declined to talk with reporters since search warrants were served by the FBI on the company and six state legislators starting Aug. 31. In a written statement issued Sept. 5, the company said its officials were cooperating with the investigation, denied wrongdoing by the company or its executives and said it looked forward to "dispelling any concerns on the part of the government and others."

Palin, the former Wasilla mayor, has had her own dealings with Veco in her short political career, receiving $5,000 from company officials at the end of 2001 toward her unsuccessful run for lieutenant governor in 2002. The money equaled 10 percent of her campaign funds. Veco gave similar amounts to three other Republicans running against her in that primary. This year, Veco backed Gov. Frank Murkowski in the primary, and Palin said early that she would not take contributions from the company if she won.

Former state Rep. Sean Parnell, a former oil lobbyist and Palin's running mate for lieutenant governor this year, received $16,000 from Veco while running for the Legislature in the 1990s. He got $1,000 from Veco during this year's primary. (Rep. Ethan Berkowitz, Knowles' running mate this year, received a total of $3,000 from Veco executives in his runs for state House in 1998 and 2000.)

Palin has to be a little careful with the Veco issue this year, says political consultant and pollster Marc Hellenthal, since she's taken their money herself. But voters shouldn't assume anyone who's ever accepted Veco money is corrupt, he said. "You'd get rid of most of the politicians in the state, since Veco was the political arm of the oil industry," Hellenthal said.

Hellenthal

Among Allen's past political roles, he was co-chairman of the Alaska state campaign team for George W. Bush in 2000.

In raising the issue, Palin presumably thinks it tilts in her favor.

Palin and Knowles are both making ethics a central theme, and Veco gives her a way to create a small doubt in voters' minds, said Hellenthal, who is not working in the current governor's race but has worked extensively for Republicans in the past.

"It allows her to have a contrast between herself and Tony on the ethics scale," Hellenthal said, "because he's the one with the long history."

KNOWLES OPPONENTS BACKED

Knowles, a former Anchorage mayor, first ran for governor in 1990. Veco was flush with cash from its cleanup role in the Exxon Valdez oil spill and had just purchased The Anchorage Times. The company backed Knowles' Republican opponent, Arliss Sturgulewski. Former Republican Gov. Wally Hickel, financing an independent run with his own fortune, was elected.

Entering the 1994 race, Knowles surprised many allies with a newspaper column calling for a new partnership with the oil industry and criticizing an effort by Hickel — and many Democrats — to pass a law strengthening the state's position in negotiations over back taxes. The May column, headlined "Hickel tax scheme makes IRS look good," appeared in the Voice of the Times, the Veco-published editorial page that survived the newspaper's demise.

That declaration had no immediate effect on Veco. The company backed Knowles' Democratic opponent, former Lt. Gov. Stephen McAlpine, in the primary, then his Republican opponent, Jim Campbell, in the general campaign. Campbell received $24,000 in Veco-related contributions. Late in the primary and then right before the general election, Knowles received a total of $8,500 from Veco contributors.

Several weeks before the election day, according to press accounts, Bill Allen joined several Republican leaders, including Sen. Ted Stevens, to urge third-party candidate Jack Coghill to drop out. They feared he would help Knowles by splitting the conservative vote. Coghill stayed in and took 13 percent of the vote, and Knowles was elected governor by 536 votes.

In the transition, Knowles made Allen co-chairman of his economic and community development team, one of 26 such committees operating under transition chairs Ulmer and Dave Rose. The committee's other leader was bank executive and former Alaska Federation of Natives president Janie Leask. Its other members were grocer Gregg Carr and Native leader Willie Hensley, newly appointed to head the state's Commerce Department.

Allen already had a controversial reputation as a kingmaker. Veco had been investigated several times for skirting state campaign finance laws and had paid the biggest fine on record for one violation. Knowles says he reached out to Allen as a key industry official but kept him off the natural resources team to avoid an appearance of conflict.

The four team members flew with Knowles to the headquarters of Exxon, Arco and BP to discuss the oil industry's future in Alaska. The trip was a lot about symbolism — quick visits to build personal relationships, not discuss substantive issues, Leask recalled in an interview last week. Allen seemed a logical addition, she said, knowledgeable and influential: "He was somebody you really wanted to have on your side."

During the honeymoon, harsh invective from the Voice of the Times went away. Times editors have long insisted that Allen doesn't tell them what to write, but the change of tone was noticeable after Allen joined the transition team. Knowles "has delighted folks of every political persuasion during his first two weeks in office," the Voice wrote on Dec. 23, 1994. Veco also took part in post-election fundraising for Knowles and for several Democratic Party funds.

"Bill Allen likes to support winners. That's what he's always done," said Thayer.

Oil and gas issues figured prominently — and often controversially — in Knowles' two terms as governor. One particular issue was Knowles' successful effort to rewrite lease terms for BP's Northstar holdings on the North Slope. The new, more favorable royalties led to development of a new oil field, along with work for Veco and other Alaska contractors building production modules under the agreement.

John Shively, Knowles' commissioner of natural resources, said the provisions for local hire and local construction got their big push in the Legislature. Union-backed Democrats joined in amending and approving the revised contract. Critics questioned the wisdom of the deal, but a few — including former legislator and longtime Veco opponent Ray Metcalfe, who brought a lawsuit in state court — also alleged that Knowles had pushed the change as a favor to political contributors Veco and BP.

"It was 'Here's the money, there's the deal,' " said Metcalfe, who has renewed his charges this year.

Knowles continues to defend the Northstar agreement, saying it removed long-standing obstacles to development and received lots of review, from the public, the Legislature and the courts. And, in his defense, he said he's long supported campaign finance reform as a way to reduce the influence of money in politics.

The Northstar criticism was picked up by Knowles' Republican opponent, Lindauer, in the 1998 governor's race. Lindauer, who was eventually disowned by his own party in a fundraising scandal, charged in television commercials that Knowles had gone easy on Northstar to please Veco. Veco wound up suing Lindauer for defamation.

The suggestion that Knowles was rewarding Veco has a certain irony, says pollster Hellenthal.

"Tony has a long reputation of not paying off his contributors," Hellenthal said, meaning it as a negative. "People have been grumbling for years that they don't get the return on investment that they want."

In his last years as governor, Knowles sparred more frequently with Veco. The company was one of the main lobbying forces for a state-funded private prison; Knowles helped block it. Allen lobbied personally for a local property tax exemption to help jump-start gas line construction; Knowles declared that the Veco-backed bill was too generous to oil companies, and it failed.

By 2002 the luster was lost. The Voice of the Times declared Alaska's economy was more sagging than soaring after the Knowles-Ulmer years. Two years later, in the run for U.S. Senate, the Times said electing Knowles would be a "tragic blunder." Knowles got no Veco money.

Thayer, the longtime Republican who served as campaign finance chairman for Lisa Murkowski in that race, has now moved from John Binkley to Knowles in the governor's race because he thinks Knowles is most likely to reach a gas line deal with the oil industry. Thayer, an Enstar Natural Gas Co. executive, still sees Knowles' past effort to work with Allen as a positive thing. But he knows better than most that any honeymoon was long over. As Murkowski's finance chairman, he collected more than $41,000 from Veco employees to beat Knowles.

"Obviously, their relationship had changed," Thayer said.

■ Daily News reporter Tom Kizzia can be reached at tkizzia@adn.com.

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FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

10/6/06

Veco has always supported charity; what are those people saying now?

I was pleased to see a letter commending Veco and others for supporting the American Heart Association's cause ("Veco, other teams participated in the newsworthy Heart Walk," Sept. 18). There ought to be an outpouring of letters from nonprofits on causes that Veco is always first up to bat to support.

Years ago I spearheaded a fundraising project for the Red Cross. Veco's Bill Allen offered his and his staff's full support. The Red Cross should remember that. And I've been involved on behalf of the Armed Services YMCA on numerous efforts affecting the needs of the military and their dependents. Veco never let us down.

Where's the payback support for Allen, and Veco's Pete Leathard and Rick Smith? And who will support our pro-development candidates now? And where will the jobs come from when industry says it's had enough?

If candidates are so sanctimonious they're returning Veco's contributions, they won't have to worry about bucks from ol' Barb. I usually find cause to send them e-mails telling them to wake up and smell the coffee. I wouldn't want them to feel "compromised" if they listened to me. But there's probably no worry about that, huh? Listening to constituents, I mean.

194A-AN-13620-Press

—Barbara Mee
Anchorage

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

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Edition: FRIDAY

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FBI - Stevens-586

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ANCHORAGE DAILY NEWS

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(Mount Clipping in Space Below)

ADN 10/9/06

FBI looks at more than Veco

■ **INQUIRY:** Officials show interest in a developer and the Department of Corrections.

By LISA DEMER
Anchorage Daily News

When FBI agents searched the Wasilla office of Rep. Vic Kohring on Aug. 31, they weren't just looking for documents related to Veco Corp., its executives and ties to lawmakers. They also wanted information about developer Marc Marlow as well as the state Department of Corrections.

Rep. Vic Kohring is one of several lawmakers who have hired attorneys.

That element of the ongoing FBI investigation emerged last week when Kohring's attorney, Wayne Anthony Ross, provided a copy of the search warrant to the Daily News, along with the list of items taken. Those documents, though lacking detail or context, suggest that the probe is wide-ranging and not focused on any one company, issue or individual.

No one has been charged in the investigation, and federal authorities have declined to discuss it except to say that it continues. The lead prosecutors are from the Department of Justice's Public Integrity Section in Washington, D.C., which often handles government corruption cases.

In all, offices of six lawmakers have been searched, along with Veco offices and additional undisclosed locations. Other lawmakers whose offices weren't searched have said they were interviewed by the FBI.

Kohring, a Republican, is not the only Alaska lawmaker who hired an attorney within days of the search.

Senate President Ben Stevens, R-Anchorage, has hired a prominent Seattle criminal defense lawyer, John Wolfe.

Wolfe, who declined to comment last week, has been named as one of Seattle's top criminal defense lawyers by Seattle Magazine. He's represented the famous and the infamous, from Seattle Seahawks players and judges to strip club owners and a pawnshop associate.

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194A-AN-13620-Press

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(Indicate page, name of newspaper, city and state.) B-1
ANCHORAGE DAILY NEWS

(Mount Clipping in Space Below)

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Metcalfe says Veco money should be returned

■ **DONATIONS:** GOP, Democrats are at odds over $25,000 in funding.

By DON HUNTER
Anchorage Daily News

The chairman of the Alaska Democratic Party says his Republican counterpart should return $25,000 in party donations from Veco Corp. executives mentioned in federal search warrants served on several Alaska legislators.

"The public deserves to know that Republican candidates won't receive money from corporate executives who've been identified" in a federal investigation, Democratic party chairman Jake Metcalfe said in a press release issued this week.

"It's our position that is tainted money."

— Democratic party chairman Jake Metcalfe on Veco donations from three executives

Alaska Republican Party chairman Randy Ruedrich said party officials have set aside the Veco contributions and won't spend the money this year. But Ruedrich said he has no plans to return the donations.

"We looked into this matter and first of all these are fully legal contributions received from Alaska citizens who have not been found guilty of anything," Ruedrich said. "We will segregate those funds until this matter is resolved, and I fully expect to use those funds in future years to beat Democrats."

In an interview Friday, Metcalfe targeted Veco donations from company president Peter Leathard, vice president Rick Smith and chief financial officer Roger Chan. Democrats aren't calling for Ruedrich to return contributions from other Veco executives or employees whose names were not mentioned in search warrants. "It's our position that is tainted money," Metcalfe said.

Some individual Republican candidates have returned contri-

See Page B-2, DONATIONS

FBI: *Lawmakers have hired lawyers*

Continued from A-1

He has worked in Alaska, representing a former Doyon Drilling Inc. worker who pleaded guilty in 1998 to concealing the dumping of hazardous materials on the North Slope.

"I think it's probably fair to assume that everybody's lawyered up," said Kevin Fitzgerald, an Anchorage defense attorney representing another of the legislators, though he wouldn't say which one.

Fitzgerald was part of the team that earlier this year won not-guilty verdicts in the federal rocket launcher case in Anchorage involving Security Aviation. The other lead defense lawyers in that case — Paul Stockler and former U.S. Attorney Bob Bundy — also are representing separate parties in the new FBI investigation, though they wouldn't say whom, either.

Hiring an attorney is a common practice in criminal investigations even for people who don't believe they are targets. For instance, individuals may want a lawyer to talk to prosecutors about the status of an investigation, to recover evidence taken in searches or to advise them on whether to talk and what to say.

Efforts to reach Kohring on Friday were unsuccessful, but in the past he has said he's cooperating in the investigation, is not a target and has been careful to follow all ethics rules.

Ross said he doesn't see that Kohring has done anything wrong.

"He asked me to advise him what the procedures mean and just make sure he doesn't step on his nose. He was told that he's not a suspect and of course I told him that, to be real honest with you, you can't always believe what you are told," Ross said, adding that he didn't expect any criminal charges against Kohring.

According to an FBI receipt for the property, agents took a folder with information on Marlow, phone message books, a Gateway computer from Kohring's office, fundraising notes — which Ross said were essentially required campaign reports to the state — a box of canceled checks, a thank-you note from Veco, bank statements, bills and an unexplained "business application and dividend papers."

"It doesn't look like anything there, any smoking guns or anything," Ross said.

Kohring and Marlow have known each other for years. Marlow hired him in 2004, according to disclosure statements that Kohring was required to file as a legislator. He reported income of $5,400 from Marlow that year and $38,100 in 2005. Kohring continues to provide "business services" for Marlow, arranging and conducting meetings, performing research and developing plans and strategies, Kohring said in an e-mail to the Daily News last month. Marlow has said that Kohring was helping him with plans to build a power plant in the Mat-Su, and Kohring has said he worked on a total of about six projects.

Reached on the telephone Friday, Marlow said he had no idea why the FBI would be interested in his relationship with Kohring. The FBI hasn't interviewed him or searched his offices, he said.

The FBI investigation at a glance

What's known:

- Dozens of FBI agents executed about two dozen search warrants Aug. 31 and Sept. 1, though in some cases individuals agreed to the search.
- Six legislative offices were searched, and so was Veco Corp. Searches were conducted in Anchorage, Juneau, Eagle River, Wasilla, Willow and Girdwood. The office of Senate President Ben Stevens was then searched a second time, on Sept. 18.
- One search warrant, provided by Sen. Donny Olson, said the FBI was looking for "any and all documents" related to Veco, four of its executives and two political pollsters, as well as information on Olson Air Service, among other matters. When agents searched Stevens' office, they seized materials related to controversial fisheries organizations. In the search of Rep. Vic Kohring's office, agents also sought information on developer Marc Marlow and on the state Department of Corrections.
- The lead prosecutors on the case are from the Justice Department's Public Integrity Section in Washington, D.C., which handles public corruption cases.
- No one has been charged.

What's not known:

- Perhaps the biggest of the many unanswered questions is this: Who or what is being targeted?
- Authorities also won't say how many FBI agents or prosecutors are working on the investigation, when it began, when it might end or how they are proceeding.

FBI - Stevens-589

Kohring agreed to the search of his office, but the agents came prepared with a warrant that sought, among other things, any documents concerning relationships, correspondence, giving or receiving "things of value of any nature," or acts or failures to act that involved Veco executives Bill Allen, Richard Smith, Peter Leathard, Roger Chan, Veco itself, The Petroleum Club, pollster David Dittman, pollster Marc Hellenthal and Marlow.

"Cool. I made the list," Marlow joked. "What a crowd to be associated with."

The warrant also sought all correspondence between Kohring and the Alaska Department of Corrections. Ross said Kohring was questioned by the FBI about efforts to build a private prison in Whittier.

"He indicated it was a facility that Cornell was hoping to build in the past and that's apparently all they asked about that," Ross said. Cornell Cos. had teamed with Veco in the private prison endeavor, which ultimately died last year after the city of Whittier dropped its support.

Along with those of Kohring and Stevens, FBI agents searched offices of Sen. John Cowdery, R-Anchorage; Sen. Donny Olson, D-Nome; Rep. Pete Kott, R-Eagle River; and Rep. Bruce Weyhrauch, R-Juneau. Messages left for them were not returned. Kohring is the only one of the six still facing an election battle in November. Kott lost in the primary, Stevens and Weyhrauch aren't running again and the others aren't up this year.

Much of the wording on the Kohring search warrant is identical to the language on one provided by Olson's office the day after the search. Both are five pages long. In the warrants, agents sought documents concerning "any thing of value" provided by Allen, the Veco chief executive officer; Smith, a Veco vice president; or Veco itself to any public official. Agents were also looking for documents concerning the creation of a natural gas pipeline or the new petroleum production tax. They wanted financial documents related to the legislator, including bank records, wire transfers and credit card statements. They wanted to search computers, too. But where agents sought information on Marlow and the Department of Corrections from Kohring, they wanted documents on Olson Air Service including any payments or storage fees related to aircraft from Olson, a doctor who owns a flying service.

None of the other legislators provided warrants in response to requests from the Daily News.

Stevens' legislative office is the only one searched twice, according to the FBI. In a letter to the Daily News last month, the Anchorage Republican said he agreed to both searches but had been advised not to answer questions. He didn't provide the warrant, but his letter listed what was taken by the FBI.

Many of the items hauled away were seemingly innocuous public records such as presentations on the new petroleum profits tax and a copy of the state legislative handbook. But the materials also included letters from Stevens regarding the Alaska Fisheries Marketing Board, which he had headed since its creation by his father, U. S. Sen. Ted Stevens, until he resigned earlier this year. The board provided federal grants totaling between $5 million to $10 million a year to companies to promote Alaska seafood. At least three of the grant beneficiaries paid consulting fees to Ben Stevens.

The FBI also took "unknown documents" of Ted Stevens with a June 5 cover page and a Jan. 23 faxed letter to "T. Stevens."

Ted Stevens has repeatedly declined to comment and last month explained why in an e-mail sent through his spokesman.

"I understand the public's interest in the investigation. It has always been my practice to not comment on such matters to avoid even the appearance that I might influence the investigation. That is especially important in this case where records have been obtained from a number of legislators, including my son Ben. Therefore, I am withholding comment about this matter and will not discuss it," Stevens said in the Sept. 27 e-mail.

■ Daily News reporter Lisa Demer can be reached at ldemer@adn.com and 257-4390.

Continued from B-1

butions from Veco executives, and some others have said they are segregating the contributions, as Ruedrich said the party is doing.

FBI agents searched the offices of at least a half-dozen state lawmakers, Veco's corporate headquarters in the Frontier Building, and The Petroleum Club, among other locations, in a series of raids that began Aug. 31. No one has been charged in the investigation and federal authorities have refused to discuss it. The lead attorneys are with the Department of Justice's Public Integrity Section in Washington, D.C., which often handles government corruption cases.

■ Daily News reporter Don Hunter can be reached at dhunter@adn.com.

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ANCHORAGE DAILY NEWS

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(Mount Clipping in Space Below)

Kohring's work for developer criticized, defended

TAX BREAK: Legislator lobbied him on behalf of Marlow, borough mayor says.

By LISA DEMER
Anchorage Daily News

Last year, state Rep. Vic Kohring sat down with the mayor of the Fairbanks North Star Borough, Jim Whitaker, to talk about changing a state law to increase a tax break for an Anchorage-based developer.

Kohring, a Wasilla Republican, wasn't there to represent a constituent. He was on the payroll of the developer, Marc Marlow, for whom he had been working since November 2004.

To Whitaker, himself a former legislator, Kohring was acting like a lobbyist, not a lawmaker.

The Fairbanks borough had already approved a tax break for Marlow should he buy and renovate the Polaris Hotel, a boarded-up derelict building that is to Fairbanks what the old MacKay Building was to Anchorage.

But in the meeting in Whitaker's office on Nov. 3, Kohring wanted to see if the borough would agree to a change in state law to make the tax break even more beneficial to Marlow, according to Whitaker.

"As far as I could tell, he was functioning as a lobbyist, and lobbyists do that all the time," said Whitaker, who served alongside Kohring from 1999 to 2003 as part of the Republican majority in the state House. "I thought it was inappropriate."

The bill was eventually introduced in the Alaska Legislature by Fairbanks Rep. Jay Ramras, who said he was asked by Kohring to advance the legislation. Marlow said in an interview recently that he drafted

See Back Page, KOHRING

Kohring

Marlow

194A-AN-13620-Press

FBI - Stevens-591

KOHRING: *Part-time lawmaker says taking on other w*

Continued from A-1

the bill.

"I wrote the original language," Marlow said.

TWO-YEAR RELATIONSHIP

Kohring has worked on a half-dozen projects for Marlow since being hired by him in 2004. Several of the projects, including a proposed electrical generating plant in the Mat-Su, are subject to government approvals.

Now their relationship is coming under new scrutiny as part of an FBI investigation into legislators, influence peddling and the oil field service and construction company Veco Corp.

Kohring is one of six Alaska legislators whose offices were searched by the FBI on Aug. 31. Agents took a folder of information on Marlow along with other items, according to a copy of the receipt for property provided by Kohring's attorney.

No one has been charged with a crime. The FBI has said the investigation is continuing.

Kohring, 48, is a Republican seeking his seventh term representing the Wasilla area. He rode the wave of conservatism that swept through the Mat-Su Borough in the 1990s. He is among a handful of state lawmakers who have found work with companies that have business before the Legislature or state agencies. Kohring's business, Vic Kohring Enterprises, has one client, Marlow, according to required financial disclosures. Marlow paid him $38,100 last year and $5,400 in 2004. Kohring won't have to disclose his 2006 income until March, but he said in an e-mail that his pay from Marlow has dropped because he's taking time off for campaigning.

Kohring says he's abiding by all the ethics rules for legislators.

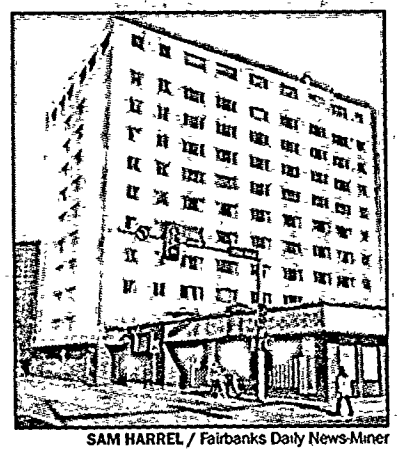
Outside employment is to be expected for part-time legislators, he wrote in one of several e-mails to the Daily News.

"I trust the voter's judgment to evaluate my activities and my constituents are the ultimate judge," Kohring wrote. "I firmly believe I have never compromised my obligations to them or the state because of my personal employment."

The alternative, he said, is either full-time legislators or "those who are rich or retired."

Kohring declined to sit for an interview and answer detailed questions about his relationship with Marlow.

Kohring, who had a drywall business until back surgery four years ago, says he's qualified for his job with Marlow regardless of his role as legislator. He has a master's degree in business administration from Alaska Pacific University and served stints as vice chairman of the board of the Alaska Housing Finance Corp. and chairman of the Wasilla Planning Commission.



SAM HARREL / Fairbanks Daily News-Miner

Rep. Vic Kohring sought a tax break on the Polaris building in Fairbanks.

Bills helping Marlow

State Rep. Vic Kohring has sponsored two bills that benefited developer Marc Marlow and, after he began working directly for Marlow, asked another legislator to sponsor a third. The bills are:

- **HB 389:** Sponsored by Kohring in 2002 to extend an existing state law allowing tax breaks to developers of deteriorated properties. Without the legislation, the opportunity for such tax breaks would have expired July 1, 2002. The bill passed, extending the tax breaks to 2006.
- **HB 97:** Sponsored by Kohring in 2003. Would have allowed Marlow to extend a lease of Alaska Railroad land on Government Hill from 55 to 75 years. Passed the House but stalled in the Senate.
- **HB 334:** Sponsored by Fairbanks Rep. Jay Ramras this year at the request of Kohring, who said he couldn't sponsor it himself because he was being paid by Marlow. Bill concerned tax breaks to developers of deteriorated properties. Marlow wanted to specify that deferred taxes only came due when the property sold. Bill passed, says that the taxes will be due as specified by the municipality. Also eliminated the expiration date.

'GOOD HORSE SENSE'

Marlow said he hired Kohring because of his "good horse sense," work ethic and contacts in the Valley from spending his adult life there — not because he's a legislator.

"There's not a lot of hand holding for him to get things done and analyze situations and figure out ways around roadblocks and that sort of thing," Marlow said. "The things I have him working on primarily are controlled by the state or a public utility."

Marlow, 49, has a knack for projects supported by tax breaks, grants and government-backed loans. The Oregon native came to Anchorage in 1983 as an electrical contractor. He soon branched out.

Marlow rescued the old MacKay building in downtown Anchorage after it had sat empty and ugly for nearly a quarter century and reopened it this year as a fashionable apartment house, McKinley Tower. A city property tax break, plus government loans and guarantees, made it possible. Over the past decade, he's developed a dozen low-income senior housing projects in Alaska with federal grants. He's a part owner of the old Knik Arm Power Plant on Ship Creek and plans to seek a property tax break once he firms up plans to get it running again.

Marlow said there's nothing wrong with hiring a legislator. He's known Kohring since about 1991, three years before Kohring was first elected to the House.

"The rules don't preclude it from happening, and the rules have been followed to the letter," Marlow said. "So if somebody has a problem with it, then they need to change the rules. They don't need to attack the people that are following the rules."

Marlow sounded offended that anyone would take issue with a lawmaker working for a developer and linked his situation to that of an oppressed minority.

"Some people don't like Muslims either or black people or homosexuals, but it doesn't make them right," Marlow said. Asked what that had to do with his situation with Kohring, Marlow said, "There's all kinds of different prejudices or people's different reasons for not liking one thing or another."

In 2002, a couple of years before he started working for Marlow, Kohring sponsored a bill to extend an existing state law allowing tax breaks to developers of deteriorated properties. Without the legislation, the opportunity for such tax breaks would have expired that July 1. The bill passed.

The next year, Kohring introduced a bill sought by Marlow to extend a lease for Alaska Railroad land on Government Hill from 55 to 75 years. The longer lease was necessary, Marlow testified, so a senior housing project proposed for the site would qualify for a government grant. The bill passed the House but stalled in a Senate committee.

In November 2004, Kohring started working for Marlow. He estimates he worked 800 hours last year [illegible] meetings, making phone calls, developing plans and conducting research on about a half-dozen projects.

In late 2005, Kohring called then-Anchorage municipal attorney Fred Boness on behalf of Marlow. At issue was an untried tax mechanism that Marlow hoped to use to pay for water and sewer lines on land in South Anchorage, around Minnesota Drive and C Street. Boness said he told Marlow the mechanism wouldn't work in Anchorage.

The concept, provided for in state law, is almost a "chicken and egg thing," said the municipality's chief fiscal officer, Jeff Sinz. A local government would issue revenue bonds to pay for improvements that are then repaid through higher taxes generated by the new development.

Asked what he wanted Kohring to accomplish for him, Marlow denied that the legislator ever worked for him on that project.

Kohring also said he didn't remember doing anything regarding any South Anchorage project.

But Boness said in an e-mail to the Daily News that Kohring contacted him for an explanation. He figured Kohring was making the kind of inquiry a legislator would typically make to find out why a law didn't work. Boness said he doesn't recall Kohring disclosing he was on Marlow's payroll.

On Dec. 29, Boness sent a detailed e-mail to Kohring explaining why the tax mechanism wouldn't work even though state law provided for it. Boness referred to Marlow three times in the e-mail. The short answer is that in Anchorage, property taxes are designated for specific services; police taxes shouldn't be used for sewer lines.

FOCUS ON POLARIS BUILDING

In Fairbanks, the tax break at issue was for the infamous Polaris building. The old hotel is Fairbanks' tallest building, but it's been empty for years, a boarded-up embarrassment across the street from the new courthouse.

Marlow doesn't own the Polaris but said he's looking to buy it — if the finances work out. He said his option has run out; talks continue.

The tax break approved by the Fairbanks borough in September 2005 exempted all but $10,000 a year in property taxes for 10 years and deferred normal property taxes for the five years after that.

Marlow thought he wouldn't have to pay the deferred taxes unless he sold the property. The borough expected the taxes when those five years were up, or when the property sold — whichever happened first.

In stepped Kohring, said Whitaker, the borough mayor. Kohring made [illegible] Whitaker said, [illegible] Kohring wanted to know whether the borough would agree with a change in state law to match Marlow's view. His answer, Whitaker said, was no — not if it meant the deferred taxes didn't come in as expected.

Kohring then approached Ramras, R-Fairbanks, and asked him to sponsor the legislation. The Polaris is in Ramras' district.

Why not just sponsor the bill yourself? Ramras recalled asking him.

He couldn't, because he had taken consulting fees from Marlow, Ramras said that Kohring told him.

"I further informed Jay that even though the rules would have allowed me to draft and file a bill, I had made a personal decision to limit my involvement with any legislation," Kohring wrote to the Daily News in an Oct. 15 e-mail.

Ramras said he was glad to sponsor the bill if it helped bring back to life the once glamorous hotel. He said he tried to keep his distance from Marlow and told him not to send a card, a campaign donation or anything else.

Fairbanks officials say the bill that passed doesn't provide as lucrative a tax break as Marlow wanted, allowing the taxes to be deferred until the building sells. Marlow insists it does. The final wording says the due date will be as specified by the municipality. The bill also eliminated the expiration date for the law.

On the House floor April 5 and again May 9, Kohring asked to be excused from voting on the measure because he worked for a developer who could benefit. He was directed to vote anyway, standard when conflicts are declared in the Legislature.

Just recently, Marlow said the legislation didn't even benefit him. On Oct. 9, Marlow battled talk radio host Dan Fagan over the issue. The exchange on KFQD went like this:

Marlow: "You said on the radio that I was going to have a direct benefit by the legislation, which is not true."

Fagan: "So that legislation did not in any way save you any money?"

Marlow: "Absolutely not one dime. All that legislation did is set up a situation in Fairbanks wherein the Polaris building could be renovated like the McKinley (the old MacKay) building was ..."

But as the 10-minute duel ran its course, Marlow admitted that he needed the legislation to even consider buying the building.

"You just made my point!" Fagan exclaimed.

■ Daily News reporter Lisa Demer can be reached at ldemer@adn.com and 257-4390.

FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) B-1
ANCHORAGE DAILY NEWS

Date: 10/30/2006
Edition: MONDAY

Title: RUNNING FOR OFFICE GOT TRICKY THIS YEAR

Character:
or
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Submitting Office: Anchorage

Indexing:

(Mount Clipping in Space Below)

Running for office got tricky this year

■ POLITICAL MINEFIELD: FBI investigation, ethics rules and gas pipeline cloud the horizon.

By MATT VOLZ
The Associated Press

JUNEAU — Facts are hard to come by in the ongoing federal investigation into corruption in Alaska politics, but it has still managed to change the political landscape in the campaign for the Nov. 7 election.

Candidates are wary about the sources of their donations. Ethics is now a staple issue in every campaign. And voters who otherwise may have dozed through another midterm election have perked up.

"There's a lot of people that took more notice because of this," said Chris Thomas, a 24-year-old state employee living in Juneau. "There are scandals all across the United States and then something hit home locally. It was like a surge to go out and at least vote."

At the end of August, just after the primary election, the offices of six Alaska legislators were raided by federal agents. One of the search warrants said investigators were looking for financial ties between the lawmakers and the oil field services company Veco Corp. Among the items agents were looking for: caps and clothing with the phrase "Corrupt Bastards Club."

No indictments have been handed down and no charges of wrongdoing have been levied against those legislators. FBI agents and Department of Justice officials have been silent on the investigation ever since the raids.

The Veco executives named in the warrant — chief executive Bill Allen, president Peter Leathard, executive vice president Roger Chan and vice president Rick Smith — are regularly among the top individual donors for Republican candidates.

Not this year. Candidates for governor and the Legislature have sworn off Veco money for fear of being touched by scandal. Several who had already taken money have returned it.

That has left something of a void in Republican Party coffers, but one that was

ELECTION: *Candidates campaigning carefully*

Continued from B-1

quickly filled by retirees and other oil industry service workers, state GOP chief Randy Ruedrich said.

"When people say, 'I'm not going to take a contribution or return a contribution,' it makes people more creative or resourceful in how they reach out to folks," Ruedrich said. "We have seen donors involved that have not necessarily been involved or very active in '02 and '04."

Ruedrich said the state Republican Party has not taken any Veco cash, either, but only because those executives have not donated.

"They have been neither indicted nor convicted, so it's totally inappropriate to characterize their funds in any way," Ruedrich said.

When it comes to the issues, the big topic of the election — a North Slope natural gas pipeline — had to make room for a sudden flood of ethics stances and proposals. Gubernatorial candidates Sarah Palin and Tony Knowles each proclaimed being "squeaky clean" and pledged action upon taking office.

Knowles says he will sign an executive order his first day "requiring all executive branch employees to follow the highest ethical standards" and to disclose potential conflicts. Palin said she is committed to making government more transparent and dispelling the atmosphere of distrust.

At the legislative level, Democratic lawmakers wagged their fingers at the Republican majority for stopping their revisions to state ethics laws for the past two years. Hopeful candidates have seized upon the issue in their campaign ads, such as Democrat Mike Doogan, a former newspaper columnist running for Anchorage House District 25 against Republican Thomas Lamb.

"Whether crimes were committed really isn't the point. Our lawmakers should be in the center of the ethical playing field, not skulking around the sidelines, or worse, completely out of bounds," Doogan says in one radio spot.

Independent gubernatorial candidate Andrew Halcro said he believes the biggest impact of the FBI raids is on a voting public already skeptical of state government from scandals past.

"The biggest impact on the public's perception is that government is broken," Halcro said.

But will that perception change how Alaskans vote on Nov. 7? If a sample of Juneau voters heading to the polls to cast absentee ballots is any indication, probably not.

Thomas, the 24-year-old state worker, is a registered Democrat. He said the ethics cloud gave him another reason to vote, but it didn't change how he was going to vote.

"For me, it was just a reconfirmation of everything I always knew about the people I don't want to vote for," Thomas said.

Joe Kyle and Larry Cotter, registered Republicans and executives with the Aleutian Pribilof Island Community Development Association, have kept up with the news reports but also said the news changed nothing for them at the polls.

Kyle, 57, said he would like to see more disclosure requirements of public officials. But the way he sees it, ethical foibles in politics are a part of human nature.

"I'm not looking for any great pieces of legislation to make people stop being human beings," Kyle said.

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.) B-1
ANCHORAGE DAILY NEWS

Date: 11/04/2006
Edition: SATURDAY

Title: DISTRICT 14 DRAWS STRONG CANDIDATES

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or
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Indexing:

194A-AN-13620-Press

District 14 draws strong candidates

■ **HOUSE:** Republicans dominate in Wasilla; Hurley has a stellar history.

By ZAZ HOLLANDER
Anchorage Daily News

WASILLA — State Rep. Vic Kohring is the only legislator up for re-election Tuesday whose office was among those searched in August by federal agents investigating potentially corrupt ties between lawmakers and oil field service company Veco.

That investigation also drew attention to Kohring's three-year job with Anchorage developer Marc Marlow, making him one of a handful of lawmakers fielding ethical questions about his work as a consultant.

The six-term legislator's challenger is a heroine of Alaska's Democratic Party, Katie Hurley, at 85 a senior stateswoman with a sterling reputation nicknamed the "Mother of Alaska's Constitution."

See Page B-2, **DISTRICT 14**

FBI - Stevens-595

FBI - Stevens-596

DISTRICT 14: *Despite Veco ties, Kohring has a good chance in Wasilla*

Continued from B-1

Yet Kohring is still viewed by many as a shoo-in.

"It's a foregone conclusion," said Anchorage pollster Ivan Moore, who isn't working for either candidate. "Obviously, Katie Hurley is an enormously credible candidate, but she's a Democrat in an extremely Republican district."

Registered Republicans in District 14 — encompassing much of greater Wasilla — outnumber Democrats by roughly 3 to 1. Nonpartisan and undeclared voters do outnumber the Republicans, but for Hurley to pull out a win she would need "landslide territory" of 65 percent of those non-party voters, according to Moore's math.

Pollster David Dittman — who donated $100 to Kohring's campaign but isn't working for him — agreed that the Republican will prevail. Kohring made his name as a small-government crusader with a reputation for dogged door-to-door campaigning.

And Alaska's FBI investigation lacks the smoking guns that have fueled national ethics scandals surrounding videotaped bribe taking or illicit text messages to underage pages, Dittman said.

Anyway, his polling for the Palin campaign over the summer revealed the proposed natural gas pipeline as the top issue for Alaska voters, followed by education and jobs, he said: "You know, ethics is pretty far down the list."

Nonetheless, there are a few who think Hurley might pull it off.

In early October, Anchorage pollster and researcher Jean Craciun predicted a possible win for Hurley, based on Kohring's role in the FBI investigation as well as the political bounce from a wave of moderate, female Wasilla voters turning out behind Sarah Palin in her bid for governor.

Kohring

Then, on Oct. 20, a small group of Hurley supporters led by Valley activist Michael Janecek and his wife, Gayle, formed a new special interest group, Citizens for Ethical Government and Against Vic Kohring.

Anchorage resident Vic Fischer, a former state senator who served in the Alaska Constitutional Convention, said he decided to join the anti-Kohring group to help Hurley because he thinks she can win. And because he wants Kohring out.

"I will try to put this as nice as I can," Fischer said. "I have not had much respect for Vic Kohring as legislator in terms of public policy issues and leadership. ... Katie has a chance and I think this is a time when ethics and corruption are issues before the public that need to be dealt with."

Asked in an earlier interview if the FBI investigation put him at a disadvantage, Kohring said, "I don't see that this is even a campaign issue."

He bristles when his job with Marlow is described as consulting. Kohring said he "provides business services" and defined consulting as "providing advice for somebody."

He said he earned $38,000 from Marlow last year, working about 800 hours on various projects, including a coal-fired plant for the Mat-Su at Point MacKenzie.

Visiting Fairbanks last year to help Marlow renovate the old Polaris building there, Kohring met with Fairbanks North Star Borough Mayor Jim Whitaker, who later said he assumed that he was meeting with a legislator, not a paid lobbyist.

In September, Mat-Su port director Marc Van Dongen also said he was under the impression Kohring was calling as a legislator during a brief telephone conversation about the power plant. Kohring was working for Marlow at the time, and later said he made that clear to Van Dongen.

In an interview last month, Hurley changed the subject when asked about the FBI investigation.

"I'm running a positive campaign," she said. "I'm just talking about myself and what I believe is good for the state. I hope the public can see the difference."

She did, however, have a comment about the Marlow relationship, saying, "I think it's a real conflict of interest. ... Everyone should insist that politicians fully disclose any kind of relationship they have with people who are looking for special legislation."

Hurley agreed to replace candidate Neal Lacy after he dropped out of the District 14 race in mid-August to take a job with the Alaska Department of Fish and Game.

Hurley served as chief clerk at the Alaska Constitutional Convention in the 1950s, was elected to one term in the House in the 1980s and served on a variety of boards including as president of the state school board for seven years.

Kohring cited as his proudest achievement a 1999 law that merged two state departments into the Department of Commerce and Economic Development.

Last session, he sponsored at least two bills that became law: One alloted $1.3 million to Arctic Power to push for oil drilling in the Arctic National Wildlife Refuge; the other extended the termination date for the State Board of Registration for Architects, Engineers, and Land Surveyors. Another, failed bill would have declared Feb. 6 Ronald Reagan Day.

Neither candidate supports preserving the gas line deal struck with oil and gas producers by Gov. Frank Murkowski, for different reasons. Kohring would rather see the private sector back the project; Hurley faults the governor's promise to lock in tax levels for 30 years.

Kohring supports construction of the Knik Arm Crossing and Ketchikan bridge project. Hurley opposes both.

Both candidates favor the reinstatement of state revenue sharing programs to lower property taxes.

Asked what legislation they would start work on upon arriving in Juneau, Hurley said she would draw up a bill to reinstate revenue sharing, confer with experts on the education funding formula, and strengthen ethics rules.

Kohring said he would focus on increasing the senior citizen property tax exemption.

As of the end of October, Hurley had raised nearly $30,000 since early September, much of it from more than 250 individual contributors and $2,000 from the Alaska Public Employees Association political action committee.

Kohring had raised nearly $75,000 since last year, including $6,000 from Veco executives and $3,000 from Alaska Physicians and Surgeons Inc., a political action committee.

■ Reporter Zaz Hollander can be reached at the Daily News Wasilla office at zhollander@adn.com or 1-907-352-6711.

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SECTION B
ALASKA
ANCHORAGE DAILY NEWS • www.adn.com
SATURDAY, NOVEMBER 4, 2006

GOLD WARS

Two companies are in a bloody battle for one of Alaska's top gold-mine prospects, with accusations of lies, deceit and unlawful behavior.

Today in Money, Page E-1

City beats auctioneer to 29 acres

■ MULDOON PROPERTY: Acreage at end of DeBarr Road cost $5 million.

By ROSEMARY SHINOHARA
Anchorage Daily News

The city successfully nabbed a strip of Muldoon land that had been owned by alleged drug smugglers, closing a deal to buy the property just before it was to go to auction last week.

As a result, the city now owns 29 acres southeast of where DeBarr Road meets Muldoon Road — a deep, narrow parcel including the old Alaska Greenhouse site.

Originally, the city wanted only the back 12 acres, for a park with sports fields. But just as the city was completing a deal to buy that portion last summer, the federal government moved in to seize the entire 29 acres as part of its drug-dealing investigation. Property owners Tom Cody and Joe Bryant were named in court papers as drug smugglers.

Recently, the U.S. Attorney's office agreed to let the city buy it for $5 million. The only thing was, it had to buy the whole 29 acres.

The Anchorage Assembly quickly approved an appropriation last month to buy it all. Some of the money was already on hand from a parks bond proposition. The city expects to eventually sell portions of the property it doesn't need, said city real estate director Robin Ward.

Having the whole 29 acres will allow the city to fill in a missing piece of DeBarr, extending the road east across Muldoon to Boston Street, Ward said. As part of the redevelopment, the city also wants to restore a section of Chester Creek that was moved years ago, to put it closer to its original alignment, she said. The creek will be shifted south.

The city will sell the land fronting Muldoon Road that is classified for commercial use, Ward said. A plan for the middle section, between the commercial frontage and the park, hasn't yet been made, she said.

"It's a key piece of property," Northeast Community Council president Peggy Robinson said of the 29 acres. "Overall, people are pleased" the city got it, she said.

Area residents think the city will be "a bit choosy" about who they sell the commercial property on Muldoon Road to, Robinson said.

"It's better for the city to have control over it than some developer who wants to put in site condos," said Robinson.

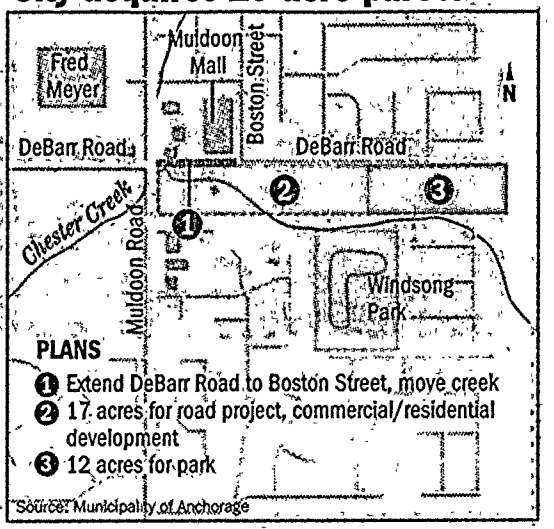
The city had to rush to buy the property before its original owner, Alaska Greenhouse Inc., the estate of Mann Leiser, foreclosed on it.

Cody and Bryant had been unable to make payments. Cody disappeared in 2005. His burned vehicle turned up in a remote part of the Valley. Bryant committed suicide in May 2006.

Documents filed in court after Bryant's death show that federal investigators believe Cody and Bryant were top figures in a multimillion-dollar drug ring that imported marijuana into Alaska.

■ Daily News reporter Rosemary Shinohara can be reached at rshinohara@adn.com or 257-4340.

City acquires 29-acre parcel



RON ENGSTROM / Anchorage Daily News

FD-350 (Rev 5-8-81)

(Mount Clipping in Space Below)

FBI targets corruption in politics

■ **A TOP PRIORITY:** A new director wouldn't balk at sting operations.

By GREG GORDON
McClatchy Newspapers

WASHINGTON — The new chief of the FBI's Criminal Division, which is swamped with public-corruption cases, says the bureau is ramping up its ability to catch crooked politicians and might run an undercover sting on Congress.

Assistant FBI Director James Burrus called the bureau's public-corruption program "a sleeping giant that we've awoken" and predicted that the nation will see continued emphasis in that area "for many, many, many years to come."

So much evidence of wrongdoing is surfacing in the nation's capital that Burrus recently committed to adding a fourth 15- to 20-member public-corruption squad to the FBI's Washington field office.

In the past year, former Republican Reps. Duke Cunningham and Bob Ney have pleaded guilty to corruption charges. FBI agents are investigating about a dozen other members of Congress, including up to three senators. Dozens of agents are actively engaged in a massive investigation of illegal influence in the Alaska Legislature.

If conditions warrant, Burrus said, he wouldn't balk at urging an undercover sting like the famed Abscam operation in the late 1970s in which a U.S. senator and six House members agreed on camera to take bribes from FBI agents posing as Arab sheikhs.

"We look for those opportunities a lot," Burrus said, using words rarely heard at the bureau over the last quarter-century. "I would do it on Capitol Hill. I would do it in any state legislature. ... If we could do an undercover operation, and it would

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

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or
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Submitting Office: Anchorage

Indexing:

FBI - Stevens-598

Continued from A-1

get me better evidence, I'd do it in a second."

Philip Heymann, who oversaw the Abscam investigation as chief of the Justice Department's Criminal Division during the Carter administration, expressed surprise to learn of the FBI's willingness to attempt another congressional sting after the outcry from Capitol Hill over Abscam.

"It shows courage at the FBI," said Heymann, now a criminal law professor at Harvard University. He said he concluded, after watching a recent public television documentary and listening to experts, that "there is more corruption (on Capitol Hill) than I ever thought imaginable" and that a single FBI sting "might result in very large numbers of prosecutions."

But even without an undercover operation, Heymann and other observers say they have been pleased with the GOP-controlled Justice Department's willingness to pursue old-fashioned investigations, even if they hurt congressional Republicans in Tuesday's elections.

Nationally over the last year, 600 agents worked 2,200 public-corruption cases, resulting in 650 arrests, 1,000 indictments and 800 convictions, Burrus said.

FBI Director Robert Mueller, who listed public corruption as his top criminal investigative priority when he shifted the FBI's focus to terrorism in 2002, said last month that the surge in convictions "sends the message that public corruption will not be tolerated." Despite the realignment, the number of agents working on public corruption has remained constant.

Burrus argued that the FBI is "uniquely qualified" to handle such cases, pointing to the bureau's political independence, exemplified by Mueller's 10-year term. Burrus said that Alice Fisher, the politically appointed chief of the Justice Department's Criminal Division with whom he confers weekly, also has "an aggressive attitude" about pursuing public officials.

"Operation Rainmaker," the FBI's broad investigation of a Washington lobbying ring, has already led to a handful of convictions, including Ney's guilty plea last month. The inquiry was one reason for the resignation last year of House Majority Leader Tom DeLay, R-Texas, who also faces state campaign finance charges. Other investigations seem to be sprouting everywhere.

But Reid Weingarten, a former Abscam prosecutor who now is a high-profile Washington criminal defense lawyer, said he would bet that the flurry of congressional cases has resulted from evidence "falling in their (investigators') laps" rather than a programmed FBI hunt for corruption.

The FBI does appear to be stepping up its use of electronic surveillance and has conducted stings of state politicians. Bureau agents secretly taped Rep. William Jefferson, D-La., before finding $90,000 in his freezer during a raid last May. Cell phones were wiretapped for four months in an investigation of Rep. Curt Weldon, R-Pa., government sources say.

In "Operation Tennessee Waltz," 10 Tennessee state officials, including five current and former legislators, have been prosecuted in a scheme in which hidden cameras whirred as FBI undercover agents offered payoffs in return for help for a dummy company. Burrus said some targeted Tennessee legislators were moving so quickly that "we were actually having to discuss how we were going to slow it down" so that bills aiding the phony firm didn't become law.

A separate undercover inquiry led to the indictment of three members of San Diego's city council.

In Alaska, the FBI has more than doubled its manpower in a massive investigation of illegal influence in the Alaska Legislature by the international oilfield service company Veco and other businesses. On Aug. 31 and Sept. 1, the FBI conducted two dozen raids and searched the office of state Sen. Ben Stevens, son of U.S. Sen. Ted Stevens, R-Alaska. No charges have been filed, but the FBI has said the investigation continues.

Burrus

Burrus declined to discuss any investigation but said the FBI will focus on more state capitals over the next year "because we have seen a trend in cases that leads us to believe there's more out there."

When he arrived as deputy chief of the criminal division in 2004, he said, field offices frequently told him they had "no idea" how to pursue public-corruption leads. Since then, he said, agents in about 30 of the bureau's 56 field offices have been trained. FBI agents in Washington have studied congressional activities that might invite bribes, such as hard-to-trace "earmarks," in which members appropriate money for pet projects and often keep their involvement off the public record.

"Public-corruption cases have to be fished out," he said, noting that crooked politicians tend to do secret deals with one other person and often try to disguise their actions as "for the public's good."

Controversial new legal theories are also helping prosecutors bring cases in which they can't prove outright briberies. A vaguely written, 28-word 1988 law, for example, makes it a fraud for a politician to deprive taxpayers of his "honest services." It was among the charges lodged against Cunningham, Ney, former lobbyist Jack Abramoff and the San Diego councilmen.

Burrus said the FBI has to prove "that this person engaged in the activities specifically to receive this stream of benefits and knew that stream of benefits would stop if he did not support these particular projects."

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(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.) B-3
ANCHORAGE DAILY NEWS

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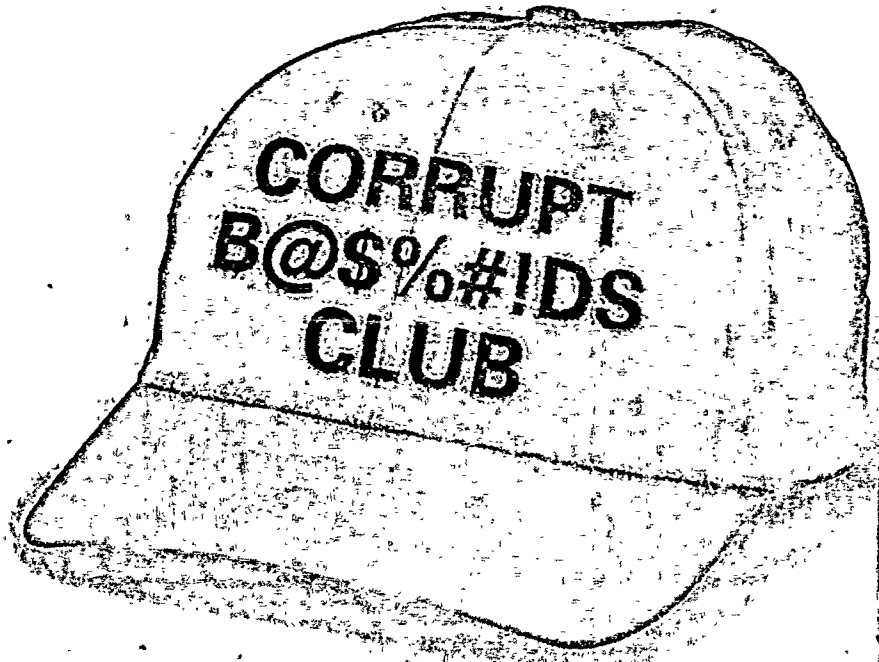
FBI - Stevens-601

When the FBI shows up,



it's no longer funny.

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- **VECO & The FBI.** This election the Republican Party took, and kept, $25,000 from VECO executives named in this summer's FBI search warrants.

- **Ethics Reform: The Republicans Stopped It.** Last year Democrats pushed, and Republicans stopped, needed reforms to stop legislators from taking questionable "consulting" fees.

- **Republicans Voted With Murkowski** to break the promise of the Longevity Bonus, to allow lobbyists to give more money to legislators, and to roll back public campaign finance reform and fair pay initiatives. Democrats stood up to Murkowski.

- **Billions In Giveaways To Exxon.** Republicans Allowed, and Democrats voted to stop, billions in "net" oil tax giveaways to Exxon & BP.

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194A-AN-13620-Press

FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) B-1
ANCHORAGE DAILY NEWS

Date: 11/08/2006
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or
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(Mount Clipping in Space Below)

Kohring, Valley incumbents winners

ISSUE: FBI raid on his and other legislators' offices fail to tarnish voters' support.

By ZAZ HOLLANDER
Anchorage Daily News

WASILLA — It was good to be a Valley Republican Tuesday night.

Unofficial results at 11 p.m., about the time Wasilla's Sarah Palin declared herself governor, showed that every Mat-Su legislative incumbent is headed back to Juneau.

In the Valley's most closely watched legislative race, Rep. Vic Kohring easily defeated Democratic challenger Katie Hurley, the 85-year-old former legislator thought by some to be capable of beating the incumbent in state House District 14, a Republican stronghold that takes in greater Wasilla.

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Kohring drew roughly 60 percent of the votes counted with all seven precincts in, according to preliminary results.

Federal agents looking for potentially corrupt links to oil field services company Veco, as well as developer Marc Marlow, searched a number of legislators' offices, including Kohring's, in late August. Of six lawmakers searched Aug. 31, only Kohring sought re-election. Kohring also works for Marlow.

-SU
US

Asked to come in as Kohring's challenger in late August after the original candidate stepped down for a state job, Hurley quickly raised nearly $30,000, largely in small donations from more than 250 contributors.

Starr Bynum, preparing to "drag" her husband out of their busy Wasilla auto repair shop to vote Tuesday evening, planned to vote for Kohring. She

See Page B-2, MAT-SU

194A-AN-13620-Press

FBI - Stevens-603

MAT-SU: *Voter says investigation not proof of any guilt*

Continued from B-1

didn't know that much about Hurley, Bynum said.

And she did consider the FBI investigation but wasn't swayed.

"I never heard that he was actually convicted," she said. "You're going to have to prove to me that he was guilty before I say he was."

Kohring was unavailable for comment Tuesday night.

In an e-mail, he said he planned to campaign until polls closed at 8 p.m., "go to bed early," and rise at 4 a.m. today to wave a "thank you" sign along the Glenn Highway, regardless of the election results.

Only one legislative race was even marginally close. First-term incumbent Mark Neuman bested independent challenger Myrl "Boone" Thompson with 58 percent of the vote in House District 15, which ranges from Point MacKenzie to Petersville. All nine precincts were accounted for in unofficial results.

Neuman, a former woodworker from Big Lake, won his first term as a political newcomer in 2004 when he defeated former Rep. Beverly Masek and Thompson. But this season, the incumbent weathered challenges from citizen activist Thompson — who spent the legislative session in Juneau serving as a self-appointed watchdog — that he had become an oil industry puppet.

In other races, Sen. Charlie Huggins won an easy victory over independent challenger Jay Cross in state Senate District H, which runs from Cantwell to Birchwood.

Huggins was appointed in 2004 by Gov. Frank Murkowski to fill the seat held by former Sen. Scott Ogan, who resigned. Cross, a political newcomer, said he had decided to run over frustration with the previous Legislature's failure to pass a fiscal plan. He criticized Republican Party ties to Veco.

Huggins, a retired U.S. Army colonel, said he returned $3,000 in Veco contributions a few days after the investigation came to light.

In House District 16, which stretches from Chugiak to the outskirts of Palmer, Rep. Bill Stoltze defeated Patricia Chesbro, his Democratic opponent, on his way to a third term.

Rep. Carl Gatto also easily beat Democrat Jim Wardman for his third term serving House District 13, which includes Hatcher Pass and Palmer.

■ Reporter Zaz Hollander can be reached at the Daily News Wasilla office at zhollander@adn.com or 352-6711.

FD-350 (Rev. 5-8-81)

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

(Mount Clipping in Space Below)

Date: 11/15/2006
Edition: WEDNESDAY

Title: DOORS OPEN FOR JUNEAU SPECIAL SESSION

Character:
or
Classification: 194A-AN-13620-M -305
Submitting Office: Anchorage

Indexing:

11/15/06

DOORS OPEN FOR JUNEAU SPECIAL SESSION

Rep. Lesil McGuire, R-Anchorage, and her husband, Rep. Tom Anderson, R-Anchorage, enter a car Tuesday after leaving the Capitol in Juneau. After an early winter storm kept many lawmakers from arriving in the state capital, the legislative special session began late Tuesday night, a day later than planned.

BRIAN WALLACE / Juneau Empire via The Associated Press

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

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

Date: 12/08/2006
Edition: FRIDAY

Title: FEDERAL AGENTS ARREST ANDERSON

Character:
or
Classification: 194A-AN-13620-M -306
Submitting Office: Anchorage

Indexing:

Federal agents arrest Anderson

Daily News staff

Federal authorities arrested state Rep. Tom Anderson on Thursday afternoon on "public corruption" charges, the FBI said. Anderson was still in custody at the Anchorage Jail on Thursday night.

FBI spokesman Eric Gonzalez said further details would be available from the Department of Justice today.

Gonzalez would say only that there was a federal warrant for the arrest "in connection with a public corruption probe."

Anderson, who was elected to the state House four years ago to represent Muldoon but did not seek re-election in November, kept up his consulting business as an adviser for clients who do business with state and local government. He is married to state Rep. Lesil McGuire, R-Anchorage, who was elected to the state Senate in November.

Anderson

Federal agents swarmed legislative offices around the state at the end of August, seeking information on legislators' links to oil services and construction company Veco. The FBI made no arrests at that time.

Check www.adn.com for updates.

FBI - Stevens-606

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

'Sorry' raises whiff of bribes

■ LOBBYIST: Apology to city leaders by Bill Bobrick is called a link to the Anderson scandal.

By KYLE HOPKINS and LISA DEMER
Anchorage Daily News

Bill Bobrick, the lobbyist who set up a company that federal prosecutors say was used to funnel bribes to indicted state Rep. Tom Anderson, called Mayor Mark Begich and several members of the Assembly over the weekend.

His message: I'm sorry.

"He wanted to apologize for the mistake he's made and he knows he needs to deal with it," Begich said Monday.

The mayor, who considers Bobrick a friend and served as best man at Bobrick's 1998 wedding, said that he was disappointed in the longtime lobbyist and that Bobrick should work with the FBI.

194A-AN-13620-Press

See Back Page, BOBRICK

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

Date: 12/12/2006
Edition: TUESDAY

Title: 'SORRY' RAISES WHIFF OF BRIBES

Character:
or
Classification: 194A-AN-13620-M - 307
Submitting Office: Anchorage

Indexing:

FBI - Stevens-607

BOBRICK: *Mayor Begich says highly active city lobbyist made big mistake*

Continued from A-1

"If he has to serve time, then that's the way life goes," Begich said.

For years, Bill Bobrick has been one of the city's top lobbyists — hired by local companies to serve their interests before the local government — and a fixture at Assembly meetings. He also fits the description of an unnamed co-conspirator in the indictment that sent Anderson to jail for a night last week.

When Bobrick left an apologetic message on Assemblyman Dan Coffey's cell phone, Coffey said it confirmed for him that Bobrick is indeed the same person accused of accepting bribe money from a secret FBI source and funneling cash to Anderson.

"He said he was sorry that he'd done what he'd done, and he said he was sorry that he'd hurt his community," Coffey said.

Bobrick hasn't been charged with any crime. He did not return phone messages Monday.

Several members of the Assembly interviewed Monday — including two Bobrick didn't talk to, Ken Stout and Paul Bauer — said they hadn't personally seen Bobrick break any ethics rules during his frequent dealings with city government. Some had a lot of good things to say about Bobrick.

FBI agents arrested Anderson on Thursday afternoon on conspiracy, money laundering, bribery and other charges.

He pleaded not guilty Friday, was released from jail, and made a brief appearance in federal court Monday afternoon for a status hearing on who will represent him. Anchorage lawyer Jeffrey Feldman, who has been appearing in court for Anderson, said he won't be able to handle the case because of "back-to-back trials" in other cases in March and April. He also is representing BP in the complex, ongoing federal investigation into pipeline corrosion on the North Slope.

Anderson's trial is tentatively set to begin Feb. 12.

Also, Anderson has decided not to take a planned vacation to Mexico because of his need to find a lawyer and start his legal defense, Feldman said after the hearing. Magistrate Judge John D. Roberts earlier had given Anderson permission to go.

The 18-page indictment against Anderson doesn't name the lobbyist he's accused of working with, but does describe that person as someone who set up a shell company called Pacific Publishing on or around Aug. 2, 2004.

According to state Commerce Department records, Bobrick is listed as the owner of Pacific Publishing on a now-expired business license issued Aug. 2, 2004. In a September interview for a story about Anderson and his consulting income outside of the Legislature, Bobrick told the Daily News he had created the company.

The indictment also describes the anonymous lobbyist as someone who had a consulting contract with an unnamed corrections company that Anderson is accused of helping in exchange for money.

Bobrick registered with the city in 2004 as a lobbyist for Cornell Companies, which had been working to open a facility for juvenile offenders in Anchorage and also to build a private prison in the state.

Federal prosecutors have emphasized that the corrections company was not implicated in the case.

Assembly members said Bobrick didn't get specific in his apologies. He didn't talk about Anderson, or what exactly he did or didn't do, they said.

Assemblywomen Pamela Jennings and Anna Fairclough said Bobrick told them he was sorry if he made the Assembly or the city look bad.

"He actually said 'I've done something wrong and I'm going to have to pay for it,' Jennings said.

Assemblyman Paul Bauer — who said Bobrick campaigned against him when he ran for office — said he thinks Bobrick's potential ties to the Anderson case raise questions about his lobbying work before the city.

Begich said Bobrick made a big mistake, but that "from all indications, there's nothing connected to the city in a negative way."

Bobrick was executive director of the Alaska Democratic Party in the 1980s. He later became a registered lobbyist in Anchorage and has said he represented only clients who had city business.

Bobrick is currently registered as lobbyist for 11 different companies and entities doing business before the city, far more than any other individual. Among them: JL Properties, Carr-Gottstein Properties, developer Marc Marlow, Alaska Interstate Construction, Eklutna Inc., and the firefighters union. He earlier lobbied for Wal-Mart.

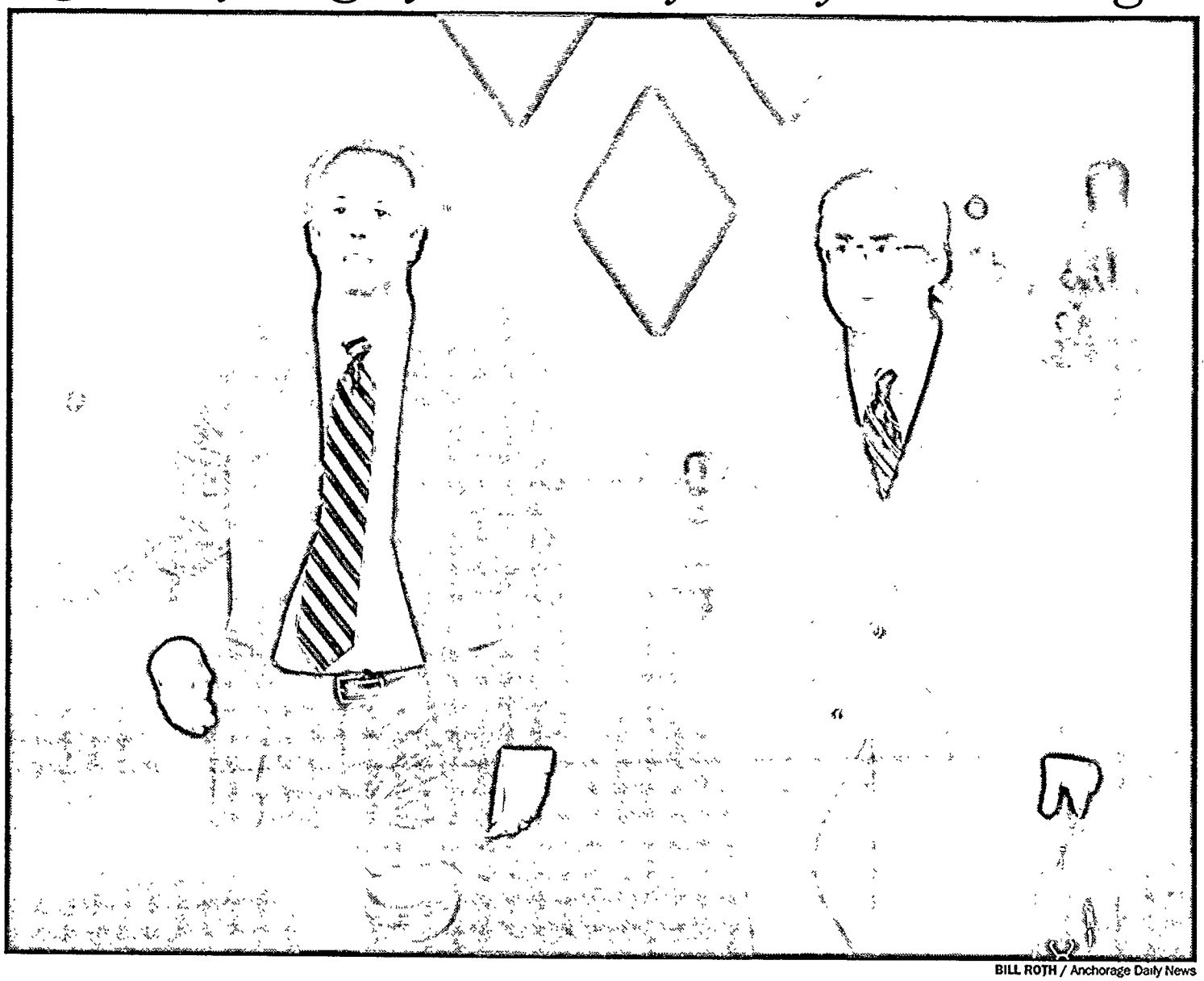
Long before Anderson's arrest, Bobrick had been telling people he wanted to move away from his lobbying business.

Coffey said that he'd been planning to meet with Bobrick and the advertising/public relations firm Lottsfeldt Smith last Tuesday — until Coffey had a heart attack and was hospitalized. Coffey said he later learned that meeting was to talk about Bobrick's lobbying clients transferring to the other company.

Coffey said Bobrick visited him in the hospital and talked about getting out of lobbying for health reasons.

Curtis Smith, a partner at Lottsfeldt Smith, said Friday that Bobrick told him something similar weeks before.

"He said lobbying was simply too stressful."



BILL ROTH / Anchorage Daily News

Rep. Tom Anderson and attorney Jeff Feldman walk through the Federal Building on their way to a court hearing Monday. FBI agents arrested Anderson on Thursday afternoon on conspiracy, money laundering, bribery and other charges. He pleaded not guilty Friday and has decided not to take a planned vacation to Mexico because of his need to find a lawyer and start his legal defense.

adn.com

■ **INVESTIGATION:** For previous stories on the FBI corruption investigation and Anderson indictment, go to **www.adn.com/news/politics/FBI**

■ **BLOG:** For updates or to express yourself, click on **www.adn.com/alaskapolitics**

■ Contact Daily News reporter Kyle Hopkins at khopkins@adn.com. Contact reporter Lisa Demer at ldemer@adn.com. Read our politics blog at adn.com/alaskapolitics.

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

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

Date: 12/19/2006
Edition: TUESDAY

Title: FROM SMALL POTATOES TO BIG ONES, LET'S HOPE FOR NEW ETHICS LEGISLATION

Character:
or
Classification: 194A-AN-13620-M -308
Submitting Office: Anchorage

Indexing:

12/19/06

From small potatoes to big ones, let's hope for new ethics legislation

Rep. Tom "Small Potatoes" Anderson should be taking a lesson from Sen. Ben "300 Clams" Stevens on how to shoot for the real big bread. Stevens received $775,000 for five years of consulting, and Alaska Public Offices Commission hit him with only a $300 fine for not disclosing his two-year chairmanship on the Alaska Fisheries Marketing Board.

I sincerely hope the new alliance in Juneau gets some ethics reform legislation happening when they get together in January. We the voting public would like to be informed about how our public officials are making this vast amount of money as consultants. And while they're at it, would they give APOC some teeth too?

—B. MacMillan
Anchorage

194A-AN-13620-Press

FBI - Stevens-609

FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) B-1
ANCHORAGE DAILY NEWS

(Mount Clipping in Space Below)

Date: 12/19/2006
Edition: TUESDAY

Title: ANDERSON TAPS STOCKLER TO HANDLE HIS DEFENSE

Character:
or
Classification: 194A-AN-13620-M -309
Submitting Office: Anchorage

Indexing:

12/19/06 ADN

Anderson taps Stockler to handle his defense

■ **SCHEDULING:** Jeff Feldman was too busy to take the case.

By LISA DEMER
Anchorage Daily News

State Rep. Tom Anderson, facing seven federal felony charges including allegations of extortion, money laundering and bribery, is replacing one high-profile defense lawyer with another.

Anchorage attorney and restaurateur Paul Stockler entered an appearance in the case on Friday, and the arrangement was confirmed at a brief federal court hearing Monday.

He is a former state prosecutor who was a key part of the team that successfully defended Rob Kane and Security Aviation on federal weapons charges earlier this year. He usually handles complicated civil litigation, he said.

Stockler

Anderson originally had hoped to be represented by another prominent Anchorage attorney, Jeff Feldman. But Feldman is representing BP in an investigation into pipeline corrosion and has trials in civil cases coming up next year. He couldn't handle this as well, he earlier told the judge.

Anderson was indicted Dec. 6. He is so far the only person to face charges in an ongoing FBI probe into allegations of corrup-

See Page B-3, ANDERSON

194A-AN-13620-PRESS

FBI - Stevens-610

ANDERSON: *Trial*

Continued from B-1

tion involving Alaska legislators.

Anderson, whose term in office ends in mid-January, is accused of working with a lobbyist to set up a sham company. Payments were funneled through that shell, Pacific Publishing, to Anderson in exchange for helping a private corrections company with efforts to build a private prison in Alaska and operate an adolescent treatment center in Anchorage, according to the charges.

Those efforts failed. The corrections company, which was unnamed in the indictment but appears to be Cornell Companies, was reportedly unaware of the scheme, which was set up through an undercover informant.

Anderson's trial is scheduled to begin Feb. 12. Whether that date will stick is unclear. Anderson wants to go to trial, but Stockler said Monday he has just gotten the case and hasn't seen the government's evidence yet.

He spoke by cell phone from Houston, Texas, where he was representing an Alaska contractor in mediation of a multimillion-dollar lawsuit.

"I need to get home this week and read what the government has," Stockler said.

■ Daily News reporter Lisa Demer can be reached at ldemer@adn.com and 257-4390.

FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) B-8
ANCHORAGE DAILY NEWS

(Mount Clipping in Space Below)

Date: 12/20/2006
Edition: WEDNESDAY

Title: WAIT! ANDERSON MAY NEED A JET RIDE

Character:
or
Classification: 194A-AN-13620-M -310
Submitting Office: Anchorage

Indexing:

Wait! Anderson may need a jet ride

Perhaps Gov. Sarah Palin should wait to sell former Gov. Frank Murkowski's prisoner transport jet until we know whether Rep. Tom Anderson needs a ride.

— David Miller
Juneau

194A-AN-13620-A

FBI - Stevens-612

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

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

Date: 12/25/2006
Edition: MONDAY

Title: WE WISH YOU GOOD TIDINGS AT CHRISTMAS

Character:
or
Classification: 194A-AN-13620-M -311
Submitting Office: Anchorage

Indexing: FBI - Stevens-613

We wish you good tidings at Christmas

12/25/06

By BILL J. ALLEN

Once again, I am privileged on this special day to extend to all of our readers our warm wishes for a wonderful Christmas and our most sincere hopes that your New Year will be filled with good health, happiness and prosperity.

We remain grateful to each of you who has made The Voice of The Times part of your regular newspaper reading routine, and we are pleased as always to express our thanks to the men and women of the Anchorage Daily News who make it possible for this daily editorial page to continue.

Allen

It has been 14 1/2 years since the old Anchorage Times ceased publication. Yet its voice — a conservative view of issues that face our city, state and nation — has been preserved by this unique arrangement with the publishers of what now is Alaska's largest newspaper.

We believe most readers consider this a rare journalistic treat, something that — despite occasional flashes of antagonism between competing forces — has helped enrich and enliven the public's understanding of the headlines of the day.

In one respect this has been a difficult year for me, personally, as the result of a federal investigation involving political campaign contributions to members of the Alaska Legislature. Hopefully those issues will be resolved in the new year.

As most of you know, I am not only the publisher of The Voice of the Times, but also am chairman of VECO Corp., one of Alaska's largest and most successful engineering, construction and project management companies.

We employ thousands of wonderful and talented men and women in Alaska and in many places the world over. As a corporation, we have donated millions of dollars to worthy charitable causes, and individually our people in every part of our business likewise have been generous givers to hundreds of agencies and activities that help make Anchorage and Alaska a better place to live.

We will continue to do so in the year that is about to unfold. We also look forward to continuing our commitment to readers who look to us to express a different viewpoint on the issues of the day.

There certainly will be no shortage of compelling topics on the 2007 agenda.

Gov. Sarah Palin has brought to Juneau a new energy and her enthusiasm assures that Alaska will be moving ahead at full speed. We wish her well. Her success will mean success for all Alaskans. We may disagree with some of her strategies and policies as time goes on, but we will do so with respect for her and her office — and in the hope that our view, along with that of all Alaskans, will assist her overall goal to do great things for this state.

But Alaska is not all about politics or political leaders. Mostly, it is about people — ordinary folks who are here because they love the beauty and the opportunities that abound in this state.

People like you and people like me. We're Alaskans, all.

And on behalf of those who each day bring to you The Voice of The Times, I extend the warmest of wishes for a wonderful Christmas. May your day be filled with love and joy. And may the New Year bring fulfillment of your dreams.

Bill J. Allen is publisher of The Voice of The Times and chairman of VECO Corp.

194A-AN-13620-Pieces

The Anchorage Times

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Delay sought in legislator's bribery trial

ANDERSON: Defense says it needs time to review 20 CDs of FBI data.

By LISA DEMER
Anchorage Daily News
Published: January 9, 2007
Last Modified: January 9, 2007 at 10:34 AM

Indicted state legislator Tom Anderson wants to delay the start of his trial so his lawyer can better prepare.

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In a court motion filed Friday, Anderson's attorney, Paul Stockler, wrote that he is still working his way through 20 discs "which contain hours of audio and video recordings involving the defendant taken over an extended period of time."

The trial is now scheduled for Feb. 12, and Stockler said he wants to delay it until April 23.

The three-page motion provides the first mention of video recordings in the FBI corruption investigation of Anderson and other legislators. Anderson was indicted by a federal grand jury in December on seven felony counts including money laundering, extortion and bribery.

The indictment contains a number of references to recorded conversations between Anderson and two others: a local-government lobbyist for a private corrections company and a confidential source who had worked for the same company. The indictment doesn't specify whether any of the recordings were on video.

The indictment describes a conspiracy that began in July 2004 in which the lobbyist set up a shell company that existed to launder money to Anderson. The FBI gave money to the informant, who passed it on to Anderson and the lobbyist in exchange for Anderson pushing the interests of the corrections company. Anderson received less than $13,000, according to the indictment.

Anderson has pleaded not guilty to all the charges.

No one else has been charged in the multi-pronged investigation into corruption involving Alaska legislators, and federal officials will say only that the probe continues.

Federal agents executed search warrants in August for numerous sites around Alaska, including the offices of six legislators. According to two of the warrants, the FBI was seeking information on Veco, the oil services and construction company, including "anything of value" provided by Veco and two top executives to any public official. The FBI also has issued subpoenas to commercial fishing interests, including some based in Seattle, for records related to retiring Senate President Ben Stevens, son of U.S. Sen. Ted Stevens. Ben Stevens has been paid to work as a fishing industry consultant.

FBI - Stevens-614

Stockler said he's listening to or watching the Anderson recordings himself because it's important to hear the speaker's tone. The government didn't provide a transcript and every hour of a recording takes two to eight hours "to decipher exactly what was said," Stockler's motion said.

He wouldn't describe the recordings or what is depicted on the videos.

194A-AN-13620-M-312

had estimated a week, his motion said.

Assistant federal prosecutor Joe Bottini didn't return a call on Monday but earlier said the government didn't oppose delaying the trial though wanted an earlier date in April than Stockler.

Anderson was elected to the state House in 2002 from East Anchorage but last year decided not to run again. He remains in office until Jan. 16 when new legislators are sworn in. He is married to Sen.-elect Lesil McGuire, who served three terms as a state representative.

Anderson worked as a consultant when he was a legislator, and one of his biggest clients was Veco. After last year's regular legislative session, he registered as a municipal lobbyist in Anchorage. He hasn't registered for 2007.

Anderson also was hired last year as executive director of the new Midtown Improvement District. But after Anderson was indicted, the organization's board and Anderson agreed he should step down, said Tom McGrath, interim board chairman and owner of electronic parts store Frigid North.

FBI - Stevens-615

Anderson's trial rescheduled for April 9; lawyer is reviewing tapes

Published: January 11, 2007
Last Modified: January 11, 2007 at 02:33 AM

ANCHORAGE -- The trial of indicted state legislator Tom Anderson on bribery, money laundering and extortion charges has been rescheduled for April 9.

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U.S. District Judge John Sedwick this week set the new date so that Anderson's defense attorney has time to prepare for the trial. Defense lawyer Paul Stockler said he's listening to and watching 20 discs containing many hours of audio and video involving Anderson.

Stockler wanted the trial to be pushed back to later in April because he has a state court case set for trial at the start of that month. But Sedwick wrote in his order that he wasn't available then. If there's a conflict as Anderson's new trial date nears, he can ask to delay his trial further, the judge said.

-- Anchorage Daily News

FBI - Stevens-616

M-313
194A-AN-13620-~~PROCESS~~

FBI raids help set agenda in Juneau

LEGISLATURE: Ethics, pipeline, education are top issues this session.

By SABRA AYERS
Anchorage Daily News
Published: January 14, 2007
Last Modified: January 14, 2007 at 04:04 AM

JUNEAU -- An unfinished gas pipeline deal, rising health care and education costs, and a bipartisan call for revising the legislative ethics laws -- Alaska's lawmakers return to the capital this week to begin tackling these and other issues in a four-month session that starts Tuesday.

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The session gets under way after a year of political change in which Alaska saw the election of its first female governor and Democrats gained powerful Senate committee seats after being in the minority since 1984.

A political scandal, which erupted in August when the FBI raided six lawmakers' offices in an investigation into alleged government graft, has brought curbing corruption to the forefront of both voters' and legislators' minds.

How much the shadow of the FBI raids will hover over this year's legislative session remains to be seen, lawmakers said. Rumors of more indictments to come are swirling around the capital after the December indictment of one lawmaker, Tom Anderson, a Republican representative from Anchorage whose term in office ends Tuesday.

"The black cloud is definitely going to be difficult for some people," said Sen. Kim Elton, a Democrat from Juneau. "The most distressing part is now it has become easy for people to assume everything we do is tainted."

The scandal has placed ethics reform at the top of the list in both chambers of the government. Legislators from both sides of the aisle have filed ethics-reform bills.

The governor's office has said it will also submit a proposal.

"People understand what the concerns are, but the best solution has yet to be hammered out," said Sen. Gene Therriault, a Republican from North Pole and the Senate minority leader.

Lawmakers begin the session at a time when the state is flush with cash, thanks to high oil prices and a new oil tax. That's good news for those pushing for spending in education and beefing up the under-funded state pension system.

FBI - Stevens-617

But Gov. Sarah Palin has asked for spending restraint, and additions to state savings accounts, saying being prudent is the best way for Alaska to safeguard for the future. Palin has asked her Cabinet members to trim her proposed $3.7 billion budget for state operations by $150 million.

"It's going to be tough, there's no doubt about it," said incoming Senate President Lyda Green, a Republican from Wasilla. Green is heading a 15-member bipartisan coalition, a setup that will see Republicans on both sides of the aisle.

194A-AN-13620-M-314

Securing a gas pipeline deal is expected to become a main focus in both the governor's office and with lawmakers, but it's unclear how much progress will happen. The Palin administration is working on a bill it promises will "jump start" a deal on state tax terms if a developer takes on the pipeline. Palin has said she wants to "bring transparency to a competitive process" when negotiating contract proposals.

Lawmakers said they hope to be kept in the loop on the governor's progress, but agree that her administration will need time to thoroughly figure out the best deal for Alaska.

"No one is expecting her to have something ready on Jan. 16," said Rep. Ralph Samuels, a Republican from Anchorage. "But after six weeks, I'm sure the pressure will start to build and we'll be looking for some indication as to the direction the governor is moving."

Several crime fighting bills have also been filed this year. Requiring schools to report chronic truants would help communities keep at-risk children in school and out of gangs, according to a bill proposed by Sen. Con Bunde, R-Anchorage.

Another bill, sponsored by Rep. Kevin Meyer, an Anchorage Republican, would require ignition interlocks systems, which prevent a car from starting if a driver fails a breathalyzer test for alcohol, for all repeat offenders convicted of driving under the influence.

Daily News reporter Sabra Ayers can be reached at sayers@adn.com or 907-586-1531.

FBI - Stevens-618

Alaska Ear

The divine appendage

Published: January 28, 2007
Last Modified: January 28, 2007 at 02:41 AM

WILL WORK FOR SARAH . . . The Alaska Budget Report, an insider subscription newsletter about legislative doings, says former lawmakers and Cabinet members who applied -- unsuccessfully -- for Cabinet posts in the Palin administration include former Kenai Peninsula state Sen. John Torgerson, former Anchorage state Sen./Lt. Gov. Loren Leman, former AG Dave Marquez, former state Sen. Jerry Ward, former Murkowski Administration Commissioner Scott Nordstrand, former Murkowski DOT Commissioner Mike Barton, former Knowles DOT Commissioner Joe Perkins, former Kenai House member Gary Davis, former state Sen. Dave Donley and former Murkowski Administration Commissioner/North Pole Sen. Mike Miller.

Win some, lose some, darlings.

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BAR BIGGIES BAGGING IT? . . . Ear hears some longtime Anchorage CHARR members are abandoning ship, fed up with its "new liberal slant." As the story goes, Blues Central owner Frank Dahl, Chilkoot Charlie's owner Mike Gordon, and Crossroads Lounge owner Don Skewis are all voluntarily ditching their long-held seats. The powerful trio is apparently irked by CHARR's recent blessing of State Rep. Harry Crawford's driver's license violation coding bill, which essentially would ban alcohol sales to people with DUI convictions.

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COLUMN
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The divine appendage dishes the scoop on political hijinks in Alaska.

MUM'S THE WORD . . . Juneau Earwigs report Gov. Sarah's office has banned the various departments from taking positions on bills. Commissioners and their underlings can present neutral info to legislators, at public hearings and the like, but no opinions allowed. Word is, all administration positions will come straight from the governor's office.

Other governors have tried this, d'Ears. Control, you know. Speak with one voice. It's understandable, but it never works. There's just too much stuff, and the Gov's office gets overwhelmed.

FBI - Stevens-619

SHHHH . . . In an interview with Channel 2 about the appointment of Keri Brady as Anchorage D.A., deputy attorney general Mary Anne Henry mentioned low morale in the D.A.'s office, attributing it to a pattern of harassment and discrimination against women prosecutors under the previous administration.

It took about a week, but AG Talis Colberg issued a statement publicly chiding his top criminal assistant: "The department's policy is not to comment on personnel matters," the statement

194A-AN-13620-M-315

Legislative pay hardly meager, numbers show -
Mostly hidden supplements help many lawmakers earn a decent annual income

Juneau Empire (AK)
February 11, 2007
Author: PAT FORGEY
JUNEAU EMPIRE

Estimated printed pages: 4

Alaska legislators like to talk about their low salaries in a "citizen" Legislature. Actually, thousands of dollars of mostly hidden compensation add up to higher incomes than many of their constituents enjoy.

And since legislators have great flexibility in choosing whether to earn supplemental income, you could say they are as professional as they want to be.

Legislators typically claim to make about $24,000 a year. That is indeed the base salary.

However, a Juneau Empire analysis of public data shows the average legislator last year actually earned nearly $75,000, more than triple that.

The highest paid legislator earned $88,000 from the state last year.

"Our system of compensation has been a bit of a farce as long as I've been here," said Sen. Con Bunde, R-Anchorage, who has served in the Legislature since 1992.

When legislators say publicly how much they make, they usually claim $24,000. That's what House Speaker John Harris, R-Valdez, said in a recent Empire opinion piece.

The reality: Harris last year made $83,363 as a state legislator, according to Empire calculations.

It's still not much, he said, and last year's numerous special sessions made the figure unusually high, Harris said.

"It still didn't make up for the income I lost by not being able to work all summer," he said.

Powerful Sen. John Cowdery, R-Anchorage, chairs both the Senate's Rules Committee and the Legislative Council. He claimed in an Alaska Public Offices Commission filing last year that he made $24,012 from the state the previous year.

The reality: The Empire's calculations show Cowdery made more than $60,000 in 2005 and $67,483 last year.

The commission's disclosure forms specifically state that disclosing legislative pay is not required, said Brooke Miles, the commission's executive director, and Cowdery did nothing wrong by reporting an incorrect amount.

Cowdery was unavailable for comment Friday, but a call to his office was returned by spokesman Jeff Turner, who pointed out that Cowdery was paid well below the legislative average.

Hard to Track

The difference between what legislators say they get paid and what they actually get stems from the way they're compensated.

FBI - Stevens-620

Each legislator starts with a flat salary of $2,001 a month, or $24,012 a year. The president of the Senate and the speaker of the House each get paid an additional $500.

That amount is so low that legislators need income from elsewhere to support themselves, many say.

"I cannot afford to do this job unless I have outside employment," said House Majority Leader Ralph Samuels, R-Anchorage.

Several legislators and former legislators have said that if they are to avoid any conflict of interest or perceived conflict of interest, they'd have to become "professional" lawmakers with commensurate salaries. In that case, outside employment could be banned entirely.

194A-AN-13620-M-316

Few legislators like that idea, however, even those who have been active in ethics reform.

"If you have a professional Legislature, it sounds terrible," Samuels said. "I think a citizen Legislature is the way to go."

In addition to a base salary, each legislator gets "session per diem" for each day the Legislature meets. Last year that amount ranged between $163 and $218 per day for legislators from outside Juneau, according to the Legislative Affairs Agency. The three from Juneau were paid between $117 and $163 per day.

Last year most legislators from outside Juneau got paid between $30,000 and $33,000 in session per diem. Legislators from Juneau got $23,000-$24,000 per year. The Empire calculations included this amount as income.

The theory behind session per diem is that legislators sometimes have to run two households, one in their home district and one in Juneau. Some legislators, however, have been reported living in their Capitol offices and showering in Capitol showers and saving the per diem amount.

Harris said he's heard of some legislators doing that as well, but the practice is "discouraged."

Some income is tax free

Legislators from outside Juneau aren't taxed on their per diem. The Legislative Affairs Agency considers 57 of them as nonresidents of Juneau, even though it paid $10,000 or more to move some of them here.

Bunde has introduced a bill barring the Legislature from paying per diem to legislators who reside in Juneau but said it would only apply to the three who represent Juneau.

Relocation expenses can run as high as $26,000, which is what Sen. Gary Stevens, R-Kodiak, incurred. Relocation expense was not included in the Empire's calculations of income.

In addition, legislators who travel from Juneau back to their home districts during the session can also be reimbursed directly for a hotel room if their house is rented out for the session, said Pam Varni, Legislative Affairs Agency director for the state. That amount was not included in these income calculations.

When the Legislature is not in session, members can receive what is called "long-term per diem," $150 a day. To qualify, a legislator must either attend a meeting or spend at least four hours of that day on legislative or constituent business.

Claiming long-term per diem is left to each legislator's discretion, according to the agency.

Claims vary widely. Sen. Bert Stedman, R-Sitka, put in for the largest amount, working on average more than five days a week when the Legislature was not in session. That made him the highest paid legislator last year, at more than $88,000.

Bunde said he didn't considered that as true per diem and said he'd prefers the term "stipend" so as to not mislead the public. "Truth in labeling, I guess I'd call it," he said.

Sen. Gary Wilken, R-Fairbanks, was the only senator to claim no long-term per diem last year.

"I'm financially in a position that I don't rely on my legislative income to live here," he said. "Some people do."

Finally, legislators get paid an office or business expense allowance. Senators get $10,000 each; Representatives get $8,000 each.

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Legislators can either submit receipts for each expenditure to be paid out of that account or can get it in a lump sum from which taxes are withheld. Harris takes his in a lump sum. For purposes of compensation, the Empire included that amount.

Amounts not included in the Empire's pay calculations include travel (average $4,800 per legislator). Rep. John Coghill, R-North Pole, spent more than $24,000 on travel last year.

The information on how much legislators actually earn is difficult to determine. The Legislative Affairs Agency publishes on paper a list of amounts spent on each Legislator's behalf, but does not typically make it available electronically.

It also does not tally the amounts, and excludes long-term per diem from its total compensation.

The Legislative Affairs Agency also refuses to release the amounts of total income it reports to the Internal Revenue Service on legislators' W-2 forms.

APOC's Miles said that maybe it is time for the commission to include state pay in legislator's financial disclosure reports.

Miles said her agency has previously not required it because of a belief that the information was readily available elsewhere.

She has since heard reports that the numbers are less readily available than she'd thought.

"That makes me think it needs to go on that form," she said.

Miles said she'll ask the commission whether it wants to require disclosure of that information by legislators. That request is likely to come at the commission's March meeting, she said.

2006 Selected Legislator PaySessionPer Diem OfficeExpenseLongtermPer DiemBaseSalary TotalPay Rep. John Harris, R-valdez $31,251 $8,000 $19,500$24,512$83,263Former Rep. Bruce Weyhrauch, R-Juneau $23,765 $8,000$19,050$24,012$74,827Rep. Beth Kerttula, D-Juneau $24,092$8,000$16,200 $24,012 $72,304Sen. John Cowdery, R-Anchorage$32,121 $10,000$1,350$24,012$67,483Sen Kim Elton, D-Juneau$24,091$10,000$6,150$24,012$64,253SOURCE: legislative affairs agency data, empire analysis • Pat Forgey can be reached at patrick.forgey@juneauempire.com.

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Veco fades into Juneau background

ETHICS: Last year's scandals leave lawmakers with a keener sensitivity to every interaction with lobbyists.

By SABRA AYRES
Anchorage Daily News
(Published: February 27, 2007)

"There is certainly more scrutiny of behavior that could potentially reflect badly on the institution," said Senate Minority Leader Gene Therriault, R-North Pole. *(Seanna O'Sullivan/AP)*

JUNEAU -- Lawmakers here say there was a time in legislative history when a cocktail party sponsored by Veco executives in a Baranof Hotel suite would have seen oil executives and lobbyists cozying up to lawmakers and staffers.

But such a scenario was before the FBI raided six legislators' offices last year. It was before a House member was indicted on charges of bribery, conspiracy and extortion, and before talk in the Capitol turned to ethics reform and clean government.

This year, lawmakers said, Veco executives haven't been around either the halls of the Capitol or the hotel bars frequented by the lawmakers who rent rooms upstairs during the session.

When the FBI searched legislative offices last August, search warrants show they were targeting material linked to interactions with Veco chairman Bill Allen, among other documents.

None of the lawmakers' whose offices were searched or any Veco executives have been charged. In December, then-Rep. Tom Anderson, R-Anchorage, was indicted on charges of bribery, extortion and money laundering. The two actions have not been linked by the FBI's continued investigation into government corruption in Alaska.

One lobbyist is registered to work for Veco this year, compared with three last year, according to the state's Public Offices Commission.

In the past, Veco stood apart from other interest groups by heavily using its top executives to lobby in Juneau, in addition to its contracted lobbyists. Veco is an Anchorage-based oil-field service company and one of the largest businesses in Alaska. It has championed oil company interests in Juneau for over two decades.

In 2002, the state insisted that Allen himself register as a professional lobbyist because he was making so many visits to the capital on behalf of his company.

A request for an interview with Veco executives Monday was turned down. A woman answering the phone at Veco's headquarters said the company's legal counsel had advised executives to refrain from media comments until after the FBI investigation's conclusion.

Lawmakers say the raids and swirling rumors of more indictments have created a magnifying glass when it comes to legislative conduct this year.

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194A-AN- 13620-M -317

.obbyists from oil companies still visit lawmakers, but some legislators say a hyper-awareness to what could be ›erceived as unethical behavior has changed the way the government operates with special-interest groups.

Since the legislative session began last month, some lawmakers say they have thought twice about attending the ıbundance of lavish receptions hosted each year by special-interest groups from pharmaceutical companies to nunicipalities and nursing groups.

Some said they have become more cautious about public perceptions of their behavior, particularly as discussions :ontinue in both chambers on more than a dozen legislative and executive ethics-reform bills.

There is certainly more scrutiny of behavior that could potentially reflect badly on the institution," said Senate Minority Leader Gene Therriault, R-North Pole.

This year, some senior legislative staffers have said they are choosing not to visit popular Juneau bars, where in ›revious years lobbyists have socialized with lawmakers and staffers.

It's a given that our bosses are a public figure and therefore subject to public scrutiny," said Heath Hilyard, the :hief of staff for Rep. Carl Gatto, R-Palmer. "This year some of us are questioning where we go out in public ›ecause of how it might reflect on our bosses."

An early session primer on how Alaska fared compared with other states' ethical guidelines raised questions about vhat should be and shouldn't be acceptable behavior, said Rep. Mike Hawker, R-Anchorage.

I've opted not to attend receptions this year, because you don't know where the new ethics legislation is going," Hawker said. "The water is so murky now, I don't want to have to justify why I would go to one or oppose going o one. It's just better to avoid all questions and potential problems by not going until the reforms are worked out.

Hawker said he never attended a Veco suite party, nor was he ever invited to go "anywhere with them."

But lobbyists and the special-interest functions have their place in the legislative process, Hawker said. The recent ıccusations of unethical behavior in Alaska's government have clouded that role and created bad press for what he Anchorage Republican said was part of public participation in lawmaking.

The conventional wisdom has changed so that now lobbyists are a discredited profession and inherently evil," Hawker said. "What's lost is that a lobbyist is no more than someone hired to convey a group's interest to the .egislature. They can be extremely helpful."

nteractions with lobbyists, receptions and special interest groups may change in the coming weeks, however. Gov. Sarah Palin is expected to introduce her revised state budget proposal as well as her gas pipeline legislation ater this week.

.awmakers said the debate over the Palin administration's pipeline bill could bring more lobbyists to Capitol halls ıs the debate on it heats up.

There is heightened awareness of any appearance of impropriety, and a sense that we better well care what the ›ublic thinks," Gatto said.

Daily News reporter Sabra Ayres can be reached at sayres@adn.com or 907-586-1531.

FBI - Stevens-624

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FBI - Stevens-625

March 27, 2006
Author: RICHARD RICHTMYER
Anchorage Daily News
Staff

Estimated printed pages: 5

Myrl "Boone" Thompson lost his bid for the state House from Wasilla in the 2004 election, but that didn't stop him from packing his bags and heading to Juneau.

The Mat-Su political activist may not have an office in the Capitol, but he has become a fixture in its hallways, hearing rooms and legislative chambers, monitoring the goings-on in the Legislature, keeping a particularly close eye on the delegation from his borough.

"I'm generally watching out for stuff that goes under the radar," said Thompson, who describes his role in Juneau as "citizen lobbyist."

His critics, however, call it something else.

"A lot of people call him a liar, a scoundrel and a scumbag," said Mark Kelsey, managing editor of the Mat-Su Valley Frontiersman, the local newspaper that publishes a monthly opinion column from Thompson as well as occasional excerpts from his e-mail newsletter.

A lifelong Alaskan, Thompson, 47, jumped into the political breach in 2003 during a controversy in the Valley over former Palmer Republican state Sen. Scott Ogan's business relationship with Evergreen Resources, which wanted to explore for coal-bed methane on more than 300,000 acres across the Matanuska-Susitna Borough.

During that flap -- which ended with Ogan resigning and Evergreen abandoning Mat-Su -- Thompson got involved in citizens' groups aimed at ousting Ogan from office and became a vocal critic of the state's shallow-gas program to streamline coal-bed methane development.

In November 2004, Thompson ran as an independent to represent his district in the state House. He lost the election to Republican Rep. Mark Neuman from Big Lake, himself a political newcomer.

Notwithstanding his defeat at the polls, Thompson said, he took a leave of absence from his regular job as a banquet manager at the Hotel Captain Cook and headed off to Juneau, at his own expense, when the session started the following January.

He stayed for the duration of the 2005 regular session, mostly just watching and listening, occasionally testifying during public hearings on legislation, all the while sending regular e-mail dispatches to a handful of supporters.

This year, Thompson returned to Juneau -- this time with a list of e-mail subscribers he says has swelled to more than 500 names and his regular forum in the Frontiersman.

But if Republican lawmakers want to subscribe to his e-mail bulletins, they'll have to do it under a phony name.

"When they ask to get on it, I tell them I have a closed-door caucus e-mail filter," he said, making a jabbing reference to the group sessions the majority party has in private where they discuss political strategy.

In a recent e-mail musing under the heading "Neumanism," Thompson sarcastically chronicles some recent developments in his former opponent's activities in Juneau, including his recent appointment by House Speaker John Harris to the Alaska Statehood Commission.

FBI - Stevens-626

"It has to be related to Mark's powerhouse performance on the POMV committee of 55 that Neuman constantly reminds us of," Thompson writes, referring to the 2004 Conference of Alaskans that was aimed at finding a long-term solution to the state's chronic budget shortfalls.

As one of only two citizen members of the conference, Neuman became something of a media star among a hall filled with politicians and businessmen who debated such issues as fixing the Permanent Fund dividend to a "percentage of market value" of the fund principle.

In another e-mail, he provides a short list of bills up for review in Rep. Vic Kohring's Oil and Gas Committee, and a short editorial comment:

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"HB 373 Exploration and Incentive Credits; HB 386 Extended North Slope Severance Tax Credit; Natural Gas Pipeline Incentive/Gas Tax. Do you notice a pattern here?"

Although he testifies from time to time on particular pieces of legislation, lawmakers say he does little else to try to influence the process. In fact, some of those whom he criticizes most sharply say they rarely even speak with him.

"He comes to just about every one of my Oil and Gas Committee meetings, and I usually greet him with a little chit-chat," said Kohring, R-Wasilla. "But he's certainly not lobbying me."

Kohring -- who was a sponsor of coal-bed methane drilling legislation that was part of the Evergreen controversy -- said he admires Thompson's commitment and appreciates the personal sacrifices he's making to relocate to Juneau. At the same time, Kohring said, he's frustrated by Thompson's approach.

"He's got it in his head that people are conspiring, we're in cahoots with big business, we're beholden to them, and it's just not true," Kohring said. "I wish he would be a little bit more open minded."

Wasilla Republican Sen. Lyda Green, co-chair of the Senate Finance Committee, said she is often confounded by Thompson's writings, especially when he neglects to seek comment from the lawmakers he is panning.

"I see him as someone who goes from committee to committee, waiting and watching to see what the Mat-Su legislators do," Green said. "I have no problem with that, but the conclusions he draws are biased and incomplete. It's just kind of snarly."

Kelsey of the Frontiersman said he fields frequent complaints about Thompson's Juneau dispatches, many of which come from Mat-Su legislators. But so far, none of them have made any real persuasive arguments, he said.

"I frequently hear, 'Myrl is a liar,' or 'Myrl stretches the truth,' But they can never say, 'Here's a specific example,' " Kelsey said. "It's a lot of name calling with no substance."

Thompson said he's gotten used to being a pariah in Juneau.

"It's like I'm radioactive," he said.

Neuman, who won the seat Thompson was vying for in the 2004 race, said he hasn't spoken a word to him since the election, and he declined to comment on his former rival's activities in the Capitol.

Thompson said he hasn't decided if he'll make another run for the House this year.

"I kind of like what I'm doing now more than if I were a legislator," he said. "As a legislator, they might be able to more effectively muzzle me."

Rep. Carl Gatto, a Republican from Palmer, said he fully expects Thompson's name to be on the November ballot, considering the amount of time he has spent in the Capitol over the past two years.

"I cannot for a moment think that he doesn't intend to run again," Gatto said. "This is a great opportunity for him to get enormous experience that he couldn't get any other way."

Caption:

Photo by SEANNA O'SULLIVAN

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Myrl "Boone" Thompson sits in the back of a House Finance Committee meeting Thursday at the Capitol in Juneau.

Rep. Mike Chenault, R-Nikiski, right, peers at the notes of Myrl "Boone" Thompson during a House Finance Committee meeting Thursday at the Capitol in Juneau. "I'm generally watching out for stuff that goes under the radar," Thompson said.

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Anderson's trial is delayed

By LISA DEMER
Anchorage Daily News
(Published: March 29, 2007)

The trial of former state Rep. Tom Anderson for extortion, bribery and money-laundering charges won't begin until June 25, a delay of more than two months from the scheduled April 9 trial date, a federal judge said Wednesday.

Anderson's defense lawyer, Paul Stockler, sought the delay so he could review as many as 100 additional audio and video recordings made of conversations involving witnesses.

Stockler already has received 50 to 60 CDs and DVDs from the government, but on Wednesday he told U.S. District Judge John Sedwick that prosecutors have alerted him that they plan to turn over even more recorded evidence.

Assistant U.S. attorney Joe Bottini said some of the material is ready for Stockler to pick up now.

Anderson participated in the Anchorage hearing by telephone from Juneau, where he's living with his wife, state Sen. Lesil McGuire, during the legislative session.

He wants a delay, he said, but doesn't know how jurors will react if the trial isn't wrapped up by July 4.

Sedwick said jurors will get time off for the holiday.

Anderson didn't want the trial pushed back so far, but the government insisted on the June date if there was to be any delay, Stockler said.

My client is very antsy about getting the case resolved," he said.

Bottini told Sedwick the scheduling conflict is because of "other matters" coming up that involve the prosecutors and witnesses.

He didn't explain what those "matters" were all about.

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Daily News reporter Lisa Demer can be reached at ldemer@adn.com and 257-4390.

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194A-AN-13620-M-319

Senate can police itself on ethics, Stevens says - INTEGRITY: Office would make it too easy to accuse, senator warns.

Anchorage Daily News (AK)
March 29, 2006
Author: LIZ RUSKIN
Anchorage Daily News Staff

Estimated printed pages: 2

It's just fine that the U.S. Senate investigates ethics complaints against its own, Sen. Ted Stevens said Tuesday, arguing against legislation to create an independent "office of public integrity" to screen complaints.

The proposed new bureau, one response to the Jack Abramoff influence-buying scandal, would do nothing to restore the public's trust, Stevens maintained.

"The way to restore confidence in the system is for senators to stop repeating rumors about the Senate, to stand up and say the Senate has integrity, and the Senate is doing its job," he said during the Senate floor debate Tuesday afternoon.

His side prevailed, and the amendment failed 67-30.

The vote was part of the Senate's debate on an ethics and lobbying reform bill.

Under the Senate's existing rules, ethics complaints go to the Senate Select Committee on Ethics. The committee releases almost no information about complaints or their resolution except in the most egregious cases.

Sen. Susan Collins, R-Maine, said a public integrity office would remove the appearance that senators were sweeping allegations of wrongdoing under the rug. It would have acted as the committee's investigative arm, she said.

Stevens said the office would merely be an avenue for people to publicize their accusations against a senator. Political partisans outside the Senate are lodging more complaints than ever before, he said.

"We have people accusing us almost daily of having done something wrong, and publishing it through blogs and all that," he said. "I think we should be very careful (not) to set up another tool for these bloggers and these people to use, to create more news, to create more charges against the Senate."

Collins said the office would have been required to follow the Ethics Committee's confidentiality rules.

The committee can't say what complaints have been filed or investigated, but Stevens has lamented to news reporters that one case against him took two years to resolve.

Reporter Liz Ruskin can be reached in Washingon at 202-383-0007 or lruskin@adn.com.

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194A-AN-13620-M-320

Alaska Ear

Anchorage Daily News (AK)
April 1, 2007
Author: Staff

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IN TOM'S DEFENSE ... Ear wasn't actually in the Senate Finance conference room Thursday, so it isn't positive the silence was strained as Sen. Gene Therriault presented his proposal to strip lawmakers convicted of felony misconduct, like bribery, of their pensions.

However, Sen. Lesil McGuire, a committee member, was there, and handled the situation with aplomb. She questioned whether such a bureaucratic and complicated-to-enforce penalty was really the best way to send a message against such crimes. What about the rights of wives or ex-wives and children who depend on the pension, people who "happen to have a member in their family who's a bad actor?" she asked. Why not be straightforward and just fine the bad guy $500,000?

Lesil reminded her colleagues, in case any had just returned from an extended trip to Pluto, that a member of her family has been indicted for conduct committed prior to their marriage. He's not guilty, she said, but if he were, why should she and baby Grayson be punished?

"This is a political bill," she said, putting her finger on what was really going on. "To wave around." But, she finished, "To the degree that this is your political sound bite, I'll vote for it."

Even if the bill passes, it won't apply to Tom. Such laws can't be retroactive. Want to listen for yourself? Check the audio archives at: www.ktoo.org/gavel/stream.cfm.

BAD NEWS ... For Ear and other fans of Noble's Restaurant in Mountain View. It closes this weekend. Part of the much promised, little delivered Mountain View Renaissance, Noble's was unable to attract enough people from outside the neighborhood to make a go of it.

Word is chef/co-owner Rob Kinneen is going to Inlet Towers to ramp up their catering and special events.

DON'T ALL TALK AT ONCE ... Earwigs report former Rep. Tom Anderson is deep in discussion with a local radio station to host his own talk show. And why not? Ear would listen. He's likable and, based on reports that prosecutors have more than 100 CDs of taped conversations and statements in the federal case against him, exceptionally well qualified to talk.

Over at KFQD, Eddie Burke is doing his own morning talk show, daily from 10 to noon. Earwigs report he's taken the Cary Carrigan slot.

* Morning Radio Mouth Rick Rydell has re-upped with Clear Channel for another three years, but who knows who he'll be working for by the time that deal is done. Clear Channel Alaska is still on the block as the nationwide corporation divests itself of its smaller markets.

ON THE MOVE ... TV babe Angela Unruh is leaving KTUU in May for the best of reasons -- to have a baby. Friends say she wants to see what being a mom is like before deciding when to return to the news wars.

* Daily News business reporter Richard Richtmyer is off to a new job in Texas as a technology reporter for the Austin Business Journal. Too much winter here, he said, after enduring five of them. He wants to ride his Harley all year round

* Longtime assistant U.S. attorney Deborah Smith will be sworn in on April 12 as a U.S. magistrate judge for the District of Alaska. There's a reception later at the museum.

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* Daryl Hoflich, a vice president at Bradley Reid advertising, has moved to Porcaro Communications, where he will be the agency's new creative director. Ear is told the advertising world is all abuzz.

HOOKED UP ... Tongues are wagging over a Far North legislator in his 40s dating a 19-year-old legislative aide. (Not his.)

Even if it's so, Lovesick Lobe doesn't see the problem. They're both single and legal. Alors, if you add their ages together and divide by two, their average age is 31.

WE'RE NO. 2 ... Backyard Living magazine ran a contest for the biggest backyard snowmen in America and Snowzilla got beaten by Frosty, a 23-foot nicely manicured creation in Hermantown, Minn.

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At 16 feet, Snowzilla came in second.

GOES AROUND, COMES AROUND ... In a delightful karmic turnaround, pollster Ivan Moore was randomly selected last week by the U.S. Census Bureau to participate in a survey. Participation is required by law. Earwigs report Ivan is grumbling about the survey being 24 pages long.

Speaking of Ivan, looks like he and Elvi Gray-Jackson have finally played the "Joe Millionaire" card in Elvi's attempt to unseat Assemblyman Dan Coffey. Dan, who's lost weight and is looking almost as good as Elvi these days, was one of the people who asked a federal judge to take Josef Bohem's addiction into account when sentencing the businessman two years ago. The judge didn't. He gave Bohem, who was trading drugs for sex with mommas and daughters, the maximum.

Jeez. Dan doesn't even drink.

MILESTONES ... Mary Louise Rasmuson turns 96 on April 11. Friends and family plan to gather at her Palm Springs home to celebrate. Most Alaskans know her only as a philanthropist and widow of banker Elmer Rasmuson. But did you know she was once the head of the WACs? That's the U.S. Women's Army Corps.

FLYING FACTOIDS ... Did you see Lisa Demer's story on Thursday's front page about the scathing OCS report that says the child protection agency is so dysfunctional it should toss itself out and start over? The spanking was administered by an Outside consulting firm called ACTION for Child Protection.

Now check www.hss.state. ak.us/press/2005index.htm and look at the resume of OCS boss Terry Sandoval (a June 7, 2005, news release). Guess where she worked right before coming to OCS? ACTION for Child Protection. Go figure.

GOOD CAUSES ... Kohanic Broadcasting, parent of public radio station KNBA, raised close to $350,000 at their annual Native art auction last month. Haven't heard yet how much the Alaska Botanical Garden raised last night at "An Evening with Jeff Lowenfels," a $100/head fundraiser hosted by Sandy and Marc Langland at their home. Maybe not quite as much. But they did offer northern Italian cooking by artist Ayse Gilbert, so maybe.

Compiled by Sheila Toomey ear@adn.com

Graphic 1: Ear logo large_040107.eps

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Page: B2

FBI - Stevens-631

Young may return tainted money - $20,000: Recipients of indicted businessman's political donations included Alaska congressman.

Anchorage Daily News (AK)
April 6, 2007
Author: KEVIN DIAZ
Anchorage Daily News Staff

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Rep. Don Young might return some $20,000 in campaign contributions linked to a Wisconsin businessman under federal investigation.

Young had boosted the businessman's trucking company by helping pass new federal truck-hauling rules.

Young has maintained a public silence on the case, though his top aide said this week that Young does not recall ever meeting Dennis Troha, the apparent target of the probe.

Two other congressmen involved in the legislation, Republican Paul Ryan of Wisconsin and Democrat Jim Oberstar of Minnesota, have purged the money they got from Troha and his associates. Young's chief of staff, Mike Anderson, said Young is "considering" doing the same.

While Young's office has denied any link to the investigation, a spokeswoman for the U.S. Attorney's office in Milwaukee declined to say whether Young is "in or out as a subject."

Family members and others associated with Troha were among Young's top campaign contributors in his 2006 re-election, though their money was a tiny fraction of the $1.9 million that filled his campaign coffers.

Anderson said it is not unusual for people with an interest in federal legislation to make campaign contributions to key committee members like Young.

"There is no personal connection," Anderson said. "Mr. Young wouldn't know Dennis Troha if Mr. Troha walked in and hit him with a bat."

Young, facing criticism from Alaska Democrats, has had Anderson review the legislative history that led to Congress passing a major highway bill in 2005 that included provisions Troha sought. They allow truckers to haul as many as four semi-trailer truck cabs at once.

Federal prosecutors in Milwaukee say they are looking into a deal whereby Troha will be paid by his former trucking company, JHT Holdings, until 2010 as a result of congressional passage of the trucking provisions, which help the firm.

In a separate case, Troha was indicted last month on charges of using family members to illegally funnel more than $100,000 in campaign contributions to Wisconsin Gov. Jim Doyle and the state's Democratic Party. The federal indictment alleges that Troha was trying to win approval for a casino in his hometown of Kenosha, Wis.

Anderson said Young had no idea Troha stood to gain from the congressional provision allowing longer "saddlemount" truck combinations.

Troha and members of his family donated $14,000 to Young in 2005, the year Congress passed the highway spending bill increasing maximum multi-truck combinations from 75 feet to 97 feet. Such a change lowers costs for trucking companies.

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In all, Troha and his associates have given Young's campaign about $20,000 since 2003, according to federal campaign records.

Young, as chairman of the Transportation Committee, was instrumental in attaching the trucking rules in the highway bill, as was Oberstar, then the ranking Democrat on the panel. Oberstar received more than $20,000 in campaign contributions from people associated with Troha.

Ryan, who urged Young and Oberstar to support the trucking provisions, received $58,000 in contributions from Troha, his family members and his associates.

Ryan has denied any wrongdoing and said he will donate the Troha money to the Boys and Girls Club. Oberstar has said he will give the money he got to the federal treasury.

Anderson did not say how Young might dispense with the Troha money, if at all, noting that he just got his staff report on Tuesday.

But Anderson said none of the contributions was linked to Young's support for the longer truck limits, which he said reduce the number of trucks, saving fuel and wear and tear on highways.

Anderson also denied that Young is linked to the federal probe, which focuses on Troha's financial dealings in Wisconsin.

A federal prosecutor in Milwaukee, however, said Tuesday that she could not say whether the investigation extends to Troha's contributions to Young or other members of Congress.

"I'm not going to confirm or deny that he is or is not a subject," said Michelle Jacobs, a spokeswoman for U.S. Attorney Steven Biskupic in Wisconsin. "What we've put out on this is that we are continuing the investigation into the contributions and transactions involving Paul Ryan, and that's as far as we're going to go right now."

Troha's lawyer, Franklyn Gimbel, is out of the office this week and has not returned several phone messages seeking comment. In the past, he has denied any criminal wrongdoing by Troha, saying he is the victim of a "media feeding frenzy."

Troha sold his share of JHT in 2005, and Gimbel has suggested that the continuing payments reflect his share of the company's increased profits from the new truck rules.

Congressional records show that Ryan and a dozen other House members representing truck manufacturing districts had been lobbying for the rule change since at least October 2003, two months before Troha made his first $1,000 contribution to Young.

A letter from Ryan to Young at that time said the new length limits, which went into effect this year, would "improve industry safety, reduce miles driven, improve fuel consumption, and reduce congestion on our highways while emitting fewer pollutants."

Some trucker groups opposed the longer length limits, arguing that they would be dangerous, unwieldy and primarily save on labor costs.

The U.S. Transportation Department also rejected the idea, not because longer truck limits would compromise safety but because the proposed changes would be "insignificant" to the industry.

The trucking provisions Young backed were tucked into the highway bill and sent to the full House in February 2005, Anderson said. That was about the same time Troha inked his deal with JHT, and two months before much of the Troha family money started finding its way into

Young campaign accounts.

Anderson said Young looked into the new truck-hauling provisions independently and decided they "made sense" and did not compromise safety.

"This is not about Mr. Young doing something to help JHT or Dennis Troha make money," Anderson said. "It's about good public policy."

Reporter Kevin Diaz can be reached at kdiaz@mcclatchydc.com or in Washington, D.C., at 202-383-0003.

FBI - Stevens-634

Lobbyist rules proposed at Assembly

Under new **rules proposed** by two Anchorage Assemblymen on Tuesday night, people caught committing certain crimes would be banned from lobbying before the city.

Dan Sullivan, who represents West Anchorage, and East Anchorage Assemblyman Paul Bauer **proposed** the ordinance, which would require potential **lobbyists** to undergo background checks.

Anyone convicted of a felony, or of any crime related to bribery, extortion or fraud and certain other crimes, wouldn't be allowed to register as a **lobbyist**. As written, the proposal also would also apply to **lobbyists** who plead guilty or no contest to those crimes.

One of the top **lobbyists** before the city, Bill Bobrick, has been linked to the bribery indictment of former Anchorage Rep. Tom Anderson. Bobrick has not been charged with a crime, but has apologized to **Assembly** members for making some kind of mistake and, more recently, told Assemblyman Dan Coffey that he planned to plead guilty to a felony, Coffey said.

-- Anchorage Daily News

FBI - Stevens-635

194A-AN-13620-M-323

Former Young aide pleads guilty in corruption case - ABRAMOFF SCANDAL: Alaska congressman was not implicated or named during court hearing.

Anchorage Daily News (AK)
April 25, 2007
Author: KEVIN DIAZ
Anchorage Daily News Staff

Estimated printed pages: 4

An aide to former House Transportation Committee Chairman Don Young pleaded guilty Tuesday to helping convicted lobbyist Jack Abramoff get business and inside government information in exchange for cash, gifts and job favors.

Mark Zachares, a lawyer on Young's Transportation Committee staff between 2002 and 2005, faces a likely two-year prison term under a deal with the government requiring him and his wife, Cynthia, to cooperate in the widening corruption probe that has already reached a dozen Capitol Hill figures.

Young, R-Alaska, was not implicated in the scheme, nor did his name come up in the half-hour federal court hearing in which Zachares pleaded guilty to a single conspiracy count and surrendered his passport.

Zachares, flanked by his lawyer and a U.S. Marshal, said little during the hearing other than confirm federal prosecutors' allegations with a firm "Yes, your honor," or "No, your honor."

Asked finally how he pleaded, he said "Guilty, your honor," ending a pro-forma series of questions from U.S. Judge Ellen Huvelle, who is presiding over much of the Abramoff litigation.

Zachares, in a black suit and a blue tie, left the courthouse without talking to reporters.

His lawyer, Edward MacMahon, called him "a good man who has taken responsibility for the things that he did."

Zachares' most recent business card from the committee gave his title as special counsel to chairman Young.

"He was the go-to guy on Alaska issues for the transportation committee," said Karl Ohls of the North Star Group, a small lobbying firm in Washington specializing in Alaska matters.

Zachares spent time in Alaska as a young man and attended the University of Alaska Anchorage, where he played basketball in the first Great Alaska Shootout tournament in 1978.

His father, William Zachares Jr., served in the Air Force for 30 years, retiring in 1976, according to a 2002 newspaper announcement celebrating his parents' 50th wedding anniversary. His mother, Sarah Zachares, was a nurse. In 1977, the family settled in Kotzebue, where they lived for six years. The parents and their other son now live in Anchorage. They didn't return messages left on their home answering machines.

After leaving the Transportation Committee, the 49-year-old Zachares is now working in sales, MacMahon said.

Richard Pilger, a Justice Department prosecutor, told the court that Zachares' "cooperation may be ongoing for some time."

FBI - Stevens-636

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Standing before the court, Zachares acknowledged that he and Abramoff began forming their illegal partnership in late 2000, when Zachares was working as Labor and Immigration Secretary for the Commonwealth of the Northern Mariana Islands, a U.S. possession in the Pacific. At the time Abramoff was a Washington lobbyist for the commonwealth.

Their relationship, which they dubbed a "two-year plan," actually continued until late 2004, by which time Abramoff had helped Zachares land a Capitol Hill job on Young's committee. There, Abramoff described Zachares' role to a fellow lobbyist as "Zack pulling our load inside."

In all, Zachares admitted that he accepted more than $30,000 in tickets to sporting events and a luxury golf trip to Scotland, as well as $10,000 in cash from Abramoff, who is now in prison.

In exchange, he said, he helped steer business to Abramoff and his lobbying firm and provided him with inside government information on maritime issues, federal aid and the reorganization of the Homeland Security Department.

MacMahon and federal prosecutors declined to say whether Young or other Transportation Committee members were aware of Zachares' dealings with Abramoff.

Young maintained his public silence on the matter Tuesday.

Young has been dogged for more than a year by his past ties to Abramoff.

Since 1999, Indian tribes represented by Abramoff gave about $20,000 to Young's campaign and his political action committee. Young's campaign also acknowledged using Abramoff's skybox at Washington's MCI Center for several fundraisers. Another former Young aide, Duane Gibson, later went to work for Abramoff's lobbying firm, Greenberg Traurig.

Young was also linked to one of Abramoff's lobbying successes -- blocking a 2000 bill that would have made the garment industry in the Northern Mariana Islands comply with federal labor laws. Young, then chairman of the House Resources Committee, said at the time that the government lacked credible information about alleged civil and human rights abuses there.

Young's allies note that he was hardly a top lobbying target for Abramoff, who together with his many clients bestowed more than $4 million in political contributions on hundreds of members of Congress.

The single felony count against Zachares comes as federal investigators have been intensifying their probe of Abramoff's connections to Congress. Besides Zachares' cooperation, prosecutors revealed Tuesday that they interviewed his wife on Feb. 23.

According to Pilger, she is being offered a separate deal that will shield her from prosecution.

Zachares, the 11th person to plead guilty in the Abramoff scandal, could have faced a five-year prison sentence. But under advisory guidelines worked out with prosecutors, he likely faces a range of 18 to 24 months, according to Judge Huvelle.

FBI - Stevens-637

Code of silence

Don Young disrespects Alaskans by dodging scandal questions

Alaska Congressman Don Young had a corrupt aide working on his House transportation committee. The aide, Mark Zachares, traded favors with convicted lobbyist Jack Abramoff. Tuesday, Zachares admitted his crime in federal court.

FBI - Stevens-638

What does Don Young have to say about it?

Nothing.

No statement of regret. No promise to get to the bottom of what happened. No comment on whether he knew what was going on under his nose. No answers to the obvious questions about whether he was personally involved in hiring the aide or in any of the corrupt arrangements.

The congressman is silent, and with his silence, he is flouting his obligation to be accountable to the people who elect him.

Congressman Young can't just brush this scandal off as the excesses of a rogue employee. Zachares is a rogue, but it is well established that Congressman Young accepted campaign money steered his way by Zachares' patron, Jack Abramoff. Congressman Young took positions favored by Abramoff and his clients. A coincidence?

Young isn't saying.

Zachares was accused of scheming to "secure official action on maritime issues for Abramoff clients." Did Congressman Young take any such official action, either knowingly or unknowingly?

He isn't saying.

Prosecutors charged Zachares with trying to "advance federal support for a multimillion-dollar highway development project benefiting a businessman." Who was the businessman, and did Congressman Young fund that project, knowingly or unknowingly?

He isn't saying.

According to a report in Florida last year, Don Young mysteriously steered $10 million to a local highway project needed by a local developer, who helped organize a $41,000 fundraiser for Congressman Young. Is this the arrangement mentioned in the charges against Zachares?

He isn't saying.

These are obvious questions arising from the scandal at Congressman Young's transportation committee.

As long as Congressman Young keeps silent, he will leave Alaskans and the nation wondering. They'll be wondering whether he cares about the scandal that oozed out of his own committee. They'll ask themselves: Does the congressman have something to hide?

He isn't saying.

BOTTOM LINE: It's past time for Congressman Don Young to answer questions about the

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scandal in his congressional committee.

FBI - Stevens-639

Young aide's link to Abramoff sheds new light on Marianas bill - MYSTERY: How did Zachares land a job on congressman's committee?

Anchorage Daily News (AK)
April 29, 2007
Author: RICHARD MAUER
Anchorage Daily News
Staff

FBI - Stevens-640

Estimated printed pages: 6

The guilty plea last week by a former senior committee aide to Rep. Don Young sheds new light on the circumstances surrounding Young's success seven years ago in blocking reforms of the sweatshop industry on the Mariana Islands.

But the plea also raises new questions about why Young, R-Alaska, took the actions he did.

Former Alaskan Mark Zachares, a Mariana Islands official when Young blocked the reforms, admitted Tuesday that he later conspired to illegally use his official position on the House Transportation Committee to enrich disgraced lobbyist Jack Abramoff, once the lobbyist for the island commonwealth.

Zachares admitted engaging in the conspiracy for nearly four years -- including more than two years under the noses of Young, the committee chairman, and the committee's chief of staff, former Alaska state Sen. Lloyd Jones, a long-term Young aide from Ketchikan.

A spokesman for Young said the congressman wouldn't talk about Zachares. Jones didn't respond to requests for comment last week.

In return for doing Abramoff's bidding, Zachares received more than $60,000 in cash and benefits plus the promise of a lucrative career working in one of Abramoff's companies, according to the charges.

Zachares, 49, is now cooperating with U.S. prosecutors, who have already notched 11 convictions in the Abramoff scandal.

YOUNG BLOCKS BILL

After Zachares' father retired from the Air Force, the family moved to Kotzebue in 1977, where his mother, a nurse, worked for the Indian Health Service. Zachares attended the University of Alaska Anchorage and played for UAA in the first Great Alaska Shootout in 1978. He eventually became a lawyer.

From 1994 to 2002, Zachares worked in Saipan for the Commonwealth of the Northern Mariana Islands (CNMI), a string of tiny islands under U.S. jurisdiction north of Guam. Starting in 1998, he was the commonwealth's secretary of labor and immigration, according to the criminal information.

Abramoff was the commonwealth's lobbyist. According to the Saipan Tribune, he was paid at least $11 million from 1994 to 2001 to prevent Congress from interfering with local regulation of wage rates and immigration -- the two issues under Zachares' authority.

"Beginning in the mid-1990s, Zachares came to have extensive contact with Abramoff during Zachares' tenure as an official of the CNMI, and Zachares and Abramoff became personal and professional acquaintances," the charging document said.

The island economy was booming with garment factories relocated from Asia and run by guest workers from Bangladesh, China and other countries. Clothing produced there is

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exempt from duties and is allowed to be labeled "Made in U.S.A." - desired by American retailers -- but the exemptions from U.S. immigration and labor laws led to widespread reports of abusive practices.

Reform efforts surfaced over the years, including in 2000. That was Young's last year as chairman of the House Resources Committee, which has jurisdiction over U.S. territories. A bill reached his committee that would have imposed U.S. immigration laws on the Northern Marianas, ending the freewheeling local policies.

Young stopped the bill cold, saying it interfered with the commonwealth's right to self-rule. He was supported by then Majority Whip Tom DeLay, who described the Marinas as "a perfect petri dish of capitalism."

"I'm not going to move anything," Young said at the time. "Why should you move anything that's really been fueled, very frankly, by hysteria reporting by the media?"

Young's assertion was false. The measure that found its way to Young's roadblock was fueled by the eyewitness account of none other than U.S. Sen. Frank Murkowski, R-Alaska.

ABUSES APPALL MURKOWSKI

Murkowski was then chairman of the Senate Energy and Natural Resources Committee, which had parallel jurisdiction over the Mariana commonwealth. In 1996, he traveled to Saipan and was outraged by the human rights abuses he saw.

Visiting one garment factory, Murkowski said, he "talked with some Bangladesh workers who had not been paid and who were living in appalling conditions." He also described a young woman taken to Saipan as a minor and forced to work as a prostitute.

"This was occurring under the U.S. flag and supposedly with the protection all U.S. citizens enjoy under our Constitution," Murkowski said in a Senate speech in 1999.

His response was to initiate an immigration reform measure. His bill passed the Senate unanimously in February 2000 but never got to the floor of the House.

That was years before "Abramoff" or DeLay's "K Street Project" -- the granting of special access to Republican lobbying firms -- had entered the popular vocabulary. Both were at work in preserving the status quo in Saipan.

"Abramoff teamed up with DeLay in defeating a proposed legislation passed by the U.S. Senate that would have stripped the CNMI of its exemption from the U.S. minimum wage and immigration laws," the Saipan Tribune reported in 2002.

While Young won't answer questions now, he said in an Op-Ed piece in the Daily News last year that he was convinced to oppose reforms by Saipan officials, not Abramoff.

"I have never had any personal or professional relationship with Abramoff. My congressional campaign and political action committee have never received a contribution from Abramoff. I have personally never received one cent from him," Young wrote.

But Young and Abramoff continued to intersect after the death of Murkowski's immigration legislation, the charges against Zachares reveal.

ABRAMOFF TIED TO ZACHARES

Term limits forced Young to give up the House Resources Committee after the 2000 election. But his seniority earned him another chairmanship, this one in control of hundreds of millions of dollars in pork-barrel spending -- the House Transportation and Infrastructure

Committee.

One of the mysteries in the Zachares case is what led Abramoff to find a job for him on Young's committee.

From late 2000 through 2001, Abramoff tried to get Zachares appointed as director of insular affairs, the Department of the Interior position that oversees the commonwealth and other U.S. territories, according to the charges. For unexplained reasons, he was unsuccessful.

Zachares left his job in Saipan in January 2002 and asked Abramoff for money, according to the charges. Abramoff paid him $10,000. At the same time, prosecutors said, Abramoff continued to look for a place for Zachares to land.

That place turned out to be Young's committee.

Zachares was hired as legal counsel to its Oversight and Investigations subcommittee, then became staff director for the Coast Guard and Maritime subcommittee. The then-chair of that subcommittee, Rep. Frank LoBiondo, R-N.J., said he had nothing to do with hiring Zachares.

"Congressman Don Young, who was chair of the full House Transportation and Infrastructure Committee during that time, was solely in charge of the hiring, firing and daily management of staff, including Mark Zachares," LoBiondo press secretary Jason Galanes said in a prepared statement last week. "Despite being a subcommittee chair, Congressman LoBiondo had no input in the selection or management of staff members for the Coast Guard and Maritime Transportation Subcommittee."

HANDING OUT FAVORS

While doing favors for Abramoff from his positions on Young's committee, Zachares was rewarded with all kinds of favors, from being invited on a $160,000 golf trip to Scotland to use of Abramoff's luxury box seats at the MCI Center in Washington where the Wizards of the NBA and Capitals of the NHL play.

Young also used Abramoff's Skybox at the MCI Center for several political fundraisers, campaign spokesman Steve Dougherty told the Daily News last year. Most of those events took place during Capitals hockey games, he said.

Dougherty would not say whether Abramoff was reimbursed for the use of the skybox. "My answer to you is we pay for all costs that the campaign is legally responsible for," he said.

While records confirm Young's statement that Abramoff himself never gave Young campaign money, Abramoff's clients have given at least $20,000 to Young's campaigns and his Midnight Sun political action committee since 1999, according to the Center for Responsive Politics, a public interest nonprofit, and campaign finance reports

On March 12, three weeks before a Justice Department lawyer signed the charges against Zachares, Young spent $25,000 of his campaign money to retain a Washington law firm. Dougherty said the firm, Akin Gump, was hired to advise Young on campaign finance questions related to a donor involved in another scandal, indicted Wisconsin trucking executive and gambling casino developer Dennis Troha.

REFORM ON AGENDA

Now, with Abramoff in prison on fraud and bribery charges and Democrats in control of Congress, reform in the Northern Marianas has once again returned to the political agenda.

FBI - Stevens-642

Last year, a new governor in Saipan demanded that Abramoff's firms return all the money the government paid him over the years now that the commonwealth was getting nothing but bad publicity for having hired him. Abramoff lost his contract there in 2001.

And this year, Young's longtime nemesis in House Resources, Democrat Rep. George Miller of California, inserted a provision in the Iraq spending bill that would extend the U.S. minimum wage to the commonwealth. The measure passed the House and Senate, but is expected to be vetoed by President Bush because of its deadline to withdraw troops from Iraq.

Miller, the new Resources chairman, has been saying for years that failure to reform immigration and labor policy in the Marianas has not only enriched Abramoff and his clients, it's caused real human suffering and threatened national security.

"The core corruption in the CNMI is the failure to apply our federal immigration laws to this part of the United States," Miller said in a 1999 oversight hearing chaired by Young. "As a result, organized crime, communicable disease and human exploitation, directly attributable to the CNMI's lax immigration laws, not only thrive in Saipan, but threaten every American. The time has long since passed to slam the door shut on these abuses and to restore federal law to the Marianas."

Reporter Richard Mauer can be reached at 257-4345 or at rmauer@adn.com.

FBI - Stevens-643

<<Back

Radio talk hosts, listeners weigh in on corruption indictments

by Jason Moore
Friday, May 4, 2007

ANCHORAGE, Alaska -- It didn't take long before word of the indictments started spreading today.

Aside from e-mails, phone calls and Web site messages, the news also hit the airwaves, first on radio.

The news of the indictments broke at about noon and KUDO talk show host Shannyn Moore was on air.

"So here's the scoop -- this just in -- former state legislators Pete Kott and Bruce Weyrauch have been indicted," she announced.

It's the kind of story radio talk show hosts thrive on: charges of corruption and politicians being bribed.

"This is basically, I mean the net profits tax, as far as I can see, was bought and paid for by the not-named company that rhymes with Stinko," said Moore.

And Dan Fagan had something to say as well.

While Fagan and Moore couldn't be further apart in their political views, they read this issue the same.

"The FBI has on tape VECO's CEO and vice president saying we need to get Pete Kott some more money let's get his son some more money. Do you need to hear anymore?" Fagan said on his radio show.

Rumors have circulated since FBI agents raided the offices of six lawmakers last August. The raids provided fodder for speculation then as well as now, after the first arrests.

"This is a big damn deal and I don't think these are the only guys going down," said Moore.

Slowly, word filtered out and the calls started coming in.

"This whole Pete Kott thing this is kind of an example of what goes on in D.C., with a lot of politicians, representatives and congressmen," said one listener. "They are bought and paid for."

And the talk is only beginning.

Jason Moore is managing editor of Channel 2 News. Contact Moore at jmoore@ktuu.com

FBI - Stevens-644

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A dark day

Indictments tell an ugly story

The constitutional protections of our criminal justice system say the accused are innocent until proven guilty. And, not everyone who is indicted gets convicted. But that is of little comfort to Alaskans reading today about federal indictments on corruption charges against two former state House members and one sitting legislator.

The indictments tell of so much cash moving from business-executive hands to legislators in a Juneau hotel suite that the room should have been licensed as an ATM site. The lawmakers were so busy allegedly soliciting work in exchange for their support on legislation, the room could have doubled as a job service office.

Even if just one of the multiple allegations is true, former Republican Reps. Pete Kott of Eagle River and Bruce Weyhrauch of Juneau and current Republican Rep. Vic Kohring of Wasilla owe the public a deep apology. It's a sad day for Alaskans, and it will take a long time to rebuild the public's trust in its elected officials.

BOTTOM LINE: Most elected officials are honest, but the bad ones ruin it for everyone.

FBI - Stevens-645

194A-AN-13620-M-328

Feds charge 3 in Juneau - REACTION: Rumor mill runs wild as three legislators stand handcuffed in federal court.

Anchorage Daily News (AK)
May 5, 2007
Author: SABRE AYRES
Anchorage Daily News Staff

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By 8:30 Friday morning, the Capitol rumor mill was flaming hotter than it had in months. Whispers swirled that indictments were on the way. Everyone was checking sources. Legislative aides compared notes in hallways. Normally media-shy lawmakers asked reporters "What are you hearing?"

Security guards at the front desk joked that they were keeping an eye out for tinted-window vans full of FBI agents.

By the end of the day, three state legislators-- one of them still in office -- were standing handcuffed in a federal courtroom on charges of extortion and bribery. Lawmakers, less than two weeks from adjourning, questioned what events would mean for work still undone on Gov. Sarah Palin's gas line legislation, an ethics bill and the state budget.

"It made my stomach turn," said Sen. Hollis French, D-Anchorage, of the indictments. He said the charges raise questions about legislative passage of an oil tax last year.

Senate Minority Leader Gene Therriault, R-North Pole, agreed.

"Last year during the oil tax battle, we heard about stuff like this going on," Therriault said "But now we read the indictment and there's quotes in there that suggest it was (actually) happening."

Rep. Jay Ramras, a Fairbanks Republican, suggested the arrests would give momentum to Palin's gas pipeline proposal. Palin has emphasized an open and competitive application process to getting a North Slope gas line built, he said.

Others thought it was a hard knock, particularly for Weyhrauch, who made statewide news last month after falling out of his boat in Auke Bay and barely surviving hypothermia.

Speculation about the feds and indictments has been around for months. The FBI investigation that netted former Rep. Tom Anderson in December while he was still in office had an unfinished feel about it. Questions about who was next lingered, coloring the whole 2007 session.

By Friday afternoon, the buzz had focused on three current legislators whose offices the FBI searched last summer -- Sens. John Cowdery, R-Anchorage; Donny Olson, D-Nome; and Rep. Vic Kohring, R-Wasilla.

Olson and Cowdery braved the stares and tension, keeping their regular schedules, attending committee meetings and a floor session.

"I have no problems with my indictment," Cowdery told KTUU-TV. "I don't think it's ever going to be one."

Over in the House, Kohring, who works and sleeps in his office during the legislative session, was absent; he had been officially excused until Sunday for back surgery,

according to his office.

By late afternoon, the two senators were gone from the building. Their offices declined to say where. But Kohring had been indicted. He turned himself in, was arraigned and released. He pleaded not guilty and his lawyer said he would fight the charges.

By 5 p.m., federal prosecutors handing the case signaled their work was done.

Done for Friday.

No one thought it was over.

Daily News reporter Sabra Ayres can be reached at sayres@adn.com or 1-907-586-1531

FBI - Stevens-647

Feds charge 3 in Juneau - Kohring, Kott and Weyhrauch plead not guilty to extortion and bribery counts

Anchorage Daily News (AK)
May 5, 2007
Author: RICHARD MAUER, LISA DEMER, SABRA AYRES and KYLE HOPKINS
Anchorage Daily News Staff

FBI - Stevens-648

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Three more state legislators were arrested on federal corruption charges Friday, accused of selling their votes and influence to the oil field services company Veco Corp. and its chief executive, Bill Allen, during last year's debate on oil taxes.

Acting on felony indictments brought by the Justice Department's Public Integrity Section, federal agents arrested the three Republicans in Juneau -- one a sitting legislator, Rep. Vic Kohring of Wasilla, and two others who left office in January, Reps. Pete Kott of Eagle River and Bruce Weyhrauch of Juneau.

Each was brought in handcuffs before a federal magistrate judge, and each pleaded not guilty to bribery, extortion and conspiracy and was released on $20,000 bond. The charges carry penalties of between five and 20 years in prison and $250,000 in fines.

The indictments, unsealed with the arrests, describe a conspiracy among the legislators, Veco, Allen and Veco's vice president for government affairs, Rick Smith, to steer an oil-production tax bill favored by the industry through the Legislature last year.

The bill was seen as a prerequisite for the North Slope oil producers to agree to build a natural gas pipeline. Ultimately, Veco, Allen and Smith wanted to see a gas line built that would help the company through contracts with the oil companies, the indictments charged.

Veco, Allen and Smith were neither charged nor directly named in the indictments. But "Company A," "Company CEO" and "Company VP" are described in long passages in the indictments, and those descriptions point unmistakably to them. Veco's attorney, Amy Menard, confirmed the identifications.

Allen's lawyer, Bob Bundy of Anchorage, wouldn't comment on what might be in store for his client.

"Veco and Bill have cooperated completely with the government's investigation," Bundy said.

WADS OF CASH

The charges describe the three lawmakers seeking money, jobs or both for themselves or family members, and Veco willing to oblige. Much of the activity described in the charges took place in Veco's suite in Juneau's Baranof Hotel, Room 604, during the 2006 legislative session.

Direct quotes attributed in the indictments to the three legislators and to Allen and Smith suggest the FBI conducted some form of electronic surveillance in the room and perhaps on telephones as well.

Kott's lawyer, Jim Wendt, said the room contained a hidden camera. He learned about the surveillance when the prosecutors offered to make a deal with him. They revealed snippets of their evidence, including video from inside a Baranof room, Wendt said.

FBI spokesman Eric Gonzalez wouldn't confirm whether agents used wiretaps or hidden

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cameras. A Baranof employee on Friday said the hotel would not discuss the use of the suite.

The charges portray Kohring, 48, elected seven times by Mat-Su voters, as an eager-to-please loyalist pleading for opportunities to do Veco's bidding.

In a phone call Feb. 21, 2006, for instance, Kohring told Smith he was willing to help Veco "in terms of any questions that need to be asked, any information that needs to be sought out, any points to make in caucus, or in committee meeting, on radio columns ..."

On March 22, Kohring offered to be Smith's "information source," that he would "lobby on (Veco's) behalf," and that he would "consider modifications to legislation or whatever" if they asked.

Two days later, he told Smith over the phone that he was standing by to "do anything to help," that he would continue to advocate "good things for you guys" and that he wanted Smith to tell Allen that he was doing whatever he could "to help out."

By March 30, Kohring appeared to be looking for payback. Meeting with Allen and Smith in Suite 604, he asked for work or for a $17,000 loan to pay off past-due credit card debt. The three discussed how to structure the transaction so it could avoid detection and reporting to the Alaska Public Offices Commission.

Allen then asked Smith if he had any "hundreds." Smith reached for his wallet and handed Allen a bunch of small bills -- perhaps $100, according to the indictment. Allen passed the money to Kohring.

Thanking them for the money, Kohring repeated that he was broke. Allen gave him another wad of cash, between $500 and $1,000, the indictment said.

"What can I do at this point to help you guys, anything?" Kohring said.

"Whatever you, you know," Allen said.

But between themselves, Smith and Allen seemed to have little respect for Kohring. On March 4, Allen told Smith of another $1,000 he gave to Kohring. One result of that payment: Kohring "would kiss our ass," Allen said.

Kohring's attorney, John Henry Browne of Seattle, said Kohring will fight the charges. He said Kohring is an uncomplicated man who sleeps on his office couch and doesn't own a cell phone or even a car. Kohring's constituents knew he was under investigation last fall and re-elected him anyway, Browne said.

LAWMAKERS WANTED JOBS

Kott, 57, the House speaker in 2003 and 2004, represented Eagle River from 1992 until his defeat in the Republican primary last year.

Weyhrauch, 54, a private-practice attorney married to an assistant state attorney general, represented Juneau for two terms, choosing not to run last year. Just last week, his boat was found adrift in Auke Bay. Weyhrauch was missing overnight. When he was rescued on an island the next day, he said he had accidentally fallen overboard and swam to safety.

Kott's role in the alleged conspiracy began earlier than Kohring's, according to his indictment. On Sept. 26, 2005, Kott called Smith and said, "I need a job."

Smith's reply: "You've got a job; get us a pipeline."

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A few minutes later, Kott, apparently aware that a Veco subsidiary was building a prison in Barbados, told Smith, "I just want to be the warden in Barbados."

In February, Allen and Smith discussed their influence over Kott in what they apparently believed was a private conversation.

"We got more money in Pete Kott than he can even think about it," Allen said.

In March, Kott reported to Allen and Smith in the Baranof that he was putting the squeeze on another legislator by blocking that legislator's bill until he supported Veco's version of the oil tax measure. Kott said he wouldn't release the "hold" until Allen said it was OK.

In May, Kott told Allen in Suite 604 that he succeeded in defeating a tax amendment Allen opposed. "I had to get 'er done," Kott was quoted as saying. "I had to cheat, steal, beg, borrow and lie."

Allen's response to Kott: "I own your ass."

On June 1, Allen handed Kott $1,000 in cash. Kott said he wanted to become a lobbyist after leaving the Legislature.

"Well, you will be," Allen said.

The indictment also said that Veco paid a "fraudulently inflated" invoice of $7,993 to Kott's flooring company in August.

Kott's attorney, Jim Wendt of Anchorage, said Kott "didn't really break any law" and would fight the charges.

FLIP-FLOP VOTE

Weyhrauch also professed to be having financial difficulties, according to the charges. On May 4, he mailed a solicitation to Allen, offering to do legal work for Veco.

Allen and Smith talked about the bid, and decided that Weyhrauch was connecting it to his support for the tax measure. Three days later, Weyhrauch voted the "wrong way" on a tax amendment, then changed his vote after instructions from Kott and Allen, the indictment charges.

Weyhrauch flew to Anchorage after the regular session ended in May for a meeting with Allen. Just before the meeting Allen and Smith decided they needed Weyhrauch's vote, but would "string" him along before giving him legal work.

Then, on June 5, another legislator is introduced in the indictment, "Senator A." The indictment said Allen told "Senator A" that Weyhrauch would support the favored tax bill because of the promised legal work.

"Senator A" was identified in the indictment only as a legislator whose term ended in January.

Three former senators match that description: Ben Stevens, R-Anchorage; Ralph Seekins, R-Fairbanks; and Gretchen Guess, D-Anchorage.

Guess said it's not her. She said she didn't have any of the conversations described in the document, and had an alibi as well -- she had just given birth around the time of some of those conversations.

Seekins said it's not him. "I don't recall ever even having a phone conversation with Bill Allen

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when I was in the Legislature," he said.

Stevens didn't return a telephone message and his wife, Elizabeth, said he wasn't home. His lawyer, John Wolfe of Seattle, said Stevens doesn't know who "Senator A" is.

Of the three, only Stevens had his offices searched by FBI agents last year, and only Stevens was on the Veco payroll as a consultant.

"Ben Stevens maintains he is innocent of any and all criminal activity," Wolfe said. "Questions about Senator A should be directed to the U.S. Attorney's office."

Weyhrauch's lawyer couldn't be reached for comment.

Stevens has not been charged, nor have two other legislators whose offices were searched, Sen. John Cowdery, R-Anchorage, and Sen. Donald Olson, D-Nome.

The FBI investigation of Alaska's Legislature and its relationship with Veco and other companies became public in August, when agents raided the offices of six sitting legislators.

Since then, one other former House member, Republican Tom Anderson of Anchorage, was charged in December with taking $12,828 in bribes from a lobbyist representing private prison interests.

In a prepared statement Friday, Veco said it was fully cooperating with the federal investigation and has retained experts "to review and assess its corporate operations and practices and to implement a corporate compliance plan."

The company said the allegations about its top officials are not representative of the kinds of work its 4,000 employees perform in Alaska and around the world.

Daily News reporter Richard Mauer can be reached at rmauer@adn.com Lisa Demer can be reached at ldemer@adn.com, Sabra Ayres at sayres@adn.com and Kyle Hopkins at khopkins@adn.com.

FBI - Stevens-651

Kohring's committee post pulled -
OIL, GAS: Arrests also put spotlight on 2006 petroleum profits tax law.

Anchorage Daily News (AK)
May 6, 2007
Author: TOM KIZZIA and SABRA AYRES
Anchorage Daily News
Staff

Estimated printed pages: 6

The chairman of a key state House committee was deposed and Alaska's most important oil tax law fell under new scrutiny Saturday as lawmakers reacted to the arrest of one current and two former legislators on federal corruption charges.

Rep. Vic Kohring, R-Wasilla, will lose his chairmanship of the Special Committee on Oil and Gas, House leaders said. Kohring was charged with selling his vote on oil taxes last year to oil field services company Veco.

The House committee had an important early role in shaping gas pipeline legislation this year. Republican majority leaders placed Kohring in charge of the committee this session, even though he was one of six legislators whose offices were raided by the FBI in a Veco-related probe last fall.

Kohring appeared before a federal magistrate Friday in handcuffs to face charges of bribery, extortion and conspiracy. Also appearing were two Republican colleagues from last year's legislative session, Pete Kott of Eagle River and Bruce Weyhrauch of Juneau. All three pleaded not guilty.

In detailed indictments, the three were charged with selling their votes and influence over other legislators for money and jobs during the 2006 legislative session.

The legislation in question was an overhaul of the state's oil production tax, which pays for most of state government and adds to the Alaska Permanent Fund. Veco wanted to keep the oil tax low and also was pressing for construction of a gas pipeline from which it would profit, according to the indictment.

Gov. Sarah Palin said Saturday that in light of the indictments, she wants a review of how the Legislature made its decision on the petroleum profits tax, known as PPT, and also a look at how well the tax is working.

"Yesterday's activities reinforce to me the desire and the need to revisit and evaluate the PPT to ensure Alaskans are getting the proper value for our natural resources," Palin said. "Alaskans need to know whether it was a fair debate or not. And whether there was unfair influence and if that influence led to the rate that was adopted."

Legislators from both parties seemed to agree. But with only 11 days to go in this year's legislative session, no one was predicting an immediate effort to change the tax.

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The mood in Juneau Saturday was subdued, said Rep. John Coghill, R-North Pole.

"There's definitely a cloud over the whole Legislature," Coghill said.

'IT TAKES TWO TO TANGO'

Several legislators predicted that the arrests, and the appearance of undue oil industry influence, would strengthen Palin's hand as she pushes her Alaska Gasline Inducement Act, which is her plan for promoting a gas pipeline. Palin has been at odds with the major oil

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producers over how to build the line, with legislators poised in the middle.

"You know, it takes two to tango," the governor said Saturday. "Yesterday it was the Legislature who was under fire. But those who were exerting their powers will also have to be held accountable. And I think Alaskans will be very disappointed if they learn that the same people are still exerting power as the Legislature discusses AGIA."

Palin said she hopes no one in the Legislature uses Friday's arrests as an excuse to halt progress on her bill.

"I wouldn't want to stand in the way of that train now," said Sen. Tom Wagoner, R-Kenai, a supporter of the Palin bill.

Palin swept to electoral victory last fall on a campaign for ethics reform and open government, boosted by a pre-election FBI raid in late August that has opened into the biggest legislative scandal in Alaska history.

Major ethics reform legislation has been passed in both the House and Senate this year, but a final bill appears stalled by what appears to be disputes over personalities and who gets credit. No one was predicting that Friday's arrests would remove the logjam on ethics.

Palin called the stalling of ethics reform "perplexing."

Veco and its officials have not been charged with anything. But Veco was easily identifiable as "Company A" in the charges, and Veco's lawyer confirmed the identification on Friday.

For years the company has been a huge influence in Juneau, in terms of both campaign contributions and lobbying. Since the FBI raids Aug. 31, it has had very little visible presence in the Capitol.

A fourth legislator targeted in the federal probe, former Rep. Tom Anderson, R-Anchorage, was charged in December with taking bribes from a lobbyist representing private prison interests. Anderson also had a private consulting contract with Veco, but that was not a factor in the charges against him.

Kohring is the first sitting legislator charged with corruption since two state senators faced charges in the early 1980s. One, George Hohman, was convicted of bribery in 1981 and expelled from the Senate. The other, Ed Dankworth, left voluntarily but never faced trial after successfully appealing his 1982 conflict-of-interest charges.

The state constitution says members of the Legislature can be expelled on a two-thirds vote of the body they serve in, but it requires no particular response in the event of criminal charges or convictions.

IINNOCENT UNTIL PROVEN GUILTY

House leaders were struggling Saturday to find a position that would be fair to Kohring but also protective of the Legislature's reputation. They said they considered him innocent until proven guilty -- but nevertheless decided to strip him of his committee chairmanship.

Kohring is expected to continue appearing as a voting member of the Legislature, said House Speaker John Harris, R-Valdez. But a special committee will be named Monday to remove him as chairman of the oil and gas committee, a position he has held for four years.

"You have to go under the assumption innocent until proven guilty, except in our business, a lot of what we do comes with public perception, and there is a cloud of suspicion over us," Harris told The Associated Press. "We need to make sure we remove that as much as possible."

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Coghill said no review of Kohring's work on the gas line bill early in the session is necessary. The still-pending legislation has been through many hearings and changes since then, he said.

A LIKABLE MAN

Kohring will find emotional support from his House colleagues, many of whom find him to be likable, during what must be a difficult time for him, Coghill said. But no one is likely to come to his defense on the alleged bribery case, he added.

Still, Coghill defended the leadership's earlier decision to make Kohring chairman.

"An investigation isn't an indictment, and an indictment isn't a conviction," he said.

Kohring's leadership position was not challenged when the session began, but objections were raised by minority Senate Republicans when Sen. John Cowdery, R-Anchorage, another FBI search target, was named chairman of the powerful Rules Committee. The minority said the committee chairman shouldn't be someone under "a cloud of suspicion."

The state's oil tax code came up for revision in 2006 after oil prices skyrocketed and legislators decided the old tax laws weren't giving the state much of the windfall. A revised oil tax was seen as a necessary prelude to working with oil companies on a gas line.

Some legislators wanted to continue taxing gross production in Alaska's oil fields, but the majority supported a net-profits tax proposed by Gov. Frank Murkowski, which would allow oil companies to deduct expenses.

Fierce debate raged over how high to make the PPT.

The federal indictments released Friday say Veco was pushing legislators to hold the line at a 20 percent tax. Others argued for a rate as high as 30 percent. Even Kott said he would have supported 30 percent were it not for Veco chief executive Bill Allen, according to a taped conversation cited in Kott's indictment.

The rate finally adopted in August, after two special sessions, was 22.5 percent.

Two of last year's candidates in the governor's race, Palin and Democrat Tony Knowles, said they had some concerns about the Murkowski-backed PPT but wanted to give it a chance before attempting any revisions.

The new tax, which was retroactive to April 2006, boosted last year's oil field return to the state by $800 million, to about $2 billion, according to the state Department of Revenue. But that was some $150 million less than expected. Of that shortfall, $50 million was because oil company deductions were higher than anticipated.

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Coghill said any effort to revisit the PPT could be made next year, when he expects the Legislature to look at natural gas taxes as part of its gas line effort. Sen. Hollis French, D-Anchorage, also said it might be good to "cool down a bit" and take up the tax next year.

Former Rep. Ethan Berkowitz, D-Anchorage, who pushed for a tax on the gross as House minority leader last session, said a special session to address the oil tax was in order because of the high stakes -- both in terms of the state's finances and the Legislature's reputation.

But it makes sense to wait, he added, until further revelations emerge about the FBI investigation and what took place last year in Veco's suite in the Baranof Hotel.

"We don't know who else went into Room 604," Berkowitz said. "Would that paralyze or motivate them? We have to see where it unfolds."

Daily news reporter Tom Kizzia can be reached at tkizzia@adn.com or in Homer at 1-907-235-4244. Sabra Ayres can be reached at sayres@adn.com or in Juneau at 1-907-586-1531.

GO ONLINE to read the indictments and past stories, listen to audio, or post your opinion.

Caption:
Kohring

Weyhrauch

MICHAEL PENN / Juneau Empire

Former state Sen. Pete Kott is led out of a federal courtroom by FBI agents in Juneau on Friday after being indicted by a grand jury in connection with taking bribes from oil companies.

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Alaska Sen. Ted Stevens responds to corruption indictments

May 7, 2007 04:41 PM

by Megan Baldino

WASHINGTON -- Aaron Saunders, press secretary to Alaska Sen. Ted Stevens, has issued a statement regarding today's indictments of VECO Corp. executives, as well as the indictments Friday of two former state representatives and a current Wasilla representative.

"I was surprised and saddened to learn of the recent developments in the ongoing federal investigation in Alaska. Like many Alaskans, I am finding out about these events from the media. The legal process will now continue. Consistent with my longstanding practice regarding matters of this sort, I will make no further comment."

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194A-AN-13620-M-332

Veco executives Allen, Smith plead guilty to bribery, conspiracy

Anchorage Daily News (AK)
May 8, 2007
Author: RICHARD MAUER and LISA DEMER
Anchorage Daily News
Staff

Estimated printed pages: 6

Bill Allen, a welder who took Veco Corp. from a small Kenai oil-field company to a billion-dollar international contractor and a major political force, pleaded guilty Monday to bribing at least four Alaska legislators, including former Senate President Ben Stevens.

In a plea bargain with the U.S. Justice Department's Public Integrity Section, Allen and Richard Smith, Veco's vice president for community and government affairs, each pleaded guilty to three identical felony charges -- bribery and two counts of conspiracy.

Both men accepted responsibility for making more than $400,000 in illegal payments and benefits to public officials or their families. More than half the money went to Stevens in the form of phony "consulting" fees, the government charged.

Stevens, son of U.S. Sen. Ted Stevens, has not been charged. He was named in the plea documents as "State Senator B," but his identity was unmistakable.

In return for special consideration at sentencing, Allen, 70, and Smith, 62, agreed to cooperate in the ongoing federal investigation. The government also promised to not seek charges against Allen's son Mark, a Veco official, or any other relative.

The federal plea bargain doesn't bar state prosecutors from seeking additional charges against Allen and Smith. Both men acknowledged violating state campaign finance laws in their plea.

The plea deals were formalized in secret last week and opened in U.S. District Court on Monday morning in unannounced back-to-back hearings before Judge John Sedwick, each lasting about 40 minutes.

Allen, in a gray suit, white shirt, red tie and black cowboy boots, sat hunched over the defense table beside his lawyer, former U.S. Attorney Bob Bundy. Allen is hard of hearing and asked Sedwick to repeat several of his questions, but not the questions about how he would plead.

"Guilty," he repeated three times in a gravelly voice.

Taking prosecutors' recommendations, Sedwick released the men on $10,000 unsecured bond and ordered them to report weekly to federal probation officers. They were allowed to keep their passports and may travel freely pending sentencing, which was held off indefinitely.

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They could each face about 10 years in prison and up to $750,000 in fines, but cooperation could substantially reduce the penalties.

On Friday, federal authorities acting on bribery and conspiracy indictments arrested Rep. Vic Kohring, R-Wasilla, and former Reps. Pete Kott, R-Eagle River, and Bruce Weyhrauch, R-Juneau.

Veco, Allen and Smith showed up in those indictments as "Company A," "Company CEO" and "Company VP."

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It appeared from those charges that the FBI used electronic surveillance of Veco's suite in Juneau's Baranof Hotel to capture incriminating dialogue and images.

The indictments spoke of payments by Allen and Smith of several thousand dollars and promises of jobs to the legislators. In return, the legislators agreed last year to vote for the oil production tax favored by the oil industry, the government alleged.

STEVENS IMPLICATED

Those indictments referred to an unnamed state senator who allegedly played a role in one part of the conspiracy -- a plan by Veco to farm out legal work to Weyhrauch, an attorney, in return for his vote on oil legislation. The description of that unnamed senator was ambiguous -- Stevens was one of three senators it could have been.

But one of two unnamed state senators in Monday's charges against Allen and Smith is clearly Stevens. The Veco "consulting" payments of $243,250 between 2002 and 2006 documented in the charges precisely match the amount Stevens reported on his financial disclosures as consulting income to his firm, Ben Stevens and Associates.

Over the years, Stevens has refused to disclose what work he did for that money or for any of the other consulting jobs he has listed, mostly for fishing industry clients.

Former state representative Ray Metcalfe, in complaints to the Alaska Public Offices Commission and to federal authorities, challenged Stevens, saying the payments were thinly disguised bribes.

Nothing came of Metcalfe's APOC complaints -- the state agency said that Stevens adequately described his work. It refused Metcalfe's demands to look deeper and investigate whether Stevens actually worked for his money.

But in their admissions to federal prosecutors, Allen and Smith appeared to vindicate Metcalfe.

"Although Allen and Veco characterized these payments ... as being for consulting services, Allen acknowledges that in actuality the payments ... were in exchange for giving advice, lobbying colleagues and taking official acts in matters before the legislature," prosecutors said.

Only once in five years did Stevens consult for Veco on a matter not involving his legislative job -- a task involving a sunken boat at an unidentified location where Veco wanted to build a dock. Stevens worked less than 20 hours on that project, the prosecutors said.

Allen also promised an executive job to Stevens when he left office. On June 25, 2006, Stevens said he'd take that job, the charges said.

Stevens' attorney, John Wolfe of Seattle, declined to respond to specifics in the charges but said his client did nothing wrong.

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"Ben Stevens denies engaging in any criminal conduct and maintains that he is innocent," Wolfe said. "Mr. Stevens is surprised to learn that Bill Allen has pled guilty to various federal crimes and hopes that Mr. Allen is not falsely accusing former and current members of the Alaska Legislature in order to mitigate his admitted criminality."

CAMPAIGN CONTRIBUTIONS

One other unnamed state senator, a "state elected official" and two unnamed Veco executives also show up in the charging documents against Allen and Smith.

The senator in question was not accused of taking illegal payments but was listed as a member of the conspiracy to bribe and extort. That senator attempted to enlist the support for Veco-backed legislation of the "state elected official" through an illegal campaign contribution scheme.

Four state senators match the description of that person, two of whom had their offices searched by the FBI in August: John Cowdery, R-Anchorage, and Donald Olson, D-Nome.

The unnamed senator is likely Cowdery, said Kevin Fitzgerald, his defense attorney. As to what that means for Cowdery, Fitzgerald said he's investigating the allegations laid out in the case against Allen.

Cowdery is in poor health. He's been hospitalized in Juneau with pneumonia and a lung infection, Senate majority spokesman Jeff Turner said on Monday.

The "state elected official" was impossible to identify from the information in the charges, although he or she never received Veco's campaign contributions. It's possible the official was helping the government in the investigation.

The two unnamed Veco executives were accused of participating in a scheme to use corporate money to reimburse political campaign contributions by Veco officials -- crimes under federal and state law. Allen and Smith admitted violating federal tax laws by taking deductions for illegal activity.

Veco executives routinely donate to political campaigns, giving tens of thousands of dollars to candidates in last year's primary races alone.

Allen, in his plea, admitted reimbursing Rep. Kott for a $1,000 donation Kott made in the governor's race. The contribution wasn't further described in the charges, but APOC records show that Kott donated $1,000 to former Gov. Frank Murkowski's re-election bid on May 31.

Many of the allegations listed in the indictments Friday against Kott, Kohring and Weyhrauch show up in the Allen and Smith admissions as well. But there are also new allegations, such as from May 7, 2006, when Kott was on the floor of the House and his cell phone rang. Allen and Smith were calling to give Kott "instructions on how to vote on the particular piece of legislation," prosecutors said.

Some time later, Kott called them back with a report on the status of the vote "and the projected outcome," the charges said.

AT VECO, NOT BUSINESS AS USUAL

Veco, meanwhile, is continuing to conduct its business, the company said in a statement.

Allen is listed as an owner of 5 percent of Veco's stock in the company's 2006 biennial report to the state. But the company's attorney in the criminal case, Amy Menard, said he no longer has an ownership interest.

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Allen is also the publisher of Voice of the Times, a half-page opinion section in the Anchorage Daily News. It is what remains of the Anchorage Times, which Allen owned for two years before it lost millions in a newspaper war with the Daily News and shut down in June 1992.

Asked whether the Daily News will continue to publish Voice of the Times, publisher Mike Sexton said, "We are troubled by recent developments and are reviewing the entire situation."

As to the status of Allen and Smith at Veco, they still held their titles on Monday, Menard

said. But that could change.

"I can tell you that in light of today's events, we expect the board of directors to be meeting this week and making decisions about appropriate actions," Menard said.

Contact reporter Richard Mauer at rmauer@ adn.com and Lisa Demer at ldemer@adn.com. Reporter Kyle Hopkins contributed to this story.

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A long, long way from bankruptcy - INFLUENCE PEDDLER: Since bottom days 25 years ago, Veco has turned into big corporate political operator.

Anchorage Daily News (AK)
May 8, 2007
Author: TOM KIZZIA, SABRA AYRES and KEVIN DIAZ
Anchorage Daily News
Staff

Estimated printed pages: 6

From the state Capitol in Juneau to the halls of Congress, Veco has been Alaska's biggest corporate political operator since it emerged from bankruptcy 25 years ago with the help of North Slope oil producers.

Monday's guilty pleas from top Veco executives exposed hidden ways in which Veco wielded influence over at least a few legislators, through bribes and "no-show" consulting work.

But the executives also admitted that the most visible kinds of Veco influence, political campaign contributions, were also illegal.

Top officials for Anchorage-based Veco have reported giving nearly $600,000 to state political candidates over the past decade. Since 1991, they also gave $583,108 to federal candidates and their political action committees.

Under state and federal law, contributions are supposed to come from individuals, not companies.

At least for the past two years, however, the company was reimbursing the officials for thousands of dollars in campaign contributions through phony bonuses, according to the charges against company executives made public on Monday. Veco chief executive Bill Allen and vice president of government relations Rick Smith pleaded guilty Monday to conspiring to defraud the IRS with that phony bonus scheme.

Veco's political ties extend far beyond Juneau.

Since 1989, Veco has been the single biggest source of funds to U.S. Rep. Don Young, R-Alaska, according to federal campaign records. Young has received more than $200,000 in that time from Veco officials, according to a database of campaign contribution records by the Center for Responsive Politics.

There are other links too. Federal reports show ex-Alaska Teamster leader Jerry Hood billed Veco for more than $300,000 for federal lobbying between 2004 and 2006. Last November Hood quit as lobbyist to become head of Young's congressional office in Alaska.

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Veco chief Allen has long hosted an annual fundraising pig roast for Young.

Young and Hood declined to comment Monday.

Veco executives and employees gave at least $61,500 to Sen. Ted Stevens' campaigns since 1993, ranking them third among top donors after officials from Boeing and BP. They gave another $30,000 to Stevens' Northern Lights leadership political action committee. Sen. Lisa Murkowski has received $44,250 since 2002.

Stevens did not respond to questions about Veco, instead issuing a brief statement Monday:

"I was surprised and saddened to learn of the recent developments in the ongoing federal

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investigation in Alaska. Like many Alaskans, I am finding out about these events from the media. The legal process will now continue. Consistent with my long-standing practice regarding matters of this sort, I will make no further comment."

Sen. Murkowski also issued a short statement, calling this "a troubled time in our state's history and it comes when the Legislature is considering one of the most critical issues for our future."

VECO CONFESSIONS

In Juneau on Monday, where lawmakers were still reeling from Friday's arrests of one current and two former legislators, the Veco revelations came as another hard blow. And this time there was no "innocent-until-proven-guilty" response -- the Veco executives had pleaded guilty and were convicted.

"To have this truth now, to know that some Alaskans willingly and knowingly participated and encouraged this corrupt behavior is disgusting," Gov. Sarah Palin said in a written statement.

The Veco confessions yielded new details about relations between company officials and the indicted representatives.

During one crucial series of votes last May on a proposed new oil tax, the court documents say, Allen and Smith exchanged cell phone calls with Rep. Pete Kott while he was on the House floor, telling the Eagle River Republican how to vote. Kott was one of the former legislators indicted on corruption charges last week.

House Democrats issued a call Monday for an overhaul of the new oil tax bill passed last year under a "cloud of doubt and potential corruption." But Democrats had a hand in passing the tax bill. Rural Democrats voted for the tax after Republican leaders linked passage to construction of rural schools and energy assistance.

The final vote on the oil tax, which the oil industry supported as a precursor to building a gas line, hinged on the vote of a single Democrat backed by Veco.

Then-Rep. Carl Moses, D-Unalaska, was in Anchorage Aug. 10 recuperating from a pinched nerve when the tax lost its possible final showdown by one vote. A long recess was called while Moses flew to Juneau. With his vote, the final tally tilted the other way.

Moses, involved in a close Democratic primary that he later lost, had received $3,000 from six Veco executives in the week before his journey and vote. Moses denied trading the vote for money at the time, saying he had other good reasons to support the tax.

Moses' name has not come up in the current scandal. But in another detail from the latest court documents, Allen admitted offering to raise $25,000 in campaign funds for an unnamed elected official in return for a guaranteed vote on particular bills. That unnamed official never got back in touch with Allen, the plea agreement says.

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Legislators who had received generous contributions from Veco officials in the past said Monday there was no reason back then to suspect anything was wrong.

House Majority Leader Ralph Samuels, R-Anchorage, said he turned last year's contributions over to charity after the FBI searched Veco's offices and those of six lawmakers last August.

"If they think I can be bought then they were giving a campaign contribution to the wrong person," said Sen. Con Bunde, R-Anchorage.

The Alaska Republican Party is looking to give away to charity the roughly $35,000 it

received and set aside from Veco executives during the last election cycle, said party chairman Randy Ruedrich. The party will ask the Alaska Public Offices Commission for an advisory opinion on what exactly it should do with the cash, he said.

BACKING WINNERS

The campaign financing scheme admitted to by the Veco executives Monday was illegal under state law. Campaign contributions must come from the individual who makes them, not be steered by someone else. But state regulators and past recipients said there was no way to tell that the tens of thousands of dollars coming from Veco officials were not their own money.

Veco has a history of trouble with campaign laws. The company was fined by the state Public Offices Commission in 1985 for a payroll deduction scheme used for campaign contributions.

Veco had been reborn out of bankruptcy court as an oil-field services company several years earlier, with support from oil producers Arco and Sohio. But it grew in prominence and financial strength thanks to a third North Slope leaseholder, Exxon, which hired Veco in 1989 as chief oil spill cleanup contractor.

The company started out promoting pro-development Republicans, with former Sen. Ed Dankworth helping organize leadership coalitions as Allen's lobbyist. When Democrats controlled the governor's mansion in the late 1980s, money flowed to both parties, though in recent years it has gone almost entirely to Republicans.

As Bill Allen's business and political involvement grew, so did his stature. He was named Alaskan of the Year in 1994. When his personal presence in Juneau ran afoul of the state's lobbying law in 2002, he successfully urged the Legislature to change the law so he wouldn't have to register -- and give up his campaign contributions.

Veco had a way of backing winners. Company officials supported Democrat Tony Knowles as governor with $23,000, and Knowles put Allen on his economic development transition team in 1994. Veco switched back to Republicans, backing Frank Murkowski for governor in 2002 and his daughter, Lisa, in her race against Knowles for U.S. Senate in 2004.

In 2000, Allen co-chaired the Alaska presidential campaign of George W. Bush. After the election, Allen was co-chairman of a transition team that served as a clearinghouse for Alaska applicants for political appointments.

All that turned around last year after the FBI raided Veco's offices. Palin challenged Veco and seemed to revel in opposition from the Veco-owned newspaper section Voice of the Times. But even Palin had past Veco aid, receiving $5,000 in an unsuccessful run for lieutenant governor in 2002. Her running mate, Sean Parnell, had gotten $16,000 in contributions from Veco during his legislative career.

This year, Veco has had a much-diminished presence in Juneau.

This story was reported by Sabra Ayres in Juneau, Kevin Diaz in Washington and Tom Kizzia in Homer. Reporter Kyle Hopkins also contributed from Anchorage. Contact them at sayres@adn.com, kdiaz@adn.com, tkizzia@adn.com and khopkins@adn.com.

FBI - Stevens-663

Veco's oil field customers plan to stick with company for now - PARTNERSHIPS: Baltimore firm to review the company's practices.

Anchorage Daily News (AK)
May 8, 2007
Author: WESLEY LOY
Anchorage Daily News Staff

Estimated printed pages: 3

Major customers of Veco Corp., whose chief executive pleaded guilty Monday to bribing state lawmakers, indicated Monday they plan to continue employing the company for the time being in Alaska's oil fields.

But a spokesman for one of Veco's largest customers, BP, said the contractor will be watched closely in coming weeks to see if it is fit to keep working in giant Prudhoe Bay and other North Slope fields.

"We're disappointed to hear that Veco executives admitted to these serious crimes," said BP spokesman Daren Beaudo. "It's not what we expect from companies with whom we do business. However, we're encouraged at Veco's pledge to commission an independent review of corporate operations and practices."

Veco's chief executive, Bill Allen, and Rick Smith, vice president of community and government affairs, entered guilty pleas in federal court in Anchorage on Monday to bribery and other charges. Each faces possible time in prison.

Veco is a major working partner with North Slope oil companies, particularly BP, which runs Prudhoe Bay, the nation's largest oil field. It is one of the largest private companies in the state, and it operates elsewhere in the country and world.

For BP on the Slope, Veco employees perform ongoing operations, maintenance and engineering work as well as chores such as hauling bulk fuel, Beaudo said.

Veco runs a fabrication yard in South Anchorage where it assembles modules and other equipment for hauling to the North Slope.

After the corrosion crisis last year in Prudhoe, where major pipelines sprang leaks, Veco was hired to help inspect and repair pipes, Beaudo said. The company is making modules now to house equipment for launching and receiving pigs -- probes that run through pipes looking for corrosion.

BP was not contacted by the FBI regarding the public corruption probe involving the Veco executives, Beaudo said.

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Other customers said Monday they also planned to keep using Veco.

Jack Griffin, spokesman for Conoco Phillips, which runs Alaska's next two biggest oil fields -- Kuparuk and Alpine -- said Veco is a relatively small contractor for the company.

Last year Veco got business worth $30 million, or 3 percent of Conoco's Alaska operations and capital spending of just over $1 billion, Griffin said.

"In the overall context, we're not one of Veco's major customers," he said. "They're not one of our top five contractors."

Mike Heatwole, spokesman for Alyeska Pipeline Service Co., which runs the 800-mile trans-

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Alaska oil pipeline, said Veco is helping with a major project to rebuild pump stations, and it is among many companies in Anchorage providing engineering services as needed.

"We don't have any changes planned," Heatwole said. Veco said it has "retained expert independent consultants to review and assess its corporate operations and practices."

Amy Menard, an attorney for Veco, said the review will be handled by FTI Consulting Inc., a large Baltimore-based firm. Veco expects initial results in a week. She said it was unclear whether the review would be made public.

Veco has 4,000 employees, about half of them working in Alaska, and it's important for people to remember that the corruption probe is separate from the work that Veco hands are doing in the field, Menard said.

"These events are totally unrelated to the actual substantive work that Veco does," she said.

A Veco executive, Tom Maloney, is an officer for the Resource Development Council for Alaska, a prominent industry nonprofit.

"I hope Veco as a whole is not judged by the actions of two individuals," said Jason Brune, the group's executive director.

Aside from Alaska, Veco is involved in oil and gas and other projects on Russian's Sakhalin Island, in Canada and in the United Arab Emirates in the Middle East.

Daily News reporter Wesley Loy can be reached at wloy@adn.com or 257-4590.

FBI - Stevens-665

COURT DOCUMENT EXCERPTS

Anchorage Daily News (AK)
May 8, 2007
Author: Staff

Estimated printed pages: 4

Excerpts from court documents

Plea agreements made by Veco's Bill Allen and Richard Smith were unsealed Monday. Here's a sampling of statements from the documents:

MORE STATEMENTS: Additional excerpts are on Page A-7. Complete copies of these court documents can be found online at adn.com.

On or about May 7, 2006, State Representative B was on the floor of the Alaska State House of Representatives ... during a vote on a particular piece of legislation. ALLEN and SMITH contacted State Representative B on State Representative B's cellular telephone, and gave State Representative B instructions on how to vote on the particular piece of legislation.

Based on the conduct described herein, and including certain other criminal conduct not specifically included herein, ALLEN admits that the total amount of illegal benefits provided to elected public officials, their family members, and or their campaigns by ALLEN and SMITH totals an amount greater than $400,000.

...ALLEN corruptly provided at least three separate cash payments to State Representative A: (1) a cash payment of $1,000 ... by ALLEN at the Island Pub, a restaurant in Juneau ...; (2) two separate cash payments totaling approximately $600 to $1,000, given by ALLEN and SMITH to State Representative A in a hotel; and (3) a cash payment of approximately $500, made by ALLEN to State Representative A in Juneau. ...

...ALLEN corruptly provided multiple financial benefits to State Representative B. For instance, on or about June 1, 2006, in a hotel room in Juneau ... ALLEN gave State Representative B a cash payment of approximately $1,000. ALLEN intended the $1,000 payment to reimburse State Representative B for a contribution in that amount given by State Representative B to an Alaskan gubernatorial campaign.

... ALLEN and SMITH agreed to provide additional funds to State Representative B. Accordingly, on or about July 31, 2006, SMITH provided, at State Representative B's request, approximately $7,993 to State Representative B through an inflated invoice prepared by a private business owned by State Representative B. State Representative B referred to this scheme as "foolproof." The check given to State Representative B was drawn on ALLEN's personal checking account.

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From in or about 1995 until in or about 2001, ALLEN corruptly authorized VECO to engage and pay for on a monthly basis the consulting services of a private company owned by State Senator B, who was, at that time, not an elected public official.

From in or about January 2005 to on or about August 30, 2006, ALLEN did not ask State Senator B to perform any consulting work unrelated to State Senator B's official position as a member of the Alaska State Legislature. ALLEN instead asked State Senator B to use his official position to advance certain legislation pending in the Alaska State Legislature that ALLEN and VECO favored. ALLEN knew of no other substantive work that State Senator B performed in exchange for the "consulting" payments during this period.

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In or about 2006, ALLEN also offered, and State Senator B agreed to accept, an offer of employment with VECO. ... ALLEN called State Senator B to discuss a strategy for State Senator B to "kill" a piece of pending legislation that VECO did not support . ... ALLEN and State Senator B discussed the need to keep quiet the fact that State Senator B planned to become a VECO executive after the close of the 2006 legislative session. In that conversation, ALLEN and State Senator B explicitly discussed how State Senator B needed to ensure the passage of specific legislation before ALLEN and State Senator B disclosed the fact that State Senator B would thereafter be working for VECO.

In or about 2005 and in or about 2006, ALLEN authorized the payment of a "special bonus" of corporate funds to certain VECO executives, including VECO Executive A and VECO Executive B, understanding that the funds were to allow VECO executives to make state and federal political campaign contributions without using their base salaries or performance-related bonuses.

ALLEN directed VECO Executive B to classify a personal expense of ALLEN's as a corporate expense in VECO's corporate accounts, knowing and intending that such personal expense would ultimately be recorded as a corporate expenditure on VECO's yearly filing with the Internal Revenue Service of the United States Department of Treasury.

PAPERS: To see charging documents, plea facts and plea agreements for Bill Allen and Richard Smith, go to

adn.com/corruption

Caption:

Sen. Ben Stevens matches the description of "Senator B" in the charges against Veco's Bill Allen and Richard Smith.

Rep. Pete Kott matches the description of "Representative B" in the charges against Bill Allen and Richard Smith.

Vic Kohring matches the description of "Representative A" in the charges against Bill Allen and Richard Smith.

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TIMELINE

Anchorage Daily News (AK)
May 8, 2007
Author: Staff

Estimated printed pages: 4

Timeline of federal investigation into Alaska politics

* 1995-2001: Veco CEO Bill Allen "corruptly authorized" hiring state "Senator B," who was not yet in office, as a consultant. "Senator B" fits the description of Ben Stevens.

* JANUARY 2002: Stevens is now a state senator and he continues receiving Veco payments for consulting. However, these new payments were not for private work but rather for "taking official acts" as a legislator. He collects $243,250 from Veco from 2002 through last August.

* JULY 21, 2004: Anchorage lobbyist Bill Bobrick, representing an Outside private prison firm, tells a confidential source in a conversation federal investigators recorded that, for a price, Anchorage Rep. Tom Anderson would be "our boy in Juneau."

* AUG. 17, 2004: Anderson tells the source he would help the prison firm in exchange for $24,000.

* AUG. 23, 2004: Anderson deposits the first of three payments, totaling more than $6,000, from a company allegedly set up to launder money for him.

* SEPT. 26, 2005: Eagle River Rep. Pete Kott allegedly calls Veco vice president Rick Smith and says, "I need a job," to which Smith replies, "You've got a job; get us a pipeline."

* JAN. 8, 2006: As Legislature gets ready to meet, Kott allegedly calls Allen to learn "what our instructions are" concerning oil tax and natural gas pipeline legislation.

* FEB. 21, 2006: Then-Gov. Frank Murkowski unveils a bill to start taxing crude oil based on oil company profits rather than production levels. The governor says the tax reform was part of a deal with Exxon Mobil, BP and Conoco Phillips on a gas pipeline contract.

* FEB. 23, 2006: Wasilla Rep. Vic Kohring, who offered to help Veco, allegedly accepts $1,000 in cash from Allen.

* FEB. 25, 2006: Allen tells another Veco executive to classify one of Allen's personal expenses as a corporate expense, which would lower Veco's federal tax bill.

* FEB. 28, 2006: Exxon and BP executives warn lawmakers that imposing a tax rate higher than the 20 percent of profits the governor proposes might undo the gas pipeline deal. (Veco also lobbies strongly for no changes.)

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* MARCH 23, 2006: Juneau Rep. Bruce Weyhrauch calls Veco and leaves a message that he wants to talk to Allen about the oil tax and other issues.

* MARCH 30, 2006: Kohring tells Veco executives he owes $17,000 on a credit card. He asks for a loan or a job. They discuss how to structure a loan without raising "red flags." Kohring accepts at least $600 cash from Allen then asks what he could do "for you guys." He agrees to lobby other lawmakers to support oil tax legislation favored by Veco.

* APRIL 24, 2006: Senate passes an oil-tax bill that would tax oil at a rate of 22.5 percent.

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* MAY 4, 2006: As legislative session winds down and Veco presses for the 20 percent tax rate, Weyhrauch mails his resume to Allen. Veco executives believe his job request is connected to how he will vote on oil taxes.

* MAY 7, 2006: During House floor debate on oil taxation, Allen and Smith call Kott by cell phone and tell him how to vote. Later that night, Kott tells Allen he had to "cheat, steal, beg, borrow and lie" to defeat an amendment for a higher oil tax rate. Allen responds, "I own your ass."

* MAY 9, 2006: Regular session ends with no new oil tax: Senate fails to concur with a House-approved 21.5 percent rate.

* MAY 10, 2006: First special legislative session begins to consider oil-tax rate.

* MAY 24, 2006: Weyhrauch tells Veco executives that he isn't doing well financially. They discuss his request for employment.

* JUNE 1, 2006: Kott tells Allen he wants to be a lobbyist after he leaves the Legislature. Allen responds, "Well, you will be."

* JUNE 1, 2006: Allen gives Kott $1,000 cash in a hotel room to reimburse his contribution to a candidate in the governor's race.

* JUNE 5, 2006: Allen calls Stevens to discuss a strategy for killing gas-pipeline legislation Veco doesn't support. Allen tells Stevens he wants him to work for Veco as an executive.

* JUNE 8, 2006: Legislators adjourn special session after failing to agree on oil-tax rate.

* JUNE 22, 2006: "Senator A," unidentified in the court documents, tells Smith that another lawmaker needs money.

* JUNE 25, 2006: Allen meets "Senator A" and the unnamed lawmaker and says he could raise $25,000 for the lawmaker's campaign. The lawmaker said he needed to be sure he was willing to support the legislation Veco favored. Veco never raised this money.

* JULY 11, 2006: Stevens and Allen discuss the need to maintain secrecy that the senator planned to become a Veco executive after the 2006 legislative session. They agree that Stevens, then the Senate president, needs to ensure passage of specific legislation before they disclose his job at Veco.

* JULY 12, 2006: Veco allegedly pays $2,750 for a poll for Kott's re-election campaign. Legislators begin second special session.

* AUG. 2, 2006: Veco's Smith allegedly instructs a Veco employee to pay a fraudulently inflated invoice, totaling $7,993, to Kott's Hardwood Flooring. Kott calls the transaction "foolproof." The payment is drawn from Allen's personal checking account.

* AUG. 10, 2006: Legislators approve new oil tax setting rate at 22.5 percent tax of profits.

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* DEC. 6, 2006: Anderson indicted for money laundering, extortion and bribery. He pleads not guilty several days later. His trial is set for June 25.

* MAY 4, 2007: Kott, Kohring and Weyhrauch indicted for conspiracy to commit extortion and bribery. Kott also indicted for wire fraud and Weyhrauch for mail fraud.

* MAY 7, 2007: Allen and Smith plead guilty to bribing Alaska lawmakers.

Compiled by Daily News reporters Elizabeth Bluemink and Wesley Loy.

Kohring returns to session, reasserts his innocence - INDICTMENT: A few lawmakers from each party offer nods or hugs to acknowledge his legal difficulties.

Anchorage Daily News (AK)
May 8, 2007
Author: STEVE QUINN
The Associated Press
WIRE

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Three days after he and two former House members pleaded not guilty to federal bribery and extortion charges, Rep. Vic Kohring showed up for work on the House floor on Monday.

As House leaders had earlier announced, he lost his job Monday as chairman of the House Oil and Gas Committee, though he will be allowed to remain on that committee as well as three others on which he serves.

He reported to the Capitol on Monday, attending the floor session and scheduled committee meetings.

During the House floor session, a few members from each political party nodded at or hugged Kohring, and some offered a handshake.

"It took a lot of courage, a lot of courage for him to come back," said Rep. Andrea Doll, a Juneau Democrat who gave Kohring a hug during a break.

"When you see somebody in just plain a lot of pain, my heart goes out to him," she said. "It's hard to imagine how difficult it must be for him to be there and to be judged."

Kohring deferred comment on the charges to his attorney, John Henry Browne, who last week said Kohring planned to fight the charges and continue serving his term.

However, Kohring also issued a statement saying he agreed with the decision handed down by members of a committee that oversees appointments.

"I firmly believe in the judicial system and that a jury of my peers will find me not guilty of these charges at which time the leadership of the House has agreed to return me to my chair," Kohring said in the statement.

Kohring and former state Republican Reps. Pete Kott of Eagle River and Bruce Weyhrauch of Juneau were indicted last week by a federal grand jury. They are accused of trading their legislative clout for cash and the promise of future work with an oil field services company.

On Monday, two top executives of VECO Corp., a multinational oil services company based in Anchorage, pleaded guilty to extortion, bribery, and conspiracy to impede the Internal Revenue Service. They were accused of bribing Alaska lawmakers with cash and the promise of jobs, contracts and favors for their backing on bills supported by the multinational firm.

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Key figures in the case

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May 8, 2007
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Estimated printed pages: 3

BILL ALLEN

Age: 70 from Socorro, N.M.

To Alaska in 1969. Welder. Joined Veltri Enterprises c. 1969, which became Veco. Bought out his partner 1970s, became majority owner of Veco Corp., which emerged as a major construction firm in the 1970s under sponsorship of Arco. Made millions on the 1989 Exxon Valdez oil spill cleanup. Bought the Anchorage Times newspaper in 1989.

Major player in Alaska construction, oil field services and the financing of Alaska politicians.

Pleaded guilty Monday to bribery, conspiracy and tax fraud. Said he paid bribes to legislators in return for votes and other official actions. Veco lawyer says he is no longer a Veco owner.

RICHARD "RICK" SMITH

Vice president of Veco and its chief political operative.

Pleaded guilty Monday to federal bribery, conspiracy and tax fraud charges.

PETE KOTT

Age: 57 Born Flint, Mich. To Alaska 1984

Ret. Air Force. B.S. in criminal justice. MA in public administration 1979. Owns flooring company.

Elected to state House 1992 from Eagle River. Re-elected six times. House speaker 2003-04. Lost 2006 Republican primary to Anna Fairclough.

Indicted last week on federal bribery and conspiracy charges. Pleaded not guilty.

VIC KOHRING

Age: 48 Born Waukegan, Ill. To Alaska 1963

Resident of Wasilla since 1976. Lives in his Juneau legislative office during the session. MBA 1989, from Alaska Pacific University. Married to Russian violinist.

Elected to state House 1994. Re-elected six times. Is a sitting legislator.

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Indicted last week on federal bribery and corruption charges. Pleaded not guilty.

BRUCE WEYHRAUCH

Age: 43 Born Sacramento To Alaska 1974

Attorney, president of Alaska Bar Association, 2000-01. Runs own law office. Survived near-

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death boating accident last month.

Elected to state House from Juneau 2002. Served two terms. Chose not to run in 2006.

Indicted last week on federal bribery and corruption charges. Pleaded not guilty.

TOM ANDERSON

Age: 39 Former state representative

A former legislative aide, member of the Anchorage School Board, executive director of the Cabaret, Hotel, Restaurant and Retailers Association.

Elected to House 2002, 2004 from Muldoon. Chose not to run in 2006

Married to state Sen. Lesil McGuire.

Indicted Dec. 6, 2006, on federal charges of money laundering, bribery and extortion. Pleaded not guilty. Trial set for June.

BEN STEVENS

Age: 48 Lifelong Alaska resident

Son of U.S. Sen. Ted Stevens. Lists occupation as "business consultant." Was a commercial fisherman. Ran the Special Olympics in 2001.

Appointed to state Senate in 2001 by Gov. Tony Knowles. Elected to four-year term in 2004. Chose not to run for re-election in 2006.

Identifiable as "Senator A" in indictments last week against three lawmakers. Is clearly the "Senator B" cited as recipient of some of the bribes that Bill Allen and Rick Smith pleaded guilty to in federal court Monday. Stevens has not been openly named and has not been charged with anything.

SENATOR A

Unnamed politician

Cited in federal charges against Bill Allen and Rick Smith

In addition to Ben Stevens, two senators' offices were searched last August by the FBI: John Cowdery, R-Anchorage, and Donny Olson, D-Nome.

Cowdery was in a Juneau hospital Monday, reportedly suffering from pneumonia. His attorney, Kevin Fitzgerald, said Cowdery is likely Senator A and he is investigating the allegations in the charges against Allen.

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Judge delays Kohring trial

OCT. 22: Defense says it needs more time to sort through evidence.

By KYLE HOPKINS
Anchorage Daily News
Published: May 30, 2007
Last Modified: May 30, 2007 at 02:27 AM

Hundreds of hours of video recordings, plus hundreds more of audio, added to thousands of pages of documents. As federal investigators silently tracked and secretly taped Alaska politicians and business leaders in a sweeping corruption investigation, they built a digital mountain of evidence, according to testimony in federal court Tuesday.

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Kohring

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It's all too much to sift through by July, the defense lawyer for Rep. Vic Kohring told U.S. District Judge John Sedwick.

The judge agreed.

In a brief Anchorage hearing that shed just a little light on the scope of the investigation, Sedwick delayed Kohring's trial more than three months, until Oct. 22.

Kohring, R-Wasilla, is accused of selling his vote on oil taxes last year to the oil field services company Veco Corp. Veco executives Bill Allen and Rick Smith pleaded guilty to conspiracy, bribery and tax charges on May 7.

Prosecutor Edward Sullivan said two computer hard drives full of evidence in the Kohring case include a number of conversations "intercepted" in Suite 604, a reference to Veco's room in Juneau's Baranof Hotel, as well as telephone conversations involving Allen and Smith recorded over 11 months beginning in September 2005.

Kohring has pleaded not guilty and says he's innocent.

"I feel in my heart that things are going to work out just fine for me and I'm going to be exonerated," he said in a phone interview Tuesday.

Kohring called his legal bills "astronomical." He said he recently sold his Wasilla home and may have to sell his home in Beaverton, Ore., to pay legal fees that he expects to top $100,000.

The charges against Kohring say the longtime Valley legislator asked for help paying a $17,000 credit card debt and that he accepted cash from Veco executives.

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Kohring said he couldn't answer specific questions about the case before it goes to trial.

"All I can say is that people have to remember that I am innocent until proven guilty," he said.

Kohring's lawyer, John Henry Browne of Seattle, said federal prosecutors gave him a tower of evidence in the corruption case only last week.

Browne said only a fraction of the evidence directly involves Kohring and that in the rest he

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testify against his client.

"The government was probably recording these guys for a reason ... my guess is that this material will contain information that I can use to impeach them when they testify, about their conduct, behavior and general reputation for honesty," Browne said.

Kohring said people still support him and he has refused calls to give up his seat in the Legislature. He said he needs surgery on his neck, which could keep him from attending a possible special legislative session in the fall.

Until Tuesday's delay -- which drew no objection from prosecutors -- Kohring's trial was to begin July 9.

FBI - Stevens-674

FD-350 (Rev. 5-8-81)

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

ANCHORAGE DAILY NEWS

(Mount Clipping in Space Below)

Date: 06/7/2007
Edition: THURSDAY

Title: FBI TELLS STEVENS TO SAVE RECORDS

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

Indexing:

FBI - Stevens-675

194A-AN-13620-M;341

lawmaker facing charges says he took "wise counsel."

By STEVE QUINN
The Associated Press

JUNEAU — State Rep. Vic Kohring, who faces bribery and extortion charges, revealed this week that a senior lawmaker asked that he not vote on Gov. Sarah Palin's natural gas pipeline bill.

He said he understands his pipeline vote could have been considered tainted, so he honored the request from Minority Leader Beth Kerttula, D-Juneau. Kohring is now considering a new request from Republican leaders — that he resign his legislative seat.

"I haven't made a final decision," he told The Associated Press. "I'll listen carefully to my constituents. I've taken this role very seriously, but I'm not so wedded to this job or have so much pride that it would get in the way of respecting the wishes of the public."

He has indicated a decision could be [illegible] Anchorage.

On Wednesday afternoon, Palin and members of her energy team participated in a ceremonial signing of the Alaska Gasline Inducement Act — or AGIA — in Fairbanks.

Under AGIA, producers and independent pipeline companies can vie for rights to build a pipeline that lawmakers hope will ship trillions of cubic feet of North Slope natural gas to market.

The House and Senate passed Palin's bill May 11, a week after Kohring and two former lawmakers were indicted on federal charges of bribery and extortion related in part to changes in the state's oil production tax passed in 2006.

Palin also said she would call a special session later this year to re-examine how last year's Legislature considered and passed the Petroleum Profits Tax plan, which she has said was approved under a dark cloud.

The indictments left some lawmakers squeamish about Kohring casting votes on any energy-related bills in the waning days of this year's legislative session.

> *I wasn't judging him when I was asking him to do that. He didn't have to do it, but he took a lot of pressure off the body.*
>
> — Rep. Beth Kerttula, D-Juneau

When lawmakers discussed and voted on AGIA on May 11, Kohring quietly left the House chambers and didn't return until all discussion on the bill was completed.

Kohring initially declined to identify who asked him to refrain, saying it was "I thought it was [illegible] and provide the least amount of disruption by not being a part of that vote," Kohring said. "So I made the decision to quietly slip out.

"She wasn't putting any pressure on me at all; she just gave me some wise counsel, and it was prudent of me to simply not vote," he said.

Kerttula said she approached Kohring outside the House chambers, saying she thought it was best he leave the floor before the vote.

"I had two concerns: integrity of the (legislative) body and for individuals to be treated fairly," she said. "Having him off the floor accomplished those."

An attorney, Kerttula said she was still mindful of Kohring's constitutional right to be considered innocent until his trial, now scheduled for October, is completed.

"I wasn't judging him when I was asking him to do that," she said. "He [illegible] dez, said Kerttula first approached him about talking to Kohring.

Harris said he supported the decision as Kohring had already been stripped of his position as chairman of the House Oil & Gas Committee following the charges.

"With all the speculation going on, it meant for a less confrontational vote," Harris said. "You can't say the vote was tainted because he didn't vote."

Besides Kohring, also facing bribery and extortion charges are former Republican Reps. Pete Kott of Eagle River and Bruce Weyhrauch of Juneau. Kott has asked that his trial also be delayed until this fall; Weyhrauch is scheduled for trial next month.

Additionally, two executives for oil services company Veco Corp. have pleaded guilty to extortion and bribery related to their dealings with legislators.

d, OR	65/48/c	64/49/pc	72/53/pc
nce	71/56/c	69/54/pc	83/60/pc
	84/60/t	92/71/pc	95/72/pc
	60/41/pc	70/45/pc	77/50/pc
ento	74/51/na	80/51/s	86/52/pc
OR	64/43/t	65/45/pc	72/50/pc
e City	61/46/t	67/43/t	71/52/pc

sh-showers, t-thunderstorms, w, I-ice, h-hazy.

Tucson	92/76/s	91/62/s	94/65/s
Tulsa	89/64/s	92/64/pc	78/63/pc
W. Palm Beach, FL	84/75/t	85/74/t	85/75/t
Washington, DC	76/63/r	87/71/pc	95/70/t
Yakima	68/41/pc	73/45/pc	75/47/pc

National high and national low are for the 48 contiguous states.

National high yesterday	National low yesterday
Bullhead City, AZ.....110	Sunlight Mountain, CO 26

Dublin	60/41/s	63/49/pc	65/50/pc
Edmonton	62/51/r	69/36/pc	69/47/pc
Frankfurt	80/60/pc	86/62/pc	86/62/pc
Geneva	75/59/r	71/52/pc	73/56/pc
Hanoi	90/79/na	85/80/pc	91/81/pc
Havana	87/71/t	86/77/pc	87/76/pc
Helsinki	80/46/s	75/52/pc	80/53/pc
Hong Kong	91/84/r	85/81/pc	86/82/pc
Jerusalem	86/64/na	74/58/s	74/56/s
Tokyo	76/61/na	77/63/pc	75/63/pc
Toronto	59/46/c	62/48/pc	75/62/pc
Vancouver	57/50/r	64/51/pc	66/51/pc
Whitehorse	60/50/r	52/40/pc	57/34/pc

World high yesterday	World low yesterday
Kuwait	Amundsen-Scott
Kuwait.....113	Antarctica.....-72

FBI tells Stevens to save records

■ CORRUPTION PROBE: U.S. senator confirms his son Ben "is also under investigation."

By PAUL KANE
The Washington Post

WASHINGTON — Sen. Ted Stevens, the longest-serving Republican in the Senate, says the FBI asked him to preserve records as part of a widening investigation into Alaska political corruption that has touched his son and ensnared one of his closest political confidants and financial backers.

"They put me on notice to preserve some records," Stevens said in a brief interview about his legal team's discussions with the FBI. He declined to say what kinds of records were involved but confirmed that he had hired lawyers and that his son, former state Senate President Ben Stevens, "is also under investigation."

Stevens, who is famous for bringing home federal money, was not previously confirmed as linked to the Justice Department's probe, which has uncovered evidence that bribes were given to state lawmakers in exchange for favorable oil-tax legislation.

The Justice Department's Public Integrity Section is running the inquiry, which includes two federal prosecutors and FBI agents based in Anchorage.

The FBI issued subpoenas last year to contractors who had performed work on Ted Stevens' Girdwood house, seeking information about the alleged involvement of Veco Corp. chief executive Bill J. Allen in overseeing the renovations, which cost more than $100,000.

There has been no indication that Stevens is a target of the investigation, and federal law enforcement officials this week declined to comment about the probe.

Stevens has long been close to Allen. Since 2000, Allen has contributed more than $50,000 to political and campaign committees controlled by Stevens. In 2005 and 2006, Allen and other Veco executives gave Stevens-affiliated election committees $37,000, Federal Election Commission records show. A Stevens aide said the senator recently decided to donate contributions from Allen and another Veco executive from 2004 to 2006 to charity.

Several years ago, Allen joined with Stevens and a handful of other corporate executives to purchase thoroughbred horses, according to Stevens' financial disclosures to the Senate.

Last month, Allen and Veco vice president Rick Smith pleaded guilty to bribing state legislators primarily to secure the passage of oil-tax legislation.

See Page B-7, **STEVENS**

Sen. Ted Stevens will donate money received from Veco executives to charity, an aide said.

STEVENS: *$243,250 given to 'state senator B'*

Continued from B-1

As part of the plea, Allen said his bribes included $243,250 in no-show consulting work from 2002 to 2006 to "state senator B" to win the lawmaker's support for the pipeline project and other legislative matters. State financial reports filed by Ben Stevens list the same dollar amount in receipts from Veco.

"We believe that the facts will show that Mr. Stevens didn't engage in any illegal activity," said John Wolfe, the lawyer for Ben Stevens.

Ted Stevens said he has not spoken to Justice Department officials, that he was complying with the request to preserve documents and that he anticipated turning them over at some point. He and his staff declined to specify whether the investigators were seeking records on personal finances, legislative actions or both.

Stevens is the ranking Republican on the Commerce, Science and Transportation Committee. He said his lawyers warned him that any public statements could be construed as an attempt to obstruct the inquiry.

FBI - Stevens-677

Stevens, Son Press Project Roll Call June 7, 2007 Thursday

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Roll Call

June 7, 2007 Thursday

LENGTH: 1275 words

HEADLINE: Stevens, Son Press Project

BYLINE: Paul Singer, ROLL CALL STAFF

BODY:

In late 2005, Sen. **Ted Stevens** (R) joined other members of the Alaska delegation in pressing state officials to reserve $2 million in earmarked federal money for a **pipeline** project being conducted by a gas company that employed Stevens' son, Ben.

Stevens, Rep. Don Young (R) and Sen. Lisa Murkowski (R) wrote a letter to the Alaska Department of Transportation on Nov. 9, 2005, to "more clearly explain the Congressional intent" of a $2 million earmark in the 2005 highway bill, known as SAFETEA-LU. The letter clarified that the money was intended for the project Ben Stevens' company was working on, and the company was named in the letter.

Ted Stevens' office said this week that the letter merely reflected the importance of bringing natural gas to South-Central Alaska, and the elder Stevens' involvement in the issue had nothing to do with the younger Stevens' employment.

The provision that had been inserted into the bill by the Alaska delegation reserved the money for a "study on the feasibility of constructing a natural gas **pipeline** from the North Star Borough to South Central Alaska along the existing transportation corridors." The provision refers to a long-running discussion about how to get a portion of the state's abundant North Slope natural gas reserves to the chronically under-supplied gas consumers in the population centers around Anchorage.

But according to state officials, there are two possible **pipeline** routes that fit the description as it was worded in the earmark: one, a north-south route from Fairbanks that follows the "Parks Highway" to Anchorage and would pass through a small piece of Denali National Park, and a second that would swing east through Glennallen before cutting back west to Palmer, just outside Anchorage.

"That earmark came to us as an orphan," said Mike Chambers, spokesman for the Alaska Department of Transportation and Public Facilities. "When an earmark comes in, and if it is general enough, several people will stand up and claim it ... sort of like a custody battle."

The letter from Stevens, Young and Murkowski made it clear which side should win custody. The Members pointed out that the 2005 omnibus appropriations bill set aside an additional $2 million "to allow ENSTAR Natural Gas and ASRC Energy

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Service to move forward on a feasibility study along the Parks Highway for the construction of a spur line from Fairbanks to Anchorage." They added: "The intent of the two million dollars in SAFETEA-LU is to continue the Parks Highway Spur study begun under the DOE project."

ENSTAR Natural Gas is a subsidiary of SEMCO Energy, a Michigan-based energy company. Ben Stevens has served on the board of SEMCO since 2004 and was paid $77,810 for his service in 2006, according to the company's most recent filings with the Securities and Exchange Commission.

Ted Stevens clearly was not the only advocate for the Parks Highway **pipeline** earmark. The delegation letter was written in the first person, suggesting that questions be directed to "my staff on the Transportation and Infrastructure Committee," which is the committee that Young chaired at the time.

The $2 million earmark was not included in the House version of the SAFETEA-LU bill and was added in the Senate, where Stevens chaired the Commerce, Science and Transportation Committee, which had jurisdiction. But Murkowski also claims credit for the earmark. "If we can't get more gas [in the Anchorage area], people are going to freeze in the dark," said Chuck Kleeschulte, a legislative assistant on energy issues in Murkowski's office. Kleeschulte referred to the project as a "delegation earmark" and said, "We gladly accept responsibility for this earmark."

The Alaska Legislature also passed a resolution expressing support for constructing a natural gas **pipeline** from Fairbanks to South-Central Alaska, with then-state Sen. Ben Stevens voting in favor.

Aaron Saunders, spokesman for **Ted Stevens,** wrote in an e-mail to Roll Call that "The provision in the SAFETEA-LU bill to provide money to the state to continue to study possible spur lines was a priority for the entire Alaska Congressional Delegation. These funds would ensure that [the] ongoing study would be completed. It is the Delegation's understanding that the state will award a contract to finish the study based on its procurement process," meaning it is not guaranteed that ENSTAR will receive the money.

Saunders added that the delegation's support of the **pipeline** "is based on the project's merits and its importance to all of their constituents who live in South Central Alaska. ... At no time did Ben Stevens' role as one of 10 members of SEMCO's Board of Directors play any part in the Delegation's decision to support this study."

Stephen Slivinski, director of budget studies at the Cato Institute, said there is nothing wrong with the Alaska delegation setting aside money for the state to review alternative routes for a gas **pipeline.** But, he said, "If you are coming from the premise that the state should be the ones determining the best use of a lump of money ... the state should be free to interpret that. The follow-up correspondence is the odd part, which says 'No, no, you are to spend it this way.'"

Slivinski said Congressional letters to state agencies are a kind of a backdoor earmark. "If you wanted to be more honest about this, you could have done it in the law," instead of going to the state to make the distinction.

Mike Thompson, the state **pipeline** coordinator in the Alaska Department of Natural

Resources, said the $2 million from the highway bill earmark has never been distributed. The state is waiting for the Energy Department to release a broader feasibility study that compares both routes before it releases a request for bids to conduct the study on the Parks Highway route. The DOE study has been completed - NORSTAR, another unit of SEMCO, was one of the contractors that the department hired to draft it - but it has not yet been released.

Harold Heinze, CEO of the Alaska Natural Gas Development Authority - the state-chartered corporation that has been advocating the Glennallen-to-Palmer **pipeline** route - said the Parks Highway route does not seem to make as much economic sense, but the Members of Congress may not have known that when they wrote their letter in late 2005. "In that timeline, [the letter] is absolutely correct," Heinze said, since the state did need to consider both routes. "I might differ with it tremendously today," he added, because he believes the superiority of the Glennallen **pipeline** seems clear.

Heinze encouraged the Energy Department to include in its analysis the challenges the Parks Highway line would have getting approval from Congress to cross into the Denali National Park, and he provided a copy of an e-mail reply he received indicating that the department "did ask the report's authors to 'beef up' the section dealing with this issue."

ENSTAR spokesman Curtis Thayer said the **pipeline** issue "was started before Ben Stevens was on the board. ... Ben had nothing ever to do with any of this." Thayer said that by his recollection, Ben Stevens had been to the ENSTAR Alaska offices only once since joining the SEMCO board in 2004.

Thayer pointed out that the state has been looking for more natural gas for the population centers around Anchorage for years, and ENSTAR, as the primary natural gas company in the state, probably will be involved no matter where such a **pipeline** is built.

"We have an interest in building such a line - but it will take a lot of partners," Thayer said.

Ben Stevens could not be reached for comment on this story, and several calls to his attorney were unreturned.

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Embattled Kohring undecided but will 'do what's right'

Q AND A: He says he plans to attend the special session despite bribery indictment.

By SABRA AYRES
Anchorage Daily News
(Published: June 6, 2007)

JUNEAU -- State Rep. Vic Kohring said he has not decided yet whether he will resign because of his indictment in a bribery scandal, and that most of what he hears from constituents is supportive of his staying in office.

Kohring's comments came in e-mail interviews this week after two House leaders recently urged him to consider resigning to help restore public trust in lawmakers and the Legislature.

Kohring, R-Wasilla, pleaded not guilty last month to federal charges of bribery, conspiracy and extortion. His trial is scheduled for October.

Kohring's case is part of a wider federal probe into government corruption. Prosecutors accused him and two former lawmakers of selling their votes on last year's petroleum production tax law, or PPT, to Anchorage oil services company Veco Corp. Two former Veco executives have pleaded guilty.

Kohring's term runs out in January 2009.

In excerpts from his e-mails, Kohring discusses his thoughts on resigning, support he's received and a recall effort he faces, and the financial strain he's experiencing. He also says that at times as a legislator he's feared for his personal safety, and years ago he even wore a bulletproof vest on the House floor.

Q. Have you made any decisions as to whether or not you will step down?

A. No.

Q. When do you think you might make a final decision?

A. I am giving all options careful consideration.

FBI - Stevens-681

Q. What are you hearing from your constituents?

A. Most correspondence indicates people wish for me to stay.

Q. House Speaker John Harris said this week that some legislators have expressed concern about the indictment and its effect on the Legislature as a whole. Have you had any discussions about this with your colleagues? Do you feel their concerns are justified?

A. I spoke with John Harris and Ralph Samuels (House majority leader) last week, and I respect their opinions. We discussed my options and all understood that I will be making any decision

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regarding my future.

I intend to do what's right for my constituents and make a carefully thought-out decision, which will not be an easy one.

I've dedicated my life to my community for a dozen years, including knocking on 28,000 doors in an effort to be accessible, and helped over 3,000 people with problems associated with government, many times staying up all hours of the night and sleeping on my office couch.

I've always given 100 percent and have tried to be the best public servant I can.

Q. Are you planning to attend the special session on SeniorCare (aid to low-income seniors) in Anchorage later this month?

A.. Yes.

Q. If Gov. Sarah Palin calls a fall special session to revisit the new oil tax, would you attend? Excuse yourself? Other options?

A. My decisions will be in my constituents' best interest.

Q. You have mentioned that you were concerned about your personal safety. What has happened that makes you feel unsafe?

A. I have received numerous threats over the years, both politically and dealing with my personal safety, from people who've disagreed with me on issues or don't like me for some reason. I've attempted to be honest and straightforward, as opposed to saying what I think is politically popular. When a person does that, they sometimes become a target as I have.

During one campaign, while waving at cars along the Glenn Highway, someone fired a gun -- which sounded like a .22; I know my guns, so I recognized what it was -- from a passing car. The next week, it happened again. Fortunately, I was not hit in either incident. I wore a bulletproof vest to protect me. I also carried a 9mm pistol for protection, using my concealed-carry permit. There were times during my early years in Juneau when I also received threats, so I wore the same flak jacket on the House floor, despite its bulkiness. It made me look fat and was hot and uncomfortable. I did not carry a gun in the Capitol building.

Q. How do you feel about the recall petition initiated by Wasilla City Councilman Mark Ewing?

A. I'm disappointed that Mr. Ewing has begun a recall campaign against me without speaking with me first and expressing his concerns.

I'm also disappointed in some of my neighbors and constituents who are rushing to judgment against me. Some of these folks are saying I'm unable to do my job and therefore should be recalled. This is despite that fact that all of us in the Legislature are expected to be "citizen legislators" and go about our other jobs and responsibilities during the summer and fall months when not in session.

Since the session ended, I've worked in my legislative office nearly every day, often until 11 p.m. I've been very accessible to people even now. My long hours working for my community are in addition to my personal responsibilities. It's difficult and challenging but worth the effort.

Q. Is anyone organizing a counter-campaign on your behalf?

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A. Yes. I have a number of wonderful supporters who have offered to set a legal defense fund. In addition, a good friend is setting up a blog to keep people updated. Meanwhile, it has been very difficult, if not impossible, to mount a counter-campaign of my own. I've also been advised not to discuss details about my case and stick with the basics so that it doesn't jeopardize my case in any way.

Q. Where are you living in Wasilla? With your parents?

A. Yes, in Wasilla, in the heart of my district. I am living in the back half of my parents' 30-year-old mobile home in Kohring Subdivision, a subdivision my dad and I developed many years ago. We enjoy each other's company and play card games every night. I recently sold my Wasilla house to pay for my legal expenses, which are phenomenal.

Q. Is your family still in Portland? Will they be joining you in Wasilla during the interim?

A. Yes, my wife and stepdaughter are in Beaverton, Ore. I would love for them to be with me during this difficult time, but money is very tight, and given my legislative responsibilities here and the controversy I've found myself in, we're having to endure being separated for the time being.

Reporter Sabra Ayres can be reached at sayres@adn.com or in Juneau at 1-907-586-1531.

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FD-350 (Rev. 5-8-81)

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

Date: 06/7/2007
Edition: THURSDAY

Title: YOUNG TIED TO FLORIDA EARMARK

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

Indexing:

FBI - Stevens-684

194A-AN-13620-M;344

YOUNG: *Florida developers, builders contribute $40,000*

Continued from A-1

ples Daily News, has sparked a controversy. Parts of the story were reported in the Anchorage Daily News last year, and the tale is receiving attention in Florida as environmentalists object that the interchange would threaten wetlands.

In addition, the Lee County planning organization is debating what to do about the money, and a Republican commissioner of Lee County, Ray Judah, is campaigning against the interchange, calling it an example of congressional corruption that is "a cancer on the federal government." He added, "It would appear that Don Young was doing a favor for a major contributor."

When he was approached near the House floor by a reporter, Young responded with an obscene gesture.

House Republicans are in a public relations battle with Democrats for the high ground on reforming "earmarks," the pet projects that lawmakers tuck into spending bills behind closed doors.

As they have exploded in number for the last 12 years — the 2006 transportation bill included more than 6,300 projects worth more than $24 billion, the nonpartisan Taxpayers For Common Sense says — earmarks have proven ripe for cronyism, corruption and abuse. Though the House recently passed a rule requiring the disclosure of earmark sponsors, the flow does not appear to have slowed.

Until Democrats took control of Congress in January, Young was chairman of the Transportation Committee, and he and his staff distributed transportation earmarks to lawmakers seeking projects.

Young may have first learned of Coconut Road on Feb. 17, 2005. That is when he flew to the region on a plane owned by Corporate Flight, a Waterford, Mich., charter company that is associated with the Aronoff family, which is based in nearby Bloomfield Hills, Mich. The Aronoffs are among the company's biggest clients, its general manager, Tom Hector, said.

Young's re-election campaign reimbursed the company $3,422 for the flight, according to his campaign filings.

At the invitation of Mack, Young visited Florida Gulf Coast University for a meeting on the interstate and other transportation questions. Afterward, Young went directly to the fundraiser at the Hyatt Coconut Point.

Until Democrats took control of Congress in January, Young was chairman of the Transportation Committee, and he and his staff distributed transportation earmarks to lawmakers seeking projects.

His campaign records show that he received more than $40,000 in contributions on one day around that time, mostly from southwestern Florida developers and builders.

Aronoff, whose family is a major contributor to Republicans, gave $500 to Young's campaign and later gave $2,500 to Young's Midnight Sun political action committee.

The invitations to the event listed as hosts Mack, a business group called the Southwest Florida Transportation Initiative that includes Aronoff's company and two executives of other Florida developers.

Asked in a telephone interview who had organized the fundraiser, Mazurkiewicz, the consultant, said he was then at another fundraiser with a member of Mack's staff who would know.

"Aronoff," the staff member told Mazurkiewicz, within earshot of his mobile phone.

"Just some local businessmen," Mazurkiewicz said into the phone.

When pressed, he confirmed that the staff member had named Aronoff. Later, Mazurkiewicz called again to list the names on the invitation.

A spokeswoman for Young, Meredith Kenny, initially said that Mack had requested the Coconut Road money and that no one on Young's staff was available to provide more information.

A spokesman for Mack, however, said he did not ask for the money. His chief of staff, Jeff Cohen, said Mack was surprised to find the project in the bill long after it had passed. After issuing a press release when the bill passed celebrating its financing for other Florida projects, Mack followed up with a second press release when he learned of the Coconut Road interchange.

"At the end of the day this thing got stuck in there unbeknownst to us and having nothing to do with us, other than it is our district," Cohen said.

The Aronoffs gave more than $200,000 to Republican candidates and political committees in 2006. Their business, the Landon Cos., is best known for building mobile-home parks. But it also operates a real estate development business in Florida.

Daniel Aronoff has taken over active management of the company from his father, Arnold Y. Aronoff, who had a checkered career in Florida real estate. In 1979, Arnold Aronoff was sentenced to two years in prison after pleading guilty to mail fraud in a scheme to sell Florida swampland at an inflated price.

The plans for the earmark and the Aronoff land hit a roadblock when the Lee County Metropolitan Planning Organization voted twice last year to block a preliminary study for the interchange, mainly on environmental grounds. Local opponents cited studies showing development in the area could harm wetlands that provide drinking water.

But Young was evidently determined to see the interchange move forward. In a Jan. 23, 2006, letter to the chairman of the Lee County Metropolitan Planning Organization, Young warned that his committee would draft another bill taking away the $10 million if it was not used for the interchange.

On Jan. 31, Mack followed up with a letter warning that the rejection would "make it difficult for Southwest Florida to have future success in securing federal resources for other important projects."

The planning organization subsequently reversed itself and approved an initial study of the proposed interchange. But the last election put more environmentalists on the county commission. Next month, county planners will again take up the question of what to do about Coconut Road.

YOUNG: *Florida developers, builders contribute $40,000*

Continued from A-1

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Young tied to Florida earmark

■ $10 MILLION: County votes against it but is told it must take it or jeopardize future funding.

By DAVID D. KIRKPATRICK
The New York Times

WASHINGTON — It is no secret that campaign contributions sometimes lead to lucrative official favors. Rarely, though, are the tradeoffs quite as obvious as in the twisted case of Coconut Road.

The road, a stretch of pavement near Fort Myers, Fla., that touches five golf clubs on its way to the Gulf of Mexico, is the target of a $10 million earmark that appeared mysteriously in a 2006 transportation bill written by Rep. Don Young, R-Alaska.

Young

Young, who last year steered more than $200 million to a so-called bridge to nowhere reaching 80 people on Gravina Island near Ketchikan, has no constituents in Florida.

Connie Mack, the Republican congressman whose district does include Coconut Road, says he did not seek the money. County authorities have twice voted not to use it, until Young and Mack wrote letters warning that such refusal could jeopardize future federal funds for Lee County.

The Coconut Road money is a boon, however, to Daniel J. Aronoff, a real estate developer who helped raise $40,000 for Young at the nearby Hyatt Coconut Point hotel days before he introduced the measure.

Aronoff owns as much as 4,000 acres along Coconut Road. The $10 million in federal funds would pay for the first steps to connect the road to Interstate 75, exponentially increasing the value of Aronoff's land.

He did not return phone calls seeking comment.

A consultant who helped push for the project explained why its supporters held the fundraiser. "We were looking for a lot of money," said the consultant, Joe Mazurkiewicz. "We evidently made a very good impression on Congressman Young, and thanks to a lot of great work from Congressman Young, we got $81 million to expand Interstate 75 and $10 million for the Coconut Road interchange."

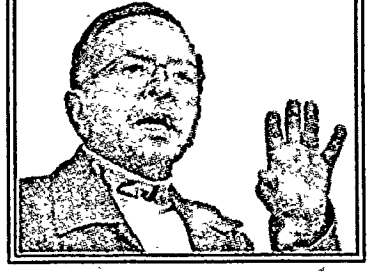
Young's role, first reported by The Na-

See Page A-7, YOUNG

FBI - Stevens-687

Stevens put on notice by FBI

Investigators ask senator to preserve records. **B-1**



<<Back

Stevens, Young make national headlines on corruption charges

by Steve Mac Donald
Thursday, June 7, 2007

ANCHORAGE, Alaska -- Two-thirds of Alaska's congressional delegation has made national headlines over the last two days related to possible corruption schemes from Alaska all the way to Florida.

The Washington Post is reporting that Sen. Ted Stevens has hired a lawyer as the result of an FBI investigation into the VECO Corp. bribery case.

According to the Post, the FBI has instructed Stevens to preserve records relevant to the probe.

The 83-year-old Republican has refused to say what kinds of records he's been asked to save.

Meanwhile, the New York Times reported yesterday that Congressman Don Young is forcing a county in south Florida to accept $10 million it did not request and does not want.

According to the Times, Young added the money to the budget last year when he was chairman of the House Transportation Committee to pay for a major upgrade of Coconut Road in Lee County, Fla.

But county officials say they never asked for the money and are opposed to the road upgrade because of the harm it would do to nearby wetlands and drinking water.

The Times story says Young tucked the appropriation into the budget after receiving $40,000 during a campaign fundraiser organized by a Florida businessman who would benefit from the road upgrade.

According to the story, the businessman owns 4,000 acres of land along Coconut Road. The Times says when its reporter asked Young to comment on the story, the congressman responded with an obscene gesture.

Steve Mac Donald is assistant news director for Channel 2 News. Contact him at smacdonald@ktuu.com

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FD-350 (Rev. 5-8-81)

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

ANCHORAGE DAILY NEWS

(Mount Clipping in Space Below)

Date: 06/8/2007
Edition: FRIDAY

Title: KOHRING TO REVEAL DECISION JUNE 19

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

Indexing:

FBI - Stevens-689

194A-AN-13620-M;346

Kohring to reveal decision June 19

■ RESIGNING? The indicted legislator chooses a Chamber luncheon as the setting.

By STEVE QUINN
The Associated Press

JUNEAU — An indicted member of the Alaska House said Thursday he may resign, but is reserving any announcement on his future until he can address voters in his home district.

State Rep. Vic Kohring said he has informed Gov. Sarah Palin that he may resign, and the Wasilla Republican will meet with House Speaker John Harris next Tuesday to discuss his options.

Those include "an agreeable transfer of responsibilities should I decide to resign," he said in a prepared statement.

Kohring said he will announce any decision at the Greater Wasilla Chamber of Commerce weekly luncheon on June 19, one week before the Legislature will hold a special session in Anchorage to review funding for the state's SeniorCare program.

> *"It's important for me to make the announcement before my constituents."*
>
> — Rep. Vic Kohring

"It's important for me to make the announcement before my constituents," he told The Associated Press. "To do that, it's best for it to be at the Wasilla Chamber of Commerce in front of a diverse group of folks."

Last month, Kohring and two former lawmakers were indicted on federal charges of bribery and extortion related in part to changes in the state's

See Page B-7, KOHRING

FBI - Stevens-690

KOHRING: *Several have suggested that he resign*

Continued from B-1

oil production tax passed in 2006.

Kohring was chairman of the House Oil & Gas Committee, which did not review the petroleum production tax bill in 2006 but did hold hearings on Palin's gas line bill this year.

This year, during a House vote on Palin's Alaska Gasline Inducement Act — or AGIA — Kohring heeded the advice of a senior lawmaker and did not vote.

Palin, also from Wasilla, has suggested that Kohring resign, and senior Republicans have also asked him to consider that option. A recall effort is under way in Wasilla.

Kohring has refused, saying resigning would not serve his constituents. He's working during the interim and attended the House Resources Committee meeting on Thursday in Anchorage.

He said he still receives support from constituents, but he also understands the pressures on him to resign.

"If I decided to stay, I'm in for major battles on my hand with the recall and other issues," he said. "I hate to be boxed in a situation, but I can see there is no easy way out."

FD-350 (Rev. 5-8-81)

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(Indicate page, name of newspaper, city and state.) B-3
ANCHORAGE DAILY NEWS

Date: 06/8/2007
Edition: FRIDAY

Title: COCONUT ROAD DEAL MORE RECYCLED NEWS, YOUNG SAYS

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

Indexing:

FBI - Stevens-691

194A-AN-13620-M;347

YOUNG: *Alaska con... ...man dismisses Coconut Road deal as old news*

Continued from B-1

there will be a plethora of projects for people to look at and pick apart. This is a recycled story."

Young's defense is similar to one he gave in April to explain campaign contributions from a Wisconsin trucking executive alleged to have improperly benefited from road legislation originating in Young's committee.

Young, further dogged by the guilty plea of former aide Mark Zachares in the Jack Abramoff bribery scandal, has retained a Washington law firm.

Congressional Democrats quickly picked up on the Florida revelations, which were first reported in a Naples, Fla., news... were repor... News last y...

"The fac... million on ... their objec... campaign ... vas, a spo... ic Congres... tee. "The ... Don Youn... scheme is ... taxpayer n...

A spoke... a fellow ... the Fort ... learned o...

Rep. Don Young calls a story about his sponsoring a $10 million road project in Florida "old news."

Coconut Road deal more recycled news, Young says

■ DENIES TRADEOFFS: He says senior congressmen on powerful committees just get more money.

By KEVIN DIAZ
Anchorage Daily News

WASHINGTON — Rep. Don Young, who has made a career out of bringing federal dollars to Alaska, shrugged off reports Thursday that he steered millions of dollars to help a prominent campaign contributor with a Florida road project.

Young's role in the Fort Myers' Coconut Road deal two years ago has received growing media scrutiny in recent months as the new Democratic Congress debates earmark reform, an agenda energized by Alaska's controversial "bridges to nowhere" funding championed by Young and Sen. Ted Stevens.

Both Republican lawmakers were subjects of national news reports Thursday: Stevens in a Washington Post story on the federal bribery investigation that has enveloped his son, former Alaska Senate President Ben Stevens; Young in a New York Times story describing how he sponsored $10 million for a road project that helped Florida real estate developer Daniel Aronoff, days after Aronoff helped raise $40,000 for Young's political funds.

The Times reported that it got no response from Young other than an obscene gesture.

In a statement to the Anchorage Daily News, Young did not dispute any of the facts in the story, which he called "old news."

But he did dismiss the suggestion of tradeoffs for campaign cash, noting that businesses with interests before the powerful Transportation Committee that he chaired until this year routinely gave its senior members lots of money.

"Every story that comes out is the same, with different players and different projects," he said. "When you are the chairman of the largest committee in the House, and a senior member, and in charge of writing a $290-odd billion bill, it's a guarantee that you are going to be raising more money than other less senior members. ... It's also a guarantee that

See Page B-6, YOUNG

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.) A-5
FRONTIERSMAN

Date: 06/8/2007
Edition: FRIDAY

Title: KOHRING AVOIDED VOTING ON PALIN'S GAS LINE BILL

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

Indexing:

FBI - Stevens-693

194A-AN-13620-m;348

Kohring avoided voting on Palin's gas line bill

BY STEVE QUINN
Associated Press Writer

JUNEAU — State Rep. Vic Kohring, who faces bribery and extortion charges, revealed this week that a senior lawmaker asked that he not vote on Gov. Sarah Palin's natural gas pipeline bill.

He said he understands his pipeline vote could have been considered tainted, so he honored the request from Minority Leader Beth Kerttula, D-Juneau. Kohring is now considering a new request from Republican leaders _ that he resign his legislative seat.

"I haven't made a final decision," he told The Associated Press. "I'll listen carefully to my constituents. I've taken this role very seriously, but I'm not so wedded to this job or have so much pride that it would get in the way of respecting the wishes of the public."

He has indicated a decision could be reached this week, ahead of a legislative special session on benefits for senior citizens, which will start June 26 in Anchorage.

On Wednesday afternoon, Palin and members of her energy team participated in a ceremonial signing of the Alaska Gasline Inducement Act — or AGIA — in Fairbanks.

Under AGIA, producers and independent pipeline companies can vie for rights to build a pipeline that lawmakers hope will ship trillions of cubic feet of North Slope natural gas to market.

The House and Senate passed Palin's bill May 11, a week after Kohring and two former lawmakers were indicted on federal charges of bribery and extortion related in part to changes in the state's oil production tax passed in 2006.

Palin also said she would call a special session later this year to re-examine how last year's Legislature considered and passed the Petroleum Profits Tax plan, which she has said was approved under a dark cloud.

"I haven't made a final decision. I'll listen carefully to my constituents. I've taken this role very seriously, but I'm not so wedded to this job or have so much pride that it would get in the way of respecting the wishes."

- State Rep. Vic Kohring, R-Wasilla

The indictments left some lawmakers squeamish about Kohring casting votes on any energy-related bills in the waning days of this year's legislative session.

When lawmakers discussed and voted on AGIA on May 11, Kohring quietly left the House chambers and didn't return until all discussion on the bill was completed.

Kohring initially declined to identify who asked him to refrain from voting, saying it was people he held in "high regard," but on Wednesday he confirmed Kerttula asked that he step aside.

"I thought it would keep things calm and provide the least amount of disruption by not being a part of that vote," Kohring said. "So I made the decision to quietly slip out.

"She wasn't putting any pressure on me at all; she just gave me some wise counsel, and it was prudent of me to simply not vote," he said.

Kerttula said she approached Kohring outside the House chambers, saying she thought it was best he leave the floor before the vote.

"I had two concerns: integrity of the (legislative) body and for individuals to be treated fairly," she said. "Having him off the floor accomplished those.

An attorney, Kerttula said she was still mindful of Kohring's constitutional right to be considered innocent until his trial, now scheduled for October, is completed.

"I wasn't judging him when I was asking him to do that," she said. "He didn't have to do it, but he took a lot of pressure off the body. It showed quite a bit of courage that moment."

House Speaker John Harris, R-Valdez, said Kerttula first approached him about talking to Kohring.

Harris said he supported the decision as Kohring had already been stripped of his position as chairman of the House Oil & Gas Committee following the charges.

"With all the speculation going on, it meant for a less confrontational vote," Harris said. "You can't say the vote was tainted because he didn't vote."

Besides Kohring, also facing bribery and extortion charges are former Republican Reps. Pete Kott of Eagle River and Bruce Weyhrauch of Juneau. Kott has asked that his trial also be delayed until this fall; Weyhrauch is scheduled for trial next month.

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.) A-10
FRONTIERSMAN

Date: 06/8/2007
Edition: FRIDAY

Title: KOHRING TO CHOOSE FATE JUNE 19

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

Indexing:

Kohring to choose fate June 19

BY STEVE QUINN
Associated Press Writer

JUNEAU — An indicted member of the Alaska House said Thursday he may resign, but is reserving any announcement on his future until he can address voters in his home district.

State Rep. Vic Kohring said he has informed Gov. Sarah Palin that he may resign, and the Wasilla Republican will meet with House Speaker John Harris next Tuesday to discuss his options.

Those include "an agreeable transfer of responsibilities should I decide to resign," he said in a prepared statement.

Kohring said he will announce any decision at the Greater Wasilla Chamber of Commerce weekly luncheon on June 19, one week before the Legislature will hold a special session in Anchorage to review funding for the state's Senior-Care program.

"It's important for me to make the announcement before my constituents," he told The Associated Press.

"To do that, it's best for it to be at the Wasilla Chamber of Commerce in front of a diverse group of folks," he said.

Last month, Kohring and two former lawmakers were indicted on federal charges of bribery and extortion related in part to changes in the state's oil production tax passed in 2006.

Kohring was chairman of the House Oil & Gas Committee, which did not review the petroleum production tax bill in 2006 but did hold hearings on the Palin's gas line bill this year.

This year, during a House vote on Palin's Alaska Gasline Inducement Act _ or AGIA _ Kohring heeded the advice of a senior lawmaker and did not vote.

Palin, also from Wasilla, has suggested that Kohring resign, and senior Republicans have also asked him to consider that option.

A recall effort also in under way in Wasilla.

Kohring has refused, saying resigning would not serve his constituents.

He's working during the interim and attended the House Resources Committee meeting on Thursday in Anchorage.

He said he still receives support from constituents, but he also understands the pressures on him to resign.

"If I decided to stay, I'm in for major battles on my hand with the recall and other issues. I hate to be boxed in a situation, but I can see there is no easy way out," he said.

194A-AN-13620-M;349

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

Recall backer says Kohring won't quit

BY JOHN R. MOSES
Frontiersman

WASILLA — The head of a recall drive against Rep. Vic Kohring got an unexpected call last week from his recall target.

Kohring told Wasilla City Councilman Mark Ewing that the drive may not be necessary if Kohring decides to resign, and invited Ewing to attend his discussion session June 19 at the Wasilla Chamber of Commerce meeting about whether he should go.

Kohring is under indictment and facing trial in October on bribery charges following a federal investigation into corruption in Juneau.

The petition seeking his recall does not use corruption as a reason. It states that Kohring is emotionally unfit to serve due to "a lack of mental fitness that he has demonstrated in the wake of his arrest on Federal Grand Jury indictments on May 4, 2007."

The petition goes on to state examples of "unfit" behaviors, such as Kohring's televised tears after losing his chairmanship of the Oil and Gas Committee, and his failure to vote on gas pipeline legislation — an inaction which the petition terms "Neglect of Duties."

Ewing spent a sunny Saturday afternoon at the corner of Lucille and Spruce gathering signatures from the tailgate of a black pickup parked in a vacant lot. He said he won't attend the chamber meeting and does not expect Kohring to resign by the end of it.

"I told him I don't have any hard feelings," Ewing said. "I'm doing what my constituents asked me to do. I'm doing what feels right."

Ewing has learned that

See RECALL, *Page A10*

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

Date: 06/10/2007
Edition: SUNDAY

Title: RECALL BACKER SAYS KOHRING WON'T QUIT

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

Indexing:

FBI - Stevens-696

194A-AN-13620-M;350

RECALL

Continued from Page A1

doing what he feels is right has some downsides. He recently reported a telephoned death threat, has had his vehicle spat upon and occasionally gets some interesting hand signals from passing motorists. He said he also has to closely guard the petitions and stopped one individual from walking away with a petition holding several signatures.

Saturday saw brisk business at Lucille and Spruce with several motorists honking in support of the "Recall Vic" signs posted on his truck. Three clipboards on the tailgate held signatures. Ewing said sometimes more than one car stops at the same time.

Kohring (R-Wasilla) may announce his decision to the Wasilla Chamber on June 19. He plans to discuss whether to stay in office or resign his seat in the legislature.

The embattled legislator will meet Tuesday with House leadership in order to discuss the process "and an agreeable transfer of responsibilities should I decide to resign," Kohring said. "I have also contacted the governor to make her aware that I may leave my District 14 seat so she can prepare for an orderly transition."

"As a courtesy, I have also contacted Mark Ewing (of the recall effort) and informed him I am considering resigning which may save him a lot of time and effort, enabling him to instead focus on serving his constituents as a city council member." Kohring said in his media release.

Kohring stated he is "disappointed that a few residents of District 14 have chosen to rush to judgment."

A media release from Kohring's office states that he has been talking with family, friends and constituents about the pending trial and "the conflicts with his legislative position."

"As the result of these discussions, I am seriously considering resigning from the legislature," Kohring said in the release.

Kohring said any decision he makes will be based on the best interests of his family, friends, constituents and state.

"I wish to do what's right." he said. "I strongly believe in our constitution and its guarantee that I am presumed innocent until proven guilty. Should I decide to resign, I want to make it very clear it would not be an admission of guilt of any charges or allegations. However, with the growing perception created since my arraignment last month, it is making it difficult for me to serve in the best interests of all concerned."

Kohring said his attorney has asked that he limit what he says about the case, as it may jeopardize his defense.

"There are two sides to every story and unfortunately my side cannot be told until after the trial. I ask the media to take that into account as it has often reported only one side," he said.

Whatever the sides are, the recall continues. Ewing said he has more than enough signatures to qualify the petitions. The state requires 710 valid signatures and Ewing has about twice as many unverified signatures. The state will eliminate signatures with bad addresses or that are from people who don't live in Kohring's district.

"I've got enough to satisfy the state. I don't have enough to satisfy me," he said shortly before the male half of a pair bicycling by stopped on the street began questioning Ewing from afar about the level of proof Ewing has that Kohring should be recalled. The short discussion ended after the bicyclist accused Ewing of duping people into signing the petition and said that no recall should go forward.

"Well, the 1,400 people who signed the petition think so," Ewing replied.

Like three men who stopped in the rocky lot within a 15-minutes timeframe to sign a petition, the man who was against the petition declined to read its arguments.

"He wants to argue the point, but he doesn't want to read it," Ewing said after the man left. "I think it speaks for itself."

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Judge grants delays in the trials of two former legislators

By KYLE HOPKINS
Anchorage Daily News
(Published: June 12, 2007)

A federal judge Monday delayed the political corruption trials of former state Reps. Pete Kott and Bruce Weyhrauch by two months.

Kott's lawyer asked for the extra time to review evidence -- including at least 250 hours of video and hundreds of phone conversations -- that investigators collected in the case.

U.S. District Court Judge John W. Sedwick agreed, pushing the trial date back from July 9 to Sept. 5.

Kott and Weyhrauch are accused of selling their votes and influence to executives at the oil field services company, Veco Corp. Much of the activity occurred during the 2006 legislative session. Both have pleaded not guilty to bribery, extortion and conspiracy charges.

Kott and Weyhrauch both now live in Juneau, their lawyers said. Kott, a former Republican House Speaker, had represented Eagle River. Weyhrauch, also Republican, represented Juneau.

The former legislators did not appear in court but phoned into the short hearing, saying little. As he waits for his trial to begin, Kott continues to work on his flooring business, said his defense lawyer, James Wendt. Weyhrauch, represented at the hearing by attorney Ray Brown, is continuing to work as a private practice attorney.

In late May, Sedwick agreed to delay a similar trial for Rep. Vic Kohring, R-Wasilla, by three months.

Former Anchorage Rep. Tom Anderson also is facing federal charges. He's pleaded not guilty to bribery, extortion and money laundering.

Anderson had a court date on Monday, too -- a status conference, according to a computerized database in the clerk's office. But no public hearing appeared on the court calendar.

Just before Kott and Weyhrauch's hearing began, defense lawyers asked assistant U.S. Attorney James Goeke if there had been a hearing to delay Anderson's case.

Goeke said Anderson's trial had not been continued. He did not acknowledge whether Anderson had actually appeared in court.

When asked about the Anderson hearing, U.S. Department of Justice spokesman Bryan Sierra said: "There's nothing public that I can disclose to you or discuss with you."

FBI - Stevens-698

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Find Kyle Hopkins online at adn.com/contact/khopkins, read his political blog at adn.com/alaskapolitics or call him at 257-4334.

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Kohring seeks advice from his constituents

STAY OR RESIGN? Wasilla Republican is asking his constituents for their input.

By SABRA AYRES
sayres@adn.com

(Published: June 12, 2007)

JUNEAU -- Rep. Vic Kohring is asking his constituents whether he should resign as pressure mounts from the governor's office, House leadership and a public recall petition circulating in his district.

Kohring, a Republican from Wasilla, was indicted last month on federal charges of bribery, extortion and conspiracy and has pleaded not guilty. In a Daily News opinion piece being published today, he asked his constituents to send him e-mails, faxes or phone messages on whether they think remaining in office is in the best interest of his district.

Kohring has held his seat since 1994.

Kohring said he would consider all responses but isn't adding them up in columns marked stay or go. He will closely look at the reasons people give and will announce his decision on June 19 at the Greater Wasilla Chamber of Commerce.

"I want this to be an inclusive effort," Kohring said.

He said he is leaning toward leaving the Legislature so he can concentrate on his defense.

"To be honest, my life is on the line here," Kohring said.

He chose the upcoming chamber meeting as a good opportunity to reveal his decision in his district, he said.

"The issue of possibly resigning weighs heavily on my mind and is with me almost constantly," he said. But if he resigns, it would "absolutely not be an admission of guilt," he said.

Kohring's decision to make a public announcement came a week after House Speaker John Harris, R-Valdez, and House Majority Leader Ralph Samuels, R-Anchorage, asked him to consider leaving his seat. Harris and Samuels told Kohring the allegations against him had cast a negative light on the Legislature as a whole and diminished public trust in lawmakers.

The charges against Kohring spring out of a wider federal investigation into political corruption. Former House members Pete Kott, R-Eagle River, and Bruce Weyhrauch, R-Juneau have also pleaded not guilty to bribery, extortion and conspiracy. Federal prosecutors accused Kott, Weyhrauch and Kohring of selling votes to the Anchorage oil field services company Veco Corp. during last year's petroleum production tax vote. Two Veco executives, Bill Allen and Rick Smith, pleaded guilty on May 7 to charges of bribery and conspiracy. In addition, former Rep. Tom Anderson has been indicted on bribery, extortion and money laundering charges in connection with a scheme involving a private corrections company. Anderson also has pleaded not guilty.

Kohring, Kott and Weyhrauch's trials are scheduled to begin this fall. Anderson's trial is set for June

25.

Gov. Sarah Palin has said she will call a special legislative session in the fall to ask lawmakers to revisit the oil tax. She said last month she believed Kohring should step down.

In his opinion piece, Kohring said he felt the media attention on his case had tainted the public's ability to judge him fairly. As a result, a "resign now bandwagon" has ensued, he wrote.

"To repeatedly remind the public that I've been indicted, have been charged, am part of an FBI investigation, etc., while conveniently leaving out the fact that a person is presumed innocent until proven guilty, creates an impression of guilt in the public's mind," Kohring said in an e-mail interview. "Why are you not writing multiple articles about former legislators Kott, Weyhrauch and Stevens, and why the nearly complete emphasis on me?"

Kott, a former House Speaker, was defeated in the primary election. Weyhrauch, Anderson and former Senate President Ben Stevens didn't run again. Stevens has not been charged with a crime but Allen and Smith admitted bribing a senator that matches the description of Stevens.

Wasilla Councilman Mark Ewing last month began collecting signatures in Kohring's district to initiate a recall petition. If the petition were successful in collecting some 1,700 signatures, the state could then call a new election to ask voters if Kohring should be removed.

Ewing said Monday he would abandon the recall petition if Kohring resigns on June 19.

"If he doesn't, I guarantee we will force him out with a recall vote," Ewing said. "I'm willing to take it all the way. I'm an ex-football player, and I'm willing to take this all the way home."

Find Sabra Ayres online at adn.com/contact/sayres or call 1-907-586-1531.

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Kohring likely to resign next week, House speaker says

By STEVE QUINN
The Associated Press
(Published: June 12, 2007)

JUNEAU - House Speaker John Harris said Tuesday he expects an embattled lawmaker facing federal extortion and bribery charges to resign.

Harris, who joined Majority Leader Ralph Samuels for an hour-long meeting with state Rep. Vic Kohring today in Anchorage, said he expects Kohring will announce his resignation next week.

"He didn't fully say he was going to, but the gist I got out of the meeting is that he is going to resign," Harris said. "He is still trying to work his way through all of this."

Kohring, a Republican, did not immediately return phone calls left at his Wasilla office.

He earlier announced that he would announce at a chamber luncheon in Wasilla on June 19 whether he planned to remain in office or resign.

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FBI - Stevens-702

194A-AN-13620-M; 353

FD-350 (Rev. 5-8-81)

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(Indicate page, name of newspaper, city and state.) B-1
ANCHORAGE DAILY NEWS

Date: 06/13/2007
Edition: WEDNESDAY

Title: SPEAKER EXPECTS KOHRING RESIGN

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

Indexing:

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194A-AN-13620-M;354

Speaker expects Kohring to resign

'CORDIAL': Despite Republican leaders' talk with legislator, he won't announce until Tuesday.

By STEVE QUINN
The Associated Press

JUNEAU — House Speaker John Harris said Tuesday he expects an embattled lawmaker facing federal extortion and bribery charges to resign.

Harris, who joined Majority Leader Ralph Samuels for an hour-long meeting with state Rep. Vic Kohring on Tuesday in Anchorage, said he expects Kohring will announce his resignation next week.

"He didn't fully say he was going to, but the gist I got out of the meeting is that he is going to resign," Harris said. "He is still trying to work his way through all of this."

Kohring, a Republican, earlier said he would announce at a chamber luncheon in Wasilla on June 19 whether he planned to remain in office.

On Tuesday, Kohring told The Associated Press that he won't veer from that schedule despite the meeting, which he characterized as "cordial and friendly."

"There was no pressure involved," Kohring said. "I just simply went there on my terms and gave them an update."

Kohring, along with former Republican House Reps. Pete Kott, formerly of Eagle River and now of Juneau, and Bruce Weyhrauch, of Juneau, have all been charged with bribery and extortion.

All three have pleaded not guilty and have had their original July trial dates pushed back to the fall.

Not long after Kohring was charged, Gov. Sarah Palin, also of Wasilla, said she believed he should step down.

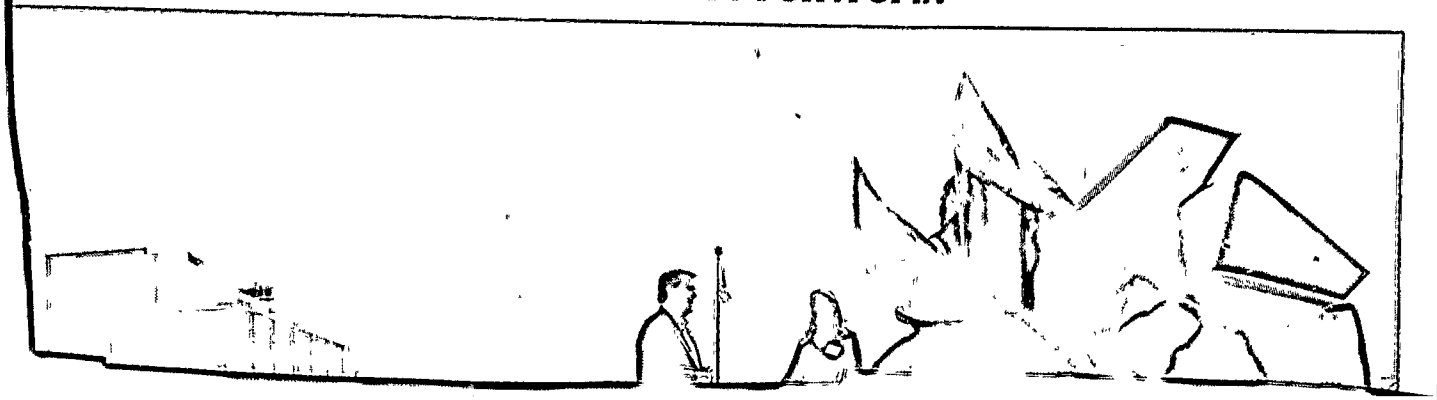
Tuesday's meeting with the Republican leaders was the second for Kohring. The first came after the end of the legislative session last month.

Kohring has repeatedly asked the public, legislators and Palin to presume he is innocent and to allow him to do a job he's held since 1994.

See Page B-2, KOHRING

House Speaker John Harris met Tuesday with Kohring.

TAKING RENEWABLE ENERGY OUT FOR A SPIN



FBI - Stevens-704

will research improvements to the public system.

By KATIE PESZNECKER
kpesznecker@adn.com

Roger Sampson, Alaska's education commissioner, has resigned to work for a national education organization, according to the governor's office.

Gov. Frank Murkowski first approved Sampson's appointment to head the Department of Education and Early Development in May 2003, and Gov. Sarah Palin kept him in the job when she took over.

"Commissioner Sampson has worked tirelessly for the students statement. "While I am sorry to see Commissioner Sampson leave ... he has a tremendous opportunity to have an impact on a national level, which can only be good for ... Alaska."

Sampson

Previously, Sampson was superintendent of the Chugach School District and won National Rural Superintendent of the Year honors in 1997. Now he'll preside over the Education Commission of the States, a group created by Congress in the 1960s to research improvements to public education.

"The country is crying for a way to think these opportunities at the national level come available very often, and I felt fortunate to be given the opportunity to do it. So I'm going to give it a whirl."

Sampson's achievements during his four-year tenure included starting a statewide mentoring program that pairs new teachers with experienced ones.

He also pushed changes in state-required tests. Exams are better now, Sampson said, because teachers can use them to figure out where children are lagging.

Sampson's last day on the job is Aug. 17. He starts in Denver Sept. 1.

The State Board of Education will select a new commissioner candidate, subject to the governor's approval.

A commissioner must have at least a master's degree and five years of experience in education after earning that degree, including at least three in administration. The board will take applications through July 10, said Eric Frye, education department spokesman.

"We're looking for a proven education leader with a long track record of success," state board chairman dren and learning, and have the leadership skills necessary to inspire others to achieve our goals."

The department, based in Juneau, oversees 53 school districts in the kindergarten-to-12 education system and operates a boarding high school. The department also operates the state archives, the state library, two state museums, a statewide arts council, the postsecondary education commission, and the professional teaching practices commission.

Find Katie Pesznecker online at adn.com/contact/kpesznecker or call her at 257-4589.

KOHRING: *He sought constituents' feedback*

Continued from B-1

"If I were to resign, it's not an admission of guilt; it's primarily because I've got to focus on this trial," he said.

Kohring declined to comment on the charges, on the advice of his lawyer.

"Once people hear the other side and understand where I'm coming from, they will see these charges are inappropriate," Kohring said.

In an opinion piece published Tuesday in the Daily News, Kohring asked his Matanuska-Susitna Borough constituents to tell him whether he should continue serving.

"The issue is actually very simple," he wrote. "Can I or can I not adequately represent you while I wait for these charges to be resolved at trial?"

On May 4, federal prosecutors accused Kott, Weyhrauch and Kohring of selling votes to officials of Veco Corp., an Anchorage oil field services company.

Prosecutors allege this occurred while lawmakers were considering a rewrite of the state's petroleum production tax vote.

On May 7, two Veco executives, Bill Allen and Rick Smith, pleaded guilty to charges of bribery and conspiracy.

As a result, Palin has said she will call a special legislative session in the fall to ask lawmakers to revisit how the Legislature in 2006 passed that oil tax.

Though he may not have felt pressure from his House colleagues, Kohring said the angst from the charges is mounting.

"I'm feeling very stressed, just as any man must feel after being charged with these serious crimes," Kohring said.

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POLITICAL BLOG: Share your thoughts on Kohring's fate and the current state of affairs in Alaska politics at

adn.com/alaskapolitics

Palin wants Mat Maid to reconsider closing

FBI - Stevens-705

FD-350 (Rev. 5-8-81)

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

ANCHORAGE DAILY NEWS

(Mount Clipping in Space Below)

Date: 06/15/2007
Edition: FRIDAY

Title: STEVENS ASKS ETHICS TO REVIEW FINANCES

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

Indexing:

ens asks ethics panel to review finances

URE REPORTS: No
that Alaska senator
f any investigation.

AZ

GTON — Sen. Ted Stevens dis-
day that he has asked the U.S.
s Committee to review his lat-
disclosure reports.
al reports, which detail law-
sonal financial holdings and assets, were due May 15 and scheduled for public release Thursday. But Stevens' report was not among them.

Instead, the longest serving Republican in the Senate was one of nine senators who got extensions.

Aaron Saunders, a spokesman for Stevens, said the extension was needed because the ethics panel review "is still ongoing."

He declined to say anything more about the matter.

Ethics reviews of lawmakers' financial reports are unusual unless they are under a legal cloud.

Stevens, in his sixth term, recently disclosed that he has been asked to preserve financial records in connection with a Justice Department bribery investigation of several leading political figures in Alaska, including his son, former state Senate President Ben Stevens.

His office has declined to say whether the elder Stevens talked with investigators

See Page B-6, STEVENS

Ted Stevens was among nine U.S. senators who received extentions for financial disclosures.

STEVENS: *Questioning contractors*

Continued from B-1

from the Justice Department's Public Integrity Section, which is conducting the probe.

The FBI has questioned contractors who performed work on Stevens' Girdwood residence, a job overseen by his friend and then Veco Corp. head Bill Allen, who has pleaded guilty to bribing state legislators.

There has been no indication so far that Stevens, who faces re-election next year, is the direct target of any investigation.

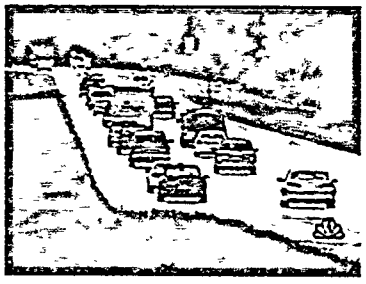
However, in delaying the release of his financial disclosure report this week, Stevens was in company with at least five others who face legal snags, including Sen. Robert Menendez, D-N.J., who faces a federal probe in connection with the rental of a building he owns, and Rep. John Doolittle, R-Calif., whose Virginia home was recently raided in connection with the ongoing Jack Abramoff investigation.

FBI - Stevens-706

194A-AN-13620-M;355

<<Back

Florida residents react to earmark by Congressman Don Young



Rep. Don Young earmarked money for a road in Florida that has become controversial because of who it may benefit. (KTUU-TV)

Rep. Don Young earmarked money for a project that could potentially benefit a man who raised $40,000 for Young's campaign. (KTUU-TV)

"I think it's revolting, the way Congress conducts itself," said Ray Judah, commissioner, Lee County, Fla. (KTUU-TV)

"They're setting priorities for us. The NPO didn't even have this in its 2030 plan," said Phillip Douglas, a resident of Lee County. (KTUU-TV)

by Mike Ross
Friday, June 15, 2007

ANCHORAGE, Alaska -- Officials in Lee County, Fla. have decided to accept a $10 million earmark, which thrust Alaska Congressman Don Young into national headlines last week. But they're taking the money on their own terms.

The earmark, added to a transportation bill by Young in 2005, provided funding to study the expansion of Coconut Road, making it an interchange between two major highways.

What made it controversial were allegations that the expansion project would benefit Daniel J. Aronoff, a Michigan businessman who owns land surrounding the road and who hosted a political fundraiser for Young. The fundraiser happened at a Florida hotel owned by Aronoff after Young attended a town hall meeting on transportation issues in the area a few days earlier.

A county commissioner alleged that the earmark, which had not been requested, appeared to be payback for the fundraiser, which raised $40,000 for Young.

"I think it's revolting, the way Congress conducts itself," said Ray Judah, commissioner, Lee County, Fla.

"They're setting priorities for us. The NPO didn't even have this in its 2030 plan," said Phillip Douglas, a resident of Lee County.

But some residents in Florida defend Young, saying that the road has needed an upgrade for a long time for hurricane evacuation purposes, and other reasons.

"It sounds like Congressman Young did a good thing by giving the community $10 million to spend on I-75," said Kathy Harris, a resident of Naples, Fla.

Tonight Lee County leaders reached a compromise, voting to accept the money, but broaden the scope of the study to include other transportation projects.

Congressman Young's office this week responded to media requests by faxing several articles and editorials supporting the interchange, including one from the Florida Gulf Coast University president, who called the project vital.

Contact Mike Ross at mross@ktuu.com

FBI - Stevens-707

194A-AN-13620-m;356

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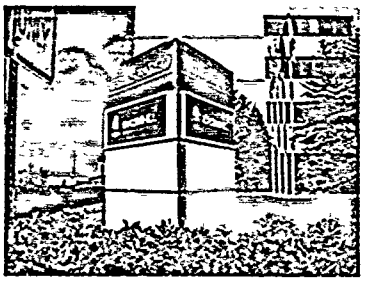
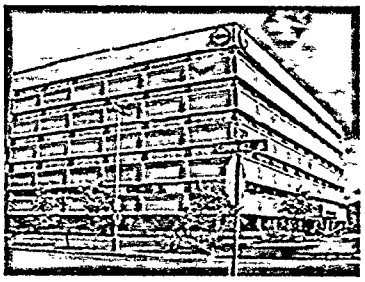
inAlaska.com

CH2M Hill to buy VECO for $463 million



CH2M Hill willO purchase VECO for $463 million dollars. (Jason Kohler/KTUU-TV)



A spokesperson for VECO says CH2M Hill and VECO reached an agreement on terms at the end of the day yesterday after a long week of negotiations. (Jason Kohler/KTUU-TV)

Former VECO CEO Bill Allen and vice president of community and government affairs, Richard Smith, both pled guilty in federal court to charges of conspiracy, bribery and fraud. (Courtesy photo)

Tim Woolston, a VECO spokesperson, says the merger is a perfect fit for both companies. (Jason Kohler/KTUU-TV)

by Joy Mapaye
Saturday, June 16, 2007

ANCHORAGE, Alaska -- It is official. A Denver-based company has reached a deal to buy VECO for $463 million. Both companies made the announcement today.

A spokesperson for VECO says CH2M Hill and VECO reached an agreement on terms at the end of the day yesterday after a long week of negotiations. The two companies signed a letter of intent for exclusive negotiations on May 15.

About a week before, VECO CEO Bill Allen and VECO's vice president of community and government affairs, Richard Smith, both pled guilty in federal court to charges of conspiracy, bribery and fraud. They admitted to bribing state lawmakers to win political favors for the company, allegations past and present lawmakers deny.

The company says negotiations with CH2M Hill began months before the federal charges came to light.

Right now VECO says the focus is on the future.

"The ownership and the management really couldn't be more pleased. They really believe that this is a perfect fit and a tremendous outcome for VECO. CH2M Hill has a tremendous reputation, a global position, a tremendous array of clients that will work very well with what VECO's workforce brings to the table," said Tim Woolston, VECO spokesperson.

"The main attraction of VECO was the employees, a highly skilled workforce. I think it's a natural fit with our core business and we think the merger or the acquisition will allow us to offer a wider range of services to our customers and to VECO's customers," said John Corsi, CH2M Hill spokeperson.

VECO has more than 4,000 employees.

Both companies are expected to finalize details by the end of August.

Contact Joy Mapaye at joy@ktuu.com

FBI - Stevens-708

194A-AN-13620-M;357

"It sounds like Congressman Young did a good thing by giving the community $10 million to spend on I-75," said Kathy Harris, a resident of Naples, Fla. (KTUU-TV)

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FBI - Stevens-709

adn.com
Anchorage Daily News

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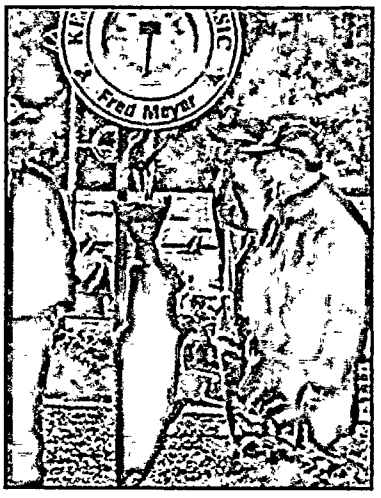
Grand jury examines Stevens' ties to Veco

INVESTIGATION: Expansion of senator's Girdwood home comes under scrutiny in Washington.

By RICHARD MAUER
rmauer@adn.com

(Published: June 17, 2007)



Ted Stevens, right, and Bob Penney, center, bring VIPs such as Commerce Secretary Donald Evans to Alaska for the Kenai Classic. Penney gave testimony to an Anchorage grand jury two weeks ago. *(LIZ RUSKIN / Daily News archive 2003)*

A federal grand jury in Washington, D.C., heard evidence last month about the expansion of U.S. Sen. Ted Stevens' Girdwood home in 2000 and other matters connecting Stevens to the oil services company Veco Inc.

As the far-reaching federal investigation into corruption in Alaska politics spreads to Washington, Stevens family friend and neighbor Bob Persons was ordered to appear before a grand jury in Washington on May 25. The government directed him to produce documents related to the work on Stevens' Girdwood house, especially to work that might have been performed by Veco and contractors who were hired or supervised by Veco.

Another close associate of Stevens, Anchorage businessman Bob Penney, testified two weeks ago before the federal grand jury in Anchorage that has been gathering evidence in the corruption cases.

The house expansion project, first reported in the Daily News on May 29, more than doubled the size of the home. The Stevenses had asked Persons, who lives above the Double Musky restaurant he owns in Girdwood, to help them oversee the addition while they were in Washington.

The existence of the Washington grand jury investigation is the strongest indication to date that Stevens himself has become a subject of the wide-ranging federal probe that surfaced with FBI raids on state legislative offices last August. Former State Sen. Ben Stevens, Ted Stevens' son, was among the legislators whose offices were searched. Ben Stevens has denied wrongdoing.

The FBI said at the time that it also had executed a search warrant in Girdwood, among other places, although the location of that search has never been disclosed. FBI - Stevens-710

VECO GUILTY PLEAS

The investigation by the FBI and the Justice Department's Public Integrity Section has so far led to guilty pleas by former Veco chief executive Bill Allen, former Veco vice president Rick Smith and private-prison lobbyist Bill Bobrick. Four current or former state legislators have been indicted and are awaiting trial on corruption charges, three for taking bribes or attempting to take bribes from Veco, the other for taking bribes from the private prison interest.

How the Girdwood home fits in with the broader investigation, or what possible crimes are being

194A-AN-13620-M;358

investigated, is not clear.

Persons was ordered by the Washington grand jury to produce documents going back more than eight years, including all letters, e-mails and other documents involving Ted, his wife, Catherine, or Ben Stevens. Specifically mentioned were records about a race horse partnership, Alaska's Great Eagle, he manages for Ted Stevens, Allen, Allen's son Mark, Penney and others.

But the main focus was clearly on the Girdwood addition. Persons was directed to produce blueprints and other plans, photos and purchase and installation documents for all phases of the project, including the heating system, generators, ice-melt systems and decorative lights. His summons also told him to bring invoices, payments and other documents related to several Veco employees and to the main contractor, Augie Paone of Christensen Builders in Anchorage.

Persons' didn't return a call for comment last week.

In a brief interview May 18, a week after he received his subpoena and one week before his date with the grand jury, Persons acknowledged he would be testifying, but didn't say where or in what setting.

STEVENS GOES TO FRANCE

Stevens left for France on Thursday to be President Bush's official representative to the Paris Air Show. His spokesman, Aaron Saunders, said that in any event Stevens and his wife would continue to refrain from commenting on the investigation.

FBI spokesman Eric Gonzalez also declined to comment.

Penney would not discuss his testimony.

"All that stuff is confidential," he said from his home in Soldotna. Penney and Stevens are longtime friends and business associates. Every summer for more than a decade, Stevens and Penney bring VIPs to Alaska for the Kenai River Classic, a king salmon tournament that raises money for fish habitat.

Penney's attorney, Bruce Gagnon, said of Penney's appearance before the grand jury: "I think you know as well as I do what they're interested in." Asked whether that was Ted Stevens and Ben Stevens, Gagnon said, "Yeah, yeah."

"And why are they going off in Washington, D.C., as well as here?" Gagnon wondered out loud. "It may well be because they want to try this case back there."

Gagnon said he only knew of one witness -- Persons -- who had been called before the Washington grand jury.

In the face of two years of video surveillance of his company's suite in Juneau's Baranof Hotel and wiretaps on his telephones, Allen pleaded guilty in May to conspiracy, bribing legislators and violating tax laws. Smith, a fixture in that suite, also pleaded guilty. They face about 10 years in prison but hope to reduce their time by cooperating with prosecutors. Their sentencings have not been scheduled.

FBI - Stevens-711

ALLUDING TO BEN STEVENS

The charging documents against Allen and Smith contained barely veiled references to Ben

Stevens, alleging that "State Senator B" accepted $243,250 in phony "consulting" payments from Veco in exchange for advice, lobbying colleagues and taking official acts. Ben Stevens' legislative disclosures say he received that amount of money from Veco for consulting. But nothing in those documents appeared to refer to Ted Stevens. However, a seemingly out of place sentence in a paragraph on Veco described the company's activities: "Veco was not in the business of residential construction or remodeling."

In interviews with the Daily News in May, Paone said he was hired by Allen to complete the framing and other carpentry on the addition. He said he submitted more than $100,000 in invoices for the job to Veco. After Veco approved the invoices, he received a check in the mail from the Stevenses that appeared to have been written on a new account -- all the check numbers were in single or double digits.

Stevens' home sits about two blocks from the day lodge parking lot at the Alyeska ski area. It was a single story building until the expansion, when a house mover from Anchorage, Tony Hannah, jacked it up so a new living area could be inserted under the original house. A garage was also built.

Paone said he testified before a federal grand jury in Anchorage in December.

Last month, Stevens' office issued this statement about the investigation: "While I understand the public's interest in the ongoing federal investigation, it has been my long-standing policy to not comment on such matters. Therefore, I will withhold comment at this time to avoid even the appearance that I might influence this investigation."

ROLE OF GRAND JURIES

Legal experts in corruption cases said that while it's unusual for prosecutors to use grand juries in separate jurisdictions in an investigation, they may have sound reasons. The experts also cautioned that even though prosecutors may be presenting evidence to a grand jury, that doesn't mean crimes have been committed.

Paul Butler, a law professor at George Washington University and a former federal attorney who prosecuted a U.S. senator and several FBI agents, said it could simply be a matter of convenience for witnesses.

Jules Epstein, a law professor at the Widener University School of Law in Wilmington, Del., and a criminal defense lawyer, said the grand juries could be investigating separate, unlinked crimes.

Peter Henning, a law professor at Wayne State University in Detroit, said prosecutors might bring a case against a popular elected official in Washington to avoid being "home-courted."

Prosecutors don't take an investigation into a sitting member of Congress lightly, Butler said. They almost certainly must get the approval of the attorney general, he said.

Find Richard Mauer online at adn.com/contact/rmauer or call 257-4345.

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FBI - Stevens-712

Kohring may not soon tell his plans

UNABLE TO SPEAK? Recovery after sinus surgery could delay lawmaker's talk about his future.

By STEVE QUINN
The Associated Press

JUNEAU — Lawmaker Vic Kohring, who faces federal extortion and bribery charges, said Sunday that health problems might delay his announcement on plans to step down from public office.

Kohring said a slow recovery from sinus surgery to clear his nasal passages may keep him from giving the news at a Greater Wasilla Chamber of Commerce luncheon on Tuesday as he had previously announced.

Kohring

"There is going to be a decision, and it's going to be soon," Kohring told The Associated Press. "I just hope it's on (Tuesday). We'll see how my health will be that day."

Kohring, a Wasilla Republican, has called resigning a "serious option," a direction pushed by other lawmakers since shortly after his May 4 arrest.

Kohring said he is favoring that option as the chamber luncheon draws close. He said he is not trying to delay the inevitable, nor is he trying to avoid a public disclosure.

The surgery was performed Thursday and planned long before he promised to make a chamber luncheon appearance, he said. The procedure was done when he and his doctor had compatible schedules, he said.

Kohring said he would prefer to make a public announcement at the chamber's weekly meeting rather than simply issue a news release. He said he owes a face-to-face disclosure to those who helped elect him and then kept him in office since 1994.

"I need to be as personal about this as I can," Kohring said. "It's the toughest and most challenging time ..."

(Indicate page, name of newspaper, city and state.) B-1 ANCHORAGE DAILY NEWS

Below)

Date: 06/18/2007
Edition: MONDAY

Title: KOHRING MAY NOT SOON TELL HIS PLANS

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

Indexing:

KOHRING: *Time to talk and move on*

Continued from B-1

cial session to address funding for senior citizens. The session will be held in Anchorage, beginning June 26.

Kohring, plus fellow Republicans Pete Kott and Bruce Weyhrauch all face federal charges. All have pleaded not guilty and await a fall trial.

On May 4, federal prosecutors accused Kohring and former lawmakers Kott and Weyhrauch of selling votes to officials of Veco Corp., an oil field services company.

Prosecutors allege this occurred while lawmakers were considering a rewrite of the state's petroleum production tax last year.

Last month, two Veco executives, Bill Allen and Rick Smith, pleaded guilty to charges of bribery and conspiracy. The two have since resigned. They have not yet been scheduled for sentencing.

As a result of the charges and pleas, Gov. Sarah Palin has said she will call a special legislative session in the fall. She has said she wants lawmakers to revisit how the Legislature in 2006 passed that oil tax.

Meanwhile, Kohring is spending time in his Wasilla office and preparing for his defense against the federal charges.

"I want to make my announcement and move on, whichever way I may," he said.

FBI - Stevens-713

FD-350 (Rev. 5-8-81)

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

FRONTIERSMAN

(Mount Clipping in Space Below)

Date: 06/19/2007
Edition: TUESDAY

Title: KOHRING TO KEEP QUIET UNTIL NOON

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

Indexing:

Kohring to keep quiet — until noon

BY JOHN R. MOSES
Frontiersman

WASILLA — Embattled state Rep. Vic Kohring, R-Wasilla, said Monday he will attend today's Wasilla Chamber of Commerce luncheon and announce whether or not he will step down from the Legislature.

Vic Kohring

The lawmaker is among three legislators facing trial in October following an FBI corruption inquest in Juneau. Kohring is the subject of a recall drive organized by Wasilla City Councilman Mark Ewing and is under federal criminal indictment for suspicion of allegedly selling his vote on an oil pipeline issue.

Kohring last week underwent sinus surgery at an Anchorage hospital, and a slow recovery cast into doubt whether he'd be well enough to speak today. Kohring, voice scratchy but cracking jokes nonetheless, said Monday he'd give that talk even if they have to "wheel me in on a stretcher."

"I have made a decision. I will not announce it until tomorrow," Kohring said Monday.

Announcing his intentions before the meeting would take away from the public's interest in what he plans to say at the meeting and cut attendance, he said. "Not that I'm trying to make a media circus out of it."

Kohring has maintained that even if he does announce that he will step down, he wants to stay long enough to address senior care legislation during a special session called for June 26 in Anchorage.

Kohring and the other defendants in the corruption cases, former Republican legislators Pete Kott and Bruce Weyhrauch, pleaded not guilty to selling votes to the Veco Corp. during consideration of Alaska's petroleum production tax rates late last year.

The chamber luncheon begins at noon in the Lake Lucille Best Western Inn restaurant.

The keynote speaker will be Todd Smith of the Department of Transportation, who will update chamber members about summer road construction projects.

"Vic Kohring will be giving a brief update," the chamber Web site notes.

Program fees are $3 for chamber members and $5 for nonmembers and optional lunch is payable to the Best Western Lake Lucille Inn.

Visit the Frontiersman online at www.frontiersman.com following the luncheon for a full story about Kohring's announcement.

Contact John R. Moses at 352-2270 or e-mail john.moses@frontiersman.com.

FBI - Stevens-714

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FD-350 (Rev. 5-8-81)

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

Date: 06/20/2007
Edition: WEDNESDAY

Title: KOHRING TO STEP DOWN

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

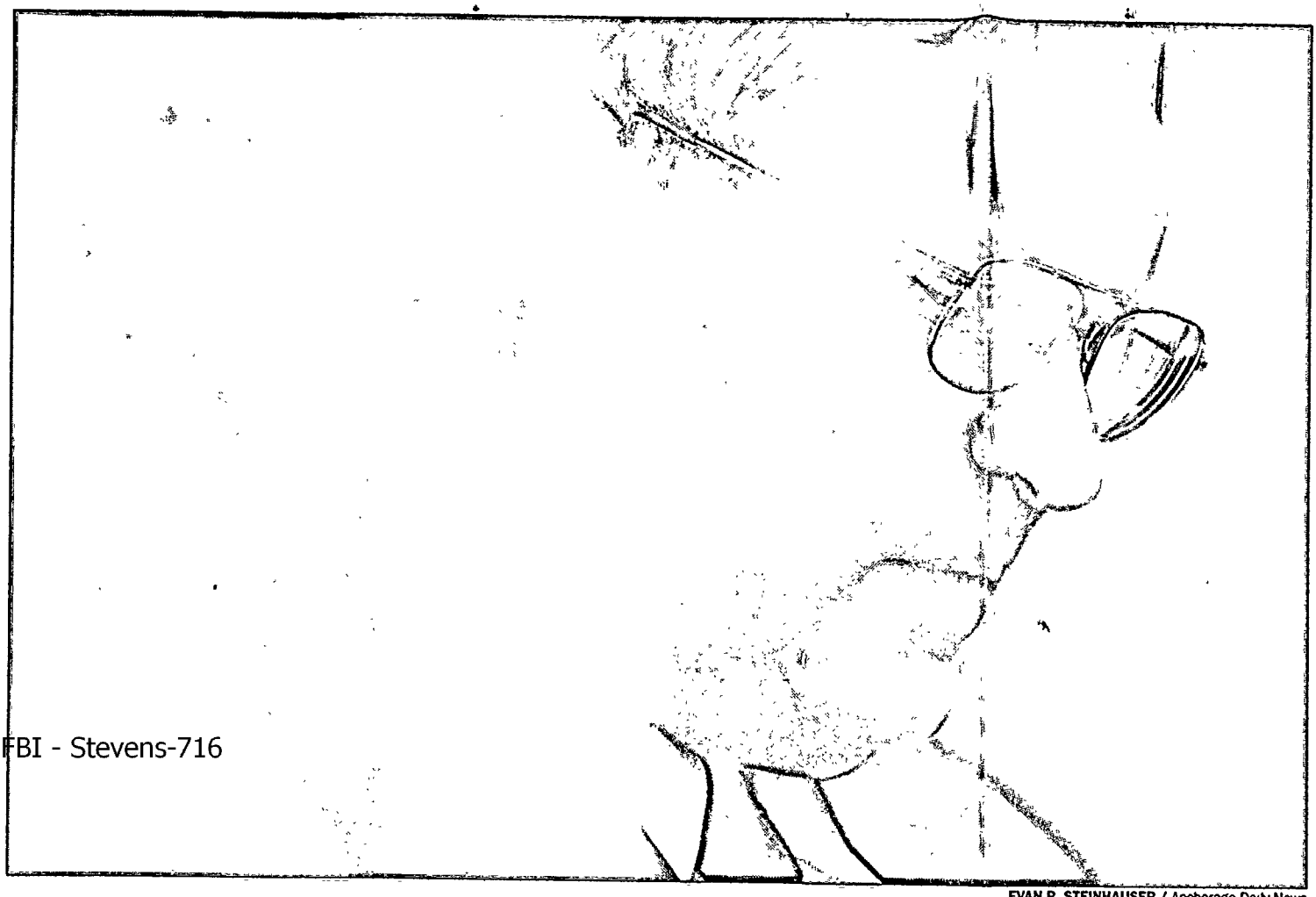
Indexing:

FBI - Stevens-715

194A-AN-13620-M;361

RESIGNATION WILL TAKE EFFECT IN 30 DAYS

Kohring to step down



FBI - Stevens-716

EVAN R. STEINHAUSER / Anchorage Daily News

Rep. Vic Kohring announces his resignation at the Wasilla Chamber of Commerce meeting at the Best Western Lake Lucille Inn on Tuesday.

'Constituents expect full-time representation,' Palin says

By JULIA O'MALLEY and KYLE HOPKINS
Daily News reporters

Under indictment for bribery, state Rep. Vic Kohring announced his resignation on Tuesday, and Valley Republicans began work to replace him.

"I expect there will be at least 10 people who apply," said Alaska Republican Party head Randy Ruedrich.

Kohring told a ballroom packed with constituents that he'll resign from office in 30 days.

"The media and the population in general does not know I'm innocent. This has left a cloud of doubt over me and my votes," he said at a Wasilla Chamber of Commerce luncheon.

An hour after the luncheon, Steve Colligan, Republican party chairman for his Wasilla district, circulated a packet outlining how to apply for Kohring's job. But on possible replacements, both Ruedrich and Colligan were mum. Potential candidates can nominate themselves. Applications are due July 11.

Kohring, who was first elected in 1994, was indicted last month on federal bribery and extortion charges. He's accused of selling his vote on oil taxes last year to executives with the Anchorage oil field services and construction company Veco Corp. The executives pleaded guilty last month to paying the bribes.

Kohring has pleaded not guilty and said he hopes to return to office someday. He said his character has been unfairly maligned in the media.

"I have been charged by the federal government with serious crimes, for which I am totally innocent and plan to fully demonstrate at trial in October," he said. "Resigning by no means suggests guilt; it simply means I take the federal charges very seriously."

Kohring appealed to the public to tell him whether to step down over recent weeks, and about 60 percent of the responses he received favored his staying in office, he said. His lawyer told him to focus on his court battle. Trial is scheduled for Oct. 22.

"I very much want to shout the details proving my innocence, but I have been ad-

See Back Page, KOHRING

INSIDE

REPLACEMENT: Gov. Palin has 30 days to name a replacement. Follow the process.

TIMELINE: What prompted him to step down.

Back Page

KOHRING: *Wasilla representative to resign July 19 to focus on case*

Continued from A-1

vised not to by the court and my lawyer," he said, reading from a statement. "Thus, the drama will have to be concluded in a courtroom."

CRITICS AND FRIENDS

After Kohring made his announcement, some people — maybe a third of the room — stood and clapped. Others sat and watched as the legislator took his seat.

The split between Kohring's friends and critics was even clearer outside the hotel, where roughly 30 people waving "Recall Vic" and "Do the right thing" signs greeted Kohring as he arrived.

Wasilla City Councilman Mark Ewing, who led a recall effort, stood next to a pickup full of signs and shouted, "Do the right thing, buddy!" as Kohring's car rolled past.

Ewing said he and his girlfriend started circulating petitions to recall Kohring on Memorial Day weekend and gathered as many as 300 signatures a day. His stack of names is now at least 160 pages long, he said.

A few Kohring supporters appeared as well. Wasilla resident Debbie Wright said she's lived in the Valley for about 11 years. She held a "We like Vic" sign, though she's not the sign-waving type.

"I've never stood up for anything in my life," she said. It's up to a jury to judge Kohring, not the media, she said.

Replacing Kohring

When Rep. Vic Kohring, R-Wasilla, leaves his House seat on July 19, Gov. Sarah Palin will have 30 days to appoint an eligible Republican from Kohring's district. **Here's how it will work:**

1 Republicans from his Wasilla district will take applications through **July 11**. E-mail them to stevecolligan@gmail.com. Applicants will be interviewed; the **top three** will be chosen **July 13**, and their names will be forwarded to the governor. Palin can, however, choose someone else.

2 The appointee **Palin selects** must be confirmed by a **majority vote** of the Republicans in the House.

3 House Republicans must vote in **special or regular session**. A special session on oil taxes has been suggested for this fall. The next regular session begins Jan. 15.

4 If the appointee is confirmed, he or she will be sworn in and serve out the rest of Kohring's term, which ends in **January 2009**.

5 If the House Republicans reject the appointee, Palin has **10 more days** to repeat the selection process and submit a new name.

adn.com

VIDEO: Go online to see Kohring's resignation announcement.

adn.com/corruption

Nearby, another sign read, "Vic-tim" and "Vic-torious."

After his announcement, reporters mobbed Kohring, who told them this period had been one of the most trying of his life. Though he'd heard a lot of support from people in his district, he'd also gotten some threats.

"Frankly there have been some times when I've been concerned for my safety," he said.

LOOKING FORWARD

House Speaker Rep. John Harris, R-Valdez, showed up at the luncheon to stand by Kohring and said the resignation will preserve the reputation of the House of Representatives.

"It helps to clarify the issue," he said.

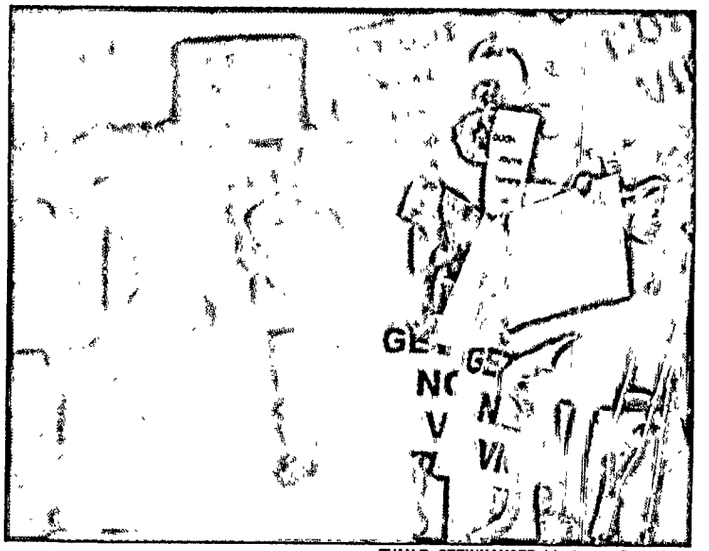
Gov. Sarah Palin sent out a statement in the late afternoon in support of Kohring's decision.

"He has a lot on his plate in terms of a defense that he has to mount, and Kohring's constituents expect full-time representation," she said.

Jim Chesbro, chairman of the Mat-Su Democrats, expected Kohring to step down. He had sympathy for the legislator and was apprehensive about what might come next. The new selection could be worse, he said.

"It's kind of a mixed blessing that he'll be stepping down," he said. "We'll all have to wait and see what the outcome is."

Find Kyle Hopkins' political blog online at adn.com/alaskapolitics or call him at 257-4334. Find Julia O'Malley online at adn.com/contact/jomalley or call 257-4591.



EVAN R. STEINHAUSER / Anchorage Daily News

Protesters with signs urging Rep. Vic Kohring to resign demonstrate at Wasilla's Best Western Lake Lucille Inn before Tuesday's Chamber of Commerce meeting where Kohring announced he would step down.

Timeline of federal investigation of Rep. Vic Kohring, R-Wasilla

- **FEB. 21, 2006:** Then-Gov. Frank Murkowski unveils a bill to start taxing crude oil based on oil company profits rather than production levels. The governor says the tax reform was part of a deal with Exxon Mobil, BP and Conoco Phillips on a gas pipeline contract.
- **FEB. 23, 2006:** Wasilla Rep. Vic Kohring, who offered to help Veco Corp., allegedly accepts $1,000 in cash from Bill Allen, then chief executive of Anchorage-based Veco.
- **FEB. 28, 2006:** Exxon and BP executives warn lawmakers that imposing a higher tax rate than the 20 percent of profits the governor proposes might undo the gas pipeline deal. (Veco also lobbies for no changes.)
- **MARCH 30, 2006:** Kohring tells Veco executives he owes $17,000 on a credit card, charging documents say. They discuss how to structure a loan without raising "red flags." Smith allegedly hands Kohring at least $100 in cash.
- **APRIL 24, 2006:** Senate passes an oil-tax bill that would tax oil at a rate of 22.5 percent. Veco is pressing for a 20 percent rate.
- **MAY 9, 2006:** Regular session ends with no new oil tax — Senate fails to concur with a House-approved 21.5 percent rate.
- **AUG. 10, 2006:** In special session, legislators approve new oil tax, setting rate at 22.5 percent tax of profits.
- **MAY 4, 2007:** Kohring indicted for conspiracy to commit extortion and bribery. So are former Reps. Pete Kott, R-Eagle River, and Bruce Weyhrauch, R-Juneau.
- **MAY 7, 2007:** Allen and another Veco executive plead guilty to bribing Kohring, Kott and Weyhrauch on the oil-tax legislation.
- **OCT. 22, 2007:** Kohring's trial is scheduled.

EVAN R. STEINHAUSER / Anchorage Daily News

Kohring arrives at the Wasilla Chamber of Commerce meeting Tuesday. Kohring, who had asked constituents to weigh in on whether he should quit, said responses ran about 60 percent in favor of his keeping his seat in the Legislature. He said he'd decided, though, he needed to devote his full time to fighting his federal indictment.

FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) A-3
FRONTIERSMAN

(Mount Clipping in Space Below)

Date: 06/22/2007
Edition: FRIDAY

Title: KOHRING RESIGNS AMID CLOUD OF DOUBT

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

Indexing:

GREG JOHNSON/Frontiersman

State Rep. Vic Kohring ended weeks of speculation at Tuesday's Wasilla Area Chamber of Commerce meeting, announcing he will resign his position in the Legislature. Kohring faces criminal charges and a federal indictment for allegedly asking for money in exchange for his vote. He proclaimed his innocence again Tuesday and said his innocence would be proved at trial.

Kohring resigns amid 'cloud of doubt'

Editor's note: A version of this story was first published Tuesday online at www.frontiersman.com. Visit daily for breaking news.

BY RUSSELL STIGALL
Frontiersman

MAT-SU — A local recall proponent is relieved but skeptical of Rep. Vic Kohring's announced resignation.

"It was a graceful exit," said Mark Ewing, Wasilla City Council member and head of a recall Kohring petition campaign. But whether Kohring, R-Wasilla, will honor his promise to leave office by July 19 Ewing said he isn't so sure.

"I still don't trust the guy. He is still the master of deception. Thirty days will tell, won't it?" Ewing said.

Ewing has spent the last several weekends collecting signatures from Kohring constituents who wanted their scandal-wracked legislator to step aside. Ewing has suspended his recall effort, but said he would be ready to rekindle it if Kohring doesn't follow through. The state legislator announced his resignation at a Tuesday Greater Wasilla Chamber of Commerce meeting to a crowd of more than 200.

"I'm not getting rid of the sig-

See KOHRING, *Page A6*

FBI - Stevens-718

194A-AN-13620-M:362

KOHRING

Continued from Page A3

natures," Ewing said, adding he harbors no animosity for Kohring. "No one is trying to beat him up here. We just want to be represented."

Though quitting his office, Kohring did not admit guilt to allegations he extorted and accepted bribes.

"I have been charged by the federal government with serious crimes for which I am totally innocent," Kohring said.

Kohring's decision stems from a grand jury indictment on counts of bribery and extortion. While stepping down from office, Kohring said the act would not be the end of his political career.

"I have decided to step down from office, win at court and then return to public life," he said.

Besides focusing his attention on proving his innocence, Kohring said he resigned to avoid to the appearance of guilt that could taint his office.

"The media and the population in general does not know I'm innocent," Kohring said. "This has left a cloud of doubt over me and my votes."

Material from Kohring's office was confiscated last year by the Federal Bureau of Investigation in its investigation into corruption surrounding oil and gas deals under then-Gov. Frank Murkowski. Kohring allegedly extorted Veco, a multinational oil field services company, when he allegedly agreed to perform certain official acts in exchange for money he did not officially earn, according to the indictment.

The indictment also says he conspired to perform official acts as a member of the Alaska State Legislature "for the purpose of enriching himself and his family members."

With Kohring leaving office, Gov. Sarah Palin will have to choose his replacement.

The replacement will not take office until Kohring steps down; however, Palin will probably not wait long to make her pick, said Speaker of the House John Harris, R-District 12.

"I think the governor will have somebody selected and named before the 30 days is up," Harris said.

Palin would pick from a selection of qualified voters from Wasilla provided by the Republican Party of the Kohring's Wasilla district, said Randy Ruedrich, chairman of the Republican Party of Alaska.

"Qualified requires a registered member of the outgoing legislator's party who has lived in district and been registered as [a] party member for one year prior to outgoing legislator's date of election," Ruedrich said. State law would not allow Palin to pick a Democrat or Independent to replace Kohring.

Palin should pick a replacement who could be ratified by majority of the House's remaining Republicans. "The process works," Ruedrich said. "It is pretty well time tested."

Palin is not be bound by the replacements recommended by the Republican party, said Rex Shattuck, Republican Party member and aide to Rep. Mark Neuman, R-Big Lake. The governor normally does, but does not have to.

Who will populate this short list of candidates is not yet known. Palin's pick will finish out Kohring's term, which expires in 2008. When Palin replaces Kohring, Mat-Su Borough Assembly Member Cindy Bettine said she hopes the governor looks close to home.

"I hope the governor picks somebody who has served in local government or has some real experience dealing with Mat-Su's growing pains," Bettine said.

Kohring was first elected to office in 1994.

Contact Russell Stigall at 352-2267 or russell.stigall@frontiersman.com.

RUSSELL STIGALL/Frontiersman

Former state Rep. Vic Kohring has a myriad of media and hundreds of eyes on him while he waits to announce his resignation Tuesday in Wasilla.

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.) B-1
ANCHORAGE DAILY NEWS

Date: 06/26/2007
Edition: TUESDAY

Title: PRUNING BEGINS ON ANDERSON JURY

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

Indexing:

FBI - Stevens-720

194A-AN-13620-M; 363

ANDERSON: *Potential jurors vetted for views*

Continued from B-1

judge she relies on National Public Radio and the Anchorage Daily News.

"Did you ever watch 'Perry Mason?' " Sedwick asked, referring to the television show famous for defendants on trial who turned out to be innocent.

Davis said she'd have to hear a lot of evidence that the allegations were not true before she'd vote that way.

She won't be on the jury either.

Not all those dismissed said they were biased against Anderson.

Warren Suddock, a retired police officer who said he had known Anderson's father — the former head of the Alaska State Troopers — for 40 years, told the judge he went through the FBI training academy and knew how the system worked. He wouldn't give his opinion publicly.

He's out too.

Among the Alaskans still being considered are Deidre Peterson, who told the judge that she once dated Anderson, found the accusations "kind of unbelievable," and tried to tune out news coverage about the case.

They met at a bar and went out just once, a few years ago, for dinner at Sullivan's, Peterson said. They haven't been in touch since. But she still thought well of Anderson and figured the stories about him couldn't be right.

Prosecutor Joe Bottini asked the judge to exclude her from the jury pool. But the judge noted that they just had the one date and that Peterson said she could still consider the case fairly. Anyway, the prosecution and the defense each can exclude some potential jurors today without having to give a reason.

Some others who remained in the pool either don't follow the news or didn't recall details of what had been published regarding Anderson.

Sean Sward of Anchorage said he tries to keep the news from his children.

"It seems to be mostly bad," Sward said.

Anderson is the first of four indicted Alaska state politicians to go to trial, but his case is distinct from the other three, who are accused of taking bribes from executives with Veco Corp. Anderson is accused of being paid off through a phony Web business to do the bidding of a private prison company.

A number of people in the jury pool told the judge they thought Anderson was part of the Veco mess. Sedwick told them the charges against Anderson have nothing to do with Veco.

Technically, that's true, though the government does plan to submit some evidence that involves Veco, Bottini told the judge as court wrapped up Monday.

Anderson was a paid consultant to Veco at the time he was a legislator, and prosecutors plan to show jurors his financial disclosure reports, Bottini said.

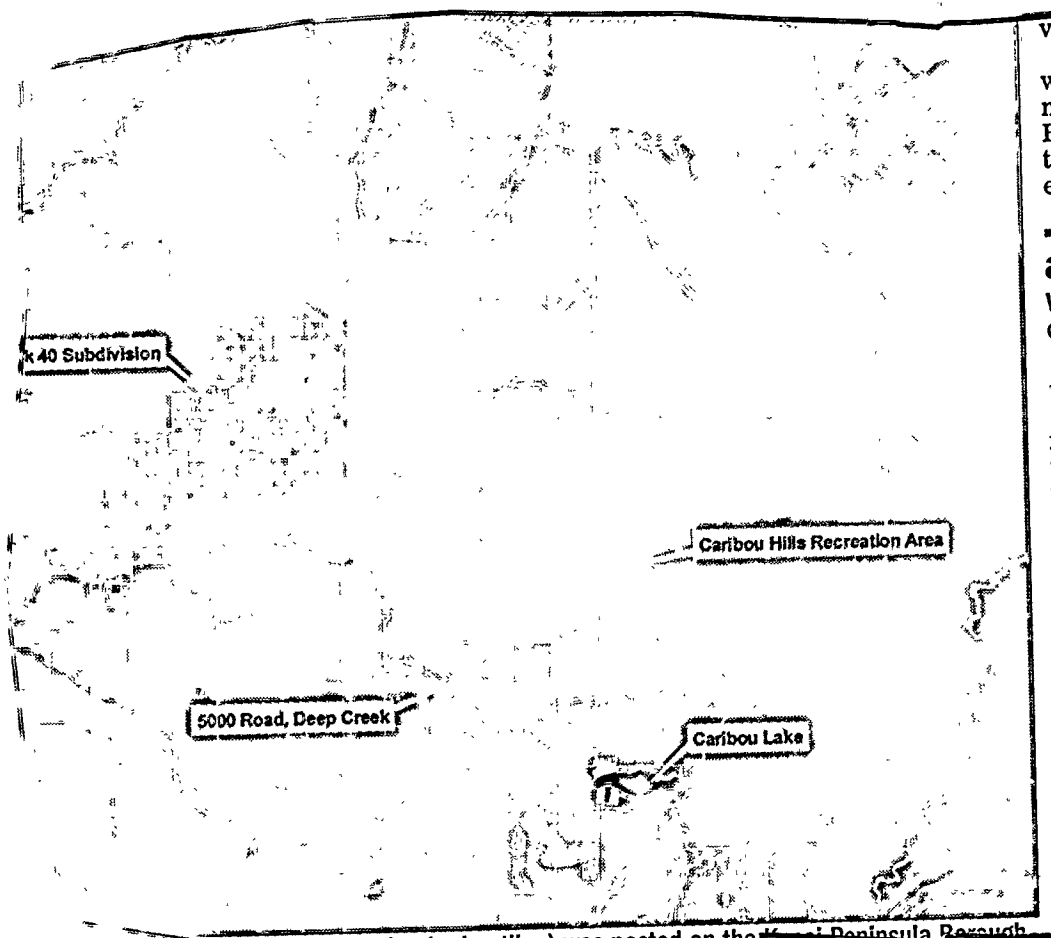
Plus, in one of the secretly recorded conversations the government plans to play for jurors, the Veco contract is discussed in a way that suggests it's a "sham contract," Bottini said.

Anderson's lawyer, Paul Stockler, said he plans to file a motion regarding that material.

In all on Monday, Sedwick and attorneys on both sides questioned 70 potential jurors. Of that group, 20 people were excused, most because of their opinions on the case. At least three had scheduling conflicts.

FBI Stevens 7/21

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.



vance.

Property owners, this evening will be allowed through to the Ninilchik 40 subdivision on Oil Well Road for the first time since state troopers blocked it at pavement's end on Thursday, officials said.

adn.com

WILDFIRE: To see a list of damaged cabins on the Kenai Peninsula, visit **adn.com/kenai**

Fire managers will allow overnight public access from 7 p.m. until 7 a.m. and will continue that pattern daily as the fire allows, said Paul Slenkamp, an Alaska Division of Forestry spokesman.

Calm, moist weather Monday allowed firefighters to almost finish a dirt line blocking the fire from creeping farther down Deep Creek's south slope toward Ninilchik, and officials said crews made strong progress on two other lines to protect housing developments.

The forecast called for warmer and drier days, though.

"As the weather warms, we'll see how our lines hold," Slenkamp said. "This fire is far from out."

On Monday the army fighting

of Sunday (red outline) was posted on the Kenai Peninsula Borough

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

(Mark One or More Boxes in Space Below)

Date: 06/27/2007
Edition: WEDNESDAY

Title: ANDERSON WANTS DEBT OUT KEPT OUT OF BRIBE TRIAL

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

Indexing:

Anderson wants debt kept out of bribe trial

UNDECIDED: Prosecutors say they usually can't use financial info.

By LISA DEMER
ldemer@adn.com

Tom Anderson was deep in debt and living beyond his means during the time that prosecutors say he took bribes to do the bidding of a private prison company, according to assertions in a new court filing.

Federal prosecutors want to show jurors the former state legislator's financial records, including tax returns, bank records and credit reports. Anderson is fighting to keep the material out of the trial, arguing that it is irrelevant.

Anderson

As jury selection for the trial extends to a third day, the battle over financial records is one of several issues yet to be decided. Anderson, who served two terms in the state House but didn't run last year, is being tried on seven felony charges, including bribery, extortion and money laundering.

Prosecutors say that Bill Bobrick, then a top lobbyist in Anchorage, set up a phony business and used it to funnel payments from Cornell Cos. to Anderson.

Among the issues before U.S. District Judge John Sedwick:

• Anderson's work for Veco Corp. Anderson was a paid Veco consultant during the time he was in the Legislature, but he is not charged with any crime related to the Anchorage-based oil field services contractor. His defense lawyer, Paul Stockler, wants to prevent jurors from hearing a recording of a conversation in which Bobrick says Veco was paying Anderson $2,500 a month "to do nothing."

• Other recordings. Stockler says in court filings that he believes the government's case is based largely on secretly recorded conversations involving Anderson, Bobrick and Frank Prewitt, a former state corrections commis-

See Back Page, ANDERSON.

ANDERSON: *Fight on details*

Continued from A-1

sioner who went to work as a consultant for Cornell.

Stockler is asking for longer sections to be played during the prosecution case than what the government intends.

"Otherwise, the government portions are misleading and unfairly prejudicial because conversations are being taken out of context," Stockler's motion said. By the time the defense gets its chance to play recordings, maybe a week later, the significance will be lost, he argues.

adn.com
BACKGROUND: Read pre-trial filings.
adn.com/corruption

Financial records. Prosecutors Nick Marsh and Joe Bottini say in court papers that they couldn't use the fact that someone was poor to establish a financial motive for a crime, but they say this is different.

The records will be used "with Anderson's own statements to demonstrate Anderson's motive for using his public legislative office for personal gain," they say. The government likely will show jurors evidence that "Mr. Anderson was living beyond his means."

Anderson, 39, had "a significant debt load" and the $12,828 that Anderson is accused of receiving from Cornell amounted to more than a quarter of his income in 2004, the prosecutors say.

"Anderson's financial difficulties led to his eagerness to do what he could in his position as a state legislator to help Cornell," they say in the filing.

But Stockler says the records don't speak to whether Anderson did what he is accused of doing and shouldn't be shown to jurors.

As to Veco, Stockler argues that Anderson wasn't even part of the conversation between Bobrick and Prewitt, who worked as an FBI "confidential source" in the investigation. Since the charges against Anderson don't involve Veco, there's no reason to tell jurors about the relationship other than to show "other bad acts or character evidence," Stockler argued.

The July 21, 2004, conversation took place at the Southside Bistro, according to a partial transcript that Stockler filed in court. Prewitt had just been wired up by the FBI. Here's part of the conversation:

Bobrick: Tom knows how to run campaigns.

Prewitt: Mm hmm.

Bobrick: And he's also a lawyer and does (unintelligible). It's actually far more real work than what Veco does.

Veco...

Prewitt: Yeah, I've never figured out what Veco does.

Bobrick: ... Well yeah, they just pay him to do nothing.

Prewitt: Who? Tom?

Bobrick: Yeah.

Prewitt: Does he still have his consulting firm? See, I thought maybe he lost his contract with Veco.

Bobrick: No, he's rather independent, — well, in my opinion. I mean, if you really put him on the spot and said, "What do you do?" I think he'd say, "Well, I review documents for them." Well, they have their own lawyers to do that (laughing).

Prewitt: So Veco, Veco just pays him. How much are they paying him?

Bobrick: Oh, about twenty-five hundred bucks a month.

Prewitt: Geez. So.

According to Anderson's reports to the Alaska Public Offices Commission, Veco paid him $10,000 in 2003 for "consulting on community council and local government affairs," $17,500 in 2004 for "consultation on Russian business endeavors" and $2,500 in 2005 "election/proposition research."

Jury selection resumes today.

194A-AN-121209-M-364

FD-350 (Rev. 5-8-81)

Anderson jury hears two views of his role

OPENING ARGUMENTS: Judge allows admission of financial data by prosecution.

By LISA DEMER
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Prosecutors say Tom Anderson was a debt-ridden politician who sold his office for $12,838 and knew exactly what he was doing.

The defense says the real culprit is former state corrections commissioner Frank Prewitt, who was under investigation himself and exploited Anderson to save himself. Anderson was a hard-working legislator who never took any official actions in exchange for money, said defense attorney Paul Stockler.

Jurors on Wednesday heard those contrasting views as the two sides gave opening statements in the public corruption trial of Anderson. The first witnesses will be called today.

Anderson, a two-term state representative who didn't run again in 2006, is fighting seven felony charges including bribery, extortion and money laundering.

A jury of eight women and four men, plus four alternatives, was seated Wednesday afternoon. They were picked from a pool of 102 after hours of questioning by U.S. District Judge John Sedwick and lawyers spread over three days. Some scribbled notes as the lawyers gave their opening statements.

A small crowd of spectators came to hear. A friend of Anderson's who has been collecting money for his defense sat in, but Anderson's wife, state Sen. Lesil McGuire, didn't attend.

Jurors will be asked to absorb complicated information over the next few days, prosecutor Joe Bottini told them.

Neither of the central figures in the case against Anderson — Prewitt and former lobbyist Bill Bobrick — are "squeaky clean witnesses," Bottini acknowledged.

See Back Page, ANDERSON

ANDERSON: Debt

Continued from A-1

Bobrick has pleaded guilty to a conspiracy charge in the case and has agreed to testify against Anderson. Bobrick came up with a scheme to create a phony company and use it to funnel payments from the private prison firm Cornell Cos. to Anderson, prosecutors assert. Cornell didn't know about the scheme, and after the FBI got involved it provided the payments.

PREWITT'S PAST

The other key witness will be Prewitt, whose own flaws the prosecutor discussed at length.

Prewitt, who became a consultant to Cornell after leaving his state post, was being investigated for various actions when the FBI confronted him in April 2004, Bottini said.

He agreed to help the FBI in its "broad public corruption investigation," the prosecutor said. Anderson is one of four legislators or former legislators indicted in the past seven months.

Cornell had been trying for years to open a private prison in Alaska, and Prewitt may have tried to improperly influence a state corrections official regarding it, the prosecutor said.

He also was being investigated for a practice in political campaigns known as "conduit contributions" in which someone gives money to other people to pass on to candidates. That is done to bypass campaign contribution limits. Bobrick also was involved in "conduit contributions," Bottini said.

In addition, while Prewitt was state corrections commissioner, he accepted $30,000 from a friend who had business with the department, Bottini said.

The government has no deal with Prewitt that he won't be charged with any crime in exchange for his help, but certainly he's hoping for a break, the prosecutor said.

At any rate, the government mainly will rely on conversations secretly recorded by Prewitt and will play a string of them for jurors, Bottini said.

The prosecution case "is primarily based on the words and actions of Tom Anderson," Bottini said.

FBI - Stevens-724

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

Date: 06/28/2007
Edition: THURSDAY

Title: ANDERSON JURY HEARS TWO VIEWS OF HIS ROLE

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

'OUR BOY IN JUNEAU'

In early July 2004, Prewitt heard from Bobrick that Anderson was deeply in debt and needed to find work, the prosecutor said. At a July 21, 2004, lunch at the Southside Bistro in Anchorage, Bobrick told Prewitt that Anderson would be "our boy in Juneau." A week later, Anderson told them that he could get on the right legislative committees for Cornell's interests. He had meetings with a corrections commissioner, testified at a public hearing in support of a Cornell project and took other official actions, Bottini said.

Bobrick told Prewitt that with Anderson, he actually would get two legislators, the government says. At the time, Anderson was dating then-Rep. McGuire, Bottini said. They since married. There's no evidence that McGuire knew about the scheme with Cornell, but once she did push the corporation's interests for Anderson, the prosecutor said.

'TRUE BLUE' LEGISLATOR

Stockler, Anderson's attorney, asked jurors to keep an open mind. The government just wants to play snippets of conversations that don't give the whole picture, he said.

Bobrick and Prewitt were both friends and mentors to Anderson, Stockler said, and "he was eager to please."

Anderson was a young man with children, a legislator who made just $24,000 a year, a "guy who was broke," Stockler said.

Once Prewitt knew he was in trouble with the FBI, he sought to exploit Anderson's situation, the defense lawyer said. Anderson never changed a vote or a position on an issue, and it was Prewitt, not Anderson, who kept talking about money, Stockler said.

"He stays true blue to what he always had done in the Legislature," Stockler said.

Jurors can expect to hear more about Anderson's financial state during the trial. Sedwick ruled Wednesday that the material was relevant. Stockler had argued it wasn't.

"Given the relatively small amount that Anderson allegedly received in exchange for compromising the integrity of his office, the government's theory is more believable if defendant was facing serious financial difficulties," the judge wrote in his order.

An official with the Alaska Public Offices Commission likely will testify first today and prosecutors then intend to call Prewitt to the stand.

194A-AN-13620 M:365

FD-356 (Rev. 5-8-81)

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(Indicate page, name of newspaper, city and state.) A-4

ANCHORAGE DAILY NEWS

Date: 06/28/2007
Edition: THURSDAY

Title: STEVENS AND YOUNG COULD FACE SERIOUS CHALLENGES NEXT ELECTION

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

Indexing:

FBI - Stevens-725

194A-AN-13620-M; 366

FBI - Stevens-726

Stevens and Young could face serious challenges next election

Democrats say the time is right

By NICOLE DORAN
Roll Call

WASHINGTON — Republicans scoffed when Democrats first asserted they would seriously challenge Alaska's two most entrenched members of Congress next year.

Republicans maintain that Sen. Ted Stevens and Rep. Don Young will win reelection with the ease both have enjoyed through most of their careers. But the political terrain in the Last Frontier appears to be shifting, and two highly regarded young Democrats are seriously weighing bids against the state's two most powerful GOP politicians.

Anchorage Mayor Mark Begich is getting the full-court press from the Democratic Senatorial Campaign Committee and the Democratic Congressional Campaign Committee. Former state House Minority Leader Ethan Berkowitz has been in serious talks with the DCCC and has expressed interest in the Senate race, too.

Begich, the son of the late Rep. Nick Begich, D-Alaska — Young's predecessor — says he is considering the committees' entreaties, but that he is focused on his mayoral duties now.

"It is very flattering ... and I think it shows what we've accomplished these last four years as mayor," Begich said.

"It shows people like what we are doing; it's a huge compliment," he acknowledged. "But every day it's a call" from someone about his political future.

And it's not just DSCC chairman Charles Schumer of New York and DCCC chairman Chris Van Hollen of Maryland burning up the phone lines to City Hall. Begich said the encounter he had with a self-described Republican man who stopped him in the grocery store and asked him to run against either Stevens or Young has become common lately.

See Back Page, **CONGRESS**

CONGRESS: *Begich and Berkowitz would be Democrats' dream team*

Continued from A-1

"I'll make a decision hopefully as the summer finishes out here," Begich said.

Berkowitz said he too will decide whether he'll run for one of the two offices by summer's end.

"They're both exciting opportunities," Berkowitz said. "I want to help put up the strongest candidates that we can. I want to see what the mayor wants to do; I want to see what other candidates want to do."

WEAKENED BY SCANDAL

Just a year ago it was unimaginable that any Democrat could dislodge Stevens, the Senate's longest-serving Republican, or Young, who has held the state's lone House seat since 1973. But that was before the FBI began a wide-ranging public corruption investigation that could ensnare both lawmakers.

The FBI told Stevens to maintain records relating to Alaska-based Veco Corp., the oil services company, and a federal grand jury convened to scrutinize whether Veco officials were improperly involved in a remodeling project at Stevens' home in the resort town of Girdwood.

Last month, Veco founder Bill Allen and another former company official admitted they bribed state lawmakers. Allen is a personal friend and major supporter of both Stevens and Young.

Allen annually threw large pig roasts benefiting Young's campaigns. Separately, questions have arisen about an earmark Young sponsored when he was chairman of the House Transportation Committee that could lead to a financial windfall for one of his contributors.

A poll commissioned by the Alaska Democratic Party and conducted by Anchorage's Hays Research Group in mid-June showed fewer than half of the 401 Alaskans surveyed approved of the job either Young or Stevens was doing.

"That race is high on our target list and we're confident we'll have a strong candidate in the race," said Fernando Cuevas, a DCCC spokesman. "Young's numbers are terrible right now and he's extremely vulnerable."

National Republican Congressional Committee spokeswoman Julie Shutley said she sees no cause for concern.

Young "has been re-elected for 18 cycles," she said. "He was re-elected last year in a horrible cycle."

Young won an 18th full term with almost 57 percent of the vote, but his unknown and seriously underfunded opponent, Democrat Diane Benson, captured 40 percent.

According to her Web site, Benson is seeking the Democratic nomination to face Young again.

Young's worst showing was in 1992 when he won with just 47 percent.

Stevens' smallest victory margin was when he won a 1970 special election with 60 percent of the vote.

A poll commissioned by the Alaska Democratic Party and conducted by Anchorage's Hays Research Group in mid-June showed fewer than half of the 401 Alaskans surveyed approved of the job either Young or Stevens was doing.

"I think any time you poll directly after any stories like this, you get a flash response, but the election is a long time away," National Republican Senatorial Committee spokeswoman Rebecca Fisher said.

"Stevens will sail to re-election," she predicted.

UPHEAVAL WITHIN THE PARTY

Despite the positive talk of party officials in Washington, D.C., Stevens, Young and Democrats should all be concerned about the turn Alaska politics took last year. Seeking a second term as governor, former Sen. Frank Murkowski badly lost the Republican primary to Sarah Palin, a former small-town mayor who has been vocal about corruption within the state party.

After knocking off Murkowski, she took 48 percent of the vote in the general election to defeat former Democratic Gov. Tony Knowles.

Palin's approval rating was above 80 percent in the latest poll, and several ambitious Republicans are considering following her lead and taking on the established GOP incumbents.

At least six fairly well-known Republicans are said to be weighing challenging Young or Stevens. Former Lt. Gov Loren Leman is on the list, as is former state Senate President Mike Miller, who challenged Sen. Lisa Murkowski for the Republican nomination when she sought a full term in 2004.

As governor, Frank Murkowski, appointed her to finish his Senate term after he won the governorship in 2002.

Former state Sen. John Binkley, whom Palin also defeated in last year's gubernatorial primary, and state House Speaker John Harris, also are said to be in the mix.

Shutley says Young will face no serious GOP opposition.

"I think that possibility has been out there before with Young and his record has gotten him put on the ballot and re-elected," she said.

DEMOCRATS PRIMED TO RUN

Berkowitz said Alaskans are finally fed up with one-party domination and corruption.

"People thought that was the way it was and that's just the way it always would be," he said. "You had a confluence of power consolidating in a handful of people and when you have that happen, it's corrupting."

Begich, who cannot seek another term as mayor in 2009, and Berkowitz, who gave up his state House seat to run for lieutenant governor with Knowles last year, have discussed their options.

"Ethan and I met [recently]," Begich said. "We talked about what his interests are and kind of what I'm thinking. It's not a decision that I need to make today."

Privately, Democrats say Begich is best suited to take on Stevens while Berkowitz should run against Young.

Both DSCC and DCCC officials refused to say which potential candidate they prefer.

"We're confident that we will have a strong candidate," DSCC spokesman Matt Miller said.

With Begich and Berkowitz talking regularly and with both setting the same timeline for making a decision, it is highly doubtful that Democrats would find themselves in a situation where the two would face each other in a primary. Both men have young families and enjoy living in Alaska, Berkowitz said.

As a result, national Democrats could end up with the slate they most desire. But they also could end up having to start recruiting all over again in September.

FD-350 (Rev. 5-8-81)

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

ANCHORAGE DAILY NEWS

(Mount Clipping in Space Below)

Date: 06/29/2007
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Title: ANDERSON JURORS HEAR FBI TAPES

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Submitting Office: Anchorage

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FBI - Stevens-728

194A-AN-13620-M;367

ANDERSON: Wife is 'sickened' by Prewitt

Continued from A-1

mother, Christiane, and wife, state Sen. Lesil McGuire, R-Anchorage.

One conversation played for jurors took place July 21, 2004, at the Southside Bistro in Anchorage.

Prewitt and lobbyist Bill Bobrick were meeting over the prospects of working out an arrangement to pay Anderson to work on Cornell's Alaska interests. Prewitt said those included a private prison, halfway house contracts and a new juvenile treatment center.

Halfway houses earned it $10 million to $12 million a year, and the juvenile center it wanted so intensely would add another $6 million, Prewitt testified. Running a large private prison would be even more lucrative.

Bobrick told Prewitt the company paid him $5,000 a month. He was hired after Anchorage Mayor Mark Begich told Cornell it needed a lobbyist to deal with various city issues concerning the juvenile center.

Bobrick told Prewitt that with Anderson, they'd get "two for one." At the time, McGuire was in the House, chair of that body's Judiciary Committee and dating Anderson, chairman of the Labor Committee.

"So we get two legislators for the price of one?" Prewitt asked.

"Yeah," Bobrick said.

Prewitt told jurors that committee heads and budget writers were particularly valuable.

"You get a bigger bang for your buck if someone has seniority and has influence," he testified.

MCGUIRE LASHES BACK

During a break in the trial today, McGuire said she was outraged at the implication that she would go along with such a scheme.

"It sickens me," McGuire said. "They don't even know me."

McGuire referred to Bobrick, who has pleaded guilty in the corruption investigation, as "an admitted criminal." She said that Prewitt was under investigation himself for suspected illegal activities and that he was cooperating to get himself out of trouble.

"Who cares what they have to say," McGuire said.

There's no evidence that McGuire knew about any deal between Cornell and her husband, prosecutors have said.

In pitching Anderson to Prewitt, Bobrick described him as hungry, aggressive and a rising star. Bobrick also indicated others were trying to use him.

"There's like a struggle for Tom Anderson's soul," Bobrick says in one recording.

In a July 28, 2004, meeting of Anderson, Bobrick and Prewitt at the Whale's Tail in the Hotel Captain Cook, Anderson seemed torn. He said he wanted to help Cornell, but only "where I am not conflicted as a legislator."

He said he couldn't lobby fellow legislators and wanted to work behind the scenes, more on the municipal end of things.

The recording included video but the picture mainly showed Anderson's hands and part of his shirt.

But even as Anderson said he wanted to draw a line, he asked Prewitt whether there's any conflict with him getting on budget panels for corrections, and health and social services — the very subcommittees that Prewitt said Cornell wanted him on. And when Prewitt asked the legislator if, in a pinch, he could call in allies, Anderson responded "Of course. That's fair."

Prewitt told Anderson that state Rep. Mike Hawker, R-Anchorage and the chairman of those same budget subcommittees, already was working on Cornell issues but couldn't do it single-handedly. Hawker said in an e-mail Thursday that he tried to keep halfway houses open and worked to get a private prison in Whittier because he represents the area and the mayor asked him for help.

'CARRYING OUR WATER'

In various conversations, Bobrick pitches the business he wanted to create, which frequently changed name and form. Maybe it would be a political newsletter. Maybe a Web site. Hawker and Begich might write for it, Bobrick told Prewitt. Cornell would buy ads, but both Anderson and Bobrick knew that's not what it was paying for, Prewitt testified.

In reality, "Rep. Anderson would be carrying our water on issues," Prewitt told jurors.

On Aug. 6, 2004, Bobrick told Prewitt that Anderson needed $2,000 to $2,500 a month for child support — an assertion that several of the jurors appeared to jot down. Anderson had three children before marrying McGuire, according to legislative disclosure reports. The couple has a son.

Prewitt's testimony will continue today. Anderson's lawyer still gets his chance to cross-examine him.

Anderson represented East Anchorage in the Legislature from 2003 until January. He didn't run for re-election last year.

His trial is expected to last about two weeks.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

adn.com

ANDERSON TRIAL: Find more information on this trial and the FBI investigation online.

adn.com/corruption

Anderson jurors hear FBI tapes

OUTSIDE COURT: The accused's wife, Sen. Lesil McGuire, denies she was part of a 2-for-1.

By LISA DEMER
ldemer@adn.com

Jurors hearing the corruption case against former state Rep. Tom Anderson are getting a window into a seamy side of Alaska politics, a world of connections, power and money.

On the stand most of Thursday as prosecutors began calling witnesses in U.S. District Court: former state corrections commissioner and Cornell Cos. consultant Frank Prewitt.

Prewitt, commissioner in the 1990s during the Hickel administration, told jurors that he "was visited by the FBI" in April 2004. The FBI was investigating legislative consulting contracts, campaign contributions and favors exchanged for official acts, Prewitt told jurors. Prosecutors and the defense both earlier told jurors that Prewitt himself was under investigation and began cooperating when the FBI confronted him.

He said he soon began secretly recording conversations with "persons of interest" to the FBI. Prosecutors played snippets of seven of those recordings in court on Thursday.

Prosecutors accuse Anderson of participating in a scheme in which a sham business was created to funnel money to him, purportedly from Cornell, a Houston, Texas, prison company. He is accused of accepting $12,838 and faces seven felony counts. Cornell actually knew nothing of the scheme, the U.S. Justice Department has said. The FBI gave Prewitt the money.

Listening in the audience were some of Anderson's friends and relatives, including his

See Back Page, ANDERSON

Anderson trial

Testimony begins

By Matthew Simon, CBS 11 News Reporter
KTVA

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So, how much was former Representative Tom Anderson in debt and what was said in those secret recordings that we've heard so much about?

Those questions and more got answered Thursday as testimony finally started in Anderson's trial.

Prewitt took the stand Thursday morning, as prosecutors played the conversations he recorded. They started back in the summer of 2004, when Prewitt testified former Muni lobbyist, Bill Bobrick, who has already pled guilty in this case, met with him and plotted to create a fake Web site and use it to funnel payments from the private prison firm, Cornell Company, to Anderson.

As Senator Lesil McGuire walked out of court, she told CBS 11 News that she is outraged that her husband is taking the fall for Prewitt, saying he exploited her husband just to save himself.

Also Thursday, prosecutors tried to establish how Anderson knowingly broke the law when disclosing financial statements with testimony from APOC's executive, Brooke Miles. Miles says the law makes it clear that Anderson had to show he was getting paid from Bobrick and the prison company. The defense countered that by saying the financial forms were confusing and it was an honest mistake.

CBS 11 News will continue to bring you further developing information as we follow the trial.

To contact Matthew, call 907-273-3186.

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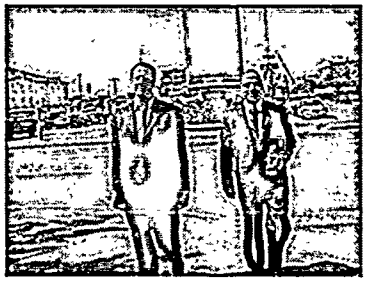
FBI informant testifies in Anderson trial



Jurors heard taped conversations of Tom Anderson with FBI Informant Frank Prewitt and convicted felon Bill Bobrick. (Scott Jensen/KTUU-TV)

Frank Prewitt testified today against Tom Anderson, explaining how he went undercover for the FBI and recorded conversations with and about Tom Anderson. (Scott Jensen/KTUU-TV)

Jurors heard recordings between Bill Bobrick and Frank Prewitt, discussing Tom Anderson's pull in the Legislature. (KTUU-TV)

Tom Anderson's lawyer, Paul Stockler, says Sen. Lesil McGuire, Tom Anderson's wife, should be left out of the trial because she never had contact with

by Jill Burke
Thursday, June 28, 2007

ANCHORAGE, Alaska -- The man who secretly recorded meetings and phone calls with former Alaska lawmaker Tom Anderson testified against him today in court.

Formerly a commissioner for the Alaska Department of Corrections, Frank Prewitt explained how he was willing to go undercover for the feds to try and ease his own criminal exposure in unrelated investigations.

Anderson's wife, Lesil McGuire, says that Frank Prewitt has actually already entered a plea deal. Now that's not something that has been revealed in court. She says his criminal entanglements date back to the early 1990s. In any case, Prewitt is the one who recorded all of the conversations.

Jurors got the chance to hear at least six of the conversations through out the day today. They were conversations taking place during things like breakfasts, lunches, while passing tobacco and drinking coffee.

Prosecutors say it is all evidence of Tom Anderson's corruption.

A lot has been said about Tom Anderson's alleged abuse of office, selling official acts and working to hide the money.

For the first time jurors got to hear the evidence first-hand.

On the stand, Frank Prewitt, a former lobbyist turned FBI informant, who secretly recorded phone calls and meetings, most between himself and now fallen lobbyist and convicted felon Bill Bobrick.

During a recorded lunch at the Southside Bistro in 2004 Prewitt and Bobrick discussed how a company, Cornell Corporation, needed legislative help pushing a private prison in Whittier and youth residential treatment facility in Anchorage. And they discussed how and why to bring Tom Anderson in.

At the time, both Bobrick and Prewitt were working for Cornell and Bobrick, pitching an idea for a Web-based news letter that could also be a platform for shielded pass-through money, asked Prewitt if he thought Cornell would think the idea was weird, sleazy or make the company nervous.

Prewitt repeatedly asks, what, if Cornell buys in, Anderson can do for the company.

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Frank Prewitt. (Scott Jensen/KTUU-TV)

In one conversation, Bobrick assures Prewitt Anderson has pull, will push their issues, is a rising star and, if he's in, his wife, then girlfriend and House Judiciary Chair Lesil McGuire, was in as well. McGuire called it outrageous today. (KTUU-TV)

Bobrick assures Prewitt Anderson has pull, will push their issues, is a rising star and, if he's in, his wife, then girlfriend and House Judiciary Chair Lesil McGuire, was in as well. It would be two, essentially, for the price of one.

During a lunch break, McGuire, now a senator and married to Anderson, called the comment outrageous and the defense promises the remarks did not go unnoticed.

"I'll make them pay for it when I cross-examine them. He's gonna have to answer some tough questions because he had no contact with her, none, absolutely zero," said Paul Stockler, defense attorney for Tom Anderson.

With four more conversations over the following month, Bobrick and Prewitt continue to hash out the details of the Web business, a business prosecutors say had nothing to do with newspapers or advertising. The only thing clients were buying, they allege, was Tom Anderson's legislative muscle.

During those conversations Bobrick is also heard saying how there is kind of a fight underway for Anderson's soul, saying that there are a variety of interests leaning on him and that he was somewhat undecided.

Today, again, jurors heard six conversations. Five of those were audio, either in person or over the phone. One of them was video that happened at the Whale's Tail restaurant at the Captain Cook Hotel. That involved tom Anderson, Bill Bobrick and Frank Prewitt. Tom Anderson's face is not seen, but he is seen from the neck down and he can be heard engaging in conversations among the trio.

Other lawmakers names came up as well. Prewitt indicated that Rep. Mike Hawker was certainly aligned with the philosophies and interests of Cornell. There was no direct discussion about any kind of monetary payments, but definitely some hope that he would make it onto a powerful subcommittee that would be in the interest of Cornell.

There was also some reference to former Sen. Jerry Ward, who was trying to win his seat back. Prewitt said if he were to win, that he would "fall on his sword" to protect Cornell's contracts.

Contact Jill Burke at jburke@ktuu.com

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The Anderson Trial: Day 6

July 2, 2007 11:03 PM

More from Channel 2's Jill Burke:

Frank Prewitt -- the man who made all of the secret audio and video recordings the government is using -- is done taking the stand. Prewitt is a former State of Alaska Commissioner for the Department of Corrections who went on to build a career as a state lobbyist.

At the time the FBI was gathering evidence for its case against Anderson, Prewitt was a consultant and lobbyist for Cornell Corrections. The Houston-based company operates prisons, halfway houses, and wanted to bring a semi-secure residential psychiatric treatment facilitiy for juvenile offenders to Anchorage. It also had hopes of developing a privately run prison in Whittier.

Prewitt says there were three main issues Cornell was running into to get the projects pushed through: a cost analysis between the prospects of a privately operated prison in Whittier and a state-run facility in the Mat-Su, the ratio of staff to offenders allowed for halfway houses, and a state-driven study to show Anchorage needed a facility for youth offenders like the one Cornell wanted to build -- backed up with a certificate from the state saying the need was real.

In his two days on the stand, Prewitt said Anderson was hired to push all of those issues through, but he didn't want Cornell shown on the state financial disclosures he, as a legislator, is required to make. Tapes of phone calls and meetings between Anderson and Prewitt show Anderson found a way to get around those disclosures: work with a company that doesn't have a registered state lobbyist working on its behalf, and keep individual payments below $5,000. With the help of Anchorage lobbyist Bill Bobrick, the trio developed a plan to get Anderson on Cornell's payroll undetected.

Anderson's attorney claims the scheme was meant to help Anderson win reelection in 2004. The idea was create a buffer between what Anderson and Bobrick believed to be the true source of the money -- Cornell -- in order to keep voters who support a state-run prison on board with Anderson until after the election.

Bobrick and Anderson created a company called Pacific Publishing. The concept was to develop a web-based newsletter to which Anderson and Bobrick would sell subscriptions. In Cornell's case, the cost was $24,000 for 8 months, payable in 3 separate $8,000 installments. Prewitt would pay Pacific Publishing which in turn would pay Anderson. At one point, complaining Bobrick was keeping too much of the money for himself, Anderson took in an additional $2,000 payment directly.

To help create even further distance between Anderson and Cornell, Prewitt dispersed the checks from a business called RC Consulting -- a fake company name established by the FBI.

Prewitt testified there is no doubt in his mind that the website was a sham, and merely a cover by which to start funneling money to Anderson so that Anderson would start working on Cornell's priorities in Juneau.

Paul Stockler, Anderson's defense attorney, claims Prewitt, with the FBI actively monitoring every move, set up the payments to make Anderson look like he was being bribed. Stockler claims all along Anderson was, within the scope of the law, doing nothing more than working as a consultant whose employer happened to share like-minded philosophies on a few legislative

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matters.

Monday, Marc Antrim also took the stand. He was asked to resign as Alaska's Commissioner of Corrections in December by Governor Palin. Prosecutors say that -- at Prewitt's urging -- Anderson wrote to, called, and visited Antrim in person regarding various corrections-related matters. Stockler pointed out that other legislators could have done the same thing without anything seeming amiss. The problem in Anderson's case, Stockler reiterated, is that Prewitt, working for the FBI, brought money into the conversation and orchestrated transactions at seemingly pivotal moments.

Antrim also acknowledged that the FBI gave him a head's up Anderson might be contacting him on certain items. Antrim was asked to report back on the interactions, which he did. But in court he also revealed that, like Prewitt, he was working on other investigations with the FBI before Anderson came his way. Antrim said he had previously signed a non-disclosure agreement with the FBI as a result of some ongoing "issues" they were looking into.

Tuesday is Bill Bobrick's turn to take the stand. He describes Anderson as a friend and would-be business partner, a man who thought of him like an older brother, and a moderate Republican who had earned his respect. Bobrick, a registered independent and former Executive Director of Alaska's Democratic Party, is accused in the same scheme in which Anderson maintains his innocence. He pleaded guilty to a single felony in May.

The trial is expected to wrap up by the end of the week, possibly pushing into the week of July 9th since court will not be held the 4th of July.

From me:

It was an entertaining event at the Millennium Hotel when conservative talk radio host Laura Ingraham spoke at an event sponsored by an Anchorage station. I've seen her on television going back many years, notably on Bill Maher's programs, but I found her even fresher and funnier in-person. She threw a quip about the liberal media in my direction, which she went out of the way afterwards to point out was mere teasing (although it had been understood already). Unlike many of her fellow practitioners in the talk radio format, Ingraham has the ability to deliver a punch without seeming petty, arrogant or desperate.

Which is more than one can say about our own Dan Fagan, who, without provocation, took the airwaves soon after to complain about my appearance, my personality and implicitly even my name, which he chose to pronounce with the diminutive 'y' attached. I kind of liken this to French resentment of America after we saved their bacon in World War II. Dan could not have made it through his short stint as Channel 2's Capitol reporter in 2003 without daily assistance from veteran journalists there, including me, while I was working just a few feet away from him for public television. Yet this formerly collegial relationship apparently is now an embarrassment to him.

They used to say that those who can't do, teach. I guess those who can't report, blather.

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Corruption trial witness recounts Internet scam

ANDERSON TRIAL: Legislator did nothing for community site but was paid anyway, ex-lobbyist testifies.

By LISA DEMER
ldemer@adn.com
Published: July 4, 2007
Last Modified: July 4, 2007 at 04:08 AM

On the stand for a second day in federal court Tuesday, former lobbyist Bill Bobrick told jurors that his idea for a political Web site started as a real business venture in 2004 with then-state Rep. Tom Anderson.

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It wasn't supposed to be a way "to bribe Tom Anderson or channel him funds. But it certainly ended up that way," Bobrick testified.

Ultimately, its only real purpose was to disguise payments to Anderson, he told jurors. Anderson never did any real work for the Web site and received the money "for being a legislator," Bobrick said. The Web site never got off the ground.

Prosecutors rested their corruption case against Anderson on Tuesday afternoon after calling eight witnesses over four days. The trial began June 25 with jury selection, which lasted 2 1/2 days.

Prosecutors contend that Bobrick's Web site business was used to funnel payments from a Cornell Cos. consultant to Anderson so that he would do the company's bidding on halfway houses, a juvenile treatment center and a private prison. Anderson faces seven felony counts.

Bobrick has pleaded guilty to conspiracy and said he is cooperating with the government in the hope of getting a lighter sentence.

In all, Anderson received a total of $25,838, based on testimony about various checks.

That's much more money than was previously disclosed. The charges list $12,838 in payments to Anderson. The FBI actually provided the money. Cornell was unaware of any scheme, the government has said.

Bobrick, a main witness for the prosecution, appeared drained but calm during hours of testimony and then aggressive cross-examination.

Defense attorney Paul Stockler on Tuesday pushed Bobrick on whether he turned on Anderson to save himself, the same approach he used the day before with the other star witness, Frank Prewitt, a former corrections commissioner who then became a Cornell consultant.

"I lost my career of 20 years. I lost my standing in this community," Bobrick said. And he may go to prison even yet.

"My life is pretty much wrecked because of my stupid, reckless actions," Bobrick said. He said he made $200,000 a year as a lobbyist before the Anchorage Assembly, but no more.

Bobrick began cooperating with the FBI soon after agents called him in last September, he said. They were in front of his house and came in to play recordings of conversations. Prewitt had secretly made recordings as a "confidential source" for the FBI.

"I realized I had done something wrong and I needed to do the right thing," Bobrick said as prosecutor Joe Bottini questioned him. He said later that he had made "tremendous errors in judgment." When he thought the Web site would be a legitimate business with Anderson; he was "in denial," he said.

He also said he wore a wire, but prosecutors didn't introduce any of those recordings. His agreement with the government requires him to cooperate and "testify truthfully," he said.

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Based on how he does, prosecutors may ask U.S. District Court Judge John Sedwick to give him less than the estimated sentence of 24 to 30 months for conspiracy. But the way his life is going, "I fully expect to be hit pretty hard," Bobrick said.

During the investigation, he said, the FBI would "check up on me to make sure I had not killed myself."

THE BOGUS WEB SITE

The idea with the Web site or electronic newsletter was to have stringers all over Alaska writing about their communities, Bobrick told jurors. Companies like Cornell or the developers of the Pebble mine might buy subscriptions or pay to advertise on it. State and federal issues would be aired too. Anderson could give the view from Juneau.

Wasn't it a real project, with Anderson being paid for real work? Stockler asked time and again.

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"I wanted the Web site to be real," Bobrick said. "... I didn't wake up one day thinking, 'I'm going to bribe Tom Anderson.' "

But Anderson never produced any work, Bobrick said: no stories, no advertising contracts, no invoices, nothing.

Anderson had to have known he was being paid for his influence as a legislator, not for the Web site, Bobrick testified. "At the end of the day, that's all he had," said Bobrick.

Bobrick said he did pay two people to get the project going. A legislative aide to Anderson was paid to research communities as a first step to finding stringers.

And Ken Erickson, now the Web master for the House Republican majority, received $1,000 as a partial payment to design and build the Web site.

Erickson testified Tuesday that his main contact on the project was Bobrick. But he admitted under questioning by Bottini that Anderson requested a detailed invoice after the fact. In September 2005, he said, he submitted one backdated to Dec. 27, 2004.

He said he designed the site so that people without technical skills could easily submit their stories. But the only story that ever ended up on the site was one written by state Sen. John Cowdery, R-Anchorage, that Erickson said he put on the site just to show it worked. He checked back two or three times a year, but no one had contributed.

"I figured the project was dead or moribund," Erickson said.

Out of 100 or so Web sites that he's designed for people over the years, this is the first one that fizzled after money was invested, though maybe half die during the talking stage, Erickson said.

PUSHING CORNELL'S INTERESTS

Also on Tuesday, prosecutors asked witnesses about Cornell's push to open a residential psychiatric treatment center in Anchorage for emotionally troubled kids.

Bobrick, who was a lobbyist for Cornell on the project, told jurors that he asked Anderson to testify at a Nov. 17, 2004, public hearing about the project.

Anderson signed in on behalf of himself and never acknowledged his financial relationship with Cornell, David Pierce, with the state Department of Health and Social Services, told jurors.

Twice in his testimony that day in 2004, Anderson said he had no connection to the competing groups seeking to open a treatment center. But he said he could endorse Cornell because he had met the administrators and knew how they worked.

The trial resumes Thursday. The defense gets its chance to call witnesses.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

Anderson trial at a glance

THE DEFENDANT: Tom Anderson, 39, represented East Anchorage in the state House from 2003 until this year. He did not run in 2006.

THE CHARGES: Three counts of money laundering, two of extortion and one each of bribery and conspiracy.

THE CONSPIRACY: Federal prosecutors say Anderson participated in a scheme in which he agreed to do the bidding of the private prison firm Cornell Cos. in exchange for money.

THE CO-CONSPIRATOR: Lobbyist Bill Bobrick pleaded guilty in May to a single count of conspiracy. He set up a company reportedly to produce a political Web site for which Anderson would write. Prosecutors say it became a sham used to funnel payments to Anderson.

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THE TRIAL SO FAR: The trial began June 25 with jury selection. The prosecution rested its case Tuesday after calling eight witnesses over four days. Main government witnesses: Bobrick and Frank Prewitt, Alaska corrections commissioner in the 1990s and then a Cornell consultant. Working undercover for the FBI, Prewitt made about a dozen audio and video recordings involving Bobrick, Anderson or both. He testified that Anderson knew he was being paid to do what Cornell wanted.

THE DEFENSE: Defense lawyer Paul Stockler spent hours cross-examining Bobrick and Prewitt. His defense appears to be that the FBI entrapped Anderson, the government witnesses are just trying to save themselves, and the actions Anderson took for Cornell were the kinds of things that legislators do. He portrays Anderson as an eager-to-please legislator who wasn't the one who kept talking about money.

COMING UP: The trial resumes Thursday, with the defense case. Stockler indicated Anderson hasn't decided whether to testify.

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The Anderson trial: The week in review

July 2, 2007 09:10 AM

From Jill Burke:

OFTEN, WE LOOK TO TRIALS TO HELP REVEAL MORE ABOUT A SITUATION THAN IS ALREADY KNOWN. BUT THE CORRUPTION TRIAL AGAINST TOM ANDERSON IS GIVING GENESIS TO MORE QUESTIONS THAN ANSWERS.

FOR EXAMPLE, WHY -- IF THE GOVERNMENT'S KEY WITNESS, FRANK PREWITT, IS TELLING THE TRUTH -- DID TOM ANDERSON, AWARE ANOTHER LEGISLATOR WAS UNDER INVESTIGATION FOR MISDEEDS RELATED TO PRIVATE CONTRACTS - GO AHEAD AND THEN NEGOTIATE A SIDE DEAL THAT MIGHT BE PERCEIVED AS LESS THAN ABOVE-BOARD?

WHY, ANDERSON'S ATTORNEY ASKED JURORS TO CONSIDER, IF THE DEAL REALLY WAS ILLEGAL, DID ANDERSON ACCEPT CHECKS (WHICH LEFT A PAPER TRAIL) INSTEAD OF INSISTING ON CASH?

WHY WOULD ANDERSON'S ACCUSED CO-CONSPIRATOR, ANCHORAGE LOBBYIST BILL BOBRICK, PLEAD GUILTY IF THE CHARGES AGAINST THE MEN AREN'T TRUE? DEFENSE ATTORNEYS WILL TELL YOU DEFENDANTS GIVE IN FOR A NUMBER OF REASONS, INCLUDING THE POSSIBILITY OF BEING SLAPPED FOR OTHER, MORE SERIOUS CRIMES WHICH MAY BE ENTIRELY UNRELATED TO THE MATTER AT HAND. BETTER TO COOPERATE NOW AND GAIN FAVOR, THAN TO RISK THE IRE OF PROSECUTORS AT SENTENCING.

MEANWHILE, THERE ARE ALSO NUMEROUS HINTS THAT THERE IS A MUCH BIGGER SITUATION FACING THE STATE THAN THE MESS ANDERSON IS IN AND WHETHER THE GOVERNMENT CAN PROVE ITS CASE AGAINST HIM.

PREWITT SAYS HE SPENT UP TO 15 HOURS EACH WEEK FOR 2-1/2 YEARS WORKING ON BEHALF OF THE GOVERNMENT AS AN INFORMANT. HE SAYS AT THE REQUEST OF THE FBI HE WAS ACTIVELY WORKING ON INVESTIGATIONS AGAINST 6 TO 8 OTHER PEOPLE, ALL RELATED TO PUBLIC CORRUPTION, BEFORE ANDERSON EVER PIQUED THE INTEREST OF THE FBI.

DOCUMENTS NEWLY FILED BY PROSECUTORS REVEAL PREWITT WAS THE SUBJECT OF AN ACTIVE INVESTIGATION FOR AT LEAST THREE WEEKS IN APRIL OF 2004 BEFORE HE STARTED WORK ON BEHALF OF THE GOVERNMENT -- CHANGING HIS ROLE FROM THE SUBJECT OF AT LEAST ONE INVESTIGATION, TO SOMEONE WHO WAS WILLING TO GO TO GREAT LENGTHS TO LEND A HAND.

PROSECUTORS ARE TRYING TO MAKE SURE JURORS DON'T HEAR A THREE-WAY PHONE CALL BETWEEN ANDERSON, BOBRICK AND PREWITT, MADE BEFORE PREWITT STARTED COOPERATION. THE CALL WAS PLACED APRIL 18, 2004 AND INTERCEPTED BY INVESTIGATORS. PROSECUTORS SAY IT IS THE RESULT OF A COURT-GRANTED WIRE TAP -- MEANING THE GOVERNMENT WAS LISTENING IN AND RECORDING UNBEKNOWNST TO PREWITT AT THE TIME. SOMETIME THEREAFTER THE GOVERNMENT STOPPED INTERCEPTING PREWITT'S CALLS BECAUSE PREWITT, MOTIVATED TO COOPERATE, AGREED TO RECORD CALLS HIMSELF. THE DEFENSE WANTS JURORS TO HEAR THE CALL BECAUSE IT CLAIMS THE APRIL 18TH RECORDING -- THE SUBSTANCE OF WHICH WE KNOW LITTLE ABOUT -- HELPS ANDERSON'S CASE.

LISA DEMER OF THE ANCHORAGE DAILY NEWS CAUGHT ANOTHER REVELATION AT THE END OF

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THE DAY FRIDAY: PREWITT, WHILE ON THE STAND, CLAIMED ANDERSON, TOO, WORE A WIRE. BUT WHY, OR WHEN, HAS YET TO BE DISCLOSED.

ALL OF THE EMERGING DETAILS ARE LIKE FLEETING SPECKS OF LIGHT IN A DARK, LARGE CLOSET THAT STORES THE BEHIND-THE-SCENES HAPPENINGS OF ALASKA POLITICS. IT IS WHERE PUBLIC IMAGE CRAFTED TO SATISFY VOTERS MAY BE FAR DIFFERENT THAN A POLITICIAN'S QUIET, SHIELDED ALLEGIANCE TO DEEPER-POCKETED AND SOMETIMES CONTRARY INTERESTS.

AN EXAMPLE? TOM ANDERSON'S PLEDGE TO ADVOCATE FOR A PUBLICLY RUN PRISON TO SATISFY UNION WORKERS, WHILE BEHIND THE SCENES PLEDGING CORNELL COMPANY HE WOULD PUSH FOR A PRIVATELY OPERATED PRISON. THE FEAR AND HASSLE OF DRAWING VOTER BACKLASH IS JUST ONE REASON ANDERSON'S ATTORNEY TOLD JURORS ANDERSON WANTED TO CONCEAL -- HE CLAIMS, LAWFULLY -- HIS RELATIONSHIP WITH PREWITT AND CORNELL.

ANDERSON IS THE FIRST OF 4 INDICTED CURRENT OR FORMER LAWMAKERS TO GO TO TRIAL. HIS CASE IS SAID TO BE UNRELATED TO THE OTHERS LINKED TO THE RECENTLY RESIGNED OIL-SERVICES EXECUTIVES BILL ALLEN AND RICK SMITH, FORMERLY OF VECO. IN SOME OF PREWITT'S SECRETLY MADE RECORDINGS, ANDERSON CAN BE HEARD COMPLAINING THAT HIS $2,500 CONSULTING SALARY FOR VECO -- IN PLACE DUE TO RICK SMITH -- WILL COME TO A HALT IN DECEMBER 2004. MONEY FOR THE GAP BETWEEN DECEMBER AND FEBRUARY IS IN PART, ANDERSON EXPLAINS, WHY HE SOUGHT ADDITIONAL OUTSIDE WORK WITH CORNELL COMPANY.

SO FAR THERE IS NO CONFIRMED LINK BETWEEN THE VECO BRIBERY SCHEMES AND ANDERSON'S SITUATION WITH CORNELL, PREWITT AND BOBRICK. BUT WE NOW KNOW PREWITT WAS WORKING ON OTHER CASES, YET HIS NAME HASN'T COME UP IN FILINGS ASSOCIATED WITH ALLEN, SMITH, WEYHRAUCH, KOTT OR KOHRING'S COURT RECORDS. AND ANDERSON -- WHO PREWITT CLAIMS ALSO WORE A WIRE -- ISN'T MENTIONED IN ANY OF THOSE CASES, EITHER.

ARE THEIR ROLES IN THOSE OTHER INVESTIGATIONS BEING SHIELDED? ARE MORE POLITICANS OR PRIVATE INTERESTS, PERHAPS IN SCHEMES YET TO BE REVEALED, HEADED FOR AN ENCOUNTER IN FEDERAL COURT?

JUST HOW DARK AND DEEP IS THAT CLOSET, AND WILL ENOUGH LIGHT GET IN TO EXPOSE THE FULL CONTENTS?

IT'S TIME TO START ASKING A LOT OF QUESTIONS.

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Defense rests its case in Anderson trial

by Bill McAllister
Thursday, July 5, 2007

ANCHORAGE, Alaska -- The defense rested its case today in the trial of Tom Anderson without calling the former Alaska legislator to the stand.

Anderson 's attorney says his client is guilty of nothing more than seeking outside consulting work while serving in the state House of Representatives.

A jury could begin deliberations on Anderson's public corruption case as soon as tomorrow afternoon.

After closing arguments tomorrow, the jury will decide if Anderson is guilty of any of seven felony counts or whether the government failed to prove its case that he sold his vote on corrections-related matters.

Defense attorney Paul Stockler says the federal government acted dishonestly two years ago when it first sought to alert then Rep. Tom Anderson that he was under investigation for bribery, extortion and money laundering.

According to the defense, Anderson's first contact with the FBI came on a voice mail message on June 13, 2005, which Anderson says he transcribed.

According to Anderson, a man identifying himself as Bart Bodett left the message, which said in part, "it's about a federal appointee, and we're looking for your input on the matter. And also because of your fantastic stance before in the past of being such a friend of peace officers and law enforcement, our SAC" -- meaning special agent in charge -- "would like to meet with you, as well."

Instead, Stockler says that when Anderson showed up the next day at FBI headquarters in downtown Anchorage, he was shown giant photos of himself and was played audio of himself conferring with government informant Frank Prewitt and Anderson's alleged co-conspirator, Bill Bobrick, who already has pled guilty to bribing the lawmaker.

Anderson is accused of conspiring with Bobrick to set up a sham business for a political website that was never created, with Anderson allegedly taking more than $25,000 in FBI sting money that he and Bobrick thought came from a private prison firm.

Stockler says work on the website did not proceed after June 14, 2005 because FBI Special Agent Mary Beth Kepner ordered Anderson to drop it.

Called by Stockler to testify, Kepner said Anderson was free to do whatever he wanted with the website, testimony that Stockler strongly contradicted in talking with reporters later.

Stockler says the government has produced no evidence that Anderson agreed to a conspiracy on a specific date and he says Anderson never linked the money he was getting to any actions he was performing on behalf of the corrections company.

U.S. District Judge John Sedwick did not allow testimony that the defense says would have

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established that Anderson was talking to people about his plans for the website, thereby demonstrating its validity. The judge said he would not allow Anderson, in effect, to testify through others.

Despite that setback, Stockler says he's confident of winning the case.

On the stand today, state Rep. Bob Roses, who succeeded Anderson in the House, apparently was starting to relay a discussion he had with Anderson about the website, when the prosecution objected and the judge sustained the objection.

The judge did make another significant rulings. He barred testimony by Paul Fuhs, a former state commissioner, who the defense says would have testified that Anderson told him at a 2004 public meeting on corrections issues that he was appearing there on Bobrick's behalf, thus countering the notion that Anderson was trying to hide the relationship because it was criminal.

The defense also wanted to play more of the covert recordings made by the government, saying in some cases that it would speak to bias against Anderson. Judge Sedwick disallowed that, saying the government is not on trial, but Stockler said as far as he's concerned, it is.

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FORMER ALASKA STATE REPRESENTATIVE THOMAS ANDERSON

CONVICTED OF EXTORTION, CONSPIRACY, BRIBERY AND MONEY LAUNDERING

WASHINGTON – Thomas T. Anderson, a former elected member of the Alaska state House of Representatives, has been convicted by a federal jury in Alaska of extortion, conspiracy, bribery and money laundering, Assistant Attorney General Alice S. Fisher of the Criminal Division announced today.

The jury in Anchorage convicted Anderson today of all seven counts charged in a December 2006 indictment. The jury found that Anderson solicited and received money from an FBI confidential source in exchange for Anderson's agreement to perform official acts to further a business interest represented by the confidential source.

Evidence at trial showed that from July 2004 to March 2005, Anderson and lobbyist William B. Bobrick solicited and received $24,000 in payments in exchange for Anderson's agreement to take official action as a member of the Alaska State Legislature. Anderson solicited and received an extra $2,000 from the source, in addition to the $24,000. Anderson and Bobrick participated in the creation of a sham corporation – Pacific Publications – to conceal the existence and true origin of the payments, and used the sham corporation to funnel a portion of the bribes to Anderson.

Bobrick pleaded guilty in federal court in Anchorage in May 2007 to conspiring to obtain bribe payments for Anderson.

"Former Representative Tom Anderson corrupted his elected office when he took official actions in exchange for bribery payments. His illegal conduct impaired the integrity of the oath he took to represent citizens of the state of Alaska," said Assistant Attorney General Fisher. "Anderson has been held accountable for his crimes thanks to the hard work of federal prosecutors and FBI agents, and the Department of Justice will continue its pursuit of public corruption at all levels of government."

FBI - Stevens-743

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"The conviction of former Alaskan Representative Anderson illustrates the FBI's commitment to investigating officials that misuse their public office for personal gain," said Assistant Director Kenneth W. Kaiser, FBI Criminal Investigative Division. "The public deserves fair and honest representation and the FBI will not relent in its pursuit of corrupt public officials."

Sentencing for Anderson has been scheduled for Oct. 2, 2007. Anderson faces a maximum penalty of 20 years in prison and a $250,000 fine on each of two extortion counts and each of three money laundering counts; a maximum penalty of 10 years in prison and a $250,000 fine on the bribery count; and a maximum penalty of five years in prison and a $250,000 fine on the conspiracy count.

The Anderson case was prosecuted by Trial Attorneys Nicholas A. Marsh and Edward P. Sullivan of the Public Integrity Section, headed by Section Chief William M. Welch II, and Assistant U.S. Attorneys Joseph W. Bottini and James A. Goeke from the District of Alaska. The case is being investigated by special agents of the FBI.

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07-489

Breaking News: Federal Jury Convicts Former Alaska Lawmaker...

Federal Jury Convicts Former Alaska Lawmaker In Bribery Trial

Associated Press
00:12:01
By Dan Joling
July 10, 2007

ANCHORAGE, AK -- A former Alaska lawmaker was convicted Monday of taking thousands of dollars from a corrections company consultant in exchange for his help in the Legislature.

"I'm devastated," former state Rep. Tom Anderson said after the federal jury announced its bribery verdict. Anderson, 39, was accused of conspiring to take money he thought was coming from a private prison firm, Cornell Industries Inc. The money was supplied by the FBI through an informant working for Cornell who secretly recorded his conversations with Anderson and a coconspirator, former municipal lobbyist Bill Bobrick. Anderson was one of four current or former state lawmakers facing federal bribery indictments. The other three face trial this fall for charges related to Anchorage-based oil field services company VECO Corp.

"I think the prosecution has criminalized being a legislator over the last year," Anderson said. "I think I fell victim to that." Minutes after Anderson's conviction, Gov. Sarah Palin signed into law an ethics reform package for state officials was signed into law. Palin said the law will help re-establish the public's trust, noting Anderson's case revealed a broader problem with public officials. "I believe it could be a precursor for what's to come, and it's unfortunate," she said. Anderson's family, including his wife, state Sen. Lesil McGuire, were not present for the verdict.

Anderson said they couldn't get to the downtown Anchorage courthouse in time after it was announced the jury had reached a verdict. Judge John Sedwick ordered Anderson to surrender his passport and scheduled sentencing for Oct. 2. Anderson was arrested Dec. 7 and charged with seven felonies, including conspiracy, bribery, money laundering and interfering with commerce, a charge connected to a demand for payments. He faces a maximum penalty of 115 years in prison and a $1.75 million fine. Department of Justice officials in Washington said Anderson was held accountable for his crimes.

Anderson "corrupted his elected office when he took official actions in exchange for bribery payments," Assistant Attorney General Alice S. Fisher said. "His illegal conduct impaired the integrity of the oath he took to represent citizens of the state of Alaska." Bobrick pleaded guilty in May to bribing Anderson. He agreed to testify against Anderson in exchange for prosecutors' request for lenience at sentencing. Anderson was accused of accepting nearly

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$26,000 he thought was coming from Cornell through Frank Prewitt, a former corrections department commissioner and an FBI informant was a $150,000-per-year consultant for Cornell.

The Houston-based company operated halfway houses in Alaska and hoped to build a private prison and a juvenile psychiatric treatment center in Alaska. The defense argued that Anderson backed Cornell without being on the take and that Prewitt wore a wire to bag a legislator and deflect investigators from his legal problems. Prosecutors contend Bobrick and Anderson trolled for cash in conversations with Prewitt, using a phony Web-based newsletter as a front for Cornell to funnel payments to Anderson. Anderson, finishing his first term as a Republican legislator from east Anchorage, was strapped for cash, prosecutors said, as he romanced McGuire, who was then a state representative. He owed child support payments and was looking for a payoff of about $3,000 per month when the Legislature was not in session.

Attachments:

Link to press release

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Roll Call

July 10, 2007 Tuesday

LENGTH: 2556 words

HEADLINE: Government Good To Stevens' Friends

BYLINE: John Stanton, ROLL CALL STAFF

BODY:

In 2004, two business partners of Sen. Ted Stevens (R-Alaska) sold an empty lot in Anchorage to the National Archives and Records Administration for just over $3.5 million, more than doubling their year-old investment in the property.

Stevens earmarked the appropriation for NARA to purchase a site, although there is no indication he received any direct benefit from the deal and his spokesman said the Senator had nothing to do with the selection of the specific property.

But the project is one of several valuable contracts that the developers, Leonard Hyde and Jonathan Rubini, entered into with federal agencies while Stevens was either the ranking member or chairman of the Senate Appropriations Committee - and had significant investments in several Rubini/Hyde companies.

Stevens' investments with the two real estate magnates over a seven-year period turned him from one of the Senate's least wealthy Members into a millionaire, according to his financial records and statements by Stevens over the years.

That relationship has prompted questions from watchdogs who say, at the least, it raises the potential for an appearance of a conflict of interest.

"It absolutely raises flags when you have a Member having a business relationship with someone who may benefit from the Member's official actions," even in an indirect way, said Bill Allison, a senior fellow at the Sunlight Foundation, a watchdog group that pushes for greater disclosure by lawmakers. "The way [disclosure is] being handled now is just completely inadequate," Allison added.

Allison and other watchdogs argue the lack of adequate disclosure rules in the Senate makes it extremely difficult for the public to make an informed judgment on whether Stevens, for example, is acting appropriately, and they have called for more stringent rules.

Stevens' relationship with the two men is rare for a Senate appropriator.

Of the 19 Senate Appropriations Committee members whose offices responded to requests for comment, out of 29 on the committee, Stevens was one of only two members who disclosed a direct business relationship between themselves or their spouses and an entity that receives federal funds - and was the only member of the powerful committee who has such a relationship himself.

The vast majority of the lawmakers said they either never had business dealings with companies that receive federal funding or broke their ties with business entities before entering the Senate.

For instance, "Sen. [Lamar] Alexander [R-Tenn.] resigned from all boards and commissions on which he served when he was elected to the U.S. Senate," Alexander spokesman Lee Pitts said.

Aside from Stevens, Sen. Dianne Feinstein (D-Calif.) is the only panel member who responded who disclosed such a relationship. According to Feinstein aide Scott Gerber, Feinstein's husband, Richard Blum, works for a defense contractor. Gerber, however, noted that the company has never received a specific earmark from Congress.

Unlike Stevens, Feinstein was wealthy well before entering the Senate.

A Profitable Relationship

According to published reports, Stevens' relationship with the two real estate magnates dates back to 1997, when at the urging of his brother-in-law, lobbyist Bill Bittner, Stevens invested $50,000 with Hyde and Rubini in a new venture dubbed JLS Properties LLC.

Although he had a relatively modest 7 percent stake in the company, the investment would prove propitious to Stevens, who at the time was one of the few dozen or so Senators who did not count his personal wealth in the millions. According to a Dec. 17, 2003, Los Angeles Times article, by 2000 Stevens' stake in JLS Properties had grown in value to some $250,000, and Stevens invested in several other of Hyde and Rubini's land projects, including their Centerpoint development project in Anchorage. By 2003, according to his financial records, Stevens' investments with the two had turned him into a millionaire.

In addition to the land deals, Stevens and Hyde also are co-owners of a racehorse through Alaska's Great Eagle LLC, a company that includes many of Alaska's most powerful businessmen, including Ed Rasmussen and former VECO executive Bill Allen.

Allen earlier this year pleaded guilty to four counts of conspiracy, bribery and other corruption charges stemming from the FBI's inquiry into state lawmakers, including Stevens' son, Ben Stevens.

The majority of federal funding that has made its way to Hyde and Rubini does not appear to be the result of either an earmark or direct involvement in the contract process by Stevens.

For instance, according to the most recent federal payment records compiled by

FedSpending.org, from the beginning of 2005 to July 2006 the General Services Administration paid Centerpoint Financial Center LLC - one of Hyde and Rubini's companies - $936,586 for office space leased to the Department of Interior. The offices are in the Centerpoint building - built on land that Stevens had invested in, although the lawmaker appears to have divested his interest in the property at the end of 2004, according to his financial statements. He also sold his stake in JLS Properties that year.

Similarly, starting in fiscal 2003, Hyde and Rubini have had a long-term lease agreement with the National Park Service for its new office building in Anchorage. Operating through their 5th Avenue Development LLC company, Hyde and Rubini have received more than $7 million in rental payments from the federal government.

Hyde and Rubini also have leased an apartment to the Department of Interior, although those payments appear to total less than $10,000.

In several instances, Stevens has been directly involved in projects that ultimately have ended up benefiting his business partners. In the 2003 Los Angeles Times story, Stevens acknowledged lobbying the Air Force to award a multimillion-dollar housing contract to Hyde and Rubini.

The Archives Project

Stevens, in that same period of time, was taking a lead role in setting aside funding for a NARA facility expansion project in Anchorage that would eventually net his partners millions in federal funds.

According to a review of federal, state and local records and interviews with Hyde and federal officials, the project in Anchorage resulted in the two developers netting $2 million in profits from the sale of land they had purchased weeks before Stevens inserted the first earmark into an appropriations bill in 2002.

The money for the purchase, according to Stevens' office, came from two earmarks worth $6 million that Stevens had included in funding bills in 2002 and 2003.

NARA's 2004 decision to purchase the land from Eagle River Center LLC, a company owned by Rubini and Hyde, was the high-water mark of federal spending on the new archives project.

NARA officials began the process of securing a new facility for documents in Alaska in 1998, making the project one of their top priorities, according to federal officials.

That same year, Stevens - who at the time was chairman of the Appropriations Committee - and local officials began working on what city officials dubbed the "Midtown Commons" project, which was a redevelopment plan for a largely unused area of Anchorage.

As part of that plan, officials proposed having the federal government purchase a piece of undeveloped land owned by a group of retired schoolteachers through their company, the 40th Street Investors, for use as the new archives facility. The spot made some sense: It was an undeveloped area that could be bought as opposed to leased and was located near a public library that serves as an archival facility for many historical documents.

To begin the process of securing land for a new facility, Stevens set aside $875,000 for a site selection study and in 1999 he set aside another $900,000 for additional studies, according to Rick Judson, who oversaw the project for NARA.

But despite NARA's stated need for expanded space and local support for the selection of the site, neither NARA nor Stevens' office ever contacted the 40th Street Investors or their real estate agent, according to a source involved in the issue at the time who asked not to be identified. Congressional interest in the project appears to have dropped off almost completely for the next few years until around the time Stevens' business partners agreed to purchase the property in 2002.

On May 21, 2002, Hyde, Rubini and the 40th Street Investors entered into an "Agreement to Purchase" the site, according to a timeline of the purchase that Hyde provided to Roll Call. On June 19 of that year, Hyde and Rubini formally incorporated Eagle River Center LLC and transferred interest in the agreement to that company.

On July 11, 2002, the Senate Appropriations Subcommittee on Treasury and General Government passed by voice vote a fiscal 2003 spending measure that included a $3.75 million earmark for NARA to purchase property for a new facility in Anchorage.

In 2003, at the urging of NARA staff who indicated additional funding would be needed, Stevens inserted in the fiscal 2004 Treasury spending bill an additional $2.25 million.

At the beginning of May 2003, the GSA released a request for bids, which according to Hyde's timeline Eagle River Center responded to on May 5, despite the fact they would not formally close on the property with the 40th Street Investors until June. Then, on June 2, 2003, according to state land records, Eagle River closed on the properties, paying the retired teachers some $1.5 million for the 8-acre parcel.

On Jan. 21, 2004, the GSA informed Eagle River that it had selected its property for the new NARA location, and negotiations on the final price began.

By March 1 of that year, Hyde and Rubini had entered into an agreement with the GSA to sell the property to the federal government for $3.5 million on June 8, 2004 - putting the closing on the sale just past the one-year trigger date for avoiding what would have been a significant capital gains tax hit.

Aaron Saunders, a spokesman for Stevens, said that while the veteran lawmaker was involved in the NARA project and has supported it for years, he had no role in the site selection process and never spoke with either Hyde or Rubini about the deal.

According to Saunders, the only site Stevens had backed - a parcel of land located just off the University of Alaska's campus - was rejected by federal officials for security reasons very early in the process and the selection process involved state, local and federal officials and was the result of a competitive bid process. "It is factually inaccurate to state National Archives officials selected the final facility site based on a recommendation by Sen. Stevens because this conclusion ignores the arduous process by which the site was selected," Saunders said.

Saunders said that while Stevens also had initially worked with local officials on the Midtown Commons project, the reason funding dried up from 1999 to 2002 had nothing to do with who owned the property. Rather, according to Saunders, Stevens from the beginning had decided to take a largely hands-off approach to the deal and only appropriated money when NARA staff requested it. In 2002, NARA aides came to the Appropriations Committee and requested funding, Saunders said, adding that Stevens was "just responding to appropriations requests."

Saunders also said Stevens never talked about the project with Hyde or Rubini. "Sen. Stevens and his staff never, at any point, discussed the proposed National Archives' land acquisition with Mr. Rubini, Mr. Hyde or anyone representing them," he said.

Hyde also indicated neither he nor Rubini at any point called on their business partner Stevens to assist them in the purchase.

"I've never spoken to Senator Stevens about this issue," Hyde wrote in an e-mail.

Funding Lags for Project

Since the land deal was finished, federal funding has slowed significantly for the project. Despite a price tag of at least $29 million in construction costs, Stevens appears to have taken only modest interest in securing funding for the project since the land transfer. Stevens set aside $3 million in 2005 for site preparation, while the archives earmark diminished to just $1.9 million last year.

However, according to a May 11, 2007, Anchorage Daily News story, $290,000 tagged for the construction has been reprogrammed for a new speed-skating-rink project being planned next to the NARA land. Stevens also secured a $940,000 earmark specifically for the skating rink in 2004, according to the story.

NARA's Judson said that while plans for the new building are complete - and that NARA has a standing contract with a non-Alaskan contractor to construct its facilities - the project has fallen behind schedule, largely because of a lack of funding, and he said it was unclear why further money has not been forthcoming. "We haven't seemed to be able to get in the queue for money," Judson said.

Saunders said that while Stevens supports the project, it is unclear whether any future funding will be earmarked for the construction of the archives building. "While it is safe to say that Sen. Stevens continues to support this project, he and his staff will consider future National Archives funding requests on a case-by-case basis," Saunders said.

Watchdogs argue that regardless of whether Stevens took any inappropriate actions on behalf of his business partners, his relationship with them highlights the need for significant revisions to Senate financial disclosure rules.

Last month, Taxpayers for Common Sense and the National Law and Policy Center proposed a series of ethics rule reforms that in part address the question of lawmakers' business relationships. The watchdog groups argue that Members should be required to provide the public with greater information on their business dealings, including detailing whom they enter into business relationships with. In a letter to Senate Majority Leader Harry Reid (D-Nev.), Senate Minority Leader Mitch McConnell (R-Ky.), Speaker Nancy Pelosi (D-Calif.) and House Minority Leader John Boehner (R-Ohio), the groups argue that "While current rules call for disclosure of assets of the lawmaker, there is no requirement that co-ownership of closely held investments be disclosed. There have been numerous examples in which special interests have curried improper favors with elected officials by including the official in a purported investment. In these cases, the officeholder typically receives an extraordinary return on investment with little or no risk."

"There ought to be complete transparency of these types of relationships," the Sunlight Foundation's Allison said, arguing that lawmakers should be required to disclose the names of their business partners in addition to simply disclosing their investments. While "you're always going to have situations where Members have a vested interest in things they're doing" in the Senate, greater disclosure would help limit the appearance of wrongdoing, Allison argued.

Allison also said a second step should be a more robust - and fully transparent - recusal process. "I think Members should recuse themselves from more things than they do," Allison said, arguing that the Senate should drop the secrecy that now veils the process.

"All these arrangements should be open," he said.

Emma Dumain and Bryce Bauer contributed to this report.

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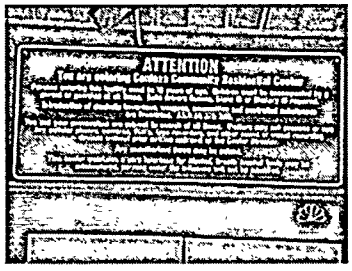
Corrections company says lobbyist acted on his own

Cornell Cos., whose lobbyist became the federal government's chief witness in the corruption case against former Anchorage Rep. Tom Anderson, wants it known it had nothing to with the bribery scheme. (KTUU-TV)

Lobbyist Frank Prewitt worked for Cornell. (KTUU-TV)

Cornell says it was unaware Prewitt was working as an FBI informant. (KTUU-TV)



Cornell has not been implicated in the bribery scheme. (KTUU-TV)

by Jill Burke
Tuesday, July 10, 2007

ANCHORAGE, Alaska -- Cornell Cos., whose lobbyist became the federal government's chief witness in the corruption case against former Anchorage Rep. Tom Anderson, wants it known it had nothing to with the bribery scheme.

The Texas-based corrections company runs five halfway houses across the state. It hired lobbyist Frank Prewitt to help advance its interest in those and other areas, including developing a privately run prison in Alaska and a juvenile treatment facility in Anchorage.

Cornell says while Prewitt may have told now-convicted co-conspirators Bill Bobrick and Anderson that the bribe money he had to offer was coming from Cornell, in reality, the company says they had no knowledge of what was going on.

The company also claims it had no idea Prewitt was an FBI informant.

However, Prewitt did admit under oath that he had been implicated but not yet charged in an illegal contribution scheme involving a Cornell Cos. executive in 2003.

Prewitt testified he helped funnel $3,000 from that executive to an Alaska politician that same year.

The FBI has acknowledged the money Prewitt used in the bribe scheme involving Anderson came from them and not Cornell.

Cornell Cos. Consultant Charles Seigel said the company does not support bribery.

"Cornell would never have authorized any kind of inappropriate activity, like greasing the wheels, corruption, bribery, side view anything like that," Seigel said.

In a written press release, the Department of Justice said Cornell was never told about the operation because of the investigation's undercover nature.

FBI - Stevens-751

Cornell has not been implicated in the scheme.

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Anderson's attorney discusses trial

Paul Stockler, the lawyer who represented former Rep. Tom Anderson in his federal corruption trial, said a loss like yesterday's is not something a client or an attorney gets over quickly. (KTUU-TV)

Stockler said he believed they had a good chance of winning at least some of the counts, especially the conspiracy charge. (Mike Nederbrock/KTUU-TV)

Recordings taken by Frank Prewitt (pictured) were especially damaging, Stocker said. (KTUU-TV)

Stockler maintains there are conversations that would have helped Anderson that weren't allowed to be played in court. (KTUU-TV)

by Jill Burke
Tuesday, July 10, 2007

ANCHORAGE, Alaska -- Paul Stockler, the lawyer who represented former Rep. Tom Anderson in his federal corruption trial, said a loss like yesterday's is not something a client or an attorney gets over quickly.

Stockler said he believed they had a good chance of winning at least some of the counts, especially the conspiracy charge.

Stockler said he had prepared Anderson that if a guilty verdict came in on that charge, the first count in the indictment, it would be a bad omen for the rest to come.

It was sound advice.

"My biggest fear going in was the tapes - I thought this case was 90 percent about the tapes and how the jury perceived those conversations and those videos. And if they saw them our way, were going to win. And if they didn't see them our way, we were going to lose," Stocker said.

On the day the verdicts came in, jurors had asked to re-hear the very first meeting between Anderson, his co-conspirator, and the government informant.

According to Stockler, it was the first time the trio discussed the Web site idea, finances and what kind of things Anderson could do to help if hired as a consultant.

The corruption case centered on the government's assertion that the Web site was bogus and that the so-called consulting contract was just a ruse to hide a bribery scheme.

In that July 2004 conversation, Anderson tells Frank Prewitt, when asked, what he can do for them.

He listed several ways he could help, which in the eyes of Stockler, were a list of job qualifications. But the first item Anderson pointed out in the taped conversation was his status and credibility as an elected official.

Stockler thinks that didn't sit well with the jury.

"The jury took his comment about being a legislator as exactly as how the government saw it -- that he was a legislator trying to sell his votes. So, we both saw that conversation in two different ways," Stockler said.

FBI - Stevens-752

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In the same recorded conversation, Anderson tells Prewitt that if he were to ever vote in ways favorable to Prewitt's interests, it would be because of a shared philosophy and not because of any consulting arrangement.

Jurors obviously felt more was going on.

The jurors did not see all of the evidence in the sense they didn't see all of the materials it appears both sides had access to. There were more recordings and more meetings. But the jury certainly did get to see everything the judge felt was necessary.

Stockler maintains there are conversations that would have helped Anderson that weren't allowed to be played in court, although Stockler was able to allude to those conversations during some of the proceedings.

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Poll Respondents think Anderson verdicts were fair

ANCHORAGE, Alaska - On Tuesday, July 10, Channel 2 News conducted an online poll asking if viewers thought former state Rep. Tom Anderson's guilty verdicts were fair.

83 percent of the respondents said the judgment was fair. Here are the official question and results.

Do you think Tom Anderson's guilty-on-all-counts verdict was fair?	
Yes	83 percent
No	12 percent
Undecided	5 percent

All polls conducted by Channel 2 News and KTUU.com are unscientific.

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Lawmakers express support for McGuire

Sen. Lesil McGuire is the wife of convicted former state Rep. Tom Anderson. (Jason Kohler/KTUU-TV)

Sen. Bill Wielechowski said he has no problem with Anderson's conviction yesterday on seven felony counts including bribery and extortion. (Kris Riley/KTUU-TV)

Rep. Berta Gardner, an Anchorage Democrat, acknowledged that there were no allegations made directly against McGuire during the trial. (Kris Riley/KTUU-TV)

McGuire said her constituents and other Alaskans can expect to see the same performance from her that they've come to expect. (Jason Kohler/KTUU-TV)

by Bill McAllister
Tuesday, July 10, 2007

ANCHORAGE, Alaska -- They were the only husband-wife team in the recent history of the Legislature. So, now that former East Anchorage Rep. Tom Anderson has been found guilty of seven felony charges, how might that affect the legislative career of his wife, Sen. Lesil McGuire?

The consensus from legislators appears to be that there should be no change at all.

McGuire, a senator representing South Anchorage, has not been charged or even accused of any wrongdoing in the ongoing public corruption probe by the FBI and the U.S. Department of Justice; therefore, her colleagues say there will be no guilt by association.

Sen. Bill Wielechowski said he has no problem with Anderson's conviction yesterday on seven felony counts including bribery and extortion.

"It certainly is a tragedy, and it's a tragedy that it took the FBI to come in and clean house here in Alaska. But, I think it's a good thing. I think it's like a hurricane blowing through and it clears out the dead and diseased wood," said Wielechowski, D-Anchorage.

But, Wielechowski said he stands behind McGuire, as a fellow member of the bipartisan majority working group in the Senate.

"I just don't think that it's fair to hold that against her: the actions of one family member who did something very wrong. To hold that against another family member that knows nothing about it -- I think most people would agree that's not a fair thing to do," Wielechowski said.

Other lawmakers agree.

Rep. Berta Gardner, an Anchorage Democrat, acknowledged that there were no allegations made directly against McGuire during the trial.

"And as I understand it, in the trial there was testimony that her husband hid the source of money that he was getting. So I don't know that there should be any change for her, legislatively, in the immediate future," she said.

Sen. Gary Stevens said McGuire is valuable to the Legislature.

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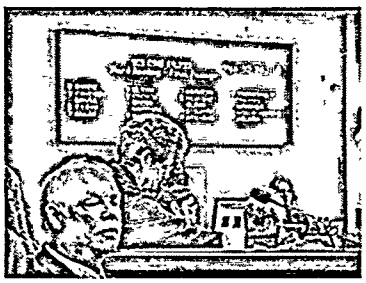

McGuire said she has the support of family and friends, which is helping her deal with the recent events. (Jason Kohler/KTUU-TV)

"It's very sad to see what has happened with Tom's case and everyone is concerned and shocked about it. But, as far as Lesil McGuire is concerned in her leadership in the Senate, she's well-respected. She plays an important role in the Senate organization," said Stevens, R-Kodiak.

McGuire herself said her constituents and other Alaskans can rely on the same performance from her that they've come to expect.

"Your constituents get a rare opportunity, sometimes, to watch you in times of adversity and how you conduct yourself. I feel like it has been with strength and my nose to the grindstone and continuing to work hard, if anything, maybe some days more impassioned and more strengthened on issues," she said.

Anderson could be headed to prison, but McGuire is still Juneau-bound.

Sen. Johnny Ellis said that while McGuire will no doubt be mindful the public eye is on her, he hopes all legislators will have a heightened awareness of their responsibilities.

McGuire said she has the support of family and friends, which is helping her deal with the recent events. Sen. Bettye Davis recalled being urged not to run for re-election in 2004, just after her husband died. Davis said she's glad she did and she thinks McGuire can persevere in this situation.

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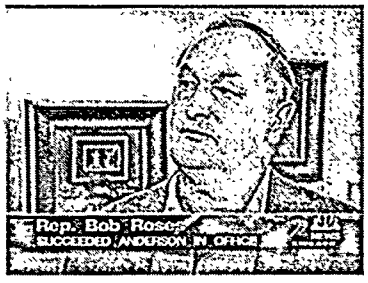
Witnesses say FBI was too pushy

Several people said they feel they were mistreated by the FBI during and after the trial of former Rep. Tom Anderson. (KTUU-TV)

Bernadette Bradley, owner of the Bradley House Restaurant and Bar in South Anchorage, testified Thursday morning for the defense in the Anderson trial. (Rich Jordan/KTUU-TV)

Bradley House Day Manager Amy Dewitt said FBI agents flashed their badges in the restaurant. (Rich Jordan/KTUU-TV)



Rep. Bob Roses said he was repeatedly questioned by the FBI. (Rich Jordan/KTUU-TV)

by Bill McAllister
Wednesday, July 11, 2007

ANCHORAGE, Alaska -- When former legislator Tom Anderson was found guilty of public corruption charges Monday, the news was that the FBI had got their man.

But now it's coming to light that other people feel they were put on the spot by the federal agency during and after Anderson's trial.

No one's saying any legal boundaries were crossed, but the witnesses have questions, and in some cases complaints, about the relentlessness of agents who reportedly would not take no for an answer.

Bernadette Bradley, owner of the Bradley House Restaurant and Bar in South Anchorage, testified Thursday morning for the defense in the Anderson trial.

As the president of the hospitality trade association known as Anchorage CHARR, Bradley said in 2005 then-state Rep. Anderson, despite having been paid consulting fees by the organization, nevertheless voted against CHARR's position on several major issues before the Legislature.

That testimony was intended to counter the charges that Anderson accepted bribes to take certain positions on corrections industry-related issues.

Within a couple of hours after her testimony, the FBI was desperate to find her. Bradley said she mistakenly left her cell phone at the U.S. district courthouse, and did not get four messages from the FBI until mid-afternoon.

Unbeknownst to her, in the meantime agents first called the Bradley House, talked to day manager Amy Dewitt and then showed up at the height of the lunch hour.

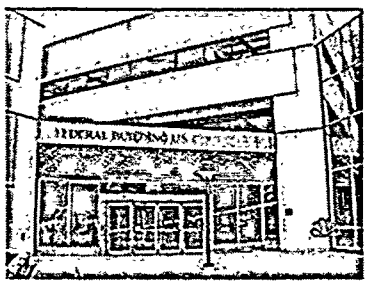
"Urgency. They wanted to speak to her immediately, and so I just did what I could to take care of that," Dewitt said. "They pulled me away from the customers during business hours and come to find out it wasn't even having anything to do with this business at all."

Dewitt said the agents flashed their badges in the restaurant, attracting the attention of all the customers.

FBI - Stevens-757

Bradley said the disruption upset her.

194A-AN-13620-M:381



No one from the FBI would comment on-camera for this story, and FBI Spokesperson Eric Gonzalez said there's really not much to respond to. (Rich Jordan/KTUU-TV)

"I guess what angered me is: I just testified as a witness, should have been done at that. With them coming in here to my place of business, flashing their badges, questioning my employees -- they have no idea what's going with me. It's tarnishing my reputation. I have to explain to everybody why they were here and I just thought it was wrong," Bradley said.

Rep. Bob Roses succeeded Anderson in the state House as the representative from Muldoon. He said he thought it was strange when an FBI agent called him in the late evening on July 4 to ask him how he planned to testify the following morning.

Federal agents called him down to FBI headquarters Monday, just a couple of hours after the verdict, to ask him follow-up questions about his testimony that many conflicts of interest exist in the Legislature.

Roses said he's not easily intimidated.

"I think any time you're asked to come to a building and you've got a couple of police officers or agents or whatever in the room ... presents some kind of intimidation to people," Roses said. "You don't know what they're going to talk about, or whether they're out on some fishing expedition for you or somebody else."

Roses said after he answered "yes" or "no" questions, they would be asked again.

Bradley said she doubts the FBI has any misgivings about the actions of its agents.

"I don't think they would feel that they need to apologize. They probably feel that's their job ... to get what they want," Bradley said.

The FBI got what it wanted in the Anderson case, but some witnesses got more than they bargained for.

No one from the FBI would comment on-camera for this story, and FBI Spokesperson Eric Gonzalez said there's really not much to respond to.

He said the FBI tried to serve a subpoena on Anchorage CHARR Thursday, but discovered the office was closed. They then tried to find board members, starting with Bradley, the president.

They were looking for documents concerning consulting fees paid to Anderson. As it turns out, the defense rested, making the issue moot.

Dewitt said every time she said anything, the agents rephrased it and asked her if that's what she said, which she says it never was.

Gonzalez said asking questions in different ways is a technique for spurring memories, one that he said reporters often use.

Contact Bill McAllister at bmcallister@ktuu.com

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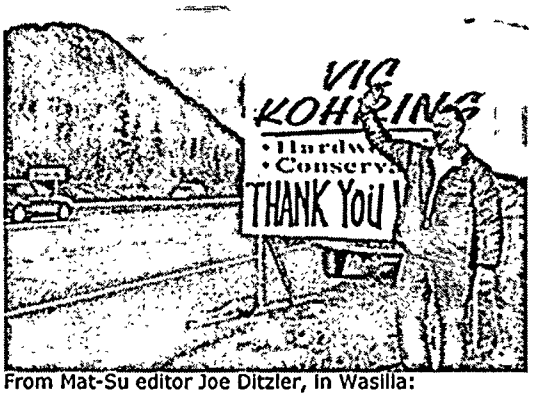
Thanks!

Posted: July 6, 2007 - 5:26 pm



From Mat-Su editor Joe Ditzler, in Wasilla:

Southbound Glenn Highway commuters out of the Valley were treated Thursday and Friday to a hand wave and a big old "thank you" from Vic Kohring, federal defendant and soon-to-be former state legislator.

Kohring stood for several hours during the morning commute in about the same spot near the Eklutna exit that he occupies during his legislative election campaigns. With him is the familiar campaign sign, "Vic Kohring, Hardworking, Conservative" but appended now with: "Thank You, Wasilla." This morning he said he'd be standing roadside once more on Saturday.

The occasional horn sounded as passing traffic thinned in the waning hour of the morning commute. Kohring said he's heard plenty of supportive messages from friends and constitutents and just wanted to show his appreciation.

Kohring admitted the prospect of a 55-year prison term is scary. For his own sake he doesn't fear prison, if convicted of federal extortion and bribery charges. But, he said, he must fight those charges for his family's sake. Kohring said he handles finances for his father, for one, who has Alzheimer's disease. He's not working for the time being, rather focusing on his upcoming trial, scheduled for October.

On June 19, Kohring announced he would step down in 30 days.

He said, as he has repeatedly, that he's innocent and expects to be acquitted.

A federal grand jury indicted Kohring based on evidence he accepted thousands of dollars from Veco executives, sometimes even pocket money, in return for looking out for the company's interests in the Legislature. His indictment has soured Kohring's on some facets of

Alaska Politics

State, local and beyond

Alaska has a new governor, a new legislature and a powerful congressional delegation. Come here for the latest news and tidbits from the transition, from Juneau and elsewhere by Daily News political reporters. We want to hear from you, too. So sound off and interact with other readers and the reporters in the "comments" section.

Kyle Hopkins covered the 2006 campaign for governor and is covering the Palin administration's transition. Before joining the Daily News in 2005, he was a writer for the Anchorage Press and the Fairbanks Daily News-Miner. E-mail him at khopkins@adn.com.

The Trail 2006 campaign blog

Sabra Ayres covers Alaska state politics and the legislature from our capitol bureau in Juneau. Before joining the Daily News in December 2006, Sabra covered the former Soviet Union as a Moscow correspondent for the Cox Newspapers. Email her at sayres@adn.com.

ARCHIVE

Stevens' office responds to Roll Call story - 7/10/2007 5:12 pm

Fields of green - 7/10/2007 4:59 pm

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FBI - Stevens-759

194A-AN-13620-m;382

government. Some in the justice system, he said, target politicians for prosecution as a means of scoring political points and popular support. The 12-year legislator from Wasilla will run again once he's exonerated, he said.

add new comment

Where is that
water-throwing guy from Soldotna when you need him?

(and what was his name again?)

new siddfynch | July 10, 2007 - 11:50pm

reply »

Jeff Webster?
Webster guilty on 3 charges, jurors decide

new AK_Lady | July 11, 2007 - 1:19pm

reply »

Going, going...not yet gone
I think they got the captions mixed up

new BravoSierra | July 10, 2007 - 4:49pm

reply »

Wow, why did you let this happen Victor?
...Tom is guilty and you are next... then Pete and then Bruce... You know your best bet is to go make a deal with the federalis..they caught you with your hand in the cookie jar this time... All that mumbo-jumbo about you being innocent and other such nonsense...well... POPPYCOCK!... sorry Vic.. I agree with some on here now... you gotta fry...

haroldb_99501 | July 9, 2007 - 3:41pm

reply »

City battles for higher water/sewer rates - 7/9/2007 4:17 pm
Also today... - 7/9/2007 4:17 pm
Jury finds Anderson guilty - 7/9/2007 1:42 pm
Here's what happened - 7/6/2007 6:05 pm
Thanks! - 7/6/2007 5:26 pm
Going, going...not yet gone - 7/6/2007 4:28 pm
Now accepting applications - 7/3/2007 11:42 am
'Inconsistencies' - 7/2/2007 4:14 pm
Should everyone have to get insurance? - 7/2/2007 3:19 pm
Backbone II: Electric Boogaloo - 7/2/2007 1:41 pm
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Whose job was it ... - 7/2/2007 10:13 am
Third soldier - 7/2/2007 6:26 am
Green's response - 6/29/2007 5:33 pm
Begich on budget cuts - 6/29/2007 2:27 pm
Cap budget - 6/29/2007 2:24 pm
full archive »

Already seems to be running for re-election
Just remember...If Marion Berry; the Mayor of D.C in 1990 can get arrested for smoking crack cocaine on camera, go to jail, return and get re-elected...anybody can get re-elected. Isn't that sad.

moistorm | July 9, 2007 - 10:24am

reply »

Sad but not surprising.
When the majority of the electorate participates regularly in the vice for which the mayor got nabbed is it any wonder that he gets the majority of the votes?

rfn | July 9, 2007 - 11:30am

reply »

Job Opening
Apply Now ~ District 14 State House Vacancy
The District 14 Republican Committee requests applications from District 14 Republicans who seek to serve as their Alaska State Representative until one is elected by voters in November 2008.
Applicant Qualifications
Must have been a resident of District 14 since June 1, 2005
Must have been continuously registered as a Republican since June 1, 2005
Application must be received no later than 5:00 pm July 11, 2007

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FBI - Stevens-760

Review Republican Party Platform

»
Application Submittal Options
District 14 Chair, Steve Colligan by email to stevecolligan@gmail.com
By Fax to the Alaska Republican Party Headquarters: 907.276.0425
In Person to the Alaska Republican Party Headquarters, 1001 W. Fireweed Lane, Anchorage, AK 99503

twentythreeskidoo | July 8, 2007 - 10:37pm

reply »

Frontiersman article
Hopefuls stepping up to fill House vacancy
July 8, 2007
By Will Elliott

AK_Lady | July 8, 2007 - 10:42pm

reply »

Here's A Conversation Worth Pursuing....
...what is a "Conservative"--especially in Alaska. There are Democrats who are fiscally responsible, with strong traditional family values, and who believe in the Golden Rule. Berta Gardner comes to mind immediately and there are many others. Yet, talk to the average Vic Kohring constituent and they would reject an ethical progressive in favor of someone like Vic.

I mean, after Scott Ogan and Vic, I have to wonder how often are the "Fishers of Men" going to settle for carp?

What is a conservative?

metanoia2k | July 8, 2007 - 4:15pm

reply »

---

sorry Vick
but you need to fry, if not for this, then at least for Aiding and abetting the Alaska Court System, Agents of the State, and the Ag's Office in hideing one of the most unconstitutional acts ever forced upon man.Yes Vick, I am talking about youre little Private contracts of law, that have not been disclosed to the public for which all of you are getting fringes for shoving down our throats, of course this wont happen,YET, but there will be a lot of agencies and entities running when it does break open to where the public finialy learns what you all have been hideing so well.

nickolas | July 8, 2007 - 2:10pm

reply »

Joe Ditzler is a Ditz
In the first two paragraphs he spells Vic's last name wrong. It is NOT KORHING. I oughta know, it's my last name too. And I thought only the fake Billy Muldoon made that stupid mistake.

Sorry for the interruption of your witty repartees, polite banter and good old-fashioned snark-festing.

This has been a polliwog's pond pet peeve moment.

polliwogspond | July 8, 2007 - 1:19pm

reply »

FBI - Stevens-761

Kohring, and the video evidence
After reading some of the inane comments posted here- maybe by Vic himself, I gathered up some of the information that came from the video recordings that were part of the information received by the grand jury that indicted Kohring.

Note that "COMPANY CEO", and "COMPANY VP", are VECO's Allen and Smith- who have pleaded guilty in this case.

One blogger, Realist, hit the nail on the head when he posted: "But. . .
Is he claiming per diem for the time spent on this stunt?
And anyway, didn't he say he needed to devote himself full-time to his defense?
Just weird."

The evidence presented thus far, under oath, makes it clear that Kohring is a crook, and that he sold out Alaskans with the PPT legislation- legislation that has already cost each Alaskan thousands of dollars.

But do not take my word for it, read the following excerpts form the transcripts:

23. On or about February 23, 2006, during a dinner meeting attended by COMPANY CEO, COMPANY VP, and KOHRING, KOHRING received approximately $1,000 in cash from COMPANY CEO.

24. On or about March 1, 2006, in a telephone conversation a week after having accepted $1,000 in cash from COMPANY CEO, KOHRING asked COMPANY VP to contact KOHRING if he could provide assistance on any legislative matter or implement any strategy on behalf of COMPANY A.

25. On or about March 4, 2006, while discussing in Suite 604 the importance of the proposed gas pipeline legislation, COMPANY CEO told COMPANY VP that he had just given "a thousand" to KOHRING and that, as a result of the payment, KOHRING "would kiss our ass."

35. On or about March 30, 2006- during the same conversation in Suite 604 and shortly after KOHRING had asked COMPANY CEO and COMPANY VP for the $17,000 loan- KOHRING began to discuss his family and his financial condition. COMPANY CEO then asked COMPANY VP if he had any "hundreds." COMPANY VP retrieved his wallet from a pants pocket, pulled out multiple bills of currency, and then handed at least $100 in cash to COMPANY CEO who, in turn, passed the money to KOHRING.

36. On or about March 30, 2006, during the same conversation in Suite 604, KOHRING took the cash the COMPANY CEO handed him, thanked CEO, and shook CEO's hand.

37. On or about March 30, 2006, during the same conversation in Suite 604 and after receiving the prior cash payment described above, KOHRING again mentioned his family and his financial condition. Immediately thereafter, KOHRING accepted a second handful of cash, totaling approximately $500 to $1,000, from COMPANY CEO, who had handed the cash to KOHRING.

38. On or about March 30, 2006, during the same conversation in Suite 604, KOHRING took the second handful of cash from COMPANY CEO, thanked COMPANY CEO again, and shook his hand.

39. On or about March 30, 2006, during the same conversation in Suite 604, KOHRING, immediately after receiving the cash payments from COMPANY CEO and COMPANY VP, made the following statements to COMPANY CEO:

KOHRING: What can I do at this point to help you guys? Anything?

COMPANY CEO: Whatever you, you know, uh, uh-

KOHRING: Just keep lobbying my colleagues for (Murkowski's) plan, right?

40. On or about March 30, 2006, during the same conversation in Suite 604 after receiving the two cash payments described above, KOHRING discussed with COMPANY CEO AND COMPANY VP his relationship with a number of legislators and told COMPANY CEO that "my first effort will be to figure out where they are at and then, secondly, I'll politely and gently as carefully as I can influence them in a positive way to see that (Murkowski's) bill is the vehicle they consider."

Stumpy1 | July 8, 2007 - 1:16pm

reply »

Vic, Vic, Vic...

we've been through all this before: you're guilty, remember? Stumpy1 has nicely summarized the evidence against you (see above). Might be a little tough to clear your name after all this, don't'cha think? Vic, do you honestly believe they're making this stuff up? Huh, do you? Here's what you need to do, Vic: give Tom Anderson a call, ask him how he's feeling right now. Go on: I know, it's a long distance call from Oregon, but it'll probably be worth the expense.

FBI - Stevens-762

Once you talk to Tommie, fly back up here to Alaska, get yourself an appointment with the prosecutors, and lobby as hard as you possibly can (even harder than the lobbying you did for VECO) for a deal that will shorten the jail time. Go on, Vic, just do it; you can then tell the public (and especially all those "supporters" you have there in District 14) that you're copping a plea "for your family." There you go; good job, Vic, you can do it. No, really, there's no need to thank me.

new gild | July 9, 2007 - 8:33pm

reply »

Vic

I wonder what he knows about that no-bid contract for Pac-West -a company based in Oregon.

Stags_Leap | July 8, 2007 - 7:38am

reply »

Hahaha! I must need new glasses!

I swear the last line in the column read "The 12 year old legislator from Wasilla will run again. . ." Of course, it could be a Freudian slip.

alaskadiva | July 7, 2007 - 4:24pm

reply »

Something Stinks and I think its the F.B.I.

....the way the Anderson trial went... this is setting up as a "Alaska tars and feathers the F.B.I." Show... It didn't read or sound very good for the federal boys in the Anderson Trial... Something stinks with the Vic's Charges... and I think its not Vic...

Good Luck Vic K... Fight hard and hand these Federal Boys their lunch on their way back to Washington DC!

haroldb_99501 | July 7, 2007 - 7:26am

reply »

I'm not sure what the

I'm not sure what the Federalis will have in store for Vic, but they seem to have a prosecutor who is on his toes.

Luck is only going to help him with avoiding the upper end of the sentencing range.

It seems the entrapment will be missing from Vic's deal. They were looking at VECO and PPT from get-go not staging sting op's.

DOJ will likely get their convictions, and Vic will have to go somewhere for a while.

Who will the Anderson tapes incriminate is my question.

edgefinder | July 7, 2007 - 9:12pm

reply »

If Anderson is Aquitted ...

well.. you are going to tell me that you are supporting a conviction based on a CEO handing over a one hundred bucks to a friend?

...pretty tall order... the fact of the matter is Vic's position on the PPT was well known before hand.. He has ALWAYS been a Small government Pro Business Legislator...

...becasue he had a conversation with a crooked CEO doens't make a person a felon...

--we'll see... I predict.. Aquittal... I also see Vic running again and WINNING in the future... you'll see..Personally I don't like the guy... BUT... if he was running for something... well ... Mother Teresa would have to be running against him to lose my support... then only on a Sunday,,, Vic will walk....

FBI - Stevens-763

haroldb_99501 | July 7, 2007 - 10:32pm

reply »

But then maybe you're

But then maybe you're absolutely right, It's all just some internet rumour- urban legend that the DOJ decided to send & 70 Agents.

They had to. DOJ had to go to Alaska.

I think Vic's main concern is to *not* get 55 years. 150 months is what he needs to be thinking. If he behaves himself, well...it's a slap on the wrist.

edgefinder | July 7, 2007 - 10:49pm

reply »

I wish I had "friends" dropping by

I wish I had "friends" dropping by giving me $100 or $10,000 every once in a while.

But that might not be good if you were a legislator, and

being watched by the FBI.

edgefinder | July 7, 2007 - 10:40pm

reply »

"Beyond a Reasonable Doubt"

...pretty tough to get for a hundred bucks... it isn't going to happen...

haroldb_99501 | July 8, 2007 - 12:17am

reply »

Those DOJ guys don't mess

Those DOJ guys don't mess around for the most part.

I would guess you are some long standing acquaintance of the guy, and hate to see him in the pokey for 55 years. It probably won't be that bad.

I'm not sure how "reasonably doubtful" the video tape will be. The VECOnvicts testimony will not help him.

Funny how they call it "Frank's" plan. I bet he gets a break to roll over and gets slightly over minimum sentence for doing so.

edgefinder | July 8, 2007 - 11:32pm

reply »

Who Painted the sign for

Who Painted the sign for him?

It's kind of quaint.

edgefinder | July 6, 2007 - 9.00pm

reply »

Maybe

He stole that anti-Vic sign and repainted it.

TheSdog | July 6, 2007 - 9.01pm

reply »

Whoosh 55 years..I try your

Whoosh 55 years..

FBI - Stevens-764

I try your link instructions and I still can't get the link to appear on the words
href="http://www.ca9.uscourts.gov/ca9/Documents.nsf/174376a6245fda788
OpenDocument"NINTH CIRCUIT JUDGES.

edgefinder | July 6, 2007 - 10.02pm

reply »

Here ya go...

NINTH CIRCUIT JUDGES

Here's a link to a page that shows the HTML code typed out. Just

copy it, delete their example (in red) and insert yours.

AK_Lady | July 6, 2007 - 11:18pm

reply »

Vic's legal strategy?

Hmmm, so is Vic really standing out there waving and smiling to try and influnce the pool of jurors in his upcoming trial?

See- I am not a crook- look- I am waving and smiling- see what a nice guy I am?

Stumpy1 | July 6, 2007 - 8:43pm

reply »

Billboard Queen

Needs to get the billboard initiative back up for the upcomming "We Aren't Corrupt" ad campaign.

edgefinder | July 6, 2007 - 10:29pm

reply »

Stumps

You always whine about how I don't "know" Sarah.

Do you know Vic?

I met him a couple of times. He seemed like a good guy to me. I would never let that be my guide on what I think of his actions.

I met Bruce Babbit once for breakfast 6 months after he ran for President. Great guy. Smart Guy. But I'd never vote for him.

So do you know Vic?

Get my point?

TheSdog | July 6, 2007 - 8:51pm

reply »

Babbit and Vic

I've talked with both Bruce and Vic.

If the FBI video recordings of Vic getting cash in a hotel room from the convicted Bill Allen are any indication, it looks like you've misjudged him.

Stumpy1 | July 6, 2007 - 9:51pm

reply »

Not necessarily

Good people can make bad decisions. Ever make some bad decisions stumps?

That is why it is irrelevant to me if you think Palin is a "good person." Good people can make the wrong decisions as well as the bad ones.

They can also be misguided although the most intelligent thing Babbit said to me was, "The Reagan revolution was a myth." Chew on that a while. I gotta get up to go slaughter fish tomorrow.

FBI - Stevens-765

TheSdog | July 6, 2007 - 10:06pm

reply »

He should get an iPod and dance

Like that other guy who gets so much attention....the essential truth here is that corruption isn't really a negative in the oil and Baptist culture of the deep south. It's just the way things get done. That culture was transported to the Valley with the oil boom. Big hair, big trucks, big Jesus. Once again, us Yankees are imposing our moralistic values on simple rural people who just want to git on with their lives.

zidar | July 6, 2007 - 8.00pm

reply »

Dance? Too hard to hit with a tranq dart that way . . .

Heck, you don't want me to miss and hit him in the vitals do ya? I'm outta practice. And quit dissing us Dixie Chix. Some of us moved up here to escape Cracker Crumbs. The little weasles followed me up here back in the '70's. Most Yankees are just Crackers in disguise anyway. Scratch 'em and most are just covering up their bigotry with stage make-up.

Hey, I may sound simple, but, I was born and raised in a city the size of Los Angeles. Paid for 2 college degrees. Some of us live in rural areas because we're trying to get away from folks who want to choose the colors we can paint our homes with, make us leash the dogs when we're out in the middle of bloody nowhere, and . ..well. . .you get the idea: I hope.

alaskadiva | July 7, 2007 - 4:37pm

reply »

just keep that dog on a leash

And don't forget the sandwich bags.

zidar | July 7, 2007 - 6.56pm

reply »

Please!!!

Please, oh please, oh pretty please!

Don't tell me you confused Anchorage, Wasilla, or Palmer with Alaska!

rfn | July 7, 2007 - 4:57pm

reply »

Wrong title on this BLOG

It should have been the one with: 'Going, Going,....not yet Gone'.

palmerbuyer | July 6, 2007 - 5.07pm

reply »

Well...

At least he's not off hiding somewhere.

AK_Lady | July 6, 2007 - 5.25pm

reply »

But. . .

Is he claiming per diem for the time spent on this stunt?
And anyway, didn't he say he needed to devote himself full-time to his defense?
Just weird.

realist | July 7, 2007 - 5:48pm

reply »

I could have sworn

It was surgery on his neck.

He needs a prop, like a cane or a neck brace.

twentythreeskidoo | July 8, 2007 - 6:29am

reply »

I don't know, but...

... the article said he'd be out there again today. Did you go ask him?

AK_Lady | July 7, 2007 - 6:17pm

reply »

FBI - Stevens-766

Like the guy
who kept bees in an airtight jar on his desk....

It's just a hobby.....

rfn | July 7, 2007 - 6:08pm

reply »

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FBI - Stevens-767

After 2-month delay, Stevens releases report on personal finances

Associated Press
KTVA

Article Last Updated:07/17/2007 06:40:21 PM AKDT

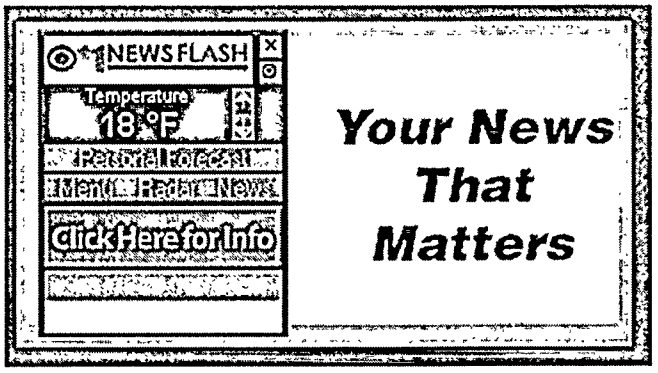
Senator Ted Stevens has filed the annual report on his personal finances with the Senate Ethics Committee. He filed Tuesday after receiving a two-month extension to fix what he called a few simple technical errors. The delay was not unusual for members of Congress, but with his son under investigation by the FBI for corruption, Stevens says he wants to make sure his report, is unassailable.

The mandatory reports, filed by members of Congress each year, detail income, assets and gifts from the previous year. The 83-year-old senator says nothing in the mandatory disclosure report has anything to do with the investigation.

A copy of the report provided by Stevens' office to The Associated Press shows his assets are worth between one million and two million dollars with about half in a blind trust.

Individual assets include oil well interests in Oklahoma and rental housing in Wickenburg, Arizona. Local holdings include commercial property and a share in Sack's Restaurant, a downtown eatery.

The senator's disclosure report also included a retroactive list of gifts he received from the Kenai River Sportfishing Association. The group works to protect salmon runs on the Kenai River and was founded by Stevens' friend and business partner Bob Penney.



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FBI - Stevens-768

194A-AN-13620-M;383

<<Back

Palin nominates Keller for Valley seat

by Bill McAllister
Monday, July 17, 2007

ANCHORAGE, Alaska -- The Wasilla area could have a new representative soon.

Gov. Sarah Palin has made her selection of a replacement for Vic Kohring, whose resignation is effective Thursday. House Republicans will soon have the choice of confirming someone well known to them.

From the short list of three candidates forwarded to her by Wasilla-area Republicans Friday night, Palin selected Wes Keller, a legislative aide for the past nine years.

Initial reaction from House Republicans was favorable, and the leadership hopes to hold a confirmation vote on Keller no later than next week.

Keller was one of seven candidates for the soon-to-be vacant House seat in Wasilla who made a pitch to local Republicans Friday night.

"There's a lot of pressure in Juneau to do business as usual. And that business as usual has translated historically into more spending, bigger government, less personal freedom and that's why I'm passionate about this and I want to get in. It's an important thing," Keller said in his speech Friday night.

A selection committee picked Keller as one of three finalists, and today Palin appointed him to the District 14 seat, subject to confirmation by House Republicans.

"The candidate's vast experience throughout the state bodes well for our shared vision of all regions working together for Alaska's good," Palin said. "From experience as a former school teacher, business owner, building contractor, oil field hand, United States' Air Force training put to good use as a pilot in our beloved Alaska National Guard and as chief of staff for a respected legislator, this Alaskan is ready to hit the ground running."

Keller, chief of staff to Sen. Fred Dyson of Eagle River, is well-known to House Republicans such as Nancy Dahlstrom.

"He's been fantastic to work with, very easy person. He's a listener and I know him to be a man of reason," said Dahlstrom, R-Eagle River.

Bill Stoltze said he thought Keller would make a positive impact in the body.

"He's intelligent, unquestionable integrity. I think he'll exercise good judgment. I'm glad he's part of the new Valley delegation," said Stoltze, R-Chugiak.

House Majority Leader Ralph Samuels said Keller's experience gives him an advantage.

"He knows the process. Coming in mid-term, it would be difficult if you weren't familiar with the legislative process at all," said Samuels, R-Anchorage.

Keller signaled Friday that he would get to work even before the confirmation vote.

194A-AN-13620-m;384

"As soon as Gov. Palin says, 'You're appointed,' I'll go to work. It doesn't mean I'll get paid, but I can go to work and so I'm ready to go," Keller said.

There's one formality to go, but Wasilla-area constituents can start saying Rep. Keller right away. Keller was traveling today and was not available for comment on his appointment.

Samuels said he's hopeful the caucus can meet with Keller and take its vote within a week. House Speaker John Harris said if necessary, the vote could be done by phone.

Last week we reported that Rep. Les Gara, D-Anchorage, wrote to Palin asking that she get a commitment from her appointee not to reflexively follow a party line in Juneau.

Palin said she discussed the concern and Gara's letter specifically with Keller. She said they're agreed on the need for him to be an independent voice at the capitol.

Contact Bill McAllister at bmcallister@ktuu.com

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FBI - Stevens-770

NewsBank inc. Access World News

Paper: Anchorage Daily News (AK)
Title: Stevens: My money, not Veco's -
REMODEL: Senator is emphatic that filing extensions are unrelated.
Date: July 18, 2007

The money spent on renovations that doubled the size of U.S. Sen. Ted Stevens' Girdwood home and led to a federal grand jury investigation came out of his own pocket, the Alaska Republican told reporters Tuesday.

"As a practical matter, I will tell you. We paid every bill that was given to us," Stevens said, referring to himself and his wife, Catherine. "Every bill that was sent to us has been paid, personally, with our own money, and that's all there is to it. It's our own money."

A federal grand jury is investigating the renovations in 2000, including work that might have been performed by oil services company Veco and contractors who were hired or supervised by the company. The company's former executive, Bill Allen, has pleaded guilty to bribing state legislators.

In May, a family friend who oversaw the addition, Bob Persons, was asked by a Washington grand jury to produce blueprints and other plans, photos and purchase and installation documents for all phases of the project, including the heating system, generators, ice-melt systems and decorative lights. His summons also told him to bring invoices, payments and other documents related to several Veco employees and to the main contractor.

Stevens said Tuesday that he has been told not to talk about the grand jury investigation. But he couldn't stop himself during a press conference he called to explain why he had been granted two extensions to clear up irregularities in his annual financial disclosure form.

Stevens said he wanted to be clear that the delays in filing his financial information to the Senate Ethics Committee had nothing to do with the ongoing grand jury investigation. He was so emphatic about separating the two issues that he interrupted a reporter who asked him why he hadn't explained it the first time he filed for an extension.

"There is nothing in this disclosure that is in any way connected with the investigation," Stevens said. "Nothing that I know of."

Stevens said that he requested the first extension to clear up confusion about how to disclose his wife's 401(k) retirement investments. The Senate Ethics Committee has had questions about her finances in past disclosures, Stevens said, and he wanted to make sure the form was filled out properly this time. He described it as "putting certain X's in the right box."

"We took some extra time to make sure that it complied with the ethics rules of the Senate," Stevens said. "There were a few technical clarifications that the ethics committee wanted to make."

Stevens said he did not specifically ask for the second extension but that the ethics committee wasn't able to review everything in his report until 5:30 p.m. Friday, so they gave him another extension. He filed a final version on Tuesday.

"I asked them to review it to make sure we had done the thing right this time," Stevens said. "We asked them to review it, and they did review it."

Stevens and other members of Congress had until May 15 to turn in the form, which covers information about their 2006 personal finances, including investments, property ownership and gifts.

Stevens' report details the senator's wide financial interests, including an oil well in Oklahoma that he has owned since the 1970s, an investment in Sacks Restaurant in downtown Anchorage and shares in two racehorse partnerships.

The disclosure form lists that his wife has invested in a rental house in Arizona as well as commercial property in Anchorage. He reported giving his daughter his interest in half a herd of cattle in Arizona.

Interest in Stevens' finances has grown since the FBI raided the office of his son, former Alaska Senate President Ben Stevens, as part of a wider corruption and bribery probe. The younger Stevens has not been charged with a crime and has denied any wrongdoing.

The older Stevens, the longest serving U.S. Senate Republican, has hired lawyers and has been asked by the FBI to preserve documents. Some of his friends and associates have been questioned before the grand jury, specifically about the remodeling project.

Contact Erika Bolstad at the Washington, D.C., office at 1-202-383-6104.

AN-13620-m;385

DOCUMENT: Sen. Stevens' financial disclosure.

adn.com/politics
Photo 1: BurnedCar_071807.jpg

Photo 2: BurnedCarCouple_071807.jpg

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Author: ERIKA BOLSTAD ebolstad@adn.com Staff
Section: Main
Page: A1
Dateline: WASHINGTON
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FBI - Stevens-772

NewsBank inc. Access World News

Paper: Anchorage Daily News (AK)
Title: Weyhrauch wants trial relocated to Juneau -
CORRUPTION SCANDAL: Defendant's family, business and many witnesses are there.
Date: July 18, 2007

Citing convenience and a chance to avoid delay and expense, former state Rep. Bruce Weyhrauch wants a federal judge to move his trial from Anchorage to Juneau, where he and co-defendant Pete Kott live.

Prosecutors haven't yet said if they object to a move. The trial is set to begin Sept. 5.

Both Weyhrauch and Kott are Republicans accused of selling their votes and influence to oil field services contractor Veco Corp. and its chief executive during last year's debate on oil taxes.

Weyhrauch is charged with bribery, attempted extortion, conspiracy and mail fraud. Kott faces bribery, extortion, conspiracy and wire fraud charges.

Weyhrauch, a Juneau attorney with a wife and three young children, served in the House from 2003 until his term ended this year. He didn't run in 2006.

Kott, a former House speaker, represented Eagle River in the Legislature from 1993 until this year. He was defeated in last year's primary election. He now lives full time in the capital city.

One of Weyhrauch's attorneys, Doug Pope, argued in court filings that since both defendants live in Juneau, and most of the alleged crimes happened in Juneau, the trial should take place there too.

Some of the conversations at issue took place in Suite 604 of Juneau's Baranof Hotel, Pope noted.

Most of the evidence is contained on computer disks and hard drives and is easily moved, the lawyer noted.

Many of the witnesses also live in Juneau, Pope wrote, offering to provide the judge a detailed list. Exceptions include FBI agents and former Veco executives Bill Allen and Rick Smith, whom Pope described as convicted criminals. Allen and Smith have pleaded guilty to conspiracy, bribery and tax fraud and are cooperating with prosecutors.

It would be disruptive for Weyhrauch to leave his family and law practice for the trial, Pope wrote.

"It does not take a social scientist to acknowledge that Weyhrauch will have weighty family obligations during trial, and it is no answer to suggest that the family can move to Anchorage," the lawyer wrote.

Another factor is pretrial publicity.

While Pope wrote that he's not now trying to move the trial on grounds of prejudicial pretrial publicity, he contends there's less chance it would have to be delayed later because of additional publicity if it were moved.

The FBI's corruption investigation has received more coverage in the Anchorage Daily News than the Juneau Empire, which has mentioned Weyhrauch only once recently, Pope wrote.

A July 2 Daily News opinion piece headlined "For sale, cheap" was "particularly poisonous," he wrote. In it, Kott was called "Veco's boy" and Weyhrauch's performance was compared to that of a "rank amateur."

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.
Caption:
Former state Rep. Bruce Weyhrauch is charged with bribery, attempted extortion, conspiracy and mail fraud.
Caption:
Photo 1: Bruce Weyhrauch CMYK_071807.jpg

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FBI - Stevens-773

Author: LISA DEMER ldemer@adn.com Staff
Section: Alaska

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Page: B1
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FBI - Stevens-774

NewsBank inc. Access World News

Paper: Anchorage Daily News (AK)
Title: Kohring's replacement named -
WES KELLER: Gov. Palin chooses legislative staffer for indicted lawmaker's seat.
Mat-Su focus
Date: July 18, 2007

Wes Keller, appointed Tuesday by Gov. Sarah Palin to replace Wasilla's outgoing Rep. Vic Kohring, spent eight years working for state Sen. Fred Dyson.

Keller left Wasilla for Juneau every one of those years with a senator representing Eagle River and Chugiak.

But Palin dismissed any contention that Keller doesn't know Wasilla.

Keller has lived in the community for 20 years, his three children graduated from Palmer and Colony high schools, and he has "strong, deep roots here in the Valley," Palin said in an interview Tuesday.

The governor said she picked him only to finish out Kohring's term representing District 14, with the understanding that the position will again be a "free-for-all" to candidates vying for the seat next year.

"We talked about the need for experience and integrity, and helping to clean up the Legislature. We need some wisdom there," Palin said. "We didn't even talk about what happens a year and a half from now."

Keller's appointment still awaits the approval of a majority of House Republicans the next time the Legislature meets, at the earliest in an as-yet unscheduled special session on oil taxes this fall.

Kohring leaves the Legislature in his seventh term Thursday. He resigned following federal indictments on charges of bribery and extortion, but says he is innocent. His trial is slated for this fall.

As Palin announced her pick in Anchorage on Tuesday, Keller was out of reach, driving home from Haines in a car he left in Juneau last session.

He favors local control and "smarter state spending" and has worked as a teacher, building contractor, oil-field hand and pilot in the Alaska National Guard, according to information the governor's office supplied.

Keller most recently served as Dyson's chief of staff. His wife, Gayle, works as Dyson's office manager. She said Keller has a thing for working on cars and has five grandchildren who call him "Bumpa." He for years has lived with chronic lymphocytic leukemia. The family worships at Wasilla Bible Church.

Dyson called Keller his best friend and said he'll miss him.

Rep. Les Gara, D-Anchorage, last week asked Palin to make sure her choice could stand up to party-line pressure, particularly on oil-tax and gas-pipeline issues.

Palin said she told Keller she agreed with Gara when they spoke Monday.

"He agreed that we can't let obsessive partisanship get in the way of what's right for Alaska," she said.

Gara on Tuesday said he didn't know Keller well enough to judge his resistance to party politics, but that he is looking forward to working with him.

"Wes has always been a gentleman to me, and I think that bodes well," he said.

Keller beat out two other finalists forwarded by the Alaska Republican Party's district leadership from a total of seven candidates: former school superintendent and lobbyist Darroll Hargraves and Colleen Sullivan-Leonard, a Wasilla planning commission member who ran unsuccessfully against Kohring in 2004 and now works for Palin in her Mat-Su office.

Find Zaz Hollander online at adn.com/contact/zhollander or call 1-907-352-6711.
Caption:
Photo courtesy Gayle Keller

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194A-AN-13620-M,387

Wes Keller has worked as a teacher, building contractor, oil-field hand and pilot in the Alaska National Guard.
Caption:
Photo 1: KenaiMatSu_Focus.1_071807.jpg

Photo 2: WesKeller2_071807.jpg

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Author: ZAZ HOLLANDER zhollander@adn.com Staff
Section: Alaska
Page: B1
Dateline: WASILLA
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FBI - Stevens-776

NewsBank inc. Access World News

Paper: Anchorage Daily News (AK)
Title: Senator's land deal scrutinized -
MURKOWSKI: Purchase of tract along Kenai River for $179,400 draws questions and criticism.
Date: July 19, 2007

U.S. Sen. Lisa Murkowski is drawing criticism this week over Kenai River property she bought late last year from real estate developer and political supporter Bob Penney.

The national political Web log tpmmuckraker.com raised the issue Monday when it quoted government watchdogs questioning whether the senator should do business with Penney, who has also been a business partner with Sen. Ted Stevens, R-Alaska.

It also questioned whether the sale price -- initially unreported -- was below the market value.

After two days of criticism online and on talk radio, both Penney and a spokesman for Murkowski described the deal as a fair trade between people who chose to become neighbors on the river.

They said Murkowski, R-Alaska, and husband Verne Martell paid Penney the amount of the Kenai Peninsula Borough's most recent assessment on the 1.27 acres: $179,400. Murkowski's spokesman said there was nothing improper about the sale.

This year's borough assessment, completed after the sale, is for $214,900.

The assessed value was a fair selling price, Penney said, adding he sold the land next to his own place because he enjoys fishing with Murkowski's family and wanted them near.

"I decided, 'What the heck? I'd love to have them for neighbors,' " Penney said Wednesday at the riverside log home where he lives seven months of the year.

He pointed out Murkowski's vacant, forested lot sloping to the river's north bank just downstream on the walkway from his home. He said a winter ice jam tore up a riverbank walkway and dock, the property's only improvements.

The transaction raised suspicions at a time when four current and former Alaska state lawmakers have been charged with corruption, two businessmen pleaded guilty to bribery and other charges, and the FBI and Justice Department continue their investigation of corruption in state politics. The TPMMuckraker blog quoted anonymous Soldotna-area real estate agents saying the property is worth at least $300,000 and said both Penney and Murkowski refused to discuss the price.

Conservative KFQD 750 AM host Dan Fagan told listeners the senator appeared to be hiding a favor she received from Penney, because she was unwilling to disclose the purchase price. His show's Web site posted a photo of Penney with the caption, "Sold the property to Murkowski for far less than market value."

"Primo real estate right on the Kenai River," Fagan said on air. "There is ample evidence that she got a sweetheart deal on the thing."

Penney and members of his family contributed several thousand dollars to Murkowski's 2004 election campaign, though they also donated to her opponent, former Democratic Gov. Tony Knowles.

Efforts to reach Murkowski on Wednesday were unsuccessful, but her press secretary, Kevin Sweeney, said the land sale was fair. He said the senator's office did not immediately respond to questions about the purchase because they were posed by an unfamiliar media outlet.

Murkowski and Martell have sold their Anchorage home and are looking for another Alaska residence, Sweeney said. Last summer they began talking to Penney about finding land for a home, he said. Their official Alaska residence is a small house in Girdwood.

"They were looking for property on the Kenai. He had property on the Kenai," Sweeney said. He stressed that it wasn't an investment property, and that Murkowski and Martell intend to build a home there.

Murkowski disclosed in her annual Senate financial statement that she borrowed 80 percent of the purchase price, and Martell reported the price to the borough, Sweeney said. They did not attempt to hide the numbers, he said.

"She purchased the property in November for what she thought it was worth, and what the seller thought it was worth, and what the borough thought it was worth," Sweeney said.

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A Soldotna real-estate broker, Linda McLane of the Ron Moore Co., said riverfront properties typically sell for more than the borough's assessed value. She said she had not heard about Murkowski's purchase or looked at the land in question, though generally $179,000 would be low for a Kenai River lot of that size.

McLane added that the hottest sellers tend to be below the Sterling Highway in Soldotna. Murkowski's land is above that crossing.

Martin Radvansky of Soldotna Realty told Anchorage KTUU Channel 2 that similar lots on the river have sold for between $250,000 and $350,000 since early last year.

Penney said he was surprised that the assessed value was as high as it was -- and that the family agreed to the price. The assessed value the year before the sale was $120,300, and Penney said he didn't know it had changed in 2006.

"Word of honor, I did not know what the assessed value was," he said. "I thought it was still $120,000."

The 2005 assessment was up only about $11,000 from 2004, compared to the $59,000 increase last year and $36,000 this year.

"Who the hell would ever think it would jump like that?" Penney said.

Asked whether it is normal to sell real estate for its assessed value rather than using a market appraisal, Penney said, "Sometimes yes, sometimes no." Government assessments can be too high for the market, he said.

Penney that he does not understand why anyone would suggest there's an appearance of impropriety in selling land to a friend he has known since she was a child.

"I really can't understand why a U.S. senator can't buy something they want just like anybody else can," he said.

Penney is a friend and former business partner with Stevens. In 1998, Stevens invested $15,000 with Penney and other partners to develop a subdivision outside Salt Lake City. Stevens later sold his interest in the property for $150,000, according to press accounts at the time. In 2004, Penney told a Daily News reporter that he and his business partners invited Stevens to join them in "appreciation for all he's done for Alaska and the country. We respect him very, very much."

Last month, Penney told the Daily News that he appeared earlier this year before a federal grand jury investigating corruption charges. He wouldn't describe his testimony.

Find reporter Brandon Loomis online at adn.com/contact/bloomis or call him at 907-260-5215.
Caption:
Murkowski
Caption:
Graphic 1: Lisa Murkowski CMYK_071907.eps

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Author: BRANDON LOOMIS bloomis@adn.com Staff
Section: Main
Page: A1
Dateline: SOLDOTNA
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FBI - Stevens-778

NewsBank inc. Access World News

Paper: Anchorage Daily News (AK)
Title: Murkowski defends price paid for parcel -
ETHICS: Watchdog groups say purchase constitutes an illegal gift to a politician.
Date: July 20, 2007

U.S. Sen. Lisa Murkowski said Thursday she believes she followed the rules when she bought Kenai River property from a friend and political supporter, but national watchdog groups said disclosure of the price raises new questions.

A former Pennsylvania prosecutor now chairing the anti-corruption National Legal and Policy Center said Murkowski's purchase from real estate developer Bob Penney for the borough's assessed value of the property constitutes an illegal gift to the senator. Ken Boehm said he is considering filing a complaint with the Senate Select Committee on Ethics and the U.S. Justice Department.

"You have two grown-ups who know what this piece of property is worth, and they picked a sales price that's not what it's worth," Boehm said.

Murkowski, a Republican and Alaska's junior senator, said Thursday that she believed she paid a fair price, $179,400, for 1.27 acres next to Penney's riverfront home. That was the assessed value in January 2006. The sale went through on Dec. 29, and in the new year the Kenai Peninsula Borough reassessed the property at $214,900.

"By law in the state of Alaska, the municipalities are required to base their assessment on the fair market price," Murkowski said. "That's what our statute says. What we went off of, what we utilized as our transaction price, was the price that had been set by the municipality."

The borough sets an assessed value to determine property taxes, and state law requires it to reflect the "full and true value" as of Jan. 1 each year. That value is defined as "the estimated price that the property would bring in an open market" when the buyer and seller are familiar with local price trends.

Real estate professionals on the Peninsula and beyond say sellers sometimes base property price on the assessed value, though they are not an accurate reflection of values in areas where prices are escalating rapidly. Kenai River lots have steadily increased in value, and the assessed value on the lot in question has more than quadrupled since 2001.

Little property on the world-class salmon river is available, and what has gone on the market rapidly rises in value, said Judy Cloud, a Kenai agent and president of the Alaska Association of Realtors. "If you are able to get it at assessed value, that's a wonderful thing," she said.

Cloud said such transactions happen at times, especially between friends, and if she had been in Murkowski's place she would have bought the land. She said it's unfortunate for Murkowski that she has a high profile and the deal is under scrutiny.

"If I had been offered that deal I probably would have taken it too," she said. "A person would be pretty silly not to if they were offered something like that."

PRICES UP TO THE OWNER

Art Clark, a broker and president of the Anchorage Board of Realtors, said he advises clients not to base prices on assessed values. Assessments don't generally reflect actual values, especially where prices are either rising or declining, he said.

"Assessed value in my estimation here in Anchorage is given marginal consideration. The actual value of the property is going to be above or below that, sometimes 10 to 20 percent," Clark said.

"I try to discourage people from looking too closely at assessed value when they're making a decision about what to ask or what to offer."

But a Peninsula land developer, Buzz Kyllonen in Anchor Point, said he sometimes sells at or below assessed value, because the borough's estimates can be high.

"I've been selling a lot of property in Anchor Point," Kyllonen said. "At one time I said, 'Hey, if the borough would give me what the assessed value was I'd be thrilled to sell it.'"

Kenai Peninsula Borough Assessor Shane Horan was away from his office this week and did not return phone calls.

194A-AN-136620-M; 389

Prices should be up to the property owner, Kyllonen said, and it seems unfair to him that **Murkowski** and husband Verne Martell face criticism for the deal.

"They've been friends with Penney for years and years and years, and he probably said, 'I'll sell for a whole lot less than I would somebody walking down the street.'"

Penney said Wednesday that the land had not been for sale but he offered it because he wanted **Murkowski** and her family as neighbors. On Thursday **Murkowski** reiterated that they were old friends.

"I bought the property from a friend that I think I have known since I was probably 5," she said. "It was before elementary school, let's put it that way. My husband knew him before he knew me. So we go back a long way."

She said the family sold its house in Anchorage because her sons will be leaving for school and she and her husband wanted to be on the Kenai, a river whose salmon first drew Martell to Alaska. When she mentioned that to Penney, she said, he offered the lot.

"And I remember saying, 'Oh yeah, but I can't buy a lot from you. I know you,'" she said. "And he said, 'Lisa, you know everybody in the state."

ETHICS QUESTIONED

Boehm said Senate ethics rules ban giving senators anything of value, and in this case there appears to be a gift of equity in the property. "Presumably she could turn around and sell it for $250,000 or $350,000," he said.

He also said the Ethics of Government Act requires disclosing transactions on annual senators' annual financial reports, and **Murkowski** didn't. She reported a mortgage as one of her financial liabilities, but did not report the transaction price.

Murkowski said she erred in not checking a box to note the value of transactions but has since corrected the oversight.

The sale was first reported Monday on a national political Web site. **Murkowski** and Penney initially declined to talk about it, but on Wednesday --with the sale getting attention on local talk radio, with hosts and callers alternately hammering **Murkowski** and defending her -- the senator and Penney disclosed the details.

Keith Ashdown of Taxpayers for Common Sense has investigated the sale, even sending a staffer from Washington to Alaska to attempt to learn the price last month. His interest is in how gifts from influential donors affect government spending. Until now he and others concerned about corruption had not focused on **Murkowski**, he said.

"You have to give them the benefit of the doubt, but you have to make sure there's a robust review of the facts," Ashdown said. "Right now it doesn't look good for the senator."

Brandon Loomis reported from Soldotna and can be reached at bloomis@adn.com. Erika Bolstad reported from Washington and can reached at ebolstad@adn.com.

ONLINE: View Sen. **Murkowski**'s 2006 financial disclosure.

adn.com/politics
Caption:
Illustrated by Ron Engstrom

ILLUSTRATION SHOWS MAP OF PROPERTY LOCATION
Caption:
Photo 1: 20SenMurkowski_KenaiPro.2_072007.jpg

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FBI - Stevens-780

Author: BRANDON LOOMIS and ERIKA BOLSTAD Daily News reporters Staff
Section: Main
Page: A1
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NewsBank inc. Access World News

Paper: Anchorage Daily News (AK)
Title: Power plant idea counts on big break -
PROPERTY TAX: Marlow wants to avoid and defer city payments to revive Ship Creek project.
Date: July 24, 2007

Developer Marc Marlow wants to restart a mothballed downtown power plant and says he needs a property tax break that could be worth $6 million to make it happen.

The Anchorage Assembly expects to hear Marlow make his pitch tonight. The developer, who rebuilt the Mac- Kay building a few years ago and talks of building a power plant in the Palmer fairgrounds too, said he could have the Knik Arm Power Plant near Ship Creek generating power and heat for local buildings by 2010.

But that's only if the city will let him avoid paying taxes on the property for the next 10 years and lets him defer tax payments for the five years after that.

How much would he save? Marlow said Monday it depends on what kind of contract he could get with a power utility -- he plans to negotiate with Chugach Electric Association -- to buy the electricity.

The city's chief financial officer, Jeff Sinz, said Monday that according to Marlow's own estimates, the tax exemption could save him $3.8 million over 10 years. Sinz said the tax deferral could save Marlow up to another $2.2 million, according to the developers' numbers.

Typically, when one person doesn't have to pay property taxes, it means other people cover the bill. It's up to the Assembly to decide if a tax exemption for Marlow make sense for the city.

"The special tax treatment being requested could be viewed as an investment being made by the taxpayers of the municipality," Sinz said.

Marlow says his project will only save people money over time because it would boost development and property values in Ship Creek.

"For the average taxpayer, this exemption will actually lower their tax bill, lower their electric energy rates," he said.

'I WROTE THE LAW'

The power plant was built more than 50 years ago as a coal-fired plant, and it last produced electricity in the mid-1980s. Marlow bought it in 1999, and he's been trying to fire it back up ever since.

It is considered a "deteriorated property" by the city. That means it's eligible for a special tax break for someone who plans to spruce it up.

Marlow's tax request first went to Sinz. But Sinz said the financial plans and paperwork Marlow gave him are incomplete and don't give enough information to tell if the project would be a good deal for the city.

As a result, he declined to recommend to the Assembly or mayor whether Marlow should get the exemption.

Now, Marlow -- who says Sinz is asking too much -- is taking his case directly to the Assembly. He says he knows how the tax exemption is supposed to work because he's the one who lobbied for the laws that make it possible.

"I wrote the law. I walked it to Juneau, I got it passed," he told Assembly members at a meeting last week.

In Anchorage, the Assembly can label a property as "deteriorated" -- and eligible for tax breaks -- if it has been condemned, if there are old buildings on it that have been demolished or if it is "in a deteriorating or deteriorated area," according to city code.

Only two properties have ever received such a tax break.

The first was another Marlow project: Redevelopment of the old MacKay building downtown. Once infamous for being ugly and empty, the building is now an apartment house called McKinley Tower.

The Assembly approved the second tax break, requested by Cook Inlet Housing Authority, in May. It exempts property taxes on a new 80-unit housing development in Muldoon for 10 years.

The exemption is worth an estimated $506,000 in taxes, according to the city. Assembly members who voted for it said it would help offer more low-income housing in Anchorage and redevelop a former trailer park.

Only Assembly vice chair Debbie Ossiander, who represents Chugiak and Eagle River, voted against the break. She said that by the time the exemption passed, the property was no longer a trailer court and that she didn't think it was "deteriorated" anymore. She said she's hesitant to cut taxes for Marlow's project too.

"If you reduce somebody's property tax, everybody else has to pay for it, at some point."

HEAT AND POWER

The power plant project is in downtown Assemblyman Allan Tesche's district. Tesche said Monday that he wants to hear more from Marlow and from Sinz, but said: "I want to see that building used productively, in some fashion, and I want to see it on the tax rolls worth a lot more."

"I want to see it rebuilt for some useful purpose," Tesche said.

The power plant has been dormant since 1985, Marlow said. He plans to restart it as a 130-megawatt, gas-fired power plant. Heat generated by the plant could be piped to other buildings and used, for example, to heat the McKinley Tower, he said.

As for who might buy all the electricity, a state regulatory commission recently told Chugach Electric that it has to start negotiations with Marlow whether it wants to or not.

"What we're interested in is providing low cost power to customers, so we're certainly willing to listen," said Chugach spokesman Phil Steyer.

Find Kyle Hopkins' political blog online at adn.com/alaskapolitics or call him at 257-4334.
Caption:
Developer Marc Marlow says his project will save people money over time because it would boost development and property values in Ship Creek.
Caption:
Graphic 1: marc_marlow_072407.eps

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FBI - Stevens-782

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July 24, 2007

The Honorable Barbara Boxer, Chairman
The Honorable John Cornyn, Vice Chairman
Select Committee on Ethics
U.S. Senate
Room 220, Senate Hart Office Building
Washington, D.C. 20510

VIA FAX (202) 224-7416 & Certified Mail #7005 1160 0004 8557 8744

Re: Request for an Investigation of Senator Lisa Murkowski's Land Deal

Dear Chairman Boxer and Vice Chairman Cornyn:

The National Legal and Policy Center (NLPC), a non-profit, non-partisan organization which promotes ethics and accountability in government and public life, requests that you begin an investigation into the facts and circumstances of a December 2006 land transaction undertaken by Sen. Lisa Murkowski as well as her subsequent failure to properly disclose the transaction in her 2006 Financial Disclosure Report. NLPC brings this complaint pursuant to the provisions of the Senate Ethics Manual, Appendix C, Part II, Rule 2, "Procedures for Complaints, Allegations, or Information."

The facts of the case are available from the public record, chiefly media accounts and publicly available records. All such sources are cited and some are attached as exhibits.

During December 2006, Sen. Lisa Murkowski and her husband purchased a 1.27 acre vacant parcel of land from real estate developer Bob Penney.[1] Mr. Penney is a longtime family friend of and political contributor to Sen. Murkowski. The property is situated on the banks of the Kenai River, an area with rapidly appreciating real estate values.

[1] "Sen. Murkowski involved in questionable land deal," Associated Press, July 19, 2007; information from KTUU-TV, http://www.ktuu.com

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On May 14, 2007, Sen. Murkowski filed her Financial Disclosure Report covering the year 2006, as required by the Ethics in Government Act of 1978.[2] (2006 Financial Disclosure Report attached as Exhibit A) The Report failed to disclose the real estate transaction under Part IV, "Transactions." The Transaction page instructs filers to

> **"Report any purchase, sale, or exchange by you, your spouse, or dependent child during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000."** (Exhibit A at page 8)

Under Schedule Part VII, "Liabilities," Sen. Murkowski disclosed that First Bank was a creditor with respect to a "mortgage on undeveloped land." The "Date Incurred" column was filled in with "11/0" (sic). The "Term if Applicable" column was filled in "15-year." The "Category of Amount of Value" columns, which require those using the Report to pick a range of dollar values within which the proper response fits was left blank. (Exhibit A at page 9)

On July 16, 2007, Laura McGann of TPM Muckraker.com, a popular Internet site specializing in coverage of political corruption issues, ran an article about the land deal.[3] The article stated that real estate developer Bob Penney, who had testified before a grand jury regarding his relationship with Sen. Ted Stevens (R-AK), was now in a financial relationship with Alaska's other senator, Lisa Murkowski. The article disclosed the land deal involving the prime piece of riverfront property between Penney and Murkowski but stated that the purchase price was not disclosed in the senator's 2006 Financial Disclosure Report.

Both Penney and Sen. Murkowski's office refused to disclose the sale price to reporter Laura McGann. In a phone interview, Penney was quite blunt:

> **"Why should I tell you?" Penney said. I have sold millions of dollars worth of property. I consider that a private transaction."**

Adding context to the transaction, the story cited the fact that Penney was a business partner of Sen. Stevens in a Utah land deal that "turned a $15,000 investment into $100,000 for the senator."[4] Other news articles state that the $15,000 Utah land deal Stevens made with Penney was even more profitable with Stevens ultimately selling his share for $150,000. Equally notable was the reason Penney allowed Stevens in on such an especially lucrative deal:

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[2] Pub. L. No. 95-521, 92 Stat. 1824 (Oct. 26, 1978).

[3] "Murkowski Land Deal with Stevens Biz Associate Raises Questions," by Laura McGann, July 16, 2007, http://www.tpmmuckraker.com/archives/003649.php.

[4] Id.; *See also* "Stevens-Penney venture pays well, at least on paper; Development: Utah project cost senator $15,000; now it's worth at least $100,000," by Liz Ruskin, Anchorage Daily News, June 21, 2004, page A1.

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> **In 2004, Stevens told a *Daily News* reporter that he and his business partners invited Stevens to join them in "appreciation for all he's done for Alaska and the country."[5]**

The July 16, 2007 TPM Muckraker article also cited the fact that Stevens and Penney

> **"...own stakes in a racehorse with former Veco executive Bill Allen, who recently pleaded guilty to federal bribery and conspiracy charges in a cash-for-votes scheme involving state lawmakers."[6]**

Despite the refusal of both Penney and Murkowski to disclose the sale price for the land, the local media quickly learned that the sale price was the same as the previous year's assessment from the Kenai Peninsula Borough, $179,400.[7] The media also reported that the most recent assessment for the land was $214,900.[8] Indeed, the assessment of $214,900 came just three days after the sale of the property.[9]

Notably, the media quickly learned that the actual value of the property appeared to be significantly higher:

- Jason Moore of KTUU-TV reported on a July 18, 2007 broadcast that Martin Radvansky, owner of Soldatna Realty, said that an examination of the Multiple Listing Service since January 2006 found similar lots selling for between $250,000 and $350,000.[10]

- Another Soldatna real-estate broker, Linda Lane of the Ron Moore Co., told Brandon Loomis of the *Anchorage Daily News* that riverfront properties typically sell for more than the borough's assessed value and that a sale price of $179,000 would generally be low for a parcel on the Kenai River of the size of Penney's lot.[11]

- Laura McGann of TPMMuckraker also found real estate agents in the area

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[5] "Senator's land deal scrutinized; Murkowski: Purchase of tract along Kenai River for $179,400 draws questions and criticism," by Brandon Loomis, Anchorage Daily News, July 19, 2007.
[6] "Murkowski Land Deal with Stevens Biz Associate Raises Questions," by Laura McGann, July 16, 2007, http://www.tpmmuckraker.com/archives/003649.php
[7] "Senator's land deal scrutinized; Murkowski: Purchase of tract along Kenai River for $179,400 draws questions and criticism," by Brandon Loomis, Anchorage Daily News, July 19, 2007.
[8] *Id.*
[9] "Sen. Murkowski defends price paid for Kenai land," by Brandon Loomis and Erika Bolstad, Anchorage Daily News, July 20, 2007.
[10] "Murkowski land deal questioned," by Jason Moore, July 18, 2007, http://www.ktuu.com/Global/story.asp?S=6810012
[11] "Senator's land deal scrutinized; Murkowski: Purchase of tract along Kenai River for $179,400 draws questions and criticism," by Brandon Loomis, Anchorage Daily News, July 19, 2007.

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telling her that the assessed value of $214,000 was well below what Penney could have gotten had he sold the property on the open market.[12]

- An *Anchorage Daily News* article on July 20, 2007 interviewed Judy Cloud, a Kenai realtor and president of the Alaska Association of Realtors, and quoted her as saying little property on the world-class salmon river is available and when property does go on the market, it increases rapidly in value. "If you are able to get it at assessed value, that's a wonderful thing," she said.[13]

- Only one Kenai riverfront parcel is currently for sale. The asking price is $399,000 and it's only an acre which makes it smaller than the Murkowski property.

In an editorial, "Lisa's Deal," the *Anchorage Daily News* weighed in with this commentary:

> **Three days after the borough recorded the Murkowskis' purchase, the assessed value went up to $214,900. So right off the bat, it looks like she got a discount of 20 percent.**
>
> **In fact, her friendly political discount was probably far bigger. The online real estate listing service for Alaska has one Kenai riverfront lot. The parcel is only an acre – a quarter of an acre less than Sen. Murkowski's – but the asking price is $399,000. Per acre, that is almost three times what the senator paid for hers.**[14]

Bob Penney appeared ignorant at reports of the value of the land deal as contrasted with the sale price:

> **"Word of honor, I did not know what the assessed value was," he said. "I thought it was still $120,000."**[15]

Penney's professed surprise at the value was underscored by his exclamation:

> **"Who the hell would ever think it would jump like that?," Penney said.**[16]

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[12] "Murkowski Land Deal with Stevens Biz Associate Raises Questions," by Laura McGann, July 16, 2007, http://www.tpmmuckraker.com/archives/003649.php

[13] "Sen. Murkowski defends price paid for Kenai land," by Brandon Loomis and Erika Bolstad, *Anchorage Daily News*, July 20, 2007.

[14] "Lisa's Deal," *Anchorage Daily News*, July 19, 2007.

[15] "Senator's land deal scrutinized; Murkowski: Purchase of tract along Kenai River for $179,400 draws questions and criticism," by Brandon Loomis, *Anchorage Daily News*, July 19, 2007.

[16] *Id.*

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This claim by a multimillionaire real estate developer that he did not know the value of land that he owned right next to his own home on the Kenai River was not considered as very credible by those in the media following the story. Laura McGann, the TPMMuckraker reporter who broke the story, located an audio tape of Bob Penney testifying at a hearing on the economic impact of sport fishing. McGann wrote that Penney "seemed much more familiar with assessments in the area." The audio tape statement by Penney appears to show a real estate developer who is extremely well-informed about land values on the Kenai River:

> **The economic value of the land along the Kenai River privately held from Skilak to Ames bridge; three years ago the assessed value to the borough of only the privately owned land was three hundred and thirty-five million dollars. As Mr. Busey just said to you, it's increased since then. Now, I know it's well over five-hundred, but we haven't seen what the borough's assessed it. But gentlemen and ma'm, all that assessment in value came from one reason; cause there's fish in the river. And you put the fish in the river, and you put the fish in the inlet, and you give the opportunity for the public you'll see the economic engine run hard.**[17]

The McGann article also undercut Penney's "word of honor" statement that he thought the assessment was just $120,000 by reporting that, "...Penney would have received notice of the new $179,400 assessment in March 2006, some nine months before he sold the property to Murkowski."[18]

The questionable land deal appears to have even made Sen. Murkowski nervous as it was being done. In an interview with local radio talk show host Rick Rydell, Sen. Murkowski's husband, Verne Martell, referred to his wife's reservations as to the deal as follows:

> **"But, yeah, when we signed the loan, Lisa signed on it and said, you know, 'This might come back and bite us. Well, you know, we'll deal with that when it comes,'" Martell said.**[19]

The ethical questions regarding the controversial land deal between the real estate developer and the senator do not end with the issues as to whether the sale price constituted a sweetheart deal between an elected official and a developer known to have made another senator richer with a land deal. Also raising ethical issues is the financing Sen. Murkowski obtained for the land deal.

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[17] "Penney told a different story at sport fishing hearing," by Laura McGann, http://www.tpmmuckraker.com/archives/003740.php, July 20, 2007

[18] *Id.*

[19] "Murkowski's Husband Fears Ethics Investigation," by Laura McGann, July 23, 2007, http://www.tpmmuckraker.com/archives/003647.php

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Jason Moore of KTUU-TV reported on July 20, 2007 about an unusual feature of the loan: it has a January 1, 2046 maturity date making it a 39-year loan. When KTUU-TV questioned First Bank about its policies for undeveloped land loans, the bank told them that the standard loan for undeveloped property had a maximum seven-year maturity.

Sen. Murkowski's 2006 Financial Disclosure Report (under Part VII, "Liabilities") stated that the term of the loan was "15-yr."[20]

It appears that Sen. Murkowski received a loan with terms and conditions not available generally to the public and then misrepresented the term on her Financial Disclosure Report as being fifteen years instead of thirty-nine years.

One possible reason that Sen. Murkowski obtained financing from First Bank in Ketchikan as opposed to a bank closer to the property appears to be that she once served on First Bank's board of directors, her sister currently does, her father (former governor Frank Murkowski) once sat on the board, and her grandfather had been bank president many years ago.[21]

When I was questioned about the apparently favorable conditions of the bank loan by Mr. Moore for the story, my response was:

> **"There's one legal issue here and the legal issue is: did the senator get terms and conditions on her financial transaction that are not available generally to the public? If she did, then it could be a violation of the gift rule the Senate has," said Ken Boehm, National Legal and Policy Center."[22]**

Apparent Omissions and Misrepresentations on Sen. Murkowski's 2006 Financial Disclosure Report

Financial Disclosure Reports are required to be filed by all Members of Congress pursuant to the Ethics in Government Act of 1978, Pub. L. No. 95-521, 92 Stat. 1824 (Oct. 26, 1978). The Statute provides that the Attorney General may seek a civil penalty of up to $11,000 against any individual who knowingly and willfully falsifies or fails to file or report any information required by the Act (5 U.S.C. app. 4, §104).

The first Financial Disclosure Report issue is whether Sen. Murkowski was required to disclose her purchase of land from Bob Penney on her 2006 Financial Disclosure Report.

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[20] Exhibit A, at page 9.
[21] "Senator defends land purchase," by Jason Moore, July 20, 2007, http://www.ktuu.com/Global/story.asp?S=6820560
[22] *Id.*

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Sen. Murkowski appears to take the position that the land deal was somehow exempt from disclosure because it was to be maintained for recreational or personal reasons. The following is from the initial article on this story:

> **Murkowski's office called the purchase exempt from Senate financial disclosure, citing a clause in the ethics manual which says "property which is held or maintained solely for recreational or personal reasons does not have to be reported."[23]**

The problem with that citation to the Senate Ethics Manual is that it is taken from the section on the reporting of assets.[24]

Sen. Murkowski failed to disclose the purchase of the land under Part IV, "Transactions" of her 2006 Financial Disclosure Report.[25] The definition of transactions to be disclosed has no exemption for real property to be used for recreational or personal reasons. The requirement for the disclosure of transactions is taken directly from federal law.[26] The Senate Ethics Manual states the rule succinctly:

> **Senate Members, officers and employees must include in the Report a brief description, the date, and the category of value of any purchase, sale, or exchange of real property, stocks. Bonds, excepted investment fund (e.g., mutual fund) shares, commodities futures, or other forms of securities (including trust assets) that exceeds $1,000. The category of value to be reported is the total *purchase* or *sale price* (or the fair market value in the case of an exchange), regardless of any capital gain or loss on the transaction.[27]**

There are no exceptions to the reporting requirements for transactions for land held for recreational or personal purposes in either the Senate Ethics Manual or the instructional manual for filing the Financial Disclosure Reports.[28]

The second Financial Disclosure Report issue is whether Sen. Murkowski correctly and fully disclosed all necessary information regarding her financing of the land deal under Part VII, "liabilities" of her 2006 Financial Disclosure Report.

There are three distinct issues regarding the liability information disclosed:

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[23] "Murkowski Land Deal with Stevens Biz Associate Raises Questions," by Laura McGann, July 16, 2007, http://www.tpmmuckraker.com/archives/003649.php .

[24] "Types of Assets and Unearned Income Sources," Senate Ethics Manual, 108th Congress, 1st Session, 2003 Edition, pages 130-131

[25] Exhibit A, at page 8.

[26] 5 U.S.C., app. § 102(a)(5)

[27] "Part IV: Transactions," Senate Ethics Manual, 108th Congress, 1st Session, 2003 Edition, page 133.

[28] Instructions: Public Financial Disclosure Report for the Unites States Senate, at page 14

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- **Date Incurred** - the filing was "11/0" which maybe a typo but certainly is not a date

- **Term if Applicable** – the filing was "15-yr" despite the fact that the maturity date on the financing records indicate a maturity date of January 1, 2046 which would indicate a 39-year term, not a 15-year term.[29] As KYUU-TV reported that First Bank had a maximum seven-year maturity date for loans for undeveloped land and senators are precluded under Senate Rule 35 (supra) from obtaining loans on conditions not available to the general public, misrepresenting the actual term of the loan may appear to be an attempt to hide the questionable special financing obtained by a senator on an otherwise questionable land deal.[30]

- **Category of Amount of Value** – Sen. Murkowski was required to disclose the purchase price for the land within a series of categories of amount of value as part of her Part VII "Liabilities" disclosure. She failed to check any category.[31] If the purpose of this omission was to hide the purchase price, it is certainly consistent with her failure to disclose sale price information under "Transactions" and her refusal (along with Mr. Penney's) to disclose the sale price when first asked by reporter Laura McGann. It appears that Sen. Murkowski was sensitive to the fact that she had purchased a valuable property for significantly below its true market value from a controversial real estate developer whose previous real estate venture with Alaska's other senator had brought a very critical reaction from the media and the public. Such sensitivity is consistent with Verne Martell's candid remark that his wife was concerned the land deal might "come back and bite us."[32]

Apparent Violations Of the Senate's Gift Rule

The gravamen of this complaint is that a U.S. Senator purchased a valuable riverfront property for significantly less than its market value.

Senate Rule 35, paragraph 1(a)(1) of the Senate Code of Official Conduct provides that:

> **No Member, officer or employee of the Senate shall knowingly accept a gift except as provided in this rule.**[33]

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[29] "Senator defends land purchase," by Jason Moore, July 20, 2007, http://www.ktuu.com/Global/story.asp?S=6820560

[30] *Id.*

[31] Exhibit A, at page 9.

[32] "Murkowski's Husband Fears Ethics Investigation," by Laura McGann, July 23, 2007, http://www.tpmmuckraker.com/archives/003647.php

[33] Senate Ethics Manual, Select Committee on Ethics, U.S. Senate, p. 314 (2003 ed.), p. 22.

Under Senate Rule 35, paragraph 2(b)(1) the word "gift" is construed very broadly and includes any "item having monetary value."[34] There is no doubt that equity in property has "monetary value" nor is there any doubt that special loan terms not available to the public also has "monetary value" within the meaning of Senate Rule 35.

The facts in this case are clear. Sen. Murkowski purchased a very desirable riverfront property from Bob Penney at a price that appears significantly below the fair market value for the property. From the statements of realtors cited earlier who are very familiar with the Kenai River area we know that comparable properties of a similar size in the area sold since early 2006 sold for between $250,000 and $350,000. Those prices represent a range of value of $70,600 to $170,600 over the $179,400 paid to Bob Penney from Sen. Murkowski. In effect, there is a gift of equity worth $70,600 to $170,600 to a United States Senator.

In any factual situation, the context often helps clarify the meaning of the facts. The context here is especially helpful. Consider the following questions:

Did Mr. Penney offer Sen. Murkowski a sweetheart land deal because of her position as a U.S. Senator?

The Senate Ethics Manual addresses this type of situation in a straightforward way by stating:

> **One should always be wary of accepting any gift, favor, or benefit that may not be offered "but for" one's position in the Senate.[35]**

In this case, Mr. Penney did not offer the property to sale to the general public but rather to Sen. Murkowski exclusively at a price well below what most knowledgeable realtors in the area felt such a parcel might fetch.

We don't have to wonder whether Mr. Penney is the type of person to offer an incredibly lucrative land deal to a senator because this is not the first time he has done so. In an Associated Press story, "Stevens investment grows at least 566 percent," the lead sentence sums up how a land deal offered by Penney to Sen. Stevens turned out;

> **Sen. Ted Stevens has turned a $15,000 investment into at least $100,000, and perhaps as much as $250,000.[36]**

Penney left little doubt that the sweetheart land deal he offered Sen. Stevens was linked to the senator's position when he told a reporter that he invited Stevens into the deal in "appreciation for all he's done for Alaska and the country."[37]

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[34] Senate Ethics Manual, Select Committee on Ethics, U.S. Senate, p. 314 (2003 ed.), p. 25.

[35] Senate Ethics Manual, Select Committee on Ethics, U.S. Senate, p. 314 (2003 ed.), p. 22.

[36] "Stevens investment grows at least 566%," Associated Press, June 21, 2004

[37] "Senator's land deal scrutinized; Murkowski: Purchase of tract along Kenai River for $179,400

Mr. Penney's generosity to U.S. Senators does not end there. An *Anchorage Daily News* story from February 2007 recounts how Sen. Stevens was a repeated guest at The Golden Horn Lodge, an expensive Bristol Bay resort. Bob Penney was one of the four owners of the lodge when Sen. Stevens was staying there free of charge. When it was disclosed that Stevens had not paid, he quickly sent checks to cover his visits there in 2001 and 2003.[38]

As previously noted, Stevens was also a business partner with Sen. Stevens in a racehorse along with former Veco executive Bill Allen, "who recently pleaded guilty to Federal bribery and conspiracy charges in a cash-for-votes scheme involving state lawmakers."[39]

Additionally, Bob Penney was subpoenaed to testify recently before the grand jury which is part of an expanding federal investigation in political corruption in Alaska.[40]

There appears to be very little doubt that Mr. Penney offered the valuable riverfront property to Sen. Murkowski at a price significantly below its market price precisely because of her position as a U.S. Senator.

Did Mr. Penney and Sen. Murkowski seek to hide their knowledge of the true value of the land?

Sen. Murkowski's failure to disclose the land transaction on her Financial Disclosure Report has already been reviewed.

Add to that, the fact that both she and Mr. Penney initially refused to tell reporters the sale price with Penney, going so far as to say "Why should I tell you?"[41]

The denial of knowledge of the value of a prime piece of real estate by a multi-millionaire developer who lived next to the property and an attorney/real estate investor turned U.S. Senator took on comic opera overtones when Penney told the press:

> **"Word of honor, I did not know what the assessed value was," he said. "I thought it was still $120,000."**

As noted, Penney had testified before a state hearing just months before about the surging property values along the Kenai River and had specifically noted that the value of

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draws questions and criticism," by Brandon Loomis, Anchorage Daily News, July 19, 2007.

[38] "An invited guest, Stevens pays costs; Fishing Lodge: Senator pays bills from '01 and '03 to resolve any questions," by Lisa Demer, *Anchorage Daily News*, Feb. 11, 2007 , page B1.

[39] "Murkowski Land Deal with Stevens Biz Associate Raises Questions," by Laura McGann, July 16, 2007, http://www.tpmmuckraker.com/archives/003649.php

[40] "Justice Expands Stevens Investigation," by Matt Apuzzo, Associated Press, June 18, 2007.

[41] "Murkowski Land Deal with Stevens Biz Associate Raises Questions," by Laura McGann, July 16, 2007, http://www.tpmmuckraker.com/archives/003649.php

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privately owned land had escalated from three hundred and thirty-five million dollars to "well over five hundred" in just three years.[42] And the Kenai borough assessment showing the assessed value to be well over the $120,000 assessed value which Penney was citing was sent out to him in March 2006.[43]

For her part, Sen. Murkowski claims – without any specific evidence – that she paid fair market value for the property.[44]

Again, the local media has done an excellent job of digging out and analyzing the facts. Here's the *Anchorage Daily News* assessment of Murkowski's claims:

> **In the Kenai River land sale, Sen. Murkowski "paid what she thought was a fair price for it at the time, based on what the borough said it was worth," according to Murkowski spokesman Sweeney.**
>
> **That defense just doesn't wash. It's well known at the Kenai borough that its assessments lag behind market prices. Anyone who sells Kenai River real estate at the assessed value is either a fool or doing somebody a favor. Anyone who buys it at assessed value knows – or should know – she is getting a sweet deal.**
>
> **When discussions about the price of this deal began, Sen. Murkowski should have offered to pay the going rate. Instead, she accepted a personal favor worth tens of thousands of dollars.[45]**

Were the terms of Sen. Murkowski's First Bank loan available to the general public?

On its face, a senator purchasing a prime piece of property for substantially less than its market value – especially when the sales offer was made exclusively to her and not the general public – constitutes a violation of the Senate Gift Rule. But it is not the only apparent violation of the rule in this case.

Just as Sen. Murkowski failed to properly disclose the sale price of the land, she also failed to properly disclose the terms of her loan from First Bank for the financing of the land deal.

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[42] "Penney told a different story at sport fishing hearing," by Laura McGann, http://www.tpmmuckraker.com/archives/003740.php, July 20, 2007

[43] *Id.*

[44] "Murkowski knew land deal was questionable," by Jason Moore, July 24, 2007, http://www.ktuu.com/global/category.asp?c=81466

[45] "Lisa's Deal," *Anchorage Daily News*, July 19, 2007.

The definition of "gift" in the Senate Ethics Manual defines gift broadly as "anything of value" and it specifically lists loans as a possible gift.[46]

Since loans have historically been used to facilitate corrupt relationships between elected officials and those seeking special favors,[47] loans are subject to scrutiny as possible violations of Senate Rule 35, the Gift Rule, when they appear to single elected officials out for special terms and conditions not available to the general public.

In this case, Sen. Murkowski received a loan from First Bank for undeveloped property with a stated maturity date of January 1, 2046, indicating a 39-year term.[48]

First Bank's makes loans for undeveloped property available only with a maximum seven-year maturity.[49]

It appears that Sen. Murkowski received loan terms not available to the general public.

Rule 35, paragraph 1(c)(19)(E) permits Members, officers and employees to accept opportunities and benefits that are available to a wide group, specifically stating that they may accept "loans from banks and other financial institutions on terms general available to the public."[50]

As a former director of First Bank, Sen. Murkowski must be presumed to be familiar with the bank's policies for loans and must have known that a 39-year term was 32 years longer than the maximum term length available to the general public.

Perhaps even more telling is the fact that Sen. Murkowski then falsely reported on her 2006 Financial Disclosure Report that the term of the loan was 15 years.

It is also telling that her husband reported the following statement from his wife *when she signed the loan*:

> **"But, yeah, when we signed the loan, Lisa signed on it and said, you know, 'This might come back and bite us. Well, you know, we'll deal with that when it comes,'" Martell said.[51]**

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[46] Senate Rule 35, paragraph 2(b)(1)

[47] "Justice Dept. rebuts Rep. Hansen of Idaho," *The New York Times,* Nov. 9, 1984; Rep. Hansen was convicted in April 1984 of failing to report $333,978 in loans on his annual financial disclosure report.

[48] "Senator defends land purchase," by Jason Moore, July 20, 2007, http://www.ktuu.com/Global/story.asp?S=6820560

[49] *Id.*

[50] Senate Ethics Manual at 40.

[51] "Murkowski's Husband Fears Ethics Investigation," by Laura McGann, July 23, 2007, http://www.tpmmuckraker.com/archives/003647.php

These facts all combine to present a picture of a Senator with a background as a bank director knowingly obtaining a loan with a term far beyond the maximum term available to the public and then misrepresenting the term on her financial disclosure report by falsely stating the term as 15 years instead of 39 years.

While there is no indication that Sen. Murkowski used her position as a U.S. Senator to improperly favor the bank, the acceptance of a loan on terms not available to the general public certainly creates just the type of appearance of impropriety that the Senate Gift Rule was enacted to prevent.

The facts in this case are so strong that it is hard to imagine a more compelling case for violation of the Senate Gift Rule.

- A multi-millionaire real estate developer with a penchant for helping elected officials financially has sold a property to a senator at a price far below its market value.
- The property is next to his home and there is an audiotape of the same developer just months before the transaction stating how quickly the land in the very area of the transaction is appreciating.
- The developer denies knowing what the assessed value of the property was.
- Both the developer and the senator initially refuse to divulge the sale price.
- The senator fails to disclose the real estate transaction on her financial disclosure.
- The senator misrepresents the term of her financing while failing to disclose the financing amount, as required by the Ethics in Government Act.
- The senator tells her husband at the time of the deal, "This might come back and bite us."

Finally, the senator's husband is quoted as telling the media that they have started clearing the land to build on the property but the clearing has stalled because the couple expects a Senate ethics investigation.[52]

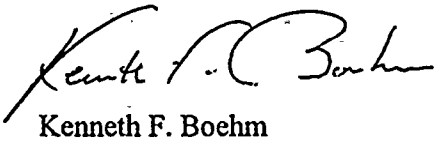
As Sen. Sam Ervin used to say, "Sometimes things are what they look like." This case looks like improper gifts being covered up with explanations so weak as to be

[52] "Murkowski knew land deal was questionable," by Jason Moore, July 24, 2007, http://www.ktuu.com/global/category.asp?c=81466

laughable and misrepresentations and omissions on a Financial Disclosure Report to hide the transaction from the public.

The National Legal and Policy Center requests that the Senate Select Committee on Ethics conduct a thorough investigation into the matters set forth herein and take all appropriate disciplinary action.

Sincerely,



Kenneth F. Boehm
Chairman

Attachment: 2006 Financial Disclosure Report for Sen. Lisa Murkowski

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EXHIBIT A

2006 Financial Disclosure Report
of
Sen. Lisa Murkowski

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UNITED STATES SENATE FINANCIAL DISCLOSURE REPORT
FOR ANNUAL AND TERMINATION REPORTS

Last Name	First Name and Middle Initial	Annual Report Calendar Year Covered by Report:	Senate Office / Agency In Which Employed
MURKOWSKI	LISA	2006	UNITED STATES SENATE
Senate Office Address (Number, Street, City, State, and ZIP Code)	**Senate Office Telephone Number** *(Include Area Code)*	**Termination Report** **Termination Date (mm/dd/yy):**	**Prior Office / Agency In Which Employed**
SH-709, WASHINGTON, DC 20510	202-224-6665		

AFTER READING THE INSTRUCTIONS, ANSWER EACH OF THESE QUESTIONS AND ATTACH THE RELEVANT PART.

	YES	NO		YES	NO
Did any individual or organization make a donation to charity in lieu of paying you for a speech, appearance, or article in the reporting period? If Yes, Complete and Attach PART I.		X	Did you, your spouse, or dependent child receive any reportable travel or reimbursements for travel in the reporting period (i.e., worth more than $305 from one source)? If Yes, Complete and Attach PART VI.		X
Did you or your spouse have earned income (e.g., salaries or fees) or non-investment income of more than $200 from any reportable source in the reporting period? If Yes, Complete and Attach PART II.		X	Did you, your spouse, or dependent child have any reportable liability (more than $10,000) during the reporting period? If Yes, Complete and Attach PART VII.	X	
Did you, your spouse, or dependent child hold any reportable asset worth more than $1,000 at the end of the period, or receive unearned or investment income of more than $200 in the reporting period? If Yes, Complete & Attach PART IIIA and/or IIIB.	X		Did you hold any reportable positions on or before the date of filing in the current calendar year? If Yes, Complete and Attach PART VIII.	X	
Did you, your spouse, or dependent child purchase, sell, or exchange any reportable asset worth more than $1,000 in the reporting period? If Yes, Complete and Attach PART IV.	X		Do you have any reportable agreement or arrangement with an outside entity? If Yes, Complete and Attach PART IX.		X
Did you, your spouse, or dependent child receive any reportable gift in the reporting period (i.e., aggregating more than $305 and not otherwise exempt)? If Yes, Complete and Attach PART V.		X	If this is your FIRST Report: Did you receive compensation of more than $5,000 from a single source in the two prior years? If Yes, Complete and Attach PART X.		

Each question must be answered and the appropriate PART attached for each "YES" response.

File this report and any amendments with the Secretary of the Senate, Office of Public Records, Room 232, Hart Senate Office Building, U.S. Senate, Washington, DC 20510. $200 Penalty for filing more than 30 days after due date.

This Financial Disclosure Statement is required by the Ethics in Government Act of 1978, as amended. The statement will be made available by the Office of the Secretary of the Senate to any requesting person upon written application and will be reviewed by the Select Committee on Ethics. Any individual who knowingly and willfully falsifies, or who knowingly and willfully fails to file this report may be subject to civil and criminal sanctions. (See 5 U.S.C. app. 6, 104, and 18 U.S.C. 1001.)

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Do Not Write Below this Line

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SECRETARY OF THE SENATE
07 MAY 15 AM 11: 13

Certification	Signature of Reporting Individual	Date (Month, Day, Year)
I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge and belief.	Lisa Murkowski	5/14/07

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	Signature of Reviewing Official	Date (Month, Day, Year)
It is the Opinion of the reviewer that the statements made in this form are in compliance with Title I of the Ethics in Government Act.		

A 12

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Reporting Individual's Name
MURKOWSKI, LISA

PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

BLOCK A — Identity of Publicly Traded Assets And Unearned Income Sources

Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child, *(See p.3, CONTENTS OF REPORTS Part B of Instructions)* for production of income or investment which:
(1) had a value exceeding $1,000 at the close of the reporting period; and/or
(2) generated over $200 in "unearned" income during the reporting period.
Include on this PART IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.

BLOCK B — Valuation of Assets

At the close of reporting period. If None, or less than $1,001, Check the first column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

	Block A: Identity of Publicly Traded Assets And Unearned Income Sources	Block B: None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Block C: Type of Income: Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	Amount of Income: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000**	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required if "Other" Specified
Example: S, DC, or J	*IBM Corp. (stock)*				X									X							*Example*		X										*Example*
	(S) Keystone Fund					X										X		X			*Example*	X											*Example*
1	TD Waterhouse Cash		X													X						X											
2	General Electric		X											X								X											
3	State of AK Annuity Plan			X														X					X										
4	American Century Small Cap Value Investor		X											X			X						X										
5	Resources Trust Cash		X											X								X											
6	Masters Select Equity			X													X						X										
7	Allianz-RCM Global Healthcare Fund	X												X								X											
8	American Century Intl. Discovery Fund		X														X							X									
9	Weitz Hickory Fund		X											X								X											
10	MS Fund Op B		X											X								X											

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

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Filing Individual's Name

PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

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BLOCK A
Identity of Publicly Traded Assets And Unearned Income Sources

Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child, *(See p.3, CONTENTS OF REPORTS Part B of Instructions)* for production of income or investment which:
(1) had a value exceeding $1,000 at the close of the reporting period; and/or
(2) generated over $200 in "unearned" income during the reporting period.
Include on this PART IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.

BLOCK B
Valuation of Assets

At the close of reporting period. If None, or less than $1,001, Check the first column.

BLOCK C
Type and Amount of Income

If "None (or less than $201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

	S, DC, or J	Block A	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required if "Other" Specified
Example:	S	IBM Corp. (stock)				X									X							Example		X										Example
	(S)	Keystone Fund					X										X		X			Example	X											Example
1	DC	MS S&P 500 Index Fund			X										X								X											
2	DC	MS American Fund Op B		X											X								X											
3	DC	MS S&P 500 Index Fund			X										X								X											
4	DC	MS American Fund Op B		X											X								X											
5	DC	T Rowe Price College Savings Plan		X											X				X				X											
6	DC	Wells Fargo (shares)		X											X								X											
7	DC	Wells Fargo (shares)		X											X								X											
8	J	MS S&P 500 Index			X										X								X											
9		T Rowe Price Equity Income Fund		X											X			X						X										
10		Masters Select Intl. Fund		X											X			X							X									

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Reporting Individual's Name: BURKOWSKI, LISA

PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

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BLOCK A — Identity of Publicly Traded Assets And Unearned Income Sources

Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child, *(See p.3, CONTENTS OF REPORTS Part B of Instructions)* for production of income or investment which:
(1) had a value exceeding $1,000 at the close of the reporting period; and/or
(2) generated over $200 in "unearned" income during the reporting period.
Include on this PART IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.

BLOCK B — Valuation of Assets

At the close of reporting period. If None, or less than $1,001, Check the first column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is Checked, no other entry is needed in Block C for that Item. This includes income received or accrued to the benefit of the individual.

		Block A	Block B: None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Block C (Type of Income): Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	Block C (Amount of Income): None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required If "Other" Specified
Example:	S, DC, or J	IBM Corp. (stock)				X									X							Example		X										Example
Example:		(S) Keystone Fund					X										X		X			Example	X											Example
1	DC	T Rowe Price College Savings Plan			X														X				X											
2	DC	AK Permanent Fund Dividend		X																			X											
3	DC	AK Permanent Fund Dividend		X																			X											
4	S	AK Permanent Fund Dividend		X																			X											
5		AK Permanent Fund Dividend		X																			X											
6	DC	Wells Fargo (acct.)		X													X						X											
7	DC	Northrim Bank (acct.)		X													X						X											
8	S	Northrim Bank (acct.)		X													X						X											
9		Wells Fargo (acct.)			X												X							X										
10		Wells Fargo (shares)			X										X												X							

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Reporting Individual's Name: MURKOWSKI, LISA

PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

BLOCK A — Identity of Publicly Traded Assets And Unearned Income Sources

Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child, *(See p.3, CONTENTS OF REPORTS Part B of Instructions)* for production of income or investment which:
(1) had a value exceeding $1,000 at the close of the reporting period; and/or
(2) generated over $200 in "unearned" income during the reporting period.
Include on this PART IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.

BLOCK B — Valuation of Assets

At the close of reporting period. If None, or less than $1,001, Check the first column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

	S, DC, or J	Block A: Identity of Publicly Traded Assets And Unearned Income Sources	Block B: None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Block C: Type of Income: Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	Amount of Income: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required if "Other" Specified
Example:	S	IBM Corp. (stock)				X									X							Example		X										Example
Example:	(S)	Keystone Fund					X										X		X			Example	X											Example
1		TCW Galileo Value Op		X											X			X							X									
2	J	MS Dividend Growth Securities B			X																		X											
3		TCW Dividend Focus Fund (TGIGX)		X											X			X						X										
4	J	Fidelity Small Cap (Mutual Fund)		X																			X											
5	J	Johnson Bank CD (matured 06)	X														X							X										
6	DC	Fidelity Small Cap (Mutual Fund)		X														X						X										
7	DC	MS S&P 500 (Mutual Fund)		X														X					X											
8	DC	Fidelity Small Cap (Mutual Fund)		X														X						X										
9	DC	MS S&P 500 (Mutual Fund)		X														X					X											
10	J	Morgan Stanley Money Market			X												X								X									

EXEMPTION TEST *(see Instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

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Reporting Individual's Name
MURKOWSKI, LISA

PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

BLOCK A — Identity of Publicly Traded Assets And Unearned Income Sources

Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child, *(See p.3, CONTENTS OF REPORTS Part B of Instructions)* for production of income or investment which:
(1) had a value exceeding $1,000 at the close of the reporting period; and/or
(2) generated over $200 in "unearned" income during the reporting period.
Include on this PART IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.

BLOCK B — Valuation of Assets

At the close of reporting period. If None, or less than $1,001, Check the first column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

	Block A: S, DC, or J	Block A: Asset	Block B: None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Block C: Type of Income: Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	Amount of Income: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required if "Other" Specified
Example		IBM Corp. (stock)				X									X							Example		X										Example
Example	(S)	Keystone Fund					X										X		X			Example	X											Example
1	S	MS S&P 500		X											X								X											
2																																		
3																																		
4																																		
5																																		
6																																		
7																																		
8																																		
9																																		
10																																		

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

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Reporting Individual's Name: MURKOWSKI, LISA

PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

BLOCK A — Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state and description) of each interest held by you, your spouse, or your dependent child (See p.3, CONTENTS OF REPORTS Part B of instructions) for the production of income or investment in a non-public trade or business which:
(1) had a value exceeding $1,000 at the close of the reporting period; and/or
(2) generated over $200 in "unearned" income during the reporting period.
Include the above report for each underlying asset, which is not incidental to the trade or business. Publicly traded assets held by non-public entity may be listed on Part IIIA.

BLOCK B — Valuation of Assets

At the close of reporting period. If None, or less than $1,001, Check the first column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

	S, DC, or J	Block A: Identity of Non-Publicly Traded Assets and Unearned Income Sources	Block B: None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Block C: Type of Income: Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	Amount of Income: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000**	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required If "Other" Specified
Example	S	JP Computer, Wash DC				X									X							Example		X										Example
Example	DC	Undeveloped land, Dubuque, Iowa					X															Example	X											Example
1		First Bank (IRA-CD)		X											X								X											
2		First Bank (acct.)			X												X							X										
3		First Bank (shares)			X										X										X									
4																																		
5																																		
6																																		
7																																		
8																																		
9																																		
10																																		

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Reporting Individual's Name: MURKOWSKI, LISA

PART IV. TRANSACTIONS

Page Number: 8

Report any purchase, sale, or exchange by you, your spouse, or dependent child (See p.3 CONTENTS OF REPORTS Part B of Instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.

	Identification of Assets	Transaction Type (x): Purchase	Sale	Exchange	Transaction Date (Mo., Day, Yr.)	Amount of Transaction (x): $1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000 - $1,000,000	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
Example: S, DC, or J	*IBM Corp. (stock) NYSE*	X			*2/1/0X*		X			E	X	A	M	P	L	F
	(DC) Microsoft (stock) NASDAQ/OTC		X		*1/27/0X*				X	E	X	A	M	P	L	F
1	Allianz-Rem Global Healthcare Fund		X		11/10/06	X										
2	American Century Intl. Discovery Fund		X		11/08/06	X										
3	American Century Small Cap Value Investor		X		11/08/06	X										
4	TWC Galileo Value Op		X		11/08/06	X										
5	TCW Dividend Focus Fund	X			11/09/06	X										
6	Resources Trust Cash	X			11/08/06	X										
7	Resources Trust Cash	X			11/10/06	X										
8	Resources Trust Cash	X			11/08/06	X										
9	Resources Trust Cash	X			11/08/06	X										
10																
11																
12																

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

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Reporting Individual's Name: MURKOWSKI, LISA

PART VII. LIABILITIES

Report liabilities over $10,000 owed by you, your spouse, or dependent child (See p.3 CONTENTS OF REPORTS Part B of Instructions), to any one creditor at any time during the reporting period. Check the highest amount owed during the reporting period. Exclude: (1) Mortgages on your personal residences unless rented; (2) loans secured by automobiles, household furniture or appliances; and (3) liabilities owed to certain relatives listed in Instructions. See Instructions for reporting revolving charge accounts.

	S, Example: DC, or J	Name of Creditor	Address	Type of Liability	Date Incurred	Interest Rate	Term if Applicable	$10,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
		First District Bank	*Wash., DC*	*Mortgage on undeveloped land*	*1991*	*13%*	*25yrs.*			X		E	X	A	M	P	L	E
		(J) John Jones	*Wash., DC*	*Promissory Note*	*1999*	*10%*	*On dmd*				X	E	X	A	M	P	L	E
1	J	Wells Fargo	Anchorage, AK	Mortgage on commercial property	6/99	Prime	15 yr.											
2	J	First Bank	Kenai, AK	Mortgage on undeveloped land	11/0	7%	15 yr.											
3																		
4																		
5																		
6																		
7																		
8																		
9																		
10																		
11																		
12																		

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Reporting Individual's Name
MURKOWSKI, LISA

PART VIII. POSITIONS HELD OUTSIDE U.S. GOVERNMENT

Page Number 10

Report any positions held by you during the applicable reporting period whether compensated or not. Positions include, but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. Both the year and month must be reported for the period of time that the position was held.

Exclude: Positions with federal government, religious, social, fraternal, or political entities, and those solely of an honorary nature.

	Name of Organization	Address (City, State)	Type of Organization	Position Held	From (Mo/Yr)	To (Mo/Yr)
Example:	*National Assn. of Rock Collectors*	*NY,NY* EXAMPLE	*Non-profit education*	*President*	*6/90*	*Present*
	Jones & Smith	*Hometown, USA* EXAMPLE	*Law Firm*	*Partner*	*7/85*	*11/0X*
1	U. S. Japan Friendship Commission	Washington, DC	Ind. Federal Agency	Member	2005	present
2	New Frontiers Ventures LLC	Anchorage, AK	Real Estate	Member	1999	present
3						
4						
5						
6						
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11						
12						
13						

Compensation in excess of $200 from any position must be reported in Part II.

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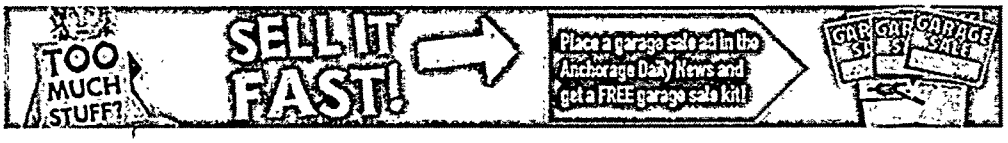

AP story on Young

Posted by Alaska_Politics
Posted: July 24, 2007 - 6:21 pm

The Associated Press has moved this story ...

Wall Street Journal: Rep. Young under criminal investigation

The Associated Press

U.S. Rep. Don Young is under criminal investigation, the second member of Alaska's congressional delegation to be part of a federal corruption probe, a newspaper reported.

Young is being investigated for his alleged ties to VECO Corp., the Anchorage-based company whose former top two executives -- including former CEO Bill Allen -- have pleaded guilty to bribing Alaska state lawmakers, the Wall Street Journal, citing anonymous sources, reported on its Web site late Tuesday.

Investigators are trying to determine whether Young or U.S. Sen. Ted Stevens took bribes, illegal gratuities or unreported gifts from VECO, the newspaper reported, citing only "people close to the case."

A message left by The Associated Press late Tuesday at Young's Washington, D.C., office was not immediately returned.

The Daily News could not independently verify the story.

Stevens has continually declined to comment on the corruption investigation, which involves the FBI and the U.S. Justice Department.

The Wall Street Journal said Allen held fundraisers called "the Pig Roast" for Young every August for 10 years. Public records show Young received $157,000 from VECO employees and its political action committee between 1996 and 2006.

Young, a Republican, amended campaign-finance filings earlier this year to reflect $38,000 in payments to Allen, the Journal reported. The refunds were labeled "fundraising costs" in documents filed with the Federal Election Commission.

Young has spent more than $250,000 of his campaign contributions on legal services since he put a Washington, D.C., law firm on retainer this year, according to recent regulatory filings.

As part of a widening corruption probe, the FBI is looking closely at a 2000 construction project that more than doubled the size of Stevens' home in the ski resort community of Girdwood, about 40 miles south of Anchorage.

A contractor who did work on the house has said he was directed to send bills to VECO. The contractor said someone at the company would examine them for accuracy before sending them to Stevens, the longest serving Republican in Senate history.

"Federal agencies have conducted a broad ranging investigation in Alaska for almost a year. I believe this investigation should proceed to its conclusion without any appearance that I have attempted to influence its outcome," Stevens said in a written statement issued last week. "I will continue this policy of not commenting on this investigation until it has concluded."

"I urge Alaskans not to form conclusions based upon incomplete and sometimes incorrect reports in the media," Stevens said. "The legal process should be allowed to proceed so that all the facts can be established and the truth determined."

Allen and another former VECO executive, Rick Smith, have pleaded guilty to extortion and bribery related to their dealings with state legislators. They are said to be cooperating with investigators. No sentencing date has been set.

Alaska Politics

Kyle Hopkins covered the 2006 campaign for governor and is covering the Palin administration's transition. Before joining the Daily News in 2005, he was a writer for the Anchorage Press and the Fairbanks Daily News-Miner. E-mail him at khopkins@adn.com.

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Archive

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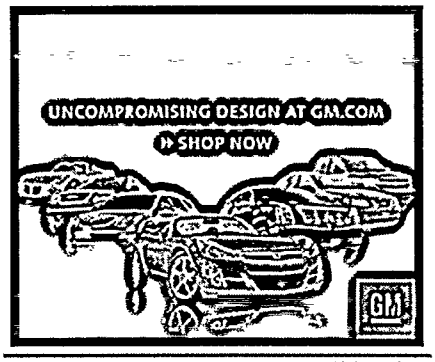

Alaska's Top Jobs all 79 top jobs

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Physician
Kodiak Area Native Association

Accounting/Banking/Finance
Accounts Receivable Technician
Alutiiq, LLC

Management/Professional
Corporate and Foundation Relations Manager
University of Alaska Fairbanks

Construction/Skilled/Trades
Project Manager
Company Confidential

Accounting/Banking/Finance
Accounting Manager
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FBI - Stevens-808

194A-AN-13620-m;392

Three former Alaska lawmakers charged with bribery will face trial later this year.

Meanwhile, the state's junior senator, Republican Lisa Murkowski, has come under scrutiny by watchdog groups for allegedly benefiting from a questionable land deal. She and her husband purchased a prime piece of property on the banks of the Kenai River at about $100,000 below market price. The land was purchased from the lot's adjacent neighbor and longtime Murkowski friend, Bob Penney, who also is a friend and a longtime business associate of Stevens.

Penney, who recently testified before a federal grand jury in the Stevens' investigation, said he was satisfied with the sale to Murkowski and her husband and received three times more than he paid for the property.

add new comment

11 July 25, 2007 - 2:06pm | Stags_Leap

more Lisa Murkowski problems

has anyone looked into the "financing" of the Penney-gate land deal? She reportedly got a sweetheart 39 year mortgage from a bank. Just so happens Lisa is a former board member of this bank.
A 39 year mortgage is extremely extremely rare. Banks just don't do them. So why did she get one? She is a U.S. Senator and a former board member of that bank. And this is another GIFT she should have disclosed to the FEC -which she did not.
reply »

July 25, 2007 - 4:00pm | tomtom

Stags,

It has been common practice for the past few years for financial insititutions to offer terms up to 40 years here in Alaska. In other countries, they are issuing multi-generational mortgages and in other states they are issuing mortgages up to 50 years.
Please check with Alaska USA, they talk about the 40 year mortgage on their website.
reply »

10 July 25, 2007 - 12:53pm | bobbys_place

Alaska Newspapers ducking political hot potatos

What happened to good old investigative reporting by Alaska Newspapers? What happened is that LM, DY and TS have the ability to call people who run large amounts of advertising in the Daily News and Fairbanks News Miner (and TV and radio stations) and get them to call the media and say,"hey I didn't like that story about my favorite crooked politician, how about I pull my ads from your newspaper/radio/TV" and instead of putting integrity and journalist ethics above dollars, the media gets gun shy and will only run stories that have already been reported by the lower 48 media, so they have an excuse when their customer calls complaining about the "attack" on the crooks we have elected. The Daily News is as crooked as LM, DY and TS, because they ignore what is going on in, because reporting it is not in their own $elf interest.
reply »

July 25, 2007 - 1:45pm | chilcoot

Garbage

The post above by "bobbys_place" is pure garbage. The Daily News has the Pulitzers to prove it. The Daily News has been all over the corruption of prominent Alaska politicians, and has been for years. Ask John Lindauer, George Jacko, Ben Stevens, Ralph Seekins, Scott Ogan, Jerry Ward, Jim Zawacki, Lin Garrison, Vic Kohring, Al Veazy, Pete Kott, Bruce Weyrauch, Ramona Barnes, and Dave Donley. That the Daily News is not presently leading in investigating Don Young's problems is hardly evidence that the Daily News is not trying. Good grief, what an uninformed post.
reply »

July 25, 2007 - 1:28pm | heyworth

correct

you nailed it.
reply »

9 July 25, 2007 - 11:50am | fishwrapper

Big Don

If Don goes to trial, I hope he takes the stand! We'd be in for a !@#$%&*$ Fest! Can't wait to see the judges face.
reply »

8 July 25, 2007 - 11:34am | Stags_Leap

Campaign funds for Legal Defense

USA Today has a good article in the 5/17/07 edition, called: 'Campaign funds going to legal fees.' That gives some good background on the issue. Someone kindly put up an html link to it...please.
reply »

7 July 25, 2007 - 9:29am | leowassilie

November 2006

If I remember right, didn't Diane Benson receive 40% of the vote last time?
You see, our state is progressive.
reply »

July 25, 2007 - 1:39pm | heyworth

Being used

The Dems used Diane last time by luring her in to run against Young to "soften" him up for "their guy" in '08.
They won't support her at all in this coming Primary.
Just watch which big name D files.
Need I even give the first 4 names?
She won't have a chance.
No support at all.
Sorry DB. It's what they do to folks like you.
Don't waste your time.
I know.
reply »

July 25, 2007 - 3:29pm | leowassilie

FBI - Stevens-809

I gotcha
Not really trying to point out her as a potential candidate more than to point out that Alaskan's are actually progressing away from electing Don Young.
reply »

6 July 25, 2007 - 9:19am | leowassille

Kenai's Murky River
It doesn't matter how much money Penney earned.
The COST of the property is a historical figure that means little to the prospective buyer, and is the measure from which to pay capital gains tax from the owner. The ONLY thing that matters here is the Fair Market Value, since LM was the buyer. The FACT he did receive three times more than he paid for the property is a great indicator the property is undervalued from borough assessments.
reply »

5 July 25, 2007 - 8:51am | chilcoot

This Can't Be True
No way is Don Young corrupt. He's pure as the driven snow.
Why, just last week, I saw him walk by an old woman and not shove her to the ground.
I've heard he can go weeks without tackling an environmentalist, binding him in duct tape, and setting him alight in whale oil.
Don Young reeks of integrity. Because that's what integrity does. It reeks. No way is he corrupt.
reply »

4 July 25, 2007 - 7:47am | nickolas

a joyous day
or it would be, if this was of any real consequence, shamefull on one side, but well needed to be done, on the other however the buck doesn't stop there, and nothing will come of any of this, personaly to I it looks more like an illusion of pretend adjucation of justice to give the public a hope pf trust in some agency that has no office or Officers. One could always hope though this will continue, of course to do so would litigate the Alaska Court system as well, which doesn' seem to be the intent, since knowone ever wants to eliminate all players.
reply »

3 July 25, 2007 - 7:41am | Stags_Leap

question on Lisa Murkowski land deal
Duke Cunningham's original criminal problems started with defense contractor Mitchell Wade paying Cunningham $1.675 million for the congressman's Del Mar Heights home in late 2003. Wade then sold it 11 months later for $975,000 ---- resulting in a $700,000 loss.
So why is it ethical for Lisa to underpay for a prime piece of property owned by Penney, which gives her an immediate $150K-$200K in equity, which she didn't disclose to the FEC?
reply »

July 25, 2007 - 9:26am | ilovelucy

Question that hasn't been asked
Did Lisa sell her Anchorage home for the assessed value or market price? From what I could tell from the city property site, she sold it for $405,270 and it was assessed at 325,400 in 2005 and $344,400 in 2006 (when the sale was recorded - however, the 2005 assessment might have been current when she actually sold the place). Why would she know enough to ask more than the assessed value and yet seem so clueless when it comes to property purchases on the Kenai?
Even if it's a rhetorical question, the ADN should've asked it. They should actually report the news sometimes, not just respond to it after national groups do it.
reply »

July 25, 2007 - 7:57am | TheSdog

Stags
If LM turned around and sold it now for 400K or something along those lines you might have a point.
Then again, this transaction is going the other way.
You also need the smoking gun of what exactly LM did for Penny in exchange for money. That was clearly demarcarted in the Cunningham case.
reply »

2 July 24, 2007 - 11:25pm | alambernakis

Where is the ADN?
Here is yet another example of the outside media reporting stories that more appropriately should be done by the ADN. What is the matter with our local paper? Why are so many significant news stories about the questionable conduct of our Congressional delegation being originally reported by others? The Lisa Murkowski story came from talkingpointsmemo. This story came from the Wall Street Journal. The story about Don Young returning campaign contributions came from Roll Call (and by the way only was posted on this blog and has never been the subject of a story in the ADN). The ADN's failure to adequately cover our Congressional delegation is as embarrasing as Don Young's speech about Alaska's biting and fighting minks.
reply »

July 25, 2007 - 1:03am | shasta2

RETURNING CAMPAIGN CONTRIBUTIONS
The congressmen Young received campaign contributions and for some reason and for what reason did he say he was not needing them? Really, Did he just return $35,000.00 or whatever amount? Why did Bubba just turn around and give a refund? The house of cards etc. I am afraid is coming down.. Perhaps the jets won't be flying as the money was already spent by the old man but a lot of legislatures I bet will be packing up ready to drive south..
reply »

FBI - Stevens-810

1 July 24, 2007 - 10:51pm | adnak

Who isn't under investigation?
How sweet it is, the Trifecta!
Stevens, Boss Young, Murky Jr., I'm so proud of our state.
And let's not forget Ben, half of the Juneau legislature, and lots of fishing industry leaders all waiting for jailtime too!
And after the Bridge to Mars ridicule, we can kiss the federal bucks$$$ away. No more easy money for Alaska for years.
All these folks are going down, was all the power we gave them all these years worth it?
We are the laughing stock of America-those bozos in Alaska.
We and Sarah better drive some real world deals on our part of the oil and gas. If we continue to give our fair share away, and lose our accustomed chunk of the federal purse, I can see lots of families having to leave the state.
No federal largesse, a reduction in big ticket infrastructure funding, this state is going to be hurting for a long time.
I hope all these folks end up in prison for awhile, because their not welcome in Alaska anymore.
Thanks, all you selfish, scurvy, politicians.

You've done a great job ruining the future of a lot of hard working Alaskans.
reply »

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Today's Wall Street Journal story

Posted by editorsblog
Posted: July 25, 2007 - 10:55 am

Interesting news broke yesterday afternoon. The Wall Street Journal posted a story on its web site reporting that Rep. Don Young was the subject of a criminal investigation involving possible political favors from Veco, the corrupt oil field services company.

The story was based on anonymous sources described only as "people close to the case."

Although other recent stories have hinted at the likelihood that Young was the subject of at least one criminal inquiry, this was the first story to state as fact that Young was under investigation for one or more crimes.

Various news organizations have reported that Young received substantial financial contributions from the criminal lobbyist Jack Abramoff, and that a former top aide to Young pleaded guilty to corruption on behalf of Abramoff. It has also been reported that Young was connected to a corruption investigation involving trucking regulations and a Wisconsin businessman and campaign contributor. And questions were raised by a Florida newspaper about Young's earmarking of federal funds for a road in Florida that benefitted another of his campaign contributors.

All of this information was reported in the Daily News based on named sources and/or documents.

Most recently, we and other news organizations have reported that Young reported spending more than $262,000 in campaign funds for legal services since the beginning of the year, according to public records.

As an editor, when I read the Journal story, I saw three pieces of information that were significant and new:

First, the definitive statement that Young was the target of a criminal investigation. Second, that the investigators were specifically trying to determine whether Young or Sen. Ted Stevens had received "bribes, illegal gratuities or unreported gifts" from Veco. And third, that Young had amended his campaign finance reports in January to report a $38,000 "refund" to Bill Allen, Veco's former chief.

The rest of the story was background information and recaps of information from previous news reports.

The story also reported that Young "has hired a criminal defense team," although it offered no details and no source for that information, but did say Young's spokesman had declined to comment about legal spending.

The first two of those three new facts – criminal investigation of bribes, gratuities, gifts -- were based solely on information from the anonymous "people close to the case." The third fact came from public records.

The question for me was how much credibility to attach to the Journal's anonymous sources, and what story or information belonged in the next day's Daily News. The Daily News has historically taken a very conservative approach to anonymous sources. We rarely base our own stories on them, and we are reflexively skeptical of them in stories by other publications.

In general, that approach has served us well, although it certainly puts us at a competitive

The Editor's Blog

Do you wonder why the newspaper did what it did, or didn't do what it didn't do? This is the spot where I or one of our other editors will try to answer your questions, respond to your complaints and generally explain the behavior of the newspaper as best as we can. Do you think we misplayed a photo, put the wrong headline on a story or missed important news? Did you like something you found in the paper? Post your questions, or share your thoughts about the paper. I only ask that you be clear, concise and civil.

Contact: editorsblog@adn.com

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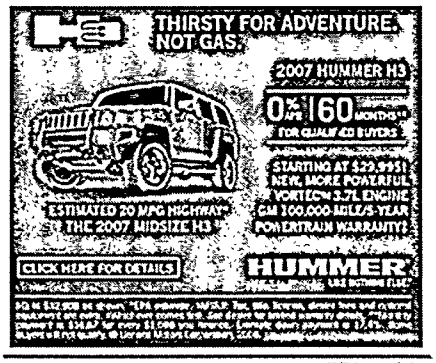

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Alaska USA Federal Credit Union

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Maintenance Engineer
ALSCO

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Olgoonik Development LLC

careerbuilder

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194A-AN-13620-m; 393

disadvantage on stories involving secrecy, such as, for example, federal corruption investigations.

The Wall Street Journal is one of the best newspapers in the world, and I respect its news coverage. But I also know better than to trust it or any other news organization blindly. The New York Times is also one of the world's great journalistic institutions, but its willingness to let Judith Miller and Jayson Blair publish stories based on anonymous sources did huge damage to itself and the business of journalism, not to mention readers.

So, back to our newroom last night . . .

I did not see sufficient reason to override our policy against running stories based on anonymous sources. On the other hand, I also knew that regardless of what we chose to do, the apparent revelations in the Journal's story would become part of the public dialog about corruption in Alaska. If we carried no story, our readers would not necessarily know what the Journal had reported or understand why there was no mention of it in the Daily News.

Still, I was not prepared to attach the credibility of the Daily News to the Journal's unnamed and barely described sources by running their story straight. Our solution, which we've used before in similar circumstances, was to find a middle ground by running a story about the Journal story.

There is a distinction here that many readers may find hard to follow, but which I consider journalistically significant.

To run the Journal story straight is to run a story saying that Don Young under investigation, according to anonymous sources. In that case, we have effectively attached our credibility to those sources.

By running a story reporting that the WSJ has published a story, based on anonymous sources, that says Don Young is under investigation, we provide readers with a story that we know is accurate and credible -- the fact of the Journal story -- but we avoid attaching our reputation to the accuracy of the Journal's sources.

And we would only go this far because of the reputation of the WSJ. We wouldn't do even this much if a publication or blog without a strong track record of good journalism had done the story.

Because I was not completely confident in the quality of the information on which the Journal story was based, and because there was not much new information in the story, I decided against putting it on the front page of the paper, opting instead to run it as the lead story on the Alaska cover.

Someone asked on one of our blogs this morning why the "criminal investigation" is being reported first in the Journal and not in the local paper. The answer is that no news organization, including the Wall Street Journal, has been able to get that information confirmed on the record. The difference between us and the Journal is that we aren't willing to report it if we can't get it on the record. We take a conservative approach because we think it's essential to our credibility over the long term, and we're willing to pay the price of not being the first to report something.

Lots of other newspaper editors would decide a question like this differently. And my position on anonymous sources in the Daily News is not absolute. If the information was important enough, and if the source had very good reasons for needing anonymity, if there was no possibility of finding other named sources, and if the information were not going to see the light of day on any other terms, we would likely publish a story based on anonymous sources. But we wouldn't do it merely to scoop the competition.

I expect this corruption investigation to go on for quite some time, and I expect we'll see this issue come up, in one form or another, many more times.

Thanks for reading.

add new comment

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POLITICS & ECONOMICS

Alaska's Young, Stevens Face Inquiry

U.S. Prosecutors Look at Ties Of Republican Lawmakers To Engineering Firm VECO

By JOHN R. WILKE

- **The News:** Rep. Don Young and Sen. Ted Stevens are under investigation in a continuing criminal probe of alleged political favors for an Alaskan company.
- **The Details:** Federal investigators are examining whether Rep. Young or Sen. Stevens accepted bribes or unreported gifts from Alaska's largest oil-field engineering firm, people close to the case said.
- **The Significance:** The lawmakers are among the highest-ranking members of either party to come under scrutiny in the wave of public-corruption probes that has swept Washington.

WASHINGTON—A senior House Republican has come under criminal investigation in the Justice Department's widening inquiry into alleged influence-peddling and self-dealing in Congress.

Rep. Don Young of Alaska, the former chairman of the House Transportation Committee, now is the subject of a continuing criminal inquiry involving possible political favors for a company in Alaska, people close to the case said. Sen. Ted Stevens of Alaska, the powerful former chairman of the Appropriations Committee and the longest-serving Senate Republican, is also now under criminal investigation, these people said.

Don Young

Federal investigators are examining whether Rep. Young or Sen. Stevens accepted bribes, illegal gratuities or unreported gifts from VECO Corp., Alaska's largest oil-field engineering firm, people close to the case said.

It isn't known what VECO allegedly may have received in return. The company has been awarded a series of federal contracts since 2000, including contracts to provide logistics support for arctic research, among other projects.

The two lawmakers are among the highest-ranking members of either party to come under scrutiny in the wave of public-corruption probes that has swept Washington in the past three years. In the past year, two congressmen have been sent to prison, a third has been indicted for bribery, and at least a half-dozen others are under investigation in separate cases.

For a decade, former VECO Chief Executive Bill Allen has held fund-raisers for Mr. Young in Anchorage every August, known as "The Pig Roast," participants said. Public records show contributions to Mr. Young of at least $157,000 from VECO employees and its political-action committee between 1996 and 2006, the last year the event was held.

Mr. Young amended his campaign-finance filings in January to reflect $38,000 in payments to Mr. Allen, who is now cooperating with federal investigators in the case. The re-funds, which haven't previously been reported, were labeled "fund-raising costs" in documents filed with the Federal Election Commission.

Mr. Young has hired a criminal-defense team and has said his campaign committee has paid $262,000 in legal fees in the past three months. A spokesman for Mr. Young declined to comment on any possible investigation and wouldn't say why his legal fees have risen sharply. Mr. Young has also faced questions about campaign donations received from convicted lobbyist Jack Abramoff. The congressman wasn't previously reported to be under criminal investigation.

The burly, bearded congressman has been Alaska's sole House member for 18 terms. He is perhaps best known as the architect of the "bridge to nowhere," a project in a massive 2005 transportation bill that he named after his wife, Lu, and "stuffed like a turkey," as he put it when the $286 billion bill was done. The proposed bridge to a sparsely populated island off Ketchikan, Alaska, came to symbolize out-of-control congressional spending to fund pet projects by lawmakers in both parties.

It has been widely reported that VECO is at the center of a federal investigation of corruption in the Alaska state legislature. But the inquiry into Mr. Young, as well as details of the allegations against Mr. Stevens, haven't previously been known.

VECO was acquired in June by CH2M Hill, a closely held Colorado engineering firm, after Mr. Allen, VECO's former CEO, agreed in May to plead guilty to charges of bribery, conspiracy and extortion.

Mr. Stevens has publicly said that he was asked to retain documents related to the federal investigation of his son, Ben Stevens, and other members of the state legislature, and related to VECO's role in the remodeling of a family home in Alaska in 2000. Sen. Stevens recently hired a criminal-defense lawyer. He has said he isn't a target of the Alaska probe and hasn't violated any law.

Ted Stevens

VECO executives, including Mr. Allen, have been big supporters of Mr. Stevens as well. And while VECO has won a string of federal contracts in recent years, it isn't known which contracts are the focus of the investigation.

Mr. Stevens was directly involved in funding contracts with the National Science Foundation, for example, which went to support arctic research. But there is no evidence he sought to influence the award of contracts to VECO, officials at the NSF said. Congressional records show that Mr. Stevens on several occasions added extra funding to the budget for arctic research above what the agency sought.

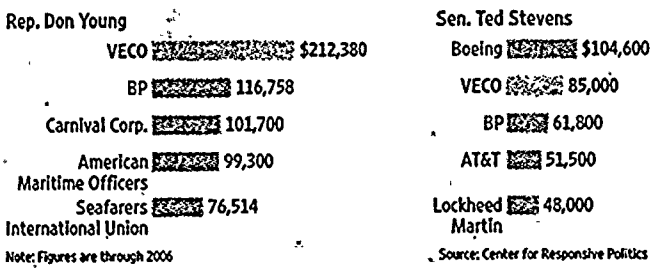
Sen. Stevens's spokesman, Aaron Saunders, declined to comment on the broader public-corruption investigation. The senator, in a statement, said: "This investigation should proceed to its conclusion without any appearance that I have attempted to influence its outcome." He added that the process should proceed "so that all the facts can be established."

The government's wide-ranging investigation of corruption in Alaska has already snared three current or former state legislators, who were arrested earlier this year, as well as Mr. Allen and a second VECO executive. Ben Stevens, Mr. Stevens's son, hasn't been charged in the case. His office was raided by agents of the Federal Bureau of Investigation last fall. The investigation is being led by the Justice Department's public-integrity section, which is presenting evidence to grand juries in Washington and Anchorage.

In the raid of Ben Stevens's office, documents related to VECO's gas-pipeline work were seized, along with records of his work for an Alaska fish-marketing board, an entity that was created and funded by Congress with support from his father.

Oil's Spoils

Employees of VECO Corp., an Alaska oil-services company, have been among the top donors to Rep. Don Young and Sen. Ted Stevens, both Alaska Republicans. Campaign contributions since 1989:



Note: Figures are through 2006

Source: Center for Responsive Politics

194A-AN-13620-M;394

NewsBank inc. Access World News

Paper: Anchorage Daily News (AK)
Title: Young under criminal investigation -
ANONYMOUS SOURCES: His alleged Veco ties being scrutinized, according to Wall Street Journal.
Date: July 25, 2007

U.S. Rep. Don Young is under criminal investigation, the second member of Alaska's congressional delegation to be part of a federal corruption probe, a newspaper reported.

Young is being investigated for his alleged ties to Veco, the Anchorage-based company whose former top two executives -- including former CEO Bill Allen -- have pleaded guilty to bribing Alaska state lawmakers, the Wall Street Journal, citing anonymous sources, reported on its Web site late Tuesday.

Investigators are trying to determine whether Young or U.S. Sen. Ted Stevens took bribes, illegal gratuities or unreported gifts from Veco, the newspaper reported, citing only "people close to the case."

A message left by The Associated Press late Tuesday at Young's Washington, D.C., office was not immediately returned.

The Daily News could not independently verify facts in the Wall Street Journal story.

Stevens has continually declined to comment on the corruption investigation, which involves the FBI and the U.S. Justice Department.

The Journal said Allen held fundraisers called "the Pig Roast" for Young every August for 10 years. Public records show Young received $157,000 from Veco employees and its political action committee between 1996 and 2006.

Young, a Republican, amended campaign-finance filings earlier this year to reflect $38,000 in payments to Allen, the Journal reported. The refunds were labeled "fundraising costs" in documents filed with the Federal Election Commission.

Young has spent more than $250,000 of his campaign contributions on legal services since he put a Washington, D.C., law firm on retainer this year, according to recent regulatory filings.

As part of a widening corruption probe, the FBI is looking closely at a 2000 construction project that more than doubled the size of Stevens' home in the ski resort community of Girdwood, about 40 miles south of Anchorage.

A contractor who did work on the house has said he was directed to send bills to Veco. The contractor said someone at the company would examine them for accuracy before sending them to Stevens, the longest serving Republican in Senate history.

"Federal agencies have conducted a broad ranging investigation in Alaska for almost a year. I believe this investigation should proceed to its conclusion without any appearance that I have attempted to influence its outcome," Stevens said in a written statement issued last week. "I will continue this policy of not commenting on this investigation until it has concluded."

"I urge Alaskans not to form conclusions based upon incomplete and sometimes incorrect reports in the media," Stevens said. "The legal process should be allowed to proceed so that all the facts can be established and the truth determined."

Allen and another former VECO executive, Rick Smith, have pleaded guilty to extortion and bribery related to their dealings with state legislators. They are said to be cooperating with investigators. No sentencing date has been set.

Three former Alaska lawmakers charged with bribery will face trial later this year.

FBI - Stevens-815

Caption:
Young
Caption:
Graphic 1: 23backpg_young2_072507.eps

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Section: Alaska
Page: B1
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194A-AN-13620-M; 395

NewsBank inc. Access World News

Paper: Anchorage Daily News (AK)
Title: Conflict of interest makes Ramras pull bill on cruise ships -
HOTEL OWNER: GOP legislator may seek a follow-up opinion.
Date: July 25, 2007

A state legislator who owns a Fairbanks hotel said he will withdraw a bill on cruise ships that he sponsored and pushed.

The decision Tuesday by Rep. Jay Ramras, R-Fairbanks, came after the Select Committee on Legislative Ethics advised him that his ownership of Pike's Waterfront Lodge in Fairbanks posed a conflict of interest.

Ramras requested the committee's opinion, which recommended that Ramras withdraw the bill, HB 222.

The bill addresses the likelihood that a town will opt out of getting a share of the new $50-a-passenger tax on cruise ships and impose its own tax instead. His bill would require the state to grant a tax credit equal to the amount levied in passenger taxes by Alaska port cities -- effectively capping passenger taxes. The new tax, which started this year, levies $50 from each of the roughly 1 million cruise passengers who tour Alaska each summer.

Ramras is chairman of the House Judiciary Committee, which also considered other bills related to cruise ships.

Ramras said another committee member chaired meetings when cruise-ship legislation was heard in the Judiciary Committee. "I was equally careful in disclosing my close economic association with the industry" in the committee and on the House floor, he said.

But he said he might ask for a follow-up advisory opinion.

The ethics committee opinion could hurt his and other legislators' "ability to draft, advocate for or speak against legislation in fields of expertise which we each bring with us to Juneau," he said

The ethics committee, in its opinion presented to Ramras, laid out the conflict, identifying a cruise-tour business as Company A:

"For a number of years your corporations have earned the majority of their annual income from service contracts with Company A. During a recent legislative session you were in negotiation with Company A to extend or renew these contracts, which were about to expire. During the time period in which these negotiations took place, you introduced and sponsored a bill that, if it becomes law, could indirectly confer a substantial financial benefit upon Company A. The bill is still pending, and you are still a sponsor. During the same time period, you took or withheld official action on other bills, introduced by others, that also might indirectly confer a substantial financial benefit upon Company A."

The committee said Ramras' pushing of HB 222 while negotiating substantial business contracts with Company A "is of special concern."

"A determination by this committee that a legislator should not introduce or sponsor a bill in a matter in which the legislator has a conflict of interest under the act would not prohibit legislators from earning outside income or impair legislators' income-earning abilities or opportunities," the ethics committee said.

Joe Geldhof was co-sponsor of the cruise-ship tax that voters approved last August.

"This opinion comes as a surprise to no one who was paying attention to his (Ramras) focus on areas where he had a strong personal and commercial interest. The question is why it took so long," Geldhof said.

"What is the Legislature going to do to keep it from happening in the future? This is hardly surprising; the conduct was shameful," he said.

Contact Bill White at 257-4311. Find Elizabeth Bluemink online at adn.com/contact/ebluemink or call 257-4317.

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FBI - Stevens-816

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Murkowski to sell back Kenai property

By ERIKA BOLSTAD and RICHARD MAUER
Daily News reporters

(Published: July 26, 2007)

U.S. Sen. Lisa Murkowski said this morning that she and her husband intend to sell back their Kenai riverfront property to Anchorage businessman Bob Penney.

Murkowski announced the give back a day after a Washington watchdog group filed a 15-page Senate ethics complaint against her, alleging that Penney sold the property well below market value. The transaction amounted to an illegal gift worth between $70,000 and $170,000, depending on how the property was valued, according to the complaint by the National Legal and Policy Center.

Murkowski told reporters in her Capitol office this morning that Penney, a real estate developer who does business in Alaska and Outside, has agreed to buy back the property for the $179,400 purchase price she and husband Verne Martell paid Dec. 22, 2006.

"While Verne and I intended to make this our family home and we paid a fair price for this land, no property is worth compromising the trust of the Alaska people," Murkowski said in a written statement. "I cannot allow this to become a distraction from the major challenges faced in representing Alaska. So we have decided to sell this property back to Bob Penney at the same price for which it was purchased."

Ken Boehm, chairman of the National Legal and Policy Center, said Thursday that Murkowski did the right thing by announcing she would return the property. But, he added, his complaint should still be heard because Murkowski's 2006 disclosure remains inaccurate. Among his charges was that she failed to disclose the transaction as required by Senate rules.

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FBI - Stevens-817

194A-AN-13620-M:397

NewsBank inc. Access World News

Paper: Anchorage Daily News (AK)
Title: Murkowski returns disputed land -
SELL-BACK: She and husband must cover bank closing costs.
Date: July 27, 2007

U.S. Sen. Lisa Murkowski said Thursday that she and her husband have decided to sell back their Kenai riverfront property to Anchorage real estate developer Bob Penney.

Murkowski announced the sell-back a day after a Washington watchdog group filed an ethics complaint against her, alleging that Penney sold the property at well below market value. The transaction amounted to an illegal gift worth between $70,000 and $170,000, depending on how the property was valued, according to the complaint by the National Legal and Policy Center.

Murkowski, who has said repeatedly that the deal was aboveboard, told reporters in her Washington office that Penney agreed to buy back the property for the $179,400 purchase price she and husband, Verne Martell, paid last December.

"While Verne and I intended to make this our family home and we paid a fair price for this land, no property is worth compromising the trust of the Alaska people," Murkowski said in a written statement. "I cannot allow this to become a distraction from the major challenges faced in representing Alaska."

Murkowski said it was a heart-wrenching decision because she, her husband and their two sons -- all avid fishermen -- have long sought a place on the Kenai River.

"My family is amazing, and they make incredible sacrifices for me," Murkowski said. "For them to be living in Washington, D.C., for nine months out of the year, working here, going to school here, and giving up Alaska, is a huge sacrifice. We want to be able to have our place back home, in Alaska. And that's what this was all about -- it was nothing nefarious or underhanded or improper."

GOOD-NEIGHBOR SALE

Ken Boehm, chairman of the National Legal and Policy Center, said Thursday that Murkowski did the right thing by announcing she would return the property. But, he added, his ethics complaint should still be heard because Murkowski's 2006 disclosure remains inaccurate. Among his charges was that she failed to disclose the transaction as required by Senate rules.

Penney said in a telephone interview from his riverside home outside Soldotna that Murkowski did nothing wrong.

"It was totally unfair to the Martells that they end up not being able to build where they wanted to, on their new homesite they were so excited about," Penney said. "They got pushed away."

Penney said he sold them the land because they were among a select group of people he would like for next-door neighbors.

The issue erupted in the blogosphere July 16 when the Web site TPMMuckraker.com reported the land deal. At first Murkowski and Penney refused to disclose the purchase price or other details.

What with increasing media attention on the Alaska political corruption scandal and links of U.S. Sen. Ted Stevens and U.S. Rep. Don Young to ongoing federal investigations, reports of a possible sweetheart deal between Penney and Murkowski quickly caught fire. Penney has already testified before a federal grand jury looking into Stevens' activities.

The deal became the talk of talk radio in Anchorage, with hosts and callers lining up both with Murkowski and against her, and details emerged in a string of newspaper and television news stories, followed by Boehm's ethics complaint this week.

"It's just absolutely media madness," Penney said.

Murkowski said she has always known that her actions draw more scrutiny because of her position, but said she was not quite prepared for the ferocity of the backlash on talk radio and political Web sites. For now, though, she and her family will be looking for another home with access to good salmon fishing.

"I guess I've always known that I live in a glass house as a public figure, but I guess I'm not going to be living in a glass house on the Kenai River," Murkowski said.

FBI - Stevens-818

PERSONAL-USE EXEMPTION

194A-AN-136201-M; 398

Murkowski has always maintained that although there were errors in her ethics report, she never violated Senate disclosure rules.

"Senate ethics says that if the properties are used for personal use, you don't disclose it," she said. She said she disclosed the mortgage for the property but not the transfer, based on advice from Ethics Committee staff.

Murkowski said she told Stevens, the senior Alaskan senator, that she was going to be selling the property. She did not seek his advice and he did not counsel her on it -- but he did tell her in their conversation Wednesday night that he was sorry about what had happened, Murkowski said.

She wouldn't address the effect that the Stevens or Young investigations -- or her own ethics complaint -- have had on the state's image or the ability for the delegation to get things done.

"There are those who will do anything to bring down the strength of the Alaska delegation. I think that is a reality. I think what I do is to get up every morning and do the best job I can representing Alaskans. That's what I was elected to do."

Murkowski said that she and her husband will lose some money on the return sale because they must pay bank closing costs to end the mortgage. The final paperwork should be completed today, she said.

Murkowski dismissed criticism that she used a Ketchikan bank with close family ties -- she once sat on the board, and her sister is a current shareholder and director. She and her husband received a two-year balloon mortgage known as an "equity lot loan" that can be rolled into a construction loan to build on raw property.

"When you go to a bank, or you go to a lawyer, most of us don't just go pick up the Yellow pages. You go to where you have had an established relationship. My husband and I have had an established relationship with First Bank for years. "

Penney said that restrictions he placed on the deal lowered the value of the property and reduced the chance that Murkowski would quickly sell it for a profit. For five years after the sale, he said, Murkowski and Martell would have to split with him 50-50 any proceeds they received over the initial sales price. He'd get his share before any deductions for improvements, taxes and interest, which would leave Murkowski little, if any, real profit.

Erika Bolstad reported from Washington and can be reached at ebolstad@adn.com or 202-383-6104. Richard Mauer reported from Anchorage and can be reached at rmauer@adn.com or 257-4345.

Transaction timeline

12/22/06: Deed signed transferring property from businessman Bob Penney to Sen. Lisa Murkowski and husband Verne Martell

7/16/07: Word of the land sale is first published on the Web site TPMMuckraker.com. Story quickly gains currency on talk radio in Alaska and in newspaper and television reports.

Wednesday: National Legal and Policy Center of Falls Church, Va., files a 14-page complaint with the Senate Ethics Committee, alleging Murkowski received a "sweetheart deal" from Penney of substantially undervalued real estate.

Thursday: Denying she did anything wrong, Murkowski tells reporters at a press briefing for Alaska media in Washington, D.C., that she and Martell will resell the property back to Penney for the price they paid.

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Author: ERIKA BOLSTAD and RICHARD MAUER Anchorage Daily News Staff
Section: Main
Page: A1
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FBI - Stevens-819

NewsBank inc. Access World News

Paper: Anchorage Daily News (AK)
Title: Young recovers from surgery -
'HE'S FINE': No prostate cancer, but political news isn't so good.
Date: July 27, 2007

U.S. Rep. Don **Young** had some minor surgery this week on his prostate and stayed home from work for a few days, his spokeswoman said Thursday.

Young was not in the office Tuesday or Wednesday, said spokeswoman Meredith Kenny. He came into the office Thursday, Kenney said, but left a little earlier than usual. The surgery, performed at a Washington hospital, was minor and "non life-threatening," Kenney said.

"He's fine," she said, adding that he does not have prostate cancer.

It has not been a particularly good week for Alaska's sole congressman. The Wall Street Journal reported Tuesday that he's now the target of a federal criminal investigation for his ties to Veco Corp. The company's top executives, including chief executive Bill Allen, have pleaded guilty to bribing Alaska state lawmakers.

Meanwhile, the investigation has led to speculation in Washington that **Young** may lose some of his committee assignments; other Republican lawmakers who have caught the eye of federal investigators were asked earlier this year to give up their committee posts.

Young, now in his 18th term, sits on the Transportation and Infrastructure committee and is the highest-ranking Republican member of the House Natural Resources Committee. Thursday, a Republican spokesperson for the committee sent out a statement outlining **Young**'s position on a mining bill the committee heard Thursday - a sign that **Young** is not about to lose his seat on it.

Kenny called the speculation about **Young** losing his committee assignments "nothing but buzz." The buzz may even have been fueled by fellow Republicans in the fiscally conservative wing of the party, she said. They were angered last week when **Young** warned a New Jersey Republican who was trying to cut money for an Alaska Native education program that "those who bite me will be bitten back."

But Democrats, who are actively recruiting candidates to run against **Young** in 2008, leapt at the chance to attack him.

"Don **Young** is being investigated for bribery -- one of the most 'serious transgressions' a member of Congress faces -- but he still sits on the committees overseeing issues important to the company that allegedly bribed him," said Jennifer Crider, communications director for the Democratic Congressional Campaign Committee. "Clearly, Republicans haven't learned their lesson about holding their members accountable for their wrongdoing."

The House minority leader's office, which decides Republican committee assignments, did not return phone calls Thursday.

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Section: Alaska
Page: B1
Dateline: WASHINGTON
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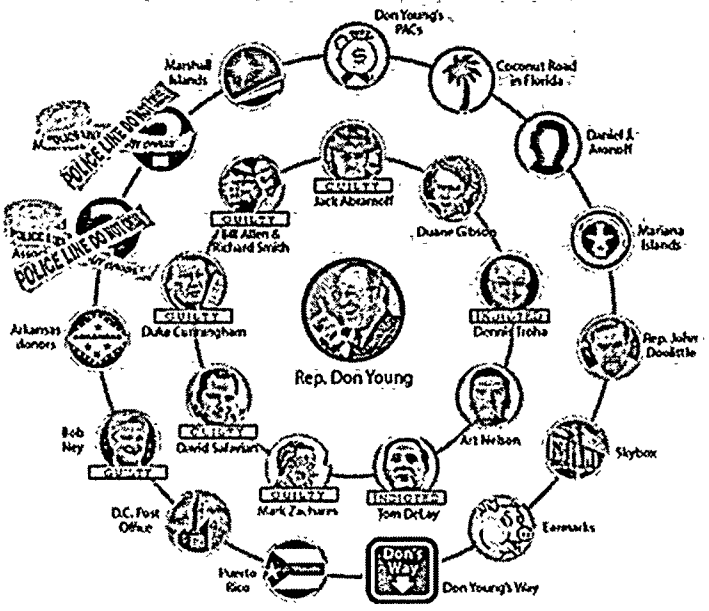
The Don Young Web of Corruption

Move your mouse over the images below to reveal the Don Young web of corruption.



Don on YouTube©

Quotes

- Young calls environmentalists socialist un-Americans
- Young named one of the 10 worst Congressmen in 2006
- Young stuffed it like a turkey

On the Issues

- Young on Consumer Protections
- Young on the Iraq War
- Young on Health Care

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- AK or Arkansas?
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- Poll respondents say Young's comments were inappropriate

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Political scandals thick as trees in Alaska

Last updated July 29, 2007 11:25 p.m. PT

By JOEL CONNELLY
P-I COLUMNIST

Threats and bluster are standard operating procedures for Alaska's seniority-laden Washington, D.C., delegation, and Rep. Don Young, R-Alaska, was in full cry earlier this month.

"There is always another day when those who bite will be killed, too, and I am very good at that," Young said. No kiddin'. He once waved an 18-inch-long oosik, the penis bone of a walrus, at the first woman to direct the U.S. Fish and Wildlife Service.

Young, the political architect of Alaska's "bridges to nowhere," was mad at a bid by Republican New Jersey Rep. Scott Garrett to cut one of his pet programs.

Not only did he go after Garrett, but Alaska's congressman went on to note that his opponent comes "from a state that doesn't have the greatest reputation in the world."

A few days later, The Wall Street Journal revealed that Young is under FBI investigation for his ties to VECO, the oil-field-services supplier whose president has pleaded guilty to paying off Alaska state legislators.

"Is two-thirds of the New Jersey congressional delegation currently being investigated by the FBI? Did New Jersey pols and lobbyists organize a Corrupt Bastards Club in the state capital? And get hats made?" the Alaska Ear column of the Anchorage Daily News asked.

Alaska has lately moved out in front of the Garden State when it comes to politicians for sale, for rent and ready to exchange favors.

The past year has seen a curtain pulled back on the crony capitalist insiders' network that has long run the 49th State, treating the "Great Land" as a grand treasure trove.

As usual, there's a key insider: In the 1970s, it was Jess Carr, the Teamsters Union leader whose local ran Alaska Pipeline construction with fists and featherbedding.

The go-to guy of recent times was VECO boss Bill Allen. VECO was the prime contractor in cleaning up Prince William Sound after the Exxon Valdez spill. VECO took in about $800 million of $2.5 billion spent by Exxon.

Allen got around, and got around the law.

By bugging VECO's suite at Juneau's Baranof Hotel, the FBI recorded vote-buying that resulted in Allen and deputy Rick Smith pleading guilty to extortion and bribery, plus corruption charges against one legislator and two former colleagues.

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194A-AN-13620-m; 401

Between 2002 and 2006, VECO paid $243,000 in consulting fees to the firm of state Senate President Ben Stevens, son of Alaska's U.S. Sen. Ted Stevens. What work the Stevens dauphin actually did is unclear. He has not -- yet -- been indicted.

Allen threw an annual fundraiser called "The Pig Roast" for Young each August. Young chaired the House Transportation Committee until Democrats won control of Congress.

Young received $157,000 from VECO employees and its political committee over the past decade. He amended campaign-finance filings this year to report $38,000 in payments to Allen for "fundraising costs."

And there is 83-year-old Ted Stevens, Alaska's senator for life. The FBI is investigating a 2000 project that more than doubled the size of his home in Girdwood, a ski town near Anchorage.

One contractor who worked on the house said he was told to send bills to VECO. He has said that someone in Allen's office examined the billing, then sent them to Stevens.

The Los Angeles Times did a 2004 study of "Uncle Ted's" personal finances. Stevens has become a millionaire by investing in partnerships with influential contractors. The same partners profited handsomely from spending items that Stevens put into the federal budget.

The Anchorage Daily News has regularly disclosed lucrative lobbying by former aides to Young and Stevens. An ex-Young staffer owns land near the terminus of a controversial proposed bridge. The family of former Gov. Frank Murkowski owns land on Gravina Island, destination of a planned bridge from Ketchikan.

Stevens, too, is given to threats. He vowed revenge on Sen. Maria Cantwell, D-Wash., after she blocked his backdoor bid to open the Arctic National Wildlife Refuge to oil and gas drilling.

In a final "predators' ball" of Alaska's elite, Stevens, Young and Allen headlined a fundraiser for Cantwell's GOP challenger Mike McGavick. McGavick ended up refunding $14,700 from VECO executives when news of the FBI inquiry became public.

FBI - Stevens-823

A new north wind is blowing.

It blew away Murkowski in last year's Republican primary. The winner -- now governor -- was Sarah Palin, who blew the whistle on ethical misconduct while chairing the Alaska Oil and Gas Conservation Commission.

Anchorage Mayor Mark Begich is being recruited by Democrats to run against Young. Young is also under scrutiny for favors done for Florida businessmen who were big campaign donors.

The state's junior Sen. Lisa Murkowski -- appointed by her father when he was governor -- dodged a bullet last week. Murkowski and her husband announced they were selling back a choice Kenai River lot to a friend and real estate developer.

The resale came after a D.C. watchdog group filed a complaint against Sen. Murkowski, charging she paid far below market value and that the land deal amounted to an illegal gift.

"While Verne and I intended to make this our family home, and we paid a fair price for this land, no

property is worth compromising the trust of the Alaska people," she said.

It's enough to bring tears to your eyes -- if you happen to be a crocodile.

P-I columnist Joel Connelly can be reached at 206-448-8160 or joelconnelly@seattlepi.com. Follow his political blog at blog.seattlepi.com/seattlepolitics.

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FBI, IRS searching Stevens' Girdwood house

FBI - Stevens-825

Anchorage Daily News
(Published: July 30, 2007)

Federal law enforcement agents are currently searching the Girdwood home of Alaska U.S. Sen. Ted Stevens.

"All I can say is that agents from the FBI and IRS are currently conducting a search at that residence," said Dave Heller, the assistant special agent in charge of the FBI's Anchorage office. The search began earlier this afternoon, he said. It's the only such search warrant currently being served, he said.

Shortly before 3 p.m., a number of federal agents could be seen outside the house, along with a half-dozen government SUVs. Others were inside. It couldn't immediately be determined what, if anything, was being taken from the house. Agents at the house wouldn't answer questions.

Heller, the FBI spokesman in Anchorage, directed other questions to the U.S. Justice Department's Public Integrity Section in Washington. A spokesman there had no comment.

In Washington, FBI spokesman Richard Kolko confirmed to the Associated Press that FBI and IRS agents "are conducting a court authorized search warrant in Girdwood, Alaska."

Federal investigators and a grand jury looking into public corruption in Alaska have been asking questions about a 2000 remodeling project that more than doubled the size of Stevens' home -- particularly the involvment of the oil field services firm Veco. Three contractors who worked on the project told the Daily News that their records had been subpoenaed by a federal grand jury, and others connected with the work and with Stevens had been interviewed.

One of the contractors who worked on the job said he was hired by Veco CEO Bill Allen for the job, and while his bills were paid by Stevens and his wife, Catherine, invoices were reviewed first by Veco.

Allen and a Veco vice president pleaded guilty in May to bribery, extortion and other charges connected with paying off state legislators.

Two weeks ago, Stevens told reporters that money for the remodeling came out of his own pocket.

"As a practical matter, I will tell you. We paid every bill that was given to us," Stevens told reporters. "Every bill that was sent to us has been paid, personally, with our own money, and that's all there is to it. It's our own money."

Beyond that, Stevens has issued a written statement repeatedly in recent months saying he would have no comment on the ongoing corruption probe.

A total of four former state lawmakers have been charged with bribery, along with a prison-industry lobbyist. One, former Anchorage Rep. Tom Anderson was convicted earlier this summer of

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bribery and other crimes for taking money from the lobbyist for a private prison company.

Last August, federal agents served more than 20 search warrants across the state, including at the offices of six state legislators, including Ted Stevens' son, Ben Stevens, who at the time was the president of the state Senate.

Ted Stevens, 83, is the longest-serving Republican senator.

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inAlaska.com

FBI, IRS search home of U.S. Sen. Stevens

by The Associated Press
Channel 2 News staff
Monday, July 30, 2007

ANCHORAGE, Alaska -- Agents from the FBI and the Internal Revenue Service are searching the Girdwood home of U.S. Sen. Ted Stevens.

Execution of a search warrant was confirmed this afternoon by Dave Heller, FBI assistant special agent in charge of the Alaska office, who said agents arrived shortly before 2:30 p.m.

Heller says he can't comment on the nature of the investigation and referred inquiries to the Public Integrity Section of the Department of Justice in Washington, D.C.

Calls placed to spokesmen for Stevens in the Capitol were not immediately returned.

In the past, Stevens has said it is his long-standing policy not to comment on the federal investigation to avoid the appearance that he might influence the investigation.

Stevens, who is 83, is the longest-serving Republican senator in the U.S. Congress.

Federal investigators previously confirmed they were reviewing a renovation project at his home that more than doubled its size.

The remodeling of Stevens' home in 2000 was overseen by Bill Allen, a contractor who has pleaded guilty to bribing Alaska state legislators.

Allen founded VECO Corp., an Alaska-based oil field services and engineering company that has reaped tens of millions of dollars in federal contracts.

A Washington, D.C., law enforcement official familiar with the case confirms the raid is focused on records related to the ongoing VECO investigation.

In response to the search warrants, Stevens released the following statements:

"My attorneys were advised this morning that federal agents wished to search my home in Girdwood in connection with an ongoing investigation.

"I continue to believe this investigation should proceed to its conclusion without any appearance that I have attempted to influence its outcome. I will continue my policy of not commenting on this investigation until it has concluded.

"I know Alaskans are interested in my views on the investigation. While I understand this interest and would like to discuss these issues in great detail, the interests of justice and our state are best served if I make my comments after federal officials complete their work.

"I urge Alaskans not to form conclusions based upon incomplete and sometimes incorrect reports in the media. The legal process should be allowed to proceed so that all the facts can be established and the truth determined.

194A-AN-136620-mi 403

"For over 50 years I have worked hard for Alaskans as part of our territorial, state and federal governments. And I will continue to do all I can to assure that government meets our people's unique needs."

Watch the "5:00 Report with John Tracy" and the "NewsHour" for the complete report.

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FBI - Stevens-828

The New York Times
nytimes.com

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July 30, 2007

F.B.I. and I.R.S. Search Home of Senator Stevens

By THE ASSOCIATED PRESS

Filed at 8:13 p.m. ET

ANCHORAGE, Alaska (AP) -- Federal agents searched the home of U.S. Sen. Ted Stevens on Monday, focusing on records related to his relationship with an oil field services contractor jailed in a public corruption investigation, a law enforcement official said.

Stevens, 83, has been under a federal investigation for a 2000 renovation project more than doubling the size of his home in Girdwood that was overseen by Bill Allen, a contractor who has pleaded guilty to bribing Alaska state legislators.

Allen is founder of VECO Corp., an Alaska-based oil field services and engineering company that has reaped tens of millions of dollars in federal contracts.

Agents from the FBI and Internal Revenue Service arrived at the senator's home Monday afternoon, said Dave Heller, FBI assistant special agent. He said he could not comment on the nature of the investigation.

A law enforcement official familiar with the case confirmed the raid on Stevens' home was focused on records related to the ongoing VECO investigation. The official was not authorized to discuss the matter publicly and spoke only on condition of anonymity.

An e-mail statement issued by Stevens through his Washington, D.C., spokesman said federal agents had alerted his attorneys that they wanted to search his home.

Stevens, who has been in office since 1968 and is the longest-serving Republican in Senate history, said the interests of justice would be best served if he commented after the investigation.

"I continue to believe this investigation should proceed to its conclusion without any appearance that I have attempted to influence its outcome," Stevens said. "The legal process should be allowed to proceed so that all the facts can be established and the truth determined."

The Justice Department's probe into Allen's relationships has led to charges against state lawmakers and contractors. Last year, FBI raids on the offices of several Alaska lawmakers included Stevens' son, former Alaska Senate President Ben Stevens.

Neither the U.S. senator nor his son has been charged.

FBI - Stevens-829

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194A-AN-1310201-M: 404

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FBI, IRS Raid Sen. Stevens's Home

Advertisement

By Dan Eggen and Paul Kane
Washington Post Staff Writer and Washingtonpost.com Staff Writer
Monday, July 30, 2007; 8:20 PM

Agents from the FBI and the Internal Revenue Service yesterday raided the Alaska home of Sen. Ted Stevens (R), as part of a broad federal investigation of political corruption in the state that has also swept up his son and one of his closest financial backers, officials said.

Stevens, a 39-year veteran who is the longest-serving Republican senator in U.S. history, is under scrutiny from the Justice Department for his ties to an Alaska energy services company, VECO, whose CEO pleaded guilty in early May to a bribery scheme involving state lawmakers.

Contractors have told a federal grand jury that in 2000, VECO executives oversaw a lavish remodeling of Stevens' home in Girdwood, an area on the outskirts of Anchorage, according to statements by the contractors.

Stevens said in a statement that his attorneys were advised of the impending search yesterday morning. He said he would not comment on details of the probe to avoid "any appearance that I have attempted to influence its outcome."

"I urge Alaskans not to form conclusions based upon incomplete and sometimes incorrect reports in the media," Stevens said. "The legal process should be allowed to proceed so that all the facts can be established and the truth determined." Brendan Sullivan, a prominent white-collar defense attorney representing Stevens, declined to comment.

The afternoon raid was conducted by FBI and IRS agents as part of a "court-authorized search warrant," according to FBI spokesman Richard Kolko in Washington, who declined to provide further details.

Stevens, 83, has been considered one of the most powerful members of Congress for more than a decade, including six years in which he held wide sway over nearly $1 trillion in federal spending as chairman of the Senate Appropriations Committee. He is now the top Republican on the Commerce committee, which has oversight of fisheries and other industries critical to his home state.

Earlier this spring, both Republicans and Democrats celebrated on the Senate floor when Stevens, who joined the chamber in 1968, became the longest serving Republican in chamber history. He has said he planned to run in 2008 for another six-year term.

A few weeks after that celebration, one of Stevens's closest political allies--Bill Allen, formerly the CEO of VECO--pleaded guilty to bribing several members of the state legislature, including an unidentified former state senator whose consulting payments cited in the plea agreement specifically matched payments reported by Ben Stevens, a state lawmaker who is the senator's son. He left the state Senate

194A-AN-13620-M,405

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FBI, IRS searches continue at Sen. Stevens' Girdwood home

by Rebecca Palsha
Monday, July 30, 2007

GIRDWOOD, Alaska - He's the country's longest serving Republican senator and today, the Girdwood home of Sen. Ted Stevens was searched by the FBI and the Internal Revenue Service.

The FBI said agents arrived at the house around 1:30 p.m. but, neighbors said they were they were there much earlier. Officials won't say what the agents are looking for, but they are taking plenty of photos.

Stevens has been linked to the VECO Corp. scandal, and the question of whether VECO paid to build a first floor addition to the senator's Girdwood home has been raised.

Stevens insists he paid the bills and released a statement this afternoon.

"I urge Alaskans not to form conclusions based upon incomplete and sometimes incorrect reports in the media. The legal process should be allowed to proceed so that all the facts can be established and the truth determined."

It was back in May when Channel 2 News interviewed contractor Augie Paone, who said the bills went to VECO first and then were forwarded on to Stevens.

"I would give the invoices to VECO, they would review it and make sure the billings were correct and they'd give it back to me and say sure go ahead just fax it over or sometimes they'd fax it over to him," Paone said in May.

As officials continue to search, more photos are being taken and light fixtures are being tested, but so far nothing has been taken out of the home.

Diversified Maintenance contractor Jim Helms said he was interviewed by the FBI last Thursday after he was hired to remove the Christmas lights from Stevens' home.

"I found it interesting that they were so interested in Christmas lights at Ted Stevens' house. We are all familiar with what's going on, but I was surprised they were out there and saw this and through the logo on my truck, they were able to track me down rather quickly," Helms said.

Another indication that no matter what the feds are looking for, they've had their eyes on Stevens' home for some time.

More than 24 agents were on scene today and were still on scene late into the night. Neighbors said they don't know what's going on, but that they've been watching the FBI.

The nonpartisan group Taxpayers for Common Sense plans to call on Senate Minority Leader Mitch McConnell to follow the lead of House Republican leaders and ask Sen. Stevens to step down temporarily from his positions on the Commerce, Science and Transportation and Appropriations Committees until the federal investigation is completed.

Washington D.C. based newspaper Roll Call is reporting that the organization is expected to make its arguments in a letter to McConnell.

FBI - Stevens-831

194A-AN-13620-MI-406

Contact Rebecca Palsha at rpalsha@ktuu.com

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FBI - Stevens-832

NewsBank inc. Access World News

Paper: Anchorage Daily News (AK)
Title: Metcalfe says he'll take on Don Young -
HOUSE SEAT: Ethics issues seen as making incumbent vulnerable.
Date: July 30, 2007

Jake Metcalfe, former Anchorage School Board president and former head of the state Democratic Party, announced late Sunday that he plans to run against Don Young in the 2008 congressional election.

"All this stuff has been coming out, there's been a barrage of new information about the corruption and the ethics violations, and I thought, 'You know, somebody's got to run against him,' " he said.

"I just figured I'd do it."

Metcalfe, an attorney for IBEW, grew up in Southeast Alaska in a large, well-known Juneau family. He worked previously as a prosecutor in Bethel. He said by cell phone from Washington, D.C., Sunday night that he plans to file the paperwork today.

Young's campaign manger, Steve Dougherty, didn't immediately return a call for reaction.

The Wall Street Journal reported Tuesday that Young is being investigated for his ties to Veco, whose former top executives pleaded guilty earlier this year to bribing state legislators. The Democratic Congressional Campaign Committee has been searching for a strong candidate to run against him, and on Thursday called on Republican House leadership to pull his committee assignments.

Young's only official challenger is Diane Benson, who ran against him last year, garnering 40 percent of the vote with a fraction of the campaign funds. Benson has officially filed to run for the seat again in 2008. Her campaign manager was also unreachable Sunday evening.

In a recent interview, Young said of the Democratic Congressional Campaign Committee efforts against him: "They are welcome to try. ... I know that I'm the one they would like to eliminate. It doesn't bother me as long as I run a good campaign and do what's right for this state."

Metcalfe said that former state Rep. Ethan Berkowitz and Mayor Mark Begich have also been considering a run against Young. Neither could be reached.

Young has a large campaign war chest and any candidate who runs against him needs to start early raising money and making connections across the state, Metcalfe said.

"People have to quit waiting for other people to make up their minds," he said.

"The Democrats are in the majority, and we've got a back-bencher for an incumbent," he said. "He's no longer powerful. ...We need someone that's in the majority."

Find Julia O'Malley online at adn.com/contact/jomalley or call 257-4591.
Caption:
Metcalfe
Caption:
Photo 1: JakeMetcalfe_073007.jpg

FBI - Stevens-833

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Author: JULIA O'MALLEY jomalley@adn.com Staff
Section: Alaska
Page: B1
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194A-AN-13620-m:407

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inAlaska.com

Senate clerk called before grand jury in Stevens probe

by The Associated Press
Tuesday, July 31, 2007

WASHINGTON, D.C. -- A Senate clerk who helped maintain Sen. Ted Stevens' personal financial records was recently called before a federal grand jury in a public corruption investigation that has been joined by the IRS and the Interior Department.

Barbara Flanders, who serves as a financial clerk for Stevens on the Senate Commerce Committee, testified in the past several weeks and provided documents regarding the senator's bills, according to an attorney in the case who spoke on condition of anonymity because grand jury matters are secret by law.

Investigators are scrutinizing Stevens' relationship with oil field services contractor Bill Allen, who helped oversee a complicated renovation project that more than doubled the size of Stevens' home in 2000. Allen's company, VECO Inc., won tens of millions of dollars in federal contracts. Allen has pleaded guilty to bribing Alaska lawmakers.

Federal agents raided Stevens' home Monday, photographing and videotaping its contents and leaving with a garbage bag full of unidentified items.

Stevens, 83, is the longest-serving Republican in Senate history. He has denied any wrongdoing and said he paid for all the improvements himself but he says he worries the looming investigation could have political consequences.

Flanders is a longtime aide who helps ensure that Stevens' bills are paid and his personals affairs are in order, the attorney said. She was questioned about the improvement project and how the bills were paid.

Reached by telephone Tuesday, Flanders would not discuss her testimony or describe her duties involving Stevens' personal accounts.

"I work for the Commerce Committee," she said. "I don't have any comment on any other issues."

Jenilee Keefe, a spokeswoman for Committee Chairman Daniel Inouye, D-Hawaii, said there was no evidence the subpoena involved committee business.

"It is a personal thing. She worked for him in another capacity," Keefe said. "Right now we're just not getting involved."

FBI - Stevens-834

Spokesmen for Stevens had no comment on the subpoena or Flanders' role in the senator's personal finances.

The investigation grew out of a lengthy corruption probe that has ensnared several Alaska lawmakers and resulted in Allen's guilty plea for bribery. Only recently, however, have authorities turned their focus on Stevens and that focus appears to be narrowing.

The Interior Department's inspector general and the Commerce Department have also joined the case to investigate Stevens' connections with a Seward, Alaska, marine science organization that

194A-AN-13620-m; 408

operates the Alaska SeaLife Center, a person familiar with the probe said on condition of anonymity because it is ongoing.

Among many items photographed in Monday's search were cases of wine stored in Stevens' house. Investigators photographed each case and the individual bottles, the attorney said.

About 15 agents took photos and video of various angles of the structure, climbing onto the roof at one point, and eventually entered. They later carried out a garbage bag full of unidentifiable materials and loaded it into an unmarked white van. The curtains were drawn during most of the search.

Investigators did not raid Stevens' home in Washington, where he spends most of his time.

An e-mail statement issued by Stevens through his Washington, D.C., spokesman said federal agents had alerted his attorneys that they wanted to search his home. Stevens, who has been in office since 1968, said the interests of justice would be best served if he commented after the investigation.

"I continue to believe this investigation should proceed to its conclusion without any appearance that I have attempted to influence its outcome," Stevens said. "The legal process should be allowed to proceed so that all the facts can be established and the truth determined."

Located 40 miles south of Anchorage, Girdwood is nestled in a valley next to Mount Alyeska and has evolved from a gold mining town into Alaska's only year-round resort community.

Congressional watchdog groups called for Stevens to step down - at least temporarily - from his posts on the Senate's Commerce and Appropriations committees.

"There is growing evidence that Sen. Stevens may have used his powerful perch on the Appropriations Committee to direct tens of millions of dollars of earmarks to benefit family, friends, business partners and former staff," said Ryan Alexander, president of Taxpayers for Common Sense. She commented in a letter to the Senate's Republican leader, Mitch McConnell of Kentucky.

McConnell has not said whether he would ask Stevens to temporarily relinquish his committee assignments.

Citizens for Responsibility and Ethics in Washington, a liberal watchdog group, called it "imperative that no member under federal investigation be involved in the oversight or appropriations of any agency involved in investigating that member."

The group referred to Stevens' membership on the Appropriations subcommittee that funds the Justice Department.

The Justice Department's probe into Allen's relationships has led to charges against state lawmakers and contractors. Last year, FBI raids on the offices of several Alaska lawmakers included Stevens' son, former Alaska Senate President Ben Stevens.

FBI - Stevens-835

Neither the U.S. senator nor his son has been charged.

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inAlaska.com

Poll respondents say Stevens should step down from committees

ANCHORAGE, Alaska - On Tuesday July 31, Channel 2 News conducted an online poll asking if viewers thought Sen. Ted Stevens should step down from his Senate committee appointments while under investigation.

Sixty Five percent of the respondents said he should step down. Here are the official question and results.

Should Sen. Ted Stevens step down from his Senate committee appointments while under federal investigation?	
Yes	65 percent
No	33 percent
Undecided	2 percent

All polls conducted by Channel 2 News and KTUU.com are unscientific.

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FBI - Stevens-836

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Sen. Ted Stevens (R-AK) (WDCPIX.com)

Stevens Investigation Broader Than Veco Home Makeover

By Laura McGann - July 31, 2007, 12:15 PM

It's official: the FBI is looking into more than Sen. Ted Stevens' Veco-overseen remodeling project. Roll Call reports that the FBI and the Department of Interior are also looking into a series of earmarks for one of Stevens' pet projects.

The project, the Alaska SeaLife Center in Seaward, Alaska, has received some $50 million in federal money since 1998. One of Stevens' former aides, Trevor McCabe, was paid $558,000 of that money for an adjacent piece of land. Federal investigators want to know more about the arrangement.

It wasn't the only time that federal money found its way to McCabe's pocket. McCabe is also tied to the federal investigation of Stevens' son, former state Senate President Ben Stevens. The FBI raided the younger Stevens' offices last year, gathering documents related to his time on an Alaska board that handed out millions in federal grants to the seafood industry. While Stevens was on the board, he partnered with McCabe in a consulting company that took fees from the companies that received the federal money. The older Stevens saw to it that the board was stocked with federal funds.

FBI - Stevens-837

If the three-pronged federal investigation into Stevens run by the IRS, FBI and Interior Department doesn't impress you, *Roll Call* mentions that the raid of a US senator's home is a historical moment in Congressional corruption: "Stevens appears to be the only member of the Senate to have ever had his residence raided by the FBI."

Permalink | TOPICS: Ted Stevens

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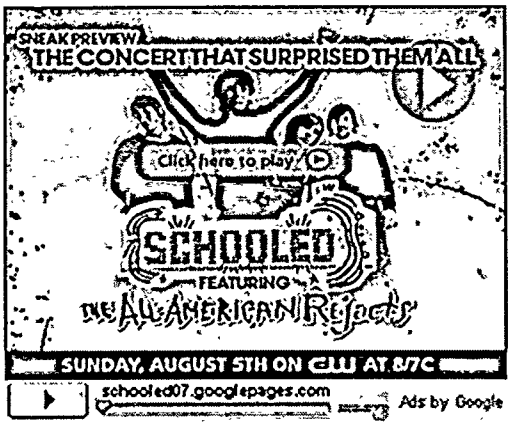

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Comments:

For AK US Attorney information, refer back Robin Boerner's comments in February:
http://www.tpmmuckraker.com/archives/002511.php

Posted by: mo2
Date: July 31, 2007 1:16 PM

USA for AK, Nelson Cohen, was appointed on August 22, 2006. This is four months before the Dec 7, 2007 attorney purge. I do not know anything about Cohen, but just find this interesting.

Posted by: mo2
Date: July 31, 2007 1:36 PM

The 990s for the Alaska Sealife Center are filed as the Seward Association for the Advancement of Marine Science - EIN# 520132479. They are online at the Foundation Center's 990 Finder - link below.

Government grants skyrocketed from $3.5 million in 2002 to $11.4 million in 2004 (the last year that the 990 is available).

FBI - Stevens-838

In 2004, the Seward Associaton paid $429k to Marical in Portland Maine for "staffing and research."

Posted by: Nelly Bly
Date: July 31, 2007 1:47 PM

Addendum: The Seward Association did not account for $1.1 million in grants

in its 2004 990.

Posted by: Nelly Bly
Date: July 31, 2007 1:52 PM

Addendum: The Seward Associaton has spent $55 million on land, buildings and equipment since its inception.

The big money appears to have rolled in in 2001 - $23 million.

Posted by: Nelly Bly
Date: July 31, 2007 1:58 PM

By the way: When Stevens finally resigns for "health reasons", Alaska's Republican Governor, Sarah Palin, won't be able to appoint anyone to replace him -- there's going to be a special election instead.

Why? Because the Republicans screwed the pooch in December of 2002 when Frank Murkowski appointed his darling daughter Lisa to replace himself in the U.S. Senate after he decided he'd rather be governor; the Alaska Lege passed a bill that prevented governors from ever doing anything like that again.

Posted by: Phoenix Woman
Date: July 31, 2007 2:25 PM

Wow. So they were photographing his wine cellar, bottle by bottle? And an aide assigned to the Commerce Committee was handling his personal affairs and finances?
Even if all of his financial dealings were honest - and we already know they weren't - using a committee staffer to handle them would break the law. Looks like the Senator is headed to the slammer.

Posted by: FlyOnTheWall
Date: July 31, 2007 3:02 PM

Name:

Remember personal info?
○ Yes ◉ No

Email Address:

URL:

Comments:

FBI - Stevens-839

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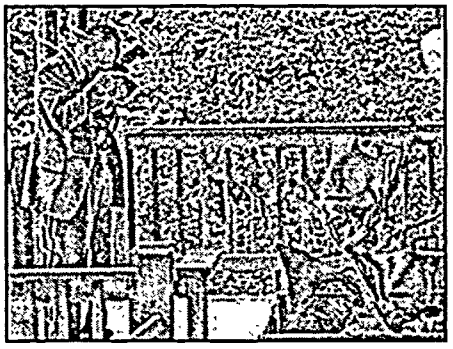
Stevens asked to step down from committees

By ERIKA BOLSTAD
ebolstad@adn.com
(Published: July 31, 2007)



A federal agent takes photos at the home of Sen. Ted Stevens on Monday in Girdwood. *(AL GRILLO / The Associated Press)*

WASHINGTON - A day following the federal raid on his Girdwood home, watchdog groups called on U.S. Sen. Ted Stevens to step down from any Senate committees where he oversees appropriations.

Both Taxpayers for Common and Sense and Citizens for Responsibility and Ethics today asked Republican leaders to request that Stevens at least temporarily step down until the investigation was resolved.

"It is imperative that no member under federal investigation be involved in the oversight or appropriations of any agency involved in investigating that member," said Melanie Sloan, executive director of Citizens for Responsibility and Ethics in Washington. "Sen. Stevens should immediately step down from his position on the Appropriations subcommittee on Commerce, Justice, Science and Related Agencies."

Sen. Ted Stevens *( )*

It wasn't clear Tuesday how Senate Republican leaders would handle the matter. Stevens is the only sitting U.S. senator known to be under active federal investigation.

Stevens reportedly received dozens of phone calls Tuesday morning from friends and colleagues offering their support. Two fellow senators stepped out publicly: Fellow Alaskan Republican Lisa Murkowski and Sen Trent Lott, R-Miss.

"Sen. Stevens has served his country and the state of Alaska with distinction for over 60 years," Murkowski said. "With the current investigation under way, it is not appropriate to jump to conclusions until the process is complete. Sen. Stevens has the right to have the facts established in this matter."

Lott was equally admiring of his longtime colleague. Lott is one of the Senate minority leaders as Republican whip.

"We all know Ted Stevens as a good man, a tireless advocate for improving the quality of life in Alaska, a decorated veteran and a true patriot of our country. He's asked us to await all information during this investigation, and I will while I'm standing by our longest-serving colleague."

FBI - Stevens-840

194A-AN-13620-M;41

Dozens of reporters staked out Stevens' Senate office in the hopes of catching him. They also waited for Stevens outside a Commerce subcommittee meeting where former Vice Adm. Thomas Barrett awaited a confirmation vote for a key spot in the Department of Transportation overseeing pipelines.

Stevens, a committee member, did not attend the meeting, and Barrett was introduced by Murkowski.

Contact Erika Bolstad in Washington, D.C., at ebolstad@adn.com or 1-202-383-6104.

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FBI - Stevens-841

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Sen.Ted Stevens (R-AK) (WDCPIX.com)

Stevens' Financial Clerk Testifies Before Grand Jury

By Laura McGann - July 31, 2007, 3:05 PM

A Senate clerk for Sen. Ted Stevens (R-AK) has testified before a grand jury about the remodeling of the senator's home overseen by Veco, the AP reports.

The Commerce Committee clerk, Barbara Flanders, who assisted Stevens with his personal financial records, also handed over documents related to the senator's finances and testified to what she knew about how the murky home remodeling project bills were paid.

Flanders is not the first Capital Hill staffer to be brought in to the investigation. Some of Stevens' former aides have already been questioned by the FBI.

Stevens has arftully claimed he paid every bill he received for the work done on his house. But the contractor on the job has described a suspicious payment process. The contractor, Augie Paone, said he would submit invoices to Veco (the major oil services company up in Alaska) and then would receive payment from Stevens. Paone also said the checks were all coming from a special account set up for the job.

FBI - Stevens-842

The AP also confirms that Interior Department investigators have joined in the investigation, probing a series of earmarks Stevens obtained: "The Interior Department's inspector general and the Commerce Department have also joined the case to investigate Stevens' connections with a Seward, Alaska, marine science organization that operates the Alaska SeaLife Center."

Permalink | TOPICS: Ted Stevens: Veco

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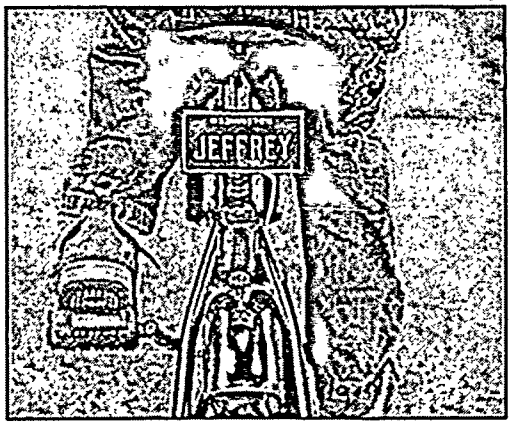
194A-AN-13620-m; 412



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Comments:

It ain't rocket science. Veco got the invoice, gave Ted $ for said invoice, Ted wrote the check to the contractor, but none of it came out of his pocket.

Posted by: Largo
Date: July 31, 2007 4:00 PM

Anyone awaree of just WHO Allen admitted to bribing? Were the bribes supposedly restricted to local lawmakers? Also, have other lawmakers been indicted yet from the Allen admission? Just curious to see if and how his name might come up in those financial records..

Posted by: johnnydoughey
Date: July 31, 2007 4:21 PM

The AP has a curious angle on the story:

"The focus seems to be on the wine"

"Federal agents searching the home of a Republican senator from Alaska seemed especially interested in cases of wine stored in the house. ..."

FBI - Stevens-843

"... investigators photographed individual wine bottles as well as cases of wine, as they carried out the search as part of a public corruption probe. ..."
kvoa.com/Global/story.asp?S=6864993&nav=HMO6HMaW

Posted by:
Date: July 31, 2007 4:28 PM

The AP has a curious angle on the story:

"The focus seems to be on the wine"

"Federal agents searching the home of a Republican senator from Alaska seemed especially interested in cases of wine stored in the house. ..."

"... investigators photographed individual wine bottles as well as cases of wine, as they carried out the search as part of a public corruption probe. ..."
kvoa.com/Global/story.asp?S=6864993&nav=HMO6HMaW

Posted by: Bill W
Date: July 31, 2007 4:29 PM

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oops, sorry for the double post. :(

Posted by: Bill W
Date: July 31, 2007 4:30 PM

AP style has VECO in all caps.

Posted by: Tom
Date: July 31, 2007 4:32 PM

Is this Stevens' perp-walk photo?

I think Delay's was much better.

Posted by: Slippery Slope
Date: July 31, 2007 5:11 PM

RE: Senator (Convicted) for Life Stevens Legal Defense Fund.

Among many considerations to augment his legal defense fund-- Sen. Stevens may need to resort to auctioning the 'naming rights' to Ted Stevens Anchorage International Airport.

jwl

Posted by: jwl
Date: July 31, 2007 5:15 PM

FBI - Stevens-844

Name:

Email Address:

URL:

Remember personal info?
○ Yes ◉ No

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Stevens' ties

(Published: August 1, 2007)

These three projects tied to Sen. Ted Stevens have come under question:

Alaska SeaLife Center

Trevor McCabe, a former aide to Sen. Ted Stevens and a business partner of Stevens' son Ben, was able to sell the derelict Arcade building to the federally funded SeaLife Center when Ted Stevens earmarked a special appropriation to the science center and aquarium in 2005. The matter is now under investigation by the Interior Department's inspector general.

Stevens' Girdwood home

In 2000, Stevens more than doubled the size of his official residence. The main contractor said the oil field service company Veco reviewed more than $100,000 in invoices prior to Stevens paying them. On Monday, the FBI and IRS spent 12 hours inside the home under a search warrant as part of an investigation into whether Stevens paid for the entire project.

National Archives site

A Senate subcommittee is asking questions about the National Archives' purchase in 2004 of an Anchorage lot for $3.5 million, according to Capitol Hill publication Roll Call. The sellers, Leonard Hyde and Jonathan Rubini, two former business partners of Sen. Ted Stevens, more than doubled their investment in a year. Stevens earmarked the appropriation to purchase the site, though there was no indication he personally benefited.

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FBI - Stevens-845

194A-AN-13620-m:413

Sen. Craig: Stevens Suspicious of FBI M.O. Behind House Search

Wednesday, August 01, 2007

FOX NEWS

WASHINGTON —

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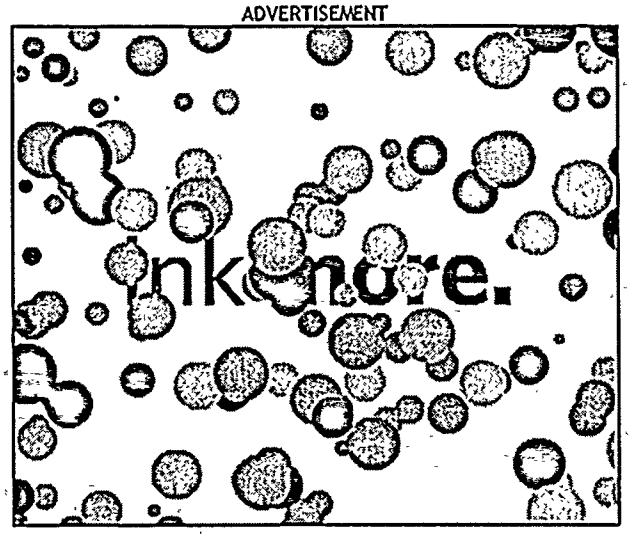

Sen. Ted Stevens, currently the subject of an FBI corruption probe, is questioning the modus operandi of the FBI in the daylong search of his home in Girdwood, Alaska, fellow western state colleague Sen. Larry Craig said Wednesday.

Craig said Stevens, who has avoided the press as much as possible working in his secluded Capitol hideaway office, told him that he had been informed by the FBI that he was under investigation and agents were going to search his home.

Stevens apparently recounted to Craig that he said okay and offered to send the agency a key to his house, but the FBI official who contacted Stevens refused the offer and instead said agents had ways of getting in on their own.

That's just what they proceeded to do on Monday when FBI and IRS officials showed up with a locksmith in tow. They were able to enter the home on their own, though an array of media were there to capture the scene for posterity.

"The story then became the FBI break-in into the home, the raid, when instead, if Ted had been able to give them the key, because he intended to cooperate, the story would be much differerent," Craig said, calling it appropriate to question the FBI's motive.

"Was the media told of ... William Jefferson's freezer raid?" Craig asked, referring to a raid on the Louisiana congressman's home in New Orleans that turned up $90,000 in cash wrapped in aluminum and stuffed into frozen food boxes.

"They appeared to stage an event for the sake of publicity. ... It would be very intimidating to me," Craig added.

Stevens originally had been under investigation over possible assistance he may have received for home remodeling from a business partner and owner of Alaska's largest oil engineering firm. VECO Inc. former CEO Bill Allen pleaded guilty in May to bribing state officials.

Stevens has not been charged, but the investigation has now spread to the Commerce and Interior departments, which are looking into questions about whether federal funds Stevens steered to an Alaska wildlife research center may have enriched a former aide. Stevens formerly headed the Senate Appropriations Committee, making him one of the most powerful lawmakers on Capitol Hill. He is currently the ranking Republican on the Commerce Committee.

After the Monday raid, Stevens issued a statement insisting he did nothing wrong and saying he didn't want to comment while the investigation is ongoing.

FBI - Stevens-846

194A-AN-13620-m;414

On Capitol Hill this week, Stevens, 83, moved quickly while dodging questions from reporters. He appeared on the Senate floor on Wednesday looking tired after also attending a Commerce Committee hearing. Some interest groups had suggested he be stripped from his committee assignments while the probe is underway.

In his first speech since the raid, he briefly explained that he was absent from a morning vote because he was at Arlington National Cemetery for the internment services for Gen. Alan Brightwiser, a good friend of his whose top aide was with Stevens when the two survived an airplane crash in 1978 that killed Stevens' wife.

Afterward, when asked about the Craig account of his suspicions regarding the FBI, Stevens defiantly told FOX News, "You got my statement from my office." Pressed further, he quietly said, "I'm having a good day. How about you?"

FOX News' Trish Turner contributed to this report.

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FBI - Stevens-847

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They've got muck. We've got rakes.

What's in the FISA Bill?

White House, Congress FISA Talks Collapse

Jefferson Office Raid Unconstitutional

THIS JUST IN:

RULES PANEL STRIKES MOLLOHAN EARMARKS
The House Rules Committee, prompted by a request from Rep. Alan Mollohan (D-WV), effectively struck three earmarks that the lawmaker himself had asked for from the Agriculture appropriations bill Wednesday night. (The Hill)

FEMA SUSPENDS USE OF DISASTER TRAILERS
The Federal Emergency Management Agency has stopped donating and selling disaster trailers while it studies reports that people living in them after hurricanes Katrina and Rita got sick from formaldehyde exposure. (Associated Press)

JUDGE BACKS CIA IN SUIT ON MEMOIR
Valerie Wilson may be the best known former intelligence operative in recent history, but a federal judge in New York ruled Wednesday that she was not allowed to say how long she worked for the Central Intelligence Agency in the memoir she plans to publish this fall. (NY Times)

DOCUMENTS SAY ARMY KNEW OF EXAM CHEATING
The Army was warned at least six years ago that its online testing program was vulnerable to cheating, and has known for nearly a year that soldiers are obtaining copies of exams and answers on the Internet to fraudulently obtain promotion points, according to military documents. (Boston Globe)

D.C. TO PAY $1 MILLION TO PROTESTORS
The District of Columbia has agreed to pay $1 million to 120 protesters who were improperly rounded up by the police

Sen.Ted Stevens (R-AK) (ustda.gov)

Senate Aide's Disclosure Shows No Payments From Stevens

By Laura McGann - August 3, 2007, 10:30 AM

If the Senate aide who has been accused of handling Sen. Ted Stevens' (R-AK) personal finances while on the government clock received separate payments from the Alaska senator, she didn't list them on her public financial disclosure in 2006, the AP reports

Roll Call reported yesterday that the aide, Barbara Flanders, didn't disclose any additional personal income in 2007 either.

Flanders' involvement in the ethics scandal aired Tuesday when press reports said she testified before a grand jury about Stevens' finances and provided documents. Flanders is a former personal aide to Stevens and now is supposed to work full time for the Senate Commerce, Science and Transportation Committee. It appears she also handles Stevens' bills. If she wasn't paid for this work, Stevens should have listed her services as a gift on his own disclosure forms, which he has not done. If accurate, this kind of an arrangement is a violation of federal law.

Stevens' office offered a vague denial of wrongdoing:

> Stevens' spokesman, Aaron Saunders, said in an e-mailed statement: "As the former chairman of the Senate Ethics and Rules Committees, Senator Stevens has vast knowledge and experience with the Senate rules. He has long-standing office policies that are consistent with these rules, including personally compensating staff members for performing tasks that are outside their official duties."

Permalink | Comments (20) | TOPICS: Ted Stevens

FBI "Gestapo-like" In Raid Of Stevens' Home

By Laura McGann - August 2, 2007, 5:44 PM

Sen. Larry Craig (R-ID) called the tactics used by FBI and IRS agents who raided Sen. Ted Stevens (R-AK) home "Gestapo-like" today, the Crypt reports.

Craig's main objection seems to be that the agents could have parked a large

FBI - Stevens-848

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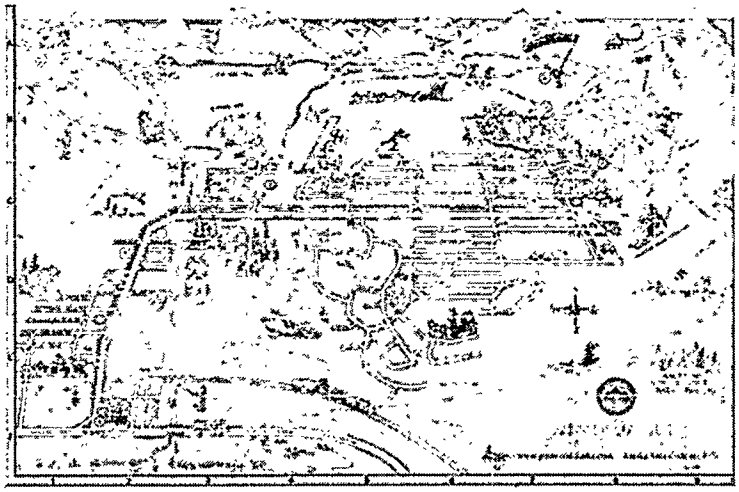
194A-AN-13620-m; 415

white truck in front of Stevens' Girdwood home, photographed it and the neighboring property and carried out black trash bags (presumably filled with evidence) much more discreetly than they did. Maybe Craig's never been to Girdwood, because I just consulted our handy Girdwood map and it looks like it might have been tough for a dozen federal agents to have shown up at the most famous Alaskan's house without any of the neighbors noticing:



From the Crypt:

> "I think some people say, 'Ah, but for the grace of God go I.' Especially when you have the allegatiatons, you have the judicial segment of our government, the executive branch, out raiding the homes of senators, that is a very frightening proposition. It is a bit Gestapo-like in its style and tactics," Craig said on Wednesday. "When the FBI was offered a key and invited into the home, they chose publicize it to make sure the media was there first, and they broke in. That is gamesmanship. That makes senators very, very angry when they attempt to cooperate when for reason they are caught in these webs and yet they are denied that for the sake of the judciary's publicity. That is wrong.''

Permalink | Comments (24) | TOPICS: Ted Stevens

Uncle Ted's Eateries

By Laura McGann - August 1, 2007, 6:35 PM

Planning to eat at Uncle Ted's tonight? If you are, plan on canceling.

A former aide to Sen. Ted Stevens (R-AK) filed papers in 2004 to create a restaurant company called Uncle Ted's Alaska LLC. But, unfortunately, it looks like the aide got cold feet last year, right around the time his boss' criminal investigation came to light. A few weeks following *The Anchorage Daily News'* initial coverage of the scandal, the aide, Trevor McCabe, dissolved the company. "Decision not to pursue original business idea," is the only explanation.

FBI - Stevens-849

According to documents McCabe filed with the state, he was registered to run eating and drinking places, food stores and miscellaneous retail stores. Perhaps he had a vision for a chain restaurant devoted to foods loved by Stevens, who is

known as "Uncle Ted" up in his home state. Alas, we'll never know (we can only offer our suggestion of "Big Boy" inspired icon). I can imagine a mean salmon sandwich, you could even call it a "Murkowski" for fun. Certainly pork (ribs? chop? roast?) would have been in generous supply.

This wouldn't have been the first time that McCabe used his relationship with Stevens for his benefit -- a connection that's become clearer due to the federal investigation of Stevens. He served on a marketing boardwith Stevens' son, Ben Stevens, that provided federal grants to the seafood industry, while they were paid "consulting fees" by the same companies receiving the money. He also benefited from a string of the elder Stevens' earmarks that have come under FBI scrutiny.

Permalink | Comments (17) | TOPICS: Ted Stevens

Sen.Ted Stevens (R-AK) (ustda.gov)

Company Tied To Stevens Fishery Scandal Got $3.5 Million Earmark

By Laura McGann - August 1, 2007, 12:54 PM

One of the companies involved in the widening federal probe into Alaska political corruption is positioned to benefit handsomely from a $3.5 million earmark tucked into a 2008 Senate spending bill by Sen. Ted Stevens (R-AK), CQ reports.

The company, Trident Seafoods Corp., was one of several that received federal money via a local board headed by Stevens' son, Ben Stevens. While the younger Stevens dolled out federal grants supplied by his father, he received "consulting fees" from an association formed by the same companies winning the grants. Trident CEO Charles Bundrant contributed $6,700 to the elder Stevens' campaign and affiliated PACs since 2004. He also gave the National Republican Senatorial Committee $35,000 between 2005 and 2007.

The earmark CQ notes is for an airstrip that would service seafood giant Trident, and the *100* Alaskans who live in Akutan.

> Trident and Stevens are no strangers. For years, company founder and Chief Executive Charles Bundrant has been a generous contributor to the Alaska Republican's campaigns. And in December, according to the Seattle Times, a federal grand jury investigating political corruption in Alaska ordered Trident and other seafood companies to produce documents detailing financial ties to the senator's son, former Alaska Fisheries Marketing Board Chairman Ben Stevens.

FBI - Stevens-850

Permalink | Comments (24) | TOPICS: Ben Stevens : Ted Stevens

Senate Leadership Backs Stevens

By Laura McGann - August 1, 2007, 11:52 AM

Members of the Senate leadership told *The Hill* that Sen. Ted Stevens (R-AK) should be allowed to keep his committee seats.

Sen.Ted Stevens (R-AK) (WDCPIX.com)

Two watchdog groups have pushed to have Stevens temporarily removed from his committee assignments until the conclusion of a federal criminal investigation looking into his dealings with oil services company Veco and a series of earmarks that benefited one of his pet projects in Alaska.

Unlike in the House, the Senate has adopted a "wait and see" posture:

> Senate Majority Leader Harry Reid (D-Nev.) and Minority Leader Mitch McConnell (R-Ky.) both said Tuesday that Stevens could continue serving on his Senate panels, since charges have not been brought against him.
>
> "My personal feeling is that we have to be very careful about punishing people during an investigation," Reid, a former longtime appropriator, said Tuesday. "I don't know anything about the Stevens investigation, but I'm not going to be in a position where just because someone's under investigation they're punished here in the Senate."

Permalink | Comments (28) | TOPICS: Ted Stevens

Stevens Vows To Block Ethics Bill

By Laura McGann - July 31, 2007, 6:47 PM

Just when we thought there was no more Sen. Ted Stevens (R-AK) news for the day, **John Bresnahan** hears that he's promising to block ethics legislation.

You couldn't make this up:

> Republican Sen. Ted Stevens, whose home back in Alaska was raided by federal investigators Monday in a wide-ranging corruption investigation, has threatened to place a hold on the Democratic-drafted ethics legislation just passed by the House and expected on the Senate floor by week's end.
>
> The senator told a closed session of fellow Republicans today, including Vice President Dick Cheney, that he was upset that the measure would interfere with his travel to and from Alaska – and vowed to block it.
>
> And Sen. Larry Craig (R-Idaho), confirming Stevens' threat, said bluntly: "There could be a lot of holds on this bill."

Permalink | Comments (40) | TOPICS: Ted Stevens

Stevens' Financial Clerk Testifies Before Grand Jury

FBI - Stevens-851

By Laura McGann - July 31, 2007, 3:05 PM

A Senate clerk for Sen. Ted Stevens (R-AK) has testified before a grand jury about the remodeling of the senator's home overseen by Veco, the AP reports.

The Commerce Committee clerk, Barbara Flanders, who assisted Stevens with his personal financial records, also handed over documents related to the

s[redacted] finances and [redacted] she knew about how the murky home remodeling project bills were paid.

Sen.Ted Stevens (R-AK) (WDCPIX.com)

Flanders is not the first Capital Hill staffer to be brought in to the investigation. Some of Stevens' former aides have already been questionedby the FBI.

Stevens has arftully claimedhe paid every bill he received for the work done on his house. But the contractor on the job has described a suspicious payment process. The contractor, Augie Paone, said he would submit invoices to Veco (the major oil services company up in Alaska) and then would receive payment from Stevens. Paone also said the checks were all coming from a special account set up for the job.

The AP also confirms that Interior Department investigators have joined in the investigation, probing a series of earmarks Stevens obtained: "The Interior Department's inspector general and the Commerce Department have also joined the case to investigate Stevens' connections with a Seward, Alaska, marine science organization that operates the Alaska SeaLife Center."

Permalink | Comments (14) | TOPICS: Ted Stevens : Veco

Sen.Ted Stevens (R-AK) (WDCPIX.com)

Stevens Investigation Broader Than Veco Home Makeover

By Laura McGann - July 31, 2007, 12:15 PM

It's official: the FBI is looking into more than Sen. Ted Stevens' Veco-overseen remodeling project. Roll Call reports that the FBI and the Department of Interior are also looking into a series of earmarks for one of Stevens' pet projects.

The project, the Alaska SeaLife Center in Seaward, Alaska, has received some $50 million in federal money since 1998. One of Stevens' former aides, Trevor McCabe, was paid $558,000 of that money for an adjacent piece of land. Federal investigators want to know more about the arrangement.

It wasn't the only time that federal money found its way to McCabe's pocket. McCabe is also tied to the federal investigation of Stevens' son, former state Senate President Ben Stevens. The FBIraided the younger Stevens' offices last year, gathering documents related to his time on an Alaska boardhat handed out millions in federal grants to the seafood industry. While Stevens was on the board, he partnered with McCabe in a consulting company that took fees from the companies that received the federal money. The older Stevens saw to it that the board was stocked with federal funds.

If the three-pronged federal investigation into Stevens run by the IRS, FBI and Interior Department doesn't impress you, *Roll Call* mentions that the raid of a US senator's home is ahistorical moment in Congressional corruption: "Stevens appears to be the only member of the Senate to have ever had his residence raided by the FBI."

FBI - Stevens-852

Permalink | Comments (9) | TOPICS: Ted Stevens

CREW: Stevens Should Step Down from DoJ Committee Spot

By Paul Kiel - July 31, 2007, 11:48 AM

Sen.Ted Stevens (R-AK) (ustda.gov)

Another D.C. watchdog, Citizens for Responsibility and Ethics in Washington, has joined the call for Sen. Ted Stevens (R-AK) to relinquish his committee seats, this time focusing on Stevens' seat on the committee that funds the Justice Department. Says CREW director Melanie Sloan:

"Senators should follow the lead of their House colleagues and require anyone whose property has been searched in connection with a criminal probe to relinquish his plum committee post. Senator Stevens, who sits on the subcommittee responsible for funding the Justice Department, which is conducting a probe into his potentially criminal activities, should immediately resign his position on the Appropriations committee."

A similar situation occurred in the House earlier this year, where Rep. Alan Mollohan (D-WV), who's been under federal investigation since last April, did not step down from his chairmanshipof the panel that oversees the Justice Department's budget. Mollohan, however, recusedhimself from Department matters. That recusal has been called into question, however. *Roll Call* reported (sub. req.) yesterday that Mollohan nevertheless voted against an amendment last week that would have increased the FBI's budget by $6 million.

Permalink | Comments (4) | TOPICS: Ted Stevens

Watchdog: Stevens Should Step Down from Committee Posts

By Paul Kiel - July 31, 2007, 10:48 AM

Below is the letter the nonpartisan D.C. watchdog Taxpayers for Common Sense sent to Senate Minority Leader Mitch McConnell (R-KY) this morning asking that Sen. Ted Stevens (R-AK) get the temporary boot from his committee seats.

The letter:

FBI - Stevens-853

The Honorable Mitch McConnell Minority Leader United States Senate Washington, DC 20510

July 31, 2007

Dear Leader McConnell:

I'm writing to request that you ask Senator Ted Stevens (R-AK) to temporarily recuse himself from his committee assignments until the federal criminal investigation into his activities has been resolved.

Under Minority Leader John Boehner (R-OH), House Republican leadership have created a precedent of self-policing by asking lawmakers under federal investigation to leave their committee assignments until the investigation is completed, particularly after a search warrant has been executed on their home or business. By urging Rep. Rick Rienzi (R-AZ) and Rep. John Doolittle (R-CA) to leave their committee assignments, Leader Boehner drew a proverbial ethics line in the sand that he will not cross. Now that a search warrant has been issued and executed in his home, it is time for Senator Stevens to do the right thing and step down from his committee assignments.

We don't make this request lightly. Senator Stevens has served the people of Alaska in the Senate for 37 years. Like every target of a federal investigation or criminal defendant, Senator Stevens is entitled to due process and remains innocent until proven otherwise. But the standard for holding a powerful committee position should not hinge on the absence of a criminal conviction. Even the appearance of using public office for personal profit undermines public confidence in Congress. A judicial finding of probable cause that a search of the Senator's home would produce evidence of a crime certainly has the effect of harming the public trust.

There is growing evidence that Senator Stevens may have used his powerful perch on the appropriations committee to direct tens of millions of dollars of earmarks to benefit family, friends, business partners and former staff. We think you would agree that the use of public office for personal profit in any way, shape, or form cannot be condoned. Indecisiveness will harm the public trust and current Senate efforts on ethics reform. The Senate needs to take decisive action to show taxpayers that self-dealing will not be tolerated.

Thank you for your attention on this matter.

Sincerely,

Ryan Alexander
President
Taxpayers for Common Sense

FBI - Stevens-854

Permalink | Comments (9) | TOPICS: Ted Stevens

Today's Must Read

By Laura McGann - July 31, 2007, 10:08 AM

Two dozen FBI and the IRS agents took a close look yesterday at the infamous remodeling job overseen by Veco Corp. that doubled the size of Sen. Ted Stevens' (R-AK) home, snagging him in the widening probe into Alaska political corruption .

Sen.Ted Stevens (R-AK) (WDCPIX.com)

orful details.

The agents were at Stevens' improved home in the small town of Girdwood with curtains drawn well into the night -- collecting evidence and shooting photos and video of the house and neighboring property. The FBI and IRS declined to comment on the raid, but a reporter perched outside Stevens' home got a pretty good idea of what was going on:

> The agents were obviously cataloging the house and its fixtures, from light switches and electrical outlets to a big stainless steel barbecue grill on a second-floor deck that neighbors said was hoisted there with a crane. At one point, agents climbed on the pitched metal roof to take pictures of heat tape in the gutters.
>
> One agent carried a full large black garbage bag out of the house and put it in the white truck.

Stevens, who is the most senior Republican in the Senate, sits on the Commerce, Science and Transportation and Appropriations committees. Known for his aggressive earmarking, watchdog group Taxpayers for Common Sense will ask Senate Minority Leader Mitch McConnell (R-KY) to temporarily remove Stevens from his posts until the federal investigation ends, according to Roll Call (sub req.):

> According to a source with the group, this will be the first time TCS has ever made such an appeal. But the organization will argue in a letter to McConnell that given the current public concern with Congressional ethics, he should take a path similar to one the House GOP leadership has followed and request that Stevens relinquish his seats on the two powerful committees until the investigation is completed....
>
> In the letter, TCS President Ryan Alexander will argue that McConnell should ask Stevens to step down "until this federal investigation can be resolved and the public trust restored," said the source, who spoke on condition of anonymity because the letter had not yet been completed as of this posting.

Stevens' son, former state Senate President Ben Stevens has been implicated in receiving questionable payments from Veco executives, and Rep. Don Young (R-AK) is under federal investigation for his ties to the company as well.

Update: See the letter from Taxpayers for Common Sense here

Permalink | Comments (23) | TOPICS: Must Read : Ted Stevens

FBI - Stevens-855

BREAKING: FBI Raids Stevens Alaska Home

By Paul Kiel - July 30, 2007, 6:51 PM

From the **Anchorage Daily News**:

> Federal law enforcement agents are currently searching the Girdwood home of Alaska U.S. Sen. Ted Stevens, an FBI agent said.

> "All I can say is that agents from the FBI and IRS are currently conducting a search at that residence," said Dave Heller, the assistant special agent in charge of the FBI's Anchorage office. The search began this afternoon, he said.

That's the same home, of course, that was doubled by a renovation undertaken in 2000 -- the contractor, curiously, was Veco, the corrupt oil company. Veco, prosecutors have pointed out "was not in the business of residential construction or remodeling." And that's not all that's curious about the renovation.

Permalink | Comments (26) | TOPICS: Ted Stevens

Rep. Don Young (R-AK) (House Website)

Don Young Under Federal Criminal Investigation

By Laura McGann - July 24, 2007, 9:09 PM

The Wall Street Journal reports that 18-term Rep. Don Young (R-AK) is under criminal investigation for his dealings with Alaska oil services company Veco Corp.

While the investigation into Sen. Ted Stevens' (R-AK) ties to Veco, including the remodelingof his Girdwood home, has been widely reported, this is the first time Young has been implicated in the scandal.

It looks like an annual pig-roast fundraiser snared the congressman known for huge pork projects, including the infamous "Bridge to Nowhere."

From *The Journal*:

> For a decade, former VECO Chief Executive Bill Allen has held fund-raisers for Mr. Young in Anchorage every August, known as "The Pig Roast," participants said. Public records show contributions to Mr. Young of at least $157,000 from VECO employees and its political-action committee between 1996 and 2006, the last year the event was held.
>
> Mr. Young amended his campaign-finance filings in January to reflect $38,000 in payments to Mr. Allen, the former VECO chief. The refunds, which haven't previously been reported, were labeled "fund-raising costs" in documents filed with the Federal Election Commission.

Veco has been the recipient of a variety of federal contracts, but it's still not clear what the company would have received in exchange for all of its alleged bribes.

Permalink | Comments (29) | TOPICS: Don Young : Ted Stevens

FBI - Stevens-856

Ted Stevens Foundation Late To Register, Pay Fees

By Laura McGann - July 24, 2007, 5:48 PM

The Ted Stevens Foundation was founded in 2000 aiming to serve a variety of admirable causes and work on "educating and informing the public about the career of Senator Ted Stevens." The extent of its charitable

Sen.Ted Stevens (R-AK) (WDCPIX.com)

filing a FOIA request with Alaska, the **Sunlight Foundation**discovered that the group has failed to pay its dues and register with the state for last three years.

A shortage of money isn't their excuse. Back in 2005 The Ted Stevens Foundation, which was renamed North to the Future Foundation last year, had net assets of $1.7 million in 2004 and $2.3 million in 2005.

Besides spreading the word about Stevens' accomplishments, the group also aims "to make grants to other public charities and to provide programs which educate, encourage communication, relieve poverty and promote community welfare throughout the state of Alaska and the United States."

How successful has it been at giving out money? According to Sunlight's research:

> Between 2003 and 2005 the foundation has spent more than $380,000 on fundraisers but has given out only two grants: one for $40,000 to the Smithsonian Institute in 2004 and $10,000 to the Anchorage Rowing Association in 2005, according to the 990s.

So, then, what does this non-profit actually do? Back in 2004 *The Washington Post* ran an editorial taking a guess at the real purpose: to shake down lobbyists for the benefit of sitting politicians.

At an event held at the Capital Hilton in 2004, The Ted Stevens Foundation aimed raise $2 million with tables going for $50,000 each. Some lucky donors had a VIP at their table -- one of the two thirds of the Senate members that attended. At the time, Stevens was the chair of the Appropriations Committee and lobbyists were happy to donate to his "charity" for a little time by his ear.

The Washington Post editorial cuts at the heart of the problem with this kind of a "non-profit":

> When foundations like this are set up for the benefit of sitting lawmakers, requests for contributions have the inevitable air of a shakedown: What lobbyist with an interest in appropriations matters would fail to give to Mr. Stevens's charity? Meanwhile, the money can come from corporations that are prohibited from giving directly to the senator's reelection campaign, and in far larger denominations than ordinary campaign contributions. All of this activity is subsidized by the taxpayers, since contributions to the fund are tax-deductible. Most disturbing of all, the Stevens foundation -- unlike some of the other charities with ties to lawmakers -- doesn't plan to disclose its donors or the amounts they give.

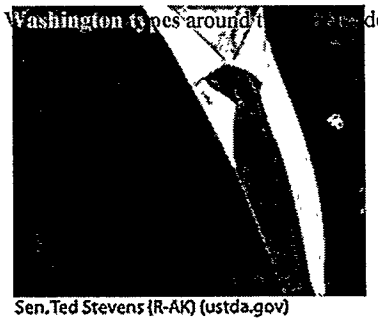
FBI - Stevens-857

Permalink | Comments (11) | TOPICS: Ted Stevens

Stevens To Walk Backward Through Alaska

By Laura McGann - July 23, 2007, 5:29 PM

Sen. Ted Stevens (R-AK) announced his plans this week to start an Alaska awareness program where he'll guide


Sen.Ted Stevens (R-AK) (ustda.gov)

demonstrate its unique needs -- which require lots of federal funds.

The guided tours will show capital politicos (maybe bloggers, too?) how vast and remote the state really is, especially for those in rural villages.

Interestingly, Stevens had a specific rule for the press conference where he unveiled his plan:

> Stevens said he wouldn't answer any questions with the word "investigation" in them, which ruled out questions about the federal inquiry into renovations that doubled the size of his Girdwood home in 2000. No charges have been brought, but a federal grand jury has questioned people involved with it.

Permalink | Comments (17) | TOPICS: Ted Stevens

Sen.Ted Stevens (R-AK) (WDCPIX.com)

Stevens' Artful Dodge

By Laura McGann - July 18, 2007, 2:42 PM

Sen. Ted Stevens (R-AK) gave an artful explanation of how he paid for the remodeling of his home yesterday -- so flagrantly artful that quite a few TPM readers have written in to flag it as a "non-denial denial."

The longest-serving Republican senator was defending himself from accusations that oil-services company Veco Corp. paid for the renovation project that doubled the size of his Girdwood, Alaska house in 2000. A grand jury in Washington has started looking into the job because of Veco's bizarre role as general contractor.

> As a practical matter, I will tell you. We paid every bill that was given to us. Every bill that was sent to us has been paid, personally, with our own money, and that's all there is to it. It's our own money.

Notice Stevens didn't say he paid for the whole job: he paid for what he was sent.

FBI - Stevens-858

And who was sending him the invoices?

According to the sub-contractor, Augie Paone, who was hired by Veco to handle the construction work, he would give his bills to Veco (not Stevens) for review. Then, payment from Stevens would arrive in the mail. The checks all came from a special account set up specifically for the remodeling job, Paone told the press a few months ago. He recently hired a lawyer and is no longer speaking publicly.

We haven't received a response on our request for clarification from Stevens' office.

Permalink | Comments (18) | TOPICS: Ted Stevens : Veco

Sen.Ted Stevens (R-AK) (WDCPIX.com)

Stevens Needs Second Disclosure Extension

By Laura McGann - July 17, 2007, 11:45 AM

Sen. Ted Stevens (R-AK) is getting another extension to file his financial disclosure forms:

Spokesman Aaron Saunders said he could not elaborate on what changes needed to be made and issued a brief written statement.

"The Ethics Committee has completed its review and has asked Senator Stevens to make a few technical clarifications to his disclosure," the statement said. "To make these minor adjustments, the Committee has granted the Senator another extension."

The disclosure paperwork was due May 15, but Stevens missedhat deadline. He skirted it by asking the Senate Ethics Committee to review his finances from the previous year. Other lawmakers facing legal troubles, like Rep. John T. Doolittle (R-CA) and Sen. Robert Menendez (D-NJ), did the same.

Permalink | Comments (15) | TOPICS: Ted Stevens

Sen.Ted Stevens (R-AK) (WDCPIX.com)

Stevens' Popularity Sinks To New Low

By Laura McGann - July 16, 2007, 11:26 AM

I'll bet he hopes the grand jury has a better opinion of him.

A new poll shows that only 44% of Anchorage voters have a positive attitude about Sen. Ted Stevens (R-AK).

That's quite a dip for Stevens, according to pollster Ivan Moore, who said that between September 2005 and April 2007 the senator's popularity rating ranged between 58 percent and 63 percent.

Stevens isn't too concerned:

FBI - Stevens-859

> "Moore is an opinion-making pollster, not an opinion-taking pollster," Stevens told the Fairbanks Daily News-Miner.

Permalink | Comments (7) | TOPICS: Ted Stevens

Alaska Lawmakers to Get Ethics Refresher

By Laura McGann - July 13, 2007, 11:49 AM

Sharpen those number 2 pencils, Alaska lawmakers. In a move to combat the corruption scandals that launched the FBI's probe into the state's politics, a new

state law requires legislators to undergo ethics training.

Gov. Sarah Palin signed the law earlier this week, right after former state Rep. Tom Anderson (R) was found guilty of seven counts of extortion, bribery, conspiracy and money laundering. Anderson was accused of taking bribes from the private prison industry in exchange for pushing for facilities across the state.

The legislature hopes the new law will help clean up its image.

> House Bill 109 tightens up the definition of bribery, requires legislators to make financial disclosures when leaving office, puts new disclosure requirements on consulting fees and meals purchased by lobbyists for lawmakers and makes numerous other clarifications in laws applying to both the executive and legislative branches.

Permalink | Comments (7) | TOPICS: Ted Stevens

Sen.Ted Stevens (R-AK) (WDCPIX.com)

The Senate: One Happy Family

By Laura McGann - July 11, 2007, 2:40 PM

The family that's investigated together, stays together.

Sen. Ted Stevens' (R-AK) said his fellow senators have stood by him now that he faces federal scrutiny for his involvement with oil field services company Veco Corp.

During an interview with reporters last week in Alaska, a local public radio station grabbed audio of Stevens saying:

> There is sort of a cloud out there, but it's not harmed my role as a senator for Alaska, if anything, it's is a strange thing, it's enhanced it because senators read papers too, and it's sort of a family, the senate family comes around when someone's got a problem. And they've all encouraged me: "Don't get excited about this because so many people have been through it in their own states and it's not an easy thing."

Too bad Sen. Conrad Burns (R-MT) wasn't around to provide a shoulder to cry on.

The audio is online here.

FBI - Stevens-860

Permalink | Comments (8) | TOPICS: Ted Stevens

Stevens Secured Big Federal Money For Business Partners

By Laura McGann - July 10, 2007, 11:14 AM

The federal government has been very good to two of Sen. Ted Stevens' (R-AK) business partners, Leonard

Sen. Ted Stevens (R-AK) (WDCPIX.com)

b. req.) John Stanton of *Roll Call.*

In 2004, Stevens slipped them a $3.5 million earmark for an empty plot of land in Anchorage that was to be used by the National Archives and Records Administration. The deal meant $2 million profit for Hyde and Rubini.

What's happened since the initial windfall for Stevens' business partners? Not much:

> Since the land deal was finished, federal funding has slowed significantly for the project. Despite a price tag of at least $29 million in construction costs, Stevens appears to have taken only modest interest in securing funding for the project since the land transfer. Stevens set aside $3 million in 2005 for site preparation, while the archives earmark diminished to just $1.9 million last year.
>
> However, according to a May 11, 2007, Anchorage Daily News story, $290,000 tagged for the construction has been reprogrammed for a new speed-skating-rink project being planned next to the NARA land. Stevens also secured a $940,000 earmark specifically for the skating rink in 2004, according to the story.

Stevens' help to secure federal money for business contacts is atypical. *Roll Call* surveyed the senators seated on the 29-member committee about whether any of their business ties receive federal dollars:

> Of the 19 Senate Appropriations Committee members whose offices responded to requests for comment, out of 29 on the committee, Stevens was one of only two members who disclosed a direct business relationship between themselves or their spouses and an entity that receives federal funds — and was the only member of the powerful committee who has such a relationship himself.

Stevens is already in trouble with federal investigators for allowing an oil services company to oversee the renovation of his home in Alaska. He was quoted yesterday by the Associated Press saying the probe "could cause me some trouble."

Permalink | Comments (10) | TOPICS: Ted Stevens

Stevens: Investigation "Could Cause Me Some Trouble"

FBI - Stevens-861

By Laura McGann - July 9, 2007, 3:45 PM

Sen. Ted Stevens (R-AK) told the Associated Press that the ongoing federal probe into his dealings with oil services company Veco could have ramifications at the polls:

"The worst thing about this

Sen.Ted Stevens (R-AK) (WDCPIX.com)

> [redacted]nge your life in terms of employment potential," Stevens said in an interview with The Associated Press. "It doesn't matter what anyone says, it does shake you up. If this is still hanging around a year from November, it could cause me some trouble."

Stevens also commented on his home remodeling project overseen by Veco that's reportedly of interest to investigators:

> "I'm working to get this concept out of my mind that someone is trying to make something illegal out of all this, That's what's really disturbing."

While Stevens was in Washington, Veco executives made sure his house was safely ratcheted off the ground and a new first story slipped in.

Permalink | Comments (15) | TOPICS: Ted Stevens : Veco

Sen.Ted Stevens (R-AK) (WDCPIX.com)

Kenai River Classic: Where Politicians And CEOs Go Fishing

By Laura McGann - July 9, 2007, 3:23 PM

This weekend the annual Kenai River Classic brought together members of Congress, like Sen. Ted Stevens (R-AK), and heads of major defense companies to help raise $1 million for Alaska salmon habitat preservation.

The 200 or so participants (who each contributed at least $4,000) were shown a good time. They fished the Kenai River for giant king salmon where a hospitality boat handed out bloody marys and cigars and they wined and dined along the riverfront. The *Anchorage Daily News* has two great photos you can see here.

The annual event has gone on for 14 years, drawing major corporations as donors, including Lockheed Martin, Northrop Grumman, Raytheon, Boeing and the heavily-investigated BAE Systems.

But some locals have piped up about the invitational, saying it does more harm than good. This year, the Kenai Area Fisherman's Coalition took out an opposition ad in the print edition of the local paper to complain about the environmental and community damage caused by the event. You can see the print ad here. The group, which includes 10 fish biologists, calls the message of the fundraiser disingenuous, arguing that the money ends up promoting non-sustainable growth along the river, ultimately hurting the habitat. The alliance is also rallying against the murky politicking taking place.

FBI - Stevens-862

"People get seduced by 'were helping save the river," said Ken Tarbox, who is a member of fisherman's group. "Lockheed Martin doesn't care about this river. A lot of people in the community here would not support this if they knew what was going on."

Tarbox, and others, have said what is really going on is favor swapping. The ad highlights what Stevens said at the 2002 River Classic, as captured by the *Anchorage Daily News*:

> "We invite people we think can afford to put a contribution into the till," [Stevens] said, "and people they want to meet."

By we, Stevens likely meant his co-host Bob Penney and himself. Penney is a longtime campaign contributor who co-owns a racehorse with the senator and has brought Stevens in on at least one incredibldand deal. Penney also testified before a grand jury as part of the ongoing and expanding federal probe of Sen. Stevens and Republican state lawmakers.

Permalink | Comments (8) | TOPICS: Ted Stevens

Ted Stevens Hires Ollie North's Lawyer

By Laura McGann - July 2, 2007, 6:16 PM

Taking his lead from Oliver North, Sen. Ted Stevens (R-AK) has hired Brendan V. Sullivan, Washington's most expensive and most powerful lawyer, *The Washingtonian* reports.

The move makes it look like Stevens isn't taking any chances in the ongoing federal probe into his dealings with Alaska oil services company Veco Corp.

Sullivan is used to going to bat for heavy weight defendants, including North, former HUD SecretaryHenry Cisneros, who pled guilty to a single misdeamenor at the end of a $9 million probe, and four FBI agents involved in the 1992 Ruby Ridge shootout.

Permalink | Comments (5) | TOPICS: Ted Stevens

Sen.Ted Stevens (R-AK) (ustda.gov)

Retired Fisherman Spoke With FBI About Stevenses

By Laura McGann - June 26, 2007, 6:17 PM

While former state Senate President Ben Stevens (R-AK) headed a seafood grant board that his father, Sen. Ted Stevens (R-AK) funded with millions in federal dollars, the younger Stevens took in thousands of dollars in consulting fees from the very companies that won the allocations. At least some of those fees, one retired Alaska fisherman has said under oath, were veiled bribes.

The fisherman, Victor Smith, spoke with the FBI in Seattle last year, just before a grand jury in Alaska issued at least three fisheries subpoenas. Smith said the agents wanted information on how the Stevenses were connected to the fishery scandal that he and others have complained and written about for years. "They were mainly interested in payments to Ben Stevens and anything I had related to Ted Stevens," Smith told me.

FBI - Stevens-863

In a signed affidavit (available here), Smith recounts a meeting between two affiliated fishery associations where the head of one group fielded a question from a member. The member wanted to know how Ben Stevens would be paid $500,000 now that his father had gotten $53 million for a project that would benefit the industry. According to Smith's affidavit:

> * The reply from Zuanich was "I'm confident that, with a little convoluted accounting, we can keep the payments to Ben Stevens off of PSVOA's books."

Since 2001, the younger Stevens has pulled in upwards of $775,435 in consulting fees, according to the*Anchorage Daily News*. Though, the Alaska Public Offices Commission recently fined Stevens $5,630 for failing to disclose $480,000 in payments he received from various companies. The complaint against Stevens was filed by former Alaska state representative Ray Metcalfe who has followed Stevens' relationship with the fisheries for years. Metcalfe estimates that Stevens has been paid at least $904,000 in fees by fisheries between 2000 and 2005. Smith's affidavit was included in the complaint.

Stevens was already roped into the ongoing federal investigation in Alaska when an executive at oil services company Veco Corp. pled guilty in May to bribing him with $240,000. His father is also under investigation for his dealings with Veco as well, including for having his home remodeled under the company's oversight.

Permalink | Comments (22) | TOPICS: Ted Stevens

Sen.Ted Stevens (R-AK) (WDCPIX.com)

More Reasons For A Far Away Stevens Investigation

By Laura McGann - June 26, 2007, 2:09 PM

We noted last week that a Washington, DC grand jury -- rather than one in Anchorage --is investigating Sen. Ted Stevens' (R-AK) shifty involvement with oil services company Veco Corp. Today the *Anchorage Daily News* offers more fodder for why federal investigators would want to set up shop so far from home.

The story is about the headache prosecutors are nursing in selecting a jury for the trial of former state Rep. Tom Andseron (R-AK). Anderson is charged with taking $24,000 in bribes from a company hoping to build a number of private prisons in Alaska. Though the case is not directly tied to the Veco scandal, Anderson was a Veco consultant while in office.

Prosecutors are hitting two problems with potential jurors that cut in opposite directions: their apparent low regard for local politicians and the inevitable ties within a small community. Here's what two rejected jury candidates had to say about Anderson:

> "I've already made up my mind," Donald Burns of Soldotna told a U.S. District Court judge on Monday. Burns, wearing a T-shirt and a baseball cap, said he listens to talk radio, watches TV news and reads two newspapers. "I hope they hang him," he said.
>
> ...
>
> When longtime Anchorage resident Hannah Davis heard about the charges against Anderson, her reaction was, "Oh no, not another one," she told the judge. Too often, people in power, from Anchorage to Washington, D.C., use their positions for personal gain, she said.

FBI - Stevens-864

As for community ties, one potential juror said she had gone on a date with Anderson and said she found the accusations "kind of unbelievable."

How a potential jury would receive Stevens if he were ever on trial is hard to say. Stevens has been in office since 1968 and is an Alaska icon, bringing his

state millions in federal dollars. His re-election campaign has already raked in $1 million and no viable competitor has stepped up to the plate. But some in the state have called him less popular and more vulnerable than in past elections. However a jury might cut for Stevens, it's clear that a prosecutor won't find 12 Alaskans who've never heard of him.

Permalink | Comments (22) | TOPICS: Ted Stevens : Veco

Alaska state Sen. Ben Stevens, R (WDCPIX.com)

Fisheries Netted In Federal Alaska Probe

By Laura McGann - June 22, 2007, 6:00 PM

Sen. Ted Stevens (R-AK) had his son, former state Senate President Ben Stevens, head a board that distributed $12 million in federal grants to promote seafood companies that, at the same time, paid the younger Stevens upward of $775,000 in "consulting fees."

This arrangement has caught the FBI's attention. Last fall, at least three fisheries were issued grand jury subpoenas to hand over documents related to the lobbying and consulting work provided by the younger Stevens and a former aide to Sen. Stevens, Trevor McCabe. The subpoenas also sought any documents connected to the older Stevens. Two of the companies are based in Seattle, and another is in Juneau.

Since 2001, companies in the industry have paid Stevens upwards of $775,435 in "consulting fees," the *Anchorage Daily News* has reported, for work that Stevens has never publicly explained. Others have said Stevens has pulled in even more fees. The Alaska Public Offices Commission recently fined Stevens $5,630 for failing to disclose $480,000 in payments he received from various companies. The complaint (pdf) against Stevens was filed by former Alaska state representative Ray Metcalfe who has followed Stevens' relationship with the fisheries for years. Metcalfe estimates that Stevens has been paid at least $904,000 in fees by fisheries between 2000 and 2005.

Stevens' arrangement with the seafood industry is strikingly similar to his setup with the oil services company, Veco. Former chief executive of Veco pled guilty just a few weeks ago to bribery charges, including paying Stevens $240,000 in "consulting fees" as a bribe for favorable legislation. The media focus on the probe in Alaska has so far been on Veco, but it looks like there is plenty of fishery work for the grand jury to investigate.

Permalink | Comments (24) | TOPICS: Ted Stevens : Veco

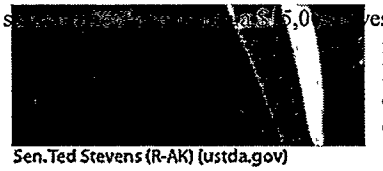
Stevens' Friend That Testified Is Also Business Partner

FBI - Stevens-865

By Laura McGann - June 21, 2007, 6:17 PM

Anchorage real estate developer Bob Penney, who testified before a grand jury about the bribery scandal in Alaska, is good to his friend Sen. Ted Stevens (R-AK).

So good that he brought Stevens in on a real estate deal that fetched the senior


Sen.Ted Stevens (R-AK) (ustda.gov)

s [illegible] a $[illegible]5,0[illegible] vestment in just five years. The investment, reported by The Anchorage Daily News in 2004, sheds some light on the financial ties between the two (via Nexis):

> Penney said he and his business partners invited Stevens to join them in "appreciation for all he's done for Alaska and the country. We respect him very, very much."

The group of investors purchased a 96-acre plot 30 miles outside of Salt Lake City, Utah in a growing area with a plan to sell off individual pieces over the course of ten years. Stevens' $15,000 ballooned to at least $100,000 and possibly as much as $250,000.

The real estate deal is not the only financial endeavor between the two. Penney is also part of a group of investors called Alaska's Great Eagle (a nod to Stevens' days as a pilot in WWII) who bought a race horse with the senator and former chief executive of Veco, Bill Allen.

While Veco oversaw the renovation of Stevens' Girdwood, Alaska home, the horse's manager, Bob Persons checked in on the remodeling project while Stevens was in Washington.

> Persons was ordered by the Washington grand jury to produce documents going back more than eight years, including all letters, e-mails and other documents involving Ted, his wife, Catherine, or Ben Stevens. Specifically mentioned were records about a race horse partnership, Alaska's Great Eagle, he manages for Ted Stevens, Allen, Allen's son Mark, Penney and others.

So far, the main focus of the Stevens investigation has focused on the Veco remodeling project.

Permalink | Comments (12) | TOPICS: Ted Stevens : Veco

Sen.Ted Stevens (R-AK)

Veco Gives, But What Does It Receive?

By Laura McGann - June 19, 2007, 7:04 PM

Over the course of the federal probe in Alaska, it's become clear that oil services company Veco dabbled in shady dealings -- some connected to Sen. Ted Stevens (R-AK) and his son Ben, a former state senator. Two top executives, who've pled guilty to bribing state lawmakers, have also played general contractor for Sen. Stevens and doled out $240,000 in "consulting" fees to his son. Veco has contributed more than $70,000 to Stevens' campaigns over the years (making the company his second largest donor), and $25,000 more to his political action committee.

FBI - Stevens-866

But what has Veco fetched in return?

As easy as it has been to document Alaska lawmakers who've fed their campaign funds and lined their pockets with Veco money, it's less obvious how the company has directly benefited in return. Here's a glimpse at what Sen. Stevens has done directly for the company. Back in 2003 *The Los Angeles Times* ran a story about family ties amongst lawmakers and corporations (via Nexis):

> VECO had helped build a $70-million pipeline for Pakistan, but the government was slow to pay. As it happened, Pakistan

desperately needed congressional help on a trade issue, and Ted Stevens was positioned to block the necessary legislation. Before long, Pakistan's representatives in Washington concluded that their trade bill would go nowhere until Pakistan settled with VECO and its partners. Pakistan agreed to arbitration. The bill sailed through.

Other clear cut examples aren't so easy to come by, but generally speaking Veco has done well for itself securing federal contracts. The company has won National Science Foundation contracts twice. One contract from 2005 was worth $100 millionto provide" Arctic research support and logistics services in Alaska, Greenland, the North Pole, Canada, Russia and other Arctic locations." The company has also disclosed other lucrative-looking contracts, though the exact values are unknown.

The question is: How many of those contracts received the helping hand of Sen. Stevens?

Permalink | Comments (14) | TOPICS: Ted Stevens : Veco

Sen.Ted Stevens (R-AK) (ustda.gov)

AP: FBI Questions Former Stevens Aides

By Paul Kiel - June 19, 2007, 5:12 PM

And the federal investigation into Sen. Ted Stevens (R-AK) continues to gain steam:

Former Capitol Hill aides to Sen. Ted Stevens are being questioned by the FBI as part of an investigation into the senator's relationship with a wealthy contractor.

A lawyer close to the case, speaking on condition of anonymity because the investigation is still under way, confirmed the FBI had recently questioned former Stevens aides about Bill Allen, a contractor who has pleaded guilty to bribing Alaska legislators.

Permalink | Comments (3) | TOPICS: Ted Stevens

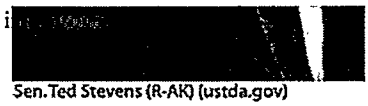
Ted Stevens' Friend Testified Before Grand Jury

By Laura McGann - June 19, 2007, 1:59 PM

FBI - Stevens-867

If you're a CEO looking to help preserve fish habitats and catch a 60 pound salmon in one weekend, Bob Penney is your man.

He is also old friends with Sen. Ted Stevens (R-AK). *The Anchorage Daily News* reported this weekend that Penney testified before a grand jury in Alaska a few weeks ago as part of the ongoing federal inquiry into corruption


Sen.Ted Stevens (R-AK) (ustda.gov)

Penney is a fresh face in the probe that has grabbed Stevens, and had already touched the senator's son, Ben Stevens; several other state lawmakers; and two top oil services executives at Veco, both of whom have pled guilty to federal corruption charges.

The longtime Alaskan entrepreneur is known for founding the **Ted Stevens Kenai River Classic** over ten years ago to help protect the sports-fishing river that is home to a wild salmon run. The weekend event now draws politicians from as far away as Washington and executives from donors like Veco, Lockheed Martin, Boeing and Shell.

Here is a description of the 2002 tournament from the*Anchorage Daily News* (via Nexis):

> Ashore, people flowed around Bob Penney's big riverfront house Monday evening, headed for the broad expanse of paved driveway that runs down to it. There, flanking a sound system, stood a couple of hefty trophies topped with fiberglass king salmon. The opening ceremony of the ninth annual Kenai River Classic was about to occur.
>
> In the river of people were United States senators, the secretary of labor, the governor, most of the hierarchy of the Department of Fish and Game, a couple of state legislators, the mayor of Anchorage, the president of the Kenai Peninsula Borough Assembly, the president of the University of Alaska, a soft-spoken former astronaut, a retired famous college basketball coach, a few entertainers, a writer with a new book about Alaska and executives from many, many companies. They constituted, as they do every year, the greatest concentration of political and economic power in Alaska.

Though officially meant to raise money to preserve the river, Stevens breaks down what the event is really meant to do:

> "We invite people we think can afford to put a contribution into the till," [Stevens] said, "and people they want to meet."
>
> Many of those in his audience had paid $6,000 for themselves and a guest to attend. Along with corporate sponsorships -- the opening dinner was put on by Alaska Communications System and Veco -- and the proceeds from an auction, the fees meant the tournament could gross $1 million, as last year's did.

Penney declined to tell the *Anchorage Daily News*what he said in his testimony. So far he has no obvious ties to Stevens' infamous home remodeling project, which has caught the FBI's eye.

FBI - Stevens-868

Permalink | Comments (17) | TOPICS: Ted Stevens : Veco

2nd Strain of Probe Proceeds Far from Stevens' Sway

By Paul Kiel - June 19, 2007, 12:29 PM

As the *Anchorage Daily News* reported yesterday, a federal grand jury has been investigating Sen. Ted Stevens' (R-AK) ties to the corrupt Alaskan oil company, Veco. Both the

former CEO and vice president have pled guilty to corruption charges.

Sen. Ted Stevens (R-AK) (WDCPIX.com)

But just as surprising as the fact of the investigation is the location of it: far away from Alaska, in Washington, D.C.

The heavy lifting in the probe so far has been done by a grand jury in Anchorage, Alaska. That investigation has resulted in a number of guilty pleas by executives and indictments of state lawmakers.

But the existence of the second grand jury raises the question of why prosecutors split the investigation. *ADN* went to the experts and came up with a number of theories:

> Legal experts in corruption cases said that while it's unusual for prosecutors to use grand juries in separate jurisdictions in an investigation, they may have sound reasons. The experts also cautioned that even though prosecutors may be presenting evidence to a grand jury, that doesn't mean crimes have been committed.
>
> Paul Butler, a law professor at George Washington University and a former federal attorney who prosecuted a U.S. senator and several FBI agents, said it could simply be a matter of convenience for witnesses.
>
> Jules Epstein, a law professor at the Widener University School of Law in Wilmington, Del., and a criminal defense lawyer, said the grand juries could be investigating separate, unlinked crimes.
>
> Peter Henning, a law professor at Wayne State University in Detroit, said prosecutors might bring a case against a popular elected official in Washington to avoid being "home-courted."

Given that witnesses in the probe have been flying out from Alaska to testify, I think it's fair to discount the "convenience" explanation.

But that prosecutors might have chosen D.C. as the venue to make their case against Stevens -- and perhaps his son, Ben, a former state senator, who's been implicated in charging documents -- makes a whole lot of sense. There's simply not a more powerful figure in Alaska (or perhaps in the history of Alaskan politics) than Sen. Stevens, who's served in the Senate since 1968, and who even, back in 1958, played a role in shepherding Alaska to statehood while working at the Interior Department.

By bringing their case in D.C., prosecutors avoided the task of making their case in Stevens' backyard, where the vestiges of his power are everywhere. As the senior senator from the state, Stevens has traditionally even been responsible for tapping candidates for the local U.S. attorney spot -- though the Justice Department notablyoverruled the senator when appointing a replacement last September.

FBI - Stevens-869

Prosecutors also avoid having to convince a jury full of Alaskans who grew up surrounded by landmarks named after Stevens, who's responsible for bringing back tens of billions of dollars to the state over the past forty years.

One of the lawyers involved in the case certainly thought that's what prosecutors are up to:

> Penney's attorney, Bruce Gagnon, said of [Alaska businessman Bob] Penney's appearance before the grand jury: "I think you know as well as I do what they're interested in." Asked whether that was Ted Stevens and Ben Stevens, Gagnon said, "Yeah,

yeah."

"And why are they going off in Washington, D.C., as well as here?" Gagnon wondered out loud. "It may well be because they want to try this case back there."

Permalink | Comments (14) | TOPICS: Ted Stevens

Sen.Ted Stevens (R-AK)

Paper: Grand Jury Examines Stevens Ties to Oil Co

By Paul Kiel - June 18, 2007, 9:35 AM

From the *Anchorage Daily News*:

A federal grand jury in Washington, D.C., heard evidence last month about the expansion of U.S. Sen. Ted Stevens' Girdwood home in 2000 and other matters connecting Stevens to the oil services company Veco Inc....

The existence of the Washington grand jury investigation is the strongest indication to date that Stevens himself has become a subject of the wide-ranging federal probe that surfaced with FBI raids on state legislative offices last August. Former State Sen. Ben Stevens, Ted Stevens' son, was among the legislators whose offices were searched. Ben Stevens has denied wrongdoing.

Earlier this month, Sen. Stevens admittedthat the FBI has asked him to preserve records relevant to his ties to Veco.

Permalink | Comments (18) | TOPICS: Ted Stevens : Veco

Sen.Ted Stevens (R-AK)

Stevens Asks For Extension To File Financial Disclosure Forms

By Laura McGann - June 15, 2007, 10:48 AM

Sen. Ted Stevens is following in the footsteps of Rep. John T. Doolittle (R-CA) and Sen. Robert Menendez (D-NJ), who are both under federal investigation, by asking for a review of his financial records from last year, allowing him to put off filing his official disclosure forms.

The forms were due to the Senate Ethics Committee by May 15, but Stevens' were not among them . *The Washington Post* and McClatchy report that the request for a review could be a sign that Stevens is in trouble with the law. From McClatchy:

FBI - Stevens-870

> Ethics reviews of lawmakers' financial reports are unusual unless they are under a legal cloud. A source close to Stevens' office said he has requested such reviews before, although this is the first time it has delayed the report's release.

Last week Stevens admittedthat the FBI has asked him to hold on to documents they may want to review as part of its ongoing probe into a corruption scandal in the state. His son, former Alaska State Senate President

Ben Stevens has already been snared by the investigation. The head of a local oil services company, Veco Corp., pled guilty to conspiracy and bribery charges, implicating the younger Stevens in receiving some $240,000 in illegitimate consulting fees.

The Washington Post points out who else has asked for a filing extension:

> Nearly 80 lawmakers received extensions for their financial disclosures, which are required by federal law. Knowingly filing false disclosure forms is a federal crime. Prosecutors have aggressively pursued apparent violations in recent corruption investigations on Capitol Hill, including those of former congressmen Randy "Duke" Cunningham (R-Calif.) and Robert W. Ney (R-Ohio), both of whom are now in prison.
>
> Other lawmakers who have faced financial scrutiny and received extensions include Sen. Robert Menendez (D-N.J.), who is under federal investigation for renting property to a nonprofit organization while also pushing for federal grants for the nonprofit, and Rep. John T. Doolittle (R-Calif.), who is under investigation for his wife's firm doing unspecified work for imprisoned lobbyist Jack Abramoff while her husband performed legislative favors for him.

Permalink | Comments (2) | TOPICS: Ted Stevens

Sen.Ted Stevens (R-AK)

Ted Stevens Admits Involvement In FBI Probe

By Laura McGann - June 7, 2007, 11:24 AM Sen. Ted Stevens (R-AK) has admitted he is involved in the FBI's probe into Alaska lawmakers' dealings with oil services company Veco Corp. In an interview with the *Washington Post*, tight-lipped Stevens said he is getting ready to hand over documents to investigators.

> "They put me on notice to preserve some records," Stevens said in a brief interview about his legal team's discussions with the FBI. He declined to say what kinds of records were involved but confirmed that he had hired lawyers and that his son, former state Senate president Ben Stevens, "is also under investigation."

It's no surprise that the FBI has asked Stevens for records now that his home remodeling job overseen by Veco has caught investigators' eye. But this does appear to be Stevens' first official public comment about the federal probe. Stevens' acknowledgment that his son in under investigation firms up what the press pieced together in May. Former Alaska Senate President Ben Stevens was identified by the press as "state senator B" described in the guilty pleas of two former Veco executives. The Veco executives admitted to giving Stevens about $240,000 in "consulting fees" that required no work in exchange for political favors. Stevens was the only lawmaker to fit the description. Permalink | Comments (10) | TOPICS: Ted Stevens : Veco

FBI - Stevens-871

Alaska Lawmakers: Kohring, Get Out

By Laura McGann - June 5, 2007, 11:51 AM Alaska state lawmakers have had it with one of their own. Two Republican leaders in the Alaska legislature confronted Rep. Vic Kohring (R-AK) in his home to push him to resign instead of dragging them all down. Kohring has been indicted as part of the wide federal probe into Alaska politicians dealings with oil services company Veco Corp. *The Anchorage Daily News* reports:

> Prosecutors have accused Kohring, a Republican, of selling his vote on the state petroleum tax last year to the Anchorage oil field services company Veco Corp. Kohring and two former legislators also under indictment have pleaded not guilty. Veco executives Bill Allen and Rick Smith pleaded guilty to conspiracy, bribery and tax charges. Allen and Smith have since resigned from Veco.

The probe has brushed **Sen. Ted Stevens** (R-AK), whose house got a makeover seven years ago under Veco's direction. The senator's son, former Alaska Senate President **Ben Stevens**, has also been tied to the investigation by local press who concluded he was one of the lawmakers to take cash from Veco executives who recently pled guilty to federal bribery and conspiracy charges**Permalink | Comments (6) | TOPICS: Ted Stevens : Veco**

Sen.Ted Stevens (R-AK)

Stevens' Contractor Hires a Lawyer, Opts To Keep Quiet

By Laura McGann - June 4, 2007, 9:39 AM An Alaska contractor, **Augie Paone**, painted most of the picture we have of how a major state oil services company oversaw the renovation of Sen. Ted Stevens' (R-AK) house. After giving a few interviews last week, Paone has hired a lawyer and will no longer comment publicly. I spoke with Paone's wife on the phone yesterday who said the family would not release the lawyer's name. The lawyer has advised them to stay quiet, she said. It's too bad the Paones felt the need to lawyer up, though it's probably not that surprising. In an interview with the *Anchorage Daily News*, Paone said he was "uncomfortable" with taking the renovation contract initially because he had not provided an estimate to Veco Corp., the company that handled the job for Stevens while the senator was in Washington:

> "I didn't suspect anything, but I just wanted to make sure," he said. "When you work with a house of a legislator or a senator, you make sure you hold on to all the billings, just in case something happens."

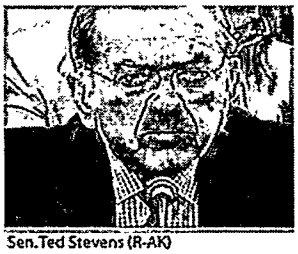
That was a good move. The job has piqued federal investigators' interest as part of a broad investigation into public corruption in Alaska. Six months ago the FBI asked Paone for records and invoices from the job. He also testified before a grand jury. Paone said he had done work for Veco Corp.'s offices and for a company executive before they offered him the work on Stevens' home seven years ago. He charged normal rates, but saw the job as a favor – a favor he couldn't decline to offer – rather than a typical contract:

> "Bill Allen (Veco CEO) and some of the Veco boys, some of the Veco guys, were the ones that approached me and wanted to know if I could give them a hand," Paone said. "I did it more as a favor, you know. It's one of those things when somebody is the head, and packs that much power and asks you for a favor, it's kind of hard to say no."

FBI - Stevens-872

Allen pled guilty to bribing five state legislators last month in a classic cash-for-votes scheme. One of the charges stems from a meet-up between State Rep. Pete Kott in a hotel suite where Kott complained about having "to cheat, steal, beg, borrow and lie," to ensure government-backing of a pipeline valuable to Veco. In response to the legislator's complaints, Allen said: "I own your ass." Sounds like Allen would take a "no thank you" well. **Permalink| Comments (8) | TOPICS: Ted Stevens : Veco**

Veco's Adventures in


Sen.Ted Stevens (R-AK)

Sub-Contracting

By Laura McGann - May 31, 2007, 6:18 PM As we reported a couple of days ago, the federal investigation into a bribery scheme centering on one of Alaska's biggest oil services companies has crossed paths with Senator Ted Stevens (R-AK). And Stevens' problems seem to come down to some highly creative methods Stevens used to remodel his Alaska home. According to contractor Augie Paone, it all started when a group of unnamed "friends" got together to renovate the senator's house as a weekend project. The group of friends ended up being unable to pull it off. But in the group's defense, the job was pretty ambitious. The plan was to ratchet the one-story house off its foundation, build a new first floor and then place the old first floor on top of the new first floor. Unfortunately for the do-it-yourselfers, they ran into a few problems. That's when the local contractor, Paone, came into the picture. Paone has provided most of the sordid details in this story, since none of the other players are talking. According to Paone, it wasn't Stevens who sought him out to fix the mangled construction, but oil company Veco Corp. It's not clear how involved Veco had been in the do-it-yourself phase of the remodeling. But Paone says Veco was in charge when he came on board. Veco hired Paone and and collected and reviewed the $100,000 worth of invoices he submitted as the project progressed. Paone would then receive payments signed by Stevens -- checks which according to Paone appeared to come from a special account created for the renovation. Paone says he didn't know Stevens before working on the house and dealt with Veco during the project. He told a local television station he doesn't think the arrangement raises any red flags.

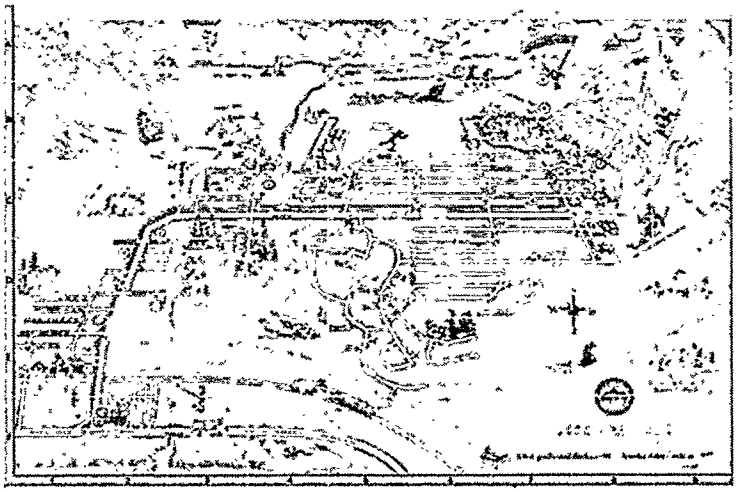
> "The senator doesn't know me, so some of the people I had contacts with were more familiar with the senator, so they kind of took over his interests and they kind of overviewed the billings. After they saw them, it was just faxed over to the senator and the senator a few days later just mailed me a check," Paone said.

Here's the straightforward arrangement: oil company decides to remodel senator's house, oil company finds contractor, contractor creates new first floor in senator's house, contractor sends invoices to oil company, oil company reviews bills, oil company faxes bills to senior senator, senior senator pulls cash from a special account set up specifically for the construction and pays contractor, senior senator never speaks to contractor. The arrangement looks fairly questionable on its face. And it looks even more questionable when you take Veco's track record into account. The person from Veco who hired Paone was Veco CEO Bill Allen. Allen happens to have just pled guilty this month to federal conspiracy and bribery charges for "giving things of value" to local lawmakers. In a court document accompanying his guilty plea, the *Anchorage Daily News* noticed a seemingly irrelevant description of what the company did not do while he was in charge: "Veco was not in the business of residential construction or remodeling." So far Stevens has refused to explain the arrangement. But it has piqued the FBI's interest and investigators are looking into it. Paone says the FBI interviewed him about six months ago and that he testified before a grand jury in December. In response to questions about the remodeling, Stevens' spokesman sent me a statement saying the senator is not commenting. Permalink | Comments (49) | TOPICS: Ted Stevens : Veco

FBI - Stevens-873

Sen. Stevens Denies Search of Home and Office

By Laura McGann - May 31, 2007, 4:15 PM What did the FBI search in the tiny Alaska town of Girdwood last summer? The mystery continues.



A spokesman for Sen. Ted Stevens' (R-AK) told me today it wasn't his boss' home or office -- two favored guesses. Stevens has been tightlipped in the FBI's broad probe into oil company Veco Corp.'s dealings with Alaska state and federal lawmakers. But today his office opened up slightly. Stevens' spokesman Aaron Saunders denied a raid of Stevens' home or office and sent me a copy of this local television story with the following portions underlined:

> The FBI will not comment on whether Sen. Stevens is being investigated. But when the agency served search warrants on lawmaker's office last August, one search warrant was served in Girdwood. Agents said it wasn't at the senator's home or office, but they won't say where.

There's not much else in Girdwood. Any guesses? **Permalink| Comments (22) | TOPICS: Ted Stevens : Veco**

Sen.Ted Stevens (R-AK)

Stevens Not A Target, Investigation Still a Problem

By Laura McGann - May 30, 2007, 2:22 PM

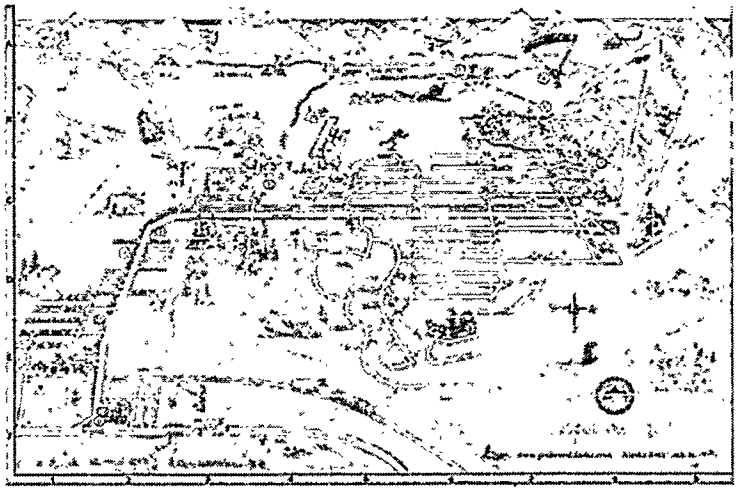
Yesterday we talked about how Sen. Ted Stevens' (R-AK) home improvement project has piqued the interest of federal investigators. A local oil company's involvement in hiring one of the contractors who built the new level to Stevens' single-story home -- underneath the existing ground floor – seems to be the questionable part. The**Associated Press** followed up today on the story by adding that two sources close to the investigation said "Stevens was not considered a target of the investigation." That won't comfort Sen. Stevens. The carefully-crafted language "I'm not a target" has been peddled by other politicians tied to investigations, like former **Sen. Conrad Burns** (R-MT) and **Rep. John Doolittle** (R-CA). The phrase makes the politician sound practically exhonerated, when really, prosecutors tend to wait to send out a "target" letter until shortly before an indictment is issued. (Feel like pleading guilty? Now's your chance.) Former number two at the Interior Department J. Steven Griles was named a target in the Abramoff scandal in January; he **pled guilty** to lying to Congress in March. It's not clear how entwined Stevens is in the investigation, which has already led to the indictment of four current and former state officials. Two top executives from the oil company at the heart of the controversy, Veco Corp., pled guilty to conspiracy and bribery charges this month. But, both the AP and the **Anchorage Daily News** mentioned a search in the ski-resort town of Girdwood, where Stevens' newly doubled home sits. From *The Anchorage Daily News*:

FBI - Stevens-874

> The wide-ranging federal inquiry surfaced in August when agents raided six legislative offices, including those of

> then-Senate President Ben Stevens, one of Ted Stevens' sons. The FBI said at the time that it also had executed a search warrant in Girdwood, among other places, although the location of that search has never been officially disclosed.

The FBI hasn't said what it searched, but the list of possibilities isn't very long. Take a look at a map of Girdwood, population 2,000:



Permalink | Comments (37) | TOPICS: Ted Stevens : Veco

Sen.Ted Stevens (R-AK)

Extreme Makeover: Veco Edition

By Laura McGann - May 29, 2007, 12:24 PM Sen. Ted Stevens (R-AK) jacked his house off the ground, inserted a new first story and placed the old first floor on top, thanks to the help of a top executive at local oil company Veco Corp. who hired at least one key contractor to complete the feat of a job. Veco is entwined in a broad federal investigation that has led to the indictment of four current and former Alaska politicians and ensnared former Alaska Senate President **Ben Stevens**, son of Ted Stevens. Local press concluded that Stevens was state "Senator B," listed in the charging documents of two former Veco Corp. executives who **pled guilty** to federal bribery and conspiracy charges, saying they gave the younger Stevens $242,000 in illegitimate consulting fees. Neither Stevens has been charged with a crime. It's unclear how the senior Stevens' home doubling is connected to the broader investigation, but the Feds are now eyeing the construction job according to the **Anchorage Daily News** , which noticed a line in the Veco executives' plea bargains that could link the senator to the probe:

> The sentence, preceded by a listing of a dozen Veco-related enterprises around the world, said: "Veco was not in the business of residential construction or remodeling."

Maybe they dabbled. Permalink| Comments (68) | TOPICS: Ted Stevens : Veco

FBI - Stevens-875

A Guilty Plea Hat Trick For Alaska

By Laura McGann - May 16, 2007, 4:45 PM A third corruption guilty plea since last week came out of Alaska yesterday. This time, prominent lobbyist Bill Bobrick owned up to a conspiracy to bribe former state Rep. Tom Anderson, who himself was indicted on seven felony counts of bribery, extortion and money laundering in December. Last week, top executives at one of Bobrick's client companies, VECO Corp., **pled guilty** to charges of bribing three state representatives and two senators. **The Anchorage Daily News** had the story on Bobrick this morning.

> The prosecution says in court papers that Bobrick and Anderson began conspiring in July 2004. Bobrick created a sham company to funnel payments to Anderson in exchange for his doing the bidding of a private corrections company in the state Legislature, the prosecution says. Prosecutors quote Bobrick telling an informant that he and Anderson were "pitching a bunch of people" to get money for the legislator.

Permalink | Comments (6) | TOPICS: Ted Stevens : Veco

Sen.Ted Stevens (R-AK)

Another Bridge, Another Part of Nowhere

By Laura McGann - May 14, 2007, 12:15 PM

When your bid to build a bridge to nowhere is shut down, try to get federal funding for another bridge, to a different part of nowhere – where your friends own property. John Stanton of Roll Call wrote a great story (Sub. Req.) that parses out the likely motivations for the Alaska Congressional delegation's work over the last few months to snag federal cash for a bridge to connect an area where no one lives to Anchorage. Why bother to invest in infrastructure to nowhere? Well, it could make the remote area, called "Knik Arm," a major suburb, but more importantly, folks with familial and political ties to Republican Rep. Don Young and Sens. Ted Stevens and Lisa Murkowski would profit:

> If the area is successfully developed, that could mean a significant windfall for a number of people close to the Congressional delegation — including Young's daughter, Joni, Stevens' chief of staff and campaign manager and Murkowski's state director — some of whom purchased land in the area just a few months before then-Transportation and Infrastructure Chairman Young began substantive work on a massive highway bill in early 2003.

Here's more from Roll Call:

> According to land records compiled by the Matanuska-Susitna Borough, Senate financial disclosure forms and published accounts, Stevens' current Chief of Staff George Lowe owns a 2.6 acre parcel of undeveloped land on the Knik Arm, which he purchased in December 2004 from the Alaska Mental Health Trust Authority, according to a copy of the deed. ... Former Stevens aide Lisa Sutherland also stands to see significant financial gain from the development of Knik Arm. Sutherland, a close confidante of Stevens, worked for the lawmaker from 1977 until this March in a variety of capacities, including deputy staff director on the Appropriations Committee and then staff director on the Commerce, Science and Transportation Committee. Sutherland left the Senate payroll in March to work full time on Stevens' re-election campaign.

FBI - Stevens-876

Permalink | Comments (54) | TOPICS: Ted Stevens

Veco: A Mucky Force in Alaska Politics

By Laura McGann - May 8, 2007, 6:24 PM

Veco Corp., the oil company at the center of a bribery scandal involving at least five lawmakers has spent the last three decades establishing itself as a force in Alaska politics. Some 2,000 Alaskans

work for the company that cleaned up after the Exxon-Valdez catastrophe and controls a conservative opinion armof the Anchorage Daily News. And, for lawmakers at the state and federal level, Veco is a major source of campaign financing. Two Veco heads, Bill J. Allen and Richard L. Smithpled guilty yesterday to bribery charges for paying lawmakers for votes, including the former Alaska Senate President Ben Stevens, son of Sen. Ted Stevens. According to the plea agreement, Veco paid Ben Stevens about $240,000 in consulting fees that were actually in exchange for political favors. Stevens' lawyer said his client is not guilty of any wrongdoing. Since 1993, Veco says it has completed about $25 billion worth of projects involving oil refining, pipeline work and power production. Recently, it created a separate corporate entity to handlefederal contracting , to meet "the recent growth in the market." Veco prides itself on honesty, which the company lists as its second priority behind safety, and just before being a "good corporate citizen" – they are, after all, engaged in the political process. Permalink| Comments (10) | TOPICS: Ted Stevens: Veco

Alaska state Sen. Ben Stevens, R (WDCPIX.com)

Ted Stevens' Son Identified In Corruption Case

By Laura McGann - May 8, 2007, 12:11 PM Roll Call (sub req.) and the Anchorage Daily News named Ben Stevens, son of Sen. Ted Stevens (R-AK), as one of the unidentified legislators involved in the VECO cash-for-favors corruption scheme. According to charges filed Friday against two top executives at the oil company, Stevens' company allegedly received $243,250 for consulting fees that were "in fact for the purpose of obtaining (Stevens') official support on matters pending before the Alaska State Legislature." Ben's dad, Sen. Stevens, is pals with one of the executives, Bill J. Allen, who pled guilty to bribery charges yesterday. The two men belong to a group that bought a race horse named "So Long Birdie," for a bargain-basement price of $40,000 in 2005.

> Allen and his wife also have hosted numerous fundraising events for Stevens, as well as his fellow members of the Alaska delegation, Sen. Lisa Murkowski (R) and Rep. Don Young (R). A preliminary review of campaign finance records shows Allen and other executives at VECO have made $206,900 in campaign contributions to the Alaska delegation, with more than $72,000 of that total going to Ted Stevens.

Ted Stevens does not seem to be on prosecutors' radar screen in the corruption investigation. Permalink | Comments (53) | TOPICS: Ted Stevens : Veco

Top Veco Execs Plead Guilty To Bribery

FBI - Stevens-877

By Laura McGann - May 7, 2007, 4:45 PM The Anchorage Daily News reports that top Veco Corp. executives pled guilty to bribery and conspiracy charges in federal court today, under a deal that could buy them gentler sentences in exchange for cooperation in an FBI corruption investigation. Bill J. Allen, Veco's chief executive, and Rick Smith, the company's vice president and chief lobbyist could sit behind bars for five to 15 years and shell out up to $250,000 in fines on each count.

> In the written charges, prosecutors say Allen and Smith conspired "to offer and provide things of value to" three state representatives and two senators, none of them named in the document. Among the specifics listed, Allen is accused of

> paying a "special bonus" of corporate funds to certain Veco executives so they could make illegal campaign contributions.

The two executives will likely provide important testimony in the cases of three state legislators charged with extortion and bribery in federal court last week -- and the two anonymous state senators implicated in their guilty pleas. As reported by Paul on Friday, the indictment alleges a classic cash-for-votes corruption scheme. One of the legislators, Pete Kott, met with Allen in the executive's hotel suite where he complained about having "to cheat, steal, beg, borrow and lie," to ensure government-backing of a pipeline valuable to Veco. In response to the legislator's complaints, Allen said: "I own your ass." The indictment masks the identities of two Alaska state senators, calling them only by A and B. It's not clear if Alaska's Senate President Ben Stevens, son of U.S. Senator Ted Stevens (R-AK), whose office was raided by the FBI in August, is one of them. Permalink | Comments (18) | TOPICS: Ted Stevens : Veco

Feds Indict Alaska GOPers

By Paul Kiel - May 4, 2007, 6:06 PM I tell you, corruption doesn't get any uglier than Alaskan corruption. The investigation surrounding VECO an Alaskan oil company, has finally borne fruit. Two Republican members of the state legislature were indicted today, one of them the former speaker of the house. There's still no word on the fate of former state Sen. Ben Stevens, son of Sen. Ted Stevens (R-AK), who is also under investigation. Oh, and it's ugly. Pete Kott and Bruce Weyhrauch are on the hook for trading votes for cash and sweet jobs, plain and simple. From *The Anchorage Daily News*

> The indictment says Kott asked executives of the unnamed company for money and a job after he left the Legislature. Weyhrauch, an attorney, asked for a job and legal work, the indictment says. On about Sept. 26, 2005, the indictment says, Kott called an unnamed company vice president and said, "I need a job." The vice president replied, "You've got a job; get us a pipeline," the indictment says.... In a meeting on April 18, 2006, Kott told the company executives, "You'll get your pipeline, the governor gets his bill, and I'll get my job in Barbados."... Kott met with the company executives in their hotel suite on May 7, the indictment says, and told them he had tried to defeat an amendment to the oil tax the company didn't like. "I had to cheat, steal, beg, borrow and lie," Kott said, according to the indictment. The company's chief executive responded, "I own your ass," the indictment says.

These two are among the same group of legislators who took a shine to calling themselves the "Corrupt Bastards Caucus." No wonderPermalink | Comments (71) | TOPICS: Ted Stevens : Veco

Alaska Finally Closes Bribery Loophole

By Paul Kiel - January 5, 2007, 9:45 AM Attention Corrupt Bastards, the loophole is closing:

> A group of House Democrats wants to change a state law that they say allows politicians to sell their votes in exchange for campaign donations. That's right: It's not already a crime under state law, according to Anchorage Reps Les Gara and Harry Crawford, who filed a bill to close what they call a legal-bribery loophole.

FBI - Stevens-878

Permalink | Comments (1) | TOPICS: Ted Stevens

Dem *Still* Holding Pork Database Bill

By Paul Kiel - September 7, 2006, 8:20 AM An unknown Democrat is still holding the Coburn-Obama bill to create a searchable database of federal grants and contracts, *The Hill* reports. And that Senator is now the *only one* holding up the bill, since Sen. Ted Stevens (R-AK), who had reinstated his earlier hold, has since changed his mind droppedit. So who's that unknown Senator? We don't know. And neither do we know what concern the Senator has -- whether it's

about the bill's cost, as the Pork King claimed, or whether it's the speed with which the bill's been moving forward, as the pork-inclined senior senator from West Virginia asserted. Sure would be good to know, wouldn't it? Permalink | TOPICS: Reform : Ted Stevens

Alaska state Sen. Ben Stevens, R (WDCPIX.com)

Alaskagate: While We Were Out

By Justin Rood - September 5, 2006, 12:34 PM Over the long weekend, more details emerged in the growing Alaska state legislature scandal, which has now involved more than two dozen search warrants and a growing posse of federal agents from around the country, and includes the IRS as well as the FBI. The probe has put two names in the headlines: Ben Stevens, president of the Alaska State Senate and son of Sen. Ted Stevens (R-AK), and VECO Corp., which has given generously not only to Alaska state legislators but to friendly U.S. lawmakers as well, including Stevens senior. **What are the feds investigating?** Investigators appear to have a keen interest in legislation recently hammered out by Alaska Gov. Frank Murkowski (R). Currently awaiting passage by the state legislature, the deal would pave the way to build a $21 billion natural gas pipeline to tap the state's North Slope reserves. VECO has been a strong supporter of the deal. However, the probe seems to have expanded -- in scope and in size -- past that one deal:

> "They are after people paying for votes during the recent oil and gas special sessions. I think that was fairly transparent," said political pollster Marc Hellenthal, who said he was interviewed Friday afternoon by two FBI agents from Sacramento, Calif. Agents also told him what they are looking for "goes back longer than that."
>
> The FBI has brought in agents from around the country for the investigation. The Internal Revenue Service and other federal agencies also are involved, Gonzalez said. The investigation has stretched to past legislators, including former Sen. Robin Taylor, R-Wrangell, who was interviewed Thursday by FBI agents. Taylor is now a deputy commissioner in the state Department of Transportation. "They interviewed him about his past as a lawmaker and his dealings with Veco," said Will Vandergriff, deputy press security for Gov. Frank Murkowski. "He said they are just expanding their net."

What's the Corrupt Bastards Caucus? It was apparently an inside joke among a dozen legislators singled out in a March 2006 *Anchorage Daily News* op-ed for donations they received from Alaska petro-giant Veco Corp. The moniker didn't appear in the article. Rather, "Somebody walked up and said, 'You corrupt bastards,' and that name stuck," Alaska House Finance Co-Chairman Mike Chenault (R) told the Daily News:

FBI - Stevens-879

> Hats were even made with the initials "CBC" on them, but "that was the extent of the CBC deal," Chenault said. . . . House Speaker John Harris, R-Valdez, said he saw [State Reps.] Smith and Kott handing out hats in June during the first special session when lawmakers voted down the petroleum tax bill. But he did not see anything with the "Corrupt Bastards Club" on it. "They were handing out hats down at the Baranoff (Hotel) at

the bar down there. All they had was 'VECO' on them," Harris said. Chenault said he may still have a "CBC" hat, but he can't recall.

Permalink | TOPICS: Ted Stevens : Veco

Sen.Ted Stevens (R-AK)

From D.C., Alaska Senator Keeps An Eye (and A Hand) Out For His Son

By Justin Rood - September 1, 2006, 5:31 PM

Ah, how the bennies of the father are visited upon the son! A 2003 article counted at least nine separate cases in which Sen. Ted Stevens (R-AK) has done favors for companies or organizations which paid his son Ben over $1.5 million in salary and "consulting fees." And there have been more since then. (The article, from the *Los Angeles Times*, was unearthedby the Washington, D.C.-based Sunlight Foundation.) Ben Stevens, president of the Alaska State Senate, recently had his offices raidedby the FBI. News out of Alaska indicates the feds are looking for information surrounding a major resource legislation package that benefited at least one of the companies father Ted helped out, VECO Corp Since the *Times* piece was published, the elder Stevens has done more favors which benefited BenIn late 2003, the U.S. senator finagled a $29 million earmark for "The Alaska Fisheries Marketing Board." Guess who got to chair the group -- which for two years did not disclose its activities? That's right: Ben Stevens. (A spokesman for the father said he merely "recommended" his son for the post.) And last December, it was revealed that Stevens senior inserted a provision into a bill worth $10 million to a fishing venture for which his son Ben secretly held an investment option. The provision was estimated to be worth $1.5 million to Ben. (In the end, Ben didn't collect that profit, however; the venture soured for unrelated reasons.) There's no evidence Ted Stevens is of interest to the investigation announced yesterday -- although he does have an office in the same town where one of the FBI warrants was executed. Keep in mind, however, investigators are required to follow up on any evidence of wrongdoing they come across. And judging by the news pictures, the FBI has been wheeling a lot of documents out of those offices. If they've already got reason to believe that evidence as outrageous as "Corrupt Bastards Club" hats exist, who knows what kind of stuff they might stumble across. Permalink | TOPICS: Ted Stevens : Veco

Alaska FBI Raid: PLEASE Tell Us They Found the Hats

By Justin Rood - September 1, 2006, 3:37 PM AP reports on the recent raidon Alaska lawmakers' offices, including those of Ben Stevens, son of Sen. Ted Stevens (R-AK):

> Among the items federal agents were searching for in Alaska legislative offices this week are hats or garments labeled "Corrupt Bastards Club" or "Corrupt Bastards Caucus," according to the search warrant.

FBI - Stevens-880

Permalink | TOPICS: Ted Stevens

For AK Scandal Company, Money Can't Buy Happiness -- But Influence? Perhaps.

By Justin Rood - September 1, 2006, 12:16 PM

When FBI agents raidedthe offices of Alaska Senate President Ben Stevens and five other legislators, they were looking for

Sen.Ted Stevens (R-AK)

evidence of improper ties between those state lawmakers and a company called VECO Corp. That left some scratching their heads. What's VECO? Based in Alaska, the privately-owned, non-union company deals primarily in petroleum and petroleum-related services; its estimated revenue in 2004 was $500 million, and it employs around 5,000 people worldwide. That's small by oil megacorporation standards, but it's big in Alaska, where the company has been called "a titan in the Alaskan oil industry." VECO has over two dozen subsidiaries, but it likes to spend money on influence. It's the top campaign contributor to both Alaska Sen. Lisa Murkowski (R) and its congressman, Don Young (R). And although it's only the second-biggest contributor to Sen. Ted Stevens (R), with over $70,000 in donations to the senior senator from VECO employees (according to FECInfo.com), it keeps close ties to Stevens in other ways. For one, it's dumped $25,000 into his "Northern Lights" political action committee. The company also paid his state Senator son, Ben (he of the raided office) over $200,000 for various reported purposes, including lobbying his father. What's more, the son of VECO president Pete Lethard was reported to work for Stevens in Washington, D.C. Also, the company briefly owned the *Anchorage Times*, in 1992 it shut the paper down, and switched to funding a half-page of editorials in the *Anchorage Daily News*. The section, called "Voice of the Times," is reportedly devoted to "conservative," "pro-industry" views. Permalink | TOPICS: Ted Stevens : Veco

Sen.Ted Stevens (R-AK)

FBI Raids Office of AK Senator's Son

By Paul Kiel - August 31, 2006, 11:08 PM

Yesterday, the FBI raided the office of Ben Stevens, who's president of the Alaska State Senate -- and son of Sen. Ted "King of Pork" Stevens (R-AK). Investigators searched his office (and those of five other legislators) for evidence of any ties ("financial information and gifts") between the lawmakers and VECO Corp., "an Anchorage-based oil field services and construction company whose executives are major contributors to political campaigns," according to the AP. VECO, a reader notes, is one of father Ted Stevens' biggest campaign contributors. Its employees donated $45,750 during his career. This is the second time in a week Ted Stevens' name has made headlines at TPMmuckraker -- earlier, readers will recall, he was unmasked on this site as being the GOP "masked holder" who held up the Obama/Coburn porkbusting transparency bill. *Update*: Is this part of what the Feds want to know about? From an April 28 article in the *Anchorage Daily News*: "Veco, an Alaska oil field services and construction company whose executives are major contributors to Republican political campaigns, paid [Ben] Stevens $57,000 last year for unspecified 'business services,' according to Stevens' most recent disclosure." And more, from a Nov. 3, 2005 AP article: "Ben Stevens' business relationship with the oil field service company Veco, which has paid him $243,000 since 2000, was cited as an example of 'corruption' in the recall petition brought against Stevens by Republican Moderate Party founder Ray Metcalfe." Permalink | TOPICS: Ted Stevens : Veco

Are Even Porkbusting Projects Full of Pork?

FBI - Stevens-881

By Paul Kiel - August 31, 2006, 3:03 PM The Congressional Budget Office calculates (pdf) that it would take $15 million dollars to create and maintain the database of online searchable database of government grants and contracts for five years. But Ellen Miller of The Sunlight Foundation says today they've commissioned the Washington, D.C.-based nonprofit OMB Watch to do the exact same thing. The cost? $234,713 for three years. So is Sen. Ted Stevens (R-AK) vindicated for having alleged cost concerns? And, more importantly, does OMB Watch have an Alaskan bridge-building division? Permalink | TOPICS: Reform : Ted Stevens

Who's Scoopin' Who?

By Paul Kiel - August 30, 2006, 5:36 PM About an hour ago, CNN posted a story on Sen. Stevens' exposure as the secret pork-meister and highlighted the way a

host of different blogs (yes, including TPMmuckraker.com) helped smoke him out. But TPMm Reader*AC* still isn't satisfied, and emailed us the following:

> [CNN: Sen. Stevens is 'the secret senator']
> POSTED: 4:38 p.m. EDT, August 30, 2006 "CNN has confirmed that Alaska Sen. Ted Stevens, R-Alaska, has placed a hold on a bill that would require the government to publish online a database of federal spending." [TPMm: "MASKED" BILL-BLOCKER REVEALS SELF] By Paul Kiel - August 30, 2006, 1:59 PM
> "A spokesman for Sen. Ted Stevens (R-AK) just confirmed his boss was the man behind the secret hold on the Coburn/Obama spending database bill, which has captivated a segment of the political blogging community in recent days." CNN... Catch-up News Network

Hey, he said it. We didn't. Permalink | TOPICS: Ted Stevens

Bill's Cost Troubled Me, Pork King Says

By Paul Kiel - August 30, 2006, 3:56 PM Sen. Ted Stevens (R-AK) held up a bill that would create a free, searchable database of government contracts and grants because he was worried about the proposal's price tag, his spokesman told me this afternoon. Its cost has been estimated at $15 million. Stevens' office has asked Sen. Tom Coburn (R-OK), the sponsor of the bill, for "a cost-benefit analysis to make sure this does not create an extra layer of unnecessary bureaucracy," spokesman Aaron Saunders said. The Senator "wanted to make sure that this wasn't going to be a huge cost to the taxpayer and that it achieves the goal which the bill is meant to achieve." Saunders added that Stevens' hold was not "secret," and that he would back the bill if the analysis shows that "it achieves its goal and it achieves its goal well." But Sen. Coburn's spokesman John Hart questioned Stevens' motive. "The only reason to oppose this bill is if he has something to hide," Hart said. Hart said that Stevens, who's on the Senate Homeland Security and Governmental Affairs Committee, failed to attend any hearings on the bill, an assertion backed up by vote tallies. "If he had concerns, he should have addressed them in regular order rather than blocking something that will benefit millions of taxpayers," Hart said. He added that after Stevens' office raised the concerns, Coburn's office requested a meeting, but never got one. The Congressional Budget Office has calculated that Coburn's proposal would cost "$4 million in 2007 and about $15 million [total] over the 2007-2011 period." By comparison, Stevens -- who's been called the "King of Pork" by one government watchdog -- was recently publicly lambasted for his appropriation of more than $200 million for the so-called "Bridge to Nowhere," which would link Ketchikan, Alaska (population 8,900) with its airport on Gravina Island (population 50). Despite the fact that Stevens' office has refused until today to admit that he placed the hold, Saunders said, "This senator does not place secret holds." A number of senators' offices initially refused to comment in response to both public and media requests as to whether they'd placed the hold. Sens. Hatch and Crapo both waived that general practice in light of Majority Leader Bill Frist's request that senators respond to bloggers' and readers' questions. TPMm still awaits confirmation from two senators, Byrd and Bennett, that they do not have a hold on the bill. Sen. Coburn initially revealed Stevens' identity as the holder two weeks ago at a town meeting in Sallisaw, Oklahoma -- but that revelation seems to have been unintended. It was an "off the cuff" comment, his spokesman told me. *Update*: As to why constituents, TPMm, and others weren't told when they called Stevens' office that he had placed the hold, his spokesman just explained, "Sen. Stevens was traveling, the staffers that worked this issue had also been traveling – so it was hard for our people to get the information about this particular hold." Permalink | TOPICS: Reform : Ted Stevens

FBI - Stevens-882

"MASKED"

BILL-BLOCKER REVEALS SELF

By Paul Kiel - August 30, 2006, 1:59 PM A spokesman for Sen. Ted Stevens (R-AK) just confirmed his boss was the man behind the secret hold on the Coburn/Obama spending database bill, which has captivated a segment of the political blogging community in recent days. "Sen. Stevens does have a hold on the bill," said the spokesman, who would only speak on the condition he not be named. He added that Sen. Tom Coburn's (R-OK) office was notified of the hold after it was placed. So Coburn's comments two weeks ago may have been duly informed. So why does Stevens say he placed the hold? Why did it take this long for him to say so? And will he lift it? We'll have more soon...Permalink | TOPICS: Reform: Ted Stevens

Coburn: Stevens Blocked My Bill

By Justin Rood - August 29, 2006, 11:27 PM Twelve days ago, at a town meeting in Sallisaw, Oklahoma, Sen. Tom Coburn (R-OK) accused Sen. Ted Stevens (R-AK) of obstructing his porkbuster-database bill with an anonymous hold. That's according to an Aug. 18 article in the Fort Smith (Ark.) *Times Record*:

> One of the senators most criticized for his personal projects, Sen. Ted Stevens, R-Alaska, has a hold of his own on Coburn's bill to make public the spending patterns of the government. Called the Federal Funding Accountability and Transparency Act, the legislation calls for the creation of a database open to the public where citizens can track government spending. "He's the only senator blocking it," Coburn said of Stevens.

Coburn's office was not available for comment this evening. The article has gone largely unnoticed in recent days, as hundreds of bloggers and blog-readers (at TPMm and elsewhere) have called Senate offices in an effort to determine who placed the "secret" hold on Coburn's bill. The piece does not turn up in a Nexis search, although it is in Google. Stevens has been the odds-on favorite since the hunt for the Holder Who Dare Not Speak His Name began. But did he really do it? Well, he had a motive: As the paper and others have noted, Stevens and Coburn have clashed before -- in particular over Stevens' now-legendary "bridge to nowhere." Coburn attempted (and failed) to block the $233 million boondoggle. And revenge certainly fits the senior Alaskan's m.o. "Stevens can play rough," the *Seattle Times* noted in June. "Despite denials from his staff, he retaliates - and doesn't mind waiting years to do so." Stevens' office has so far refused to comment on the hold. Ninety-five other senators have confirmed they were not responsible. Thanks to TPMm Readers *MPGC* for the tips.
Permalink | TOPICS: Ted Stevens

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This conflict-of-interest thing must confuse Ted and Lisa

BETH BRAGG
COMMENT Beth Bragg
comment

(Published: August 3, 2007)

As yet another fine mess embroils an Alaska lawmaker, you have to wonder:

Why is it so hard for these people to recognize a conflict of interest?

Had either Ted Stevens or Lisa Murkowski asked themselves the most basic of questions before saying yes to offers way too good to be defensible, they'd find it much easier to stay out of the cross hairs of the FBI, the IRS, political watchdog groups, bloggers, comedians and plain ol' ordinary Alaskans.

The questions they should have asked are A-B-C, 1-2-3 simple:

Would ordinary Alaskans be offered similar deals or favors?

Would Bob Penney sell his 1.27-acre Kenai River lot for $179,400 on Craigslist?

Would Bill Allen run a classified ad seeking home-remodeling projects to oversee?

The answer to each is no. Which is why the answer from the senators should have been no way.

It's that simple.

It doesn't matter that Penney has known Murkowski since she was 5 years old or that Allen has been friends with Stevens since the Paleozoic era.

What matters is that Murkowski and Stevens are United States senators, and everything they do must be free of even the appearance of a conflict of interest.

Note the use of the word "appearance." For some reason, lawmakers (and even some ordinary Alaskans) seem to think there needs to be an overt, egregious ethical lapse for something to qualify as a conflict of interest.

Wrong. It's about what looks fishy or oily, not just about what actually is fishy or oily. You don't need an indictment or a conviction for certain behaviors to erode trust.

Whether Murkowski makes decisions that will benefit sport fishing (Penney's domain) or Stevens makes decisions that will benefit the oil industry (Allen's) doesn't really matter.

What matters is, by accepting deals or services unavailable to the rest of us from well-connected heavyweights whose prosperity might be affected by lawmakers' decisions, Murkowski and Stevens

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give ordinary Alaskans legitimate reason to wonder if the senators can do their job without being compromised.

There's no question both got something the average person won't get. If in doubt, review the previous questions.

Murkowski realized the appearance of a conflict was significant enough to give up the land she and her husband bought from Penney. Her cry-me-a-Kenai-River-lament that criticism of the deal cost her family the Alaska home they deserve is shameful. She never should have taken the deal in the first place. She deserved every bit of scrutiny she received. She and her husband should have shopped for land the same way other Alaskans do, or at least those Alaskans who don't have cozy relationships with the rich and powerful.

When you're an elected or appointed official, ethics trump friendships. You must avoid the appearance of conflict in matters both professional and personal. Simple as that.

Problem is, Alaskans have long enabled the pervasive mentality among lawmakers that it's OK to cash in on their office and influence, that it's OK to take consulting jobs they wouldn't get if they were merely cabinet makers, that it's OK to let oil-industry bigwigs like Allen dictate lobbying laws.

Juneau insiders say they've long been aware of the culture of corruption at the state level, but it took federal investigators to kick over the stone and expose the Tom Andersons of that world. And most Alaskans sat by quietly as majority lawmakers delayed fixing state ethics laws that had allowed a former attorney general to take a lead role in a project that could have steered business to a company he owned more than $100,000 worth of stock in.

The other day I heard a woman talking about the scene in "The Simpsons Movie" where Homer learns Alaskans receive annual checks for "letting the oil companies ravage" the state's natural beauty. "I always wondered why we got them," she said, not considering for a minute the line was a commentary on the state's love affair with the industry that helped spawn Allen and his dirty deeds.

Lawmakers may be too stupid or too arrogant to recognize obvious conflicts, but ordinary Alaskans deserve part of the blame for letting them get away with it for so long. Even now, people defend Murkowski by saying her long friendship with Penney exempts their deal from criticism and defend Stevens by saying his four-bedroom, three-bath Girdwood home assessed at $440,900 is modest and therefore immune from scrutiny.

Until everyone accepts that the only rewards lawmakers deserve is their salary, their considerable power and influence, and perhaps their re-election, we're stuck in this fine mess together.

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

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FBI - Stevens-886

Cowdery's boat burns and sinks -
RESCUED: Fishermen pick up the legislator and his passengers.

Anchorage Daily News (AK)
August 3, 2007
Author: KYLE HOPKINS
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Staff

Estimated printed pages: 2

Sen. John Cowdery's boat caught fire and sank Wednesday night near Whittier, according to two fishermen who took him to safety.

Tory Freeman said he and a friend were finishing a day of fishing when they heard a report over the radio of a boat in trouble. They saw Cowdery's 40-plus-foot boat nearby, carrying the Anchorage Republican and three adult passengers, billowing smoke.

"The cabin was totally filled with like this really thick, white smoke; it was like an electrical fire," Freeman said.

"John Cowdery ... stuck his head out of the cabin, and we yanked him out of there."

The fire began on a boat called the Johnita about 6:40 p.m. on the southwest side of Esther Island, said Chief Petty Officer Barry Lane of the U.S. Coast Guard.

It wasn't the first time one of Cowdery's boats has sunk.

On his personal Web site, Cowdery writes that he bought a 50-foot-plus pleasure boat around 2000 and named it Johnita II. One of Cowdery's staff members got married on that vessel, he wrote.

Whittier harbormaster Mike Davidson said the Johnita II sank in the winter of 2000 or 2001 at the Whittier dock, but was recovered and repaired.

Cowdery could not be reached for comment Thursday. A woman who answered the phone at his home hung up when a reporter identified himself.

Freeman and a longtime friend, Jeff Ohman, spent Wednesday bottomfishing near Whittier. Ohman said they were headed home when they passed Cowdery's boat and saw smoke, but thought it was just heavy exhaust.

Then no more than two or three minutes later a mayday call came over the radio, and they turned Ohman's new 22-foot Hewescraft -- the Live and Learn -- to help.

"The boat was engulfed in smoke like you see in a house fire," Ohman said.

Cowdery told the fishermen that he'd just filled the boat with fuel, Freeman said. After the senator and his passengers boarded the good Samaritan boat, they left for Whittier and watched as the Johnita erupted in flames, Freeman said.

Another boat in the area soon reported that the boat had sunk. The fishermen said no one appeared to be hurt.

The Coast Guard is investigating the incident.

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194A-AN-13620-M;417

Palin to discuss special session -
OIL TAX FORMULA: Legislature would address possible malfeasance.

Anchorage Daily News (AK)
August 3, 2007
Author: STEVE QUINN
The Associated Press
WIRE

Estimated printed pages: 2

Gov. Sarah Palin will outline her plans for a special session on the state's petroleum profits tax during a news conference here this morning.

Palin will be joined by Revenue Commissioner Pat Galvin, who is expected to have a report prepared on the tax system passed last year, said deputy press secretary Sharon Leighow.

The tax formula, based on profits rather than gross sales, has been under scrutiny after three former lawmakers came under federal indictment in May.

Vic Kohring, Bruce Weyhrauch and Pete Kott, all Republicans, are charged with taking bribes or extorting favors in exchange for votes on the state's oil tax last year.

All three were arrested May 4 and have pleaded not guilty. They are awaiting trial this fall.

The day after they were charged, Palin pledged to take a look at the potential role any malfeasance may have had on the current tax.

"There are a lot of things we will be walking through, investigating and studying," Palin told The Associated Press that day. "We will see what kind of influence was effective in terms of the administration proposing what they proposed and lawmakers adopting what they adopted."

One day after the state's Legislature adjourned in mid-May, she announced plans to have this session, possibly outside of the state's capital, in the fall.

Today, she will answer long-awaited questions of where and when.

Recently she said she would like to have the session where there is a road system providing access to a majority of the lawmakers and citizens, which Juneau does not have.

But Palin had also said she was alarmed at the cost for the one-day session lawmakers held in Anchorage two months ago. It surpassed $100,000.

Still, Leighow said the governor's wishes to take advantage of the road system has not changed, making Anchorage and Fairbanks likely candidates.

"Gov. Palin has always favored having this special session somewhere on the road system so Alaskans could have access to the lawmakers," Leighow said. "She's never wavered."

Just because the announcement is to be made in Juneau does not mean Palin will call for it to be in the capital, Leighow said.

Palin has spent most of the interim in Anchorage or traveling out of state, including a trip to Kuwait to visit Alaska-based soldiers serving in the Middle East.

Her office and mansion have been undergoing repairs, asbestos abatement and restoration during the interim, so working outside the capital was logical, Leighow said.

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House Speaker John Harris, R-Valdez, said he has not heard any specifics about the session's mission or location.

"What I want to do is encourage the governor to do what's most beneficial to getting in a good process for whatever they are proposing," Harris said.

FBI - Stevens-889

Despite reservations, Alaskans vote for reform

Anchorage Daily News (AK)
August 3, 2007
Author: McClatchy Newspapers Staff

Estimated printed pages: 2

Alaska's entire congressional delegation voted for the ethics bill.

There had been some question earlier this week whether Sen. Ted Stevens would vote for the measure because he had objections to the stricter provisions for chartered plane travel. Both he and Sen. Lisa Murkowski said they thought the new rules would make it more expensive to charter planes to travel within the state.

But for Stevens, it was no time to cast a vote against ethics reforms -- just days after the FBI raided his house as part of a corruption probe. The raid proved awkward timing for GOP leaders, who were working to show that they are as tough on ethics as their Democratic counterparts who pushed the bill through the House and Senate.

Murkowski said she had spent a lot of time thinking about how to vote on the bill, in part because she thought that earmarks should be even more transparent than the standards in the legislation.

Like Stevens, she had concerns about the charter plane provisions. And like Stevens, she has had problems. A watchdog group filed an ethics complaint against her after news reports surfaced about a sweetheart land deal she had with a developer and family friend. Murkowski, stung by the criticism over the deal, sold the land back for its asking price.

It's also clear that people across the country want to hold Congress to high standards, Murkowski said, and now is the ideal time to pass such guidelines and show the public that they are serious about change.

"People want to know that we really have made a change in that direction," she said.

Rep. Don Young, R-Alaska, voted for the measure in the House earlier in the week.

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State to hire consultants to review oil tax

TASK: Experts will look at other plans, consider alternatives to the PPT.

The Associated Press
Published: August 4, 2007
Last Modified: August 4, 2007 at 05:18 AM

FAIRBANKS -- The state Tax Division hopes to hire five consultants to review Alaska's new oil tax.

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"The state's going to need to draw on a number of areas of expertise, and each of the contractors has certain strengths in different areas," said Jonathan Iversen, Tax Division director.

Barring protests, the state will award contracts to Gaffney Cline & Associates, Arthur D. Little, Research Associates, PFC Energy, and Martindale Consultants Inc.

All five have done work internationally. The state Department of Revenue has contracted in the past with all the companies except Research Associates, according to deputy revenue commissioner Marcia Davis.

Research Associates is operated by Richard Fineberg of Ester and is the only Alaska-based company. Fineberg served as senior oil and gas adviser to the governor in the late 1980s.

The division requested proposals in July for a consultant to help figure out how Alaska's new petroleum profits tax, or PPT, compared to other taxes around the world, and to help consider alternatives if needed.

The proposal request described a six-month contract running through January 2008. Consultants would be expected to testify on new tax proposals. The contract budget was capped at $400,000.

The Tax Division picked consultants based on their understanding of the project, work plan, experience and cost. A preference was given to Alaska applicants.

Iversen said the division plans to split tasks among the companies and to have some "cross-checking," with multiple companies researching the same topic.

Companies will be paid for tasks they are assigned.

"It's an expensive undertaking, but we will be using these experts frugally," he said.

The Department of Revenue already is reviewing the PPT. According to Iversen, the consultants will add to the expertise available at the departments of Revenue and Natural Resources.

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194A-AN-13620-M;420

Palin sets special session date -
OCT. 18: She wants review of oil profits tax; location still undecided.

Anchorage Daily News (AK)
August 4, 2007
Author: STEVE QUINN
The Associated Press
WIRE

Estimated printed pages: 4

Alaska's oil tax system is not only failing the state, but it's tainted with corruption, Gov. Sarah Palin declared Friday.

So she will call lawmakers back to work Oct. 18 to review the state's petroleum profits tax, also known as PPT.

Palin, however, has not selected a site for this special session, which could take up to 30 days. A one-day special session in June was held in Anchorage.

This means lawmakers will be in session soon after the Oct. 1 deadline for interested companies to submit applications for building a multibillion-dollar pipeline to ship trillions of cubic feet of natural gas to market.

The tax formula, based on profits, not gross sales, is coming up short of projections, according to a report prepared by Revenue Commissioner Pat Galvin.

PPT came under additional scrutiny in May after three former lawmakers were indicted on bribery and extortion charges in connection with the tax law.

"PPT just is not working as had been promised," Palin said. "We are in great need of creating an environment here in Alaska of investment.

"Revisiting PPT can tackle that issue and also allows legislators to basically start anew, to remove the taint of corruption and restore public trust."

Palin's comments fall right in line with concerns by Democrats that date back to last year when PPT was being debated in regular and special sessions.

Many Democrats say the state is losing millions under this formula, but Palin did not call for any specific changes just yet. Still, she plans to give legislators specific direction for reviewing PPT by Sept. 4.

Galvin's report states that PPT forecasts will fall short of projections of a year ago and that PPT is not doing enough to stimulate investment.

On one hand, Galvin's forecasts for fiscal year 2008, which began July 1, show PPT would generate $250 million more than the previous system, considered outdated for the North Slope production. It still comes up $800 million short of what was predicted last year by former Gov. Frank Murkowski's administration.

Last year, the state also underestimated operating costs that oil companies would be deducting, Galvin said.

Some lawmakers, however, want to make sure the administration isn't rushing toward judgment just one year after the new system was put in place.

"I don't know if there has been enough time under the present system," said House Speaker

John Harris, R-Valdez. "But if the administration makes a good case that the system is broken, and it needs to be changed, then we ought to look at it."

Harris also told Palin in an unsolicited May 7 letter that he would support revisiting the PPT should she deem it necessary.

His letter followed the arrests of former lawmakers Vic Kohring of Wasilla, and Bruce Weyhrauch and Pete Kott of Juneau on bribery and extortion charges.

All are Republicans and charged with taking bribes or extorting favors in exchange for votes on the oil tax last year.

All three were arrested May 4 and have pleaded not guilty. They are awaiting trial this fall.

The day after former lawmakers were charged, Palin pledged to take a look at the potential role any malfeasance may have had on the current tax.

Once the Legislature adjourned a few weeks later, Palin announced her intent to have a special session on PPT, possibly outside the capital.

Palin said she first wants feedback from lawmakers on where they believe the session should be held. She will ask Senate President Lyda Green and Harris to submit a recommendation by Sept. 4.

"The governor is right in that it's incredibly important content, but we need to have the special session in Juneau," said Minority Leader Beth Kerttula.

"We have the infrastructure in place," she said. "You don't want to make decisions like that when you're worrying about where you're going to have an office or where you're going to sleep."

Palin has made several trips back to Juneau since the end of the session, including trips for bill signings. She has signed 62 bills since May 16.

She has attended a national conference in Michigan and traveled overseas to visit Alaska-based troops in Kuwait.

For lawmaking, Palin said she understands that sessions held outside of Juneau are an emotional issue for those who cherish the city's role as the capital.

She said she is simply trying to make the Legislature more accessible to the public year-round and not renew a push to move the capital.

That's why she wants the legislators' consideration for a site that has road access, which Juneau lacks, she said.

"The desire by a lot of Alaskans to be able to participate and access their lawmakers via special sessions isn't a step toward moving the capital out of the city of Juneau," she said.

"I keep repeating that, but I guess our actions will have to speak louder than words. That's our message."

INSIDE

EXTRA HELP: The state hopes to hire consultants to review the petroleum profits tax.

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Caption:

FBI - Stevens-893

Reports of corruption shake Alaska delegation's credibility - CRITICISM: Stevens, Young shrug off questions and continue to work.

Anchorage Daily News (AK)
August 5, 2007
Author: ERIKA BOLSTAD
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Staff

Estimated printed pages: 6

It was just two days after Monday's FBI raid on U.S. Sen. Ted Stevens' house, and his colleague, U.S. Rep. Don Young, was at a press conference to attack a Democratic energy bill. It was the first time reporters were able to ask Young any questions since the news emerged that he, too, was under federal investigation.

Young swatted away the inquiries. He didn't really open up until he was asked about Alaska-related projects he inserted into a federal water bill -- including money for a study of the proposed bridge across Knik Arm, a project known to the rest of America as one of the "bridges to nowhere." He grinned, happy to answer questions about the millions of dollars he has squirreled away for his home state.

"Oh yeah, I did real well," Young said, before hopping an elevator and avoiding additional questions. "I'm happy."

These days, though, such boasts make many in both Alaska and Washington cringe, especially as it becomes more apparent that two-thirds of the state's congressional delegation is being investigated for improprieties connected with how they allocated federal money. Many people also have started to question how a delegation weakened by criminal investigations and ethical concerns can continue to effectively represent a place that, since statehood, has depended on federal money and attention to thrive.

NEWS REPORTS DON'T HELP STATE

Even as she refused to speculate about the investigations involving her two colleagues, Alaska's other U.S. senator, Lisa Murkowski, said she realized that the news about the Alaskan delegation - as well as recent questions about the ethics of the Kenai River real estate deal she was involved with -- hadn't been good for the state.

"There has been a very intense media scrutiny on Alaska," Murkowski said. "And it's one thing if you read about it in our own newspapers or hear about it on the 6 o'clock news. It's another thing when you see the media reports coming out of New York and the Washington Post. We all want coverage to be good about our state. And I acknowledge that it is not particularly good news for Alaska."

There was another development in Washington last week that had an effect on the delegation. The House and the Senate passed an ethics bill calling for more detailed and transparent disclosures about earmarks, the special spending allocations that have made the Alaska delegation so infamous. It's a change that has made it just a little bit unsavory for Stevens and Young to continue to brag, as Young once did in 2003 of an appropriations bill, that he "stuffed it like a turkey."

The Alaska that once appreciated such talk has changed in the past 40 years, said Willie Hensley, a former state lawmaker and a founder of the NANA Regional Corp. who now lives in Washington and handles government relations for the Alyeska pipeline.

As the state matures, its leaders have to be cautious about how they look to the rest of the nation, Hensley said. That means they can no longer afford to appear as though they're

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cravenly grabbing for federal money -- and its leaders can't be tarnished by ethical problems. There is simply less tolerance for such behavior, even though Alaska might still need the federal help, he said.

"Alaska is somewhat fragile," he said. "Oil is about the only thing that pays its way, really. I don't think we have a lot of room for error in our political judgments, and we have to have the best people we can in there, using their judgment and influence."

NO RESPONSE, THANKS

Like Young, Stevens also has refused to talk about the investigation, or directly address the question on a lot of people's minds: Has the investigation become such a distraction that it hampers his ability to work on behalf of the state?

His spokesman, Aaron Saunders, said in a written statement that "Sen. Stevens remains committed to working with members of the Appropriations Committee to ensure Alaska receives the same rights bestowed upon other states -- the right to basic transportation, clean drinking water, essential education programs, quality public housing and other things that Americans in the Lower 48 take for granted."

And in fact, both Young and Stevens have been busy, even with the distraction of reporters camped outside their offices hoping they'll say something about the ongoing investigations.

Stevens and Murkowski co-sponsored a resolution to protect Arctic fisheries. Congress passed a Stevens-sponsored bill to direct more money to research in science, technology, engineering and math. He introduced legislation to enhance child pornography enforcement. And he and the rest of the state's delegation approved sweeping ethics reforms in Congress.

Young, who had prostate surgery and was out for a few days in July, jumped right back into the legislative fray by attacking a Democratic energy bill as "energy suicide" on the House floor Saturday -- as Congress went into an extended session. And as the former chairman of the House Transportation committee, he called on the president and Congress to consider a new gasoline tax that would pay for upgrades to the country's infrastructure, improvements that Young said would help prevent tragedies like the Minnesota bridge collapse.

As senior GOP lawmakers who held powerful committee posts, both Young and Stevens had already lost much of their influence when Democrats took control of Congress last fall. But their legacy of federal earmarking lives on in Alaska.

For years, Alaska has topped the list of states with the most per-capita federal government spending. There is no underestimating the role federal spending plays in the state's economy, said Scott Goldsmith, an economist with the Institute of Social and Economic Research at the University of Alaska Anchorage.

One third of Alaska's economy is based on oil, another third is based on federal government spending, and the final third is everything else, said Goldsmith.

FBI - Stevens-895

"The federal dollars that come into Alaska are clearly a very important part of the economy and influence the economy in myriad ways," he said. "Just because they're trying to tighten up in general on earmarks, those earmarks and grants in general are in jeopardy, and to the extent that gets squeezed, it has a negative effect on our economy."

But Goldsmith also points out something interesting about the federal money that keeps one-third of the state's economy afloat: It's mostly in the form of everyday spending that would come to Alaska regardless of who is in office. It includes salaries for federal employees such as postal workers, military spending, highway money and even Social Security payments to retirees.

"Much of the federal money that comes into the state is insulated or not really very sensitive to the kind of problems were seeing right now with our delegation," Goldsmith said. "Those come independent of what your legislators are doing."

SENSE OF IMPENDING FALL

Politically, many smell blood.

For the first time in years, Rep. Don Young has a challenger with fundraising juice: Jake Metcalfe, a former Anchorage School Board president and former head of the state Democratic Party, who announced his candidacy last week. Democrat Diane Benson, who challenged Young in 2006, is also running. There may be more. There's also serious talk about both Republicans and Democrats considering a run against Stevens - people who wouldn't have dared take him on in past years.

The delegation's actions have consequences for the state, said Ethan Berkowitz, a Democrat and former state lawmaker who ran for lieutenant governor last year. Berkowitz is now considering a bid for Stevens' seat, and also has thought about running for Young's. He expects to make an announcement in September.

"As long as the current delegation is there, Alaska's going to be cut up in the process," Berkowitz said. "In my judgment, they're hurting the state. The national perception of Alaska is something we need to change."

Metcalfe was in Washington last week and said it was "scary" to see the headlines about Alaska politicians under investigation. He said Young and Stevens have been in Washington too long.

"Their generation has passed and I think their effectiveness has really diminished in the past four years," he said. "Part of that has to do with the Democrats taking over, but part of it is the style of leadership. When you have the corruption and the offices stained by what's happened, people don't believe government works for them. They believe it works for the special interests and campaign contributors."

That generational shift may have already started within the state's Republican Party, with the election last year of a governor whose first order of business was to pass an ethics reform bill.

"It's a generational shift that's going on, but it's also a values shift that's going on," said Gov. Sarah Palin.

The "culture of corruption" that has become ingrained in Alaska politics is a poor example to the rest of the nation as the state tries to be taken seriously in negotiations over a natural gas pipeline, Palin said.

"We have to prove that we are responsible, that we are trustworthy, that we are truthful up here," she said. "Our actions have to speak louder than our words."

Find Erika Bolstad online at adn.com/contact/ebolstad.

FBI - Stevens-896

The Alaska political corruption investigations

Anchorage Daily News (AK)
August 5, 2007
Author: Compiled by David Hulen and Richard Mauer / Anchorage Daily News Staff

Estimated printed pages: 6

A broad federal investigation of public corruption has been under way in Alaska for more than three years, although it didn't become widely known until Aug. 30, 2006. That's when teams of federal agents executed search warrants at the offices of six state legislators and elsewhere around the state. The government has since brought indictments and won a jury verdict and several guilty pleas. The investigation continues, with grand juries hearing secret testimony in Anchorage and Washington, D.C. Last week, federal agents searched the Girdwood home of U.S. Sen. Ted Stevens, drawing national attention.

Authorities have said very little about the overall shape of the inquiry, where it's headed or what's being investigated. Here's some of what's known:

WHO IS CONDUCTING THE INVESTIGATIONS?

It's being run by the FBI, the IRS and the U.S. Justice Department's Public Integrity Section from Washington, D.C., which focuses on government corruption cases. Two prosecutors from the Alaska U.S. Attorney's Office have been assigned to the effort.

CHARGED AND AWAITING TRIAL

Former Alaska House Speaker Pete Kott of Eagle River. Indicted in May on bribery, extortion and conspiracy charges, Kott is accused of taking payoffs and a promise of a job from Veco to help push an oil-production tax favored by the industry through the Legislature in 2006. Aside from cash, he's accused of being paid a "fraudulently inflated" fee by Veco for flooring work and a promise of a future job. He pleaded not guilty. Trial is scheduled for September.

Former Rep. Vic Kohring of Wasilla. The chairman of the Special Committee on Oil and Gas was indicted in May on bribery, extortion and conspiracy charges, accused of taking cash and a loan from Veco executives in exchange for supporting the company's position on the oil tax. A member of the Legislature when indicted in May, he later resigned under pressure from constituents and Republican House leaders. He pleaded not guilty. Trial is scheduled for October.

Former state Rep. Bruce Weyhrauch of Juneau. Charged with bribery, extortion and conspiracy, Weyhrauch is accused of switching his vote on the oil tax after receiving instructions from Kott and Bill Allen. He's also accused of soliciting work for his legal practice from Veco in exchange for his vote. He pleaded not guilty. Trial is scheduled for September.

PLEADED GUILTY

FBI - Stevens-897

Longtime Veco CEO Bill Allen. He pleaded guilty in May to charges of bribery, extortion and conspiracy for his dealings with four legislators: former Reps. Pete Kott, Bruce Weyhrauch and Vic Kohring, and former Sen. Ben Stevens (described in the plea as "State Senator B"). The first three were charged; Stevens has not been. Allen also admitted paying a "bonus" in company funds to executives for illegal campaign contributions in 2005 and 2006. For more than two decades, he was a major political fundraiser for Alaska politicians. He resigned from Veco after his guilty plea and awaits sentencing.

Veco vice president Rick Smith, who ran the company's government affairs operations. He worked part of the year out of a suite in Juneau's Baranof Hotel that was being secretly

194A-AN-13620-M;423

monitored by the FBI. In May he pleaded guilty to the same charges as Allen. He admitted, with Allen, to making more than $400,000 in payoffs to elected officials and illegal campaign contributions. Resigned after plea, awaits sentencing.

Lobbyist Bill Bobrick. A longtime lobbyist at the city level and one-time head of the Alaska Democratic Party, he pleaded guilty in May to conspiracy for bribing Anderson while working for a private prison company, Cornell Cos. He testified against Anderson and is awaiting sentencing.

TRIED AND CONVICTED, AWAITING SENTENCING

Former Anchorage state Rep. Tom Anderson. In December, he became the first person charged. On July 9, a federal jury convicted him on all counts of bribery, conspiracy and other charges connected with taking payoffs from Bill Bobrick, a lobbyist for a private prison company. Anderson worked as a consultant for Veco, the oil field services and engineering company at the center of the broader investigation, although none of the charges against him concerned Veco. It was revealed during his trial that federal agents were investigating corruption in the Alaska Legislature as far back as early 2004. He's awaiting sentencing.

OTHERS CONNECTED WITH THE INVESTIGATIONS

U.S. Sen. Ted Stevens. He has represented Alaska since 1968 and is the most senior Senate Republican in history. Stevens has come under political attack recently from fiscal conservatives and others for his use of earmarks to direct programs and money to Alaska. Some of the earmarks benefited his son Ben and a former aide, Trevor McCabe, and their clients. Veco's Allen oversaw a construction project in 2000 that doubled the size of Stevens' Girdwood home, and investigators have been trying to learn if at least some of that work was an improper gift.

Former state Sen. Ben Stevens. In his plea agreement, Allen admitted making improper payments of $243,250 to "State Senator B" -- an unmistakable reference to Ben Stevens, the former state Senate president. Ben Stevens' office was searched in the August 2006 raids and was later visited again by FBI agents seeking information about his fishery interests and benefits he may have received from legislation written by his father. He was paid hundreds of thousands of dollars as a consultant for various commercial fishing companies and groups, and chaired a federally funded panel, created in an earmark by his father, that awarded grants to some of those entities.

U.S. Rep. Don Young. Alaska's sole U.S. representative since 1973, Young has been widely reported to be under investigation over his own ties to Veco and use of earmarks, although details of what is being examined are unclear. Since 1989, he has received more than $212,000 in campaign donations from Allen, Smith and other Veco executives, making the company by far his top contributor. One of Young's aides has pleaded guilty in the Jack Abramoff lobbying scandal, and Young himself has ties to the lobbyist. Young has come under political attack for adding earmarks to transportation legislation that would benefit a Wisconsin trucking company and a Florida real estate mogul, both of whom contributed to his campaigns. Young recently reported spending $262,000 in campaign funds on unspecified legal fees during the first six months of 2007.

Trevor McCabe. Seward native and former legislative director to Ted Stevens, he became partner in a consulting business with Ben Stevens, and lobbied Congress on behalf of a Southeast salmon group that obtained federal funds from Ted Stevens. An attorney and lobbyist, McCabe has represented other seafood interests as well. With two partners, McCabe sold property to the Alaska SeaLife Center in Seward at a price substantially above its appraisal after Ted Stevens provided the money in an earmark.

Frank Prewitt. Former state corrections commissioner who became a consultant to Cornell Cos., a private prison company that wanted to build a large prison in Alaska (at one time

teaming with Veco). Prewitt was being investigated by the FBI in 2004 when he agreed to work for the government to root out corrupt legislators and lobbyists. He passed out money and recorded conversations, providing the foundation for the Anderson case.

Sens. John Cowdery, R-Anchorage, and Donald Olson, D-Nome, also had their offices searched in August 2006, but have not been charged.

ENTITIES CONNECTED WITH THE INVESTIGATIONS

Veco Corp. An oil field services and engineering company that operates extensively in Alaska and elsewhere, Veco has been among the most politically active companies in the state for years. It has lobbied in Juneau for legislation beneficial to the oil industry and aggressively supported pro-development candidates in Alaska and Outside. Since 2000, the company received more than $40 million in federal contracts, according to the database FedSpending.org. Allen and Smith are the only two Veco executives charged. While Bill Allen has stepped down, his family still owns a majority of the company. Denver-based CH2M Hill is in negotiations to buy it.

Alaska SeaLife Center. The Seward research center and visitor attraction was built, in part, with settlement money from the Exxon Valdez oil spill, and run with heavy federal financial support engineered by Ted Stevens. Investigators are examining a deal in which the SeaLife Center bought property from former Ted Stevens aide Trevor McCabe and partners at a price substantially above its appraisal after Stevens provided the money in an earmark.

Alaska Fisheries Marketing Board. Created by Sen. Ted Stevens in 2003 to boost the North Pacific fishing industry, the nonprofit has distributed some $30 million in federal money to seafood companies and other entities to promote their products. Ben Stevens served as chairman of the board until last year, and while he was in that role the board awarded millions in grants to groups that paid him consulting fees. Last November, a grand jury in Anchorage issued subpoenas to several North Pacific seafood companies and groups demanding records on their dealings with the marketing board, Ben Stevens, McCabe (who also sat on the board) and others.

FBI - Stevens-899

NewsBank Access World News

Paper: Anchorage Daily News (AK)
Title: Kohring asked to step aside -
SCANDAL: Corruption charges against Wasilla representative taint other lawmakers, some say.
Date: June 5, 2007

House leaders have asked Rep. Vic Kohring to consider resigning because of his indictment in a bribery scandal, as pressure in the Wasilla lawmaker's district mounts to remove him from office by special election.

House Speaker John Harris, R-Valdez, and House Majority Leader Ralph Samuels, R-Anchorage, said they relayed to Kohring last week the concerns of fellow lawmakers that the corruption scandal is tainting them all. They met with Kohring in his Mat-Su home.

A federal grand jury indicted Kohring last month as part of a wider corruption probe. Prosecutors have accused Kohring, a Republican, of selling his vote on the state petroleum tax last year to the Anchorage oil field services company Veco Corp. Kohring and two former legislators also under indictment have pleaded not guilty. Veco executives Bill Allen and Rick Smith pleaded guilty to conspiracy, bribery and tax charges. Allen and Smith have since resigned from Veco.

Kohring's trial is scheduled to begin Oct. 22 in Anchorage.

Samuels said he and Harris approached Kohring to share serious concerns expressed by several other lawmakers regarding the impact the corruption scandal was having on the public's trust in the Legislature.

"We didn't go out there to try and force him to resign; we just want to make sure he understands where his colleagues are at with the situation," Harris said, adding that Kohring was still innocent until proven guilty.

Harris said he was not considering expelling Kohring from the House at this time.

But in Wasilla, public pressure has led to a call for his resignation and even inspired "Recall Vic" T-shirt sales.

Wasilla City Councilman Mark Ewing last month began gathering signatures for an application requesting a special election to strip Kohring of his House seat. The application for the recall must have at least 709 signatures before the state Division of Elections will review it. Ewing said volunteers had already collected the required minimum but planned to double the amount in a "blitz weekend" before filing it next week.

"The focus is to get us some representation in Juneau that is stable and trusted," Ewing said. "A lot of his supporters who gave him $500 every time he ran are signing this thing."

Getting the 709 signatures is only the first of several steps that must be completed before a recall election would be held.

If the Division of Elections approves the recall application, Ewing would then need to collect at least 1,770 signatures -- equaling 25 percent of the voters from the district's last election. The elections division could order a special recall election after this second set of signatures is in hand.

Gov. Sarah Palin, who is from Wasilla, said last month Kohring should step down. As governor, Palin would appoint another Republican to replace him if he resigned or is recalled.

Kohring said Monday that he would respond only to questions for this article that were e-mailed to him. He then did not respond to the e-mail.

FBI - Stevens-900

Kohring was aware of fellow lawmakers' concerns, Samuels said. Kohring responded openly to the discussion, saying he continued to labor over what would be the best for him, the Legislature and his constituents, Samuels said.

"He's aware of the situation that he's put himself and everyone else in," Samuels said. "Even if he did nothing wrong, there is the negative perception in the public that affects the whole institution of the Legislature."

Harris indicated Monday that he expected to have Kohring's decision within a few days on whether he will retain his House seat or step down.

If he resigns, it would remove him from participating in a special legislative session to revisit the oil tax that is tentatively scheduled for this fall.

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Palin announced that she would call for the special session shortly after the Veco executives pleaded guilty on May 7 to bribing lawmakers for their votes on the petroleum tax

Palin at the time said the corruption probe surrounding the tax debate had tainted the law and called into question if it was the right tax law for the state.

Several lawmakers have questioned if it would be appropriate for Kohring to participate in the debate again, given the allegations against him.

"I have a strong feeling that it won't be an issue at that point," Harris said regarding Kohring's presence in the fall special session. "I think we'll see a decision here pretty soon. Whether or not that's going to be him saying he will step down is ultimately his decision."

Daily News reporter Sabra Ayres can be reached at sayres@adn.com or 1-907-586-1531.
Caption:
Kohring
Caption:
Photo 1: VicKohring_060507.jpg

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Author: SABRA AYRES Anchorage Daily News Staff
Section: Main
Page: A1
Dateline: JUNEAU
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FBI - Stevens-901

NewsBank inc Access World News

Paper: Anchorage Daily News (AK)
Title: Anderson trial starts with jury selection -
EX-LAWMAKER: Prosecutors plan to play tapes that record alleged influence-peddling.
Date: June 25, 2007

Tapes secretly recorded by a federal informant will finally become public when they are played for jurors being chosen today to hear the corruption case against former state Rep. Tom Anderson.

Jury selection is set for this morning as Anderson's trial begins on seven felony counts that include bribery, extortion and money laundering.

The trial is expected to take two weeks, half for each side.

It will be the first real test of the prosecution team handling corruption cases against four former or current Alaska legislators. The team is led by the U.S. Justice Department's Public Integrity Section out of Washington, D.C., and includes two assistant U.S. attorneys based in Anchorage. Anderson is the first to go to trial.

Prosecutors have laid out their case in a 29-page trial memorandum that provides new details.

Anderson's lawyer is Paul Stockler, who is fighting to keep the government from showing certain documents to the jury, such as Anderson's tax returns and credit card bills.

"He didn't agree to perform any legislative acts in exchange for money, and the government is not going to be able to prove that he did," said Stockler, who has listened to hundreds of hours of recordings.

Anderson, 39, was elected to serve East Anchorage in the House in 2002 and again in 2004. He didn't run last year. His wife is state Sen. Lesil McGuire, and their relationship is an issue in the government's case.

HELP FOR PRISON

The prosecution says Anderson was part of a scheme initiated by former lobbyist Bill Bobrick to funnel payments from a private prison company to Anderson.

Prosecutors assert that Anderson sold his legislative office for $12,828 to help the private prison company.

While Bobrick is not named in the Anderson court documents, he has pleaded guilty to a single count of conspiracy to commit extortion, bribery and money laundering and agreed to testify against Anderson.

Bobrick for years had a long list of clients with city business but gave them up after his guilty plea.

In a written summary of the case, prosecutors say they will rely on recordings made by a "confidential source" in 2004 and into 2005. They haven't named the source, but Frank Prewitt, a former state corrections commissioner, confirmed it was him. After leaving his state post, Prewitt became a contract consultant for Cornell Companies, a private prison firm based Outside.

Prewitt said in a recent e-mail that he'll be testifying but couldn't talk further with the trial so near.

In summer 2004, Prewitt was working as a confidential source on "other, unrelated investigative matters," the prosecution says without providing further description.

On July 16, 2004, Bobrick left a message on Prewitt's machine to ask whether they could "try with Cornell to help out Tom Anderson."

In a meeting five days later, Prewitt asked "what could Tom do?" Bobrick answered "be our boy in Juneau." He said he planned to create a political newsletter, which he later said would be published on the Internet. Anderson would help set it up and write for it, Bobrick told Prewitt.

The real question, Prewitt said, was "what can Anderson do for Cornell?"

Cornell was not aware of the bribery scheme or Prewitt's role in the undercover investigation, the Justice Department has said.

'TWO LEGISLATORS'

FBI - Stevens-902

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Bobrick noted Anderson's romantic relationship with another legislator and said Cornell would "get two (legislators)-- you know, Chair of Labor and Commerce (Anderson), and Chair of Judiciary (other elected official) ... that's the minimum we're going to have next year."

McGuire, then a state representative, chaired Judiciary. She and Anderson married in 2005.

Stockler, Anderson's defense attorney, said he's stunned that the prosecution brought up McGuire because he said she hasn't done anything wrong.

"I'm at a loss as to why they would put that into the pretrial memo," Stockler said. "You can imagine what effect that had in that household as I'm trying to get Tom ready for trial."

Once the trial begins, the prosecution is expected to play snippets of the tapes made by Prewitt. Stockler said the defense will push to get longer or different sections of the recorded conversations before jurors so they have a more complete picture of Anderson.

On Thursday, Stockler filed a motion to bar the prosecution from using Anderson's Visa statements, bank records, credit reports, and tax returns.

"Any minuscule relevance of this type of evidence is substantially outweighed by the danger of unfair prejudice and confusion of issues," Stockler wrote.

Prosecutors did not return calls last week but their trial memorandum describes the early days of the alleged scheme and lists a variety of "official acts" they claim Anderson performed for money.

PUSH FOR FEASIBILITY STUDY

In an Aug. 17, 2004, meeting with Anderson, Prewitt said he could pay $24,000 to the legislator and Bobrick but would need Anderson to further Cornell's interests in the Legislature. In particular, Cornell needed help pushing the state Department of Corrections to do a feasibility study for a private prison.

Anderson said he could call the corrections commissioner in October and say "in November you have (this feasibility study) done," according to the trial memo.

All the money should go through Bobrick, Anderson said. The Alaska Public Offices Commission "only needs to know ("Lobbyist A") pays me and then we're always safe," Anderson is quoted in the trial memo as saying.

On Oct. 20, 2004, Prewitt asked Anderson for help changing the rules on halfway houses. Cornell wanted to minimize costs by shifting inmates and staffing. State rules at the time required minimal staffing levels, regardless of the number of offenders.

The next day, Anderson faxed a letter to then-Corrections Commissioner Marc Antrim on legislative letterhead. The letter drew from an e-mail draft provided by Prewitt. Anderson asked for a meeting with Antrim about "budget challenges for the private contractors."

A day after that, Prewitt made the second of three $8,000 payments to Bobrick, who kept half or more of the money each time. Later, after Anderson complained about his share, Prewitt made a separate $2,000 payment directly to him, prosecutors say.

All the money was provided by the FBI.

On Oct. 29, Anderson met with Antrim in his Anchorage legislative office and talked about halfway houses.

The next month, Anderson sat down with Prewitt and described his understanding of the relationship.

"Unless you want me to (quit the Legislature) and, you know, work for you. But no, you don't want that. You want votes in the Legislature, I would assume," Anderson is quoted as saying.

FBI - Stevens-903

"Of course," Prewitt responded.

One project Cornell sought help on was a planned residential psychiatric treatment center in Anchorage. The center to treat troubled youths required a state certificate of need.

Anderson testified at a public hearing in Anchorage on Nov. 17, 2004, at which state officials were considering competing applications to build a center.

Anderson told the crowd that he didn't have a connection with either group.

"But with Cornell, I have met with administrators and see how they function and work, and certainly could endorse them to that end," Anderson said, according to a transcript of the hearing.

Cornell never got its center.

194A-AN-13620-M;

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.
Caption:
Anderson
Caption:
Photo 1: Anderson.1_062507.jpg

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Section: Main
Page: A1
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FBI - Stevens-904

NewsBank Access World News

Paper: Anchorage Daily News (AK)
Title: Corruption trial uncovers FBI mole -
DON STOLWORTHY: Deputy prisons chief was "glad to help."
Date: July 1, 2007

A former deputy corrections commissioner whose name came up Friday in the Tom Anderson corruption trial was working as an informant for the FBI in 2004 when he asked a prison company consultant for money, an FBI spokesman said Saturday.

Former Cornell Cos. consultant Frank Prewitt testified Friday that he worked with deputy commissioner Don Stolworthy that year to develop a compromise on competing bills to build a new prison. One measure could have led to a Cornell-run prison in Whittier. The other, supported by the Murkowski administration, pushed a state-run prison in the Valley.

Prewitt, a state corrections commissioner in the 1990s, testified Stolworthy told him he was worried about losing his job because of union opposition to a private prison. Prewitt said he assured Stolworthy that "people would be there for him" if that happened. Prewitt told jurors that Stolworthy eventually began seeking money, as a sort of insurance policy, if he lost his job.

But he only did that because the FBI asked him to, FBI spokesman Eric Gonzalez said Saturday. Stolworthy was working for the FBI as a "cooperating witness," he said.

"We approached him out of the blue," Gonzalez said. "We asked for his help and he said he'd be glad to help us."

Stolworthy "was squeaky clean," Gonzalez said.

The fact that Stolworthy was working undercover for the FBI never came up during the trial on Friday.

Prewitt testified that he was shocked that Stolworthy was asking for money and read him the ethics act.

The FBI won't discuss what evidence it may have collected on Prewitt through Stolworthy. But in his opening statement on Wednesday, federal prosecutor Joe Bottini said that Prewitt may have tried to improperly influence a state corrections official.

The matter came up because Prewitt is the government's star witness in the corruption case against Anderson, a former state representative. Defense attorney Paul Stockler cross-examined Prewitt on Friday about possible illegal activities in his background and pressed him on whether he was just testifying against Anderson to save himself.

Efforts to reach Stolworthy on Saturday were unsuccessful. When the state issued a statement announcing his resignation in January 2005, it said he accepted a job for the U.S. Justice Department as warden of a prison in Iraq.

Anderson's trial resumes Monday as Stockler's cross-examination of Prewitt continues.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.
Caption:
AL GRILLO / The Associated Press

Former state Rep. Tom Anderson, left, and attorney Paul Stockler walk through the Federal court building in Anchorage last week.
Caption:
Graphic 1: Anderson_Trial_AKAG105__070107.eps

FBI - Stevens-905

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Section: Alaska
Page: B1
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194A-AN-13620-M; 426

NewsBank Access World News

Paper: Anchorage Daily News (AK)
Title: Bobrick tells of Web scam -
ANDERSON TRIAL: The legislator did nothing for community site but was paid anyway, jury hears.
Date: July 4, 2007

On the stand for a second day in federal court Tuesday, former lobbyist Bill **Bobrick** told jurors that his idea for a political Web site started as a real business venture in 2004 with then-state Rep. Tom Anderson.

It wasn't supposed to be a way "to bribe Tom Anderson or channel him funds. But it certainly ended up that way," **Bobrick** testified.

Ultimately, its only real purpose was to disguise payments to Anderson, he told jurors. Anderson never did any real work for the Web site and received the money "for being a legislator," **Bobrick** said. The Web site never got off the ground.

Prosecutors rested their corruption case against Anderson on Tuesday afternoon after calling eight witnesses over four days. The trial began June 25 with jury selection, which lasted 21/2 days.

Prosecutors contend that **Bobrick**'s Web site business was used to funnel payments from a Cornell Cos. consultant to Anderson so that he would do the company's bidding on halfway houses, a juvenile treatment center and a private prison. Anderson faces seven felony counts.

Bobrick has pleaded guilty to conspiracy and said he is cooperating with the government in the hope of getting a lighter sentence.

In all, Anderson received a total of $25,838, based on testimony about various checks.

That's much more money than was previously disclosed. The charges list $12,838 in payments to Anderson. The FBI actually provided the money. Cornell was unaware of any scheme, the government has said.

Bobrick, a main witness for the prosecution, appeared drained but calm during hours of testimony and then aggressive cross-examination.

Defense attorney Paul Stockler on Tuesday pushed **Bobrick** on whether he turned on Anderson to save himself, the same approach he used the day before with the other star witness, Frank Prewitt, a former corrections commissioner who then became a Cornell consultant.

"I lost my career of 20 years. I lost my standing in this community," **Bobrick** said. And he may go to prison even yet.

"My life is pretty much wrecked because of my stupid, reckless actions," **Bobrick** said. He said he made $200,000 a year as a lobbyist before the Anchorage Assembly, but no more.

Bobrick began cooperating with the FBI soon after agents called him in last September, he said. They were in front of his house and came in to play recordings of conversations. Prewitt had secretly made recordings as a "confidential source" for the FBI.

"I realized I had done something wrong and I needed to do the right thing," **Bobrick** said as prosecutor Joe Bottini questioned him. He said later that he had made "tremendous errors in judgment." When he thought the Web site would be a legitimate business with Anderson, he was "in denial," he said.

Bobrick acknowledged other troubles. He said he once asked his mother to make a campaign contribution, then felt bad about it, so he reimbursed her.

He also said he wore a wire, but prosecutors didn't introduce any of those recordings. His agreement with the government requires him to cooperate and "testify truthfully," he said.

Based on how he does, prosecutors may ask U.S. District Court Judge John Sedwick to give him less than the estimated sentence of 24 to 30 months for conspiracy. But the way his life is going, "I fully expect to be hit pretty hard," **Bobrick** said.

During the investigation, he said, the FBI would "check up on me to make sure I had not killed myself."

THE BOGUS WEB SITE

The idea with the Web site or electronic newsletter was to have stringers all over Alaska writing about their communities, **Bobrick** told

jurors. Companies like Cornell or the developers of the Pebble mine might buy subscriptions or pay to advertise on it. State and federal issues would be aired too. Anderson could give the view from Juneau.

Wasn't it a real project, with Anderson being paid for real work? Stockler asked time and again.

"I wanted the Web site to be real," **Bobrick** said. "... I didn't wake up one day thinking, 'I'm going to bribe Tom Anderson.' "

But Anderson never produced any work, **Bobrick** said: no stories, no advertising contracts, no invoices, nothing.

Anderson had to have known he was being paid for his influence as a legislator, not for the Web site, **Bobrick** testified. "At the end of the day, that's all he had," said **Bobrick**, who told jurors he had urged Anderson to pass the bar exam so he could practice law and do real work.

Bobrick said he did pay two people to get the project going. A legislative aide to Anderson was paid to research villages, towns and boroughs as a first step to finding stringers.

And Ken Erickson, now the Web master for the House Republican majority, received $1,000 as a partial payment to design and build the Web site.

Erickson testified Tuesday that his main contact on the project was **Bobrick**. But he admitted under questioning by Bottini that Anderson requested a detailed invoice after the fact. In September 2005, he said, he submitted one backdated to Dec. 27, 2004.

He said he designed the site so that people without technical skills could easily submit their stories. But the only story that ever ended up on the site was one written by state Sen. John Cowdery, R-Anchorage, that Erickson said he put on the site just to show it worked. He checked back two or three times a year, but no one had contributed.

"I figured the project was dead or moribund," Erickson said.

Out of 100 or so Web sites that he's designed for people over the years, this is the first one that fizzled after money was invested, though maybe half die during the talking stage, Erickson said.

PUSHING CORNELL'S INTERESTS

Also on Tuesday, prosecutors asked witnesses about Cornell's push to open a residential psychiatric treatment center in Anchorage for emotionally troubled kids.

Bobrick, who was a lobbyist for Cornell on the project, told jurors that he asked Anderson to testify at a Nov. 17, 2004, public hearing about the project.

Anderson signed in on behalf of himself and never acknowledged his financial relationship with Cornell, David Pierce, with the state Department of Health and Social Services, told jurors.

Twice in his testimony that day in 2004, Anderson said he had no connection to the competing groups seeking to open a treatment center. But he said he could endorse Cornell because he had met the administrators and knew how they worked.

The trial resumes Thursday. The defense gets its chance to call witnesses.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

Anderson trial at a glance

THE DEFENDANT: Tom Anderson, 39, represented East Anchorage in the state House from 2003 until this year. He did not run in 2006.

THE CHARGES: Three counts of money laundering, two of extortion and one each of bribery and conspiracy.

THE CONSPIRACY: Federal prosecutors say Anderson participated in a scheme in which he agreed to do the bidding of the private prison firm Cornell Cos. in exchange for money.

THE CO-CONSPIRATOR: Lobbyist Bill **Bobrick** pleaded guilty in May to a single count of conspiracy. He set up a company reportedly to produce a political Web site for which Anderson would write. Prosecutors say it became a sham used to funnel payments to Anderson.

THE TRIAL SO FAR: The trial began June 25 with jury selection. The prosecution rested its case Tuesday after calling eight witnesses over four days. Main government witnesses: **Bobrick** and Frank Prewitt, Alaska corrections commissioner in the 1990s and then a Cornell consultant. Working undercover for the FBI, Prewitt made about a dozen audio and video recordings involving **Bobrick**, Anderson or both. He testified that Anderson knew he was being paid to do what Cornell wanted.

THE DEFENSE: Defense lawyer Paul Stockler spent hours cross-examining **Bobrick** and Prewitt. His defense appears to be that the FBI entrapped Anderson, the government witnesses are just trying to save themselves, and the actions Anderson took for Cornell were the kinds of things that legislators do. He portrays Anderson as an eager-to-please legislator who wasn't the one who kept talking about money.

COMING UP: The trial resumes Thursday, with the defense case. Stockler indicated Anderson hasn't decided whether to testify.
Caption:
Bobrick
Caption:
Photo 1: BillMugDSC_0014_070407.jpg

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Section: Main
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FBI - Stevens-908

NewsBank Access World News

Paper: Anchorage Daily News (AK)
Title: Anderson lawyer lays foundation for entrapment defense -
FBI TARGET: Stockler says the ex-lawmaker sought consulting work, not bribes.
Date: July 3, 2007

As the trial of former state Rep. Tom Anderson wrapped up its sixth day Monday, the defense strategy began to reveal itself.

The defense is trying to plant the idea with jurors that Anderson was lured into a trap and that Anderson didn't do anything special for the private prison firm Cornell Cos.

Federal prosecutors allege Anderson was paid $12,838 to use his legislative office for Cornell's bidding.

The government has introduced more than a dozen audio and video recordings involving Anderson, including a number in which he is heard or seen talking about his willingness to help Cornell.

But during cross examination by defense lawyer Paul Stockler, former Cornell consultant Frank Prewitt testified that Anderson wasn't even on the list of targets when he began to work with the FBI in the spring of 2004 in a corruption investigation of legislators.

Prewitt said he began secretly recording Anderson at the FBI's direction after hearing from a Cornell lobbyist in Juneau that the legislator wanted to work for the company as a consultant. Prewitt, state corrections commissioner in the 1990s, is the government's chief witness.

Stockler seemed incredulous that would get the FBI's attention. "Just a guy who is looking for some consulting work?" he said in questioning Prewitt.

But the FBI was very interested in Alaska legislators and their questionable consultant contracts, Prewitt testified.

Later, prosecutor Nick Marsh asked Prewitt about a conversation in which Anderson's consulting work for Anchorage-based oil field services contractor Veco Corp. came up.

Bill Bobrick, a lobbyist in Anchorage, met with Prewitt at the Southside Bistro in Anchorage on July 21, 2004, to talk about setting up a political newsletter or Web business that would be used to funnel payments from Cornell to Anderson. Bobrick has pleaded guilty in the scheme. As it worked out, Cornell never learned of the plan, and the money for the payments came from the FBI.

In a recording of the lunch, Bobrick tells Prewitt that Anderson was making $2,500 a month for Veco and "they just pay him to do nothing."

Stockler initially won a motion to bar the jury from hearing that. But prosecutors successfully argued Monday that they needed to show they had a reason to investigate Anderson. U.S. District Court Judge John Sedwick agreed that the conversation could be used to show it wasn't just "a lark by the government."

Did Anderson ever do anything for Cornell other than use his position as a state legislator? Marsh asked Prewitt. No, Prewitt answered.

Stockler pressed Prewitt on whether during their meetings, Anderson brought up getting paid. Usually, Prewitt acknowledged, he was the one to mention it.

"I never heard Anderson say 'Where's my money?' " Prewitt said.

FBI - Stevens-909

HOW LEGISLATORS BEHAVE

At a Dec. 21, 2004, meeting at the Whale's Tale at the Hotel Captain Cook, Prewitt slid an envelope with two checks -- one for $8,000, one for $2,000 -- to Anderson.

"He didn't even open it up and look at it?" Stockler said.

The kind of actions that Anderson took -- including asking Prewitt to e-mail him talking points about halfway houses that he then used in a letter to a state officials -- represents common behavior among legislators, Prewitt acknowledged.

The difference, he told jurors, is that Anderson was getting paid.

194A-AN-13620-m; 428

While the government introduced its recordings, including a voice-mail message, videotaped meetings and phone conversations, many others weren't played for jurors, Prewitt said under questioning by Stockler.

For example, on Aug. 5, 2004, Prewitt took Anderson, Bobrick and state Rep. Mike Hawker, R-Anchorage and the head of two key budget panels, on his sailboat for a trip out of Whittier. Prewitt acknowledged he recorded the outing.

Was the FBI following along in another boat? Stockler asked.

Don't know, Prewitt answered.

Wasn't the real reason for the sailing trip to make Anderson feel like a friend? Stockler asked. Prewitt said it wasn't.

On the trip, when Hawker was asked if he was on the budget panel for health, education and social services, he responded: "I own the HESS subcommittee," Stockler said. Wasn't that kind of talk just boastful? Stockler asked. True, Prewitt said.

While Hawker's name has come up in the trial as a supporter of private prisons and halfway houses, he wasn't getting paid to take those positions, Prewitt said.

As far as Prewitt's marching orders from the FBI, he said he was told not to do anything illegal but to explore certain areas, like consulting contracts. When the FBI first approached him, Prewitt himself was under investigation for possibly illegal acts stretching back to 1994.

Was he ever told he had to "bag a state legislator?" Marsh asked him.

No, Prewitt answered.

A FRIEND IN NEED

Another witness, Marc Antrim, corrections commissioner in the Murkowski administration, testified that he was in contact with the FBI as it was investigating Anderson.

Anderson, in the letter based on Prewitt's e-mailed talking points, asked Antrim for a meeting to talk about how halfway house beds were needlessly going empty.

Antrim told jurors that in fact, low-risk inmates were being put into halfway houses, but that to fill more beds, riskier or more serious offenders would have to be placed in them. That already was happening and the number of inmates walking away from halfway houses had "gone through the roof," Antrim said.

He said he explained that in an October 2004 meeting with Anderson.

Also on Monday, Bobrick began testifying for the prosecution. He told jurors that he and Anderson had been friends for years.

Sometime early in 2004 "Tom came to me and told me he needed money," Bobrick said. "He was my friend and I wanted to help him out."

Bobrick will be on the stand again today.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

FOR MORE COVERAGE of the Anderson trial, visit

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Anderson trial at a glance

FBI - Stevens-910

THE DEFENDANT: Tom Anderson, 39, represented East Anchorage in the state House from 2003 until this year. He did not run in 2006.

THE CHARGES: Three counts of money laundering, two of extortion and one each of bribery and conspiracy.

THE CONSPIRACY: Federal prosecutors say Anderson participated in a scheme in which he agreed to do the bidding of the private prison firm Cornell Cos. in exchange for money.

THE CO-CONSPIRATOR: Lobbyist Bill Bobrick pleaded guilty in May to a single count of conspiracy. He set up a company reportedly to produce a political Web site for which Anderson would write. Prosecutors say it was a sham used to funnel payments to Anderson.

THE TRIAL SO FAR: The prosecution has finished with three witnesses. The main witness was Frank Prewitt, Alaska corrections commissioner in the 1990s and then a Cornell consultant. Working undercover for the FBI, he made about a dozen audio and video recordings involving Bobrick, Anderson or both. He testified that Anderson knew he was being paid to do what Cornell wanted.

COMING UP: Bobrick started testifying late Monday and continues today.

THE DEFENSE: Defense lawyer Paul Stockler hasn't yet put on his case, but he spent hours cross-examining Prewitt. His defense appears to be that the FBI entrapped Anderson, and that the actions Anderson took for Cornell were the kinds of things that legislators do. He portrays Anderson as an eager-to-please legislator who wasn't the one who kept talking about money.
Photo 1: Bobrick01_070307.jpg

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Page: A1
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FBI - Stevens-911

NewsBank Access World News

Paper: Anchorage Daily News (AK)
Title: Anderson case likely to get to jury today -
DEFENSE: Lawyers say ex-lawmaker was duped by FBI; he doesn't testify.
Date: July 6, 2007

On June 13, 2005, an FBI agent left a message on then-state Rep. Tom **Anderson**'s cell phone asking for his views on an upcoming federal appointment because he had been such a friend of law enforcement in the past.

But when **Anderson** showed up at the FBI building in downtown Anchorage the next day, he discovered that was just a ploy. He was the target of an undercover FBI investigation.

Huge blown-up pictures from a five-hour-long Prince William Sound sailing trip on the boat of Cornell Cos. consultant Frank Prewitt were on the wall. Agents played secretly made recordings of his conversations with Prewitt and lobbyist Bill Bobrick.

The agents wanted to get **Anderson** to cooperate in its ongoing corruption investigation. And for a time he did, prosecutors said.

The defense in **Anderson**'s corruption trial wrapped up Thursday after five quick witnesses. The case is expected to go to the jury today after closing arguments. **Anderson** is charged with seven federal felonies, including bribery, extortion and money laundering.

Defense lawyer Paul Stockler maintained that **Anderson** never took any legislative actions for money. He tried to portray **Anderson** as a man who had no inclination to do anything shady but was lured in to doing questionable things by the FBI.

Anderson didn't take the stand. After court ended for the day on Thursday, **Anderson** said he trusted Stockler's judgment in directing his defense. With the case about to go to the jury, he said he felt anxious but didn't want to say much.

Earlier in the trial, Bobrick testified that he created a business that was supposed to produce a Web site about Alaska politics. But he told jurors that it ultimately became a sham used to funnel illegal payments from Prewitt to **Anderson**. Prosecutors assert that the money was used to get the legislator to do Cornell's bidding on halfway houses, a juvenile treatment center and a private prison. Though **Anderson** was supposed to have produced material for the Web site, witnesses have testified that he never did.

Bobrick has pleaded guilty and Prewitt worked undercover for the FBI, making recordings "as a cooperating witness."

Both sides suffered setbacks on Thursday. Two witnesses for **Anderson** weren't allowed to testify that he had approached them about the Web site.

And prosecutors lost their effort to bar an entrapment defense. Prosecutor Nick Marsh said they were never put on notice about it and there's no evidence **Anderson** was lured in.

But U.S. District Judge John Sedwick said, "It takes very little evidence to entitle a defendant to an entrapment defense." The judge said if he didn't allow it, and **Anderson** were convicted, he might appeal on grounds that he had "ineffective assistance of counsel."

Stockler said he didn't bring entrapment up earlier because he learned more about it during the trial, in particular how the FBI was steering the conversations and interactions Prewitt and others were having with **Anderson**.

AGENT TESTIFIES

One of the defense witnesses was the FBI case agent, Mary Beth Kepner, who has sat beside prosecutors throughout the trial. No FBI agents testified for the government.

With jurors out of the room, Stockler told Sedwick that he expected Kepner to say that the FBI told **Anderson** in that June 2005 meeting to stop working on the Web site. That would explain why **Anderson** hadn't written articles or done other demonstrable work in exchange for the $25,838 witnesses said was paid to him.

But that's not what Kepner told jurors a few minutes later.

When asked by Stockler, Kepner testified that the FBI didn't tell **Anderson** to stop working on the site.

Why the ruse to get **Anderson** to meet with the FBI at that June meeting? prosecutor Marsh asked Kepner.

The FBI wanted to gain **Anderson**'s cooperation in its ongoing corruption investigation and didn't want to blow its "covert status,"

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Kepner told the jury.

Stockler also wanted to question Kepner about secret recordings that were not used by the prosecution, to show that they contained no evidence that **Anderson** was corrupt.

But, with the jury out of the room, the judge said that would be like someone going into a 7-Eleven store hundreds of times and only robbing it once -- all that matters at trial is whether the robbery happened.

"The government isn't on trial," Sedwick told Stockler.

The defense lawyer disagreed. The worst thing **Anderson** did was ask for consulting work, he said.

CLIENTS SUPPORT **ANDERSON**

Stockler called two of **Anderson**'s former consulting clients on Thursday, asking them whether he voted their way in the Legislature after they paid him for consulting work.

No, said Bernadette Bradley, owner of The Bradley House restaurant and bar in South Anchorage and president of the hospitality trade group Anchorage Cabaret, Hotel, Restaurant and Retailers Association, or Anchorage CHARR.

In fact, she testified that **Anderson** -- the group's executive director before he took office and a sometimes consultant while in the Legislature -- voted against the group's interests a number of times. For instance, he supported legislation lowering the legal limit of blood alcohol content for driving.

The answer was not as clear cut regarding the Alaska Telephone Association, which paid **Anderson** $20,000 in 2003, mainly with the hope that he'd end up better educated on telephone issues, according to James Rowe, the organization's executive director. **Anderson** and the association both ended up supporting the same bill raising fees charged for 911 services. The association was glad the increase wasn't even higher, Rowe testified.

Also testifiying for **Anderson**: his legislative aide Josh Applebee, who worked on the Web site, and state Rep. Bob Roses, who replaced him in the Legislature.

In early 2005, Applebee was **Anderson**'s chief of staff. He said he worked after hours to identify contacts in communities all around Alaska who might write stories for the site. By March, he needed direction from **Anderson** on how to proceed. That never happened, he acknowledged.

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ANDERSON TRIAL: For more coverage, including past stories, his indictment and court motions, and audio excerpts of the opening statements, visit

adn.com/corruption
Caption:
Anderson
Caption:
Photo 1: **Anderson**.1_070607.jpg

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Page: A1
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NewsBank Access World News

Paper: Anchorage Daily News (AK)
Title: Anderson jury ends first day; no verdict -
CORRUPTION TRIAL: Jurors will return Monday to resume deliberations.
Date: July 7, 2007

A federal jury of eight women and four men spent Friday afternoon deliberating whether former state Rep. Tom **Anderson** took bribes, then concealed the money from the public, other legislators, state officials and even those closest to him.

They didn't reach a verdict and will be back in the jury room on Monday. The corruption case went to jurors around noon Friday, the trial's ninth day.

Anderson faces seven federal felonies including bribery, extortion and money laundering. He is accused of accepting payments to do private prison firm Cornell Co.'s bidding.

If he is convicted, he faces prison time and steep fines.

As a group, the jurors look relatively young. They are mainly longtime Alaskans. One attended Dimond High School with **Anderson**'s wife, state Sen. Lesil McGuire. Several work with numbers: a payroll accountant, an insurance claims adjuster, a business manager. There's also a custodian, a Wal-Mart department manager, a pipeline technician.

During the trial, lobbyist Bill Bobrick testified for the government that he set up a Web business that was supposed to be about Alaska politics but ultimately was used as a way to funnel money to **Anderson**.

Nearly $24,000 went to **Anderson** through Bobrick from a Cornell consultant, who was working undercover for the government. The consultant, Frank Prewitt, testified that he gave **Anderson** another $2,000 directly. The Web site never got off the ground.

The FBI provided the money for the payments and Cornell didn't know about the scheme.

On Friday, lawyers on both sides gave impassioned closing arguments in a courtroom crowded with spectators including FBI agents, other attorneys, and friends and family of **Anderson**.

McGuire sat in the front row, as she has throughout the trial. **Anderson**'s mother was there too. His father, a former director of Alaska State Troopers, didn't attend. **Anderson** said his dad is busy building a home in Wasilla but wanted to come.

PROSECUTOR: **ANDERSON** SOLD INFLUENCE

Prosecutor Nick Marsh, who is with the public integrity section of the U.S. Justice Department out of Washington, D.C., told jurors **Anderson** knew exactly what he was doing when he agreed to use his influence as a legislator on behalf of Cornell.

"It's for official acts. It's money for being a legislator," Marsh said.

But defense lawyer Paul Stockler argued that **Anderson** was not selling his votes. He was philosophically aligned with Cornell on issues already, Stockler said. His consulting work was "legitimate work for legitimate pay," the defense lawyer said.

Stockler tried to portray Prewitt as a government agent who lured **Anderson** into the scheme when he otherwise wouldn't have been inclined to do so.

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"He's trying to get it to be something illegal," Stockler said.

Prosecutors told jurors that they just need to listen to **Anderson**'s own words to know he is guilty.

During his argument, which lasted more than an hour, Marsh replayed highlights from secret recordings involving **Anderson** and others that the jurors already were well acquainted with from the trial.

Marsh showed jurors video snippets of **Anderson** laughing with Prewitt about the Web site during an Aug. 17, 2004, meeting at the Whale's Tale at the Hotel Captain Cook.

Anderson told Prewitt he knew that the payments weren't really for Cornell banner ads on the Web site.

"Quit the bulls--- on the banner thing," **Anderson** is heard telling Prewitt.

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"Does it look to you like Frank Prewitt is twisting Tom **Anderson**'s arm here? " Marsh asked jurors, pointing to a frozen video image of **Anderson** smiling.

In a Nov. 16, 2004, meeting with Prewitt in his legislative office, **Anderson** complained that Bobrick was taking too big of a cut and that he didn't want to split the final payment, according to a recording replayed Friday.

Prewitt told **Anderson** he didn't need Bobrick's help within the Legislature -- **Anderson** was positioned for that.

At that point, Marsh said, **Anderson** could have jumped up and asked Prewitt what he was talking about.

"That's not what he says. He says 'I know. I know. Exactly,' " Marsh said.

During the same conversation, **Anderson** notes that he could quit the Legislature and go to work directly for Cornell. "But no, you don't want that. You want votes in the Legislature, I would assume," he says in the recording.

Marsh warned jurors not to be swayed by a smoke-and-mirrors defense. He displayed lists of **Anderson**'s actions and comments on a screen for jurors: "The Money Was Not for the Web Site." "Tom **Anderson** Ties Official Acts to Money." "Acts of Concealment."

Prosecutors zeroed in on the fact **Anderson** didn't even want McGuire, who at the time was a state representative and his romantic partner, to know where the money was coming from.

"She'd say 'what, are you crazy?' " prosecutor Joe Bottini told jurors. "... The reason he doesn't do it is that he knows this stinks."

WHAT GOVERNMENT DIDN'T SAY

Prewitt, one of the government's main witnesses, recorded the conversations. He was under investigation for possibly illegal activities when he agreed to go undercover for the FBI in spring 2004 to help in its ongoing corruption investigation of Alaska legislators.

Stockler put the focus on Prewitt and Bobrick, who has pleaded guilty to conspiracy but hasn't been sentenced. The defense says they both turned on **Anderson** to save themselves.

The FBI only started looking at **Anderson** in the summer of 2004 when it heard he was looking for consulting work, Stockler said.

"That's scary," he told jurors. No one is free from that kind of scrutiny, he said.

"For two and a half years, they taped Tom **Anderson**, and you heard the few snippets the government has of him saying things either stupid or a little bit out of context," Stockler said.

He reminded jurors what **Anderson** told Prewitt in their first meeting on July 24, 2004: "You have my support there and it is out of principle, nothing to do with whether we come to agreement or not, which is nice."

Prosecutors didn't want jurors to know the real Tom **Anderson**, Stockler told them. He referred to a recording of an April 18, 2004, telephone conversation in which **Anderson** agreed to help Cornell, and there's no talk of paying him to do so. That occurred before Bobrick came up with his Web scheme, and prosecutors didn't play it for the jury.

"It's not so much what the government said. It's what they didn't say," Stockler said.

The Web site was a real project that only fell apart in June 2005 when the FBI confronted **Anderson** with its evidence to get him to cooperate in its investigation, Stockler said.

"They've already destroyed the man's political career," Stockler said. "Now we are talking about the rest of his life."

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FBI - Stevens-915

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Caption:
AL GRILLO / The Associated Press

Former Alaska state Rep. Tom **Anderson**, left, and attorney Paul Stockler leave the federal court building Friday.
Caption:
Photo 1: 7anderson_070707.jpg

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NewsBank Access World News

Paper: Anchorage Daily News (AK)
Title: Forecast for Young, Stevens clouds up -
CONGRESSMEN: Increasing national scrutiny makes pair take notice of political winds.
Date: July 9, 2007

They are, by their own admissions, feisty and cranky, with tempers that underpin their reputations as old-school -- yet effective -- members of Congress. They have more than 70 years of service on Capitol Hill between them and aren't ready to call it quits.

But Alaska Sen. Ted Stevens, 83, and Rep. Don **Young**, 74, have also found themselves under increasing national scrutiny while their Republican party -- which staunchly supports them -- tries to mount a comeback to regain majority status in Congress.

The two men are being pushed on legal and ethical grounds for various cozy relationships with influential businessmen.

Yet neither plans to soften the tone or approach that enabled them to direct millions of federal dollars to Alaska.

Both are seeking another term next year, undaunted by the growing scrutiny and with hopes the Republicans will be back in power.

"People don't understand; if you don't establish yourself as the biggest dog in the yard, you're going to be chased out," **Young** said. "No one has been able to do that to me."

Political analysts say **Young** -- Alaska's lone representative since a special election in 1973 -- may be the most vulnerable right now, but Stevens could be in for the toughest time yet in his political career heading toward the 2008 election.

LONG-SERVING SENATOR

Stevens is facing scrutiny from federal investigators for a home remodeling project, an investigation that dovetailed with a corruption investigation into state officials.

Meanwhile, his son Ben, a former Alaska Senate president, was one of six state lawmakers who had their offices raided by the FBI last year. He has not been charged and has denied any wrongdoing.

Ted Stevens, a former prosecutor, said his attorneys have advised him not to discuss the investigation.

However, Stevens did say that he's not taking the investigation lightly, especially if it gains momentum.

"The worst thing about this investigation is that it does change your life in terms of employment potential," said Stevens, the longest serving Republican in Senate history who was appointed in 1968. "It doesn't matter what anyone says, it does shake you up. If this is still hanging around a year from November, it could cause me some trouble."

But so far, Stevens seems to be thriving on the setbacks. He was recently credited for helping broker a compromise on the Senate's energy bill.

"I think all this has increased my focus on doing my job," he said. "I'm working to get this concept out of my mind that someone is trying to make something illegal out of all this. That's what's really disturbing."

'EARMARKS ARE GOOD'

Meanwhile, criticisms launched at **Young** have come piecemeal over the last several years. He was connected to the scandal surrounding lobbyist Jack Abramoff when one of his former aides pleaded guilty to accepting gifts in exchange for official acts on the lobbyist's behalf.

He has also taken heat for earmarks, money awarded for specific projects. **Young** most notably gained national attention for securing $200 million for a bridge project linking the southeast Alaska community of Ketchikan to its airport on Gravina, a nearby island, which became known as the "Bridge to Nowhere."

More recently, **Young** -- the former chairman of the House Transportation Committee -- is taking heat for directing money to a Florida road project study. The money was not sought by the district's Republican congressman but would benefit a major contributor to **Young**'s campaign.

"When you are chairman of a committee, you represent the whole nation; you don't represent one district, which is in my case is one

state," **Young** said. "Earmarks are good for the country and good for the people you represent.

"That is the role of a congressman. If you can't get money for your district, you shouldn't be in Congress," he said.

The Democratic Congressional Campaign Committee put **Young** on notice that it will provide logistical and financial support to a strong party challenger. So far, his only challenger is Diane Benson, whom **Young** defeated for re-election in 2006.

"They are welcome to try," **Young** said. "I know that I'm the one they would like to eliminate. It doesn't bother me as long as I run a good campaign and do what's right for this state."

The first punch has already been thrown. The Democratic committee recently launched a radio ad criticizing **Young**'s commitment to providing benefits to troops in Iraq and Afghanistan.

Committee spokesman Fernando Cuevas says the party nationally believes the old guard needs to step down, especially in Alaska where one current and three former state lawmakers face federal bribery and extortion charges.

"People are tired of seeing politicians in this light, from the state legislature to this," Cuevas said. "People are tired of the spin. That style is done. You are seeing politicians at a different standard."

DEMOCRATS SMELL BLOOD

Alaska Republican Party chairman Randy Ruedrich is not worried about the fate of his party's two warhorses. He said enough Alaskans will remember how Stevens and **Young** have helped the state grow, and not just the major cities, but the rural areas as well.

"Their work is what made good drinking water available to our rural system," Ruedrich said.

"They made life in many villages and small towns 20th century living rather than a honey bucket world," he said of the plastic buckets still used by some Alaskans without running water in their homes.

Ruedrich said he welcomes a challenge from Democrats who couldn't unseat U.S. Sen. Lisa Murkowski, who was appointed by her father to his seat when Frank Murkowski was elected governor in 2004.

But even as Democrats start to smell blood, political analysts say none of the troubles for Stevens or **Young** is enough to knock them off their perch just yet.

"Those two have been drilling for oil in Washington for a long time and they struck it rich," said David King, political science professor at Harvard University's John F. Kennedy School of Government.

"They are making sure they bring home the bacon to Alaska," he said. "Ideology and style don't matter as much as bringing money back home. That culture in Washington hasn't changed much at all."

Caption:
AL GRILLO / Associated Press archive 2004

Sen. Ted Stevens, right, stands with Sen. Lisa Murkowski and Rep. Don **Young** at a news conference in Anchorage in 2004. Stevens and **Young** have found themselves under increasing national scrutiny while their Republican party tries to mount a comeback to regain majority status in Congress.

Caption:
Photo 1: 9Alaska-Warhorses_070907.jpg

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FBI - Stevens-918

NewsBank Access World News

Paper: Anchorage Daily News (AK)
Title: Anderson guilty on all counts -
Jury convinced the ex-legislator was paid for his political favors
Date: July 10, 2007

Federal jurors said they relied on former state Rep. Tom Anderson's own words to convict him Monday of conspiracy, bribery and other charges related to political corruption.

Eleven jurors returned seven guilty verdicts around 1:30 p.m., finding Anderson, 39, guilty of all charges against him.

Witnesses testified Anderson took money to do the bidding of a private prison firm. In all, Anderson received $25,838 in 2004 and 2005, witnesses said. The money was supplied by the FBI through Frank Prewitt, a consultant for Cornell Cos., who secretly recorded his conversations with Anderson and a co-conspirator, former lobbyist Bill Bobrick.

Juror No. 9 was dismissed Monday after a closed hearing for reasons that weren't explained. Both sides agreed to go forward with fewer than 12.

Jurors at first were torn over whether Anderson had been entrapped by the government, said several reached after the verdict.

Jury forewoman Wendy Gilbert of Valdez said the key evidence came from a July 28, 2004, recording of a conversation between Anderson, Prewitt and Bobrick -- the first after the conspiracy began, according to the government.

Jurors asked for it to be replayed on Monday and found that Anderson had an idea what was expected of him from the start.

"They started talking about what he could do for Cornell," juror Travis Gardner of Chugiak said. And when Anderson was asked about his credentials, Gardner said, the first thing he said was that he's a legislator.

It didn't matter if Anderson would have taken the same actions anyway, such as getting on key budget committees, because he accepted money for it, said Gardner, 23.

Another juror said she felt prosecutors presented a "substantial amount of evidence."

Asked what was key in their decision, juror Marie Gieryic of Eagle River replied in an e-mail:

"In particular, the jury seemed to give the recorded conversations of Anderson and others considerable weight. From these conversations and other evidence presented at trial it became clear that Anderson understood he was taking part in illegal activities," Gieryic wrote.

The verdict should help "reinject ethics" into the Legislature, she wrote.

"By its verdict today, the jury aimed to send a strong message to Anderson and other legislators that there is a significant price to pay for abusing the public's trust in this manner," she wrote. Legislators need to think twice before they sell out.

Anderson and his attorney seemed stunned by the verdict. When the jury left the room, Anderson uttered a weary sigh.

"I'm devastated," he said. He said he'd appeal.

"The prosecution has criminalized being a legislator over this past year. And I think I fell victim to that," Anderson said.

Anderson's attorney, Paul Stockler, who doesn't do appeal work, said Anderson will need to think over what to do next after consulting with his wife, state Sen. Lesil McGuire, and a circle of advisers.

"I'm speechless right now," Stockler said. "But when you go up against the government, you risk losing." Anderson never tied the payment of money to any official acts as a legislator, Stockler said. "He was always willing to help, and it had nothing to do with money."

For the reading of the verdict, the courtroom quickly filled with FBI agents, prosecutors and staff members.

McGuire wasn't there. She and other friends and family came to the trial but couldn't get to the federal building in downtown Anchorage in time after jurors announced they had reached a verdict, Anderson said.

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McGuire was not accused of wrongdoing. In fact, prosecutors used the fact that Anderson hid the payments from her as further evidence of a shady deal.

With seven counts and an entrapment defense, the case was particularly complex, said Gilbert, the jury forewoman.

"There's a lot on the line and a lot on your shoulders, and you want to make sure you do the right thing," said Gilbert, a pipeline lab technician and mother of three.

But in the end, jurors concluded Anderson had not been lured to commit crimes by a government agent. He was not "entrapped."

The public corruption case against Anderson provided the first real test for the FBI and prosecutors in their on-going investigation of Alaska state legislators. Three other politicians are awaiting trial, though the schemes alleged in those cases are different. Those cases involve allegations of bribes paid by executives with oil field services contractor Veco.

Lawyers for indicted former Reps. Bruce Weyhrauch and Pete Kott, whose trial is set for Sept. 5, said the guilty verdict won't have any impact on their strategy because the facts are so different.

State Rep. Vic Kohring, whose trial is set for Oct. 22 and who is stepping down from his post next week, said he was saddened for Anderson but that his own resolve to fight the charges had not waned.

Nick Marsh and Joe Bottini prosecuted the case against Anderson. They didn't comment on the verdict, nor did the FBI in Alaska. The only government statement came out of Washington, D.C.

"Anderson has been held accountable for his crimes thanks to the hard work of federal prosecutors and FBI agents, and the Department of Justice will continue its pursuit of public corruption at all levels of government," U.S. Assistant Attorney General Alice S. Fisher said in a written statement.

One of the government's main witnesses was former lobbyist Bobrick. Juror Gardner said the panel didn't find Bobrick that believable. Bobrick pleaded guilty in May to conspiracy in the scheme and agreed to cooperate with the government in the hope of getting a lighter sentence.

Bobrick told jurors about a series of checks he wrote to Anderson or his consulting business that went far beyond the initial payments revealed before the trial: $3,000 on Feb. 14, 2005, $1,500 on Feb. 25, 2005, and more, on into June 2005. In all, Bobrick passed nearly $24,000 through to Anderson, and Prewitt gave him another $2,000 directly, according to their testimony.

Bobrick testified he had an idea for a political Web site that he had hoped would become a real business with Anderson, but it never did. Anderson was paid "for being a legislator," Bobrick told jurors.

But, as jurors indicated, Anderson's own words were most damaging.

On a Nov. 16, 2004, recording of a meeting in his Anchorage legislative office, Anderson brought up money and told Prewitt he didn't want to split the next payment with Bobrick.

Anderson served in the state House from 2003 to this year. He didn't run in 2006.

U.S. District Court Judge John Sedwick set sentencing for Oct. 2.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

CORRUPTION: For more coverage on the Anderson corruption trial, including past stories, his indictment and court motions, and audio excerpts of the opening statements, visit

adn.com/corruption

FBI - Stevens-920

Caption:
ERIK HILL / Anchorage Daily News

Former state Rep. Tom Anderson, center left, and his attorney, Paul Stockler, leave the federal building Monday after a jury convicted Anderson of conspiracy and bribery. Anderson, 39, was found guilty of all seven charges against him, including conspiracy to commit extortion, bribery and money laundering. "I'm devastated," Anderson said. "The prosecution has criminalized being a legislator over this past year. And I think I fell victim to that."

Caption:
Photo 1: Quote marks_123169.psd

Photo 2: VerdictAnderson_020 -14_123169.jpg

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FBI - Stevens-921

NewsBank Access World News

Paper: Anchorage Daily News (AK)
Title: More corruption cases on deck -
REST OF YEAR: Three ex-lawmakers will stand trial; feds might look at Stevenses.
Date: July 10, 2007

With former state Rep. Tom Anderson's conviction on all counts, the focus of the Alaska corruption investigation now shifts to two other pending trials involving three former legislators, and to the ongoing federal inquiry.

Former House Speaker Pete Kott, a Republican who represented Eagle River, and former Rep. Bruce Weyhrauch, a Juneau Republican, are scheduled to stand trial in Anchorage Sept. 5. They are charged with bribery, extortion, conspiracy and fraud in a scheme to sell their votes, including support for a change in taxes favored by the petroleum industry, to the oil-field service company Veco.

Former Wasilla Rep. Vic Kohring, also a Republican, faces four counts of bribery, extortion and conspiracy and is scheduled to be tried Oct. 22. He's also accused of selling his vote to Veco and its pro-oil industry policies.

Also pending are sentencing hearings for Anderson, scheduled Oct. 2, and for the three people who have confessed to bribing legislators: former Veco chief executive Bill Allen; Veco's former vice president for government affairs Rick Smith; and lobbyist Bill Bobrick. All three have pleaded guilty and are cooperating with federal authorities. Their sentencing dates have not been set.

The FBI and prosecutors will not describe the scope of their ongoing investigation or where they expect it to lead. But hints have surfaced from people who have testified before federal grand juries in Anchorage and Washington, D.C., and from references in court documents and search warrants.

Former Alaska Senate President Ben Stevens, an Anchorage Republican referenced in Allen's plea deal as the recipient of more than $240,000 in illegal payments from Veco, has not been charged and has denied wrongdoing.

His father, U.S. Sen. Ted Stevens, R-Alaska, is being investigated for the 2000 remodeling of his home in Girdwood that was managed by Veco. Stevens has hired one of the most high-profile defense attorneys in Washington, Brendan Sullivan, who represented Oliver North in the Iran-Contra scandal. Stevens won't comment on the investigation.

In addition to Ben Stevens, the offices of at least two other legislators -- Republican Sen. John Cowdery of Anchorage and Democratic Sen. Donny Olson of Nome -- were searched by federal agents in August, but the two have not been charged.

A number of companies and individuals connected with the North Pacific commercial fishing industry in Alaska and Seattle were served with federal grand jury subpoenas demanding information about their ties to several people and organizations, including Ben Stevens, who has worked as a fisheries consultant.

INSIDE

ETHICS: Gov. Palin signs into law a reform package minutes after Anderson's conviction.

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Caption:
Lobbyist Bill Bobrick pleaded guilty to bribery.
Caption:
Photo 1: Quote marks_123169.psd

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Photo 2: BobrickMug_123169.jpg

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194A-AN-13620-M; 433

NewsBank Access World News

Paper: Anchorage Daily News (AK)
Title: Palin signs ethics reforms -
Law closes loopholes, stipulates bans as legislative cleanup begins
State Lawmakers to face new rules
Date: July 10, 2007

An ethics reform package for state officials was signed into law Monday by Gov. Sarah Palin, just minutes after a former state representative was convicted on seven federal counts of extortion and bribery.

Palin said the law will help re-establish trust between the public and elected officials by improving on existing statutes. The conviction of former Rep. Tom Anderson, an Anchorage Republican, makes the law more necessary than ever, she said.

"I believe it could be a precursor for what's to come, and it's unfortunate," she said. "This bill is a good start to getting the comprehensive ethics reform that we need here in Alaska."

Three more current or former Alaska lawmakers face corruption trials this fall. The former top two officers of Veco Corp., an Anchorage oil field services company, have pleaded guilty to bribing lawmakers.

Ethics reform had been a recurring theme throughout Palin's election campaign, and she pushed hard for the bill to become a bipartisan effort in the Legislature this session. She said she remains determined to clean up Alaska politics.

State Sen. Hollis French, D-Anchorage, said the law closes several loopholes and includes a ban on outside compensation for official acts. It also bans legislators from accepting campaign contributions as bribes.

"It's my further hope that by signing this bill we will close a shameful chapter in Alaska's history," French said during the signing of the bill at the Alaska Public Offices Commission in Anchorage.

French said the law sends a message to Alaskans that lawmakers are serious about acknowledging and correcting the problem, even if the law might not affect anyone's illegal activities.

"You can't write a bill that's going to make a dishonest person honest," he said.

French said some legislators had first proposed banning all consulting contracts, but that idea didn't survive. But he said the disclosure laws will be more strict next year, which could mean an unwelcome surprise for some legislators.

"There's probably going to be some chafing at the bit, if you will, when that comes about," he said.

While Palin and several lawmakers at the signing said they expected further refinements to the law to become necessary as its flaws become apparent, some cautioned against a knee-jerk reaction in the wake of Anderson's conviction.

"Let's not be reactive to what happened today," said Rep. Jay Ramras, R-Fairbanks. "I think we do better when we're deliberate, thoughtful and patient."

Rep. Bob Roses, R-Anchorage, who succeeded Anderson in the Legislature when Anderson didn't seek re-election in 2006, said the law didn't go far enough. Campaign contributions should be available for immediate public scrutiny, he said, and all contributions should be reported, even those below the current $1,000 threshold.

"Quite frankly, I thought some of the things should have been a little tighter than what they were, but this is a first step," he said.

The law also requires lobbyists to report to APOC any food or drink they buy for a legislator that costs more than $15 -- an unpopular stipulation among restaurant owners, particularly those in Juneau -- and it prohibits them from accepting gifts worth more than $250 from the same person within a year, excluding food and tickets to charitable events.

The law also will prohibit people from registering as lobbyists if they have been convicted of a felony involving a moral wrong.

Reform gained momentum after FBI agents investigating corruption charges served search warrants on the offices of six legislators last August.

Rep. Vic Kohring, R-Wasilla, is resigning his House seat July 19 so he can defend himself against federal bribery and extortion charges related to his alleged dealings with Veco Corp.

Federal prosecutors also have charged former Republican Reps. Pete Kott and Bruce Weyhrauch of selling their votes to the company. All the legislators have pleaded not guilty.

MORE ONLINE: For past legislative stories, go to

adn.com/legislature
Caption:
FRAN DURNER / Anchorage Daily News

Gov. Sarah Palin signs House Bill 109 on Monday at the Alaska Public Offices Commission office in Anchorage. In attendance are, from left, Rep. Max Gruenberg, D-Anchorage; Rep. Bob Lynn, R-Anchorage; Sen Hollis French, D-Anchorage; and Brooke Miles, executive director of APOC.
Caption:
Photo 1: AK Legislature CMYK_071007.psd

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NewsBank Access World News

Paper: Anchorage Daily News (AK)
Title: With Bobrick out, opportunity arises for other lobbyists -
BIG MONEY: Void opens after former go-to guy pleads guilty to conspiracy in corruption case.
Date: July 13, 2007

Until this year, Bill **Bobrick** was the busiest lobbyist in the city.

A former director of the state Democratic party and friend of the mayor, he represented about three dozen different clients over the past five years, according to public records.

Suddenly, the go-to guy on city issues is out of the game.

His clients have disappeared. He's pleaded guilty to conspiracy in a federal corruption case and the Anchorage Assembly slammed the door behind him, passing new rules that ban anyone with a felony record from registering to lobby the city.

So, if you're well-connected, don't mind hours of meetings about zoning rules and can navigate the maze of bureaucracy: Help wanted.

Two candidates for **Bobrick**'s former title have emerged in his wake -- one an ad agency owner and the other a former lobbyist who until recently worked for the city -- although neither has as many clients as **Bobrick** regularly served.

"There's a void right now," said Marc Hellenthal, an Anchorage pollster and political consultant who worked for Republican candidates in this year's Assembly races.

"This is a career opportunity for somebody out there," he said.

But what kind of career is it exactly?

Assemblyman Dick Traini said lobbying the city is like being a pitchman.

"They're not really selling a tangible product, they're trying to sell an idea. And they're trying to get enough of the 11 people (on the Assembly) and the mayor that they can get it brought forward."

Jim Lottsfeldt, who owns an ad agency, registered to represent three clients before the Assembly this year.

"Government sometimes is hard to understand or hard to work with," he said, "And so you bring in specialists to help. Same reason you hire architects and engineers."

Lottsfeldt said lobbying the Assembly is different than lobbying the Legislature in Juneau because in Anchorage, Assembly members are going about their regular lives. They aren't living away from home in the rarefied atmosphere of the Capitol. Here, there's less wining and dining, he said.

Still, a successful lobbyist knows the local players by their first names.

"A lot of **Bobrick**'s success simply was that he was politically connected," said David Dittman, a local pollster and consultant who works mainly for Republicans.

Bobrick ran the state Democratic party in the early 1990s. He donated at least $1,000 to the campaigns of Assembly members Allan Tesche, Dan Sullivan, Dan Coffey, Traini and Mayor Mark Begich.

Begich was the best man at **Bobrick**'s wedding in 1998 and the two have known each other for decades. Thursday, Begich said he never pushed anyone to hire **Bobrick**. In fact, people don't really need a lobbyist to do business with the city, he said.

"That's just bull. People want to come meet with me, they can walk through the door. If they want to go down to the Assembly, they can just show up."

Bobrick's conspiracy conviction involved passing bribes to former Anchorage Rep. Tom Anderson. On the witness stand, he said over and over that he regretted his actions.

The crime had nothing to do with city officials, he said in an interview Thursday.

"As someone that's lobbied for over 20 years, I've represented clients in front of (former mayors) Tom Fink, Rick Mystrom, George Wuerch and the current mayor, and countless previous Assembly chairs and assemblymen and -women," he said. "And the crime that I pled guilty to has nothing to do with any assemblyman, assemblyperson, or mayor, past present or future. It only involved Tom Anderson."

'GOOD OLD CAPITALISM'

Lobbying is about relationships, said Lottsfeldt, who also works on state issues.

"It's relationships and the same thing in Juneau ... understanding how government works and how to navigate within government."

Lottsfeldt has signed on with an old **Bobrick** client, mall developer P. O'B Montgomery, one of five companies that cut ties with **Bobrick** after he got in trouble.

Lottsfeldt said the company called him, and that he hasn't chased **Bobrick**'s other clients.

Lottsfeldt said he got into city lobbying because he saw a way to earn some money. "Just good old capitalism."

Another new lobbyist moving in **Bobrick**'s wake will be a familiar face for city officials: Kevin Bruce.

Until March, Bruce worked for the Port of Anchorage, which is a city job. He said he won't be able to lobby on port-related projects, but represents Alaska Pacific Environmental Services, developer JL Properties -- both **Bobrick** clients at one time -- and BP Exploration.

Bruce is a former owner and founder of the public relations firm Northwest Strategies and has worked as a lobbyist before. But the job has changed in the past year, he said.

In December, the Assembly approved new ethics rules that ban lobbyists or their immediate families from donating to the political campaigns of city candidates, or helping those candidates raise money.

"You can't even support the people you like," he said.

Bruce earned a salary of roughly $87,600 working for the port, according to city records.

During the Anderson trial, **Bobrick** said he made up to $200,000 a year lobbying the Assembly.

That was news, even to local political junkies. Although the state requires lobbyists to report how much clients pay them, the city does not, even in the much-touted new ethics rules.

Bruce and Lottsfeldt wouldn't say this week how much they're being paid for their new work.

Find Kyle Hopkins' political blog online at adn.com/alaskapolitics or call him at 257-4334.
Caption:
Bobrick
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Photo 1: 13bobrick_071307.jpg

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FBI - Stevens-926

NewsBank Access World News

Paper: Anchorage Daily News (AK)
Title: Palin wants independent legislator -
KOHRING'S SEAT: She prefers someone who will stand up to pressure.
Date: July 13, 2007

While Matanuska Susitna area Republicans winnow down a list of replacements for a departing Wasilla legislator, Gov. Sarah Palin said she is looking for someone who won't be pressured to toe the party line.

Palin said she wholeheartedly agreed with a letter she received Thursday from Rep. Les Gara, D-Anchorage, who asked that she talk to candidates about their ability to stand firm under pressure.

"We have to change the culture in state government and we have to get away from politics as usual when politics as usual has allowed Alaska to arrive at the point it is today," said Palin.

At stake is the District 14 seat held by Rep. Vic **Kohring**. The seven-term Republican, who faces federal charges of bribery and extortion, announced last month that he would leave his position July 19 in order to concentrate on his defense. **Kohring** maintains that he is innocent.

Seven valley Republicans have met the qualifications for the job, according to district officials who will narrow the list to three today and forward it to the governor.

In a letter to Palin this week, Gara asked the governor to discuss with candidates their willingness to buck the pressure to vote along party lines.

Gara said party line voting has resulted in bad decisions and harmed party members who have broken ranks in the past to vote their consciences.

It led lawmakers to pass a flawed oil tax in 2006, he said. That's an issue that could be the first on the new lawmaker's plate in a special session later this year.

"We have a pretty split Legislature between those of us who believe in a much stronger oil tax and those of us who support the law we have on the books right now," Gara said. "That appointment is probably going to be a swing vote on whether or not we stick with what I think is a very flawed oil tax."

House Speaker John Harris, R-Valdez, said caucus members are required to follow party lines only in the final budget vote and procedural motions.

Though many House members supported a tax on gross production over the net profits tax that passed, Harris said it was clear such a tax would not have passed the Senate or former Gov. Frank Murkowski's veto pen. The final vote for a net tax, which was along party lines, was a compromise, he said.

He said Gara's letter was political posturing from an industry critic.

"Nobody is required to vote any certain line on oil taxation. They can vote any way they want to vote. Les is using this as a political opportunity." Harris said.

Harris, however, supports a special session to review the Petroleum Profits Tax.

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And Palin said she wants lawmakers to weigh in once more and make clear their wishes on a tax that she said passed under a dark cloud. And she said **Kohring**'s replacement should demonstrate the knowledge, experience and integrity to make a good decision.

"I'm not going to make that candidate promise me anything except promise that they will fairly and objectively consider the situation we are in," she said.

Palin said a special session may be called for October or November if the state Department of Revenue can gather the information it needs to properly review the tax in time.

30 DAYS TO FILL SEAT

Meanwhile the governor has 30 days from **Kohring**'s July 19th resignation to choose a replacement. She may choose from the list

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forwarded by district officials or pick a district Republican of her own choosing. The candidate then must be confirmed by a majority of House Republicans.

District 14 Committee chairman Steve Colligan said at least 10 committee members will evaluate written and oral interviews with the candidates. They also will consider a public presentation by each candidate at an open meeting in Wasilla today.

The committee will score each candidate and announce the final three this evening.

"We are looking for folks with good conservative values, there's no doubt about that," said Colligan. "Part of being the best candidate is representing the constituents."

The seven candidates for the District 14 seat are Wes Keller, legislative staff member for Sen. Fred Dyson; Colleen Sullivan Leonard, governor's office staff, Wasilla Planning Commission member and former Wasilla City Council member; Darroll Hargraves, retired school superintendent; Steve Menard, governor's office staff and Wasilla City Council member; Pat Marley, Wasilla business owner; Greg Koskela, Wasilla business owner and Wasilla City Council member; and Dan Kelly, Mat-Su Borough Assembly.

Kohring and former state lawmakers Reps. Pete Kott and Bruce Weyhrauch were indicted last May on charges relating to alleged dealings with Anchorage-based oil field services company Veco Corp.

Two Veco executives, Bill Allen and Rick Smith, pleaded guilty to extortion and bribery.

In a separate case, a federal jury in Anchorage this week found former state Rep. Tom Anderson guilty of bribery and corruption.
Caption:
Vic **Kohring**'s would-be replacements will be cut from seven to three today.
Caption:
Photo 1: Vic **Kohring** CMYK_071307.jpg

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NewsBank inc Access World News

Paper: Anchorage Daily News (AK)
Title: Valley GOP produces short list -
KOHRING REPLACEMENT: Pool of three goes to governor.
Date: July 15, 2007

Mat-Su Republicans have chosen a short list of finalists to replace Rep. Vic **Kohring**, R-Wasilla, who plans to leave office this week.

Kohring, who faces federal bribery and extortion charges, says he is innocent. Local Republicans narrowed a pool of seven candidates for his job down to their top three choices Friday night. They are asking Gov. Sarah Palin to select among:

* Darroll Hargraves, a retired school district superintendent and former director of the Alaska Council of School Administrators. Hargraves also was a lobbyist for the council.

* Wes Keller, a legislative staff member for Sen. Fred Dyson, R-Eagle River.

* Colleen Sullivan-Leonard, a former Wasilla City Council member who works for the governor's office in the Mat-Su, and serves on the Wasilla Planning Commission. Sullivan-Leonard has run for **Kohring**'s seat before, and her husband, a former Wasilla city finance director, now works for the Palin administration as a deputy commissioner in the state Commerce Department.

"They each have their individual strengths," said Steve Colligan, chairman of the party's District 14 committee.

He said Palin could choose someone else entirely as long as that person is a registered Republican who has lived in the district since at least June 2005. A majority of House Republicans must confirm her pick to serve the remaining year of **Kohring**'s term.

Kohring's office was searched by federal agents in late August. He won re-election a little more than a month later with about 60 percent of the vote, defeating Democratic challenger Katie Hurley.

Kohring's district includes the city of Wasilla, and is about twice the size of the city limits, Colligan said.

Palin's spokeswoman couldn't be reached for comment Saturday. Colligan said, "My understanding is, Monday (Palin) will be considering, talking to the candidates."

Find Kyle Hopkins' political blog online at adn.com/alaskapolitics or call him at 257-4334.

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NewsBank Access World News

Paper: Anchorage Daily News (AK)
Title: Young shells out for lawyers -
$262,137: Campaign account is tapped for D.C. attorneys' advice.
Date: July 17, 2007

U.S. Rep. Don **Young** spent more than $262,137 from his campaign account to pay legal bills this year, according to his most recent filing with the Federal Election Commission.

Between March 10 and June 15, **Young**'s congressional fundraising committee, Alaskans for Don **Young**, paid two Washington law firms to advise him. **Young**'s report shows his campaign spent $242,306 with Akin, Gump, Strauss and Hauer, and another $19,831 went to Tobin, O'Connor, Ewing and Richard.

The FEC report does not detail what sort of legal work the campaign is paying for. **Young**'s office in Washington referred all questions to his campaign manager in Anchorage, Steven Dougherty. Dougherty would not address how the campaign money was being spent, and said he had no comment "regarding the FEC report and the legal fees we've paid."

In April, **Young**'s campaign acknowledged paying the Akin, Gump firm a $25,000 retainer in connection with campaign contributions from a Wisconsin trucking executive under indictment. At the time, Dougherty said, "With all the innuendo, accusations and words that have been out there, I just didn't think it was a bad decision to have some legal counsel and keep them on retainer for basic feedback and second opinion."

Young hired the legal team about the time that media in Milwaukee reported that the U.S. attorney's office there was looking into campaign contributions by businessman Dennis Troha. Troha reportedly benefited from new truck-hauling rules that **Young** helped pass in 2005 as part of a major transportation-spending bill.

Young, who received about $20,000 in campaign contributions from Troha, his family members and associates, has said he does not recall ever meeting the man. Nor did he know Troha would benefit from new rules **Young** favored, he said.

Troha was indicted last month on charges of using family members to illegally funnel more than $100,000 in campaign contributions to Wisconsin Gov. Jim Doyle and the state's Democratic Party.

Young also has been under scrutiny for sponsoring a $10 million road project that helped Florida real estate developer Daniel Aronoff, just days after Aronoff helped raise $40,000 for **Young**'s re-election. A former aide to **Young** on the transportation committee, Mark Zachares, pleaded guilty in the Jack Abramoff bribery scandal.

Although some lawmakers faced with sizable legal bills establish separate defense funds, federal law allows them to spend the money they've amassed in their campaign finance accounts and it is not uncommon for them to spend it. The rules for using campaign contributions to pay legal bills are fairly broad, said Bob Biersack, a spokesman for the Federal Elections Commission. The only requirement is that the spending be related to legal bills connected to their role as an elected official.

"It's certainly acceptable whenever it applies to either activity related to the campaign or the responsibilities of the person as an office holder," Biersack said.

Young's campaign took in more than $111,356 in contributions this spring, according to the FEC report, bringing his account to $1.6 million.

Young's first quarter report from the beginning of 2007 shows that he spent the $25,000 with Akin, Gump, Strauss and Hauer in March, but previous filings don't suggest he has regularly tapped his campaign account to pay legal bills.

The newest report shows he paid $85,103 to the firm on April 18, $87,128.23 on May 22 and $70,075.04 on June 15. Smaller payments to the Tobin, O'Connor firm were also spread between April and June.

The most recent FEC filings, which were due at midnight Sunday, show that other high profile House members have tapped their campaign accounts to pay lawyers. They include former House Speaker Dennis Hastert, R-Illinois, who spent $59,884 on legal bills last quarter, according to Congressional Quarterly's PoliticalMoneyLine. And Friends of Mark Foley, the campaign committee for the disgraced former Florida representative, reported spending $277,357 on legal bills connected to the criminal investigation into the inappropriate e-mails he sent to underage pages.

WHAT DO YOU THINK? Does $262,137 in legal bills seem like a lot for a congressman? Does the fact that it was spent in less than six months affect your opinion? To share your reaction, visit

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Photo 1: DonYoung_071707.jpg

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NewsBank Inc. Access World News

Paper: Anchorage Daily News (AK)
Title: Deadline bumped again for Stevens -
FINANCIAL FILING: Ethics Committee wanted a few clarifications from senator.
Date: July 17, 2007

The Senate Ethics Committee has given Sen. Ted **Stevens** a second extension for filing his annual financial disclosure statement after it asked him to make "a few technical clarifications," the senator's spokesman said Monday.

Spokesman Aaron Saunders said he could not elaborate on what changes needed to be made and issued a brief written statement.

"The Ethics Committee has completed its review and has asked Senator **Stevens** to make a few technical clarifications to his disclosure," the statement said. "To make these minor adjustments, the Committee has granted the Senator another extension."

Most members of Congress met the May 15 deadline for turning in information on their personal finances, including book deals, investments and property ownership. However, several besides **Stevens** also asked for extensions.

The 83-year-old senator is under close public scrutiny during this round of filings because FBI raids on the offices of several Alaska lawmakers last year included his son, former Alaska Senate President Ben **Stevens**. The raids were part of an ongoing corruption probe.

The FBI has asked the elder **Stevens**, who is the longest-serving Republican in Senate history, to retain records, and a federal grand jury is examining the remodeling of his Girdwood home in 2000 in connection with the investigation.

Four current and former members of Alaska's Legislature have been indicted in the last year on federal corruption charges. One, former Rep. Tom Anderson, R-Anchorage, was convicted by a federal jury last week. However, the FBI has not confirmed whether **Stevens** or his son are targets, and neither has been charged.

Stevens' statement was expected in mid-July. He now has until July 30 to submit the information, according to the U.S. Senate's Office of Public Records in Washington, D.C. Senators have up to 120 days to file the report without incurring a $200 fine, according to Senate rules.
Caption:
Stevens
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Photo 1: 17stevens_071707.jpg

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Stevens aide says no sign Veco helped with fundraisers

FUNDRAISERS: Treasurer says "we wanted to pay all costs."

By MATT APUZZO
The Associated Press

(Published: September 28, 2007)

WASHINGTON -- Sen. Ted Stevens' campaign has no evidence a contracting firm paid workers to help run the Alaska senator's fundraisers, the campaign treasurer said, disputing one employee's claim that he parked cars and performed odd jobs while on the contractor's payroll.

The FBI is investigating whether Stevens, the Senate's longest-serving Republican, accepted inappropriate gifts from Bill Allen, the founder of oil-services firm Veco Corp. Allen has pleaded guilty to bribing lawmakers and said he paid employees to renovate the senator's home.

One of those employees told The Associated Press last week that Allen also hired him to help run fundraisers for Stevens and other candidates, an apparent violation of campaign finance laws. Robert Williams said he worked three or four fundraisers for the senator, delivering ice, arranging table rentals and parking cars.

"If he was asked to perform services, we were never told he performed those services," said Timothy McKeever, the campaign treasurer. "We pay for all fundraising expenses."

McKeever said Wednesday night that in his 20 years working for the campaign, he never recalls seeing people parking cars for guests at fundraisers and was unaware of any Veco employees sent to work at the events. Allen did host a fundraiser at his home for the senator last year, but McKeever said the campaign insisted on paying for expenses.

"I was very clear with them to send us bills for everything. We wanted to pay all costs associated with that event," Mc-Keever said. "We got bills, which we were told for all services."

Campaign finance reports show no payments to Allen but they do indicate more than $12,000 in fundraising expenses were paid in mid-July 2006. That's around the time that Allen and other Veco executives -- who typically donated at fundraisers rather than through the mail -- donated $1,000 apiece to the campaign.

McKeever did not recall the date of Allen's fundraiser but said "we don't have any outstanding bills unpaid" for it. FBI - Stevens-933

Stevens has made a similar statement regarding his home renovation project, saying he paid every bill he received. Williams, who oversaw the project, backed that up in his interview last week, saying he recalled Stevens asking Allen to send him all the bills. But Williams now suspects Allen did not send all the bills and instead "did what he thought he could do."

The FBI raided Stevens' home in July and agents have assembled bills and other documents related to the project. Investigators also have amassed records on Veco's fundraising practices.

McKeever said the FBI has not asked or subpoenaed the campaign for records and has not

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approached him. The Federal Elections Commission has also not inquired about Veco, he said.

Though corporations are prohibited from donating money or services to campaigns, election lawyers have said Stevens likely cannot be held responsible if he did not know the employees were on the clock.

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FBI - Stevens-934

House calls for special session - SENIORCARE: Speaker asks the Senate to join the effort.

Anchorage Daily News (AK)
June 1, 2007
Author: SABRA AYRES
Anchorage Daily News Staff

Estimated printed pages: 3

House Speaker John Harris is asking the Senate to join his members in calling themselves back into special legislative session as soon as this month to address extending a state assistance program for Alaska's neediest seniors.

In a letter Thursday to Senate President Lyda Green, Harris said more than two-thirds of the House membership favors coming back into session before the end of June.

Harris requested lawmakers readdress funding the SeniorCare program as well as legislation that backers say could ease the funding shortfall in state pension plans.

Before adjourning May 16, the Legislature failed to pass bills that would have extended the $10.3 million-a-year SeniorCare program. A week later, Gov. Sarah Palin announced she had authorized the state to continue the program for another month after it expires June 30. The program provides checks of $120 a month to seniors living on less than $16,133 a year for singles or $21,641 for couples.

Continued funding for SeniorCare was a contentious issue during the final days of the legislative session.

Several Republican lawmakers viewed the program as an expensive state-funded entitlement.

Some, like Rep. John Coghill, R-North Pole, argued the state already has several underused programs for needy seniors.

Palin called earlier for a special legislative session this fall to revisit the petroleum production tax, the 2006 legislation that is at the center of a federal bribery investigation. Three current or former lawmakers are under indictment on charges of accepting bribes in exchange for their votes on the tax. Two executives of Anchorage oil services company Veco Corp. pleaded guilty last month to paying the bribes.

House Democrats last month asked Palin to add SeniorCare to that session.

According to the state constitution, lawmakers can call themselves back into a special session if two-thirds of them agree. The governor can also call the Legislature into a special session.

Aides to Green, R-Wasilla, said the senator had discussed the possibility of a June special session with Harris, but had not had a chance to poll other senators to see if there was enough support.

House Minority Leader Beth Kerttula, D-Juneau, said the Democrats supported Harris' request to address the issue sooner than this fall.

"However it gets done, we want to see our seniors taken care of," she said.

Harris, R-Valdez, said the special session should be in Anchorage, not Juneau, and before the SeniorCare expires on June 30.

FBI - Stevens-935

"The fall is too far out," he said. "We don't want to get into appropriations to extend it temporarily. That's risky ground."

Lawmakers would need only a few days to work on the bill and get something passed, he said.

Daily News reporter Sabra Ayres can be reached at sayres@and.com or in Juneau at 1-907-586-1531.

194A-AN-1362D-M; 441

Government will reflect public's values, good or bad

Anchorage Daily News (AK)
May 30, 2007
Author: MICHAEL CAREY
COMMENT
Staff

Estimated printed pages: 3

After oil was discovered at Prudhoe Bay in 1969, my dad told me, "If you want to see your future, go to Oklahoma."

My dad, Fabian, was no fan of the oil industry. He meant: If you want to see your future, go to Oklahoma and see political corruption. From his perspective, wherever Big Oil thrived, corruption followed, and he would point to Louisiana and Texas as well as the Sooner state.

Fabian was a son of the Midwest progressive tradition, born in Minneapolis, the home of a powerful good-government movement for the first half of the 20th century.

My dad failed to tell me the whole story, however. Once upon a time, Minneapolis was one of the most corrupt cities in the United States, subject to the outrage of muckraker Lincoln Steffens.

Steffens was appalled by Mayor "Doc" Ames, a physician whose greed apparently became boundless after he was elected in 1900. From city hall, Ames organized crime and vice, making gamblers, saloon owners, prostitutes and con men beholden to him. They all paid a cut to the government -- that is, Ames -- in exchange for freedom to flourish. The police department, under the direction of the mayor's brother, guaranteed their freedom. One source says Minneapolis had 150 brothels at the time.

In a series of essays condemning corruption, "The Shame of the Cities," Steffens paused to explain why Minneapolis and other major turn-of-the century communities were led by boodlers out for the buck.

Everywhere he looked, Steffens found moral failure, especially in the business community.

America is ruled by business values, Steffens said, and business values are about one thing: money.

"The commercial spirit is the spirit of profit, not patriotism; of credit, not honor; of individual gain, not national prosperity; of trade and dickering, not principle," Steffens wailed. And he wasn't finished as he went on to condemn the very fabric of American commercial and political life.

"The Fourth of July oration is the front for graft. There is no patriotism in it, but treason. It is part of the game. The grafters call for cheers for the flag, 'prosperity,' and 'the party,' just as a highwayman commands 'hands up'..."

This is the prose of an angry man, a man who could conclude "the spirit of graft and lawlessness is the American spirit."

You won't be surprised that Ames dismissed Steffens' moral indignation. In a speech to temperance advocates, Ames suggested reformer types were disturbing God's natural order. Temptation had existed since Adam and Eve met the serpent in the garden of Eden, Ames maintained. Who were the do-gooders to eliminate temptation and its fruits?

If American capitalism habitually abuses American democracy for its own ends, if the world is inherently a sinful place where temptation abounds, how do we reform government -- how do we reform Alaska government now that we know the serpent had a suite at the Baranof Hotel during legislative sessions?

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Years ago, I asked the pioneer game warden Sam White for the best way to ensure Alaskans obey fish and game laws.

"Build lots of jails, sonny, and fill 'em," he replied.

It's tempting to apply the Sam White solution to politics, except it's doubtful we could maintain our democracy if we made the state House and the jailhouse equal branches of government.

Doc Ames never spent time in jail. He was driven from office by citizens who could not stand the stench at city hall.

It's a terrible cliche, a traditional bromide, but people have to care about honest government to get honest

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government. And they have to create institutions with the strength and reach to restrain would-be corrupters. Bill Allen of Veco acquired so much power in the Republican Party and the halls of the Legislature, there was no one to restrain him. No one in Alaska, anyway. He achieved his power through his money, dispensed legally and illegally. Is there anybody who doubts that?

It angered Lincoln Steffens to discover the American people were complicit in the corruption of their cities, and it depressed him to admit this was the only real discovery in his reporting. The venality of American business was for Steffens old news, although he ranted about it.

Steffens was doubly angered and depressed when he realized why the people were complicit in their own corruption.

Because the American people thought politics was for someone else to worry about. Because the American people themselves were often as venal as their corrupters. Because the American people admired wealth even when born of chicanery and crime.

Government has to matter to you if you want to make it honest. And you have to be honest yourself.

If you don't care and you're not honest, you can expect a government that reflects your values.

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

Photo 1: Michael_Carey_BW_053007.jpg

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Page: B7

FBI - Stevens-937

Some call Stevens vulnerable -
IN MINORITY: Still, more than a million has poured in for campaign.

Anchorage Daily News (AK)
June 1, 2007
Author: KYLE HOPKINS
Anchorage Daily News
Staff

Estimated printed pages: 3

Known for delivering cash to Alaska, U.S. Sen. Ted Stevens is now raking it in.

"No other candidate for federal office in Alaska has ever raised the kind of money the senator has raised in the last six months," said Tim McKeever, treasurer for Stevens' re-election campaign.

But even as he rapidly stockpiles money for his re-election campaign, potential opponents are wondering: Is 2008 the year Uncle Ted is actually vulnerable?

Stevens is an Alaska icon and one-man state industry, bringing huge amounts of federal dollars here. Supporters say he's as vital and feisty as ever. But he is 83 years old and now in the Senate minority.

His son, former state Sen. Ben Stevens has been linked to -- although not indicted in -- a federal corruption investigation.

"He's not as popular as he was in years past, and each day that goes by he gets a little bit softer," said Ivan Moore, an Anchorage pollster who often works for Democrats.

Still, no heavyweight opponents are clamoring to take Stevens on. At least not yet.

Moore said two high-profile Democrats are potential candidates: Anchorage Mayor Mark Begich and former Anchorage state Rep. Ethan Berkowitz.

Asked Thursday if he'll run, Begich said he's focused on the job he has. Uprooting his family and jumping into the meat grinder of D.C. politics isn't something he'd do lightly, he said.

"If you're going to run for an office just because people told you you have to, you're not going to be happy," he said.

Begich said he's fielded recruitment calls from the Democratic Senatorial Campaign Committee and Democratic Congressional Campaign Committee, which spend big to help candidates get elected across the country.

Berkowitz ran unsuccessfully for lieutenant governor alongside fellow Democrat Tony Knowles in last year's gubernatorial race. He said he's thinking about a potential U.S. Senate run but hasn't made a decision.

Two lesser-known candidates, Unalaska City Councilman Rocky Caldero and Nels Anderson, a Soldotna doctor, plan to challenge Stevens, said Jake Metcalfe, chairman of the state Democratic Party.

Pollster and political consultant David Dittman has worked for Stevens campaigns in the past and said he may work for the senator in 2008.

This race could be different for Stevens if national Democratic groups choose to target his seat, Dittman said. He said they might go after him because he's a high-profile Republican in a state where it takes less money to reach voters.

FBI - Stevens-938

FBI investigations and federal prosecutions now under way add an X factor to next year's election.

Over the past month, one current and two former state lawmakers have been indicted on federal extortion and bribery charges. Two executives for the Veco Corp. pleaded guilty to bribery, conspiracy and tax charges and are now cooperating with authorities. Although Ben Stevens hasn't been charged with any crime, the charges against others link him to the corruption cases.

Dittman said he doesn't think voters lump the two Stevenses together, while McKeever, the campaign treasurer, said he doesn't expect the investigation to affect Ted Stevens' campaign.

"Sen. Stevens has served Alaska for many years," McKeever said. "He's got a record of accomplishment and service. He's got influence in Washington that I think would be difficult for anybody to match."

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The FBI and a federal grand jury have been investigating the extensive remodeling of Ted Stevens' Girdwood home in 2000, and the involvement of Veco in the project.

McKeever wouldn't comment on the remodel investigation, but Metcalfe, the Democratic Party chairman, says the investigations make Stevens vulnerable and could embolden opponents.

According to the Fairbanks Daily News-Miner, Stevens has said that depending on who runs against him, he may have to raise as much as $5 million.

Over a six-month period ending March 31, Stevens raised about $686,000, McKeever said Thursday, bringing his total so far to more than $1 million.

"Every time Sen. Stevens runs a campaign, he runs expecting that he will face a strong opponent," McKeever said.

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

Caption:
Stevens

Caption:
Photo 1: Ted Stevens CMYK_060107.jpg

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FBI - Stevens-939

Weyhrauch fought off bites of cold, mosquitoes

Anchorage Daily News (AK)
April 25, 2007
Author: SABRA AYRES
Anchorage Daily News
Staff

Estimated printed pages: 3

Despite uncontrollable shivering and swarming mosquitoes, former state legislator Bruce Weyhrauch says he never thought about the possibility of dying during the 17 hours he spent wet, cold and missing after falling off his boat and swimming to a nearby island in the icy waters of Auke Bay.

Weyhrauch said that keeping warm was his first priority. But thoughts about his tight-knit family and the belief that someone was watching over him kept him going, he said in a telephone interview Tuesday from his home.

Weyhrauch, 54, is recovering from hypothermia. He fell into the 43-degree waters of the bay, about 15 miles north of Juneau, Sunday evening after slipping and losing his balance while alone on his boat.

He recalled he swam for about an hour before reaching Coghlan Island, where he spent the night fighting off biting mosquitoes and cold.

His family reported the former member of the Alaska House and practicing Juneau attorney missing Sunday night, after the Coast Guard found his Boston Whaler abandoned but with its engine still running. A long search began, and Weyhrauch was located on the sandy shore of the island Monday morning at about 11 a.m.

"I didn't want to anticipate rescue," he said. "There's no manual for how to do this. I just had to maintain being calm, look at options, and then make the decision and do it."

Weyhrauch said he set out swimming for Coghlan Island after realizing his boat was moving too fast to catch. He swam with his back away from the island to keep the cold water from rushing into his body's core. He kept his arms as close to his side as possible, he said, in order to try to retain body heat. The position caused him to swim like the cartoon character Nemo, he said.

His feet and legs cramped early on in the swim, while his arms weakened to the point of uselessness. When he finally made it to the shore, he had no energy left and let a wave give him the final push to land.

After resting on the sandy beach for some time, Weyhrauch, said he stumbled into the woods.

HOME IN SIGHT

Across the bay, Weyhrauch could see his family's house and the regional ferry terminal.

Curled up in the fetal position in wet leaves, he spent most of the night shaking from the cold and enduring mosquitoes.

In the morning, he recovered the strength to move back to the beach. He said he believes he saw at least one boat pass by the island. He waved and the passengers waved back but must have been unaware of the search efforts, he said.

He then spotted rescuers from the Southeast Alaska Dogs Organized for Ground Search, a volunteer search and rescue group based in Juneau who were searching the island.

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The Coast Guard airlifted Weyhrauch to Bartlett Regional Hospital. Doctors released him late Monday afternoon.

Weyhrauch said Tuesday he felt like he had been "kicked by a million crickets" and had pain in his jaw and teeth from chattering.

When asked how his family was handling the ordeal, he said they must be relieved to have him home again.

"The dishes were starting to stack up," he joked. Weyhrauch lives with his wife and three children.

Weyhrauch was wearing a float coat when he fell overboard. He said while knowledge and experience around Southeast waters is essential, boaters should think about carrying a communication device such as

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a cell phone in a plastic bag when on the water.

His life-threatening ordeal won't stop him from boating in the future.

"This is Alaska," he said. "What am I going to do, ignore the fact that the waters are cold?"

Daily News reporter Sabra Ayres can be reached at sayres@adn.com.
Caption:

Weyhrauch

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Section: Alaska
Page: B1

FBI - Stevens-941

Special interests win again in Juneau, and we all lose

Well, well, well, things just never change.

The largest, richest church in Anchorage will have to pay even less property taxes in the future ("Church scores tax exemption for houses," May 10). Looks like more anti-Robin Hood behavior to me. Give to the rich, take from the poor and middle class. The Alaska Legislature should be ashamed. Special interests win again at the cost of the average Alaskan. I guess we can thank Sen. Lyda Green from Wasilla for some last-minute maneuvering to get this one passed.

Next is the oil tax bill and gas line negotiations. How much are we going to give in to the mighty oil companies to get these things accomplished?

They are so afraid in Juneau that the oil companies are going to pick up and leave the state. Pul-eeze. They aren't going anywhere. Especially when they can pull the strings of our governor and Legislature to get whatever they want.

I vote every time, and I won't be voting for any incumbents from my district.

I only hope that there are enough voters out there that are tired of the shenanigans in our capital and vote to get rid of those who are hurting Alaska.

-- Lori Wilkins

Wasilla

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Weyhrauch trial won't move

REQUEST DENIED: Judge rules Anchorage is better for high-profile case.

The Associated Press

(Published: August 6, 2007)

The corruption trial for former Rep. Bruce Weyhrauch, R-Juneau, will remain in Anchorage, a federal judge has ruled.

The request by Weyhrauch to move his corruption trial from Anchorage to Juneau was denied in a written ruling by U.S. District Court Chief Judge John Sedwick.

Anchorage has a larger jury pool and a larger courthouse that is more equipped to accommodate a change of courtroom in the event of a technology failure, Sedwick wrote in the ruling.

Sedwick noted that two key witnesses in the trial both live in Anchorage. They are former Veco Corp. CEO Bill Allen and former Veco vice president Rick Smith.

The decision also applies to former Alaska House Speaker Pete Kott, Weyhrauch's co-defendant, and his trial will also be held in Anchorage.

Weyhrauch had said he wanted his trial moved to Juneau to avoid delays and save money. Weyhrauch and Kott, a Republican who represented Eagle River from 1993 until this year, live in Juneau.

They are accused of selling their votes and influence to oil field services contractor Veco and Allen during last year's debate on oil taxes. Their trial is set to begin in Anchorage on Sept. 5.

Weyhrauch, an attorney with a wife and three young children, served in the House from 2003 until his term ended this year. He didn't run in 2006.

Allen and Smith have pleaded guilty to extortion and bribery related to their dealings with legislators.

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Young finally pays the bill for 7 years of crab at fundraisers

'CRAB FEED': E-mail notes in-kind contributions; payback is $5,583.

By ERIKA BOLSTAD
ebolstad@adn.com

(Published: August 7, 2007)

WASHINGTON -- U.S. Rep. Don Young has agreed to reimburse a seafood trade association $5,583 for the cost of providing food at his annual "Crab Feed" fundraiser for the past seven years.

Young's campaign treasurer said that this spring the Pacific Seafood Processors Association sent the campaign an e-mail, saying the group had researched its records and determined it had made in-kind contributions that needed to be disclosed. The campaign wasn't aware of the contributions until receiving the e-mail, said Robert Bohnert, Young's campaign treasurer.

Originally, the campaign was going to reimburse the industry group only for the 2004-2006 contributions, but decided last week to also send back the 2001-2003 contributions, worth about $3,175 total. Typically, the Pacific Seafood Processors Association provided between $700 to $900 in seafood for the event, Bohnert said.

Bohnert said he did not know why Young or his lawyers made that decision, and referred further questions to Young's campaign manager, Steven Dougherty.

"We're not commenting at this time," Dougherty said. "We're not commenting on issues pertaining to this topic."

But until the seafood trade association told them about the in-kind contributions, they weren't aware of them, Bohnert said. They pay someone to organize the event, including ordering the food and renting out the Capitol Hill Club. The annual event is a Washington tradition for Alaska's Republican congressman

"If we don't know about it, we can't do anything about," Bohnert said. "I don't know what prompted them to send it to us."

In July, Young disclosed to the Federal Elections Commission that he spent more than $262,137 from his campaign account to pay legal bills this year. Between March 10 and June 15, Young's congressional fundraising committee, Alaskans for Don Young, paid two Washington law firms to advise him.

Young, who is under investigation by the FBI, has refused to address questions about the federal inquiry.

Young has four major fundraisers scheduled this August while he is in Alaska, Dougherty said. There's a pig roast in Anchorage on Wednesday, salmon bakes in Fairbanks and Anchorage on Aug. 13 and 15, and an Aug. 16 golf tournament in Palmer. He also plans his annual mooseburger fundraising event in September, when Congress goes back into session.

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Ben Stevens lands job on the sea

BACK TO ROOTS: Former Senate president will crew on Shell Oil support vessel in Beaufort Sea.

By WESLEY LOY
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(Published: August 8, 2007)

Ben Stevens, the former state senator who has come under scrutiny along with his father in a broad federal public corruption probe, has taken a new job far from his Anchorage home.

The younger Stevens has been hired as a crewman aboard a work boat supporting Dutch oil giant Shell's planned Arctic Ocean exploratory drilling campaign.

The job marks a return to a former seafaring life for Stevens, who for many years ran crab fishing boats in the Bering Sea.

A Shell contractor, Bering Marine Corp., a unit of Anchorage-based transportation company Lynden Inc., hired Stevens as mate and relief skipper aboard the 121-foot combination tug and landing craft Arctic Seal.

The vessel is supporting a Shell-hired drilling ship now sitting in Dutch Harbor, preparing for a drilling campaign later this summer in the icy Beaufort Sea off Alaska's northern coast.

Stevens and the crew of the Arctic Seal have been ferrying heavy equipment and supplies from land to the drill ship Frontier Discoverer, which is anchored offshore.

Lynden executives said they called Stevens and offered him the job. They said he had previously worked for the company running boats.

"He's licensed, qualified, and right now it's hard to find good experienced employees like that," said Rick Gray, president of Bering Marine.

Lynden president Jim Jansen added that working aboard the Arctic Seal is no glamour job. He called it "a pretty crude piece of equipment."

"It's a very dirty and difficult job, and we pay Ben the identical wage that any other crew member in a similar position would get," Gray said. "We're real proud to have Ben working for us."

Stevens, who was state Senate president until his term ended in January, has come under scrutiny amid a federal investigation that has resulted in bribery charges against four former state lawmakers, one of whom has been convicted.

Stevens, 48, was among several lawmakers whose Anchorage legislative offices were searched by FBI agents nearly a year ago.

He hasn't been charged with any crime, but federal prosecutors have made reference to a "State Senator B" -- unmistakably Stevens -- who took $243,250 in bogus "consulting" fees from Bill Allen

and his oil field services company, Veco Corp.

Allen pleaded guilty in May to bribery and other charges, and admitted that the payments to Stevens were mainly for influencing legislative action. Allen also offered to make Stevens a Veco executive, court papers say.

U.S. Sen. Ted Stevens, R-Anchorage, recently has come under scrutiny as well after federal agents searched the senior senator's Girdwood home, which was remodeled in 2000 with Allen and Veco taking a hand in the project.

Ben Stevens, who is living aboard the boat, could not be reached. But he asked his attorney, John Wolfe of Seattle, to return a reporter's call.

Wolfe said Tuesday that Stevens has a background in running boats, as well as a wife and children. So when the job offer came from Lynden, he took it.

"It's like many of the jobs Ben Stevens has had. It's hard work," Wolfe said. "It's a job he's well-qualified to do. He's had years of experience on the sea."

Wolfe added that Stevens is "innocent of any charges," and that Lynden saw in him the honesty and integrity necessary for the responsibility he's been given.

He said he didn't know how much Lynden is paying Stevens.

Gray and Jansen said Stevens has been hired for the Shell project, and that the job could last until the Beaufort Sea ices up this fall, marking the end of the offshore drilling season.

Whether the drilling will proceed, however, is an open question as environmentalists, the North Slope Borough and other challengers have won a temporary block of Shell's plans in federal court. At issue is whether the drilling could disturb migratory bowhead whales hunted for subsistence.

That's why Shell's drill ship remains in Dutch Harbor. If Shell can prevail in court and also secure some remaining permits, the ship will head north to the Beaufort Sea.

And so, mostly likely, will Stevens and the Arctic Seal, which is mentioned in Shell's plans as part of a support fleet to voyage to the Beaufort for the drilling.

Find Wesley Loy online at adn.com/contact/wloy or call 257-4590.

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FBI investigates science contracts awarded Veco

ARCTIC: $170 million in research contracts coincided with support for polar funding by Sen. Stevens.

By ERIKA BOLSTAD and GREG GORDON
McClatchy Newspapers

(Published: August 16, 2007)

WASHINGTON -- The FBI is investigating the National Science Foundation's award of $170 million in contracts to the oil field services company that oversaw renovations on U.S. Sen. Ted Stevens' home.

The firm, Veco Corp., captured a lucrative five-year NSF contract in 1999 to provide logistics and support for polar research, although it had no previous experience in that field. During the same time period, Veco's top executive managed renovations that doubled the size of the longtime Republican senator's Girdwood home -- the scene of a July 30 FBI raid.

NSF spokesman Dana Cruikshank told McClatchy Newspapers that the FBI has made inquiries into the 1999 award, worth up to $70 million, and a 2004 follow-up contract for as many as seven years that the company values at up to $100 million. Justice Department spokesman Bryan Sierra and spokeswoman Deborah Weierman of the FBI's Washington field office, which is leading the investigation, declined comment on the NSF contracts.

Veco's founder and CEO, Bill Allen, pleaded guilty this spring to making $400,000 in illegal payments to Alaska lawmakers, including Stevens' son, Ben, who until last year was president of the Alaska Senate. Allen is cooperating in a sweeping FBI corruption investigation that also has led to the conviction of a former Alaska state representative and guilty pleas from a second Veco executive and a prison-industry lobbyist.

Three other state lawmakers are awaiting trial on bribery charges. Ben Stevens has not been charged.

The disclosure provides further evidence of the degree to which the investigation of public corruption in the Alaska Legislature has widened to include at least two of the state's three members of Congress. Alaska's sole congressman, U.S. Rep. Don Young, is also under investigation for his ties to Veco.

STEVENS-VECO CONNECTION WAS KNOWN

FBI - Stevens-947

Until now, there has been little hint as to how Veco might have benefited from the close relationship that its CEO had with the elder Stevens, who served for several years as the powerful chairman of the Senate Appropriations Committee. Stevens also had oversight of the National Science Foundation in his senior role on the Senate Commerce Committee.

No evidence has surfaced that Stevens directly steered the contract to Veco, but his aggressive support for increased funding for Arctic research coincided with the company's sudden emergence as a major player in providing logistics for polar scientists. Under the contract, Veco helps transport researchers to remote Arctic regions for more than 150 scientific projects, feeds them, houses

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them and provides equipment and communications during their stays.

Stevens would not comment on any aspect of the investigation and has refused to talk about the FBI raid on his house. A spokesman said that the 83-year-old senator has long had an interest in seeing more money spent on Arctic research.

"Sen. Stevens has long been a supporter of increasing federal funding for Arctic research," said Aaron Saunders, the spokesman. "Alaskans, more than anyone in the nation, are feeling the effects of climate change. In order to understand the causes and impacts of these changes, Sen. Stevens believes that a variety of agencies must help us learn more about the Arctic. As an appropriator and a senior member of the Commerce Committee, it is Sen. Stevens' role to ensure government entities receive the necessary funding to carry out this important work."

As far back as 1994, as a member of the Senate Commerce Committee, Stevens championed putting more Arctic research money into the NSF budget. In 1997, when a government advisory group overseeing Arctic research issued a report detailing disparities in research between the Arctic and Antarctica, Stevens became a standard bearer for the cause.

"I know that Sen. Stevens was very strongly taken with what we had uncovered in the study," said George Newton, a research engineer and former U.S. Navy submarine captain who served for 12 years as chairman of the panel, the Arctic Research Commission. He said Stevens cited the study as a basis for appropriating more money for Arctic research.

Unsolicited, Stevens put $25 million into the commission's budget without ever explaining why an advisory panel instead of the National Science Foundation would get the money. The funds were later shifted to the NSF.

Newton said that when it came time in 1999 to award a polar logistics contract, it was believed within the NSF and in polar research circles that Veco's relationship to Stevens' son might give the company an advantage.

CAME FROM NOWHERE TO WIN CONTRACT

In Allen's plea, he admitted paying fees to the younger Stevens' consulting firm beginning in 1995 -- six years before he was appointed to the state Senate. From 2002 to 2006 when he was a state senator, Stevens was paid $243,250 by Veco mainly for "giving advice, lobbying colleagues and taking official acts in matters before the legislature," Allen admitted in court filings. Allen also offered to make Stevens a Veco executive, the filings say.

"The thought was going around, that as the competition was going on within NSF, there was always this talk that Sen. Stevens' son was connected to Veco," Newton said. "A wink of an eye, so to speak, among people who were not involved in the evaluation. It was water cooler conversation."

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One losing bidder questioned the fairness of Veco's initial award in 1999 and said it should "bear further scrutiny."

Marijane Hancock, who submitted a proposal on behalf of the University of Nebraska's Polar Ice Coring Office in partnership with a Canadian company, said she could not imagine Veco gearing up to submit a competitive proposal within a three-month bidding deadline unless company officials somehow had a head start.

The University of Nebraska project held the polar research logistics and support contract from 1974 to 1989, lost it for five years to the University of Alaska, then won it back for the period from 1994

to 2000, earning $17 million over the final six years.

Karl Kuivinen, who headed the Nebraska project in the 1990s, said Veco came from nowhere to win the successor contract.

No one knew the contract's value until the agency floated a formal request for bids on April 21, 1999, said Mike Ledbetter, a former Science Foundation technical manager who sat on a panel that reviewed competing bids.

Ledbetter and Hancock said that Veco gained expertise by hiring several former employees of Antarctica Support Associates, a company that performed similar support services on the South Pole.

Hancock, now a University of Nebraska assistant vice president for academic affairs, said she drafted a protest letter when Veco won the contract, but her bosses decided not to send it. Among other things, she complained that Simon Stephenson, the National Science Foundation's contract manager, "had developed long-term personal relationships" with the former Antarctica field workers who were hired by Veco.

ARCTIC OIL FIELD WORK A FACTOR

The NSF declined to make Stephenson or anyone else available for an interview.

Hancock also noted that, when potential bidders were invited to send personnel to Greenland to tour the main site of the research in June 2000, two Antarctica workers missed a sign-up deadline. She said NSF officials then asked her office to escort the two, who Hancock said, "were provided personal, extensive and special access to all aspects of our operation."

"We learned in the middle of December, after the contract was awarded, that the two individuals we accommodated went to work for Veco Rocky Mountain Inc., on their contract," she wrote.

Veco had no previous government logistics contracts of such scope, but the company's work on North Slope oil fields gave it experience operating under harsh Arctic conditions. The entity set up by Veco to manage the NSF logistics contract, Veco Polar Resources, was formed after its parent company landed the work in 1999.

NSF said there had been no major problems with Veco's performance on the contracts.

Since Allen's guilty plea, he has stepped down from Veco. The Colorado engineering firm CH2M Hill is in negotiations to buy Veco for $463 million.

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Researcher Tish Wells contributed to this story.

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Ex-legislator asks for separate trial from co-defendant Kott

CORRUPTION CASE: Attorneys are mum on reasons for the motion.

By LISA DEMER
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(Published: August 17, 2007)

Three weeks before the corruption trial of former state Reps. Bruce Weyhrauch and Pete Kott is set to begin, Weyhrauch wants a judge to split his case from that of his co-defendant.

No one will say why.

The motion and supporting documents were filed under seal, out of public view. It's the same story with much of the legal maneuvering in the case. Lawyers involved say they couldn't talk about the issues even if they wanted to.

"There's a lot going on behind the scenes and it involves evidence that we can't discuss before the trial," said Doug Pope, one of Weyhrauch's attorneys.

The trial is scheduled to begin Sept. 5, though that could change. U.S. District Court Judge John Sedwick has yet to rule on several sealed motions.

The corruption case involves accusations that officials with oil field services contractor Veco Corp. bribed the legislators to help push an oil-production tax favored by the industry through the Legislature in 2006.

Veco's former chief executive, Bill Allen, and vice president, Rick Smith, have pleaded guilty to bribery and conspiracy involving four legislators: Kott, Weyhrauch, indicted former Wasilla Rep. Vic Kohring and former Senate President Ben Stevens, who was described but not named in court documents. Kohring has an October trial date. Stevens hasn't been charged.

Allen and Smith are now cooperating with the government and are expected to be key witnesses at the trial. They've resigned from Veco.

It appears from the indictment that the FBI used electronic surveillance of Veco's suite in Juneau's Baranof Hotel to collect evidence.

Kott is accused of taking payoffs totaling $8,993 and the promise of a job from Veco in exchange for doing the company's bidding. Weyhrauch is accused of soliciting legal work from Veco.

Generally, one reason a defendant tries to split off his case is so he won't be tainted by his co-defendant, said Rex Butler, a prominent Anchorage criminal defense attorney not connected with the Kott-Weyhrauch case.

"First of all, one person might be really knee deep in the trouble while the other person is a surface player," Butler said. "The problem is, in a joint trial, if a juror takes one down, they almost always will take both people down."

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The specifics of the accusations against Kott and Weyhrauch differ, though they were indicted together May 3 and face similar charges: conspiracy and bribery against both; extortion and wire fraud against Kott; attempted extortion and mail fraud against Weyhrauch.

Kott is described in the indictment as willingly doing Veco's bidding and meeting with Allen and Smith in the Baranof's Suite 604 to plot strategy.

As laid out in the indictment, Weyhrauch's role was smaller. But he is accused of following Kott and Allen's instruction to change his vote on an amendment opposed by the oil industry. He had mistakenly voted the wrong way, the indictment says.

The charging document quotes a conversation between Kott and Allen in Suite 604 after the amendment was defeated on May 7, 2006:

Kott: "I had to get 'er done. So, I had to come back and face this man right here," pointing to Allen. "I had to cheat, steal, beg, borrow and lie."

Allen: "I own your ass."

Co-defendants may want to point the finger at each other, but that can backfire in a joint trial, Butler said.

"Both parties will end up convicting each other," he said.

Defense lawyers also may end up stepping on each other's toes. And there can be problems with evidence when one defendant has made incriminating statements against the other, Butler said.

Plus, defense lawyers like looking like the little guy up against the government with all of its power and resources, Butler said. The image doesn't carry as well with a table full of defense lawyers.

Jim Wendt, who represents Kott, said he probably won't oppose the motion to sever the cases, but he won't join in, either.

As to Kott's defense, "You'll have to wait and see, but our defense is basically that our guy is not guilty," Wendt said.

Weyhrauch attorney Pope said that his client is innocent and never sold his votes.

Prosecutor Jim Goeke declined to comment on the upcoming trial or the maneuvering.

Jury selection is scheduled to begin Sept. 5 with a bigger-than-normal pool of 120 potential jurors from Southcentral Alaska and beyond. Judge Sedwick has ordered that potential jurors be pre-screened with a questionnaire. It asks whether they know the defendants, lawyers or key witnesses; what they've read, seen or heard about the case; and whether they already have opinions about Kott and Weyhrauch.

Kott is a former House Speaker from Eagle River first elected in 1992 and defeated in the 2006 Republican primary. He now lives in Juneau. Weyhrauch is a Juneau attorney who served two terms and didn't run again in 2006.

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Legislators' corruption trials may be paired

TWO LAWMAKERS, ONE TRIAL: Judge's recommendation comes with hearings set to start Sept. 5.

By LISA DEMER
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(Published: August 28, 2007)

With their public corruption trial just over a week away, former state Reps. Pete Kott and Bruce Weyhrauch are maneuvering to throw out big chunks of the prosecution case.

Wiretap evidence. Secret video recordings. Statements by "unindicted co-conspirators," as the prosecution calls them.

Kott's and Weyhrauch's defense lawyers are filing court pleadings at a furious rate as the Sept. 5 trial date nears. Prosecutors, meanwhile, say at least part of the legal battle is too late.

On Monday, a magistrate judge issued a recommendation that the two former lawmakers be tried together.

Weyhrauch was trying to split his case apart from Kott's. His reasons weren't stated publicly because the argument, like many in the case, was filed "under seal." But in his 12-page recommendation Monday, Magistrate Judge John D. Roberts shed some light on the issues raised by Weyhrauch:

• Worries about a spillover effect, if the government has more evidence against Kott. Frequently, that's the situation with co-defendants, Roberts wrote.

"The argument that Weyhrauch never became intoxicated, used foul language or was given a hat with the letters "CBC" (corrupt bastard's club) may serve to distinguish him from the actions of his co-defendant in the jury's assessment of the case," Roberts said. Jurors should be able to separate the evidence against each, and the judge may give special instructions along those lines, he said.

• If the two men are tried together, Weyhrauch's defense lawyer believes the prosecution may try to prove there were multiple conspiracies, but Weyhrauch is accused of participating in only one.

Weyhrauch and Kott were indicted on a charge of conspiring with two Veco Co. executives, Bill Allen and Rick Smith, and others on the rate for a new state oil tax. Both Allen and Smith have since resigned. Veco is an oil field services company.

If evidence of multiple conspiracies is proven at trial, that could be harmful to Weyhrauch and make a conviction "vulnerable to attack on appeal," Roberts acknowledged. But until the trial happens, it's impossible to know whether that will be the case, he said in his recommendation.

U.S. District Court Judge John Sedwick ultimately will decide the issues.

Doug Pope, one of Weyhrauch's lawyers, said that despite Roberts' recommendation, his client's case still could be split apart from Kott's -- after the trial begins and evidence is admitted. That's

usually how such matters play out, he said.

The deadline for motions was July 24. That's the same day prosecutors turned over to the defense 1,601 pages of materials used to support their search warrant application. There simply wasn't enough time to handle that volume of documents, Kott's lawyer, Jim Wendt, wrote in a court filing.

Judges can allow defense lawyers to make new arguments, even at this late date.

The reason the prosecution didn't provide the documents sooner? It's "because the materials disclose multiple ongoing, non-public investigations," according to a filing by prosecutors.

The details of the search warrant documents remain largely hidden from the public -- "under seal," to use the court term. Both sides have filed documents that way. Prosecutors said in one court document that they didn't want information about other suspects or investigations to become public.

Roberts ordered on Friday that no more documents in the case be filed under seal unless the lawyers first get permission from a judge. The order surprised the defense lawyers.

"He came in like a cowboy out of left field on that," Pope said.

Calls to prosecutors weren't returned Friday or Monday.

Weyhrauch, a Republican from Juneau, did not run in 2006. Kott, a former Republican House Speaker from Eagle River, was defeated in the 2006 primary and now lives in Juneau.

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Ben Stevens ID'd as Senator A

COURT FILINGS: Ex-legislator had only been named in news reports.

By LISA DEMER
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(Published: August 30, 2007)

In a court ruling this week, a federal judge identified former state Senate President Ben Stevens as an alleged co-conspirator in a bribery scheme involving legislators and oil field services contractor Veco Corp.

Though news reports named him months ago, it was the first time Stevens has been so named in a court document.

The development was just one of the intriguing pieces of information popping up in court filings as the public corruption trial of former Reps. Pete Kott and Bruce Weyhrauch approaches. It's set to begin Sept. 5.

"The evidence which the United States will present at trial will show that state Senator A is, in fact, Ben Stevens," U.S. District Judge John Sedwick wrote.

The indictment against Kott and Weyhrauch says Senator A conspired with them and two Veco executives to benefit the company.

In particular, the document describes a June 5, 2006, telephone conversation between the senator and former Veco chief executive Bill Allen. In the phone call, the two agreed that Weyhrauch came to support oil tax legislation favored by Veco because Allen had promised him legal work for the company. Weyhrauch is a lawyer.

Stevens worked as a Veco consultant for years, making $243,250 from 2002 through 2006 while he was a state senator.

John Wolfe, a Seattle lawyer who represents Stevens, said he was disappointed the judge named Stevens publicly without giving his client a chance to object. Stevens hasn't been charged in the ongoing corruption investigations.

"We're concerned about the impact that this will have on Mr. Stevens' ability to get a fair trial" -- should he be indicted, Wolfe said.

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At any rate, Stevens maintains he's done nothing wrong, Wolfe said.

In other developments:

• Prosecutors won't be able to tell jurors that Weyhrauch allegedly cheated on his legislative per diem allowance. They wanted to include such evidence as "prior bad acts."

Sedwick ruled Tuesday that even if Weyhrauch was chiseling on his per diem claims, that's a lot different than being accused of selling his legislative office. But it's just the kind of behavior that

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outrages voters. Jurors may unfairly leap to the conclusion that a legislator who cheated on his legislative allowance is guilty of everything else, too, the judge said.

• Efforts by Kott's lawyer to dismiss various charges were struck down by Sedwick. Attorney Jim Wendt attempted to file legal pleadings past the deadline, but the judge said no. Even if the pleadings were on time, they lacked merit, he ruled.

Meanwhile, some trial issues will be sorted out at a hearing this morning before Sedwick.

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Kohring claims his detention was illegal

FBI RAID: He says he was not read his rights during questioning.

By LISA DEMER
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(Published: August 30, 2007)

Former state Rep. Vic Kohring claims that when FBI agents raided his legislative office a year ago, they illegally detained him and forced him to submit to hours of interrogation without ever reading him his rights.

Kohring was indicted on bribery, extortion and conspiracy charges in May. He is accused of selling his office to oil field services contractor Veco Corp. and resigned his Wasilla House seat in June. Trial is set for Oct. 22.

His lawyer, John Henry Browne of Seattle, is trying to suppress evidence seized in and statements made by Kohring during the Aug. 31, 2006, search.

New court filings told from Kohring's point of view are full of drama:

Around 11 a.m. that day, FBI agent Alan Vanderploeg called Kohring on his cell. He was with a friend, headed to Palmer to check out a pickup for use in his House race. The agent insisted they meet right away at Kohring's Wasilla office.

"Five armed FBI agents, who were already waiting there, created a quite intimidating scene," when Kohring arrived.

The agents said they had a warrant to search his office, but never produced it, according to Kohring's story. Instead, the court papers say, they pressured him to consent to a search so no warrant was needed and threatened to tell the media if he refused.

The FBI advised Kohring to send his aide home, which he says in a statement he later regretted.

"Then, while Kohring was isolated and segregated, the agents finally revealed that he was not only a witness, but also a suspect as well, and displayed a thick file folder with his name on it ostensibly containing incriminating information, though the agents never displayed its contents," says one of the court filings.

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The FBI investigation dated to 2003, his lawyer wrote.

The agents told Kohring he wasn't under arrest, but made it clear he wasn't free to leave, Kohring claimed in his statement. In fact, they locked the front door to his office and wouldn't let him go to the bathroom or get a drink of water, his lawyer contends.

The totality of circumstances -- including a "police-dominated atmosphere" -- shows that he was in custody, yet he was never read his Miranda rights, Browne argued. No reasonable person would have felt free to leave, one of the motions says.

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Kohring was able to phone a friend and attorney, Robert Hall. He contends the FBI pressured him to hang up before getting any useful advice.

Hall was so worried, he rushed to Kohring's office but the FBI wouldn't let him in, Hall says in a court filing.

"The agents persisted in searching and questioning in excess of two hours, during which Kohring was isolated in his locked offices while his friend and personal attorney sat in the hallway, barred from entry," one of the motions says.

Near the end of the interview, after agents told Kohring he was a suspect, "they threatened him with 20 years in prison if he did not answer incriminating questions in regards to his association with VECO corporation," Browne wrote. They termed it "the Martha Stewart question." The homemaking diva went to prison for lying to investigators.

The search ended after 2 p.m., according to Kohring.

Prosecutors and the FBI dispute Kohring's claims, said Joe Bottini, an assistant U.S. attorney. They will file their detailed response in court, he said.

Kohring himself told a different story the day of the search.

"I fully cooperated and answered all their questions," Kohring said in a written statement back in August 2006. "I was told that I am not a target of the investigation and was asked not to discuss details of the interview."

Kohring wants the judge to move the trial to Washington state because of all the publicity in Alaska. His trial could take place around the same time as a special session set to revisit the state's new oil tax. Gov. Sarah Palin called the session because she said the bribery cases taint the tax legislation passed in 2006.

Two other former representatives, Pete Kott and Bruce Weyhrauch, go to trial just before Kohring. Former Veco Corp. executives Bill Allen and Rick Smith are expected to be key witnesses. They already have pleaded guilty to bribery and conspiracy.

Browne also wants the government to reveal all promises made to Allen and Smith for their cooperation, as well as to two witnesses who testified earlier this summer against former Rep. Tom Anderson, who was convicted of bribery and other charges.

A hearing on the requests to suppress evidence is scheduled for Sept. 17.

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Kott, Weyhrauch outline their corruption case defenses

TRIAL: They are accused of bribery, fraud and conspiracy.

By RICHARD MAUER
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(Published: August 31, 2007)

The government has misinterpreted innocent behavior as a corrupt conspiracy involving officials of the oil field service company Veco, two former legislators about to go to trial say in recent court filings.

Former House speaker Pete Kott, R-Eagle River, and former Rep. Bruce Weyhrauch, R-Juneau, say they expect to show during their trial, set to start next week, that they did nothing wrong in taking money from or discussing future employment with Veco head Bill Allen and one of his vice presidents, Rick Smith.

The co-defendants gave outlines of their cases in briefs filed this week in U.S. District Court in Anchorage. The men go on trial for bribery, fraud and conspiracy on Wednesday, the second trial in the four-year federal investigation of political corruption in Alaska. In the first one last month, an Anchorage jury found former Rep. Tom Anderson, R-Anchorage, guilty of all seven counts he faced.

Though only sketches, the trial briefs give the first indications of the cases that Kott and Weyhrauch hope to make. They were filed in advance of a pretrial hearing Thursday, in which housekeeping and some jury matters were resolved by U.S. District Judge John Sedwick.

Sedwick dismissed three dozen potential jurors even before they were required to appear in his courtroom in the Anchorage federal building on C Street. Making his decision after reading their responses to a written questionnaire, Sedwick ruled that 36 of 120 potential jurors appeared to be incapable of rendering a fair verdict or would have found it too great a hardship to attend daily court sessions from 9 a.m. to 4:30 p.m.

By contrast, state court jurors typically serve a workday that ends in early afternoon, enabling them to attend to at least some of their routine daytime activities.

The lawyers estimated the trial would run for at least three weeks. That would be long enough to interfere with medical procedures planned by at least two jurors, while one college student would've been set too far back in his classes, Sedwick said. About 24 potential jurors said they had already made up their minds, had biases against politicians or were close to participants in the case, making them ineligible.

None of the jurors was identified by name, only by number and sometimes by gender. In a few cases, Sedwick and the lawyers chuckled over questionnaire responses, but the jokes weren't shared with the rest of the courtroom.

The remaining 84 jurors will be summoned to the courtroom next week, where they will be individually questioned about their backgrounds and what they think they know of the facts in the case. Despite all the publicity surrounding the federal investigation, Sedwick said he expects there to be enough unbiased -- and perhaps uninformed -- members of the jury pool to seat 12 jurors

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and at least two alternates.

In its indictment, the government says that Kott and Weyhrauch were in a pay-for-votes scheme with Allen and Smith, selling their positions on oil tax and gas pipeline legislation in 2006 for cash and jobs or the promise of future work.

But the defendants say that's false. Both assert they were pro-development legislators who didn't need to be bribed to vote in favor of the oil industry.

"Mr. Kott's intent was always to support legislation that he thought was in the best interests of the State of Alaska and in support of the almost universally agreed goal of getting a gas pipeline for the people of the state," Kott's attorney said in his trial memorandum.

Weyhrauch likewise said the evidence would show that he "had a long-standing commitment to sensible development of Alaska's resources."

One evidence of a bribe to Kott, the government asserted in the indictment, was a payment by Veco of a "fraudulently inflated" invoice of $7,993 to Kott's flooring company in August 2006.

Kott says nothing was wrong about that payment.

"Defendant Kott will present evidence at trial that $7,993 of the monetary payments received was not for his acts as a public official but for his work installing and repairing hardwood flooring for Bill Allen, a task he has performed for many politicians, business people and citizens," he said. He acknowledged in his filing that the work was never completed, but excused that failure "because this case has prevented Mr. Kott from completing the work."

Weyhrauch, in his memorandum, indicated that the plea agreements signed by Allen and Smith would be fodder in his case. The agreements, in which Allen and Smith hope to reduce their jail time by cooperating with the government, gives the two ex-Veco officials incentives "to provide helpful, even if fabricated or exaggerated, testimony to assist the government in their pursuit of Mr. Weyhrauch and others."

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Prosecutors direct new allegations against Kott

UNLAWFUL GIFTS: Prosecutors say Kott started accepting benefits from Veco officials in 1999.

By RICHARD MAUER
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(Published: September 4, 2007)

Former Eagle River lawmaker Pete Kott is led out of court following his arraignment in Juneau last spring. Kott and Bruce Weyhrauch of Juneau have pleaded not guilty to federal charges. *(CHRIS MILLER / The Associated Press)*

As federal prosecutors prepare to begin their case this week against two former state legislators, they have unveiled new allegations that one, Rep. Pete Kott, had been taking unlawful gifts and benefits from Veco officials since 1999.

Kott, a former House speaker who ran a flooring business on the side, stored equipment from 1999 to 2006 at a warehouse owned by the oil-field service company, the government said in a recently unsealed motion. The government also alleged that Kott received $12,000 in equipment from Veco or its former chairman, Bill Allen, in 2002, and that Allen gave him $5,000 in 2004. The next year, Kott took possession of tools and other items that Veco bought in a charity auction, prosecutors said.

Those alleged actions were in addition to conduct charged in the seven-count indictment returned by a federal grand jury in Anchorage in May against Kott, an Eagle River Republican, and former Rep. Bruce Weyhrauch, a Juneau Republican. Most of the alleged illegal activity in the indictment took place between September 2005 and August 2006.

Both men have pleaded not guilty to bribery, extortion, fraud and conspiracy. Their trial begins Wednesday in Anchorage before U.S. District Judge John Sedwick.

In the days leading up to the trial, the two defendants have also been firing back at the government, challenging some of the legal theories of the prosecutors. They are disputing the government's assertions that the two men had a duty to disclose they were seeking work from Veco or Bill Allen at the same time they were voting on issues affecting Veco.

Kott also asked the judge to prevent the government from bringing up alleged prior "bad acts" that weren't specifically charged in the indictment.

Allen and former Veco vice president Rick Smith are expected to be key government witnesses. They have pleaded guilty to bribing legislators and hope to get their sentences reduced by cooperating with the authorities.

In disclosing that they intended to bring up Kott's earlier conduct to the jury, government prosecutors said they expected Allen and Smith to testify "to the general scheme to provide Kott with things of value in exchange for securing Kott's agreement to take officials acts to benefit Allen, Smith and Veco."

In one instance, Kott's attorneys said in a court filing last week that Kott was only joking when he

asked Veco for help in getting him a job at a prison the company was building in Barbados.

"These Barbados comments are made in jest, and that intent is clear from the context of the conversations, which involved drinking and joking," they said.

And Kott's talk of working as a lobbyist for Veco -- a discussion he held while still in office -- were "off-hand, brief, and are absolutely devoid of any details or even specific requests to be Veco's lobbyist or a specific promise to be hired as Veco's lobbyist," his lawyers said.

Weyhrauch, a lawyer, is accused of selling his votes for a 2006 oil-industry tax bill in return for a promise of legal work after the regular legislative session. The government said Weyhrauch should have disclosed his negotiations for work with Allen and Smith.

But Weyhrauch's attorneys said he had no duty to disclose under state law or House rules.

Kott's lawyers said as much and asserted that it's the normal House practice to require members to vote even if they have a conflict of interest. That negates the need for disclosure, they said.

Government lawyers said that position is nonsense.

"Each member of the Alaska State Legislature has an inherent duty to the public of the State of Alaska to conduct their dealings free of conflicts of interest," prosecutors said in a memorandum filed Saturday. "The existence of this duty is intrinsic to a public official's obligation to conduct his or her affairs free of improper influences." State law requires legislators to not only avoid conflicts of interest, but even the appearance of a conflict, they wrote.

Weyhrauch appeared to understand that duty, the prosecutors said, because he disclosed other conflicts even if he failed to disclose his job solicitation from Veco.

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Released Anderson sting tapes unveil the federal case

'YOU WANT VOTES': Lawmaker knew lobbyist sought more than newsletter.

By LISA DEMER
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(Published: September 4, 2007)

More than a month after former state Rep. Tom Anderson was found guilty of bribery and other corruption charges, the prosecution has released the secretly recorded conversations used to convict him.

A federal jury convicted Anderson, an Anchorage Republican, on July 9 of bribery, extortion, money laundering and conspiracy. Several jurors said afterward that Anderson's own words were the strongest evidence against him.

The Daily News and KTUU Channel 2 sought copies of the recordings and other exhibits during the trial but didn't get them at that time. The news organizations then went to court. Negotiations began with prosecutors. The records were released Aug. 23.

The recordings were made by the FBI. A government witness, former Cornell Cos. consultant Frank Prewitt, wore a wire. The recordings, along with witness testimony, gave jurors a picture of a scheme in which Anderson took bribes to do Cornell's bidding. The plan was for a Cornell Cos. lobbyist, Bill Bobrick, to create a sham political newsletter or Web site that would be used to funnel money to Anderson.

Anderson's sentencing is scheduled for Oct. 2.

Here's a quick guide to some of the key conversations:

July 21, 2004

Audio recording. Bobrick and Prewitt meet at Southside Bistro in Anchorage to discuss how to get money to Anderson. In exchange, Anderson would "be our boy in Juneau," Bobrick tells Prewitt.

July 28, 2004

Video of meeting at the Whale's Tale in the Hotel Captain Cook between Anderson, Prewitt and Bobrick. Anderson's hands are in view. When asked about his credentials to do work for Cornell, the first thing he mentions is that he is a legislator. Jurors asked for the recording to be replayed during their deliberations.

Nov. 16, 2004

Video recording of meeting between Anderson and Prewitt in Anderson's legislative office in Anchorage. Anderson acknowledges to Prewitt that he knows Cornell really isn't interested in a political newsletter. "You want votes in the Legislature, I would assume," Anderson says. He also says he doesn't want to split the next payment with Bobrick. They discuss Anderson testifying the next day at a public hearing on a juvenile treatment center that Cornell needed state

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approval to open.

Dec. 21, 2004

Video recording of meeting between Anderson and Prewitt at the Whale's Tale. Prewitt brings two checks, one made out to Anderson's consulting firm directly. "That is perfect," Anderson says.

Feb. 16, 2005

Video recording of a dinner at the Baranof Hotel in Juneau that includes Prewitt, Anderson and then-state Rep. Lesil McGuire. At the time, McGuire and Anderson were dating. They since have married, and McGuire has been elected to the state Senate. McGuire tells Prewitt, "Don't forget, I'm going to stay right up on you boys" to make sure Cornell offers rehabilitation. At one point, McGuire is distracted by a side conversation. Anderson takes the opportunity to tell Prewitt that McGuire doesn't know about his relationship with Cornell.

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Kott wants a lid put on mixup over medication given to him

TRANSCRIPT: Judge makes the exchange with lobbyist public.

By RICHARD MAUER
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(Published: September 5, 2007)

Kott ( )

Former Alaska House Speaker Pete Kott is asking the judge in his political corruption case to prevent the jury from hearing evidence that ex-Veco chief executive Bill Allen supplied him with pills -- and that the results were not exactly as planned.

According to a transcript of an intercepted telephone call between Allen and Kott on May 31, 2006, Allen gave Kott pills for sleeping and for sex. Kott got them mixed up and complained he was up all night while his "old lady" slept beside him.

The remarkable transcript was prepared by the FBI and filed in court by Kott's attorneys to show U.S. District Judge John Sedwick what they didn't want the jury to see. The document was filed under seal Tuesday by Kott's attorneys, but quickly placed in the public file by Sedwick, who ruled there was no reason to keep it secret.

"Man, I've been having a hard time sleeping," Kott complained to Allen.

"So that worked pretty good," Allen said, laughing.

"Which ones are which?" said Kott.

"Goddamn it, I told you now, just use the white ones ... to sleep," Allen reminded him. "And the the goddamn, ah, brown or whatever they are, that's for (explicit language for sex), and the other one is for sleeping."

"Yeah, I thought I was taking the sleeping pill. Took the wrong one. Still got the white one," Kott said.

"You're something else," Allen said, laughing. "You're something else, Pete."

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Jury selection in the bribery, extortion, fraud and conspiracy trial of Kott and codefendant Bruce Weyhrauch, a former state representative from Juneau, is scheduled to begin today.

But on Tuesday, after Sedwick handed the defendants two victories on other requests to exclude evidence, federal prosecutors said they may seek a rehearing or an appeal, which could put the case in limbo. They will make their argument during a conference at 8 this morning, before prospective jurors begin filing into the courtroom.

Sedwick ruled Tuesday that the government could not claim that Kott and Weyhrauch were required to disclose to fellow legislators or the public that both were seeking employment from

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Veco while they were voting on bills in which Veco had an interest. Alaska law has no such disclosure requirement, he said, though he also noted state law forbids legislators from voting when they face certain kinds of conflicts of interest.

Sedwick also threw out a request by federal prosecutors to bring in evidence of bad conduct by Kott as far back as 1999, when he began storing material at a Veco warehouse for his flooring business. The government also said Kott improperly received $12,000 in equipment from Bill Allen or Veco in 2002, a $5,000 payment in 2004, and a $1,000 payment made by Veco in 2003 to a Florida beauty pageant corporation to benefit one of Kott's relatives, as requested by Kott. The Eagle River Republican was speaker of the House in 2003 and 2004.

Sedwick said those allegations happened too far in the past to be relevant to the charges, which "mainly focused on legislative activities which took place in 2006."

One of Weyhrauch's attorneys, Doug Pope, said the rulings were significant victories for the defense. But the government may seek to overturn Sedwick's ruling on disclosure, it said in a filing Tuesday.

Bill Allen and former Veco vice president Rick Smith are expected to be key government witnesses. Both have pleaded guilty to bribing legislators and are cooperating with the government.

The evidence of Allen's pill dispensing to Kott was recorded on a wiretap of Allen's cell phone while the Legislature was in special session over oil taxes. Kott's lawyers say the conversation, and another between Kott and Smith about the "Corrupt Bastards Club," would be prejudicial.

"The use of sleeping pills and sexual enhancement pills will undoubtedly negatively impact the jury's opinion of Kott, particularly if he was taking those pills without a proper prescription," his attorneys argued. "It creates an impression of general law-breaking behavior. The evidence could also be used to suggest Kott is a person who pops pills, which is a very negative attack on character."

They go on to say: "The part of the conversation relating to accidentally taking the sexual enhancement pills is quite lewd. The tone and content of these conversations will likely impact the jury's opinion in a very negative way."

Three pages of Kott's May 29, 2006, conversation with Smith, also on a tapped cell phone, concern Kott's efforts to obtain 20 Veco hats embroidered or printed with "CBC." The letters refer to the Corrupt Bastards Club, an informal group of legislators who received large contributions or employment from Veco.

"Hey. How many of them hats you want CBC on the back?" Kott asked Smith.

After trying to figure out what Kott was talking about, it finally clicked, and Smith said 15 or 20.

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"We gotta figure out who the club is," Smith said.

"Yeah," said Kott.

"Gotta get with Hawker," he said, referring to Rep. Mike Hawker, R-Anchorage.

"Yeah, I know," said Kott. "Yeah, the 20 might be a lot."

"Well, I mean, but then, you know, we need some for Bill (Allen) and, you know, and s--- like

that," Smith said.

Hawker said Tuesday he had no idea why Smith was referring to him, but he knew about the "club."

"There was nothing nefarious involved," Hawker said. He was among a group of legislators, including Kott, and others who were joking one night in the bar at the Baranof Hotel in Juneau. A newspaper column had questioned whether campaign contributions from Veco to lawmakers created undue influence over the state's political process.

The joke was they were all part of some kind of "corrupt bastards club," Hawker said, and part of the joke was some of them were writing an increase in state oil taxes.

"At the time it was just gallows humor at best," Hawker said.

Find Richard Mauer online at adn.com/contact/rmauer or call 257-4345. Reporter Sean Cockerham contributed to this story.

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Legislators' corruption trials split for appeal

Kott's hearing continues, but Weyhrauch's stalls on federal appeal

By RICHARD MAUER and LISA DEMER
Anchorage Daily News

(Published: September 6, 2007)

A federal judge Wednesday ordered separate trials for two former Republican legislators to allow jury selection for one to move forward while the government appeals an earlier ruling favoring the other.

The decision on the one-time co-defendants means the bribery, extortion, fraud and conspiracy case against Pete Kott, the former House speaker, will go ahead with opening arguments scheduled for Monday. Jury selection started at midmorning Wednesday and will continue today.

But the trial of Bruce Weyhrauch, a former representative from Juneau, will await the outcome of the government's bid to the 9th U.S. Circuit Court of Appeals in San Francisco, and perhaps longer. Weyhrauch's attorney, Doug Pope, said he'd try to take the case to the U.S. Supreme Court if the 9th Circuit reverses the decision in Anchorage.

U.S. District Judge John Sedwick made his ruling on separating the trials in a hastily called hearing that began at 8 a.m. Wednesday, just before jury selection was to begin. With more than 80 potential jurors from around Southcentral Alaska cloistered in a meeting room across the lobby and down a hall, Nicholas Marsh, a trial attorney from the Justice Department's Public Integrity Section, told Sedwick that his superiors in Washington agreed that an appeal of an earlier ruling was justified.

They are challenging a ruling by Sedwick on Tuesday that said the government couldn't present evidence that Weyhrauch and Kott were duty-bound to report they were seeking employment with Veco, the politically active oil-field service company, in 2006, when they were voting on oil-tax legislation heavily lobbied by Veco's chair, Bill Allen. Sedwick held that state law had no such requirement.

In the Wednesday morning hearing, Marsh told Sedwick the government still had ample evidence against Kott and was prepared to go to trial. But for Weyhrauch, a lawyer who never landed the Veco job, the evidence is crucial, Marsh said.

Former Rep. Pete Kott, center, flanked by attorneys, leaves the coffee shop in the Federal Building and U.S. Courthouse in Anchorage during a pause in his corruption trial Sept. 5, 2007. The bribery, extortion, fraud and conspiracy case against Kott, the former House speaker, will go ahead with opening arguments scheduled now for Sept. 10, 2007. *(BILL ROTH / Anchorage Daily News)*

Former Rep, Bruce Weyhrauch was accompanied by his wife, LuAnn, in the Federal Building and U.S. Courthouse in Anchorage Aug. 5, 2007. His lawyer said Weyhrauch's day in court may be delayed for more than a year by the appeal. *(BILL ROTH / Anchorage Daily News)*

At issue is whether Weyhrauch used mail fraud to cheat Alaskans of honest services as a state

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legislator. Pope said Weyhrauch did nothing wrong in sending a personal advertisement for legal services to Veco.

With the trial set to begin, expenses for lawyers and the court adding up, and potential jurors cooling their heels, Marsh proposed that Sedwick revisit a request made in August by Weyhrauch's attorneys to split the trial. At the time, Pope argued that the stronger evidence against Kott could prejudice the jury against his client. The government opposed the motion then, and the judge kept the defendants together.

But now, Pope told Sedwick, the situation has changed. He was fully prepared to go to trial. It would be an undue financial and emotional burden on Weyhrauch and his family to delay any longer. He argued the government's points of appeal were thin and unlikely to succeed.

But Sedwick said federal appeals courts around the country were split on the disclosure issue, while the all-important 9th Circuit, governing courts in Alaska, "hasn't spoken." Sedwick said he followed a line of reasoning adopted by the 5th Circuit in New Orleans.

Jim Wendt, Kott's attorney, opposed the split, mainly because he had prepared a case theory and line of questioning for witnesses based on having a co-defendant. The government agreed to delay opening arguments until Monday, and promised to tell him by Friday whether Allen and former Veco vice president Rick Smith would be called to testify and to reveal the approximate place in the trial they would take the stand.

Following a 90-minute recess to review the law and rulings in related cases, Sedwick called the parties back to his courtroom and announced he would split up the co-defendants so the government could pursue the appeal. He said the government clearly had that right.

After packing up boxes of documents on a cart and clearing the courthouse, Pope stopped to talk with reporters and expressed outrage at the government. He said prosecutors realized late in the pretrial phase that their case was weak and responded by inventing a new case theory that relied on an improper application of federal law.

He said Weyhrauch's day in court may be delayed for more than a year by the appeal.

Marsh said it would be inappropriate to comment on Pope's out-of-court criticism.

Back in the courtroom, potential jurors began filing in to be questioned about their knowledge of the now-smaller case. The lawyers on both sides introduced themselves, and so did Kott, who represented Eagle River in the House.

"I'm Pete Kott, and I'm the defendant in the case," he said, smiling at the packed room of jurors.

Most of those with strong opinions already had been weeded out through written questionnaires.

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Sedwick, and sometimes the lawyers, asked detailed questions of about half those remaining on Wednesday to determine whether any were too biased to be fair jurors or had other reasons not to serve.

One had just landed her first full-time job in a year, so she was allowed to go home. A couple of people had medical issues. One is leaving Alaska this month. Another is married to a former contract manager at BP and socialized with Allen. All left the courtroom.

Some were close calls. One man told the judge he thought he could be fair "for the most part."

When Sedwick pressed him, he said part of him struggled with the politics of oil in Alaska. The judge sent him home.

While a number of the prospective jurors had a general idea that the matter before them was a bribery case, some said they didn't pay attention to politics. Others followed the political corruption cases closely. Some told the judge they were most interested in trouble faced by U.S. Sen. Ted Stevens and his son, former state Senate President Ben Stevens. Neither has been charged with a crime, but Ben Stevens is accused of being part of a conspiracy that included Kott, Weyhrauch, Allen and Smith.

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Bribery trial features Kott's telephone calls

By LISA DEMER
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(Published: September 11, 2007)

Former House Speaker Pete Kott arrives at the Federal Building and U.S. Courthouse on Sept. 10, 2007, with daughter Pamela Kott on the first day of his trial for bribery, extortion, fraud and conspiracy. *(BILL ROTH / Anchorage Daily News)*

In a series of secretly recorded telephone calls, former state Rep. Pete Kott joked with Veco executives about drinking and women, but assured them he was serious about one thing: getting a gas pipeline.

"I'm going to get this f-----g gas line done so I can get out of here," Kott told former Veco chief executive Bill Allen in a Jan. 10, 2006, cell phone conversation.

Testimony began Monday in Kott's public corruption trial.

Jurors heard recordings of nine telephone calls and watched one videotaped meeting between Allen and former Veco vice president Rick Smith.

In his opening statement, prosecutor Nicholas Marsh told jurors that Kott betrayed the public trust and sold his legislative office to oil field services company Veco. In return for money and job promises, he pushed an oil tax favored by the industry.

Kott even says on one of the tapes, "I sold my soul to the devil," Marsh said.

Kott's own words will be used against him, Marsh said. It's the same tactic prosecutors used to convict former Rep. Tom Anderson in July of seven federal corruption charges.

But the defense told jurors the government twisted the facts. Kott was just a blue collar Republican working hard to get what most Alaskans wanted, a gas pipeline, said Jim Wendt, one of Kott's defense lawyers.

There's nothing illegal about working with lobbyists or others toward a shared goal, and that's all Kott was doing, Wendt said. "If he is guilty of anything, he is guilty of working to get a pipeline."

Marsh warned jurors they would hear "downright offensive" language. But Wendt said it was just "down-to-earth talk."

An FBI agent from Cincinnati, Steve Dunphy, who monitored and recorded some of the action in Suite 604 of Juneau's Baranof hotel, testified all afternoon about various recordings. Dunphy said he volunteered after a request for help with the Alaska investigation went out agencywide.

The listening began with a wiretap on Smith's cell phone in September 2005 and branched out from there to wiretaps on Allen's cell and home phones, and then the bug planted in the Baranof

suite, Dunphy testified.

In various phone calls played for the jury, Kott's familiarity with Allen and Smith is remarkable. He calls them Uncle Bill and Uncle Rick. He sounds tipsy at times. Several times, Kott brings up the idea of working as warden at a prison in Barbados that Veco was building.

"I just wanna be a warden," Kott tells Smith in a Sept. 29, 2005, telephone call.

Wendt told jurors in his opening statement that the Barbados prison gig was a running joke with Kott, that he had heard about topless women on beaches there. But Marsh told jurors that even if Kott was kidding about the warden's post, he clearly wanted a job with Veco when his work in the Legislature was done.

As the 2006 legislative session got under way, Kott fretted to Allen on the phone that things weren't going well and Allen needed to get to Juneau.

Allen made it clear that he thought little of House Speaker John Harris, who won the post in 2005 after Kott was ousted in an internal coup.

"About the only ones that I can trust is you and ol' Ben Stevens," Allen tells Kott in a Jan. 10, 2006 call. Stevens is the former state Senate president. He hasn't been charged.

In one lengthy call between Allen and Smith on Feb. 20, 2006, Allen goes on a tirade about Veco's new young lobbyist, Kris Knauss. Allen was angry that Knauss was using Allen's own well-cultivated influence with Kott as if it were his own, turning it to his advantage with Gov. Frank Murkowski's chief of staff, Jim Clark.

"Well f---. I put more money into Pete Kott than he's ever even thought about," Allen sputtered at one point.

In a March 4, 2006, videotaped conversation in Suite 604, Allen and Smith said they would do whatever they needed to get the pipeline and an oil tax favored by the industry through the Legislature. Smith said they may need to "get dirty."

The room is dimly lit and it's hard to make out their faces. But their voices are clear.

"They got dirty and they crossed the line," Marsh told jurors.

Later in the conversation -- in a part not played in court but discussed by lawyers and the judge -- the topic turned to a faltering effort at the time to sell Veco to an Australian firm. Allen was upset because former Veco president Pete Leathard had apparently boasted to the Australians that Veco was in the business of bribing state legislators.

U.S. District Judge John Sedwick agreed with prosecutors that only a portion of the conversation needed to be played for jurors.

In the same conversation, Allen told Smith that Veco's clients need to know what it's doing in Juneau to pressure legislators. He refers to "the big wheels" with BP and Exxon and more.

The case against Kott is the first to go to trial involving Veco, a company that was hugely influential in Juneau for many years. Allen and Smith have both pleaded guilty to bribery and other charges and resigned their positions with Veco.

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As of Friday, Veco no longer exists. It's been sold to the Colorado-based engineering firm CH2M Hill.

Kott, a former house speaker from Eagle River who served 14 years in the Legislature, is being tried on charges of bribery, conspiracy, extortion and wire fraud.

Several dozen people gathered in the federal courtroom for opening statements, including defense lawyers, prosecutors, FBI agents and news reporters, but the crowd cleared out by the afternoon. Whistleblower Ray Metcalfe stayed.

Marsh told jurors that Kott, who ran a hardwood flooring business, is accused of accepting money or things of value three times from Veco executives, plus the promise of a job. The specific accusations, as laid out by Marsh:

• Kott, in need of cash during his 2006 campaign, sent Allen a fake bill for an extra $7,993 in flooring work.

• Veco paid $2,750 for a political poll by David Dittman to see how Kott was faring with voters during the campaign. Kott lost in the primary.

• Kott accepted $1,000 from Allen to reimburse Kott for a contribution he made to then-Gov. Frank Murkowski's re-election bid.

All of that is misconstrued or overblown, Wendt told jurors. Kott received no personal benefit from any of it, the defense lawyer said. He didn't even know about the poll beforehand.

The only thing Kott did wrong was accept the $1,000, but that was just to reimburse him for the contribution, Wendt said.

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The Alaska political corruption investigation

The trial of former Eagle River Rep. Pete Kott is part of a broad investigation into public corruption focused on state and federal officials, lobbyists and others. The investigation is being led by the FBI and Department of Justice and has resulted in charges against four former state legislators, two former executives of the Veco Corp., and a lobbyist for a private prison company.

Kott is charged with bribery, conspiracy, extortion and wire fraud for taking money and the promise of a job from Veco executives for supporting an oil tax measure favored by the petroleum industry.

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Kott trial jurors hear the boasts and the despair

TAPES: Behind-the-scenes look at oil-tax legislation plays out.

By LISA DEMER
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(Published: September 12, 2007)

Prosecutors in the public corruption trial of former Rep. Pete Kott are giving a rare, close-up view of a good ol' boys club of insiders and deal makers that operated on the fringes of the Alaska Legislature.

Much of the action being detailed in the courtroom takes place in Suite 604 of Juneau's Baranof Hotel, where former Veco executives Bill Allen and Rick Smith plotted with Kott on how to get the industry's preferred version of a new oil tax and a gas pipeline proposal through the Legislature in 2006.

Scene after scene played out for jurors Tuesday in U.S. District Court as a federal prosecutor methodically introduced dozens of secretly made audio and video recordings.

Grainy videos captured through an FBI-planted bug in the Veco suite show the men chummy, drinking and boastful at times of seeming victory, then full of despair when legislation didn't go their way. Numerous calls intercepted on Allen and Smith's cell phones also were played for jurors.

Kott is accused of bribery, conspiracy, extortion and wire fraud. Prosecutors say he was paid off by Veco through a fake $7,993 invoice for his hardwood flooring business, a $2,750 political poll and $1,000 in cash.

Kott's defense lawyers say there's nothing illegal about working with lobbyists and others for a common end, and that's all Kott was doing.

Kott, a Republican and former House Speaker from Eagle River, lost power in a coup that put John Harris of Valdez in the speaker's chair, but still found ways to twist arms to help Veco.

On March 26, 2006, while the Legislature was considering a new oil tax system, Kott called Smith on his cell phone. Kott was about to head over to the Prospector Hotel for drinks to celebrate Kodiak Rep. Gabrielle LeDoux's birthday. He urged Smith to come too. Kott had been trying to win her support on the oil tax.

He joked with Smith that he was later going to the opera -- Conoco Phillips had bought 50 seats -- then admitted he wasn't that cultured.

Kott told Smith he was putting pressure on state Sen. Fred Dyson, another Republican from Eagle River. He had voted that day to hold up an anti-abortion bill sponsored by Dyson, who cares a lot about the issue.

"He wants my vote, he better square up on oil taxes," Kott told Smith.

Smith, who was a Veco vice president, and Allen, Veco's influential chief executive, both are

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awaiting sentencing after pleading guilty to bribery and other charges involving four former state lawmakers, including Kott and Rep. Bruce Weyhrauch, R-Juneau. They have resigned their posts and are cooperating with prosecutors. Veco last week was sold to CH2M Hill.

The tax rate they sought became intertwined with the proposed gas pipeline. Prosecutors say a gas line proposal, which never cleared the Legislature in 2006, could have been enormously profitable to Veco.

By May 7, 2006, the Legislature was reaching a climactic showdown over the Petroleum Profits Tax, known as PPT.

Allen was calling Kott on the House floor to give him instructions on how to vote, according to a court paper filed in Allen's case.

Just after 8:30 that night, Kott was on the phone with Smith. Weyhrauch had voted the wrong way on an amendment that would raise the proposed tax to 21.5 percent of profits, up from 20 percent.

The amendment passed, but barely, on a 21-19 vote. Kott told Smith they could ask for the vote to be rescinded.

An hour later, Kott reported back. The strategy worked. The tax rate was back at 20 percent.

"Way to go, partner," Smith told Kott.

At current oil prices, every 1 percent change in the tax rate means as much as $150 million more in taxes, according to Dan Dickenson, the state's former director of the oil and gas audit division, who testified Monday.

By 11:30 that night, Kott was in Suite 604, celebrating with Smith, Allen and others.

As the men drank and clinked glasses, Kott boasted that he told the minority leader, then-Rep. Ethan Berkowitz, that he had to have some of his Democratic votes. It was unclear what Kott said to Berkowitz or even whether Berkowtiz swung any votes. But Kott sure made out like it happened his way.

"I outsmarted the fox," Kott told the room. Later he said it was a "sucker punch" and said "I use 'em and abuse 'em."

Reached Tuesday, Berkowitz said he doesn't know what "sucker punch" Kott was referring to. "I counted my votes accurately that day," he said. "I knew where they were and I held them."

Kott played the tax rate battle like a hand of political poker, holding at 20 percent, which is what the oil companies wanted. He said on tape that if not for Allen, he'd be supporting a 30 percent tax.

The entire PPT oil tax measure died two days later at the end of the session, as the House and Senate failed to agree on the bill.

The final tax, at a rate of 22.5 percent, wasn't adopted until August 2006, after two special sessions.

Also on Tuesday, prosecutors played for jurors a secretly recorded July 12, 2006, cell phone call between Smith and former state Sen. Jerry Mackie.

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Mackie, who became a lobbyist, at the time was also partner in the consulting firm Northwest Strategies, which was working on Kott's campaign.

They talked about a poll being done by Dave Dittman for Kott's campaign. Prosecutors say Veco paid for it.

In the phone call with Smith, Mackie said he had let Kott know that Smith and Allen had agreed to help out with the poll. Kott said that was great, Mackie told Smith.

Defense lawyer Jim Wendt protested that recording, and a couple of others, being played for jurors. But prosecutor James Goeke told U.S. District Judge John Sedwick that Mackie was an unindicted co-conspirator, which changes the rules on what evidence can be allowed.

Reached Tuesday evening, Mackie said he knew about the poll, but was not part of any bribery conspiracy with Veco. His lawyer, Jeff Feldman, said it was "an unfortunate label."

Mackie said the FBI interviewed him more than a year ago on general matters involving Allen and Smith and never even asked him about the poll.

Also part of the prosecution's case Tuesday was a conversation involving former state Sen. Ben Stevens.

Stevens was a paid Veco consultant at the same time he was a senator. Yet while Kott was claiming success with the oil tax in the House, Stevens was struggling to get an acceptable measure through the Senate.

Prosecutors played a recording of a March 5, 2006, phone call between Stevens and Allen in which they assessed various other legislators.

Stevens expressed disdain for Fairbanks Rep. Jay Ramras, who his old rival, Sen. Gene Therriault, helped get elected.

"One of those (expletive) salesman kind of guys."

"Amen, amen," Allen responded.

More secret recordings are expected to be played for jurors this morning. By afternoon, Allen could be on the stand.

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Case at a glance

The Alaska political corruption investigation

• The trial of former Eagle River Rep. Pete Kott is part of a broad federal investigation into public corruption in Alaska involving state and federal officials, lobbyists and others.

• Kott is charged with bribery, conspiracy, extortion and wire fraud for taking money and the promise of a job from Veco Corp. in exchange for supporting an oil tax measure favored by the petroleum industry. He is fighting the charges.

• For more on the investigation, including an interactive timeline and overview, go online to adn.com/news/politics/fbi

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Allen counted on having friend in Legislature

He testifies that he gave money, favors to oil-tax ally in Juneau

By RICHARD MAUER and LISA DEMER
Anchorage Daily News

(Published: September 13, 2007)

Ex-Veco chief Bill Allen walks outside the federal building courtroom during Pete Kott's trial Wednesday Sept. 12, 2007, where he spent the better part of three hours outlining his working relationship with the then-state representative. *(BILL ROTH / Anchorage Daily News)*

Former Alaska state House Speaker Pete Kott, right, walks through the federal court building past a row of green lights in Anchorage on Wednesday with his daughter, Pam Kott. *(AL GRILLO / The Associated Press)*

More than a year after he emerged as the central figure in the Alaska corruption investigation, former Veco chairman Bill Allen at last took the witness stand Wednesday in the trial of former House speaker Pete Kott and began recounting his version of the last three decades of oil politics.

Along the way Allen, the government's chief witness, told of the money, jobs and favors he dispensed to Kott, a man he described as a friend and reliable ally but who could wind up in prison on Allen's testimony.

As word of Allen's impending visit to the courtroom got around town at lunchtime, the federal courtroom of U.S. District Judge John Sedwick began to fill, eventually drawing more than 60 people. Some were lawyers or paralegals working for other potential defendants or witnesses. The back row held gray-haired remnants of the liberal Democrats who flexed so much power in Juneau in the 1970s before oil-friendly Republicans made them largely irrelevant, while up front sat a conservative talk show host who fought Veco's efforts a few years back to pay for government out of the Permanent Fund. Other spectators just wanted a glimpse of history.

But the real business of the day was what Allen told the jury about Kott, a 14-year veteran of the state House from Eagle River. Allen and one of his vice presidents, Rick Smith, pleaded guilty to bribery and conspiracy and are hoping to get reduced sentences by cooperating with federal authorities.

Over nearly three hours of testimony that will resume this morning, Allen talked about overpaying a flooring job done by Kott by more than $7,000 and of scheming to get at least some of that money to Kott's son so that he could work on Kott's 2006 campaign, when a poll showed he was in surprising trouble. Even the poll itself was secretly paid for by Veco, which if true would be a hidden -- and illegal -- campaign contribution by the company to Kott.

"Why were you trying to get money to Pete Kott for his son's help in the campaign?" asked assistant U.S. Attorney James Goeke.

"He was going to run again and he needed his son to help him," Allen said.

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"What would his son be doing otherwise?" asked Goeke.

"A job," Allen said. "He can do the floors as good as Pete."

"So back on July 31, 2006, do you know if Mr. Kott was going to be able to go to work on the campaign and do other work?" continued Goeke.

"He couldn't afford it," said Allen. "He has a family to take care of."

Before announcing he would run again, Kott had been making noises about retiring and had talked with Allen about work. Some of those conversations were recorded by the FBI.

In one such, on June 1, 2006, Kott joked with Allen that he wanted to be warden of the prison Veco was building in Barbados, "especially with all the women there on the beaches." He said he'd do anything, even pass out beach towels.

Allen testified that he knew Kott was joking about that. But Kott also said on the recording that he wanted to be a lobbyist.

"For Veco?" Goeke asked in court Wednesday.

"Yes," Allen answered.

Veco lobbyists made $6,000 to $12,000 a month, Allen testified. And he would have hired Kott, he said.

But even as he provided the evidence about Kott, and along the way implicated his own company and its executives in an illegal campaign contribution scam, Allen never once acknowledged that a specific action by him or Kott broke the law.

While Allen, 70, has never been shy about appearing at public events and private fundraisers over the last quarter century as his political power grew, he has only rarely engaged in public speaking. His speech has been impaired since 2001 when, riding without a helmet, he crashed his motorcycle. On the witness stand, he said about a quarter of the part of his brain that controls speech died after the accident, and, like some stroke victims, he has trouble picking out words. He also has trouble hearing, and a court headset he wore while testifying proved balky at times.

At one point, he started to describe what the oil companies wanted most out of Juneau, then had to pause.

"Wait, I got to find this word," he said. He closed his eyes, put his head in his hands and worked something over in his mind for what seemed a small eternity while the courtroom, in silence, waited for him to speak.

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"Certainty!" he finally exclaimed. "They wanted certainty." In other words, they wanted to be sure that taxes would not be raised before they would agree to build a natural gas pipeline, the thrust of the efforts on the so-called PPT -- petroleum profits tax -- that tied the 2006 Legislature in knots.

Allen took the industry lead in promoting a low profits tax -- a much bigger effort than the producers themselves were making. FBI-intercepted telephone calls and conversations at a hotel suite in Juneau show that Kott and Senate President Ben Stevens were his two most helpful soldiers.

In one conversation from June 8, 2006, played while Allen was on the stand, he recalled a discussion he had with the head of Conoco Phillips in Alaska, Jim Bowles, about the profits tax.

"I said between Pete Kott and Ben ... they won't have, they won't even have their fingerprints on the (bill)." It seemed Allen was referring to the "fingerprints" of the producers, but his remarks were ambiguous enough that they could have been those of Stevens and Kott.

As the tapes were played, Allen testified he had no idea that his phones were taped or that a secret camera had been placed in his hotel suite in Juneau by the FBI under a court order.

"If I knew that, I wouldn't have said all this stuff," Allen said, drawing smiles from the jury and chuckles around the courtroom. He learned he was the target of the Justice Department's Public Integrity Section on Aug. 30, 2006 -- a day before the FBI executed a series of raids on legislative offices.

Allen emerged as one of the industry's biggest promoters in the 1980s, when Veco began a long run as a reliable source of campaign contributions, mainly for Republicans. At the time, Allen testified, his main political hand was the former state senator and trooper head Ed Dankworth, sometimes referred to as the "21st Senator" for his efforts at organizing the Senate into blocs long after he left the body.

Allen said he and Dankworth had a thorough falling-out after he bought the Anchorage Times in 1989. One of his biggest financial supporters in his journalism venture was Chuck Robinson, the long-time executive of the telephone company ACS, Allen said. Dankworth lobbied for ACS' chief rival, GCI, and Dankworth refused Allen's pleas to switch.

"If you can't do that, Dankworth, I don't want you to be with me," Allen recalled telling his onetime friend.

Allen was born in Socorro, N.M., and left for Oregon with his family shortly after World War II, when he was 8 or 9. He missed several years of school while his family followed the fruit crops.

"We were pickers, I guess."

He quit school for good as a high school sophomore, then learned to weld, a skill that brought him to Alaska in 1968. With another oil field worker named Wayne Velti, who founded VE Construction, he worked the Cook Inlet rigs for Arco, eventually taking over the company and shortening its name. In the last few years, it had annual sales of $1 billion and 4,000 employees worldwide, about half in Alaska, he said. Last week, the company was taken over by CH2M Hill.

Find Richard Mauer at adn.com/contact/rmauer or call 257-4345. Find Lisa Demer at adn.com/contact/ldemer or 257-4390.

ONLINE AUDIO: Listen to surveillance recordings submitted as evidence in the Pete Kott trial at adn.com/fbi

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Pete Kott's corruption trial defense emerges

BILL ALLEN: Ex-Veco chief says he bribed the defendant, Kohring and Ben Stevens.

By LISA DEMER and SEAN COCKERHAM
Anchorage Daily News

(Published: September 14, 2007)

For much of Thursday at Pete Kott's corruption trial, defense lawyer Jim Wendt tried to chip away at the story being told from the witness chair by former Veco chief executive Bill Allen.

Kott, a Republican and former House speaker from Eagle River, is accused of pushing new oil tax legislation on behalf of Veco that was also favored by North Slope oil producers. In exchange, prosecutors say he got nearly $9,000, a political poll and the promise of a job.

Wendt kept pushing to get him to say Allen's promise of a job didn't really mean much or that the money Veco executives gave to Kott was legitimate.

Allen, 70, though weary and showing the strain at times after two days on the stand, didn't go along with the defense.

He is a key prosecution witness in the trial of Kott, a man whom Allen called a close friend, almost like family.

Allen told jurors he already has admitted his guilt in a conspiracy. He testified that he pleaded guilty to bribing three former legislators: "Pete Kott, Vic Kohring and Ben Stevens."

Kohring, a Republican from Wasilla who served in the House, is awaiting trial. Stevens, a Republican and former Senate president from Anchorage, hasn't been charged. Allen didn't mention a fourth legislator, former state Rep. Bruce Weyhrauch, whose corruption case was split from Kott's just before the trial began.

Allen testified that he didn't always tell FBI agents who were investigating corruption among legislators what they wanted to hear, but it was the truth.

"I worked real hard trying to make the truth and everything ... to be fair," Allen said.

Allen said that he expected to be sentenced to 10 to 11 years in prison but that no promises had been made. "Whatever happens to me happens."

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He was confronted by FBI agents on Aug. 30, 2006, while going to breakfast with Sen. Fred Dyson, who unknown to Allen was helping in the investigation.

Allen said he agreed to cooperate to save his three grown children from being indicted and to spare Veco, which he built from its roots on Cook Inlet rigs to an international company with more than 4,000 employees. Veco was sold last week to CH2M Hill.

From the FBI headquarters in downtown Anchorage that first day, Allen called Kott. The FBI, which was recording the call without Kott's knowledge, wanted to know more about a $7,993 payment

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from Allen that apparently was destined for Kott's son.

Prosecutors say the money was paid to Kott through an inflated invoice from his hardwood flooring company.

"Have you got your son took care of?" Allen asked Kott in the call, which earlier had been played for jurors.

Yeah, Kott answered.

"Did Rick get it done for you?" Allen asked, referring to former Veco vice president Rick Smith, who also has pleaded guilty to bribery and other charges.

Yeah, yeah, Kott answered.

"How did he do it or -- can you tell me?" Allen went on.

Kott reminded Allen that it was his check.

"Remember we talked about three, four or five weeks ago just add on X amount -- I forgot what it was exactly -- to your bill or something," Kott told him.

Prosecutors have played dozens of secretly made recordings for jurors that expose crude language, drinking and political deal making in which, they say, Kott was corrupted by Allen and Smith.

On Thursday, defense lawyer Wendt asked Allen if the $7,900 was an advance for future flooring work, not a bribe.

Allen said he didn't know anything about any future work. The money, he said, was for Kott's son, Peter Jr., to take time off from the flooring business and help out on his father's campaign.

The defense appeared to score a point when Wendt pressed Allen on whether he had offered Kott a lobbying job "with Veco."

Allen said in at least one of the recorded conversations that Kott would be a lobbyist. But when Wendt asked him to find on the transcript where he specifically promised that Kott would be a lobbyist for Veco, he couldn't.

"In my mind I told him he would be a lobbyist with Veco," Allen said, adding he believed that was Kott's understanding as well. Another issue concerns $1,000 cash that Allen handed to Kott in Suite 604 of Juneau's Baranof Hotel. Many of the recordings were made there.

Wendt asked Allen if that wasn't just reimbursing Kott for money he had contributed to Gov. Frank Murkowski's campaign.

Allen said he didn't owe Kott anything for that. But Wendt repeatedly asked if the $1,000 was payback for the contribution.

"Yeah, but he didn't ask for it. I just gave it to him ... goddamn," a frustrated Allen said on the witness stand.

Wendt contends Kott didn't always do Veco's bidding and was on the opposite side of matters such as workers' compensation.

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But Allen testified he didn't remember if there was ever any issue where he and Kott split.

Allen said he was friendly with a few legislators, all Anchorage Republicans, including Stevens and state Reps. Mike Hawker and Norm Rokeberg.

He was especially close only to Kott and state Sen. John Cowdery, he said.

Kott was a drinking buddy who lived with him for a few months in 2005 to be closer to flooring jobs, Allen said. He related to Cowdery because both were contractors -- Cowdery used to run an excavation business -- and liked to talk shop.

Both regularly showed up at his downtown Anchorage home unannounced. He welcomed it. Cowdery would say "I'm at the front door," Allen told jurors.

Wendt asked Allen about Veco's hiring of legislators as consultants. Allen talked about two, Stevens, and former state Rep. Tom Anderson, R-Anchorage. Anderson was convicted in July of seven federal charges in another corruption case, but the allegations didn't involve Veco.

Allen said another executive hired Anderson and he only found out later.

"He was supposed to be like a lawyer," Allen said. But he admitted "I don't know why we really hired him."

Allen told jurors he talked with Kott about eventually going to work for Veco -- but after he was out of office. He said Veco shouldn't hire sitting legislators and it shouldn't have happened with Anderson.

As to Stevens, he started consulting for Veco in 1995, six years before he was appointed to the Senate, Allen said. "He was real good at details. He was like Pete. He would work," Allen said.

By the time Stevens was in the Senate, he had four kids, Allen noted. "How am I supposed to say 'now that you're a senator, Ben, I can't give you more money,' " Allen testified. "I couldn't do that."

One strange moment happened at the end of Friday's testimony. Wendt asked Allen if he had threatened to have his nephew, Dave Anderson, killed for being "involved in blackmail." Allen said there was blackmail but that he never threatened to have his nephew murdered.

"I told him I'd kick the s--- out of him," Allen said on the witness stand.

The trial resumes today with Allen still on the stand. Smith also is expected to testify.

The trial is expected to take much of next week.

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Kott trial exposes Veco political maneuvering

PROSECUTION RESTS: From pig roasts to political polls, former V.P. shines light on firm's spending.

By RICHARD MAUER and SEAN COCKERHAM
Anchorage Daily News

(Published: September 18, 2007)

Former Veco vice president Rick Smith was at the center of company fundraising, whether it was organizing the annual pig roasts for Rep. Don Young or one of the many golf tournaments where he turned checks into cash under a special arrangement with the Buckaroo Club in Spenard known as the "Phony Account."

Former Veco Corp. executive Rick Smith, left, walks from a federal courtroom on Sept. 17, 2007, during a break in his testimony in the federal corruption trial of former Alaska House Speaker Pete Kott. *(AL GRILLO / The Associated Press)*

Smith concluded two days of testimony Monday as a government witness in the federal corruption trial of former House Speaker Pete Kott, R-Eagle River. The government later wrapped up its case, with Kott's attorneys expecting to present their defense starting this morning and running through Thursday.

After the jury was dismissed for the day, U.S. District Judge John Sedwick rejected a defense motion to throw out the case against Kott. He said the government had provided ample evidence to support its charges of bribery, extortion and conspiracy.

The day also provided an inside look into how Veco apparently broke state law by hiring Anchorage pollster David Dittman to conduct a poll for Kott in 2006. Dittman, who took the stand after Smith, said he suspected the Veco-paid poll amounted to an illegal campaign contribution from the company to Kott, but decided it wasn't his business to worry about it.

Until it was sold 11 days ago on the eve of Kott's trial, Veco was an Alaska-based oil field services company. Its former chairman, Bill Allen, was among the most politically active businessmen in the state.

()

Kott's trial resumed Monday with Smith on the witness stand under cross-examination by Jim Wendt, the chief defense counsel.

Smith began work at Veco in 1989 as a logistics expert in Veco's cleanup of the Exxon Valdez oil spill. Rising to vice president of community and government affairs, Smith said his most recent annual salary was $165,000 plus a bonus ranging from $20,000 to $80,000. He was also illegally reimbursed for campaign

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contributions totaling $20,000 to $50,000 a year, he said.

FBI hidden surveillance: "I sold my soul to the devil..." That's what former Rep. Pete Kott tells former Veco executives Bill Allen and Rick Smith in FBI surveillance videos shown to the jury at Kott's corruption trial in federal court. *( )*

The corruption investigation, centered on Veco and its relationships with politicians, brought an end to his employment in May, but his severance package was worth $384,000. Veco continued to pay his legal bills until CH2M Hill bought the company. He settled for a one-time lump-sum payment of $500,000 for lawyers but can keep any money left over, he said.

Smith learned he was busted on Aug. 31, 2006, the day after Allen agreed to work for the government. Smith said he got an early morning call from Allen, who asked him to come to his home as soon as he could.

He got to Allen's door about 9 a.m.

"I got some people you need to talk to," Allen said, then left. Two FBI agents approached Smith.

"They sat down and had a conversation with me, showed me the video and audio evidence they had accumulated and talked about what would happen to me if they were to prosecute and indict me," Smith testified.

He caved quickly and agreed to cooperate. Both he and Allen have pleaded guilty to bribery, extortion and conspiracy and face about 10 years in prison.

Wendt attempted to attack Smith's credibility by bringing up the dozens of charitable golf tournaments he ran over the years and his odd arrangements with the Buckaroo Club, a Spenard bar.

"The business relationship you had with them was to launder money, isn't that true?" Wendt asked.

Smith denied his conduct was illegal. He said he'd bring tournament checks from participants to the bar, which would cash them so he had money to pay expenses. Wendt suggested the amount totaled in the hundreds of thousands of dollars, and Smith didn't deny it. He also didn't deny that he called his arrangement the "Phony Account."

"Didn't the owners of the Buckaroo warn you that the IRS would catch up to you some day?" Wendt said.

"I don't recall," Smith said.

Smith said that for more than 10 years he organized the annual pig roasts that raised money for Don Young's campaigns. They were major affairs, attended by 200 to 400 people and catered by the Marx Bros. Cafe. The cost was $10,000 to $15,000, he said. He wasn't asked whether Young's campaign reimbursed the full cost.

Smith acknowledged he was the Veco employee who supervised the payments of $30,000 to Tom Anderson when Anderson served in the state House -- a "sham contract," in Wendt's words.

"We never got any work out of it," Smith said. "I asked him to work. It didn't happen."

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Anderson was convicted in July of taking bribes to do the bidding of another company that wanted to build a private prison in Alaska.

Taking his turn in the witness stand, pollster Dave Dittman said Veco paid him to conduct polls for candidates, including Kott and then-Gov. Frank Murkowski. Such corporate-funded polls for candidates are illegal, according to the head of the Alaska Public Offices Commission.

Dittman indicated on the stand that he did have some concerns about the legality of the polls.

"I remember thinking that 'Oh, I hope you guys don't get yourselves in trouble over this,' " Dittman testified, speaking about Veco paying $2,750 for the July 2006 Kott poll. "I knew it was a corporate contribution; it would exceed the maximum contribution. I also felt they were big boys, had been around for a while and probably knew what they were doing."

Dittman also testified that he conducted a $20,000 poll for then-Gov. Frank Murkowski in April 2006. Veco executive Rick Smith paid for that poll, Dittman said on the witness stand.

"This one was initiated by either Jim Clark or the governor," Dittman testified. "The governor was very unpopular at the time and there was some question of whether he would run."

Clark, who was Murkowski's chief of staff, did not return a phone message seeking comment. Dittman said in an interview he thinks the poll could have been legal because Murkowski was not a declared candidate at that time. Brooke Miles, executive director of the APOC, said that is a gray area.

Dittman also said on the witness stand that Veco paid in June 2006 for a "gubernatorial primary poll" and one for state Senate District N, where then-Sen. Ben Stevens was trying to decide whether he had a chance to retain his seat.

Dittman testified he has done "four or five" political candidate polls for Veco over the past few years. In the later interview, Dittman said he could not recall any other companies that had paid for him to do candidate polls within the past several years.

Find Richard Mauer online at adn.com/contact/rmauer or call 257-4345.

REAL-TIME FROM THE TRIAL: Find the most up-to-date news from the Kott trial on our politics blog. Reporter Kyle Hopkins is posting updates throughout the day

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Defense disputes evidence from Kohring's FBI conversations

EVIDENCE: Lawyer asks to stifle material from search of office.

By LISA DEMER
ldemer@adn.com

(Published: September 18, 2007)

Former state Rep. Vic Kohring, R-Wasilla, leaves the federal courthouse in Anchorage after a hearing Sept. 17, 2007. Kohring faces bribery, extortion and corruption charges for allegedly taking money from Veco in return for his support on energy issues. *(BILL ROTH / Anchorage Daily News)*

A battle is being fought over evidence in the case against former Rep. Vic Kohring, but that's just one of the twists.

At issue: whether prosecutors can use materials seized and statements made by Kohring during the Aug. 31, 2006, search of his legislative office in Wasilla.

His lawyer, John Henry Browne of Seattle, says they didn't get anything incriminating, but he is still fighting to stifle everything from the search. Kohring, a Republican elected seven times, talked with FBI agents for hours that day.

One revelation came after the hearing. Browne told reporters that he intended to file a motion within the next two weeks to dismiss the charges based on what he called improper interference by state Sen. Fred Dyson, R-Eagle River.

Kohring's trial is set to begin Oct. 22. He is charged with conspiracy, extortion and bribery. He is accused of accepting money from Veco Corp. executives in order to push the company's interests on oil taxes and a natural gas pipeline.

Kohring's attorney John Henry Browne said all the allegations can be explained. *( )*

According to an FBI report filed in court by his attorney, Kohring told agents:

• He had asked for money for himself personally and for his political campaigns from Veco executives Rick Smith and Bill Allen, and also asked Smith about borrowing or renting a truck. The campaign contributions were properly reported, he said.

• He told agents about regularly meeting and dining with lobbyists while the Legislature was in session. "He likes receiving free meals and drinks from lobbyists," the FBI summary of the Aug. 31 interview said.

• Kohring had a $2,700-a-month consulting contract with developer Marc Marlow but couldn't describe his specific duties.

• Earlier, Kohring had asked Allen if Veco would hire his nephew as an intern. Veco did so. Kohring told agents he thought it was a great benefit for an 18-year-old to be paid $16 an hour.

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In another revelation, former Cornell Cos. consultant Frank Prewitt and former state Rep. Tom Anderson secretly recorded conversations with Kohring for the government, according to a letter sent this summer by federal prosecutors to Browne. It was just filed in court. Anderson was convicted in July of taking bribes to do the bidding of Cornell, but it came out at his trial that he at one point was cooperating with the FBI. Prewitt was working undercover for the FBI to collect information against Anderson and, it's now known, against Kohring.

The letter says both Prewitt and Anderson made recordings for the government in the case voluntarily, so no court authorization was needed.

KOHRING'S VOTE RECORD

Browne said all the allegations can be explained and that what's important is this: Kohring didn't vote Veco's way on the oil tax. A check of legislative records shows that was true on certain key votes. When Veco shifted strategy to support a compromise tax rate in an August 2006 special session, Kohring voted against it.

Browne said he learned only Thursday from testimony in the Kott case that Dyson had been helping the FBI investigate corruption in the Alaska Legislature. That makes him an agent of the government, Browne said. He called Dyson "a lapdog."

Browne said he takes issue with Dyson trying to persuade Kohring to at least talk to the feds, if not take a plea deal. He said he believes that the government could have been trying to interfere with Kohring's right to counsel.

But Dyson said later that he just was trying to help Kohring as a friend and wasn't asked to do so by prosecutors or the FBI.

As Browne tells it, a legislative aide to Dyson contacted an aide to Kohring to say the FBI had contacted Dyson's office and that Kohring would be "stupid to go to trial."

On Aug. 6, Craig Suffian, an attorney who works for Browne, sent Dyson an e-mail saying there may have been "an end-run around the right to counsel."

In his e-mail response the same day, Dyson said he wasn't trying to do that.

"My sense of the FBI investigations is that it is not a witch hunt and that they mostly want to nail the really bad guys who did intend to distort the Alaskan Legislative process," Dyson wrote.

He believed that Kohring never meant any harm and possibly could "avoid a good deal of stress and bad press at a trial by at least sitting down with the Feds and see if an attractive alternative was possible," he said in his e-mail. He said he figured Kohring's lawyers would go with him to talk to prosecutors.

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Browne provided a copy of the e-mail exchange.

So is Kohring negotiating? Browne said that's something defense lawyers are barred from talking about.

FBI TESTIMONY

During the three-hour hearing on Monday, three FBI agents testified about the search of Kohring's office.

Five agents were involved, along with an evidence technician. But while the agents were armed, their weapons were concealed and never drawn, agents testified. They wore business clothes, not FBI raid jackets, and drove unmarked cars. While the outer door to the office was locked, it opened from the inside and Kohring was always free to go, agent Alan Vanderploeg testified.

They had a warrant, signed by federal Magistrate Judge John D. Roberts on Aug. 29, 2006.

But the warrant was never executed. Agents wanted Kohring to agree to the search, which he did.

Kohring's lawyer maintains that a search cannot be voluntary if agents tell the subject they have a warrant.

Kohring is one of six former or current legislators whose offices were searched that day. Agents testified they were instructed to get consent for the searches as "a professional courtesy."

But it also made it more difficult for defense lawyers to see the written support for the search warrant -- the application and the FBI agent's detailed affidavit. The search warrant and affidavit were sealed.

Browne told Roberts that he still wanted to see the affidavit and that prosecutors hadn't turned it over. At the hearing, prosecutors agreed to provide it, as long as he kept it confidential.

Now it is up to Roberts to recommend to District Judge John Sedwick whether the evidence taken in the search, and the statement that Kohring gave, can be used against him.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390. Reporter Tom Kizzia contributed to this story.

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Kott's son says cash was a legal advance

TESTIMONY: Money was for future flooring work for Veco executive.

By SEAN COCKERHAM and LISA DEMER
Anchorage Daily News

(Published: September 19, 2007)

Ex-state Rep. Pete Kott's son tried to keep his father out of federal prison Tuesday with testimony directly contradicting that of former Veco executives who pleaded guilty to bribing his dad.

The younger Kott, who is also named Peter, testified Tuesday that $7,993 in cash he received from his father was just an advance for future flooring work. That's not so, said the Veco executives. They said the money was a payoff to allow Kott's son to take time off and work on Kott's re-election campaign.

The Veco executives testified earlier in the trial that it was a bribe they gave the elder Kott so his son would have money to work as his campaign manager.

Jurors will have to decide whom to believe, either the executives who have pleaded guilty to bribing Kott and other legislators or the politician's son who was clearly defensive of his father.

The younger Kott's testimony dominated the trial Tuesday as the defense scrambled to shoot holes in the corruption case against the former state House speaker from Eagle River. The defense also tried to use Kott's son to explain away a political poll Veco funded for his dad's campaign.

Former House Minority Leader Ethan Berkowitz also spent time on the witness stand Tuesday, subpoenaed to testify on Kott's behalf.

Berkowitz said Kott didn't trick him into getting fellow Democrats to vote the way Veco wanted, even though Kott had boasted to the Veco executives during a drinking bout that he had done so.

"I didn't have the authority to trade votes," Berkowitz said.

Kott's son, who testified right before Berkowitz, talked comfortably under questioning by defense lawyer Jim Wendt about both the poll and his salary.

Wearing a diamond-patterned gray sweater, the younger Kott came across as clean-cut and likable. He spoke in a clear, strong voice. He looks like his sister Pamela, not his dad.

But when prosecutor Nicholas Marsh, from the U.S. Justice Department's Public Integrity Section in Washington, D.C., pushed him during cross-examination, he hesitated and by the end seemed deflated.

Kott said that he served as his dad's campaign manager in 2006 but that his title just as easily could have been gofer.

He helped on his father's first campaign in 1992 but hadn't done much political work in the years since. In 2006, he jumped in because his father was facing a tough primary challenge from fellow

Republican Anna Fairclough, who would ultimately win the primary and the seat. The younger Kott wasn't happy she was running and presenting his father with his first tough challenge in years, he said.

The father and son operated a business called Kott's Hardwood Flooring. Working on his father's campaign meant the younger Kott had to take a break from the flooring business and he testified that by the end of July he was running out of money.

"I basically told my dad 'if you want to keep me on I have to have some kind of income,' " testified the younger Kott, who said he has two children still at home and a wife who does not have a job.

Sometime around the second week of August, he testified, his father brought $7,993 in cash to his home and gave it to him. The younger Kott told the jury it was understood it was to be an advance for flooring work. He said he needed to refinish the Brazilian cherry floors he did in 2002 for former Veco executive Rick Smith and also had a job for a woman he identified only as Sharon Durant.

Kott testified that the idea of getting an advance so he had money to work on his father's campaign came up in a discussion at "Mr. Bill Allen's place" in July. He said Allen, the chief executive of Veco, during a conversation involving both Kotts, offered to give him cash without any need to do work.

"I said no, no, no," Kott said, adding that he and his father were not about to compromise themselves by doing something illegal.

He said the solution of getting an advance for flooring was his idea.

He said he intended to do the flooring jobs after the Aug. 22 primary election. But his father lost the primary and he never did the work for Smith. Kott said Smith was supposed to call him but never did.

He testified that after the FBI raided the offices of his father and other legislators on Aug. 31 and Veco was mentioned in the news coverage, he didn't press the issue of finishing up Smith's floor.

He didn't say in court what happened to the "Sharon Durant" job and didn't return a phone call later Tuesday seeking comment. He also did not explain why her job would have been included in a $7,993 invoice paid by Allen or, for that matter, why Allen would be paying for Smith's flooring job.

When prosecutor Marsh got his turn to ask the younger Kott questions, he clearly wanted jurors to know he found the story unbelievable.

If he never did the job for Smith, wouldn't he want to pay the money back? Marsh asked him.

"I will give it back," Kott said.

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But you haven't, Marsh said. Kott conceded that was true.

When Smith testified last week for the prosecution, he said the story about the flooring job was just a cover. The idea was to just get money to the son so he could keep working on the campaign, Smith told jurors.

Smith testified that he met with then-Rep. Kott at the Rendezvous bar in Juneau on July 31, 2006, to figure out a way to do so without anyone knowing.

"I thought it was illegal," Smith testified.

Anyway, his floors didn't need to be redone, Smith said.

Former Veco chief Allen also has testified he didn't think Smith's floors needed to be redone.

"They didn't need to because you go into Rick's house and you have to take your shoes off," he testified last week.

Allen agreed with Smith that the payment for Kott's son wasn't meant to be an advance.

The federal prosecutor, Marsh, wondered aloud Tuesday why it would be necessary for Kott to get an advance on flooring work to stay on his dad's campaign instead of just drawing a salary. Jurors saw documents that showed Rep. Kott's campaign finished with a $15,000 surplus and the younger Kott did get paid $3,000 from the campaign funds.

Marsh also asked him why he didn't just ask his father for money. He answered that he didn't want him to have to tap into his retirement fund.

Would it surprise him to know his father had enough money? Marsh asked. Kott first said it would surprise him a little, then said he was indifferent.

Earlier in his testimony, the younger Kott had tried to deflect the charge that Veco illegally paid Dittman Research $2,750 to do a poll for his father's 2006 campaign.

He told jurors that neither he nor his father ever wanted the poll done. They did not ask for it and didn't pay for it.

"No polls. We do not believe in polls," he said.

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Kott explains $30,200 FBI found in his closet

'MY MONEY': He says he saved per diem checks and that $7,993 from Bill Allen was a flooring job advance.

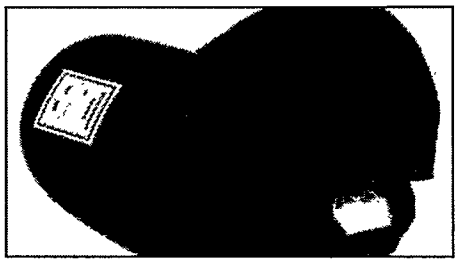
By LISA DEMER and SEAN COCKERHAM
Anchorage Daily News

(Published: September 20, 2007)

Former House speaker Pete Kott, center, leaves the Federal Building and U.S. Courthouse in Anchorage on Sept. 19, 2007, flanked by his attorney Jim Wendt, far left, his daughter Pam and his girlfriend Debora Stovern, right. Kott testified at his trial for bribery, extortion, fraud and conspiracy. *(ERIK HILL / Anchorage Daily News)*

When the FBI last summer searched the Juneau condo that then-state Rep. Pete Kott shared with his girlfriend, agents found more than $30,000 in cash on the shelf in his closet, a prosecutor disclosed during questioning Wednesday in Kott's corruption trial.

That was the biggest revelation of the day in U.S. District Court and it came out when a defense witness -- Debora Stovern, Kott's long-time girlfriend -- was on the stand. She also talked about embroidering hats with Veco Corp.'s logo on the front and the initials "CBC" -- for Corrupt Bastards Club -- on the back.



An embroidered Veco hat with the initials CBC for "Corrupt Bastards Club" was entered into evidence in Kott's trial. *( )*

The main witness Wednesday was Kott, the former Republican House Speaker from Eagle River. He took the stand in his own defense around 11:30 a.m., denying he took bribes and talking about his start in Alaska politics in 1992, the friendship he soon formed with Veco chief executive Bill Allen and his role in passing a new oil tax in 2006.

On the witness stand, Kott, wearing a dark suit, a red tie and glasses, came across as serious and hardworking. He seemed like a different man than the hard-drinking, crude-talking wheeler dealer who appears on secretly made recordings played by prosecutors earlier in the trial. On those tapes, he promises Veco executives time and again that he'd "get 'er done" on the oil field services company's behalf.

He is accused of conspiring with Allen, former Veco vice president Rick Smith and others to push through a new oil tax favored by Veco and North Slope oil producers. Allen and Smith have pleaded guilty to bribing Kott and three other legislators and are cooperating with the government.

In earlier testimony, Allen and Smith named Kott as one of the lawmakers they bribed.

As Kott testified Wednesday, Stovern, his daughter Pamela, and his daughter-in-law Cynthia listened from the front row, right behind the defense table.

THE MONEY IN THE CLOSET

Right off the bat Wednesday, Kott told jurors that the $30,200 cash was his. It accumulated over 2

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1/2 years as he cashed the checks legislators receive for daily living expenses while in Juneau or otherwise working, he testified.

"Absolutely it was my money," Kott said.

He'd let the checks stack up, then take them to the bank and cash them, he said. Some of the money came from hardwood flooring jobs too. Kott and his son own Kott's Hardwood Flooring.

His defense lawyer, Jim Wendt of Anchorage, asked whether any of the $30,000 came from Allen or Smith.

Kott hesitated for a moment. He said he wasn't sure whether some of the $900 that Allen gave him one night in Suite 604 of Juneau's Baranof Hotel ended up in that stack. Allen counts out the money in one of the video recordings secretly made in the suite that served as Veco's Juneau headquarters.

Kott testified that the money was payback for a $1,000 contribution he had just made maybe a couple of days before to then-Gov. Frank Murkowski's re-election campaign. But when Allen testified earlier in the trial, he said: "I just gave it to him."

Kott told jurors about growing up in Flint, Mich., the son of a General Motors plant supervisor. He started working the assembly line right after high school too, but after a couple of years enlisted in the Air Force. He married his children's mother in Taiwan. Their relationship is strained, Stovern told jurors. They haven't yet divorced.

His military career spanned the next 22 years and brought him to Alaska in 1984. He has a master's in public administration and started teaching political science classes at Wayland Baptist University. A student gave him the idea to run for the Eagle River House seat in 1992.

Early on, he met Allen through the late and powerful Rep. Ramona Barnes. She took Kott under her wing like a mother hen, calling him her nephew.

Allen and Kott hit it off, Kott told jurors. They both wanted to develop Alaska's natural resources; they both came up doing hard physical work.

"Hands on, just trying to scratch through. Obviously Bill scratched through a lot better than I did," Kott said.

And there was more.

"Bill was kind of by himself," Kott said. "We both had some of that in common."

Kott said he could drop in at Allen's house anytime and sometimes regretted it -- showing up when the older man was already in bed. He guessed he had been there 200 times.

Smith was a friend too, but not at the same level, Kott told jurors. He's only been to Smith's house in Anchorage a few times.

It was his girlfriend, Stovern, who began the day on the witness stand. She wore a cobalt blue dress and came across as friendly and at ease. She never seemed flustered, even under intense cross examination by prosecutor James Goeke.

Under questioning by defense attorney Wendt, Stovern said she met Kott about six years ago while

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attending legislative committee hearings as a state employee who worked in occupational licensing. About 3 1/2 or four years ago, he began living in her condominium whenever he was in Juneau.

She no longer works for the state. She handles the bookkeeping for Kott's Hardwood Flooring and works alongside Kott installing, sanding and finishing wood floors. She also filed the campaign finance reports for Kott's races in 2004 and 2006.

'CORRUPT BASTARDS CLUB'

Under cross examination, Stovern testified she made the highly publicized "Corrupt Bastards Club" hats seized by the FBI at the Juneau condo.

She embroidered 100 hats with the Veco logo on the front and added a CBC logo to the back of about a dozen.

Goeke asked what she told the FBI that the initials stood for when federal agents searched the apartment in 2006 and questioned her.

"I told them my understanding was this CBC, it was corporate bastards club or something like that. I told them my understanding it was a barroom joke made in response to some kind of opinion piece," Stovern said.

Did she mean "Corrupt Bastards Club?" Goeke asked. She said she did.

Stovern testified she was "very indignant" herself about the newspaper opinion piece, which said legislators who accepted Veco campaign contributions were being unduly influenced.

She said that she, Kott and Smith were joking about it in the bar at the Baranof Hotel in Juneau. Someone came up with the name "Corrupt Bastards Club" in jest, she said.

Federal prosecutors had a box full of the hats in court. They entered a red one into evidence as Exhibit 208.

Veco paid her $900, or $9 for each hat she embroidered. But she didn't make a lot, because the hats cost her $3 each and she had to cover FedEx shipping, thread and other expenses. Kott delivered the hats to Smith, she told jurors.

A central issue in the trial concerns $7,993 that Allen paid to Kott's Hardwood Flooring. Jurors now have heard three conflicting stories about it.

Kott and Stovern on Wednesday both told jurors that the $7,993 payment was an advance for future flooring jobs for Allen and Smith.

Kott's son, Peter M. Kott, told jurors on Tuesday that the money was an advance for flooring work for Smith and a woman he identified as Sharon Durant. Neither Kott nor Stovern mentioned Durant. The younger Kott needed the advance so he could take time off from the flooring business and work on his dad's re-election campaign in 2006, he testified. Kott lost in the primary.

But both Allen and Smith testified that the money wasn't for future flooring work. It was intended solely to allow Kott's son to work on the campaign, they testified. Smith called the payment illegal.

Goeke asked Stovern if she would be surprised to learn Kott had $30,200 in cash laying around. She said he did a lot of business in cash but didn't know he had that much.

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Goeke wondered why Kott wouldn't just have paid his son to be his campaign manager out of his own cash.

"The money was meant for living expenses," Stovern responded.

Another issue that came up Wednesday concerns a political poll for Kott's campaign in 2006 that Veco paid for. Kott told jurors he got no benefit from it.

Wendt introduced into evidence campaign literature dating back several elections to show Kott used the same themes for years. Kott told jurors he didn't change his strategy as a result of the poll, which showed him behind.

Kott continues testifying on Thursday. The case may go to the jury on Friday.

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Contractor: Worked for Stevens on Veco's dime

'SPECIAL PROJECTS': Ex-employee says jobs included Girdwood remodel and fundraiser help for U.S. senator.

By MATT APUZZO
The Associated Press

(Published: September 20, 2007)

The media watches as authorities search the Girdwood home of Sen. Ted Stevens in July. Stevens knew from the beginning that an Alaska oil contractor was renovating his home, according to a construction worker who said his job duties ranged from installing the senator's hardwood floors to helping run his fundraisers on company time. *(AL GRILLO / Associated Press archive 2007)*

WASHINGTON -- A construction worker who oversaw renovation of Sen. Ted Stevens' home said his company also paid him to help run fundraisers for the Alaska Republican, a practice that appears to violate federal campaign finance laws.

Contractor Robert Williams is a key witness in a bribery investigation that stretches from Alaska to Capitol Hill and threatens legal and political headaches for the Senate's longest-serving Republican. The FBI is investigating whether Stevens received illegal gifts from Veco Corp., the once powerful Alaska oil contractor.

Williams said he was in charge of "special projects" for Veco ex-CEO Bill Allen, and the renovation of Stevens' home was one such project. Others included working three or four fundraisers for Stevens while on the clock with Veco. Federal elections laws prohibit candidates from accepting donations or free services from corporations.

Unlike other Veco employees, Williams did not itemize his time sheets with job codes so customers could be billed. When working on one of Allen's pet projects, Williams just logged his hours and Veco made sure he was paid.

"I never had any doubts about it until the FBI came down and served me with subpoenas," Williams said in a telephone interview with The Associated Press from his home in Alaska.

At fundraisers, including at least one at the home of Stevens' brother-in-law, Williams said he was assigned odd jobs. He delivered ice, arranged for table rental or oversaw the four or five Veco employees parking cars.

"If I didn't have parking patrol, I basically just had to be there to make sure nothing got messed up," Williams recalled.

CAMPAIGN FINANCES

Williams said he also helped run annual fundraising pig roasts for Rep. Don Young, another Alaska Republican who has come under scrutiny in the Veco investigation. The fundraisers were among many Williams said he worked on during his more than 13 years at Veco.

Stevens spokesman Aaron Saunders had no comment Wednesday. The senator has said he wants

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to avoid any suggestion he was trying to influence the investigation by discussing it publicly.

A spokesman for Young's office referred questions to his campaign spokesman, who did not immediately return a call.

Corporations are prohibited from donating to federal candidates and that includes providing services, said Kenneth A. Gross, a Washington campaign lawyer and former Federal Election Commission counsel.

"The company would have had to have been paid," Gross said.

Young recently amended his campaign finance reports to reflect $38,000 in back payments to Allen for the fundraisers. A review of Stevens' campaign finance expenditures since 2000 revealed no payments to Veco or Allen for fundraising.

Robert K. Kelner, another elections attorney and former Republican National Committee lawyer, said the question is whether Stevens or his campaign workers knew the Veco employees were on the clock.

"Should a thoughtful candidate consider that possibility and look into it? Yes," Kelner said. "Do they have a legal obligation to be that thoughtful? No."

THE GIRDWOOD PROJECT

Fundraising and favors are at the heart of the corruption investigation, which has ensnared several Alaska legislators. Allen has pleaded guilty to bribing lawmakers and is cooperating with the FBI. He admitted in court last week that his employees provided "some labor" on Stevens' house in 2000, but Williams recalled the job in greater detail.

Williams remembered spending two or three days a week for about six months at Stevens' house, supervising workers and installing hardwood floors. He also recalled moving a truckload of furniture, including a bed and a rug, from Stevens' mother-in-law's house to the senator's home.

In May, house mover Toney Hannah told the Daily News that the Stevenses originally contacted him in 1999 about jacking up the Girdwood house in order to add a new first floor. He got the go-ahead the next summer from Bob Persons, a Stevens friend and owner of the Double Musky restaurant in Girdwood.

Hannah said the first carpenters did such poor work that he couldn't lower the house on their frame when he came back several weeks later. Another contractor, Augie Paone, was brought in to rescue the project.

Both Hannah and Paone said their bills, totaling more than $100,000, were paid by check by the Stevenses. Both said the FBI asked for their business records.

A few other Veco employees helped on the job and Williams hired outside contractors. A garage was added, though Williams isn't sure how that idea came up.

UNSURE WHO WAS PAYING

Veco isn't in the residential construction business. But Williams said Allen often assigned him work for friends and family. Stevens and Allen are longtime friends, so Williams didn't think the renovation project was unusual.

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Stevens met with workers and knew Veco was handling the job, Williams said, so he assumed the senator was reimbursing Veco for his time. Stevens has said he paid every bill he received for the house.

"Ted said he wanted to make sure everything is paid for," Williams recalled from an early meeting with Allen and Stevens.

He recalled Stevens and his wife paying for flooring and is certain the senator paid for at least some of the work. But because Williams didn't record his time at Stevens' house, he said nobody could know for sure how much his time cost.

At the time, he assumed that when he signed off on expenses and submitted them to Veco, the company would pass those bills on to Stevens. Now he's not so sure.

"I think Bill's ego got away from him," Williams said. "I think he did what he thought he could do."

Allen liked to do things his own way and wasn't fussy about separating business and friendship, Williams said: "Bill's personal life and the company were one and the same."

Williams testified about the house project before a federal grand jury in Anchorage. He couldn't remember the total cost of the renovation, but said the Justice Department seemed to already know more about the project than he did.

Investigators were "very thorough" and had numerous documents and bills associated with the house, he said.

"I thought everything was on the up and up," Williams said. "I'm disappointed with the way things turned out and I'm sorry for Ted."

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Prosecutors: Veco gave Kott $5,000 to buy truck

(Published: September 20, 2007)

Former Rep. Pete Kott is being cross-examined by federal prosecutors in his corruption trial this afternoon. In a hearing early this afternoon with the jury out of the room, prosecutors argued that they should be able to ask the former House speaker about $5,000 given to him by former Veco Corp. chief Bill Allen for a truck down payment. The judge ruled they can ask about it; Kott's defense maintains it was a loan.

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Kott says he stretched the truth with Veco executives

TESTIMONY: He did take money, defendant says, but not as bribes.

By LISA DEMER, SEAN COCKERHAM and TOM KIZZIA
Anchorage Daily News

(Published: September 21, 2007)

Former state Rep. Pete Kott apologized to jurors Thursday for his crude talk in secretly made FBI recordings, but he also conceded that he told Veco Corp. executives whatever they wanted to hear, even if it wasn't true.

On a day he made an emotional speech from the witness stand about his shattered legacy, other revelations spilled out, including that he changed his vote on a new oil tax at the last minute and took $5,000 from former Veco executive Bill Allen as a truck loan that he never repaid.

But, Kott maintained, he never took bribes.

Kott finished testifying late in the afternoon after two grueling days on the stand in his federal corruption trial. While he seemed testy at times during aggressive cross-examination, he didn't lose his cool.

Gov. Sarah Palin quietly popped into the trial for about 10 minutes in the morning. Few seemed to spot her as she slipped into the back row during a little of Kott's testimony on oil taxes. Palin said she took the opportunity to check in during a fire drill in the governor's Anchorage office in the nearby Atwood building.

"This is one of the most important series of trials in Alaska history," Palin said after her courtroom visit.

TRIAL COMES AT GREAT COST, KOTT SAYS

Kott is being tried in U.S. District Court on charges of bribery, conspiracy, extortion and wire fraud. Veco executives Bill Allen and Rick Smith have pleaded guilty to bribing Kott and three other legislators in an effort to influence them on the tax measure in 2006.

Kott told jurors he had to go to trial because he believes he's not guilty, but that it's coming at great cost.

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Jurors have seen videos from Suite 604 of the Baranof Hotel in Juneau and heard wiretapped telephone conversations in which Kott, often after drinking, plotted and cussed alongside Veco executives.

Will those videos and newspaper stories about his behavior be his legacy? defense lawyer Jim Wendt asked.

Kott, in the Legislature 14 years, including two as House speaker, choked up a bit during a monologue that lasted several minutes.

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"Unfortunately, with all the things I believe I accomplished, the goals that I managed to reach, the legacy will be just that. I think people will forget about the good things and remember the bad things," Kott said.

The video recordings are "extremely embarrassing," Kott said.

"Certainly to the jury, I apologize for the vulgarity that has been presented to you in the course of this trial," Kott said. "It has been an embarrassment for myself and my family." His girlfriend and grown son and daughter sat in the front row behind the defense table.

The defense slogged through the legislative record in an attempt to portray Kott as a statesman who sometimes voted against the 20 percent tax favored by Veco to reach an oil-tax compromise.

But as Kott himself explained, the unfolding of such complex bills is a "cat-and-mouse game," with lawmakers sometimes voting yes for loathsome amendments hoping to kill a bill.

The Legislature approved a 22.5 percent tax, and Kott told the jury he considered it a good compromise. "We pretty much split the baby right in half," he said.

SPIRITED CROSS-EXAMINATION

The cross-examination by assistant U.S. attorney James Goeke was heated from the start.

Goeke came close to yelling as he shot off questions rapid-fire about Kott's vote. Wendt objected time and again. And U.S. District Judge John Sedwick told Goeke to slow down, be more patient and stop making speeches.

Prosecutors also dug deep into the legislative record during their cross-examination, trying to show that Kott voted against the 22.5 percent compromise three times on the last day, when the tax measure nearly died.

Even on the final vote, Kott was a "no," switching his vote to the "yes" side only after the tally showed the measure passing.

"You changed it once the writing was on the wall," Goeke thundered. "It's good you did it so you can tell the jury you voted for 22.5."

Kott's lawyer objected.

"There was no jury then to consider," he pointed out.

It was, Goeke noted, the last vote of Kott's legislative career. He lost in the Republican primary two weeks later.

The prosecutor seemed to be portraying Kott as a hold-out for 20 percent until the bitter end -- even when some oil industry lobbyists had started pushing for 22.5 percent in fear a more onerous tax might pass instead.

During his cross-examination, Goeke replayed two FBI recordings from the Veco suite.

"Where do you want to take this, Bill? I don't want to jeopardize the gas line but I'll stay on 20," Kott says on a May 8, 2006, recording from Suite 604. Allen testified earlier that oil producers wanted certainty on oil taxes before they would commit to a multibillion-dollar gas pipeline. "Vic

will be on 20 and Jay will be on 20 and Foster will be on 20. I don't know how many others will be on 20," Kott said on the recording, referring to Reps. Vic Kohring, Jay Ramras and Richard Foster.

"Tom Anderson," Smith, the former Veco vice president, chimes in with another lawmaker's name.

"Anderson will be on 20," Kott agreed.

Prosecutors also replayed an especially vulgar recording from late in the night of June 8, 2006. The men in Suite 604 spewed out f--- them repeatedly.

Goeke pressed Kott to explain why he assured Allen he'd fight for 20 percent if he was willing to go higher. Kott said he was misleading his Veco friends, choosing to "tell them what they want to hear."

That theme came up several times.

BERKOWITZ DID NOT HELP SWAY VOTE, KOTT SAYS

Wendt asked Kott to explain another secretly recorded conversation in which he boasts that he "outsmarted the fox" -- referring to then-House Minority Leader Ethan Berkowitz -- in order to get Berkowitz to persuade his fellow Democrats to vote the way Veco wanted.

Kott told jurors that he was just trying to impress Allen. He and Berkowitz had had a rational conversation on the House floor. Kott figured Allen was watching live on "Gavel to Gavel" television.

"I didn't want him to get the opinion I was just crawling in bed with the Democrats," Kott testified.

Kott said he also felt bad because he and Berkowitz had a good relationship for years and he had actually tried to deceive Berkowitz a little bit. He said Berkowitz was on his side back in 2005 when he attempted to regain the House speaker post through a coup. It failed.

That's why he talks in the recording about lying, cheating, stealing and selling his soul to the devil, Kott testified.

In reality, Berkowitz didn't do anything to help swing votes the way Veco wanted, Kott said, even though he told Allen that's what happened.

"I think I was trying to get some credit," he said.

At another point in his cross-examination, Goeke questioned Kott about a $5,000 check from Allen that jurors hadn't heard about before Thursday.

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Kott told jurors that Allen loaned him the $5,000 in 2004 as a down payment on a new truck. He was supposed to pay Allen back once he paid off the truck.

But Goeke pointed out that on Aug. 31, 2006, when the FBI searched Kott's residence in Juneau, Kott told agents that he hadn't done so.

"That sounds like a gift to me," Goeke said.

Kott replied he and Allen had an agreement that Kott would pay the money back when the truck was paid off.

"It could also be characterized as a bribe," Goeke said.

"You can characterize it any way you want; it is not a bribe," Kott replied.

With a few more witnesses to go today, the case may not get to the jury until next week.

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Arguments end: Kott case handed to jury

IN CLOSING: Defense says Allen and Smith cannot be trusted; prosecutor says the evidence is "overwhelming."

By LISA DEMER and SEAN COCKERHAM
Anchorage Daily News

(Published: September 25, 2007)

Lawyers laid out two opposite views of former state Rep. Pete Kott Monday during their closing arguments to jurors in his federal public corruption trial: hardworking with a drinking problem or greedy and looking out for himself.

Defense lawyer Jim Wendt told jurors to think of Kott as a legislator who pushed hard for oil development and got himself into trouble by spouting off when he drank too much.

He especially puffed himself up to his friends from Veco Corp. in Suite 604 of Juneau's Baranof Hotel, Wendt said. The nickname for the suite that served as Veco's headquarters during the Legislature was Animal House, Wendt reminded jurors.

"I'll tell you what it was. It was a place for boasting and banter, fueled by alcohol," Wendt told jurors in U.S. District Court. "The government is resting its case on the Animal House as if what goes on there is somehow reliable."

Assistant U.S. Attorney James Goeke told jurors that Kott took bribes from Veco and was guilty of putting his own self-interest before that of his constituents. Kott is charged with four felonies: conspiracy, extortion, bribery and honest services wire fraud.

The prosecutor said the case was unusual because jurors were able to watch and listen as the alleged crimes took place.

"Through the hours and hours of electronic surveillance that you've heard in this courtroom over the past few weeks, you the members of the jury have been able to sit in a ringside seat," Goeke told jurors.

No one knew during 2005 and 2006 that the FBI had put a bug in Suite 604 and wiretaps on phones of Veco executives.

The defense reminded jurors that the government focused on only the worst out of hundreds of hours of video recordings and thousands of intercepted phone calls. Prosecutors took "little snippets" out of context, Wendt said.

But Goeke told jurors "the evidence in this case is overwhelming."

The courtroom was nearly full of FBI agents, other defense lawyers, legislators and aides, reporters and Kott's friends and family. The case went to the jury around 12:30 p.m. on the trial's 14th day.

Kott is a former Republican House speaker from Eagle River who served 14 years in the Legislature.

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Bill Allen, former Veco chief executive, and Rick Smith, former Veco vice president, have pleaded guilty and were key witnesses for the prosecution, testifying that they bribed Kott.

U.S. District Judge John Sedwick told jurors that Allen and Smith's guilty pleas in themselves are not evidence that Kott did anything wrong. In fact, the testimony of both Allen and Smith should be considered with more caution than that of other witnesses, he told them.

Wendt told jurors that Smith and Allen will say whatever the government wants to save themselves. Neither has been sentenced.

The stakes in the oil tax debate were high. The Murkowski administration was pushing a new state oil tax, a first step toward a natural gas pipeline that could have been worth millions to Veco in construction contracts. Kott is accused of pushing a 20 percent tax favored by North Slope oil producers in exchange for money, a political poll and Veco's promise of a job.

LAWYERS SUMMARIZE THE EVIDENCE

Goeke walked jurors through carefully picked highlights from nearly five dozen audio and video recordings played during the trial.

In a Sept. 26, 2005, call between Kott and Smith, the legislator said he needed a job. "You got a job. Get us a pipeline," Smith responded.

Later, the prosecution played a series of video recordings from the night of May 7 and into the early morning of May 8, just after key votes on the oil tax. "I'd vote for a 30 percent tax if it wasn't for this guy here," Kott says in one, pointing to Allen.

And in a video secretly recorded on June 1, 2006, Allen counts out what he later testified was $1,000 in cash for Kott. In another video from the same night, Allen asked Kott what he wanted to be. After joking about passing out beach towels in Barbados, where Veco was building a prison, Kott said he wanted to be a lobbyist. "Well, you will be," Allen tells him.

Allen later testified that Kott's job prospects with Veco all depended on him doing the right thing on the oil tax, Goeke reminded jurors.

During his closing, Wendt was frustrated at times by technical difficulties but forged ahead, focusing on a timeline displayed for jurors that included key votes.

Wendt emphasized that it was the defense, not the prosecution, who brought in two legislators to explain their dealings with Kott, which he said was better than relying on "some grainy tape" because they know what really happened.

The wire fraud charge, Wendt pointed out, is based on a single telephone conversation in which Kott assures Smith "you know where my allegiance is."

"Where is the plan or scheme in that telephone conversation?" Wendt asked.

Kott just wanted a gas pipeline, the same as Veco, but there was no criminal conspiracy, no intent to extort money from Allen or Veco, he said.

Others got so much more from Veco than Kott, Wendt said. Former Senate President Ben Stevens got hundreds of thousands of dollars in consulting work. U.S. Sen. Ted Stevens had his whole house redone with the help of Veco workers. Former Rep. Tom Anderson had Veco contracts too.

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But Kott was working on his hands and knees doing flooring, Wendt said.

"Pete Kott never got anything," he said.

The last word came from prosecutor Nicholas Marsh, from the U.S. Justice Department's Public Integrity Section in Washington, D.C.

He told jurors that it made no sense to think that Kott got nothing from Veco. He received $1,000 in cash, a check for $7,993, a political poll that cost $2,750 and the promise of a job, all from Veco, Marsh said.

Kott's defense, Marsh said, appears to be that what he said in 11 months of secretly made recordings are "either lies or they are not true or the rantings of an alcoholic."

Kott, Marsh told jurors, "tried to snooker you."

Jurors finished deliberations for the day at 4:30 p.m. They return today.

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Kott trial closing arguments at a glance

Prosecution

KOTT'S OWN WORDS: Assistant U.S. Attorney James Goeke replayed secretly made audio and video recordings. They included Kott talking to Veco executives about a possible job and asking Veco chief Bill Allen for instructions on the eve of the legislative session.

VECO TESTIMONY: Goeke said the testimony of Allen and former Veco executive Rick Smith, who are cooperating with the prosecution, matches what jurors heard on those FBI recordings.

OUTRAGE: Goeke hammered on the argument that Kott sold out the public trust by turning to Veco, instead of his Eagle River constituents, for direction on how to vote and act.

KOTT'S CREDIBILITY: Prosecutor Nicholas Marsh said Kott's explanations for his words and deeds made no sense. He "tried to snooker you," Marsh told the jury.

Defense

OUT OF CONTEXT. Kott's attorney, Jim Wendt, argued prosecutors plucked the worst statements out of hundreds of hours of video and thousands of intercepted phone conversation.

ANIMAL HOUSE. Wendt argued that Veco's Suite 604 at the Baranof Hotel in Juneau was known as the "Animal House," and was a "place for boasting and banter fueled by alcohol." Wendt said Kott loved and admired Veco head Allen and was just trying to impress him after drinking by saying things that weren't true.

HARD WORKER. The defense painted Kott as a hard-working man who did flooring jobs and didn't ask for handouts. He also worked hard trying to get a gas pipeline for Alaska, Wendt said.

LEGISLATORS' TESTIMONY. Wendt noted that Rep. Gabrielle LeDoux and ex-House Minority Leader Ethan Berkowitz testified that, despite what Kott told Veco executives, Kott didn't manipulate them to try and get the oil tax rate Veco wanted.

Compiled by Daily News reporters Sean Cockerham and Lisa Demer

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Kott guilty on 3 counts; sentencing set Dec. 7

Former legislator likely faces four years or more in prison

By LISA DEMER and SEAN COCKERHAM
Anchorage Daily News

(Published: September 26, 2007)

Former state Rep. Pete Kott, a 14-year veteran of the Legislature and one-time House speaker, was convicted Tuesday by a federal jury of conspiring with Veco Corp. executives to push an oil tax favored by industry.

Jurors convicted the Eagle River Republican of conspiracy, bribery and extortion. They acquitted him of a fourth felony charge, wire fraud, that was based on a single cell phone conversation that went across state lines.

As the verdicts were read around 3 p.m. on the trial's 15th day, Kott sat silent and still between his defense lawyers. He left the courtroom looking tired and drawn. He had little to say about the verdict.

"I'm disappointed," Kott said. He didn't want to talk about what's next for him or the specifics of how he thought his corruption trial went. "It came," he sighed. "It went."

Kott walked out of the Federal Building with his girlfriend, Debora Stovern, on one arm, daughter Pamela on the other and lawyer Jim Wendt just ahead. They faced a barrage of television cameras and reporters asking questions that Kott wouldn't answer.

Wendt said Kott almost surely would appeal. He and his co-counsel, Meg Simonian, hadn't worked out all the potential grounds but he suggested the instructions the judge gave the jury could be one factor. "The jury instructions were a little ambiguous regarding the bribery and extortion charges," Wendt said.

Then Kott's group piled into a Dodge truck and drove away.

'deal-maker,' prosecutors said

During the trial, prosecutors Nicholas Marsh and James Goeke portrayed Kott as a deal-maker who plotted with former Veco executives Bill Allen and Rick Smith to secure the oil tax rate sought by North Slope oil producers during the 2006 regular session and special sessions that summer. They played nearly five dozen secretly made recordings during the trial.

Former Rep. Pete Kott of Eagle River leaves the U.S. Courthouse in Anchorage with his daughter Pamela, left, and his girlfriend Debora Stovern, right, after a federal jury returned guilty verdicts on charges of bribery, conspiracy and extortion Tuesday Sept. 25, 2007. *(BILL ROTH / Anchorage Daily News)*

Former Rep. Pete Kott leaves the U.S. courthouse in Anchorage on Tuesday, September 25, 2007, after a jury returned guilty verdicts on three of four corruption charges. Kott was found guilty of bribery, conspiracy and extortion. Jurors found him not guilty on one count of wire fraud. *(BILL ROTH / Anchorage Daily News)*

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The defense painted Kott as a hard worker with a drinking problem, an Air Force veteran, a man who got on his hands and knees laying hardwood floors but who didn't ask his wealthy friends at Veco for handouts.

Former Alaska state lawmaker Pete Kott, back center, walks past reporters at the federal court building in Anchorage Sept. 25, 2007, with his daughter, Pam Kott, back left, and Debora Stovern, back right, and Kott's attorney, Jim Wendt, front center, after Kott was convicted of conspiracy to solicit financial benefits, extortion and bribery. *(AL GRILLO / The Associated Press)*

This is the second victory for prosecutors in the ongoing public corruption investigation, and the first involving oil field services contractor Veco. The company was sold to Denver-based CH2M Hill just before the trial.

Deliberations began at 12:30 p.m. Monday. Most of the jurors seemed "gung-ho" and ready to convict Kott that same day on at least a couple of charges, said Donna Riley, juror No. 1. She wanted to slow things down and sent the judge a note first thing Tuesday saying she had felt pressured the day before.

"And I'm like, man, you guys need to go over it," Riley said after the verdict. "I need to understand. This is someone's life, you know? I need to make sure I understand everything about it to have a clear conscience."

Jurors were talking over each other on Monday when they finally got a chance to say what they thought after more than two weeks of trial, said juror Susan Pollard. By Tuesday morning, the jurors went out of their way to "cool it" and make sure Riley was included, juror Dale Hartzler said.

Riley, a custodial worker at Stevens International Airport, said she related to Kott since both do physical labor. She was moved, too, by a speech he gave on the witness stand.

"It kind of got to me when he said he was embarrassed and felt bad ... for his family," Riley said.

The defense was "trying for any emotional leverage they could get," Pollard said.

In the end, what struck Riley as particularly important: the testimony and recordings about the promise of a job to Kott and the financial rewards, especially the inflated flooring invoice through which Veco executives funneled $7,993 to Kott.

She said she went home Monday night and prayed on what to do. By Tuesday, the situation in the jury room was calmer, she said. Their decision was the right one, she said.

Pollard, a former contract manager for the federal government, said it was Kott's own testimony on the stand that left the biggest mark. Kott tried to explain to jurors that he just was telling Allen and Smith what they wanted to hear when he told them he'd push the tax rate they wanted.

Kott was saying 'I'll lie to my friends but I do have my principles,' " Pollard said. "How can you believe anything he says after that?" As to the inflated flooring invoice, she said she was very skeptical of the defense story that the money was for future flooring work. Why were invoices created by Stovern, Kott's girlfriend, bookkeeper and a defense witness, after the fact? Why did none mention future flooring work?

Juror Hartzler said his vote to convict was a no-brainer given the evidence. Kott and his defense team couldn't blunt the FBI audio and video, he said.

The defense didn't ring true, said Hartzler, a systems analyst for Alaska Communications Systems. He said the whole tenor of the defense was just "flying in the face of the intercepts" recorded by

the FBI. He gave the example of Kott's son, who was also his campaign manager, claiming on the witness stand that the campaign didn't use political polls. The defense was trying to refute the charge that Kott received a poll illegally paid for by Veco.

Hartzler said the defense claim was contradicted by a recording of Kott talking about the poll with a Veco executive, as well as poll questions the FBI found on a computer device at Kott's residence. As for the drinking, Kott didn't seem drunk in all of the late night recordings. Hartzler pointed to one in which Kott told Veco chief Allen that he wanted to be a lobbyist. It just seemed like a real, casual conversation, he said.

The evidence on the wire fraud charge just was too thin to support a conviction, Pollard said. It was based on a March 10, 2006, cell phone call that Kott made from Washington, D.C., to Smith. Kott, who was having drinks with a Marathon Oil lobbyist, told Smith he wanted to "take care of Marathon in this deal." But Smith said that Marathon had dumped Veco as a maintenance contractor. "You know where my allegiance is," Kott told Smith.

The verdicts come just before next month's special session on oil taxes called by Gov. Sarah Palin. "I am more committed than ever to seeking a fair, untainted solution to our petroleum tax system," the governor said in a written statement.

The evidence was compelling, said state Sen. Fred Dyson, R-Eagle River, who helped the FBI in its investigation and sat in on much of the trial. The recordings of people laughing and swearing about "jerking the public process around" generate a gut level impact.

Kott is likely facing more than four years in prison, according to what prosecutors have estimated under sentencing guidelines. But he could be looking at even more time, as much as 612 years, if the judge determines he did not testify truthfully and obstructed justice, said prosecutor Joe Bottini, who didn't try the case but sat in on much of it. He is part of a four-person team of federal prosecutors handling Alaska public corruption cases.

U.S. District Judge John Sedwick set sentencing for Dec. 7.

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FBI - Stevens-1013

Feds eye Stevens' home remodel - GIRDWOOD: Veco approved some invoices for 2000 upgrade at senator's house, says builder.

Anchorage Daily News (AK)
May 29, 2007
Author: RICHARD MAUER
Anchorage Daily News Staff

Estimated printed pages: 8

The FBI and a federal grand jury have been investigating an extensive remodeling project at U.S. Sen. Ted Stevens' home in Girdwood that involved the top executive of Veco Corp. in the hiring of at least one of the key contractors.

Three contractors who worked on the project said in recent interviews with the Daily News that the FBI asked them to turn over their records from the job. One said he was called to testify about the project before a federal grand jury in Anchorage in December.

The remodeling work, which more than doubled the size of the house, occurred in the summer and fall of 2000. The four-bedroom home, about two blocks from the day lodge parking lot at the Alyeska ski resort, is Stevens' official residence in Alaska.

An old friend of Stevens in Girdwood, longtime Double Musky restaurant owner Bob Persons, has been questioned by the FBI about the project. He monitored the remodeling for Stevens and his wife while they were in Washington, D.C.

"I will be testifying. That's all I can tell you," Persons said in a brief interview last week. "It is an ongoing investigation that I'm not supposed to talk to or see anybody about it."

Persons would not elaborate on whether he meant that he would testify before a grand jury, at a trial, or both, or for whom. He said he believed Stevens did nothing wrong.

Ted Stevens and his wife, Catherine, declined to answer questions about the Girdwood house. In a prepared statement issued by his office, Stevens said: "While I understand the public's interest in the ongoing federal investigation, it has been my long-standing policy to not comment on such matters. Therefore, I will withhold comment at this time to avoid even the appearance that I might influence this investigation."

The FBI and the U.S. Justice Department's Public Integrity Section, which are in the midst of a broad investigation of corruption in Alaska, would not comment.

"This is a pending investigation and we're just not going to confirm or deny any aspect, any rumors, any allegations out there," said FBI spokesman Eric Gonzalez.

INQUIRY SURFACES

Ted Stevens, the most senior Republican in the U.S. Senate and Alaska's most famous political figure, has not been directly connected with the corruption investigation.

The wide-ranging federal inquiry surfaced in August when agents raided six legislative offices, including those of then-Senate President Ben Stevens, one of Ted Stevens' sons. The FBI said at the time that it also had executed a search warrant in Girdwood, among other places, although the location of that search has never been officially disclosed.

FBI - Stevens-1014

Veco, an oil-field service company that has long been a strong lobbying presence in Juneau, was one of the early targets of the agents, according to some of the search warrants that became public. On May 7, the company's longtime chief executive, Bill Allen, and a vice president, Rick Smith, pleaded guilty to federal conspiracy, bribery and tax charges. They are now cooperating with authorities.

The investigation spread to the commercial fishing industry, including Ben Stevens' consulting clients and associates. Federal subpoenas served on fishing companies in Seattle last year sought records concerning both Ben and Ted Stevens.

Four current or former Alaska state lawmakers have been indicted and are awaiting trial on corruption charges, and an Anchorage lobbyist has pleaded guilty to federal corruption charges.

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Ben Stevens has not been charged. But the charges pleaded to by Allen and Smith alleged Ben Stevens improperly accepted $242,000 from Veco for "giving advice, lobbying colleagues, and taking official acts in matters before the legislature."

How the Girdwood home fits in with the broader investigation, or what possible crimes are being investigated, is not clear. There was a brief, unexplained reference to residential remodeling in the government's statement of facts that accompanied Allen's and Smith's guilty pleas. The sentence, preceded by a listing of a dozen Veco-related enterprises around the world, said: "Veco was not in the business of residential construction or remodeling."

Asked whether that line related to the construction at Stevens' Girdwood home, Persons first said, "I'm sure it does." When pressed, he said he wasn't certain.

WHERE THE BILLS WENT

Augie Paone, owner of Christensen Builders Inc. of Anchorage, said in a recent interview that it was Bill Allen who hired him to complete the framing and most of the interior carpentry at Stevens' home. Before he could send a bill to Stevens for work in progress, he was directed to provide it first to Veco, where someone would examine it for accuracy, he said. When Veco approved the invoice, he would fax it to the Stevenses in Washington, he said.

Paone said that as far as he knew, Stevens and his wife, Catherine, paid his bills themselves. He said he sent at least $100,000 in invoices to the Stevenses in Washington. They paid him from what he said appeared to be a checking account opened for the project. The checks, imprinted with the couple's names, had single- and double-digit serial numbers, he said.

According to Paone and other contractors, the renovation involved a technique often used with older dwellings in Girdwood -- jacking up a single-story house, building another floor on the original foundation or pilings, then lowering the original structure onto the new one. The result is a two-story home.

City and state records show the Stevens home was originally built in 1971. Catherine and Ted Stevens purchased it in August 1983. Plans show the house had two bedrooms, a living room, a kitchen and a single bath before the 2000 expansion.

Toney Hannah, a house mover from Anchorage, said he had initial discussions about a jack-up project with Ted and Catherine Stevens in 1999 but didn't hear any more about it until the next summer.

On July 26, 2000, Stevens faxed a letter to Anchorage building safety officials, saying Persons had authority to act in his and Catherine's name "in regard to construction at my house in Girdwood."

Stevens often relied on Persons to look after his Girdwood residence, according to Stevens' long-term neighbor there, Julie Peterson. She said she would call Persons if she saw a problem at the house.

Stevens and Persons also have a business relationship. Persons is the managing partner of Alaska's Great Eagle LLC, a racehorse-owning partnership that includes Stevens, Bill Allen and Allen's son Mark, along with several other Alaska businessmen.

On July 31, 2000, Persons obtained an Anchorage land-use permit for the Stevens remodeling. He listed the value of construction as $84,878 -- much less than the actual total turned out to be.

Most of the tradesmen who worked on the project couldn't be identified to answer questions from the Daily News about how they were hired, paid and supervised. While Girdwood is within the Anchorage municipality, its local building rules are more lax. With no inspections required, city building records don't name the electrician, plumber, furnace installer or others who may have worked on the project.

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Hannah, the house mover, was found because Persons originally listed him in the permit file as the contractor.

Hannah said Persons contacted him in July or August 2000 to start the project. His crew jacked up the home. Hannah said Persons seemed to be in a hurry to get the job done.

A framing crew went to work on the first floor. But Hannah said that when he returned to Girdwood to lower the house, the framing was unacceptable, forcing him to delay the next phase. He said he didn't know who did the faulty carpentry.

Paone said he was called in late that summer to rescue the project.

"Bill Allen and some of the Veco boys, some of the Veco guys, were the ones that approached me and wanted to know if I could give them a hand," Paone said. "I did it more as a favor, you know. It's one of those things when somebody is the head, and packs that much power and asks you for a favor, it's kind of hard to say no."

JUST IN CASE

Paone said his name was on file at Veco because he had worked as a carpenter remodeling a Veco office building in Anchorage several years before. He had also remodeled the basement of the home of Veco's chief financial officer, Roger Chan. Chan and Allen both asked him to work on Stevens' home, he said.

Chan didn't return a phone call seeking comment and Veco's lawyer, Amy Menard, said the company's agreement to cooperate with federal authorities barred her and officials from talking.

Like Hannah, Paone said he didn't know who botched the framing.

"My understanding is that there was just a bunch of guys trying to do it on a weekend basis, and mostly they were friends of the senator's or something," he said. "But they didn't know what they were doing and they were so far behind that there was absolutely no way they could have completed it by late October, early November," he said.

Paone took over the framing and completed the interior walls, some of the cabinetry in the kitchen, the insulation and painting. He purchased the supplies and sent invoices for materials and labor to Stevens.

Paone said he couldn't recall the names of other tradesmen who worked on the project -- electricians, plumbers and a mechanical contractor who installed a new gas furnace and the forced-air heating system. A neighbor said someone brought over a crane to hoist Stevens' barbecue grill to the second floor deck. Another neighbor said a cherry picker showed up to install decorative lights on the eaves.

Paone said that by the time he finished his work in late October or early November, he had sent Stevens more than $100,000 in invoices for his own work.

Paone said he charged normal rates but was uncomfortable with the arrangements because he hadn't provided an estimate before starting the work. He said he protected himself by retaining all the records on the project.

"I didn't suspect anything, but I just wanted to make sure," he said. "When you work with a house of a legislator or a senator, you make sure you hold on to all the billings, just in case something happens."

Current city property records show the 10-room home contains 2,471 square feet of living space. With its quarter-acre lot, its assessed value for 2007 is $440,900.

'A VERY SAD SITUATION'

Last year, some six years after the project was completed, Paone said, "the FBI came over to me and I gave them all the paperwork I had on it." When he was questioned by the FBI, he said, agents seemed particularly interested in Veco and its officials. The government already had copies of most of his invoices on the Stevens home, having obtained them from Veco files, he said.

Paone said he followed that up by testifying before a federal grand jury in December.

About a year ago, Hannah, the house mover, came to work at his yard in South Anchorage and found an FBI agent's card on his office door, he said. When he called the agent, he was told the government was going to subpoena his records on the project. He said he sent his father downtown with all the files. He hasn't gotten them back, he said.

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He said Catherine Stevens had paid his bill with a check, but he said it happened too long ago to remember details.

The contractor who did earth-moving for the project, Bob Redmond of Girdwood, also provided his records to the FBI, according to Jean Redmond, his stepmother. She also said the bills were paid by Stevens.

Paone said that as far as he knows, Stevens paid every invoice sent to him.

"Now, I'm not sure if everything was given to him," Paone said. "It's just that he was never around. He didn't know what was going on. My personal opinion is that if he got something for nothing, he absolutely didn't know about it."

Persons, of the Double Musky, said he believes Stevens has done nothing wrong, though he was unable to say what he knows.

"It's a very sad situation," he said during the brief interview outside a bank in South Anchorage. "I have to tell you that my attorneys have told me not to talk to anyone. And I can't even talk to my friends. Anybody. I can't talk to anybody."

Persons said he didn't think he was in any legal trouble.

"I don't know why I would be," he said.

"To me, it's a tragic situation," Persons added. "I don't think Sen. Stevens has done anything wrong and I don't know what's going on. I think it's a witch hunt."

Contact reporter Richard Mauer at 257-4345 or at rmauer@adn.com.

Caption:

MARC LESTER / Anchorage Daily News

Stevens' Girdwood house was jacked up and had a new story built underneath the original one. Its assessed value now is $440,900.

Bill Allen, the former CEO of oil-field service company Veco, pleaded guilty May 7 to federal bribery, conspiracy and tax charges.

MARC LESTER / Daily News archive 2000

Ted Stevens and his wife, Catherine, attended the renaming of Ted Stevens Anchorage International Airport in July 2000. The house was about to be renovated.

BILL ROTH / Daily News archive 2001

Deanna and Bob Persons are longtime owners of the Double Musky Inn. Bob Persons acted on Stevens' behalf during the work.

Caption:

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Veco case may spark charges from state

CRIMINAL AND CIVIL: Attorney general has ordered investigations.

By LISA DEMER
Anchorage Daily News
(Published: May 9, 2007)

Allen ()

The state plans to investigate whether Veco Corp. and its officials have violated Alaska law in light of guilty pleas in federal court by two company officials.

Attorney General Talis Colberg on Tuesday directed state lawyers to begin criminal and civil investigations into Veco and related parties. Company chief executive officer Bill Allen and a vice president pleaded guilty Monday to the federal charges of bribery and conspiracy.

Colberg told state lawyers to look into issues not addressed by the federal case. The Alaska Public Offices Commission also is looking into possible violations.

In another development, Gov. Sarah Palin urged indicted state Rep. Vic Kohring, R-Wasilla, to consider stepping down. The governor said it wasn't in her power to demand that he resign but said he should think about it.

"There is certainly a cloud over the seat he represents right now and, with so much on his plate in terms of the need to defend himself, I think he has got to consider that. That's my personal opinion," Palin said.

Palin also removed Allen from a council created to foster cooperation with Alberta, Canada, in areas such as transportation, Native issues, and trade and investment. She said it was inappropriate for him to serve the state.

As for Kohring, he said he's staying in the Legislature.

"I do not feel I would serve the best interest of my constituents by walking away at this time," Kohring said in a written statement. "The House leadership has made a decision regarding my committee chair position, but also made it very clear they expect to see me working in my capacity as a legislator."

After being indicted, Kohring was stripped of his chairmanship of the House Special Committee on Oil & Gas.

Kohring and former Reps. Pete Kott, R-Eagle River, and Bruce Weyhrauch, R-Juneau, were arrested Friday on multiple charges springing from an FBI investigation into corruption in the Alaska Legislature. All were released and vowed to fight the charges.

The three legislators are accused of doing Veco's bidding in exchange for money or other benefits.

Kohring said his situation was not like that of Jim Hayes, who first refused demands by Palin that he resign from the state Board of Regents after being indicted on multiple federal counts.

While university regents are appointed by the governor, legislators are elected by the people, Kohring said in his statement. Hayes, facing possible impeachment, eventually resigned.

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If his defense "prevents him from effectively doing his job," Kohring will reconsider, his statement said.

In court Monday, Allen and Veco vice president Rick Smith admitted being part of a conspiracy in which they bought lawmakers' votes for an oil production tax favored by the oil industry. Over five years, they made more than $400,000 in illegal payments to four legislators or their families.

Allen also approved a scheme in which Smith directed Veco executives to make campaign contributions to primarily Republican candidates. The executives knew they would receive a "special bonus" to cover the amount. It was Smith's job to figure out how big a phony bonus each would need, prosecutors said in court filings.

In the last two-year election cycle alone, at least six Veco executives each donated $24,000 or more to various Alaska candidates and the Republican Party, according to a database run by the National Institute on Money in State Politics or followthemoney.org.

Allen alone donated more than $30,000 over the two years, according to the institute. So did Veco president Pete Leathard and chief financial officer Roger Chan. Smith donated nearly $25,000. And that's just one election cycle.

Brooke Miles, APOC executive director, said her staff saw the enormous contributions from Veco officials but couldn't document illegal behavior. They didn't know about the special bonuses.

"Some of that would be beyond the auditing skills of an agency such as this," Miles said.

Veco has run afoul of campaign finance laws before. In 1985, the company was fined more than $72,000 -- later reduced to $28,000 -- for a scheme that funneled secret donations to a slate of candidates through an employee payroll deduction plan.

Miles said the public offices commission will consider at its June meeting how to proceed with the new information revealed in the federal charges.

Changes to the campaign finance laws in 2003 limit the possibilities, she said. For instance, a complaint must be filed within a year.

Daily News reporter Lisa Demer can be reached at ldemer@adn.com and 257-4390. Sabra Ayers contributed to this story.

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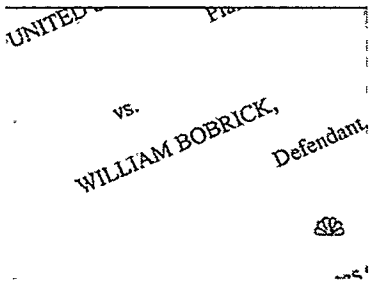
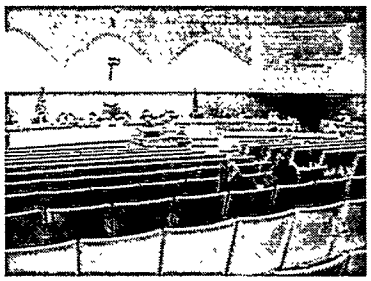
Bobrick third player to plead guilty in federal corruption probe

Under Bill Bobrick's plea agreement with federal prosecutors he faces up to five years in prison. (KTUU-TV)



According to his attorney, Douglas Pope, Bobrick has been cooperating with prosecutors in the case against former Anchorage Rep. Tom Anderson. (KTUU-TV)

Dan Sullivan, Anchorage Assembly member and Ethics Committee chairman (KTUU-TV)



Sullivan said it had been uncomfortable and inappropriate for Bobrick to continue lobbying lawmakers in light of his unethical behavior. (KTUU-TV)

by Jill Burke
Wednesday, May 16, 2007

ANCHORAGE -- In a deal cut with prosecutors, Anchorage lobbyist Bill Bobrick pleaded guilty to a federal bribery charge this morning, admitting to his role in a scheme that involved bribing former Representative Tom Anderson, R-Anchorage.

Bobrick admits funneling thousands of dollars to Anderson in order to gain legislative access and help for a prison firm Bobrick worked for.

Bobrick is the seventh person to be publicly charged in the ever-widening corruption probe led by prosecutors from Washington, D.C. Three of the seven have entered guilty pleas: Bobrick, along with Bill Allen and Rick Smith of oil-services company VECO Corp. The current and former lawmakers implicated in the corruption probe all maintain their innocence.

And in this case it is again the lobbyist and not the lawmaker who is taking a deal.

Federal prosecutors say Anderson and Bobrick, who has long been one of the city's most powerful lobbyists, were in on the scheme together, yet only Bobrick admits his guilt.

Douglas Pope, who is representing Bobrick, says his client deeply regrets his crimes.

"He's deeply remorseful ... but he's trying to do the right thing by cooperating with the United States in the Anderson case," said Pope.

In the plea deal, Bobrick admits creating a shell company to funnel the funds to Anderson. On paper, it was a Web site for political articles; in reality, it was a way to pay Anderson undetected.

"(Anderson) doesn't have to report any of my clients," Bobrick unknowingly told an FBI informant, "just the money that he gets paid by a company that he writes the column for."

This admission was included in evidence collected by the FBI from surveillance of Bobrick and Anderson.

Bobrick only knew the informant as an associate of a company that builds prisons and halfway houses -- the same company that needed Anderson's help to push some projects through the Legislature.

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Rep. Tom Anderson was indicted late last year for taking bribes from Bobrick in exchange for muscling legislation through the House. (Courtesy photo)

While the prison company is unnamed in both Anderson's indictment and Bobrick's charging and plea documents, sources tell Channel 2 News it is the Texas-based Cornell Corp., which runs halfway houses in Alaska.

Prosecutors allege at a November 2004 public hearing on a proposed prison project, Anderson spoke on behalf of the project and identified himself as a lawmaker -- specifically as the chairman of the Legislature's Regulatory Review Committee -- but never revealed he was working on behalf of one of the companies involved.

One month later, Bobrick paid $4,000 to a company Anderson owned.

Dan Sullivan, a member of the Anchorage Assembly and chairman of its Ethics Committee, said Bobrick's continued presence at Assembly meetings was inappropriate.

"It was very uncomfortable for us to have him still influencing public officials on behalf of clients when we were aware of what the activities were before," Sullivan said.

Bobrick has continued lobbying city lawmakers since the allegations against him came to light late last year in the Anderson indictment, and his legal woes had not prevented clients from calling.

Five clients signed him on to lobby their interests before the Assembly this year, but now it appears at least some of them are signing off, including P.O.B. Montgomery, the developer building the new Glenn Square Mall, and the Cook Inlet Housing Authority.

"Bill Bobrick is no longer working on any of our accounts," said David Irwin, president of P.O.B. Montgomery. "We obviously made that decision based on where this investigation is now heading into this phase."

Irwin added he found no evidence of unethical dealings between his company, the city and Bobrick.

But there is also momentum in the Assembly to make sure any lobbyist with tainted credibility doesn't come around.

"You engage in that kind of conduct -- we don't want you in Assembly chambers. We don't want you in city hall. We don't want you influencing local public officials. We need to be held to a high standard," Sullivan said.

Bobrick could receive a five-year sentence, but because he has been helpful prosecutors are recommending a lighter sentence between two and two and a half years. Sentencing won't take place for 6 months.

Prosecutors say he took a total of $24,000 on behalf of the prisons company and passed more than $10,000 on to Anderson.

Contact Reporter Jill Burke at jburke@ktuu.com
Reporter Jason Moore contributed to this story.

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Alaska's governor tops the approval rating charts

89-93 POLL RATINGS: Palin has pleased most voters by sticking to her promises.

By SABRA AYRES
Anchorage Daily News

(Published: May 30, 2007)

JUNEAU -- With the latest poll showing her approval rating at 89 percent, Gov. Sarah Palin may now be the most popular governor in the nation.

A recent public opinion poll taken by Ivan Moore Research showed both Republicans and Democrats in favor of the state's first female governor. The poll comes just two weeks after a separate poll taken by Dittman Research gave Palin a 93 percent approval rating.

While political polling numbers can fluctuate week to week, Palin's numbers have consistently been extremely high, putting her near or at the top among the nation's governors, according to Jennifer Duffy, an analyst at the Cook Political Report, a Washington, D.C.-based research group that closely follows state politics.

"She is only the 14th person in the nation to take out an incumbent governor in a primary. That's about the hardest thing you can do in politics, so she was starting from a good point," Duffy said.

Palin beat then-Gov. Frank Murkowski in last August's Republican primary before winning the general election in November.

"In a lot of ways that was the race, so she started in a good position," Duffy said.

The Ivan Moore poll surveyed 500 people throughout the state on the governor's performance as well as her Alaska Gasline Inducement Act. Fifty percent of those asked said they thought Palin's gas line law would increase the chances of a North Slope pipeline getting built to transport natural gas to the Lower 48. Twenty-one percent of respondents said the gas line law was flawed.

Only 5 percent of those asked said they thought negatively about Palin's work in her six months as governor.

Analysts said Palin's high ratings stem from making good on campaign promises such as getting the gas pipeline legislation passed and promoting a more open government.

FBI - Stevens-1022

"She's managed to communicate well with Alaskans, and that's what popularity is all about," said Randy Ruedrich, the head of the state Republican Party.

The political scandal that erupted this month involving executives from Veco Corp. may have kept her ratings high, said Larry Sabato, a political scientist with the Center for Politics at the University of Virginia.

Veco's chief executive, Bill Allen, and its vice president, Rick Smith, both pleaded guilty on May 7 to charges of federal conspiracy and bribery. They have since resigned from their jobs.

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Three current or former Alaska state lawmakers have been indicted on bribery, extortion and conspiracy charges in the case. Another former legislator was indicted in a separate bribery case.

"She's a woman, anti-establishment and anti-corruption at a time when Alaska is thoroughly embarrassed by the degree of corruption that has been seen by the FBI investigation into lobbyists, business executives and state legislators," Sabato said. "People view her as breath of fresh air."

Palin's ratings in the 80s and 90s are unique but probably unsustainable in the long run, Sabato said.

"You can't please 80 to 90 percent of the people all the time," he said.

Sabato predicted Palin's numbers would fall when she is forced to make her first big, controversial decision.

Palin has in the past dismissed political opinion polls, saying she doesn't rely on them as a gauge of true popular opinion or to get her job done.

Still, her popularity makes it easier to push her agenda, as it was the case with her pipeline bill, AGIA, said David Dittman of the Anchorage research and polling group Dittman Research. Her agenda is also making her more popular, he said.

"People liked the idea of competitiveness, of an open process and not having a pipeline monopoly. They like her, and they like AGIA. So it worked both ways," he said.

Daily News reporter Sabra Ayres can be reached at sayres@adn.com or 1-907-586-1531.

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FBI - Stevens-1023

PUBLIC OPINION SURVEY

IVAN MOORE RESEARCH
TEL: 278-4600

Hello, my name is _____ and I'm calling for Ivan Moore Research, an Alaska public opinion research firm. We're conducting a public opinion survey today that should take just a few minutes. Your opinions are important to us, and we'd appreciate your participation if that's OK with you, and of course your responses will be completely confidential.

S1. Is this a residential telephone?
IF "YES", CONTINUE...
IF "NO", TERMINATE...

S2. Are you registered to vote in the state of Alaska?
IF "YES", CONTINUE...
IF "NO", ASK FOR REGISTERED VOTER...

1. I'm first going to read you the names of some public figures, groups and organizations. Please tell me whether your feelings towards them are very positive, somewhat positive, somewhat negative or very negative, or if you have never heard of them?

4	3	2	1	0	
VERY POSITIVE	SOMEWHAT POSITIVE	NEUTRAL	SOMEWHAT NEGATIVE	VERY NEGATIVE	WHO?

Sarah Palin:

	SARAH PALIN'S RATING:		
	Count	%	
Very positive	256	50.3%	
Somewhat positive	199	39.0%	
Neutral	30	6.0%	
Somewhat negative	20	3.9%	
Very negative	4	.8%	Mean = 3.341

2. What is your opinion on the Alaska Gasline Inducement Act, or AGIA? Do you think it is a good law that increases the chances of a gasline being built, or do you think it is flawed and will reduce the prospects for a gasline?

	OPINION OF AGIA:	
	Count	%
Good law	253	49.7%
Flawed	107	21.1%
Not sure	149	29.2%

FBI - Stevens-1024

The following questions are for statistical purposes only.

3. What is your registered party affiliation?

PARTY AFFILIATION:		
	Count	%
Democrat	88	17.2%
Republican	169	33.1%
Other/No party	253	49.7%

4. When it comes to politics, do you consider yourself to be a conservative, a moderate or a progressive?

POLITICAL IDEOLOGY:		
	Count	%
Conservative	211	41.5%
Moderate	211	41.5%
Progressive	87	17.0%

5. In what year were you born?

AGE OF RESPONDENT:			
	Count	%	
18-49	171	34.2%	
50-58	163	32.7%	
59+	165	33.1%	Mean = 53.7 years

6. Of the people living in your household, how many are children or adolescents aged 18 or under?

NUMBER OF CHILDREN:		
	Count	%
None	331	65.5%
One or more	175	34.5%

7. Are you married or single?

MARITAL STATUS:		
	Count	%
Married	392	77.0%
Single	117	23.0%

FBI - Stevens-1025

8. GENDER...

	GENDER OF RESPONDENT:	
	Count	%
Male	255	50.0%
Female	255	50.0%

That completes the survey. I have a telephone number for Ivan Moore Research that you can call with any comments, compliments or complaints. Would you like the number? **(278-4600)**

Thank you very much for your help. Goodbye.

THE FOLLOWING AREA VARIABLE WAS COMPUTED USING THE TELEPHONE PREFIX:

	AREAS OF ALASKA:	
	Count	%
Southeast	65	12.8%
Rural Alaska	54	10.6%
MatSu-Kenai-Valdez	104	20.5%
Anchorage	211	41.5%
Fairbanks	74	14.6%

THE FOLLOWING MARITAL BY GENDER VARIABLE WAS COMPUTED USING MEASURED DATA:

	MARITAL STATUS BY GENDER:	
	Count	%
Married males	196	38.5%
Married females	196	38.5%
Single males	59	11.5%
Single females	58	11.5%

FBI - Stevens-1026

	SARAH PALIN'S RATING:			Total
	Positive	Negative	Neutral	Col %
	Row %	Row %	Row %	
PARTY AFFILIATION:				
Democrat	79.1%	9.9%	11.1%	17.2%
Republican	93.8%	3.0%	3.2%	33.1%
Other/No party	89.9%	4.0%	6.1%	49.7%
POLITICAL IDEOLOGY:				
Conservative	94.8%	1.1%	4.1%	41.5%
Moderate	86.8%	5.5%	7.7%	41.5%
Progressive	82.1%	11.5%	6.4%	17.0%
AGE OF RESPONDENT:				
18-49	83.8%	7.2%	9.0%	34.2%
50-58	92.5%	3.3%	4.2%	32.7%
59+	91.3%	3.7%	5.0%	33.1%
NUMBER OF CHILDREN:				
None	91.6%	3.9%	4.4%	65.5%
One or more	84.8%	6.2%	9.1%	34.5%
MARITAL STATUS:				
Married	90.6%	4.4%	5.0%	77.0%
Single	85.2%	5.7%	9.2%	23.0%
GENDER OF RESPONDENT:				
Male	89.8%	4.4%	5.8%	50.0%
Female	88.9%	5.0%	6.2%	50.0%
MARITAL STATUS BY GENDER:				
Married males	91.8%	3.9%	4.3%	38.5%
Married females	89.3%	4.9%	5.8%	38.5%
Single males	83.0%	6.1%	10.9%	11.5%
Single females	87.3%	5.2%	7.5%	11.5%
AREAS OF ALASKA:				
Southeast	83.3%	5.2%	11.5%	12.8%
Rural Alaska	92.3%		7.7%	10.6%
MatSu-Kenai-Valdez	94.5%	3.3%	2.2%	20.5%
Anchorage	88.0%	6.7%	5.3%	41.5%
Fairbanks	88.8%	4.0%	7.3%	14.6%
Total	89.3%	4.7%	6.0%	100.0%

FBI - Stevens-1027

	OPINION OF AGIA:			Total
	Good law	Flawed	Not sure	Col %
	Row %	Row %	Row %	
PARTY AFFILIATION:				
Democrat	42.6%	31.2%	26.2%	17.2%
Republican	47.5%	22.1%	30.4%	33.1%
Other/No party	53.6%	16.9%	29.5%	49.7%
POLITICAL IDEOLOGY:				
Conservative	52.7%	21.0%	26.3%	41.5%
Moderate	50.2%	18.8%	31.0%	41.5%
Progressive	41.1%	26.8%	32.1%	17.0%
AGE OF RESPONDENT:				
18-49	46.7%	20.8%	32.5%	34.2%
50-58	45.1%	22.6%	32.3%	32.7%
59+	57.2%	20.7%	22.2%	33.1%
NUMBER OF CHILDREN:				
None	50.8%	21.2%	27.9%	65.5%
One or more	47.8%	21.1%	31.1%	34.5%
MARITAL STATUS:				
Married	51.9%	20.3%	27.8%	77.0%
Single	42.3%	23.8%	33.9%	23.0%
GENDER OF RESPONDENT:				
Male	52.3%	23.1%	24.6%	50.0%
Female	47.1%	19.0%	33.9%	50.0%
MARITAL STATUS BY GENDER:				
Married males	56.5%	21.6%	21.9%	38.5%
Married females	47.3%	18.9%	33.8%	38.5%
Single males	38.1%	28.1%	33.8%	11.5%
Single females	46.4%	19.5%	34.1%	11.5%
AREAS OF ALASKA:				
Southeast	45.7%	14.2%	40.1%	12.8%
Rural Alaska	60.5%	20.1%	19.4%	10.6%
MatSu-Kenai-Valdez	49.7%	20.5%	29.7%	20.5%
Anchorage	41.0%	27.2%	31.8%	41.5%
Fairbanks	70.0%	11.0%	19.0%	14.6%
Total	49.7%	21.1%	29.2%	100.0%

FBI - Stevens-1028

PUBLIC OPINION SURVEY

IVAN MOORE RESEARCH
TEL: 278-4600

Hello, my name is _____ and I'm calling for Ivan Moore Research, an Alaska public opinion research firm. We're conducting a public opinion survey today that should take just a few minutes. Your opinions are important to us, and we'd appreciate your participation if that's OK with you, and of course your responses will be completely confidential.

S1. Is this a residential telephone?
IF "YES", CONTINUE...
IF "NO", TERMINATE...

S2. Are you registered to vote in the state of Alaska?
IF "YES", CONTINUE...
IF "NO", ASK FOR REGISTERED VOTER...

1. I'm first going to read you the names of some public figures, groups and organizations. Please tell me whether your feelings towards them are very positive, somewhat positive, somewhat negative or very negative, or if you have never heard of them?

4	3	2	1	0	8
VERY POSITIVE	SOMEWHAT POSITIVE	NEUTRAL	SOMEWHAT NEGATIVE	VERY NEGATIVE	WHO?

Bruce Weyrauch:

	BRUCE WEYRAUCH'S RATING:		
	Count	%	
Very positive	2	.5%	
Somewhat positive	21	4.0%	
Neutral	113	22.1%	
Somewhat negative	85	16.7%	
Very negative	94	18.4%	
Who?	195	38.3%	Mean = 1.214

Pete Kott:

	PETE KOTT'S RATING:		
	Count	%	
Very positive	3	.6%	
Somewhat positive	19	3.8%	
Neutral	122	23.9%	
Somewhat negative	88	17.3%	
Very negative	132	25.9%	
Who?	145	28.4%	Mean = 1.106

FBI - Stevens-1029

VECO:

	VECO'S RATING:		
	Count	%	
Very positive	12	2.4%	
Somewhat positive	60	11.7%	
Neutral	61	12.0%	
Somewhat negative	115	22.6%	
Very negative	220	43.3%	
Who?	41	8.0%	Mean = 0.994

Vic Kohring:

	VIC KOHRING'S RATING:		
	Count	%	
Very positive	1	.2%	
Somewhat positive	27	5.3%	
Neutral	92	18.1%	
Somewhat negative	86	16.9%	
Very negative	172	33.9%	
Who?	131	25.6%	Mean = 0.937

Ben Stevens:

	BEN STEVENS' RATING:		
	Count	%	
Very positive	8	1.6%	
Somewhat positive	46	9.1%	
Neutral	54	10.7%	
Somewhat negative	116	22.7%	
Very negative	237	46.5%	
Who?	48	9.4%	Mean = 0.858

Bill Allen:

	BILL ALLEN'S RATING:		
	Count	%	
Very positive	5	.9%	
Somewhat positive	26	5.1%	
Neutral	60	11.8%	
Somewhat negative	71	13.9%	
Very negative	212	41.6%	
Who?	136	26.8%	Mean = 0.769

FBI - Stevens-1030

The following questions are for statistical purposes only.

2. What is your registered party affiliation?

	PARTY AFFILIATION:	
	Count	%
Democrat	88	17.2%
Republican	169	33.1%
Other/No party	253	49.7%

3. When it comes to politics, do you consider yourself to be a conservative, a moderate or a progressive?

	POLITICAL IDEOLOGY:	
	Count	%
Conservative	211	41.5%
Moderate	211	41.5%
Progressive	87	17.0%

4. In what year were you born?

	AGE OF RESPONDENT:		
	Count	%	
18-49	171	34.2%	
50-58	163	32.7%	
59+	165	33.1%	Mean = 53.7 years

5. Of the people living in your household, how many are children or adolescents aged 18 or under?

	NUMBER OF CHILDREN:		
	Count	%	
None	331	65.5%	
One or more	175	34.5%	Mean = 0.71

6. Are you married or single?

	MARITAL STATUS:	
	Count	%
Married	392	77.0%
Single	117	23.0%

FBI - Stevens-1031

7. GENDER...

	GENDER OF RESPONDENT:	
	Count	%
Male	255	50.0%
Female	255	50.0%

That completes the survey. I have a telephone number for Ivan Moore Research that you can call with any comments, compliments or complaints. Would you like the number? **(278-4600)**

Thank you very much for your help. Goodbye.

THE FOLLOWING AREA VARIABLE WAS COMPUTED USING THE TELEPHONE PREFIX:

	AREAS OF ALASKA:	
	Count	%
Southeast	65	12.8%
Rural Alaska	54	10.6%
MatSu-Kenai-Valdez	104	20.5%
Anchorage	211	41.5%
Fairbanks	74	14.6%

THE FOLLOWING MARITAL BY GENDER VARIABLE WAS COMPUTED USING MEASURED DATA:

	MARITAL STATUS BY GENDER:	
	Count	%
Married males	196	38.5%
Married females	196	38.5%
Single males	59	11.5%
Single females	58	11.5%

FBI - Stevens-1032

	PETE KOTT'S RATING:				Total
	Positive	Negative	Neutral	Who?	Col %
	Row %	Row %	Row %	Row %	
PARTY AFFILIATION:					
Democrat	4.6%	51.4%	18.1%	25.9%	17.2%
Republican	5.7%	36.4%	26.5%	31.4%	33.1%
Other/No party	3.5%	45.0%	24.3%	27.2%	49.7%
POLITICAL IDEOLOGY:					
Conservative	6.0%	35.0%	28.0%	31.0%	41.5%
Moderate	3.5%	43.8%	24.7%	28.1%	41.5%
Progressive	3.1%	61.9%	12.1%	22.9%	17.0%
AGE OF RESPONDENT:					
18-49	6.0%	30.2%	27.5%	36.2%	34.2%
50-58	5.0%	47.0%	26.1%	21.8%	32.7%
59+	2.5%	52.9%	18.8%	25.7%	33.1%
NUMBER OF CHILDREN:					
None	4.0%	50.0%	21.8%	24.2%	65.5%
One or more	5.4%	30.8%	28.3%	35.5%	34.5%
MARITAL STATUS:					
Married	5.0%	43.7%	24.4%	26.9%	77.0%
Single	2.5%	41.5%	22.4%	33.5%	23.0%
GENDER OF RESPONDENT:					
Male	3.8%	47.3%	24.9%	23.9%	50.0%
Female	5.1%	39.1%	22.9%	32.9%	50.0%
MARITAL STATUS BY GENDER:					
Married males	4.1%	48.9%	25.2%	21.8%	38.5%
Married females	6.0%	38.5%	23.5%	31.9%	38.5%
Single males	3.1%	42.0%	23.9%	31.0%	11.5%
Single females	1.9%	41.0%	21.0%	36.1%	11.5%
AREAS OF ALASKA:					
Southeast	4.4%	40.3%	22.6%	32.8%	12.8%
Rural Alaska	4.1%	21.8%	26.7%	47.3%	10.6%
MatSu-Kenai-Valdez	4.7%	43.6%	27.3%	24.4%	20.5%
Anchorage	4.6%	53.1%	23.1%	19.1%	41.5%
Fairbanks	4.0%	32.8%	20.5%	42.7%	14.6%
Total	4.5%	43.2%	23.9%	28.4%	100.0%

FBI - Stevens-1033

	VIC KOHRING'S RATING:				Total
	Positive	Negative	Neutral	Who?	Col %
	Row %	Row %	Row %	Row %	
PARTY AFFILIATION:					
Democrat	3.7%	54.7%	14.2%	27.5%	17.2%
Republican	6.4%	45.7%	22.2%	25.8%	33.1%
Other/No party	5.5%	52.9%	16.8%	24.9%	49.7%
POLITICAL IDEOLOGY:					
Conservative	8.7%	42.1%	21.6%	27.6%	41.5%
Moderate	2.8%	51.9%	17.7%	27.6%	41.5%
Progressive	4.0%	69.3%	10.6%	16.1%	17.0%
AGE OF RESPONDENT:					
18-49	6.8%	37.7%	20.1%	35.3%	34.2%
50-58	2.6%	55.5%	20.0%	22.0%	32.7%
59+	7.2%	59.7%	13.8%	19.3%	33.1%
NUMBER OF CHILDREN:					
None	4.9%	56.6%	17.0%	21.6%	65.5%
One or more	6.7%	40.3%	19.9%	33.1%	34.5%
MARITAL STATUS:					
Married	5.8%	50.8%	18.5%	24.9%	77.0%
Single	4.2%	50.9%	16.7%	28.3%	23.0%
GENDER OF RESPONDENT:					
Male	5.1%	55.8%	18.2%	20.9%	50.0%
Female	5.8%	45.8%	18.0%	30.4%	50.0%
MARITAL STATUS BY GENDER:					
Married males	6.0%	56.7%	18.7%	18.6%	38.5%
Married females	5.7%	44.8%	18.3%	31.2%	38.5%
Single males	2.1%	52.9%	16.3%	28.7%	11.5%
Single females	6.3%	48.8%	17.0%	27.8%	11.5%
AREAS OF ALASKA:					
Southeast	1.8%	44.6%	14.5%	39.1%	12.8%
Rural Alaska	6.4%	20.1%	24.7%	48.8%	10.6%
MatSu-Kenai-Valdez	6.8%	63.0%	17.8%	12.4%	20.5%
Anchorage	6.0%	57.0%	17.8%	19.2%	41.5%
Fairbanks	4.5%	43.7%	17.9%	33.9%	14.6%
Total	5.5%	50.8%	18.1%	25.6%	100.0%

FBI - Stevens-1034

	BRUCE WEYRAUCH'S RATING:				Total
	Positive	Negative	Neutral	Who?	Col %
	Row %	Row %	Row %	Row %	
PARTY AFFILIATION:					
Democrat	1.4%	38.6%	24.5%	35.5%	17.2%
Republican	4.8%	27.7%	23.2%	44.3%	33.1%
Other/No party	5.4%	38.7%	20.6%	35.4%	49.7%
POLITICAL IDEOLOGY:					
Conservative	4.0%	28.1%	24.7%	43.2%	41.5%
Moderate	5.3%	35.3%	21.4%	38.0%	41.5%
Progressive	3.9%	51.4%	17.5%	27.2%	17.0%
AGE OF RESPONDENT:					
18-49	5.4%	28.1%	18.3%	48.2%	34.2%
50-58	3.6%	38.4%	25.3%	32.7%	32.7%
59+	3.6%	38.4%	24.4%	33.6%	33.1%
NUMBER OF CHILDREN:					
None	3.7%	37.7%	22.7%	35.8%	65.5%
One or more	6.1%	30.2%	21.4%	42.4%	34.5%
MARITAL STATUS:					
Married	4.4%	35.4%	23.6%	36.7%	77.0%
Single	4.7%	34.0%	17.3%	44.0%	23.0%
GENDER OF RESPONDENT:					
Male	4.2%	37.2%	26.9%	31.7%	50.0%
Female	4.8%	32.8%	17.4%	45.0%	50.0%
MARITAL STATUS BY GENDER:					
Married males	3.8%	38.9%	28.0%	29.3%	38.5%
Married females	5.1%	31.8%	19.1%	43.9%	38.5%
Single males	5.4%	31.8%	23.2%	39.6%	11.5%
Single females	4.0%	36.2%	11.5%	48.4%	11.5%
AREAS OF ALASKA:					
Southeast	17.4%	37.5%	19.7%	25.4%	12.8%
Rural Alaska	3.1%	22.2%	21.9%	52.7%	10.6%
MatSu-Kenai-Valdez	2.6%	35.9%	21.0%	40.5%	20.5%
Anchorage	2.9%	38.6%	23.8%	34.7%	41.5%
Fairbanks	1.3%	31.1%	21.0%	46.6%	14.6%
Total	4.5%	35.0%	22.1%	38.3%	100.0%

FBI - Stevens-1035

	BEN STEVENS' RATING:				Total
	Positive	Negative	Neutral	Who?	Col %
	Row %	Row %	Row %	Row %	
PARTY AFFILIATION:					
Democrat	4.3%	74.6%	10.1%	11.0%	17.2%
Republican	18.6%	56.5%	14.8%	10.1%	33.1%
Other/No party	7.6%	75.8%	8.1%	8.4%	49.7%
POLITICAL IDEOLOGY:					
Conservative	15.7%	61.1%	13.1%	10.1%	41.5%
Moderate	6.0%	72.2%	11.2%	10.6%	41.5%
Progressive	9.9%	81.7%	3.7%	4.7%	17.0%
AGE OF RESPONDENT:					
18-49	14.1%	55.2%	15.4%	15.3%	34.2%
50-58	8.4%	73.7%	8.9%	9.0%	32.7%
59+	10.1%	78.6%	8.2%	3.0%	33.1%
NUMBER OF CHILDREN:					
None	9.7%	76.3%	8.1%	5.9%	65.5%
One or more	12.7%	56.0%	15.9%	15.5%	34.5%
MARITAL STATUS:					
Married	10.1%	70.3%	11.5%	8.1%	77.0%
Single	12.6%	65.6%	7.9%	14.0%	23.0%
GENDER OF RESPONDENT:					
Male	8.5%	75.0%	9.2%	7.2%	50.0%
Female	12.8%	63.4%	12.2%	11.6%	50.0%
MARITAL STATUS BY GENDER:					
Married males	6.0%	79.2%	9.7%	5.1%	38.5%
Married females	14.3%	61.4%	13.3%	11.0%	38.5%
Single males	17.1%	60.8%	7.6%	14.5%	11.5%
Single females	8.0%	70.4%	8.2%	13.4%	11.5%
AREAS OF ALASKA:					
Southeast	10.2%	57.2%	19.6%	13.0%	12.8%
Rural Alaska	15.9%	49.2%	12.0%	22.8%	10.6%
MatSu-Kenai-Valdez	7.9%	72.6%	10.5%	8.9%	20.5%
Anchorage	10.4%	79.4%	7.2%	3.0%	41.5%
Fairbanks	12.0%	60.6%	12.0%	15.5%	14.6%
Total	10.7%	69.2%	10.7%	9.4%	100.0%

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	BILL ALLEN'S RATING:				Total
	Positive	Negative	Neutral	Who?	Col %
	Row %	Row %	Row %	Row %	
PARTY AFFILIATION:					
Democrat	5.4%	58.5%	11.1%	25.0%	17.2%
Republican	8.1%	46.9%	12.4%	32.5%	33.1%
Other/No party	4.8%	60.0%	11.6%	23.6%	49.7%
POLITICAL IDEOLOGY:					
Conservative	7.8%	50.1%	12.1%	30.0%	41.5%
Moderate	6.0%	56.4%	12.9%	24.7%	41.5%
Progressive	1.7%	66.2%	8.2%	23.8%	17.0%
AGE OF RESPONDENT:					
18-49	7.1%	38.2%	16.0%	38.7%	34.2%
50-58	5.9%	55.1%	12.4%	26.6%	32.7%
59+	5..4%	72.7%	6.7%	15.2%	33.1%
NUMBER OF CHILDREN:					
None	5.1%	63.3%	9.8%	21.8%	65.5%
One or more	7.9%	40.4%	15.7%	36.0%	34.5%
MARITAL STATUS:					
Married	6.6%	56.5%	12.1%	24.8%	77.0%
Single	4.1%	51.8%	10.6%	33.5%	23.0%
GENDER OF RESPONDENT:					
Male	7.0%	62.0%	10.3%	20.7%	50.0%
Female	5.0%	48.9%	13.2%	32.9%	50.0%
MARITAL STATUS BY GENDER:					
Married males	7.0%	65.0%	9.9%	18.1%	38.5%
Married females	6.2%	48.1%	14.3%	31.5%	38.5%
Single males	7.0%	51.8%	11.7%	29.5%	11.5%
Single females	1.2%	51.7%	9.6%	37.5%	11.5%
AREAS OF ALASKA:					
Southeast	4.4%	34.4%	14.7%	46.6%	12.8%
Rural Alaska	8.7%	29.9%	15.1%	46.3%	10.6%
MatSu-Kenai-Valdez	4.1%	68.9%	8.2%	18.8%	20.5%
Anchorage	6.9%	60.3%	12.8%	20.0%	41.5%
Fairbanks	5.8%	59.8%	8.9%	25.6%	14.6%
Total	6.0%	55.4%	11.8%	26.8%	100.0%

FBI - Stevens-1037

	VECO'S RATING:				Total
	Positive	Negative	Neutral	Who?	Col %
	Row %	Row %	Row %	Row %	
PARTY AFFILIATION:					
Democrat	11.3%	68.1%	13.4%	7.2%	17.2%
Republican	21.4%	55.4%	12.8%	10.3%	33.1%
Other/No party	10.3%	72.0%	10.9%	6.8%	49.7%
POLITICAL IDEOLOGY:					
Conservative	19.5%	60.0%	11.7%	8.8%	41.5%
Moderate	12.1%	65.1%	14.3%	8.5%	41.5%
Progressive	6.2%	82.0%	6.8%	5.1%	17.0%
AGE OF RESPONDENT:					
18-49	14.9%	59.6%	12.1%	13.5%	34.2%
50-58	13.1%	68.5%	11.7%	6.6%	32.7%
59+	14.8%	69.2%	12.2%	3.8%	33.1%
NUMBER OF CHILDREN:					
None	13.4%	72.1%	9.6%	4.9%	65.5%
One or more	15.9%	53.3%	16.6%	14.2%	34.5%
MARITAL STATUS:					
Married	14.5%	66.3%	12.2%	6.9%	77.0%
Single	12.9%	64.2%	11.1%	11.8%	23.0%
GENDER OF RESPONDENT:					
Male	15.1%	67.5%	12.3%	5.1%	50.0%
Female	13.2%	64.2%	11.7%	11.0%	50.0%
MARITAL STATUS BY GENDER:					
Married males	15.8%	67.0%	13.3%	3.9%	38.5%
Married females	13.3%	65.7%	11.1%	9.9%	38.5%
Single males	12.9%	69.4%	8.8%	9.0%	11.5%
Single females	12.8%	59.1%	13.5%	14.6%	11.5%
AREAS OF ALASKA:					
Southeast	3.1%	55.5%	20.1%	21.4%	12.8%
Rural Alaska	5.9%	55.3%	18.4%	20.4%	10.6%
MatSu-Kenai-Valdez	24.6%	67.1%	5.5%	2.8%	20.5%
Anchorage	16.5%	68.8%	12.2%	2.4%	41.5%
Fairbanks	8.4%	72.6%	8.4%	10.6%	14.6%
Total	14.2%	65.9%	12.0%	8.0%	100.0%

FBI - Stevens-1038

Corruption case prompts ethics action in Assembly - INFLUENCE: Convicted felons can't register to be lobbyists on city business.

Anchorage Daily News (AK)
May 23, 2007
Author: KYLE HOPKINS
Anchorage Daily New
Staff

Estimated printed pages: 2

The Anchorage Assembly voted unanimously to tighten city lobbying rules Tuesday night, banning anyone convicted of a felony from registering as a lobbyist.

"What we're trying to do is basically maintain the integrity of those who try and influence public officials," said Assemblyman Dan Sullivan, who co-sponsored the proposal along with Assemblyman Paul Bauer.

Bauer has said he proposed the changes partly because Anchorage's most prominent lobbyist, Bill Bobrick, had been linked to the corruption case against former Anchorage Rep. Tom Anderson. Bobrick has pleaded guilty to conspiracy to bribe Anderson, and no longer has any clients before the city, according to the latest city lobbyist lists.

Only one person -- Jed Whittaker, who left right after he spoke -- testified about the changes. He told Assemblymembers they allowed Bobrick to influence them for years without complaint until now.

"If you really want to say to the public that you cannot be bought, then pass an ordinance that publicly funds elections to the Assembly," Whittaker said.

No one on the Assembly had any questions for him.

The new guidelines adopted Tuesday say a person can't register to lobby city officials if he or she has been convicted of a felony within the previous 10 years.

Ethics may be a hot topic in Alaska but the lobbying rules drew little attention. By the time Assembly members were deep in debate over how to define the type of crimes would-be lobbyists aren't allowed to commit and how much to charge them for registration, two people sat in the audience.

Preparing for a few weeks off from regular meetings, the Assembly ended the meeting relatively early. Assemblywoman Debbie Ossiander said fumes from a large, smelly new screen -- used to view voting results -- behind the Assembly seats was giving her a headache.

Daily News reporter Kyle Hopkins can be reached at khopkins@adn.com or 257-4334.

Caption:

ERIK HILL / Anchorage Daily News

Bill Bobrick, who pleaded guilty last Wednesday to conspiracy to bribe former Rep. Tom Anderson, was the most prominent lobbyist in Anchorage. City officials decided to tighten lobbying rules.

Caption:

Photo 1: BillDSC_0020_052307.jpg

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FBI - Stevens-1039

194A-AN-136620-m;476

Lobbyists with felony convictions face ban - ASSEMBLY: Spotlight on ethics in state politics may bring issue to a vote tonight.

Anchorage Daily News (AK)
May 22, 2007
Author: KYLE HOPKINS
Anchorage Daily News
Staff

Estimated printed pages: 3

Until he pleaded guilty to conspiracy to bribe a state politician, Bill Bobrick was the go-to guy if you wanted to lobby the Anchorage Assembly.

Tonight that same Assembly -- some of whom got frequent campaign donations from Bobrick -- could decide whether to ban him or anyone convicted of a felony from lobbying.

Bobrick's plea was the latest in a string of corruption cases that saw four current or former state lawmakers indicted and two corporate executives admitting to bribery.

The proposal now before the city would bar felons from registering as lobbyists within 10 years of their conviction, and considering the spotlight on ethics in Alaska politics, Assembly members said this won't be a hard decision.

"I don't think we have really any choice," said Assemblyman Dick Traini, who plans to vote for the new rules.

Assembly chairman Dan Coffey said he expects the proposal to succeed tonight.

"I can't image that it wouldn't in this climate," he said.

Assemblyman Paul Bauer proposed the new lobbying rules at least partly because of Bobrick's case, Bauer said last week.

Compared with the scores of people lobbying the state Legislature, the pool is relatively small in Anchorage. Bobrick was the biggest fish, representing a dozen clients last year. According to the latest city list, he no longer has any clients.

Bauer and Bobrick aren't friendly, but the longtime lobbyist has supported many past and current city leaders. Over the years, he donated thousands of dollars to the political campaigns of Mayor Mark Begich and at least $1,000 each to Assembly members Allan Tesche, Dan Sullivan, Traini and Coffey, according to state records.

Though he rarely sides with Bauer and Sullivan, who co-sponsored the new rules, Begich said Monday he supports the proposal.

"I have no problem with it," he said.

Assembly members said Bobrick's past contributions won't influence their vote.

"It's just business," said Traini, who also talked about how the spotlight has been hard on Bobrick's family and said the lobbyist has "done a lot of good things for this town" with groups such as Standing Together Against Rape.

Tesche said it's no surprise that many city leaders received money from Bobrick: "Understand that he is Anchorage's almost exclusive full-time lobbyist, so one would expect him to be involved in a number of campaigns if he's the only guy in town."

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Coffey, who said during his most recent campaign that he doesn't accept money from lobbyists, returned Bobrick's donation according to his campaign disclosure reports.

Sullivan co-sponsored Bauer's proposal and downplayed Bobrick's donations to his campaign, saying the lobbyist probably gave them only begrudgingly.

Bobrick couldn't be reached for comment Monday.

Tesche, who appeared at Bobrick's plea hearing last week, proposed new ethics rules of his own that will also be discussed tonight: He wants to bar city leaders from putting pressure on companies that do business with the city to hire or fire specific people. Bauer couldn't be reached for an interview Monday, but said last

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week the new lobbying rules are meant to protect the public trust.

"I don't want us turning into the Alaska state Legislature," he said.

Bobrick has agreed to testify against former Anchorage Rep. Tom Anderson and admitted to a scheme to funnel money to Anderson through a sham corporation. In December, Anderson pleaded not guilty to bribery, extortion and other charges.

Last year, Anderson registered to lobby the city too.

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

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FBI - Stevens-1041

Drag political cesspool out of Juneau

Anchorage Daily News (AK)
May 22, 2007
Author: JOHN STROHMEYER
COMMENT
Commentary

Estimated printed pages: 3

"What oil had finally learned was that sending smooth-talking lawyers to lobby the freewheeling legislators in Juneau was futile. Alaskans suspected Outsiders, particularly Outsiders in Brooks Brothers suits. The oil firms looked for an Alaskan voice and they found one in Bill Allen, the head of Veco International Inc., an oil services company that held lucrative contracts in the Prudhoe oil patch. ... Oil rewarded Veco with a steady flow of oil field contracts that in turn produced big money at campaign time."

That is an excerpt from my book, "Extreme Conditions -- Big Oil and the Transformation of Alaska," first printed in 1993. So for 14 years we and anyone else reading this nationally published book knew that Allen was Big Oil's fixer in the Alaska Legislature. Not that oil wanted political power for its own sake. It wanted to control how it was taxed, to protect the cost of doing business from the vagaries of the political system as long as oil flowed. With Allen calling the shots, his endowed legislators made sure that what oil wanted, oil got.

After a few weeks watching the Legislature back then, I was shocked to see how primitive was the political culture that reigned in Juneau. The real business of the Legislature was done in the corridors, which were lined with lobbyists. Anyone could see the selling of Alaska firsthand. Not only were private interests instructing their legislative pigeons, but school districts, municipalities and even nonprofits among others seeking favors posted lobbyists to buttonhole the lawmakers greased with campaign money or promises of support. Once sessions were under way, I was astounded to see legislators actually look to the gallery for signals from their lobbyists on how to vote.

When the day's sessions ended, the wooing games did not. Lobbyists just walked a few blocks down to the Baranof Hotel where they dined legislators or met them in private suites in the hotel, out of sight of the public, of course. If some of us wondered what transpired behind those locked doors, we need wonder no more. Consider the admissions made last week by Veco's Bill Allen and his vice president, Rick Smith, in pleading guilty of bribing four legislators:

* In Suite 604 at the Baranof during the 2006 legislative session, one bribery deal was recorded by the FBI as follows: Allen had told Rep. Pete Kott of Eagle River to defeat a gas line amendment and asked for what was apparently a progress report. "I had to cheat, steal, beg, borrow and lie," Kott said. Allen's reply, "I own your ass."

* In a second recording in the same suite, Rep. Vic Kohring asked Allen for a $17,000 loan and asked Smith if he had any hundreds in cash on him. Smith pulled out his wallet and handed a roll of bills to Allen, who in turn handed over the estimated $500 to Kohring.

This is about as crass as bribery can get. But such is the environment in Juneau. It is a cesspool for political corruption. There are no whistle-blowers in the legislative chambers. Legislators learn soon they are accountable to each other more than to the people they represent. How else can you explain the lack of legislative outrage when Senate president Ben Stevens, R-Anchorage, who was paid a total of $243,250 by Veco, prevailed without challenge last year in the thick of the negotiations over oil and gas taxes.

The federal government's routing of Alaska's principal bribers and indicting several of the alleged bribe-accepting legislators are a welcome short-term cleanup. But it does not get to the roots of reform so badly needed. Our problem is the evil political environment that has festered so long in Juneau.

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The only long-range way to fix the problem is to take the Legislature out of Gomorrah. Move the capital out of Juneau. Relocate it somewhere where the people can drive to it, where they can monitor their legislators, and where they can see which lawmakers try to do business behind locked doors.

John Strohmeyer is a Pulitzer Prize-winning journalist and author of "Extreme Conditions -- Big Oil and the Transformation of Alaska."

Photo 1: STROHMEYER_BW_052207.jpg

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Page: B4

194A-AN-13620-M; 478

Colorado company interested in Veco - BID TO BUY: CH2M Hill signs a letter of intent to discuss the purchase.

Anchorage Daily News (AK)
May 19, 2007
Author: WESLEY LOY
Anchorage Daily News Staff

Estimated printed pages: 4

A Colorado company is negotiating to buy scandal-plagued Veco Corp., the Anchorage oil-field services and construction company whose former chief executive pleaded guilty this month to federal bribery and conspiracy charges.

CH2M Hill, based in the Denver suburb of Englewood, and Veco have signed a letter of intent giving the Colorado engineering firm an exclusive 90-day period to discuss a purchase, John Corsi, a CH2M Hill spokesman, said Friday.

The sale is not guaranteed, as the firm must do a management and legal review of Veco, Corsi said.

"This has to fit both ways," he said.

Neither of the privately held companies disclosed any proposed terms Friday.

Veco is one of the largest companies in Alaska, with about 2,000 employees in the state and a similar number in operations around the world.

"The business combination with CH2M Hill is an excellent opportunity to move our company forward," said Tammy Kerrigan, who took over as Veco chairwoman after her father, Bill Allen, pleaded guilty May 7 and subsequently stepped down from his corporate posts.

"CH2M Hill is consistently recognized as one of the most respected companies in the engineering and construction industry and we are very interested in the significant value created for our clients by combining the skills and resources of the two firms," said Kerrigan, of Grand Junction, Colo. "This transaction would also provide a great home for our dedicated and skilled work force."

"We are very enthusiastic about the prospect of this deal. The outstanding employees at Veco are respected worldwide for their heritage of service to the energy industry," said Rob Smith, president of CH2M Hill's energy, chemicals and industrial systems business group. "Their commitment to client service would be an excellent fit with CH2M Hill's culture. Veco's core energy business and locations fit our corporate growth strategy extremely well."

CH2M Hill is an engineering, construction, management and design firm with $4.5 billion in revenue last year. The firm is owned entirely by its employees, and no employee owns a dominant share, Corsi said.

Veco is heavily involved in oil-field services and construction on the North Slope, and also has projects in the Lower 48, Canada, Barbados, Russia's Sakhalin Island and the Middle East. The company has annual revenue reaching $1 billion, Allen has said.

The Allen family owns much of Veco.

Allen, who helped build Veco starting in 1969, pleaded guilty to bribing state lawmakers in exchange for their votes or influence on legislation important to the oil industry, including last year's production tax reform.

FBI - Stevens-1043

Another Veco executive, Rick Smith, also pleaded guilty to federal charges, and both he and Allen face probable prison time.

Amy Menard, an attorney for Veco, had said in the wake of the guilty pleas that FTI Consulting Inc., a large Baltimore-based firm, would review the company's corporate operations and practices, with initial results expected by this week. Menard did not return a phone call seeking comment Friday.

Federal authorities have not accused Veco, as a company, of any crime.

THE ALASKA WORK

Among Veco's major customers is British oil giant BP, which runs Prudhoe Bay, the nation's largest oil field.

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BP spokesman Daren Beaudo offered a prepared statement on Veco's possible sale:

"CH2M Hill is a respected international company. Our interest is in a solution that would allow thousands of hard-working Alaskans to continue to provide quality oil-field services on the North Slope and elsewhere."

One of Veco's main rivals for oil-field contracts in Alaska is ASRC Energy Services, a unit of Arctic Slope Regional Corp., the Barrow-based Native corporation for the North Slope. The company had no comment Friday on the possible emergence of a larger competitor in CH2M Hill, ASRC spokeswoman Carol Richards said.

CH2M Hill has a deep history of work in Alaska, Corsi said.

It began with the devastating 1964 Alaska earthquake, which spawned business for the company from the U.S. Army Corps of Engineers, he said.

The firm has an office on Northern Lights Boulevard in Anchorage, and its 70 Alaska employees work on energy, transportation, water and environmental projects, Corsi said.

Clients include the Corps, the Defense Department, the state Department of Transportation, the North Slope Borough, the City of Anchorage, the Alaska Department of Fish and Game, energy companies and others.

The name CH2M Hill is built from the initials of its four founders -- including two named Howland and Hayes -- plus the name of a firm, Hill, picked up in a merger.

"The CH2M Hill enterprise, dating back to 1946, is built on honesty, ethics and morals," according to its Web site.

Daily News reporter Wesley Loy can be reached at wloy@adn.com or 257-4590.

ONLINE: Visit the Web to read past stories of the FBI investigation, the political corruption charges and the guilty pleas from top Veco officials.

adn.com/corruption

* What: Global engineering, construction, management and design company

* Headquarters: Denver

* 2006 revenue: $4.5 billion

* Employees: 19,000

* History: Founded in 1946 in Corvallis, Ore.

* Alaska connection: Firm has an Anchorage office and 70 Alaska employees. Has worked on more than 3,000 Alaska projects since the 1964 earthquake. Clients include state Department of Transportation, Army Corps of Engineers, City of Anchorage, North Slope Borough, energy companies.

* Web site: www.ch2m.com

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CH2M Hill

Photo 1: DimondGrad003_051907.jpg

Photo 2: DimondGrad005_051907.jpg

Photo 3: Brian Massey_051907.jpg

Photo 4: Mizuki Takahashi_051907.jpg

Edition: Final
Section: Main

Clean ills with public election funding - COMPASS: POINTS OF VIEW FROM THE COMMUNITY

Anchorage Daily News (AK)
May 18, 2007
Author: STEVE CLEARY
Commentary

Estimated printed pages: 3

After the Veco bribery and corruption scandal enveloped Juneau, the governor and the Legislature immediately began to talk about solutions. The Legislature strengthened laws governing ethics, including requiring full disclosure of payments our citizen legislators receive, which will help. But it won't address the systemic problem undermining Alaska politics.

The Veco scandal was not simply a few bad apples. If this scandal shows us anything, it's that we need to address the whole tree, starting with the roots. And the root, as we all know, is money.

That's why the Alaska Public Interest Research Group is proposing a real solution to corruption in politics -- "Clean Elections." Clean Elections are publicly funded elections, in which candidates gather a required number of signatures and small donations to qualify for public funding. Candidates also agree to strict spending limits in exchange for the funding.

This rids campaign politics of the special-interest money that floods the political scene each election.

While Veco executives admit to having bribed a handful of legislators outright, Veco employees have contributed to dozens of campaigns. In fact, Veco campaign contributions to state candidates total nearly $600,000 in the past decade. Going back further, to 1990, Veco, its employees and their family members gave the state and national Republican parties, GOP congressional candidates and President Bush slightly more than $1 million, according the Center for Responsive Politics.

With Clean Elections, corporations and special interests can't buy their way into the halls of government with large campaign contributions. Special interest money is simply taken out of the equation. This puts people back in charge of the electoral process and their democracy. Candidates are no longer beholden to a small number or large donors, but are free to serve the actual voters that elected them.

Clean Elections laws are working in other states and localities -- from Maine to Arizona. In Arizona, after four election cycles using Clean Elections, 83 percent of voters support the system. The current governor of Arizona was elected using Clean Elections financing, as were the secretary of state, attorney general, and 38 of the state's legislators.

In Maine, the system is equally popular. Eighty-one percent of candidates used Clean Elections financing in 2006, up from 78 percent in 2004, and 60 percent in 2002. An April 2007 report by the Maine Commission on Governmental Ethics and Election Practices finds that Clean Elections has sharply reduced private contributions to candidates; provided more choices for voters; controlled the growth in spending by legislative candidates; and leveled the playing field between candidates for public office.

In Connecticut in 2004, Gov. John G. Rowland resigned from office during a corruption investigation. He later pleaded guilty in federal court to conspiracy to commit fraud and served 10 months in a federal prison. This and other scandals cost the state tens of millions of dollars. In reaction, the Connecticut Legislature became the first legislature to pass Clean Elections legislation, in late 2005.

As Sen. Bill Wielechowski noted when talking about Clean Elections and Veco's effect on the petroleum production tax, Alaska has potentially lost $1 billion a year because votes were traded for money and campaign contributions. Alaska cannot afford to let that continue. The system must change.

Alaskans are still in shock from the recent indictments and future indictments that certainly loom. The public's trust in elected officials is severely shaken. It is time that the governor and the Legislature embrace real reform and bring Clean Elections to Alaska.

Steve Cleary is executive director of Alaska Public Interest Research Group in Anchorage. The Daily News welcomes Compass submissions of 675 words or less. Send to compass@adn.com and include a daytime phone number.

FBI - Stevens-1045

Photo 1: 18compass_Cleary_051807.jpg

194A-AN-13620-m; 480

BUILDING ANCHORAGE

Anchorage Daily News (AK)
June 1, 2007
Author: Staff

Estimated printed pages: 2

14 floors of Class A space

What: JL Tower, a 14-floor office building containing about 300,000 square feet of space, is located in Centerpoint Business Park in Midtown. It is classified as the high end of the "Class A" market, and tenants will include national companies, law and accounting firms, and oil companies, said Leonard Hyde, president of JL Properties. The tower will also feature a large lobby with a cafe, conference center and health club for tenants.

Where: 3700 Centerpoint Drive

Cost: More than $60 million

Contractors: Davis Constructors and Engineers, general contractor; Rim Architects, design; DOWL Engineers; Alcan Electric; Superior Plumbing and Heating; and Sampson Steel Co. Inc.

Why: "We perceive a demand for very high-quality office space in Anchorage," Hyde said, adding that the vacancy rate is very low here. "Our economy continues to grow, and there have been very few large 'Class A' buildings built here in the last 25 years." JL is partnered with Washington Capital Management -- a Seattle company that manages union pension funds. This entire project is being done with union labor, Hyde said.

When: Completion is scheduled for March.

Caption:
ERIK HILL / Anchorage Daily News

JL Tower, a 14-floor office building containing about 300,000 square feet of space, is located in Centerpoint Business Park at 3700 Centerpoint Drive. It will include national companies, law and accounting firms, and oil companies, said Leonard Hyde, president of JL Properties. Completion is scheduled for March.

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194A-AN-13620-M;481

Special session is set for fall -
LEGISLATURE: Gov. Palin wants to revisit oil tax, but not in Juneau.

Anchorage Daily News (AK)
May 18, 2007
Author: SABRA AYRES
Anchorage Daily News
Staff

Estimated printed pages: 3

Gov. Sarah Palin said Thursday she intends to call state lawmakers into a special session this fall to revisit the Petroleum Production Tax and would be looking to save money by holding the meeting somewhere other than Juneau.

In declaring her plans less than 12 hours after the regular legislative session ended for the year, Palin did not specify another venue, but hinted Anchorage would be a contender because of the city's proximity to a large percentage of lawmakers.

"We're not moving the Legislature, and we're not moving the capital," the governor said. "But we'll be looking for somewhere to meet that will be less expensive."

Palin said the previous Legislature spent an "outrageous" $2.1 million on special sessions. The government must pick up the bill for legislators' travel costs to a special gathering and for housing costs while House and Senate members are in session. State lawmakers went through three special sessions last year and one in 2005.

Juneau has been the capital of the state since territorial times. The prospect of moving state government elsewhere has been raised several times in the state's history and always creates heated resistance in the Southeast Alaska city.

"We do get concerned when the Legislature contemplates meeting in a place other than Juneau," Juneau Mayor Bruce Botelho said Thursday.

Botelho, who served as state attorney general from 1994 to 2002, said, "But Palin has been clear that Juneau is the capital, and I don't think this is a situation that should trigger a three-alarm fire."

Proponents of moving the capital say Juneau is too isolated from the rest of the state, making it difficult for voters to access their state government. With no roads in or out of the city, Juneau can be reached only by plane or ferry. Lawmakers whose planes have been delayed because of bad weather say they have had to miss critical session days.

Palin said the recent guilty pleas from two Veco Corp. executives who admitted to bribing legislators during last year's approval of the PPT was evidence enough that a thorough review of the tax law was warranted.

"Our oil tax formula was changed under a dark cloud of suspicion," she said Thursday.

When the PPT was created, it fundamentally changed the way the state taxes oil producers, and supporters of the tax structure were hopeful it would bring more revenue into state coffers. But first receipts last month came in $137 million short of projections.

LOOPHOLE ALSO ON AGENDA

Bill Allen and Rick Smith of Veco have pleaded guilty to charges they paid off lawmakers in exchange for their influence during the PPT debate in the Legislature. One current and two former lawmakers face related bribery and extortion charges.

Palin announced after the indictments earlier this month that her administration would begin examining how effectively the tax was working.

The governor said she would ask lawmakers during the special session to take up a bill dealing with a loophole in oil tax expenditures left hanging after Wednesday night's late adjournment.

FBI - Stevens-1047

The bill, which more than half the members of the Legislature endorsed, would keep oil companies from deducting for pipeline repairs in cases of "improper maintenance."

House Minority Leader Beth Kerttula, a Democrat who represents Juneau, said she was happy to hear the governor intended to ask the Legislature to take up the tax again.

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She stressed that she was not worried that Palin, a Wasilla native, was trying to move the capital.

Holding public hearing and testimony in another Alaska city to involve more of the public would benefit the entire state, particularly on a tax law debate that "didn't go right the first time," Kerttula said.

"This is a pragmatic governor," she said. "I'm sure she will be willing to work this out with us. I'm not concerned she meant anything more than that."

If it came down to drafting new tax legislation and voting on it, lawmakers would need to be in Juneau to access the expertise of the Legislature's legal and finance offices located in the capital, said Rep. Kurt Olson, R-Soldotna.

"We can't do it without them, and it would be too expensive to move anywhere else," he said.

Daily News reporter Sabra Ayres can be reached at sayres@adn.com or 1-907-586-1531.

Caption:

CHRIS MILLER / The Associated Press

Alaska Gov. Sarah Palin, right, discusses the results of the legislative session Thursday in Juneau. At left is Karen Rehfeld, the governor's budget chief.

Caption:

Photo 1: 18AKCM101Alaska_Governo_051807.jpg

Photo 2: 18NY122World_Bank_Wolfo_051807.tif

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Dateline: JUNEAU

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FBI - Stevens-1048

Wasilla can do better than self-serving Kohring - COMPASS: POINTS OF VIEW FROM THE COMMUNITY

Anchorage Daily News (AK)
May 18, 2007
Author: KATHIE WOLF
Commentary

Estimated printed pages: 3

Apparently, Vic Kohring believes he is the only state employee that isn't paid too much, since he thought it was OK to take money and favors from Veco. Whether or not found guilty of the federal indictment against him, his actions show his main concern is not his constituents and raise questions about who Kohring truly represents.

This is not the first time he has performed questionable activities, only the first indictment.

In 2005, Kohring went to the mayor of Fairbanks North Slope regarding changing the law to increase a tax break for an Anchorage-based developer. His actions were that of a lobbyist, not lawmaker.

In 2003, he helped pass HB 69, crafted by a Colorado company holding gas leases scattered through parts of Mat-Su. The bill removed citizen's rights to say how coal-bed methane drilling would be introduced and pulled the teeth from local government when it came to regulatory shallow gas drilling.

Perhaps, if I owned a house in Oregon as Kohring, I wouldn't have been as disturbed about having coal-bed methane drilling in the Valley, either. After all, it's not his backyard.

In 2006, he was an adviser to Marc Marlow, who made a proposal to build an 80-megawatt coal fired plant at Port MacKenzie. Once again, Kohring put himself into conflict of interest between representing Valley constituents and as business adviser to Mr. Marlow. Kohring's pattern of playing both sides of the fence doesn't do well for the people of Wasilla.

In 2000, Kohring claimed more "optional" per diem than any other legislator and in 2002, he received $1,740 per diem when absent from the capital for 10 days, seven of which he spent at his Oregon home where his wife and stepdaughter reside.

And this was in the first 19 days of session.

According to the indictment, Kohring, an Alaska state representative, on-the-side consultant and self-described frugal person, cannot pay his credit card debt.

As a representative he makes financial decisions every day that affect Alaskans and appears not able to manage his own finances.

Perhaps even sadder than Kohring is that the majority of people in District 26, Wasilla, seem to feel this is the best person they can get to represent them. I read his aides claim some are talking about creating a defense fund for him.

People, please take off the blinders! His motto may not have changed but the man has. When Kohring and several other Republicans were elected in 1994, their slogan was "throw the bums out." Two of those people, Bev Masek and Scott Ogan, have already left the Legislature, both under dubious circumstances.

I believe in the saying "what goes around, comes around," and now is the time. I hope Mr. Kohring resigns, but if not, let's throw the bum out.

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Kathie Wolf lives in Wasilla.

Caption:

CHRIS MILLER / The Associated Press

Rep. Vic Kohring, R-Wasilla, right, talks with Rep. Jay Ramras, R-Fairbanks, on the House floor in Juneau earlier this month. A federal grand jury indicted Kohring on May 4 for conspiracy to commit extortion and bribery.

Caption:

Photo 1: 7kohring1_051807.jpg

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Top lobbyist admits scheme -
Influence money funneled to Rep. Tom Anderson, Bobrick testifies
BILL BOBRICK'S LEGISLATIVE CONSPIRACY

Anchorage Daily News (AK)
May 17, 2007
Author: LISA DEMER
Anchorage Daily News
Staff

Estimated printed pages: 5

Lobbyist Bill Bobrick admitted in federal court on Wednesday that he conspired to bribe former state Rep. Tom Anderson.

Asked by U.S. District Judge John Sedwick how he pleaded to a felony charge of conspiracy, Bobrick answered in a clear, steady voice: "Guilty, your honor."

For years, Bobrick has stood out in Anchorage as the lobbyist claiming the -longest list of private clients with city business. Some of the biggest players in the development and retail worlds have hired him over the years, including JL Properties, Wal-Mart Stores and Marlow Development Corp. This year, he had five clients, but all say they have dropped him in recent days and weeks because of his legal troubles.

"I've been a professional lobbyist for the last 20 years," Bobrick said at Wednesday's court hearing.

He accepted responsibility for a scheme to funnel payments to Anderson through a sham company so the legislator would do the bidding of a private corrections company. Details of the company in court filings match a description of Cornell Companies Inc. of Houston, Texas, which has tried and failed to win support for a private prison in Alaska.

The conspiracy to commit extortion, bribery and money laundering started in July 2004 and continued until March 2005, charging documents say. In all, $26,000 changed hands, court papers say.

Bobrick, 52, now is cooperating with the government. He has agreed to testify against Anderson, who was indicted in December on seven charges including bribery, extortion and money laundering. Anderson has pleaded not guilty.

Bobrick will be sentenced after Anderson's trial, which is scheduled to begin June 25. Bobrick faces 2 to 21/2 years under sentencing guidelines, but that can be reduced based on his cooperation.

"The judge was pretty clear today. It's a serious crime. He might give you a sentence that is more than the government recommends. That is a risk that Bill decided to take because he wants to do the right thing. He is really trying to move forward," said Doug Pope, Bobrick's defense lawyer.

At one point in the hearing, as the judge questioned Bobrick on whether he was suffering from any condition that could impair his judgment, the accused man said he was being treated for depression. He said he takes medication and receives counseling, but didn't feel his condition affected his ability to go forward.

RELEASED ON BOND

Anchorage Assemblyman Allan Tesche sat next to Bobrick's sister Elizabeth in the courtroom. When the 30-minute hearing ended, prosecutor Joe Bottini huddled for a moment with Bobrick.

Tesche shook Bobrick's hand but wouldn't talk to reporters. Elizabeth Bobrick said she didn't want to be interviewed either. She came from her home in Connecticut to be with her brother, Pope said.

FBI - Stevens-1050

Bobrick was stone-faced as he walked out of the courtroom and into another area for processing. He didn't acknowledge a request for comment.

Essentially, Bobrick now must be ready for "continuous cooperation with the government," Pope said. "It's out of my hands."

Bobrick was released on a $5,000 unsecured bond. With permission of a federal probation officer, he'll be allowed to travel out of state, including to visit his wife, a medical student in Minnesota.

According to court papers, an FBI informant working for the corrections company paid $24,000 to Bobrick's Pacific Publishing. Bobrick gave $10,828 to Anderson and kept the rest, the documents say. Anderson later

194A-AN-13620-m;484

complained he wasn't getting enough and was paid another $2,000 by the government informant, according to the indictment against him.

Bobrick created Pacific Publishing to ostensibly publish a Web site about Alaska government and politics that Anderson would write for. But in reality, the company was just a way to get money to Anderson and hide the real source, court papers say.

In a secretly recorded conversation on July 21, 2004, Bobrick told the informant that he and Anderson were "pitching a bunch of people" to try to get money for Anderson. If the corrections company paid up, Anderson would be "our boy in Juneau," Bobrick told the informant.

Between August 2004 and March 2005, Bobrick was aware of "multiple official acts" that Anderson took to benefit the government informant, the charging document said.

CLIENTS CUT TIES

All five clients Bobrick worked for this year have cut their professional ties to him. They are: Marlow Development Corp.; garbage hauler Alaska Waste; Lantech, a surveying company; Cook Inlet Housing Authority; and mall developer P.O'B. Montgomery.

"You need to have the confidence of elected officials that you are dealing with them on the straight up," developer Marc Marlow said. He had turned to Bobrick for help on a number of projects, including a tax break for the renovated McKinley Tower downtown. He said he severed his relationship with Bobrick in April after news broke about the coming guilty plea.

Lantech vice president Tom Dreyer said the company gave Bobrick the benefit of the doubt in recent months, but in the past few days saw what was coming. The company had hired him to monitor the Anchorage Assembly, which has been rewriting the city's land use code.

Bobrick worked as a technical consultant to the housing authority on a tax break it just won for an 80-unit development in Muldoon, said Amy Burnett, a spokeswoman for Cook Inlet Housing. In mid-April, it canceled its contract, she said.

Alaska Waste inherited the Bobrick lobbying contract when it bought the assets of Waste Management in May 2005, said Bobby Cox, general manager of Alaska Waste. But now its relationship with him is over, too.

Daily News reporter Lisa Demer can be reached at ldemer@adn.com and 257-4390.

Who did Bill Bobrick work for?

Bill Bobrick long was the lobbyist in Anchorage with the most clients doing business before the city. The following list comes from his reports to the municipal clerk's office from 2001 through 2007. He worked for some just a year or two; for others longer. He no longer has any clients because of his legal troubles.

Alaska Interstate Construction LLC

Alaska Regional Hospital

Alaska Waste

American Fast Freight

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Anchorage Board of Realtors

Anchorage Cultural Council

Anchorage Downtown Partnership

Anchorage Home Builders -Association

Anchorage Horticulture Coalition

Anchorage Mutual Housing

Anchorage Neighborhood Housing Services

Anchorage Police Department Employees Association

Anchorage Refuse

Anti-Tobacco Coalition

Carr-Gottstein Properties

Compass Northwest LLC

Cook Inlet Housing Authority

Cornell Companies Inc.

Eklutna Inc.

Forest Heights LLC

Goldenview Land Co.

International Association of Fire Fighters Local 1264

JL Properties

Lantech

Marc Marlow

Marlow Development Corp.

Marlow Towers LLC

Paratransit Services

P.O'B. Montgomery

Siebert Brandford Shank and Co.

Simon Property Group

Smart Growth

Wal-Mart

Waste Management

White Raven Development

Williams Alaska Petroleum Inc.

INSIDE

CLIENT LIST: See who Bobrick worked for.

FBI - Stevens-1052

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TO READ the Bobrick charging document, plea agreement, political corruption timeline and more political stories, visit

adn.com/corruption

Caption:

ERIK HILL / Anchorage Daily News

Bill Bobrick leaves the Federal Building downtown Wednesday morning accompanied by sister Elizabeth Bobrick of Connecticut after pleading guilty to a single count of conspiracy in U. S. District Court.

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Anchorage Daily News

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Six vie for Peninsula mayor's job

Daily News staff

(Published: August 17, 2005)

Six candidates will compete in the Oct. 4 election for Kenai Peninsula Borough mayor, including a former state senator, a longtime Kenai city mayor, the current borough Assembly president, and a top aide to the incumbent mayor, Dale Bagley, who is prevented by term limits from seeking a third term.

Signs have already sprouted around the borough for the race for mayor, the most important local office in the region. In the Kenai Peninsula's strong-mayor system, the elected mayor serves as borough administrator and manager.

With so many candidates, an Oct. 25 runoff election is anticipated, borough officials say. A candidate would have to win more than 50 percent of the vote to win outright in the first round.

Candidates for the nonpartisan office include:

• John Torgerson, a former Republican state senator from Kasilof. A borough Assembly member before going to Juneau, he has recently served the Murkowski administration with posts in agriculture and the ferry system.

• John Williams, mayor of the city of Kenai for 18 years. A longtime Democrat, he ran unsuccessfully for lieutenant governor in 2002.

• Gary Superman, a three-term borough Assembly member from Nikiski currently serving as president.

• Ed Oberts, a Soldotna resident and longtime assistant to Bagley. He has not held elective office, other than serving on a local emergency services area board.

• Raymond VinZant, a Soldotna resident who has made several previous unsuccessful runs for office, including as Republican Moderate candidate for governor in 2002.

• Fred Sturman, a Soldotna resident active in a local government-spending watchdog group, the Alliance of Concerned Taxpayers.

The deadline for candidates to file was Monday.

Voters will also fill several borough Assembly and School Board seats and decide on five ballot propositions.

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Ex-state senator spending his own money in Kenai legislative race

The Associated Press

(Published: July 30, 2004)

KENAI (AP) - Former state Sen. Jerry Ward has dumped nearly $140,000 of his own money into his campaign to unseat incumbent Sen. Tom Wagoner, according to figures from the Alaska Public Offices Commission.

In a campaign summary Monday, Ward listed some $21,000 in monetary contributions from others, another $4,830 in non-monetary contributions and $124,126 in "candidate contributions," meaning funds from Ward's own bank account or credit card. Ward previously had contributed another $10,000 of his own money.

Wagoner, R-Kenai, told the Peninsula Clarion it is appalling that someone would spend that much on a campaign.

"That's the most obscene thing in the world," he said. "I can't imagine the people letting someone spend that kind of money out of their own pocket to try and buy a Senate seat. The voters of District Q are a little more sophisticated than that."

Ward said he's spending much of his own money because he no longer appears to have the backing of some campaign investors.

"I think what we have in Alaska is that special interests and large corporations tend to invest in those legislators that they feel more comfortable with. That would not be me," he said. "I thank all those who have worked and contributed to my campaign."

The July 26 summary covered the period beginning Feb. 2. Ward started with about $15,500 in his campaign war chest, which included $10,000 of his own money contributed in January.

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Ward's total income was close to $170,000.

SAB

According to the summary, Ward listed $88,372 in expenses as of that date, leaving him with $81,298 in the bank.

Among his recent expenses was about $30,000 in radio advertising, most of it to KSRM Radio Group.

Wagoner listed his campaign income as a little more than $49,935 with expenses of $47,337, leaving about $2,741 cash on hand. Wagoner said he put in $1,000 of his own money last fall.

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Ward said he's been working in real estate over the past year, adding that, "Alaska has been good to me."

He said he had put in as much of his own money as he could and would have liked to put in more. He wants the Senate seat back, he said, because the state has to live within its means.

"We need legislators that understand they are not to touch the permanent fund and that you don't raise taxes and don't keep spending. I stand ready to stop doing that," he said.

Ward said campaigns in Alaska are expensive, especially Senate campaigns on the peninsula.

"This one won't be any different," he said, adding that he believes the citizens of the peninsula will support him.

Under state law, candidates may contribute as much as they wish to their campaigns. Candidates also may lend their campaigns any amount, but they can only recover $10,000.

Alaska state senators are paid a base salary of $24,012 annually, and are compensated for expenses.

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FBI - Stevens-1055

Lobbyist accused in bribery conspiracy - BILL BOBRICK: He is set to plead guilty this morning in District Court.

Anchorage Daily News (AK)
May 16, 2007
Author: LISA DEMER
Anchorage Daily News Staff

Estimated printed pages: 4

Bill Bobrick, for years the lobbyist with the longest list of private clients with city business, has been charged with a single count of conspiracy stemming from a scheme to bribe former state Rep. Tom Anderson.

Bobrick, 52, is scheduled to appear in U.S. District Court this morning to plead guilty to a felony charge of conspiracy to commit extortion, bribery and money laundering. His sentence may ride on his future cooperation in the case, court papers say.

The prosecution says in court papers that Bobrick and Anderson began conspiring in July 2004. Bobrick created a sham company to funnel payments to Anderson in exchange for his doing the bidding of a private corrections company in the state Legislature, the prosecution says.

Prosecutors quote Bobrick telling an informant that he and Anderson were "pitching a bunch of people" to get money for the legislator.

Anderson was indicted in December on seven felony counts including bribery, extortion and money laundering. He has pleaded not guilty. His trial is scheduled to begin June 25.

The case laid out against Bobrick almost mirrors the allegations against Anderson.

Even after Anderson was charged, Bobrick continued to lobby for clients on city issues. About a month or so ago, he began telling people, including his longtime friend Mayor Mark Begich, that he was going to plead. After a story about his intentions to plead appeared in the Daily News, he's been noticeably absent from Anchorage Assembly meetings.

Bobrick is cooperating with the government and has agreed to testify against Anderson, according to a motion filed by prosecutors. They want Bobrick's sentencing delayed until after Anderson's trial. He faces two years or longer, but that could be reduced.

"He's deeply remorseful about having committed a crime and he wants to start doing the right thing," said Doug Pope, Bobrick's defense attorney.

Bobrick becomes the seventh person to be charged in a corruption investigation that burst into public view last summer with the searches of state lawmakers' offices. Anderson, state Rep. Vic Kohring, former Reps. Pete Kott and Bruce Weyhrauch and Veco Corp. executives Bill Allen and Rick Smith have been hit with charges. Allen and Smith have pleaded guilty.

BOBRICK CLIENTS

Bobrick registered this year to represent five clients who have business with the city.

They are: P.O'B. Montgomery, the developer of a mall in Mountain View; Alaska Waste, the city's biggest garbage hauler; Marlow Development Corp., which is behind a number of big projects in Anchorage; Lantech, a surveying company; and Cook Inlet Housing Authority. The latter just won a 10-year property tax break from the Assembly for its Creekside Town Center housing project in Muldoon.

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At least one client has already cut ties to Bobrick. David Irwin, president of P.O'B. Montgomery, said he alerted Bobrick at the start of May that the company would no longer employ him. He said Bobrick understood.

"It was just very clear where this thing was heading that we had to just stop the arrangement," Irwin said.

Bobrick's other clients didn't return phone calls on Tuesday to talk about whether he still represents them.

The charging document and other materials that lay out the case against Bobrick don't name the private prison company, but the description of it matches Cornell Companies Inc. of Houston, Texas, a publicly traded corporation. Cornell operates six halfway houses in Alaska.

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Cornell, along with partners Veco and Allvest founder Bill Weimer, failed in recent years to win public support for private prison proposals in Anchorage, Delta Junction, Kenai and Whittier. It also failed to win state approval for a juvenile psychiatric treatment center in downtown Anchorage.

A lobbyist for the prison company -- who was working as a government informant and who has not been identified in court papers -- paid a total of $24,000 to Bobrick's Pacific Publishing, according to court documents. Bobrick turned over $10,828 to Anderson and kept the rest, the documents say. Anderson later complained he wasn't getting enough and was paid another $2,000 by the government informant, according to the indictment against him. The informant matches the description of Frank Prewitt, a former state corrections commissioner who went to work for Cornell.

'OUR BOY IN JUNEAU'

In a secretly recorded conversation on July 21, 2004, Bobrick told the informant that he and Anderson were "forming kind of like a partnership" and were "pitching a bunch of people" to try to get money for Anderson. Bobrick said it would be great if he could get the corrections company to hire Anderson through him, and then Anderson would be "our boy in Juneau."

Among other things, Anderson testified at a public hearing in Anchorage on Nov. 17, 2004, in support of Cornell's request for a state certificate to run a juvenile treatment center. He told state officials that he wasn't at the meeting on behalf of any group but could endorse Cornell because he had seen "how they function and work."

The state's tape recorder at the meeting malfunctioned, and parts of Anderson's testimony were garbled, according to a transcript provided by the state. Bobrick also was there.

Between August 2004 and March 2005, Bobrick was aware of "multiple official acts" that Anderson took to benefit the government informant, the charging document said.

Bobrick was executive director of the Alaska Democratic Party in the 1980s and later became a registered lobbyist in Anchorage.

Daily News reporter Lisa Demer can be reached at ldemer@adn.com and 257-4390. Reporter Kyle Hopkins contributed to this story.

INSIDE

LOBBYISTS: An Assemblyman wants to ban those with felony convictions.

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DOCUMENTS: Visit the Web to read the Bobrick charging document, plea agreement, political corruption timeline and more recent political corruption stories.

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FBI - Stevens-1057

The Seattle Times
seattletimes.com
Wednesday, December 26, 2007 - Page updated at 01:49 AM

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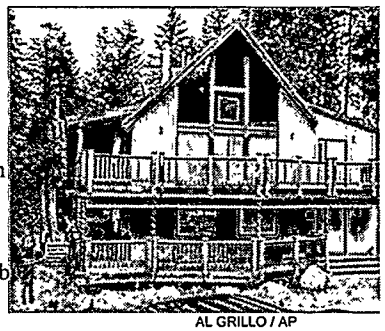
Foreman: Stevens remodel figure is way off

By Tony Hopfinger
Special to The Seattle Times

Ted Stevens, R-Alaska, is under federal investigation.

An oilfield-services company provided more than $150,000 worth of labor renovating the home of U.S. Sen. Ted Stevens, according to a project foreman who is cooperating in a federal investigation of Alaska senior member of Congress.

Employees of VECO Corp., the oil contractor, provided months of work during the 2000 remodeling, which roughly doubled the size of the senator's home in Girdwood, Alaska, said David Anderson, who supervised the job.


AL GRILLO / AP
FBI agents searched Stevens' renovated Alaska home in July for evidence in the federal investigation.

Anderson, who said he testified before a federal grand jury about the remodeling, is a former employee and nephew of VECO founder Bill Allen.

Anderson's labor estimate is of interest to federal investigators as they examine the relationship between Allen and Stevens, who for years has ranked as one of the most powerful members of the U.S. Senate.

The remodeling involved VECO labor, materials, subcontractors and other expenses. For federal investigators, key questions are the total cost of the project, and whether VECO picked up part of the tab as Allen sought to gain favor with Stevens.

At the time of the work, Stevens was at the peak of his political power, chairing the Senate Appropriations Committee in a Republican-controlled Senate and directing billions of dollars of federal spending. He also has helped shape energy, fisheries, telecommunications and other federal policies of major importance to the Pacific Northwest.

Unusual search

In late July, FBI agents took the extraordinary action of removing the lock to search Stevens' Alaska home, and spent much of the day taking measurements and gathering other evidence. The raid thrust the Justice Department investigation into the public spotlight and has ramped up pressure on Stevens.

Stevens, 84, told reporters last summer that he and his wife paid all the remodeling bills that were passed onto them. In a letter to a supporter, he put that amount at "more than $130,000."

"While I ... would like to discuss these issues in great detail, the interests of justice and our state are best served if I make my comments after federal officials complete their work," Stevens said in a statement released to The Seattle Times.

Anderson, 48, said the total remodeling cost, including materials and subcontractors, was way above $130,000.

"We did all kinds of stuff, so it's ludicrous to think that it's only $130,000," Anderson said in a November interview. "Labor alone was more than that."

Anderson said he cannot provide a full account of all the costs because he never received a project budget from Allen and did not review all the expenses. Also, he said Stevens never asked for an estimate.

Stevens and his wife, Cathy, were in Washington, D.C., during much of the renovation, but they did visit the home several times during the work, with Cathy taking an interest in choosing the final interior touches, Anderson said. Otherwise, he said, the couple seemed "nonchalant" about the remodeling.

A bitter feud

Anderson said he has been told by FBI agents that he could be called to testify should Stevens be indicted and charged with a crime. Anderson said he worked for VECO for 25 years and helped in other political tasks, including the welding of a pork rotisserie used at annual campaign fundraisers hosted by Allen for U.S. Rep. Don Young, Alaska's lone House member.

Anderson does have detractors.

They include his uncle, Allen, the VECO founder who in May pleaded guilty to bribing state legislators and is cooperating with federal investigators. In 2004, Allen fired Anderson, and the men have since been locked in a bitter feud, according to Anderson. Anderson agreed to his first interview with a reporter because he is upset with Allen's public statements, which include allegations of blackmailing against Anderson.

A VECO subcontractor on the Stevens remodeling, who has testified before the federal grand jury, also takes issue with Anderson. That subcontractor, Augie Paone, was an important part of the renovation as he framed the first-floor addition and finished the interior.

In a November interview, Paone said Stevens wrote him checks totaling about $100,000 for the work. Paone believes the remodeling could have cost — if all the work was done more efficiently — around $130,000 to $150,000. That is close to the figure Stevens cited earlier this year.

Paone contends that, while he was working in Girdwood, VECO did not contribute much to the job, and Anderson's presence was mostly to keep Allen informed of progress.

"His impact was minimal because no matter what, he had to go through Bill [Allen] for everything, and if he wasn't there, I would have gone through Bill to get things done," Paone said. "He didn't really speed up the job."

Anderson said Paone is wrong: "I busted my ass on Ted's house." He said VECO's labor costs were high because its workers were paid by the biggest oil contractor in the state.

Paone was hired halfway into the project, Anderson said, because VECO's expertise was mainly in the oil industry and commercial projects — not residential construction.

During the renovation, Anderson said, he helped move a water line, build two decks and custom-weld a metal staircase, as well as carry out other tasks ranging from stringing Christmas lights to delivering a new queen-size bed to the senator's house.

Project's beginning

Allen, 70, founded Anchorage-based VECO in 1968 and built it into a worldwide oil contractor with nearly $1 billion in annual revenue. He became a campaign contributor and friend of Stevens'. The two men even shared ownership in a racehorse.

In spring 2000, Anderson said he was sent to clear brush at the small house in Girdwood. Shortly thereafter, Allen summoned Anderson to a penthouse suite at Alyeska Resort to brainstorm how to expand the house.

"Once Bill had his mind set on the job, it was almost as though you couldn't stop him," Anderson said.

For Allen, this past year has been an abrupt descent. He resigned from VECO, which was then sold to a Colorado company. He faces prison time as a result of his May plea agreement and he has served as a government witness in federal bribery trials of two former state legislators.

This fall, during cross-examination in one of those trials, Allen testified that VECO provided materials and several employees to work on Stevens' house. When asked in another trial a few weeks later by a defense attorney if the remodeling was a "gift" to the senator, Allen answered, "No."

Others who knew Allen personally said it is possible Allen failed to forward Stevens every bill. Former state Sen. Rick Halford said that when he was serving in the Alaska Legislature in the late 1990s, Allen had Anderson work on his floatplane dock and other VECO workers spray-insulate his airplane hangar.

Halford said Allen, his friend at the time, never sent him a bill, so he wrote VECO a check for what he believed was a full reimbursement.

"I was making sure I covered myself because when Bill helped you out, you sometimes had a hard time trying to find out what to pay for," said Halford, who has not been contacted by the FBI.

Allen's attorney did not return calls seeking comment for this story.

Anderson, who now lives in a cabin by a remote Alaska lake, said he has not been charged with any crime. He said his career with VECO abruptly ended when he began dating his uncle's former girlfriend.

Anderson said Allen was furious and threatened to harm him.

While testifying in the bribery trial of a former Alaska legislator, Allen accused Anderson of blackmailing him over the Stevens remodeling. Anderson denies the blackmail allegation and said the dispute was over the girlfriend.

Relations were so bad between the two that Allen's lawyer at the time drafted a 10-page settlement in which Anderson and Allen agreed to never contact each other again. In return for signing the contract, Anderson said, he received $30,000 from the firm of Allen's lawyer.

Tony Hopfinger is a freelance writer in Alaska and can be reached at thopfinger@gci.net. Seattle Times reporter Hal Bernton contributed to this report. He can be reached at hbernton@seattletimes.com

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FLASHLIGHT

Mike Miller's makeover

North Pole Republican Mike Miller already faces two Alaskan household names in his race against U.S. Senator Lisa Murkowski and former Governor Tony Knowles for Murkowski's Senate seat. So it probably didn't help Miller's cause when media juggernaut Fox News aired the wrong photo with his name during a brief segment called "Cheap Shot of the Day."

The clip, which aired Tuesday, June 15, appeared during the popular "Hannity & Colmes" show, which for the uninitiated, pairs aggressive Limbaugh-like conservative Sean Hannity with mousy liberal Alan Colmes for roundtable shouting matches and interrupt-a-thons. The "Cheap Shot" segment appears to be a regular spot that targets allegedly unfair campaign ads. In this case, Colmes blasted Lisa Murkowski for an ad that contrasts Murkowski with Knowles and Miller.

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194A-AN-13620-M; 489

In the clip, Fox aired a tan and grinning Tony Knowles flanked by a young man of indeterminate race and political affiliation. This guy is definitely not the white, middle-aged Mike Miller we know and love.

Lisa Murkowski's camp didn't know Colmes' attack was coming, but the network's error made it easy to shrug off. "They should have some concern about their research department," said Murkowski spokeswoman Kristin Pugh.

- Kyle Hopkins

So long bully!

Perhaps it's inevitable. Perhaps children are bound to be cruel to other children. Perhaps it can't be stopped, the elbow in the side while walking down the hallway, the name-calling, the jeering, the wedgies, the big, lumbering boy waiting around the corner. Perhaps that's just human nature. Doesn't everybody have a good bullying tale? Isn't bullying a staple in nearly all coming of age stories, from Cinderella to Great Expectations to Harriet the Spy?

But sometimes things go too far, with terrible consequences. We don't need to go as far as Colorado to find such stories. In lawyer Dennis Maloney's office in Midtown earlier this year, a group of parents talked about their children being bullied. They spoke of disinterested teachers, administrators, other children's parents. They told how their children come home from school in tears day after day, threatening never to go back. They talked about the shame and humiliation.

These parents gathered at Maloney's request. He was looking for volunteers for his conference, "Bye Bye Bullies: Violence Prevention Under the Midnight Sun," which runs Sunday, June 20, through Tuesday, June 22. Nine nationally known experts on school violence will give speeches at the Discovery Theater and workshops at the Egan Center. One presenter is Dr. John Hoover, chair of the Special Education Department at Minnesota's St. Cloud State University, and author of three books on bullying. In an interview before the conference, he said, "There has never been such a group of nationally known people in violence and bullying ever assembled in one place."

As of four days before the conference, about 100 people had signed up to attend. Forty-four were teachers from the Mat-Su School District. Only one teacher from the Anchorage School District had registered. Anchorage School Superintendent Carol Comeau said she's encouraged teachers to attend, but the district isn't sponsoring the conference.

"As you can imagine, this is an awkward situation for us," Comeau said.

The awkward situation she's talking about stems from

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the person who spawned the conference. The person is simply known as "Tom." He suffers from permanent brain damage and is confined to a wheelchair. Tom, a once gifted student at Central Middle School, used to be interested in science and math, wondering how buildings were built and how stars were formed. Now, Tom has a blank stare and is fed through a feeding tube.

In 1998, when Tom was in eighth grade, he tried to hang himself. His parents say he attempted suicide because he was the target of relentless bullying. In 2000, Tom's parents filed suit against the school district, claiming school administrators didn't do enough to end the bulling. The parents and district reached an undisclosed settlement.

In the lawsuit, Tom's parents alleged that Central Middle School's administrators, including the principal and vice principal, were at least somewhat aware of their son's problems but did nothing to stop them. In fact, Tom got punished when he called attention to the bullying. School policy dictates that anybody involved in an altercation, regardless of who's at fault, faces a punishment, according to testimony by the principal in charge of Central Middle School at the time Tom says he was bullied. That policy is still in effect; although school officials say they've become more vigilant at implementing anti-bullying programs.

Maloney represented Tom's parents in the suit against the district. Maloney is using some of the proceeds from the undisclosed settlement to organize the bullying conference. "It's the one truly altruistic thing I've done in my career," he said.

Maloney, too, has a son who was bullied in school. The lawyer knows how horrifying it can be as a parent. He got tears in his eyes when he spoke about Tom and other children who are being "permanently scarred" at school every day.

Jeff Deitz is among the parents that have met with Maloney to share their children's problems with bullies. In a telephone interview, Deitz said his son was getting picked on in Ocean View Elementary School so badly that he talked about committing suicide. Last semester, Deitz said he transferred his son to Faith Lutheran School, where he is doing much better. The experience at Ocean View changed his son. "He's not as sweet as he used to be," Deitz said. At least he now has new friends, Deitz said, and most importantly, he's alive.

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- Amanda Coyne

Alaska Aces battle Gin Kings

Flashlight usually finds reporting on namesakes nothing more than tedious. They require things like checking and double-checking facts. Like, was it Jim Jr. or Jim Sr. who got caught with his pants down in front of the

playground? Flashlight never thought a namesake could lead somewhere interesting - that is, until we heard about the other Alaska Aces who play in the Philippine Basketball Association.

The Alaska Aces are owned by Alaska Milk, a company based outside of Manila in Makati City, Phillipines. The company proudly claims on its website to be the Philippines' second largest importer of milk products. The PBA is made up of corporate-owned teams, so the Ace's rivals include the Coca-Cola Tigers and the San Miguel Beermen. During Gran Matador PBA Fiesta Conference play - which is in post-season play this month - the University of British Columbia and a U.S. Pro-Am team also play PBA schedules.

The Aces play two consecutive conferences (read seasons) each year, general manager Joaquin Trillo told Flashlight over the phone from Makati City. One conference is "all-Philippino," the second is "reinforced" with one "import" player per team. The Aces' current import is Galen Young, a 6'5" American (a giant by Philippine standards) who was once drafted by the Milwaukee Bucks, but never played for the NBA team. Young averages 25.2 points per game in the PBA - but don't assume the ball is always going to him. Young also leads the Aces in assists, with 7.2 per game.

The Aces racked up ten championships in the 1990s, but lately they've been "rebuilding," Trillo said. "We did win one conference championship last year, but sometimes our inexperience comes into play," Trillo said.

The Aces won an automatic berth into the quarterfinals of the current tournament, but fell to the Tigers and the Barangay Ginebra "Gin Kings." The Aces post-season is almost certain to end this week, as the round-robin style tournament continues. "We were in the top two teams going into the playoffs ..." " Trillo said. "We still have a chance, but not much of one."

Incidentally, as a product name, "Alaska Milk" goes back to 1972, and the people responsible were neither Alaskan, nor Philippine. The official word is that no one knows why they chose the name. "That's a one million dollar question that's been asked over and over again," said Rick Ramos, a company spokesman. "Alaska was a brand that was previously imported to the Philippines from Holland." The earliest Alaska products were canned and dry milk products. "Now we have fresh milk too, but that's actually imported from New Zealand," Ramos said.

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Go figure. Go Aces!

- Scott Christiansen

Uncle Ted's horse with no name

Ted Stevens is

climbing the ladder of the country's richest senators, and though he lost ground on some investments in 2003, a new report shows he finished the year tens of thousands of dollars ahead. Stevens has done best at investing in real estate, but he's also dabbled in other ventures. Stevens says he has a stake in a racehorse and oil interests in Oklahoma, according to a statement of his investments, which he is required to file as a senator. He also owns about 10 heifers and a bull with his mother-in-law in Arizona. That and a fishing group awarded the senator a sled dog last year.

Stevens' finances have drawn close attention in the past two years because of his ties to Jonathan Rubini and Leonard Hyde, two of Alaska's biggest developers. Last year, the Press, the Anchorage Daily News and the Los Angeles Times ran articles exploring the link between Stevens and partners Rubini and Hyde. The reports stemmed from a $50,000 investment Stevens made in 1997 with one of Rubini's companies, JLS Properties. Stevens estimated that by 2002 his investment had rocketed to between $750,000 and $1.5 million. In the years after Stevens made his initial investment, Rubini's main company, JL Properties, scored hundreds of millions of dollars in federal contracts, including a National Park Service building in downtown Anchorage and a contract to privatize housing on Elmendorf Air Force Base. Rubini and Stevens both say the senator didn't use his political power to influence those contracts.

On Monday, June 14, new financial disclosure reports became available, offering a look into Stevens' holdings in 2003. Not much has changed. Stevens reports that he still owns a stake in at least four businesses that list Rubini and Hyde as stockholders. Among the properties are a 10-story office building in Midtown that houses the headquarters of Arctic Slope Regional Corporation, an Alaska Native corporation, and a garage and parking lot on Bering Street, where the municipality maintains city vehicles. Stevens reports that his stake in those businesses lost about $43,500 last year, but he still values his investments with Rubini and Hyde at $700,000 to $1.5 million.

Stevens reported that his biggest income last year came from a deal unrelated to Rubini and Hyde. Stevens netted $129,000 from the sale of a condominium in Bay Harbor, Florida. He made another $65,000 off a stake in a subdivision development in Grantsville, Utah.

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Stevens ranks 34th on the list of the richest senators, with a net worth of about $1.4 million, according to estimates based on the senator's financial disclosures and a CNN report this month. Presidential candidate John Kerry is the richest senator, with an estimated $163.6 million. Because senators must disclose any big-ticket gifts they get, Stevens reported that the Kenai River Sportfishing Association gave him a sled dog as part of a public service award. Stevens then bought the dog's brother for $250.

One of the most random investments in Stevens' portfolio is 10 percent ownership of a racehorse through a company called Alaska's Great Eagle. The spokeswoman at the senator's office declined to give the horse's name or racetrack record - Stevens gets a shred of privacy, she said. Records filed with the state show Stevens isn't the only big-time Alaskan with a stake in the horse. Bill Allen and Carl Marrs are listed as partners in Alaska's Great Eagle.

- Kyle Hopkins

Concert Ticket: $25.00

Silly String: $2.79

Sobering up in the Anchorage Jail...

There's nothing in the police report about how a can of Silly String got into the Adema concert at the Egan Center on Friday, June 11. Flashlight can only surmise that concert security doesn't always catch every little stringy thing that comes through the door. We can also imagine that the Silly String Bandits brought their contraband intending on having some good clean fun. But somewhere along the way, things took a violent turn and the pair, (he is 21, she's 19), wound up in jail. They were accused of damaging property and punching people in the head, according to Anchorage Police Department spokeswoman Anita Shell. The formal charge is disorderly conduct. The security guards seemed to have given the Silly String Bandits at least one opportunity to stop, according to APD. "They had been previously warned of their conduct by security. That's when they came back in and started punching people in the head," Shell said. A chain-link fence was damaged to the tune of $600, bent under the weight of the Silly String Bandits. APD was told that the cost of cleaning Silly String off of some high-up Egan Center windows is estimated to be $100 to $200. Both bandits had bail set at $1000 and were eligible for release only after they sobered up.

- Scott Christiansen

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1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

July 8, 2005 Friday, FINAL EDITION

ANWR oil should be shared, three say; EXEMPTION: Arctic Slope has a deal that excludes other Native corporations.

BYLINE: By PAULA DOBBYN, Anchorage Daily News

SECTION: MONEY; Pg. F1

LENGTH: 952 words

Three prominent shareholders of Cook Inlet Region Inc. want every Alaska Native -- not just those on the North Slope -- to share the financial rewards of oil produced from the Arctic National Wildlife Refuge.

Robert Rude and Gosta Dagg, directors of the Anchorage-based regional Native corporation, and former state senator and CIRI shareholder Jerry Ward, say ANWR should stay closed to development unless Arctic Slope Regional Corp. is required to share revenue from land it owns inside the refuge.

"We have an obligation to protect our shareholder rights," Rude said this week.

Rude, Dagg and Ward are trying to get Congress to overturn a key provision of a 1983 land trade that gave Arctic Slope 92,160 acres of oil rights within the Arctic refuge and exempted the corporation from sharing with other Natives a portion of the revenue it could earn from oil and gas development. Under the federal law that created them, regional corporations typically share with other Native corporations 70 percent of profits from oil and gas production, mining, logging, and other resource development. It's commonly referred to as the "Share the Wealth" or "Robin Hood" clause.

The three CIRI shareholders want Congress to include in any legislation that lets oil companies onto the refuge's coastal plain language to also end Arctic Slope's revenue-sharing exemption.

With ANWR estimated to contain 10.4 billion barrels of oil, which is now selling for nearly $60 a barrel, Arctic Slope stands to earn a bundle, Rude said.

"It's a staggering amount of money," he said.

Arctic Slope's position is that the oil comes from Inupiat land and its benefits should stay within the corporation and its shareholders. Arctic Slope's exemption from the revenue-sharing requirement was spelled out clearly in the land exchange, said Richard Glenn, vice president of lands for Arctic Slope.

"This issue was decided long ago," he said.

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Glenn said Arctic Slope traded surface land for subsurface oil rights and that's what makes it exempt from revenue-sharing. Arctic Slope's position was upheld by the American Arbitration Association in 1989 after two other regional corporations, Aleut Corp. and Bristol Bay Native Corp., challenged the lack of wealth sharing.

That may be, Dagg said. But it's something that has burned him and others for more than 20 years, he said. It's time to revisit the 1983 deal, Dagg said, especially since the possibility of opening ANWR to development has gained momentum in Congress this year. He is talking to as many Natives as he can, including at CIRI shareholder meetings, to raise awareness, he said.

Many people running Native corporations these days weren't in charge in 1983, Dagg said. A lot of Native executives don't even know that Arctic Slope owns land inside the refuge, much less that the Barrow-based company doesn't have to share the fruits of ANWR.

Arctic Slope was exempted from the revenue-sharing requirement under a land trade with the Department of Interior that government

194A-AN-13620-m;490

auditors concluded in 1989 was a raw deal for most Alaska Natives and American taxpayers in general. Under the land exchange, Arctic Slope traded 101,272 surface acres near Chandler Lake in Gates of the Arctic National Park, valued at $5.9 million, for oil rights under 92,160 acres of ANWR. The value of this subsurface tract was estimated at $395.5 million, according to a government report.

Congress never got to vote on the land transfer. At the time, congressional approval was not required for land trades the interior secretary made with Native corporations. That changed a short time later.

The Government Accountability Office -- then called the Government Accounting Office -- in its 1989 report found that the Interior Department undervalued the refuge land.

The GAO also concluded that the land exchange hurt most Natives because it excluded the revenue-sharing provisions. The public did not have a chance to review and comment on the land exchange before it was done.

Federal and state officials and Alaska Natives told the GAO at the time that had they had the opportunity to comment on the land exchange, they would have objected to many of its provisions, the agency said.

Arctic Slope rejected the GAO's conclusions. As far as sharing the wealth is concerned, Arctic Slope said it acted in good faith and complied with a profit-sharing settlement agreed to by the regional corporations. That agreement exempts profit sharing when surface land is traded for subsurface. The GAO report says Arctic Slope's lawyers were frank about structuring the exchange so it was not subject to profit sharing and was designed to protect the interests of the company and its shareholders.

The CIRI directors and Ward, who was narrowly denied a board seat in a corporate election last month, say it's not too late to right what they see as a historic wrong.

"We want this fixed," Ward said.

Unless things change, more Alaska Natives are going to build alliances with environmental groups opposed to ANWR drilling, Ward said.

In May, Rude sought help from Sen. John McCain, R-Ariz., chairman of the Senate Committee on Indian Affairs, and Rep. George Miller, D-Calif., a member of the House Resources Committee. Miller objected to the land exchange two decades ago and requested the GAO audit.

Rude said McCain responded with a letter saying he would consider the matter. Miller has yet to respond, Rude said.

The three CIRI shareholders said they are acting as Alaska Natives and not on behalf of CIRI.

None of Alaska's three congressional members could be reached for comment.

Daily News reporter Paula Dobbyn can be reached at pdobbyn@adn.com or 257-4317.

LOAD-DATE: July 9, 2005

LANGUAGE: ENGLISH

GRAPHIC: Rude; ; Ward

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TYPE: Staff

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Rep. Don Young (R-AK) (House Website)

Experts Question Legality, Ethics Of Young's Earmark

By Laura McGann - August 10, 2007, 5:06 PM

There are earmarks, and then there are *earmarks*.

Rep. Don Young (R-AK) has taken the political art form to an ethically questionable level that even some experts in the trenches have never seen. In 2005, Young waited until after the House and Senate passed a transportation bill, but before the president signed it into law, to rewrite a passage that would have granted $10 million for an interstate in Florida. His new wording targeted the money to a much smaller, more specific project to connect Coconut Road to that interstate. It's an unpopular project in the area, but a boon for real estate developer Daniel Aronoff, who held a $40,000 fundraiser for Young in Florida just before the earmark appeared.

Young has refused multiple requests for comment from different publications on these, and related allegations. Once he made an obscene gesture at a *New York Times* reporter who approached him about the earmark. His spokeswoman did not get back to us today.

I asked a few experts today for historical and ethical perspective on Young's move.

Former staff director of the House Appropriations Committee, Scott Lilly, said this is a very atypical procedure. Once the bill has been voted on by the House and Senate, only some very technical changes can be made by the clerk. Then it goes to the President.

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"The committee chair really doesn't have any control over the bill at that point," Lilly said. "There are some really arcane things that you can do, but you would have to pass a resolution directing the enrolling clerk to make the change, but that would have to pass both Houses. There is very little the enrollment clerk can do. I don't know that they can change spelling mistakes."

The changes made by Young are far more substantive than spelling errors.

"To say it's unusual isn't enough," said Keith Ashdown of Taxpayers for Common Sense. "It is an anomaly that we have never seen before."

WYA-AN-13620-M; 491

Normally, members of Congress who want to clarify how an earmark is to be spent, outline the details in an accompanying report. These reports are only advisory, but are often followed to avoid falling out of favor for the next time an appropriation rolls around. Ashdown pointed out that the 2005 legislation was Young's last chance to oversee a transportation bill, which only come up every six years, as a committee chair. Advice from a sitting duck committee chair wouldn't carry the same heft as language in the law.

"[Young] knew that because this was a controversial project in the area, the only way to make sure his benefactor got the money was if he wrote it in the statute," Ashdown said.

So what can be done now that the change carries the force of law?

The executive director of Citizens for Responsibility and Ethics in Washington said she thinks there's virtually no chance of the famously inactive House ethics committee pursuing the issue.

"I think that this is a highly unlikely thing for the ethics committee do anything about," Melanie Sloan said.

Still, theoretically, another member of Congress *could* file a complaint against Young. Craig Holman, the campaign finance lobbyist for Public Citizen, said this issue could be taken up by the courts, by either a private citizen or another member of Congress.

"If anyone can just change the language of a bill carrying it to the President, then why even have a Congress?" Holman said.

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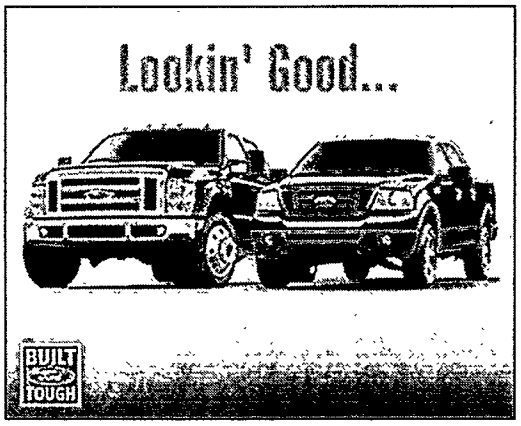

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Comments:

So, how is this any different than the language that got inserted about recess

appointments late last year by Arlen Specter's staffer? Obviously, something is getting changed that shouldn't be -- and the Repubs are circumventing the rules.

Posted by: Sojourner
Date: August 10, 2007 5:18 PM

Sojourner, I think that Arlen's staffer inserted that language before it was voted on. This is after both houses passed it - they really aren't supposed to change it at that point!

Posted by: P J Evans
Date: August 10, 2007 6:03 PM

OK -- I remember now that the staffer inserted it into the conference bill. Thanks...

Posted by: Sojourner
Date: August 10, 2007 6:09 PM

I'm pretty sure thr change about recess appointments was made *before* the final bill was passed. Sneaky, but it was in the text being voted on and there to see if anyone had the time/ took the trouble to look for it before voting on the final bill.

The issue here is that the final text of the bill that was passed by Congress was *not* the same text that was sent to and signed by the President. I don't see how that could possibly pass Constitutional muster.

I was surprised to hear that even spelling mistakes could be corrected at that point; sounds like Scott Lilly who surely would know didn't think that was possible either.

Posted by: NitPicker1
Date: August 10, 2007 6:11 PM

Bill Moyers' Journal had a piece on earmarks incl Young's coconut rd earmark.
http://www.youtube.com/watch?v=x7VUvdhgXsY

Posted by:
Date: August 10, 2007 7:48 PM

FBI - Stevens-1070

Bill Moyers' Journal had a good piece on earmarks incl Young's coconut rd earmark.
http://www.youtube.com/watch?v=x7VUvdhgXsY

Posted by: Bill W
Date: August 10, 2007 7:49 PM

Getting pissed here in Alaska. Dirty Don doggone Young. What a pig.

Posted by: aklocal
Date: August 10, 2007 9:50 PM

If Bush signs the bill, with the obstensibly unconstitutional change inserted, what version of the bill (that from the House and Senate or that which appears on his desk) applies? Or is law?
Since Bush has made alot of mis"prioritization" of transportation bills, this would be a fine time for him, if he's made aware of the change, to send it back for correction.....if he really believes in legislation at all.

Posted by: deRougemont
Date: August 10, 2007 10:36 PM

I don't understand how this can generate so much doubt--the piece of paper that the president signed was never passed by congress. It's that simple. Whether or not the REST of the act, the part actually voted upon is still in force might be a subject for discussion, but unless congress passed legislation with boilerplate language saying that "in addition to the sorts of corrections we allow the clerk to make before sending the bill to the white house we also want crooked congressmen and women to be able to add corrupt pork for the benefit of their fat-cat pals", I don't see how this should take more than 2 seconds to figure out. Yeah, I know, knucklehead signed it--big deal. The constitution also says that all legislation originates with the Congress. If this didn't originate with congress, it's no law.

How would this be any different than a congressman getting every copy of a bill printed by the Gov. Printing Office and pasting in a corrigenda saying--"oh, and give my pal carwinrpc a gazillion dollars?"

Posted by: carwinrpc
Date: August 11, 2007 8:34 AM

There have been several similar cases. Eugene Volokh wrote on this topic with respect to a lawsuit alleging that a controversial change was made to the medicare bill in 2004, and Hastert signed the document saying that it had passed the house of representatives knowing that the document he signed did not match what was voted on by the house.

The general rule is from Field v. Clark, 143 US 649 (1892). "The version of the bill signed by the leaders of both houses and presented to the president is the authoritative text of the act, and the courts have no authority to look to committee reports or other parol evidence to impeach it."

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The quoted sentence is discussing rules of evidence, so it is not clear (to me) what a court would do if the fact is indisputable.

Morris Pearl

Posted by:
Date: August 11, 2007 10:40 AM

This is different from the president signing something that has not been passed, because this bill was presented to him signed by the presiding officers of both houses as being passed by their houses (which is the standard procedure for bills being passed). The speaker of the house and the presiding officer of the senate each sign the bill. Eugene volokh wrote a piece some time ago concerning a similar case in 2004, where the house and senate passed different versions of the medicare bill. Apparently someone on the house side changed "13 months" to "36 months" in a controversial section (or maybe vice versa, I don't remember) and Hastert signed the bill knowing that it was different from the bill as passed by the house of representatives. Someone sued. There have apparently been several cases like this before, and the controlling supreme court opinion seems to be from Field v. Clark, 143 US 649 (1892), which says that "...the version of the bill signed by the leaders of both houses and presented to the president is the authoritative text of the act, and the courts have no authority to look to committee reports or other parol evidence to impeach it." Although that sentence is talking about a rule of evidence. It is not clear what would be the ruling if there were no facts in dispute.

Morris Pearl
(Sorry if this is posted twice, I am still figuring out the comment system.)

Posted by: Morris Pearl
Date: August 11, 2007 10:50 AM

Don young makes me sick. Sooo many up here love the pork he produces and are willing to put up with the proclivities he seems to produce. To me though, he is the epitome of whats wrong with this country. Pols working for corps with lots of cash and slinging largess in all the rich directions. 12 billion a month for a war of agression, young has no problem with it. 10 million for a fends unwanted freeway interchange, no problemo. Toilets for esikimos? Hell, by god they can work for it. lazy natives. Yeahhhh don young the great. Lil' fucker.

Posted by: sickinalaska
Date: August 11, 2007 11:26 AM

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1. Aha! At last an opportunity for a signing letter, refusing to implement that earmark, that will show just how "justified" and "necessary" signing letters really are.

2. Who comes up with these things? Who came up with this particular one? Are there lobbyists who actually compete to figure out ways around the constitution on behalf of of these relatively minor projects? (I say relatively because it would seem like a tool like that is wasted unless it can be used to draw some huge special interest's bogeyman?

FBI - Stevens-1072

See my code "parcel," which makes this what kind of post?

Posted by: BG124C41
Date: August 11, 2007 2:12 PM

"Advice from a sitting duck committee chair wouldn't carry the same heft as language in the law."

Shouldn't that be LAME duck?

Posted by: Northwest Gypsy
Date: August 12, 2007 12:43 AM

Surreptitious wording is the new way to put the pork in their pockets, considering how they used it in the DOJ recess appointments.

Surely there needs to be a law, or a freshening of the existing law, that de-certifies any such subterfuge.

And severe penalties, at the felony level, for those who so casually re-direct our tax money towards their personal circle of benefisiaries.

Posted by: JEP
Date: August 12, 2007 10:00 AM

"So what can be done now that the change carries the force of law?"

Does it? Shouldn't this type of theft already be covered somewhere in the myriad laws we have on the books?

Seriously, is there no law that prohibits profitable rewording on the part of special-interest, surely there's something 'midst the myriad regs that already covers this?

Posted by: JEP
Date: August 12, 2007 10:15 AM

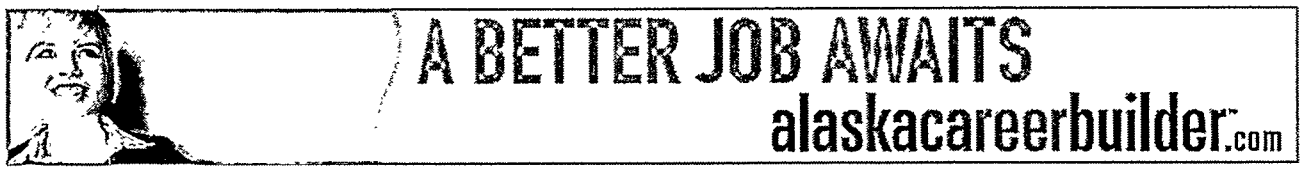
I think there are still many unanswered questions involving this "post-passage/pre-signing" earmark.
1. Did the money get spent on the road? If so, issues of legality and constitutionality SHOULD kick in.
2. Also, a KEY issue -- how long has this practice been going on? As Morris Earl suggest above, this Florida earmark may be just the first time people NOTICED. So much more needs to be followed up here to determine what exactly has been going on both in Florida and more generally. When combined with the partisan circus that was house-senate conference reports under Republicans with Bush's signing statements, one should legitimately wonder what projects actually get set in motion with recent appropriation bills. I'm wondering if someone (perhaps in the blogisphere) needs to go back and look.

FBI - Stevens-1073

Jared D

Posted by: Jared D
Date: August 12, 2007 12:54 PM

I read somewhere that the Florida Highway Commission is going to attempt to use the appropriation in its originally-designated manner, applied to the larger portion of highway, and not just the Coconut Rd. interchange.



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'Discretion and tact are essential'

Posted: July 12, 2007 - 4:38 pm

Want to make $4,000 a month investigating politicians' shenanigans?

Apply here to be APOC's new (and only) investigator.

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$ 4K thank-you note to the FBI ...

A better use of the $4000 per month would be for the State to put it in an envelope each month and send it to the FBI with a note saying: "Thanks and keep up the good work!"

I'm no big fan of the feds running Alaska. But I've got to hand it to them. They are doing ethics clean-up work that the State can't and likely never will be able to do themselves.

now tkelley | July 13, 2007 - 9:46am

reply »

question

how independent is APOC and APOC-staff from the Governor's Office?

new Stags_Leap | July 13, 2007 - 8:36am

reply »

How independent from Ruedrich?

That's the real question.

Tact, and discretion? Is that a code for Political Correctness? You know, the brand that Ben Stevens' supporters on APOC's board used to plea for leniency and compassion for the punk.

Were they showing mere tact and discretion by not properly investigating Metcalfe's strong and repeated allegations against Ben's use of bribery and political influence peddling?

Maybe you forgot to add the "good attitude" requirement, too - the brand that makes you feel wonderful even when you turn your head away from facts and land the whole state in the wrong mafia neighborhood, because at least you feel happy when you hand over the extortion checks each month. Oh to be in the wrong place, feeling so good...

So yes, send the $4g's monthly to the FBI until 2015 or whenever they finish cleaning up APOC's

Alaska Politics

State, local and beyond

Alaska has a new governor, a new legislature and a powerful congressional delegation. Come here for the latest news and tidbits from the transition, from Juneau and elsewhere by Daily News political reporters. We want to hear from you, too. So sound off and interact with other readers and the reporters in the "comments" section.

Kyle Hopkins covered the 2006 campaign for governor and is covering the Palin administration's transition. Before joining the Daily News in 2005, he was a writer for the Anchorage Press and the Fairbanks Daily News-Miner. E-mail him at khopkins@adn.com.

The Trail 2006 campaign blog

ARCHIVE

Dittman poll: Businesses, milk, global warming - 7/20/2007 3:21 pm

Murkowski in the spotlight - 7/20/2007 10:46 am

Round-up - 7/19/2007 10:06 am

What to do about homeless - 7/18/2007 3:16 pm

Roll Call on Young - 7/18/2007 10:59 am

Tesche - 7/18/2007 10:31 am

Special session and capital creep - 7/17/2007 9:14 pm

Poop update - 7/17/2007 7:54 pm

(UPDATED) AP on Stevens - 7/17/2007 6:27 pm

Wrong number - 7/17/2007 3:20 pm

Wes Keller to replace Kohring - 7/17/2007 12:54 pm

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FBI - Stevens-1074

94-AN-13620-M; 492

PC mess. They are simply required to do professional law ENFORCEMENT - not get all soft and touchy about hurting the crooks' feelings.

As Metcalfe proposes, get the law enforcement aspect handled outside APOC - but first, put all the election, disclosure and campaign finance laws under one new Chapter. When the People petition for improvements, they aren't required to check a column on the intiative for "I've been PC, or tactful, or discrete" in order to protect their rights from bad politicians and PC agencies' failures. But they might want a checkbox for "all this corruption has given me a bad attitude, and 'I'm not going to take it any more'."

new staufen | July 14, 2007 - 8:11am

reply »

Small spenders - 7/16/2007 8:32 pm
Mental illness and guns (UPDATED) - 7/16/2007 4:43 pm
Candidate Harris - 7/16/2007 10:39 am
Lots of lawyering - 7/16/2007 10:01 am
Replacing Kohring - 7/14/2007 2:28 pm
Should dogs be banned from ballfields? - 7/13/2007 12:22 pm
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APOC is not a law enforcement

agency in the sense that, say, the Troopers are. It has no real investigative staff and is charged only with enforcing and reporting CAMPAIGN finance law.

If the facts AS ASSERTED in a complaint would constitute a violation, it gets referred to the board for a determination. They don't really look into whether the assertions are true or rebuttable unless and until a formal hearing is convened.

The real issue here is the NOBODY really is charged with overseeing compliance with the law by either executive or legislative branch officers and employees. Everything depends on someone making a credible complaint or somebody inside the government with enough horsepower deciding to do something; a place where angels fear to tread.

Alaska really, really needs an independent Inspector General sort of office charged solely with overseeing compliance with State law. And even with statutory independence, it will be subject to the same political forces as I describe in the reply to Stag's question. You can have all the authority in the world on paper, but if your office doesn't have windows, your seat flushes, and you have no staff or budget, that authority doesn't mean much.

new Black3 | July 14, 2007 - 8:33am

reply »

Yeah, an independent IG

That can enforce MERIT SYSTEMs

Wasn't that your job and part of enforcing PERA?

But then a state system like the link would be lame as APOC and subject to pardon,s too.

Good thing it's the Feds involved.

Unless the president pardons you CBC's, it's prison. I don't think the Governor could help if she wanted.

FBI - Stevens-1075

new edgefinder | July 14, 2007 - 9:13pm

reply »

Love it!

Don't forget to put the lid down.

new palmerbuyer | July 14, 2007 - 12:16pm

reply »

Technically, it is an exempt agency

that administratively resides in the Department of Administration. The

employees technically work for a Board that is appointed by the Governor and confirmed by the Legislature. Terms are staggered, so a Governor would have to be in his/her second or third year to have a board exclusively of his/her appointees. The employees are all either exempt or partially exempt and are non-union, so they don't have either merit system or contractual protections. That said, no public employee, including exempts and PXs, really "serves at the pleasure," so they have some protection from wrongful discharge but would have to go through the Courts using their own resources.

OK, that was the textbook answer. In reality, no State employee with ministerial authority or in a ministerial agency is truly independent from political authority. It is the rare Governor (or staffer) or Commissioner/Director who will come right out and tell someone with ministerial authority "do this" or "don't do that," though I've seen some brazen enough to do it. While they won't usually do it overtly, they can certainly let you know what they want to happen and make your life exceedingly uncomfortable if it doesn't happen. Your travel gets special scrutiny, your spending gets special scrutiny, you lose positions, your budget gets cut or you don't get a necessary increment, you get hauled over to spend quality time with a legislative committee or have some "personal moments" with a legislator - the Com's Office, OMB, and legislators all play that game for people who "don't play well with others."

Even without all that, the actions, management, and even the staff of any ministerial agency are on the auction block in every gubernatorial election. Even for merit system employees, doing one administration's bidding can cause the next administration to put a laser dot on your forehead; I've seen whole State functions literally sold for campaign support, investigations stopped, meritorious lawsuits dropped - I could go on for a while.

And just because it's you, Stag; it isn't a Republican thing. They do it, but not very well. The Democrats are masters at it, and since they're "good people" the Press never looks twice when they axe classified employees and eliminate whole functions because some interest or contributor wants it. And if you want to get argumentative about that, I can get REAL specific.

new Black3 | July 13, 2007 - 9.29am

reply »

Please Do

Your insight is is enlightening.

new twentythreeskidoo | July 13, 2007 - 9:50am

reply »

Yeah, Blackir

Yeah, give us the dirt on how the State Management can punish and reward arbitrarily for reasons instead of merit.

More on the Murkowski Partonization scheme,too. Tell us how you were HELPFUL setting it up with the hiring freeze and HR consolidations..

new edgefinder | July 14, 2007 - 12:46am

reply »

Incredible...

FBI - Stevens-1076

Just another way to waste money. Another bureaucrap position earning money for doing nothing. We know how hard these State workers work at "not" doing work.

new alaskapat528 | July 13, 2007 - 5:58am

reply »

Unless you've actually worked at

a meaningful level in State government, you have no idea how State employees work. I won't deny that there are pets and sinecures, but you'll find most of them in the Exempt Service because some elected or appointed official put them there; talk to your legislator or the Governor about that - I know who and where they are and they aren't hard to find.

In the classified service, the vast majority of State employees, most give the State an honest day's work for a day's pay, and the pay is nothing to write home about. The Alaska economy generally, and State employment specifically, missed the '90s, and State pay is less than most of the munis and isn't remotely competitive with any states other than in The South nor is it competitive with the federal government. Upper level classified managers, supervisors, and professionals have left the State in droves over the last decade and those who've remained stay only because they are Tier One PERS and close to retirement. The recruitment and retention problems are particularly acute with skilled trades, managers, degreed professionals, and with law enforcement and other occupations that require a background check and a drug test. With Homeland Security, TSA, an increasing prison population, growing law enforcement, increased reserve and NG mobilization, etc., the whole Country is pretty much out of people who can pass a background check and pee in a bottle.

new Black3 | July 13, 2007 - 8:55am

reply »

I most certainly do...

I worked for the State so I am very well aware of what goes on within the State. One of the problems people complain about is the fact that SBS Insurance is mandatory. It's a good thing but it's a big chunk out of your paycheck. Then there is P.E.R.S., and the waste of union dues. Having worked in the private sector most of my life I was accustomed to giving a full day's work and working hard. I found this to be not so during my employment with the state. Employees who played around and put the work on lower level staff and bragged that nothing could be done to them due to their tenure and the union. So yes, I know all about working for the State.

new alaskapat528 | July 14, 2007 - 5:30am

reply »

528

Here's the fed's take on thow the mandatory stuff becomes corrupted.

Figure 3 is a good explanation of how the corruption works for them.

new edgefinder | July 14, 2007 - 8:07pm

reply »

you have no idea how State employees work

But we have an Idea that you are corrupt, and were appointed to retire.

And that the FBI came to the state looking for ethics violations that and that you retaliate against people required to report them.

I would say that you are part of an association in fact with AFSCME, would you?

Their "e" stands for extortion.

new edgefinder | July 13, 2007 - 12:48pm

reply »

FBI - Stevens-1077

And you're still fired, aren't you

moron? If you have a charge, make it formally instead of just sitting here spewing s**t.

new Black3 | July 13, 2007 - 1:32pm

reply »

"Spewin" at the Federal Court

Like before, I am choosing the venue well for local rules and you will have a chance to answer why a treaty was violated when the Federal Gov. funds "Adequate and in Place" programs. A good case for fraud there.

I think San Jose. Good for you?

I figure it is not a stretch to call you association in fact of the AFSCME, as you seem to share so many e-mails that correctly allege violations you collectively ignore.

What's up with your Mgt. Services friend? Is he going to Prison? Seems like JC is probably sweating it about now.

If you have any connection with the state left, it would be wise of you to contact them and suggest correcting the mistake you made, because there is lots of trouble that maybe won't come your way.

DOJ is not missing a beat, and you still say *"few if any convicted?"* You are out of touch.

Your head just like a radial tire, becomes unsafe when overinflated. You are overdue for a shrink.

Maybe it is time you check with the program

new edgefinder | July 13, 2007 - 2:06pm

reply »

I have absolutely no concerns

about anything I did or didn't do. As to "friends" with the State, I considered them a useless and usually dangerous luxury; at most you have allies from time to time. Now go back to your fantasies.

new Black3 | July 13, 2007 - 2:40pm

reply »

BTW

Are you fantasizing about Acquittals?

new edgefinder | July 13, 2007 - 8:05pm

reply »

It's no longer just what you

It's no longer just what *you* did. It is the pattern and literally cast of characters you associate with who commit acts in furtherance of certain objectives that are of questionable intent.

Sorry to hear you have no more friends at the state. They probably won't need any fabrications to scapegoat you.

You ignored crimes. New ethics legislation in the state [AK] that can be tested in California Federal Courts.

Just like your defective thought could to my retirement, my job, property, your retirement can now be partially taken away. Should have done the right thing long ago, Buddy.

Just like retalitory transfer I will effort that you learn empathy by removal from your situation and into another of limited or no choice of your own.

FBI - Stevens-1078

Willful ignorance is cowardice , Monty.

How about Seattle Venue? You Like Seattle? There was a fraud by a state worker there, in the State's response to a Federal Agency. I can proove it and so they could take Jurisdiction.

But then again Maybe San Jose is better for local rules. Wait I guess It' s Fresno or Sacramento

WHAT DOES YOUR LAWYER SAY?
WHAT DOES WAYNE REGLIN'S, or DEPUTY KEVIN'S LAWYER SAY? Post it here. I'm all for keeping this a transparent deal since it's the GOVERNMENT more or less.

Not like I need to go around passing the *curse of the writ* to everybody else, but it's just time to be put back to work one way or the other and I figure spread the writ around to some Teir I& II's that know and know better.

I figure we need to test out the new ethics law ASAP, and as high up the system for starters, on you and some others that there is adequate evidence. Kind of like when someone goes to have a contract enforced by ASEA. You go to your pension account and for some reason they'd just love to help you but money (that you thought was in from state contribution) just isn't in the deal anymore.

San Jose/ Bay Area.

It is the association and the evidence presented that you reasonably should have a clue. And some of the evidence you have no clue about directly relates to why Santa Clara County, or close to the bay area.

So there, If you aren't in on the AK Grand Jury, you probably know where to shop for an attorney.

It's been nice having this talk about corruption in the State, Monty.

Maybe we can check up again in a week or two if you aren't too busy with other things. I'll try to be around a computer sometime in my travel.

new edgefinder | July 13, 2007 - 7:07pm

reply »

Your psychotic drivel speaks for itself

n/t

new Black3 | July 13, 2007 - 8:18pm

reply »

Is it drivel or an internet

Is it drivel or *an internet rumour.* Or an Alaskan *urban legend.*

Or is it a humongous hoodwink.

Just shootin' ya straight Monty, you know that. I don't beat around the bush. It's Hurricane Latrina and it's makin' landfall. Residents are soon to be displaced to 'facilities.'

Oh, and silly me, you don't get an attorney when you talk to the Grand Jury. Hopefully we can gather evidence that way though.

new edgefinder | July 13, 2007 - 8:24pm

reply »

Why can't we all just get along?

?

FBI - Stevens-1079

new AK_Lady | July 13, 2007 - 10:23pm

reply »

Get Along?

Get along down to the Federal Penn...

Blackir had his opportunities. It's just an opportunity for me, right?

I do get to see the result of my toil

sometimes.

new edgefinder | July 13, 2007 - 11:24pm

reply »

And the new Tier IV

PERS system isn't going to help. If people think that State employees are simply wasting oxygen now, just wait a few years...

new uapuck16 | July 13, 2007 - 10:20am

reply »

Make up your mind, folks

Do you want more oversight over legislators/candidates? If so, you need investigators, or bureaucrats.

new Valley_Dude | July 13, 2007 - 8:15am

reply »

That is obviously a job that

they want to SAY they're doing and not do at all. Nobody in their right mind who knows anything at all about either government or investigation would take that job for that money. I didn't look at the posting, but 4K is about a Range 16 or 18, which tranlates into a nobody in the very rank conscious State government.

OK, now I did go look, and they made it partially exempt as well, which is as close to "serves at the pleasure" as a State job gets. So, you get potentially one of the most controversial and confrontational jobs in State government for lousy pay and no protection.

new Black3 | July 13, 2007 - 4:40am

reply »

That is obviously a job

"That is obviously a job that
they want to SAY they're doing and not do at all"

Sounds like what you did. Nothing...and nobody was 'protected' from your retaliations.

See the Idea is get away from the corruption you helped to incubate. You had the bad combination of being both cowardly and unethical to let it persist.

Friday the 13th and 26 indictments predicted? How far down is 26th indictment? Which convicts are these *"few if any"* you predict will be found guilty? I haven't seen an acquittal yet myself.

Few is a three, and the DOJ is on Vic, the fifth that will be convicted, and they're batting a thousand. Makes monty look like what Jake Metcalfe calls first degree stupid.

Answer the door for them *whenever* they come, or they might rip it off the hinges.

And sing like a Lark- it will make the new APOC investigator's job easier if the FBI makes a thorough cleanup of the LR /union scum.

new edgefinder | July 13, 2007 - 5:06am

reply »

FBI - Stevens-1080

Double up on the meds.

Days like Friday the 13th, like full moons, are hard on psychotics.

new Black3 | July 13, 2007 - 6:41am

reply »

My personal favorite APOC favorite

Gail Phillips - three ethics violations, including accepting donations during Session, and all she got was remedial APOC training in ethics. Now there's truly an outstanding Speaker of the House for Alaskans.

new michael_cathy | July 13, 2007 - 3:39am

reply »

Know the facts first

As an elected official, Gail Phillips was subject to criticism from the public. As her daughter, I have become accustomed to hearing and reading the condemnation against her, what a sad fact to say. I would ask, however, that you learn the facts before you make a public statement when you are criticizing someone. First, you need to know that reports to APOC were more complicated and both the donor and the candidates/legislators had to file APOC reports. One of the ethics violations charged against Gail was for 2 donations that were written in time, but were not received by her in Juneau until after the legislative session had begun. Gail returned the donations but did not report the return in a timely report, thus the citation from APOC. The other two ethics charges centered around her hosting a baby shower for a friend and displaying a campaign contribution – a beautiful quilt made by one of her constituents – in her legislative office. Hardly violations that prove that someone is unethical or immoral. Please also remember that anyone can file an ethics complaint against any elected official, even if the charge has no merit. These charges remain on the official's record even if they are dismissed by APOC as unfounded. Gail will always carry these charges on her record. She was remiss in the timing of one report to APOC and the other two charges were dismissed. You did get one part right however: Gail was truly an outstanding Speaker of the House for all Alaskans!"

new robin1 | July 13, 2007 - 1:32pm

reply »

Room 604

Since she was Speaker during part of the timeframe all these indictments and arrests are being made, it will be interesting to see what develops. VECO seems to have had free reign over the Alaska House for decades, somebody let them get away with it.

new michael_cathy | July 14, 2007 - 5:08am

reply »

Discretion and tact are essential

I guess that eliminates me, sounds like a fun job though.

new twentythreeskidoo | July 12, 2007 - 6:51pm

reply »

Bad Joke

How about paying a real salary for someone who can save us tens of millions a year? Sadly the State's priorities are upside down.

I am sure there are hundreds of bureaucrats that get a lot more and do absolutely nothing for the residents of Alaska.
BS

new BravoSierra | July 12, 2007 - 4:54pm

reply »

Not too worrisome....

When all the folks being accused of this, that and the other on the front page of The ADN and by some on the various blogs are jailed there'll only be about 3 people left running loose in Alaska.

FBI - Stevens-1081

$$ sound good for such a simple part-time job!

new rfn | July 12, 2007 - 5:54pm

reply »

Sounds Good!

Of course, they might want to consider someone from the Valley.

We already know how to identify fertilizer.

new palmerbuyer | July 12, 2007 - 3:53pm

reply »

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FBI - Stevens-1082

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Consolidate your federal student loans and you may lower your monthly payments.
› Find out how

Lobbying

Posted: July 13, 2007 - 12:16 pm

Sorry for the delay. Here's a belated thread on today's city lobbying story ...

By KYLE HOPKINS
khopkins@adn.com

(Published: July 13, 2007)
Until this year, Bill Bobrick was the busiest lobbyist in the city.

A former director of the state Democratic party and friend of the mayor, he represented about three dozen different clients over the past five years, according to public records.

Suddenly, the go-to guy on city issues is out of the game.

His clients have disappeared. He's pleaded guilty to conspiracy in a federal corruption case and the Anchorage Assembly slammed the door behind him, passing new rules that ban anyone with a felony record from registering to lobby the city.

So, if you're well-connected, don't mind hours of meetings about zoning rules and can navigate the maze of bureaucracy: Help wanted.

Two candidates for Bobrick's former title have emerged in his wake -- one an ad agency owner and the other a former lobbyist who until recently worked for the city -- although neither has as many clients as Bobrick regularly served.

"There's a void right now," said Marc Hellenthal, an Anchorage pollster and political consultant who worked for Republican candidates in this year's Assembly races.

"This is a career opportunity for somebody out there," he said.

But what kind of career is it exactly?

Assemblyman Dick Traini said lobbying the city is like being a pitchman.

"They're not really selling a tangible product, they're trying to sell an idea. And they're trying to get enough of the 11 people (on the Assembly) and the mayor that they can get it brought forward."

Jim Lottsfeldt, who owns an ad agency, registered to represent three clients before the Assembly this year.

"Government sometimes is hard to understand or hard to work with," he said, "And so you bring in specialists to help. Same reason you hire architects and engineers."

Lottsfeldt said lobbying the Assembly is different than

Alaska Politics

State, local and beyond

Alaska has a new governor, a new legislature and a powerful congressional delegation. Come here for the latest news and tidbits from the transition, from Juneau and elsewhere by Daily News political reporters. We want to hear from you, too. So sound off and interact with other readers and the reporters in the "comments" section.

Kyle Hopkins covered the 2006 campaign for governor and is covering the Palin administration's transition. Before joining the Daily News in 2005, he was a writer for the Anchorage Press and the Fairbanks Daily News-Miner. E-mail him at khopkins@adn.com.

The Trail 2006 campaign blog

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FBI - Stevens-1083

194-AN3620-M;493

lobbying the Legislature in Juneau because in Anchorage, Assembly members are going about their regular lives. They aren't living away from home in the rarefied atmosphere of the Capitol. Here, there's less wining and dining, he said.

Still, a successful lobbyist knows the local players by their first names.

"A lot of Bobrick's success simply was that he was politically connected," said David Dittman, a local pollster and consultant who works mainly for Republicans.

Bobrick ran the state Democratic party in the early 1990s. He donated at least $1,000 to the campaigns of Assembly members Allan Tesche, Dan Sullivan, Dan Coffey, Traini and Mayor Mark Begich.

Begich was the best man at Bobrick's wedding in 1998 and the two have known each other for decades. Thursday, Begich said he never pushed anyone to hire Bobrick. In fact, people don't really need a lobbyist to do business with the city, he said.

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full archive »

"That's just bull. People want to come meet with me, they can walk through the door. If they want to go down to the Assembly, they can just show up."

Bobrick's conspiracy conviction involved passing bribes to former Anchorage Rep. Tom Anderson. On the witness stand, he said over and over that he regretted his actions.

The crime had nothing to do with city officials, he said in an interview Thursday.

"As someone that's lobbied for over 20 years, I've represented clients in front of (former mayors) Tom Fink, Rick Mystrom, George Wuerch and the current mayor, and countless previous Assembly chairs and assemblymen and -women," he said. "And the crime that I pled guilty to has nothing to do with any assemblyman, assemblyperson, or mayor, past present or future. It only involved Tom Anderson."

'GOOD OLD CAPITALISM'

Lobbying is about relationships, said Lottsfeldt, who also works on state issues.

"It's relationships and the same thing in Juneau ... understanding how government works and how to navigate within government."

Lottsfeldt has signed on with an old Bobrick client, mall developer P. O'B Montgomery, one of five companies that cut ties with Bobrick after he got in trouble.

Lottsfeldt said the company called him, and that he hasn't chased Bobrick's other clients.

Lottsfeldt said he got into city lobbying because he saw a way to earn some money. "Just good old capitalism."

Another new lobbyist moving in Bobrick's wake will be a familiar face for city officials: Kevin Bruce.

Until March, Bruce worked for the Port of Anchorage, which is a city job. He said he won't be able to lobby on port-related projects, but represents Alaska Pacific Environmental Services, developer JL Properties -- both Bobrick clients at one time -- and BP Exploration.

Bruce is a former owner and founder of the public relations firm Northwest Strategies and has worked as a lobbyist before. But the job has changed in the past year, he said.

In December, the Assembly approved new ethics rules that ban lobbyists or their immediate families from donating to the political campaigns of city candidates, or helping those candidates raise money.

FBI - Stevens-1084

"You can't even support the people you like," he said.

Bruce earned a salary of roughly $87,600 working for the port, according to city records.

During the Anderson trial, Bobrick said he made up to $200,000 a year lobbying the Assembly.

That was news, even to local political junkies. Although the state requires lobbyists to report how much clients pay them, the city does not, even in the much-touted new ethics rules.

Bruce and Lottsfeldt wouldn't say this week how much they're being paid for their new work.

Find Kyle Hopkins' political blog online at adn.com/alaskapolitics or call him at 257-4334.

add new comment

Scratch far enough

and you'll find some pretty good old ad hoc Democrat connections there too.

new Black3 | July 13, 2007 - 3:18pm

reply »

Scratch 'n Sniff...

Scratch far enough and you find out all kine'o shtuff went on under your nOse there,too.

Sniff around...I guess for the years you worked for the state you must *like* the smell of Bovine Excrement or you'd have done your job to clean it up.

Hey- an new Idaho link where there's some of the CBC NAME DROPPERS ON THE ADN BLOG have used.

"*Few of any will get convicted ?*" you say, Monty? Which one hasn't been convicted?

I'm sure TA has trouble believing either. Vic beleived he wasn't a target after his Raid. Poor blissful stupidity.

new edgefinder | July 13, 2007 - 6:55pm

reply »

Shut up and go away;

you have absolutely nothing either sane or knowledgeable to contribute here.

new Black3 | July 13, 2007 - 8:03pm

reply »

Oh, c'mon blackie!!!!!!!!!!!!!

why would you want him to stop? I once received a card that contained a universal truth that can't be denied:

No man is totally worthless. At least he can serve as a bad example.

new truthseeker | July 13, 2007 - 10:45pm

reply »

We're loaded with bad

We're loaded with bad examples there at the SOA sometimes.

It's usually grounds for promotion.

Wait until the next writ and watch things happen.

Don't you like my embedded links, Monty? They're just especially for you so check them out.

FBI - Stevens-1085

new edgefinder | July 13, 2007 - 11:45pm

reply »

Didn't you like this post?

Didn't you like this post? It has links to your three most favorite people, You yourself and you.

Still working on the embedded links, but I kind of like it for effect. And puns.

Like the Labor / Management?

Do they help AFSCME dip into every workers paycheck, ***AND*** *the PERS or do they just SQUASH people who warned of the shortfalls which if heeded could have saved the state billions?*

And how about an objective outsider's look at revolving door corruption
with the state and unions' BAs? Maybe with the FBI involved there can be a re-examination of these relationships that damage workplace moral, and foster crime and corruption in the SOA, and subvert contracts and statutes.

Tell us more about Meyer, Bacolas, Hammond and McClarence. And who are Baseden and Crowley, another couple of employees retaliated against for.. And by who? Threatening someones job is extortion.

We can clearly see the influence that is the way BP wants labor relations to be for their donations.

So Tell all on the ADEC investigation, Monty. And tell us of Political Appointee totalitarians being CASTOverboard at the Management Services from the ADEC investigation time period. What did that idiotic powerpoint link cost the state/ education budget and how was J.C. chosen for it?

Tell all Mr. Patronage- Alaska wants to beat Illinois' 79 convictions. Surely there are that many associated thugs. Did you get to hand out the thug points raises also? Sure you did, the job was not announced.

Quit the smooth over of Bovid Excrement. Stand tall , take your lumps, and as the thread says let us know what happened. You need to get over the cowardice.

Alaskans want to know, as well as DOJ and HSGAC. You may not know half of it but the half you do know is enough. Your association(s) in fact, Mail Fraud, Extortion, Perjury, Abuse of Process, Lacey Act violation, ESA problems, Treaty shrugged off, ethics violations, Only two predicate acts are needed. You might even get to be the "bobrick" of Labor/ Management corruption. or ""Sorich3- the the trilogy" Out of Alaska!

And speaking of lobby, don't you think more of those union jakes,et.al. ought to have to registering as lobbyists?

new edgefinder | July 13, 2007 - 10:06pm

reply »

Just lost your meds altogether, huh?
n/t

new Black3 | July 13, 2007 - 11:29pm

reply »

.
The people want answers about the shadowy underworld of the state's management goon squads. You can tell us, Bizck3, it's okay. It's Patriotic.

new edgefinder | July 13, 2007 - 8:41pm

reply »

FBI - Stevens-1086

Ad Hocs
It wasn't until your suggestion to dig deeper that I found two excellent articles that can be found online, about the "Ad-Hoc Organizing Committe For Young Democrats"

The first was written by Josh Medsker, then with the Anchorage Press and can be found here.
It's okay, its focus is primarily on the latter years of the Werehaus scene.

The second article that I found was written by Kim Rich for the ADN in 1986. You'll need to get your library card out to read that one, but trust me, for anyone at all who is curious about what Ad-Hoc was, by all means go and read it.

Here a 2 more excerpts:

> Politics took over when a 31yearold activist named Bill Weimar came looking for a place to live.
>
> Weimar was a rabblerouser. The FBI once documented his activities in a 128- page file that included descriptions of his involvement in the civil rights movement in West Virginia and antiwar organizing in Fairbanks.
>
> At 6feet4 and 250 pounds, Weimar had a commanding presence, with his thick, jetblack hair and deep, husky voice. He operated in hyperdrive and had a gift for recalling telephone numbers. In his organizing days, Weimar would sit for hours with a telephone receiver pressed to one ear, dialing number after number organizing and cajoling, forging alliances and making enemies.
>
> Weimar had quit his graduate history studies at the University of Alaska- Fairbanks to come to Anchorage looking for work. Political junkie that he was, Weimar soon gravitated toward Democratic Party politics. He learned that the Young Democrats were holding a meeting in Kenai. He and some friends decided to go down and take it over.
>
> xxx
>
> "My wife and I got dressed up. We were going to a meeting," Knowles said. "I heard afterward that they thought I was an insurance agent coming to sell them insurance because I had a suit and short hair."

THE WHEREHOUSE: OVER THE YEARS, IT'S BEEN HOME TO A VARIETY OF PEOPLE, CAUSES
Anchorage Daily News (AK)
December 30, 1986
Author: KIM RICH
Daily News reporter
Staff

new twentythreeskidoo | July 13, 2007 - 5:43pm

reply »

The Times were a'Changin'

Going into 1974, Alaska was still the safest of old-time Democrat sinecures. The power structure was aging New Deal Era Democrats and their scions and the Party ran on Liquor's money, Natives' votes, and Labor's organization. If you couldn't give a contract to a friend, who could you give one to? Contemplate the Commissioner of Administration owning the gravel pit that the Department of Highways buys all the gravel to build the Egan Highway in Juneau from. And people talk about corruption now? The only question then was what happened to the $968 MM from the Prudhoe Bay leases. Nobody really knows the answer to that even today. And for those of you who love to hate Juneau because it is considered to be a liberal bastion, it those days it was regarded as pretty much a rascally Republican town, Delegate Robertson, a Republican, having been unwilling to sign on to the Constitution.

The Ad Hoc Democratic Coalition sprang fully clothed into the '74 Campaign, comprised mostly of recent emigres, mostly recent college graduates or recent dropouts as the draft was winding down, and mostly McGovernites, though a few had been "Clean for Gene."

The Old Guard never saw it coming; it was quite literally a coup d'etat. They bolted Egan and backed Hammond and a whole bunch of young guys who not long before had had scoring an ounce or a gram as their major life activity were suddenly running the State; legislators, appointed officials, movers and shakers. What a long strange trip it was!

Wiemar and Parker were the high priests, some would say the Lenin and Trotsky. Just go look at the legislative Classes of '74, '76, and '78 though the wheels were beginning to come off after '78, and the appointees in Hammond's administration in those days. It all ended in a rather resounding crash with the House coup in '81, but by that time many of them were firmly esconced in power and quite respectable. What a ride!

FBI - Stevens-1087

BTW, Kim Rich's book, "Johnny's Girl," is a really interesting look into ANC in the late sixties, early seventies.

new Black3 | July 13, 2007 - 7:49pm

reply »

---

good one blackie.....

there really is a lot of useful info on this blog. things they would never dare or be willing to print in the newspaper. so much for journalistic ethics.

It must really bug the editors that they can't control this anymore.

new truthseeker | July 13, 2007 - 10:51pm

reply »

Tell Tell....

Yeah, none of that stuff adds up to the corrupt bastards club , but names names, names give us names. Some of those people didn't change.

Give names to the grand jury. It is the wash. It all comes out in the wash. Work the deal so you get to keep at least some of your twilight years.

new edgefinder | July 13, 2007 - 9:00pm

reply »

So Is "Butcher, Baker"

My sister-in-law gave his kids piano lessons.

Larry Makinson's book could use some updating too.

new twentythreeskidoo | July 13, 2007 - 8:03pm

reply »

All those who decry recent events

as some sort of fin d'cicle event should go back and read "Going to Extremes" and "Coming Into the Country" for a view of what Alaska was like back in the good and pure old days. Most of the people in power in those days would steal a hot stove if they could figure out how to get their arms around it.

new Black3 | July 13, 2007 - 8:10pm

reply »

village journey

is a must read too.

new twentythreeskidoo | July 13, 2007 - 8:18pm

reply »

Agree

Spent a few years rattling around rural Alaska as a Fed. Not an experience I'd care to repeat.

new Black3 | July 13, 2007 - 8:21pm

reply »

Fed?

Janitor Route?

new edgefinder | July 13, 2007 - 8:48pm

reply »

FBI - Stevens-1088

Not to fear..

There are plenty of CB's to fill in over at the ADP, as evidenced by his replacement as party chair.

new edgefinder | July 13, 2007 - 1:49pm

reply »

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FBI - Stevens-1089

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Replacing Kohring

Posted: July 14, 2007 - 2:28 pm

Mat-Su Republicans have decided on three finalists to replace Rep. Vic Kohring, R-Wasilla, who plans to leave office this week:

-- Darroll Hargraves, a retired school district superintendent.

-- Wes Keller, a legislative staff member for Sen. Fred Dyson.

-- Colleen Sullivan-Leonard, a former Wasilla City Council member who works for the governor's office in the Mat-Su, and serves on the Wasilla Planning Commission.

Gov. Sarah Palin can choose from the list, or pick a different local Republican to fill Kohring's District 14 seat, according to The Associated Press. She has up to 30 days from the day he resigns to make a decision.

Who will it be?

add new comment

Tibbles and Bits

The governor might want to look a little harder to find her employees that mess around on their spouses.

Juneau is a hotbed (pun intended). She got rid of the best staffer she could have had. There is no one who she could have trusted more. She has appointees on Commissions who have been accused of sexual harassment, and other serious charges.

Think about it. And don't kid anyone, theres someone with an inside track for this appointment. Just get the name out there, unless you appoint the first dude no one cares.

new Barbies_R_US | July 16, 2007 - 4.37pm

reply »

Sarah - give me a chance !!

Geez, why wasn't I considered for Vic's job? I own a cabin in the Su Valley, I don't know Sarah or any elected official, I know no lobbyists, I voted for Sarah, I gave my last suit to the Salvation Army and I own Carhart overalls and a Polaris snowmobile. I'd be perfect for the job, and I would gladly do it!!! Sarah ... give me a call !! Please !!

new tkelley | July 16, 2007 - 10:55am

reply »

Alaska Politics

State, local and beyond

Alaska has a new governor, a new legislature and a powerful congressional delegation. Come here for the latest news and tidbits from the transition, from Juneau and elsewhere by Daily News political reporters. We want to hear from you, too. So sound off and interact with other readers and the reporters in the "comments" section.

Kyle Hopkins covered the 2006 campaign for governor and is covering the Palin administration's transition. Before joining the Daily News in 2005, he was a writer for the Anchorage Press and the Fairbanks Daily News-Miner. E-mail him at khopkins@adn.com.

The Trail 2006 campaign blog

ARCHIVE

Dittman poll: Businesses, milk, global warming - 7/20/2007 3:21 pm

Murkowski in the spotlight - 7/20/2007 10:46 am

Round-up - 7/19/2007 10:06 am

What to do about homeless - 7/18/2007 3:16 pm

Roll Call on Young - 7/18/2007 10:59 am

Tesche - 7/18/2007 10:31 am

Special session and capital creep - 7/17/2007 9:14 pm

Poop update - 7/17/2007 7:54 pm

(UPDATED) AP on Stevens - 7/17/2007 6:27 pm

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FBI - Stevens-1090

194-AN-13620-M; 494

Yer our boy...

Now for the legislation we need . Are you up for that?

new edgefinder | July 16, 2007 - 10:19pm

reply »

Don Young update???

According to his most recent FEC Report -he has spent over $260K on lawyers last quarter.

Young is supposedly allowed to use campaign funds to pay his legal bills, which I find odd.

Kyle -any truth to this? I'm assuming he wouldn't be spending that kind of money on lawyers unless it involved some sort of investigation of a serious nature, i.e. multiple grand juries and potentially multiple indictments.

new Stags_Leap | July 16, 2007 - 8:50am

reply »

Small spenders - 7/16/2007 8:32 pm

Mental illness and guns (UPDATED) - 7/16/2007 4:43 pm

Candidate Harris - 7/16/2007 10:39 am

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'Discretion and tact are essential' - 7/12/2007 4:38 pm

full archive »

It's totally legal

Representatives can use campaign funds to cover legal expensed incurred during the course of doing their job.

new twentythreeskidoo | July 17, 2007 - 11:32am

reply »

Legal under federal law

Not under state law. So Tom Anderson could not use campaign funds.

new theodosius30 | July 17, 2007 - 2:12pm

reply »

What a shame

The CBC must be slipping, they missed a good opportunity to fund their legal bills- which by the way look like they are going to be in the millions.
Looks like DY and Uncle Ted planned quite a bit better. That is why they are major leaguers and not minor leaguers.

new BravoSierra | July 17, 2007 - 3:59pm

reply »

Why??

In this day and age are we still allowing politicians to be appointed??? We should be able to vote on this.

new Valley_Dude | July 15, 2007 - 2:25pm

reply »

This is a "No Brainer" -- Colleen by a country mile...

...It isn't even going to be close...

new haroldb_99501 | July 15, 2007 - 2:22pm

reply »

FBI - Stevens-1091

District 14

Can be as easily misled and lied to by hand picked nominees as it has been by elected officials.

new disenchanted01 | July 15, 2007 - 10:02am

reply »

District 14

Yep. And considering how closely allied District 14 "movers and shakers" are to Randy Ruedrich, no one should feel good about this process.

new iHEARTmea | July 15, 2007 - 10:22am

reply »

exactly

Maybe hanger 18 has been moved to district 14.

new tt13 | July 15, 2007 - 10:10am

reply »

So...

that's where they work out those tedious little details of lucrative construction contracts, public process and "transparency" AFTER the work is done. Is that like an after-hours club?

new disenchanted01 | July 16, 2007 - 8:51am

reply »

probably

But it's also a super secret insider place in the desert where "They" do super secret insider stuff that only "They" are privy to.

new tt13 | July 16, 2007 - 4:12pm

reply »

the choice

the queen will only select someone who will toe her line. Independent my bottom.

new Stags_Leap | July 15, 2007 - 6:29am

reply »

Big surprise

I notice you've traded in your claim that Menard would be the anointed one for a more general claim that allows you to criticize whomever the final choice is. The election was eight months ago, Stags. Your man lost. Get over it. You're nothing if not predictable.

new iHEARTmea | July 15, 2007 - 8:13am

reply »

I supported Croft

in the primary -and TK in the general.

I was thinking, the prom queen's campaign slogan should have been: if I only had a brain.

I just hope her and her LNG route groupies don't ruin the gasline contract process, so the new Gov coming in 2010 can salavage something.

new Stags_Leap | July 15, 2007 - 9:17am

reply »

FBI - Stevens-1092

2010?

You mean 2014, don't you? Inaction is a sure bet to re-election in this State...

new uapuck16 | July 15, 2007 - 11:16am

reply »

special election

Screw this appointment crap. We're still not fully sure who to trust. There's too much corruption all across the board to let politicians pick politicians right now, (ever).

new tt13 | July 15, 2007 - 5:59am

reply »

Not to be rude...

But the voters endorsed ALL of the politicians under indictment. In fact, District 14 re-elected Kohring after the FBI investigation was publicly underway.

new amoeba | July 15, 2007 - 12:44pm

reply »

yes

But even tho it (the investigations etc,)was already underway the knowledge or passion of/to these incidents was still not as widespread as it is even today. I would suspect that anyone who tried to enter a special or emergency election now would be scrutinized by the public so intensely that their underwear would fall apart from all the puckering when the hard questions were poised for presentation.

new tt13 | July 15, 2007 - 3:23pm

reply »

I hope you are right...

tt13, I would like to have your faith in Alaskan voters. I guess I have been dumbfounded by voters' continuing to support obviously corrupt politicians too many times in the past couple of years to give them the credit you would. Let's hope they do some housecleaning next time around.

new amoeba | July 15, 2007 - 7:24pm

reply »

It has do do with party choices.

Comes election day (not primary) the voter looks at the offerings of the two major parties.

One has a faint stink of corruption.

The other promises policies that will eliminate your job and boost your taxes.

Those are your choices.

Pick one.

Or throw away your vote by staying home or voting for a third, fourth, or fifth "party" candidate with not a snowball's chance in hell of being elected. Thereby making it easier for candidate you fear MOSt to get elected.

Pick one.

I swear we need a new party:

"NOTA".

None of The Above.

But it ain't gonna happen.

new rfn | July 16, 2007 - 9:26am

reply »

FBI - Stevens-1093

Just write in...

...NOTA

I do it for one or more races every election.

Just one of ten campaign and election reforms we need now.

new Emperor | July 16, 2007 - 10:15am

reply »

No- go with the majority.

UNDECIDED

new edgefinder | July 16, 2007 - 10:25pm

reply »

Experience

Do any of these candidates have any private sector experience?

They all appear to only have government experience in their recent jobs and that is a concern. We need people in leadership positions who do not think, and act, like government bureaucrats.

new Stumpy1 | July 15, 2007 - 12:40am

reply »

Stumps

So now it is private sector experience which guides you.

Care to tell us about the private sector experience of your hero?

new TheSdog | July 15, 2007 - 12:15pm

reply »

Now Dog,

You're being a little hard on the Palin, here. She did do a few months of weekend sportscasting on TV. You cant say THATS not private sector experience.

new tomtom | July 15, 2007 - 5:40pm

reply »

Ah yes

The media...one of thos places all these govt people pop in and out of on a regular basis.

I was actually being hard on stumps who shifts his standards depending on the case. I hearby dub him "shifty1."

new TheSdog | July 15, 2007 - 5:57pm

reply »

Three Great Choices

Kudos to the District 14 Republicans for putting together a great process for parsing the applicants and forwarding three great candidates for appointment to the State House.

Any of the three candidates will be an asset to the legistature and represent the Valley well.

new lack | July 14, 2007 - 11:55pm

reply »

tell the whole story

wasn't Hargraves a lobbyist for The Ak Assoc of School Administrators? What else is missing on the bios?

new charlieh | July 14, 2007 - 3:53pm

reply »

FBI - Stevens-1094

Go Wes!

Wes Keller would be a good choice.

new freezinfranz | July 14, 2007 - 5:39pm

reply »

is wes an extremist.....

on social issues. Lets please not have any more of those.

new truthseeker | July 15, 2007 - 6:17pm

reply »

He works for Dyson?

Oh yeah... then he's an extremist on social issues. Palin will love him.

new AK_Lady | July 16, 2007 - 9:35am

reply »

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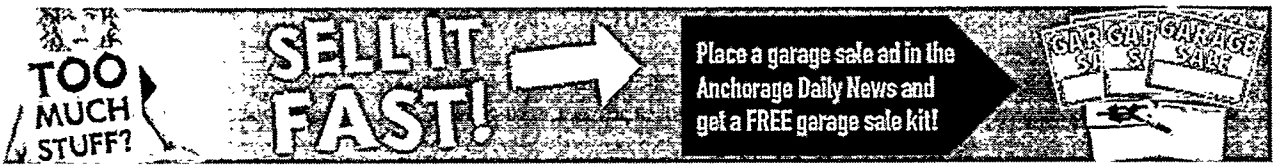
FBI - Stevens-1095



Lots of lawyering

Posted: July 16, 2007 - 10:01 am

Politico.com, among others, have tallied the size of Rep. Don Young's legal bills last quarter -- more than $260,000? -- based on a recent **FEC filing**.

Speaking of FEC reports, Sen. Ted Stevens' campaign announced on Friday that they raised about $400,000 in the second quarter of this year, and had about $860,000 cash on hand as of June 30.

add new comment

Washington Post

also has a piece on DY in today's paper, 7/17/07, Page A17.

new Stags_Leap | July 17, 2007 - 6:54am

reply »

I am computer illiterate

Can you provide the link.

Thank you.

new theodosius30 | July 17, 2007 - 9:03am

reply »

Washington Post Article

Here is the link It requires registration (free) so I'm posting the relevant excerpt below.

",,,The largest payout for current members came from Rep. Don Young (R-Alaska), whose campaign shelled out more than $262,000 to a pair of top Washington firms: Akin Gump Strauss Hauer & Feld, which took more than $242,000, and Tobin, O'Connor, Ewing & Richard.

Unlike some of the others on the list, Young has not been the target of a subpoena. But Mark Zachares, a former staffer on the House Transportation and Infrastructure Committee while Young chaired it, pleaded guilty this spring to trying to help Abramoff's clients in exchange for the promise of a future job at his firm.

In addition, Young's current district director in Alaska recently lobbied for an energy conglomerate whose chief executive pleaded guilty in May to bribing several state lawmakers. Young and Sen. Ted Stevens (R-Alaska), who has hired his own team of

Alaska Politics

State, local and beyond

Alaska has a new governor, a new legislature and a powerful congressional delegation. Come here for the latest news and tidbits from the transition, from Juneau and elsewhere by Daily News political reporters. We want to hear from you, too. So sound off and interact with other readers and the reporters in the "comments" section.

Kyle Hopkins covered the 2006 campaign for governor and is covering the Palin administration's transition. Before joining the Daily News in 2005, he was a writer for the Anchorage Press and the Fairbanks Daily News-Miner. E-mail him at khopkins@adn.com.

The Trail 2006 campaign blog

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Dittman poll: Businesses, milk, global warming - 7/20/2007 3:21 pm

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www.BusinessInfotoday.c

FBI - Stevens-1096

194A-AN-13620-M; 495

lawyers to deal with that probe, were the top recipients of donations from the executive and that company.

After spending $25,000 on Akin Gump in the first quarter, Young's campaign told reporters the funds were spent out of "caution." Yesterday, his congressional office deferred comment to Young's campaign staff, which declined to answer questions about his legal aid."

new Emperor | July 17, 2007 - 12:03pm

reply »

Small spenders - 7/16/2007 8:32 pm

Mental illness and guns (UPDATED) - 7/16/2007 4:43 pm

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Lobbying - 7/13/2007 12:16 pm

'Discretion and tact are essential' - 7/12/2007 4:38 pm

full archive »

Thank

you. Very interesting. I am beginning to think that it is not if but when Young is indicted. That is a phenomenal amount of money to be spent on a little bit of advice. And I am appalled that Federal law allows campaign funds to be spent defending against criminal charges.

new theodosius30 | July 17, 2007 - 2:10pm

reply »

AlaskaReport.com has the full story on Don Young

Alaska Republican Congressman Don Young spent $262,138 on lawyers last quarter anticipating multiple indictments from the FBI regarding his roles in at least three different criminal cases under investigation.

Young's involvement in a $10 million earmark into a Florida highway bill that benefitted a big donor one week after he raised more than $41,000 in campaign contributions for Young is one target. A grand jury is working that case right now.

Young's significant ties to imprisoned former lobbyist Jack Abramoff have drawn investigator's interest and Abramoff has reportedly given information to the FBI regarding payments to Young in the Indian lobbying scandal. Republican Bob Ney and two aides to Tom DeLay (R-TX) were indicted in that scandal. Young falsely claimed in February of 2006 "I have never had any personal or professional relationship with Abramoff." Documents have proved that he or his staff met or had discussions with Abramoff or his agents at least 11 times before February of 2006. A separate grand jury is working that case.

A third grand jury has been investigating Young taking over $20,000 in campaign contributions from indicted Wisconsin executive Dennis Troha, his family members, and company executives just after Young inserted an item in the 2005 federal highways bill that helped JHT holdings owned by Troha. An amendment sponsored by Young allowed 97-foot multi-truck combinations on the highways; it was included in a highway spending bill that became law in August 2005, at the time Young chaired the House Transportation Committee. Campaign records show that Young received $25,000 from the Troha family and associates, with most of those dollars coming on May 23, 2005, the Journal Sentinel reported.

"Don Young owes Alaskans an explanation," Alaska Democratic Party leader Jake Metcalfe said. "Why did he push a law that compromises highway safety? Why did he take campaign contributions from the trucking interests who benefited from that change?"

FBI - Stevens-1097

Young lost his influential post as chairman of the House Transportation Committee when Democrats took control of Congress in January.

Congressman Young's office did not return repeated e-mails from AlaskaReport.com seeking comment.

new TruthforAlaska | July 16, 2007 - 6:33pm

reply »

Ditto - and see hyperlinks

Dear TruthforAlaska - nice of you to provide the reference to AlaskaReport, as it's where I am an occasional columnist. Readers might not know we've

been predicting for years that Young would fall from grace. On Sept. 23, 2006 I posted a Groundswell article re Ted and Don's corruption and violations of Honest Services by fraudulent means - see link at < http://www.alaskareport.com/stephen-taufen30012[dot]htm >.

How many Alaskans know Young dropped into a bill for the Aleut Corporation a return of $2 million on a $3 million tax assessment and fine (which was probably a fraction of what was really due!)? They wanted Don to do it in 2002, via Frank Murkowski's senate bill on Adak Land Transfer, but Don thought it would get attention. So he slipped it in - earmarked it - later. That demonstrates his REPUBLICAN disregard for tax evasion and worse. Frank is as crooked as they come too, as he made sure records submitted to the Senate Energy Committee/ Public Lands subcommittee by Adak City councilmembers and my partner (electrical privatizer) were redacted and never made it into the hearing on Land Transfer where the Navy and Interior would have seen them. Murkowski's office called the Mayor on the phone, ordering me off the island, too - we submitted the voice tape from Mayor to my partner in a federal deposition in Dec. 2005.

When Murkowski needed the records of the Adak city councilmen removed, he used Tom Albert of Birch Horten Bittner and Cherot - yes, Bittner of Ted's brother-in-law fame. Some of these folks also interceded in some fashion with the Economic Development Administration to keep FOIA request from being filled, to me, that would have provided evidence on $3.4 million wasted from Ted's EDA grants (over $10m) in 2002 timeframe... wasted on a powerhouse renovation that Aleut Corp. lied to everyone about. Their newsletter said the plant was operational - blatant lies. They were price gouging federal funds for fuel costs to run the utility, too. Tony Knowles, Frank and Ted and the Regulatory Commission (RCA) all failed to intercede. The story is too long to continue here, and Alaska is joined by Florida as a Don Young haven -- and other states too.

In that article link above, I also republish quotes from news in Florida which pretty much outlines that some of their Congressmen have been lying to the press, lately too. They had praised Don for getting an additional $81 million for the Florida I-75 project etc. So, it is not just about the $10 million Coconut Road item.

Don has a great disrespect for private citizens having rights. Years ago, when two oil industry whistleblowers got $380,000+ each for providing evidence of tax evasion on oil royalties, Don wanted to help out the likes of BP, Exxon or whomever in Alaskan oil, so Young tried to find those two Wb's in Contempt of the House because they refused to share other information with Congress. They had an upcoming lawsuit, and Young obviously wanted to force disclosure - which would have allowed the oil companies access.

Don Young belongs in a special jail cell with a Yukon sized bathtub he can run a rubber river boat in... The nation's highways fall apart because he's got better personal power ideas of what we all paid federal gasoline taxes for.

Easy Prediction - look for Duane Gibson of Yummy Chummies fame to be the next Abramoff indicted Don Young former aide.

-- And oh, poor Lisa ... how does she afford housing in Anchorage, DC, and on the Kenai?

But hey, as far as states go, Alaska is still a baby -- and thus no surprise that it still needs a lot of political diapers changed. And BTW, darned tootin right we can blame each and every one of them for what they did - there is no system but that which people of integrity or which dishonest people will create and rule. We prefer the former. The latter are not victims, so pls bloggers, quit mitigating this by such excuses. Our forefathers said it was a republic they created if we can keep it. It has turned into a plutocracy, kleptocracy and corporatocracy because Ted, Don, Frank, maybe even Lisa, and certainly others were making darned sure of it. It's time for some BabyWipes!!

FBI - Stevens-1098

[;->
PS: DRAFT RAY METCALFE FOR U.S. SENATOR!!!

new staufen | July 17, 2007 - 5:10pm

reply »

The System

You can't blame our gang for thier actions. They are only doing what

politicians do. They, are products of their environment. It is we, the voters, who are to blame.

We keep sending the same people back to Washington, with no limits on terms, meanwhile we cheer the millions of dollars in earmarks they bring home.

Are we daft to not think that this situation creates a climate of favoratism and chronyism. Do we think the money for "bridges to nowhere" come with out a price.

Lobbyist are Americas answer to legal bribery. What do we do? We ask the people who are receiving money from lobbyist to write the rules.

America needs term limits on all Washington positions and independent council on lobbyist.

Until we, the public, demand a cleaner government, all can expect the status quo to prevail and corruption in our Government to continue as it does.

Don't blame the system, blame yourself.

new lamblj | July 17, 2007 - 7:52am

reply »

Lisa Murkowski???

now being looked at by the Justice Department? Will this madness ever end? I have long suspected that Frank, Don, and Ted would all be taken down by this scandal -but not baby Lisa. Say it ain't so.

new Stags_Leap | July 16, 2007 - 1:59pm

reply »

Talk about innuendo

This story is in very sketchy early stages.

The ADN has no business pulling the Begich/Bobrick/Knowles story if they are putting this up.

new TheSdog | July 16, 2007 - 2:24pm

reply »

the point is

baby Lisa refuses to disclose the purchase price or comments about it. Begich and Knowles both made public statements about the Bobrick story.

If Lisa has nothing to hide, then why not disclose the purchase price?

new Stags_Leap | July 17, 2007 - 6:56am

reply »

Stags

Purchase prices?

You did not seem to care about the purchase price of the 4th Ave theater?

I still say this story is innuendo at best at this point. There is clear editorial bias at the ADN.

new TheSdog | July 17, 2007 - 7:29am

reply »

FBI - Stevens-1099

why ?

the newsreader is just an aggregate of stories that are relevant to Alaska produced by other media outlets.

the beat is getting louder and steadier.

new twentythreeskidoo | July 16, 2007 - 11:12pm

reply »

Hmmmm
ADN ran a story today.

new TheSdog | July 17, 2007 - 7:29am

reply »

Sketchy?
Hardly.

http://tinyurl.com/ynt7m8

There's the FEC link we all need to look at. Young is in a heap of trouble.

Anyone else find it interesting that all of these lowlifes being investigated are Repugs?

new goshrx | July 16, 2007 - 3:43pm

reply »

Follow the thought process please...
The subject stags brought up was Lisa's Kenai property not DY.

new TheSdog | July 16, 2007 - 3:49pm

reply »

Sdog:
Does it really surprise you?
I would love to see what would be dug up if Knowles and Begich were put under the media microscope.

new AK_Logic | July 16, 2007 - 3:18pm

reply »

---

put a Fork the media...
They are done with microsopes other than what the FBI tells them.

The investigation is in good hands with ALLSTATES.

The previous admin has their own skeletons. It comes out in the wash I bet.

They have managed to sweep so much under the rug by revolving door corruption it's incredible.

Bring it up while they [FEDS] are in town. You can't count doing it by voting, it seems. The crisis requires transfers.

new edgefinder | July 16, 2007 - 8:39pm

reply »

---

you really don't want to know
but if you do, the APOC records and the Anchorage Municipal Library are a good place to start.

You can find old issues of the ADN, the Daily News Miner and the Juneau Empire on the Library website.

There's also a multitude of websites such as the FEC, Opensecrets and Political Moneyline that are a good way to follow the money.

FBI - Stevens-1100

But it ain't news unles the ADN prints it.

new twentythreeskidoo | July 16, 2007 - 3:32pm

reply »

In America
whatever is going on you can bet a lawyer is making money off of it.

new TheSdog | July 16, 2007 - 11:52am

reply »

The Beat Goes On...

Allegations Pay
Ethics Probes Keep Lawyers Flush
By Paul Kane
washingtonpost.com Staff Writer
Tuesday, July 17, 2007; Page A17

> *In addition, Young's current district director in Alaska recently lobbied for an energy conglomerate whose chief executive pleaded guilty in May to bribing several state lawmakers.*
>
> Justice Department probes of congressional corruption continued to provide big business for Washington's white-collar criminal defense attorneys, who billed at least $1 million in the second quarter to current and former House members involved in federal investigations.

new twentythreeskidoo | July 16, 2007 - 10:25pm

reply »

Don Young's illegal campaign contributions

Why hasn't ADN reported on Don Young reporting to the Federal Elections Commission that for many years he has been taking illegal in-kind contributions from the seafood industry? He says he will repay some of the contributions, but will keep the contributions that he accepted during years for which the statute of limitations has run. Perhaps the ADN doesn't know about this letter, so here it is (and now perhaps it will be reported?):

From an official FEC filing.

June 28, 2007
Federal Election Commission
Reports Analysis Division
RE: Prior Year In-Kind Contributions Pacific Seafood Processors Association

On March 9, 2007 our Campaign Manager, Steven Dougherty, received an email from Dennis Phelan of the Pacific Seafood Processors Association (PSPA) saying that he had researched the PSPA records and determined that the PSPA had made In-Kind contributions of seafood to Alaskans for Don Young's annual "Crabfeed" which is held in Washington, DC each year. He listed the following In Kind contributions by year:
2000: $715.00
2001: $795.42
2002: $794.00
2003: $871.55
2004: $933.06
2005: $763.00
2006: $711.03

I did not have prior knowledge of these contributions until I was given a copy of the email from Dennis Phelan. Because we are prohibited from accepting contributions from an industry trade association that is not a PAC we propose to rectify the situation by refunding the contributions for 2004, 2005 and 2006 to the PSPA.

We will not refund the earlier In-Kind contributions for 2000, 2001, 2002 and 2003 because they were made before the three year statute of limitations.

Sincerely
Robert J Bohnert Treasurer,
Alaskans for Don Young C-00012229

new alambernakis | July 16, 2007 - 11:13am

reply »

FBI - Stevens-1101

Crab scraps?

Sure. Only $700-$800 per year... what!, were they crab scraps off the processing floor? Word is that it was about $2,800 for 2007.

This smacks of a red herring letter instead of truth on crab. So, before the Federal Elections Commission takes this letter at more than face value from the Foreign-cartel's Seafood Processing Association, it should demand access to all invoices, shipping documents, and do comparable uncontrolled pricing of the value of these products on the real market.

These companies are experts at lying to the IRS, about Transfer Pricing (involving hundreds of millions of dollars per year) so why wouldn't they lie to the FEC?

new staufen | July 16, 2007 - 2:17pm

reply »

Staufen is crabby, that's for sure

Hi Steve nice to know you are still throwing out allegations that have been disproven over and over ... like the Bristol Bay lawsuit, remeber that one? Ah well facts never bothered you before.

new kodiakkrab | July 17, 2007 - 8:51am

reply »

OK Kodiakkrab, I'll get crabby for a minute!

Not only are you a COWARD for not identifying yourself to the public, but for not calling me up first - you know where I live in Kodiak - and being man enough to confront me personally with your lies and innuendos. We know your type, those who run around behind backs slandering and libeling, attacking the messenger, never contributing to the message. What is your proof we have been incorrect - other than a bad jury not doing its job?

The proof of international crime is in the records of that Alakayak (Bristol Bay) salmon antitrust casefiles and it was surely coming out at that trial. Were you also aware one alternate juror was let go because she was signaling the defendants's lawyers about the vote count of the jury by holding up pencils? Turns out her family and Ben's family had apparently been on the phone several times in the few prior weeks. Do you think Ben might pay a price yet for that?

BUT NEVER FORGET, I/GROUNDSWELL WAS PROVEN 100% CORRECT IN THAT CASE: Marubeni laid $25 million on the table in that case within hours of the facts of Abusive Transfer Pricing entering the courtroom. A former Marubeni executive personally confirmed that it was due to them being scared of ATP once the Japanese had to provide the retail price data. They thought the case was lost, as it should have been. So do you believe your own self delusions or Marubeni's own executives and the other companies who paid to get out of the case, many because they knew it should have convicted them? Have you ever seen any Japanese corporate representative in the media actually disputing our ATP facts, even just saying "Oh, but here's where you are wrong, Mr. Taufen"??? Not even you can do it, so you just resort to quick razor cuts - hoping the public will believe in your little game.

Do you feel better now? You shouldn't = because cowardice cannot be brushed away that easily.

You know very well that the jury did not deliberate on the case for more than a few moments, and ran away for a long weekend. In other cases involving Mitsui, juries deliberated extensively and convicted, yet this case had ample evidence to do more than that. Sure, the plaintiff boutique lawyer came across bad to the jury - but their obligation was to look at the facts. And Wards Cove pulled the grand illusion while the jury ignored their lead role in the Okaya Plan. You know, the smoking gun that the jury said it didn't see. If you really belong to the seafood industry and don't know these truths, and that the processors did fix the prices, then you are an imbecile too.

But we aren't crying about the case outcome, even though we protest a bad jury, because in the larger scheme of things, fishermen won that case because the truth did come out. A temporary bad verdict aside, it has helped convince federal authorities that there is no justice in Alaska unless the FBI intercedes. Maybe you just don't understand that winning battles are not equivalent to winning wars. And did you forget that the Justice Antitrust Dept. was ready in early 1990's to prosecute RICO and put seafood executives in federal prison, but Mitsui and Maruha convinced the US Government that "one species does not an industry make"? That's why pollock, then crab, then other species became the privatization schema. Salmon will be stolen too - but we plan to stop that, if Palin gets a good look at it.

FBI - Stevens-1102

And the evidence still sitting in that Anchorage courthouse fileset

could well be used as evidence currently... especially regarding coercive monopolies like that of Crab Ratz and the Rockfish Pilot Program. Remember also that Ben Stevens and Clem Tillion interceded in the media on behalf of processors --- a dumb move in hindsight, don't you think? PATTERNS!

The broken price-mechanism allegations have also been proven over and over again at the IRS international division, on tax recoveries. In fact, the IRS recently restated another seafood company's pollock books on an ATP issue. Their tens of millions of dollars of recovered funds, and disallowing hundreds of millions of dollars of more tax evasions also serves testament to us being correct, not you. Right?

And what about the allegations we dished out for the past decade or longer that Ted Stevens and Don Young and Ben Stevens would all come under federal indictment? Want to place your bets on that now? Probably not, because you are obviously one of the UFA and Bobby T's servants or a member of the processor crowd quislings. It is your guilt making you angry.

But just because you are pissed off that the Feds are taking down your Uncles Ted and Don and beloved Benito, is no reason for you to be such a coward. Reveal thyself or forever be known, hen. Or would that risk you going to jail, too?

Crabby enough for you now?
Stephen Taufen

PS: God Bless You. Pray for forgiveness.

new staufen | July 17, 2007 - 6:14pm

reply »

Thank you for the blessing

Geez Stephen,

On the one hand you say "we are not crying about the case outcome" and on the other hand this entire post is doing just that ... you are even attacking the US court and jury system and your own fellow Alaskans ("a bad jury not doing its job").

Be consistent. Get over it. You lost.

new kodiakkrab | July 18, 2007 - 8:43am

reply »

How much crab?

staufen, how much crab -- at fair market value -- is $700-800 worth? also, do you know why the ADN is not reporting on this?

For background, here's an excerpt from a story by Lisa Demer that ran in October of last year:

Don Young, in his 34th year as Alaska's lone U.S. representative, has amassed one of the richest campaign accounts in Congress ... Young, famous for his ANNUAL PIG ROAST fundraiser at a Veco executive's home and his CRAB FEED in Washington, D.C., has no trouble stacking up checks from Alaska to Arkansas.

I wonder who donated the PORK for the pig roast?

new alambernakis | July 16, 2007 - 2:26pm

reply »

FBI - Stevens-1103

Depends...

on type of crab, and we'd have to see the documents and shipping costs... But hey, even 30 years ago, brat Ted was ticked off if the crab or salmon box was sent to Mike Gravel's office, so Ted's staff would have to split it down there, get it from Gravel's team.

The real question now might be how much crab did Ted report as in-kind contributions recently and was that legal? OR is this one reason the Senate Ethics group just gave him another extension today for a late filing?

Hey, if we're talking real luau here, we love 'the other white

meat'. But doesn't the big PIG ROAST come in the courtroom soon? Or is that a prison term for an exercise room party?

Take care, alambernakis.

PS: just heard Ted did file today after all... anyone care to provide the link to the Senate record?

new staufen | July 17, 2007 - 6:25pm

reply »

Certainly a lot less...

Some years ago when I was young and hot on politics I set out to run for a municipal office. After looking at the disclosure rules and reporting regulations I figured I needed a lawyer to tell me what I actually had to do and what activities and assets needed to be disclosed.

When the tab on the meter hit $2,000 for an office that paid a couple of hundred I decided against making the run.

It seemed that one either has to be on a power trip or hell-bent on profiting in some other way to even bother picking up the paperwork to run for anything anymore.

new rfn | July 16, 2007 - 9:47am

reply »

It's a shame rfn that you chose not to run...

And sorry that you felt you needed an attorney to lead / guide you through the reporting requirements.

What's so scary about listing all of the sources of your income?

And what's so scary about reporting what you spent your campaign money on?

If you can't pass the muster of that level of public scrutiny, then you're right, you don't belong in a campaign for public office.

I've run a campaign (or two) for candidates, and (while I'm not a lawyer), never had a problem with the reporting requirements.

Why did you? Yes, it's complicated, but what's there to hide?

All you have to do is be honest and fortright. Then, the APOC forms are easy. It's only when you have somethining that you'd rather not report, that you get into trouble.

I'm sorry that you were intimidated by the requirements of the APOC forms - because I wish you would have had the strength of charachter to enter an application anyway. Based on your opinions here, I wish you would have run.

new KatRock_AK | July 16, 2007 - 2:44pm

reply »

When one lives in a small town

it's not "scary" to reveal the intimate details of what your savings/investments might be. It's just setting yourself up for a lot of aggreviation you don't need.

I'm not a lawyer; never wanted to be.

The APOC forms, to me, were subject to interpertation and I did not trust (non-lawyer that I am) I had it exactly right. Too much potential for doing something that seemed right but turned out to not be *exactly* right. Then have it used against you.

FBI - Stevens-1104

Any would-be candidate who is NOT a lawyer and starts signing stuff that is subject to misunderstanding, whether innocent or malignant, is a damn fool and deserves whatever happens down the line.

Now, I'm still trying to sell that bridge in California. If you'd like to see the buy-sell agreement ***without*** *taking it to a lawyer.....*

Also, in a small town where you may engage in buying and selling property, you don't want everybody to know your every asset. It has a way of running up prices.

I've talked with a few others who should have been obvious candidates at the local level. Same story. Too much exposure of personal matters that have no importance to any local ethical situation.

The reporting of how campaign funds were obtained/spent seemed easy enough to understand but, since I never gathered any funds and spent nothing (other than the lawyering), I had nothing to report. Especially since I decided to take a hike. But I even asked the lawyer if I had to file a report because I had "taken out" papers but chose not to submit 'em.

Of course that's just opinion but I know for a fact it has driven off more than a few people of high ethical standards who just don't want to deal with the politics of personal destruction.

Yes, I had run for public office in a place far, far away and won. I was younger and had neither savings nor investments. Also, had not been yet burned by failing to get a lawyer to read every legal document I was thinking to sign.

Oh, and that lawyer you might be thinking to use? Have him strip to be sure he's not wearing a wire!

Even paranoids sometimes have enemies. Especially in politics.

new rfn | July 16, 2007 - 3:11pm

reply »

Ohhhh for pity's sake rfn...

that's quite the coward's answer.

There are currently 59 people in the Alaska state legislature who were brave enough to fill out those forms...

and the negative repurcussions? Dang...only to those who got caught lying or selling.

Sooooo...into which category do you think you might fall?

new KatRock_AK | July 17, 2007 - 4:44pm

reply »

When you reveal the office you

currently hold...or those which you actually held I'll consider answering your pejorative question.

But only after I've examined all of the disclosure forms so I'll know what your total assets are, what stocks you own, and maybe enough more to give those folks in Nigeria enough information that they won't have to go "phishing" to run up your credit card bills. Your children's, too.

Oh? You don't hold and have never held any elective office? What are you trying to hide that's keeping YOU from abandoning your privacy?

Or is there just nothing of value to report? Gee, if that's so, why not run for the legislature next go-round?

new rfn | July 17, 2007 - 5:55pm

reply »

Why should...

FBI - Stevens-1105

...candidates for public office sacrifice their right to privacy?

We have a legalized system of bribery called campaign donations through political action committees and political parties. Yet, you're concerned over what property they own and who their clients are?

If you are serious about rooting out corruption then eliminate the influence of money from special interest groups and political parties. The only thing those disclosure requirements do is keep out people that don't want to bare their private affairs to the world. Those disclosures requirements sure have done a great job of keeping politicians honest didn't they?

Let's get serious about reforms

new Emperor | July 17, 2007 - 5:12pm

reply »

RFN:

Did I ever tell you I am the starting Quarterback for the Dallas Cowboys?

I have started every Monday morning game for the past 30 years.

new AK_Logic | July 16, 2007 - 3:24pm

reply »

I think that means

you're not only interested in that bridge, you have the means to pay for it!

Please post a mailing address so I can mail you the brochure.

new rfn | July 16, 2007 - 4:31pm

reply »

good one

I was starting to think you were a starting pitcher for the Seattle Mariners. Thank god I was wrong.

new Stags_Leap | July 16, 2007 - 3:48pm

reply »

Stags:

Now that is mean :)

new AK_Logic | July 16, 2007 - 4:12pm

reply »

interesting

two separate high-power law firms in D.C., with payments made to each in nearly identical timeframes.

It could lead one to speculate that DY is under investigation by two separate grand juries on separate issues. That's an awful lot of money prior to any indictments being handed out. Imagine what a full-blown trial would cost.

I also think it's a travesty of justice that a man can use his public campaign funds to pay for legal defense fees related to possible corruption charges. I would think DY's Office owes an explanation to the public on what the "legal services" for $260K and change involve.

new Stags_Leap | July 16, 2007 - 9:34am

reply »

The Doms Buddy Down In California Is Having Legal Woes Too

By Erica Werner
ASSOCIATED PRESS
8:48 a.m. July 16, 2007

FBI - Stevens-1106

WASHINGTON – California GOP Rep. John Doolittle's fundraising has slowed and he lags his likely Democratic opponent in money as the congressman's legal woes mount in a congressional influence-peddling scandal.
The nine-term conservative from Rocklin reported raising $100,183 from April 1 through June 30, according to his quarterly Federal Election Commission report, filed Sunday. The three-month period encompassed an FBI raid on his home in early April in the Jack Abramoff lobbying scandal.

new twentythreeskidoo | July 16, 2007 - 1:13pm

reply »

is this a 'doo nugget'?

Perhaps a trademark thingy should start happening? doo nugget looks and sounds better than a nose nugget...

new akgen | July 16, 2007 - 1:37pm

reply »

nosenugget, doonugget

it's all the same.

new twentythreeskidoo | July 16, 2007 - 2:31pm

reply »

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FBI - Stevens-1107

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Candidate Harris

Posted: July 16, 2007 - 10:39 am

In **R.A. Dillon's column** for the News-Miner this weekend, he quotes Rep. John Harris as a potential candidate for U.S. House or Senate.

Harris told Dillon he doesn't plan to challenge Stevens or Young, but would run if one of them got indicted.

add new comment

Harris should stay where he is at

John has too many issues/secrets that would come to light if he ran on the national stage. What you can get away with in Ak would be exposed in the national press. The under handed action during the John Devens campaign in support of Don Young, the weird business that went on between Alyeska and Harris Sand and Gravel in 89-90. Why didn't Alyeska file theft charges on all that missing building materials purchased from Harris Sand and Gravel? Why did the Harris family buy him out of the business after that? Is that how and why the oil industry got a death grip on Harris? Harris Sand and Gravel got away with some bad work for DOT on highway project after John was elected. Many questions that were never answered.

new tim2 | July 20, 2007 - 10:27am

reply »

Oh Great, Just What Alaska Needs....

...another guy who "doesn't get it" when it comes to duty and ethics, running for higher office.

John Harris has presided over the most corrupt house organization in Alaska's brief history. Remember Rep Berkowitz's now-famous call for the "...the House to remain the People's House..."?

Remember who he was talking to? John Harris. John Harris famously ignored Berkowitz and allowed the House to become Bill Allen's little dukedome.

John Harris should be spending his waking days begging for our forgiveness, not contemplating higher office.

A pox on him!!!

new metanoia2k | July 17, 2007 - 9:27am

reply »

I seem to recall

that Ethan Berkowitz organized WITH Pete Kott,

Alaska Politics

State, local and beyond

Alaska has a new governor, a new legislature and a powerful congressional delegation. Come here for the latest news and tidbits from the transition, from Juneau and elsewhere by Daily News political reporters. We want to hear from you, too. So sound off and interact with other readers and the reporters in the "comments" section.

Kyle Hopkins covered the 2006 campaign for governor and is covering the Palin administration's transition. Before joining the Daily News in 2005, he was a writer for the Anchorage Press and the Fairbanks Daily News-Miner. E-mail him at khopkins@adn.com.

The Trail 2006 campaign blog

ARCHIVE

Dittman poll: Businesses, milk, global warming - 7/20/2007 3:21 pm

Murkowski in the spotlight - 7/20/2007 10:46 am

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What to do about homeless - 7/18/2007 3:16 pm

Roll Call on Young - 7/18/2007 10:59 am

Tesche - 7/18/2007 10:31 am

Special session and capital creep - 7/17/2007 9:14 pm

Poop update - 7/17/2007 7:54 pm

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FBI - Stevens-1108

194-AN-13620-M;496

Tom Anderson, and Lesil McGuire to overthrow Harris. Aren't ya glad that didn't work out? You are way off accusing Harris of being corrupt and calling Berkowitz a saint. Just so happens that Kott/Berkowitz and that little coup attempt were totally backed by who else: Bill Allen.

new acom | July 19, 2007 - 9:46pm

reply »

Right on the mark acom!!!!!!!!!!!!!!!!!

I still remember the picture of ethan and kott with arms around each other's shoulders, smiling like the cat who just swallowed the canary. I will see if I can find it anywhere so people can look at it. Anyone got any ideas where that could be found?

new truthseeker | July 20, 2007 - 10:04am

reply »

Small spenders - 7/16/2007 8:32 pm
Mental illness and guns (UPDATED) - 7/16/2007 4:43 pm
Candidate Harris - 7/16/2007 10:39 am
Lots of lawyering - 7/16/2007 10:01 am
Replacing Kohring - 7/14/2007 2:28 pm
Should dogs be banned from ballfields? - 7/13/2007 12:22 pm
No free wi-fi? - 7/13/2007 12:17 pm
Lobbying - 7/13/2007 12:16 pm
'Discretion and tact are essential' - 7/12/2007 4:38 pm
full archive »

new simplesimon23 | July 16, 2007 - 5:48pm

reply »

Someone with spine

is what we need in the House or Senate.

If you didn't catch the Bill Moyers Journal this weekend - catch it on video at: http://www.pbs.org/moyers/journal/07132007/profile.html

new simplesimon23 | July 16, 2007 - 5:47pm

reply »

John Harris

certainly does not meet the description of someone with spine.

new theodosius30 | July 17, 2007 - 5:06am

reply »

Not everyone on this blog will tell you..

Complacency is bad.

Complacency is the best way to not be a 'target' with the union or CBC until, well the time the Federalis come and raid yer office.

'Do nothing policy' can become a crime or at least get your pension yanked,now.

Nothing about plea bargains, it's a choice of cooperate with the fed or not. Usually the fed is nicer on sentence if the perp cooperated.

Same violation, new penalties.

It would be interesting to see who voted against that revocation clause especially Harris.

new edgefinder | July 16, 2007 - 8:15pm

reply »

FBI - Stevens-1109

John Harris is a definite,

John Harris is a definite, front running suckup to the oil industry.

Always has been, and he always WILL be.

new leowassilie | July 16, 2007 - 10:09am

reply »

Not what we need

If state Republicans want to continue with business as usual with all of their good ol' boys, Harris is definitely the man. I would hope the rest of us regular folk know better than to consider him.

new iHEARTmea | July 16, 2007 - 9:59am

reply »

Humpty Dumbty

has a better chance of being a senator or congressman than John Harris.

new theodosius30 | July 16, 2007 - 11:00am

reply »

In Case of Indictments?

When I suggested that the Republicans need to look for federal replacements as hard as the democrats Harris was not in mind at all.

Now I know more about it.

Who knows if Harris won't or shouldn't be under indictment at this point. PPT HAD A LOT OF MONEY THROWN IN.

Like the other bloggers have suggested,
campaign Donors need to know what they're getting before hand.

That's the key to corruption.

new edgefinder | July 16, 2007 - 5:46pm

reply »

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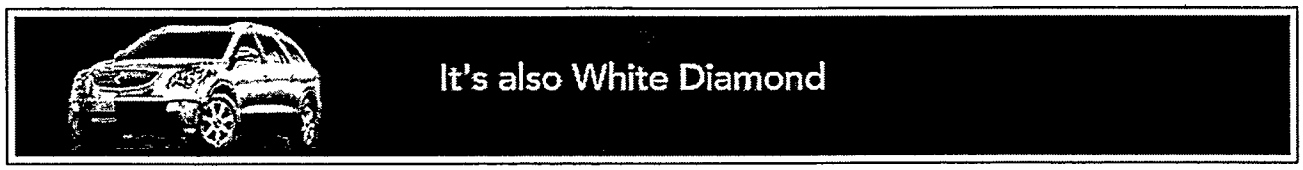
FBI - Stevens-1110



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(UPDATED) AP on Stevens

Posted: July 17, 2007 - 6:27 pm

UPDATE: **Click here** for the financial disclosure document Stevens filed (it's 18 pages).

After 2-month delay, Stevens releases report on personal finances

By JEANNETTE J. LEE
Associated Press Writer

ANCHORAGE, Alaska (AP) -- Sen. Ted Stevens filed the annual report on his personal finances with the Senate Ethics Committee on Tuesday after receiving a two-month extension to fix what he called a few simple technical errors.

The delay was not unusual for members of Congress, but with his son under investigation by the FBI for corruption, Stevens said he wanted to make sure his report, detailing income, assets and gifts from 2006, was unassailable.

"The delay happened, really, because I asked for it, because of the circumstances right now," Stevens said Tuesday. The 83-year-old senator said nothing in the mandatory disclosure report has anything to do with the investigation.

FBI raids on the offices of several Alaska lawmakers last year included his son, former Alaska Senate President Ben Stevens.

The FBI has asked the elder Stevens, who is the longest-serving Republican in Senate history, to retain his records. The agency is looking into the remodeling of the senator's Girdwood home in 2000 in connection with the investigation, which is ongoing.

Neither the senator nor his son have been charged.

Most members of Congress submitted their financial disclosure reports in mid-May. Stevens said the filing delay was due to questions by the Senate Ethics Committee over his wife's 401K, as well as a few small mistakes.

"I put an X on front page in the wrong box," Stevens said.

A copy of the report provided by Stevens' office to The Associated Press shows his assets are worth between $1 million and to $2.1 million, with about half in a blind trust. Individual assets include oil well interests in Oklahoma worth $50,001 to $100,000 and rental housing in Wickenburg, Ariz., in the same range. Local holdings include commercial property and a share in Sack's Restaurant, a downtown eatery. Each is worth between $15,001 and $50,000.

"People write all these stories about senators being rich.

Alaska Politics

State, local and beyond

Alaska has a new governor, a new legislature and a powerful congressional delegation. Come here for the latest news and tidbits from the transition, from Juneau and elsewhere by Daily News political reporters. We want to hear from you, too. So sound off and interact with other readers and the reporters in the "comments" section.

Kyle Hopkins covered the 2006 campaign for governor and is covering the Palin administration's transition. Before joining the Daily News in 2005, he was a writer for the Anchorage Press and the Fairbanks Daily News-Miner. E-mail him at khopkins@adn.com.

The Trail 2006 campaign blog

ARCHIVE

Dittman poll: Businesses, milk, global warming - 7/20/2007 3:21 pm

Murkowski in the spotlight - 7/20/2007 10:46 am

Round-up - 7/19/2007 10:06 am

What to do about homeless - 7/18/2007 3:16 pm

Roll Call on Young - 7/18/2007 10:59 am

Tesche - 7/18/2007 10:31 am

Special session and capital creep - 7/17/2007 9:14 pm

Poop update - 7/17/2007 7:54 pm

(UPDATED) AP on Stevens - 7/17/2007 6:27 pm

Wrong number - 7/17/2007 3:20 pm

Wes Keller to replace Kohring - 7/17/2007 12:54 pm

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Millions in unclaimed money How much do they owe you?
www.CashUnclaimed.com

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Why Pay 6% ? Direct Access to Alaska MLS.
www.congressrealty.com

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Alaska Kenai River King Salmon, Fly Halibut Fishing Guides & Lodging
www.myalaskafishingguid

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www.hiddencreekbb.com

FBI - Stevens-1111

194-AN-13620-M,497

This one isn't," Stevens said.

The senator's disclosure report also included a retroactive list of gifts he received from the Kenai River Sportfishing Association. The group works to protect salmon runs on the Kenai River and was founded by Stevens' friend and business partner Bob Penney.

Penney and Stevens were part of a group of 10 prominent Alaskans who owned a racehorse together under a company called Alaska's Great Eagle, which is also listed on the senator's disclosure form. Penney testified in June before a federal grand jury in Anchorage that has gathered information in the corruption cases.

Stevens hosts the fishing association's annual fundraiser and, according to the report, received guns priced from $850 to $1,800 over the course of five years starting in 2002. They included a $1,400 Smith & Wesson and an $1,800 Beretta 470 Silver Eagle.

The firearms were awarded in recognition of public service, exempting them from a Senate rule that prohibits mosts gifts worth more than $49.99.

Small spenders - 7/16/2007 8:32 pm
Mental illness and guns (UPDATED) - 7/16/2007 4:43 pm
Candidate Harris - 7/16/2007 10:39 am
Lots of lawyering - 7/16/2007 10:01 am
Replacing Kohring - 7/14/2007 2:28 pm
Should dogs be banned from ballfields? - 7/13/2007 12:22 pm
No free wi-fi? - 7/13/2007 12:17 pm
Lobbying - 7/13/2007 12:16 pm
'Discretion and tact are essential' - 7/12/2007 4:38 pm
full archive »

The senator commented briefly on the remodeling of his home in the sleepy ski resort town of Girdwood that doubled the size of the house, a four-bedroom structure that is Stevens' official residence in Alaska.

A contractor who did work on the house has said he was directed to send bills to the oil-field services company, VECO, headed by Stevens' friend Bill Allen, who has been indicted on political bribery charges. Someone at the company would examine them for accuracy before sending them to Stevens.

"I will tell you we paid every bill that was given to us with our own money," Stevens said, referring to himself and his wife. "She works and I work. That was our own money."

Stevens said he could not answer questions in detail because of the FBI investigation.

"If I do, I'm liable to be accused of obstruction of justice," he said.

Stevens said attorney Bill Canfield assisted in vetting his financial disclosures. Canfield was Stevens' chief of staff when the senator headed the Senate Ethics Committee.

add new comment

"People write all these

"People write all these stories about senators being rich. This one isn't," Stevens said.

Is that like what Ben said about his multi million option at ADAK?

"I'm not getting rich off it."

Ask any GG employee and 2.1m is rich.

And I bet a current appraisal in Wik is more $ for the house. Things have boomed around there.

new edgefinder | July 18, 2007 - 5:34pm

reply »

Ask the crab fishermen

Ask any of the 1000 crab fishermen the Stevens father-son team put out of work if 2.1 million is rich.

new tkelley | July 18, 2007 - 10:34pm

reply »

FBI - Stevens-1112

Nailed it through the hands

Right on man - just like trying to prove your innocence in the murder of a Martian. How many other aliens have you killed, Mr. Senator? Is this the reason you never visit Roswell? Innocent if he drowns, stone him if he floats.

new nerka86 | July 18, 2007 - 12:50pm

reply »

What about the bills that weren't sent to you?

Senator Stevens concerning the VECO-linked remodeling job: "I will tell you we paid every bill that was given to us". No one is questioning that fact. The question is how many bills were not sent to the Stevens? And who paid those bills?

new tkelley | July 18, 2007 - 6:51am

reply »

Nailed It

You've nailed it, tkelley. Since when were we concerned whether Stevens paid all the bills that were sent to him? The question is whether others paid for goods and services delivered to Stevens.

It's sort of like being accused of murder and saying "I haven't killed anyone with a pitchfork."

new chilcoot | July 18, 2007 - 9:57am

reply »

Maybe you meant...

Unsaid quote: "I'm not rich if you count only my assets in the USA that the IRS can find! By jove, those London trips to handle my Jersey Isle accounts are so nice when I fly on a private corporate jet for free." - Ted.

The German 5th: "I know nutthing!, Colonel Hogan!" - Sgt. Schultz

new staufon | July 18, 2007 - 9:06pm

reply »

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FBI - Stevens-1113

UNITED STATES SENATE FINANCIAL DISCLOSURE REPORT FOR ANNUAL AND TERMINATION REPORTS

Last Name	First Name and Middle Initial	Annual Report / Calendar Year Covered by Report	Senate Office / Agency in Which Employed
STEVENS	THEODORE (TED) F.	2006	
Senate Office Address (Number, Street, City, State, and ZIP Code)	**Senate Office Telephone Number (Include Area Code)**	**Termination Report / Termination Date (mm/dd/yy)**	**Prior Office / Agency in Which Employed**
SENATE HART 522 WASHINGTON DC 20510	(202)224-3004		

AFTER READING THE INSTRUCTIONS - ANSWER EACH OF THESE QUESTIONS AND ATTACH THE RELEVANT PART

	YES	NO		YES	NO
Did any individual or organization make a donation to charity in lieu of paying you for a speech, appearance, or article in the reporting period? If Yes, Complete and Attach PART I.		X	Did you, your spouse, or dependent child receive any reportable travel or reimbursements for travel in the reporting period (i.e., worth more than $305 from one source)? If Yes, Complete and Attach PART VI.		X
Did you or your spouse have earned income (e.g., salaries or fees) or non-investment income of more than $200 from any reportable source in the reporting period? If Yes, Complete and Attach PART II.	X		Did you, your spouse, or dependent child have any reportable liability (more than $10,000) during the reporting period? If Yes, Complete and Attach PART VII.		X
Did you, your spouse, or dependent child hold any reportable asset worth more than $1,000 at the end of the period, or receive unearned or investment income of more than $200 in the reporting period? If Yes, Complete & Attach PART IIIA and/or IIIB.	X		Did you hold any reportable positions on or before the date of filing in the current calendar year? If Yes, Complete and Attach PART VIII	X	
Did you, your spouse, or dependent child purchase, sell, or exchange any reportable asset worth more than $1,000 in the reporting period? If Yes, Complete and Attach PART IV.	X		Do you have any reportable agreement or arrangement with an outside entity? If Yes, Complete and Attach PART IX.		X
Did you, your spouse, or dependent child receive any reportable gift in the reporting period (i.e., aggregating more than $305 and not otherwise exempt)? If Yes, Complete and Attach PART V.	X		If this is your FIRST Report: Did you receive compensation of more than $5,000 from a single source in the two prior years? If Yes, Complete and Attach PART X		

Each question must be answered and the appropriate PART attached for each "YES" response.

File this report and any amendments with the Secretary of the Senate, Office of Public Records, Room 232, Hart Senate Office Building, U.S. Senate, Washington, DC 20510. $200 Penalty for filing more than 30 days after due date.

This Financial Disclosure Statement is required by the Ethics in Government Act of 1978, as amended. The statement will be made available by the Office of the Secretary of the Senate to any requesting person upon written application and will be reviewed by the Select Committee on Ethics. Any individual who knowingly and willfully falsifies, or who knowingly and willfully fails to file this report may be subject to civil and criminal sanctions. (See 5 U.S.C. app. 6, 104, and 18 U.S.C. 1001.)

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07 JUL 17 PM 2:26

Certification	Signature of Reporting Individual	Date (Month, Day, Year)
I CERTIFY that the statements I have made on this form and all attached schedules are true, complete and correct to the best of my knowledge and belief.	Ted Stevens	7/17/07

For Official Use Only - Do Not Write Below This Line

	Signature of Reviewing Official	Date (Month, Day, Year)
It is the Opinion of the reviewer that the statements made in this form are in compliance with Title I of the Ethics in Government Act		

Reporting Individual's Name	PART II. EARNED AND NON-INVESTMENT INCOME	Page Number
Theodore (Ted) F. Stevens		2

Report the source (name and address), type, and amount of earned income to you from any source aggregating $200 or more during the reporting period. For your spouse, report the source (name and address) and type of earned income which aggregate $1,000 or more during the reporting period. No amount needs to be specified for your spouse. (See p.3. CONTENTS OF REPORTS Part B of Instructions.) Do not report income from employment by the U.S. Government for you or your spouse.

Individuals not covered by the Honoraria Ban:
For you and /or your spouse, report honoraria income received which aggregates $200 or more by exact amount, give the date of, and describe the activity (speech, appearance or article) generating such honoraria payment. Do not include payments in lieu of honoraria reported on Part I.

	Name of Income Source	Address (City, State)	Type of Income	Amount
Example:	*JP Computers*	*Wash., DC* *Example*	*Salary* *Example*	*$15,000*
	MCI (Spouse)	*Arlington, VA* *Example*	*Salary* *Example*	*Over $1,000*
1	(S) Mayer, Brown, Rowe & Maw, LLP	Washington, DC	Salary	over $1,000
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				

JUL-17-2007 21:48 MCCLATCHYDC P.03/19

Reporting Individual's Name: Theodore (Ted) F. Stevens

PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Page Number: 3

BLOCK A — Identity of Publicly Traded Assets And Unearned Income Sources

Report the complete name of each publicly traded asset held by you, your spouse, or your dependent child. *(See p.3, CONTENTS OF REPORTS Part B of Instructions)* for production of income or investment which:
(1) had a value exceeding $1,000 at the close of the reporting period; and/or
(2) generated over $200 in "unearned" income during the reporting period.
Include on this PART IIIA a complete identification of each public bond, mutual fund, publicly traded partnership interest, excepted investment funds, bank accounts, excepted and qualified blind trusts, and publicly traded assets of a retirement plan.

BLOCK B — Valuation of Assets

At the close of reporting period
If None, or less than $1,001, Check the first column

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

	Block A	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required if "Other" Specified
Example: S, DC, or J	IBM Corp. (stock)				X									X							Example		X										Example
	(S) Keystone Fund					X										X		X			Example	X											Example
1	(S) Credit Suisse Securities, LLC San Francisco, CA (Money Market)				X									X											X								
2	(J) United States Senate Federal Credit Union Washington, DC					X										X									X								
3	(J) Wells Fargo (Checking Account) Anchorage, AK		X													X						X											
4	(S) Bank of America (Checking Account) Washington, DC	X														X						X											
5	(S) Wells Fargo (Checking Account) Wickenburg, AZ (1/3 interest)		X													X						X											
6																																	
7																																	
8																																	
9																																	
10																																	

EXEMPTION TEST *(see instructions before marking box)* If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

Reporting Individual's Name: Theodore (Ted) F. Stevens

PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

JUL-17-2007 21:49 MCCLATCHYDC

BLOCK A — Identity of Publicly Traded Assets And Unearned Income Sources

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	Block A	Block B: None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Block C: Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required if "Other" Specified
S, Example: DC, or J	*IBM Corp. (stock)*				X									X							*Example*		X										*Example*
(S)	*Keystone Fund*					X										X		X			*Example*	X											*Example*
1	IRA w/Fidelity Investments as Custodian Consisting of the following:																																
2	Fidelity Cash Reserves	X												X											X								
3	Fidelity International Small Cap Opportunity Fund					X								X								X											
4																																	
5																																	
6																																	
7																																	
8																																	
9																																	
10																																	

EXEMPTION TEST *(see Instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the Instructions, please check box to the right. ☐

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Reporting Individual's Name: Theodore (Ted) F. Stevens

PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Page Number: 5

BLOCK A — Identity of Publicly Traded Assets And Unearned Income Sources

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Example: S, DC, or J	*IBM Corp. (stock)*				X									X							*Example*		X										*Example*
	(S) Keystone Fund					X										X		X			*Example*	X											*Example*
1	(S) CITIGROUP SMITHBARNEY IRA Consisting of the following funds:																																
2	(S) CGCM Large Cap Value Eq Investments		X															X						X									
3	(S) CGCM Large Cap Growth Investments			X														X				X											
4	(S) CGCM Small Cap Value Investments		X															X					X										
5	(S) CGCM Small Cap Growth Investments		X															X				X											
6	(S) CGCM International Equity Investments		X															X					X										
7	(S) CGCM Emerging Mkts Equ Investments		X															X						X									
8	(S) CGCM Govt Money Investments		X															X				X											
9																																	
10																																	

EXEMPTION TEST *(see instructions before marking box)*. If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

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JUL-17-2007 21:50 MCCLATCHYDC P.06/19

Reporting Individual's Name: Theodore (Ted) F. Stevens

PART IIIA. PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

Page Number: 6

BLOCK A — Identity of Publicly Traded Assets And Unearned Income Sources

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S, Example: DC, or J	*IBM Corp. (stock)*				X									X							*Example*		X										*Example*
	(S) Keystone Fund					X										X		X			*Example*	X											*Example*
1	(S) MAYER, BROWN, ROWE & MAW 401(k) plan administered by:																																
2	BOK Financial Services and consists of the following funds:																																
3	(S) DWS Equity 500 Index Fund (Formerly Scudder Equ 500 Index Fund)			X														X								X							
4	(S) TCW Select Equities Fund 1 (Formerly TCW Galileo Select Equ Fund)			X														X				X											
5	(S) Jennison Small Company Z			X														X					X										
6	(S) STI Classic Sm Cap Growth Stock Fund	X																X					X										
7	(S) Fidelity Adv. Diversified Intl Fund			X														X								X							
8																																	
9																																	
10																																	

EXEMPTION TEST *(see instructions before making box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

JUL-17-2007 21:50 MCCLATCHYDC F.07/1

Reporting Individual's Name: Theodore (Ted) F. Stevens

PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

BLOCK A — Identity of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city state and description) of each interest held by you, your spouse, or your dependent child (See p.3, CONTENTS OF REPORTS Part B of Instructions) for the production of income or investment in a non-public trade or business which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or

(2) generated over $200 in "unearned" income during the reporting period.

Include the above report for each underlying asset, which is not incidental to the trade or business. Publicly traded assets held by non-public entity may be listed on Part IIIA.

BLOCK B — Valuation of Assets

At the close of reporting period. If None, or less than $1,001, Check the first column

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

	Block A	Block B: None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000**	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Block C: Type of Income: Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	Amount of Income: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required if "Other" Specified
S, DC, or J	Example: JP Computer, Wash DC				X									X							Example		X										Example
	Example: Undeveloped land, Dubuque, Iowa					X															Example	X											Example
1	(S) National Life (Life Insurance) Montpelier, VT		X													X							X										
2	(S) State of Alaska Permanent Fund Dividend													X										X									
3	State of Alaska Permanent Fund Dividend													X										X									
4	Alaska's Great Eagle As Well, LLC Girdwood, AK		X																		LLC												(6424)
5	Alaska's Great Eagle, LLC Girdwood, AK		X																		LLC												(4264)
6	Theodore F. Stevens Blind Trust Anchorage, AK							X												X								X					
7	Oil Interests (individual wells) Oklahoma City, OK				X																wrkg intrst												9048
8	Sacks Restaurant, LLC Anchorage, AK		X																		LLC												157
9																																	
10																																	

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

JUL-17-2007 21:51 ATCHYDC

Filer's Last Name: Theodore (Ted) F. Stevens

PART IIIB. NON-PUBLICLY TRADED ASSETS AND UNEARNED INCOME SOURCES

BLOCK A — Identify of Non-Publicly Traded Assets and Unearned Income Sources

Report the name, address (city, state and description) of each interest held by you, your spouse, or your dependent child (See p.3, CONTENTS OF REPORTS Part B of Instructions) for the production of income or investment in a non-public trade or business which:

(1) had a value exceeding $1,000 at the close of the reporting period; and/or

(2) generated over $200 in "unearned" income during the reporting period.

Include the above report for each underlying asset, which is not incidental to the trade or business. Publicly traded assets held by non-public entity may be listed on Part IIIA.

BLOCK B — Valuation of Assets

At the close of reporting period. If None, or less than $1,001, Check the first column.

BLOCK C — Type and Amount of Income

If "None (or less than $201)" is Checked, no other entry is needed in Block C for that item. This includes income received or accrued to the benefit of the individual.

	Block A	None (or less than $1,001)	$1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000	Type of Income: Dividends	Rent	Interest	Capital Gains	Excepted Investment Fund	Excepted Trust	Qualified Blind Trust	Other (Specify Type)	Amount of Income: None (or less than $201)	$201 - $1,000	$1,001 - $2,500	$2,501 - $5,000	$5,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	Over $5,000,000	Actual Amount Required if "Other" Specified
Example: S, DC, or J	JP Computer, Wash DC				X									X							Example		X										Example
	Undeveloped land, Dubuque, Iowa					X															Example	X											Example
1	(S) CHAMER COMPANY INC: Anchorage, AK (Family Investment Co.)																																
2	(S) Investment in Rental House Wickenburg, AZ				X																	X											
3	(S) Interest in Commercial Property Anchorage, AK			X																		X											
4	(S) Interest in Bank Account- Wells Fargo Anchorage, AK			X																		X											
5																																	
6																																	
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EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

MC_OTCHYDC
JUL-17-2007 21:51

Reporting Individual's Name: Theodore (Ted) F. Stevens

PART IV. TRANSACTIONS

Report any purchase, sale, or exchange by you, your spouse, or dependent child (See p.3 CONTENTS OF REPORTS Part B of Instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.

	Identification of Assets	Transaction Type (x): Purchase	Sale	Exchange	Transaction Date (Mo., Day, Yr.)	Amount of Transaction (x): $1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
S, Example: DC, or J	*IBM Corp. (stock) NYSE*	X			*2/1/0X*		X			E	X	A	M	P	L	E
	(DC) Microsoft (stock) NASDAQ/OTC		X		*1/27/0X*				X	E	X	A	M	P	L	E
1	Alaska's Great Eagle, LLC (Capital Call)				6/6/06	X										
2	Alaska's Great Eagle, LLC (Capital Call)				11/28/06	X										
3	Alaska's Great Eagle As Well, LLC (Capital Call)				5/18/06	X										
4	IRA with Fidelity Investments as custodian: Fidelity International Small Cap Opp Fund	X			10/6/06				X							
5	Stockmen's Bank (Now National Bank of Arizona) (checking account) Wickenburg, AZ (Gifted to Family)				5/15/06	X										
6	TFStevens Bedbug Outfit - undivided 1/2 interest in Livestock Congress, AZ (Gifted to Family)				05/15/06	X										
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EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

JUL-17-2007 21:52 M_LATCHYDC

PART IV. TRANSACTIONS

Report any purchase, sale, or exchange by you, your spouse, or dependent child (See p.3 CONTENTS OF REPORTS Part B of Instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.

	Identification of Assets	Transaction Type (x): Purchase	Sale	Exchange	Transaction Date (Mo., Day, Yr.)	Amount of Transaction (x): $1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
Example: S, DC, or J	*IBM Corp. (stock) NYSE*	X			2/1/0X		X			E	X	A	M	P	L	E
	(DC) Microsoft (stock) NASDAQ/OTC		X		1/27/0X				X	E	X	A	M	P	L	E
1	(S) CITIGROUP SMITHBARNEY- IRA Consisting of the following funds:															
2	(S) CGCM- Large Cap Value Equity	X			1/30/06	X										
3	(S) CGCM- Small Cap Value Equity		X		1/30/06	X										
4	(S) CGCM- Emerging Markets Equity		X		1/30/06	X										
5	(S) CGCM- International Equity	X			1/30/06	X										
6	(S) CGCM- Large Cap Growth Equity	X			1/30/06	X										
7	(S) CGCM- Small Cap Growth Equity		X		1/30/06	X										
8	(S) CGCM- International Equity		X		8/22/06	X										
9	(S) CGCM- Large Cap Growth Equity	X			8/22/06	X										
10	(S) CGCM- Large Cap Value Equity	X			12/15/06	X										
11																
12																

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories at value, as appropriate.

P.11/19

LATCHYDC

JUL-17-2007 21:52

Reporting Individual's Name: Theodore (Ted) F. Stevens

PART IV. TRANSACTIONS

Report any purchase, sale, or exchange by you, your spouse, or dependent child (See p.3 CONTENTS OF REPORTS Part B of Instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.

	Identification of Assets	Transaction Type (x): Purchase	Sale	Exchange	Transaction Date (Mo., Day, Yr.)	Amount of Transaction (x): $1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
S, Example: DC, or J	*IBM Corp. (stock) NYSE*	X			*2/1/0X*		X			E	X	A	M	P	L	E
	(DC) Microsoft (stock) NASDAQ/OTC		X		*1/27/0X*				X	E	X	A	M	P	L	E
1	(S) MAYER, BROWN, ROWE & MAW- 401(k) plan administered by BOK Financial Services. Consisting of the following funds:															
2	(S) DWS Equity 500 Index Fund	X			1/1/06	X										
3	(S) TCW Select Equities Fund 1	X			1/1/06	X										
4	(S) STI Classic Sm Cap Growth Stock T Fund	X			1/1/06	X										
5	(S) Fidelity Adv. Diversified Int'l Fund	X			1/1/06	X										
6	(S) DWS Equity 500 Index Fund	X			4/1/06	X										
7	(S) TCW Select Equities Fund 1	X			4/1/06	X										
8	(S) STI Classic Sm Cap Growth Stock T Fund	X			4/1/06	X										
9	(S) Fidelity Adv. Diversified Int'l Fund	X			4/1/06	X										
10	(S) STI Classic Sm Cap Growth Stock T Fund exchanged for Jennison Small Company Z			X	10/1/06		X									
11	(S) DWS Equity 500 Index Fund		X		11/22/06	X										
12	(S) TCW Select Equities Fund 1		X		11/22/06	X										

EXEMPTION TEST *(see instructions before marking box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

JUL-17-2007 21:53 RCLATCHYDC

Reporting Individual's Name: Theodore (Ted) F. Stevens

PART IV. TRANSACTIONS

Report any purchase, sale, or exchange by you, your spouse, or dependent child (See p.3 CONTENTS OF REPORTS Part B of Instructions) during the reporting period of any real property, stocks, bonds, commodity futures, and other securities when the amount of the transaction exceeded $1,000. Include transactions that resulted in a loss. Do not report a transaction involving property used solely as your personal residence, or a transaction between you, your spouse, or dependent child. Please clarify which two properties are involved in any reportable exchange.

	Identification of Assets	Transaction Type (x): Purchase	Sale	Exchange	Transaction Date (Mo., Day, Yr.)	Amount of Transaction (x): $1,001 - $15,000	$15,001 - $50,000	$50,001 - $100,000	$100,001 - $250,000	$250,001 - $500,000	$500,001 - $1,000,000	Over $1,000,000***	$1,000,001 - $5,000,000	$5,000,001 - $25,000,000	$25,000,001 - $50,000,000	Over $50,000,000
S, Example: DC, or J	*IBM Corp. (stock) NYSE*	X			2/1/0X		X			E	X	A	M	P	L	E
	(DC) Microsoft (stock) NASDAQ/OTC		X		1/27/0X				X	E	X	A	M	P	L	E
1	(S) MAYER, BROWN, ROWE & MAW- 401(k) plan administered by BOK Financial Services. Consisting of the following funds:															
2	(S) Jennison Small Company Z		X		11/22/06	X										
3	(S) Fidelity Adv. Diversified Int'l Fund		X		11/22/06	X										
4																
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EXEMPTION TEST *(see instructions before making box)*: If you omitted any asset because it meets the three-part test for exemption described in the instructions, please check box to the right. ☐

*** This category applies only if the asset is/was held independently by the spouse or dependent child. If the asset is/was either held by the filer or jointly held, use the other categories of value, as appropriate.

JUL-17-2007 21:53 RECLATCHYDC F.12/13

Report the source, brief description and value of all gifts aggregating more than $305 in value received by you, your spouse, or your dependent child, (See p.3 CONTENTS OF REPORTS Part B of Instructions), from each source. Gifts with a value of $122 or less need not be aggregated towards the disclosure threshold. "Gift" is defined in the Instructions.

Exclude: (1) Bequests and other forms of inheritance; (2) Political campaign contributions; (3) Communications to your offices including subscriptions to newspapers and periodicals; (4) Consumable products provided by home state businesses to your offices, if those products are intended for consumption by persons other than yourself; (5) Gifts received prior to your Federal employment; (6) Gifts to your spouse or dependent child totally independent of his or her relationship to you; (7) Gifts from relatives; (8) Personal hospitality of any individual (see instructions); (9) meals and beverages unless consumed in connection with a gift of overnight lodging; and (10) Food, lodging, transportation, and entertainment provided by a foreign government within a foreign country, or by federal, state, D.C., or local governments.

	Name of Income Source	Address of Source	Dates and Brief Description	Gift Value
Example:	*Mr. John Q. Smith*	*Anytown, VA* *Example*	*August 12, 200X, Silver platter - Ethics Committee waiver granted*	*$400*
1	Kenai River Sportsfishing Assoc. 501(c)3	Kenai, Alaska	July 2006, Smith & Wesson; Engraved for public service	$1,400
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Note: The Senate Gift Rule prohibits most gifts in excess of $49.99.

JUL-17-2007 21:53 MCLATCHYDC

PART VIII. POSITIONS HELD OUTSIDE U.S. GOVERNMENT

Report any positions held by you during the applicable reporting period whether compensated or not. Positions include, but are not limited to those of an officer, director, trustee, general partner, proprietor, representative, employee, or consultant of any corporation, firm, partnership, or other business enterprise or any non-profit organization or educational institution. Both the year and month must be reported for the period of time that the position was held.

Exclude: Positions with federal government, religious, social, fraternal, or political entities, and those solely of an honorary nature.

	Name of Organization	Address (City, State)	Type of Organization	Position Held	From (Mo/Yr)	To (Mo/Yr)
Example:	*National Assn. of Rock Collectors*	*NY,NY* EXAMPLE	*Non-profit education*	*President*	*6/90*	*Present*
	Jones & Smith	*Hometown, USA* EXAMPLE	*Law Firm*	*Partner*	*7/85*	*11/0X*
1	Dwight D. Eisenhower Memorial Commission	Washington, DC	Presidential Appointment	Member of the Board	4/01	Present
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Compensation in excess of $200 from any position must be reported in Part II.

JUL-17-2007 21:54 LATCHYDC P.15/17

Reporting individual's name: Theodore (Ted) F. Stevens

PART V. GIFTS

Page Number

Amendment 2007

Report the source, brief description and value of all gifts aggregating more than $305 in value received by you, your spouse, or your dependent child, (See p.3 CONTENTS OF REPORTS Part B of Instructions), from each source. Gifts with a value of $122 or less need not be aggregated towards the disclosure threshold. "Gift" is defined in the Instructions.

Exclude: (1) Bequests and other forms of inheritance; (2) Political campaign contributions; (3) Communications to your offices including subscriptions to newspapers and periodicals; (4) Consumable products provided by home state businesses to your offices, if those products are intended for consumption by persons other than yourself; (5) Gifts received prior to your Federal employment; (6) Gifts to your spouse or dependent child totally independent of his or her relationship to you; (7) Gifts from relatives; (8) Personal hospitality of any individual (see instructions); (9) meals and beverages unless consumed in connection with a gift of overnight lodging; and (10) Food, lodging, transportation, and entertainment provided by a foreign government within a foreign country, or by federal, state, D.C., or local governments.

	Name of Income Source	Address of Source	Dates and Brief Description	Gift Value
Example:	*Mr. John Q. Smith*	*Anytown, VA* *Example*	*August 12, 200X, Silver platter - Ethics Committee waiver granted*	*$400*
1	Kenai River Sportsfishing Assoc. 501(c)3	Kenai, Alaska	July 2002, Marlin Guide; Engraved for Public Service	$650
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Note: The Senate Gift Rule prohibits most gifts in excess of $49.99.

Ted Stevens

RECEIVED SECRETARY OF THE SENATE 07 JUL 17 PM 2:26

JUL-17-2007 21:54 MCCLATCHYDC

Reporting Individual's Name: Theodore (Ted) F. Stevens

PART V. GIFTS

Page Number

Annual Report 2003

Report the source, brief description and value of all gifts aggregating more than $305 in value received by you, your spouse, or your dependent child. (See p.3 CONTENTS OF REPORTS Part B of Instructions), from each source. Gifts with a value of $122 or less need not be aggregated towards the disclosure threshold. "Gift" is defined in the Instructions.

Exclude: (1) Bequests and other forms of inheritance; (2) Political campaign contributions; (3) Communications to your offices including subscriptions to newspapers and periodicals; (4) Consumable products provided by home state businesses to your offices, if those products are intended for consumption by persons other than yourself; (5) Gifts received prior to your Federal employment; (6) Gifts to your spouse or dependent child totally independent of his or her relationship to you; (7) Gifts from relatives; (8) Personal hospitality of any individual (see instructions); (9) meals and beverages unless consumed in connection with a gift of overnight lodging; and (10) Food, lodging, transportation, and entertainment provided by a foreign government within a foreign country, or by federal, state, D.C., or local governments.

	Name of Income Source	Address of Source	Dates and Brief Description	Gift Value
Example:	*Mr. John Q. Smith*	*Anytown, VA* *Example*	*August 12, 200X, Silver platter - Ethics Committee waiver granted*	*$400*
1	Kenai River Sportsfishing Assoc. 501(c)3	Kenai, Alaska	July 2003, Winchester Model 70 Super Grade; Engraved for Public Service	$1,400
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Note: The Senate Gift Rule prohibits most gifts in excess of $49.99.

RECEIVED
SECRETARY OF THE SENATE
07 JUL 17 PM 2:26

JUL-17-2007 21:55 MCLATCHYDC

Reporting Individual's Name
THEODORE (TED) F. STEVENS

PART V. GIFTS

Page Number
2004 Amend

Report the source, brief description and value of all gifts aggregating more than $305 in value received by you, your spouse, or your dependent child, (See p.3 CONTENTS OF REPORTS Part B of Instructions), from each source. Gifts with a value of $122 or less need not be aggregated towards the disclosure threshold. "Gift" is defined in the Instructions.

Exclude: (1) Bequests and other forms of inheritance; (2) Political campaign contributions; (3) Communications to your offices including subscriptions to newspapers and periodicals; (4) Consumable products provided by home state businesses to your offices, if those products are intended for consumption by persons other than yourself; (5) Gifts received prior to your Federal employment; (6) Gifts to your spouse or dependent child totally independent of his or her relationship to you; (7) Gifts from relatives; (8) Personal hospitality of any individual (see instructions); (9) meals and beverages unless consumed in connection with a gift of overnight lodging; and (10) Food, lodging, transportation, and entertainment provided by a foreign government within a foreign country, or by federal, state, D.C., or local governments.

	Name of Income Source	Address of Source	Dates and Brief Description	Gift Value
Example:	*Mr. John Q. Smith*	*Anytown, VA* *Example*	*August 12, 200X, Silver platter - Ethics Committee waiver granted*	*$400*
1	Kenai River Sportsfishing Assoc. 501(c)3	Kenai, Alaska	July 2004, Benefit 470 Silver Eagle Slide by Slide; Engraved and accepted in recognition for public service	$1,800
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Note: The Senate Gift Rule prohibits most gifts in excess of $49.99.

Ted Stevens 7/17/07

07 JUL 17 PM 2:28

JUL-17-2007 21:55 CLATCHYDC

FBI - Stevens-1130

Reporting Individual's Name
THEODORE (TED) F STEVENS

PART V. GIFTS

Page Number
2006 Annual

Report the source, brief description and value of all gifts aggregating more than $305 in value received by you, your spouse, or your dependent child, (See p.3 CONTENTS OF REPORTS Part B of Instructions), from each source. Gifts with a value of $122 or less need not be aggregated towards the disclosure threshold. "Gift" is defined in the Instructions.

Exclude: (1) Bequests and other forms of inheritance; (2) Political campaign contributions; (3) Communications to your offices including subscriptions to newspapers and periodicals; (4) Consumable products provided by home state businesses to your offices, if those products are intended for consumption by persons other than yourself; (5) Gifts received prior to your Federal employment; (6) Gifts to your spouse or dependent child totally independent of his or her relationship to you; (7) Gifts from relatives; (8) Personal hospitality of any individual (see instructions); (9) meals and beverages unless consumed in connection with a gift of overnight lodging; and (10) Food, lodging, transportation, and entertainment provided by a foreign government within a foreign country, or by federal, state, D.C., or local governments.

	Name of Income Source	Address of Source	Dates and Brief Description	Gift Value
Example:	*Mr. John Q. Smith*	*Anytown, VA* *Example*	*August 12, 200X, Silver platter - Ethics Committee waiver granted*	*$100*
1	Kenai River Sportsfishing Assoc. 501(c)3	Kenai, Alaska	July 2005, Ruger Alaskan Revolver; Engraved and accepted in recognition for public service	$800
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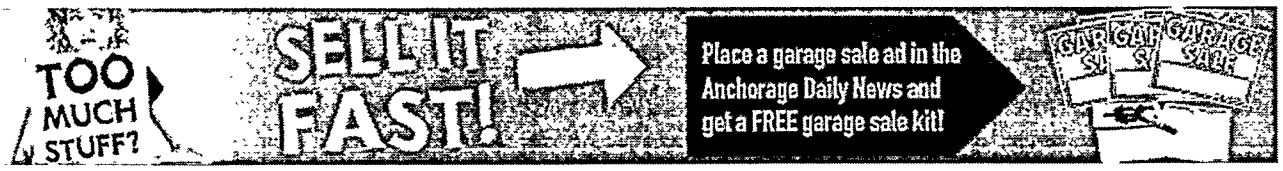
Note: The Senate Gift Rule prohibits most gifts in excess of $49.99.

Ted Stevens 7/17/07

07 JUL 17 PM 2:29
SECRETARY OF THE SENATE

JUL-17-2007 21:56 CLATCHYDC



Roll Call on Young

Posted: July 18, 2007 - 10:59 am

Roll Call has a story today on Don Young campaign contributions, reporting that:

(Young) has acknowledged taking more than $5,500 in illegal campaign contributions from a seafood trade association since 2001, but has informed federal officials he will only pay back a portion of those funds because some of the violations fall outside the statute of limitations for campaign finance violations.

At issue appears to be a bunch of crab or seafood that the Pacific Seafood Processors Association has been donating to Young fund-raisers in D.C. over the past few years, Roll Call reports.

The problem is, trade associations aren't allowed to make political donations to Congressmen, according to the paper.

add new comment

Lisa Murkowski

Kyle, when are we going to get a thread on her deal with Penney.
The deal is getting national attention.

new theodosius30 | July 20, 2007 - 3:59am

reply »

Ntl Press

The only national ink this story has gotten has been on the TPM website.

Actually, it's getting kind of echo-ee in here.

TPM reports it, then the ADN reports it, then TPM reports that the ADN reported it.

To be fair, KTUU has picked up as did the Juneau Empire.

Beyond that, no other media outlets have reported this story. (that show up on google.news anyways...)

This is a non-story, really. When it's all said and done there's nothing there, unless the assessor was playing games with those numbers.

The dirt path to Murky's door will involve Cornell and VECO, but it will go through the Campaign Treasurer of her 04 Senate run.
That's the story.

Kyle -

Here's a nuggie for ya, Benino Filal is in up to his

Alaska Politics

State, local and beyond

Alaska has a new governor, a new legislature and a powerful congressional delegation. Come here for the latest news and tidbits from the transition, from Juneau and elsewhere by Daily News political reporters. We want to hear from you, too. So sound off and interact with other readers and the reporters in the "comments" section.

Kyle Hopkins covered the 2006 campaign for governor and is covering the Palin administration's transition. Before joining the Daily News in 2005, he was a writer for the Anchorage Press and the Fairbanks Daily News-Miner. E-mail him at khopkins@adn.com.

The Trail 2006 campaign blog

ARCHIVE

Dittman poll: Businesses, milk, global warming - 7/20/2007 3:21 pm

Murkowski in the spotlight - 7/20/2007 10:46 am

Round-up - 7/19/2007 10:06 am

What to do about homeless - 7/18/2007 3:16 pm

Roll Call on Young - 7/18/2007 10:59 am

Tesche - 7/18/2007 10:31 am

Special session and capital creep - 7/17/2007 9:14 pm

Poop update - 7/17/2007 7:54 pm

(UPDATED) AP on Stevens - 7/17/2007 6:27 pm

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www.BusinessInfotoday.c

FBI - Stevens-1132

194-AN-13620-M;498

earballs in the Abramoff muck and is now a cooperating witness for the Feds.

BTW, Don Young is a very good friend of Mr. Filal and was instrumental in carrying out Delay's policies (which were Abramoff's policies) in the CNMI.

new twentythreeskidoo | July 20, 2007 - 5:38am

reply »

Small spenders - 7/16/2007 8:32 pm
Mental illness and guns (UPDATED) - 7/16/2007 4:43 pm
Candidate Harris - 7/16/2007 10:39 am
Lots of lawyering - 7/16/2007 10:01 am
Replacing Kohring - 7/14/2007 2:28 pm
Should dogs be banned from ballfields? - 7/13/2007 12:22 pm
No free wi-fi? - 7/13/2007 12:17 pm
Lobbying - 7/13/2007 12:16 pm
'Discretion and tact are essential' - 7/12/2007 4:38 pm
full archive »

Murky indeed

What caused the governor to change his strongly stated opposition to privatized prisons? He hasn't explained his shift yet. But in May 2003, a prominent Anchorage architect named Mark Pfeffer met with his aides to promote the Veco-Cornell prison project. Pfeffer had recently joined the prison consortium, and he had also signed on as treasurer for Lisa Murkowski's reelection campaign. Around that time, her father began to back away from his pledge to oppose private prisons, issuing a vague announcement that his administration would take a "fresh look" at the Veco-Cornell prison plan.

new BravoSierra | July 20, 2007 - 6:19am

reply »

Murkiness

Here is the link to the story that Salon.com ran in 2004.

new twentythreeskidoo | July 20, 2007 - 6:33am

reply »

The Muckraker Express

Here is an interesting comment posted on the Muckraker Express website regarding Don Young and the appropriation for Native Alaska education.

"So if education monies were the target of being struck specifically from African American education efforts for Black History Month (February) by "conservative" Republicans, how long would it take for Jesse Jackson and Al Sharpton and other "progressives" to howl at the moon over such actions?

What labels would be attached to the good representatives from New Jersey?

It would be a national racist story of epic proportions, but since it is going for Native Alaskan and Native Hawaiian education efforts, it seems to be OK to racially profile them as a group for funding cuts.

Spare me on how progressive your thinking is on this subject."

new nerka86 | July 19, 2007 - 12:54pm

reply »

The Dom

Is just cranky because he has to give some of his marbles to his lawyers.

It hasn't dawned on him yet that his backroom deals of the past are becoming ever more of a liability.

FBI - Stevens-1133

This is a non-story save for his childish outburst, which seem to be happening more frequently of late.

My question is, exactly what programs does this money help fund ?

Does anybody know the answer to that ?

new twentythreeskidoo | July 19, 2007 - 1:18pm

reply »

Alaska Native Education Equity

PROGRAM DESCRIPTION

The overall purpose is to meet the unique education needs of Alaska Natives and to support supplemental education programs to benefit Alaska Natives.

TYPES OF PROJECTS

Allowable activities include, but are not limited to, the development of curricula and education programs that address the education needs of Alaska Native students, and the development and operation of student enrichment programs in science and mathematics. Eligible activities also include professional development for educators, activities carried out through Even Start (# 84.213) programs and Head Start programs, family literacy services, and dropout prevention programs.

US Department of Education

new Emperor | July 19, 2007 - 2:00pm

reply »

thanks emperor

KTUU reported tonight that Cook Inlet Tribal Council is one recipient of some of this money.

new twentythreeskidoo | July 19, 2007 - 6:46pm

reply »

Everyone?

So now the ENTIRE Alaskan delegation to DC is under investigation?!?

new quixoticneophyte | July 19, 2007 - 11:28am

reply »

Corruption in Alaska Wouldn't Be Complete Without Some

Teamster Muscle

> In addition, **Young's current district director** in Alaska recently lobbied for an energy conglomerate whose chief executive pleaded guilty in May to bribing several state lawmakers. Young and Sen. Ted Stevens (R-Alaska), who has hired his own team of lawyers to deal with that probe, were the top recipients of donations from the executive and that company.

new twentythreeskidoo | July 18, 2007 - 9:41pm

reply »

From TPMmuckraker.com - by Mike D.

Don Young and my late father were friends in the Army around 1956-57. My family lived in Los Angeles, and when Young passed thru town once in the mid-70s, when I was about 14 or 15, my dad and I met him at the airport before his flight home. He was carrying a briefcase with a bumpersticker on it that said, "Don Young / Congressman for all Alaska." I also remember that my dad told me that Young's nickname in the Army was "Rabbit," due to his buck teeth.

There's one other thing from that meeting that I remember, although I could certainly understand if people are skeptical of my recollection, which I suppose would be impossible to verify. But I swear I remember Young and my dad discussed the time when Young was in the Army and had gotten drunk and crashed an Army jeep, leaving Young's passenger paralyzed. They wondered what had happened to the passenger, and neither of them knew.

That's my story, believe it or not. Young wouldn't be the first Republican criminal to escape justice, and his actions wouldn't seem out of character for someone who has apparently threatened to eat New Jersey schoolchildren.

FBI - Stevens-1134

Posted by: Mike D.
Date: July 19, 2007 1:39 AM
==========
This reminds Alaskans of Ben Stevens' DUI that got him 4 yrs of probation, then the judge slapped another 2 on him... so Ben could not run for office until that was done - at age 39. Tony Knowles does Ted a favor, appoints spoiled brat-bully Ben to state Senate, and thus began the cycle of special privilege arrogant corruption. And in Adak case later, Solberg claims Ben and Ted stayed up till 4 am drinking like real men, then got right back up at 8 am - as if they were tough. Was he really saying Ben and Ted DID talk about the fish deals? FBI ought to be all over that hot evidence like salsa on chips.

This also reminds us of the joke, Why do the states each have two Senators? So one can be the designated driver! That is if the Anchorage PD doesn't catch her in the back seat of a car making it a snowmobile and get let off because daddy was a drinking Senator too.

That's right, we have no respect for you political pond scum any longer.

new staufen | July 18, 2007 - 8:46pm

reply »

Mike D

Is Mike D Representative Doogan from Anchorage? Wow, what a story.

new theodosius30 | July 20, 2007 - 5:09am

reply »

Why the ADN frustrates me.

I posted this exact information on this blog 2 days ago, under your "Lots of Lawyering" post and asked why the ADN was not reporting on it. So now, 2 days later and after another media outlet has reported the story, the ADN posts the information on its blog, and doesn't bother to write a story about it.

What is wrong with this newspaper??? Alaska's only Congressman admits to taking illegal contributions from the seafood industry over a period of years, and is only willing to pay back money for crimes occuring within the statute of limitations -- folks this is NEWS.

Seems like this warrants a question or two by the ADN, a newspaper that claims to serve all of Alaska. For example, how much crab does Young claim is $700-800 worth (the amount he says he got from the seafood processors)? Since he admits the contributions were illegal, why isn't Young willing to pay all of them back? Isn't one's Congressman supposed to be a role model for Alaskans? It's bad enough that Young goes around talking about biting other Representatives like a mink, without him acting like a criminal defendant who is only willing to make restitution to some, but not all, of his victims.

The ADN just is NOT doing its job. It's very disappointing.

new alambernakis | July 18, 2007 - 8:46pm

reply »

I have to agree with alambernakis

Just this morning when I saw the headline on the ADN about Lisa's property, I thought how "old" this news was. People have been talking about that for 3 days at least - and ADN just now does a story.

On another note about the video of Young threatening New Jersey that is floating around on the interet - I really think Young and Stevens are responsible for people hating Alaskans and our great state. All you have to do is read the comments being posted on TPMMuckracker and other blogs.

The balance of costs and benefits of keeping Young and Stevens in office is dipping into the 'cost' side of things now.

new simplesimon23 | July 19, 2007 - 4:29am

reply »

Deja Vu! it's true

well, what do you expect from the same newspaper that has yet to run a front page apology to Ray Metcalfe? There are some very good reporters at ADN, but something remains truly psychotic at the top. That's why it takes national news venues to convince some of the writers to beg their editor/publisher to run something... and Kyle probably has to run it under the blog, because to run it as real NEWS would just tear the heart valves out of the publishers psychoses.

FBI - Stevens-1135

It was crab and salmon, and worth a helluva lot more than disclosed... and we all know it. And Don Young pays $262k for attorneys and sits in House for how long? but still doesn't know the statute of limitations is 5 not 3 years?! Disappointing indeed.

Groundswell Fisheries Movement

new staufen | July 18, 2007 - 8:55pm

reply »

Get over it Ray

Just because Ray Metcalfe said he thought Ben Stevens did something wrong (and is likely correct about it) doesn't mean he should be anywhere in politics. He's a creepy man who drives "2Red4U" around town- his mac daddy caddy. Things in HIS past prove he's not the moral compass Alaskans should follow. ps- Theresa Obermeyer also thinks the Stevens are corrupt, but I'm pretty sure no one wants her in office anywhere.

new acom | July 18, 2007 - 9:23pm

reply »

Your knowledge of Alaska history is lacking

Ray Metcalfe signed his name to a complaint, and laid down his own money, helping to stop Tony Know-less (another 'prostitute' to the oilies) from permitting the ARCO monopoly on the N. slope. The FTC seems to have seen Ray's perspective in that case as correct...

With little or no financial reserves, he signed his name as a party to a suit that reversed legislation supported by some of the crooks now on trial that would've made it much more difficult for the average Alaskan to confront apparent constitutional violations by our State 'government.'

Ray Metcalfe travelled on his own dime over the last half-dozen years, at a time that he had few dimes to spare, to educate Alaskans about how badly they've been ripped off for oil revenues, ever since Ramona 'Tammy Fae' Barnes' and Ed Stankworth's oil give-aways, under their re-birthed ELF.

And he has provided useful information about soon-to-be-felons in legislative offices -WAY- beyond ol' tantruming Benny.

I could go on, but I won't. His list of -serious- efforts in very real public service, at his own expense, goes -WAY- beyond Benny and Ted Stevens' poorly-closeted skeletons.

So what have you done to turn Alaska toward pursuing a path of honest government lately?? Did you give 'til it hurt, or take 'til you couldn't consume any more??

I'll second the motion: "DRAFT RAY METCALFE TO THE U.S. SENATE!!" (And lock away the oil companies' legislative prostitutes in an earthen cell, with all of their favorite lobbyists.)

BTW, when do former AG Marquez's and Frank Murkowski's conspiracy and obstruction indictments come out, if at all? (It seems that someone didn't want APOC investigating ol' Benny, back when he was carrying the water in the Senate for Franky's PPT. Purely a coincidence, I'm sure...

new F_Firkle | July 19, 2007 - 12:42am

reply »

You seem the type...

how typical - locker room players think anyone with a conscience and stand-alone ethical capacity is a bit creepy. Translation - you don't find them manipulatable to your liking, you can't get them to cut you or your company a special deal, so you wonder what use such honest people are.

FBI - Stevens-1136

Update - that caddy is long gone.
Challenge - name the HIS past items you are referring to; and while you're at it, join the open society and expose your own name in this public debate. It's only fair, else folks will feel your prejudice or bias is all that's showing.

Let's help you get started on the list - he was in the Legislature and did not like the Religious Right takeover ploy of Jerry Falwell; he was chair of the ad hoc committee on the PFD - and many Alaskans appreciate the service of that committee every year; he was a roustabout on various rigs, so got along fine with working men; and that's right, he's one helluva dancer and the ladies get

along just fine; oh we almost forgot, he can walk down the street and have many people he never met before stop him, shake his hand, and thank him for the service he has done for all Alaskans by exposing the corruption and ensuring the FBI was on it - after all, you might notice they are following the blueprint of his APOC filings.

We know you mean well for Alaska, but if not Ray, then who else at this time should have a shot at cleaning up this mess and getting back the 100 billion bucks that was ripped off? Because we can guarantee you that others will try to steal the limelight, have the "praise and honors for the non-participants" trophy in their name, but all of those legislators and candidates stood by for many years as Ray shared all the documents with them, and not one of them lifted a finger to get it right, just as every state agency failed to do its job too. I think this one major fact alone qualifies Ray above all other candidates. No, he's not perfect, and will be the first to tell you that, but he has a good heart and his political ethics are rock solid. He's earned the chance.

DRAFT RAY METCALFE FOR THE U.S. SENATE!

Brgds, Stephen T.

new staufen | July 18, 2007 - 9:41pm

reply »

Arrogance

Believing he is some how entitled is pure arrogance.

new Ter_H | July 18, 2007 - 6:34pm

reply »

Not good

it's a giant FU to the citizens of Alaska and the system that's in place to prevent these ethical violations...and in some cases criminal actions.

I also hope Lisa Murkowski owns up to the purchase price of that land deal from pal Penney. I view that as an even greater lapse of ethics.

new Stags_Leap | July 18, 2007 - 3:56pm

reply »

This won't hurt him in Alaska.....

particularly bush alaska where the school money is being taken from.

As for lisa, haven't you heard, she bought it for the appraised value of $176,000, fair and square?

You might want to find another windmill to joust at.

new truthseeker | July 18, 2007 - 8:35pm

reply »

do your home work

She paid the accessed value NOT the appraised value which is 100,000 more! She filled out a questionair at the borough office it is public record!

new grateful | July 18, 2007 - 9:28pm

reply »

FBI - Stevens-1137

The Dom At His Finest

This is classic, check out the YouTube video Here

The stress is getting to him, he needs to relax a little bit.

> "And if we continue this, what I call biting one another, very much like the mink in my state, that kill their own, there's always another day, and those that bite will be killed too, and I'm very good at that."
>
> "Those that bite me will be bitten back." - Don Young

new twentythreeskidoo | July 18, 2007 - 3:52pm

reply »

>>"Those that bite me will be bitten back." - Don Young<<<

Don, Frank, and Ted apparently all attended the same charm school.

Never mind that one of Don's former aids has already plead out re. Abramoff issues (behavior that was completely unbeknownst to Don, I'm sure....)

Alaska has accepted these corporatist prostitutes and clowns as 'representation' simply because they bring the biscuits and gravy back home when slicing up the federal tax slops; the greed of the State as a whole has caused many to turn a blind eye to the behaviors of these three bafoons for decades, in exchange for personal gain and large contracts. Not so different from some of those we're now prosecuting, in that regard...

What price, integrity??

Ain't rugged individualism and independence grand??

They are all the products of a hungry quasi-welfare state that consumes federal tax money in a similar wasteful fashion as some who abuse the food stamp program.

Humility, integrity, and reverence are not in their characters, but dollar signs eclipse their vision.

new F_Firkle | July 18, 2007 - 6:45pm

reply »

Remember Ben Franklin?

He who proposed the U.S. flag feature a rattlesnake with the legend:

"Don't Tread On Me"

He lost that battle, setting the stage for so much abuse of our good nature over a couple of centuries.

I hadn't thought of Don Young as a latter-day Franklin until just now, so THANK YOU for the inspiration!

new rfn | July 19, 2007 - 9:00am

reply »

Maybe Farmed Salmon would have been more appropriate

Alaskan seafood and crab was served. Maybe everyone would feel more comforable if fresh farmed salmon, which is less expensive, would have been served instead.

new nerka86 | July 18, 2007 - 12:37pm

reply »

What SHOULD be done

has little relevance in today's climate where the rulers of the land have a sense of entitlement. So get over it. If an action or inaction is probably not illegal, or at least doesn't involve jail time, it is fair game.

That is why we need helmet safety laws, right? And poop laws? And seat belt laws? And financial disclosure laws? And...and..and....

new Dusty | July 18, 2007 - 12:12pm

reply »

FBI - Stevens-1138

I am appalled

Not because of the illegal contributions which in the context of Young's warchest were de minimis. But because of the absolute "chutzpa" which he demonstates by saying that he will not return the contributions that fall outside of the statute of limitations. This man obviously has no sense of right and wrong. Reminds me of the old adage "Power corrupts and absolute power corrupts absolutely.""

new theodosius30 | July 18, 2007 - 10:53am

reply »

going down

stevens times 2, murkowski times 2, young, and more than a few Alaska legislators are all going to be investigated and made to stand trials for their wrongs and it is way over due,

new grateful | July 18, 2007 - 9:35pm

reply »

Young's Behavior

... in regard to repaying money is simply that of a narcicistic opportunist behaving as narcicistic opportunists are prone to behave.

For him it matters not that there is an appearance of 'improper influence in government,' but rather, 'what can you actually hurt me for...'

Years ago we called that 'pig-headedness.'

It's not been about a sense of conscientious, personal-morality-based 'right or wrong' in decades, for most of Congress, or even Juneau, for that matter.

It's been about 1.) Power, 2.) Partisan Power, 3.) Providing 'spin' and propaganda to the non-researching public, so as to maintain the first two attributes every other November, and 4.) The Historic Foibles of Human Kind when empowered with the authority to make decisions over others.. Cancerous, it is...

Socially Conscious Anarchy is highly under-rated in my opinion; it tends to more effectively eradicate this whole 'alpha wolf phenomenon' that we now see in the current established Oligarchy, and within -both- major political parties in this Country.. to greater and lesser degrees.

But by all means, protect me from myself. After all, where would I be without Big Government???

Where are the Bolsheviks when ya' need a hand, eh??

new F_Firkle | July 18, 2007 - 12:48pm

reply »

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FBI - Stevens-1139

Team Coverage

Criminal investigation into three Alaskan lawmakers

By Andrea Gusty and Matthew Simon, CBS 11 News Reporters
KTVA

Article Last Updated:07/25/2007 08:29:36 PM AKDT

Senior House Republican Don Young has come under criminal investigation. It is a Wall Street Journal story, published Wednesday, that states Representative Young is being investigated for his alleged ties to VECO Corporation and the Legislative corruption scandal.

Three former Alaskan lawmakers are charged with bribery, extortion and money laundering in connection with the case. Others are expected to be named in the scandal. The journal says investigators are trying to determine whether Young or U.S. Senator Ted Stevens took bribes, illegal gratuities or unreported gifts from VECO.

In a statement issued Wednesday, Senator Stevens said:

I know Alaskans are interested in my views on the investigation. While I understand this interest and would like to discuss these issues in great detail, the interests of justice and our state are best served if I make my comments after federal officials complete their work.

Congressman Young's office has no comment on the investigation.

With Congressman Young's name added to the list of lawmakers being investigated, both of Alaska's ranking members of the Washington delegation are in the fed's sights.

So where does that leave Alaska?

Young and Stevens have more than 70 years combined service on Capitol Hill, but the ethics investigations could mean the end of the Young-Stevens era.

And that could mean big changes for Alaska.

The federal ethics investigation has spread from Juneau to Capital Hill with all three of Alaska's Republican Washington representatives under some sort of federal ethics investigation:
Young for campaign contributions, Stevens for his ties to VECO and Lisa Murkowski for land deals.

"Federal investigations do two things. One, they find problems, but they can also find that there are no problems. So to jump to conclusions at this time as to what the findings will be, I can only conjecture with you, which is a waste of time," said Randy Ruedrich of the Republican Party of Alaska.

The state's Democrats say that lawmakers need to be straight with Alaskans about the investigations.

"In Don Young case, he's our only guy there in Washington DC, and he needs to come forward and tell us that he can do his job, even while under a criminal investigation. And he needs to tell us why," said Jake Metcalfe of the Alaska Democratic Party.

Now many worry the investigations will tarnish Alaska's reputation and that it could leave the door wide open for the Democrats to take over.

"To be fair, Don Young and Ted Stevens have been doing a fine job for most of their public carrier, but we are in a situation now where we have to ask if they are going to be able to perform to the high levels of Alaska's needs in the 21st century? And I think the public is going to look at that question and say, 'No,'" said possible candidate, Ethan Berkowitz.

No matter who will represent Alaska in the future, they may have a tough time repairing the state's national image.

"Right now, the reputation of the state is being stained by the investigations that are going on. And it's going to take a long time to repair it," said Metcalfe.

194-AN-13620-M;499

Both Congressman Young's and Senator Stevens's seats are up next year. At least two influential Alaskan Democrats are being groomed by the national party to run against them. Young and Stevens have more than 70 years combined service on Capitol Hill.

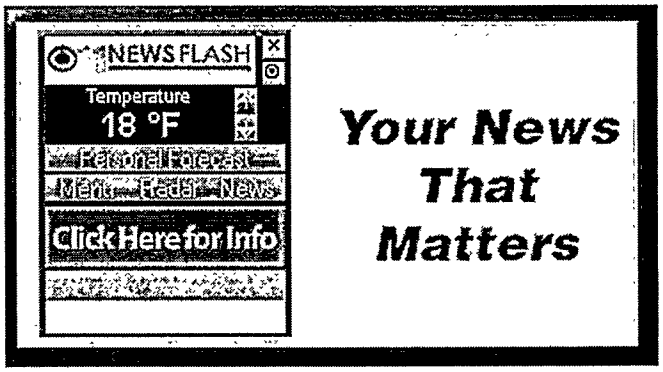
Federal law enforcement sources say Young is under scrutiny for campaign finance practices relating directly to former VECO CEO Bill Allen.

Every August for the last 10 years, Allen held fundraisers for Young called "The Pig Roast." Public records show Young received 157,000 dollars from VECO employees and its political action committee between 1996, and 2006.

Earlier this year, Young filed a Federal Election Commission amendment. In essence, Young changed his campaign financial disclosure records to reflect he'd actually received 38,000 fundraising dollars from Allen in 2006.

That is why federal officials confirm they are now looking into Young.

To contact Andrea or Matthew, call 907-273-3186.



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FBI - Stevens-1141

<<Back

Alaska reacts to Young article

by Megan Baldino
Wednesday, July 25, 2007

ANCHORAGE, Alaska -- Rep. Don Young is once again under fire as the Wall Street Journal reports he is now part of a federal investigation in the Justice Department's influence peddling probe.

The New York paper first reported the story late Tuesday night and fallout began quickly in Alaska.

Citing several unnamed sources, the Journal reported that Alaska's sole representative is now under criminal investigation by the feds.

The Journal reports that Young's and Sen. Ted Stevens' ties to VECO Corp. are the target of the probe, which is focusing specifically on whether they took bribes and unreported gifts from the company.

Late Wednesday, Young's congressional and campaign offices had no comment.

Former U.S. Attorney for Alaska Wev Shea said the news is no surprise.

"Alaska has been so isolated and the arrogance of Don Young's statements on the House floor -- imagine what he's like behind the scenes," Shea said.

Shea is referring to last week's statements by Young accusing a fellow Republican of trying to take education money from Alaska.

"Apparently the students in New Jersey are trying to take money from Alaskan students," Young said on the floor.

Leslie Paige with Citizens Against Government Waste said the quote was telling.

"Wow. That is a little window into the psyche of several members of Congress, but particularly the members from Alaska, who have turned the U.S. Treasury into, like, a personal piggy bank. They think of it as 'their money' and its not," Paige said. "It's the taxpayer's money."

The group said Alaska has been one of the nation's top pork barrel spenders for years, and it may now be catching up to Young and Stevens.

FBI - Stevens-1142

"The problem with pork is it's kind of like a favor factory. You get contributions, potentially from different people ... sometimes you funnel contracts back and it tends to happen ... In a lot of cases, we've seen it happen, there is potential for abuse," Paige said.

Paige said even with the investigation ongoing, it's up to Alaska taxpayers to decide whether the probe will hurt either man.

Shea said it might, but what is potentially career damaging for Young and Stevens, he said could be good for Alaska.

194-AN-13620-M;500

"Everybody says it's bad," Shea said. "I think it's great for Alaska. I think for too long there's been an arrogance of the 'good old boy's' power."

The news follows Young's reporting of a refund of $38,000 in fundraising costs to former VECO executive Bill Allen. Those costs were apparently associated with Young's annual "pig roast" fund-raising event. Young has repeatedly received the "pork king" award by government watchdog groups.

The Wall Street Journal reports that Allen and VECO have contributed more than $150,000 to Young's campaigns in the last decade through the pig roast.

Late this spring, Allen admitted to, and was convicted of, bribing state lawmakers. However, Young was not among those publicly identified in the criminal case.

Contact Megan Baldino at mbaldino@ktuu.com

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FBI - Stevens-1143

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Political scandals thick as trees in Alaska

Last updated July 29, 2007 11:25 p.m. PT

By JOEL CONNELLY
P-I COLUMNIST

Threats and bluster are standard operating procedures for Alaska's seniority-laden Washington, D.C., delegation, and Rep. Don Young, R-Alaska, was in full cry earlier this month.

"There is always another day when those who bite will be killed, too, and I am very good at that," Young said. No kiddin'. He once waved an 18-inch-long oosik, the penis bone of a walrus, at the first woman to direct the U.S. Fish and Wildlife Service.

Young, the political architect of Alaska's "bridges to nowhere," was mad at a bid by Republican New Jersey Rep. Scott Garrett to cut one of his pet programs.

Not only did he go after Garrett, but Alaska's congressman went on to note that his opponent comes "from a state that doesn't have the greatest reputation in the world."

A few days later, The Wall Street Journal revealed that Young is under FBI investigation for his ties to VECO, the oil-field-services supplier whose president has pleaded guilty to paying off Alaska state legislators.

"Is two-thirds of the New Jersey congressional delegation currently being investigated by the FBI? Did New Jersey pols and lobbyists organize a Corrupt Bastards Club in the state capital? And get hats made?" the Alaska Ear column of the Anchorage Daily News asked.

Alaska has lately moved out in front of the Garden State when it comes to politicians for sale, for rent and ready to exchange favors.

The past year has seen a curtain pulled back on the crony capitalist insiders' network that has long run the 49th State, treating the "Great Land" as a grand treasure trove.

As usual, there's a key insider: In the 1970s, it was Jess Carr, the Teamsters Union leader whose local ran Alaska Pipeline construction with fists and featherbedding.

The go-to guy of recent times was VECO boss Bill Allen. VECO was the prime contractor in cleaning up Prince William Sound after the Exxon Valdez spill. VECO took in about $800 million of $2.5 billion spent by Exxon.

Allen got around, and got around the law.

By bugging VECO's suite at Juneau's Baranof Hotel, the FBI recorded vote-buying that resulted in Allen and deputy Rick Smith pleading guilty to extortion and bribery, plus corruption charges against one legislator and two former colleagues.

194A-AN-13620-M;501

Between 2002 and 2006, VECO paid $243,000 in consulting fees to the firm of state Senate President Ben Stevens, son of Alaska's U.S. Sen. Ted Stevens. What work the Stevens dauphin actually did is unclear. He has not -- yet -- been indicted.

Allen threw an annual fundraiser called "The Pig Roast" for Young each August. Young chaired the House Transportation Committee until Democrats won control of Congress.

Young received $157,000 from VECO employees and its political committee over the past decade. He amended campaign-finance filings this year to report $38,000 in payments to Allen for "fundraising costs."

And there is 83-year-old Ted Stevens, Alaska's senator for life. The FBI is investigating a 2000 project that more than doubled the size of his home in Girdwood, a ski town near Anchorage.

One contractor who worked on the house said he was told to send bills to VECO. He has said that someone in Allen's office examined the billing, then sent them to Stevens.

The Los Angeles Times did a 2004 study of "Uncle Ted's" personal finances. Stevens has become a millionaire by investing in partnerships with influential contractors. The same partners profited handsomely from spending items that Stevens put into the federal budget.

The Anchorage Daily News has regularly disclosed lucrative lobbying by former aides to Young and Stevens. An ex-Young staffer owns land near the terminus of a controversial proposed bridge. The family of former Gov. Frank Murkowski owns land on Gravina Island, destination of a planned bridge from Ketchikan.

Stevens, too, is given to threats. He vowed revenge on Sen. Maria Cantwell, D-Wash., after she blocked his backdoor bid to open the Arctic National Wildlife Refuge to oil and gas drilling.

In a final "predators' ball" of Alaska's elite, Stevens, Young and Allen headlined a fundraiser for Cantwell's GOP challenger Mike McGavick. McGavick ended up refunding $14,700 from VECO executives when news of the FBI inquiry became public.

A new north wind is blowing.

It blew away Murkowski in last year's Republican primary. The winner -- now governor -- was Sarah Palin, who blew the whistle on ethical misconduct while chairing the Alaska Oil and Gas Conservation Commission.

Anchorage Mayor Mark Begich is being recruited by Democrats to run against Young. Young is also under scrutiny for favors done for Florida businessmen who were big campaign donors.

The state's junior Sen. Lisa Murkowski -- appointed by her father when he was governor -- dodged a bullet last week. Murkowski and her husband announced they were selling back a choice Kenai River lot to a friend and real estate developer.

The resale came after a D.C. watchdog group filed a complaint against Sen. Murkowski, charging she paid far below market value and that the land deal amounted to an illegal gift.

"While Verne and I intended to make this our family home, and we paid a fair price for this land, no

property is worth compromising the trust of the Alaska people," she said.

It's enough to bring tears to your eyes -- if you happen to be a crocodile.

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Rep. Don Young (R-AK)
(House Website)

Pig Roast Protesters Move On To Salmon Bake

By Laura McGann - August 13, 2007, 11:46 AM

Despite a boisterous crowd oinking and yelling outside his annual pig roast fundraiser last week, Rep. Don Young (R-AK) is holding a public event this afternoon in Anchorage. The same anti-Young crowd is expected to attend.

The state's only congressman will serve up baked salmon to anyone interested in stopping by, a move that made one local political strategist cringe, according to an AP story.

The cringing is pretty reasonable, seeing that John Farleigh, the Alaska native who organized the last Young protest, is rounding up the troops for another assembly at the salmon bake. Farleigh left me a message last night saying he has already spoken with local media and has high hopes that the added pre-protest publicity will work in his favor.

If you're planning to snap photos at the event this afternoon, please send some our way!

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They've got muck. We've got rakes.

Rep. Don Young (R-AK)
(House Website)

Editorial: Youngs Earmark Stinks

By Laura McGann - August 14, 2007, 3:34 PM

Rep. Don Young's (R-AK) ethically and legally questionable $10 million **Coconut Road earmark** doesn't **smell right** to the editorial board at the *Naples Daily News*, the paper that originally broke the story.

From the earmark's mysterious appearance in the 2005 transportation bill for the narrowly tailored project, to the revelation that the allocation came from a far-flung congressman, the editorial board didn't like what it saw.

> Now comes the worst smell test failure. A study compiled by a retired veteran of congressional funding practices shows the earmark was changed to specify Coconut Road between the time an overall transportation bill was passed by Congress and later signed by President Bush. Editing solely for style rather than substance is supposed to take place at that stage.

As we reported last week, this is an extremely **unusual** case.

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First, please put an apostrophe in "Youngs."

Looking at the handy chart Josh posted on Talking Points Memo, it's clear that Alaska's senators and congressman have been very effective in taking care of their state.

I'd like to think that there would be general outrage in Alaska over the behavior and dealings revealed about these representatives, but the cynic in me sees voters in the "new state" thinking that if Stevens, Murkowski, and Young are taking a little off the top for themselves, that's just the cost of getting so much federal money.

We OUTSIDE the state are outraged. But what about the voters up THERE? Even if only a third of the money they've brought into Alaska goes to programs that help Alaskan residents instead of into the pockets of business cronies, they're still getting almost $100 a person more than the next continental state.

Unless the Congress itself does something about these three wheeler-dealers, I don't see them getting voted out of office anytime soon.

Posted by: Roberta
Date: August 14, 2007 4:08 PM

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The Officers of Veco are no longer happy . . .

Posted by: Richard L. Adlof
Date: August 14, 2007 9:58 PM

The people in Alaska are not happy either. We are tired of the arrogance, the lies, and the sense of entitlement that these skunks we elected have. Some of us have been tired of it for a long time.

I hope that we DO vote the thieves out. I also hope we don't replace them with more thieves. Unfortunately, with some politicians, the only thing you can be sure of is that they are lying - again.

Stevens - way past time to go. PLEASE retire. And take your son Benny with you. You have lost your effectiveness. Bully ways might have worked once, but most people see you as someone who should have retired. It will be time for ALL of us eventually. The trick is to leave before you get KICKED out and before you have lost all credibility.

Young - an embarrassment to ALL ALASKANS. He is a joke, and has been for years. He isn't 'direct', he is obnoxious. No loss if he loses. My cat could do a better job.

Murkowski - the jury is still out, but she can't help feeling 'entitled'; she learned it at her daddy's knee. And HE is about as ethically challenged as anyone we have ever had. I had high hopes for her.

Wish us luck in getting rid of the ethically challenged. Alaska deserves better.

Posted by: PalmerBuyer
Date: August 14, 2007 10:34 PM

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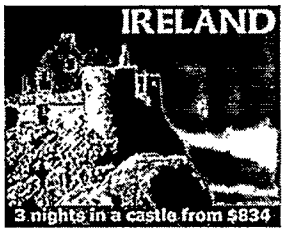
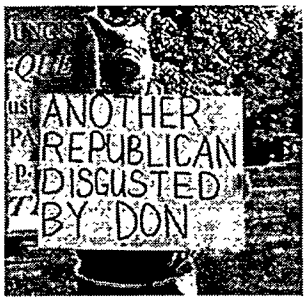


Don Young picnic targeted by protesters

August 14, 2007

Anchorage, Alaska - Alaska congressman Don Young was heckled by protesters throughout a public picnic he held Monday afternoon in Anchorage.



Young is running for re-election and under multiple criminal investigations for bribery and corruption.

Young arrived about 2 1/2 hours late to his meet-and-greet salmon bake picnic held near the downtown area of Anchorage.

The congressman was heckled from the moment he showed up. About 50 protesters from around the park swarmed his tent and mercilessly shouted "FBI! FBI!" and "The cook is a crook!"

About half a dozen supporters of Young were at the picnic and tried to shout down the protesters. The supporters refused to give their names and hid their faces when a camera was pointed at them.

Near the end of the picnic, around 20 kids, egged on by one of Young's supporters, started picking up signs and joining the crowd. Most were screaming "Young is Bung." Nobody knew what it meant - including the kids - but it added some laughter to the festivities. The kids also shouted "The cook is a crook!", obviously that is was meant for Young.

VECO Corp., a company under investigation for bribing Young and other Alaska lawmakers, supplied one of the grills to his picnic, Young's aide said the grills were rentals and will be paid for by the campaign.

One of the few comments Young made was after a reporter asked him if he had done anything wrong. Young said "The Lord is with me."

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Title: ANALYSIS
Date: August 19, 2007

Senate 'tag team' staying two-fisted

Corruption probe of Alaska buddy could undercut Inouye

WASHINGTON - In a surprise tribute to Sen. Ted Stevens of Alaska in April, Senate Majority Leader Harry Reid of Nevada began with a momentary slip of the tongue. He addressed Sen. Daniel K. Inouye of Hawai'i instead of Stevens, an easy mix-up, he said, because the two men are so close.

"The relationship between Senator Inouye and Senator Stevens, when the history books are written, will be legendary," Reid said on the Senate floor. "They are friends, a Republican and a Democrat, who are like a couple of brothers."

Flowery words are routine in the Senate, where decorum and politeness, at least on the surface, still rule. But the relationship between Inouye and Stevens is exceptionally tight. It began in the late 1960s as a strategic alliance between two young senators who represented the nation's newest states, then grew into a genuine bond as they became masters at directing federal money back home.

With Stevens now under federal investigation in a public corruption probe in Alaska, their partnership, which has helped bring billions in federal money to Hawai'i over the past four decades, may be in peril.

Federal agents have searched Stevens' home in Girdwood, a resort town south of Anchorage, and federal grand juries in Washington and Anchorage are hearing testimony. A Stevens ally and campaign contributor - a former executive at an Alaska energy services company - pleaded guilty in May to bribery involving four Alaska state lawmakers, among them Stevens' son, Ben, a former state Senate president.

Stevens, who is up for re-election next year, has privately asked Republican senators to stand behind him and urged people in Alaska not to judge him until the investigation is completed.

Inouye said his friend has told him he did nothing wrong.

"That's what he assures me," Inouye said in an interview in his Honolulu office. "So far, the senators on both sides have been publicly very cordial and friendly. I don't see any change. They don't shy away like he was a leper."

Inouye, 82, and Stevens, 83, first banded together in the Senate out of necessity. But they found they had common backgrounds.

Both had been decorated for their Army service in World War II. Inouye won the Medal of Honor for his battlefield heroism in Italy, where he lost his right arm. Stevens was awarded the Distinguished Flying Cross as an Army Air Corps pilot in China, Burma and India.

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They both were lawyers who had been active in territorial politics and were committed to statehood. And they both found they often had to explain and defend the needs of their states to Mainland senators who saw Alaska and Hawai'i as exotic and remote backwaters.

"We had the unbelievable chore of trying to convince our colleagues that we were part of the United States and worthy to be called Americans," Inouye recalled. "Ted and I were involved in this type of battle from day one."

POWER PLAYERS

Although they often disagree on national issues, their partnership for Alaska and Hawai'i has been unshakable, helping to insulate the states from losing out on federal money when political control of the Senate changes. Their seniority on the Senate Appropriations Committee, particularly its defense subcommittee, gives them an ability to steer federal money back home and the internal power necessary to get other senators to go along.

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On the Senate Commerce, Science and Transportation Committee, they are chairman and vice chairman, an unusual power-sharing agreement in an otherwise partisan environment.

They also have crossed party lines to help each other on Alaska's and Hawai'i's federal priorities: Inouye is one of the few Democrats to back oil drilling in the Arctic National Wildlife Refuge; Stevens is one of a handful of Republicans to support a Native Hawaiian federal recognition bill.

Their success over the years has made the pair often-revered figures back home as federal money helped create modern Alaska and Hawai'i.

In six of the past seven years, Citizens Against Government Waste has ranked Alaska and Hawai'i as the top two states per capita for federal money that is not part of presidential budget requests, or is not specifically authorized, or originates in one chamber of Congress, or serves only local or special interests. In 2006, for example, Alaska received $325 million, or $489.87 per person, in such spending, while Hawai'i received $482 million, or $378.29 per person.

The watchdog group derides the money as "pork," but Inouye and Stevens are proud of the rankings.

Inouye said that, in part because of Stevens, Hawai'i continued to do well when Democrats were in the minority.

"We didn't go down like other Democratic states because Ted Stevens would be the one to tell the other Republicans, give them a break, they need this," Inouye said. "And throughout good and bad times - and by that I mean Democrats in, Democrats out -these programs have been consistent."

Inouye and Stevens often travel on congressional delegations abroad and attend White House or Capitol Hill functions together. Over the past few days, Inouye has been with Stevens at events in Alaska, where he told people the state is fortunate to have Stevens.

PROUD PORK

Senate staff - and a few senators - have remarked on the personality differences between the reserved Hawai'i Democrat and the combustible Alaska Republican. At the tribute in April, which honored Stevens for becoming the longest-serving Republican in Senate history, Senate Minority Leader Mitch McConnell of Kentucky said he remembers asking himself when he first arrived in the Senate whether Stevens was ever in a good mood.

Winslow Wheeler, a former Senate aide now with the Center for Defense Information, which studies national security and defense policy, calls Inouye and Stevens "the tag team of defense pork."

Inouye is "much more even-tempered. He's much more gentlemanly. The style of his personality is completely different from Stevens. He's very reserved, stately and dignified," he said. "Stevens is a scrapper, an ill-tempered scrapper. The effect, however, is the same."

Wheeler wrote critical essays under the pen name Spartacus on what he considered wasteful spending in defense bills, before he was outed and forced to resign from his position as an aide to Sen. Pete Domenici, a New Mexico Republican. He said he recalls attending meetings with defense subcommittee staff before appropriations bill markups and hearing nearly identical statements from Inouye's or Stevens' staff, depending on who was in charge at the time.

"On earmarks, nobody got everything, nobody got nothing," Wheeler said he was told. "We did as well as we could, but remember, if your boss voted against our bill last year, don't expect much help from us."

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Steve Ellis, vice president of Taxpayers for Common Sense, an activist group critical of lawmakers' pet projects, known as "earmarks," said Stevens should step down from his powerful committee posts during the federal corruption investigation.

"That would do the whole country a service and it would also help increase the confidence of the public in the Congress," he said.

Inouye and Stevens have defended earmarks as one method of getting federal money for important state projects. Inouye likes to remind people that the East-West Center, for example, was an earmark. "I'm not embarrassed or ashamed by what they call earmarks," he said.

Stevens, according to the Anchorage Daily News, told an Alaska audience this month: "The money will simply go to other states for their needs and ours will go unmet."

But Ellis, who wants more transparency on earmarks, said Alaska and Hawai'i may be at a disadvantage over time by relying too much on Stevens and Inouye to deliver.

"We're not saying that Alaska or Hawai'i shouldn't get federal resources, by any stretch of the imagination. Certainly, I think that they, by being geographically dislocated from the Mainland, unfortunately sometimes they are forgotten or less thought about," Ellis said.

"But that's nothing you couldn't correct for in any kind of formula program or in a competitive award or a merit-based program for awarding funding. Someday, Senator Inouye isn't going to be in office, and neither is Senator Stevens. I would think that Alaska and Hawai'i would be much better served by having a merit-based system that would actually reward strong performing programs rather than having something based on political muscle."

CROSSING PARTY LINES

Ignoring party rules, Inouye and Stevens have contributed money to each other's campaigns. Alaska donors also have given money to Inouye, and a few Hawai'i donors have given money to Stevens, but mostly as tokens acknowledging the friendship, since neither Inouye nor Stevens has faced any serious political challenge.

In the 2004 election cycle, Inouye received $34,700 from Alaska donors, according to the Center for Responsive Politics, which follows campaign spending. The donations include $13,000 from executives or family members from VECO Corp., the Alaska energy services company whose executives were caught up in the federal corruption probe. Bill Allen and Richard Smith, former VECO executives who pleaded guilty to bribery, each donated $2,000 to Inouye.

A VECO Corp. assistant told The Associated Press in a 2004 statement about the contributions that they were made because Inouye "is a friend of Ted Stevens and a friend of Alaska."

Another Anchorage businessman who donated money to Inouye, Ed Rasmuson, was more pointed, telling the AP: "You can't be dumb about it, this is Stevens' best friend in the Senate."

The Northern Lights Political Action Committee, Stevens' leadership PAC, gave Inouye $10,000.

In Alaska, where Stevens is known affectionately as Uncle Ted and the airport in Anchorage is named in his honor, he had been expected to easily win re-election next year to another six-year term before news came of the corruption probe. He was first appointed to fill a Senate vacancy in 1968.

Carl Shepro, a political science professor at the University of Alaska-Anchorage, said political opponents will try to use the federal investigation to weaken him but that he remains popular. "I don't see, in all reality, unless there is a substantial charge levied and he's in court, I don't see that the support for him is going to diminish a whole bunch," he said. "I don't know if you can say he's beloved, but he's certainly viewed as a strong champion of Alaskan issues."

Stevens, speaking to Congressional Quarterly Today in May about his campaign, mentioned his friendship with Inouye as an influence. "I just don't think I'd contemplate running again if Dan wasn't here," he said. "One of (us is) going to leave, and other will hang up his shield."

Inouye would still have his seniority and his ties with other veteran Republican senators if Stevens leaves office or loses re-election. But Inouye has lost two lifelines over the past two years - his wife, Maggie, who died in March 2006, and longtime confidant Henry Giugni, who died in November 2005. He would dearly miss Stevens as his brother in the Senate.

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"It will make life a little more challenging," Inouye said. "I'll be candid with you, I'd miss him."

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"We had the unbelievable chore of trying to convince our colleagues that we (Hawai'i and Alaska) were part of the United States and worthy to be called Americans. Ted and I were involved in this type of battle from day one."

SEN. DANIEL K. INOUYE

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Anchorage Daily News (Alaska)

August 26, 2007 Sunday
FINAL EDITION

Military's pollution a lingering war legacy;
WORRIED VILLAGERS: Remote sites, dwindling funds threaten cleanups.

BYLINE: By JEANNETTE J. LEE The Associated Press

SECTION: MAIN; Pg. A1

LENGTH: 1150 words

For countless generations, Yupik Eskimos fished the Suqitughneq River on St. Lawrence Island. Though his grandfather once pulled salmon and trout from its waters, George Noongwook has never done so.

The Yupik whaling captain from the village of Savoonga is wary of lingering diesel and PCBs from a deserted Cold War surveillance site nearby. He believes they will make him sick.

"There hasn't been anyone fishing there in my lifetime because all the fish died," said Noongwook, 58. "They're back now, but everyone knows (the river) is contaminated so they go elsewhere."

The old Air Force base at Northeast Cape, 140 miles from the Russian mainland, is one of at least 640 contaminated military installations across Alaska dating from World War II and the Cold War. In all, they will cost at least $1 billion to clean up, according to the U.S. Army Corps of Engineers.

Many of these decaying or downsized outposts are sullying lands and waterways used as primary food sources by at least two dozen tiny communities. Thousands of rural Alaskans depend on wild plants and animals such as caribou, salmon and berries for subsistence.

Old barracks and radar stations from the Arctic coast to the Aleutian Islands contain now-banned materials such as asbestos and lead paint, according to state environmental records. Hidden landfills harbor unknown quantities of scrap metal and munitions. Diesel, PCBs, pesticides and heavy metals have seeped unchecked into soils and rivers.

LANDFILLS ARE LEAKING

Conflicting studies on any lingering health hazards worry many rural residents, who blame the sites for recent increases in cancer and other diseases.

A study in 2002 showed that Alaska Natives who hunt and fish near Northeast Cape have nearly 10 times as many PCBs in their blood as average Americans, but more research needs to be done, said Dr. David Carpenter, an environmental health professor at the University of Albany in New York who led the study.

In the meantime, residents of these isolated villages wait with varying degrees of patience as the years-long cleanups run their course.

At Cape Lisburne on the Chukchi Sea, a scaled-down Cold War radar site continues to leak contaminants onto prime hunting grounds inhabited by caribou, grizzlies and walrus, said Earl Kingik of Point Hope. Pollution from the site runs directly into the Chukchi, part of the Alaska National Maritime Park, according to the state's contaminated sites database.

"There was a cleanup several years ago, but we are not satisfied," said Kingik, co-chair of a community group that advises the military on cleanup. "The landfill is right on the drainage into the ocean."

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The military receives congressional funding for cleanups nationwide through the Department of Defense's Environmental Restoration

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Program, started in 1987.

In 2007, the U.S. Army Corps of Engineers received $262.8 million for the cleanup of 9,000 former defense sites nationwide. Nearly 8 percent of that went to Alaska.

The state contains the third-highest number of formerly used defense sites in the nation, behind California and Florida, according to the corps, which is in charge of 600 sites in Alaska.

"The military has changed, technology has changed, the threat has changed. The decision to scale down is a combination of all kinds of things," said Tommie Baker, of the 611th Civil Engineer Squadron. The 611th is responsible for environmental restoration of about 40 Air Force sites in Alaska.

During World War II, Alaska became a transit hub for weapons and supplies sent to Russia under the Lend-Lease program. In 1942, the Japanese capture of Attu and Kiska in the Aleutian Islands also spurred speedy military buildup.

Radar and satellite stations sprang up along the northern and western coasts during the Cold War to watch for Soviet air attacks launched over the North Pole.

The military said it has been steadily clearing away the most conspicuous remnants of war, including barracks, radio towers, construction equipment and mounds of rusted oil drums.

"At Northeast Cape we have gotten rid of buildings and other visible impacts," said Carey Cossaboom, a project manager with the Army Corps of Engineers. "We're now moving to the leftover contamination in the ground, the nonvisible impacts, which are very real."

CLEANUP MONEY EBBS

Of 1,500 contaminated sites within the 640 installations, about 50 percent have reached sufficiently clean standards, according to Alaska's Department of Environmental Conservation. The agency oversees the cleanups and determines when they can stop, based on state regulations.

"They're required to clean to levels that are not considered an unacceptable risk," said John Halverson, an environmental program manager at the department. "It's not feasible to clean anything up to original background levels, but that means sometimes the landowners won't be happy."

A former Army installation at Moses Point, an important Inupiat Eskimo fishing site in western Alaska, was closed two years ago to further cleanup. Paul Nagaruk, former mayor of the nearby village of Elim, said the project was far from successful.

The village of 300 people has requested Alaska Community Action on Toxics to do additional testing and studies. The organization advocates for environmental health in communities.

"Our people welcomed the military, our men enlisted, they helped rescue downed planes and the Department of Defense has not taken into consideration the human health effects of these places," said Vi Waghiyi, coordinator of the environmental health and justice program for the nonprofit's Norton Sound Alaska Project. "The Army corps has not properly identified what is left and a lot of times the burden of proof is on communities."

State and federal officials say funding for cleanup on deserted military installations in the state is dwindling and the projects take years to research and execute.

The $20 million allotted to the Army Corps of Engineers for Alaska in 2007 represents a steady annual decrease from 1998 when the corps received $50 million.

Sites in Alaska generally cost more to clean up than in other states because of the logistics of traveling across vast stretches of roadless terrain and the short summer work season.

"You can only go by barge to Northeast Cape and you need to get in by mid-June and get out by September or risk being stuck all winter," said Kenneth Andraschko, the corps' acting program manager for formerly used defense sites in Alaska. "You're at the whim of Mother Nature."

St. Lawrence Island residents hope that one of these summers, the remnants of a 30-year-old, 180,000-gallon diesel spill will be removed from the Suqitughneq River. Then, just maybe, they will return to its banks to fish.

"You can smell it and you can see it," Noongwook said of the diesel. "Before the military came, the river was an important subsistence source, a great ecosystem."

LOAD-DATE: August 27, 2007

LANGUAGE: ENGLISH

GRAPHIC: ALASKA COMMUNITY ACTION ON TOXICS / Associated Press archive 1998
Above: Annie Alowa stands at an abandoned military defense site at Northeast Cape on St. Lawrence Island before the site was cleaned up. This old Air Force base, 140 miles from the Russian mainland, is one of at least 640 contaminated military installations dating from World War II and the Cold War scattered across Alaska.
AL GRILLO / The Associated Press
Left: A contaminated fuel tank sits at an abandoned military defense site in Nome.

DOCUMENT-TYPE: WIRE

PUBLICATION-TYPE: Newspaper

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FBI - Stevens-1159

Anchorage Daily News (Alaska)

August 28, 2007 Tuesday
FINAL EDITION

Corruption cases may be paired;
TWO LAWMAKERS, ONE TRIAL: Judge's recommendation comes with hearings set to start Sept. 5.

BYLINE: By LISA DEMER ldemer@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 662 words

With their public corruption trial just over a week away, former state Reps. Pete Kott and Bruce Weyhrauch are maneuvering to throw out big chunks of the prosecution case.

Wiretap evidence. Secret video recordings. Statements by "unindicted co-conspirators," as the prosecution calls them.

Kott's and Weyhrauch's defense lawyers are filing court pleadings at a furious rate as the Sept. 5 trial date nears. Prosecutors, meanwhile, say at least part of the legal battle is too late.

On Monday, a magistrate judge issued a recommendation that the two former lawmakers be tried together.

Weyhrauch was trying to split his case apart from Kott's. His reasons weren't stated publicly because the argument, like many in the case, was filed "under seal." But in his 12-page recommendation Monday, Magistrate Judge John D. Roberts shed some light on the issues raised by Weyhrauch:

* Worries about a spillover effect, if the government has more evidence against Kott. Frequently, that's the situation with co-defendants, Roberts wrote.

"The argument that Weyhrauch never became intoxicated, used foul language or was given a hat with the letters "CBC" (corrupt bastard's club) may serve to distinguish him from the actions of his co-defendant in the jury's assessment of the case," Roberts said. Jurors should be able to separate the evidence against each, and the judge may give special instructions along those lines, he said.

* If the two men are tried together, Weyhrauch's defense lawyer believes the prosecution may try to prove there were multiple conspiracies, but Weyhrauch is accused of participating in only one.

Weyhrauch and Kott were indicted on a charge of conspiring with two Veco Co. executives, Bill Allen and Rick Smith, and others on the rate for a new state oil tax. Both Allen and Smith have since resigned. Veco is an oil field services company.

If evidence of multiple conspiracies is proven at trial, that could be harmful to Weyhrauch and make a conviction "vulnerable to attack on appeal," Roberts acknowledged. But until the trial happens, it's impossible to know whether that will be the case, he said in his recommendation.

U.S. District Court Judge John Sedwick ultimately will decide the issues.

Doug Pope, one of Weyhrauch's lawyers, said that despite Roberts' recommendation, his client's case still could be split apart from Kott's -- after the trial begins and evidence is admitted. That's usually how such matters play out, he said.

The deadline for motions was July 24. That's the same day prosecutors turned over to the defense 1,601 pages of materials used to

support their search warrant applicati There simply wasn't enough time to handle th lume of documents, Kott's lawyer, Jim Wendt, wrote in a court filing.

Judges can allow defense lawyers to make new arguments, even at this late date.

The reason the prosecution didn't provide the documents sooner? It's "because the materials disclose multiple ongoing, non-public investigations," according to a filing by prosecutors.

The details of the search warrant documents remain largely hidden from the public -- "under seal," to use the court term. Both sides have filed documents that way. Prosecutors said in one court document that they didn't want information about other suspects or investigations to become public.

Roberts ordered on Friday that no more documents in the case be filed under seal unless the lawyers first get permission from a judge. The order surprised the defense lawyers.

"He came in like a cowboy out of left field on that," Pope said.

Calls to prosecutors weren't returned Friday or Monday.

Weyhrauch, a Republican from Juneau, did not run in 2006. Kott, a former Republican House Speaker from Eagle River, was defeated in the 2006 primary and now lives in Juneau.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

SCANDAL: For past stories on Alaska politicians in trouble with the law or feeling the heat, go to

adn.com/corruption

LOAD-DATE: August 28, 2007

LANGUAGE: ENGLISH

GRAPHIC: Kott
Weyhrauch

DOCUMENT-TYPE: Staff

PUBLICATION-TYPE: Newspaper

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FBI - Stevens-1161

Automated Serial Permanent Charge-Out
FD-5a (1-5-94)

Date: 01/31/08 Time: 19:44

Case ID: 194A-AN-13620-M Serial: 508

Description of Document:

Type : NEWSPAPE
Date : 08/29/07
To : ANCHORAGE
From : ANCHORAGE DAILY NEWS
Topic: BOROUGH CHIEF LOOKS FOR HELP IN STEM CELLS; CANCER TREATMENT

Reason for Permanent Charge-Out:

FILED IN WRONG FILE

Employee: [redacted] b6 b7C

1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

August 30, 2007 Thursday
FINAL EDITION

Kohring: Detention was illegal;
FBI RAID: He says he was not read his rights during questioning.

BYLINE: By LISA DEMER ldemer@adn.com

SECTION: ALASKA; Pg. B1

LENGTH: 769 words

Former state Rep. Vic Kohring claims that when FBI agents raided his legislative office a year ago, they illegally detained him and forced him to submit to hours of interrogation without ever reading him his rights.

Kohring was indicted on bribery, extortion and conspiracy charges in May. He is accused of selling his office to oil field services contractor Veco Corp. and resigned his Wasilla House seat in June. Trial is set for Oct. 22.

His lawyer, John Henry Browne of Seattle, is trying to suppress evidence seized in and statements made by Kohring during the Aug. 31, 2006, search.

New court filings told from Kohring's point of view are full of drama:

Around 11 a.m. that day, FBI agent Alan Vanderploeg called Kohring on his cell. He was with a friend, headed to Palmer to check out a pickup for use in his House race. The agent insisted they meet right away at Kohring's Wasilla office.

"Five armed FBI agents, who were already waiting there, created a quite intimidating scene," when Kohring arrived.

The agents said they had a warrant to search his office, but never produced it, according to Kohring's story. Instead, the court papers say, they pressured him to consent to a search so no warrant was needed and threatened to tell the media if he refused.

The FBI advised Kohring to send his aide home, which he says in a statement he later regretted.

"Then, while Kohring was isolated and segregated, the agents finally revealed that he was not only a witness, but also a suspect as well, and displayed a thick file folder with his name on it ostensibly containing incriminating information, though the agents never displayed its contents," says one of the court filings.

The FBI investigation dated to 2003, his lawyer wrote.

FBI - Stevens-1163

The agents told Kohring he wasn't under arrest, but made it clear he wasn't free to leave, Kohring claimed in his statement. In fact, they locked the front door to his office and wouldn't let him go to the bathroom or get a drink of water, his lawyer contends.

The totality of circumstances -- including a "police-dominated atmosphere" -- shows that he was in custody, yet he was never read his Miranda rights, Browne argued. No reasonable person would have felt free to leave, one of the motions says.

Kohring was able to phone a friend and attorney, Robert Hall. He contends the FBI pressured him to hang up before getting any useful advice.

Hall was so worried, he rushed to Kohring's office but the FBI wouldn't let him in, Hall says in a court filing.

"The agents persisted in searching and questioning in excess of two hours, during which Kohring was isolated in his locked offices while

194A-AN-13620-M : 509

his friend and personal attorney sat in hallway, barred from entry," one of the motio ays.

Near the end of the interview, after agents told Kohring he was a suspect, "they threatened him with 20 years in prison if he did not answer incriminating questions in regards to his association with VECO corporation," Browne wrote. They termed it "the Martha Stewart question." The homemaking diva went to prison for lying to investigators.

The search ended after 2 p.m., according to Kohring.

Prosecutors and the FBI dispute Kohring's claims, said Joe Bottini, an assistant U.S. attorney. They will file their detailed response in court, he said.

Kohring himself told a different story the day of the search.

"I fully cooperated and answered all their questions," Kohring said in a written statement back in August 2006. "I was told that I am not a target of the investigation and was asked not to discuss details of the interview."

Kohring wants the judge to move the trial to Washington state because of all the publicity in Alaska. His trial could take place around the same time as a special session set to revisit the state's new oil tax. Gov. Sarah Palin called the session because she said the bribery cases taint the tax legislation passed in 2006.

Two other former representatives, Pete Kott and Bruce Weyhrauch, go to trial just before Kohring. Former Veco Corp. executives Bill Allen and Rick Smith are expected to be key witnesses. They already have pleaded guilty to bribery and conspiracy.

Browne also wants the government to reveal all promises made to Allen and Smith for their cooperation, as well as to two witnesses who testified earlier this summer against former Rep. Tom Anderson, who was convicted of bribery and other charges.

A hearing on the requests to suppress evidence is scheduled for Sept. 17.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

INVESTIGATIONS: For past stories and a timeline of events, go to

adn.com/corruption

LOAD-DATE: August 30, 2007

LANGUAGE: ENGLISH

GRAPHIC: Kohring

DOCUMENT-TYPE: Staff

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FBI - Stevens-1164

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Anchorage Daily News (Alaska)

September 4, 2007 Tuesday
FINAL EDITION

Prosecutors direct new allegations against Kott;
UNLAWFUL GIFTS: Prosecutors say Kott started accepting benefits from Veco officials in 1999.

BYLINE: By RICHARD MAUER rmauer@adn.com

SECTION: ALASKA; Pg. B1

LENGTH: 717 words

As federal prosecutors prepare to begin their case this week against two former state legislators, they have unveiled new allegations that one, Rep. Pete Kott, had been taking unlawful gifts and benefits from Veco officials since 1999.

Kott, a former House speaker who ran a flooring business on the side, stored equipment from 1999 to 2006 at a warehouse owned by the oil-field service company, the government said in a recently unsealed motion. The government also alleged that Kott received $12,000 in equipment from Veco or its former chairman, Bill Allen, in 2002, and that Allen gave him $5,000 in 2004. The next year, Kott took possession of tools and other items that Veco bought in a charity auction, prosecutors said.

Those alleged actions were in addition to conduct charged in the seven-count indictment returned by a federal grand jury in Anchorage in May against Kott, an Eagle River Republican, and former Rep. Bruce Weyhrauch, a Juneau Republican. Most of the alleged illegal activity in the indictment took place between September 2005 and August 2006.

Both men have pleaded not guilty to bribery, extortion, fraud and conspiracy. Their trial begins Wednesday in Anchorage before U.S. District Judge John Sedwick.

In the days leading up to the trial, the two defendants have also been firing back at the government, challenging some of the legal theories of the prosecutors. They are disputing the government's assertions that the two men had a duty to disclose they were seeking work from Veco or Bill Allen at the same time they were voting on issues affecting Veco.

Kott also asked the judge to prevent the government from bringing up alleged prior "bad acts" that weren't specifically charged in the indictment.

Allen and former Veco vice president Rick Smith are expected to be key government witnesses. They have pleaded guilty to bribing legislators and hope to get their sentences reduced by cooperating with the authorities.

FBI - Stevens-1165

In disclosing that they intended to bring up Kott's earlier conduct to the jury, government prosecutors said they expected Allen and Smith to testify "to the general scheme to provide Kott with things of value in exchange for securing Kott's agreement to take officials acts to benefit Allen, Smith and Veco."

In one instance, Kott's attorneys said in a court filing last week that Kott was only joking when he asked Veco for help in getting him a job at a prison the company was building in Barbados.

"These Barbados comments are made in jest, and that intent is clear from the context of the conversations, which involved drinking and joking," they said.

And Kott's talk of working as a lobbyist for Veco -- a discussion he held while still in office -- were "off-hand, brief, and are absolutely devoid of any details or even specific requests to be Veco's lobbyist or a specific promise to be hired as Veco's lobbyist," his lawyers said.

194A-AN-136620-M;510

Weyhrauch, a lawyer, is accused of selling his votes for a 2006 oil-industry tax bill in return for a promise of legal work after the regular legislative session. The government said Weyhrauch should have disclosed his negotiations for work with Allen and Smith.

But Weyhrauch's attorneys said he had no duty to disclose under state law or House rules.

Kott's lawyers said as much and asserted that it's the normal House practice to require members to vote even if they have a conflict of interest. That negates the need for disclosure, they said.

Government lawyers said that position is nonsense.

"Each member of the Alaska State Legislature has an inherent duty to the public of the State of Alaska to conduct their dealings free of conflicts of interest," prosecutors said in a memorandum filed Saturday. "The existence of this duty is intrinsic to a public official's obligation to conduct his or her affairs free of improper influences." State law requires legislators to not only avoid conflicts of interest, but even the appearance of a conflict, they wrote.

Weyhrauch appeared to understand that duty, the prosecutors said, because he disclosed other conflicts even if he failed to disclose his job solicitation from Veco.

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INSIDE

LAWMAKER ON TAPE: Recordings by the FBI used to convict former legislator Tom Anderson.

Page B-2

LOAD-DATE: September 4, 2007

LANGUAGE: ENGLISH

GRAPHIC: CHRIS MILLER / The Associated Press
Former Eagle River lawmaker Pete Kott is led out of court following his arraignment in Juneau last spring. Kott and Bruce Weyhrauch of Juneau have pleaded not guilty to federal charges.

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FBI - Stevens-1166

Anchorage Daily News (Alaska)

August 31, 2007 Friday
FINAL EDITION

Craig opposed Stevens' investigation; 'GESTAPO-LIKE': Idaho senator blasted the FBI on same day he pleaded guilty to lewd conduct.

BYLINE: By ERIKA BOLSTAD ebolstad@adn.com

SECTION: ALASKA; Pg. B1

LENGTH: 616 words

DATELINE: WASHINGTON -

In the days following a high-profile FBI raid on the home of Alaska Sen. Ted Stevens, Idaho Sen. Larry Craig was among the sharpest defenders of his embattled Alaska colleague.

In comments to reporters in the Capitol on Aug. 1, the Idaho senator criticized the FBI for "Gestapo-like" tactics and expressed sympathy for the position Stevens found himself in.

"I think some people say, 'Ah, there but for the grace of God go I,' " Craig told the Capitol Hill newspaper, the Politico.

Since news broke Monday of Craig's June 11 arrest for lewd conduct in a men's restroom of the Minneapolis airport, the three-term Republican senator has been increasingly under pressure to resign his seat. Top Republicans, including President Bush, have expressed their disappointment in him, and some fellow GOP senators have called for him to step down.

In his Aug. 1 comments about his Alaska colleague, Craig went on to say that he was disturbed by the idea of an FBI raid on the home of a sitting U.S. senator, and he criticized federal agents for using a locksmith to break into the home when Stevens had reportedly offered them a key. Craig said he thought it was "gamesmanship" done for the benefit of television cameras.

"That makes senators very, very angry when they attempt to cooperate when ... they are caught in these webs and yet they are denied that for the sake of the judiciary's publicity," Craig said, according to Politico.

He added, "it would be very intimidating if I was under investigation and handed the FBI a key, and then TV cameras and newspeople (showed up). That is very intimidating."

What makes Craig's comments striking is their timing - especially with the perspective of hindsight. They came Aug. 1, the same day he signed and dated a plea agreement saying he was guilty of disorderly conduct for making sexual advances to an undercover police officer in a Minneapolis airport bathroom. The plea was dropped into the mail and filed with court officials Aug. 8.

Craig's office did not return phone calls or e-mails Thursday requesting clarification of his Aug. 1 remarks.

Craig, who has long stood with Stevens in support of drilling in the Arctic National Wildlife Refuge, was one of the few Republicans to be openly supportive of -- and sympathetic to -- the Alaska senator. Sen. Trent Lott, R-Miss., offered support for the Senate's longest-serving Republican, but Senate Minority Leader Mitch McConnell, R-Ky., took a more measured, cautious approach when asked how he would handle the fallout from the Stevens raid.

In all the noise surrounding the raid on Stevens' home, Craig's comments were largely ignored. However, they were picked up by Fox News, and Stevens' fellow Alaskan in the Senate, Lisa Murkowski, also questioned the timing of the raid.

194A-AN-13620-M;511

Thursday, Murkowski echoed other Republicans who have called Craig's arrest and guilty plea a disappointment. But Murkowski, in Alaska with Education Secretary Margaret Spellings, stopped short of calling for Craig's resignation, and said she thought it was appropriate that the matter be handled by the Senate Ethics committee. Craig campaigned for her in 2004 in Alaska.

"The fact that he pled guilty to a crime causes me great concern," Murkowski said. "I'm really just sick about this news."

Stevens, who has refused to address questions about his own investigation, has been silent on Craig's situation. Thursday, as he was traveling in remote western Alaska near Shishmaref, he told The Associated Press that he had spoken to his attorneys about it, "and they advise I make no comments about any investigations right now."

Daily News reporter Megan Holland in Anchorage contributed to this report.

LOAD-DATE: August 31, 2007

LANGUAGE: ENGLISH

GRAPHIC: Sen. Larry Craig, R-Idaho

DOCUMENT-TYPE: Staff

PUBLICATION-TYPE: Newspaper

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FBI - Stevens-1168

NewsBank America's Newspapers

Paper: Anchorage Daily News (AK)
Title: Palin foresees positive changes in Alaska politics - PART ONE OF THREE
Q&A
Date: September 2, 2007

On Aug. 22, 2006, Sarah Palin shocked the Republican Party establishment with a crushing primary victory over incumbent Gov. Frank Murkowski and former state Sen. John Binkley. She went on to win the governor's race in November by a comfortable margin and, according to polls, has grown even more popular with Alaskans during her first year in office.

A year after that primary victory, Gov. Palin sat down with Daily News reporter Tom Kizzia to talk about some of the biggest issues of her first nine months in office, including the ongoing federal corruption investigation and next month's special session to reconsider the state's new oil tax.

Featured today: Her thoughts on the political corruption investigation and the changes to the system she says will be necessary to chart a different course for the state. The governor's comments have been lightly edited for space and repetition. The complete audio is available on adn.com.

ADN: How do you feel about how the FBI investigations are going now? You had a lot to say in May when the indictments came out. Now the investigation is veering toward the congressional delegation and could affect how Alaska does business. ... Does that make you uneasy?

PALIN: I am not scared of the changes that I believe are inevitable in terms of leadership that has represented the state of Alaska for all of these years because the change is inevitable.

Whether the FBI reveals something that leads to change, or just the changes in power in Congress ... or individuals maybe choosing not to run for re-election, age even of our politicians playing a part in this, change is coming to Alaska.

So I am not afraid of that and I don't want Alaskans to be afraid of what is coming. ... There are many positives that are going to result from change if we are in the right mind-set. ...

My interpretation of it is that Alaska has got to change its image. ... We need to be taken seriously so that we are given more credence and more authority here and we are provided more opportunities to develop our state. The only way that we are going to be able to gain the trust of the rest of the United States ... is to prove that we can do things right and honestly and transparently and Sen. Stevens knows that has been my message.

ADN: Transparency in government. Are you talking about self-sufficiency as well?

PALIN: I go back again to remembering when we became a state where we struck the deals with the federal government as we asked to be let into the union and the promise on our part was that we would be as self-sufficient as possible.

We wouldn't solely be reliant on the federal government to pay our bills, to provide services and build our projects here, and we become self-sufficient by developing our resources because we are so wealthy in terms of the resource that we have here, but into -- a large part here, we are not allowed to develop those resources and I think a lot of that has to do with others who are making decisions for us, looking at us like, 'We don't believe that their oversight is going to be strong enough for the environment.'

Now, of course, they are saying, 'We believe that there is corruption up there, so we can't trust Alaska to know how to do the right thing.' All of these things that are kind of elements right now in play, we have to be more responsible and more sensible than ever. This state government, our administration, has to prove to the rest of the United States that we can do things right.

ADN: Well, talk about dependence on the federal government, I think a lot of Alaskans have probably asked themselves why these investigations had to be carried out by the federal Justice Department.

PALIN: Yes.

194A-AN-13620-M;512

ADN: Is the state capable of policing political corruption here or is it too tied up in its own system? Can voters have any confidence that any future transgressions can be handled by the state?

PALIN: That's a great question, and I am one of those who had asked why did it take the feds to come in here over the last couple of years and start digging into the issues that had been speculated about and rumored about?

Why couldn't the state police each other? Why couldn't the Legislature and legislators police one another? Why couldn't APOC (the Alaska Public Offices Commission) -- why didn't they have an investigator? All these tools that we are missing in the state's toolbox to clean up what was rumored to be corruption and undue influence, and I still don't have the answer as to why it was that the state had to rely on the feds again to come in and clean things up. But what we have done to change that though, with APOC, we funded them an investigator.

They need to have one with oversight of the oil industry. We just funded a five million-dollar new office, the PSIO office (Petroleum Systems Integrity Office) where we will have an integrity office overseeing the regulatory environment, even, of oil and gas development in the state. ...

We are going to put our money where our mouth is that we are going to be able to prove that our commitment is to do things right.

ADN: Is the investigator going to do it for APOC? Or does more change need to be made there in the election supervision?

PALIN: Well, an investigator is a good first step. Greater communication with APOC will be able to tell us what else is missing. And then those things that make sense to this administration to add to the toolbox.

We have got to go above and beyond with oversight. We have to make sure that the public is going to be able to trust that state government is making decisions in the people's best interest and we have got a lot of ground to make up.

ADN: Payoffs to legislators goes beyond just campaign finance investigations. That takes some serious digging for the Department of Law or the State Troopers or whomever. It would go beyond APOC.

PALIN: Well, right, and that obviously is why the FBI and Department of Justice, other entities with much greater resources than any state agency, had to come in. But also, I think the FBI's role in this and Department of Justice is an indication that the problems are greater than just maybe a local legislator pocketing a few thousand dollars to change a vote on something.

Evidently, it is more serious than what has been revealed thus far. Of course, not being privy to all of the information, I can't prejudge what any kind of outcome is going to be when more of the trials begin and I can't assume that the period of indictments is over. I think that there will probably be more.

ADN: In May, Attorney General (Talis) Colberg said the state was going to pursue its own investigation of things related, issues related to those Veco confessions. Is that still going ahead?

PALIN: Well, to the degree that we cannot step on the FBI's toes or get in the way of their investigation, our focus has been on what kind of undue influence was either impacting or coming from the administration? They are the ones who proposed the new oil tax regime, remember? And nobody is really asking well, what did Jim Clark (Murkowski's chief of staff) have to do with this? What did Murkowski have to do with all of this?

It's been our role and some of my assistants' roles who were here before to start getting in there and figuring out what was the motivation behind these proposals to change an oil tax. That is still being gathered. ... FBI - Stevens-1170

ADN: Have the feds been looking at the previous administration's motives?

PALIN: I can't tell. We can't tell.

ADN: You can't say or you can't ...

PALIN: I can't prove that they have been doing that, except that they have conducted some interviews. They have interviewed, for instance, Joe Balash, my assistant on the oil and gas issues and Joe had been working for a legislator in the past and it sounds to me like the questions may have had to do with what was the administration's role. But that's something that we, you know, again, I am not privy to and we haven't heard or seen publicly what aspect of the administration's past actions are being questioned.

ADN: Some Alaskans have, you know, defended Ted Stevens and Lisa Murkowski in particular, saying it is only natural in a small state for a politician to have prominent friends and even enter business relations with them. What do you think? Where should public figures, political figures draw the line?

PALIN: Well, maybe that is commonplace in a former smaller world of politicians in Alaska, but that is not commonplace in my world to be presented, you know, maybe amazing or even outlandish investment opportunities that turn us into rich individuals. ...

I am not buddies with Bob Penney. I don't go to that Kenai classic fishery thing, you know, I don't go hunting and fishing with Bill Allen. That's not my world. So my perspective is, I guess this new leadership team, we wouldn't be tempted to become part of that world because that is not where we came from. I'm not enticed at all or excited about the idea of hooking up with some of the characters in the past that now are in trouble.

ADN: Do you think if they had adhered to a brighter line that they could have avoided some of this trouble?

PALIN: I think everyone has that individual and personal ethical compass within and I think that maybe in the past, some individuals, their compass was way off kilter and decisions were made based on a real skewed idea of what ethical activity would be. I am not claiming holier than thou and I am not saying that the people who I hire and surround myself with, that any of us are perfect.

All of us make mistakes ... but as long as I am confident that moral compass is right on target and we are not going to be tempted to do anything for self gain then I think that is what is going to best for the progress that we need here in Alaska. I can't say that was the case in the past in Alaskan politics. Obviously it wasn't or we wouldn't have high-ranking CEOs pleading guilty to bribery.

ADN: But I think you are also talking about the activities in the gray area -- the business relationships with, you know, a senator or congressman or a state legislator. Between someone with interests in the public process and the people running the public process.

PALIN: Right. Well, that's why I think we need more real and normal and hardworking and blue-collar Alaskans to want to run for office and serve in these positions that are making decisions.

Again, I will personalize this. I am not from that other world. My dad as a school teacher wasn't a mover and shaker developer making big bucks in the state of Alaska off of property development. My husband isn't that way. I am not raising my kids to be that way.

... If you want to be in public service, it is being willing to serve Alaskans for the right reasons. It is having to have a servant's heart when you come into these positions. It's not to get rich.

TOMORROW: Palin on the Petroleum Profits Tax and the oil industry.

Contact reporter Tom Kizzia at tkizzia@adn.com.

ONLINE: Hear audio excepts of the interview with the governor and see an audio slide show.

PART ONE OF THREE

SLOPE joB: Palin's views on her husband's return to work.

FBI - Stevens-1171

Back Page

TOMORROW: Palin on the Petroleum Profits Tax and the oil industry.

Question and answer
Caption:
Photos by STEPHEN NOWERS / Anchorage Daily News

Gov. Sarah Palin speaks in a recent interview in her office in downtown Anchorage. The bearskin rug on the sofa is a grizzly shot in the Denali Highway country by her father.
Caption:
Photo 6: palin_9_090207.jpg

Graphic 1: QandA_090207.eps

Graphic 2: slideshowIcon_090207.eps

Graphic 3: 30 promo palin_090207.eps

Graphic 4: palin_3_090207.eps

Graphic 5: palin_5_090207.eps

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Author: Tom Kizzia Anchorage Daily News Staff
Section: Main
Page: A1
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FBI - Stevens-1172

Anchorage Daily News (Alaska)

September 4, 2007 Tuesday
FINAL EDITION

Released Anderson sting tapes unveil the federal case; 'YOU WANT VOTES': Lawmaker knew lobbyist sought more than newsletter.

BYLINE: By LISA DEMER ldemer@adn.com

SECTION: ALASKA; Pg. B2

LENGTH: 506 words

More than a month after former state Rep. Tom Anderson was found guilty of bribery and other corruption charges, the prosecution has released the secretly recorded conversations used to convict him.

A federal jury convicted Anderson, an Anchorage Republican, on July 9 of bribery, extortion, money laundering and conspiracy. Several jurors said afterward that Anderson's own words were the strongest evidence against him.

The Daily News and KTUU Channel 2 sought copies of the recordings and other exhibits during the trial but didn't get them at that time. The news organizations then went to court. Negotiations began with prosecutors. The records were released Aug. 23.

The recordings were made by the FBI. A government witness, former Cornell Cos. consultant Frank Prewitt, wore a wire. The recordings, along with witness testimony, gave jurors a picture of a scheme in which Anderson took bribes to do Cornell's bidding. The plan was for a Cornell Cos. lobbyist, Bill Bobrick, to create a sham political newsletter or Web site that would be used to funnel money to Anderson.

Anderson's sentencing is scheduled for Oct. 2.

Here's a quick guide to some of the key conversations:

JULY 21, 2004

Audio recording. Bobrick and Prewitt meet at Southside Bistro in Anchorage to discuss how to get money to Anderson. In exchange, Anderson would "be our boy in Juneau," Bobrick tells Prewitt.

JULY 28

Video of meeting at the Whale's Tale in the Hotel Captain Cook among Anderson, Prewitt and Bobrick. Anderson's hands are in view. When asked about his credentials to do work for Cornell, the first thing he mentions is that he is a legislator. Jurors asked for the recording to be replayed during their deliberations.

FBI - Stevens-1173

NOV. 16

Video recording of meeting between Anderson and Prewitt in Anderson's legislative office in Anchorage. Anderson acknowledges to Prewitt that he knows Cornell really isn't interested in a political newsletter. "You want votes in the Legislature, I would assume," Anderson says. He also says he doesn't want to split the next payment with Bobrick. They discuss Anderson testifying the next day at a public hearing on a juvenile treatment center that Cornell needed state approval to open.

DEC. 21

Video recording of meeting between Anderson and Prewitt at the Whale's Tale. Prewitt brings two checks, one made out to Anderson's consulting firm directly. "That is perfect," Anderson says.

194A-AN-13620-M;513

FEB. 16, 2005

Video recording of a dinner at the Baranof Hotel in Juneau that includes Prewitt, Anderson and then-state Rep. Lesil McGuire. At the time, McGuire and Anderson were dating. They since have married, and McGuire has been elected to the state Senate. McGuire tells Prewitt, "Don't forget, I'm going to stay right up on you boys" to make sure Cornell offers rehabilitation. At one point, McGuire is distracted by a side conversation. Anderson takes the opportunity to tell Prewitt that McGuire doesn't know about his relationship with Cornell.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

LOAD-DATE: September 4, 2007

LANGUAGE: ENGLISH

GRAPHIC: Anderson

DOCUMENT-TYPE: Staff

PUBLICATION-TYPE: Newspaper

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FBI - Stevens-1174

1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

September 5, 2007 Wednesday
FINAL EDITION

GOP divides ethics cases of senators;
DAMAGE CONTROL: Craig's case called unlike Stevens', Vitter's.

BYLINE: By ERIKA BOLSTAD ebolstad@adn.com

SECTION: ALASKA; Pg. B1

LENGTH: 420 words

DATELINE: WASHINGTON -

Responding to criticism that GOP senators who've found themselves in trouble this summer have been treated very differently by their peers, the Republican leader of the U.S. Senate outlined why he thinks each should get a "case-by-case" treatment.

U.S. Sen. Larry Craig pleaded guilty after a sex sting in a men's airport bathroom, effectively ending any questions of guilt or innocence, said Sen. Mitch McConnell, the Senate minority leader. Sen. David Vitter, R-La., hasn't been charged with a crime, and wasn't in the Senate when he telephoned the so-called D.C. Madam, McConnell said.

And as far as Sen. Ted Stevens is concerned, McConnell said, the long-serving Alaska Republican "maintains his innocence" in connection with the July 30 raid on his home in Girdwood.

"This had to do with admission of responsibility as opposed to charges or suggestions," McConnell said, in his first remarks about Craig's ouster since the Idaho Republican announced Saturday he would step down.

Eager to avoid being tagged as the party with the most ethical problems, Republicans acted quickly last week to encourage Craig to resign. Yet many have questioned why Stevens -- who is under investigation but hasn't been charged with any crime -- has not faced any official rebuke by his peers.

"There's a substantial difference between a conclusion to a matter and allegations that are being denied or behavior that occurred before you ever came to the Senate," McConnell said.

McConnell did not mention any of the senators by name, but it was clear which ones he was talking about during a press conference Tuesday to outline his party's agenda following Congress's summer recess.

Stevens continued his policy of avoiding any comment connected to the investigation or the raid on his home.

"We're not going to comment at all on Sen. McConnell's press conference," said spokesman Steve Wackowski.

Federal investigators and grand juries in Anchorage and Washington, D.C., have been seeking information about renovations to Stevens' Girdwood home. The project more than doubled the size of the house and was overseen by oil services company Veco Corp. CEO Bill Allen. In May, Allen pleaded guilty to bribing state lawmakers and agreed to cooperate with authorities in further corruption probes. Veco vice president Richard Smith has also pleaded guilty to identical charges. Allen and Smith resigned from Veco.

The FBI also is investigating the National Science Foundation's award of $170 million in contracts to the company.

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LANGUAGE: ENGLISH

GRAPHIC: Stevens

DOCUMENT-TYPE: Staff

PUBLICATION-TYPE: Newspaper

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FBI - Stevens-1176

Anchorage Daily News (Alaska)

September 6, 2007 Thursday
FINAL EDITION

Corruption trials divided;
Kott's hearing continues, but Weyhrauch's stalls on federal appeal

BYLINE: By RICHARD MAUER and LISA DEMER Anchorage Daily News

SECTION: MAIN; Pg. A1

LENGTH: 1034 words

A federal judge Wednesday ordered separate trials for two former Republican legislators to allow jury selection for one to move forward while the government appeals an earlier ruling favoring the other.

The decision on the one-time co-defendants means the bribery, extortion, fraud and conspiracy case against Pete Kott, the former House speaker, will go ahead with opening arguments scheduled for Monday. Jury selection started at midmorning Wednesday and will continue today.

But the trial of Bruce Weyhrauch, a former representative from Juneau, will await the outcome of the government's bid to the 9th U.S. Circuit Court of Appeals in San Francisco, and perhaps longer. Weyhrauch's attorney, Doug Pope, said he'd try to take the case to the U.S. Supreme Court if the 9th Circuit reverses the decision in Anchorage.

U.S. District Judge John Sedwick made his ruling on separating the trials in a hastily called hearing that began at 8 a.m. Wednesday, just before jury selection was to begin. With more than 80 potential jurors from around Southcentral Alaska cloistered in a meeting room across the lobby and down a hall, Nicholas Marsh, a trial attorney from the Justice Department's Public Integrity Section, told Sedwick that his superiors in Washington agreed that an appeal of an earlier ruling was justified.

They are challenging a ruling by Sedwick on Tuesday that said the government couldn't present evidence that Weyhrauch and Kott were duty-bound to report they were seeking employment with Veco, the politically active oil-field service company, in 2006, when they were voting on oil-tax legislation heavily lobbied by Veco's chair, Bill Allen. Sedwick held that state law had no such requirement.

In the Wednesday morning hearing, Marsh told Sedwick the government still had ample evidence against Kott and was prepared to go to trial. But for Weyhrauch, a lawyer who never landed the Veco job, the evidence is crucial, Marsh said.

At issue is whether Weyhrauch used mail fraud to cheat Alaskans of honest services as a state legislator. Pope said Weyhrauch did nothing wrong in sending a personal advertisement for legal services to Veco.

With the trial set to begin, expenses for lawyers and the court adding up, and potential jurors cooling their heels, Marsh proposed that Sedwick revisit a request made in August by Weyhrauch's attorneys to split the trial. At the time, Pope argued that the stronger evidence against Kott could prejudice the jury against his client. The government opposed the motion then, and the judge kept the defendants together.

But now, Pope told Sedwick, the situation has changed. He was fully prepared to go to trial. It would be an undue financial and emotional burden on Weyhrauch and his family to delay any longer. He argued the government's points of appeal were thin and unlikely to succeed.

But Sedwick said federal appeals courts around the country were split on the disclosure issue, while the all-important 9th Circuit, governing courts in Alaska, "hasn't spoken." Sedwick said he followed a line of reasoning adopted by the 5th Circuit in New Orleans.

Jim Wendt, Kott's attorney, opposed the split, mainly because he had prepared a case theory and line of questioning for witnesses based on having a co-defendant. The government agreed to delay opening arguments until Monday, and promised to tell him by Friday whether Allen and former Veco vice president Rick Smith would be called to testify and to reveal the approximate place in the trial they would take the stand.

194A-AN-13620-m.515

Following a 90-minute recess to review the law and rulings in related cases, Sedwick called the parties back to his courtroom and announced he would split up the co-defendants so the government could pursue the appeal. He said the government clearly had that right.

After packing up boxes of documents on a cart and clearing the courthouse, Pope stopped to talk with reporters and expressed outrage at the government. He said prosecutors realized late in the pretrial phase that their case was weak and responded by inventing a new case theory that relied on an improper application of federal law.

He said Weyhrauch's day in court may be delayed for more than a year by the appeal.

Marsh said it would be inappropriate to comment on Pope's out-of-court criticism.

Back in the courtroom, potential jurors began filing in to be questioned about their knowledge of the now-smaller case. The lawyers on both sides introduced themselves, and so did Kott, who represented Eagle River in the House.

"I'm Pete Kott, and I'm the defendant in the case," he said, smiling at the packed room of jurors.

Most of those with strong opinions already had been weeded out through written questionnaires.

Sedwick, and sometimes the lawyers, asked detailed questions of about half those remaining on Wednesday to determine whether any were too biased to be fair jurors or had other reasons not to serve.

One had just landed her first full-time job in a year, so she was allowed to go home. A couple of people had medical issues. One is leaving Alaska this month. Another is married to a former contract manager at BP and socialized with Allen. All left the courtroom.

Some were close calls. One man told the judge he thought he could be fair "for the most part." When Sedwick pressed him, he said part of him struggled with the politics of oil in Alaska. The judge sent him home.

While a number of the prospective jurors had a general idea that the matter before them was a bribery case, some said they didn't pay attention to politics. Others followed the political corruption cases closely. Some told the judge they were most interested in trouble faced by U.S. Sen. Ted Stevens and his son, former state Senate President Ben Stevens. Neither has been charged with a crime, but Ben Stevens is accused of being part of a conspiracy that included Kott, Weyhrauch, Allen and Smith.

Find Richard Mauer online at adn.com/contact/rmauer or call 257-4345.

ONLINE: Read transcripts of conversations between Kott and ex-Veco executives. The documents contain coarse language. Also, check out video and audio surveillance evidence from the trial of former Rep. Tom Anderson.

adn.com/corruption

LOAD-DATE: September 6, 2007

LANGUAGE: ENGLISH

GRAPHIC: BILL ROTH / Anchorage Daily News
Former Rep. Pete Kott, center, flanked by attorneys, leaves the coffee shop in the Federal Building and U.S. Courthouse in Anchorage during a pause in his corruption trial on Wednesday. The bribery, extortion, fraud and conspiracy case against Kott, the former House speaker, will go ahead with opening arguments scheduled now for Monday.
Former Rep, Bruce Weyhrauch was accompanied by his wife, LuAnn, in the Federal Building and U.S. Courthouse in Anchorage on Wednesday. His lawyer said Weyhrauch's day in court may be delayed for more than a year by the appeal.

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FBI - Stevens-1178

Anchorage Daily News (Alaska)

September 7, 2007 Friday
FINAL EDITION

Palin oil tax gets cold shoulder;
PPT: No special session needed, says the resource association head.

BYLINE: The Associated Press

SECTION: ALASKA; Pg. B1

LENGTH: 459 words

DATELINE: FAIRBANKS -

The head of the Alaska Oil and Gas Association presented Gov. Sarah Palin with a long list of concerns regarding her new oil tax proposal.

Marilyn Crockett said this week that the proposal could decrease investment in the state by raising the tax burden on companies.

Crockett also said it would replace a tax that isn't broken and has not yet had a chance to work.

"The industry does not want to have a special session," she told members of the Alaska Support Industry Alliance at a luncheon in Fairbanks.

Other members of the oil and gas association, which include Exxon Mobil, BP and Conoco Phillips, also expressed their reservations about Palin's proposal.

"We agree with the governor's approach to stay with a PPT-based tax structure; however, we are concerned that the tax rates proposed will make every single project look less attractive for us to reinvest," Kevin Mitchell, vice president of finance and administration for Conoco Phillips, wrote in an e-mail to the Fairbanks Daily News-Miner.

Palin this week restated her intention to call a special legislative session next month to revisit the oil production tax passed last summer. She also presented an outline for a new tax that would increase the tax rate.

Palin said the current petroleum profits tax, or PPT, "isn't working as promised."

Revenue Commissioner Pat Galvin has said that revenues from the PPT will likely come in a little short of expectations in the fiscal year that just ended and very short of expectations next year.

FBI - Stevens-1179

Instead of bringing in an additional $1 billion over the old tax system, the PPT will likely bring in about $250 million more in fiscal year 2008, according to department figures.

Crockett pointed to fiscal year 2007, in which the new tax is expected to add about $1 billion in state revenues over the old tax.

"Is PPT working? I would say that it is," she said.

Galvin said Wednesday that cost increases faced by the companies explain the reduced revenue estimates.

Capital costs are now expected to be about 50 percent higher in fiscal year 2007 than was thought when the PPT was passed, and about 100 percent higher in fiscal year 2008, he said.

194A-AN-13620-M;516

The PPT allows companies to deduct operating and capital costs and receive credits on certain capital costs.

Crockett encouraged the state to look at how to encourage companies to invest in the state and keep production levels up, ensuring future tax revenues as well as revenues from royalties and property and corporate taxes.

"What we need to be focusing on is keeping that pipeline full," she said.

Oil production has dropped from a peak of more than 2 million barrels a day to less than 800,000 barrels a day, she said, and maintaining production levels will require significant new investment.

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FBI - Stevens-1180

1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

September 8, 2007 Saturday
FINAL EDITION

Picking a jury is art, not science;
KOTT: Certain qualities sought in jurors for ex-lawmaker's trial.

BYLINE: By LISA DEMER ldemer@adn.com

SECTION: ALASKA; Pg. B1

LENGTH: 722 words

When lawyers picked a jury on Friday to hear the public corruption trial of former state Rep. Pete Kott, they really were deciding who they didn't want on the case.

That's the way it is in jury selection. Prosecutors and defense lawyers rule out who they don't want in a process that's more art than science. At the end of the process, the ones left decide guilt or innocence. To hear Kott's case, U.S. District Judge John Sedwick swore in a jury of 10 women and two men, plus four alternates, just before noon, then sent them home for the weekend.

Those picked include a custodian at Stevens International Airport, a refinery worker from the Kenai Peninsula, and a recent high school graduate who works at Title Wave Books in Anchorage. There's a nurse and a retired teacher; a state health program manager and a state right of way agent.

Eight of the 12 regular jurors live in Anchorage. One is from Eagle River, which Kott represented in the Legislature. One is from Nikiski, another from Kenai. The last is from Kodiak and has a talk show on public radio there.

When it came to excluding potential jurors, prosecutors bumped six, including a Teamster's clerk and an Anchorage real estate agent. The defense didn't want an IRS agent or a former federal biologist, two of the 11 it struck from the pool.

The federal prosecutors trying the case wouldn't talk about how they made their picks.

Defense lawyer Jim Wendt said he was looking for jurors who seemed open as they answered questions posed by Sedwick and the lawyers.

Jury selection stretched over three days. Much of the time was spent questioning jurors one by one on whether they had been influenced by extensive publicity about the corruption investigation.

Many lawyers say that who is on the jury matters immensely.

FBI - Stevens-1181

Lawyers must try to figure out what potential jurors are really like, based on very little information. They may pick people based on basic categories such as gender, job, education or age. Some go through great efforts -- polling the community or hiring body language experts. But in the end, jurors aren't easy to predict.

"Except at the outer fringes, I really think that people are more complicated and more layered and more like onions than we tend to assume," said Jeff Feldman, an Anchorage criminal defense lawyer who has picked hundreds of jurors over more than three decades.

He remembers one juror who scowled at him throughout the trial, but ended up voting his client's way.

"The more I've done it, the less I know about how it really happens," Feldman said.

What most lawyers do, whether they know it or not, is look for jurors who trigger a certain feeling. "smile at you, who don't give a bad

194A-AN-13620-M ; 517

vibe," he said.

As prospective jurors in the Kott case filed into theater-like rows of chairs, the lawyers studied their faces.

"We're looking for people that we like. We're looking for people that we don't have to prod to answer questions," Wendt said during a break in the selection process earlier this week. But, he said, he wasn't looking for any particular type in terms of age, gender or background.

Dan Hickey, a former chief prosecutor for the state, said prosecutors want people used to making decisions, people who seem conservative. Business people are good.

Defense lawyers look for people more understanding of human nature. High school teachers especially are thought of as being good because they put up with so much, said Hickey, who led the team that prosecuted two state senators in the 1980s on corruption charges.

The prosecution also wants a strong leader or two, someone who can guide the others through the evidence during deliberations. But not more. "That's a recipe for a hung jury," Hickey said.

Kott is accused of taking bribes from and conspiring with executives of oil field services company Veco Corp. Prosecutors accuse him of pushing a version of a new oil tax favored by Veco through the Legislature.

Opening arguments in the federal case will take place Monday morning.

Among the expected government witnesses: former Veco chief executive Bill Allen and vice president Rick Smith. Based on a rough schedule provided by prosecutors, Wendt said he anticipates Smith taking the stand Wednesday at the earliest, and Allen to follow.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

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DOCUMENT-TYPE: Staff

PUBLICATION-TYPE: Newspaper

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Anchorage Daily News (Alaska)

September 8, 2007 Saturday
FINAL EDITION

Oil firm Veco is history;
SIGN COMES DOWN: Company was linked to corruption probe.

BYLINE: By SEAN COCKERHAM scockerham@adn.com

SECTION: ALASKA; Pg. B1

FBI - Stevens-1183

LENGTH: 742 words

Colorado-based CH2M Hill on Friday took over scandal-ridden Veco Corp., the Anchorage oil field services and construction company whose former executives pleaded guilty this spring to bribing state legislators.

CH2M Hill decided not to keep the name Veco for what is now a part of the Colorado firm's energy systems group, and cranes removed Veco signs from the company's East 36th Avenue offices Friday afternoon

The former Veco businesses will generally operate under the CH2M Hill name .

"It's a new day, a new future," said CH2M Hill spokesman John Corsi.

Veco had been one of the largest companies in Alaska with about 2,000 employees in the state and a similar number in operations that span the globe.

Corsi said the purchase includes all core operations, people and projects from the former Veco. CH2M Hill said it did not have a breakdown Friday on what was not included in the sale. But Corsi described the assets left on the table as minimal.

"The short answer is essentially all the operational assets are coming, such as the North Slope, Kenai Peninsula, the fabrication shops, Calgary, Bellingham and so on," Corsi said in an e-mail. "There are some non-core businesses that aren't included. However, the last couple days have been so busy getting the deal done, I just don't have those details right now."

Corsi said the Veco assets were valued at $463 million. The final tally of the sale will come in at slightly less than that, he said.

One former Veco operation not part of the sale is the Voice of the Times, the Web site successor to the conservative half-page editorial section that appeared in the Daily News for 15 years. The site will continue as part of a holding company owned by the Allen family but hopes to become a financially self-sufficient operation, according to Voice of the Times editor Tom Brennan.

Veco's former chief executive Bill Allen and former vice president Rick Smith pleaded guilty to federal conspiracy and bribery in the ongoing political corruption investigation in Alaska. Allen, who helped build Veco starting in 1969, admitted to bribing state lawmakers for their votes or influence on legislation important to the oil industry.

Tammy Kerrigan, Allen's daughter, took over as Veco chairwoman in May after her father pleaded guilty and stepped down from his corporate posts.

"The Allen family is pleased that Veco's legacy of hard work, client service and professional excellence will continue with this acquisition," Kerrigan said in a news release. She is leaving the company. Garry Higdem, a CH2M Hill executive, will lead the former Veco.

CH2M Hill, based in the Denver suburb of Englewood, is an employee-owned company. It has about 19,000 workers engaged in engineering, construction, transportation and environmental services projects around the world. Projects include managing expansion of the Panama Canal and venue construction for the 2012 London Olympic games. The company had revenues of about $4.5 billion last year.

194A-AN-13620-M-518

Corsi said buying Veco fits in with his company's strategic plan by making it a bigger global player in energy industries. He said CH2M Hill has long been interested in Veco.

"The people are great, the reputation is great, they have an outstanding track record for client service," he said.

He said CH2M Hill will keep the former Veco's operations going pretty much as they have been. There are no shake-ups in management or elsewhere in the company planned., Corsi said.

Veco is heavily involved in oil field services and construction on the North Slope, and also has projects in the Lower 48, Canada, Barbados, Russia's Sakhalin Island and the Middle East. The company had annual revenue reaching $1 billion, according to Veco executives.

BP, which operates Prudhoe Bay, is one of Veco's major customers.

"They do a good job supporting oil production and we're looking forward to continuing our strong relationship," said Daren Beaudo, a spokesman for BP Alaska.

Corsi said Veco's existing contracts are expected to continue under CH2M Hill. That includes a contract with the National Science Foundation to provide logistics and support for polar research. The FBI is investigating the award of that contract and is looking into connections between Veco and U.S. Sen. Ted Stevens. Then-Veco chief executive Allen in 2000 oversaw renovations to Stevens' Girdwood home, the scene of a July 30 FBI raid.

Find Sean Cockerham online at adn.com/contact/scockerham

LOAD-DATE: September 11, 2007

LANGUAGE: ENGLISH

GRAPHIC: Photos by MARC LESTER / Anchorage Daily News
A Veco sign is removed by a crew from Glacier Sign and Lighting from the building at 949 E. 36th Ave. on Friday afternoon. CH2M Hill announced Friday that its acquisition of Veco was finalized.
A crowd gathers outside the former Veco building to watch the Veco signs being removed Friday.

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PUBLICATION-TYPE: Newspaper

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FBI - Stevens-1184

2 of 2 DOCUMENTS

Anchorage Daily News (Alaska)

September 11, 2007 Tuesday
FINAL EDITION

FBI - Stevens-1185

Bribe trial features Kott calls;
TESTIMONY BEGINS: Public betrayed, prosecutor says; defense touts pipeline effort.

BYLINE: By LISA DEMER ldemer@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 1214 words

In a series of secretly recorded telephone calls, former state Rep. Pete Kott joked with Veco executives about drinking and women, but assured them he was serious about one thing: getting a gas pipeline.

"I'm going to get this f-----g gas line done so I can get out of here," Kott told former Veco chief executive Bill Allen in a Jan. 10, 2006, cell phone conversation.

Testimony began Monday in Kott's public corruption trial.

Jurors heard recordings of nine telephone calls and watched one videotaped meeting between Allen and former Veco vice president Rick Smith.

In his opening statement, prosecutor Nicholas Marsh told jurors that Kott betrayed the public trust and sold his legislative office to oil field services company Veco. In return for money and job promises, he pushed an oil tax favored by the industry.

Kott even says on one of the tapes, "I sold my soul to the devil," Marsh said.

Kott's own words will be used against him, Marsh said. It's the same tactic prosecutors used to convict former Rep. Tom Anderson in July of seven federal corruption charges.

But the defense told jurors the government twisted the facts. Kott was just a blue collar Republican working hard to get what most Alaskans wanted, a gas pipeline, said Jim Wendt, one of Kott's defense lawyers.

There's nothing illegal about working with lobbyists or others toward a shared goal, and that's all Kott was doing, Wendt said. "If he is guilty of anything, he is guilty of working to get a pipeline."

Marsh warned jurors they would hear "downright offensive" language. But Wendt said it was just "down-to-earth talk."

An FBI agent from Cincinnati, Steve Dunphy, who monitored and recorded some of the action in Suite 604 of Juneau's Baranof hotel, testified all afternoon about various recordings. Dunphy said he volunteered after a request for help with the Alaska investigation went out agencywide.

The listening began with a wiretap on Smith's cell phone in September 2005 and branched out from there to wiretaps on Allen's cell and home phones, and then the bug planted in the Baranof suite, Dunphy testified.

In various phone calls played for the jury, Kott's familiarity with Allen and Smith is remarkable. He calls them Uncle Bill and Uncle Rick. He sounds tipsy at times. Several times, Kott brings up the idea of working as warden at a prison in Barbados that Veco was building.

"I just wanna be a warden," Kott tells Smith in a Sept. 29, 2005, telephone call.

194A-AN-1362D-M; 519

Wendt told jurors in his opening statement that the Barbados prison gig was a running joke with Kott, that he had heard about topless women on beaches there. But Marsh told jurors that even if Kott was kidding about the warden's post, he clearly wanted a job with Veco when his work in the Legislature was done.

As the 2006 legislative session got under way, Kott fretted to Allen on the phone that things weren't going well and Allen needed to get to Juneau.

Allen made it clear that he thought little of House Speaker John Harris, who won the post in 2005 after Kott was ousted in an internal coup.

"About the only ones that I can trust is you and ol' Ben Stevens," Allen tells Kott in a Jan. 10, 2006 call. Stevens is the former state Senate president. He hasn't been charged.

In one lengthy call between Allen and Smith on Feb. 20, 2006, Allen goes on a tirade about Veco's new young lobbyist, Kris Knauss. Allen was angry that Knauss was using Allen's own well-cultivated influence with Kott as if it were his own, turning it to his advantage with Gov. Frank Murkowski's chief of staff, Jim Clark.

"Well f---. I put more money into Pete Kott than he's ever even thought about," Allen sputtered at one point.

In a March 4, 2006, videotaped conversation in Suite 604, Allen and Smith said they would do whatever they needed to get the pipeline and an oil tax favored by the industry through the Legislature. Smith said they may need to "get dirty."

The room is dimly lit and it's hard to make out their faces. But their voices are clear.

"They got dirty and they crossed the line," Marsh told jurors.

Later in the conversation -- in a part not played in court but discussed by lawyers and the judge -- the topic turned to a faltering effort at the time to sell Veco to an Australian firm. Allen was upset because former Veco president Pete Leathard had apparently boasted to the Australians that Veco was in the business of bribing state legislators.

U.S. District Judge John Sedwick agreed with prosecutors that only a portion of the conversation needed to be played for jurors.

In the same conversation, Allen told Smith that Veco's clients need to know what it's doing in Juneau to pressure legislators. He refers to "the big wheels" with BP and Exxon and more.

The case against Kott is the first to go to trial involving Veco, a company that was hugely influential in Juneau for many years. Allen and Smith have both pleaded guilty to bribery and other charges and resigned their positions with Veco.

As of Friday, Veco no longer exists. It's been sold to the Colorado-based engineering firm CH2M Hill.

Kott, a former house speaker from Eagle River who served 14 years in the Legislature, is being tried on charges of bribery, conspiracy, extortion and wire fraud.

Several dozen people gathered in the federal courtroom for opening statements, including defense lawyers, prosecutors, FBI agents and news reporters, but the crowd cleared out by the afternoon. Whistleblower Ray Metcalfe stayed.

FBI - Stevens-1186

Marsh told jurors that Kott, who ran a hardwood flooring business, is accused of accepting money or things of value three times from Veco executives, plus the promise of a job. The specific accusations, as laid out by Marsh:

* Kott, in need of cash during his 2006 campaign, sent Allen a fake bill for an extra $7,993 in flooring work.

* Veco paid $2,750 for a political poll by David Dittman to see how Kott was faring with voters during the campaign. Kott lost in the primary.

* Kott accepted $1,000 from Allen to reimburse Kott for a contribution he made to then-Gov. Frank Murkowski's re-election bid.

All of that is misconstrued or overblown, Wendt told jurors. Kott received no personal benefit from any of it, the defense lawyer said. He didn't even know about the poll beforehand.

The only thing Kott did wrong was accept the $1,000, but that was just to reimburse him for the contribution, Wendt said.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

AUDIO: Listen to the opening statements from Kott's trial at

adn.com/corruption

The trial of former Eagle River Rep. Pete Kott is part of a broad investigation into public corruption focused on state and federal officials, lobbyists and others. The investigation is being led by the FBI and Department of Justice and has resulted in charges against four former state legislators, two former executives of the Veco Corp., and a lobbyist for a private prison company.

Kott is charged with bribery, conspiracy, extortion and wire fraud for taking money and the promise of a job from Veco executives for supporting an oil tax measure favored by the petroleum industry.

For more on the corruption investigation, including an interactive timeline and overview, go online to adn.com/news/politics/fbi.

The Alaska political corruption investigation

LOAD-DATE: September 11, 2007

LANGUAGE: ENGLISH

GRAPHIC: Kott
BILL ROTH / Anchorage Daily News
Former House Speaker Pete Kott, left, arrives at the Federal Building and U.S. Courthouse on Monday morning with daughter Pamela Kott on the first day of his trial for bribery, extortion, fraud and conspiracy.

DOCUMENT-TYPE: Staff

PUBLICATION-TYPE: Newspaper

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FBI - Stevens-1187

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Anderson wants sentencing delayed

by Jason Moore
Wednesday, Sept. 12, 2007

ANCHORAGE, Alaska -- Former lawmaker Tom Anderson, already convicted on bribery and corruption charges, wants to change the day he gets sentenced.

Anderson says he wants his wife, Sen. Lesil McGuire, to be there.

She plans to be out of the country during the first part of October and then in Juneau in time for the start of the special session on the state's oil tax rate.

Anderson wants his sentencing pushed back about two weeks from its Oct. 2 date in order to accommodate her schedule.

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FBI - Stevens-1188

194A-AN-13620-m;520

Anchorage Daily News (Alaska)

September 12, 2007 Wednesday
FINAL EDITION

FBI - Stevens-1189

Marrs calls suit misguided;
TRIAL: John Ellsworth is accused of misusing millions of dollars.

BYLINE: By ELIZABETH BLUEMINK ebluemink@adn.com

SECTION: ALASKA; Pg. B1

LENGTH: 818 words

The former chief executive of Cook Inlet Region Inc. took the witness stand in state court this week to defend an Anchorage contractor accused of illegally taking $40 million from the Native corporation.

Carl Marrs, the former CIRI executive, is a key defense witness for the contractor, John Ellsworth, targeted in the lawsuit filed by the new leaders who took over CIRI, along with its business partner, Nabors Industries of Houston.

Marrs and Ellsworth worked on business deals for about a decade and along the way became close friends -- sharing gifts, drinks and vacations. Ellsworth was his best man at his wedding in 2002, Marrs testified.

The lawsuit against Ellsworth, which lumbered into its seventh week on Monday, has been a costly priority for CIRI's leaders. The Anchorage-based corporation spent more than $2 million just to audit Ellsworth's financial transactions.

CIRI launched the lawsuit -- and some other house-cleaning projects -- after a new set of directors took charge of the company in 2004. Among other things, the new board has demanded a tight rein on lavish spending and risky investments.

The lawsuit, filed in 2005, may even have broader implications beyond CIRI and Nabors' alleged financial losses.

Late last year, federal prosecutors -- simultaneously involved in a political corruption investigation of Alaska politicians -- subpoenaed some of the evidence collected against Ellsworth.

On Monday and Tuesday, plaintiff and defense attorneys quizzed Marrs about his own conduct at CIRI, and his relationship with Ellsworth.

Marrs testified that the lawsuit is misguided, saying that Ellsworth was a reliable business partner and a trusted friend.

But CIRI and Nabors say Ellsworth took millions of dollars he did not deserve, violated corporate agreements and shredded evidence at the construction company they hired him to run, Alaska Interstate Construction.

Ellsworth is countersuing for millions. Among other things, he wants CIRI and Nabors to fork over the money compensating him for his ownership stake in AIC. He's also seeking punitive damages.

CIRI and Nabors each had a 40 percent stake in AIC. When he was ousted in 2005, Ellsworth had a 20 percent stake in AIC -- worth nearly $12 million, according to his attorneys.

Confronted with evidence that Ellsworth overbilled AIC for corporate jet expenses, Marrs told the jury that the charges -- paid to Ellsworth's own company, which leased jets and other equipment -- didn't seem excessive to him.

Ellsworth was given the freedom from CIRI and Nabors to manage AIC "as he saw fit," and as a result, made millions for the two companies, Marrs said. Under Ellsworth, AIC was one of CIRI's most profitable investments, he said.

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An audit by CIRI and Nabors alleges about $40 million in overbilled jet expenses, lost profits from an abandoned Exxon Mobil project in Russia, lost contracts due to illegal competition by Ellsworth after he was terminated, undeserved bonuses, personal credit card charges and other inappropriate costs billed to AIC.

Under cross-examination, Marrs said he never read AIC's business contracts or even its operating agreement -- the basic document that set out how AIC would be governed, and which he himself signed. Sometimes, Marrs testified, he changed contracts by oral agreement with Ellsworth but never put the changes in writing, as the contracts themselves required

Marrs trusted Ellsworth not to hide anything from him, and still does, he testified.

But on Monday and Tuesday, Tim Petumenos, an attorney for CIRI and Nabors, questioned Marrs' loyalty to CIRI. The attorney pointed out that Marrs was supposed to ensure that Ellsworth complied with his duties at AIC.

"I never even perceived the situation that we are in right now," Marrs testified.

"I've always been loyal to CIRI," he added later.

Though he said he hasn't read CIRI and Nabors' audit, Marrs told jurors that he believes that Ellsworth's expensive leases for corporate jets were justified.

Other items -- such as a company-paid ticket to the Superbowl for Randy Pugh, the father of one of Sen. Lisa Murkowski's former staffers -- were legitimate business expenses, he said.

He testified repeatedly that such expenses -- including trips on corporate jets for Sen. Ted Stevens, R-Alaska, and Murkowski, plus AIC-paid trips by Stevens and other politicians, friends and family to a Bristol Bay fishing lodge -- were justified because they help build important relationships.

"You've got to have those relationships to deal in business. It's not just about going out and bidding on contracts. ... You do have to wine and dine people," Marrs said.

After a news query this year about Stevens' stays at the lodge -- a possible Senate ethics breach -- the senator sent checks to CIRI for his 2001 and 2003 expenses at the lodge.

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LOAD-DATE: September 12, 2007

LANGUAGE: ENGLISH

GRAPHIC: Photos by BILL ROTH / Anchorage Daily News
Former CIRI chief executive Carl Marrs testified Monday that he gave free rein to ousted Alaska Interstate Construction executive John Ellsworth to run AIC as he saw fit; new Native corporation leaders say Ellsworth threw away $40 million on extravagance and improper expenses.
Defendant John Ellsworth, left, listens to his attorney Paul Stockler as he questions former CIRI chief executive Carl Marrs on Monday. Defense attorney Joseph Sheehan is seated at right.
Anchorage Superior Court Judge Sen Tan presides over the $40 million lawsuit CIRI and partner Nabors Industries of Houston are pursuing against contractor John Ellsworth.

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2 of 2 DOCUMENTS

Anchorage Daily News (Alaska)

September 13, 2007 Thursday
FINAL EDITION

Allen counted on friend;
He testifies that he gave money, favors to oil-tax ally in Juneau

BYLINE: By RICHARD MAUER and LISA DEMER Anchorage Daily News

SECTION: MAIN; Pg. A1

LENGTH: 1266 words

More than a year after he emerged as the central figure in the Alaska corruption investigation, former Veco chairman Bill Allen at last took the witness stand Wednesday in the trial of former House speaker Pete Kott and began recounting his version of the last three decades of oil politics.

Along the way Allen, the government's chief witness, told of the money, jobs and favors he dispensed to Kott, a man he described as a friend and reliable ally but who could wind up in prison on Allen's testimony.

As word of Allen's impending visit to the courtroom got around town at lunchtime, the federal courtroom of U.S. District Judge John Sedwick began to fill, eventually drawing more than 60 people. Some were lawyers or paralegals working for other potential defendants or witnesses. The back row held gray-haired remnants of the liberal Democrats who flexed so much power in Juneau in the 1970s before oil-friendly Republicans made them largely irrelevant, while up front sat a conservative talk show host who fought Veco's efforts a few years back to pay for government out of the Permanent Fund. Other spectators just wanted a glimpse of history.

But the real business of the day was what Allen told the jury about Kott, a 14-year veteran of the state House from Eagle River. Allen and one of his vice presidents, Rick Smith, pleaded guilty to bribery and conspiracy and are hoping to get reduced sentences by cooperating with federal authorities.

Over nearly three hours of testimony that will resume this morning, Allen talked about overpaying a flooring job done by Kott by more than $7,000 and of scheming to get at least some of that money to Kott's son so that he could work on Kott's 2006 campaign, when a poll showed he was in surprising trouble. Even the poll itself was secretly paid for by Veco, which if true would be a hidden -- and illegal -- campaign contribution by the company to Kott.

"Why were you trying to get money to Pete Kott for his son's help in the campaign?" asked assistant U.S. Attorney James Goeke.

"He was going to run again and he needed his son to help him," Allen said.

FBI - Stevens-1191

"What would his son be doing otherwise?" asked Goeke.

"A job," Allen said. "He can do the floors as good as Pete."

"So back on July 31, 2006, do you know if Mr. Kott was going to be able to go to work on the campaign and do other work?" continued Goeke.

"He couldn't afford it," said Allen. "He has a family to take care of."

Before announcing he would run again, Kott had been making noises about retiring and had talked with Allen about work. Some of those conversations were recorded by the FBI.

In one such, on June 1, 2006, Kott joked with Allen that he wanted to be warden of the prison Veco was building in Barbados, "especially

194A-AN-13620-M ;522

with all the women there on the beach." He said he'd do anything, even pass out beach towels.

Allen testified that he knew Kott was joking about that. But Kott also said on the recording that he wanted to be a lobbyist.

"For Veco?" Goeke asked in court Wednesday.

"Yes," Allen answered.

Veco lobbyists made $6,000 to $12,000 a month, Allen testified. And he would have hired Kott, he said.

But even as he provided the evidence about Kott, and along the way implicated his own company and its executives in an illegal campaign contribution scam, Allen never once acknowledged that a specific action by him or Kott broke the law.

While Allen, 70, has never been shy about appearing at public events and private fundraisers over the last quarter century as his political power grew, he has only rarely engaged in public speaking. His speech has been impaired since 2001 when, riding without a helmet, he crashed his motorcycle. On the witness stand, he said about a quarter of the part of his brain that controls speech died after the accident, and, like some stroke victims, he has trouble picking out words. He also has trouble hearing, and a court headset he wore while testifying proved balky at times.

At one point, he started to describe what the oil companies wanted most out of Juneau, then had to pause.

"Wait, I got to find this word," he said. He closed his eyes, put his head in his hands and worked something over in his mind for what seemed a small eternity while the courtroom, in silence, waited for him to speak.

"Certainty!" he finally exclaimed. "They wanted certainty." In other words, they wanted to be sure that taxes would not be raised before they would agree to build a natural gas pipeline, the thrust of the efforts on the so-called PPT -- petroleum profits tax -- that tied the 2006 Legislature in knots.

Allen took the industry lead in promoting a low profits tax -- a much bigger effort than the producers themselves were making. FBI-intercepted telephone calls and conversations at a hotel suite in Juneau show that Kott and Senate President Ben Stevens were his two most helpful soldiers.

In one conversation from June 8, 2006, played while Allen was on the stand, he recalled a discussion he had with the head of Conoco Phillips in Alaska, Jim Bowles, about the profits tax.

"I said between Pete Kott and Ben ... they won't have, they won't even have their fingerprints on the (bill)." It seemed Allen was referring to the "fingerprints" of the producers, but his remarks were ambiguous enough that they could have been those of Stevens and Kott.

As the tapes were played, Allen testified he had no idea that his phones were taped or that a secret camera had been placed in his hotel suite in Juneau by the FBI under a court order.

"If I knew that, I wouldn't have said all this stuff," Allen said, drawing smiles from the jury and chuckles around the courtroom. He learned he was the target of the Justice Department's Public Integrity Section on Aug. 30, 2006 -- a day before the FBI executed a series of raids on legislative offices.

Allen emerged as one of the industry's biggest promoters in the 1980s, when Veco began a long run as a reliable source of campaign contributions, mainly for Republicans. At the time, Allen testified, his main political hand was the former state senator and trooper head Ed Dankworth, sometimes referred to as the "21st Senator" for his efforts at organizing the Senate into blocs long after he left the body.

Allen said he and Dankworth had a thorough falling-out after he bought the Anchorage Times in 1989. One of his biggest financial supporters in his journalism venture was Chuck Robinson, the long-time executive of the telephone company ACS, Allen said. Dankworth lobbied for ACS' chief rival, GCI, and Dankworth refused Allen's pleas to switch.

"If you can't do that, Dankworth, I don't want you to be with me," Allen recalled telling his onetime friend.

Allen was born in Socorro, N.M., and left for Oregon with his family shortly after World War II, when he was 8 or 9. He missed several years of school while his family followed the fruit crops.

"We were pickers, I guess."

He quit school for good as a high school sophomore, then learned to weld, a skill that brought him to Alaska in 1968. With another oil field worker named Wayne Velti, who founded VE Construction, he worked the Cook Inlet rigs for Arco, eventually taking over the company and shortening its name. In the last few years, it had annual sales of $1 billion and 4,000 employees worldwide, about half in Alaska, he said. Last week, the company was taken over by CH2M Hill.

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ONLINE AUDIO: Listen to surveillance recordings submitted as evidence in the Pete Kott trial at adn.com/fbi

LOAD-DATE: September 13, 2007

LANGUAGE: ENGLISH

GRAPHIC: BILL ROTH / Anchorage Daily News
Ex-Veco chief Bill Allen walks outside the federal building courtroom during Pete Kott's trial Wednesday, where he spent the better part of three hours outlining his working relationship with the then-state representative.
AL GRILLO / The Associated Press
Former Alaska state House Speaker Pete Kott, right, walks through the federal court building past a row of green lights in Anchorage on Wednesday with his daughter, Pam Kott.

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FBI - Stevens-1193

1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

September 14, 2007 Friday
FINAL EDITION

Kott trial defense emerges;
BILL ALLEN: Ex-Veco chief says he bribed the defendant, Kohring and Ben Stevens.

BYLINE: By LISA DEMER and SEAN COCKERHAM Anchorage Daily News

SECTION: MAIN; Pg. A1

LENGTH: 1217 words

For much of Thursday at Pete Kott's corruption trial, defense lawyer Jim Wendt tried to chip away at the story being told from the witness chair by former Veco chief executive Bill Allen.

Kott, a Republican and former House speaker from Eagle River, is accused of pushing new oil tax legislation on behalf of Veco that was also favored by North Slope oil producers. In exchange, prosecutors say he got nearly $9,000, a political poll and the promise of a job.

Wendt kept pushing to get him to say Allen's promise of a job didn't really mean much or that the money Veco executives gave to Kott was legitimate.

Allen, 70, though weary and showing the strain at times after two days on the stand, didn't go along with the defense.

He is a key prosecution witness in the trial of Kott, a man whom Allen called a close friend, almost like family.

Allen told jurors he already has admitted his guilt in a conspiracy. He testified that he pleaded guilty to bribing three former legislators: "Pete Kott, Vic Kohring and Ben Stevens."

Kohring, a Republican from Wasilla who served in the House, is awaiting trial. Stevens, a Republican and former Senate president from Anchorage, hasn't been charged. Allen didn't mention a fourth legislator, former state Rep. Bruce Weyhrauch, whose corruption case was split from Kott's just before the trial began.

Allen testified that he didn't always tell FBI agents who were investigating corruption among legislators what they wanted to hear, but it was the truth.

"I worked real hard trying to make the truth and everything ... to be fair," Allen said.

Allen said that he expected to be sentenced to 10 to 11 years in prison but that no promises had been made. "Whatever happens to me happens."

He was confronted by FBI agents on Aug. 30, 2006, while going to breakfast with Sen. Fred Dyson, who unknown to Allen was helping in the investigation.

Allen said he agreed to cooperate to save his three grown children from being indicted and to spare Veco, which he built from its roots on Cook Inlet rigs to an international company with more than 4,000 employees. Veco was sold last week to CH2M Hill.

From the FBI headquarters in downtown Anchorage that first day, Allen called Kott. The FBI, which was recording the call without Kott's knowledge, wanted to know more about a $7,993 payment from Allen that apparently was destined for Kott's son.

Prosecutors say the money was paid to Kott through an inflated invoice from his hardwood flooring company.

"Have you got your son took care of?" Allen asked Kott in the call, which earlier had been played for jurors.

Yeah, Kott answered.

"Did Rick get it done for you?" Allen asked, referring to former Veco vice president Rick Smith, who also has pleaded guilty to bribery and other charges.

Yeah, yeah, Kott answered.

"How did he do it or -- can you tell me?" Allen went on.

Kott reminded Allen that it was his check.

"Remember we talked about three, four or five weeks ago just add on X amount -- I forgot what it was exactly -- to your bill or something," Kott told him.

Prosecutors have played dozens of secretly made recordings for jurors that expose crude language, drinking and political deal making in which, they say, Kott was corrupted by Allen and Smith.

On Thursday, defense lawyer Wendt asked Allen if the $7,900 was an advance for future flooring work, not a bribe.

Allen said he didn't know anything about any future work. The money, he said, was for Kott's son, Peter Jr., to take time off from the flooring business and help out on his father's campaign.

The defense appeared to score a point when Wendt pressed Allen on whether he had offered Kott a lobbying job "with Veco."

Allen said in at least one of the recorded conversations that Kott would be a lobbyist. But when Wendt asked him to find on the transcript where he specifically promised that Kott would be a lobbyist for Veco, he couldn't.

"In my mind I told him he would be a lobbyist with Veco," Allen said, adding he believed that was Kott's understanding as well. Another issue concerns $1,000 cash that Allen handed to Kott in Suite 604 of Juneau's Baranof Hotel. Many of the recordings were made there.

Wendt asked Allen if that wasn't just reimbursing Kott for money he had contributed to Gov. Frank Murkowski's campaign.

Allen said he didn't owe Kott anything for that. But Wendt repeatedly asked if the $1,000 was payback for the contribution.

"Yeah, but he didn't ask for it. I just gave it to him ... goddamn," a frustrated Allen said on the witness stand.

Wendt contends Kott didn't always do Veco's bidding and was on the opposite side of matters such as workers' compensation.

But Allen testified he didn't remember if there was ever any issue where he and Kott split.

Allen said he was friendly with a few legislators, all Anchorage Republicans, including Stevens and state Reps. Mike Hawker and Norm Rokeberg.

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He was especially close only to Kott and state Sen. John Cowdery, he said.

Kott was a drinking buddy who lived with him for a few months in 2005 to be closer to flooring jobs, Allen said. He related to Cowdery because both were contractors -- Cowdery used to run an excavation business -- and liked to talk shop.

Both regularly showed up at his downtown Anchorage home unannounced. He welcomed it. Cowdery would say "I'm at the front door," Allen told jurors.

Wendt asked Allen about Veco's hiring of legislators as consultants. Allen talked about two, Stevens, and former state Rep. Tom Anderson, R-Anchorage. Anderson was convicted in July of seven federal charges in another corruption case, but the allegations didn't involve Veco.

Allen said another executive hired Anderson and he only found out later.

"He was supposed to be like a lawyer," Allen said. But he admitted "I don't know why we really hired him."

Allen told jurors he talked with Kott about eventually going to work for Veco -- but after he was out of office. He said Veco shouldn't hire sitting legislators and it shouldn't have happened with Anderson.

As to Stevens, he started consulting for Veco in 1995, six years before he was appointed to the Senate, Allen said. "He was real good at details. He was like Pete. He would work," Allen said.

By the time Stevens was in the Senate, he had four kids, Allen noted. "How am I supposed to say 'now that you're a senator, Ben, I can't give you more money,' " Allen testified. "I couldn't do that."

One strange moment happened at the end of Friday's testimony. Wendt asked Allen if he had threatened to have his nephew, Dave Anderson, killed for being "involved in blackmail." Allen said there was blackmail but that he never threatened to have his nephew murdered.

"I told him I'd kick the s--- out of him," Allen said on the witness stand.

The trial resumes today with Allen still on the stand. Smith also is expected to testify.

The trial is expected to take much of next week.

Find Sean Cockerham online at adn.com/contact/scockerham or call 257-2344. Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

ONLINE AUDIO: Listen to FBI wiretaps being submitted as evidence and court testimony from ex-Veco CEO Bill Allen.

adn.com/fbi

TRIAL UPDATES: Visit our political blog for the latest from the courtroom. court testimony from ex-Veco CEO Bill Allen.

adn.com/alaskapolitics

LOAD-DATE: September 14, 2007

LANGUAGE: ENGLISH

GRAPHIC: Dyson

DOCUMENT-TYPE: Staff

PUBLICATION-TYPE: Newspaper

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ANCHORAGE

Anderson's sentencing is delayed

The sentencing of former state Rep. Tom Anderson on federal corruption charges has been delayed until Oct. 15.

Anderson's attorney, Paul Stockler, requested the date be moved from Oct. 2 so Anderson's wife, state Sen. Lesil McGuire could attend. She is to be out of the country for a private organization, the motion to the judge said. She also didn't want the sentencing to occur during an upcoming special legislative session on oil taxes, set to begin Oct. 18 in Juneau.

Anderson was convicted in July of seven felonies including bribery, extortion and money laundering.

U.S. District Judge John Sedwick approved the delay this week. The sentencing will begin at 10 a.m.

-- Anchorage Daily News
9/15/2007
SEC. B-3

FBI - Stevens-1197

194 A-AN-13620-m ; 524

Anchorage Daily News (Alaska)

September 15, 2007 Saturday
FINAL EDITION

Old letter to editor gets juror removed from trial;
VECO MONEY BLASTED: The judge says he found it "very worrisome to me."

BYLINE: By LISA DEMER ldemer@adn.com

SECTION: MAIN; Pg. A10

LENGTH: 367 words

A juror was dismissed Friday in the corruption trial of former state Rep. Pete Kott.

Defense lawyers told U.S. District Judge John Sedwick they had just come across a letter to the editor by juror Lisa Polito published in the Kodiak Daily Mirror on Oct. 30, 2006, that referred to Veco Corp. campaign contributions as "scandal-tainted money."

Kott is accused of taking bribes to do Veco's bidding in the Legislature.

In the letter, Polito criticized Kodiak Rep. Gabrielle LeDoux for failing to return campaign contributions from Veco. Polito was responding to a news story that had said LeDoux intended to give the money to charities after the election. Just a "guise of 'renouncing' the funds," Polito wrote.

Polito hosts a public radio show in Kodiak called "Talk of the Rock."

On Friday morning, defense lawyer Jim Wendt showed the letter to Sedwick before jurors were brought in.

"This is very worrisome to me," Sedwick said.

The issue of Polito's ability to be impartial had come up just the day before when she sent Sedwick a note revealing that her husband was a fisherman plaintiff in the Exxon Valdez oil spill lawsuit. She didn't remember about his involvement in the suit when the jury was being picked, and said it wasn't part of her daily life. Sedwick questioned her but decided she could remain on the jury.

Not so on Friday.

"It looks to me like she made up her mind, and not only made up her mind, failed to tell us about it," Sedwick said.

But Polito said she had thought of the letter as being about the campaign, not Veco. She said she mentioned during the jury selection process that she had written letters to the editor about political campaigns. She expected the lawyers to ask more about that, but they didn't.

In the letter, Polito said, her point was that LeDoux should return the Veco money "just for good measure, not that that was any kind of indictment on Veco."

Asked how she thought the trial was going, Polito said "slow." Tedious? "No, thorough."

Ultimately, "it wasn't far enough into it that I felt like either side had totally substantiated their claims in their opening remarks," Polito said.

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Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

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1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

September 16, 2007 Sunday
FINAL EDITION

Ex-Veco VP has more to reveal;
Smith names bribe takers, to testify again Monday in trial of Pete Kott

BYLINE: By LISA DEMER ldemer@adn.com

SECTION: ALASKA; Pg. B1

LENGTH: 1128 words

Witnesses in the corruption trial of former state Rep. Pete Kott have provided jarring testimony about secret dirty deals, payoffs to Kott, and the remodel of U.S. Sen. Ted Stevens' Girdwood home.

Most of the revelations have come out through dozens of secretly made recordings of cell phone calls and meetings in Suite 604 of the Baranof Hotel, the Juneau headquarters of Veco Corp. when the Legislature was in session. Kott is charged with taking bribes from Veco executives and conspiring with them and others to pass a new oil tax favored by North Slope oil producers in 2006.

The trial wrapped up its eighth day Friday and continues Monday.

Highlights so far:

WEDNESDAY, SEPT. 5

Just before the trial begins, U.S. District Judge John Sedwick splits Kott's case from that of his co-defendant, former Rep. Bruce Weyhrauch of Juneau. The two had been scheduled to be tried together. The split allows Kott's case to move forward while the government appeals a ruling excluding key evidence against Weyhrauch.

Jury selection for Kott begins. A few dozen people in the pool of 120 were weeded out earlier because of hardships, biases or other reasons revealed in written questionnaires.

THURSDAY, SEPT. 6

The process of picking a jury continues. It's slow going with prospective jurors questioned one by one about what they already knew about the case through news reports.

SEPT. 7

FBI - Stevens-1200

Just before noon, a jury of 10 women and two men, plus four alternatives, is picked. Eight of the regular jurors are from Anchorage. One is from Eagle River, which Kott represented for 14 years in the House. Another is a public radio talk show host from Kodiak. She comes back into the story later.

MONDAY, SEPT. 10

Prosecutor Nicholas Marsh, from the U.S. Justice Department's Public Integrity Section, and defense attorney Jim Wendt outline their versions of the case in opening statements to the jury, and the government begins to introduce the FBI's secretly made recordings into evidence.

Marsh says that Kott had betrayed the public trust by pushing an oil tax favored by industry in exchange for money, a Veco-paid-for political poll and the promise of a job from the company. In one of the recordings, Marsh tells jurors, Kott says "I sold my soul to the devil."

194A-AN-13620-M; 526

Wendt tells jurors the government has twisted what happened. Kott was just a blue-collar Republican working hard to get what most Alaskans wanted: a natural gas pipeline. There's nothing illegal about teaming up with lobbyists, the oil industry or others to work for a common goal, Wendt says.

"About the only ones that I can trust is you and ol' Ben Stevens," former Veco chief executive Bill Allen says to Kott in one of the recordings played that day. Stevens is the former Senate president.

TUESDAY, SEPT. 11

The entire day, an FBI agent from Cincinnati is on the witness stand to provide background as prosecutors introduce many more recordings into evidence. The cell phone conversations and meetings in Suite 604 reveal a crude world of political deal-making that operated on the fringes of the Alaska Legislature.

After a key vote on the oil tax rate on May 7, 2006, Kott goes to Suite 604 to celebrate with Allen, former Veco vice president Rick Smith, and others. In a grainy video, they clink glasses and Kott boasts about how he got the votes. "I use 'em and abuse 'em," he says of his colleagues.

WEDNESDAY, SEPT. 12

The government plays more recordings in the morning and then Allen takes the witness stand. It's the first time he's talked publicly about his role in the corruption investigation since it burst into public view more than a year ago. The courtroom fills with spectators.

Under questioning by prosecutor James Goeke, Allen tells about a scheme to funnel nearly $8,000 to Kott for his son so his son could take off from work to help on Kott's re-election campaign.

Allen also explains that when Kott keeps talking about going to work as a warden for a prison that Veco was building in Barbados, it's just a running joke. But Veco's promise to give Kott a job as a lobbyist once he was out of the Legislature was real, Allen testifies.

THURSDAY, SEPT. 13

Allen remains on the witness stand all day. He tells jurors he has been cooperating with the FBI since Aug. 30, 2006, when he was confronted by agents while with Sen. Fred Dyson on the way to breakfast. On Aug. 31, teams of federal agents raided offices of six legislators around the state. Allen says he pleaded guilty to bribing three: Kott, former Rep. Vic Kohring and Stevens. He does not mention Weyhrauch. Much of the day, defense lawyer Wendt pushes Allen to say that what the government calls bribes weren't that at all. But Allen doesn't go along.

FRIDAY, SEPT. 14

The most startling moment of the trial comes when Allen reveals that he or Veco provided workers and material for the 2000 building project that doubled the size of Ted Stevens' residence in Girdwood. Wendt, still doing the cross-examination, was seeking to discredit Allen and downplay the role that Kott played in the scandal.

Later in the day, former Veco vice president Rick Smith takes the stand. He also testifies about whom he pleaded guilty to bribing: Kott, Kohring, Weyhrauch, Stevens and one more, Sen. John Cowdery. In Smith and Allen's charging documents, Cowdery is believed to be Senator A, a member of the conspiracy, though not among the group that was bribed.

Also on Friday, juror Lisa Polito of Kodiak is dismissed after the judge learns she wrote a letter to the editor in October 2006 that described Veco's campaign contributions as "scandal-tainted money." One of the alternates, a child-care worker from Anchorage, is moved to the panel of 12 regular jurors.

What's next: Smith continues on the stand Monday, followed by more government witnesses. The defense is expected to begin presenting its case on Tuesday. That's expected to last at least a couple of days.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

TRIAL AUDIO: You can follow the Kott trial online. We have audio clips from the first day of testimony from ex-Veco CEO Bill Allen and many of the FBI wiretap recordings entered into evidence, some with transcripts. We're adding more every day and will eventually have all of the evidence and testimony. You'll also find an overview of the larger corruption investigation and an interactive timeline, and you can read about key players in the case.

adn.com/fbi

STAY UP TO DATE: Read updates from the trial through the day each day the trial is in session on adn.com and on our politics blog

adn.com/alaskapolitics

WHERE'S IT LEAD? For an interactive overview of the corruption investigation go online to adn.com/fbi. Click on "Corruption investigation overview" at the top of the right column.

LOAD-DATE: September 18, 2007

LANGUAGE: ENGLISH

GRAPHIC: ERIK HILL / Anchorage Daily News
Former House speaker Pete Kott, right, arrives on Friday morning with daughter Pamela Kott at the Federal Building and U.S. Courthouse for his trial for bribery, extortion, fraud and conspiracy.
AL GRILLO / The Associated Press
Bill Allen, the former head of oil field services company Veco Corp., right, walks back to court at the federal court house in Anchorage on Thursday, which was his second day of testimony in former state Rep. Pete Kott's corruption trial. Allen and Veco vice president Rick Smith pleaded guilty to extortion, conspiracy and bribery of legislators in May.

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FBI - Stevens-1202

Untitled

Paper: Anchorage Daily News (AK)
Title: Defense disputes Kohring's FBI chats -
EVIDENCE: His lawyer asks to stifle material from an office search.
CORRUPTION CASES IN TWO ANCHORAGE COURTROOMS
Date: September 18, 2007

A battle is being fought over evidence in the case against former Rep. Vic Kohring, but that's just one of the twists.

At issue: whether prosecutors can use materials seized and statements made by Kohring during the Aug. 31, 2006, search of his legislative office in Wasilla.

His lawyer, John Henry Browne of Seattle, says they didn't get anything incriminating, but he is still fighting to stifle everything from the search. Kohring, a Republican elected seven times, talked with FBI agents for hours that day.

One revelation came after the hearing. Browne told reporters that he intended to file a motion within the next two weeks to dismiss the charges based on what he called improper interference by state Sen. Fred Dyson, R-Eagle River.

Kohring's trial is set to begin Oct. 22. He is charged with conspiracy, extortion and bribery. He is accused of accepting money from Veco Corp. executives in order to push the company's interests on oil taxes and a natural gas pipeline.

According to an FBI report filed in court by his attorney, Kohring told agents:

* He had asked for money for himself personally and for his political campaigns from Veco executives Rick Smith and Bill Allen, and also asked Smith about borrowing or renting a truck. The campaign contributions were properly reported, he said.

* He told agents about regularly meeting and dining with lobbyists while the Legislature was in session. "He likes receiving free meals and drinks from lobbyists," the FBI summary of the Aug. 31 interview said.

* Kohring had a $2,700-a-month consulting contract with developer Marc Marlow but couldn't describe his specific duties.

* Earlier, Kohring had asked Allen if Veco would hire his nephew as an intern. Veco did so. Kohring told agents he thought it was a great benefit for an 18-year-old to be paid $16 an hour.

In another revelation, former Cornell Cos. consultant Frank Prewitt and former state Rep. Tom Anderson secretly recorded conversations with Kohring for the government, according to a letter sent this summer by federal prosecutors to Browne. It was just filed in court. Anderson was convicted in July of taking bribes to do the bidding of Cornell, but it came out at his trial that he at one point was

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cooperating with the FBI. Prewitt was working undercover for the FBI to collect information against Anderson and, it's now known, against Kohring.

The letter says both Prewitt and Anderson made recordings for the government in the case voluntarily, so no court authorization was needed.

KOHRING'S VOTE RECORD

Browne said all the allegations can be explained and that what's important is this: Kohring didn't vote Veco's way on the oil tax. A check of legislative records shows that was true on certain key votes. When Veco shifted strategy to support a compromise tax rate in an August 2006 special session, Kohring voted against it.

Browne said he learned only Thursday from testimony in the Kott case that Dyson had been helping the FBI investigate corruption in the Alaska Legislature. That makes him an agent of the government, Browne said. He called Dyson "a lapdog."

Browne said he takes issue with Dyson trying to persuade Kohring to at least talk to the feds, if not take a plea deal. He said he believes that the government could have been trying to interfere with Kohring's right to counsel.

But Dyson said later that he just was trying to help Kohring as a friend and wasn't asked to do so by prosecutors or the FBI.

As Browne tells it, a legislative aide to Dyson contacted an aide to Kohring to say the FBI had contacted Dyson's office and that Kohring would be "stupid to go to trial."

On Aug. 6, Craig Suffian, an attorney who works for Browne, sent Dyson an e-mail saying there may have been "an end-run around the right to counsel."

In his e-mail response the same day, Dyson said he wasn't trying to do that.

"My sense of the FBI investigations is that it is not a witch hunt and that they mostly want to nail the really bad guys who did intend to distort the Alaskan Legislative process," Dyson wrote.

He believed that Kohring never meant any harm and possibly could "avoid a good deal of stress and bad press at a trial by at least sitting down with the Feds and see if an attractive alternative was possible," he said in his e-mail. He said he figured Kohring's lawyers would go with him to talk to prosecutors.

Browne provided a copy of the e-mail exchange.

So is Kohring negotiating? Browne said that's something defense lawyers are barred from talking about.

FBI TESTIMONY

During the three-hour hearing on Monday, three FBI agents testified about the search of Kohring's office.

Five agents were involved, along with an evidence technician. But while the agents were armed, their weapons were concealed and never drawn, agents testified. They wore business clothes, not FBI raid jackets, and drove unmarked cars. While the outer door to the office was locked, it opened from the inside and Kohring was always free to go, agent Alan Vanderploeg testified.

They had a warrant, signed by federal Magistrate Judge John D. Roberts on Aug. 29, 2006.

But the warrant was never executed. Agents wanted Kohring to agree to the search, which he did.

Kohring's lawyer maintains that a search cannot be voluntary if agents tell the subject they have a warrant.

Kohring is one of six former or current legislators whose offices were searched that day. Agents testified they were instructed to get consent for the searches as "a professional courtesy."

But it also made it more difficult for defense lawyers to see the written support for the search warrant -- the application and the FBI agent's detailed affidavit. The search warrant and affidavit were sealed.

Browne told Roberts that he still wanted to see the affidavit and that prosecutors hadn't turned it over. At the hearing, prosecutors agreed to provide it, as long as he kept it confidential.

Now it is up to Roberts to recommend to District Judge John Sedwick whether the evidence taken in the search, and the statement that Kohring gave, can be used against him.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390. Reporter Tom Kizzia contributed to this story.

READ MORE: See the FBI report on the agents' search of Kohring's office, along with the e-mail from Sen. Fred Dyson, at

adn.com/fbi
Caption:
BILL ROTH / Anchorage Daily News

Ex-state Rep. Vic Kohring, R-Wasilla, leaves the federal courthouse in Anchorage after a Monday hearing. Kohring faces bribery, extortion and corruption charges for allegedly taking money from Veco in return for his support on energy issues.

Kohring's attorney John Henry Browne said all the allegations can be explained.
Caption:
Photo 2: VicKohring_091807.jpg

Graphic 1: JohnHenryBrowne_091807.eps
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Section: Main
Page: A1
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FBI - Stevens-1206

Untitled

Paper: Anchorage Daily News (AK)
Title: Kott trial bares Veco maneuvers -
PROSECUTION RESTS: From pig roasts to political polls, former V.P. shines light on the firm's spending.
Date: September 18, 2007

Former Veco vice president Rick Smith was at the center of company fundraising, whether it was organizing the annual pig roasts for Rep. Don Young or one of the many golf tournaments where he turned checks into cash under a special arrangement with the Buckaroo Club in Spenard known as the "Phony Account."

Smith concluded two days of testimony Monday as a government witness in the federal corruption trial of former House Speaker Pete Kott, R-Eagle River. The government later wrapped up its case, with Kott's attorneys expecting to present their defense starting this morning and running through Thursday.

After the jury was dismissed for the day, U.S. District Judge John Sedwick rejected a defense motion to throw out the case against Kott. He said the government had provided ample evidence to support its charges of bribery, extortion and conspiracy.

The day also provided an inside look into how Veco apparently broke state law by hiring Anchorage pollster David Dittman to conduct a poll for Kott in 2006. Dittman, who took the stand after Smith, said he suspected the Veco-paid poll amounted to an illegal campaign contribution from the company to Kott, but decided it wasn't his business to worry about it.

Until it was sold 11 days ago on the eve of Kott's trial, Veco was an Alaska-based oil field services company. Its former chairman, Bill Allen, was among the most politically active businessmen in the state.

Kott's trial resumed Monday with Smith on the witness stand under cross-examination by Jim Wendt, the chief defense counsel.

Smith began work at Veco in 1989 as a logistics expert in Veco's cleanup of the Exxon Valdez oil spill. Rising to vice president of community and government affairs, Smith said his most recent annual salary was $165,000 plus a bonus ranging from $20,000 to $80,000. He was also illegally reimbursed for campaign contributions totaling $20,000 to $50,000 a year, he said.

The corruption investigation, centered on Veco and its relationships with politicians, brought an end to his employment in May, but his severance package was worth $384,000. Veco continued to pay his legal bills until CH2M Hill bought the company. He settled for a one-time lump-sum payment of $500,000 for lawyers but can keep any money left over, he said.

Smith learned he was busted on Aug. 31, 2006, the day after Allen agreed to work for the government. Smith said he got an early morning call from Allen, who asked him to come to his home as soon as he could.

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He got to Allen's door about 9 a.m.

"I got some people you need to talk to," Allen said, then left. Two FBI agents approached Smith.

"They sat down and had a conversation with me, showed me the video and audio evidence they had accumulated and talked about what would happen to me if they were to prosecute and indict me," Smith testified.

He caved quickly and agreed to cooperate. Both he and Allen have pleaded guilty to bribery, extortion and conspiracy and face about 10 years in prison.

Wendt attempted to attack Smith's credibility by bringing up the dozens of charitable golf tournaments he ran over the years and his odd arrangements with the Buckaroo Club, a Spenard bar.

"The business relationship you had with them was to launder money, isn't that true?" Wendt asked.

Smith denied his conduct was illegal. He said he'd bring tournament checks from participants to the bar, which would cash them so he had money to pay expenses. Wendt suggested the amount totaled in the hundreds of thousands of dollars, and Smith didn't deny it. He also didn't deny that he called his arrangement the "Phony Account."

"Didn't the owners of the Buckaroo warn you that the IRS would catch up to you some day?" Wendt said.

"I don't recall," Smith said.

Smith said that for more than 10 years he organized the annual pig roasts that raised money for Don Young's campaigns. They were major affairs, attended by 200 to 400 people and catered by the Marx Bros. Cafe. The cost was $10,000 to $15,000, he said. He wasn't asked whether Young's campaign reimbursed the full cost.

Smith acknowledged he was the Veco employee who supervised the payments of $30,000 to Tom Anderson when Anderson served in the state House -- a "sham contract," in Wendt's words.

"We never got any work out of it," Smith said. "I asked him to work. It didn't happen."

Anderson was convicted in July of taking bribes to do the bidding of another company that wanted to build a private prison in Alaska.

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Taking his turn in the witness stand, pollster Dave Dittman said Veco paid him to conduct polls for candidates, including Kott and then-Gov. Frank Murkowski. Such corporate-funded polls for candidates are illegal, according to the head of the Alaska Public Offices Commission.

Dittman indicated on the stand that he did have some concerns about the legality of the polls.

"I remember thinking that 'Oh, I hope you guys don't get yourselves in trouble over this,' " Dittman testified, speaking about Veco paying $2,750 for the July 2006 Kott poll. "I knew it was a corporate contribution; it would exceed the maximum contribution. I also felt they were big boys, had been around for a while and probably knew what they were doing."

Dittman also testified that he conducted a $20,000 poll for then-Gov. Frank Murkowski in April 2006. Veco executive Rick Smith paid for that poll, Dittman said on the witness stand.

"This one was initiated by either Jim Clark or the governor," Dittman testified. "The governor was very unpopular at the time and there was some question of whether he would run."

Clark, who was Murkowski's chief of staff, did not return a phone message seeking comment. Dittman said in an interview he thinks the poll could have been legal because Murkowski was not a declared candidate at that time. Brooke Miles, executive director of the APOC, said that is a gray area.

Dittman also said on the witness stand that Veco paid in June 2006 for a "gubernatorial primary poll" and one for state Senate District N, where then-Sen. Ben Stevens was trying to decide whether he had a chance to retain his seat.

Dittman testified he has done "four or five" political candidate polls for Veco over the past few years. In the later interview, Dittman said he could not recall any other companies that had paid for him to do candidate polls within the past several years.

Find Richard Mauer online at adn.com/contact/rmauer or call 257-4345.

REAL-TIME FROM THE TRIAL: Find the most up-to-date news from the Kott trial on our politics blog. Reporter Kyle Hopkins is posting updates throughout the day

adn.com/politics

INSIDE

COWDERY: Gov. Palin wants Senate leaders to decide if the Anchorage Republican should remain the Rules Committee chairman.

Page B-1
Caption:
AL GRILLO / The Associated Press FBI - Stevens-1209

Former Veco Corp. executive Rick Smith, left, walks from a federal courtroom on Monday during a break in his testimony in the federal corruption trial of former Alaska House Speaker Pete Kott.
Caption:
Photo 2: Video3_091807.jpg

Graphic 1: Video2_091807.eps

Graphic 3: 18corrupt_091807.eps
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Author: RICHARD MAUER and SEAN COCKERHAM Anchorage Daily News Staff
Section: Main
Page: A1
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FBI - Stevens-1210

Untitled

Paper: Anchorage Daily News (AK)
Title: Governor pressures Cowdery -
BRIBE ALLEGATION: Palin urges review of senator's leadership role.
Date: September 18, 2007

Gov. Sarah Palin said Monday that Senate leaders should review whether Anchorage Republican John Cowdery is qualified to remain the Senate's Rules Committee chairman.

On Friday, a former oil field services executive testified that Cowdery was among five lawmakers he bribed for favorable influence on oil tax legislation.

Cowdery was among six legislators whose offices the FBI raided last year. He has not been charged but was named in testimony during former Rep. Pete Kott's federal corruption trial last week.

Palin stopped short of calling for Cowdery to be stripped of his title, saying that decision rests with Senate leaders who initially put him in that position.

The rules chairman is the gatekeeper of all legislation that reaches the Senate floor for a vote.

"With that confirmation in testimony, I would think that the Senate leadership would want to address the issue," Palin said. "We haven't heard them address it yet.

"And we haven't heard what Senate leadership intends to do about the allegations, especially now that the names have been made public."

Senate President Lyda Green, R-Wasilla, did not immediately return requests for comment Monday.

Cowdery is out of town and unavailable for comment, said Jeff Turner, press secretary for the Senate majority, made up of six Republicans and nine Democrats.

After federal agents searched his office last August, Cowdery was among the first to respond.

"It's pretty bizarre," he said in a written statement at the time. "That's all I know. It's pretty bizarre. I haven't done anything wrong."

A special session is set to begin next month on oil taxes, called in part to review how the Legislature in 2006 passed a new tax on the oil industry. The issue dominated the session and is at the heart of charges against three former lawmakers, including Kott.

Having Cowdery remain as Rules Committee chairman for the session that starts Oct. 18 has some lawmakers nervous.

"At the very least the leadership needs to look at can we go through a special session and evaluate the proposal?" said Minority Leader Gene Therriault, R-North Pole,

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Cowdery's appointment came under scrutiny Jan. 16 during the first Senate floor session when committee appointments received a vote.

Therriault, whose minority group is made up of five Republicans, raised the issue then, but Cowdery was approved along coalition lines, 15-5.

Therriault believes testimony last week from former Veco Corp. vice president Rick Smith -- although Smith didn't elaborate on how he allegedly bribed Cowdery -- warrants revisiting Cowdery's leadership role.

"Now there appears even more reason to be concerned about public perception over Senator Cowdery remaining in a leadership position," Therriault said.
Caption:
Cowdery
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Graphic 1: John Cowdery CMYK_091807.eps
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Author: STEVE QUINN The Associated Press WIRE
Section: Alaska
Page: B1
Dateline: JUNEAU
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FBI - Stevens-1212

Untitled

Paper: Anchorage Daily News (AK)
Title: Marketing firm mentioned in Kott corruption trial burglarized -
NORTHWEST STRATEGIES: Items worth $40,000 were stolen during the weekend.
Date: September 19, 2007

An Anchorage marketing firm whose name came up last week during the corruption trial of former Rep. Pete Kott was burglarized over the weekend, Anchorage police said Tuesday.

A thief or thieves broke into Northwest Strategies and stole a computer server, two hard drives, broadcast editing equipment and a flat screen TV, among other items, owner Tim Woolston said.

"They took a number of business equipment, office and computer equipment, and some kind of a network server that has a lot of business records on it," said Anchorage police Lt. Paul Honeman.

Police estimate the losses to be in excess of $40,000, he said.

None of the equipment contained sensitive information about clients, and no customer information was compromised, Woolston said.

The burglary took place between 3 p.m. Saturday and 11:30 a.m. Sunday, Honeman said, and it was reported Sunday by an employee.

"But then we didn't get the call until 3 in the afternoon," he said. "I don't know why there was such a delay."

Whoever broke in cracked a window on the back of the building and pulled it off the frame, Woolston said. The office did not have a security alarm, he said, but it soon will.

Police have "very few" leads, Honeman said.

Northwest Strategies was co-owned by former Sen. Jerry Mackie until earlier this year, when Woolston bought out his interest, Woolston said.

Both Northwest Strategies' and Mackie's names have surfaced during the corruption trial of Kott, who is accused of selling his influence to Veco executives.

A phone conversation between Mackie and former Veco vice president Rick Smith that took place on July 12, 2006 -- when Mackie still was with Northwest Strategies and was working as a consultant on Kott's campaign -- was played to jurors last week.

In it, they talked about a poll conducted by Dave Dittman for Kott's campaign. Mackie told Smith he had let Kott know that Smith and Veco CEO Bill Allen had agreed to help pay for the poll, and Kott said that was great.

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After the conversation was played Sept. 11, Mackie told the Daily News he knew about the poll but wasn't a part of any bribery conspiracy involving Veco.

Woolston said he had no reason to think the timing of the testimony and the burglary had any relationship to one another.

"I can't for the life of me think about what that might be," Woolston said. "All we did for that campaign was create a few commercials and they were all out there in the public, so I don't know what the point would have been."

Find James Halpin online at adn.com/contact/jhalpin or call him at 257-4589.
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Section: Alaska
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<<Back

Cornell has no plans for new prisons in Alaska

by Jill Burke
Wednesday, Sept. 19, 2007

ANCHORAGE, Alaska -- Cornell Cos. claims it will no longer attempt to sell projects here in Alaska.

The company has made big headlines in Alaska over the last several months as the private prison firm used a decoy by government informant Frank Prewitt in crafting a bribery scheme with former Anchorage lobbyist Bill Bobrick and former Anchorage Rep. Tom Anderson.

Both Anderson and Bobrick have been convicted of corruption and bribery in the scheme.

Cornell has tried building a private prison in Alaska three times -- in Delta junction, Kenai and Whittier -- and has been unsuccessful in each instance.

Now Cornell CEO James Hyman said he's done.

"We understand how the [Department of Justice] had to use bait to get what they needed. We are a little chagrined to be that bait," Hyman said.

Although the government successfully used Cornell as bait to take down Anderson and Bobrick, the company was not involved in the kickbacks and knew nothing of Prewitt's arrangement with federal agents.

Instead, Cornell was simply part of an FBI cover in order to keep the bribery framework it was monitoring with Anderson and Bobrick believable.

Unbeknownst to Cornell, Prewitt sought Anderson's help on matters key to the company's future plans, including muscling through the complex bureaucracy to prove to the state those projects were needed.

During the Anderson trial, Prewitt told the court he made an illegal campaign contribution utilizing money from a former Cornell executive.

After hearing that, Hyman said the company wanted to ensure its activities in Alaska had all been above board.

Hyman said the company talked to current and ex-employees to try and discover any wrongdoing. He said he is confident there have been no issues since he took over in 2005 and said there's no evidence it happen in prior years either.

Among the projects Cornell was pursuing in Alaska, and Prewitt was using to snare Anderson, was a new juvenile residential treatment facility for Anchorage.

The project suffered from poor community support for the Downtown location it chose for a detention facility in addition to the paperwork and bureaucratic snags.

Cornell currently operates six halfway houses across the state, including three here in Anchorage. A company executive announced that is where its focus will remain for the foreseeable future.

"We are not interested in the juvenile sector here. We are not interested in building a private prison here or operating a private prison here. That is not where we are going to focus," Hyman said.

Alaska Department of Corrections Commissioner Joe Schmidt said the department's relationship with Cornell is still strong.

"Right now, they want to work with us instead of against us, and I think we have a pretty good partnership right now," Schmidt said.

The possibility of constructing a private prison in Alaska was taken off the table three years ago when the state legislature passed a bill requiring any prison expansion in the state to be state-run and state-operated.

Plans to build a facility at Point MacKenzie in the Matanuska-Susitna Borough are moving forward, although the original mega-prison proposal has been shelved.

Contact Jill Burke at jburke@ktuu.com

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Veco man says he worked on Stevens, Young fund-raisers

By MATT APUZZO
The Associated Press
(Published: September 19, 2007)

WASHINGTON - A construction worker who oversaw renovation of Sen. Ted Stevens' home said his company also paid him to help run fundraisers for the Alaska Republican, a practice that appears to violate federal campaign finance laws.

Contractor Robert Williams is a key witness in a bribery investigation that stretches from Alaska to Capitol Hill and threatens legal and political headaches for the Senate's longest-serving Republican. The FBI is investigating whether Stevens received illegal gifts from Veco Corp., the once-powerful Alaska oil contractor.

Williams said he was in charge of "special projects" for Veco founder Bill Allen, and the renovation of Stevens' home was one such project. Others included working three or four fundraisers for Stevens while on the clock with Veco. Federal elections laws prohibit candidates from accepting donations or free services from corporations.

Unlike other Veco employees, Williams did not itemize his time sheets with job codes so customers could be billed. When working on one of Allen's pet projects, Williams just logged his hours and Veco made sure he was paid.

"I never had any doubts about it until the FBI came down and served me with subpoenas," Williams said in a telephone interview.

At fundraisers, including at least one at the home of Stevens' brother-in-law, Williams said he was assigned odd jobs. He delivered ice, arranged for table rental or oversaw the four or five Veco employees parking cars.

"If I didn't have parking patrol, I basically just had to be there to make sure nothing got messed up," Williams recalled.

Williams said he also helped run annual fundraising pig roasts for Rep. Don Young, another Alaska Republican who has come under scrutiny in the Veco investigation. The fundraisers were among many Williams said he worked on during his more than 13 years at Veco. FBI - Stevens-1217

Stevens spokesman Aaron Saunders had no comment Wednesday. The senator has said he wants to avoid any suggestion he was trying to influence the investigation by discussing it publicly.

A spokesman for Young's office referred questions to his campaign spokesman, who did not immediately return a call.

Corporations are prohibited from donating to federal candidates, and that includes providing services, said Kenneth A. Gross, a Washington campaign lawyer and former Federal Election Commission counsel.

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"The company would have had to have been paid," Gross said.

Young recently amended his campaign finance reports to reflect $38,000 in back payments to Allen for the fundraisers. A review of Stevens' campaign finance expenditures since 2000 revealed no payments to Veco or Allen for fundraising.

Robert K. Kelner, another elections attorney and former Republican National Committee lawyer, said the question is whether Stevens or his campaign workers knew the Veco employees were on the clock.

"Should a thoughtful candidate consider that possibility and look into it? Yes," Kelner said. "Do they have a legal obligation to be that thoughtful? No."

Fundraising and favors are at the heart of the corruption investigation, which has ensnared several Alaska legislators. Allen has pleaded guilty to bribing lawmakers and is cooperating with the FBI. He admitted in court last week that his employees provided "some labor" on Stevens' house in 2000, but Williams recalled the job in greater detail.

Williams remembered spending two or three days a week for about six months at Stevens' house, supervising workers and installing hardwood floors. He also recalled moving a truckload of furniture, including a bed and a rug, from Stevens' mother-in-law's house to the senator's home.

The renovation was supposed to have been just a concrete slab in the basement. But groundwater levels complicated the job, Williams said, so workers raised the house, built a new first floor and added electrical and plumbing connections.

A few other Veco employees helped on the job and Williams hired outside contractors. A garage was added, though Williams isn't sure how that idea came up.

Veco isn't in the residential construction business. Its workers build oil pipelines. But Williams said Allen often assigned him work for friends and family. Stevens and Allen are longtime friends, so Williams didn't think the renovation project was unusual.

Stevens met with workers and knew Veco was handling the job, Williams said, so he assumed the senator was reimbursing Veco for his time. Stevens has said he paid every bill he received on the house.

"Ted said he wanted to make sure everything is paid for," Williams recalled from an early meeting with Allen and Stevens.

He recalls Stevens and his wife paying for flooring and is certain the senator paid for at least some of the work. But because Williams didn't record his time at Stevens' house, he said, nobody could know for sure how much his time cost.

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At the time, he assumed that when he signed off on expenses and submitted them to Veco, the company would pass those bills on to Stevens. Now, he's not so sure.

"I think Bill's ego got away from him," Williams said. "I think he did what he thought he could do."

Allen liked to do things his own way and wasn't fussy about separating business and friendship, Williams said. "Bill's personal life and the company were one and the same."

Williams testified about the house project before a federal grand jury in Anchorage. He couldn't

remember the total cost of the renovation but said the Justice Department seemed to already know more about the project than he did.

Investigators were "very thorough" and had numerous documents and bills associated with the house, he said.

"I thought everything was on the up and up," Williams said. "I'm disappointed with the way things turned out, and I'm sorry for Ted."

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FBI - Stevens-1219

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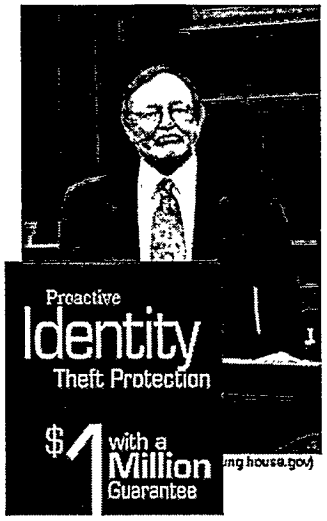

The Sound Of Silence

By Laura McGann - September 20, 2007, 1:54PM

Hear that? That silence is the sound of my phone not ringing. It's been a familiar quiet since I first started trying to get some answers about Rep. Don Young's (R-AK) Coconut Road earmark last month.

Someone, apparently acting on Young's behalf, managed to change the bill's language in the massive 2005 transportation bill *after* it had passed both houses of Congress, but *before* the President signed it into law. The change no doubt gratified real estate developer Daniel Aronoff, who'd raised $40,000 for Young earlier that year in his push for $10 million to construct a highway interchange. Young's language change steered that cash away from the community's requested use and to

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led to figure out how, in a very technical sense, a bill's t passed both houses of Congress. Surely there must be ting the President's signature safe from tampering, or so

atedly from office to office, I'm still none the wiser as changed the bill's language. It's become crystal clear, ould know don't have a ready answer -- and don't seem

urrent House clerk in late August; I heard nothing. Then was in place in 2005 when the rewording occurred. cutive director of the National Fish and Wildlife e two weeks ago. When he returned, his secretary called sy to talk -- too busy indefinitely, that is. I pressed, aying no comment. "No, he is just too busy with an ssic Washington blow-off line!)

the current clerk's office last week. I explained, again, it and got an answer! I was told: call the Committee on ask for its spokesman, Kyle Anderson. (Apparently d in the same question, so the two offices worked solution.) Anderson was sympathetic, but still passed amentarian's Office.

a hard time hearing the person who answered the phone. They were having a "luncheon," that sounded like a wild party (as far as Parliamentarian Office parties go). I called back in an hour, heard loud laughter and cocktail party chatting and then a "click." The third time was the charm. Max Spitzer, an assistant parliamentarian who didn't seem to know what I was talking about, clacked away at a computer, asking me questions about the name of the bill and the date, etc. He looked through something and concluded: "There is nothing here that would indicate a language change."

Well, there you go. The Coconut Road controversy is a figment of my imagination and Lee County, Florida's too. But wait, Lee County, the area that received the funds just voted to send the money back to Congress last month, in hopes of having it reallocated for what they determined to be the original purpose. Lee County commissioned a study from a former government official to trace the earmark's history, discovering that the language change must have occurred in the limbo period between passing Congress and waiting for the president's signature.

And what about our unsuccessful efforts to find an earmark -- any earmark -- other than Young's that had undergone a similar change in the bill? I offered to send the report on to Spitzer so he could see that in fact there was a change. He gave me his email address. The next day he said he sent it on to his superiors, who are certainly working on it.

Just in case that doesn't work, I called back the House Committee on Administration to talk with Anderson again. He sounded, again, very understanding. He explained that it's hard because it's a different majority, with different people working in the various offices. He said he'd see about reaching out to the "other side of the aisle" for me.

FBI - Stevens-1220

194-AN-13620-M;533

Since I haven't heard anything from Anderson, I just called the minority staff myself. I asked the spokeswoman there, Salley Collins, if Anderson spoke with her about this: "No, not at all." Well, good thing I called. After I explained the situation, which surprised her, she offered to put in a request with the Congressional Research Service to look into the matter. Collins warned that CRS could take a while to get to it.

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Comments (4)

GeorgeBush43 wrote on September 20, 2007 2:07 PM:

Laura,

I am awfully sorry that you went to all of that trouble. You should have called me. I wrote that line into the bill right before I signed it because a couple of my buddies told me that we needed a road there. Sorry about the trouble!

--GWB

Roberta wrote on September 20, 2007 2:08 PM:

Laura, don't you realize that a lot of people could be embarrassed if you discovered--and revealed--that other earmarks had been "tweaked" between approval and signing? You wouldn't want to do that, would you?

Just be a good girl and do what I think an awful lot of people do in Washington: put your hands over your eyes while loudly chanting "lalalalalalala." That should take care of the whole problem.

EdNSted wrote on September 20, 2007 2:12 PM:

Now that's what I call real accountability!

drational wrote on September 20, 2007 3:30 PM:

Thanks for the update and the work. It's clear that if you want something done in Washington, you should become a bike messenger carrying bills from the Hill to the White House.

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Untitled

Paper: Anchorage Daily News (AK)
Title: Kott says he lied to Veco executives -
TESTIMONY: He did take money, defendant says, but not as bribes.
Date: September 21, 2007

Former state Rep. Pete Kott apologized to jurors Thursday for his crude talk in secretly made FBI recordings, but he also conceded that he told Veco Corp. executives whatever they wanted to hear, even if it wasn't true.

On a day he made an emotional speech from the witness stand about his shattered legacy, other revelations spilled out, including that he changed his vote on a new oil tax at the last minute and took $5,000 from former Veco executive Bill Allen as a truck loan that he never repaid.

But, Kott maintained, he never took bribes.

Kott finished testifying late in the afternoon after two grueling days on the stand in his federal corruption trial. While he seemed testy at times during aggressive cross-examination, he didn't lose his cool.

Gov. Sarah Palin quietly popped into the trial for about 10 minutes in the morning. Few seemed to spot her as she slipped into the back row during a little of Kott's testimony on oil taxes. Palin said she took the opportunity to check in during a fire drill in the governor's Anchorage office in the nearby Atwood building.

"This is one of the most important series of trials in Alaska history," Palin said after her courtroom visit.

TRIAL COMES AT GREAT COST, KOTT SAYS

Kott is being tried in U.S. District Court on charges of bribery, conspiracy, extortion and wire fraud. Veco executives Bill Allen and Rick Smith have pleaded guilty to bribing Kott and three other legislators in an effort to influence them on the tax measure in 2006.

Kott told jurors he had to go to trial because he believes he's not guilty, but that it's coming at great cost.

Jurors have seen videos from Suite 604 of the Baranof Hotel in Juneau and heard wiretapped telephone conversations in which Kott, often after drinking, plotted and cussed alongside Veco executives.

Will those videos and newspaper stories about his behavior be his legacy? defense lawyer Jim Wendt asked.

Kott, in the Legislature 14 years, including two as House speaker, choked up a bit during a monologue that lasted several minutes.

"Unfortunately, with all the things I believe I accomplished, the goals that I managed to reach, the legacy will be just that. I think people will forget about the good things and remember the bad things,"

194A-AN-13620-M;534

Kott said.

The video recordings are "extremely embarrassing," Kott said.

"Certainly to the jury, I apologize for the vulgarity that has been presented to you in the course of this trial," Kott said. "It has been an embarrassment for myself and my family." His girlfriend and grown son and daughter sat in the front row behind the defense table.

The defense slogged through the legislative record in an attempt to portray Kott as a statesman who sometimes voted against the 20 percent tax favored by Veco to reach an oil-tax compromise.

But as Kott himself explained, the unfolding of such complex bills is a "cat-and-mouse game," with lawmakers sometimes voting yes for loathsome amendments hoping to kill a bill.

The Legislature approved a 22.5 percent tax, and Kott told the jury he considered it a good compromise. "We pretty much split the baby right in half," he said.

SPIRITED CROSS-EXAMINATION

The cross-examination by assistant U.S. attorney James Goeke was heated from the start.

Goeke came close to yelling as he shot off questions rapid-fire about Kott's vote. Wendt objected time and again. And U.S. District Judge John Sedwick told Goeke to slow down, be more patient and stop making speeches.

Prosecutors also dug deep into the legislative record during their cross-examination, trying to show that Kott voted against the 22.5 percent compromise three times on the last day, when the tax measure nearly died.

Even on the final vote, Kott was a "no," switching his vote to the "yes" side only after the tally showed the measure passing.

"You changed it once the writing was on the wall," Goeke thundered. "It's good you did it so you can tell the jury you voted for 22.5."

Kott's lawyer objected.

"There was no jury then to consider," he pointed out.

FBI - Stevens-1223

It was, Goeke noted, the last vote of Kott's legislative career. He lost in the Republican primary two weeks later.

The prosecutor seemed to be portraying Kott as a hold-out for 20 percent until the bitter end -- even when some oil industry lobbyists had started pushing for 22.5 percent in fear a more onerous tax might pass instead.

During his cross-examination, Goeke replayed two FBI recordings from the Veco suite.

"Where do you want to take this, Bill? I don't want to jeopardize the gas line but I'll stay on 20," Kott says on a May 8, 2006, recording from Suite 604. Allen testified earlier that oil producers wanted certainty on oil taxes before they would commit to a multibillion-dollar gas pipeline. "Vic will be on 20 and Jay will be on 20 and Foster will be on 20. I don't know how many others will be on 20," Kott said on the recording, referring to Reps. Vic Kohring, Jay Ramras and Richard Foster.

"Tom Anderson," Smith, the former Veco vice president, chimes in with another lawmaker's name.

"Anderson will be on 20," Kott agreed.

Prosecutors also replayed an especially vulgar recording from late in the night of June 8, 2006. The men in Suite 604 spewed out f--- them repeatedly.

Goeke pressed Kott to explain why he assured Allen he'd fight for 20 percent if he was willing to go higher. Kott said he was misleading his Veco friends, choosing to "tell them what they want to hear."

That theme came up several times.

BERKOWITZ DID NOT HELP SWAY VOTE, KOTT SAYS

Wendt asked Kott to explain another secretly recorded conversation in which he boasts that he "outsmarted the fox" -- referring to then-House Minority Leader Ethan Berkowitz -- in order to get Berkowitz to persuade his fellow Democrats to vote the way Veco wanted.

Kott told jurors that he was just trying to impress Allen. He and Berkowitz had had a rational conversation on the House floor. Kott figured Allen was watching live on "Gavel to Gavel" television.

"I didn't want him to get the opinion I was just crawling in bed with the Democrats," Kott testified.

Kott said he also felt bad because he and Berkowitz had a good relationship for years and he had actually tried to deceive Berkowitz a little bit. He said Berkowitz was on his side back in 2005 when he attempted to regain the House speaker post through a coup. It failed.

That's why he talks in the recording about lying, cheating, stealing and selling his soul to the devil, Kott testified.

FBI - Stevens-1224

In reality, Berkowitz didn't do anything to help swing votes the way Veco wanted, Kott said, even though he told Allen that's what happened.

"I think I was trying to get some credit," he said.

At another point in his cross-examination, Goeke questioned Kott about a $5,000 check from Allen that

jurors hadn't heard about before Thursday.

Kott told jurors that Allen loaned him the $5,000 in 2004 as a down payment on a new truck. He was supposed to pay Allen back once he paid off the truck.

But Goeke pointed out that on Aug. 31, 2006, when the FBI searched Kott's residence in Juneau, Kott told agents that he hadn't done so.

"That sounds like a gift to me," Goeke said.

Kott replied he and Allen had an agreement that Kott would pay the money back when the truck was paid off.

"It could also be characterized as a bribe," Goeke said.

"You can characterize it any way you want; it is not a bribe," Kott replied.

With a few more witnesses to go today, the case may not get to the jury until next week.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390. Find Sean Cockerham online at adn.com/contact/scockerham or call 257-4344. Find Tom Kizzia at adn.com/contact/tkizzia.

ONLINE AUDIO: Hear court testimony from the trial from ex-Veco CEO Bill Allen and listen in on the FBI wiretaps that have been presented as evidence in the trial.

adn.com/fbi

LIVE UPDATES: Follow Kott's trial from the courtroom by reading updates on our blog.

adn.com/alaskapolitics

Correction: Correction A front-page story Friday about the corruption trial of former Rep. Pete Kott gave the wrong year in which he attempted to regain the post of House speaker. The failed coup attempt was in 2004, not 2005.

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Author: LISA DEMER, SEAN COCKERHAM and TOM KIZZIA Anchorage Daily News Staff
Section: Main
Page: A1
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1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

September 22, 2007 Saturday
FINAL EDITION

Governor urges Stevens to break his silence;
INVESTIGATION: State's senior senator owes Alaskans an explanation, she says.

BYLINE: By ERIKA BOLSTAD ebolstad@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 1.115 words

DATELINE: WASHINGTON -

Gov. Sarah Palin said Friday that she and Alaskans are owed a more thorough explanation from U.S. Sen. Ted Stevens about why he is under federal investigation.

"Right now, Alaskans aren't hearing anything," Palin said, adding that she and many of the state's residents are willing to give Stevens more leeway than most people because of the Republican senator's long service to Alaska.

"But not hearing anything in terms of information that can be shared regarding the senator's innocence is kind of frustrating for Alaskans," Palin said in a telephone interview from Anchorage. "Alaskans are getting more anxious to hear any information that he can provide regarding his innocence."

Palin first expressed her concerns Thursday to a reporter with National Public Radio, who spoke to her after she dropped in on the federal corruption trial of former state Rep. Pete Kott. Among the trial's bigger revelations was testimony from former Veco chairman Bill Allen that he or his oil services company financed a substantial portion of the 2000 remodeling of Stevens' Girdwood home.

Palin's remarks took on greater significance when The Associated Press reported later Thursday that Allen agreed to secretly tape telephone calls with Stevens after authorities confronted the Veco executive with evidence that he had bribed Alaska lawmakers. The Washington Post on Friday confirmed the existence of the taped phone calls between Stevens and Allen. It's not clear what was said during the calls, or how many were recorded.

As part of its sweeping inquiry into public corruption in Alaska, the FBI taped thousands of hours of phone conversations between Veco executives and state lawmakers. They also recorded secret video in Suite 604 of Juneau's Baranof Hotel, where Allen and fellow Veco executive Rick Smith plotted with Kott on how to move the industry's preferred version of a new oil tax through the Legislature in 2006.

Nearly two months after federal agents' much-publicized search of the Girdwood house, Stevens has yet to comment on the investigation. He did tell Alaska reporters in Washington, before the July raid, that he paid every renovation bill that was given to him.

Stevens' spokesman Aaron Saunders said Friday that the senator would have no comment, and referred the Daily News to the statement the senator has been issuing since July.

Stevens has maintained that it would be an obstruction of justice to talk about the investigation -- or explain his role in it. In his now-familiar statement, Stevens says, "I continue to believe this investigation should proceed to its conclusion without any appearance that I have attempted to influence its outcome."

Friday afternoon, when CNN reporters staked Stevens out on Capitol Hill to ask him about the wiretapping, he strode down the hallway of the Hart Senate office building with his suit jacket slung casually over his shoulder. He would not answer questions about the investigation or the reports that the FBI had recorded his conversations with Allen.

"It's a nice day," Stevens said, in response to questions. "I hope you're enjoying it. I'm having a great day."

'ALASKA'S NAME IS MUD'

Palin said her biggest concern about the ongoing corruption investigation, being run by the FBI and Justice Department's Public Integrity Section, is that it continues to make Alaska look as though it's a place where lawmakers can be bought. That's an impediment to developing the state's resources, Palin said, including the development of a natural gas pipeline.

"I think people are just kind of asking about the commitment that Alaskans have to change the political climate up here to a climate where (residents) can trust that the decisions the state government is making are based on the best interest of Alaskans, not due to undue influence," she said.

Other than Palin, most Alaska Republicans have been reluctant to take a public position on Stevens' unwillingness to provide more information. And even fewer want to wade into a difference of political opinion between the country's longest-serving GOP senator and a governor whose election last year represented a changing of the guard in the state's politics.

"Whether the governor or senator or anyone else has an opinion, the wheels of justice are going to turn, and none of us know what the outcome is going to be," said Jim Whitaker, a former Republican state lawmaker who serves as mayor of the Fairbanks North Star Borough.

Rep. John Coghill, R-North Pole, recently attended a gathering of legislators from Western states in Wyoming. He said politicians from other states want to know how Alaska will open the Arctic National Wildlife Refuge to oil development or build a gas pipeline with a cloud hovering over its congressional delegation.

"Alaska's name is mud right now."

He said that he's not passing judgment on Stevens and that it would be wrong to simply hound him for political reasons, but that he also worries about the national backlash against the state.

Others were critical of Palin, including former Rep. Andrew Halcro, a former Republican state representative from Anchorage who ran against her last year as an independent. He said that he'd love to hear what Stevens has to say but that it makes sense for Stevens to keep quiet so it doesn't look as if he's trying to influence the inquiry.

SILENCE ROUSES SUSPICIONS

For many of his constituents, Stevens' non-answers have grown frustrating, and they've created a "whiff of wrongdoing," said state Sen. Hollis French, a Democrat and former prosecutor from Anchorage who co-chairs the state Senate Judiciary Committee.

French said it is time for Stevens to "at least give us his side of the story."

"Like a lot of folks, I think when you hold that job, you hold a public trust," French said. "Your relationship with the public is different than that of an ordinary citizen who gets pounced on by the FBI. It's not obstruction of justice to get in front of the cameras and say 'I did nothing wrong.' "

News that he was the subject of a federal wiretap hasn't changed Stevens' status in the Senate. When his home was raided, at least two government watchdog groups called for him to step down from his powerful committee posts until the federal investigation has been resolved.

But Senate Minority Leader Mitch McConnell, R-Ky., said last month that because Stevens "maintains his innocence" and no charges have been filed, his Republican colleagues will not ask him to step down from committees or refer the matter to the Senate Ethics committee.

Reporter Kyle Hopkins in Anchorage contributed to this story. Read Erika Bolstad and Hopkins on the Alaska Politics blog at adn.com/alaskapolitics.

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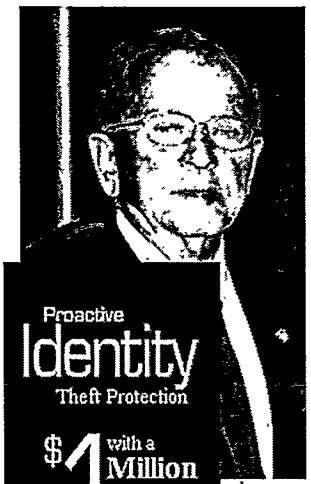

Senate Leaders Mum on Stevens

By Laura McGann - September 24, 2007, 4:57PM

The Senate is certainly a kinder place to mucked-up pols than the House.

Despite testimony last week from former Veco CEO Bill Allen that he bribed Sen. Ted Sevens (R-AK) and news that the FBI taped two of their phone conversations, Senate leaders haven't commented on the legal woes plaguing the longest-serving Republican senator.

That's in stark contrast to how the House leadership has reacted to news of investigations. House Republicans apparently put the squeeze on Rep. John Doolittle (R-CA) to remove him from his committee spots. Democrats gave Rep. William Jefferson (D-CA) the same treatment. Senate Republicans did react aggressively to news of Sen. Larry Craig's

ov)

arently this is a much different case.

eader Sen. Mitch McConnell (R-KY) if Stevens should
ittee assignments in the wake of the scandal.
a July 31 statement, in which he referred to Stevens'
the Senate and said he didn't have "any

e, Majority Leader Sen. Harry Reid (D-NV) was

on [Sen.] Larry Craig [R-Idaho]. I'm not going
... I'm not going to get into that."

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Comments (6)

M M wrote on September 24, 2007 5:15 PM:

In a backhanded way, Reid equates the Craig scandal with the Stevens scandal! I'm sure Stevens is pleased...

BTW, is it a bad sign that an agency (the FBI) of the most Republican politicized DoJ ends up tapping your phone calls even though you are the longest sitting Republican senator? Ouch...

Ed*ard Teller wrote on September 24, 2007 5:27 PM:

Sen. Lieberman hearted St. Ted this morning in Senate hearings on reforms in the primary process. Stevens sounded particularly tired and tiresome.

FBI - Stevens-1228

194-AW-13620-M;536

"That's in stark contrast to how the House leadership has reacted to news of investigations..."

If that's the case Laura, why so little action on Rep. Don Young? Is it because the House leadership has been tipped off about aspects of the Young investigation(s) that the general public is unaware of?

phil James wrote on September 24, 2007 5:39 PM:

No surprise that Reid had nothing to say. Reid has nothing to say about anything of real import. But he did allow the vote to condemn MoveOn. What an incredible leader.

global citizen wrote on September 24, 2007 5:40 PM:

Perhaps no action has been taken since it takes so long to get the word down the tubes all the way from Alaska.

Anonymous wrote on September 24, 2007 5:53 PM:

"McConnell referred back to a July 31 statement, in which he referred to Stevens' "four decades of service" in the Senate..."

Four decades of corruption is now a positive asset in our current Senate...

oldtree wrote on September 24, 2007 6:42 PM:

He is my friend and colleague and I can't say anything mean about him or he will tell about my involvement with the Glendale Savings and Iran Contra and Jimmy "primate" Gibbons and his cheese empire.....
dirty boys and girls have a criminal in their midst and won't do anything. looks like they are criminals because they are aiding and abetting a crime or crime figure, protecting and defending same. This is how it would read in language that would be used to prosecute you or I under normal criminal statutes or RICO laws. But they allow this as doing business. It is corrupt and broken, and those benefitting will not make changes when it is so lucrative

prove that the country hasn't been sold. I rest my case.

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State on sidelines of FBI investigation into Veco

TAKING NOTES: The attorney general's office won't interfere with the federal investigation.

By SEAN COCKERHAM
scockerham@adn.com

(Published: September 27, 2007)

Alaska Attorney General Talis Colberg said his office assigned lawyers to closely watch former-state Rep. Pete Kott's trial in federal court over the past two weeks as it revealed other possible criminal acts by politicians and Veco Corp. executives.

Colberg said the attorney general's office isn't ignoring the revelations. But he said the state has to proceed carefully before pursuing its own criminal charges. The broad federal investigation into corruption in Alaska politics doesn't appear to be close to finished. The feds don't want interference from the state, according to Colberg.

"They've made it clear enough that they appreciate us not stepping into the middle of something that's ongoing," Colberg said.

He said the federal government has also declined to share the results of its investigation with the state.

Jurors on Tuesday convicted Eagle River Republican Kott on federal charges of conspiracy, bribery and extortion. Next up are federal trials of former Republican state Reps. Vic Kohring and Bruce Weyhrauch. It's clear the federal government is investigating other Alaska politicians as well, including U.S. Sen. Ted Stevens.

The state is under a lot of pressure to act instead of relying on the FBI to clean up corruption here. The Alaska Public Offices Commission, a state agency known as APOC, has decided to investigate political polls Veco and possibly other companies bought for candidates.

APOC Executive Director Brooke Miles said the commissioners determined that, with all the public scrutiny and seeming unhappiness with APOC's lack of action, they wanted to find out the facts.

There was testimony at Kott's trial that Veco routinely paid for candidate's political polls, including a $20,000 poll for then-Gov. Frank Murkowski last year before he was a declared candidate for re-election. One of the federal charges against Kott was that Veco illegally bought him a poll.

It's not clear what APOC will do with the findings of its investigation into the other polls paid for by Veco. APOC says it is hindered by the one-year statute of limitations in state law on imposing civil penalties for campaign violations. The polls brought up at Kott's trial are more than a year old.

There is no one-year statute of limitations on criminal charges. APOC doesn't have the authority to pursue criminal matters but could refer its findings to the state attorney general's office. Miles, the APOC director, said that's a possibility.

APOC has only a single investigator. The attorney general's office, while lacking the manpower of the FBI, could call on state troopers and criminal prosecutors for a corruption probe.

FBI - Stevens-1230

194A-AN-13620-M;537

MORE THAN JUST POLLS

A pair of Democratic legislators from Anchorage, Les Gara and Harry Crawford, wrote APOC and the state attorney general this week to urge action. They said the state must investigate the polls and other apparent criminal acts that came up in Kott's trial and related federal indictments.

"The scope of this misconduct is unprecedented, and taking no action simply condones this conduct," their letter said.

Gara and Crawford said the illegal acts weren't limited to polls. They pointed to federal indictments in which Veco executives Bill Allen and Rick Smith pleaded guilty to paying "more than $10,000" in expenses for candidate fundraisers, knowing the money would be ultimately recorded as legitimate corporate expenses.

That violates the ban in state law on corporate contributions to candidates, Gara and Crawford said.

The indictment does not mention which fundraisers were illegal. But former Veco executive Smith testified that he organized many fundraisers, including the annual pig roast for Alaska Congressman Don Young.

'SPECIAL BONUSES'

Smith and Allen also testified about Veco's "special bonus program," where the company would reimburse Veco executives for campaign contributions.

That's also against Alaska law. Gara said that not all the former Veco executives involved in the program are under federal indictment, and maybe they should be under state indictment.

The state should also investigate what legislators besides those charged by federal prosecutors benefited from Veco in violation of state law, he said. So far, all legislators indicted have been Republicans.

"There's a lot the state can do," Gara said.

Gara said the state could pursue criminal charges on issues like illegal polls without interfering in the much broader federal investigation. Gara said, at this point, it looks like the state is doing nothing.

Colberg said he could not comment on any proposed or ongoing investigation. Colberg did not rule out the idea of the state going after side issues such as political polls without messing up the federal probe.

"We do not overlook the idea there is something they may not pursue that we may be able to," the attorney general said.

FBI - Stevens-1231

Find Sean Cockerham online at adn.com/contact/scockerham or call him at 257-4344.

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Alaska Politics

Murkowski, Clark respond

Posted by Alaska_Politics
Posted: September 27, 2007 - 11:29 am

From Kyle Hopkins in Anchorage --

This week, we **ran a story about political polls** paid for by Veco. In the story, pollster David Dittman said that as best as he can remember, former Gov. Frank Murkowski's chief of staff, Jim Clark, had him bill a $20,000 poll to the company.

Yesterday, the editorial staff **ran an opinion piece** about the poll.

Clark called this morning with a prepared statement on behalf of himself and Murkowski.

He said:

"The allegations in the editorial are unfounded. Neither Gov. Murkowski nor I instructed David Dittman to do a poll and bill it to Veco. APOC reports show that the Murkowski campaign paid Dittman $102,000 during the primary campaign."

(Clark had declined to comment for the original story.)

After talking to Clark, I called Dittman and read him the statement.

"Wow," he said. "Wow, wow, wow. Geez, I hate to get into this ..."

I asked if the statement from Clark and Murkowski is true.

"No," he said.

A moment later he added: "The best way to say it is, that's not the way I remember it."

Dittman said he and Murkowski have been friends for 30 years and that in his view, there was nothing wrong with the poll.

He said he remembers conversations with Clark about billing Veco. "There were conversations... as I remember it. That's what I was suggested to do. And that's what we did do."

add new comment

19 September 28, 2007 - 9:26pm | Stumpy1

The totality of the corruption

Every once in a while a writer up in Fairbanks publishes work that is so well written, and insightful, that it must be shared.

The Yates piece below is as good as the piece written by Lori Backes last year in which she first used the moniker, 'Corrupt Bastards Club', or CBC, to describe VECO's corruption of the Alaska Legislature.

VECO stench corrupts GOP
By DOUGLAS YATES

"A fetid smell circulates in the forest this time of year. Rotting vegetation and decaying mushrooms forecast the change in seasons. But there's another odor slapping the faces of Alaskans these days. For many, it's unthinkable, but as details emerge from the federal court house in Anchorage, it's impossible to deny. It's like finding a freezer full of salmon after the power's been off for a week.

The spoiled legacy of Alaska's Republican Party has stained the carpet and mold is climbing the walls. The entire building

Alaska Politics

This is the place for news on Alaska politics -- state, local and national. Public life in the Last Frontier may never have been more interesting than right now -- the broad and still-evolving corruption investigation, a new governor, powerful members of Congress under scrutiny, and the usual hardball politics on the state, national and local levels. Come here for the latest news and join the discussion.

Contributors

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Kyle Hopkins writes about Anchorage city government and politics. He covered last year's campaign for governor, and has blogged extensively about Alaska politics for the past year. He grew up in Southeast Alaska and was a reporter at the Fairbanks Daily News-Miner and Anchorage Press.
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Sean Cockerham writes about Alaska state politics. He spent three years based in Juneau for the Daily News before joining the Tacoma News-Tribune two years ago to write about Washington state politics. He went to Iraq twice for the News Tribune, and previously wrote about Alaska government and politics for the Fairbanks Daily News-Miner. Now he's back in Anchorage.
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Erika Bolstad
Erika Bolstad covers Alaska issues, including the congressional delegation, from Washington, D.C., for McClatchy Newspapers. Before joining the bureau this summer, she spent seven years as a reporter at the Miami Herald, where she covered politics, government and the state legislature.
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Alaska's Top Jobs all 87 top jobs

Nursing
Nurse Practitioner
Planned Parenthood of Alaska

Driver/Transportation
Driver
Corporate Express

Human Resources/Recruiting
Human Resources
Adak Telephone Utility Anchorage

Human Resources
HR Compliance Specialist
Hope Community Resources

Professional
Controller
Adak Telephone Utility Anchorage

careerbuilder
Search Jobs | Place an employment ad

Homes By Coldwell Banker more

4314 S. Pinnacle, Wasilla
Virtual Tour Available

7 of 15

Homescape

find

Search ADN Real Estate | Place a homes ad
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Top Rentals more

Terrace On The Lake
West Anchorage: A pleasant setting and voluminous floorplans will put your mind and body at ease.

6 of 12

194A-AN-13170-M;538

may need to be demolished if there's any hope of recovery.

Here's what we know. Until the FBI raided Juneau, the sellout of Alaska was a crime in progress. The state's oil and fisheries resources, as well as our integrity and sovereignty, were being auctioned off by predatory capitalists and their hired stooges. The bribery conviction on Tuesday of Pete Kott, the former Speaker of the House, confirms what many have known for years.

- 9/25/2007 2:27 pm
Notes from the jury - 9/25/2007 11:43 am
Jury quits for the day - 9/24/2007 4:56 pm
To the jury - 9/24/2007 12:24 pm
More commentary from inside Courtroom 3 - 9/24/2007 9:26 am
Veco polling - 9/23/2007 6:57 am
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2005 GMC Canyon
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VECO was an oil field contractor. Its former chairman, Bill Allen, and Rick Smith, his lieutenant, made more than $400,000 in payoffs to elected officials. Their testimony and FBI evidence has implicated many current and former state and federal legislators for accepting bribes and favors for official actions or access.

So far, they include: state Sen. John Cowdery, former state representatives Bruce Weyhrauch and Vic Kohring, and former state Sen. Ben Stevens.

Rep. Don Young and Sen. Ted Stevens are under similar investigations. Another former legislator, Tom Anderson, was recently found guilty of accepting bribes. Anderson's wife, state Sen. Lesil McGuire, is being investigated for conflict of interest in another matter. Randy Ruedrich, Republican Party chair, was fined for political organizing while working for the state.

The major conspiracy appears to subvert legislation to the benefit of Alaska's big three oil companies, ConocoPhillips, Exxon and BP. In a phone call taped by the FBI, Allen and Jim Bowles, president of ConocoPhillips Alaska, talk about working behind the scenes to keep tax rates below a certain number.

Perhaps that's why ConocoPhillips is running diversionary TV spots headlining the chump change it throws at Creamer's Field Migratory Waterfowl Refuge and Potter Marsh. "Environmentalists" greenwashing Big Oil's white-collar crimes epitomize the depth of its influence.

Sen. Ted Stevens is the longest-serving Republican in the Senate, and fish rot from the head down. His careless lack of attention to the power of his office, his single-minded focus on grabbing money for Alaska while ignoring ethical standards, has attracted flies. It's time to clean camp.

Who in their right mind would allow VECO to act as his agent on a home-construction project? It's been an open secret for years that Allen's money greased the skids in Juneau. Did Uncle Ted think we were all blind?

A senator with a grasp of his place in the arc of history would have used his current term to groom a replacement. But at 84, Stevens has no protégés because there is no accountability in the Republican Party.

It's a free-for-all. Everyone is on their own; steal as much as you can carry. According to Allen, Ted's son Ben took more than $240,000 of VECO money while serving in the Legislature. Largely unmentioned yet is the $900,000 funneled to the younger Stevens in fees for allocating federal grants to seafood companies. Father and son wallowed in a moral cesspool and thought it smelled like roses.

Not to be outdone, Sen. Lisa Murkowski showed her family colors with a sweetheart deal for prime Kenai River property. It was sold to her by Bob Penny, a wealthy developer with a stake in fisheries legislation. When it was made public, Lisa denied special advantage but was soon overcome with buyer's remorse. She quickly dumped the property, but voters must wait until 2010 to express their regrets.

Rep. Don Young has been throwing federal transportation money around the country like a silage farmer spreading manure, apparently expecting a return on the investments. Young's $10 million Florida highway earmark was rejected by locals, except for a nearby landowner who sent $40,000 to Don's re-election campaign. With an investigation under way, Young is spending $250,000 for lawyers to shrink the stink.

Alaska's Constitution is a model of open government, but that didn't protect it from being sold down the river. Today's Republican Party is a club of glad-handers, thieves and liars, people who appear sincere then stab Alaskans in the back. Voters and the press, however, can't escape blame.

Malfeasance grows in a climate of apathy and weak journalism; it's a cancer that undermines Alaska's future. The cure is more sunlight."

Yates has made this work available for distribution. Copy/paste and email it to your friends.

This piece was also picked up and published by the News-Miner today, at the following link:

http://newsminer.com/2007/09/28/9086

reply »

FBI - Stevens-1233

18 September 28, 2007 - 8:45am | jewar79

The Murkiski -Clark pollster claims

First of all there are sevrial reasons to open an investigation under the entire Murkey administration period.We can only hopt that he and his are not allowed to just walk away from office in a very few short hours and never to be heard of until now ! think about that statement.We have heard excessive amount of news -information to be aware that his admi9n,has a lot of un answered questioins.We are 100% positive that an full investigatioin should be administered byt under the FBI,bacause every state investigation against the state or its peole will anways be tainted and in the state favor.As a 56 year citizen of Alaska ,we demand an full federal investigation be done ASAP.This guy came in here fromWA Dc and trashed every senior as his very first adminustrative act.

reply »

17 September 28, 2007 - 12:50am | pp05416

KYLE

Why is the link to the Article "Big oil fights change in tax" currently sending this message?
"Internal Server Error
The server encountered an internal error or misconfiguration and was unable to complete your request. Please contact the server administrator, support@nandomedia.com and inform them of the time the error occurred, and anything you might have done that may have caused the error.

More information about this error may be available in the server error log."

This really worries me.

reply »

September 28, 2007 - 11:31am | Alaska_Politics

Link

I don't see the link ... where did you originally see it?

Kyle

reply »

September 28, 2007 - 3:57pm | hey_georgie_girl_98

Where did you move the article on Big Oil?

Where did you move front page articles after they get bumped?

reply »

September 28, 2007 - 11:50am | leowassilie

fixed

it's fixed now.

probably a misaligned link.

reply »

16 September 27, 2007 - 8:36pm | akallegro

Kyle

does ADN have any ongoing attempt to get a response from Jim Clark and Governor Murkowski regarding the Jim Bowles and Bill Allen recording?

Bowles reveals in that recording that he is privy to Clarks schedule as it pertains to the Legislature and PPT. Bowles states that Clark has informed Bowles that he has scheduled a meeting with Representative Kelly.

Bowles tells Allen regarding that meeting "if thats the only contact he's made then thats OK" and its "OK because he (Clark) felt that Harris had asked him to have that meeting".

Those quotes from the conversation establish that the Governors chief of staff was revealing to Bowles who he was contacting in the Legislature regarding PPT and in addition was assuring Bowles that he would not have additional contact with other legislators.

I would ask Clark:
Why was he sharing with the president of Conoco Phillips, information about who in the Legislature he was meeting with to discuss PPT, when they are one of the very company's PPT was going to affect? Also, why did Clark feel compelled to assure Bowles that he would not have any other contact with legislators regarding PPT?

I would also ask Murkowski if he was aware that his chief of staff was sharing this type of info with Bowles and making commitments to him regarding who he would and would not have meetings with.

Has anyone at ADN submitted the same line of questioning to Bowles?

Another nugget that is revealed in that same conversation? Bill Allen states that he is aware of what Rep. Kelly said to Clark during that meeting. The meeting happened the very morning the phone conversation was recorded so somebody was updating Allen very quickly.

FBI - Stevens-1234

Is ADN pursuing Kelly as to why Bill Allen would have that information? Allen doesn't make it clear if he got the info from Kelly or Clark. Perhaps there was someone else in the meeting?

Given the Ruedrich incidents and Clarks failure to respond then, this issue certainly seems like it warrants the ADN's close scrutiny. I hope there is someone working on it.

Relentlessly.

reply »

September 28, 2007 - 11:23am | Alaska_Politics

Akallegro,

Editor Pat Dougherty talks about that recording on his blog ... **click here.**

Kyle

reply »

September 27, 2007 - 10.14pm | sewinds

While you're at it Mr. Hopkins.

Could you look into the special interest groups and their lobbyists who are advising Palin on gasline issues? Who's advice she's taking and who she refuses to talk to. With declining oil field production and investment and a huge economic disaster coming Alaska's way it seems that Palin's advisers, her special interests and their lobbyists need closer scrutiny.

reply »

15 September 27, 2007 - 7:00pm | Natalie_O

Where I sit, Palin is not the worry right now

Unless Palin does something unethical and dishonest, or criminal, she will remain Governor until her term expires. We can't change that and we have to deal with it. Personally, I think her actions so far are uncomparable to those of her predecessor, as if to say, I think she's doing a fair job. As for Murkowski, you people had voted for him in the past, not me, so you need to lay in your own bed. I have a clean conscience about that, besides, its too late to do anything about M. He should have been removed from the position long before his term expired. But right now, we have to get this corruption mess cleaned up first before we can move forward, with our without Palin. What bothers me more than Palin is the fact that we have an unethical and corrupt DC Senator and the same for a DC Congressman, of which both have not been charged with anything even though testimony has come out in the trials that would dictate that some form of legal action is required and needs to be taken. To me, this is more troubling than anything going on with Palin.

reply »

14 September 27, 2007 - 6:39pm | BravoSierra

Murky and Clark are banished

Now get rid of this guy-quick
http://www.adn.com/front/story/5572779p-5504444c.html

reply »

13 September 27, 2007 - 6.38pm | leowassilla

I wonder

wow.
wOw.
woW.
Wow.
wOW.
WoW.
WOw.
WOW!

A man of many words.

reply »

12 September 27, 2007 - 3:57pm | windham

Pathological Liars

Jim Clark and Frank Murkowski are professional, pathological liars, always have been, always will be. Putting them under oath will make no difference. Dittman is obviously the truth-teller in this matter.

reply »

September 27, 2007 - 5:49pm | Ter_H

Blunt and

accurate.

reply »

September 27, 2007 - 11:07pm | seewhy

he should have just had jim say

that he paid every bill for polling he was presented with.

reply »

September 28, 2007 - 9:44am | realist

Good one there

Was going to say this earlier, but today's ADN editorial beat me to the punch -- legally, I'm not sure if it matters too much whether Murky himself asked for the poll. If he accepted it, then that's some kind of violation right there. Seems like Clark is already doing the lawyerly word-parsing thing.
And it makes me wonder -- how come nobody's lining up to give ME $20,000 gifts?????
How do we regular people get in on this gig?

reply »

September 28, 2007 - 10:47am | HD

Simple...

We're not Bill Allen's "friend." Murky, Kott, Kohring, Don, Ted and Ben, etc. WERE his

FBI - Stevens-1235

friends. Isn't it sad to see a friendship end?

reply »

September 29, 2007 - 8:00pm | pp05416

The only time I can remember Murky getting

off his a** in the Senate, he sponsored one bill that is the reason direct deposits to my credit union account now don't get posted until Friday rather than Wednesday. (Unfair competition to his banking lobby who make extra $$$ on the money market!) The other is when Daschle wrote a bill to open NPR and Murkowski, seeing that he might get flack for neglecting his duty, started whining that he should be a co-sponsor. Murky is part of the Big Oil conspiracy to lock up our petroleum resources, so they can control the prices in America and greatly increase profits. All the while blaming "greenies". Prison is only too good for him. After that he became governor and bent over backwards every time multinationals came a callin'.

reply »

11 September 27, 2007 - 2:45pm | Stags_Leap

Palin-bots

the prom queen needs to start governing the state -and actually do something other than issuing press releases and blaming Frank for everything.

That's the downside to this entire scandal. Everyone is focused on the CBC and other investigations, and no one is paying attention to what the hell is happening in the Gov's mansion -or should I say in the Valley. The PPT is a fiasco, MatMaid is a joke, and AGIA is doomed to fail....

reply »

September 27, 2007 - 6:18pm | BravoSierra

first things first

I am amazed you haven't yet blamed the "Prom Queen" for global warming.

How about cleaning out all the dirt/crooks and then starting to get our house in order?

You are sinking to the same level of credibility as bobbyt. Not yet, but you are getting closer.

reply »

September 27, 2007 - 7:12pm | Stags_Leap

the point my little Palin-bots

is that others' mistakes in the past are giving your queen a free pass to do nothing. Sure - they should all burn in hell.

But I am more concerned with today -and the decisions she is making now -or lack of decisions -on running the state. PPT, MatMaid, and AGIA are just the tip. What about domestic violence rates in this state? What about affordable health care for children in this state? What about doing something to improve the standards of living for all Alaskans - instead of empty rhetoric through press releases that piggyback on to the demise of the CBC boys?

reply »

September 29, 2007 - 8:45pm | pp05416

More likely

BP-bots, Conoco/Phillips-bots, and Exxon-bots. Icicle-bots, Princess Cruise-bots, etc.. You put the ads up - I do as you say masters or I'm destined to suffer your wrath! By the way Stags, when have any of your concerns been addressed in the past. Thee's no money in the offing for the CBC boys.

reply »

September 29, 2007 - 9:54pm | gilid

You Forgot

Oil-Can-Dan Fagan-bots. :-)

reply »

September 27, 2007 - 9:18pm | barracos_pizza

What is this?

Is this some kind of spam bot?

reply »

September 27, 2007 - 7:41pm | rfn

And besides....

Being governor is a man's job!

reply »

September 27, 2007 - 10:42pm | sewinds

Palin mismanagement syndrome

FBI - Stevens-1236

Being governor is a FULL-TIME job. It's blatantly obvious Palin's not focused as she chases one crises after another instead of being in front of them.

reply »

September 28, 2007 - 10:14am | rfn

However....

Being Mayor of Anchorage is also supposed to be a FULL-TIME job but the occupant moonlights as a radio talk show host. Perhaps you'd feel better about the governor if she'd take up talk show hosting, too?

Oh, but wait! I forgot....the boy mayor is male and therefore possessed of super powers so can handle multiple jobs.....but the governor refuses to shed her shoes or get pregnant.

reply »

October 1, 2007 - 10:20am | AK_Lady

Ha!

I'd pay to hear Palin host talk radio!

Can you imagine?

reply »

October 1, 2007 - 10:50am | rfn

Ambiguous but fun to guess.....

Whether one might imagine Palin hosting talk radio?

Whether one might imagine you paying for something instead of relying on government to provide it free?

One is more believable than the other....question is, "which"?

reply »

October 1, 2007 - 11:58am | AK_Lady

Huh?

What is it you think I reply on government to pay for? Talk radio?

reply »

October 1, 2007 - 12:48pm | rfn

Anything

that government might be willing to pay for.

But that was choice #2.....

I really had expected you to choose #1.

reply »

September 28, 2007 - 9:01pm | F_Firkle

One day, rfn, should we ever

One day, rfn, should we ever meet, I shall make an effort to buy you a beer, or whatever fits the bill at that moment.

I've appreciated your clarity, dry sense of humor, and thoughts.

Cheers. And keep up the good work. ;^>)

reply »

September 28, 2007 - 10:46am | sewinds

The Palin Show with no edits

Ooh Baby. Like she can put thoughts together into one cohesive sentence also? She'd have to talk about more than just Piper's toothbrush and the bad ethics of everyone else but herself and anonymous bloggers and would have guests (her "special-interest" advisers and people from the valley) to fill the dead empty air.

Get real. Palin's a soundbite kind of gal. Erratic and scatterbrained.

reply »

September 28, 2007 - 10.23am | akgen

ah rfn you keep forgetting,

"chained to the stove".... I really don't understand how you of all people could forget this detail !! just joking. I did post a owl soup receipe a while back ... did you get it?

reply »

September 28, 2007 - 12:20pm | Stags_Leap

where's the humor?

FBI - Stevens-1237

I have to quote Bacon -which seems rather appropriate for the two of you -stoking your own jokes.

"Imagination was given to man to compensate him for what he is not; a sense of humor to console him for what he is."

reply »

September 28, 2007 - 12:33pm | akgen

Staggering while leaping,

lets hope it doesn't ruin the rest of your day.

reply »

September 28, 2007 - 3:43pm | rfn

To the extent

that such deep concern over nonsense built upon the original nonsense kept one person from jaywalking.....it was a massive success!

reply »

September 28, 2007 - 3:52pm | akgen

jaywalking ?

I hate to counterpoint or disagree with some of your fine words, but don't you mean, jayleaping? lol.

Anyhow, I guess Palin and Galvin will be on the radio this pm - 4 oclock hour on kudo1080. They're going to talk ACES and why not "go for the gross".

reply »

September 28, 2007 - 3:56pm | rfn

Jayleaping is not a problem

so long as the leaps are of sufficient breadth to go from one side of the street to t'other without touching down in the middle or bouncing off the roof of a passing police car.

I guess I'll have to read about the Palin/Galvin stuff; just tried again to tune KUDO, even in the truck which has a pretty decent radio. Just not enough signal. Now if they had some union technicians maybe things might be better?

But, alas, a union-owned station whose staff is not unionized.

reply »

September 28, 2007 - 4:06pm | akgen

Use the internet

and listen online. kudo1080.com. Thats what I got to do. I've not the antanna strength to receive it. Oh well. However I do want to know why she was dragged away from the gross kicking and screaming.

reply »

September 28, 2007 - 4:28pm | rfn

Thanks!

I wish it worked....but it didn't. I did manage to get to the station's website and, after a little stumbling, found a "Listen Live" "button".

It caused the browser to churn and churn and churn and then to crash. Not only the browser, the entire cable modem! Had to restart the browser, the computer, and finally the modem just get back here. Then I tried it again....which is why I was away so long. This time it just timed out.

I'm no fan of this "ACES" thing. Anything much more complex than basing a tax on the gross is just inviting chicanery. The rate doesn't bother me....make it whatever great minds agree upon....but make damn sure the determination of what's owed is simple and as near to possible as being diddle-proof!

reply »

FBI - Stevens-1238

September 28, 2007 - 12.23pm | seewhy

mmmmmm.
bacon.

reply »

September 28, 2007 - 1:38pm | Stags_Leap

or
instead of "imagination" in that quote I should use "the ADN Blog" -as you Palin-bots obviously got some serious issues.

Let me know when Palin does something other than screw up MatMaid, the PPT, or AGIA. Her press releases are meaningless.

reply »

September 28, 2007 - 9.29pm | barracos_pizza

PPT..
Okay Stags, you're right. PPT is fowled up.We need to get to the bottom of this Palin PPT connection now. Let's send in a team of investigators.

Let me see, was Governor Palin the governor when PPT was enacted? I think I would first check the last number in the year PPT was passed, and the year when she was inagurated which is 7.

Let call up some of my "deep throat " connections in the Gov't and see if I can get any information.

reply »

September 28, 2007 - 1:50pm | sewinds

Sound of silence
LOL. You're going to wait a long time Stags. Palin can't even get Piper to brush her teeth.

reply »

September 28, 2007 - 10:29am | rfn

No, No, NO!
Can't keep 'em chained to the stove! A chain long enough to let 'em get to the backyard to split the firewood would damage the vinyl on the kitchen floor! Worse, it would wake the master of the house from his nap.

Thanks for the recipe....though it turned out I didn't need it. My son found the box of "Spotted Owl Helper" I gave him way back when.

Any takers for the recipe for the special sauce as made on The Seward Penninsula?

reply »

September 28, 2007 - 10.42am | akgen

vinyl ?
must be nice... but plywood holds the heat in better, but I suppose vinyl helps avoid wood splinters in the tootsies. lol

That whole conversation about 'special sauses' started a entirely new set of recordings from grams on good foods, from "way back in the day".

reply »

September 28, 2007 - 10:48am | rfn

Vinyl over plywood!
Ya gets it both ways....no splinters and it does allow the use of somewhat longer chains as it mildly controls some of the noise. Now if somebody would just invent a light-weight vinyl covered chain the concept of "chained to the stove" might work whilst still allowing enough length for the wench to reach the woodpile!

Besides, wood floors imply hiring a flooring contractor who deals in hardwoods! Any reader of this blog KNOWS that all hardwood floor installers are corrupt.

reply »

September 28, 2007 - 11:20am | prey

ovaries,
both these chicks got them. And a pair of chain cutters and

FBI - Stevens-1239

link crimpers. I wouldn't put it beyond them to cut those chains off and recrimp them to another unsuspecting ankle.

reply »

September 28, 2007 - 3:57pm | akgen

hey prey,

How about some of them old cb radio jokes you used to do? Sometimes we need a good laugh around here.

reply »

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FBI - Stevens-1240

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Alaska Politics

Murkowski, Clark respond

Posted by Alaska_Politics
Posted: September 27, 2007 - 11:29 am

From Kyle Hopkins in Anchorage --

This week, we ran a story about political polls paid for by Veco. In the story, pollster David Dittman said that as best as he can remember, former Gov. Frank Murkowski's chief of staff, Jim Clark, had him bill a $20,000 poll to the company.

Yesterday, the editorial staff ran an opinion piece about the poll.

Clark called this morning with a prepared statement on behalf of himself and Murkowski.

He said:

"The allegations in the editorial are unfounded. Neither Gov. Murkowski nor I instructed David Dittman to do a poll and bill it to Veco. APOC reports show that the Murkowski campaign paid Dittman $102,000 during the primary campaign."

(Clark had declined to comment for the original story.)

After talking to Clark, I called Dittman and read him the statement.

"Wow," he said. "Wow, wow, wow. Geez, I hate to get into this ..."

I asked if the statement from Clark and Murkowski is true.

"No," he said.

A moment later he added: "The best way to say it is, that's not the way I remember it."

Dittman said he and Murkowski have been friends for 30 years and that in his view, there was nothing wrong with the poll.

He said he remembers conversations with Clark about billing Veco. "There were conversations... as I remember it. That's what I was suggested to do. And that's what we did do."

add new comment

September 27, 2007 - 6:11pm | gilld

Stags_Leap

Was Governor Palin mentioned in this article? I've read it twice now; both times it seems to be only about Murkowski, Clark and polls conducted by Mr. Dittman.

Did I miss something?

reply »

September 27, 2007 - 6:28pm | sewinds

Good point Gill

What about ALL the polls Big-Boy Dittman has done for Palin during and after her campaign? Did he share them with her? You know, during the campaign? Did she disclose ALL of them as campaign donations? How much? Since becoming governor BB Dittman has been polling. Is he sharing them with her? How much? Palin disclose these gifts too? Were is the report on gifts to the governor?

reply »

Alaska Politics

This is the place for news on Alaska politics -- state, local and national. Public life in the Last Frontier may never have been more interesting than right now -- the broad and still-evolving corruption investigation, a new governor, powerful members of Congress under scrutiny, and the usual hardball politics on the state, national and local levels. Come here for the latest news and join the discussion.

Contributors

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Kyle Hopkins writes about Anchorage city government and politics. He covered last year's campaign for governor, and has blogged extensively about Alaska politics for the past year. He grew up in Southeast Alaska and was a reporter at the Fairbanks Daily News-Miner and Anchorage Press.
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Archive

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More on Coconut Road - 10/1/2007 11:31 am
Hungry constituents - 10/1/2007 11:15 am
UPDATE: Ben Stevens on Fagan show audio - 9/28/2007 3:59 pm
APOC monday - 9/28/2007 2:05 pm
Murkowski, Clark respond - 9/27/2007 11:29 am
Final thoughts on Kott - 9/27/2007 10:47 am
Stevens talks about Palin, Allen, bridge money - 9/27/2007 10:33 am
Ethics complaint over Coconut Road earmark - 9/26/2007 7:28 pm
Colberg and the Kott trial - 9/26/2007 7:23 pm
Pools & the budget - 9/25/2007 6:17 pm
Kott guilty on three of four counts - 9/25/2007 3:05 pm
Verdict reached in Kott case - 9/25/2007 2:48 pm
Juror: Please replay Exhibit 15 - 9/25/2007 2:35 pm
Assembly: Pools, poo, money and ethics

Alaska's Top Jobs all 87 top jobs

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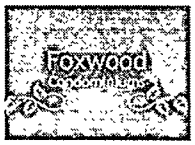

3 of 12

FBI - Stevens-1241

September 27, 2007 - 7:28pm | gilid

Tutorial

Excuse me if this posting sounds overly much like a lesson, as that is what I do in my professional life and I sometimes fall into the habit post-workday. Let me just post this hyperlink to a tutorial on hyperlinks.

You can use hyperlinks to give the reader a clickable link to another web site where you, the poster, have found information that you want the reader to, uh, read. The reader, then, is able to verify what it is that you, the poster, are stating or claiming.

For example, you could hyperlink to a site listing "...ALL the polls" Mr. Dittman (I don't know him personally and so can't refer to him as "Big-Boy") has done for Gov. Palin. Or you could link your reader to a site detailing Gov. Palin's gifts, or the APOC documents showing her (or any politician's) campaign contributions.

Or are you just asking rhetorical questions in your postings?

reply »

September 27, 2007 - 10:25pm | sewinds

More rhetoric

You'll have to excuse me gilid. I'm new to this blog thing and remember when typewriters were the only machines around. Good ideas about the links to the polls and the guv's gift report on her website. (I didn't find anything close on her website.) Enjoy your youth gilidy.

reply »

September 28, 2007 - 6:27pm | gilid

Thanks, sewinds

But the important question I (and perhaps others) have: did you find *anything* you could link us to? Poll reports, gift reports, anything? Anything that would support, or not support, the claims you make in your posts?

And an additional thanks: I did enjoy my youth! It's just possible I may have a year or two on you, sewinds. Just this week I completed paperwork for my second retirement from working life: yep, I'm a double-dipper. And son-of-a-gun, I learned to type on manual typewriters, too! And when personal computers became widely available, learned how to use them (also discovered this feature called a spell checker; I recommend it to all my friends).

reply »

September 27, 2007 - 6:16pm | HD

All symptoms are present...

Stags is suffering from PDS - Palin Derangement Syndrome. Apparently incurable. Sad. Let's hope the suffering won't be long...

reply »

September 27, 2007 - 6:58pm | gilid

True, HD

Stags (and sewinds, too) do suffer mightly from PDS. I'm sure the Service High School quarterback's recent broken leg will be shown to have been caused by Sarah Palin, no, really!

reply »

September 27, 2007 - 7:05pm | Ter_H

Sarah did NOT cuase the quarterback's leg to be broken.....

because it is Frank's fault. ;-)

reply »

September 27, 2007 - 7:20pm | gilid

...And Clark!

:-)

reply »

September 27, 2007 - 7:47pm | Ter_H

Ding!

HaHa.

reply »

10 September 27, 2007 - 2:44pm | hey_georgie_girl_98

Murkowski, Clark respond

- 9/25/2007 2:27 pm
Notes from the jury - 9/25/2007 11:43 am
Jury quits for the day - 9/24/2007 4:56 pm
To the jury - 9/24/2007 12:24 pm
More commentary from inside Courtroom 3 - 9/24/2007 9:26 am
Veco polling - 9/23/2007 6:57 am

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FBI - Stevens-1242

Sworn testimony, under oath vs. a prepared statement.

reply »

9 September 27, 2007 - 2:39pm | Stags_Leap

pointless

it's a he said -she said issue. And the state laws are so vague on this issue anyway -it's not something that would send Frank to jail -even if they could show VECO paid for $20K in polls. He would do a Don Young and revise his his campaign reports.

This is a non issue.

reply »

September 28, 2007 - 9:17pm | F_Firkle

A non issue? Perhaps so.

A non issue?

Perhaps so.

But if it's shown that he and Marquez conspired when APOC was reportedly instructed by Marquez to not investigate Ray Metcalfe's complaints about Benny Stevens, then perhaps a federal conspiracy or obstruction charge might stick.

And that's assuming that no evidence is uncovered re. 'other gifts, promises, or payments' that VECO or others might've slopped frankie's way.

Then there's that letter from Murky's office to U.S. Sen. Pete Domenici, then chair of the Senate Energy Committee (and currently also under investigation), stating that GW's plan (page 118 of Shrubco's energy bill that year) to empower the Secretary of the Interior to waive up to 100% of revenues from drilling in NPR-A was just fine and dandy, as it would be one method of "stimulating exploration and development on the North Slope." A field that was surveyed as having 13 Billion recoverable barrels of oil (as of approximately 3-4 years ago).

Murky's dirty, in my opinion, and I hope that he fries hot.

reply »

8 September 27, 2007 - 2:09pm | edgefinder

Vegas should be making odds on this.

Indictments pay 3 to 1.

and 10 to 1 Frank walks the plank.

Or I guess would those odds be too generous?

I guess it depands on how the syncophants bet.

reply »

September 27, 2007 - 2:22pm | leowassilla

Kinda like..Nenana Ice Classic

The real odds should be placed in these guys not only getting indicted, but in them getting PARDONED before GW leaves office.

Tune in.. December 26, 2008.

reply »

September 27, 2007 - 10:55pm | barracos_pizza

Yeah, talk to the

Yeah, talk to the oddsmakers. See if they can cut a deal to get the federal taxes in on it , too.

And how about do those football chance polls for the numbers on the sentences.. $5 bucks sign a square at your local cantina. Voc, Pete,TA, Weyrach, any number of 'em. Double digit sentencing splits the pot between the digits.

reply »

7 September 27, 2007 - 1:26pm | Ter_H

Clark is a POS that, along with Murkowski, have.....

done more to harm our State than 100 Rick Smith's and Bill Allen's combined.

reply »

5 September 27, 2007 - 12:58pm | leowassilla

Moment...

Pete Kott $2,000

Frank Murkowski $20,000.

These guys claiming innocent.. priceless!

reply »

4 September 27, 2007 - 12:48pm | Alaalik

FBI - Stevens-1243

APOC?
Simple matter. Get Dittman's invoice records, and VECO's accounts payables or Allen's checking account statement.

reply »

3 September 27, 2007 - 12:45pm | raingod

$102K
Wow - $102,000. I thought he only worked on the campaign for a few months: http://community.adn.com/adn/blogs/thetrail/dittman

reply »

September 27, 2007 - 8:24pm | seewhy

102,000, just on polls
and the incumbent governor came in a distant third in a closed primary. blows my mind, man.

reply »

2 September 27, 2007 - 12:43pm | leowassilie

pfft.
These guys are priceless.

reply »

1 September 27, 2007 - 12:22pm | adnak

VECO-Gate!
What are we going to call this sad episode in Alaskan history?

VECO-Gate.

This whole sick era of seeing our legislative representation crumble needs a name for posterity?

VECO-Gate!

What we will we name this shameful period, for history, so that all Alaskans need to just hear it mentioned to know exactly what people are talking about many years from now?

VECO-Gate!

So that it never happens again, and Alaskan pols shudder when they are offered a chance to go astray with our trust?

VECO-Gate.

reply »

September 27, 2007 - 5:13pm | staufen

Maybe it's VECO-DOME
the Thunder cage where lying politicians fight it out - where "two enter, only one leaves" ...

Clark is sitting on the shoulders of the Frankenonsense, Dittman puts them down ...

reply »

« first ‹ previous 1 2

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Senate panel asked to take new look at Young's Florida earmark

FLORIDA: Highway money may be unconstitutional, critics say.

By GREG GORDON
McClatchy Newspapers

(Published: September 27, 2007)

WASHINGTON -- A watchdog group asked the House ethics committee on Wednesday to investigate how a $10 million earmark for a Florida highway interchange, which was backed by Alaska Rep. Don Young, was inserted into a bill that already had won final congressional approval.

In a letter to the committee's leaders, Ryan Alexander, president of Taxpayers for Common Sense, called "the actions taken by Young's staff ... an apparent violation" of the Constitution that undermined the integrity of the House of Representatives.

"In the absence of an accounting and explanation, the public is left to assume the worst, further degrading the already low public regard for Congress," Alexander wrote the committee chairwoman, Rep. Stephanie Tubbs Jones, D-Ohio, and the ranking Republican, Rep. Doc Hastings of Washington. The committee is scheduled to meet Friday.

McClatchy Newspapers reported recently that the FBI is investigating the 2005 earmark for a $10 million study of a proposed Coconut Road interchange near Bonita Springs, Fla., as part of an inquiry into whether Young, R-Alaska, traded his influence as chairman of the House Transportation Committee for campaign contributions or other favors.

On Feb. 19, 2005, three weeks before the House passed a massive, six-year transportation bill, Young visited the site of the proposed interchange along Interstate 75, which was sought by real estate developer Daniel Aronoff. Young also attended a political fundraiser, netting more than $40,000 in donations from builders and developers, including Aronoff, whose land would soar in value if linked to I-75.

The bill that won final passage later that summer earmarked $10 million for "widening and improvements for I-75" in Collier and Lee counties. But on Aug. 10, the language was altered to read: "Coconut Rd. Interchange I-75/Lee County."

Alexander noted in his letter that the earmark was the only one of 6,371 allocations for congressional pet projects to be substantially changed during the "bill enrollment process," in which the House clerk makes technical corrections.

FBI - Stevens-1245

Young has maintained that he earmarked the money for the Coconut Road interchange because residents told him they wanted it in 2005 when he attended one of their community transportation meetings.

Alexander said that in 1854, an alleged tiny, but substantive, alteration of a House land grant bill for the Territory of Minnesota after final congressional passage led to an inquiry that concluded that the perpetrator should face "severe censure."

Alexander called on the ethics committee to investigate who substituted the earmark language, who knew of the change and on whose authority it was made.

194A-AN-13620-M;539

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FBI - Stevens-1246

« previous | MUCK HOME

Alaska Lawmakers Want Info on Veco Ties From Big Oil

By Laura McGann - September 28, 2007, 6:24PM

Two Democratic state legislators in Alaska wrote to three major oil companies today asking whether they were involved in Veco's bribe-laden lobbying effort last year on an oil tax law.

Former Veco CEO Bill Allen pleaded guilty to bribing officials to get a reduction in the tax rate for oil companies, hoping it would encourage them to build a lucrative pipeline. During the trial of former state Rep. Pete Kott (R-AK) last week, the prosecution played a tape of Allen telling ConocoPhillips President Jim Bowles about the lobbying effort. On the tape, Allen is heard saying, "Hey Jim, I told you we would-between-with Pete Kott and Ben we wouldn't have a bill. I know you're probably talking to someone else, but remember what I told you. We got it done."

In their letter, the two state lawmakers asked for reassurance from the oil companies that they were not involved:

> We do not know if anyone at Conoco Phillips, or any of the oil companies engaged in criminal conduct, and do not suggest such conduct occurred. But we have an obligation to the public to make sure we receive reliable assurances that nobody from your companies participated in the improper influence peddling attempts made in 2005 and 2006.

PERMALINK | TOPICS: Veco

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Comments (10)

anonymouse wrote on September 28, 2007 11:16 PM:

Wow... more Alaskan politics.

" We're sorry to bother you, but did any of you upstanding gentlemen break the law? We wouldn't even ask if we weren't under scrutiny from the voters right now, so please do not take this personally. Just say NO and all of us will be off the hook..."

It's pretty easy to see (if this letter is any indication) just who these legislators are representing...

Kuparuk wrote on September 29, 2007 12:31 AM:

I think you underestimate the balls it takes for anyone in a political position in Alaska to make direct accusations against the oil industry.

Just as the Bushies will paint anyone who disagrees with the war as "traitors," so do Alaskans paint anyone who appears to be the slightest bit "anti-oil."

The letter is diplomatically worded because these two men are well-educated professionals, written to well-educated professionals. You can't expect something like, "HAI BP UR TEH SUXXORS!!!1111lol!"

WT wrote on September 29, 2007 1:06 AM:

Guiliani fundraiser funded CA electoral scam

FBI - Stevens-1247

194A-AN-13620-M 540

http://latimesblogs.latimes.com/washington/2007/09/breaking-news-g.html

BREAKING NEWS: Giuliani fundraiser was mystery initiative backer
A close friend and major fundraiser of former New York Mayor Rudy Giuliani has identified himself as the mystery financer of the proposed California initiative to apportion the state's 55 electoral votes by congressional district instead of winner-take-all.

He is New York hedge fund billionaire Paul Singer. He said he provided the $175,000 to initially finance the petition drive to get the measure on the June 2008 ballot. But as The Times' Dan Morain revealed in an exclusive story on this website last night, the drive has foundered on internal disputes and lack of further financing.

itsjustme wrote on September 29, 2007 1:52 AM:

Anonymouse really missed the mark here. Anyone who would cast aspersions on the ethics of Les Gara and Hollis French (and Harry Crawford, too) is COMPLETELY ignorant. Anyone who suggests that they're beholden to the oil companies is COMPLETELY insane. Gara may be the biggest thorn in the sides of the oil companies in Alaska, if the tape recorded conversations in Suite 604 are any indication.
Gara and French are former prosecutors and know what they're doing. Crawford, an ironworker, isn't a lawyer, but he's a pretty smart cookie, too. If Gara, French, Crawford and a few others, like Ethan Berkowitz, had been running the state, we'd be in a way different situation here.

Anonymous wrote on September 29, 2007 5:12 PM:

What is Lisa Murkowski's husbands background? Verne Martell, does he have prior convictions?

How many people in Alaska politics are convicted felons or are they just all losers on the run?

JD21 wrote on September 29, 2007 6:39 PM:

People are fed up with this.

Maybe that's why Obama is gaining steam. He reminds me of Clinton in '92. Obama now leads Clinton in likely Iowa caucus-goers. Let's not forget Dean, McCain and all the other early leaders who nearly always flame out by the end. Right on the war when it mattered, a uniter and very principled, Obama is a good one to watch.

http://rawstory.com//news/2007/Obama_leads_pack_among_Iowa_likely_0929.html

Steve wrote on September 29, 2007 10:27 PM:

I agree with anonymous that the letter does sound timid, but I the (I assume) Alaskans are right about Gara, Hollis, etc. I'd like to think that Alaska is a view of what is to happen in the US as a whole. The Republican lock on the Senate, House, Governorship, and national delegation caused them to think they were untouchable. The Dems - and there are good ones - are so used to being such minor players while the Republican caucus meets in private, are just starting to get their voices back.

Maybe the same rotting on the national level will be exposed the way it is happening here - through trials where some of the dirt is exposed, indisputably, to the world for what it is.

FBI - Stevens-1248

But it isn't just corrupt people, it's a whole system that isn't simply going to go away by electing new people.

ebeneezer wrote on September 30, 2007 12:23 AM:

I agree there is systemic corruption in politics but the fact remains you cannot legislate morality. Either public officials come to the job with altruistic motives and integrity to match, or they come to line their pockets.

Life is made up of mega temptations, but every one of us, when presented with one or the other of them, make those hard choices that let us keep looking at ourselves in the mirror.

anonymous wrote on September 30, 2007 12:33 AM:

"I agree there is systemic corruption in politics but the fact remains you cannot legislate morality"

I beg to differ.

The reason there are not thousands mmore bank robberies than there is now is directly because of the penalties involved. As long as we continue to allow the politicians to rip off our nation.. they will continue.

On the other hand... if we instill harse punishments (take away retirement... ban from future government positions and lobbying... prison) the crimes will decrease.

I learned a long time ago that folks do not practice unacceptable behavior for two reasons. First, it is against their principles and values. Second, they fear the consequences. If you take away the consequences bad behavior will ALWAYS increase, not diminish.

"You cannot legislate morality" does sound pretty cool, though... IMHO

PalmerBuyer wrote on September 30, 2007 3:00 PM:

One of the biggested problems is not 'morality' per se, it is the feelings of 'entitlement' these people have in common, politicians AND oil companies.

Once upon a time they may have been 'moral', but through the years they have ceased to be able to discern the difference between RIGHT and WRONG. They have compromised for so long GRAY areas became BLACK -- and they didn't even notice! (and the voters didn't either!) Again, the sense of entitlement makes them think that because THEY did it, it is OKAY. And they are doing it for 'our' good.

Well, these persons are WRONG. If it looks like a duck, walks like a duck, and sounds like a duck -- it is still a duck ---- even if you call it a peacock and try to sell it as such.

Be warned: Alaskans are getting ready to TAKE BACK THEIR STATE. And I praise the internet age to allow COMMUNICATION to take place where 'behind closed doors' was a mantra.

SO, If you can't tell the difference between a duck and a peacock, please don't bother running for office. WE know the difference.

Post a comment

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FBI - Stevens-1249

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Kott's phone bill raises concerns

Sitka man accuses former lawmaker of tapping calls

While FBI tapes of former Rep. Pete Kott's phone conversations were a major factor in his conviction on corruption charges earlier this week, it wasn't Kott's first involvement with the issue of phone tapping.

A Sitka man is accusing Kott of inappropriately recording calls between the man and his daughter, and using the tapes in a bitter custody dispute involving visitation rights.

Rand Bigelow of Sitka, a former Juneau resident, said those tapes were devastating to his attempts to maintain contact with his now-14-year-old daughter. Bigelow was married in the 1990s to Debora Stovern of Juneau, Kott's girlfriend for a number of years.

Bigelow said those tapes caused a state official appointed by the Office of Public Advocacy to recommend he not be allowed to see his daughter.

In the last session he was in office, Kott sponsored legislation making it legal for parents to tape their children's phone calls. The legislation also established rules for when evidence obtained in such a manner could be admitted in child-custody proceedings. The bill was the only one he succeeded in passing in the 2005-06 Legislature.

Kott, a Republican who formerly represented Eagle River, was found guilty on Tuesday of conspiracy to solicit financial benefits, extortion and bribery. He was acquitted on wire fraud.

Bigelow acknowledged the tapes involved in his custody case sounded bad.

FBI - Stevens-1250

"I've worked construction all my life and I cuss like a sailor. I said some things I shouldn't have said," Bigelow said.

He said any state official confronted with the tapes should have turned them over to law enforcement authorities for an investigation of illegal tapping.

Instead, they were used in court against him.

The state official's supervisor, attorney Janine Reep of the Department of

194A-AN-13620-~~Proc~~M; 541

Law, who supervises the state's Advocates for Children in Court Cases, did not return calls.

Based on the state recommendation and those tapes, Juneau Superior Court Judge Larry Weeks denied Bigelow visitation with his daughter.

Weeks has since retired. He did not return messages left at his Douglas home.

Kott served in the Legislature from 1992 until he was defeated for re-election in 2006, frequently campaigning as a fiscally conservative, family-values Republican.

He had once been a power in the House of Representatives, even serving as its speaker during the 2003-04 Legislature.

While Kott's wife remained in Eagle River, his official residence, he was actually living in Juneau for a number of years with his girlfriend, Stovern.

Bigelow said Kott inappropriately taped as many as 14 hours of calls between Bigelow and his daughter. Bigelow and Stovern were disputing custody.

The tapes Stovern used in court began with Kott announcing when each one was being made, Bigelow said.

"I've got tapes with Pete Kott's voice on them," he said.

Neither Kott nor Stovern responded to separate interview requests relayed through Kott's criminal lawyer.

State Rep. Beth Kerttula, D-Juneau said she knows Kott, along with Stovern, Bigelow and their daughter.

What she said she didn't know when she voted for Kott's parental phone recording bill was Kott's alleged personal involvement in the issue.

"I wish I'd known what else was going on," Kerttula said.

Despite Kott's involvement, the bill does still appear to have merit, she said.

Bigelow said the Office of Public Advocacy and the judge weren't persuaded by his allegations of heavy alcohol use in the Kott-Stovern household.

FBI - Stevens-1251

Since then, Kott's federal court trial has documented extensive alcohol use by Kott in drunken, profane conversations with fellow conspirators. In addition, a former Kott legislative staffer testified she was so concerned about his drinking she'd considered an intervention.

Bigelow said he put his faith in the Office of Public Advocacy to look out for his daughter's interests, but said he made a mistake showing up in court without an attorney, while Stovern had one.

"A guy who shows up in court without a lawyer is a complete idiot," he said.

Bigelow said he has a lawyer now, and is continuing to seek visitation with his daughter.

• Contact Pat Forgey at 523-2250 or patrick.forgey@juneauempire.com.
Click here to return to story:
http://www.juneauempire.com/stories/093007/sta_20070930053.shtml

FBI - Stevens-1252

2 of 2 DOCUMENTS

Anchorage Daily News (Alaska)

October 2, 2007 Tuesday
FINAL EDITION

Trial stirs watchdog agency;
POLITICAL CORRUPTION: APOC's five commissioners call for serious action.

BYLINE: By SEAN COCKERHAM scockerham@adn.com

SECTION: ALASKA; Pg. B1

LENGTH: 609 words

The Alaska Public Offices Commission promised Monday to aggressively investigate corruption in state politics.

The commission, a state agency, is already looking into political polls Veco Corp. bought for candidates. But commissioners said at a Monday meeting they don't plan to stop there.

The scope of the APOC investigation will also include issues such as Veco fundraisers and the "special bonus program" in which Veco reimbursed its executives for making political contributions. Those came up at the recent federal trial of former state Rep. Pete Kott, as did the political polls.

"I want names. I want money," said commissioner Elizabeth Hickerson of Anchorage, a Democratic retired state attorney whose APOC term began last year. "I want every violation."

APOC has five commissioners: two Democrats, two Republicans and one chosen by the rest of the commission. One of the Republicans, Larry Wood, is a retired Alyeska Pipeline Service Co. assistant general counsel.

APOC's aggressive attitude marks a major shift for the watchdog agency, which has been considered largely toothless for years.

APOC Chairman Roger Holl, who doesn't represent a political party, said the typical ways of business are changing. Holl said the ongoing federal corruption probe into Alaska politics has shown the need for APOC to dig deeper.

Holl said the corruption in Alaska is "sort of like a low-grade fever that has suddenly erupted in the body." An Anchorage lawyer, Holl said he feels a new energy and thinks the commission is rising to the challenge.

It remains to be seen just how effective APOC can really be. The agency faces statute of limitations issues on civil penalties and doesn't have the authority to pursue criminal charges. Commissioners said they would refer evidence of criminal acts to the state attorney general's office, but Attorney General Talis Colberg has said the state needs to tread carefully because the FBI doesn't want interference in its investigation.

APOC also has only a single investigator, Jeff Berliner, and he's new. The agency didn't have any investigators before the Legislature funded Berliner's position earlier this year.

Commission member Hickerson said she wants APOC staff to dig through the agency's budget and see if any money can be found to bring on an experienced investigator to help Berliner.

FBI - Stevens-1253

"This is a high priority. This is the No. 1 priority," Hickerson said of APOC's investigation.

Anchorage Democratic state Rep. Les Gara said at the meeting that APOC should consider asking the governor and Legislature for more money. Gara said the Legislature has traditionally been hostile to APOC and he doesn't blame the commission for its inability to act up to this point. But he said the state shouldn't rely on the FBI to come in and clean up the mess that is Alaska politics.

194A-AN-13620-M;542

Gara also said APOC's concern about a one-year statute of limitations on imposing civil penalties might not be warranted. Gara, a lawyer, argued the one-year clock doesn't start running until the crime is found out, rather than when it was committed. The state Department of Law is looking into that.

Commissioner Hickerson said, regardless of the statute of limitations, nothing is stopping APOC from investigating to bring evidence of crimes to light.

Alaska Republican Party Chairman Randy Ruedrich suggested that APOC also look into polls purchased for political candidates by labor unions.

Find Sean Cockerham online at adn.com/contact/scockerham or call him at 257-4344.

Talk about it: Keep up with all things political, discuss them and hear what others have to say on our Alaska politics blog at

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LOAD-DATE: October 2, 2007

LANGUAGE: ENGLISH

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FBI - Stevens-1254

Rep. Don Young (R-AK) (Donyoung.house.gov)

Watchdog Group May File Lawsuit over Coconut Road

By Laura McGann - October 2, 2007, 4:36PM

If the House ethics committee doesn't investigate the Coconut Road earmark that someone slipped in to a 2005 highway bill at the behest of then-transportation chair Rep. Don Young (R-AK), then a watchdog group may file a lawsuit to get to the bottom of it.

The non-partisan Taxpayers for Common Sense called on the House ethics committee to review how $10 million listed for a highway widening project ended up making its way to a project benefiting a developer and major Young campaign contributor *after* both chambers voted on the bill. But despite the fact that the change seems a blatant violation of House rules, chances are the infamously inert ethics committee won't jump to action.

Watchdog group Public Citizen told *The Hill* that it would consider taking the matter before a judge if the ethics committee doesn't act.

The group once filed a similar lawsuit after the Senate clerk inserted a typo into a budget-reconciliation bill that cut $39 billion from health, education and other programs. Public Citizen lost before a U.S. District Court in D.C., which upheld the typo as law. The group is appealing the decision to the U.S. Supreme Court.

Craig Holman of Public Citizen said the Coconut Road scandal might make for a better case because the edit appears deliberate.

> "This is a very obvious change," Holman said. "This is not a typo. This is actually dealing with $10 million for such an unpopular project that the Florida County doesn't even want it."

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anonymouse wrote on October 2, 2007 5:38 PM:

See folks... neither the Republicans NOR the Democrats actually have a desire to clean up Congress... it is nothing but window dressing that they are willing to change. "We the People" are no longer involved in the process. We are but obstacles to push aside as the tyrany plows on... IMHO

anonymouse wrote on October 2, 2007 5:41 PM:

Sorry... tyranny

FBI - Stevens-1255

194-AN-13620-M; 543

Ed*ard Teller wrote on October 2, 2007 6:25 PM:

Diane Benson, who wants to help clean up the US House by defeating Young in November, filed a query/complaint with the House Ethics Committee on September 17. Taxpayers for Common Sense followed Benson's lead a week later, and now Public Citizen is interested in the merits of this case. I do hope this is cleared up, or all sorts of Congressmen will be doing this, which would be absurd.

Kuparuk wrote on October 2, 2007 7:38 PM:

Yeah, yeah, Diane *always* wants to defeat somebody....

Wonder if she'd work as hard to defeat him if she weren't running?

betty wrote on October 2, 2007 9:26 PM:

Young's Secret Tweak? Young's Secret Tweak!

I wish someone would tweak me 10 million.

I can not believe that Nancy Pelosi and the rest of the democrats are just letting this slide by. Why haven't they sent this crook home in shame? When do we get our government back from these crooks?
Nancy and Harry have a new trick now - their mail box is always full so you can't leave a message. I guess I'll have to get a fax machine.

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Peter Sheehy
Adrianne Jeffries

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Anchorage Daily News (Alaska)

October 2, 2007 Tuesday
FINAL EDITION

Oil companies' ties to Veco eyed;
PRODUCTION TAX: What the "big boys" knew about an effort to alter legislation is questioned.

BYLINE: By TOM KIZZIA tkizzia@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 3539 words

On June 6 of last year, with the state House of Representatives poised to adopt a new 23.5-percent tax on oil production, Veco Corp. chief Bill Allen placed a phone call to the president of Conoco Phillips Alaska. The FBI was listening in.

"If there's any way we can get this thing stopped, that's the best possible outcome," says Conoco Alaska president Jim Bowles.

"It's just between me and you, but I got Pete Kott and Ben doing it," Allen tells the oil company executive.

Bowles doesn't ask how or why. Instead he stresses the importance of getting the House to adjourn. Later in the call, Allen returns to Kott and Ben Stevens, who at the time was president of the state Senate, and boasts they planned to force adjournment in a way that can't be traced.

"Well, that's ideal," says Bowles.

There's nothing in the brief conversation to indicate that Conoco knew Allen had paid bribes to Kott and Stevens, as Allen admitted doing in Kott's corruption trial in federal court in September.

But the wiretap recording of the call, along with other audio and video evidence presented by prosecutors in the Kott case, has raised new questions about oil company lobbying in last year's tax debate, drawing attention to relations between Alaska's major oil producers, Veco and the still-unfolding federal corruption investigation.

Was Veco lobbying on its own behalf or under instructions from BP, Conoco and Exxon -- "the three big boys," as anxious Veco officials call them on surveillance tapes? Did Veco have a long-standing agreement by which it received benefits for its political work, such as North Slope oil field service contracts?

And did the companies, whose officers and lobbyists worked side-by-side with Veco on the big oil-tax and natural gas-pipeline bills of 2006, know how far the company was willing to go?

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SUSPICIONS AROUSED

Allen and another former Veco executive, Rick Smith, have pleaded guilty to conspiracy, bribery and extortion, and a jury convicted Kott on those charges last week. Since the conviction, local blogs and talk radio have been filled with questions about how much the oil producers knew.

Democratic legislators jumped into the fray Friday, calling on oil company chiefs to spell out any "coordination" between their companies and Veco during the oil tax debate. They said it is important to clear the air before the Legislature convenes in special session Oct. 18 for another look at the oil tax system. Republican Gov. Sarah Palin has said the tax eventually passed last year was "tainted" by corruption.

Rep. Les Gara and Sen. Hollis French, both Anchorage Democrats, wrote oil companies a letter asking if their representatives "ever

194A-AN-13620-m;544

discussed whether Veco would seek to influence legislators with campaign donations or other payments." They cited evidence from the Kott trial.

"How can you not ask the question with that evidence? Was Bill Allen their henchman?" said French.

In recent statements, all three oil companies denied knowing anything about the bribes or other crimes. Exxon, BP and Conoco said they have been told their employees are not under suspicion or being investigated.

"BP had no knowledge of any illegal activity that was taking place, and we condemn the behavior in the strongest possible terms," said BP Alaska spokesman Daren Beaudo .

Conoco Phillips Alaska president Bowles has declined to answer questions about Veco. His company released a statement that Bowles issued to company employees in the wake of the evidence presented in the Kott trial, in which he said he had no knowledge of illegal activities.

"Unfortunately, the government's corruption investigation of certain legislators and several former executives of Veco has cast a pall on the image of our company and our industry in Alaska," Bowles said. "It is impossible to prevent false rumors and innuendo, but times like these reinforce the importance of our absolute commitment to open, honest and ethical behavior."

As to any long-standing agreements with Veco about political influence, the companies declined to say anything.

CAMPAIGN MONEY TRAIL

Examination of the FBI recordings and trial testimony available so far in the federal corruption investigation reveals no clear evidence that the oil companies knew anything about bribed legislators.

That's not to say the record is complete, however. Recordings played for jurors in the Kott trial, relating specifically to the charges against him, add up to only a few hours. FBI officials say total intercepts in the Veco investigation, which covers other political figures as well, include more than 17,000 phone calls and at least 400 hours of video recordings from the company's bugged suite at Juneau's Baranof Hotel.

Veco, which started as an oil field services company, has been a prominent political player in Alaska for two decades.

The company has long been the biggest source of campaign money in Alaska, both on the state and federal levels. In the three campaign cycles before the 2006 tax fight, for instance, Veco officials donated five times as much money as officials from Conoco, Exxon and BP combined. Veco multiplied its influence by holding political fundraisers and bringing in checks from other sources.

Much of this money, Allen now admits, was reimbursed illegally to Veco officials through a special bonus program, in which the company provided executives money to give to favored candidates.

In the past, Veco officials said they were involved in campaigns because they wanted to see pro-development candidates elected. Allen offered a second reason for raising Veco's profile, when he testified in Kott's trial: growing competition for oil field work from Native corporations. And aside from its involvement in campaigns, Veco for many years had been a heavy, visible lobbying presence in Juneau, with Allen sometimes flying in to personally lobby lawmakers on bills affecting the oil industry.

But some dispute that Veco became a major political player strictly on its own.

Two former legislators told the Daily News in interviews last week they'd been told by Allen he answered to the major producers as he lobbied the Legislature -- at least in the years before 2006.

FBI - Stevens-1258

"There may be, and I think there is, culpability on the part of the producers," said Jim Whitaker, a former Republican state representative who is now the Fairbanks North Star Borough mayor and a proponent of a gas pipeline opposed by the major producers. "They were certainly aware of much of what Veco is doing. These are not naive people."

Whitaker recalled a conversation with Allen around 2000 about prospects for a gas pipeline.

"What Bill Allen told me in the course of that conversation was that the only person he listened to in regard to the gas line was the then-president of Arco Alaska, Kevin Meyers," Whitaker said. "He was the person that told Bill what to do regarding gas line issues."

Rick Halford, a longtime Eagle River lawmaker and former Senate president, said Veco's role was evident to most legislators.

"Everybody knew that Veco was representing the majors, but they were never saying it directly," Halford said.

Halford said he considered Allen a personal friend after taking him on a moose hunt, even though they clashed increasingly over oil policies. He recalled a meeting in his Senate office after BP proposed to buy Arco. Halford was a leader in the legislative opposition to the purchase.

"I can remember him telling me directly how much pressure BP was putting on him," Halford said. "Some people used to say Bill Allen was their designated hostage, to be tortured when the majors needed something. They tortured him with the contracts he needed to keep his people working."

Another perspective in circulation is that, by 2006, BP had come to view Veco with apprehension. Sen. Fred Dyson, R-Eagle River, said he heard as much from then-BP Alaska president Steve Marshall in a Capitol parking lot conversation during the oil-tax session. Dyson said he asked about the common perception in Juneau that Allen was working for the oil producers.

"He kind of scares us," Dyson recalled Marshall as saying. "We worry he'll screw up someday." The impression of Allen as chief political fixer was one promoted by Allen himself, the BP chief told him.

Dyson, who recently disclosed that he was working with the FBI during the 2006 sessions, added that he had no way of knowing whether Marshall's depiction was accurate, or an attempt to preserve a safe distance from Veco.

PRESSURE IN JUNEAU

In 2006, with oil taxes and a gas line deal looming, the oil companies hired additional lobbyists and sent officials to Juneau. Exxon reported spending more than $500,000 that year on lobbyists, Conoco $750,000, BP $1.2 million.

One picture that emerges from the FBI recordings is of Allen and Veco vice president Rick Smith, wound tight with anxiety as they weighed how their actions might be perceived by the oil companies. Plotting votes on the oil tax, they seem afraid to budge from the 20 percent tax to which they are somehow bound -- even when Kott, in May, says it would be good damage-control strategy to move higher.

"Pete, you might be right as rain, but how do we make a living?" Smith asked the legislator. Smith called their inability to move "a huge predicament."

The Veco bosses expressed resentment when other industry lobbyists take credit for their access to key legislators on Capitol Hill.

"They forget how they got introduced to them," Smith lamented in May.

"I think ol' Jim Bowles will remember me," Allen said. "That's all I care about, is ol' Jim Bowles."

Veco was pushing for a long-term tax deal on oil, which the major oil producers described as an essential step toward winning their support for a gas line.

A gloomy late-night conversation between Allen and Smith over drinks in the Baranof suite back in March seemed to set the tone for the months to come.

"Me and you, we have to f---ing produce. Right now," Allen says.

"Have to get dirty and have to produce. I understand that," Smith says.

FBI - Stevens-1259

"But our clients have to know what we've done," Allen says. "... Because it's so important to us. Your life and my life. Whatever the f--- I got to do, I'll do it. Right here, we've got to produce."

The recordings are revealing in subtle ways too, with Allen being deferential to Bowles just as Kott was deferential to Allen. In both relationships, the man higher up the food chain directs the conversation, the lower one listens for cues, seems to crave recognition and makes sure to claim credit.

Two days after his conversation with Bowles, the Legislature adjourned its first special session without a bill and Allen called the oil company president back. He left a voice mail message, mentioning Kott and Stevens again. "Remember what I told you," Allen said. "We got it done."

CASHING POLITICAL FAVORS

Critics, including French and Gara, have homed in on Allen's comments to Bowles about leaving no trace of who was responsible for killing the bill.

"There were rumors around the session that Veco was involved in vote-buying," Gara said. "Why would Jim Bowles be concerned about a legislator leaving fingerprints on a bill? That is an indication that somebody knew something was going on."

The secret recordings also turn up evidence of how political influence was seen by Veco as a kind of currency. In March, Smith received a call from Kott, who was in Washington, D.C., having drinks with Marathon Oil's director of government affairs. Marathon, with oil and gas operations in Cook Inlet, was concerned about how new oil taxes aimed at the North Slope would affect them.

"We've got to take care of Marathon in this deal. We can carve them out something," Kott says.

Smith evades the subject at first, then sternly tells Kott not to promise anything to Marathon.

"We went to bat for those guys in Cook Inlet, and they dumped us on the maintenance contract," Smith says.

Kott seems to snap to attention. "All right, you know where my allegiance is," he says.

As the basis for a criminal charge of wire fraud, the recording fell flat. Kott later voted in favor of a Cook Inlet deal helping Marathon, and this was the one count on which the jury acquitted Kott. But it seems revealing as a window into Veco's motivations and the dog-yard hierarchies among the companies.

OIL COMPANIES RESPOND

Exxon responded tersely to inquiries about the investigation with a written response that said only, "To the best of our knowledge, ExxonMobil is not the subject of any inquiry and we have received no indication from the government or other sources to suggest any actions by company employees were unlawful."

Exxon noted that Veco had contracts with the company cleaning up after the Exxon Valdez oil spill and on oil projects in Sakhalin, Russia. The company declined to answer specific questions.

BP was more forthcoming. Beaudo, the company spokesman, said federal investigators have been in touch with BP Alaska employees as part of the broader inquiry into Veco. Federal officials have indicated that no one at BP is under investigation or suspicion, he said.

"There has been a level of contact as part of the investigation," he said. "Any further detail about the extent of those contacts is best left to the investigating agencies."

As operator of most North Slope oil fields, BP had "significant" contracts with Veco, said Beaudo. Their lobbyists talked, and BP's name appears to have been on Veco's lips frequently. But the company had not asked Veco to do anything in Juneau on its behalf regarding the 2006 oil tax, he said.

"We were not asking others to carry our water," Beaudo said. "No one should be surprised that there was an exchange of information on an important policy position like this."

Beaudo declined to answer questions about pre-2006 relationships between his company and Veco regarding campaign finance and lobbying.

FBI - Stevens-1260

Contact reporter Tom Kizzia at adn.com/contact/tkizzia or call him in Homer at 1-907-235-4244.

VECO'S BIG DOLLARS

Here's how much Veco executives and employees gave to Alaska candidates, compared to what executives and workers with the big North Slope oil producers contributed, during the first three campaign cycles of the decade. The totals include money from political action committees.

2000 Veco's big dollars

Veco $ 222,425

Exxon $ 1,950

Arco $ 10,290

BP $ 18,605

2002 Veco's big dollars

Veco $ 265,858

Exxon $ 2,250

Conoco $ 9,200

BP $ 33,472

2004 Veco's big dollars

Veco $ 211,085

Exxon $ 1,700

Conoco $ 22,805

BP $ 31,310

Source: National Institute on Money in State Politics, www. followthemoney. org KEVIN POWELL / Anchorage Daily News

Veco and the oil industry: FBI recordings from the Kott case

Here are transcripts of FBI wiretaps and surveillance videos that show Veco executives dealing with oil industry officials or talking about them. All were played for the jury in the corruption trial of former Rep. Pete Kott. Transcripts were produced by the Daily News. To listen and watch yourself, go online to adn.com/fbi

JUNE 6, 2006

Oil lobbyists were scrambling after the state House suddenly bumped a proposed oil tax up from 20 percent to 23.5 percent. Then-Veco CEO Bill Allen called Conoco Phillips Alaska president Jim Bowles to discuss strategy, which involved getting the Legislature to adjourn its special session before the House and Senate could agree on a number.

Allen: Uh, we want to just see if we can't stop this thing, don't we, Jim?

Bowles: Yes, sir. If there's any way we can get this thing stopped, that's the best possible outcome.

Allen: OK. Well, I got working, and it's just between me and you, but I got Pete Kott and uh Jim, uh I meant, Ben doing it. And hopefully, we can, they're gonna try.

Bowles: Well ...

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Allen: (Unintelligible) Go ahead.

Bowles: Well, Bill, one thing that I think what we had talked about is that probably the best outcome for us is to get the House to go ahead and gavel out and finish up and get them out of town.

Allen: Right, that's what I'm trying to do.

Bowles: OK, well good. I think we're supportive of that. Because if we can get them out of town, we've got a better chance. Then all

we've got to do is just work the Senate by themselves.

Allen: Right. Uh, you know, the governor, he's gonna try to get a goddamn, you know, uh, a tax. S---, let me slow down. You know, like a 20, I think they're trying to find 221/2, is what I think the governor is wanting.

Bowles: Well, that's not a good answer, and ...

Allen: I know it is. I know it is, and why ... if we can get it shut down then he may call another special session real quick.

Bowles: Well, we can deal with that next. But we told ... Look, we met with the governor yesterday and we told him, 221/2 is not a good answer to this. No one's gonna be happy with 221/2. And, I mean -- Actually Bill, I think our belief is 231/2 is better than 221/2 because it just provides us the basis to say we've just really got a terrible, you know, terrible answer.

Allen: Right. Right:

Bowles: So I don't ... We're not trying to push to get this thing moved to 221/2 right now.

Allen: Yeah. What I'm just trying to tell you, Jim, is that you can bet that (Murkowski chief of staff) Jim Clark and them are gonna try to get a PPT somehow.

Bowles: Well, you know we've talked with Clark, we've talked with him several times about don't push through 221/2. That's not what we want to see as an outcome. So if he's doing that, he's doing it against conversations we've had.

Allen: OK.

Bowles: But are ... Do you think that's what he's doing, Bill?

Allen: Yes. Yes. He tried this morning.

Bowles: Well, now I understood he had a meeting with (Fairbanks Rep. Mike) Kelly.

Allen: Yeah.

Bowles: But I think that's the only meeting he's had, isn't it?

Allen: That's all I know of. But ... Kelly told him hell, told him no.

Bowles: And if that's the only contact he's made. He did tell us he was gonna have that meeting with Kelly.

Allen: OK, OK.

Bowles: So, but if that's the only one he's doing, that's OK because he told us he felt that Harris had asked him to have that meeting.

Allen: Right.

Allen: OK. Well, uh, I, you know, they're gonna do it so they don't know that they, with Pete Kott and Ben, they're gonna do it so they don't know who, who it came from.

Bowles: Well, that's ideal. And it needs to catch them by surprise because otherwise they'll stay in session just so they can, you know, cause problems.

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Allen: Maybe they can't get it done, but they think, they told me they thought they could.

Bowles: OK, well that's good news. Bill, I tell you what, I think if we can get this killed this time we can come back and package up something that works better for the governor and for ourselves.

Allen: OK. All right. It's not 100 percent. But they're really ... probably we got 80 percent of getting the House shut down.

Bowles: Well, that would be good if we could. So we'll stay in touch then. Thanks for the call, Bill.

Allen: You bet. Bye.

JUNE 8, 2006

Two days later, a compromise failed, the Legislature adjourned and Allen called Bowles back to take credit. This is from surveillance video from Veco's Suite 604 of the Baranof Hotel in Juneau. The recording starts with Allen on his cell phone leaving a message.

Allen: Hey, Jim, I told you we would, uh, between ... Pete Kott and with Ben we wouldn't have a bill. So I know you're probably talking to somebody else. But remember what I told you, that we got it done. (hangs up)

Rick Smith walks into the picture during the call and sits down. Kott is sitting next to the camera.

Allen: And that's what I told him. I just had a voice mail but he'll understand. I told him between Pete Kott and Ben, it doesn't matter whether Ben or you did it, but we won't have a goddamn bill.

Kott: We don't know what would have happened in the Senate, to be honest Bill ...

Allen: What I told Jim, Jim Bowles, I said between Pete Kott and Ben, we won't have, I said they ... won't even have their fingerprints on the son of a bitch.

MARCH 4, 2006

Veco chief Bill Allen and vice president Rick Smith are drinking in Suite 604 midway through the legislative session. They're talking about the need to pass legislation that would help develop a natural gas pipeline.

Allen: Let me tell ya. We gotta produce. ... Me and you have to (expletive) produce...

Smith: You have to get dirty and you have to produce. I understand that.

Allen: Right here ...

Smith: We have to be careful how we do it.

Allen: For sure.

Smith: Yes, we have to do it. It's -- and we're doing it.

Allen: But our clients have to know what we've done.

Smith: I know. But they don't (expletive) pay any attention ...

Allen: Somewhere here with Jim Mulva (Conoco Phillips president), and with the big wheel with BP and Exxon and all that stuff, we got to (expletive) produce.

INSIDE

TRANSCRIPTS: Read conversations recorded by the FBI between Veco and oil industry players.

Page A-5

APOC: Which politicians had Veco pay for polls?

FBI - Stevens-1263

Page B-1

AUDIO AND VIDEO: Hear and see FBI wiretaps and surveillance videos from the Kott corruption case at

adn.com/fbi

TALK ABOUT IT: Keep up with all things political, discuss them and hear what others have to say on our Alaska politics blog at

adn.com/alaskapolitics

LOAD-DATE: October 2, 2007

LANGUAGE: ENGLISH

GRAPHIC: Illustrated by Kevin Powell
ILLUSTRATION SHOWS HOW MUCH VECO EXECUTIVES AND EMPLOYEES GAVE TO ALASKA CANDIDATES AND POLITICAL PARTIES, COMPARED TO WHAT EXECUTIVES AND WORKERS WITH THE BIG NORTH SLOPE OIL PRODUCERS CONTRIBUTED.
Jim Bowles is president of Conoco Phillips Alaska, Inc.
Dyson
AL GRILLO / Associated Press archive 1996
Former VECO Corp. president Bill Allen, right, talks with then-Senate Finance Committee chairman Rick Halford in May 1996 in Juneau. Halford said Veco's role in energy legislation was evident to most lawmakers. "Some people used to say Bill Allen was their designated hostage, to be tortured when the majors needed something."

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Newsweek

Oct. 8, 2007 Issue - Hillary Clinton and other Democrats recently returned hefty campaign contributions after learning that top "bundler" Norman Hsu was a fugitive. Now Republicans on Capitol Hill are wrestling with how to handle their own embarrassment: Bill Allen, a former oil executive who pleaded guilty in May to bribery and extortion charges and is the central witness in a massive FBI probe in Alaska. Allen provided key testimony leading to last week's bribery conviction of former Alaska speaker of the House Peter Kott, one of a group of local lawmakers who dubbed themselves the "Corrupt Bastards Club." Allen, who served as Alaska's Bush-Cheney 2000 campaign-finance chairman, testified that he paid $4,000 per month in consulting fees to GOP Sen. Ted Stevens's son and subsidized remodeling on the senator's house. (Stevens's home was raided by the FBI in July; he has denied any wrongdoing.)

Story continues below ↓

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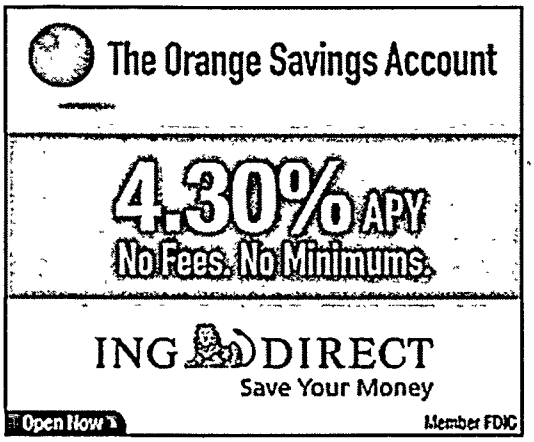

According to court documents, Allen also told the Feds that, beginning in 2004, he gave bonuses to executives of his oil-services firm, Veco, to reimburse them for donations to federal candidates—a violation of campaign-finance laws. The Center for Responsive Politics reports that Allen and other Veco execs have given more than $363,000 in federal contributions since then, nearly all of it to GOP lawmakers and President Bush. The National Republican Senatorial Committee, which received a total of $75,000 from Veco execs, confirmed to NEWSWEEK it has donated $25,000 it got directly from Allen to a veterans' charity; Stevens is donating $18,000 from Allen and another convicted co-conspirator to charity but is keeping, for now, more than $50,000 from other Veco contributors. U.S. Rep. Don Young returned $38,000 from Allen that covered the cost of an annual "Pig Roast" fund-raiser, but he isn't giving back $70,000 in direct donations from Allen and Veco execs. A spokesman for Young declined to explain, saying, "It would be inappropriate to comment on an ongoing investigation."

—Michael Isikoff and Tony Hopfinger

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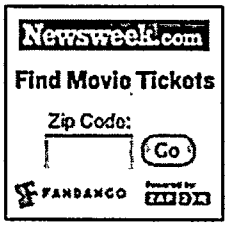

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Alaska Newsreader

Today's news for the Last Frontier

By Terry Carr | tcarr@adn.com

(Published: October 3, 2007)

News for Wednesday, Oct. 3

25 years later, multiple murderer still free. The Bellingham Herald in Washington has a fascinating, richly detailed story recounting one of the most famous murder cases in Alaska history: the killing of eight people, including children aged 5 and 4, near Craig in Southeast Alaska.

Laurie Hart lost a brother in the Investor slayings. A print depicting the vessel is behind her. (Philip A. Dwyer/The Bellingham Herald) ( )

John Kenneth Peel was tried twice for the 1982 slayings aboard the purse seiner Investor, which was destroyed by a fire so intense it was impossible to say precisely how some of the eight died. A jury in Peel's 1986 trial deadlocked. Another jury in 1988 acquitted him.

Today, the case is not being actively investigated, Alaska State Trooper spokesperson Beth Ipsen. "We do believe that we had our guy," she said.

***

Fairbanks election results. Fairbanks voters on Tuesday shot down a borough sales tax and approved a city tax cap, but no candidate got enough votes to avoid a runoff in the race for city mayor, according to stories in the Fairbanks Daily News-Miner. Here's links to the stories:

- **Sales tax**. Only about 29 percent of voters approved the plan, which would have cut Fairbanks North Star Borough property taxes in half.
- **Mayor's race**. Terry Strle won 37 percent of the vote, but needed 40 to avoid a runoff. Vivian Stiver got 22 percent; Don Seeliger got 21 percent.
- **Tax cap**. About two-thirds of voters approved the proposal.

***

Ketchikan voting. A story in the Ketchikan Daily News reports that voters there soundly rejected an initiative that would have limited future jewelry store density. Initiative backers argued the community had too many jewelry stores downtown, but foes said business restrictions set a bad precedent.

About 63 percent of those voting came down against the measure, the Daily News says.

***

Juneau voting. Voters in Alaska's capital city said "no" to the return of fluoride to city water, the Juneau Empire reports. The proposal went down soundly, with 61 percent of those voting saying they opposed it.

194-AN-13620-M-546

FBI - Stevens-1268

The Empire story called the issue "one of the most hotly contested and expensive ballot initiatives in the city's history." The American Dental Association funded most of the pro-fluoridation's $151,000 campaign, the story says.

***

"Alaska: Northern Exposure." A Newsweek Periscope item says the federal probe into corruption in Alaska is presenting problems for Republicans, who are wrestling with what to do about contributions from Bill Allen and other Veco Corp. executives. The story cites Center for Responsive Politics numbers that say Allen and other Veco people have given more than $363,000 in federal contributions since 2004.

As of now, the National Republican Senatorial Committee and Alaska Sen. Ted Stevens have given some of their Veco money to charity and Alaska Rep. Don Young has returned some that he got, according to the story.

***

World War II veterans. An APRN story features several former soldiers, now living in Juneau, who served in the 10th Mountain Division during World War II. The division suffered one of the highest casualty rates of the war, with more than one-third of the division's 13,000 troops either killed or wounded in fighting in Europe, according to the story.

The division's troops were primarily skilled in skiing and climbing and pioneered the ski industry and outdoor gear companies back in the U.S., the story says.

***

Missile system "up and running." A story in The New York Times reports that those overseeing the nation's antimissile system — a system that includes the missiles based in Alaska — conducted a successful test last week and is ready to respond to an emerging crisis in Asia.

"We can bring missiles up or take them down as need be so that they can continue doing the testing," said General Renuart, commander of the military's Northern Command, based in Colorado Springs. But, he added, "I'm fully confident that we have all of the pieces in place that, if the nation needed to, we could respond."

Critics have contended the system is flawed and isn't needed.

***

AK on PFD. With Permanent Fund dividend money going into the bank accounts today of those who met the filing deadline and chose direct deposit, an "AK" story on a number of features of the program is timely. The radio program (it's almost an hour long, but the dividend material is the first in the lineup of stories) looks at some of the basics of how the program works, how the amount of the dividend is determined, and how the state tries to deal with fraud.

The story also airs the personal plans of a number of Alaskans on what they intend to do with their $1,654 check.

FBI - Stevens-1269

***

The earmark that won't go away. A story in The Hill says that lawyers and watchdog groups

are asking for an investigation and thinking about a lawsuit involving a change to an earmark in the 2005 transportation bill. The change, which came after the bill passed Congress, involved Coconut Road in South Florida and benefited a campaign contributor of Alaska Rep. Don Young, who has refused to say anything about the issue.

Also on the lawsuit question, **TPMMuckraker.com** has a story saying that Taxpayers for Common Sense is threatening to file one if the House ethics committee doesn't investigate the Coconut Road earmark. The story has an opinion about how events could go: "... (D)espite the fact that the change seems a blatant violation of House rules, chances are the infamously inert ethics committee won't jump to action."

***

Amazing fish tag journey. Scientists are trying to figure out how an electronic fish tag, which was originally implanted in a steelhead at a Washington state fish hatchery, made its way to New Zealand, where in April it was found in the belly of a sooty shearwater chick, according to an **Associated Press** story. The tag had traveled 7,700 miles.

"We know (the tag) went into the ocean, and we know it ended up in New Zealand," said Dave Marvin, who tracks Columbia River PIT tags for the Pacific States Marine Fisheries Commission in Portland. "But what happened in between is speculation."

***

Steamed over bridge demise. An **Alaska Journal of Commerce** story airs views from Ketchikan area lawmakers and community leaders who are hot over Gov. Sarah Palin's order ending work on the Gravina Island bridge. Some critics said they never saw the order coming and, in fact, had been talking in recent weeks with state officials about ways to slice the cost of the bridge.

"Not to communicate with local legislators and communities on a major project like this is just not done," said Sen. Bert Stedman, a Sitka Republican.

And in Juneau ... Community leaders and lawmakers there wonder what the "bridge to nowhere" decision means for a Juneau access road, according to a **Juneau Empire** story. The Juneau Access Project, as it's called, has been a source of contention for years, and cutting the bridge money could mean there won't be money for the road project either or it could mean there's money available now.

Trouble is, answers aren't easy to come by. "I haven't the slightest idea," Sen. Kim Elton, a Juneau Democrat, said of the meaning of the Gravina bridge cancellation.

***

FBI - Stevens-1270

Sean Penn vs. Barrow's vampires. Sean Penn's movie "Into the Wild," the story of the wanderings and death of Chris McCandless, is getting a ton of media attention. But there's another movie due in the next couple weeks that features Alaska: "30 Days of Night." The publicity accompanying this one says it's about a gang of bloodthirsty vampires who move in on Barrow during its weeks of darkness and start trimming the population.

Want a peek? **IESB.net** has a minute-and-a-half cut and a ton of still pictures. Don't look unless you're prepared for lots of fire and blood.

***

Ted Stevens at the movies. The Washington Post's **Reliable Source** columnists took note of the fact that Sen. Ted Stevens was spotted at a Georgetown movie theater in Washington, D.C., over the weekend. (The Stevens item ran down the page from the Britney Spears one, which detailed her personal, professional and family problems.)

And no, Stevens wasn't at the movies to see "Into the Wild." The senator was going to see "3:10 to Yuma."

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FBI - Stevens-1271

Anchorage Daily News (Alaska)

October 4, 2007 Thursday
FINAL EDITION

Burglars targeted their take;
EQUIPMENT: Owner says firm's mention in Kott trial irrelevant.

BYLINE: By JAMES HALPIN jhalpin@adn.com

SECTION: ALASKA; Pg. B1

LENGTH: 556 words

The thief or thieves who burglarized an Anchorage marketing firm that was mentioned during the corruption trial of former state Rep. Pete Kott may have planned to steal specific equipment, according to Anchorage police who are asking for the public's help in cracking the case.

"The person involved in this theft may have had knowledge of the specific equipment they were after," police Lt. Paul Honeman said. "If they were looking for just high-dollar items, there were certainly more lucrative items to take."

A computer server, two hard drives, broadcast editing equipment and a flat-screen TV, among other items, were stolen from Northwest Strategies, owner Tim Woolston said. Losses were estimated at more than $50,000.

Many pricey items that were out in the open, including desktop computers, were untouched in the burglary, Honeman said.

Police have very few leads in the case and are asking anyone with information to call them at 786-8500, he said.

The equipment that was stolen was specialized and wasn't of the sort one would expect a common thief to typically go after, Woolston said.

"It seems like it would be very difficult for someone to be able to sell that kind of stolen equipment," Woolston said.

But he said it could just as easily have been someone randomly grabbing things as someone seeking specific equipment.

None of the equipment contained sensitive information about clients, and no customer information was compromised, Woolston said.

The crime took place between 3 p.m. Sept. 15 and 11:30 a.m. Sept. 16, Honeman said. It was reported Sept. 16 by the office manager.

A back window had been pulled off its frame, which was not protected by a security alarm. The office now has an alarm, Woolston said.

Detectives are awaiting the results of forensics tests that were conducted at the scene and are compiling a list of serial numbers of the stolen items, Honeman said.

Some of the stolen equipment was in a small room that is next to the back door, Woolston said, and the thieves probably wouldn't have come across it unless they left through the back door.

"It's certainly off the beaten path," Woolston said. "It doesn't look like an office, so I think it's a little surprising that someone would end up in there to steal things."

Northwest Strategies was co-owned by former state Sen. Jerry Mackie until earlier this year, when Woolston bought out his interest.

194A-AN-13620-M; 547

Northwest Strategies' and Mackie's names surfaced during Kott's trial several days before the break-in, when a phone conversation between Mackie and former Veco vice president Rick Smith was played for jurors.

The call took place on July 12, 2006 -- when Mackie still was with Northwest Strategies and was working as a consultant on Kott's campaign -- and in it the two talked about a poll conducted by Dave Dittman for Kott's campaign.

Mackie told Smith he had let Kott know that Smith and Veco chief executive Bill Allen had agreed to help pay for the poll.

After the conversation was played in court Sept. 11, Mackie said in an interview that he knew about the poll but wasn't a part of any bribery conspiracy involving Veco.

Woolston said he doesn't think there is any connection between the burglary and the mention in court of the company and Mackie.

Find James Halpin online at adn.com/contact/jhalpin or call him at 257-4589.

LOAD-DATE: October 4, 2007

LANGUAGE: ENGLISH

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Alaska Politics

Cowdery protest

Posted by Alaska_Politics
Posted: October 4, 2007 - 4:53 pm

From Kyle Hopkins in Anchorage --

Bill Scannell, a Democrat working on the Jake Metcalfe campaign, and Scott McNurren, a Daily News travel columnist who Scannell describes as a "big, honkin' ass Republican" plan to demonstrate in front of Sen. John Cowdery's Lake Otis home tomorrow.

Scannell says they're calling on Cowdery to step down, saying he's not representing his district. They plan to grill pork sausages.

add new comment

12 October 5, 2007 - 3:19pm | concerned1voter

Thank you Dan Fagan

For getting Metcalf to fire Scannell, but as far as I am concerned, it is too little too late. It should have been done yesterday!!!!! Timing is everything. Jake only did it because of the political fallout which has occurred today. This protest was planned before today, so you are no hero, Jake.

reply »

11 October 5, 2007 - 3:00pm | Stags_Leap

Metcalf just fired Scannell

according to Big Dan aka Big Man. Good on Jake.

Now can we all just head on over to Mad Myrna's and have a cold one? I'm ready to dance, baby!!!

reply »

October 5, 2007 - 3:08pm | fishwrapper

Can I get a good B-B-Q'ed

Can I get a good B-B-Q'ed Pork Sandwich at Myrna's? " Disclaimer Dan's" gonna ruin my dinner plans!

reply »

10 October 5, 2007 - 2:41pm | fishwrapper

Cowdery Protest

Lookout you protester's! "Big Man" Dan Fagan is pissed! He should do a remote for the pork roast. :-)

reply »

9 October 5, 2007 - 2:40pm | concerned1voter

Does this Surprise Anyone

This is the most dispicable thing I have ever heard. An old man is in the hospital and has not been convicted of anything. His elderly wife is home alone or maybe she will have her grandchildren there. These protesters have NO class and will do anything to get someone out of office. Jake Metcalf, you should be ashamed. Please everyone remember that when you vote. Get rid of Scannell, but from what I have heard about you, you probably support this demonstration.

reply »

8 October 5, 2007 - 12:31pm | rfn

Alaska Politics

This is the place for news on Alaska politics -- state, local and national. Public life in the Last Frontier may never have been more interesting than right now -- the broad and still-evolving corruption investigation, a new governor, powerful members of Congress under scrutiny, and the usual hardball politics on the state, national and local levels. Come here for the latest news and join the discussion.

Contributors

Kyle Hopkins
Kyle Hopkins writes about Anchorage city government and politics. He covered last year's campaign for governor, and has blogged extensively about Alaska politics for the past year. He grew up in Southeast Alaska and was a reporter at the Fairbanks Daily News-Miner and Anchorage Press.
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Sean Cockerham
Sean Cockerham writes about Alaska state politics. He spent three years based in Juneau for the Daily News before joining the Tacoma News-Tribune two years ago to write about Washington state politics. He went to Iraq twice for the News Tribune, and previously wrote about Alaska government and politics for the Fairbanks Daily News-Miner. Now he's back in Anchorage.
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Erika Bolstad
Erika Bolstad covers Alaska issues, including the congressional delegation, from Washington, D.C., for McClatchy Newspapers. Before joining the bureau this summer, she spent seven years as a reporter at the Miami Herald, where she covered politics, government and the state legislature
E-mail Erika at ebolstad@adn.com.

Archive

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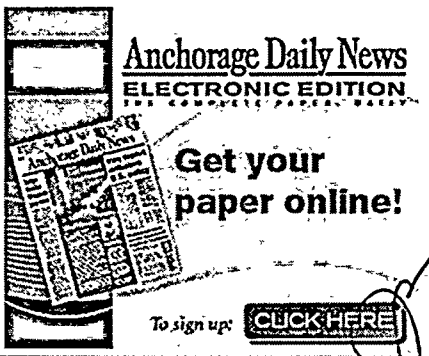

Alaska's Top Jobs all 86 top jobs

Social Services
Family Support Services
Hope Community Resources

Aviation
Stock Clerk
Lynden Air Cargo, LLC

Management/Professional
Code Compliance Officer
Matanuska-Susitna Borough

Engineering
Fire & Gas Engineers
NanaCoil Engineering

Construction/Skilled/Trades
Materials Superintendent
Coeur Alaska, Inc

careerbuilder

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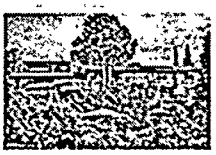
10000 Hillside Drive
$1,575,000
5BR, 6.5BA, 3-car garage, 81,760SF lot, 8,767SF residential, 960SF garage.



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Homescape

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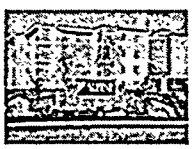
Top Rentals more

Alpine
South Anchorage: We are minutes away from employment, banking, shopping, dining and great entertainment.



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FBI - Stevens-1274

194A-AN-13670- n,548

Should not
the same standard apply, in this instance, as applied to the picketing of a social occasion at another home? That of a private citizen who doesn't even hold elective office?

Seems like the right to picket anywhere at any time is well established.

But that "grilled pork" idea seems discriminatory. Equality demands some grilled tofu be proffered as well.

reply »

More on Coconut Road - 10/1/2007 11:31 am
Hungry constituents - 10/1/2007 11:15 am
UPDATE: Ben Stevens on Fagan show audio - 9/28/2007 3:50 pm
full archive »

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Anchorage Chrysler Center

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4 of 7
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7 October 5, 2007 - 10:17am | fsajw9

Maybe they should protest in
Maybe they should protest in Canada? Or is Cowdery back already?

reply »

6 October 5, 2007 - 10:11am | turtle3

Home invasion
Standing outside someone's home and protesting is disgusting. I don't care who that person is. No one should ever bring a protest to the family of the person you are targeting. Has anyone even considered that being outside of someone's home protesting, could be perceived as a threatening, or at the least, an intimidating tactic? Grow up guys. Protests should be at more appropriate locations, such as a business or a public building, but not at a home, where the family resides. Am I wrong?

http://anthonylemons.blogspot.com

reply »

October 5, 2007 - 11:36am | leowasslife

hey guess what
He represents the public.

Everywhere he goes, he is in the public domain. When they run for office, privacy goes out the window.

What is appropriate is relieving himself from his position until the appearance of impropriety is either proved or disproved.

Criminals need people to defend them too though.

reply »

October 5, 2007 - 12:24pm | realist

relieving himself
Not taking issue with your argument, which I think is quite valid, but don't you want to say something like "releasing" himself? The "relieving himself" wording just caused me to experience a very unpleasant mental image!

reply »

October 5, 2007 - 11:18am | gr8landclay

Politicians always use their homes and families to demonstrate
why we should trust them and vote for them, in every repetitive election commercial we've ever seen... It seems THEY choose to waive symbolic protest immunity when they do so... If it became harrasment that would be a different kettle of fish, but a small, one-day symbolic protest does not, at least to me seem unreasonable when it involves a public official who is uder corruption investigation..... He alwasy has a forum through which to respond with protest of innocence if that is his choice... or, he can maintain silence and willingly choose more public scrutiny and questions - or, he can step down... the choices are his..

reply »

October 5, 2007 - 10:24am | Stumpy1

Assembly
Just a reminder for you folks more concerned with where this protest is occurring than the actual corruption:

From the Alaska Constitution, Inherent Rights:

6. Assembly; Petition

The right of the people peaceably to assemble, and to petition the government shall never be abridged.

reply »

October 5, 2007 - 10:30am | flabbyface

right and wrong 101 for losers
Just because you have the right to, does not make it right.

reply »

FBI - Stevens-1275

October 5, 2007 - 10:24am | AK_Lady
I agree with you.
Well stated.
reply »

October 5, 2007 - 10:36am | Stumpy1
Of course you do
Still waiting for you neo-con nitwits to spend half as much energy criticizing the actual fraud... committed by the neo-con nitwits of course.
reply »

October 5, 2007 - 11:12am | flabbyface
Totally lost
How on earth can you bring the label neo-con into this conversation about protesting at the man's home?

What does being a neo-con have to do with protesting in front of his house?
reply »

October 5, 2007 - 11:57am | leowassilla
you don't get it
so don't ask.

Neo-cons stick up for their principles. Both GOOD and BAD.

This just happens to be one of those circumstances.

Therefore, you don't understand that when being in public office, you allow yourself to be scrutinized in public.

You guys always go back to the same core blinding principles. get a clue
reply »

October 5, 2007 - 10:41am | AK_Lady
Fraud?
Who, Cowdery? Was he charged and convicted already?
reply »

October 5, 2007 - 11:38am | turtle3
They just like to make smoke where theres no fire.
These so-called protesters are simply following the herd. They have no real direction, just zombies looking for free pork sausages, and not the grilling kind either. This classless tactic of going to a man's home has nothing to do with politics, so do not label people who dissagree with this childish protest. We are simply Americans, who do not feel that it is appropriate to harass anyone at there home. People who live in glass houses, should never throw stones. There is nothing anyone can say that will make this tasteless home protest seem right.

http://anthonylemons.blogspot.com
reply »

October 5, 2007 - 12:13pm | leowassilla
private matters
yes, I would agree. however, when it deals with public officials, they are held to, and labeled with different standards than ordinary Americans.
reply »

October 5, 2007 - 11:58am | leowassilla
you know what?
then the person shouldn't run for office.

You just don't get it.
reply »

October 5, 2007 - 12:00pm | flabbyface
Get what
what doesn't he get?
reply »

October 5, 2007 - 12:08pm | leowassilla
that a person shouldn't run
that a person shouldn't run for office if they can't handle the pressure of being in the public domain.

FBI - Stevens-1276

reply »

October 5, 2007 - 12:10pm | flabbyface

People

So people who run for office should expect protesters outside their home? Is this what you're saying?

What is your address?

reply »

October 5, 2007 - 12:16pm | leowassilla

Public officials have to

Public officials have to post their address. It's public knowledge.

Private individuals have different standards.

You could sue someone for saying things or could be considered causing public nuisance.

reply »

5 October 5, 2007 - 6:09am | lawschoolgrad

COUNTDOWN FOR ANDERSON SENTENCING+++++++++

Ten days of freedom for Tom Anderson.

Mr. Kohring consider saving your family the embarrasment of a trial. How can you put your elderly parents? Haven't we all been humiliated enough?

There are so many good people in State service. The Kohring trial is the third in a series which will only further hurt Alaska.

reply »

4 October 5, 2007 - 1:26am | Stumpy1

What Cowdery cost us...

BTW, when you see Cowdery remind him that you expect him to make restitution payments to each and every Alaskan who has been robbed of thousands of dollars- each, so far, due to his support for the bribery induced PPT.

It'll never happen, of course. Besides not having the hundreds of millions he and his crooked pals cost us, Cowdery's first priority will be to gather enough money to pay for his legal defense.

More info on Cowdery here:

http://property.muni.org/cics/cwba/dfhwbtta/TX1P+0201421107000

reply »

October 5, 2007 - 3:03pm | AK_Lady

Gees

You're quick to disclose everyone's personal info, but you won't post under your real name. You're a wuss.

reply »

October 5, 2007 - 1:27am | flabbyface

Question

Do you wish harm to come to this man?

reply »

October 5, 2007 - 1:34am | Stumpy1

Consider the testimony

Under oath, we have heard that Cowdery sold out the people of Alaska. That betrayal has harmed all Alaskans.

By Cowdery's refusal to step down he is harming his constituents who do deserve representation.

If he is convicted, I do want harm to come to this POS. The harm should be by his spending the rest of his life as an inmate in a Federal Prison- just like the others who have been convicted so far: Anderson and Kott.

What is your connection to Cowdery, Flab?

reply »

October 5, 2007 - 1:39am | flabbyface

follow-up questions

1. And if he is not convicted?

2. When you speak of harm, do you include physical harm?

reply »

FBI - Stevens-1277

October 5, 2007 - 1:59am | Stumpy1

You didn't answer my question, Flab

What is your connection to Cowdery?

reply »

October 5, 2007 - 10:32am | flabbyface

none

I do not have a connection to him.

OH WAIT, I DO!

I once saw him at costco I think, so that makes us co-costco shoppers.

Will you now answer my two questions?

reply »

October 5, 2007 - 11:06am | Stumpy1

You still have not answered my question, Flab

Flab, I see a lot of people I know at Costco, but you do not see me getting all hysterical on these blogs with capital letters and exclamation points like you.

I really want to know what motivates people like you. Are you a Republican? Are you a neighbor of Cowdery? Do you work for the oil industry?

Why are you so passionate about a silly protest, but express zero passion about the real problem- namely that we have been betrayed by those who took an oath to defend our constitution?

reply »

October 5, 2007 - 11:10am | flabbyface

unbelievable

No (Nor am I a dem)

No

No

Why do you assume I have zero passion about the real problem?

Will you answer my follow-up questions?

reply »

October 5, 2007 - 11:22am | Stumpy1

660,000 people, and you Flab

660,000 people in Alaska, Flab. And you are about the only one criticizing a small protest with capital letters, vitriol, and exclamation points.

It is hard to imagine that an average person would be as sensitive as you are about a small protest that is:

A. On a public right of way.

B. A protest that is fully consistent with our inherent rights that are recognized within our Bill of Rights.

So what do you do?

And what do you think of the fact that the DOJ is investigating, arresting, and convicting a significant number of our elected officials?

Are you angry that we've lost billions because crooked politicians have allowed our natural resources to be given away for chump change?

reply »

FBI - Stevens-1278

October 5, 2007 - 11:26am | flabbyface

answers

I will gladly answer your questions if and when you take the time to answer mine.

Deal?

reply »

October 5, 2007 - 11:32am | Stumpy1

Deal, Flab

I made my position crystal clear: "The harm should be by his spending the rest of his life as an inmate in a Federal Prison- just like the others who have been convicted so far: Anderson and Kott."

If he isn't convicted, then the prosecution was not able to prove its case beyond a reasonable doubt.

reply »

October 5, 2007 - 11:41am | flabbyface

questions

you did not answer my questions.

:(

When you do, I will answer your questions.

reply »

3 October 5, 2007 - 12:52am | flabbyface

Is this some kind of Sick Joke?

what kind of LOSER goes to someone's home to protest?

Are you flippin kidding me?

FYI - If you're stupid enough to think it's a swell idea to show up at his home to protest, then you are a LOSER. Got that? A LLOOSSEERR!

Maybe some of you should go get a pen and write this down.

Don't LOSERS go to people's homes in the south sometimes - and bring firewood in the shape of a cross to keep all the "protesters" warm?

LOOOOOOOOSERS!

reply »

October 5, 2007 - 1:00am | geefour907

Yes, it is sick...

It's sick that Cowdry was fingered, under oath and in court, for taking bribes and he didn't have the decency to resign. It's time Alaskans got out their pitchforks and protested against all of this corruption. Go Scannell and McMurren!

reply »

October 5, 2007 - 1:08am | flabbyface

Give me an LI

What's your address? What? You won't give it to me? Why is that? Oh, you don't want people standing outside your house?

You can talk all you want about how bad Cowdry is and how he isn't doing this or is doing that, but to show up at the man's home - only a LOSER could have the lack of taste and dignity to do something so low.

As for bringing your pitchforks, don't also forget to bring your white hoods!

reply »

2 October 4, 2007 - 10:08pm | Stumpy1

Kudos to Scannell, and McMurren

While most Alaskans are content sitting on their asses watching TV while our resources are allowed to be stolen by corrupt politicians, it sure is great to know that there are a few Alaskans left who are willing to take to the streets to demand reform.

I would hope that this protest would have hundreds of people in front of Cowdery's home.

Is it proper?

You bet your ass it is. The testimony we heard, under oath, that Cowdery took bribes makes him unfit to hold public office.

The protesters will be on a legal public right of way, not on Cowdery's property, trying to get this guy to do what he should have done years ago- resign.

reply »

FBI - Stevens-1279

October 5, 2007 - 12:54am | flabbyface

Hey stump

What's your address?

reply »

October 4, 2007 - 10:17pm | Stumpy1

To join the protest...

According to public records, available on the Internet from MOA, this is John Cowdery's home address:

COWDERY JOHN J
8120 LAKE OTIS PKWY
ANCHORAGE AK 99507 3116

If you can not make the Friday protest, consider organizing other protests here.

reply »

October 5, 2007 - 11:53am | undeclared

Let's expose Stumpy's identity!

Sounds like Stumpy will be there...I may go just to find out who Stumpy is and reveal it on this blog. Who cares about Cowdery - exposing Stumpy will be more fun!

reply »

October 4, 2007 - 10:20pm | AK_Lady

Ugh.

The fact that it's available online doesn't mean you should post it on this blog. You're an ass.

reply »

October 5, 2007 - 7:36am | jcpage

misrepresenting

Name calling is un-lady like. You are really John Cowdery aren't you?

reply »

October 5, 2007 - 10:09am | AK_Lady

Tell your mama that,

Dick.

reply »

October 4, 2007 - 10:33pm | Stumpy1

Journalism 101

Who, what, when, where, why.

Kyle should have published the address within the story as it is where this protest is occurring that makes this little protest newsworthy.

The home addresses of all elected officials in Alaska are part of the public record and available on-line 24/7/365.

Is the Municipality of Anchorage wrong for making this information available?

Certainly not.

reply »

1 2 next » last »

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Sometimes it takes a little fiction to get you closer to the truth:

adn.com

Alaska Politics

Cowdery protest

Posted by Alaska_Politics
Posted: October 4, 2007 - 4:53 pm

From Kyle Hopkins in Anchorage --

Bill Scannell, a Democrat working on the Jake Metcalfe campaign, and Scott McMurren, a Daily News travel columnist who Scannell describes as a "big, honkin' ass Republican" plan to demonstrate in front of Sen. John Cowdery's Lake Otis home tomorrow.

Scannell says they're calling on Cowdery to step down, saying he's not representing his district. They plan to grill pork sausages.

add new comment

1 October 4, 2007 - 5:06pm | KatRock_AK

Awwww...c'mon

can't they leave the guy's home alone?

I agree, John should step down...thought so for years now for a number of reasons...

But for pity's sake...protest at his office, and allow his home some sanctity will ya?

I have no love, and very little respect quite frankly, for John Cowdery and hope he gets his due.

But his wife is a wonderful lady and doesn't deserve to have her home be the location of a protest against her husband's violation of his office.

So, cook your pork sausage in the parking lot of the LIO, heck, throw some limberger cheese on it for good measure (there's nuthin' smellier)...but protesting at his home is in very poor taste.

reply »

October 5, 2007 - 10:27am | chilcoot

Agreed

I agree with KatRock. There are a zillion ways for Alaskans to express their displeasure with Sen. Cowdery. Staging a protest in front of the man's home should be dang near the bottom of the list of acceptable ones. This advances nothing other than anger, something we don't need more of.

Protest, yes. Disturb him, his family, and their neighbors in his home, no.

reply »

October 4, 2007 - 5:41pm | bob_the_contractor

oh yes

there is.

perhaps a nice casu marzu is a bit more apropo for an event such as this.

reply »

October 4, 2007 - 5:45pm | KatRock_AK

Alaska Politics

This is the place for news on Alaska politics -- state, local and national. Public life in the Last Frontier may never have been more interesting than right now -- the broad and still-evolving corruption investigation, a new governor, powerful members of Congress under scrutiny, and the usual hardball politics on the state, national and local levels. Come here for the latest news and join the discussion.

Contributors

Kyle Hopkins
Kyle Hopkins writes about Anchorage city government and politics. He covered last year's campaign for governor, and has blogged extensively about Alaska politics for the past year. He grew up in Southeast Alaska and was a reporter at the Fairbanks Daily News-Miner and Anchorage Press.
E-mail Kyle at khopkins@adn.com.

Sean Cockerham
Sean Cockerham writes about Alaska state politics. He spent three years based in Juneau for the Daily News before joining the Tacoma News-Tribune two years ago to write about Washington state politics. He went to Iraq twice for the News Tribune, and previously wrote about Alaska government and politics for the Fairbanks Daily News-Miner. Now he's back in Anchorage.
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Erika Bolstad
Erika Bolstad covers Alaska issues, including the congressional delegation, from Washington, D.C., for McClatchy Newspapers. Before joining the bureau this summer, she spent seven years as a reporter at the Miami Herald, where she covered politics, government and the state legislature.
E-mail Erika at ebolstad@adn.com.

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FBI - Stevens-1281

Never tried it...
and am happy to take your word for it.

reply »

October 4, 2007 - 5:25pm | amoeba

More on Coconut Road - 10/1/2007 11:31 am
Hungry constituents - 10/1/2007 11:15 am
UPDATE: Ben Stevens on Fagan show audio - 9/28/2007 3:59 pm
full archive »

Cowdery asked for it
No offense, KatRock, but I think you are suffering from a touch of Stockholm Syndrome. John Cowdery doesn't deserve your sympathy. He signed up to represent Alaskans and now he wants to "sit out" the special session oil tax rewrite. He is abdicating his duties and should step down and allow the thousands of Alaskans he represents to get a legislator who will work for their interests in Juneau.
Yes, protesting on his front lawn is a provocative step. But Cowdery signed up to be a representative of the people and now he has unilaterally decided they won't have representation in the State Senate during what could be the most important debate for decades to come.
OK, maybe I overestimate the willingness of the Republican Majority to actually DO something in Juneau. But in any circumstance, he should resign and allow Alaskans their due representation or else be prepared to deal with the public backlash.

reply »

October 5, 2007 - 2:47pm | moyerpj

Old Lady
The only one home is his wife of 80+ years.....he's in the hospital. It takes a low lif sob to harass an old lady. What are you gonna do for fun afterwards? Perhaps there's some elderly down at the Pioneer Home in need of some political correction.

reply »

« first ‹ previous 1 2

FBI - Stevens-1282

« previous | MUCK HOME | next »

Veco Loves Don Young Best

By Laura McGann - October 4, 2007, 6:14PM

It looks like Veco plays favorites. Since 1993 the oil services company tangled in several of the Alaska corruption investigations has given Rep. Don Young (R-AK) more than two and a half times what it's donated to Sen. Ted Stevens (R-AK), the AP reports.

Young's raked in $180,630, while Stevens has only pocketed $70,500 (but that presumably doesn't include other perks like Veco employees remodeling his house or parking cars at his fundraisers.) Young and Stevens are both under federal investigation for their ties to the corporation. The FBI is particularly interested in the annual pig roast former Veco CEO Bill Allen would host for Young.

Sen. Lisa Murkowski has only pulled in a pittance ($41,250), but she's only been in Congress since late 2002, when her father bequeathed his seat to her to become governor of Alaska.

PERMALINK | TOPICS: Don Young, Lisa Murkowski, Ted Stevens PRINT SHARE

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Comments (5)

Kuparuk wrote on October 4, 2007 7:56 PM:

Uh. Year for year, I'd say Ted is the favorite.

Yon Dung has to run every two years, Ted every six... On a per-cycle basis, Ted actually comes out on top.

AKGuy wrote on October 4, 2007 9:53 PM:

Yet another reason to support Jake Metcalfe:

www.jake2008.com

anonymouse wrote on October 5, 2007 1:05 AM:

Murkkowski's income doesn't include her little real estate deal...

FBI - Stevens-1283

Ed*ard Teller wrote on October 5, 2007 2:15 PM:

When Mr. Metcalfe was chairman of the Alaska Democratic Party, during the winter of 2005-2006, he was unable, perhaps even unwilling, to enlist a candidate from the front ranks of Alaska Democrats to run against Young in the 2006 election. Yet, at that time, with the ongoing Abramoff investigation disclosures and other published reports, much of the information so visible now on Young was already available to an intrepid party chairman. When Diane Benson won the '06 Democratic Party primary, Metcalfe offered little substantive support to the campaign. Although he claimed two weeks ago that the Party gave Benson $25,000 for the 2006 general election, the accuracy of that figure is under question.

194-AN-13620-M;550

Metcalfe has stated recently he felt compelled to support Benson little beyond a level recommended by Rahm Emanuel at DCCC. Over the winter of 06-07, Metcalfe used materials donated to the Alaska Democrats from members of the 06' Benson crew to help create the dropdon.com site. Soon after the site went up, Metcalfe resigned his post and announced his candidacy from out-of-state.

Since filing for the '08 primary, Metcalfe has blogged hard, but Benson has formally called for an investigation of Young's 2005 transportation bill earmark changes. Since filing, Metcalfe has blogged a little about our veterans, Benson has set up a stringent schedule of contacts, fact-finding visits, queries and meetings with Vets, disabled Vets and military families, not just in Alaska, but in other parts of the country. One could go on - the list of comparisons between Metcalfe and Benson on actually getting to grips with Young's inadequacies is long, and not favorable to Metcalfe.

Alaska is fortunate, though, to have two progressive contestants from the Democrats for this seat. There will probably be at least one more entry. Metcalfe appears to have told CQPolitics.com's Rachel Kapochunas in an interview on September 19, that former Alaska Representative Ethan Berkowitz will be entering the race soon.

Kuparuk wrote on October 5, 2007 3:00 PM:

And this is why I can't support either Diane or Jake (unless they're the only chance to get Don out).

Ethan should step up. He's the only one I saw on the floor questioning Veco's BS, and he's *smart* and a good administrator.

Diane has been a potential candidate for years and years, but she never does anything with government. Her community efforts are legendary, but that doesn't mean she'd be a good congresswoman.

Someone needs to poke Ethan with a cattle prod and get him into the game.

Post a comment

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FBI - Stevens-1284

Automated Serial Permanent Charge-Out
FD-5a (1-5-94)

Date: 01/31/08 Time: 19:45

Case ID: 194A-AN-13620-M Serial: 549

Description of Document:

Type : NEWSPAPE
Date : 10/04/07
To : ANCHORAGE
From : ANCHORAGE DAILY NEWS
Topic: ALASKA POLITICS - VECO CONTRIBUTIONS

Reason for Permanent Charge-Out:

FILED IN WRONG FILE

Employee: [redacted] b6 b7C

Anchorage Daily News (Alaska)

October 5, 2007 Friday
FINAL EDITION

Kohring faces older claims;
2002: New indictment says ex-representative got bribes from Allen.

BYLINE: By RICHARD MAUER rmauer@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 901 words

Federal prosecutors unsealed a new indictment Thursday against former Rep. Vic Kohring, adding allegations that he was so beholden to former Veco chairman Bill Allen that he fired an aide at Allen's request.

The new indictment doesn't add any counts to the four-count public corruption case against Kohring, originally handed up by a federal grand jury in May. Both allege he broke federal bribery, extortion and conspiracy laws in 2006.

But in expanding the charging document by three pages, the government took the alleged conspiracy back to 2002, when it says Kohring first began receiving illegal cash payments of $500 to $1,000 from Allen and another Veco official, Rick Smith. The indictment now includes the story of former Kohring aide Eric Musser, who angered Allen when he filed a complaint with the Alaska Public Offices Commission against another legislator Allen supported, Bev Masek.

The new indictment also says Kohring acted on Allen's behest in 2003 by releasing an oil bill he had bottled up in a committee he chaired.

The indictment now calls $17,000 that Kohring allegedly sought from Allen to pay off a credit card debt a "payment" instead of a "loan."

Kohring, a Republican from Wasilla, is set to be the third ex-legislator tried as a result of a broad federal public corruption investigation in Alaska.

Former Reps. Tom Anderson, R-Anchorage, and Pete Kott, R-Eagle River, have been found guilty by juries and are awaiting sentencing. Ex-Rep. Bruce Weyhrauch, R-Juneau, is awaiting the outcome of a dispute over a legal issue before his bribery and conspiracy trial can be scheduled.

FBI - Stevens-1286

Kohring's trial is set for Oct. 22. His arraignment on the new indictment is scheduled for Oct. 9.

Kohring's attorney, John Browne of Seattle, couldn't be reached for comment. Earlier this week, he filed notice to the court and government that he would be unavailable from Oct. 3 to Oct. 10 and asked that no matters be scheduled during that time.

In May, Allen and one of his vice presidents, Smith, pleaded guilty to bribing lawmakers and are providing evidence in the cases.

Veco, an oil field service company, and its officials were leading political forces in Alaska. Their campaign contributions were well documented over the years -- the evidence has shown they only sometimes scoffed at disclosure laws, so the record of most of their donations has been publicly available since the early 1980s.

But Allen and Smith's backroom money and booze operation, centered in a suite in Juneau's Baranof Hotel where it was secretly filmed by the FBI, has added new civics lessons about how bills became laws in the real world of the Alaska Legislature.

The FBI case has focused on an oil-tax bill that tied the Legislature in knots in 2006 and forced two special sessions. Allen sought the lowest possible tax rate he could get for BP, Conoco Phillips and Exxon, and enlisted legislators on his secret payroll to help. According to

194A-AN-13620-M;551

testimony, he hoped to curry favor with the industry and induce construction of a gas pipeline, which could have meant millions upon millions of dollars in contracts for Veco.

But the new Kohring indictment goes well beyond the 2006 battle over oil taxes. Starting in January 2002, the revised charges say, "Kohring received the first of several cash payments" from Allen "to influence and reward him" in his official capacity.

The new indictment alleges that Allen collected on the debt in April 2003 when Kohring was chairman of the House Special Committee on Oil and Gas. Kohring was holding up a controversial Senate bill that drastically lowered state royalties on older Cook Inlet wells and gave tax credits to some new North Slope exploration wells.

In April or May of 2003, Allen asked Kohring to release the bill so it could pass. Kohring not only complied, he signed on as a co-sponsor, the charges said.

The next year, Allen had a beef against Musser, the Kohring aide who brought APOC and legislative ethics charges against Masek, his previous employer, then a Republican representative from Willow. (Masek lost the Republican primary in 2004.)

Both agencies eventually sided with Musser. The public offices commission fined Masek $1,000 for spending campaign contributions on personal expenses. And the House ethics committee ruled she improperly demanded personal loans from Musser "under threat of termination," including a loan of $99.25 to pay off her food bill at a lounge in the state Capitol.

But being right didn't help Musser. According to the new indictment, Allen told Kohring "he was upset" about Musser's complaints and mad that Kohring was employing Musser. Kohring laid off Musser, then made the termination permanent "despite requests by the aide that he be re-hired."

Reached in Houston, where he now lives, Musser said he was surprised to learn he had become part of the case against Kohring. He acknowledged talking to the FBI, but said he hadn't heard anything from agents in a long time. He said he had to take a walk to think about what it all meant.

"It was a surprise reading it," Musser said.

Find Richard Mauer online at adn.com/contact/rmauer or call 257-4345. Daily News reporter Sean Cockerham contributed to this report.

TRIAL DATE: Former Rep. Vic Kohring faces trial on Oct. 22 on bribery, conspiracy and extortion charges.

ONLINE: Read more about the investigation into political corruption in Alaska.

adn.com/corruption

LOAD-DATE: October 5, 2007

LANGUAGE: ENGLISH

DOCUMENT-TYPE: Staff

PUBLICATION-TYPE: Newspaper

FBI - Stevens-1287

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2 of 2 DOCUMENTS

Anchorage Daily News (Alaska)

October 9, 2007 Tuesday
FINAL EDITION

Anderson admits he broke the law; COURT MEMO: Ex-lawmaker facing 6 years for corruption concedes role, seeks leniency.

BYLINE: By LISA DEMER ldemer@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 689 words

Three months after a federal jury convicted him of seven felonies including bribery, former state Rep. Tom Anderson acknowledges that he broke the law, violated the public trust and must be punished.

Anderson didn't testify during the 10-day trial this summer. But he fought the charges, and until now maintained publicly that he was innocent.

His sentencing hearing is set for Oct. 15 before U.S. District Judge John Sedwick. A pre-sentence investigation report recommends he serve five to six years.

In a memo filed with the court on Monday, Anderson's lawyer says he is seeking "leniency, compassion and mercy." Except for the circumstances in the corruption case, Anderson has been a "tireless and selfless representative and advocate for the people of the State of Alaska," wrote defense lawyer Paul Stockler.

Anderson, a Republican who represented East Anchorage for two terms, shouldn't be sentenced to any more than two years and nine months, his lawyer argues.

"I accept full responsibility for the choices I've made and the damage I've done and the damage here transcends the personal loss and pain that has been suffered by my wife and family," Anderson says in the sentencing memorandum. His wife is state Sen. Lesil McGuire, and his father is former director of Alaska State Troopers.

Anderson was convicted of participating in a scheme in 2004 and 2005 with former Cornell Cos. lobbyist Bill Bobrick and consultant Frank Prewitt in which payments were funneled to him in exchange for his pushing the company's interests. Prewitt was working undercover for the FBI, and Cornell was unaware of the scheme, the U.S. Justice Department has said.

"Mr. Anderson believed at the time, that his actions were not in any way unlawful," Stockler says in the 47-page sentencing memorandum.

"Rather, he erroneously and indeed naively thought that he could properly serve two masters: the people of the State of Alaska, and a private consulting client seeking to capitalize on access to a legislator."

Anderson now realizes no one could do that, his lawyer says.

By the time the conspiracy began, Anderson was friends with Bobrick. Their families socialized often, from "informal game nights" to outings at the Alaska Center for the Performing Arts. "Over time, Mr. Anderson permitted that personal relationship to cloud his moral and ethical judgment," Stockler wrote.

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Anderson has no prior criminal convictions, his lawyer wrote.

194A-AN-13620-M;552

Prosecutors have not yet filed their sentencing memorandum but will be seeking somewhere in the range of five years and three months to six years and six months, as recommended by the probation office in its report, Assistant U.S. Attorney Joe Bottini said Monday.

It's a little late for Anderson to acknowledge what he did wrong, Bottini said. He could have pleaded guilty.

"He put us through a trial," the prosecutor said. "In our view he is not entitled to any consideration for acceptance of responsibility."

Efforts to reach Anderson and Stockler were unsuccessful Monday.

But in the new court filing, Stockler wrote that there is no need to hand Anderson a long sentence to deter others. The story already is known to politicians, lobbyists and public officials.

"Moreover, they are aware that, as a result of his misdeeds, Tom Anderson was publicly disgraced, is now deeply in debt, and has lost his professional reputation, job, financial security, Alaska Permanent Fund dividend and right to vote."

The document also quotes letters of support from Anderson's friends, family and colleagues. One is from House Speaker John Harris, R-Valdez.

"Tom was a good legislator. In my opinion, he had the best interest of Alaskans on his moral and ethical compass," Harris is quoted as saying. Anderson got himself into a fix, Harris says, because he was "too naive or ill-prepared to recognize that politics and business are often comparable to a jungle."

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

CORRUPTION: For more on the investigation and trial of Tom Anderson, including past stories, FBI surveillance video and official indictments and trial motions, visit

adn.com/fbi

LOAD-DATE: October 9, 2007

LANGUAGE: ENGLISH

GRAPHIC: Anderson

DOCUMENT-TYPE: Staff

PUBLICATION-TYPE: Newspaper

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FBI - Stevens-1289

Anchorage Daily News (Alaska)

October 10, 2007 Wednesday
FINAL EDITION

Kott wants acquittal, new trial;
LAWYER ARGUES: Bill Allen was a friend; so-called bribes were gifts.

BYLINE: By LISA DEMER ldemer@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 771 words

Former House Speaker Pete Kott wants a federal judge to throw out the jury decision last month to convict him of three corruption charges or, at the least, to grant him a new trial.

In a 12-page memorandum filed last week, Kott's lawyer argues that, among other reasons, Kott should be acquitted because former Veco Corp. chief executive Bill Allen was foremost his friend and anything Kott received was simply a gift.

A jury convicted Kott on Sept. 25 of bribery, conspiracy and extortion but acquitted him of wire fraud. During the 15-day trial, jurors heard dozens of secretly made recordings that prosecutors used to prove that Kott plotted with former Veco Corp. executives Allen and Rick Smith to push through a new oil tax rate favored by North Slope producers in 2006.

Allen, who along with Smith has pleaded guilty to bribery and conspiracy, testified in Kott's trial that oil producers wanted tax stability before they would commit to a natural gas pipeline. Veco could have made millions off the pipeline. The oil field services company was taken over by CH2M Hill right before Kott's trial.

Defense lawyer Jim Wendt argues in the new court filing that there was no evidence of a connection between the Petroleum Profits Tax and anything that Kott received.

"There was no nexus to the PPT legislation established and as a result any alleged benefits that the defendant received could have been construed as simply gifts from a benefactor that Pete Kott has known for years," Wendt says.

Wendt raises some of the same points the defense brought up before U.S. Judge John Sedwick during the trial, especially as it relates to how the jury was instructed to consider the evidence. The judge rejected the arguments at the time.

Prosecutors will respond in court, said Bryan Sierra, U.S. Justice Department spokesman. They haven't yet filed a response, but will soon, he said.

Testimony and other evidence at the trial showed that Kott received the promise of a job from Veco, $1,000 cash, a $7,993 check for an inflated flooring invoice, and a $2,750 political poll for his re-election bid.

Kott, a Republican who represented Eagle River in the House for seven terms, lost in the 2006 primary election.

The conspiracy conviction, Wendt argues, makes no sense on its face. To convict Kott of that charge, jurors were told they had to find that Kott, Allen and Smith conspired to commit at least one other crime, extortion, bribery or wire fraud. But Wendt asks how could Allen, Smith and Veco be both victims of extortion and part of the conspiracy to commit it?

FBI - Stevens-1290

"A 'victim' cannot 'conspire' to be extorted. It is inherently illogical," the defense lawyer says.

Prosecutors could have put on a case to show a bigger conspiracy including state Rep. Bruce Weyhrauch and former Senate President Ben Stevens, but they didn't, Wendt says. Now they are stuck with a conspiracy limited to Kott and the Veco executives, the defense says.

194A-AN-13620-M;553

Weyhrauch was to be tried alongside Kott but his case was split off so the government could appeal a ruling on evidence. Stevens has not been charged but both Allen and Smith testified that they pleaded guilty to bribing Stevens, along with Kott.

Still, if jurors thought that Kott received bribes as part of the conspiracy, that argument appears to deflate.

As to extortion itself, Wendt argues that the government should have had to prove Kott explicitly promised to do what Veco wanted in exchange for benefits, and that he did as promised -- quid pro quo. That's because much of what he received could be considered campaign contributions, and there's a different standard as to what amounts to extortion of campaign contributions, the defense says.

Both sides agree that the flooring invoice was inflated to get money to Kott's son, Peter M. Kott, so he could manage his father's 2006 re-election campaign, the defense filing says. And the poll obviously was for the campaign.

Still, in the trial, the defense tried to convince jurors the nearly $8,000 check was for future flooring work. That strategy didn't play well with jurors when witnesses gave different stories about the flooring work. Kott and his son have a hardwood flooring business.

At any rate, the defense says that the evidence showed that the money and other things were to reward Kott, not to influence him. He wasn't bribed, the defense maintains.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

INSIDE

VIC KOHRING: Former legislator appeared in court Tuesday to hear amended charges against him that go back to 2002.

Back Page

CORRUPTION: Learn more about the investigation.

adn.com/fbi

LOAD-DATE: October 10, 2007

LANGUAGE: ENGLISH

GRAPHIC: Kott

DOCUMENT-TYPE: Staff

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FBI - Stevens-1291

Marketplace
Wednesday, October 10, 2007

Washington won't return dirty money

Before pleading guilty to bribing state legislators, Alaskan oil tycoon Bill Allen very actively spread his wealth around Congress. So far, a lot of his government beneficiaries haven't given the money back. Steve Henn reports.

Senator Ted Stevens (R-AK) leaves the weekly Republican policy luncheon at the U.S. Capitol, July 2007. Stevens received hefty contributions from Alaska contractor Bill Allen, who pleaded guilty to bribing Alaska state legislators. (Chip Somodevilla/Getty Images)

TEXT OF STORY

DOUG KRIZNER: Hillary Clinton and other leading Democrats suffered a fund-raising nightmare last month. One of the party's most prolific fundraisers or bundlers, Norman Hsu, was a fugitive from justice in California. And as Marketplace's Steve Henn reports other Washington politicians have become entangled with a felonious fundraiser.

STEVE HENN: Bill Allen was a big bundler. As the founder and former CEO of an Alaskan oil services company, he encouraged his employees to donate generously to political campaigns. And they did, giving more than a million dollars since the late 80's, according to federal campaign finance reports.

But today, Allen and his former company, called VECO, are at the center of a tangle of corruption scandals. In May, Allen and one of his executives pleaded guilty to bribing Alaskan state legislators. And that wasn't all.

MELANIE SLOAN: Executives there have pleaded guilty to crimes including making conduit contributions to politicians -- basically giving employees money to make contributions to politicians.

Melanie Sloan's the executive director of Citizens for Responsibility and Ethics in Washington. She said politicians often return money when a donor turns out to have serious legal problems.

SLOAN: Members generally want to be careful about where their campaign contributions are coming from.

But so far, few who received money from Allen or his former employees have given it back. Allen is now cooperating with federal authorities.

SLOAN: VECO's a big donor, they spread money around. If I were any member of Congress receiving VECO contributions, I'd be very nervous that the feds would be looking at me.

VECO focused much of its largesse and attention on the Senate appropriations committee, giving more than $200,000 to the campaign funds of committee members.

KEN BOEHM: There are bad actors in the appropriations business, and VECO was certainly one of them.

Ken Boehm is chairman of the conservative National Legal and Policy Center.

FBI - Stevens-1292

BOEHM: Any time you have a player like VECO, it raises issues.

In the Senate, by far the largest share of these contributions flowed to Ted Stevens of Alaska. Stevens headed the appropriations committee for six of the last 10 years, and still has enormous influence over how federal dollars are spent.

Steven's staffers told reporters this spring that some contributions from VECO executives had been given to charity. But federal campaign finance reports filed later this summer, don't reflect that.

In the last eight years, Allen's company landed more than $200 million in federal contracts.

In Washington, I'm Steve Henn for Marketplace.

194-AN-13620-M:554

Marketplace
Thursday, October 11, 2007

Bill Allen: A tale of tainted funds

Marketplace's Steve Henn continues his report on Alaskan oilman Bill Allen's illegal contributions to various political campaigns and state legislators.

Bill Allen, second from left, is pictured in 2006 with Republican Senators Trent Lott of Mississippi, left, Lamar Alexander of Tennessee, and Phil Gramm of Texas (Marketplace source)

TEXT OF STORY

DOUG KRIZNER: Yesterday, our reporter Steve Henn told us the story of Bill Allen. The Alaskan businessman pleaded guilty this year to illegally funneling corporate money into federal political campaigns and bribing state legislators.

Today, Steve reports that before his guilty pleas, Allen and Alaska's powerful Senator Ted Stevens formed a political partnership to try to influence elections across the country.

STEVE HENN: Bill Allen was a big bundler for the Republican Party. His money reached dozens of candidates.

This spring, Allen pleaded guilty to federal corruption charges and admitted to illegally funneling corporate contributions into federal campaigns.

MEREDITH MCGEHEE: When you go and shake the money tree as hard as these candidates are shaking it, you're gonna have some bad apples fall down as well.

Meredith McGehee is at the Campaign Legal Center.

For years, Allen focused his donations on Senate appropriators. And his company, called VECO, benefited from hundreds of millions of dollars in federal contracts.

MCGEHEE: Any average American just would shake their head and say, "Oh, that's the way they do things in Washington."

But in the summer of 2002, Allen began to branch out. Within a few months, about $70,000 from Alaskan donors poured into the campaigns of seven Republican Senate challengers. Most came directly from VECO executives.

These gifts closely mirrored cash gifts from Senator Stevens' leadership PAC.

Ken Boehm is chairman of the Conservative National Legal and Policy Center:

KEN BOEHM: The closer you look, you really see a small circle of very powerful elected officials, surrounded by a small circle of political givers who appear to have very heavy legislative interests.

Two of those givers, including Bill Allen, pleaded guilty this year to making illegal donations. Two others fit the descriptions of unnamed co-conspirators in Allen's own guilty plea.

The Senate campaign funds of Norm Coleman of Minnesota and John Sununu of New Hampshire both got bundles from these donors totaling about $10,000 each.

Meredith McGehee:

MCGEHEE: You have to make clear there is not at this point any legal requirement that any of these donations be returned. There is a perception issue definitely at play here that when you take tainted money, you are in fact then tainted by it.

Working in concert, Ted Stevens, Bill Allen and VECO executives used half a dozen political committees to raise about $25,000 for Coleman's 2002 campaign, and $50,000 for Sununu's. Both Coleman and Sununu are running for reelection this year.

Sununu announced last week he'd donate $2,000 received from convicted VECO employees to charity. Coleman's campaign staff say the money's been spent, and the account is closed.

In Washington, I'm Steve Henn for Marketplace.

FBI - Stevens-1293

194A-AN-13620-M,555

Anchorage Daily News (Alaska)

October 11, 2007 Thursday
FINAL EDITION

Two more join race to unseat Don Young;
VULNERABLE? Berkowitz, LeDoux also to run for House seat he's held since 1973.

BYLINE: By SEAN COCKERHAM scockerham@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 841 words

Alaska Congressman Don Young, under federal investigation and in the minority party in the U.S. House, is facing more competition for his seat than in well over a decade.

Ethan Berkowitz, former minority leader of the state House, and Kodiak state Rep. Gabrielle LeDoux both said on Wednesday they are entering next year's U.S. House race.

LeDoux plans to challenge Young in the Republican primary. Berkowitz joins a Democratic field that already includes former state Democratic party chief Jake Metcalfe and Diane Benson, who received 40 percent of the vote against Young in 2006.

Young welcomes the competition, said his campaign manager, Steve Dougherty. He said Young is absolutely planning to run for re-election and is fully engaged in his campaign.

"We don't take anything for granted. We have never taken anything for granted," Dougherty said.

The 74-year-old Young has been Alaska's sole member of the U.S. House of Representatives since 1973. Young has so long been a leading figure in Alaska politics that often he's only faced token opposition, with prominent Democrats not wanting to waste time with what seemed a lost cause. That is not the case this time around.

"He's a wounded bear," Metcalfe said.

Young, who chaired the powerful House Transportation Committee from 2000 to 2006, now serves as the ranking Republican on the House Resources Committee. He says he's still plenty effective in Congress, and doesn't see himself as vulnerable in the 2008 election. In an August interview with the Associated Press, Young warned challengers against mudslinging when he campaigns for re-election.

Berkowitz, of Anchorage, wasn't slinging mud as he entered the race Wednesday. He said there's a need to restore integrity to government but had no critical words for Young personally.

FBI - Stevens-1294

"I am not really running against Don Young," Berkowitz said. "I am running for the United States House of Representatives."

Berkowitz said Young deserves a lot of credit for serving Alaska well for many years. But it is time for a change, he said.

Berkowitz, who was in the state Legislature for 10 years, said he has shown an ability to forge alliances with people from both parties.

LeDoux also said she's running for Young's seat because voters want someone who can work both with Republicans and Democrats.

The Democrats are in control of Congress now, she noted, and Young is in the minority.

"I think people are concerned about some of the strident partisanship we see there," LeDoux said.

194A-AN-13620-M; 556

LeDoux, who was once a Democrat herself, was first elected to the state Legislature after beating Dan Ogg in the Republican primary in 2004.

LeDoux is also a former Kodiak borough mayor. She didn't bring up the federal investigation of Young but, in response to a question, said it's an indication this is the right time for her to run against him.

Young still has a lot of influence in Alaska politics. State House Speaker John Harris, a Valdez Republican, said he is interested in the Congressional seat but would run for it only if Young decided not to seek re-election.

"I have a lot of respect for both Ted Stevens and Don Young. I know both are under a lot of scrutiny," Harris said.

Berkowitz might not be slamming Young, but the congressman has been taking heat from the other Democrats running against him.

Benson recently sent a letter to the U.S. House Ethics Committee asking its members to look into a controversial Young earmark for a Florida interchange known as Coconut Road. People are disgusted, Benson said, and Democrats have for too long been afraid to challenge for Young's seat.

Metcalfe said Young deserves respect but scandal and his "back bencher" status in Congress nowadays mean he's not giving Alaska the representation that it deserves.

Various national news organizations have reported in recent weeks that Young is under federal investigation for his ties to Veco Corp., for fundraising activities and for his role in specific congressional earmarks. Young has repeatedly declined to discuss the investigation.

He reported spending $262,137 in attorney fees from his campaign treasury during the first six months of this year. Young still has far more campaign money than any of his challengers, with more than $1.6 million cash on hand listed on his June 30 campaign disclosure report, the latest available.

Metcalfe and Benson welcomed Berkowitz into the Democratic primary race, saying they expected him to run and it won't change their strategies.

National Democrats will be keeping a close eye on the primary as well as gearing up for the general election battle against the Republican nominee.

"Democrats are extremely high on this seat," said Doug Thornell, national press secretary for the Democratic Congressional Campaign Committee.

"We view this seat as a prime pickup opportunity."

Find Sean Cockerham online at adn.com/contact/scockerham or call him at 257-4344.

BLOG: Read the latest on Alaska politics, including corruption coverage, and talk back to the Daily News and others.

adn.com/alaskapolitics

LOAD-DATE: October 11, 2007

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LANGUAGE: ENGLISH

GRAPHIC: The Challengers: Four have thrown hats in the ring
Ex-legislator Ethan Berkowitz, D-Anchorage
Diane Benson, '06 Democratic challenger
Ex-Democratic party chairman Jake Metcalfe
Rep. Gabrielle LeDoux, R-Kodiak
Young

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FBI - Stevens-1296

Anchorage Daily News (Alaska)

October 12, 2007 Friday
FINAL EDITION

Support for Anderson arrives as sentencing nears;
LETTERS: Colleagues and friends say ex-representative deserves a break.

BYLINE: By LISA DEMER ldemer@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 1159 words

With his sentencing on bribery and other charges just days away, former state Rep. Tom Anderson wants the judge to consider that people who know him well don't see him as a corrupt politician.

So far, his lawyer has filed 22 letters of support in court, from former legislative aides, friends, and colleagues from his days on the Anchorage School Board and in the Legislature.

Prosecutors are seeking a maximum sentence of more than eight years.

Anderson was the first of four indicted former legislators to go to trial, and on Monday will become the first to be sentenced. He was convicted in July of seven felonies, including bribery, extortion, conspiracy and money laundering.

His young son's godmother wrote what a good father Anderson is to the boy, whose name was deleted in the letters as filed.

Anderson's first in line to feed the child, he uses quick trips to the grocery store or the gas station as a chance to tell stories, and he's even happy to get up in the middle of the night when the toddler awakens, godmother Joanne Lytle wrote.

Glenn Clary, a pastor at Anchorage Baptist Temple, wrote that Tom is anguished over humiliating his parents and wife and feels like he damaged the integrity of the Legislature as an institution.

House Speaker John Harris said Anderson's eager-to-please personality may have gotten him into trouble, but he was a good legislator and did more than anyone else to modernize the State Crime Lab.

"No one would deny he has a good heart, and means well. I definitely feel he has been thrown into a pool of 'bigger fish' and hope you will equate his mindset and actions in contrast to other indicted individuals respectively," Harris wrote.

SEEKING 33-MONTH MAXIMUM SENTENCE

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Anderson, who contended in his trial that he had been set up by the government, now is admitting that he did wrong and is asking for mercy. His lawyer, Paul Stockler, is asking for a sentence of no more than two years, nine months.

Prosecutors are seeking the maximum, or eight years and one month, which is even more time than recommended by the federal probation office in its pre-sentencing report. They say the judge shouldn't give him credit for accepting responsibility at this point.

"We submit that, in evaluating Anderson's eve-of-sentencing claims of contrition, the Court should consider the fact that Anderson elected to go to trial and have the charges decided by a jury of his peers," prosecutors Nicholas Marsh and Joe Bottini say in their sentencing memorandum.

Anderson seems to recognize that he'll end up in federal prison. Just this week, he paid his ex-wife $9,250 in child support for their two sons, both now teenagers living in Texas, according to the ex, Janet Alexander.

194A-AN-13620-M; 557

In all, he has four sons. His oldest, from an earlier relationship, lives in South Carolina and visits in the summer. The 17-year-old attended the last day of his father's trial. He's upset by what's happening, his mother, Stephanie Webb, said in an e-mail.

On Thursday, Anderson was taking care of essentials: eye exam, dentist, a checkup for his young son Grayson, he wrote in an e-mail Wednesday night.

ELECTED OFFICIALS ARE THE TROPHY

Around the country, defendants in public corruption cases are being hit with hefty sentences, said Peter Henning, a law professor at Wayne State University in Michigan who blogs on white collar crime.

"At one point a sentence over five years would have been almost unheard of in a public corruption case. Now you are seeing it with some regularity," Henning said in a telephone interview.

In ongoing cases, prosecutors may seek more prison time for the first defendants to go down, he said.

"In part they will seek a substantial sentence to send a message to other potential defendants, to try to get their cooperation. There is such a benefit to cooperating," he said. Some who cooperate don't even get prison time, he said.

Big corruption cases are like a spider web, he said. The government works them from the outside in, trying to get the individuals with private interests who paid the bribes to cooperate and reel in elected officials. "They are the trophy," Henning said.

Bottini, one of the prosecutors in the Anderson case, said they aren't trying to make an example out of him.

But there are several reasons why prosecutors are seeking eight-plus years, as laid out in their sentencing memo.

For one, Anderson was convicted of three money-laundering counts. Jurors found that Anderson participated in a scheme in which a phony Web site was used to funnel payments to him that he thought came from a private prison company. In reality, the money came from the FBI, through a Cornell Cos. consultant working undercover. The company didn't know about the scheme.

The probation office concluded it was "sophisticated laundering" involving a shell company, which means more prison time. The defense disputes that. The Web site for political news started out as a real idea but just never materialized, Stockler noted.

Prosecutors also want Anderson to serve more time because they contend he took multiple bribes, though he was convicted of one bribery count. That's because he sought additional money from the consultant, former state Corrections Commissioner Frank Prewitt, working undercover for the FBI. Prewitt testified that he paid Anderson an extra $2,000 in a side deal.

In all, Anderson received nearly $26,000 in bribe payments, according to evidence in the trial. Prosecutors say that his sentence should include "a fine of $26,000, totaling the amount of the corrupt payments."

Anderson plans to speak at his sentencing hearing, his lawyer said. His supporters will mainly be represented through the letters. Among the others who wrote in:

* Joshua Fink, who is director of the state Office of Public Advocacy. Anderson asked him to send a letter, and he did so as a private individual. They were roommates years ago as legislative aides in Juneau. He described Anderson as loyal, a loving family man, a legislator who fought for vulnerable Alaskans.

FBI - Stevens-1298

* Jim Patton, a friend who says there was an attitude of entitlement among legislators that Anderson witnessed during the years he served as a legislative aide. "Tom was more a product of his predecessors, and his ill-equipped gullibility meter, than of corruption."

* John Floyd, who served with Anderson on the Anchorage School Board and the Big Brothers Big Sisters board of directors. As a legislator, Anderson dealt with community concerns, including vandalism at Susitna Elementary, obtrusive snow mounds and funding for a traffic calming study on Muldoon Road, Floyd wrote.

Stockler said Anderson has done lots of soul searching in the last few months.

"I don't think it's ever too late to admit you made a mistake," he said.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

ONLINE: Read letters sent in support of Anderson and find more on the public corruption investigation.

adn.com/fbi

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FBI - Stevens-1299

Anchorage Daily News (Alaska)

October 13, 2007 Saturday
FINAL EDITION

Agents lawfully searched Kohring's office, magistrate finds; RECOMMENDATION: Judge rejects defense bid to throw out evidence.

BYLINE: By LISA DEMER ldemer@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 863 words

FBI agents operated within the law when they searched former state Rep. Vic Kohring's office last year, and the evidence they obtained, including a statement from him, should be allowed in his upcoming corruption trial, according to a recommendation from a magistrate judge.

The decision on whether to throw out the evidence ultimately rests with U.S. District Judge John Sedwick, who likely will issue his ruling next week.

The trial of Kohring, a seven-term Republican from Wasilla who resigned in July, is scheduled to begin Oct. 22.

Kohring's lawyer, John Henry Browne of Seattle, said Friday he still intends to file a separate motion to throw out the case based on what he calls interference by state Sen. Fred Dyson.

Dyson had suggested through an aide that Kohring talk to the FBI. Dyson, R-Eagle River, has said he thought Kohring might be able to work out a deal for his own benefit but that the FBI never asked him to intervene. Browne said Dyson had helped the FBI in another case so was acting as a government agent and shouldn't have approached Kohring's office.

Prosecutors say they will respond if Browne files his motion in court.

The search was conducted at Kohring's legislative office in Wasilla on Aug. 31, 2006, the day FBI agents raided some 20 locations around the state, including the offices of six legislators. Kohring gave his consent, according to testimony from FBI agents at a hearing last month.

Browne had argued that the search nevertheless was no good. He contended that Kohring was forced into agreeing after an agent told him that the FBI had a warrant and would just execute it if he refused.

FBI agents testified at a Sept. 17 hearing that Kohring took about an hour before agreeing to the search. They acknowledged they told him that if he gave his consent, it might minimize attention from news reporters and that he could in any event issue a statement saying he was cooperating.

FBI - Stevens 1300

"Mr. Kohring well understood the choice he was being given regarding the execution of the search and he took full advantage of that when he made his press release later that day by indicating his cooperation with the agents," Magistrate Judge John D. Roberts wrote in his report, filed on Friday.

Browne called no witnesses at the hearing. After the agents testified, he dropped his effort to throw out Kohring's statement on a different basis, that Kohring was illegally detained and not read his rights. The agents said he was free to go at any time.

Roberts believes the search was legal because agents had a warrant that they were prepared to execute on the spot. He's the judge who signed it. The defense effort to suppress the evidence "may be decided on the basis of inevitable discovery," he wrote.

TAKING ON GOLIATH

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Browne said Friday it won't be a big deal if the judge follows the recommendation and allows the evidence.

"My opinion is that Mr. Kohring didn't say anything incriminating to begin with," he said. "But I was just filing the motions in order to be a good lawyer and to make a record because I think what the government did when they told him 'You give us consent or we'll use the search warrant' is not legal."

According to an FBI report filed in court by Browne, Kohring told agents that he had asked for money for himself personally and for his political campaigns from Veco executives Rick Smith and Bill Allen. He also had asked Smith about borrowing or renting a truck. The campaign contributions were properly reported, Kohring told agents.

Prosecutors wanted Browne to agree to allow a single FBI agent to authenticate any secretly made recordings involving Kohring before they are played for jurors.

No way, Browne responded.

That means prosecutors must call as witnesses an FBI employee directly involved with any recording they want jurors to hear. Agents from all over the country were involved in monitoring telephone calls of Veco Corp. executives as well as happenings in Suite 604 of the Baranof Hotel.

Kohring faces four felonies, including bribery, extortion and conspiracy. He is accused of accepting cash payments from Veco executives totaling more than $2,000, soliciting $17,000 to pay off credit card debt, and securing an internship for a nephew. In exchange, prosecutors assert, he pushed Veco's interests on an oil tax bill in 2006.

In an e-mail interview with the Mat-Su Valley Frontiersman, Kohring called the case against him weak but said he still knows he's taking a chance.

"Going to trial is a huge risk because the government has unlimited resources (I heard they're wasting literally millions prosecuting me) and slick, smooth-talking, highly educated prosecutors with expensive suits who can sound very convincing. But this is something I must do to prove my innocence. It reminds me of the biblical match-up between David and Goliath. I just hope my aim is accurate and I find a smooth stone," he is quoted as saying.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

ONLINE: Read more about the corruption investigation, including past stories and an interactive overview.

adn.com/fbi

TALK ABOUT IT: Discuss the latest news on our Alaska politics blog.

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GRAPHIC: Kohring

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Anchorage Daily News (Alaska)

October 14, 2007 Sunday
FINAL EDITION

Will Palin's oil tax bid succeed in session?;
MANY PLANS: Parties, industry disagree on best move for Alaska.

BYLINE: By SEAN COCKERHAM scockerham@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 2837 words

In her first 10 months in office, Gov. Sarah Palin has seen stratospheric approval ratings in Alaska and glowing media coverage Outside. Polls have shown support from as high as 90 percent of Alaskans. She's in the current issue of Newsweek (featured prominently in a piece about women governors) and was recently on Self magazine's list of "10 Most Inspiring Women."

But she's about to confront what could be her toughest political challenge since taking office.

Palin has called a special session of the state Legislature, beginning Thursday, to consider her plan to raise the state tax on oil company profits. Palin says the current state Petroleum Profits Tax, or PPT, was tainted by corruption when it passed last year and isn't bringing in enough money.

The governor will have to grapple with fellow Republicans who want to leave the oil tax alone, Democrats who say she's not going far enough, and an oil industry that's threatening less investment in Alaska if her plan passes.

The only thing for sure is it won't be easy.

The North Slope oil producers, who face the prospect of paying billions of dollars in additional taxes in coming years if Palin has her way, are trying to figure out the political landscape.

"I think there's just so many different factions on this," Conoco Phillips Alaska president Jim Bowles said in an interview last week. The Palin administration, even "with as much stroke as they have," is in a tough spot, he said.

"I think it's going to be very difficult to get a majority to do anything," he said.

That means either stalemate or wheeling and dealing, according to legislators of all political stripes.

"Everybody is going to have to move off their current position because nobody's position has a majority of votes right now," said Rep. Les Gara, D-Anchorage. He's among a group of legislators pushing to collect more on the big oil fields than Palin wants.

Palin's best chance to get a bill passed could be to find a compromise with the Democrats that doesn't alienate those Republicans who are on her side. Such a fluid situation, with so much money at stake, is making the oil industry nervous.

The companies are calling Palin's plan Alaska's third tax increase in as many years, and say the state needs to think about what balance it wants between taxes and investment. For weeks, the oil producers and their supporters have blanketed the state in a don't-raise-taxes advertising blitz.

Palin counters that the state is clearly not getting a fair share for its resources and can raise the tax rate carefully without killing the "golden goose" of continued oil industry investment.

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The governor seems determined to not let the 30-day special session fizzle into a lot of talk, as many state legislators are predicting it

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will.

"Doing nothing is not an option," Palin said as she unveiled her oil tax plan to legislators last month.

IS CURRENT TAX TAINTED?

Palin said the public lacks confidence in the current oil tax system because of the corruption present at its birth last year.

Former Eagle River Rep. Pete Kott was convicted in September of taking bribes from executives of the oil field services company Veco. They tried to influence Kott and other lawmakers to pass a tax favored by the North Slope producers -- and to avoid a higher rate the companies didn't like.

Other legislators have been implicated in the scandal. The trial of one of them, former Wasilla Rep. Vic Kohring, who chaired the House Special Committee on Oil and Gas, is set to start in Anchorage on Oct. 22. That's four days after the special session begins. Coverage of Kohring's Anchorage trial -- with the FBI's evidence of alleged backroom misdeeds as the PPT was debated in 2006 -- could hang heavy on the legislators debating the new oil tax plan down in Juneau.

Some legislators bristle when the current oil tax is tied to corruption. Palin's revenue commissioner, Pat Galvin, found that out last week as he briefed state Senate majority members on the governor's tax plan.

Senate President Lyda Green stopped Galvin cold when he said the public lacks confidence in the tax. Green said she hasn't heard members of the public saying that, only the Palin administration.

"The lack of public confidence comes from repeated statements by the administration that everything is tainted, that it's corrupt," the Wasilla Republican said.

Rep. Jay Ramras, R-Fairbanks, said there's an atmosphere of "McCarthyism," with Palin painting legislators as tainted.

But other legislators said the corruption issue has to be addressed. Democrats urged Palin to call special session after two Veco executives pleaded guilty in May to bribing legislators.

House Speaker John Harris, a Valdez Republican, said he doesn't think the final oil tax would have been much different without the corruption of a few legislators. Harris nevertheless agreed with Palin there's a need to deal with public concern about the tax.

KICKING AND SCREAMING

Palin said the other reason she's calling the special session is that the tax system passed last year, pushed by former Gov. Frank Murkowski, is not bringing Alaska its fair share of oil money.

Palin administration officials have said that, in fiscal year 2007, the tax brought in $1 billion more than the old oil tax but $200 million less than had been predicted when it passed.

Unless the tax is changed, rising deductions from the oil industry will bring the state $800 million less than predicted for the next fiscal year, state Revenue Commissioner Galvin said.

The centerpiece of Palin's plan is a basic increase in the state's net profits tax on North Slope oil from 22.5 percent to 25 percent.

FBI - Stevens-1303

It's not a fixed formula, though. The companies would pay more when prices are high, as they are now. Even if oil prices plummet, there would be a minimum gross tax imposed on the big Prudhoe and Kuparuk fields.

Palin's plan also includes tax credits for oil exploration and maintenance and construction in the oil patch. The companies would no longer be able to get a deduction for replacing old pipelines and equipment that unexpectedly fail, though, a change meant to keep from rewarding negligence.

Palin had previously called for a more dramatic overhaul of the state oil tax than what she ended up proposing. She once favored switching the system entirely from a tax on net company profits to one on the gross value of the oil.

It's a big difference. Proponents of the gross tax, including Democrats in the Legislature, argue it's simpler and would prevent oil companies from using sharp accountants to manipulate their deductions and their final tax bill.

Palin said she was dragged "kicking and screaming" away from proposing a gross tax. She said it turned out to be unworkable to create a simple gross tax that still offered the types of credits for industry investment that are needed to keep the petroleum pumping.

A DUD?

Palin has yet to persuade Democrats in the Legislature that a gross tax cannot work. House Democrats will open the special session by introducing their own bill imposing a gross tax on the big fields -- Prudhoe Bay, Kuparuk and Alpine and leaving open the possibility of a profits tax on smaller, less profitable fields on the North Slope.

That approach might have a chance, at least in the state House. There are 16 House Democrats and they'll only need to pick up five Republican votes to pass it over to the Senate, where it would be viewed with more suspicion.

The Democrats will tout a new poll they commissioned from the Hays Research Group that says most Alaskans prefer a tax on the gross market value to one on the net profits. Democrats think they can strike a deal with Palin.

House Minority Leader Beth Kerttula, D-Juneau, said she believes Palin and the Democrats have the same goal "at the 30,000 foot level" of achieving the maximum value for the resources.

"We're not unwilling to listen and understand and work together," Kerttula said.

Kerttula said Alaska is highly profitable for the oil industry and she believes the companies are bluffing when they talk about less investment.

The oil industry will argue it's a bad idea for the state to particularly target fields like Prudhoe and Kuparuk, where the companies hope to someday get the currently uneconomic vast "heavy oil" deposits out of the ground.

The Republican majority in the state House is all over the place on the oil tax. House speaker Harris is positive toward Palin's proposal to increase the net profit tax. But the House majority leader, Ralph Samuels, R-Anchorage, is in the camp that believes it is likely too soon to declare a tax passed only a year ago to be a dud.

Palin is likely to face an even bigger challenge in the state Senate. Several members of the Senate majority coalition of Republicans and Democrats were openly skeptical when Palin's revenue commissioner briefed them on her plan last week.

Sen. Lyman Hoffman, D-Bethel, said the Legislature spent months last year on some of the issues covered in Palin's plan. Now legislators have just a 30-day special session.

"I find it hard to believe we're going to be able to accomplish this in 30 days," Hoffman said.

Senate President Green said in an interview that she doesn't see the rush to change the tax rate.

But Green said she did expect the special session would include quick agreement on some proposals made by Palin other than the tax rate.

Those include raising salaries to recruit state oil tax auditors and demanding details from the oil companies on how they figured their tax bill.

FBI - Stevens-1304

There are state senators who want to increase the oil tax rate. Senate Minority Leader Gene Therriault, R-North Pole, said he needs more detail but could get behind Palin's plan.

Anchorage Democratic Sen. Hollis French is among those pushing for a gross tax, although he conceded that would not be easy.

French said it's important to look at changing the tax because the projections on how much it would bring the state turned out so far wrong. He said, realistically, if the state doesn't do it now the tax will likely stay as is.

"This is probably our last chance for a decade," he said.

BIG DECISION

Conoco Phillips Alaska president Bowles said the state will be living for a long time with whatever decision it makes on the oil tax.

"I think it's a bigger decision for the state than what the state perceives it to be right now," Bowles said.

Conoco Phillips and other companies said the current high oil prices are masking a fundamental problem here. Alaska's oil production is declining and it's not a time to drive away investment, they say.

Oil industry representatives said the proposed tax increase appears driven by politics, rather than an actual need for state government to have the additional revenue right now.

State officials said the oil tax hike has nothing to do with the potential pipeline tapping the giant natural gas reserves on the North Slope.

But Bowles said the unease the company feels about the oil tax change will impact the prospects for a gas line.

"It will have to have some kind of carryover in our viewpoint of gas and how do you view certainty going forward on a gas pipeline project," Bowles said.

Find Sean Cockerham online at adn.com/contact/scockerham or call him at 257-4344.

THE PLAYERS

Gov. Sarah Palin

Called the 30-day special session to raise the state's oil tax rate. She wants to replace the year-old PPT with her ACES plan. "Doing nothing is not an option," she said.

Sen. Lyda Green

Wasilla Republican is president of the state Senate, presiding over a coalition of Republicans and Democrats who are split on what they want to happen. She sees no rush to change the current oil tax rate. "We really need to kind of hold on and review it some more."

Rep. John Harris

Valdez Republican is speaker of the House. His Republican majority is divided over the governor's plan but he wants to give Palin a chance. "I'm open. I'm not against it."

Sen. Gene Therriault

North Pole Republican is the minority leader of the state Senate, and at odds with Green. He wants more information on Palin's plan but could be a helpful ally for her. "I think initially I may be OK with the direction the governor has chosen."

Rep. Beth Kertulla

Juneau Democrat is the minority leader in the House. She and other Democrats are pushing to change the tax system to collect more money from the big oil fields than what Palin is proposing. "I'm going to go in trying, because I don't like what we've got."

FBI - Stevens-1305

The Oil Industry

The oil companies, led by the three North Slope producers -- BP, Conoco Phillips and Exxon Mobil -- warn of less investment in Alaska if Palin's tax passes. They'll be fighting it hard. "We have to call on every Alaskan to think really hard about the future," said BP Alaska president Doug Suttles.

Bill Allen and Veco

The former Veco Corp. chief, long a force in Alaska elections and legislative politics, awaits sentencing for bribing legislators during last year's oil tax battles. But he's still a force in Juneau: The corruption scandal, and questions about whether the tax plan passed last year was tainted by it, is cited by Palin as a key reason she's calling the special session to revisit the issue.

WHAT'S ACES?

The governor's plan is called Alaska's Clear and Equitable Share, or ACES. It would make significant changes to the current system, the Petroleum Profits Tax, or PPT. If passed, most ACES provisions would become effective Jan. 1, 2008.

The 46-page bill would:

* Raise the state's current net profits tax on North Slope oil from a 22.5 percent to 25 percent base. There's also a "progressivity" surcharge where generally, when oil prices rise above roughly $50 a barrel, the tax rate increases by another .2 percent for each additional dollar a barrel. The PPT has a surcharge that kicks in at a higher oil price than ACES but at a greater rate once it does go into effect.

* Impose a 10 percent gross tax floor on the Kuparuk and Prudhoe fields. That would kick in when oil prices are low, probably $40 a barrel and under.

* Change the tax credits the state receives for oil exploration, maintenance and construction. That includes eliminating the credits allowed under the PPT for replacing old pipelines and equipment that unexpectedly fail. This change would be retroactive so no oil producer could claim a deduction for work on the corrosion that led to a partial shutdown of Prudhoe Bay last year or the recent fires at BP facilities on the North Slope.

* Eliminate the oil companies' ability under PPT to get retroactive tax credits for construction and maintenance they conducted in previous years.

* Allow the state to pay higher salaries to recruit oil tax auditors.

* Require the companies to turn over more information to the state on the costs they use to calculate their tax bills.

FORUM

TODAY: Palin administration is hosting a public forum on its proposed overhaul of the state's oil tax today at 2 p.m. in the Marston Theatre of the Loussac Library.

INSIDE

SCHEDULE: Find out when and where public hearings are scheduled.

KEY PLAYERS: Who to watch in the special session.

VOCABULARY: What's ACES and how is it different?

Page A-4

ONLINE

POLITICS: Keep abreast of Alaska politics and comment on the issues on our blog at

FBI - Stevens-1306

adn.com/alaskapolitics

HEARING SCHEDULE

Gov. Sarah Palin's oil and gas tax team is hosting a series of public briefings on the proposed rewrite of a key state oil tax, including sessions today in Anchorage and Monday in Kenai.

Today in Anchorage 2 p.m. in the Z.J. Loussac Public Library, Wilda Marston Theatre, 3600 Denali St.

Monday in Kenai 6 p.m. in the Challenger Learning Center, 9711 Kenai Spur Highway.

Thursday in Sitka 3 p.m. in Harrigan Centennial Hall, 330 Harbor Drive.

The special session of the Legislature officially starts Thursday in Juneau at 8:30 p.m. But there will be a Legislative Budget and Audit Committee meeting starting at 10:30 a.m. Thursday where lawmakers will hear from their consultants about how the current oil tax system compares with others around the globe.

The House oil and gas committee is then scheduled to hear a presentation from the governor's team at 1:30 p.m. on Friday.

The session will be broadcast on "Gavel to Gavel" on cable, Channel 17 in Anchorage.

For more on the governor's bill, go to www.gov.state.ak.us/aces and click on the ACES link.

GLOSSARY

ACES -- Alaska's Clear and Equitable Share. That's what Gov. Sarah Palin is calling her oil tax proposal.

PPT -- Petroleum Profits tax. It's the state's current oil tax system, passed last year and pushed by former Gov. Frank Murkowski.

GROSS TAX -- This is a tax on the market value of the oil minus pipeline and tanker charges.

NET PROFITS TAX -- A tax on oil company profits. Basically this is a tax on the market value of the oil minus pipeline and tanker charges, as well as North Slope operating costs. The existing state tax system is a net profits tax.

PROGRESSIVITY -- The concept that Alaska's oil tax rate goes up as oil prices rise.

LOAD-DATE: October 15, 2007

LANGUAGE: ENGLISH

GRAPHIC: ERIK HILL / Anchorage Daily News
Revenue Commissioner Pat Galvin and Gov. Sarah Palin field questions on the plan for a new state oil and gas tax at the Consortium Library last month. A public forum is scheduled for 2 p.m. today at the Wilda Marston Theatre at the Loussac Library in Anchorage.

DOCUMENT-TYPE: Staff

PUBLICATION-TYPE: Newspaper

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FBI - Stevens-1307

SEATTLE POST-INTELLIGENCER
http://seattlepi.nwsource.com/local/6600AP_WST_Anderson_Trial.html
Last updated October 15, 2007 3:56 p.m. PT

Judge sentences Anderson to five years on corruption convictions

By DAN JOLING
ASSOCIATED PRESS WRITER

ANCHORAGE, Alaska -- Former state Rep. Tom Anderson helped the FBI investigate a half dozen other cases of suspected public corruption in Alaska.

That got him no consideration from federal prosecutors after he abruptly stopped cooperating.

Anderson, convicted July 9 of seven counts of conspiracy and bribery, was sentenced Monday to five years in prison, a term prosecutors considered too short.

Anderson's sentencing hearing took two hours as witnesses described how the former lawmaker, after being confronted with evidence in his own corruption case, agreed to help investigators by recording conversations with a half dozen or so others under investigation.

According to witnesses Monday, that stopped after Anderson told his future wife, state Sen. Lesil McGuire, R-Anchorage, that he was cooperating with investigators. She learned he would be expected to plead guilty to one felony count, and that investigators expected him to continue assisting them with secret recordings in the 2006 legislative session.

Shortly after that meeting, Anderson fired his attorney and stopped wearing a wire.

Anderson, 40, a two-term Republican from Anchorage who chose not to run for re-election in 2006, was convicted of taking nearly $24,000 he thought was coming from a private prison firm, Cornell Industries, Inc., in exchange for his assistance on legislation.

The money was supplied by the FBI through an informant under contract to Cornell, Frank Prewitt, a former Alaska Department of Corrections commissioner. Prewitt secretly recorded his conversations with Anderson and a coconspirator, lobbyist Bill Bobrick, between July 2004 and March 2005. Cornell Industries was not aware of the investigation.

Anderson did not immediately comment after the sentence was announced. He remains free and afterward hugged friends and family members - many in tears - who lined the gallery.

Prosecutors sought a sentence of more than eight years. Assistant U.S. Attorney Joe Bottini said the evidence showed Anderson did more than succumb to temptation to take money. Anderson solicited the bribe, betrayed his public trust and actively took part in concealing the money, Bottini said.

"The public's faith in the integrity of our legislative system is eroded," Bottini said.

He urged U.S. District Court Judge John Sedwick to restore the public's faith. FBI - Stevens-1308

"They have to know it was serious, and when they're caught they're going to be punished, and they're going to be punished to the extent they deserve," Bottini said.

194A-AN-13620-M;560

Anderson's lawyer, Paul Stockler, asked for a sentence of no more than three years, which he said was "more than enough time."

The difference between five and three years would have no affect as a deterrent, Stockler said. But it would make a significant difference in Anderson's ability to support his three children from previous relationships and in the life of his young son - the difference between taking him to his first day of kindergarten or the first day of second grade, Stockler said.

Sedwick decision for a 60-month sentence fell within the pre-sentencing report guidelines of the 51 to 63 months. The judge noted the volume of support letters that had poured in for Anderson and said the matter likely was heartbreaking for Anderson's family. Anderson is the son of a former director of the Alaska State Troopers.

"I have no idea how Mr. Anderson's apple fell so far from the tree, but it did," Sedwick said.

The judge said he took into account Anderson's long record of community and legislative service and his eagerness to help constituents, but ultimately, Anderson did not take a bribe to help someone else.

"He took the money because he wanted the money," Sedwick said.

Anderson's former attorneys testified about his cooperation with investigators.

Craig Howard, a 22-year public defender now in private practice, said he was called from his son's Little League game in summer 2005 to Anderson's legislative office as the FBI was about to serve a search warrant. Anderson had been confronted by investigators that afternoon.

The government made it clear from the outset, Howard said, that Anderson would have to plead guilty to one felony charge even as he cooperated. There was an understanding he might be able to say which charge, Howard said, but the arrangement called for nothing less than a felony.

"From day one, no way was it going to be a misdemeanor in this case," Howard said.

Anderson cooperated with investigators throughout the summer. Anderson's father had been informed of the investigation, Howard said.

After learning that McGuire was pregnant, Howard said, Anderson insisted that she be told of his situation. Prosecutors gave their consent and Anderson's cooperation with the government, as well as his connection to Howard, ended.

"I was dismissed," Howard said.

FBI - Stevens-1309

Howard's replacement, Jeffrey Feldman, testified that without a written agreement between Anderson and prosecutors, he negotiated for a "pass" for his client, such as a misdemeanor plea, in exchange for Anderson's cooperation. He tried to pin prosecutors down as to the exact considerations Anderson would receive for his cooperation.

"That became the goal," Feldman said. "It wasn't the goal initially."

By September 2005, the investigation was Anderson's "job," consuming all of his time, Feldman said.

"It was the only thing he was doing. It was really stressful," he said.

Anderson had misgivings about extending his cooperation to the legislative session in Juneau.

"The people in his district had not elected him to be an undercover agent," Feldman said.

Anderson's willingness to save himself bumped up against what he felt was duplicitous to his legislative colleagues, he said, and Anderson stopped cooperating.

Anderson knew the consequences of ending his cooperation, Feldman said, and it happened.

"There was no ambiguity about what would unfold," Feldman said.

Anderson was arrested Dec. 7 and charged with conspiracy, bribery, money laundering and interfering with commerce, a charge connected to a demand for payments.

He was the first of four former Alaska lawmakers arrested on federal corruption charges. Former House Speaker Pete Kott, R-Eagle River, was convicted last month of conspiracy to solicit financial benefits, extortion and bribery.

Former Rep. Vic Kohring, R-Wasilla, is scheduled to go on trial on corruption charges next week.

The corruption trial of former state Rep. Bruce Weyhrauch, R-Juneau, has been delayed. Federal prosecutors are appealing a decision on the case that said they could not claim that Weyhrauch were required to disclose to fellow legislators or the public that he was seeking employment from VECO.

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Alaska Politics

Feds to state: Hold off probe into Veco polling

Posted by Alaska_Politics
Posted: October 16, 2007 - 4:25 pm

The U.S. Justice Department sent Alaska's attorney general a letter discouraging the state from doing its own investigation of corruption involving election polling, and Gov. Sarah Palin put out a press release this afternoon saying the state intends to comply with the request. Here's the AP story:

By DAN JOLING
The Associated Press
State prosecutors will back off an investigation of election campaign polling practices to avoid interfering with an ongoing federal corruption probe, Gov. Sarah Palin announced Tuesday.

Palin, who championed ethics reform while winning office last November, released a letter from the U.S. Department of Justice that said a state investigation could interfere with the federal effort.

"Because of the long-standing federal investigation into these matters, we believe that concurrent state investigative activity will have the effect of compromising certain aspects of the ongoing federal public corruption investigation," said Brenda K. Morris, deputy chief of the Justice Department's public integrity section.

She commented in a letter to Alaska Attorney General Talis Colberg.

Attorneys from the Public Integrity Section are prosecuting four former Alaska legislators, including Pete Kott, who was convicted of bribery and other counts last month.

State officials announced they would investigate after testimony emerged from Kott's trial that Kott and possibly others had illegally received campaign polls paid for by officials of Veco Corp., a major oil field services company that spent thousands of dollars supporting pro-development candidates.

Veco CEO Bill Allen and a company vice president, Rick Smith, have pleaded guilty to bribing public officials. Their plea agreements require them to cooperate with investigators.

They testified at Kott's trial that Veco paid $2,750 for a poll that showed Kott where he stood in his re-election campaign in 2006. Kott subsequently lost in the Republican primary.

Smith testified that Veco had paid for other polls over the years, including a $20,000 poll in 2006 for former Gov. Frank Murkowski before he was a declared candidate for re-election.

Colberg assigned lawyers to closely watch Kott's trial in federal court to see if it revealed other possible criminal acts.

But he cautioned that the state would have to proceed carefully before pursuing its own criminal charges because federal authorities did not want interference from the state.

The Justice Department letter, dated Friday, puts the brakes on state investigators.

Palin said she has directed the attorney general to continue to monitor alleged illegal activities by public officials but that her office will not impede or compromise the federal investigation.

Former state Rep. Tom Anderson, R-Anchorage was sentenced

Alaska Politics

This is the place for news on Alaska politics -- state, local and national. Public life in the Last Frontier may never have been more interesting than right now -- the broad and still-evolving corruption investigation, a new governor, powerful members of Congress under scrutiny, and the usual hardball politics on the state, national and local levels. Come here for the latest news and join the discussion.

Contributors

Kyle Hopkins
Kyle Hopkins writes about Anchorage city government and politics. He covered last year's campaign for governor, and has blogged extensively about Alaska politics for the past year. He grew up in Southeast Alaska and was a reporter at the Fairbanks Daily News-Miner and Anchorage Press.
E-mail Kyle at khopkins@adn.com.

Sean Cockerham
Sean Cockerham writes about Alaska state politics. He spent three years based in Juneau for the Daily News before joining the Tacoma News-Tribune two years ago to write about Washington state politics. He went to Iraq twice for the News Tribune, and previously wrote about Alaska government and politics for the Fairbanks Daily News-Miner. Now he's back in Anchorage.
E-mail Sean at scockerham@adn.com.

Erika Bolstad
Erika Bolstad covers Alaska issues, including the congressional delegation, from Washington, D.C., for McClatchy Newspapers. Before joining the bureau this summer, she spent seven years as a reporter at the Miami Herald, where she covered politics, government and the state legislature.
E-mail Erika at ebolstad@adn.com.

Archive

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East Anchorage: Our oversized living spaces feature a dishwasher, a disposal and spacious closets.

10 of 12
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13620-M ; 561

Monday to five years in prison following his conviction in July on seven counts of conspiracy and bribery. He was convicted of taking nearly $24,000 that he thought was coming from a Houston-based company, Cornell Industries Inc., which hoped to build a private prison in Alaska.

The money was supplied by the FBI through an informant under contract to Cornell who secretly recorded his conversations with Anderson in 2004 and 2005. The company was not aware of the investigation.

Former House Speaker Pete Kott, R-Eagle River, was convicted last month of conspiracy to solicit financial benefits, extortion and bribery.

Former Rep. Vic Kohring is scheduled to go on trial on corruption charges Monday. The corruption trial of former state Rep. Bruce Weyhrauch has been delayed.

add new comment

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3 October 17, 2007 - 3:39am | Special_Agent_Roswell

Frank NEVER listened..

Should have known....Coulda shoulda woulda. Are you there Frank? Out there reading the blog with your stomach in knots knowing that someone is enforcing the laws instead of stonewalling? Coulda Shoulda woulda now, huh Frank?

Maybe ADN needs to open up a new thread on "The Last Word" blog for what is comming up.

And I hear that 'Vic's WAR' is going to require that more of the Feds' SA return to testify. Good plan, but be careful it doesn't backfire.

Maybe bring more search warrants with you, compadres. And then the Alaska Corruption Probe can finally extend to the Knowles admin revolving doors and conflicts of interest, Loren's FERC concerns, Ogan, Renkes, Ruedrich, PERS, CEA?

Some real pieces of work scurried out of that Knowles sinking ship. Get the excavator, Let's have a dig!

Investigate corruption in Alaska's courts and Attorney General's office? Absolutely Federal Jurisdiction!

As Paul Harvey says " Stay tuned for NEWS!"

reply »

October 17, 2007 - 9:54am | Special_Agent_Honeybucket

not to worry folks,

Agent Roswell and I, vow to "get her done" and "I'm not trying to be difficult" about it at all.... but "if there's anyway we can get this thing stopped, well thats the best possible outcome..."

for you wonderful people of Alaska....

reply »

October 18, 2007 - 1:21pm | hpwells

If you assholes

are not from Alaska, stay out of the picture.

reply »

October 18, 2007 - 2:03pm | Special_Agent_Honeybucket

Again, I'm just stating the facts, sir.

If it will appease your anger, I am from Alaska. Born here before the state became a state. This detail does provide me with nearly endless visions or "pictures", of Alaska's political environment, past and present.

"well, ah, I got work and its just between me and you...", that I provide as much humor as possible in this mess...

"Godspeed", hpwells, "Godspeed"

reply »

October 18, 2007 - 4:11pm | hpwells

My apologies to you Mr. Honeybucket.

My freshmanship is revealing, is it not? By the way, what year did Alaska become a State?

reply »

October 18, 2007 - 4:21pm | Special_Agent_Honeybucket

Ah, that would be Miss Agent Honeybucket to you.

Early 1959, but that statehood act came a couple seasons earlier. When it was announced (acceptance into the union) the neiboring homesteaders stayed up all night shooting off thier rifles. When I asked my grandfather what that was all about, he said "We're in and I wonder when the rest of the United States will figure it out."

FBI - Stevens-1312

reply »

October 19, 2007 - 5:36am | Special_Agent_Roswell

"neighboring homesteadores?

So was Gramapah in on any of kicking the "fried egg flag" butt off of the Aleutian homelands?

reply »

October 17, 2007 - 10:53am | jauntmag

LOL!!!

LOL!!!

reply »

October 17, 2007 - 11:48am | Special_Agent_Honeybucket

just stating the facts sir ...

reply »

October 17, 2007 - 2:33pm | Special_Agent_Roswell

Breaking "the Bank"

Yep, it's a target rich environment out there. 79 convictions are kind of hard to beat but Alaska has the making for #1 corrupt state.

Frank never did have much respect for any laws, he just made money making them for other people to follow.

Here's one the "lame duck" broke. I guess he's soon to be dead duck.

Chief Executive of the State always burdening someone else to enforce the law. What an astonishing ruse.

reply »

October 17, 2007 - 3:48pm | Special_Agent_Honeybucket

Agent Roswell

We have another bumper sticker issue.

Similiar in color and font style of the blue 'Thank You FBI' bumper sticker, ah, you know the one with the big dipper in the background. Well this latest one is blue with a fish outline in yellow.

The words state "I wanna see the guppy perp walk !".

reply »

October 17, 2007 - 4:21pm | Special_Agent_Roswell

Ahh yes. constituant pressure...

Don't forget what you learned in training. Go by the book and not by the bumper sticker.

Assure them that we've got enough on Benito to where even a lenient Judge could quadruple TA's sentence.

It's just waiting for the cookie to crumble. And that involves the D.C. HQ now. And the guys on his tail are assure me he's constantly looking over his shoulder at their non-descript blue ford sedan. As much as he "doesn't anticipate anything like that," he knows better than freezin france that things are not good.

The modern 2006 update of Ephram Zimbalist Jr's ford sedan in his rear view mirror wherever he goes. They're just having fun and killing time shadowing the paranid perp.

reply »

October 17, 2007 - 7:33pm | pixieteeth

How much is that costing us?

The ford sedan going whereever he goes and the guys on his tail what's their names, start date, and job titles; and how much are they costing us per hour with overtime and benefits having a fun time...do you know or are you just playing devil's advocate here...Ask Kyle to figure out if the budget people or human resources will get you their names and particulars on an updated spreadsheet...thanks. Oh. They won't? Why not? That's public information. Kyle says it's the most important public information of all times. This is expensive lurking on the publics' dime isn't it in descript and nondescript vehicles all day and noted everywhere - especially "improved" neighborhood parks with 30 parking spaces. Well, we gotta spend that money somewhere; EFZ notwithstanding. Although Alaskans don't pay an income tax at all at this time. We are such gentle people. Civics - you say? Oh the clamor...I'm sensing a headache...do

FBI - Stevens-1313

you need a napkin?

reply »

October 17, 2007 - 8:15pm | Special_Agent_Honeybucket

We're here just to state the facts sir.

Headache you say? Napkin be dammed. Agent Honeybucket is here to stay!

I'm not sure Agent Roswell got the memo from Headquarters (yet), but we have been given clearance to reveal a bit about ourselves. This is a demonstrated effort to provide clear and transparent communication to the gentle people of Alaska.

We understand that presenting the facts doesn't always reveal the softer side of the any Agent. Hence the clearance to reveal a bit about ourselves.

I am survivor. Of the cheap, horribly failed campaign promise of former Governor Knowles' attempt to eleminate me by the year 2000. Sad, crude, but true.

Godspeed, Pixie, Godspeed.

reply »

October 19, 2007 - 6:45am | pixieteeth

They don't trust 'em.

Why would they. The state hasn't done jack 'til now. That's why the feds told the state to stay out of it.

reply »

2 October 16, 2007 - 6:32pm | Natalie_O

More Fed business??

Sounds like they're not finished. This whole corruption business is like a spiders web and you don't know where its going to spin towards next. All of it, every single bit of it, needs to be brought out so I hope Palin keeps her word and not let the State impede on the investigation until the Feds are done. And even once done, I hope she implements some kind of plan for the State to do some investigating of their own and thoroughly investigate polls and campaign violations, even if it means going against party lines. I hear alot of people talking as if they are outraged by this corruption but you never know what frame of mind they will adopt once the "Federal" dust settles.

reply »

1 October 16, 2007 - 4:33pm | adnak

The Feds

Feds and Frank!

Who all gets to go hang out with Tom Anderson?

reply »

October 16, 2007 - 7:52pm | pp05416

(Music) It's a family affair!

It's a family affair.

reply »

October 16, 2007 - 9:48pm | gilid

"Feds and Frank[s]!"

Sounds like a failed test product from Campbells.

"Yeah, the R&D guys tried it out in Alaska, worked some deals though Carrs, free samples, 2-for-1, the whole thing, but you know? Everybody that tried it said it tasted too much like fish! Whataya gonna do?"

Or something like that.

reply »

FBI - Stevens-1314

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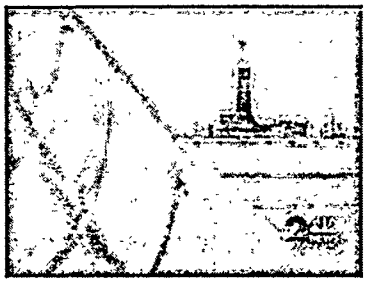
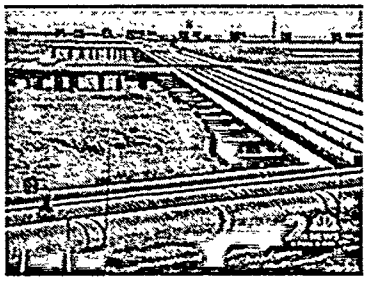
Democrats debut oil tax ads



Democratic Party-sponsored ads take aim at the oil industry prior to this week's special session. (File Photo)

Alaska Democratic Party Chair Patti Higgins (Jason Kohler/KTUU-TV)

Alaska Oil and Gas Association Director Marilyn Crockett (Jason Kohler/KTUU-TV)



The challenge for the industry is delivering its message through all the recent media coverage of the corruption trials. (File Photo)

by Jason Moore
Tuesday, Oct. 16, 2007

ANCHORAGE, Alaska -- FBI wire taps are finding their way onto the airwaves in advertisements aimed at influencing the upcoming legislative session.

The ads are produced by the Alaska Democratic Party and use the voices of former VECO boss Bill Allen and the head of ConocoPhillips Alaska, Jim Bowles.

The ads feature wire tap evidence that was introduced in the Pete Kott corruption trial, which ended with the former State House Speaker convicted on several felony counts. They make their debut as the oil industry attempts to frame and oil tax the debate on different terms.

The spots hit the airwaves Tuesday morning and include sound bytes like this:
"We want to see if we can just stop this thing don't we Jim ... Yes sir, if there's any way we can get this thing stopped that's the best possible outcome."

The advertisement continues:
"That's former VECO Corp. chief executive Bill Allen talking with ConocoPhillips President Jim Bowles last year about how to keep the Alaska Legislature from passing a fair oil tax."

Alaska Democratic Party Chair Patti Higgins said the campaign is a response to numerous ads being run by the oil industry and the Alaska Oil and Gas Association.

"The industry is sort of taking on Alaskans," Higgins said. "They're playing all these ads in the newspaper and on radio and on TV and we just feel we need to remind Alaskans that this is our oil and we need to get our fair share of taxes."

Industry officials said the Democratic ad doesn't do anything to inform the public about the oil tax debate going into the special legislative session.

FBI - Stevens-1315

"It feels more like a scare tactic sort of an ad and frankly it's sort of picking at a scab that's been festering for awhile," Marilyn Crockett, executive director of the Alaska Oil and Gas Association, said. "That doesn't really get to the real heart of what's important in this upcoming session."

The challenge for the industry is delivering its message through all the recent media coverage of the corruption trials and the debate it has caused amongst Alaskans.

1-3620-M; 562

Paul Laird, the general manager of the Alaska Support Industry Alliance (Jason Kohler/KTUU-TV)

Oil industry officials said the message is urgent: higher taxes will lead to less investment and ultimately less oil production within the state.

"There's no question right now that the popularity of the oil industry is not at high tide," said Paul Laird, the general manager of the Alaska Support Industry Alliance, a group that advocates on behalf of oil support companies. "I think the important thing for us, for the industry, is to keep reminding people that you don't kill the goose that lays the golden egg."

But will lawmakers and the public be influenced by economic arguments or criminal evidence?

"I think the conversation speaks for itself and that's why we used their voices in the ad," Higgins said.

The special legislative session on an oil tax overhaul begins Thursday.

Contact Jason Moore at jmoore@ktuu.com

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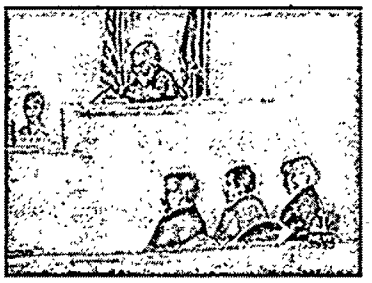
Anderson could have received lighter sentence

Tom Anderson might have served less prison time had he continued cooperating with the FBI. (Jason Kohler/KTUU-TV)



Prosecutors say Anderson's cooperation ended when his wife was informed. (Court artist Pat Gillin)

Sen. Lesil McGuire, R-Anchorage (Jason Kohler/KTUU-TV)

Anderson was sentenced to five years in prison on Monday for bribery-related charges. (File Photo)

by Bill McAllister
Tuesday, Oct. 16, 2007

ANCHORAGE, Alaska -- Former lawmaker Tom Anderson might have served only one year in prison, rather than the five he was sentenced to Monday, had he continued to cooperate with the FBI in 2005.

Federal prosecutors have left the impression that Anderson's wife might have played a role in his decision, highlighting that the reversal came soon after Lesil McGuire, now a state senator, became aware of her husband's situation.

Anderson did not get any credit against his sentence for helping the FBI with other investigations in the summer of 2005 because he reversed course in September of that year.

Anderson was sentenced to five years in prison Monday, based on the seven felony charges a jury convicted him of in July.

U.S. attorneys said Anderson's participation in a bribery conspiracy in 2004 and 2005 could have resulted in a single felony plea, which Anderson's former attorney said he understood would have meant about a year in prison.

That's the scenario prosecutors said could have unfolded if Anderson had continued cooperating with the FBI, participating in recorded conversations beyond the summer of 2005, when he spent two and a half months working with the public corruption probe.

They said his attitude changed when McGuire, who was his then-fiancé, learned of the investigation and Anderson's cooperation with it.

During the sentencing hearing, Assistant U.S. Attorney Joseph Bottini questioned Anderson's former counsel, Craig Howard, about McGuire's involvement and understanding of the FBI investigation.

FBI - Stevens-1317

Howard confirmed that Anderson did in fact inform his wife of his ongoing cooperation with federal agents.

"At that point did things start to unravel as far as his continued cooperation with the government?" Bottini asked.

"You could say unravel," Howard replied.

Howard then testified that he was dismissed as Anderson's defense counselor shortly after she found out about her

13620-M:563

Anderson's former attorney, Craig Howard (Court artist Pat Gillin)

husband's cooperation with the FBI.

Anderson said he reversed course with the FBI for a few reasons, including potential reprisals against him and his family, specifically McGuire, who was pregnant with his son.

He said McGuire did not advise him.

"Lesil is a victim of this and I can say nothing else," Anderson said. "It was completely my decision and she knew none of the details. Never did."

Anderson said he now regrets cooperating with the FBI at all.

"I think at the end it was probably not the right decision to do that," Anderson said. "If I did not believe in the charges, I should have fought and if I did believe in the charges, I should have pled."

Anderson did not have any bitter words for the FBI, saying it's a good organization with good people and that as a long-time supporter of law enforcement he understands the agency's role.

The sentencing hearing was scheduled Monday so that it would not conflict with the special legislative session beginning Thursday and so Sen. McGuire could support her husband.

McGuire will take part in the special session on overhauling the profits-based oil tax.

Anderson's case had nothing to do with the Petroleum Profits Tax, which has already been the subject of three bribery convictions and an upcoming trial on Monday.

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FBI - Stevens-1318

Anchorage Daily News (Alaska)

October 16, 2007 Tuesday
FINAL EDITION

Informant had wire, no deal;
ANDERSON: Cooperation details shared by lawyers during sentencing hearing.

BYLINE: By LISA DEMER ldemer@adn.com

SECTION: MAIN; Pg. A6

LENGTH: 505 words

While hints of former Rep. Tom Anderson's undercover work for the FBI came out during his trial, testimony Monday by his two former defense lawyers gave new dimensions to his role as a wired informant.

The revelations by Jeff Feldman and Craig Howard came during his sentencing hearing.

Anderson secretly recorded conversations in Anchorage and the Mat-Su with maybe a half- dozen people -- private individuals and public officials -- for the FBI's ongoing investigation into corruption, Feldman testified. The lawyer wasn't allowed to name them. But eventually, it all fell apart.

Howard was Anderson's first lawyer. He said he began representing Anderson after taking an urgent call while at his son's Little League game in June 2005. He rushed to Anderson's legislative office in Anchorage. FBI agents were there and about to undertake a search.

Prosecutors eventually told him they had significant evidence and if Anderson wanted to cut a deal he would have to plead guilty to a felony, Howard said.

"No way it was going to be a misdemeanor in this case. Absolutely no way," he testified.

Anderson soon agreed to cooperate in the hope of getting leniency. By all accounts, the government was highly pleased with Anderson's undercover effort, which lasted 2 1/2 months.

In a meeting at Howard's office with an FBI agent and prosecutors, he told his then-girlfriend, Lesil McGuire, about the investigation, which few knew about at the time. Anderson had to tell her, Howard said, because she was pregnant and they were getting married. McGuire, then a state representative, is now a state senator.

Prosecutor Joe Bottini asked Howard: "At that point did things start to unravel as far as his continued cooperation with the government?"

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Howard: "Yeah, you could say unravel."

McGuire and Anderson started questioning why he had to plead guilty to a felony, Howard agreed when asked. McGuire also wanted to see his written cooperation agreement, laying out what he would get in exchange for his help.

"And Tom informed her that there was not a firm agreement," Feldman testified.

Howard was terminated. Feldman was hired. At that point Anderson was still helping the FBI.

"It was all he was doing during that period of time," Feldman said. "This was his job."

The undercover work was "highly stressful" for Anderson, he said. There were indications he could get as little as a year or so if he continued to cooperate, but no promises, Feldman testified.

194A-AN-13620-MA-564

Anderson never came to an agreement with prosecutors. The government wanted Anderson to keep up the undercover work indefinitely, including during the 2006 legislative session.

"It felt duplicitous to him to go down to Juneau and sit in the Legislature or sit in caucuses and do his legislative work with other legislators and tape people," Feldman said.

In December 2006, Anderson was arrested on seven felonies. Feldman, overloaded with cases, turned Anderson's over to defense lawyer Paul Stockler.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

LOAD-DATE: October 16, 2007

LANGUAGE: ENGLISH

DOCUMENT-TYPE: Staff

PUBLICATION-TYPE: Newspaper

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FBI - Stevens-1320

Anchorage Daily News (Alaska)

October 16, 2007 Tuesday
FINAL EDITION

Legal spending mounts for Young;
CAMPAIGN FINANCE: Congressman hasn't revealed what sort of advice he's buying.

BYLINE: By ERIKA BOLSTAD ebolstad@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 729 words

DATELINE: WASHINGTON -

U.S. Rep. Don Young continued to spend thousands of dollars of campaign donations on attorneys through the summer, according to financial reports filed by his campaign on Monday.

The reports, to the Federal Election Commission, show that over the past three months, Young spent $184,708 on legal fees.

That brings Young's total spending on legal advice this year to $446,845.

Young, a Republican who has been Alaska's sole congressman since 1973, has not said what kind of legal work or defense the campaign money is buying. He has been under federal investigation for his ties to Veco Corp., for fundraising activities and for his role in specific congressional earmarks, according to various media reports.

Young has not spoken publicly about the investigation. In April, his campaign manager said that the campaign had retained a Washington, D.C., firm for advice in connection with campaign contributions from a trucking executive under federal indictment in Wisconsin.

In the three-month period ending Sept. 30, Young paid the firm, Akin Gump Strauss and Hauer, $177,607 for legal advice, according to the report filed Monday. The firm got $242,306 of his business last quarter.

Tobin, O'Connor, Ewing and Richard earned $7,100 from Young this quarter; last quarter, they billed him $19,831.

Federal election law allows lawmakers and candidates to pay legal bills with campaign finance accounts. They have fairly broad discretion to spend the money on legal fees, as long as the legal bills are connected to their role as an elected official or candidate for office.

Young reported collecting $143,421 in contributions during the three-month period ending Sept. 30. Young raised about $111,000 during the second quarter this year, according to an earlier report.

FBI - Stevens-1321

"We've had some good fundraisers, and we're encouraged by where we are," said Young's campaign manager, Steven Dougherty.

But even as he brought in money from events such as his annul pig roast in Anchorage this summer, Young was clearly spending money too. His reports show he had $1.4 million on hand at the end of the reporting period. Last quarter, he had $1.6 million in the bank.

The 74-year-old congressman faces a spirited field of candidates seeking to unseat him, encouraged in part by the ethics cloud that has made him vulnerable to a challenger.

Republican state Rep. Gabrielle LeDoux of Kodiak plans to take on Young in the GOP primary, and three Democrats have said they're running for his seat: his 2006 opponent, Diane Benson; former state House minority leader Ethan Berkowitz; and former state Democratic Party chief Jake Metcalfe.

194A-AN-13620-m; 565

Metcalfe has raised $61,625 so far, according to his report, and Benson has $28,205 in the bank, according to her report. Berkowitz announced his candidacy last week and hasn't released any fundraising numbers to the FEC yet.

U.S. Sen. Ted Stevens, who also has been drawn into the Veco investigation, has not used any of his campaign money on criminal lawyers, said Tim McKeever, Stevens' campaign treasurer.

A report released Monday night covers the period when the FBI and IRS raided the senator's home in Girdwood this summer. Stevens hired Brendan Sullivan, one of the best-known criminal defense lawyers in Washington, but his fees are not coming out of the senator's campaign money.

The only lawyers who are being paid out of campaign funds are those who review the campaign finance reports for accuracy, McKeever said. McKeever released on Monday only the first four summary pages of Stevens' 290-page document. Unlike U.S. House members, who must file campaign disclosure forms electronically, U.S. senators are allowed to mail their reports the day they're due.

The summary report shows that Stevens has just over $1 million in the bank. So far, three little-known candidates have filed to run against him: Democrats Rocky Caldero of Dutch Harbor and Frank Vondersaar of Homer, and Republican Gerald "Jerry" Heikes of Palmer.

Stevens' campaign raised $463,020 over the past three months, making it one of the senator's most fruitful fundraising quarters in recent years, McKeever said.

"The pace is running ahead of what we raised in 2001," McKeever said, adding that the approach is no different from Stevens' 2002 campaign. "It's basically the same kind of fundraising -- if anything, we've done more fundraisers in Alaska."

LOAD-DATE: October 16, 2007

LANGUAGE: ENGLISH

GRAPHIC: Rep. Young reported collecting $143,421 in the three-month period.

DOCUMENT-TYPE: Staff

PUBLICATION-TYPE: Newspaper

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FBI - Stevens-1322

Anchorage Daily News (Alaska)

October 16, 2007 Tuesday
Correction Appended
FINAL EDITION

Anderson gets five years;
Remorse, friends fail to sway judge who wanted to send a message

BYLINE: By LISA DEMER ldemer@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 996 words

A federal judge on Monday said that former state Rep. Tom Anderson "sold the public trust" and sentenced him to five years in prison for seven felonies involving corruption in office.

The two-hour sentencing hearing came with a surprise: Anderson's two former defense lawyers testified that he worked undercover nearly full time for the FBI in the summer of 2005 in the hope of leniency. Ultimately, the deal fell apart. Prosecutors asked for a long sentence.

In a courtroom crowded with Anderson's friends and family on one side and FBI agents and prosecutors on the other, U.S. District Judge John Sedwick said the former lawmaker didn't have much respect for the position once he got into office, regarding it as something that paid poorly and demanded much time.

A federal jury convicted Anderson on July 9 of three counts of money laundering, two counts of extortion and a count each of bribery and conspiracy.

"He took the money because he wanted the money," Sedwick said.

The judge said he doesn't think Anderson, 40, will get in trouble again. "But I have a very considerable concern for sending a message to the community that we really can't tolerate the kind of behavior in which he engaged," the judge said.

Sedwick said he knew the case was heartbreaking for Anderson's large crowd of supporters. Most defendants who come before him have no one, the judge said.

Among those who showed up for Anderson: his wife, state Sen. Lesil McGuire, and his father, also Tom Anderson, former director of Alaska State Troopers.

"I have no idea how Mr. Anderson's apple fell so far from the tree, but it did," Sedwick said.

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FOLLOWING HOHMAN IN BRIBERY

Anderson, a Republican, represented East Anchorage for two terms in the Legislature. He didn't run in 2006. He's only the second Alaska legislator to be convicted of bribery, after the late Sen. George Hohman in 1981.

Before Anderson's hearing, the defense had asked for mercy and a sentence of less than three years. Prosecutors had sought the maximum they thought he could get under advisory sentencing guidelines, or more than eight years.

Sedwick found that some areas underscored by prosecutors to support a longer sentence didn't apply.

A longer sentence for Anderson won't deter others, Paul Stockler, Anderson's defense attorney, told the judge. But it matters to Anderson's ability to restart his life. If he got three years, he'd be able to take his and McGuire's young son to the first day of kindergarten,

194A-AN-13620-M; 566

Stockler said.

As it is, Anderson's career as a legislator is finished, Stockler said.

Anderson knows now that he's brought shame "to the entire state of Alaska and the Legislature," Stockler said.

Prosecutor Joe Bottini told Sedwick he thought Anderson's late show of remorse was a facade.

"What's resulted from this conviction and the overall investigation as a whole is that the public's faith in the integrity of our legislative system is eroded seriously," Bottini said. "People are looking at this going, 'Are they all dirty?' "

Anderson was the first Alaska legislator convicted in the ongoing political corruption investigation that burst into view last year with the FBI raids on lawmakers' offices. Another, former Rep. Pete Kott, was convicted last month and two others are awaiting trial.

Anderson told Sedwick he was sorry for what he did, apologizing to the judge, his family and the state of Alaska. He spoke in a quiet voice that quavered at times.

"I've let her down," he said about McGuire, "and I've let my family down."

SCHEME FOR PRISON COMPANY

Evidence in the trial showed that he participated in a scheme to push the interests of a private prison company in exchange for what turned out to be nearly $26,000 in payments. A consultant for Cornell Cos. was working undercover for the FBI, and the company wasn't involved in the scheme, the U.S. Justice Department has said.

Anderson said he didn't get the full impact of the evidence until he saw undercover videos at his trial of him scheming with a Cornell lobbyist and consultant.

"I was embarrassed," Anderson said. The conspiracy involved a sham company that was supposed to operate a Web site on which Cornell would place advertisements.

When he took money from the consultant knowing that Cornell didn't need or want the ads, "I don't know how much more wrong that could have been," Anderson told the judge.

As Sedwick made it clear that Anderson would go to prison, his wife, mother and others cried in the courtroom. Sedwick allowed him to remain out of custody as details of his confinement are worked out. The judge said he'll recommend that Anderson serve his time in Sheridan, Ore., as Anderson requested, though there's no guarantee he'll get that. It's a medium security prison with a prison camp next door.

Besides five years in prison, Sedwick also ordered two years of supervised release. He didn't order a fine.

When the hearing ended, Anderson slowly walked over to his family and friends. He and McGuire embraced.

Lingering outside the courtroom with supporters, Anderson thanked everyone. Friends assured McGuire they would be OK. "Will we?" McGuire wondered.

Later, as Anderson and McGuire got into a waiting vehicle, his face crumpled with the strain of the day.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

INSIDE

FBI - Stevens-1324

WIRED: Anderson secretly recorded talks as an FBI informant, according to testimony.

Back Page

ONLINE: Listen to Anderson's pre-sentencing remarks, the judge handing down the sentence and Anderson's ex-lawyers discussing their role in their client's cooperation with the FBI, and find more corruption coverage at

adn.com/fbi

* Former state Rep. Vic Kohring is set to stand trial in Anchorage's federal court starting Monday on bribery and other charges.

* Former state Rep. Pete Kott, convicted in September of corruption charges, is set for sentencing Dec. 7.

* The Justice Department/FBI investigation into public corruption in Alaska continues.

What's next?

LOAD-DATE: October 17, 2007

LANGUAGE: ENGLISH

CORRECTION-DATE: October 16, 2007

CORRECTION: Correction A story and photo caption on Tuesday's front page about the sentencing of former state Rep. Tom Anderson on corruption charges indicated that only two Alaska lawmakers have been convicted of bribery. While Anderson was the second state legislator convicted of bribery in state history, a third, former Rep. Pete Kott, has since been convicted as well. The first was the late state Sen. George Hohman, in 1981.

GRAPHIC: Photos by JIM LAVRAKAS / Anchorage Daily News
Former state legislator Tom Anderson enters the Anchorage federal courthouse Monday. Anderson was in court for sentencing after a federal jury convicted him of money laundering, extortion, bribery and conspiracy in July. He is the second Alaska legislator convicted of bribery, after George Hohman in 1981.
Anderson and his wife, state Sen. Lesil McGuire, drive away from the courthouse after sentencing. According to Anderson's former lawyers, his role as a wired informant for the FBI fell apart soon after he told then-girlfriend McGuire about his involvement.

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FBI - Stevens-1325

Anchorage Daily News (Alaska)

October 17, 2007 Wednesday
FINAL EDITION

Hunt for big fish hooked Kohring by mistake, lawyer says; TRIAL MONDAY: Former lawmaker faces federal charges of bribery, extortion.

BYLINE: By STEVE QUINN The Associated Press

SECTION: MAIN; Pg. A1

LENGTH: 862 words

DATELINE: JUNEAU -

"You dun got the wrong man."

That was the folksy conclusion Vic Kohring's attorney presented to federal prosecutors last January in an otherwise very serious letter turning down a plea deal for the former Alaska state lawmaker.

The letter, obtained by The Associated Press, was sent to assistant U.S. attorney Joseph Bottini by Kohring's lawyer, Wayne Anthony Ross, who said Kohring had done nothing wrong.

Federal prosecutors four months later charged Kohring, then a state representative, and two former lawmakers with bribery and extortion.

Kohring is accused of demanding and accepting up to $2,600 in cash and a $3,000 job for a relative from former Veco Corp. executives in exchange for his support. The indictment also alleges Kohring sought but did not receive a $17,000 payment for credit card debt.

Prosecutors claim Kohring's cozy relationship with Veco executives Bill Allen and Rick Smith went back to 2002. Ross claimed in the letter this is nothing more than a decade-old friendship, not a pay-for-play relationship.

Kohring's trial starts Monday in Anchorage.

Kohring declined Tuesday to talk about specifics of the case, but did say, "This is becoming more and more of a reality, now that it's here. Of course, I'm fighting for my life here."

Charged along with Kohring were former Republican Reps. Pete Kott, who was convicted on three counts last month, and Bruce Weyhrauch, whose trial has been postponed.

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Since the May indictments, U.S. Sen. Ted Stevens and U.S. Rep. Don Young have also come under federal scrutiny for their relationship with Veco executives.

Seattle-based John Henry Browne, another attorney for Kohring, told the AP on Tuesday that Kohring got ensnared in a wider federal probe that was after bigger trophies, Stevens and his son, Ben Stevens, a former state Senate president.

"What happened was this little fish named Vic Kohring got caught in it. There's not much meat in this hamburger," Browne said.

Ted Stevens is under investigation for remodeling work done by Veco employees at his Alaska home. Ben Stevens had his office searched in an FBI raid last year, but he hasn't been charged. Bill Allen testified in Kott's trial last month that his bribery conviction included allegations of payments to Ben Stevens through a consulting contract. Ben Stevens has denied any wrongdoing. Ted Stevens has said he won't discuss the investigation for fear it will look like he's trying to influence it.

194A-AN-13620-M; 567

A spokesman for the Department of Justice, which is prosecuting the Kohring case, declined comment Tuesday.

Ross' five-page letter will essentially serve as an outline for the defense, his lawyers said.

Ross notes in the letter that Kohring went against Veco's wishes and never endorsed the final petroleum profits tax passed by the Legislature last year.

However, a number of times Kohring voted against amendments to raise the tax above the 20 percent that Veco was strongly pushing. The tax, which Gov. Sarah Palin has called tainted by corruption exposed by the investigation, will be revisited during a special session that starts Thursday.

"We respectfully decline your offer to have Vic Kohring plead to a criminal charge," Ross wrote Bottini in January. "Vic did not sell his vote(s) to anyone. ... We strongly disagree with your assertion that what Vic did was criminal in nature."

He conceded, however, that Kohring now understands he foolishly placed himself in a position where he and his actions could be subjected to scrutiny and misinterpretation.

In the letter, Ross also countered the importance of several videotapes and recordings Bottini played to them in an earlier meeting.

In one, Kohring visited Smith and Allen at the Baranof Hotel in Juneau, seeking their advice on how he could deal with a past due credit card debt. "Vic was interested in a loan or a legitimate job and these things were discussed," Ross wrote.

But he said Kohring several times emphasized "that everything had to be legitimate and on the up and up. Allen and Smith listened but seemed unenthusiastic about helping, so Vic dropped the matter and did not bring it up to them again."

Ross also noted recorded phone conversations, which he said showed Kohring's typical behavior.

"Vic often asks constituents, 'What can I do to help,' " he wrote. "He says those same words to anyone or everyone.

"There were never any agreements expressed or implied between Vic and Allen for Vic's vote."

He also discounted the allegation that Kohring arranged a job for a relative. He said Smith broached the subject of Kohring's nephew applying for a Veco engineering internship over small talk during a chance meeting at a hotel lounge.

"Smith's offer was unexpected. Vic was not even aware such a program existed," Ross wrote. "Smith asked for nothing from Vic when he made the offer and nothing later."

Ross told Bottini that Kohring was supportive of efforts to clean up politics in Alaska. "However in this instance, as they say in the movies, 'You dun got the wrong man,' " he wrote.

Daily News reporter Lisa Demer contributed to this story.

KOHRING: Read the letter from the Department of Justice and find more on the investigation.

adn.com/fbi

FBI - Stevens-1327

LOAD-DATE: October 17, 2007

LANGUAGE: ENGLISH

GRAPHIC: Kohring

DOCUMENT-TYPE: WIRE

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FBI - Stevens-1328

Anchorage Daily News (Alaska)

October 17, 2007 Wednesday
FINAL EDITION

State will give feds clear field in probes;
CORRUPTION: Washington wants Alaska not to muddle investigation.

BYLINE: By DAN JOLING The Associated Press

SECTION: MAIN; Pg. A1

LENGTH: 560 words

State prosecutors will back off an investigation of election campaign polling practices to avoid interfering with an ongoing federal corruption probe, Gov. Sarah Palin announced Tuesday.

Palin, who championed ethics reform while winning office last November, released a letter from the U.S. Department of Justice that said a state investigation could interfere with the federal effort.

"Because of the long-standing federal investigation into these matters, we believe that concurrent state investigative activity will have the effect of compromising certain aspects of the ongoing federal public corruption investigation," said Brenda K. Morris, deputy chief of the Justice Department's public integrity section.

She commented in a letter to Alaska Attorney General Talis Colberg.

Attorneys from the Public Integrity Section are prosecuting four former Alaska legislators, including former House Speaker Pete Kott, R-Eagle River, who was convicted of bribery and other counts last month.

State officials announced they would investigate after testimony emerged from Kott's trial that Kott and possibly others had illegally received campaign polls paid for by officials of Veco Corp., a major oil field services company that spent thousands of dollars supporting pro-development candidates.

Veco CEO Bill Allen and a company vice president, Rick Smith, have pleaded guilty to bribing public officials. Their plea agreements require them to cooperate with investigators.

They testified at Kott's trial that Veco paid $2,750 for a poll that showed Kott where he stood in his re-election campaign in 2006. Kott subsequently lost in the Republican primary.

Smith testified that Veco had paid for other polls over the years, including a $20,000 poll in 2006 for former Gov. Frank Murkowski before he was a declared candidate for re-election.

Colberg assigned lawyers to closely watch Kott's trial in federal court to see if it revealed other possible criminal acts.

But he cautioned that the state would have to proceed carefully before pursuing its own criminal charges because federal authorities did not want interference from the state.

The Justice Department letter, dated Friday, puts the brakes on state investigators.

Palin said she has directed the attorney general to continue to monitor alleged illegal activities by public officials but that her office will not impede or compromise the federal investigation.

FBI - Stevens-1329

Former state Rep. Tom Anderson, R-Anchorage was sentenced Monday to five years in prison following his conviction in July on seven

194A-AN-13620-M; 568

counts of conspiracy and bribery. He was convicted of taking nearly $24,000 that he thought was coming from a Houston-based company, Cornell Industries Inc., which hoped to build a private prison in Alaska.

The money was supplied by the FBI through an informant under contract to Cornell who secretly recorded his conversations with Anderson in 2004 and 2005. The company was not aware of the investigation.

Kott was convicted last month of conspiracy to solicit financial benefits, extortion and bribery.

Former Rep. Vic Kohring is scheduled to go on trial on corruption charges Monday. The corruption trial of former state Rep. Bruce Weyhrauch has been delayed.

UPDATES: For up-to-date news on the federal corruption investigation, check adn.com. Talk about it on our politics blog,

adn.com/alaskapolitics

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FBI - Stevens-1330

Anchorage Daily News (Alaska)

October 18, 2007 Thursday
FINAL EDITION

Kohring's lawyer chided for antics;
SCOLDING: Judge says defense should focus on court, not the press.

BYLINE: By LISA DEMER ldemer@adn.com

SECTION: ALASKA; Pg. B1

LENGTH: 987 words

Former state Rep. Vic Kohring's lawyer got a scolding Wednesday from the judge.

U.S. District Court Judge John Sedwick seemed exasperated by tactics being used by John Henry Browne, a Seattle criminal defense lawyer. He described the defense efforts as troublesome, worrisome and unusual for Anchorage. And the judge warned Browne to stop trying his case in the press.

Jury selection begins Monday in Kohring's trial on four federal felony charges, including bribery, extortion and conspiracy.

Kohring's main trial lawyer is Browne, and he's also represented by Wayne Anthony Ross, a well-known Anchorage lawyer. Kohring, a Wasilla Republican, was elected seven times. He resigned in July to concentrate on his defense.

At a court hearing Wednesday to discuss jury selection and other matters before the trial, prosecutor Joe Bottini told Sedwick that the defense lawyers were behaving unprofessionally and needed to be called on it.

Bottini pointed to an Associated Press story that was published in the Daily News on Wednesday. It was based on a five-page letter that Ross sent to him back in January rejecting any plea deal and outlining the defense in detail.

Among other things, Ross wrote, "As they say in the movies, 'You dun got the wrong man.' "

Besides that, Bottini told Sedwick, Browne was making outrageous claims in various legal motions that weren't supported by evidence but were getting lots of publicity. He was "using court filings to work the press," Bottini said.

MIRANDA RIGHTS

For instance, Browne filed a motion to throw out a statement that Kohring gave to FBI agents on Aug. 31, 2006 -- the day agents served search warrants at legislative offices around the state, including his. Browne contended that the agents detained the lawmaker in his office, then failed to read him his Miranda rights. But at a hearing, Browne called no witnesses and dropped that issue, Bottini noted.

Then on Tuesday, Browne filed a motion to dismiss the case based on what he calls "prosecutorial misconduct." He contends that Sen. Fred Dyson, R-Eagle River, was acting as an agent of the government in June when he suggested through an aide that Kohring consider negotiating with prosecutors. Browne said that interfered with Kohring's right to counsel.

"Mr. Kohring, on account of and in direct response to the government's excessive overreaching, decided to refuse to negotiate, opting instead for trial," Browne's motion said.

But Dyson has said that he approached Kohring on his own, as a friend -- not at the request of the FBI, Bottini said.

Browne told the judge he's concerned about whether Kohring can get a fair trial because of all the publicity about the case -- much of it the government's allegations.

Browne mentioned a story that included the judge's comments Monday in sentencing former state Rep. Tom Anderson to prison on bribery and other charges. Sedwick said at Monday's sentencing that he was concerned with "sending a message to the community that we really can't tolerate the kind of behavior in which he engaged."

Sedwick said Anderson's case had nothing to do with Kohring's. He said he reviewed the coverage on Kohring item by item and found it for the most part "professional and extremely fair."

The judge said the defense behavior was "unusual, to say the least." It appeared the letter from Ross was given to reporters in an effort to obtain favor before the trial, he said.

Ross wasn't at the court hearing. He said earlier this week that he's mainly the local contact.

As to the claim regarding Dyson, Sedwick said, "there is precious little to support it." The evidence consists mainly of two things: An aide to Kohring saying that an aide to Dyson told him that an FBI agent had suggested Kohring call her because things would go easier if he cooperated, and a photocopy of FBI agent Mary Beth Kepner's business card.

Sedwick said he'd rule later on that matter.

But it did appear that the defense was casting aspersions without basis and that was "very troublesome," the judge said.

Browne hasn't filed a trial memo, giving some glimpse of the defense, even though it was due Monday. Browne said he would do so and noted that he didn't have a team of lawyers working on it, perhaps a reference to the four prosecutors in the courtroom.

Browne said he was trying to keep the case on track even though a new indictment in the case was unsealed Oct. 4. He noted that was during a period in which he was out of town and had asked for no activity in the case.

Don't expect any sympathy on that point, Sedwick said. In Anchorage, lawyers don't take a week off just before a trial, he said. And Browne knew about the allegations in the new indictment for some time, Sedwick said.

"You are not going to pull the wool over my eyes on that one," Sedwick said.

Kohring is accused of being in a conspiracy with executives from oil field services company Veco Corp. to push their interests. The new indictment takes the conspiracy further back, to 2002.

The judge said he wasn't going to formally issue a finding but warned Browne not to try his case in the press.

QUESTIONNAIRES STUDIED

Sedwick and the attorneys on both sides also went through questionnaires that had been sent in by prospective jurors to see if any were obviously biased or had other reasons they couldn't serve.

Of 120 potential jurors in the pool, 49 were excused on Wednesday. Many had hardships related to work, children, travel or medical issues. Two didn't speak English well. A couple had potential conflicts of interest. One worked for the court.

While the questionnaires weren't made public, it appeared from the lawyers' discussion that around 20 people were excused because they indicated they couldn't be fair to Kohring.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

READ THE LETTER: Go online to see the letter from Kohring's defense lawyer turning down a plea deal.

adn.com/fbi

LOAD-DATE: October 18, 2007

LANGUAGE: ENGLISH

FBI - Stevens-1332

GRAPHIC: Kohring lawyer John Henry Browne

DOCUMENT-TYPE: Staff

PUBLICATION-TYPE: Newspaper

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FBI - Stevens-1333

NewsBank inc. America's Newspapers

Paper: Anchorage Daily News (AK)
Title: Opinions clash on Day 1 -
DUELING EXPERTS: Consultants disagree on need for increase.
SPECIAL SESSION OPENS ON OIL TAXES
Date: October 19, 2007

The special session of the Legislature on raising oil taxes began Thursday with international experts clashing on whether the proposal would damage oil industry investment in Alaska.

The 30-day session was called by Gov. Sarah Palin after the FBI charged that legislators were bribed to support a tax rate the petroleum industry wanted when the Legislature passed a new oil tax last year.

The special session formally began Thursday night. But lawmakers first heard advice at a daylong hearing from a pair of dueling international oil and gas consultants hired by the Legislature.

Consultant Pedro Van Meurs said he believes the proposed North Slope natural gas pipeline no longer makes financial sense because of cost increases and changes in the market, a statement that took the air out of the hearing room. Van Meurs also noted Alaska's declining oil production and said the state needs to think hard about what it wants for the future.

Van Meurs urged legislators to reject Palin's proposal to boost the oil production tax rate. Although Alaska could reasonably have a higher tax rate, it would be its third oil tax increase in three years, he said, and oil investment in Alaska could suffer.

"Quite frankly, you become a basket case of instability," Van Meurs said.

Daniel Johnston, another oil expert hired by the Legislature, said that's not so. He said the oil industry would have to understand the "cloud of corruption" over the existing Petroleum Profits Tax, or PPT, provides a good reason to change it.

"If you were to make a change this year as a result of the cloud, I see that as the pure, perfect justification," Johnston said.

He also told lawmakers that the state doesn't need to make all the oil companies happy to still have healthy investment.

Johnston, in an interview, also disagreed with Van Meurs' statement the gas pipeline is not economic. He said it all depends on the terms and how much profit whoever builds it requires.

Johnston's testimony to the Legislative Budget and Audit Committee focused on oil taxes, though. He said Alaska has a relativ-ely low government take of oil industry profits compared to other regions around the world.

Alaska is a lot more stable area for investment than places like Libya or Russia, where the industry is putting a lot of money in spite of much heavier government taxes, Johnston said.

Van Meurs, in an interview, said he sees Alaska's take of oil industry profits as "average, right down the middle," worldwide.

FBI - Stevens-1334

CHANGE TAX NOW OR WAIT?

Van Meurs said that Alaska is considered the least stable and most confrontational oil tax regime among developed countries. He also said he doesn't see the corruption as reason to change the oil tax, unless it is proven the bribes from oil field services company Veco Corp. were what determined the tax rate adopted last year.

Van Meurs said the Legislature should wait four years and get some information about how the 1-year-old oil tax is working before abandoning it.

But Johnston countered that legislators have a "ton more information" now than when they passed the tax.

VAN MEURS ATTACKED

Legislators, staff, lobbyists and reporters packed the hearing Thursday where Johnston and Van Meurs testified. The room

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was hot and the hearing started out combative, with Sen. Johnny Ellis, D-Anchorage, challenging Van Meurs.

"I have to say that I'm upset and somewhat stunned Mr. Van Meurs is back before us," Ellis said.

He said that Van Meurs has no credibility. During the oil tax debate last year, Van Meurs said one thing in public and told Murkowski something different about what's best for the state, Ellis said.

Van Meurs denied he was two-faced. Sen. Charlie Huggins, R-Wasilla, said no matter whether legislators agree with Van Meurs, he is a world-class oil expert.

"Everybody in this debate has baggage attached to them one way or another," said Budget and Audit Committee head Ralph Samuels, an Anchorage Republican representative who led the hearing.

Senate President Lyda Green, R-Wasilla, said she thinks Van Meurs is right that the state shouldn't rush to change the tax rate. But Senate Minority Leader Gene Therriault, R-North Pole, said Alaska didn't change its tax rate much over the decades and one more for the long term won't make it the "basket case of instability" Van Meurs described.

Anchorage Democratic Rep. Mike Doogan said he was "bumfuzzled" by Van Meurs' statement that Alaska is considered too confrontational with the oil industry.

"Is the problem that we're striking Exxon Mobil's fists too vigorously with our face?" he asked.

Find Sean Cockerham online at adn.com/contact/scockerham.

The oil tax debate

The Legislature on Thursday began a special session of up to 30 days to consider Gov. Sarah Palin's proposal to raise oil taxes. Her Alaska's Clear and Equitable Share bill would boost the basic tax rate passed last year and end some tax credits that lower oil company tax bills.

Thursday: Two oil consultants, Pedro Van Meurs and Daniel Johnston, gave lawmakers opposing views of Palin's tax plan. Van Meurs said changing the tax would discourage oil investments. Johnston said changing a tax tainted by a bribery scandal makes sense.

Today: The Palin administration briefs the Senate Resources Committee at 9 a.m. and the House Oil and Gas Committee at 1:30 p.m. on the ACES proposal.

Online: To listen to or watch today's briefings, or listen to the Van Meurs and Johnston presentations, go to w3.legis.state.ak.us/index.php, click on "Media Center."

Caption:
Photos by SEANNA O'SULLIVAN / The Associated Press

Oil industry expert Pedro Van Meurs told lawmakers Thursday that he believes the proposed natural gas pipeline no longer makes financial sense. Daniel Johnston, another expert hired by the Legislature, disagreed.

Lawmakers converse before a committee meeting Thursday.

Caption:
Photo 1: 18AKSO101Oil_Tax222814_101907.jpg FBI - Stevens-1335

Photo 2: 18AKSO102Oil_Tax222817_101907.jpg

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Author: SEAN COCKERHAM scockerham@adn.com Staff
Section: Main
Page: A1
Dateline: JUNEAU
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Anchorage Daily News (Alaska)

October 20, 2007 Saturday
FINAL EDITION

Kohring's case will not be dismissed;
TRIAL BEGINS MONDAY: Judge says state Sen. Dyson did not interfere.

BYLINE: By LISA DEMER ldemer@adn.com

SECTION: ALASKA; Pg. B1

LENGTH: 250 words

A federal judge on Friday shot down former state Rep. Vic Kohring's effort to dismiss the case against him.

Kohring's trial on public corruption charges begins Monday.

In a written decision, U.S. District Judge John Sedwick said Kohring's motion, filed Tuesday, came too late. Beyond that, the judge ruled that he didn't find any basis for Kohring's assertions of interference with his right to counsel.

Kohring's lawyer, John Henry Browne of Seattle, claimed that state Sen. Fred Dyson was acting as an agent of the government in June when he suggested through an aide that Kohring talk with prosecutors. Dyson gave the aide a business card of an FBI agent to pass along.

In statements filed in court by prosecutors, Dyson said he was acting on his own, and the agent, Mary Beth Kepner, said she never asked Dyson or his staff to contact Kohring. Kepner said she didn't know he would be doing that.

The motion is "based entirely on conjecture," the judge wrote.

"Senator Dyson's possession of an FBI agent's business card no more supports the inference that Dyson is a government agent than his possession of a doctor's business card would support the inference that Senator Dyson is a physician," Sedwick wrote.

Dyson did wear a wire and was working for the FBI when he persuaded another defendant, former Veco Corp. chief executive Bill Allen, to talk with agents. But the situation in the Kohring case was entirely different, the judge found.

Find Lisa Demer online at adn.com/contact/ldemer.

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194A-AN-13620-M;571

Anchorage Daily News (Alaska)

October 20, 2007 Saturday
FINAL EDITION

Harris targets oil tax 'cloud';
LEGISLATURE: House speaker says public lacks confidence.

BYLINE: By SEAN COCKERHAM scockerham@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 838 words

DATELINE: JUNEAU -

The Legislature has to change state oil taxes to remove the stain of corruption caused by the Veco bribery scandal, House Speaker John Harris said Friday.

"If we don't do anything we still have the cloud over us," Harris said on the first full day of the 30-day special session on oil taxes.

Harris said "the cloud" would come from the media, members of the public and Gov. Sarah Palin, who has said that corruption tainted the oil tax passed last year.

Harris also acknowledged that the FBI could still be watching legislators in the wake of the scandal. The agency has described its broad investigation of Alaska political corruption as ongoing.

"Every bit of our action is being scrutinized to this day. There very well could be wiretaps, there very well could be bugs in this building or anywhere else," Harris said, speaking at the state Capitol.

Harris said he can't watch legislators 24 hours a day.

"They all have their own integrity they have to live up to, and hopefully they all will," the Valdez Republican said.

The speaker said he wasn't asking legislators to do anything different during the special session. "Except stay out of the Baranof over there," Harris said, not seriously.

Executives of the oil field services company Veco met with legislators in Suite 604 of the Baranof Hotel in Juneau last year during the debate that resulted in the existing oil tax system. Two Veco executives subsequently pleaded guilty to bribing four legislators in an attempt to get a tax rate favored by the big oil companies.

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Former state Rep. Pete Kott has been convicted and former Rep. Vic Kohring goes to trial next week.

IS TAX TAINTED?

Legislators at this special session are focusing on highly technical matters of building an oil tax. But the corruption issues are looming huge, with the ugly reason lawmakers are back considering the tax again a tangible force in the session.

Palin cited the taint as she called the special session to consider her proposal to raise the tax.

Legislators can be defensive about the corruption talk, and many of them don't agree with Harris that the oil tax has to be changed to remove a taint. Harris' own House Republican caucus is divided.

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Legislators such as Senate President Lyda Green dispute there is really a taint on the tax at all.

"I think the cloud has been vastly overrated," said Green, a Wasilla Republican. "I'm sorry, I just don't think you have to go back and change anything."

Green noted the legislators arrested were pushing for a lower tax rate than what actually passed. But lawmakers such as Fairbanks Republican Rep. Mike Kelly argue that doesn't mean the bribed lawmakers didn't influence the process and keep the final tax rate from going higher.

Kenai Republican Sen. Tom Wagoner, a member of the Senate minority, said there isn't enough information to tell for sure at this point.

"I don't think we've seen the last of the indictments come down," Wagoner said. "And when we see those indictments come down we may know more."

House Majority Leader Ralph Samuels, R-Anchorage, said the oil tax decision needs to be made based on what's best economically for the state, not on a perception that the current system is tainted.

"My vote wasn't tainted," he said. "I never asked Pete Kott or Vic Kohring advice on tax policy."

FRUSTRATION

Samuels is clearly frustrated about legislators being painted as a corrupt bunch.

He grew a little heated at a House Oil and Gas Committee meeting Friday, repeatedly telling Revenue Commissioner Pat Galvin that no one is angrier about corrupt legislators like Kott than other elected officials who worked honestly and are left with the mess.

Speaker Harris said he doesn't know if he'll end up supporting the governor's specific proposal to raise the state oil tax rate. But he said the Legislature needs to do something about the public confidence problem.

"For us to really get the majority of the Alaska public behind us we're going to have to probably make some tweaks, and maybe some bigger changes," the speaker said.

Anchorage Democratic Rep. Harry Crawford said he's feeling optimistic about securing a greater state share for the oil. He said the feeling in the Capitol is much different than last year, and he hasn't seen anyone take Veco's place as corrupter.

"There were people here that were tainted, and I think we cleared them out," Crawford said. "Without that influence here I think we'll do a much better job."

Crawford said he just put one of his rental properties up for sale so he'd have money to finance a ballot initiative if the Legislature refuses to change the oil tax system.

House Minority Leader Beth Kerttula said the public will have something to say about it if the Legislature doesn't act on the tax.

"If it has to be an initiative, that is what it has to be," the Juneau Democrat said.

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Find Sean Cockerham online at adn.com/online/scockerham.

CATCH THE LATEST: Turn to our politics blog for news and opinion on the special session and other Alaska politics.

adn.com/alaskapolitics

LOAD-DATE: October 22, 2007

LANGUAGE: ENGLISH

GRAPHIC: Photos by SEANNA O'SULLIVAN / The Associated Press
Sens. Thomas Wagoner, R- Kenai, left, and Gene Therriault, R-North Pole, talk outside the House Finance Committee room where hired

consultant Daniel Johnston holds an informational meeting about oil taxes.
From left, Sens. Charlie Huggins, R-Wasilla; Gary Stevens, R-Kodiak; Lesil McGuire, R-Anchorage; and Lyda Green, R-Mat-Su, listen to speakers from an energy consulting firm during a Senate Resources Committee meeting on Friday.

DOCUMENT-TYPE: Staff

PUBLICATION-TYPE: Newspaper

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Alaska Ear

The divine appendage

(Published: October 21, 2007)

OH BABY ... She's everywhere. Charlie Rose. Newsweek. Fortune.

An earwig reports the Gov got a good laugh from Charlie when she referred to Todd as the first dude. This was in response to his question about what Bill's role might be if Hillary wins.

The Newsweek story is worth checking out just for the accompanying photo: Sarah leaving the mansion in Juneau, a Blackberry in one hand and a Red Bull in the other. Trailing a couple of kids and her sister Molly.

The best quote in the story, however, is from Rep. Beth Kerttula, D-Juneau, House minority leader, talking about having a woman governor: "I finally get to go to the restroom and talk business with the governor," Kerttula said. "The guys have been doing this for centuries."

Want more? Watch for future editions of "O" and Saveur.

QUESTION ... By now, everyone with a pulse knows morning talk radio host Eddie Burke got canned Friday. But really, darlings, how rude was it of the bosses to fire him on his 25th wedding anniversary? He says management feared losing oil advertising because of his pro-Sarah, pro-ACES speechifying. He says Dan Fagan, who bad-mouths Sarah on his popular p.m. talk show on the same station, stuck in the knife.

Dan says "Not me."

Management says nothing.

If you want to express condolences, you'll have to send them to Las Vegas. Eddie and the missus are on an anniversary vacation.

"Most people are broke when they leave Vegas," he quipped Friday. "I'm going to Vegas broke."

SOFT LANDINGS ... Janet Ogan, wife of ex-legislator, now state employee Scott Ogan, is a staffer for Wes Keller, the appointee to Vic Kohring's seat.

VERBATIM ... From an Alaska state trooper incident report:

"Location: Juneau, Echo Cove Case Number: 07-87922 Type: Littering Text: On 10/12/07, Alaska Wildlife Troopers from Juneau found a discarded 24' Bayliner cabin cruiser in the parking lot at Echo Cove. The registration numbers and hull identification numbers were removed to prevent recognition. Investigation led Troopers to the responsible owner, Michael Frank, age 48, of Juneau. Frank agreed to remove the vessel and dispose of it properly. On 10/13/07, a summons for littering was issued to Frank with a court appearance set for 11/8/07 in Juneau District Court."

194-AN-13620-M;573

TOURIST SPECIAL ... Just for fun, ask Google Maps for the best route from Anchorage to Whittier. You'll be directed east onto the Glenn, then 147 miles to the Old Richardson Highway, to Valdez, to a long ferry ride from there to the little burg on the other side of the mountains.

Close to 400 miles.

Maybe Mr. Google is afraid of tunnels?

JUDGMENT ... Media types, including The Divine Appendage, read with some misgiving a 40-page ruling issued last week by U.S. District Judge John Sedwick, who is presiding over the political corruption cases snaking their way through federal court. In brief, the defense in the Vic Kohring trial wanted a change of venue, claiming that Alaska media were wicked, biased and otherwise out to convince prospective jurors to convict poor Vic.

Reporters and judges don't always view "publicity" through like eyes. So imagine the relief that greeted Sedwick's conclusion: "What emerges from an assessment of the media reports in their totality is a picture of factual, fair and non-inflammatory reporting and commentary stained only here and there with an inflammatory remark or story which gives a glimpse of information that will not be admitted as evidence at the trial."

That said, The Divine Appendage must be fair and note that the judge, when reviewing a Kohring item from a July column, concluded Ear "may be a bit too humble."

Well, he can't be right all the time.

WELCOME TO THE WORLD ... as we know it, Beatrix Brogan, daughter of ADN editors Kirsten Schultz and Casey Brogan, born Tuesday at Regional. Wee Bea Brogan?

HUH? ... An Anchorage earmite sent us a story from the Alaska Airlines in-flight magazine that includes the following statement: "Thanks to long daylight hours, farmers in the nearby Matanuska Valley raise giant vegetables, including cabbages the size of basketballs."

Basketballs? What Matanuska Valley are they talking about? Any self-respecting Mad-Zoo farmer would be ashamed to grow cabbages as tiny as a basketball. How about "the size of a small truck?"

Compiled by Sheila Toomey. See Ear online at adn.com/ear.

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Anchorage Daily News (Alaska)

October 22, 2007 Monday
FINAL EDITION

Kohring trial set to begin today;
BRIBES OR GIFTS? Secret tapes of ex-lawmaker will be at center of arguments.

BYLINE: By LISA DEMER ldemer@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 932 words

Was former state Rep. Vic Kohring another Alaska politician with his hand out, or a guy who accepted cash as a gift from a friend?

That's the question facing jurors in Kohring's trial on public corruption charges. Jury selection starts today in U.S. District Court, and jurors should begin hearing the government's side of the case by midweek.

Kohring, a Wasilla Republican, was elected seven times before resigning in July to concentrate on his defense.

Prosecutors intend to rely on secretly made recordings of meetings and phone calls to convince jurors, as well as testimony from those who say they paid bribes. That is the same approach the government used in two previous Alaska corruption trials that resulted in convictions this year.

In Kohring's case, the two sides have very different interpretations of the recordings.

Kohring is accused of accepting cash payments totaling as much as $2,600, seeking another $17,000, and soliciting an internship for his nephew in exchange for doing the bidding of Veco Corp. The oil field services company was sold in September to CH2M Hill.

A trial memorandum outlining the defense says that Kohring's friendship with former Veco chief executive Bill Allen began more than 12 years ago.

The two men were particularly close because Kohring's wife is from Russia, as was Allen's girlfriend, says the memo by Kohring's lawyer, John Henry Browne. Both women came to Alaska with their daughters.

"This common bond involving their Russian families created a special camaraderie between Vic and Allen that made the nature of their relationship more personal than professional," the trial memo says.

During the 2006 legislative session, Veco was pushing a new oil tax favored by North Slope oil producers as a step toward building a natural gas pipeline that could have been enormously lucrative for Veco.

Prosecutors charge that Kohring received payments to push the oil tax, but the defense says the money was a personal gift.

Both sides agree that on March 30, 2006, Kohring met with Allen and former Veco vice president Rick Smith in Suite 604 of Juneau's Baranof Hotel.

In a video recording of that meeting, Kohring brought up the topic of a "personal financial matter that ... potentially, could hurt me politically," the defense memo says. He told Allen and Smith that he owed $17,000 on a credit card for a surgery. Prosecutors say the debt was in collection.

Kohring asked about a job or loan and stressed that it had to be legitimate, according to the defense.

194A-AN-13620-M;574

"As Allen and Smith seemed unenthusiastic about helping Mr. Kohring, he dropped the issue and did not bring it up to them again," the defense says.

Prosecutors say in their trial memo that the trio also talked at length about how to structure the deal to avoid "red flags."

During that meeting, prosecutors say, Kohring continued to talk about his finances and his family. Allen asked Smith if he had any "hundreds." Smith opened his wallet and handed at least $100 to Allen, who gave it to Kohring. Allen then opened his wallet and handed Kohring a second handful of cash, totaling $500 to $1,000, the prosecution says.

After getting the money, Kohring brought up the oil tax, which was being pushed by then-Gov. Frank Murkowski. Here's a snippet of conversation, according to the prosecution memo:

Kohring: "What can I do at this point to help you guys? Anything?"

Allen: "Whatever you, you know, uh, uh ..."

Kohring: "Just keep lobbying my colleagues for the governor's plan, right?"

The defense memo says the money wasn't a bribe for support on the tax, but just a gift between friends.

Kohring told Allen and Smith he was going to be able to spend Easter with his stepdaughter for the first time, the memo says.

"Allen suggested that Kohring sponsor an Easter egg hunt for his daughter, but with the surprise of presents in the eggs. It was then that Allen provided Kohring with an undetermined sum of money, to be used specifically for the Easter egg hunt," the memo says.

Before Kohring left, he mentioned that his family had given Allen a bottle of Russian vodka.

"This exchange of presents amongst close friends, therefore, had nothing to do with any official action," the defense contends.

Kohring was completely unaware that the gifts "were ever intended to influence Mr. Kohring's work as a legislator."

Later, in an April 20, 2006, conversation with Smith, Kohring thanked Smith and Allen for their support over the years. He wanted to hug Allen, he said. His family thoroughly enjoyed the Easter egg hunt, with the money in the eggs as Allen suggested, he said, according to the defense memo.

The extensive recordings, according to the defense, "demonstrate Mr. Kohring's continued dedication to his constituents and his unwavering stance against tax increases."

The trial is expected to take about two weeks. Prosecutors say they expect to call 20-25 witnesses including a dozen or more FBI agents. That's because Browne wouldn't agree to let a single FBI agent authenticate all the recordings, as was done in the recent trial of former state Rep. Pete Kott. The defense lawyer said he didn't want to make the government's job easier.

Prosecutors will be allowed to use a statement that Kohring gave to FBI agents as well as materials seized in an Aug. 31, 2006, search of his legislative office. U.S. District Judge John Sedwick ruled last week that the search was legal.

FBI - Stevens-1343

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

FOLLOW THE SCANDALS: Keep up with the latest on the Kohring trial and the overall corruption investigation at

adn.com/fbi

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LANGUAGE: ENGLISH

GRAPHIC: Kohring

DOCUMENT-TYPE: Staff

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WHAT DO I KNOW?

.....THIS AND THAT AS THINGS COME UP

MONDAY, OCTOBER 22, 2007

Kohring Trial Day 1 - Jury Selection and the Defense Attorney

9:00 AM	3:07-CR-00055-JWS	Judge Sedwick	Anchorage Courtroom 3

USA vs. VICTOR H. KOHRING
TRIAL BY JURY - DAY 1

Today was devoted to jury selection. Judge Sedwick used the same process he used in the Kott and Anderson trials. The first part already happened - the elimination of potential jurists based on their questionnaires. From what I understand, those who expressed bias about the case there, have been eliminated. When I walked into court today, about 9:15 am, the gallery was packed by people with little blue stickers on their chests that said "Juror."

I missed the first part, but I imagine it was the same as the Kott trial - jurors were introduced to the various parties, told the charges, given instructions about their job and restrictions about talking to others or viewing news about the case. Another court observer told me that one of the potential witnesses, Fred James, was given permission to

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2. Try Edit on toolbar, then Find in this Page
3. Try the labels list on the lower right.

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ABOUT ME

STEVE

I started this blog just to find out what the blogworld was all about. I figured I needed to actually blog, not just read other people's blogs, to understand how it works, and what ways it could be used. This is all experimental. A learning exercise for me. It's turning out to be a look at one person's (mine) life in Anchorage. November was devoted to posts from India. February and March were from Thailand. Back in Anchorage now.

VIEW MY COMPLETE PROFILE

FBI - Stevens-1345

BLOG ARCHIVE

▼ 2007 (388)
▼ October (41)
Kohring Trial Day 4 - Morning Report

194-AN-13620-M; 575

be in the courtroom for the jury selection process. He's one of the two writers of the USA v. Victor H. Kohring blog I mentioned yesterday. What I hadn't realized was that the two writers have different views on the defendant and the blog will reflect this. James, I was told, is a long time, good friend of Kohring's.

Anyway, the jury was sent out and then they were brought back in, one-at-a-time to answer questions about their awareness of the case, the people involved in the case, and whether they could be fair and unbiased. The basic questions the judge asked were:
1. Where do you get your news?
2. Do you remember anything from the news about Kohring or Veco, Bill Allen, Rick Smith?
If they did, then
3. What do you know, have you formed an opinion, could you give a fair hearing. One question he asked along these lines to one or two jurors was, "If you were the defendant, would you want someone like you on the jury?"

Most of the jurors said they don't pay much attention to politics and don't know much or anything about the case. My sense this time round - I stayed for the first 29 jurors and the lunch break - was that even when they said they knew nothing, they tended not to be as oblivious as that suggested. When pressed they often knew something

Two jurors, while I was there, were dismissed. One because she had a back problem and sitting for long times caused her pain. Another, a full time student who works full time hadn't asked to be dismissed. The judge asked if this would affect his studies. He said he'd miss some midterms. The judge asked why he hadn't asked to get out. "Several people told me it wouldn't do any good." The judge said, "Well this court is a little friendlier. A two day trial would be ok, but a two week trial would really affect your studies. I'm going to excuse you."

One juror met Rick Smith, a likely witness, smoking outside Reilly's Bar several times. Another juror who works at Cal Worthington Ford, met Bill Allen there. A third juror had been at meetings of his Community Council when Vic Kohring attended. Alaska is a small place.

Jury Composition

The jury looked different from the Anderson and Kott jury pools. The most striking difference was the relative balance of genders. The Kott

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Kohring Trial - Prosecution's Response
A Hint of What is to Come in the Kohring Trial

trial ended up with ten women and two men. But today, in the first 29 jurors questioned, 15 were men, 14 were women. There were two African Americans, a person from Bethel and one from Unalaska, if I understood right. The ages of the jurors seemed more evenly distributed than the prior two jurors - the Anderson jury being particularly young looking. And there was even one gentleman who had on a tie!

John Henry Browne

For me the big unknown was the defense attorney. When I walked in, I saw him from behind and thought he was younger until he turned and faced the gallery. He was wearing what looked like an expensive light grey suit with just a touch of green. His shirt was just barely pink. The prosecutors, in comparison, were in dark, dark grey to black suits with white shirts, except for Mr. Goeke who had a beige shirt. Even Agent Mary Beth Kepner [Thanks, Steve, I was getting tired when I did that] had on a grey suit. And Mr. Browne's hair also looked expensive - basically brown with what would have been called surfer blond streaks where I grew up near Venice Beach. OK, I know what some of you are thinking. But this is not intended as a fashion evaluation of the attorneys. I do think, however, that the dress does tell us something about people. Browne very definitely pays attention to how he looks. He also has trouble talking without moving. If his arms aren't moving, or his hands, then his fingers are moving. A few times I could even see the muscles in his back moving through his jacket. And this was just very low key questions to the jury.

His voice is radio quality deep and his intonation is precise, more articulated than most American speakers naturally talk. Perhaps he's done some acting or had other voice coaching.

When he asked questions of the jurors, or even when he didn't, he would say, "Good morning" in the same exact tone which sounded warm and interested the first time, but after hearing it repeated precisely many times, it began to sound canned. For two jurors, he said something like, "Your comments were much more extensive than the other jurors" which I thought sounded like calculated flattery, and which caused Prosecutor Botinni to object to the "unnecessary editorial comments" about juror performance. The judge concurred.

He also addressed the court twice, between jurors, with two questions that I thought seemed inappropriate. The first time he wanted to know about jurors who came from outside of Anchorage -

Installation of Rabbi Michael Oblath
Where did all those falling leaves fall?
Alaska Apple Users Group
Dialogue Alaska
In with the new (CH2M Hill) and Out with the old (...
It's Autumn, The Leaves are Falling
Who's Writing Dan Fagan's Oil Columns?
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ALASKA BLOGS

Alaskan Abroad
#ライフ ウィズ CCキッズ (Life with CC) Alaska blog in Japanese
Globe of Blogs

who paid for them? (The court pays their airfare and hotel, but they don't go back for weekends the judge replied.) The second question was whether the jurors came from all of Alaska. The judge explained that they only came from the Anchorage district, which was a large district, stretching from Cordova to the Aleutians. It just seemed to me that these were curiosity items, that I would have written down and checked on later. Or, as the Outside defense attorney, I would have found out before the trial. And being an Outside attorney - the local attorney Wayne Anthony Ross was not there today - he wouldn't understand the implications of what local talk show hosts the jurors said they listened to.

Overall, his behavior reinforced the impression I've gotten in the pretrial press coverage. This is the Seattle attorney who is coming to the boondocks to try a case. If that really is the way he's thinking, I suspect he's in for a big surprise. Judge Sedwick has run very tight, but fair, trials. His excusing of the full time student today is an example of his practical understanding of what makes sense and what doesn't. The prosecution has done an overwhelming amount of work and have been extremely well prepared. The teams at the previous two trials were one local attorney and one from the DC based Public Integrity Section. These guys do their homework. The pairing for this trial is Joe Botinni, whose been in the Anchorage US Attorney Office for many years, and Edward P. Sullivan from DC. On the other hand, it does seem that the taped evidence is likely to be not as damaging as in the other cases, and that Kohring might appear to have been less calculating than Kott or Anderson in working out ways to get paid. We will see.

POSTED BY STEVE AT 5:25 PM

LABELS: JOHN HENRY BROWNE, JURY SELECTION, KOHRING TRIAL

6 COMMENTS:

s j heimel said...

Kepner

TUE OCT 23, 10:31:00 AM PDT

Tea N. Crumpet said...

Keep up the comments on the dress of these guys. I have been on juries and I watch everything that the attorneys do. Scruffy looking ones are the ones you have to be most careful of-- they are usually the sleeping cats, like McCavity. You think they aren't paying

Alaska Blog Roll

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FBI - Stevens-1348

attention, yet they don't miss a thing. They try to psych each other out more than they try things on the jury. A spiffy lawyer is a man who steals the show.

I am a woman and I distrust unattractive, unfriendly women. I don't believe a thing that comes out of their mouths. They are the bullies, the former fat girls in junior high who made good and now exercise their angst on people. A woman who doesn't act like a lady has a hard time in front of me, especially if she makes the wittinesses stress out. I will fight her during deliberations without her being in the room. When it comes to lawyers, they have a better chance of winning if the women are people I want to have lunch with and the men become my alpha males. Sexist-but-true.

Gray is not a good color on a woman. Neither is black.

TUE OCT 23, 11:11:00 AM PDT

J/A/S said...

My past dealings with Kohring have always been cordial. I do know that he is not the nicest person to his staff. His tirades towards them are legendary among staff in Juneau.

TUE OCT 23, 11:56:00 AM PDT

Anonymous said...

Very Interesting,

Much more insiteful reporting than the ADN.

Thank you for your efforts, they are appreciated.

TUE OCT 23, 12:13:00 PM PDT

Greg said...

I have much more confidence in Alaskan juries recently than I have in the past. I will be watching this trial closely. Thank you for reporting the details. It is very interesting. This judge sounds like a real professional man.

TUE OCT 23, 12:25:00 PM PDT

Anonymous said...

I think that Kohring's trial being right after Kott's is helpful for him. Kott is sheer sleaze.

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I've met Vic at some fundraisers in Town and he is very knowledgeable, extremely likable. I never understood why his wife didn't join him in the Valley though-- the Valley would have loved her and really spruced up his image as being boring.

TUE OCT 23, 01:51:00 PM PDT

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Anchorage Daily News (Alaska)

October 23, 2007 Tuesday
FINAL EDITION

Kohring's jurors queried;
Lawyers pick from 70 to decide bribery, corruption charges

BYLINE: By LISA DEMER ldemer@adn.com

SECTION: ALASKA; Pg. B1

LENGTH: 376 words

On one side of the courtroom Monday, former state Rep. Vic Kohring and his lawyer whispered with their trial consultant about potential jurors.

On the other side, two federal prosecutors and an FBI agent jotted notes about who they wanted to judge their public corruption case against the defendant. They got help from two other prosecutors sitting behind them.

Kohring's trial on four federal felonies including bribery and conspiracy began in U.S. District Court on Monday with prospective jurors being brought in one by one for questioning about whether they already had an opinion about the case.

The defense team includes Alan Cohen, a Seattle communications psychologist who has worked as a consultant on hundreds of trials. Cohen said he's just looking for people with an open mind.

A few news reporters and bloggers showed up, but otherwise most seats in the courtroom were empty for the dull but important first stage of the trial. Lawyers consider jury selection perhaps the most crucial part of any case that goes to trial. A powerful, opinionated juror can sway the rest of the group; a lone rogue can mean a hung jury.

The proceedings should liven up today. U.S. District Court Judge John Sedwick said that he expects to seat a jury by noon. If everything stays on track, lawyers will make their opening statements this afternoon and prosecutors will call their first witnesses.

Most jurors in the original pool of 120 who held strong opinions about Kohring or politicians in general already had been weeded out through written questionnaires.

Of 70 who came to U.S. District Court on Monday, Sedwick, and occasionally the lawyers, questioned 57. Five were excused, only one because of concerns about fairness. The rest either had medical issues or other reasons.

Those in the pool still being considered include a neighbor of prosecutor Joe Bottini, a son of former Gov. Wally Hickel, and a woman who told Sedwick that she is skeptical about wiretap evidence. The judge noted that she said she would still consider all the evidence and didn't excuse her.

Much of the case against Kohring is from secretly made recordings.

The case is expected to take about two weeks.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

FBI - Stevens-1352

LOAD-DATE: October 23, 2007

LANGUAGE: ENGLISH

194A-AN-13620-M;576

GRAPHIC: JIM LAVRAKAS / Anchorage Daily News
If everything goes as planned, lawyers in former Rep. Vic Kohring's trial will make opening statements this afternoon.

DOCUMENT-TYPE: Staff

PUBLICATION-TYPE: Newspaper

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FBI - Stevens-1353

2 of 2 DOCUMENTS

Anchorage Daily News (Alaska)

September 23, 2007 Sunday
FINAL EDITION

Political poll bills covered by Veco;
MURKY LEGALITY: When, why, for whom determine lawfulness.

BYLINE: By KYLE HOPKINS khopkins@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 1366 words

In April 2006, then-Gov. Frank Murkowski's popularity sagged among the worst of any governor in the nation, and the state waited to see if he would run for re-election.

Anchorage pollster David Dittman -- who later became Murkowski's campaign strategist -- said he came up with an idea. While everyone was mad at Murkowski, Dittman would conduct a poll asking people about good things Murkowski had done as governor.

The poll cost $20,000. Dittman said in an interview last week that, as best as he can remember, Murkowski's chief of staff told him to send the bill to Veco Corp.

Wait. Is that legal?

In the corruption trial of former House Speaker Pete Kott, a former Veco executive testified that the oil field services company routinely paid for all or parts of political polls -- usually at the request of candidates. The executive said the company paid for "upwards of 100" polls over the years.

Wait. Will any of those politicians get in trouble? The answer last week appeared to be no. At least not with the state. Not under Alaska's current campaign laws.

The trial of Kott on federal bribery and conspiracy charges has put former Veco chief Bill Allen, one of the premier campaign donors and kingmakers in Alaska history, in front of a jury under oath. Secret recordings played in court, along with the testimony of Allen and his lieutenant, ex-Veco vice president Rick Smith, exposed a series of what appear to be under-the-table campaign contributions by the company to Alaska politicians.

Just don't expect the state watchdog agency that oversees campaigns to investigate. Every poll that's been mentioned in the trial is more than a year old -- just past the statute of limitations -- said Brooke Miles, director of the Alaska Public Offices Commission.

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And other polls that sound fishy could be perfectly legal.

Murkowski, for example, wasn't yet officially a candidate for governor when Veco paid for the $20,000 poll. So even though corporations are banned from giving contributions to candidates, campaign disclosure rules likely wouldn't have applied because Murkowski hadn't formally declared he was running for re-election, Miles said.

Now APOC wants some of those rules to change. The commission voted unanimously earlier this month to ask to increase the statute of limitations on campaign finance rules from one to four years.

On Friday, Sen. Bill Wielechowski, D-Anchorage, said he planned to file a bill that would do just that.

The statute of limitations was already four years in Alaska until 2003, when it was shortened at Murkowski's request. That year, Murkowski introduced legislation to reduce it from four years to two. The Legislature ended up passing a bill that cut it to one.

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ANYBODY CAN BUY A POLL

In an interview last week, Dittman said he rarely worked for Veco and someone else must have done most of the polls that Rick Smith, the former Veco executive, talked about on the witness stand.

Dittman said he performed a Veco-paid survey on behalf of Sen. John Cowdery in 2004. Last June, Veco also paid Dittman for a $3,200 poll about then-Sen. Ben Stevens, who had already filed a declaration of candidacy with the state but eventually decided not to run for re-election.

Around the same time, Dittman worked as a Murkowski strategist, helping steer the direction of the governor's underdog re-election bid. At a June 16, 2006, party celebrating the launch of Murkowski's campaign, Dittman stood on a desk and predicted the unpopular governor would pull off an upset.

About two weeks later, Veco paid for a poll in Murkowski's primary race that cost $5,200, Dittman said.

Murkowski, who was a registered candidate by then, did not report the poll as a campaign contribution.

Another Anchorage pollster who often works with Republican candidates is Marc Hellenthal. He said he's conducted "quite a few" polls paid for partly by Veco, plus a few that the company paid for entirely, over the past 30 years.

Like Dittman, Hellenthal said Veco paid him for a poll last year on Ben Stevens.

He said he told his clients, including Veco, not to share poll results.

Did he have an inkling there was a problem in Veco paying for the polls?

"I assumed they were doing it to handicap races. They have been a major, major, major source of political contributions for 25, 25-plus years," he said. "When they're playing that heavy, they really need knowledge to know how to effectively channel their funds."

Miles, the APOC director, said any company or association can pay for political polls about candidates. It becomes illegal when they give those poll results to one candidate but not another. Political action committees are allowed to donate polls to one or more candidates as long as the cost doesn't exceed campaign contribution limits and the costs are reported as donations.

Dittman and Hellenthal said Veco wasn't the only special interest paying for polls -- labor unions and other groups do it too.

Hellenthal said he knows, for example, that the state teachers union -- NEA-Alaska -- frequently polls in political races because "they share results with my clients."

NEA-Alaska president Bill Bjork said the union's political action committee paid for poll questions in about half the legislative races in last year's elections to help it decide which campaigns to get involved in. The poll results were then told to dozens of people on the political action committee.

"Our (Political Action Committee for Education) is given instructions that this is confidential information. That said, there's 52 people who know in broad strokes what the poll says," Bjork said.

Anchorage pollster Ivan Moore works for NEA and said the union conducts surveys only for its own internal purposes, not to help out politicians. "They conduct themselves to the letter of the law, and any attempt to compare their conduct to the admitted illegal behavior we have seen from Veco is frankly outrageous."

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VECO PAID FOR MULTIPLE SURVEYS

Ray Metcalfe, a campaign finance watchdog and potential U.S. Senate candidate, called on APOC last week to poll all 60 Alaska lawmakers to see if Veco paid for polls in their elections.

One of the accusations against Kott is that Veco bought him a $2,750 poll, though Kott said on the witness stand that he didn't want the poll and didn't use it.

To make their case, prosecutors played a phone conversation secretly recorded between Smith and Allen talking about Kott.

"We got him a poll, 'cause his guy (Kott's campaign consultant, former Rep. Jerry Mackie) wanted him to have a poll. ... So he was getting it done, and I called Dittman and says we'll take care of it," Smith tells Allen.

In one of the wiretapped phone calls played for the jury, Smith asks Dittman about a poll he was doing for Kott. "We want to take care of that, OK?" Smith asks.

"OK," Dittman responds.

Smith then instructs him to "do what you have to, bill it though us, send it to my attention, that kind of thing." Dittman says OK.

In another call, Smith called Kott.

"Hey I just got off the phone with, with Bill (Allen). You know, we did a poll for you. ... You know that, don't you?" Smith asks.

"Yeah," Kott replies.

Later in the conversation, Smith mentions another candidate: Earl Mayo.

"We did a poll for Earl too," he says.

Mayo, who ran unsuccessfully for the state Senate against Wielechowski, said he leaves all the polling details up to Hellenthal's company. "Nobody tells me nothing and I don't ask," he said.

Hellenthal acknowledged there was talk of Veco paying for a Mayo poll, but said it never happened.

On the witness stand, Smith, the Veco executive, said poll results paid for by the company were given to candidates. In fact, he couldn't remember a Veco poll that didn't end up in the hands of a candidate or a candidate's consultant or staff member.

As for why Veco would pay for the polls in the first place?

"In most the cases, we were probably asked by candidates," Smith said.

Find Kyle Hopkins' political blog online at adn.com/alaskapolitics or call him at 257-4334.

ONLINE AUDIO: Hear recordings of Veco executives talking with each other and to former Rep. Pete Kott about political polls.

adn.com/alaskapolitics

LOAD-DATE: September 26, 2007

LANGUAGE: ENGLISH

DOCUMENT-TYPE: Staff

PUBLICATION-TYPE: Newspaper

FBI - Stevens-1356

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Anchorage Daily News (Alaska)

October 24, 2007 Wednesday
FINAL EDITION

Defense aims to discredit Allen;
KOHRING: Attorneys outline cases as state's latest corruption trial opens.

BYLINE: By LISA DEMER ldemer@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 1320 words

Former state Rep. Vic Kohring's trial on federal public corruption charges opened in full gear Tuesday with surprises from both sides.

Kohring's lawyer, John Henry Browne of Seattle, reeled off a list of prominent Alaskans who he said Veco executives claimed to "own," including U.S. Sen. Ted Stevens, U.S. Rep. Don Young and Stevens' son, former state Senate President Ben Stevens.

"All these big names," Browne said, but in the defendant's chair is Kohring -- a man, the attorney noted, who slept on his office couch in Juneau and who lives in a trailer in Wasilla.

Neither Ted nor Ben Stevens nor Young has been charged.

Prosecutor Joe Bottini offered a twist of his own. He told jurors about an idea hatched by former Veco Corp. chief executive Bill Allen to kill an oil tax bill with Kohring's help. Legislators were closing in on a rate far above what the North Slope oil producers wanted, he said.

Kohring is being tried in U.S. District Court on four felonies: bribery, conspiracy, extortion and attempted extortion. He is accused of conspiring with Allen and former Veco vice president Rick Smith to push through the oil industry's favored new tax. The oil field services company was sold in September to CH2M Hill.

Kohring, a Wasilla Republican, was elected seven times then resigned in July to concentrate on his defense.

A jury was picked just before noon. Half are from Anchorage, and others are from Eagle River, Palmer, Nikiski, Dillingham and a rural address on the Glenn Highway.

FULL COURTROOM

The big courtroom filled up for opening statements with defense lawyers, prosecutors, news reporters and more.

FBI - Stevens-1357

The prosecution wants jurors to see Kohring as a man who sold his public office. Allen gave Kohring handfuls of cash because he felt sorry for him but also to win his loyalty, Bottini said. Kohring had such strong anti-tax sentiments that Allen felt he had to buy him off to make sure he wouldn't go "wacko" and vote against Veco's preferred oil tax, the prosecutor said.

"This case is about the misuse of a position of public trust for personal financial gain," Bottini told jurors.

The defense is trying to portray Kohring as a guy who was broke and accepted cash as gifts from Allen, someone he thought was his friend. But he didn't sell his office and never voted for the petroleum profits tax, Browne said.

"He refused to be bought," the defense lawyer told jurors.

The votes on the oil tax legislation are complicated. There were multiple votes in the full House, often in the form of amendments to raise the tax beyond the 20 percent tax proposed by then-Gov. Frank Murkowski and then pushed hard by Veco. Kohring voted against the

194A-AN-13020-IN-578

amendments.

Allen was long a powerful player in state politics and, along with other Veco executives, a generous contributor to both state and federal political candidates. Then he fell, hard. Allen and Smith pleaded guilty in May to bribery and other charges and are cooperating with the FBI in its ongoing corruption investigation.

At the recent corruption trial of former House Speaker Pete Kott, Allen testified that he had bribed Kott, Kohring and Ben Stevens. He also has admitted that Veco executives were paid illegal special bonuses in exchange for making campaign contributions.

Prosecutors told jurors that Kohring's own words will be used against him in secretly made recordings, including numerous telephone calls and a March 30, 2006, meeting in Suite 604 of Juneau's Baranof Hotel.

In that meeting, Kohring asked Allen and Smith for money to pay off a $17,000 credit card bill headed for collection. He accepted cash when both opened their wallets for him, Bottini said.

Browne told jurors that Allen will be testifying against Kohring to save his children and to get a lighter prison sentence. The defense lawyer mentioned Allen's heavy drinking and his head injury from a motorcycle crash. Yet "he is going to come in and tell you he remembers things specifically," Browne said.

On some points, Allen's testimony is all the government has, Browne said. There are no recordings, no wiretaps "no nothing."

He talked about Allen as a "multi multi multimillionaire."

"Mr. Allen thought he owned the world," Browne told jurors. Allen even bragged that "I own so and so's ass," the lawyer said, and said Allen included on that list Ted Stevens and Young along with various former and current state legislators. Some of the names have not come up publicly in the investigation before now. Browne dropped Stevens' and Young's names a number of times.

Allen will tell jurors that he made a deal with the government, Browne said, and now "the government owns his ass."

Jurors will be hearing Allen cuss a lot on the recordings, Browne said. But not Kohring. He doesn't swear, drink or smoke, his lawyer said.

When Allen and Smith opened their wallets to Kohring on March 30, 2006, it was so he could put on an Easter egg hunt for his stepdaughter at Allen's suggestion, Browne said.

Other people -- Kott, Ben Stevens, and former Rep. Tom Anderson -- got much more from Veco, Browne said. Stevens and Anderson both had consulting contracts that they didn't have to work for, he said.

"And they are giving Vic Kohring money for Easter eggs," Browne said.

Prosecutors seemed taken aback by Browne bringing up Stevens and Young but didn't say much about it afterward. The information was "out of context," Bottini said.

PROSECUTION'S CASE

Bottini walked jurors through a complex narrative in which Veco executives worked hard to get Kohring on their side.

FBI - Stevens-1358

The North Slope producers wanted "certainty" on taxes before they would commit to a natural gas pipeline that would have been very lucrative to Veco, Bottini said. Worried that Kohring might foul up the oil tax bill, Allen and Smith took him out to dinner at the Island Pub in nearby Douglas on Feb. 23, 2006, two days after the oil tax legislation was introduced, the prosecutor said. At the dinner, Allen handed Kohring $1,000 cash, Bottini told jurors.

Later, Allen's plan to kill the higher version of the tax involved getting Kohring away from the Capitol building in Juneau in the last hours of a special session in June 2006, Bottini told jurors.

As the prosecutor told the story to jurors, Allen thought the bill would die because every member of the House was supposed to be there. He asked Kohring to go for a ride and skip the floor vote. They agreed to meet at the McDonald's in Juneau.

But other people told Allen that idea wouldn't work and would just hurt Kohring politically, Bottini said. Allen couldn't reach Kohring to call it off so went ahead and met him at McDonald's where they bought "a bunch of food."

On the way back to the hotel, Bottini said, Allen pulled out $500 or $600 and handed it to Kohring. Over hamburgers in the suite, Allen told Kohring he wouldn't do anything to hurt him. In the prosecutor's telling, Kohring answered that he would have done what Allen asked anyway.

The McDonald's story came as a surprise to the defense. Browne told jurors he hadn't heard it before.

Browne called Kohring -- who's 6 foot 61/2 inches -- "a gentle giant" and told jurors they'll be hearing from him later in the trial.

"He's like Andy Griffith," Browne told reporters after court ended for the day, referring to the television star who played the folksy and honest sheriff of fictional Mayberry, N.C.

Kohring is the third state legislator to be tried in the corruption investigation. Anderson was sentenced to five years in prison last week on bribery and other charges involving a scheme with a private prison company. Kott was convicted in September of four felonies including bribery. Former state Rep. Bruce Weyhrauch is awaiting trial.

Kohring's trial continues today in federal court.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

ONLINE: Read the charges against Vic Kohring and find more on the corruption investigation.

adn.com/fbi

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FBI - Stevens-1359

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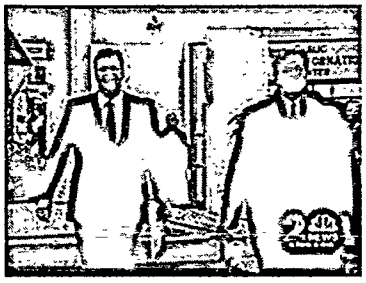
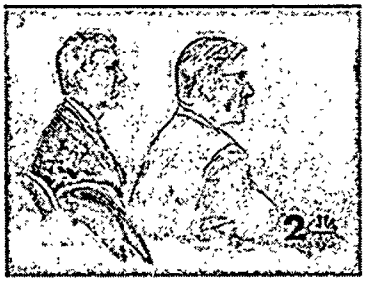
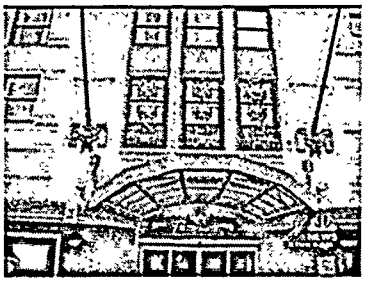
FBI agents testify in Kohring trial



More than a half dozen FBI agents took the stand today in the government's corruption trial against Kohring. (Rich Jordan/KTUU-TV)



Kohring is just one of the people the FBI caught on tape talking with Bill Allen and Rick Smith. (Rich Jordan/KTUU-TV)



The FBI obtained surveillance video from Suite 604 of the Baranof Hotel in Juneau. (KTUU-TV)

The FBI says in a recording last year, Kohring is seen taking two handfuls of cash from Allen. (Rich Jordan/KTUU-TV)

by Jill Burke
Wednesday, Oct. 24, 2007

ANCHORAGE, Alaska -- The FBI began their surveillance of VECO Corp. executives by monitoring the cell phone calls of Rick Smith, a former company vice president.

Next, the federal government began monitoring Bill Allen, the company's founder and former chief executive.

Eventually, they planted a bug in suite 604 of the Westmark Baranof Hotel in Juneau.

And during the early months of 2006, Vic Kohring is just one of the people the feds caught on tape talking with Allen and Smith, both of whom have since been convicted of corrupting public officials.

More than a half dozen FBI agents stationed around the country took the stand today in the government's corruption trial against Kohring.

The agents were brought to Alaska during the spring 2006 legislative session to monitor the electronic surveillance FBI agents here had put in place in its search for political corruption.

Prosecutors contend the surveillance shows Kohring is among the legislators Allen and Smith bribed.

With the FBI secretly listening in, Kohring made repeated calls and visits to Allen and Smith over a seven month period.

In the calls, Kohring most times thanks the men for their continued support and indicates his door is always open should they ever need help.

Allen and Smith are intently focused on their mission: getting then Gov. Frank Murkowski's favored version of the Petroleum Profits Tax passed.

In many of his calls, Kohring pledges his support to the cause.

Kohring sat and watched during the trial as prosecutors played surveillance video captured from suite 604 of the Baranof Hotel.

In one clip, dated Mar. 4, 2006, Allen tells Smith he gave Kohring $1,000 the night before during dinner.

FBI - Stevens-1360

194-AN-13620-M;579

Kohring's attorney, John Henry Browne, says the cash exchange was nothing more than a legal gift. (Rich Jordan/KTUU-TV)

In a separate recording later that month published to jurors but not yet released to Channel 2 News, Kohring joins Allen and Smith in the infamous hotel suite.

In it, he seeks help dealing with a $17,000 credit card debt, and after the conversation switches to Kohring's family plans for the Easter holiday, Kohring can be seen taking two handfuls of cash from Allen.

As the 22 minute visit wraps up, Kohring thanks the two men, and then asks: "What can I do at this point to help you guys? Anything?"

"Whatever you, you know," Allen replies.

Kohring then answers his own questions by adding: "Just keep lobbying my colleagues for the governor's plan, right?"

In opening statements, Kohring's attorney, John Henry Browne, said that cash exchange was nothing more than a perfectly legal gift from Allen, who genuinely considered Kohring a friend.

Browne also said Allen knew Kohring struggled financially, and further, Allen wanted Kohring's family to have an "extra special Easter holiday."

The defense argued in opening statements that the pre-Easter cash handout was not illegal; rather, it was merely a gift from one good friend to another.

Today Browne also elicited testimony from the chief clerk of the House of Representatives that Kohring never voted for any of the final versions of PPT, while other lawmakers, including two that have already been convicted on corruption charges, did.

Prosecutors allege that, while Kohring may not have voted on the final version, he did help by advocating for favorable amendments to be incorporated into the bill and also by lobbying other members of the Legislature to align themselves with the version of the PPT bill the governor had negotiated with the oil producers.

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Video recordings show former lawmaker taking cash

By DAN JOLING, Associated Press Writer
(Published: October 24, 2007)

ANCHORAGE, Alaska (AP) - Jurors in the corruption trial of former Alaska state Rep. Vic Kohring on Wednesday watched a video recording of the veteran lawmaker taking money from an executive for an oil field services company.

Now they have to decide if it was a bribe.

In a secret recording made by the FBI on March 30, 2006, Kohring is seen meeting with executives of VECO Corp. in a Juneau hotel room rented by the company. Kohring requested the meeting with CEO Bill Allen and Rick Smith, the company's vice president for government affairs, to seek a loan or a job to pay off a $17,000 credit card bill he ran up paying for neck surgery at the Mayo Clinic in Minnesota.

As the meeting winds down, Kohring tells the men he's getting ready to visit his wife and stepdaughter in Oregon, and it would be the first time he's been able to spend Easter with the girl because legislative business usually kept him in Juneau.

The mention of the holiday and the child sent Allen reaching for his wallet. He told Kohring he used to hide money and candy in plastic eggs for his children. After turning to Smith, to ask, "Have you got any hundreds?" he hands bills over to Kohring.

"Let her find the egg," he said in the recording.

The cash Allen handed over as well as the solicitation for the loan are a major part of the federal case against Kohring, elected seven times from Wasilla, a city about an hour north of Anchorage.

Prosecutors contend he demanded and accepted at least $2,600 from the VECO officials in exchange for support on legislation needed before major petroleum producers would agree to construct a multibillion dollar natural gas pipeline from Alaska's North Slope to Lower 48 states.

VECO built, repaired and maintained facilities for Alaska's three major oil companies, ExxonMobil, BP and ConocoPhillips, the companies with whom former Gov. Frank Murkowski was negotiating for construction of a natural gas pipeline. VECO would have been in line for hundreds of millions of dollars in contracts if a natural gas pipeline was built or if oil production expanded because of a revised Alaska production tax.

Kohring contends the money he received from Allen was a gift between friends. Kohring's wife and daughter are from Russia. A woman Allen once had a relationship with also was from Russia and also had a daughter, according to Kohring.

Kohring said he sought the loan because his credit card company had turned his debt over to a collection agency that was demanding payment in full. Kohring would have sought a bank loan, he said on the recording, but his credit was shot. He also had not been able to sell a house he owned,

he said.

The debt would likely become a campaign liability if he ended up in court, he told Allen and Smith.

The executives were recorded telling Kohring it would also be a campaign liability if Allen co-signed for a bank loan with the legislator. Allen flatly refused to have VECO itself make the loan.

Kohring repeatedly stressed he wanted assistance to be within the law.

"I want to do everything above board, of course ... Please don't feel like I'm abusing my relationship with you guys," he said.

He inquired about whether he could earn the money by doing work for VECO. He insisted it would have to be legitimate work.

"I don't want any freebies from you," Kohring said.

The matter ended with Allen and Smith telling Kohring they would figure something out and get back to him - "where it won't come back and bite me and bite your ass," Allen said.

There has been no indication from prosecutors that a loan or a payment was ever made by VECO.

In testimony Wednesday morning, Allen makes a passing reference to giving other money to Kohring.

"I gave him a thousand," Allen told Smith in a conversation March 4, 2006 in the same hotel room.

Allen and Smith pleaded guilty in May to bribing Alaska lawmakers and are cooperating with federal prosecutors.

During the trial last month of former state Rep. Pete Kott, R-Eagle River, Allen testified he made illegal payments to Kohring, Kott and former state Senate President Ben Stevens, the son of U.S. Sen. Ted Stevens, R-Alaska. Allen also testified he sent VECO employees to work on the renovation of the elder Stevens' home in Girdwood.

Ted Stevens has said he paid every bill he received and has denied any wrongdoing. Neither Ted Stevens nor Ben Stevens have been charged.

The March 4, 2006, comment by Allen was part of an animated discussion in which he and Smith state the urgency of the Alaska Legislature passing a revised oil tax. That measure was a focus of the 2006 legislative session and was considered a gateway bill that would lead to construction the natural gas pipeline stretching from Alaska's North Slope to customers in the Midwest.

Smith said on the recording that he and Allen might have to "get dirty" to make sure the bill passed. In profanity-laced remarks, Allen says, "We have to produce" and, "Our clients have to know what we're doing."

Prosecutors Wednesday also played more than a dozen phone calls between Kohring and Smith, all initiated by Kohring, between January and August 2006.

Kohring was recorded thanking VECO executives for their support. Kohring repeatedly told Smith he was willing to lobby for their mutual cause, the natural gas pipeline, and that that he could provide company officials with useful information.

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FBI - Stevens-1364

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Paper: Anchorage Daily News (AK)
Title: Video shows Kohring taking cash -
CORRUPTION TRIAL: Ex-legislator told Veco executives that he had a $17,000 credit card debt.
Date: October 25, 2007

Jurors hearing the public corruption case against former state Rep. Vic Kohring on Wednesday watched a video secretly made last spring that showed two executives with Veco Corp. open their wallets and hand him cash.

On the big screen in the federal courtroom, Kohring was clearly visible front and center accepting the money. Then-Veco chief executive Bill Allen and vice president Rick Smith were off to the side. Both later resigned, and Veco as a corporation no longer exists.

"Well, thank you very much," Kohring told them in the March 30, 2006, video. He shook Allen's hand and slipped the money into his jacket pocket.

Prosecutors presented the heart of their case Wednesday: 25 recordings from telephone wiretaps and a bug planted in Suite 604 of Juneau's Baranof Hotel.

In many of the calls, Kohring calls Smith on his cell phone and does most of the talking. He asks what he can do for Veco. He gives mini-political speeches about how conservative and anti-tax he is. He rants at times about the "damn media."

And he asks Smith and sometimes Allen for things: help with a Veco internship for his nephew, a loaner truck, a campaign fundraiser, a way to pay off a $17,000 credit card debt from surgery.

Kohring is being tried on four federal felonies including bribery and conspiracy. Prosecutors accuse him of conspiring with Smith and Allen to push Veco's interests on a new oil tax. Kohring, a Republican from Wasilla, resigned in July during his seventh term.

The defense contends that Kohring simply accepted gifts from his friends and never took bribes.

The recording from March 30, 2006, is remarkable on several levels.

The day before, Kohring called Smith. He said he was stressed and that people were pulling his arm in about "10 different directions." The pace of the legislative session had picked up. He was staying up until 2, 3 a.m. and was getting burned out.

He asked to talk to Smith and Allen about "a relatively serious matter" not involving Veco or the oil industry but something important to him.

Around midafternoon on March 30, Kohring went to Suite 604 to tell Smith and Allen his troubles.

He was in a financial hole that could hurt him politically, he told them on the video. He had had back surgery at the Mayo Clinic and maxxed out several credit cards to cover the bill. Kohring said later, outside of court, that he had spinal fusion surgery in 2002.

FBI - Stevens-1365

He still owed $17,000 on one card, he told Smith and Allen. He had been paying $500 a month, but the debt went to a collection agency that had demanded payment in full. He was worried his financial situation would become public.

He asked them for advice and threw out some ideas. Maybe he could get paid for some sort of project. He wanted real work, not a "freebie," he said. Maybe they could refer him to somebody. Maybe give him a "modest loan."

He told Smith and Allen that he didn't want them to feel like he was applying pressure. He said on the video he wanted everything to be "completely above board."

"I am not coming to the well," Kohring told them. Still, he said that he was living paycheck to paycheck. He couldn't qualify for a loan. He was trying to sell his ranch house in Wasilla, but it was only appraised at $110,000 and wasn't attracting a buyer.

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Allen mused about it. What if he was a cosigner on a loan? Kohring would have to be careful about that, Allen said.

Kohring agreed. He said he didn't want to raise any red flags.

Didn't he have state health insurance? Allen asked. Kohring said he did, but the Mayo Clinic wasn't on the preferred provider list.

Allen said he'd think about Koh-ring's request.

One of the charges against Kohring is attempted extortion, stemming from that request for help with the debt.

Kohring's lawyer, John Henry Browne, has said the issue didn't amount to anything. Smith and Allen didn't seem interested so Kohring dropped it, Browne told jurors in his opening statement.

In the same meeting, Kohring mentions that he's about to spend his first Easter with his stepdaughter. His wife and daughter live in Beaverton, Ore. Usually he can't get away from the Legislature then, he said.

Allen suggested Kohring put money in plastic Easter eggs. Allen asked Smith if he had any hundreds. Smith is seen on the video standing up, taking out his wallet and peeling off some bills, at least $100, according to prosecutors. Allen handed the cash to Kohring.

Kohring thanked them.

He said he had just sent his stepdaughter a card and some money for her Girl Scout uniform.

Allen said he wanted to help on her uniform and pulled out some more bills, totaling $500 to $1,000, prosecutors say. Kohring thanked them again and shook Allen's hand.

In the courtroom as the scene played, some of the jurors scribbled notes. All seemed glued to the screen.

"What can I do at this point to help you guys? Anything?" Kohring asked on the video.

Allen, who has a head injury from a motorcycle wreck, stumbled a bit. Kohring answered his own question.

"Just keep lobbying my colleagues for the governor's plan, right?" Kohring said.

He then discussed a number of specific legislators he could talk to. The House Finance Committee members were particularly important. Kohring reeled off most of their names.

He said he could find out where they stood then "politely and gently try to influence them."

Kohring also told Allen that he had passed along to his wife that Allen liked their gift of Russian vodka. Kohring, portrayed by his attorney as a man who doesn't drink, swear or smoke, said on the recording that he enjoyed vodka, too. He said it helped him escape the "woes of the world."

Kohring's wife is Russian and outside of court Kohring explained that they may share a drink as part of her culture. He's not seen drinking on any of the recordings.

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Kohring discussed an internship at Veco for his nephew -- a 17-year-old high school basketball star -- in various calls to Smith.

The defense says that Smith initially brought it up and that the nephew was well-qualified. But it's clear that Kohring was relying on Smith to guide him and to secure the position.

Kohring dropped off his nephew's resume at the Baronof front desk and phoned Smith to let him know. His nephew came to visit him in Juneau, and Kohring mentioned to Smith in a recorded call that he had a "bunch of lobbyists all lined up to buy my nephew dinner."

In an April 20, 2006, phone call, Smith told Kohring that his nephew had landed the internship.

"Wow! Outstanding," Kohring responds. "Thank you so very much for arranging that, Rick."

Kohring asked Smith to let him know what he could do "on the legislative end of things."

"You got it, partner," Smith answered.

In a call to Smith on July 1, 2006, Kohring passed along how much his nephew appreciated the job. Veco had sweetened the pot by giving him some overtime at $24 an hour. The nephew ultimately ended up with $3,000, Kohring told Smith at summer's end.

On July 23, 2006, as the campaign season geared up, Kohring called Smith again.

Would it be too forward to ask him to set up a luncheon fundraiser at the Petroleum Club in Anchorage? Kohring asked. No problem, Smith answered.

Kohring later reported back that the fundraiser brought in $4,000.

As to the pickup truck, Kohring called Smith a couple of times to ask for a loaner he could use during his campaign. His own vehicle wasn't reliable, he said in recorded calls.

The last call was on Aug. 30, 2006. Smith said he'd get back to him.

The next day, FBI agents raided offices of six legislators, including Kohring's.

The trial continues today. Smith may be on the stand first thing.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

LATEST FROM TRIAL: We'll be blogging updates from the Kohring trial all day today; catch up by reading Wednesday's dispatches.

adn.com/alaskapolitics

AUDIO: Listen to Tuesday's opening statements.

adn.com

Find more at adn.com

Find additional material on adn.com as the case unfolds:

* Live blogging from the courthouse. Reporter Kyle Hopkins will be in the trial every day filing multiple dispatches to our politics blog: adn.com/alaskapolitics.

* Audio testimony. Unlike in state court, cameras or recorders aren't allowed in federal courtrooms. Audio recordings of each day's court proceedings are produced by the court and made available to the public, usually the following day. We usually have them in hand each afternoon. We'll be finding interesting clips and expect to be posting them by late afternoon or early evening each day. Today we have the complete audio from Tuesday's opening statements.

* FBI audio and video. The phone wiretaps and hotel-suite surveillance video recordings will be available eventually, as they were in the Kott trial, but not the next day. They're being played in court but are generally difficult to hear clearly. We will post these when the easier-to-understand original-source recordings are made available -- we're hoping within the next several days.

* Background on the case. Go to adn.com/fbi for past stories, an overview of the corruption investigation, previous audio and video.

-- David Hulen, state/local news editor

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dhulen@adn.com

Caption:

Kohring
Caption:
Graphic 1: Vic Kohring CMYK_102507.eps

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Section: Main
Page: A1
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1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

October 25, 2007 Thursday
FINAL EDITION

APOC says it will not back down;
POLLS INVESTIGATION: Justice Department asks that agency stay out of probe.

BYLINE: By SEAN COCKERHAM scockerham@adn.com

SECTION: ALASKA; Pg. B1

LENGTH: 632 words

DATELINE: JUNEAU -

The Alaska Public Offices Commission plans to keep investigating polls that Veco Corp. bought for state politicians. That's despite the U.S. Department of Justice asking state prosecutors to stay out of the corruption probe.

The commissioners who direct APOC said the state campaign watchdog agency should push on at least until hearing itself from the Justice Department. APOC is having some trouble, though, getting polling firms to cooperate in its investigation.

"We certainly have not gotten all the polling information that we should have," said Jeff Berliner, investigator for the public offices commission.

Former Veco executive Rick Smith acknowledged in the recent corruption trial of former state Rep. Pete Kott that the company paid for "upwards of 100 polls" over the years. It's not clear how many of those represent illegal corporate campaign contributions. Smith, who has pleaded guilty to bribing state legislators and is cooperating with the FBI, has refused to provide information to APOC.

The federal Justice Department wrote state Attorney General Talis Colberg on Oct. 12 saying a state investigation into the political polls could compromise aspects of the broad, ongoing federal investigation of corruption in Alaska politics. Gov. Sarah Palin said state prosecutors would back off as a result. .

But the Alaska Public Offices Commission is a semi-independent agency and the governor considers it inappropriate to say what it can investigate. State lawyers suggested APOC should contact the Justice Department, according to Brooke Miles, public offices commission executive director.

UNANSWERED CALLS

Miles said APOC staff has attempted without success to reach William Welch, chief of the public integrity section at the department.

"I have personally left two messages on Mr. Welch's voice mail," Miles said at a Wednesday APOC meeting.

Miles said she would keep trying to get in touch.

"We go ahead until they tell us no," said Claire Hall, an APOC commissioner from Fairbanks.

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A Justice Department spokeswoman had no immediate comment on the matter Wednesday.

APOC investigator Berliner updated the commissioners Wednesday on how the polling investigation is going so far. He did not give any specifics, since it's ongoing.

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But Berliner said he's been contacting polling firms, including a couple from out of state, and believes there's a lot more information than pollsters are willing to provide.

Three major polling firms in Alaska, Dittman Research Corp., Hellenthal and Associates, and Ivan Moore Research, all told the Daily News they've completely cooperated in the public offices commission investigation.

COMPELLING COOPERATION

David Dittman and Marc Hellenthal have acknowledged that Veco executives paid them to do polls. Known recipients of Veco polls include convicted former state Rep. Pete Kott, then-Gov. Frank Murkowski, state Sen. John Cowdery and former state Sen. Ben Stevens.

Moore said Veco has never paid him to do a poll and he told that to the commission.

"If APOC hasn't been receiving the level of cooperation they anticipated it doesn't surprise me at all," he said. "Because people are accustomed to the idea of thumbing their nose at APOC and their requests. ... Their teeth aren't sharp enough."

APOC can impose civil fines and refer matters to the attorney general's office for possible criminal prosecution. But the agency has been criticized for not doing enough about the corruption in Alaska politics.

APOC commissioners said they should look into legal methods to compel people to cooperate in their investigation.

"Actually our next move is issuing subpoenas on several different entities," said Miles, the executive director.

Find Sean Cockerham online at adn.com/contact/scockerham or call him in Juneau at 1-907-586-1531.

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FBI - Stevens-1370

Anchorage Daily News (Alaska)

September 25, 2007 Tuesday
FINAL EDITION

Kott's fate is in hands of the jury;
IN CLOSING: Defense says Allen and Smith cannot be trusted; prosecutor says the evidence is "overwhelming."

BYLINE: By LISA DEMER and SEAN COCKERHAM Anchorage Daily News

SECTION: MAIN; Pg. A1

LENGTH: 1375 words

Lawyers laid out two opposite views of former state Rep. Pete Kott Monday during their closing arguments to jurors in his federal public corruption trial: hardworking with a drinking problem or greedy and looking out for himself.

Defense lawyer Jim Wendt told jurors to think of Kott as a legislator who pushed hard for oil development and got himself into trouble by spouting off when he drank too much.

He especially puffed himself up to his friends from Veco Corp. in Suite 604 of Juneau's Baranof Hotel, Wendt said. The nickname for the suite that served as Veco's headquarters during the Legislature was Animal House, Wendt reminded jurors.

"I'll tell you what it was. It was a place for boasting and banter, fueled by alcohol," Wendt told jurors in U.S. District Court. "The government is resting its case on the Animal House as if what goes on there is somehow reliable."

Assistant U.S. Attorney James Goeke told jurors that Kott took bribes from Veco and was guilty of putting his own self-interest before that of his constituents. Kott is charged with four felonies: conspiracy, extortion, bribery and honest services wire fraud.

The prosecutor said the case was unusual because jurors were able to watch and listen as the alleged crimes took place.

"Through the hours and hours of electronic surveillance that you've heard in this courtroom over the past few weeks, you the members of the jury have been able to sit in a ringside seat," Goeke told jurors.

No one knew during 2005 and 2006 that the FBI had put a bug in Suite 604 and wiretaps on phones of Veco executives.

The defense reminded jurors that the government focused on only the worst out of hundreds of hours of video recordings and thousands of intercepted phone calls. Prosecutors took "little snippets" out of context, Wendt said.

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But Goeke told jurors "the evidence in this case is overwhelming."

The courtroom was nearly full of FBI agents, other defense lawyers, legislators and aides, reporters and Kott's friends and family. The case went to the jury around 12:30 p.m. on the trial's 14th day.

Kott is a former Republican House speaker from Eagle River who served 14 years in the Legislature.

Bill Allen, former Veco chief executive, and Rick Smith, former Veco vice president, have pleaded guilty and were key witnesses for the prosecution, testifying that they bribed Kott.

U.S. District Judge John Sedwick told jurors that Allen and Smith's guilty pleas in themselves are not evidence that Kott did anything wrong. In fact, the testimony of both Allen and Smith should be considered with more caution than that of other witnesses, he told them.

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Wendt told jurors that Smith and Allen will say whatever the government wants to save themselves. Neither has been sentenced.

The stakes in the oil tax debate were high. The Murkowski administration was pushing a new state oil tax, a first step toward a natural gas pipeline that could have been worth millions to Veco in construction contracts. Kott is accused of pushing a 20 percent tax favored by North Slope oil producers in exchange for money, a political poll and Veco's promise of a job.

LAWYERS SUMMARIZE THE EVIDENCE

Goeke walked jurors through carefully picked highlights from nearly five dozen audio and video recordings played during the trial.

In a Sept. 26, 2005, call between Kott and Smith, the legislator said he needed a job. "You got a job. Get us a pipeline," Smith responded.

Later, the prosecution played a series of video recordings from the night of May 7 and into the early morning of May 8, just after key votes on the oil tax. "I'd vote for a 30 percent tax if it wasn't for this guy here," Kott says in one, pointing to Allen.

And in a video secretly recorded on June 1, 2006, Allen counts out what he later testified was $1,000 in cash for Kott. In another video from the same night, Allen asked Kott what he wanted to be. After joking about passing out beach towels in Barbados, where Veco was building a prison, Kott said he wanted to be a lobbyist. "Well, you will be," Allen tells him.

Allen later testified that Kott's job prospects with Veco all depended on him doing the right thing on the oil tax, Goeke reminded jurors.

During his closing, Wendt was frustrated at times by technical difficulties but forged ahead, focusing on a timeline displayed for jurors that included key votes.

Wendt emphasized that it was the defense, not the prosecution, who brought in two legislators to explain their dealings with Kott, which he said was better than relying on "some grainy tape" because they know what really happened.

The wire fraud charge, Wendt pointed out, is based on a single telephone conversation in which Kott assures Smith "you know where my allegiance is."

"Where is the plan or scheme in that telephone conversation?" Wendt asked.

Kott just wanted a gas pipeline, the same as Veco, but there was no criminal conspiracy, no intent to extort money from Allen or Veco, he said.

Others got so much more from Veco than Kott, Wendt said. Former Senate President Ben Stevens got hundreds of thousands of dollars in consulting work. U.S. Sen. Ted Stevens had his whole house redone with the help of Veco workers. Former Rep. Tom Anderson had Veco contracts too.

But Kott was working on his hands and knees doing flooring, Wendt said.

"Pete Kott never got anything," he said.

The last word came from prosecutor Nicholas Marsh, from the U.S. Justice Department's Public Integrity Section in Washington, D.C.

He told jurors that it made no sense to think that Kott got nothing from Veco. He received $1,000 in cash, a check for $7,993, a political poll that cost $2,750 and the promise of a job, all from Veco, Marsh said.

Kott's defense, Marsh said, appears to be that what he said in 11 months of secretly made recordings are "either lies or they are not true or the rantings of an alcoholic."

Kott, Marsh told jurors, "tried to snooker you."

Jurors finished deliberations for the day at 4:30 p.m. They return today.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390. Find Sean Cockerham online at adn.com/contact/scockerham or call 257-4344.

INSIDE

THE CLOSING ARGUMENTS: A look at the key points made by the defense and the prosecution.

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ONLINE AUDIO: Hear closing statements along with other exhibits from the trial at

adn.com/fbi

Kott trial closing arguments at a glance

Prosecution

KOTT'S OWN WORDS: Assistant U.S. Attorney James Goeke replayed secretly made audio and video recordings. They included Kott talking to Veco executives about a possible job and asking Veco chief Bill Allen for instructions on the eve of the legislative session.

VECO TESTIMONY: Goeke said the testimony of Allen and former Veco executive Rick Smith, who are cooperating with the prosecution, matches what jurors heard on those FBI recordings.

OUTRAGE: Goeke hammered on the argument that Kott sold out the public trust by turning to Veco, instead of his Eagle River constituents, for direction on how to vote and act.

KOTT'S CREDIBILITY: Prosecutor Nicholas Marsh said Kott's explanations for his words and deeds made no sense. He "tried to snooker you," Marsh told the jury.

Defense

OUT OF CONTEXT. Kott's attorney, Jim Wendt, argued prosecutors plucked the worst statements out of hundreds of hours of video and thousands of intercepted phone conversation.

ANIMAL HOUSE. Wendt argued that Veco's Suite 604 at the Baranof Hotel in Juneau was known as the "Animal House," and was a "place for boasting and banter fueled by alcohol." Wendt said Kott loved and admired Veco head Allen and was just trying to impress him after drinking by saying things that weren't true.

HARD WORKER. The defense painted Kott as a hard-working man who did flooring jobs and didn't ask for handouts. He also worked hard trying to get a gas pipeline for Alaska, Wendt said.

LEGISLATORS' TESTIMONY. Wendt noted that Rep. Gabrielle LeDoux and ex-House Minority Leader Ethan Berkowitz testified that, despite what Kott told Veco executives, Kott didn't manipulate them to try and get the oil tax rate Veco wanted.

Compiled by Daily News reporters Sean Cockerham and Lisa Demer

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Anchorage Daily News (Alaska)

September 26, 2007 Wednesday
FINAL EDITION

Kott found guilty;
Ex-legislator's testimony didn't ring true, jurors say

BYLINE: By LISA DEMER and SEAN COCKERHAM Anchorage Daily News

SECTION: MAIN; Pg. A1

LENGTH: 2190 words

Former state Rep. Pete Kott, a 14-year veteran of the Legislature and one-time House speaker, was convicted Tuesday by a federal jury of conspiring with Veco Corp. executives to push an oil tax favored by industry.

Jurors convicted the Eagle River Republican of conspiracy, bribery and extortion. They acquitted him of a fourth felony charge, wire fraud, that was based on a single cell phone conversation that went across state lines.

As the verdicts were read around 3 p.m. on the trial's 15th day, Kott sat silent and still between his defense lawyers.

He left the courtroom looking tired and drawn. He had little to say about the verdict.

"I'm disappointed," Kott said.

He didn't want to talk about what's next for him or the specifics of how he thought his corruption trial went. "It came," he sighed. "It went."

Kott walked out of the Federal Building with his girlfriend, Debora Stovern, on one arm, daughter Pamela on the other and lawyer Jim Wendt just ahead. They faced a barrage of television cameras and reporters asking questions that Kott wouldn't answer.

Wendt said Kott almost surely would appeal. He and his co-counsel, Meg Simonian, hadn't worked out all the potential grounds but he suggested the instructions the judge gave the jury could be one factor.

"The jury instructions were a little ambiguous regarding the bribery and extortion charges," Wendt said.

Then Kott's group piled into a Dodge truck and drove away.

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'DEAL-MAKER,' PROSECUTORS SAID

During the trial, prosecutors Nicholas Marsh and James Goeke portrayed Kott as a deal-maker who plotted with former Veco executives Bill Allen and Rick Smith to secure the oil tax rate sought by North Slope oil producers during the 2006 regular session and special sessions that summer. They played nearly five dozen secretly made recordings during the trial.

The defense painted Kott as a hard worker with a drinking problem, an Air Force veteran, a man who got on his hands and knees laying hardwood floors but who didn't ask his wealthy friends at Veco for handouts.

This is the second victory for prosecutors in the ongoing public corruption investigation, and the first involving oil field services contractor Veco. The company was sold to Denver-based CH2M Hill just before the trial.

Deliberations began at 12:30 p.m. Monday. Most of the jurors seemed "gung-ho" and ready to convict Kott that same day on at least a couple of charges, said Donna Riley, juror No. 1. She wanted to slow things down and sent the judge a note first thing Tuesday saying she had

194A-AN-13620-M; 584

felt pressured the day before.

"And I'm like, man, you guys need to go over it," Riley said after the verdict. "I need to understand. This is someone's life, you know? I need to make sure I understand everything about it to have a clear conscience."

Jurors were talking over each other on Monday when they finally got a chance to say what they thought after more than two weeks of trial, said juror Susan Pollard. By Tuesday morning, the jurors went out of their way to "cool it" and make sure Riley was included, juror Dale Hartzler said.

Riley, a custodial worker at Stevens International Airport, said she related to Kott since both do physical labor. She was moved, too, by a speech he gave on the witness stand.

"It kind of got to me when he said he was embarrassed and felt bad ... for his family," Riley said.

The defense was "trying for any emotional leverage they could get," Pollard said.

In the end, what struck Riley as particularly important: the testimony and recordings about the promise of a job to Kott and the financial rewards, especially the inflated flooring invoice through which Veco executives funneled $7,993 to Kott.

She said she went home Monday night and prayed on what to do. By Tuesday, the situation in the jury room was calmer, she said. Their decision was the right one, she said.

KOTT NOT CREDIBLE

Pollard, a former contract manager for the federal government, said it was Kott's own testimony on the stand that left the biggest mark.

Kott tried to explain to jurors that he just was telling Allen and Smith what they wanted to hear when he told them he'd push the tax rate they wanted.

Kott was saying 'I'll lie to my friends but I do have my principles,' " Pollard said. "How can you believe anything he says after that?"

As to the inflated flooring invoice, she said she was very skeptical of the defense story that the money was for future flooring work. Why were invoices created by Stovern, Kott's girlfriend, bookkeeper and a defense witness, after the fact? Why did none mention future flooring work?

Juror Hartzler said his vote to convict was a no-brainer given the evidence. Kott and his defense team couldn't blunt the FBI audio and video, he said.

The defense didn't ring true, said Hartzler, a systems analyst for Alaska Communications Systems. He said the whole tenor of the defense was just "flying in the face of the intercepts" recorded by the FBI.

He gave the example of Kott's son, who was also his campaign manager, claiming on the witness stand that the campaign didn't use political polls. The defense was trying to refute the charge that Kott received a poll illegally paid for by Veco.

Hartzler said the defense claim was contradicted by a recording of Kott talking about the poll with a Veco executive, as well as poll questions the FBI found on a computer device at Kott's residence.

FBI - Stevens-1375

As for the drinking, Kott didn't seem drunk in all of the late night recordings. Hartzler pointed to one in which Kott told Veco chief Allen that he wanted to be a lobbyist. It just seemed like a real, casual conversation, he said.

The evidence on the wire fraud charge just was too thin to support a conviction, Pollard said. It was based on a March 10, 2006, cell phone call that Kott made from Washington, D.C., to Smith. Kott, who was having drinks with a Marathon Oil lobbyist, told Smith he wanted to "take care of Marathon in this deal." But Smith said that Marathon had dumped Veco as a maintenance contractor. "You know where my allegiance is," Kott told Smith.

SENTENCING IN DECEMBER

The verdicts come just before next month's special session on oil taxes called by Gov. Sarah Palin. "I am more committed than ever to seeking a fair, untainted solution to our petroleum tax system," the governor said in a written statement.

The evidence was compelling, said state Sen. Fred Dyson, R-Eagle River, who helped the FBI in its investigation and sat in on much of the trial. The recordings of people laughing and swearing about "jerking the public process around" generate a gut level impact.

Kott is likely facing more than four years in prison, according to what prosecutors have estimated under sentencing guidelines. But he could be looking at even more time, as much as 61/2 years, if the judge determines he did not testify truthfully and obstructed justice, said prosecutor Joe Bottini, who didn't try the case but sat in on much of it. He is part of a four-person team of federal prosecutors handling Alaska public corruption cases.

U.S. District Judge John Sedwick set sentencing for Dec. 7.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390. Find Sean Cockerham online at adn.com/contact/scockerham or call 257-4344.

ONLINE AUDIO AND VIDEO: Listen to closing arguments and secret FBI recordings and watch videos admitted as evidence in the trial.

adn.com/fbi

VERDICTS

Guilty

Conspiracy

Bribery

Extortion

Not guilty

Wire fraud

What was Kott accused of?

Being part of a conspiracy, with Veco Corp. officials and other lawmakers, to push passage of an industry-friendly oil profits tax in 2006. Among the benefits prosecutors say he received: $1,000 cash, a check for $7,993, the promise of a job as lobbyist and an illegal political poll.

What's the sentence?

Sentencing will be Dec. 7. Prosecutors estimate Kott faces 51 to 63 months in prison -- and up to 78 months if judge concludes Kott testified untruthfully to the point of obstructing justice.

WHAT'S NEXT?

Sentencing and other trials are upcoming:

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* Ex-Rep. Tom Anderson faces sentencing Oct. 15. He was found guilty in July of bribery, conspiracy and other counts.

* Former Rep. Vic Kohring faces trial on Oct. 22 on bribery, conspiracy and extortion charges.

* Former Rep. Bruce Weyhrauch awaits trial. He was initially scheduled to stand trial with Kott. The cases were split shortly before Kott's trial began.

CONVICTED

Pete Kott becomes the fifth lobbyist or public official to be found guilty by a jury or to plead guilty in the corruption investigation. Read more on the investigation, Back Page

CONVICTED IN THE CORRUPTION SCANDAL

TOM ANDERSON

Former Republican state representative from East Anchorage was convicted July 9 on bribery and other charges for taking payoffs from a consultant for a private prison company. Worked as a consultant for Veco, although none of the charges against him concerned the company. Sentencing Oct. 15.

BILL BOBRICK

Longtime lobbyist at the city level and one-time head of the Alaska Democratic Party, he pleaded guilty in May to conspiracy for bribing Anderson while working for a private prison company. (The company was unaware.) He testified against Anderson and is awaiting sentencing.

BILL ALLEN

Longtime Veco CEO, pleaded guilty in May to bribery and conspiracy for his dealings with four legislators. Admitted paying a "bonus" in company funds to executives for illegal campaign contributions in 2005 and 2006. Resigned after plea. Testified against Kott and awaits sentencing.

RICK SMITH

Veco vice president who ran the company's government affairs operations. In May he pleaded guilty to the same charges as Allen. He admitted, with Allen, to making more than $400,000 in payoffs to elected officials as well as making illegal campaign contributions. Resigned after plea, testified against Kott and awaits sentencing.

THE POLITICAL CORRUPTION INVESTIGATION

The charges against Pete Kott are part of the wider investigation into political corruption in Alaska being conducted by the FBI and the Justice Department.

More than a year ago, teams of federal agents served search warrants at more than 20 locations around the state, including the offices of six state legislators. Since then, four legislators have been charged, two have been convicted, three lobbyists have pleaded guilty and several other current and former officials have been implicated.

Several people and areas are known to be under scrutiny:

* Veco's relationship with state legislators. During the Kott trial, Veco executives described bribing or otherwise exerting improper influence over several officials. Among them: Former Senate President Ben Stevens, whom Veco officials admitted paying more than $240,000 in phony consulting contracts to act on the company's behalf in the Legislature.

* U.S. Sen. Ted Stevens. FBI and IRS agents performed an extensive search of Stevens' Girdwood home in July, and ex-Veco CEO Bill Allen testified in Kott's trial that company employees oversaw and provided labor for an extensive remodeling there.

* U.S. Rep. Don Young. Young has been reported to be under scrutiny for ties to Veco and his use of earmarks. Veco executives are his largest group of political donors, and an aide pleaded guilty earlier this year in the Jack Abramoff lobbying scandal. Young reported spending more than $260,000 in legal fees from his campaign treasury during the first six months of this year and has declined to discuss the investigation.

* Fisheries. A number of companies involved with the North Pacific fishing industry received subpoenas from federal investigators asking about their dealings with Ben Stevens (who worked as a consultant in the industry), his ex-partner Trevor McCabe (an ex-aide to Sen. Ted Stevens), the Alaska Fisheries Marketing Board (created by Ted Stevens to award federally-funded grants in the industry and chaired for a time by Ben).

THE INVESTIGATION: For a detailed, interactive overview of the corruption investigation, go online to adn.com/fbi. Click on "Corruption investigation overview" at the top of the right column.

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WHATTHEY'RE SAYING

"Mr. Kott said some very unfortunate things on tape, and he voted for Veco's interests. My client, Mr. Kohring, didn't say unfortunate

things on tape, never swore -- doesn't [illegible]ear, doesn't drink -- and didn't vote for Veco's [illegible]rests. So that's the difference.

-- Voice mail message in response to request for comment from John Henry Browne, Seattle lawyer for former state Rep. Vic Kohring, whose corruption trial is scheduled to begin Oct. 22.

"I think that there has been a willingness to not question very deeply or very carefully whatever that relationship might have been between Alaska's dependency on the oil industry on the one hand and our politics on the other. This trial was very significant in that way because it will allow people to put a little distance between that politics which they probably have been a little uncomfortable with or they will be more uncomfortable with now. The earthquake was the election of Gov. Sarah Palin. This is an aftershock."

-- Steve Haycox, UAA history professor

LOAD-DATE: September 26, 2007

LANGUAGE: ENGLISH

GRAPHIC: BILL ROTH / Anchorage Daily News
Former Rep. Pete Kott of Eagle River leaves the U.S. Courthouse in Anchorage with his daughter Pamela, left.
AL GRILLO / The Associated Press
Former Alaska state lawmaker Pete Kott, back center, walks past reporters at the federal court building in Anchorage Tuesday with his daughter, Pam Kott, back left, Debora Stovern, back right, and Kott's attorney, Jim Wendt, front center, after Kott was convicted of conspiracy to solicit financial benefits, extortion and bribery.
BILL ROTH/Anchorage Daily News
Former Rep. Pete Kott of Eagle River leaves the U.S. Courthouse in Anchorage with his daughter Pamela, left, and his girlfriend, Debora Stovern, right, after a federal jury returned guilty verdicts on charges of bribery, conspiracy and extortion Tuesday.
Bobrick
Allen
Anderson
Smith

DOCUMENT-TYPE: Staff

PUBLICATION-TYPE: Newspaper

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FBI - Stevens-1378

Anchorage Daily News (Alaska)

September 27, 2007 Thursday
FINAL EDITION

State on sidelines of Veco scandals;
TAKING NOTES: The attorney general says feds don't want interference with investigation.

BYLINE: By SEAN COCKERHAM scockerham@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 863 words

Alaska Attorney General Talis Colberg said his office assigned lawyers to closely watch former-state Rep. Pete Kott's trial in federal court over the past two weeks as it revealed other possible criminal acts by politicians and Veco Corp. executives.

Colberg said the attorney general's office isn't ignoring the revelations. But he said the state has to proceed carefully before pursuing its own criminal charges. The broad federal investigation into corruption in Alaska politics doesn't appear to be close to finished. The feds don't want interference from the state, according to Colberg.

"They've made it clear enough that they appreciate us not stepping into the middle of something that's ongoing," Colberg said.

He said the federal government has also declined to share the results of its investigation with the state.

Jurors on Tuesday convicted Eagle River Republican Kott on federal charges of conspiracy, bribery and extortion. Next up are federal trials of former Republican state Reps. Vic Kohring and Bruce Weyhrauch. It's clear the federal government is investigating other Alaska politicians as well, including U.S. Sen. Ted Stevens.

The state is under a lot of pressure to act instead of relying on the FBI to clean up corruption here. The Alaska Public Offices Commission, a state agency known as APOC, has decided to investigate political polls Veco and possibly other companies bought for candidates.

APOC Executive Director Brooke Miles said the commissioners determined that, with all the public scrutiny and seeming unhappiness with APOC's lack of action, they wanted to find out the facts.

There was testimony at Kott's trial that Veco routinely paid for candidate's political polls, including a $20,000 poll for then-Gov. Frank Murkowski last year before he was a declared candidate for re-election. One of the federal charges against Kott was that Veco illegally bought him a poll.

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It's not clear what APOC will do with the findings of its investigation into the other polls paid for by Veco. APOC says it is hindered by the one-year statute of limitations in state law on imposing civil penalties for campaign violations. The polls brought up at Kott's trial are more than a year old.

There is no one-year statute of limitations on criminal charges. APOC doesn't have the authority to pursue criminal matters but could refer its findings to the state attorney general's office. Miles, the APOC director, said that's a possibility.

APOC has only a single investigator. The attorney general's office, while lacking the manpower of the FBI, could call on state troopers and criminal prosecutors for a corruption probe.

MORE THAN JUST POLLS

194A-AN-13620-M; 585

A pair of Democratic legislators from Anchorage, Les Gara and Harry Crawford, wrote APOC and the state attorney general this week to urge action. They said the state must investigate the polls and other apparent criminal acts that came up in Kott's trial and related federal indictments.

"The scope of this misconduct is unprecedented, and taking no action simply condones this conduct," their letter said.

Gara and Crawford said the illegal acts weren't limited to polls. They pointed to federal indictments in which Veco executives Bill Allen and Rick Smith pleaded guilty to paying "more than $10,000" in expenses for candidate fundraisers, knowing the money would be ultimately recorded as legitimate corporate expenses.

That violates the ban in state law on corporate contributions to candidates, Gara and Crawford said.

The indictment does not mention which fundraisers were illegal. But former Veco executive Smith testified that he organized many fundraisers, including the annual pig roast for Alaska Congressman Don Young.

'SPECIAL BONUSES'

Smith and Allen also testified about Veco's "special bonus program," where the company would reimburse Veco executives for campaign contributions.

That's also against Alaska law. Gara said that not all the former Veco executives involved in the program are under federal indictment, and maybe they should be under state indictment.

The state should also investigate what legislators besides those charged by federal prosecutors benefited from Veco in violation of state law, he said. So far, all legislators indicted have been Republicans.

"There's a lot the state can do," Gara said.

Gara said the state could pursue criminal charges on issues like illegal polls without interfering in the much broader federal investigation. Gara said, at this point, it looks like the state is doing nothing.

Colberg said he could not comment on any proposed or ongoing investigation. Colberg did not rule out the idea of the state going after side issues such as political polls without messing up the federal probe.

"We do not overlook the idea there is something they may not pursue that we may be able to," the attorney general said.

Find Sean Cockerham online at adn.com/contact/scockerham or call him at 257-4344.

INSIDE

DON YOUNG: A watchdog group wants a probe of a $10 million earmark for a Florida highway.

Page B-1

ONLINE AUDIO AND VIDEO: Hear courtroom drama from the Kott trial and secret FBI recordings, and watch videos admitted as evidence.

adn.com/fbi

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1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

September 30, 2007 Sunday
FINAL EDITION

CH2M Hill defends seasonal layoffs;
PRUDHOE BAY: Reduction has nothing to do with Veco acquisition, company says.

BYLINE: By PETER PORCO pporco@adn.com

SECTION: ALASKA; Pg. B1

LENGTH: 342 words

Scores of workers in the Prudhoe Bay oil fields have been laid off in a seasonal manpower reduction, including employees assigned to inspect pipelines for corrosion, according to spokesmen for BP Alaska and the workers' new Colorado-based employer, CH2M Hill.

The number of workers affected is fewer than 200, CH2M Hill communications director John Corsi said in a telephone interview Saturday night. CH2M Hill contracts with BP to perform the corrosion inspections of oil transit pipelines.

The remaining inspection crews will still be eight to 10 times the number of employees doing such work in the winter until a few years ago, said BP spokesman Daren Beaudo.

CH2M Hill's contracts for North Slope oil producers were owned by Veco Corp. until a few weeks ago, when scandal-plagued Veco was purchased by CH2M Hill. Veco's employees are now CH2M Hill's employees.

The work force downsizing "has nothing to do with the acquisition" of Veco, Corsi said. "We didn't come in with a plan that we had to be at a certain size or number of employees."

Corsi said CH2M Hill has worldwide operations. The acquisition of Veco's North Slope work is so recent that he knows few details of it, Corsi said.

Since early 2006, BP's North Slope operations have come under scrutiny from Congress, regulators and others because of a series of corrosion-related leaks and maintenance shortcomings. Four fires broke out in BP-run fields between Aug. 6 and Sept. 10. State officials said they're troubled by the fires, but the company said they were unrelated.

BP increased its work crews for pipeline corrosion inspections in August 2006, Beaudo said. "It was a big program to inspect the oil transit line, so now we're getting back to what we consider a normal staffing," he said.

Beaudo said he is pretty sure some of the laid-off workers "will switch to do winter construction activi

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London-based BP manages Prudhoe Bay, the nation's largest oil field, as well as several neighboring fields.

Find Peter Porco online at adn.com/contact/pporco or call 257-4582.

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Two of the state's top Republicans work the crowd at AFN

By Andrea Gusty, CBS 11 News Reporter
Article Last Updated: 10/26/2007 06:28:56 PM AKDT

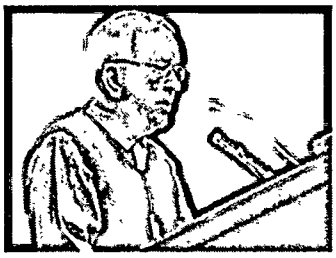
A team, of sorts, made an appearance Friday at the 42nd Annual Alaska Federation of Natives Convention. Two of the state's top Republicans worked the crowd as part of their re-election campaigns.

"I love you; I want you and I need you," said Congressman Don Young.

That was an emotional Congressman Young Friday as he addressed the Alaska Federation of Natives. He broke out into tears after being honored with a video documenting his career.

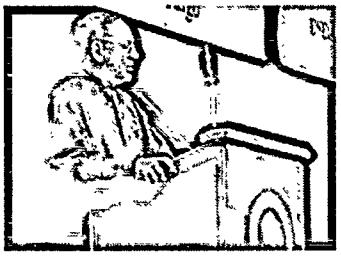
Both Congressman Young and Senator Ted Stevens were on hand with speeches that described all they have done for Native people over their career and what they hope to do in the future.

"I am constantly reminded not only of how far we have come, but how much work we have left to do. I was also reminded, as we prepared for this program, of the strength of the Alaska Native people," said Stevens.



Both lawmakers are up for reelection next year, and even as talk of corruption and FBI investigations continues to swirl around them, they say they are still up for the job of representing Alaska's First People.

"There is nobody better than I at doing this job, because I believe in this state, and I believe in you. I believe in the future. And the day I cannot do this job, I will not run," said Young.



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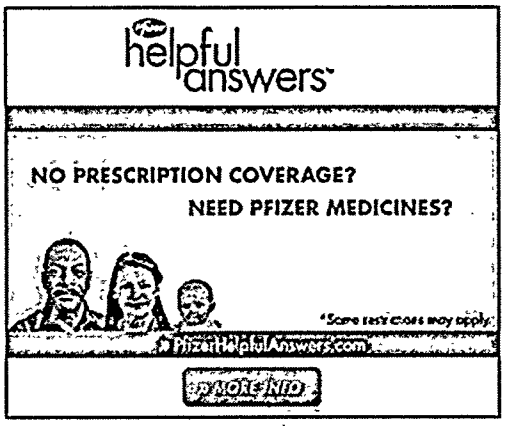

Both Young and Stevens said the most important issue facing Alaska Natives in the coming months is the fight over federal contracts. The lawmakers say they will continue their efforts to defend the program that gives Alaska Native groups priority for government spending.

To contact Andrea, call 907-273-3186.

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- 42nd Annual Alaska Federation of Natives Convention
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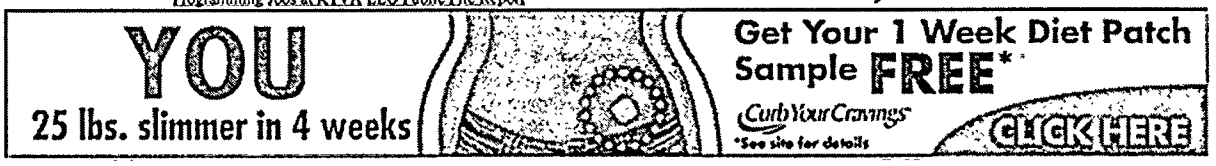

Anchorage Daily News (Alaska)

October 26, 2007 Friday
FINAL EDITION

Smith tells of earlier payments;
TRIAL: Ex-Veco vice president says money was to keep "Vic on board."

BYLINE: By LISA DEMER and KYLE HOPKINS ldemer@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 1168 words

Veco chief executive Bill Allen had been giving cash to former state Rep. Vic Kohring for at least a couple of years before a $1,000 payoff on Feb. 23, 2006, at the Island Pub in Douglas, another executive, Rick Smith, told jurors in federal court Thursday.

Allen had told him the payments over the years were "necessary to keep Vic on board on political issues that we were in favor of," said Smith, a former Veco vice president.

Smith, white-haired and wearing a light-gray suit, testified all day. He is one of the main prosecution witnesses in the public corruption case against Kohring. He didn't cave under aggressive questioning by defense lawyer John Henry Browne of Seattle and at times chuckled on the stand. In fact, the whole courtroom shared a joke at day's end.

The bulk of the evidence is secretly made recordings, including one from March 30, 2006, that shows Kohring accepting cash from Allen in Suite 604 of Juneau's Baranof Hotel. As he gets up to leave, Kohring reaches into a Costco-size snack container at Smith and Allen's invitation and grabs four or so treats.

On the stand, Smith, 62, explained the sometimes cryptic talk in the telephone calls and meetings that were being monitored by the FBI.

Revelations in the Kohring trial give a wider view of the corrupt tactics used by Veco during the 2006 legislative session. Prosecutors say Smith and Allen conspired with some lawmakers to push through a major new oil tax. North Slope oil producers wanted "tax certainty" before committing to a natural gas pipeline, which could have been lucrative for Veco.

Browne objected time and again to prosecutor Edward Sullivan's questions, and often U.S. District Judge John Sedwick ruled for him. When it was Browne's turn to ask the questions, Sullivan frequently objected, and it was Browne who had to rephrase.

Kohring is being tried on four felony charges including bribery and conspiracy. Smith and Allen have pleaded guilty to bribery and conspiracy charges and are cooperating with the government. Both resigned their posts with Veco. The company was sold in September.

FBI - Stevens-1386

Smith told jurors that he and Allen often took Kohring out for meals. He couldn't remember Kohring ever paying.

The defense maintains that anything Kohring got was simply a gift from friends.

Sullivan, from the U.S. Justice Department's Public Integrity Section in Washington, D.C., tried to chip away at that.

Had Smith ever been to Kohring's house socially?

No, Smith answered.

Had Kohring ever been to his?

Yes, to do drywall work, Smith said. That was Kohring's trade.

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They had a "friendly business-type relationship," Smith said, but Kohring was "not a best friend, no."

Smith covered a lot of ground. He talked about a bill that Kohring had bottled up in his committee in 2003, only to move it out when Allen wanted him to. He told jurors about a legislative aide laid off in 2004 by Kohring at Allen's insistence, then let go. He said Kohring offered to lobby other legislators, provide Veco with information and do what Veco wanted him to do.

Smith also testified about an internship with Veco that Kohring pursued for his nephew. After Kohring hand delivered his nephew's resume, Smith said he forwarded the paperwork along with a note that he wrote under Allen's name. Allen had "more juice" and approved, Smith said.

"I think I've got a winner here. How many spots do we have available in our program? He's Rep. Vic Kohring's nephew," said the March 24, 2006, note to Chuck O'Donnell, president of Veco Alaska, and Tom Maloney, vice president of business development.

Smith said he wanted to make sure everyone knew the candidate was the nephew of a legislator important to Veco's interests in Juneau.

The nephew got the $16-an-hour internship, making $24-an-hour with overtime, Smith said.

Jurors jotted notes as prosecutor Sullivan asked Smith to list the crimes he'd pleaded guilty to.

Then the prosecutor asked Smith to tell jurors who, specifically, he had pleaded guilty to bribing or attempting to bribe.

Smith looked at the jury. "Rep. Kohring, Rep. Kott, Rep. Weyhrauch, and Sen. Cowdery and Sen. Ben Stevens," he replied.

Former House Speaker Pete Kott, R-Eagle River, was convicted of bribery, conspiracy and other charges involving Veco in September. Former state Rep. Bruce Weyhrauch, R- Juneau, is awaiting trial while the government appeals a ruling on evidence.

Neither Sen. John Cowdery nor Stevens, both Anchorage Republicans, has been charged. Stevens didn't run in 2006.

After Sullivan finished with Smith, the judge jumped in with a few questions of his own.

Who participated in the conspiracy? Sedwick asked.

Smith said it was him and Allen, the ones who pleaded guilty.

Any others? the judge wanted to know.

Smith struggled with the question. When Sedwick pressed him, he couldn't say who.

When Browne got his turn, he pushed Smith on whether he was likely to get a lighter sentence for cooperating. But he couldn't take it as far as he wanted. In a closed hearing earlier in the day, the judge set some limits on how far such cross-examination could go, he later explained.

Late in the day, Browne asked Smith about a profanity-laced, March 4, 2006, recording from Suite 604. Smith and Allen are seen talking about how they "have to produce" in Juneau. Smith says they have to "get dirty."

FBI - Stevens-1387

At one point in the recording, Allen says Kohring would "kiss our ass."

In court, Browne asked Smith to address the point.

"Mr. Kohring didn't do that, did he?" Browne asked.

Sullivan objected.

"I assume it was a metaphor," Sedwick said, but added that maybe Browne was asking "if it literally happened."

To which Browne added: "Not that there's anything wrong with it."

The courtroom, usually so quiet, erupted. Some of the jurors guffawed. Smith snickered.

"Would this be a good time to break, your honor?" Browne asked.

Kohring, a Wasilla Republican, resigned in July to concentrate on his defense.

Browne's cross-examination of Smith continues today.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390. Find Kyle Hopkins at adn.com/contact/khopkins or call 257-4334.

BLOG: Follow the Kohring trial live throughout the day on our Alaska politics blog.

adn.com/alaskapolitics

More at adn.com

Find additional material from the Kohring trial online as the case unfolds:

* Live blogging from the courthouse. Reporter Kyle Hopkins is filing updates from the Kohring trial all day, every day. Read it live, and catch up on what you've missed: adn.com/alaskapolitics.

* FBI surveillance videos. You can watch all the recordings from Suite 604 that have been played for the jury. We'll be posting all the wiretap exhibits as well in the next day or two.

* Courtroom testimony. We'll be posting excerpts from courtroom testimony the day after it happens. Check back this afternoon for clips from Rick Smith's testimony on Thursday.

* Background on the case: Go to adn.com/fbi for past stories, an overview of the corruption investigation, and previous audio and video.

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LANGUAGE: ENGLISH

GRAPHIC: Video courtesy of the FBI
Rep. Vic Kohring, left, puts his hand out for money from Veco CEO Bill Allen (to right) in an FBI surveillance video made in March 2006 in Veco's Juneau hotel suite. It was played for jurors earlier this week in Kohring's corruption trial. Watch the video at adn.com/fbi.

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FAIRBANKS
Daily News - Miner

Rush job on 2002 tax break bill showed VECO enjoyed prime legislative access

By Dermot Cole
Published October 27, 2007

VECO BILL: The struggle to revise Alaska's oil taxes in 2006 was hardly the first time that VECO played a heavy-handed role in lobbying the Legislature.

Some say the company's influence was pervasive for years, founded on Bill Allen's money and connections to Alaska's most powerful people and institutions.

One of the FBI videotapes from the VECO suite played in the corruption trials of former Reps. Pete Kott and Vic Kohring captures Allen and VECO lieutenant Rick Smith drinking and discussing strategy at about 11 p.m. on March 4, 2006.

The VECO executives told each other they had to "produce" by keeping legislators from raising oil taxes too high.

"Me and you have to f—— produce," Allen said.

"You have to get dirty and you have to produce," Smith said.

Allen went on to refer to a bill that his company had written in 2002, House Bill 519, which would have provided a gas pipeline tax break worth more than $760 million to the oil companies.

"What we done with 519, right now we've gotta do more than that," Allen said.

"We have to be careful how we do it," Smith said.

"For sure," Allen said.

In both the Kott and Kohring trials, House Bill 519 has been mentioned, but not dealt with in detail. The FBI was not tapping phones or bugging hotel rooms in 2002, so it's impossible to say what Allen meant by "we've got to do more than that."

FBI - Stevens-1389

But Allen and Smith were working behind the scenes and in public to push that legislation, the history of which offers a more vivid example of VECO's political muscle than the Petroleum Production Tax fight of 2006.

The 2002 tax break bill, known to critics as the "VECO bill," did not become law, but it was within a vote or two of passing the House so its critics never allowed it to reach the floor, according to former Fairbanks Reps. Jim Whitaker and John Davies, who opposed the legislation.

The eager acceptance given to House Bill 519 by some in Juneau showed that VECO executives enjoyed

194 AN 13620-M; 589

a level of access and influence denied to ordinary citizens. The VECO employee who wrote the bill, a future attorney general, said he delivered the draft of the measure to "the staff of the legislator picked by VECO and its lobbyists ..."

The official record of legislative activities, preserved on paper and through digital audio and video recordings, never includes a full picture of how decisions are made because so much takes place off the record.

But the documents, recordings and news accounts regarding House Bill 519 hint at the extent of Allen's clout.

Allen, who has been convicted of bribing legislators in connection with the PPT, testified at Kott's trial that the goal of House Bill 519 was to get the oil companies and legislators talking to one another about the gas pipeline.

The key provision in the VECO bill was a tax break for the oil companies, estimated at more than $760 million by the state Department of Revenue.

The suspension of property taxes was to be an incentive to build a natural gas pipeline. There was no evidence that a tax break of that magnitude was needed to make the project economic or if it would make a project economic at all.

Whitaker said it was not negotiating, but a giveaway in which the state was telling the oil companies "Take it."

If an ordinary Alaskan had proposed this without numbers to back it up, the idea would never have reached the legislative fast track.

But Allen was no ordinary constituent. In less than three weeks, key legislators in the state House rushed the bill through three committees with almost no analysis, but in at least one instance, some high-pressure tactics.

Kott, who is awaiting sentencing for taking bribes from VECO, introduced the bill on April 19 on behalf of VECO, though he didn't say that at the time.

VECO attorney David Marquez wrote the bill and said he went to Juneau on March 25 "to deliver the draft to the staff of the legislator picked by VECO and its lobbyists, and give a brief description."

Marquez, who later served as attorney general under Gov. Frank Murkowski, made that disclosure in a statement he gave to the Alaska Public Offices Commission. The commission had fined him $580 for not registering as lobbyist on House Bill 519 and Marquez appealed the ruling.

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Marquez said that in writing the bill, delivering it to the "legislator picked by VECO," testifying before committees in favor of the bill and serving as a "technical liaison with the oil companies," he was not working as a lobbyist.

The VECO bill had its first hearing three days after it was introduced. It moved through the oil and gas committee, the resources committee, the finance committee and the rules committee in short order.

It never went to a floor vote because of opposition within the Republican caucus, which had a 28-

member coalition that year.

"There were 11 members who said not only no, but hell no," Anchorage Republican Rep. Andrew Halcro told the Anchorage Daily News in 2002.

I'll have more on the VECO bill Sunday.

Dermot Cole can be reached at cole@newsminer.com or 459-7530.

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FBI - Stevens-1391

Anchorage Daily News (Alaska)

October 27, 2007 Saturday
Correction Appended
FINAL EDITION

Allen says he wanted loyalty, felt sympathy;
KOHRING TRIAL: Ex-Veco chief's memory, mental capacity come into question during his testimony.

BYLINE: By RICHARD MAUER rmauer@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 1308 words

Bill Allen normally keeps all his cash in his wallet, but on the afternoon of March 30, 2006, he knew Rep. Vic Kohring was about to come calling at Suite 604 in Juneau's Baranof Hotel.

So Allen, then Veco Corp. chairman and a man emerging in the corruption trials as the one-time Godfather of Alaska politics, moved a wad of twenties to his right side pocket where it would be more accessible. It was the "six or seven," as in $600 to $700, that he typically gave Kohring when the legislator bared his woes, Allen testified Friday in federal court in Anchorage.

Allen, the government's main witness in its wide-ranging corruption investigation, took the witness stand on the fifth day of Kohring's trial on bribery, extortion and conspiracy charges. Allen and former Veco vice president Rick Smith have pleaded guilty to bribing legislators and conspiracy and will be sentenced in the future. They are hoping to reduce their penalties by cooperating in trials and the ongoing investigation.

Wasilla voters sent Kohring, a Republican, to the Legislature seven times. He was famous for not having the money to afford a place to stay in Juneau, bedding down his tall body in a cramped legislative office. Far less known until now were his supplications to Allen and Smith, some of which were secretly recorded by the FBI.

Allen said he was able to recall three or four specific incidents in which he gave Kohring $600 to $700 in cash. The first was in Kohring's state office in 2002, after Kohring married a Russian violinist who would insist on living in Oregon.

"Mr. Allen, did you have a practice of carrying around on your person, certain denominations of currency at any time?" asked assistant U.S. attorney Joe Bottini, one of two prosecutors trying the government's case.

"Usually I'd have a thousand or two thousand," Allen replied in his gravelly Western twang, not saying specifically if he carried hundreds, twenties, or something else.

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"Now when you first gave cash to Mr. Kohring, why did you give him the money?" asked Bottini.

"Well, he was sleeping in his office, and I'd say, 'Vic, you're 6-7, 6-8, how in the hell can you sleep on that couch?' He said, 'I can do it, I do it.' Then I'd see he wouldn't have a helluva lot of food, mostly it would be junk food, and I felt sorry," Allen said.

"Did you have any other reason for giving him the money?"

"To make sure he was going to be loyal to me," Allen replied.

Kohring's visit to Suite 604 in March 2006, a few weeks before the Easter recess and a visit he planned to make to his wife and stepdaughter, had a twist: Kohring was looking for more help than a small bundle of cash could fix. His Bank of America credit card was $17,000 in the hole and in collection.

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Not only was the problem personal, it was political. It would look bad to voters if he was sued, though he also told Allen he was confident his Mat-Su constituency would keep re-electing him "short of going out and shooting somebody, 'cause I'm strong politically."

Even as he sought a loan or some other assistance that wouldn't show up in any public record, he also told Allen he wanted to be "aboveboard."

"Let me see what I can do," Allen said in the video. "Don't say anything until I can figure (it) out."

Later in the conversation, after Kohring said he couldn't afford the full cost of his stepdaughter's Girl Scout uniform, Allen reached into the right-front pocket and gave him the wad of bills he had earlier set aside.

In his testimony, Allen said he followed up Kohring's loan request by seeking advice from Veco's chief financial officer, Roger Chan, brother of an IRS criminal agent in Anchorage. Allen wasn't allowed to say what Chan told him -- that conversation ran afoul of the hearsay rule. But he was able to describe the result.

"Based on your discussion with Mr. Chan, did you decide that trying to help Mr. Kohring with a loan would not be a good idea?" Bottini asked.

"Yes."

Allen, 70, suffered a head injury in a motorcycle accident in 2001 and continues to have speech problems and other issues. At one point, Bottini asked him when the first legislative special session would have ended in 2006. Allen correctly remembered that the regular session ended mid-May and that the special session could go no more than 30 days. That would mean it ended in mid-April, Allen said.

As Bottini tried to straighten out the timeline, U.S. District Judge John Sedwick observed, "he appears to be moving backward instead of forward." Asked to recalculate, Allen again came up with April 15, confirming Sedwick's observation.

During another answer, defense attorney John Henry Browne saw Allen reach for a folded piece of paper in his pocket as he tried to remember names of legislators. Browne objected to him using notes that weren't admitted, and the paper was confiscated. Browne held on to it and showed it to reporters at the end of the day.

In large, neat handwriting, the paper had the word "certainty" written on both sides. It was a word Allen struggled to find last month when he testified in the bribery trial of Rep. Pete Kott and sought to describe the taxation and regulation climate favored by the oil industry.

Allen's "cheat sheet" also listed the charges he pleaded to, the names of wavering legislators whose votes were needed on a 2006 oil-tax measure, the name of a legislative aide to Kohring that Allen wanted fired, and the "Mayo Clinic" in Rochester, Minn., where Kohring claimed to gotten into debt having back surgery. The sheet even reminded him of the names of Kott and Smith, his former vice president who preceded him to the witness stand.

With perhaps that mental frailty in mind, Browne bore into Allen's assertions that he had been handing out cash to Kohring since 2002. Aside from the March 30, 2006, payment caught on video, it was only Allen's word for what happened, Browne asserted.

"There was no support for that other than your statement?" said Browne.

"I guess," said Allen. "Rick knew it, Rick Smith."

Under cross-examination, Allen said that on Aug. 30, 2006, the day the FBI told him he was busted, he agreed to wear a recording device and meet with two or three people. He also got on the phone with politicians and attempted to incriminate them. Browne asked him if those included "national" political figures, but the government objected and Judge Sedwick told him to rephrase the question to make it less specific.

Sen. Ted Stevens and Rep. Don Young are both under investigation in the corruption probe.

Find Richard Mauer online at adn.com/contact/rmauer or call 257-4345. Daily News reporter Lisa Demer contributed to this report.

"Now when you first gave cash to Mr. Kohring, why did you give him the money?"

-- U.S. Attorney Joe Bottini

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"Well, he was sleeping in his office, and I'd say, 'Vic, you're 6-7, 6-8, how in the hell can you sleep on that couch?' He said, 'I can do it, I do it.' Then I'd see he wouldn't have a helluva lot of food, mostly it would be junk food, and I felt sorry."

-- Ex-Veco chief Bill Allen

FROM THE TRIAL: See and hear all the FBI surveillance videos and wiretaps in the Kohring corruption trial.

adn.com/fbi

Find additional material from the Kohring trial online as the case unfolds:

* FBI surveillance videos: You can watch all the recordings from Suite 604 that have been played for the jury.

* FBI audio: You can hear all the wiretaps played for the jury, and read descriptions of each one.

* Courtroom testimony: Opening statements from both sides.

* Background on the case: Go to adn.com/fbi for past stories, an overview of the corruption investigation, and previous audio and video.

* learn and comment: Want more from the courtroom? We're blogging extensively from the trial every day it's in session. Go online for more reporting and share your opinions.

adn.com/alaskapolitics

Find more at adn.com

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CORRECTION-DATE: October 27, 2007

CORRECTION: Correction Attorney Bob Bundy was misidentified as former Veco Corp. executive Bill Allen in the caption of a photo of the two men that appeared on Page A-10 of Saturday's newspaper.

GRAPHIC: Video courtesy of the FBI
Former Alaska legislator Vic Kohring, left, is seen in this picture taken from FBI surveillance video accepting a snack from former Veco executives Rick Smith, in dark shirt, right, and Bill Allen, hand holding jar, during a March 30, 2006, meeting in Room 604 of the Baranof Hotel in Juneau.
AL GRILLO / The Associated Press
Bill Allen; left, walks through the federal court building to testify on Friday.

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1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

October 28, 2007 Sunday
FINAL EDITION

Kohring's lawyer is known for being flamboyant, effective; JOHN HENRY BROWNE: Attorney from Washington state once defended serial killer Ted Bundy.

BYLINE: By LISA DEMER ldemer@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 1261 words

One thing's for sure about John Henry Browne.

Humble he's not.

He's the Seattle lawyer defending former state Rep. Vic Kohring on federal corruption charges, and he is on a roll.

"If you can find an attorney with a better record, hire them," says a half-page ad that Browne took out in the October issue of the Washington state Bar News. There's a brooding portrait of Browne and mentions of his high ratings in a lawyer directory.

Down in Washington state, by his reckoning, he's won five criminal cases at trial since September 2006. A teenager accused of murder: not guilty. A foster father charged with child rape: not guilty. A teacher accused of messing around with kids: case dismissed by the judge after the state put on its evidence.

Now he's trying to keep Kohring out of prison, and he's up against two federal prosecutors on a team that's 2-0 against public corruption in Alaska. Kohring is accused of conspiring with two former Veco Corp. executives to push their favored version of a new oil tax in the 2006 legislative session.

What prosecutors call bribes, Browne calls gifts from friends.

WELL-KNOWN IN WASHINGTON STATE

Joe Bottini, an assistant U.S. attorney based in Anchorage, and Edward Sullivan, with the U.S. Justice Department's Public Integrity Section in Washington, D.C., are in the midst of putting on their case and didn't want to talk about themselves. They were reluctant to have their pictures made. And they certainly didn't want to talk about Browne.

FBI - Stevens-1395

In Courtroom 3, where Kohring is being tried, Browne is theatrical, funny, at ease behind the podium where lawyers ask their questions. During breaks, he pops outside for a Camel Light.

He's 61 years old, 6 foot 6 and trim, tan with highlights in his hair. He wears what look like expensive Italian suits, charcoal gray with a silver tie, a light one with a pale pink shirt. They're not so expensive, he says. He shops at the Men's Wearhouse.

"He's probably the most well-known criminal defense lawyer in the state," said Steve Berman, himself a nationally known plaintiff's lawyer based in Seattle whose cases include the tobacco class-action litigation.

Browne's reputation in court is "rather flamboyant, but effective," said Berman. "When you're a trial lawyer, you want to command the courtroom. John Henry commands the courtroom."

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And, Berman said, he's irreverent and "not afraid to take on judges if he has to."

While Browne is rated as a "most pre-eminent lawyer" by the established Martindale-Hubbell peer review service, a new Web directory, Avvo, gave him low marks. Berman now is challenging Avvo with Browne and another lawyer as his lead plaintiffs.

"I was rated below dead and disbarred lawyers, which I thought was funny," Browne said.

'HE GENERALLY DELIVERS'

So how did a state legislator from Wasilla who lived in a trailer and slept on the couch in his Juneau legislative office hook up with a lawyer like Browne? Kohring, a Republican who resigned his House seat in July, said he was referred to him by his legislative aide.

Kohring said he cashed in his state retirement account, sold his little ranch house in Wasilla and is getting help from friends and family. He wouldn't say what his defense has cost him, other than it's in the "six figures."

At any rate, "it's paid," Browne said.

In a hearing less than a week before Kohring's trial started, prosecutors complained that Browne was taking his case to the media and making outrageous claims in court filings that he couldn't back up. U.S. District Judge John Sedwick called Browne's tactics unusual and worrisome.

Browne shot back that he was concerned about all the publicity given to the prosecution's side and even by something the judge said two days earlier in sentencing another legislator that he took to mean "this kind of corruption is going to stop here."

Sedwick, who is presiding over all the corruption cases so far, assured Browne that Kohring is presumed innocent in his court. The judge said he thought the news coverage had been fair but also warned Browne to watch himself.

In a 1998 profile that ran in the Seattle Times' Sunday Magazine, the writer said Browne was "as known for his style -- a blend of charm and arrogance, spirituality and bravado -- as for the results he generally delivers."

So far in Kohring's trial, Browne has forced prosecutors to call as witnesses FBI agents from all over the country in order to authenticate, one by one, the secretly made recordings involving Kohring before they could play them for jurors. He could have agreed to let one FBI agent talk about all the recordings.

"I am not going to sit there like some lapdog and help the government put my guy in jail," Browne said a couple of weeks before the trial.

In the end, the tactic showed jurors the size of the government's efforts in the corruption investigation, with agents from Atlanta; Chicago; Cincinnati; Columbus, Ohio; Los Angeles; Austin, Texas; Miami; Anchorage and a retired agent from New York City rotating in and out of the witness stand.

The prosecution's main witness, former Veco chief executive Bill Allen, is 70 years old and struggles on the stand to come up with the right word or name as a result of a head injury he suffered in a motorcycle wreck. Browne alerted prosecutors that he was going to object if they tried to help Allen with leading questions. But on Friday, as Allen faltered time and again, Browne eased up. .

ROCK-AND-ROLLER

FBI - Stevens-1396

Browne was born in Tennessee. The family moved around a lot. His father was a nuclear engineer for the Atomic Energy Commission. They ended up in Palo Alto, Calif.

He went to the University of Colorado in the '60s, studied philosophy and political science. He played bass in a rock band that he says opened for all the big names that came to town, The Doors, Jimi Hendrix among them.

During law school at American University in Washington, D.C., he worked as a gofer and then an associate producer on the old ABC television news program "Issues and Answers."

"Within a year of being this rock and roll person, I now had White House press credentials," Browne said.

He says the guest who most impressed him was former Alaska Gov. Wally Hickel. Hickel, as interior secretary in the Nixon

administration, was getting worldwide attention after publicly criticizing the administration's handling of the Vietnam War. He later was forced out.

Browne has been married a number of times. Just how many, he didn't want to say: "It's an embarrassing number." He said he's a slow learner but is now happily married.

As a defense lawyer, he's had his share of infamous clients. He represented serial killer Ted Bundy, who was suspected of murders in Washington state and was later executed in Florida. Browne said he helped negotiate a plea deal in Florida to spare Bundy's life, but when the killer rejected it, Browne quit the case. He saved from the death penalty mass murderer Benjamin Ng, a shooter in a 1983 massacre that killed 13 in a Seattle gambling house.

In the Wenatchee child sex ring case, his successful defense of a housekeeper was credited by others with changing the tenor of an investigation since discredited as a witch hunt.

The toughest cases, he says, are when he really believes his client is innocent. If he loses then, it hits hard. "I'd much rather represent someone I think is guilty."

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

KOHRING TRIAL: Listen to Browne and prosecutor Joseph Bottini giving their opening statements. Also hear and see FBI wiretaps and videos

adn.com/fbi

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Anchorage Daily News (Alaska)

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Is oil-tax taint real, or did PPT pass fairly?; 2006 SPECIAL SESSIONS: Senate, under Ben Stevens' leadership, thwarted efforts for a higher tax.

BYLINE: By TOM KIZZIA tkizzia@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 2276 words

Was the oil tax passed by the Legislature last year really tainted by corruption, as Alaska's governor and other critics contend?

The question has no easy answer. A piece of law can rarely be traced to one person or event, and well-reasoned arguments were raised last year for keeping taxes low as well as for raising them.

But a review of court and legislative records, and interviews with key players, suggest Veco's influence in the state Senate may have effectively kept oil taxes from going higher than they did.

The Senate chamber is where Ben Stevens presided and fought, both publicly and behind the scenes, for a lower tax rate -- all while taking payments from Veco Corp. for services that company officials now say consisted of delivering on Veco priorities.

The tax on oil production finally approved last August after two special sessions was higher than the industry wanted. But the tax might have been even greater without the Senate's resistance, according to some of the Republicans involved in last year's backroom negotiations.

"In caucus, Ben railed on us for anything over 20 (percent)," said Sen. Gene Therriault, a Fairbanks Republican who was a member of Stevens' majority. "It finally got so unpleasant we just stopped having caucuses. He worked majority and minority votes out of caucus."

Public attention has mostly focused on corruption in the House of Representatives, where four Republican lawmakers have been charged or convicted of taking bribes, three in connection with last year's oil taxes.

But the House, in fact, brushed aside those Veco-linked legislators when it approved a relatively high oil tax rate. It was the Senate that erected a barrier "like concrete" against the higher tax rate.

FBI - Stevens-1398

LAWMAKERS AT LOGGERHEADS

Consider the closing days of last year's first special session, in early June.

The House had just passed a tax rate of 23.5 percent. Each percentage point was worth another $100 million annually that oil producers would have to pay to the state, revenue experts said.

Even before the House was finished, Stevens was on the phone with then-Veco CEO Bill Allen, discussing strategies for killing the bill, according to a confession later signed by Allen. The pair also discussed, in two phone calls on June 5, secret plans to give Stevens a top executive job at Veco after the legislative year ended, Allen said in the guilty plea, prepared by prosecutors and based partly on FBI wiretaps.

Veco lobbied throughout the 2006 sessions for a tax rate of no more than 20 percent.

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Allen now says payments of nearly $250,000 to Stevens over five years were bribes in exchange for "giving advice, lobbying colleagues, and taking official acts in matters before the Legislature."

No charges have been filed against Stevens or other senators in the broad federal corruption investigation. Stevens has denied doing anything wrong.

Two days after Stevens and Allen spoke, however, the Senate refused to go halfway to meet the higher House tax. The House balked, and the special session adjourned with no deal. The 23.5 percent tax was gone, never to return.

"Part of the reason I didn't push for a different result was I knew at the end of the day we had a stalemate with the other body," House Speaker John Harris, R-Valdez, said in an interview earlier this month. He said there had been a push from some House members to go higher. But with Stevens calling the shots, the Senate was unwilling to budge.

"He shouldn't have had that power; no one person should. But they let him," Harris said.

PRESSURE FROM GOVERNOR

For Speaker Harris, resistance from Gov. Frank Murkowski was also a consideration as he mapped House strategy in 2006. Murkowski wanted legislative approval of a contract to build a gas pipeline from Alaska's North Slope. He saw a new long-term agreement on an oil tax as an essential first step toward that goal. Industry had agreed to a 20 percent tax, and the governor was wary of going much higher.

Indeed, the multitude of vectors and influences in Juneau make it all but impossible to sort out responsibility for the outcome of any legislative session. Every lunchroom conversation or word to a committee witness adds another nudge to the process. And 2006, with its extra two special sessions on taxes in the midst of a gubernatorial election, was more chaotic than most.

This month, a new Legislature has convened in special session to reconsider the Petroleum Profits Tax, or PPT. The stakes are high, with the new tax bringing in $2.2 billion a year, or 44 percent of the state's annual nonfederal income.

Gov. Sarah Palin cited two reasons for calling the session. One, the tax has not delivered as much revenue as promised, she said. And two, the corruption probe has "tainted" the finished product in the public's eye.

Some political leaders argue that the corruption trials should not be used to impugn the Legislature as a whole or their work in 2006 on the oil tax.

They point out that the legislators convicted or charged with bribery so far were relatively minor players in the House, without the power to swing the final tax their way. Indeed, the oil producers and Veco were pushing to hold the new tax on oil production to 20 percent, but the Legislature in the end exceeded that by approving 22.5 percent.

Industry also wanted a commitment for no future tax increases and a flat rate that wouldn't rise with higher oil prices. They lost both those fights, too.

"They didn't seem to win their battle so I don't understand what the cloud is," oil consultant Pedro Van Meurs testified at the start of the special session two weeks ago. "The law was passed despite certain things going on."

Former legislator and ex-gubernatorial candidate Andrew Halcro takes the same line, calling the final bill a careful compromise. He said lawmakers shouldn't feel intimidated by critics in Juneau if they voted responsibly on the merits of the tax. FBI - Stevens-1399

"I think a lot of legislators are capitalizing on this wave of concern about corruption," he said.

Others who have questioned the influence of Veco bribes are Sen. Lyda Green, R-Wasilla, the current Senate president, and Sen. Bert Stedman, R-Sitka. Both were allied with Stevens during much of the 2006 debate.

"Most of the monkey business I've been reading about was on the House side," Stedman said.

Stedman and some other Republican senators say there were legitimate arguments for voting for a lower tax rate, such as promoting a gas line or protecting Alaska's investment climate.

"The governor has called it a culture of corruption, and that has really offended me," said Sen. Gary Stevens, R-Kodiak, the majority leader in 2006 and again under Green. (Palin has said she does not mean to tar all legislators with a broad brush.)

Critics of the tax reply that the cloud of uncertainty requires another close look by the Legislature.

They point to Veco's dominant, two-decade role in supporting political campaigns, both through secret polling and illegal corporate contributions. Many of the Legislature's current leaders have been big recipients of Veco campaign funds in the past.

And the corruption probe, they say, rolls on.

SENATE PLAYERS

In addition to Stevens, a second senator linked to the federal investigation is John Cowdery, R-Anchorage, who played a key role in 2006 as chairman of the Senate Rules Committee. Kodiak Republican Rep. Gabrielle LeDoux has accused Cowdery of using his committee position to kill her legislation protecting abandoned newborn babies as punishment for her vote on the PPT.

Former Veco vice president Rick Smith has named Cowdery as one of five lawmakers bribed by Veco. Cowdery has denied any wrongdoing and has not been charged, but said his presence could be a distraction and chose not to attend the current legislative session.

But Cowdery's influence in the Senate was clearly secondary to that of Ben Stevens, who did not run again but was leader last year of the majority Republican caucus.

As an individual senator, Stevens often voted on the losing side of amendments that would have cut taxes further. But as president, his ability to extend his influence went far beyond the recorded votes, other senators say. The Senate leader wields power over committee assignments, leadership positions and the state budget, among other things. Stevens in particular could be an intimidating figure, and was often said to have special clout in the Capitol as the son of U.S. Sen. Ted Stevens.

"There's things you can do in the background that aren't noticeable to the general public," said Sen. Gary Wilken, R-Fairbanks, now a minority member in the Senate. "Had everything been on the up and up, I believe the number would have been 25 percent."

Stevens' private consulting contract with Veco was well-known during the 2006 sessions. It was already the subject of a formal complaint with the Alaska Public Offices Commission and a recall petition. Both were rejected by the state as based on unfounded speculation.

Stevens always refused to say what work he did for the payments of nearly $50,000 a year.

Stevens was one of six legislators whose offices were raided by the FBI on Aug. 31, three weeks after the PPT tax was passed. This May, Veco chief Allen's guilty plea said the $243,250 in consulting payments to an unnamed "state Senator B" were really in exchange for services performed as a legislator.

Last month, during testimony in Eagle River Republican Rep. Pete Kott's trial, state Senator B was identified by Allen as Ben Stevens.

Stevens, who remains uncharged with any crime, has refused to comment on Allen's accusations. The Senate was divided, with one committee in March approving a tax rate as high as 25 percent. While the Senate numbers ratcheted down with time, the House was becoming more aggressive about raising taxes.

Advocates of higher taxes faced plenty of obstacles in the House, including some measure of undue influence by Veco. Former Rep. Kott was convicted of bribery and extortion. Wasilla Republican Vic Kohring is on trial this week, with a third Republican, Bruce Weyhrauch of Juneau, awaiting trial. A fourth former legislator, Tom Anderson of Anchorage, sentenced to five years in prison for an unrelated bribery offense, also had a Veco consulting contract while in office.

FBI - Stevens-1400

FBI wiretap and surveillance tapes released in the Kott trial provide examples of legislators trying to gum up the works and slow down unfavorable legislation. But the House members tied to Veco did not appear to have the clout necessary to shove through Veco's preferred 20 percent tax rate.

SIX HELD FIRM ON LOWER TAX

A low point in futility for Veco-tied legislators -- cited in Kott's federal indictment -- appears to come in the first special session on June 4, moments after the House first passed an amendment raising the PPT rate to 23.5 percent.

Kott made a quick and desperate motion to adjourn the House before the new bill could be adopted. The motion failed miserably, drawing just six Republican votes. Four of the six have since been charged or convicted in the current federal corruption probe.

The other two votes were from Kevin Meyer and Mike Chenault, the powerful House Finance co-chairmen. Both have oil industry ties: Meyer works in procurement for Conoco Phillips, Chenault owns a construction company that does oil field work. Neither has been implicated in the Veco scandal other than as members of the so-called "Corrupt Bastards Club," identified for their past campaign contributions from Veco.

High-tax advocates in the House also had to deal with the defection of several rural Democrats, who voted consistently for lower versions of the PPT tax. A $183 million endowment for rural power subsidies, along with $70 million for rural schools, had been placed in the state budget, contingent on passage of a tax. A Veco executive discussed budget "buyoffs" in one wiretapped conversation, but rural legislators have insisted they did not sell their votes or yield to blackmail.

Despite such obstacles, a bipartisan coalition pushed through a 23.5 percent tax with a final vote of 29-9 in the House.

Ben Stevens responded by calling the Senate-passed figure of 22.5 percent non-negotiable, "like concrete."

He appointed three senators to a conference committee that agreed to 22.8 percent, but that figure was rejected by the House and the bill died.

A second special session, starting in late July, was necessary to adopt the final tax. It came in at the figure Stevens insisted on: 22.5 percent.

It's hard to say whether the 23.5-percent measure that passed the House was truly the high-water mark for PPT legislation in 2006. Small-print details in each tax bill could significantly raise or lower the state's take. No fiscal note analyzing the state's likely income was prepared for that particular House-passed bill during its brief four-day life.

But one thing was clear: The industry did not want to see it pass. This bill was the subject of a now-famous wiretapped conversation on June 6 between Veco's Allen and Conoco Phillips Alaska president Jim Bowles, in which the executives discussed how to stop it.

Two days later, Allen called Conoco Phillips again and said, "I told you ... between Pete Kott and with Ben, we wouldn't have a bill."

CORRUPTION: Learn more about the Alaska political corruption investigation, including audio and video, past coverage and an overview.

adn.com/fbi

SPECIAL SESSION: Read about the special legislative session on oil taxes.

adn.com

INSIDE

TRACKING THE TAX: See how negotiations on the Petroleum Profits Tax in 2006 relate to events that have surfaced in the corruption trials.

Page A-4

FBI - Stevens-1401

LOAD-DATE: October 30, 2007

LANGUAGE: ENGLISH

CORRECTION-DATE: October 28, 2007

CORRECTION: Correction A story on Page A-1 Sunday about oil taxes identified state Sen. Gene Therriault as a Fairbanks Republican. His home district is North Pole.

GRAPHIC: Illustrated by RON ENGSTROM / Anchorage Daily News

ILLUSTRATION SHOWS TIMELINE OF HOW THE 2006 LEGISLATURE WORKED ITS WAY TO A NEW TAX ON OIL PRODUCTION.
SEANNA O'SULLIVAN / Associated Press archive 2006
Then-Senate President Ben Stevens, center, and Sen. Gary Stevens, right, listened to Sen. Kim Elton during a 2006 session. Ben Stevens withdrew his bid for re-election on July 5, 2006, saying he wanted more time with his family.
DAVID J. SHEAKLEY / Associated Press archive 2006
House Speaker John Harris gavels during a special session called by Gov. Frank Murkowski to address same-sex partner benefits on Nov. 15, 2006.

DOCUMENT-TYPE: Staff

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FBI - Stevens-1402

FAIRBANKS
Daily News - Miner

No one else in Alaska had clout Allen demonstrated in 2002 tax break fight

By Dermot Cole
Published October 28, 2007

VECO BILL: Five years ago VECO boss Bill Allen had Rep. Pete Kott introduce a bill written by VECO to give the oil industry a break on property taxes worth $760 million on a gas pipeline project.

Though VECO never offered a detailed financial analysis, key legislators reacted with lightning speed to Allen's bidding and moved the bill through three committees in the waning days of the 2002 session. When Allen talked, legislators listened.

VECO argued that the bill wouldn't cost the state anything because without the incentive, there would never be a gas pipeline from which to collect any taxes.

Allen has now been convicted of bribing legislators and Kott has been convicted of accepting bribes from VECO in connection with the campaign to revise Alaska's oil tax law in 2006.

In one of the FBI tapes from the VECO suite in the Baranof Hotel in 2006, Allen told VECO lieutenant Rick Smith, "What we done with 519, right now we've gotta do more than that."

What did VECO do with House Bill 519? We will never know all the details, but a VECO attorney drafted the bill in 2002, presented it to a legislator picked by VECO and Allen walked the halls of the Capitol and testified three times, pressuring lawmakers to approve it. The bill did not pass, but not for lack of effort on Allen's part.

In the first hearing on the VECO bill, Kott testified he had recently been to Las Vegas and that the gas pipeline was like a slot machine — you have to put something in to get something out.

"Is there a loss of revenue?" Kott said. "No, there's nothing to be taxed right now."

Allen and his subordinates lined up the major oil companies, the Alaska State Chamber of Commerce and some municipal leaders, such as Fairbanks Borough Mayor Rhonda Boyles, to support his bill. Gov. Tony Knowles, Democratic legislators and some Republicans opposed the tax break as a giveaway.

FBI - Stevens-1403

"There may be concern that this will be viewed as a giveaway and that, instead, the state should negotiate with the gas owners before any incentives are given," said VECO attorney David Marquez, who drafted the bill.

Marquez, who later served as attorney general under Gov. Frank Murkowski, said that "VECO's position is, let's grant this incentive. Let's send a signal and negotiate later ... "

When Allen testified in favor of the bill before the House Finance Committee, he poured a glass of water and asked, "You got anything else I can put in this water?"

194-AN-13620-M; 593

"Only if you share," a committee member said.

Allen, who has a speech impediment because of a motorcycle accident in 2001, routinely asked Rick Smith to read his official testimony, but he made a few introductory comments.

"I'm not here to speak for the producers. They didn't ask me to do this. I'm an Alaskan who has fought right along with all you guys for local hire, for jobs and for your future," Allen said.

In his written testimony, Allen told the lawmakers, "I know most of you personally. Over the years, we've had the chance to work together on many issues important to Alaskans: creating jobs and local hire, improving education, encouraging business and economic development, to name just a few."

He said nothing was more important to Alaska's future than a gas pipeline and the tax waiver would send a clear signal that "Alaska is ready to step up to the plate to help build Alaska's future."

Allen testified on the bill before the resources committee. Kohring, who is now on trial for allegedly accepting bribes from Allen, was not a member of that committee, but he participated in the hearing because "I just feel very strongly about this legislation ... "

After Allen finished testifying, Kohring praised him:

"I don't have a question for you Bill, I'm not gonna put you on the spot, but just to thank VECO for their contributions to our economy, as far as the local hire issue, hiring local Alaskans that are qualified and for contributing to our economy in so many ways with the dollars that have been invested and so forth.

"And I see you guys playing a substantial role in the future here in the state, but of course part of that is conditional upon how the Legislature acts and whether we are cooperative with the industry and I think this legislation will move us in that direction."

(On Friday, Allen testified at Kohring's trial that he first gave a $600 to $700 cash payment to Kohring in 2002, the year that VECO was pushing the $760 million gas pipeline tax break.)

When the tax break bill moved to the finance committee, Fairbanks Rep. Jim Whitaker managed to amend the measure so that the tax break became a tax deferral, with repayment subject to future negotiations. Fairbanks Rep. John Davies was among those siding with Whitaker.

Angered at the decision, committee co-chairman Rep. Eldon Mulder, who had received $9,000 over two years in contributions from people with ties to VECO, halted action on the bill.

Whitaker said that before the vote, Mulder "took me aside and said that 'if this amendment passes you can forget a fiscal plan and I don't care if Fairbanks ever gets gas.'"

Mulder brought the bill up again three days later and moved to rescind Whitaker's amendment.

The deciding vote was supplied by Democratic Rep. Carl Moses of Unalaska, who said he had been "half asleep" and voted with Whitaker in the earlier meeting by mistake. The $760 million tax break was back in the bill.

Whitaker told a reporter that Moses "must have woken up when he saw the capital budget," referring to

FBI - Stevens-1404

Mulder's ability to direct projects to Moses' district.

In the end, Allen, other VECO officials, oil company executives, legislators and the governor held a full day of private negotiations, but couldn't reach agreement on payback provisions for the tax break, so it died without a floor vote.

Allen's clout evaporated with the FBI wiretaps and his conviction, but no one else in Alaska, elected or not, had the political might he demonstrated in getting that bill raised to the top of the legislative and industry agenda within a matter of days in 2002.

In one sense, Allen remains a central figure in Alaska politics, serving as a prosecution witness, forced to reveal elements of how he operated in what almost seems like a shadow government.

Dermot Cole can be reached at cole@newsminer.com or 459-07530.

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FBI - Stevens-1405

Alaska Newsreader

Today's news for the Last Frontier

By David Hulen
Published: October 29, 2007
Last Modified: October 29, 2007 at 04:20 PM

News for Monday, Oct. 29

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Supreme Court to hear Exxon Valdez punitive damages case. The big Alaska news this morning is out of Washington, where the Supreme Court has decided to consider Exxon's appeal of the $2.5 billion damages award from the 1989 oil spill. Good news for Exxon, not so good for the plaintiffs. The company's stock is up this morning. Among the early stories: **Associated Press, Reuters** and **Bloomberg.**

***

Booo! Restless spirits are wandering around downtown Anchorage. Just in time for Halloween, MSNBC has a **roundup of haunted hotels,** and guess who's No. 1 on the list. The Anchorage Hotel downtown.

The ghost most often reported is the city's first chief of police, John J. Sturgus. In 1921, the Anchorage sheriff was shot in the alleyway, and he died while he was being taken to the hospital. But he seems to return to the hotel frequently.

And then there's the jilted bride who supposedly hanged herself in her wedding dress and wanders the hallways.

***

PPT wasn't the first time Allen and Veco pushed lawmakers on oil taxes. The influence-peddling of Veco executives Bill Allen and Rick Smith during the 2006 debate over the oil profits tax is by now heavily documented – in their guilty pleas, in the **recordings** played for jurors, in their testimony in the Kott and Kohring trials.

But was that the first time Veco pushed its weight around in Juneau on oil taxes? Fairbanks Daily News-Miner columnist Dermot Cole, in columns **Saturday** and **Sunday,** makes a strong case for the answer being "no." Cole examines the journey, in 2002, of House Bill 519, a measure that would have provided oil companies nearly $800 million in tax breaks as a precursor to building a natural gas pipeline. Allen and his allies – including Rep. Pete Kott - pushed it, and pushed it hard. It quickly became known as "the Veco bill," and Cole points out that it was on a fast track, even though little backup information was provided. Critics finally put the kibosh on it.

"The eager acceptance given to House Bill 519 by some in Juneau showed that Veco executives enjoyed a level of access and influence denied to ordinary citizens. The Veco employee who wrote the bill, a future attorney general, said he delivered the draft of the measure to "the staff of the legislator picked by Veco and its lobbyists ..."

The ADN does its own dissection of the question of whether last year's oil tax was tainted by corruption -- and quickly focuses on questions about what was happening in the state Senate. There are plenty of clues – in the legislative record, in the various criminal charges and in interviews with people involved. A timeline shows what was happening in the Legislature, how the tax rate went up and down, and the various Veco-influenced acts that were occurring behind the scenes. (The color graphic online is easier to follow than the black-and-white version that appeared in print.)

Also, we've assembled all those FBI audio and video recordings being played for jurors in the Kohring trial and put them on a **single Web page,** with detailed descriptions. If you're following the case, these are worth browsing through. There's an explanation of how we got them posted on the **Alaska Politics blog.** If there's one recording to see, it's probably the March 30, 2006, video. In many ways, it's the heart of the feds' case against Kohring – it's the one where he comes to the Veco [illegible]

What's the Newsreader?

ADN editors find the news from all over Alaska every morning so you don't have to. Updated weekdays by 9 a.m. AST. (Some links may require registration)

MORE ABOUT THE NEWSREADER
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ALASKA, ETC.: Blogs, chatter, life in the North

"Know guts, know glory"

Musher Lance Mackey has known poverty, jail and cancer. And he's the only one who has known what it's like to win the Yukon Quest and the Iditarod Trail Sled Dog Race in the same year. (Alaska magazine)

A whale of a time

A 4-year-old boy and a 5-year-old beluga at Quingdao Polar Ocean World in China appear to have established a special relationship. The youngster, Yang Yang, and the beluga swim together often – and both appear to enjoy it. The story includes a series of photos of the pair. (Daily Mail)

Birds of the North Slope

A Cornell Lab of Ornithology biologist traveled recently to Alaska's Teshekpuk Lake and returned with a wealth of bird recordings. Some of the sounds he acquired and his discussion of them were featured on "Living on Earth." (loe org)

Climate warming skeptics

A small but vocal minority continues to question the contention that the increase in Earth's temperatures stems from human activity. These voices argue that findings of human-caused global warming say more about politics than about science. (The Christian Science Monitor)

"The Ballad of Chris McCandless"

"He was out on the highway smiling, A mystic in torn blue jeans. ..." So begins the Ellis Paul song on the album "The Speed of Trees." The song pays homage to McCandless, who is the subject of a new film made by Sean Penn. (ellispaul com)

Alaska video

Hot dogging in Alaska

A video about how to cook a caribou hotdog on a snowmachine muffler. The video also explores the rivalry between snowmachiners and skiers. (YouTube)

Capers the otter

Orphaned in Alaska, a male sea otter pup who was rescued and rehabilitated made his media debut recently at his temporary home - Chicago's Shedd Aquarium. (youtube com)

Caught in the act

Video is boosting the cases against vessels accused of illegally fishing with drift nets in international waters of the North Pacific. The tapes, usually shot from the air, are showing acts and rigging that indicate violations of the 15-year-old U N. ban on the technique. (CBC News)

"There is a bear in the back of our car."

The perils of open windows. "...Wonder if insurance will pay for these scratches." (YouTube)

Really dumb idea - trying to ride a moose

Video clip from one of those crazy-stunt home video shows. (YouTube)

More video »

FBI - Stevens-1406

194-HQ-13620-M;594

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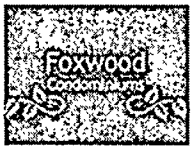

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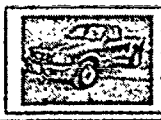

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FBI - Stevens-1407

Anchorage Daily News (Alaska)

October 29, 2007 Monday
Correction Appended
FINAL EDITION

Lawmakers jumpy over guidelines;
ETHICS RULES: Can I? Should I? Tell me, morals police, what to do.

BYLINE: By KYLE HOPKINS khopkins@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 803 words

Some of their fellow politicians are on trial for corruption. They've got a thick new ethics rulebook to play by this year.

It's no wonder Alaska legislators are busy asking just what they are and aren't allowed to do in hopes of staying out of trouble.

"Calls have increased at least a third," said Joyce Anderson, administrator for the state legislative ethics committee, which answers lawmakers' questions about ethics rules.

The committee also interprets how the rules apply, and last week revealed its most recent rulings. It decided, for example, that under new laws it's OK for a legislator to eat a free meal at a lobbyist's house but not for a lobbyist to pick up the tab for a cab ride to the airport.

"You've got people asking questions that their own common sense and good judgment should answer," said Sen. Con Bunde, R-Anchorage, a member of the committee.

There's reason for the legislators to be cautious. Two former lawmakers have been found guilty this year of accepting bribes, while another two are awaiting trial. After a former Veco executive told a jury that his company paid for as many as 100 polls for politicians, a public interest group and a political activist both looked to put legislators on the spot by asking them if Veco gave them illegal benefits.

That atmosphere of suspicion, combined with about 45 pages worth of changes to the state ethics rules that took effect in July, has people checking in with the ethics committee more than usual, Bunde said.

"I've not seen people so disinclined to trust their own judgment."

Here are three questions the ethics committee tackled in late September:

Can a legislative staffer accept a gift from a spouse if the spouse is a lobbyist?

FBI - Stevens-1408

No, the ethics committee decided. Not under the current rules. It's still legal for someone who works for a legislator to be married to a lobbyist, but the lobbyist can't give the staffer-spouse a gift.

Anderson said that was an unintended side effect of the rewritten ethics code. She said the committee will ask the Legislature to change the law so that, say, a husband lobbyist could give his legislative staffer wife a birthday present.

As for legislators themselves, their spouses can't be lobbyists under the new law.

Can a lobbyist give a legislator a ride to the airport?

194A-AN-13620-M;595

No, the committee decided. While it ruled that a lobbyist can wine and dine a politician at the lobbyist's home -- as long as all the food and drink is for "immediate consumption" -- legislators apparently have to pick up the tab for their own ride home.

Paying for a legislator's taxi ride, such as a trip to the airport, is considered giving the lawmaker a free service, which is against the rules, Anderson said.

Still, she said, "It doesn't mean they can't share a cab with a lobbyist and pay their fair share."

The committee also said that while a company can pay to send a legislator on a trip, as long as the trip is for research, a lobbyist can't be the one who makes the travel arrangements.

Can legislators write letters of recommendation on their state stationery?

Bunde said this question -- whether it was all right to print character references or letters of condolences on legislative letterhead -- came from Rep. Mike Doogan, D-Anchorage.

"Even he agreed that it was asinine that he had to even ask," Bunde said.

Doogan said the confusion stemmed from an ethics briefing where it was unclear what letterhead could be used for.

"My real goal was that if they told me that the law would prevent me from doing that, I was going to change the law ... because it just seems stupid to me," he said.

No need. The committee said yes, letters of recommendation and similar uses are OK for official letterhead.

Find Kyle Hopkins' political blog online at adn.com/alaskapolitics or call him at 257-4334.

... would you know the rules? Take this true-false quiz on the new state ethics law. Answers appear on the back page.

1A legislative staffer cannot accept a gift from a spouse if that spouse is a lobbyist.

2A legislator may not accept a free meal from a lobbyist.

3A lawmaker has a conflict of interest if he or she has a $1,000 investment in a matter before the Legislature.

4A lobbyist can give a legislator a ride to the airport.

5A lawmaker may write a letter of recommendation on his or her official legislative letterhead.

If you were a legislator ...

1True. A legislative staffer may not accept a gift from a lobbyist-spouse.

2False. A legislator may accept a meal from lobbyists. However, the lobbyist must report the cost if the food or drinks exceed $15.

3False. It would take an investment of at least $5,000 before a conflict occurs.

FBI - Stevens-1409

4False. The free ride to the airport would be an improper gift.

5True. Lawmakers may write letters of recommendation on their letterhead.

Ethics quiz answers

LOAD-DATE: October 31, 2007

LANGUAGE: ENGLISH

CORRECTION-DATE: October 29, 2007

CORRECTION: Correction A breakout quiz on Page A-1 Monday about what constitutes ethical behavior for public officials contained a mistake. The quiz incorrectly said a lawmaker has a conflict of interest if he or she has a $5,000 or more investment in a matter before the Legislature. That financial threshold applies to executive branch employees. For legislators, the rule is that a conflict of interest occurs if they have a "substantial" ownership interest and their action would benefit or hurt them more than it would others in their occupation or industry.

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FBI - Stevens-1410

2 of 2 DOCUMENTS

Anchorage Daily News (Alaska)

October 30, 2007 Tuesday
FINAL EDITION

Allen drops blackmail bombshell in testimony; KOHRING TRIAL: Secret video and "Red Carpet List" also come up as prosecution rests.

BYLINE: By LISA DEMER and KYLE HOPKINS Anchorage Daily News

SECTION: MAIN; Pg. A1

LENGTH: 1320 words

Former Veco Corp. chief executive Bill Allen, on the witness stand for a second day Monday, revealed that his nephew tried to blackmail him over work done on U.S. Sen. Ted Stevens' home.

That bombshell, a side issue to the main event, came as one of a number of developments Monday in the public corruption trial of former state Rep. Vic Kohring, a Wasilla Republican. Among tidbits presented to jurors:

* A video from February 2005 showed Kohring talking about the possibility of consulting for Veco. It was secretly recorded by Frank Prewitt, then a consultant for the private prison firm Cornell Cos. who was working undercover for the FBI, unknown to his employer.

* A document taken off Kohring's legislative computer titled "Red Carpet List" named his favored office visitors, in four categories: lobbyists, friends, supporters, other. Allen and former Veco vice president Rick Smith were included as "supporters" but not friends. That cuts into one of the main defense arguments, that money given to Kohring by Veco executives was just a gift from friends, not a calculated bribe as prosecutors assert.

* Kohring told FBI agents in a lengthy interview during the Aug. 31, 2006, search of his Wasilla legislative office that he had accepted money from Allen and Smith for his own personal use, as well as campaign contributions. After he thought about it awhile, he described the money as a gift, FBI agent Alan Vanderploeg told jurors.

At day's end, prosecutors rested their case. To wrap up the government's evidence against Kohring, they called a flurry of quick witnesses: state Sen. Tom Wagoner, R-Kenai, who talked about a dustup from a 2003 oil bill; the legislative ethics administrator; and a couple of FBI agents.

Allen decided to cooperate with the feds the day he was first confronted by the FBI, on Aug. 30, 2006. The next day, offices of six legislators were searched by the FBI. He said he was shown the FBI's secretly made recordings, which are the backbone of the government case.

FBI - Stevens-1411

Prosecutor Joe Bottini asked Allen if seeing the recording from March 30, 2006, in which Allen hands money to Kohring, factored into his decision to cooperate.

Yes, Allen answered.

Why? Bottini said.

"I knew that was ... illegal, what I done," Allen testified.

Over the course of the day, the defense tried to discredit Allen, raise questions about the money given to Kohring and show that in the scheme of things, Kohring was a bit player.

194A-AN-13620-M;596

Allen's heated relationship with his nephew, Dave Anderson, first came into public view last month in the corruption trial of former House Speaker Pete Kott. In that trial, the defense pushed Allen on whether he had threatened to have Anderson killed because of the blackmail -- but never asked what the blackmail was all about.

On Monday, Kohring's defense lawyer, John Henry Browne of Seattle, brought up the blackmail anew.

"I was not going to kill him, no," Allen said, as he did in the earlier trial.

Allen, who suffered a head injury in a 2001 motorcycle crash and struggles with words, seemed less addled on the stand than he had been late Friday afternoon.

What was Anderson blackmailing him about? Browne asked.

"Ted Stevens' house," Allen answered.

U.S. Sen. Ted Stevens' official residence, a home in Girdwood, doubled in size during a renovation overseen by Veco in 2000. The Daily News reported in May that the remodel, and Veco's role in it, were part of the far-reaching, ongoing investigation into public corruption in Alaska. In July, FBI and IRS agents spent nearly 12 hours searching the house and documenting the addition. Stevens has denied wrongdoing and has said he paid the bills that were given to him.

Robert Williams, a Veco employee who supervised construction on the house, said in an interview last month that Anderson was a metal worker who helped construct the steel staircase for the Girdwood house.

In court on Monday, Browne asked Allen to confirm that Veco paid for the renovation. Allen said he didn't know what it cost.

Was it a gift to Sen. Stevens? Browne asked.

No, Allen said.

"I didn't know how much the house cost, and I still don't know," Allen said.

Browne asked Allen whether he had cooperated with the government in its investigation into Ted Stevens "and the money Veco gave to help with the house."

Yes, Allen answered.

Browne tried to portray Allen as someone working with federal prosecutors because he has to -- to protect himself, his grown children and his former business.

Veco was sold in September for about $400 million to CH2M Hill. Allen testified that he and his family owned 85 percent of the company at that time.

While Veco has not been charged criminally, Allen never got a written assurance from prosecutors that absolutely protects it from prosecution. He said that he could have sold Veco for more with such a commitment.

On the stand in this trial, as he did in the earlier trial of Kott, Allen said he doesn't care what happens to him.

"Hell, my life is all, all over anyway," he said. "I begged on the pass for Veco and I never got that done, so, you know, to hell with it."

Kohring rubbed his neck as he listened. A scar near his collar is a reminder of the spinal fusion surgery that he says still bothers him, and is one reason he once told the Veco executives he was in debt for medical bills.

Later, Browne asked Allen if he cares what happens to his adult children even if he doesn't care about himself. If prosecutors think Allen hasn't cooperated, can't Allen's children still be indicted? Browne asked.

FBI - Stevens-1412

Yes, Allen said, as one of his daughters, Tammy Kerrigan, watched from the gallery.

As prosecutors neared the end of their case, former Alaska corrections commissioner-turned-consultant Frank Prewitt took the stand,

describing a two-hour dinner he had with Kohring on Feb. 15, 2005.

Prewitt wore a hidden camera. In a video played for the jury, he could be heard telling Kohring that Veco is "always giving people consulting contracts."

"You'd think they'd offer you one," Prewitt said.

Kohring could be seen seated across from Prewitt, eating. The camera tilted up when Prewitt took a drink from a mug.

"Well, maybe I should ask them," Kohring said.

Veco already had offered to hire him in some capacity, he said. He soon added he would want a "legitimate arrangement" and said he didn't want a "freebie."

Kohring told Prewitt that Veco had been his biggest political supporter, giving him $40,000 or $50,000 over the years.

Prewitt also asked about a former Kohring aide, Eric Musser. Kohring told Prewitt that Allen leaned on him to get Musser to drop a campaign finance complaint against another Valley legislator, Beverly Masek, a Republican from Willow.

In the tape, Kohring doesn't say he fired Musser -- something prosecutors assert -- but said he didn't like that the aide filed the complaint without telling him.

As for Masek, Kohring said: "In some ways, I wanted her to at least get a slap on the wrist and be held accountable for what she had done."

At one point in the video, Kohring said that Allen is on his "red carpet list" of friends and supporters -- people who are welcomed in his office at any time.

Prosecutors showed the jury a copy of that list. It included 22 names -- 10 lobbyists, eight people listed as "personal friends" and four people described as "supporters."

Allen, Smith and former Veco president Pete Leathard were all listed as supporters.

It wasn't clear at day's end whether Kohring would testify or whether the defense would put on a case at all. Browne told Sedwick he honestly didn't know.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390. Find Kyle Hopkins online at adn.com/contact/khopkins or call 257-4334. Daily News reporter Richard Mauer contributed to this story.

VIDEO: Frank Prewitt's secret recording of Vic Kohring. adn.com/fbi

BLOG: "Red Carpet List" and live trial updates. adn.com/alaskapolitics

LOAD-DATE: October 30, 2007

LANGUAGE: ENGLISH

FBI - Stevens-1413

GRAPHIC: Former Veco chief Bill Allen was termed a "supporter" in Kohring's computer.

DOCUMENT-TYPE: Staff

PUBLICATION-TYPE: Newspaper

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1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

October 30, 2007 Tuesday
FINAL EDITION

Kohring earned close to $100K from two jobs; TIMING: Ex-legislator also went to Veco execs for help with a debt.

BYLINE: By SEAN COCKERHAM scockerham@adn.com

SECTION: MAIN; Pg. A6

LENGTH: 274 words

DATELINE: JUNEAU -

Former Wasilla state Rep. Vic Kohring, who is pleading poverty at his corruption trial, reported making almost $100,000 last year in salary and per diem as a state legislator and private consultant to Anchorage developer Marc Marlow.

The income came at the same time Kohring was going to Veco executives for help with a $17,000 debt he said was headed for collection. Ex-Veco chief Bill Allen testified he gave Kohring money both to influence him and because he didn't seem to have enough money even to eat, and Allen felt sorry for him.

Kohring reported to the Alaska Public Offices Commission that property developer Marlow paid him $25,300 in 2006, the year Kohring is accused of taking bribes from Veco.

Kohring reported that Marlow paid him to "assist with the development of construction related projects including arranging and conducting meetings, performing research, and developing plans and strategies."

The state paid Kohring $38,412 in salary as a state legislator in 2006. That breaks down to $24,012 for his base legislative salary and $14,400 he claimed for work when the Legislature was not in session.

The state gave Kohring another $31,687 in per diem meant to cover lodging and expenses during the legislative session.

Along with the salary and per diem -- which, combined with his consulting income totaled $95,399 -- the state gave Kohring thousands more in reimbursements.

* $8,000 as an allowance for general office and business expenses.

* $4,297 in reimbursement for his expenses moving to and from Juneau for the legislative session. FBI - Stevens-1414

* $9,292 in reimbursement for travel expenses he reported for state business.

LOAD-DATE: October 30, 2007

LANGUAGE: ENGLISH

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FBI - Stevens-1415

Anchorage Daily News (Alaska)

October 31, 2007 Wednesday
FINAL EDITION

Kohring stays off the stand;
DEFENSE RESTS: Nephew of ex-legislator, longtime friend give their testimony.

BYLINE: By LISA DEMER and KYLE HOPKINS Anchorage Daily News

SECTION: MAIN; Pg. A1

LENGTH: 1459 words

The defense case for former state Rep. Vic Kohring consisted of two witnesses who on Tuesday spent just an hour on the stand between them: Kohring's 19-year-old nephew and a longtime Kohring friend and political adviser from the Mat-Su area.

The Wasilla Republican never testified. His lawyer, John Henry Browne, hinted at several points during the trial that Kohring would do so. But it's always a gamble for a defendant to face prosecutors, and Browne said Tuesday they decided there was no need.

"It's definitely a tough call," Browne said. "We agonized until 12 or 1 o'clock last night and we were ready to go either way today. And my feeling is that they just haven't proven the case."

Closing arguments in the corruption case are set for this morning.

Jurors will have to decide whether Kohring solicited and accepted bribes from executives with the former Veco Corp. to push the oil field service company's interests on an oil tax and other matters. The defense says the money Kohring took was simply gifts from friends. Veco is no more -- it was sold to CH2M Hill in September.

If the jury believes former Veco chief executive Bill Allen, "we're in trouble," Browne said. Allen testified about making payments to Kohring during last year's legislative session -- hundreds of dollars in cash handed to him in front of a secret FBI surveillance camera in Veco's hotel suite, $1,000 in cash during dinner at a Juneau-area bar, several hundred dollars more on the last night of a special session. Allen said he gave Kohring cash multiple other times going back to 2002.

Browne said Allen shouldn't be believed, that he would lie to save his adult children, who were part owners of Veco, from prosecution.

The bribes, prosecutors say, consist of $2,100 to $2,600 in 2006, the $3,000 summer job for Kohring's nephew, and an attempt to get another $17,000 from the Veco executives to pay off a credit card bill. In all, Kohring faces four felony counts: bribery, conspiracy, extortion and attempted extortion.

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NEPHEW'S TESTIMONY

On Tuesday, Aaron Kohring took the stand for the defense to tell jurors about his 2006 summer job with Veco.

Prosecutors say that Aaron was hired for a well-paying summer internship because Kohring pulled strings with Veco executives.

Aaron's a tall, athletic-looking young man with close-cropped hair. He was a basketball star in high school. He wore a tan sweater and seemed calm on the stand, though he said later said it was difficult for him.

Under questioning by Browne, he told jurors that he was exceptionally close to his uncle.

"I grew up without a father and Vic has always been there kind of filling that role, pretty much," Aaron told jurors.

194A-AN-13620-M; 598

Aaron said his Uncle Vic told him in early 2006 that positions were opening up at Veco. He was 17, about to graduate from high school, and needed a summer job. Someone at Veco, not his uncle, told him he was hired. He said his job ended up being "mainly a facility position or a facility worker, I guess you'd call it."

He worked eight hours a day, made $16 an hour, and used the money to help pay for his first year as a petroleum engineering student at the University of Alaska Fairbanks and to cover some bills at home, he said.

Then it was prosecutor Joe Bottini's turn to ask the questions. Under cross examination, Aaron said that Kohring helped him put his resume together. And his uncle either e-mailed it or hand-delivered it to Veco.

Asked by Bottini whether he ever interviewed for the job, he said he didn't.

"You basically give a resume to your uncle, as far as you know, that gets turned in to Veco?"

"Mm-hmm," Aaron responded

"And then someone calls you and says you're hired, right?"

"Mm-hmm," he said.

Wasn't the job basically moving furniture, emptying recycling bins, rearranging cubicles? Aaron agreed it was manual labor.

Prosecutors have made a point that he also got $24 an hour for overtime but Aaron said he only made that two or three times for working through lunch.

Later Tuesday after the defense wrapped up, prosecutors called Kari MacDonald, a recruiting specialist for Veco who now works for CH2M Hill.

She said the summer internship was supposed to be a mentorship for college juniors and seniors, not new high school graduates.

So why was Aaron Kohring hired? Bottini asked.

"He was referred to us by Bill Allen," MacDonald said. Former Veco vice president Rick Smith earlier testified that he wrote the referral that mentioned Aaron was Kohring's nephew, but he signed Allen's name.

Without that, MacDonald said she "highly doubted" Aaron would have been hired.

Also on Tuesday, the defense called Robert Hall, owner of Gorilla Fireworks in Houston, a lawyer and a political consultant to Kohring.

He is 49, the same age as Kohring, and they went to Dimond High together. He described Kohring as "a friend and client."

Hall, wearing black jeans and a plaid shirt with pearl buttons, spoke softly, but also conversationally, sometimes directly talking to the jury. He looks like an older version of the actor Jack Black.

Both sides seemed to use him as a surrogate for Kohring. Browne asked Hall about former Kohring aide Eric Musser.

Prosecutors say Allen asked Kohring in 2004 to get Musser to drop a campaign money complaint against then-Rep. Beverly Masek, R-Willow. They also say Kohring laid off Musser and then made the layoff permanent. But they didn't call Musser to testify.

"Was Mr. Musser ever fired by Mr. Kohring?" Browne asked.

FBI - Stevens-1417

"No, he was not," Hall replied.

After hearing about Hall's testimony, Musser called into the Mike Porcaro talk show on KENI-AM to tell his side of the story. He told Porcaro that he did, indeed, get fired.

"How would Robert know? He wasn't my boss. I mean, I didn't work for Robert Hall," Musser said. "... Mr. Hall's memory must be

eluding him."

CAMPAIGN HELP

Prosecutor Edward Sullivan, with the U.S. Justice Department's Public Integrity Section in Washington, D.C., tried to show the business and political ties between Hall and Kohring in cross examining Hall.

Hall said that he and his wife and probably his father had given to Kohring's campaigns. "We loaned him a truck, but it was in my wife's name, and I declared that as a contribution," Hall said.

He said all he got out of lending the truck was a full tank of gas and a lube job.

The prosecutor asked about different businesses or companies Hall owned -- a coffee stand, fireworks stands, a company called Alaska Nanometal, a media business that placed ads for Kohring.

Since 2000, the prosecutor asked, is it true that Hall's media business has been paid more than $63,000 by Kohring's campaigns?

"That could be," Hall said, including the costs of buying ads.

Sullivan asked Hall where Kohring stayed when he was working as a legislator in Juneau.

Kohring was first elected in 1994 and at first lived with roommates, Hall said. Then Kohring slept on a boat and then in a camper, he said. The last six to eight years, Kohring slept on a couch in his office, Hall said.

Would Hall be surprised to hear that Kohring made nearly $100,000, including his base salary and consulting work? Sullivan asked.

"Well, I think that would only be one year..... I think the other years, it would have topped out at ($80,000) or so," Hall said.

Sullivan asked Hall whether Kohring performed "official acts" to help his fireworks business.

"On several occasions," Hall answered.

Sullivan asked him whether he knew of proposals to restrict fireworks after the enormous 1996 Miller's Reach fire. Hall at first said he didn't. He said there was never an official cause but that officials found bottle rockets twisted together and buried near where the fire started.

Didn't Hall remember Kohring "running around the halls of the governor's office trying to address this fireworks issue?" Sullivan asked. Hall said he remembers efforts to restrict fireworks for safety reasons.

After both sides wrapped up Tuesday morning, Kohring told reporters he felt confident but acknowledged: "There's no guarantees. You're rolling the dice when you go to trial."

He showed reporters something he's had with him throughout the trial: An icon of St. Victor. He said his wife, who is Russian, gave it to him in 2003 "to keep me safe and successful."

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INSIDE

DENIED: The judge rejects a prosecution request to get Kohring's income tax returns.

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UPDATES: Get the latest from the courtroom today with our up-to-the-minute blogs, including closing arguments.

adn.com/alaskapolitics

HEAR BILL ALLEN: Audio of his testimony, including how he was blackmailed over work on Ted Stevens' home.

adn.com/fbi

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FBI - Stevens-1419

Anchorage Daily News (Alaska)

November 1, 2007 Thursday
FINAL EDITION

Jury gets Kohring case;
Were cash and favors evidence of corruption or camaraderie?

BYLINE: By LISA DEMER and KYLE HOPKINS Anchorage Daily News

SECTION: MAIN; Pg. A1

LENGTH: 1717 words

Jurors deliberating the corruption case against former state Rep. Vic Kohring are wrestling with two opposing pictures laid out Wednesday by lawyers on each side:

Manipulative state lawmaker on the take, or well-meaning public servant who took some gifts from friends.

The lawyers gave dramatic closing arguments -- with visual aids and stage whispers -- on the trial's eighth day in U.S. District Court. The case went to jurors just before noon.

Prosecutors told jurors they had plenty of evidence that Kohring knew how to work Veco Corp. executives with his hand out -- for free meals, an internship for his nephew, help with a credit card debt, payments of cash.

Prosecutor Edward Sullivan walked jurors through meetings and phone conversations between Kohring and Veco executives Bill Allen and Rick Smith during the 2006 legislation session. None of them knew it, but the FBI was recording them.

A freeze-frame image of Kohring smiling as he accepted a handful of cash from Allen flashed behind Sullivan on the big screen in Courtroom 3. It came from an FBI recording made on March 30, 2006, in Suite 604 of Juneau's Baranof Hotel.

"Take a look at that picture," Sullivan told jurors. "Folks, that is not a gift. That's a payoff. That is a bribe."

Sullivan, who is with the U.S. Justice Department's Public Integrity Section in Washington, D.C., reminded jurors what Kohring said after accepting two cash payments that day from the Veco executives.

"He asks for instructions. 'What can I do to help you guys at this point?'" Sullivan said.

Kohring, a Wasilla Republican elected seven times, is the third former state lawmaker to stand trial this year for bribery and other crimes in the wide-ranging federal investigation into corruption in Alaska politics. Kohring is charged with bribery, conspiracy, extortion and attempted extortion.

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During the 2006 legislative session, Veco was pushing a new oil tax regime. North Slope oil producers wanted to lock in tax stability before they would commit to a natural gas pipeline that could have been enormously lucrative to Veco.

But defense lawyer John Henry Browne of Seattle told jurors that the prosecution's case was weak and that parts of it had fallen apart before their eyes. Kohring always thought the money he accepted was simply gifts from friends, not bribes, he said.

Browne put up a series of posters starting with one that said, in all caps, "NOT GUILTY MEANS NOT PROVEN."

NATURE OF FRIENDSHIP

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Prosecutors told jurors Kohring may have socialized with Allen and Smith, but it was really a business relationship.

While Browne told jurors at the trial's start that Kohring and Allen were close because of relationships with Russian women, Allen testified that wasn't so, Sullivan told jurors. He hadn't even met Kohring's wife, who is Russian. She lives near Portland, Ore., and did not attend the trial.

"The only thing Vic Kohring brought to this party ... was his legislative hat," Sullivan said. And "he's not shy about putting it out and asking them for money."

Sullivan said Allen and Smith had a secret. The prosecutor walked closer to the jurors, talking to them in a stage whisper: They knew "this guy," who never voted for a tax, was going to support the tax rate supported by Veco and the North Slope oil producers.

Sullivan talked about how it was always Kohring who called Smith -- not the other way around -- with Kohring saying he'd lobby colleagues and advocate good things for Veco.

Kohring was playing Allen and pleading poverty, Sullivan said, while he was making about $100,000 -- counting his salary, legislative per diem money and consulting work. But he never let on to Allen about that "because that's going to stop the money train," Sullivan said.

In a March 4, 2006, video, Allen tells Smith about $1,000 that he gave to Kohring during a dinner among the three at the Juneau-area Island Pub. Prosecutors played it Wednesday so jurors could again hear Allen tell Smith that Kohring would now "kiss our ass."

Sullivan: "Is there anything else I need to say about the relationship between Veco and Vic Kohring?"

DEFENSE DIGS AT ALLEN, FBI

Browne tried hard to discredit Allen, who testified for the government that he had made cash payments to Kohring going back to 2002. The only way they can convict Kohring, Browne said, is if they believe Allen. He pleaded guilty to bribery and conspiracy and is cooperating with the government. Allen will say anything to protect his grown children, who were part-owners of Veco, from being prosecuted, Browne said. The company was sold last month for about $400 million.

Browne called Allen blasphemous, rude, arrogant, grandiose, intoxicated and obsessed with power.

"He has a memory problem. He has a brain injury. He obviously drinks too much," Browne said. "His demeanor on the stand was completely self-serving and basically pathetic."

Would you, Browne asked jurors, base a big life decision on what Allen had to say, or even buy a car from him?

The feds started investigating corruption in Alaska years ago with the help of Frank Prewitt -- a former corrections commissioner turned consultant -- who himself was in trouble and decided to cooperate by working undercover, Browne said.

"And when the names came out, the FBI started drooling," he said. Those names, he said, included U.S. Sen. Ted Stevens; his son, former Senate President Ben Stevens; U.S. Rep. Don Young; and former state Reps. Bruce Weyhrauch, Pete Kott, Tom Anderson.

FBI - Stevens-1421

"And one of the names they heard was Mr. Kohring," Browne said.

So the FBI cast a huge web, he said, and Kohring was caught up in it.

He told jurors he believes the government lawyers realized just before the trial that Kohring didn't vote for the oil tax that ultimately passed last August.

"The government's case was a mistake. It was falling apart," Browne said. But prosecutors told jurors that Kohring did vote Veco's way on the tax.

In the March 30, 2006, video, Kohring is asking for help from Allen and Smith in paying off a $17,000 credit card debt

from a surgery. He suggests he could get a loan or work from Veco.

Allen hands Kohring $100 he got from Smith to put in a plastic Easter egg for his stepdaughter. Then, when Kohring mentions he just sent his stepdaughter money for a Girl Scout uniform, Allen reaches into his front pocket, pulls out another $600 to $700 he had stashed there for Kohring, and hands it over too.

Browne dismissed those payments as "money for Easter eggs."

Why, Browne asked, didn't the government, with all its resources, call as witnesses legislators who Kohring supposedly lobbied to help Veco?

"Let me tell you, there is absolutely no end to that deep pocket," Browne said. At the trial, "you saw FBI agents flown in from all over the country, New York, Texas, California."

PROSECUTION STRIKES BACK

Prosecutor Joe Bottini, an assistant U.S. attorney based in Anchorage, wrapped up the government's case looking to deliver a counterpunch to points made by Browne:

* If Browne thought jurors needed to hear from more witnesses, he could have called them himself, Bottini said. Subpoenas look the same for the defense as the prosecution, he said, holding up an 81/2 by 11 piece of paper. As for the prosecution only playing select parts of the Kohring tapes, Bottini said: "If he thought there was something that we were hiding from you in this trial, hit play. It's the button with the little arrow on it."

* Bottini reminded jurors that Browne called Prewitt, a government witness, a "sleazy lobbyist."

"It didn't stop this guy from going out to dinner with him, and getting his meal paid for by Mr. Prewitt," Bottini said, pointing at Kohring.

* On Browne's comments that Allen was an unreliable witness, Bottini told jurors that the brain injury affects his ability to express himself, not his thought process. Allen ran one of the biggest companies in Alaska for years after his injury, he said. He'd clearly been drinking in some of the videos, Bottini said, but wasn't incoherent.

Ultimately, Bottini said, Kohring knew "what it took to get Mr. Allen to give him things. Kohring turned this guy into a human ATM machine."

As he wound down his argument, Bottini put one of the defense lawyer's posters back on the easel. He took a black marker to it, crossing through some of the words until two were left: "GUILTY PROVEN."

After a few hours of deliberations, jurors asked to watch one of the surveillance videos again. Just after 4:30 p.m., they left for the day, still undecided.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390. Find Kyle Hopkins online at adn.com/contact/khopkins or call 257-4334.

LISTEN AND WATCH: Audio clips from closing statements, and FBI surveillance videos and wiretaps.

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THE PROSECUTION

* Kohring received multiple cash payments from Allen over the years and learned to call Veco execs when he needed something: Money, a truck, a free meal.

* Unaware he's being recorded, Allen can be heard saying he gave Kohring $1,000 in a conversation about doing whatever it takes to pass Veco's favored oil tax bill.

* Kohring unlocked a bill from his committees, let go a valued aide and stayed out of a Mat-Su Senate race, all at Allen's request.

* Everything Allen says is backed by recordings or other testimony, including a video on which Kohring tells Veco execs he'd racked up $17,000 in debt and needs help. He is seen taking cash from Allen, then promising to lobby his colleagues on Veco's behalf.

THE DEFENSE

* There's no proof Kohring was given cash for anything except Easter eggs and a Girl Scout uniform for his daughter.

* Much of the feds' case relies on the word of former Veco chief Bill Allen, who is now a convicted felon trying to protect his kids from indictments. Because of a head injury, the jury saw Allen struggling to express himself on the stand.

* In secretly made FBI recordings, Kohring says he wants any work he does for Veco to be legitimate. No freebies, he says.

* Two words: Prove it. The defense says prosecutors failed to show, beyond a reasonable doubt, that Kohring traded political influence for money.

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The Kohring case: Is the ex-legislator guilty or innocent?

LOAD-DATE: November 2, 2007

LANGUAGE: ENGLISH

GRAPHIC: BOB HALLINEN / Anchorage Daily News
Former state Rep. Vic Kohring talks to the media at the Anchorage federal courthouse Wednesday after his federal corruption case went to the jury. "I'm at peace with myself regardless of the outcome," Kohring said. "I'm alive and I'm healthy and I've got a lot of support out there."

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FBI - Stevens-1423

Anchorage Daily News (Alaska)

November 2, 2007 Friday
FINAL EDITION

Kohring convicted;
Jurors decide ex-legislator took money to sway oil tax

BYLINE: By LISA DEMER and KYLE HOPKINS Anchorage Daily News

SECTION: MAIN; Pg. A1

LENGTH: 1649 words

Less than an hour after a federal jury convicted former state Rep. Vic Kohring of public corruption charges on Thursday, he apologized to the people of Alaska for the stress and trauma of the investigation and trial.

But he stopped short of accepting responsibility for the crimes of bribery, conspiracy and attempted extortion -- crimes he now stands convicted of committing.

Kohring is on a tightrope. If he accepts blame now, he could spoil any appeal. But if he's defiant, prosecutors are sure to point that out when it's time to be sentenced.

"I expected this as a possible outcome and, as I said yesterday, I'm going to accept it and move on regardless," said Kohring, 49.

The 12-member jury convicted Kohring, a Wasilla Republican, on three of four counts, concludingthat he sold his office to the oil-field service company Veco Corp. and former executives Bill Allen and Rick Smith, who pleaded guilty to bribery and conspiracy and cooperated with the government.

Jurors found that he conspired with Allen and Smith to push a new oil tax favored by North Slope oil producers through the Legislature in 2006, tried to extort them to pay his $17,000 credit card debt, and took bribes from them.

But jurors also issued one "not guilty" verdict. Kohring was acquitted of extorting money, and a summer job for his nephew, from Allen, Veco's former chief executive, and Smith, a former vice president.

Kohring's defense asserted that it was friendship, not greed and politics, that led Kohring to ask Allen and Smith for money and do Veco's bidding in Juneau.

The government says he knew what he was doing. Kohring "betrayed his oath of office and the people of Alaska when he deliberately and repeatedly took bribes in exchange for official acts," assistant attorney general Alice Fisher of the U.S. Justice Department in Washington, D.C., said in a written statement. She thanked the federal prosecutors and FBI agents.

As they left the Federal Building, jurors looked drained but relieved. Only a few would talk. They said they anguished over their decision.

One, who declined to be identified other than as "juror No. 8," said "they didn't get the sharks. They got the minnow."

Most felt sorry for Kohring and saw him as "a very sympathetic figure," said Alan Rowe, juror No. 12.

"The circumstances surrounding the case were tragic," said Rowe, a courier for Cal Worthington Ford who plays keyboard in a classic rock and soul band called Al and the Kaholics.

Kohring seemed like he really wanted what's best for Alaska but showed poor judgment when he got in cahoots with Veco executives, Rowe said.

Kohring couldn't get past the damning videotapes secretly filmed in Veco's suite in Juneau's Baranof Hotel and the telephone wiretaps.

But surprisingly, Rowe said that the most convincing FBI recording wasn't the one from March 30, 2006, where Kohring is seen twice taking cash from Allen. Defense lawyer John Henry Browne's characterization of that scene as the "Easter egg incident" resonated with jurors, Rowe said. In the video, Allen tells Kohring the money is to be put in plastic Easter eggs and to help out with a Girl Scout uniform for his stepdaughter.

"We didn't want to implicate the little girl," Rowe said.

But jurors believed that Allen slipped Kohring $1,000 during a Feb. 23, 2006, dinner at the Juneau-area Island Pub, and that the money was a bribe, Rowe said. On a surveillance video less than two weeks later, Allen and Smith talk about the payment and how Kohring would now "kiss our ass."

On the conspiracy count, Rowe said, the strongest evidence came from a June 8, 2006, recording that jurors asked to see again during deliberations.

It was the last night of a special session on the oil tax, by then at a rate higher than Veco wanted. Kohring tells Allen he would have done what Veco wanted to upend the bill, even if it hurt him politically.

Jurors didn't think much of the allegation that Kohring was bribed when he secured a summer internship at Veco for his nephew, Rowe said. "We're all thinking, 'So what?' This is the way the world works."

Talking to a few reporters outside the courtroom doors just after the verdict, Kohring described the jurors as "good people" with the right intentions, and said he wanted to thank them for their hard work. He thanked the people of Alaska too, for his more than 12 years in office. He also wanted to say he was sorry.

"Just to apologize to these same people, including my family and friends, for the trauma they experienced, as I did, over the last 14 months, leading up to today," Kohring said.

His friend Fred James, who sat behind Kohring each day of the trial, said he thought Kohring was done in by pre-trial publicity, tried and convicted in the Daily News and on television. Asked if he agreed, Kohring said, "I think in part, yes."

Browne had tried to get the trial moved outside of Alaska, but U.S. District Judge John Sedwick rejected that. The judge questioned jurors extensively and excluded those who had already made up their minds.

Kohring and his lawyer walked downstairs to face a semicircle of microphones and TV cameras and answer more questions.

Does he still maintain his innocence?

"I'd rather not go there at this point," Kohring said.

Browne said they hadn't decided whether to appeal but had several possible points, including the fact that they hadn't been allowed to put on character witnesses.

"We have an outcome here that is difficult for me, of course," Kohring said. "But I've got a great future ahead of me and I'm looking forward to that future."

His wife, Tatiana, is supportive and they've been talking regularly, he said, though she couldn't be there for the trial. She lives near Portland, Ore.

Kohring said he didn't regret not taking a plea deal. There was never a reasonable offer anyway, Browne said.

After court on Thursday, prosecutor Joe Bottini took the unusual step of singling out prosecution witness Frank Prewitt, who has been working undercover for the FBI since 2004. Prewitt was a minor witness in the Kohring trial, but his work

helped investigators get the evidence they needed for wiretaps on phones and bugs planted in Suite 604 at the Baranof.

While Browne called Prewitt a "sleazy lobbyist" in his closing argument Wednesday, Bottini said that's not how the government feels about him.

"Nothing can be further from the truth," Bottini said. Prewitt has done a "tremendous" job for the government, he said. "We owe him a lot, frankly."

Kohring was the third person convicted by a jury in the government's wide-ranging corruption scandal. It has yet to lose a case. Juries took about the same amount of time to convict the first two, ex-Reps. Pete Kott and Tom Anderson.

Judge Sedwick set Kohring's sentencing for Feb. 6. Prosecutors estimated that Kohring could be facing three to five years.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390. Find Kyle Hopkins online at adn.com/contact/khopkins or call 257-4334.

AUDIO/VIDEO: Listen to clips from the closing arguments and FBI wiretaps and watch videos.

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THE BIGGER PICTURE: How does the Kohring case fit into the larger corruption investigation? Go online and click on the "Corruption investigation overview" on the upper right.

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WHERE HE WORKED AND WHERE HE LIVED: See how people reacted to the verdict in Juneau and the Valley.
Back Page

Guilty

Conspiracy

Attempted extortion

Bribery

Not guilty

Extortion

What was Kohring accused of?

Being part of a conspiracy, with Veco executives Bill Allen and Rick Smith, to push passage of an industry-friendly oil profits tax in 2006. He was charged with taking between $2,100 and $2,600 in cash in 2006, asking for help paying off a $17,000 credit card debt, and seeking and receiving a Veco summer job for a nephew, which paid $3,000.

What's the sentence?

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Prosecutors estimated Kohring could receive three to five years in prison for the charges he was convicted of. His sentencing hearing was set for Feb. 6.

Reaction from Juneau

* The FBI's and U.S. Justice Department's investigation into public corruption in Alaska continues. It's unclear when, or whether, additional charges will be filed, and officials will not discuss the investigation's targets. But at least two other current or former lawmakers have been identified in charging documents and testimony as committing illegal acts in cahoots with Veco officials: former state Sen. Ben Stevens and current Sen. John Cowdery, both Anchorage Republicans.

* Sentencing for former House Speaker Pete Kott, convicted of bribery, extortion and conspiracy in September, is set for Dec. 7.

Kohring is the third former state representative convicted since the wide-ranging federal investigation of public corruption burst into view last August with the simultaneous searches of six state lawmakers' offices.

So far:

* Former Rep. Tom Anderson, R-Anchorage, was convicted in July of bribery, money laundering and other charges for taking payoffs from a consultant.

* Former House Speaker Pete Kott, R-Eagle River, was convicted of bribery, extortion and conspiracy in September for his dealings with Veco executives on oil tax legislation last year.

* Former Rep. Bruce Weyhrauch, R-Juneau, was charged with bribery and other crimes for his dealings with Veco executives. He's awaiting trial while questions about evidence in his case are appealed.

* Former Veco CEO Bill Allen pleaded guilty to bribery and conspiracy for his dealing with Kott, Kohring, Weyhrauch and other lawmakers. He's awaiting sentencing.

* Former Veco vice president Rick Smith pleaded guilty to bribery and conspiracy for his dealing with Kott, Kohring, Weyhrauch and other lawmakers. He's awaiting sentencing.

* Former lobbyist Bill Bobrick, a longtime lobbyist on the city level, pleaded guilty to conspiracy for bribing Anderson. He's awaiting sentencing.

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GRAPHIC: BILL ROTH / Anchorage Daily News
Former state Rep. Vic Kohring was convicted Thursday on three of four counts of corruption for selling influence to Veco Corp. executives. A federal jury found him guilty of conspiracy, attempted extortion and bribery. He was found not guilty of extortion.
Former state Rep. Vic Kohring, right, and attorney John Henry Browne speak to the media outside the Federal Building in Anchorage on Thursday. The former legislator was called a sympathetic figure by jurors.
Alan Rowe was juror No. 12 in Kohring's trial.

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1 of 1 DOCUMENT

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FBI tape shows Kohring with hand out;
WIRETAP: Talk with Veco execs starts on debt, turns to tax influence.

SECTION: MAT-SU WEEKLY SECTION; Pg. J1

LENGTH: 3572 words

Editor's note: On March 30 of last year, then-state Rep. Vic Kohring of Wasilla went to the Juneau hotel suite of Veco executives Bill Allen and Rick Smith and asked them for help paying off a $17,000 credit card debt.

No one in the room knew it, but the conversation was being recorded by a secret FBI camera.

What happened over the next 20 minutes became, in some ways, the centerpiece of the federal corruption case against Kohring, which has been playing out in a federal courtroom in Anchorage over the past two weeks. Kohring was convicted Thursday on three of four charges.

Prosecutors played more than 30 videos and wiretaps during the trial, and jurors heard extensive testimony from Allen, Smith and others.

But this was the one recording that showed Kohring accepting cash from Allen.

Does the recording prove Kohring solicited and took bribes? Did he promise or things in return? Prosectors say yes. Kohring and his lawyer say no.

We're printing a full transcript of the recording here. Watch the video for yourself, and see and hear all the audio and video evidence in the case, at adn.com/fbi.

The transcript was created by the Daily News. It has not been edited for profanity.

The scene: Suite 604 of the Baranof Hotel in Juneau. In the room, then-Rep. Vic Kohring of Wasilla and two executives of the Veco Corp.: CEO Bill Allen and Rick Smith, the company's vice president for government affairs. They are all seated.

Kohring: ... I've got a situation where, ah, it's a personal financial matter, that I think potentially could hurt me politically. When I had my surgery three years ago, I got in a real hole, financially, and I put a bunch of it on credit cards. And I managed to pay off a couple of those credit cards, but I have one big one where I've got a $17,000 debt and it's potentially a court situation 'cause I got overwhelmed with it, and I just couldn't make the payments and I'm now in a situation where it's gone to collections, not to court or anything, and I'm worried if it goes to that point it could hurt me politically. There'll be a public record and I don't want there to be any evidence of any public issue going on. So, what I wanted to do was ask you guys for your recommendations as to how I can deal with this. And I wanted to suggest a couple of things, with all due respect, and please don't feel like I'm applying any pressure, I've come to you guys because you're friends. And I was wondering if there would be a possibility of perhaps doing some kind of a project to make some money with you guys or you could refer me to somebody that could help me with that or as another option maybe you could help me with some financing like a modest loan or something so I could get this paid off and have it behind me and get it paid off to you folks or to whoever you can help me with.

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Smith: So you say a couple, two thousand in credit cards?

Kohring: I've got one credit card with Bank of America that is way past due; I just can't keep up, I just don't have the money for it. And I've been trying to sell my Wasilla house to pay, and it was listed for a year and I wasn't able to sell it.

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Allen: How big is your payment?

Kohring: Well, actually, it's to a point now where they're demanding full payment on the full 17 grand. I was paying 500 bucks a month on it for the last half-dozen months, and they wouldn't accept that anymore. They were demanding full payment, so they sent it to a collection agency. And I'm in a situation where the collection agency is demanding full payment and I don't have the financial wherewithal or the credit, to be honest with you, to go into a bank and get a loan to pay this off. My credit is such that I just don't have the wherewithal, the financial worthiness, if you will, because with my legislative salary and everything I'm just living paycheck to paycheck. So anyway, that's where I'm at and again, I'm not trying to come to the well, I'm only here just to ask if you guys would consider helping me and suggest some options to me as to what could be done. Anyway, just, that's what I had for you.

Allen: Let's say you got a new loan. Uh, you know, you got to be real careful, Vic on ... Say, like, I co-signed with you, you'd have to be ...

Kohring: Very discreet about it?

Allen: Oh, yeah, or it'd be, have to be ...

Kohring: I know there's the political issue of ...

Allen: APOC ...

Kohring: APOC, and the criticism that all of us, now because of our relationships and all that ...

Allen: But too, though, you know I don't want your, a record out there for you. So how quick, how much time have you got?

Kohring: It's not clear to me yet; I'm working with the collection agency. My guess is they're going to demand full payment probably within 60 days or so.

Smith: Within 60?

Kohring: That would be my guess. I had a similar experience with another ... I had several credit cards that I maxed out on in order to take care of my medical bills and one of which demanded full payment and they gave me 60 days and I paid full ...

Allen: Don't you have insurance with the state?

Kohring: I do. But with Mayo Clinic, they didn't cover all the expenses, I ended up eating a lot of the costs. It's not on the insurance company's preferred provided list so I ended up eating a lot of the costs associated with that surgery. It was at Mayo Clinic and Aetna only covers hospitals in the western part of the country, not back east.

Smith: Give Bill and me a little time to chew on it, figure it out.

Allen: Let me figure a way ...

Kohring: I want to do everything completely aboveboard, of course, I don't want anybody to get in any kind of hot water or get criticized by anybody.

Smith: Absolutely.

Kohring: And again, please don't feel like I'm abusing my relationship with you guys, OK?

Allen: Oh no, no no. That's ... I'm doing this if I can get it done because you're my friend.

Kohring: Thank you.

Allen: Not ...

Kohring: Thank you very much. That's why I came to you two, because the feeling is definitely mutual.

Allen: Let me see what I can do ... maybe, maybe, I could ... not my bank ... uh ... s---, can't say it.

Kohring: Wells Fargo?

Allen: Yeah, or something like that.

Kohring: OK. All right. Thank you, thank you for your consideration.

Allen: Let me kinda, let me see if maybe somebody could ...

Kohring: Thank you. I appreciate that.

Allen: So, if you got a loan, how much can you pay, you know, as it goes along?

Kohring: Yeah. Well I could probably uh, afford ... uh,

Allen: Five thousand ... I mean, five dollars, uh ...?

Kohring: Five hundred dollars a month? That would be a real stretch. I was going to suggest $400 a month. Five hundred would be a real stretch. But I could probably make 500 do. I could scrape together the money and make 500 do. So if you were to factor in an interest rate, that would probably amortize out over, golly, probably a couple years or so, if you're talking 17 grand. Shoot, that's 34 months without interest, so that would be almost three years, if not more.

Allen: And you owe, it's about 17?

Kohring: About $17,000, yeah.

Smith: Does that include all the penalties and interest?

Kohring: Yes it does, yes. I'm going to still try to sell that doggone house of mine in Wasilla. I had it listed for 110, and I just couldn't get it sold. I think it was more of a problem with the lack of aggressiveness on the part of the broker, but it contributed to the financial woes not having the rent that I was getting from that of $900 a month, cause I took it off the rental market. I just recently re-rented it now, I'm getting $850 right now for it, so I'm getting that income stream coming in. But if I could sell the doggone thing, I could extract 40 grand equity out of it, and use that to pay off the ...

Allen: You still owe ... you owe ... money on ...

Kohring: I owe money on the house. I have a loan on it. Yes. It's worth about 110, and I owe about, let's see, about 75, I believe it is. I've got about $45,000 equity in it.

Smith: Valued at 110?

Kohring: It's about 110, yes. Just a small ranch house in Wasilla that I used to live in until Tony Knowles and his gang reapportioned me out of it back in 2000, if you remember that fiasco.

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Allen: Yeah, yeah.

Kohring: A lot of us were targeted by the Knowles administration. I built that house for my wife, and lived in there for awhile and then I got reapportioned out of it so it became rental, that was when my financial issues came up a few years ago after my surgery, tried to sell it, and after fixing it up for a couple years and just haven't been able to do so. Love to be able to just go out and get a loan and take care of this, but my credit is such and my ratios are such that I just wouldn't qualify. I'm just trying to pull myself back from the brink at this point, and as far as a potential political, it wouldn't be a disaster for me, because I think I can get elected -- short of going out shooting somebody -- 'cause I'm strong politically, but I don't want to have any blemishes on my record and this could potentially be one for me.

Allen: Let me see what I can do with it.

Kohring: Yeah. Good. All right. Thank you for the thought.

Allen: You know, I'd just give you the ... I'd just ... I mean, I'd borrow that ... but I can't do it ...

Kohring: I know, because the APOC ethic rules and all that. And I would make sure that everything was done in accordance to law too; I would research that as well and I could present a hypothetical scenario to, say, the ethics committee and they'd give me a private, confidential response. But again it would be completely hypothetical without any names mentioned or anything so nobody would know who I'm associating with. But I would do that just to make sure everything is done in accordance with law so nobody gets embarrassed later down the road.

Allen: Who you going to do? You're going to talk to who?

Kohring: Well, Joyce Anderson is the ethics committee adviser to the Legislature, and we work with her on a confidential basis where we can ask her hypothetical questions about situations, she can give us answers, just to give us guidance as to how best to conduct our financial affairs. If I ever borrow money from somebody or if I ever have any kind of financial transaction, I seek advice from her as many legislators do to make sure that we're not violating any law. So that's how it ...

Allen: If you tell her what you're going to do, or you need to, I don't know if that's real smart.

Kohring: Yeah, that's a good point. It might be better for me just simply to research the statute and just come to a conclusion myself on it.

Allen: That's the best way. And then nobody knows. ...

Kohring: Yeah, no red flags are raised, right? That's a good point. I thought of that too, and really, uh, to my knowledge the way the law works right now, say if I were to borrow money from somebody, if it's in excess of $5,000 I have to disclose it on an annual financial disclosure. So that's where it would come into play. If I borrowed it from you personally, or from Veco or some financial entity or a bank, I'd have to actually ... write everything down.

Allen: We wouldn't do that with Veco. It would have to be with me. ...

Kohring: And again, I'm not here to ask you for work, but say if we went down that road and you were able to pay me for a service that you thought I could provide you, again, don't feel any pressure but I'm just throwing that out as an example. ...

Allen: It would be too ... anything that would have Veco on it, oh s---.

Kohring: Yeah, well I'm very proud of myself. ...

Allen: But, you know, you could go work for us in the summer or something like that.

Kohring: I would want to make sure, Bill, that if you did have me do something for you that it was something you truly could benefit from. I don't want any freebie.

Allen: Well you got to ... you'd have to go to work

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Kohring: I'd have to bust my butt.

Allen: ... go up to the Slope, or some goddamn thing, because you gotta ... it's gotta ...

Kohring: I want it to be above board, I don't want anybody to ever criticize our relationship and imply that somehow you're giving me some big benefit that I don't deserve.

Allen: Because it will go right to the f---ing Daily News.

Kohring: Of course, yeah. I'm not trying to pressure you. ...

Allen: Don't say anything until I can figure out where it won't come back and bite me and bite your ass and my ass.

Kohring: Yes, really. And I won't present any kind of hypothetical scenario to anybody, I'll keep it to my ...

Allen: I wouldn't say to anybody that you're in a bind.

Kohring: Well, no, I wouldn't tell anybody that I'm in a financial situation; I would just, uh, what I was thinking of doing was just simply to say, what if I borrow a loan from somebody, how is that supposed to be handled in the eyes of the law? That's all I'd present it as, but I don't even have to do that.

Allen: What do you think, Rick?

Kohring: I don't want to raise any red flags either.

Smith: Well. I wouldn't ...

Kohring: But I know the law good enough ...

Smith: Well, let's think about a way to do it ...

Kohring: OK.

Smith: ... before you do anything.

Kohring: Yeah, good.

Allen: When are you taking off for ...

Kohring: For Easter?

Allen: Yeah.

Kohring: I think Easter is about the 16th, if I remember right.

Smith: The 15th. The 13th is Thursday. The 16th.

Kohring: OK. So I'll be leaving the evening of the 13th, coming back the morning of the 17th, I believe it is. I'll be gone for four days.

Smith: Eighteenth. You guys are shut down Friday to Monday.

Kohring: I'm leaving Thursday and coming back on a Monday, so I'll be gone for four days, whatever the dates are that that represents. First time I will have been with my daughter on an Easter, after all these years. Can you believe that? Because Easter always falls during a session, and I always find myself swamped being near the end of the session. I've never had a chance to be there for Easter for her. Can you believe that?

Allen: OK, here's what I want you to do. (He leans forward toward Kohring.) With, uh, what I usually do on Christmas, I mean, and ...

Kohring: For holidays?

Allen: ... and Easters ... I always take a, when I got kids (Kohring chuckles). And always, I really, I go hide ...

Smith: Eggs.

Allen: ... an egg with ...

Kohring: Yes.

Allen: With ...

Kohring: With money in it?

Allen: Money or ...

Kohring: Or candy. Oh yeah. Nuka said, 'Daddy Daddy, can we do an Easter egg hunt?'

Allen (to Smith): Have you got any ... have you got any?

Smith: I got some.

Allen: Did you get any hundreds?

Smith: Yep. (Smith stands and takes what appears to be money out of his pocket.)

Kohring: Well, thank you very much.

Allen: I'll give you ...

Kohring: That's very kind of you; I appreciate that.

Allen (to Smith): Give me a hundred. (Smith hands Allen money.) And that way you can ...

Kohring: Put those in the Easter eggs. All right. (Allen hands cash to Kohring on the screen.) I shall do that, thank you very much. (Kohring and Allen shake hands.) Thank you so much.

Allen: And let her find the egg.

Kohring: I will. We're going to have an Easter egg hunt right at the house, and I'll put money in, I promise (Allen chuckles.) ... and she'll be thrilled. I just sent her some money for her mom to buy her a Girl Scout uniform, she's thrilled about that, and I sent her a card telling her about how much I love and miss her and 20 bucks was included in that and ...

Allen: All right, well then, let me help you on that little ... (Allen pulls more bills and hands them to Kohring. He later testified it was several hundred dollars.)

Kohring: Oh, thank you, thank you.

Allen: ... on her little uniform.

Kohring: On the uniform. The 50 I sent was a little short, so thank you. Said she needs about 100. I appreciate that, Bill, thank you so much. (Kohring and Allen shake hands.) Well, just in closing I know you guys got things to do. ...

Smith: ... See what Conoco is sort of up to here ...

Kohring: What can I do at this point to help you guys, anything? Whatever you ... you know ... just keep lobbying my colleagues for the governor's plan, right?

Allen: Are you real close with ol', any of these guys ...

Smith: Stoltze (Rep. Bill Stoltze, R-Wasilla).

Kohring: Oh, yes. Stoltze, moderately so. ...

Allen: Yeah, Stoltze. Stoltze. Can you help?

Kohring: I can. I can go to him. I'm not real close to Bill. I've got a very close relationship with Chenault (Rep. Mike Chenault, R-Kenai) and Meyer (Rep. Kevin Meyer, R-Anchorage), Meyer in particular, a good friend. Stoltze ...

Allen: I think they're on the right side.

Kohring: OK. Stoltze could go either way, then?

Allen: Well, ah ... you know, who's all on the Finance?

Kohring: House Finance?

Allen: Holm (Rep. Jim Holm, R-Fairbanks). You know Holm?

Kohring: I know Holm well. I think he's unpredictable; he's kind of like Stoltze, hard to figure out where he's coming from. I think Kelly (Rep. Mike Kelly, R-Fairbanks) is probably with us. ...

Allen: Kelly?

Kohring: I've got a good rapport with him.

Allen: Do you?

Kohring: And I've got a great relationship with Richard Foster (Rep. Richard Foster, D-Nome); who doesn't? Everybody likes Richard. And then Moses, Carl Moses (Rep. Carl Moses, D-Unalaska), he and I get along well. He's a very quiet person, doesn't say much, keeps things close to his chest. But I'm comfortable in going and talking to him.

Allen: Kinda ... kinda ... figure out ... kinda see what they're really thinking about. Kinda tell us where they're really at.

Kohring: OK. OK. Just get an honest, straightforward opinion from them, right?

Allen: Yeah, and then you can tell us where they're at and then maybe you can push 'em over on your column.

Kohring: Yes. Well, I'll make every effort to do that. My first effort will be to figure out where they're at, and then secondly I'll politely and gently and carefully as I can influence them in a positive way to see that the governor's bill is the vehicle they consider. I know that's very important to you. I know that's key to the gas line, and I know that's why you're here. I want nothing better than the governor's bill to pass and that gas line to come to fruition. Even though I'm ...

Allen: Or if you think of anybody else that we could get.

Kohring: OK, all right. You know my position is an anti-tax position and I'd just as soon the industry not be taxed any, we give credits, but I understand that this is an integral part of the whole deal here. OK, well, how about if I over the next couple days I will make an effort at talking to these people individually and then I will give you guys a report to let you know how that goes.

Allen: Kind of tell us who's really over there.

Kohring: Sure, I can do that, absolutely.

Allen: You know, the one on the oil ... the governor's ... the 20/20.

Kohring: Yes. Who is really with the governor's plan. You bet. OK. Just lastly, Tatiana (Kohring's wife, who is from Russia and lives in Oregon), I told her about the fact that you received that gift real well, you were very pleased with that, she was real excited to hear that. It was her idea, by the way. Do you like vodka?

Allen: Yeah, yeah, hell, yeah, we already drank some of it.

Kohring: We drink a lot of that in our house, believe me. I never had any vodka in my life until I met her, and now we drink a lot of it. Not excessively, but it's part of a social thing at dinner and so forth.

Smith: Sure. Yeah.

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Kohring: I've discovered that it helps to escape a little bit from your woes of the world when you get buzzed. I had a tough day today; oh, man. I had a difficult constituent who's got some mental issues who threatened me today, back home in Wasilla of all things, oh brother. And then I was on a radio program, I was on a nationwide live radio program with this station owned by the NRA, the rifle association based in Washington, D.C.; they had me on their program about an hour ago.

Allen: Yeah.

Kohring: It was live, it was great. They were throwing me softballs because they like me, 'cause of my pro-gun positions, but they had picked up on the Internet that article that came out in the Frontiersman two days ago about me being an advocate of the Second Amendment right to keep and bear arms. So they asked me if I'd be on their show and I said absolutely. It was great.

Smith: Good, good. Yeah.

Kohring: So I've got nationwide exposure now; with that nationwide exposure I ought to run for president, take advantage of it. (Everyone laughs). All right, guys. (Kohring stands and extends his hand to Allen and they shake). Thank you so very much for your time and all your help; I'm very grateful for it.

Smith (pointing at jars of food on the table): And grab some of those babies. Take a pocketful.

Kohring: Oh sure, I will. I'll take a couple here, thank you. Delicious.

Allen (pushing the jar toward Kohring): Come on.

Kohring (reaching into jar and taking more of the treats): OK, I won't be shy here, for crying out loud; I'll take more of them.

Allen: There you go, there you go.

Kohring: Thank you again very much. Appreciate it. I'll be keeping in touch.

The next day, on March 31, Kohring left a message with Smith and also called him to report setting up the meetings he'd talked about, according to the FBI wiretaps played for the jury.

CHECK IT OUT: Hear and see all the evidence in the Kohring case, listen to clips from the opening and closing statements and find stories and pictures at

adn.com/fbi

LOAD-DATE: November 2, 2007

LANGUAGE: ENGLISH

GRAPHIC: Video from the FBI
Former Alaska legislator Vic Kohring accepts cash from Veco's Bill Allen in this secretly recorded March 2006 video.
Video from the FBI
Former Alaska legislator Vic Kohring, left, accepts a snack from former Veco executives Rick Smith, in dark shirt, right, and Bill Allen, hand holding jar, during a March 30 meeting in Room 604 of the Baranof Hotel in Juneau.

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Anchorage Daily News (Alaska)

November 3, 2007 Saturday
FINAL EDITION

Conviction snagged on one point;
KOHRING: The jury found him guilty of all but a single charge.

BYLINE: By LISA DEMER ldemer@adn.com

SECTION: ALASKA; Pg. B1

LENGTH: 650 words

The reason jurors found former state Rep. Vic Kohring not guilty on one of the four corruption charges against him boils down to a technical requirement of a federal law that dates back more than 60 years.

On Thursday, a jury convicted the Wasilla Republican of three felonies -- bribery, conspiracy and attempted extortion -- but acquitted him of extortion. Afterwards, several jurors explained.

Kohring was a sympathetic figure, even a tragic figure, but it was clear prosecutors had enough evidence, except on one detail, said jurors including the foreman, Rocky Capozzi.

The official charge is a legalistic mouthful: Interference with commerce by extortion under color of official right.

It's commonly called the Hobbs Act, enacted in 1946 to fight violence and racketeering in labor unions and disputes with management. According to the U.S. Justice Department, it's now commonly used to go after public officials in corruption cases, including in Alaska.

In Kohring's case, jurors were instructed that prosecutors had to prove four facts for the Wasilla Republican to be convicted of extortion.

What stopped them was element four, that interstate commerce was affected in some way, Capozzi said.

"Well, not that we could tell," he said.

That requirement is what gives the feds jurisdiction over extortion involving state officials. But prosecutors say it only has to be a minimal effect.

According to testimony and surveillance recordings from the trial, Kohring conspired with executives with the former Veco Corp. -- which had operations in several states and countries before its sale in September-- to push through a new oil tax favored by North Slope oil producers.

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The tax, and a natural gas pipeline that could follow, would have enormous impact on Veco and the oil companies, all international, prosecutor Edward Sullivan told jurors in his closing argument on Wednesday.

But the 20 percent tax rate agreed to by the major oil producers and pushed by Veco ultimately didn't pass, so jurors said they didn't see that there was an effect.

Jurors did convict Kohring of attempted extortion. He tried to get Veco executives to help him with a $17,000 credit card debt from a surgery. He never got that money, either in a loan or otherwise, which is why prosecutors considered it attempted extortion.

194A-AN-13620-M; 602

But other elements of that charge were different too. Jurors had only to find that interstate commerce "would have been affected" in some way, not that it was, according to the written instructions given to them by U.S. District Judge John Sedwick.

When jurors began deliberating around noon on Wednesday, they didn't take an early vote to see how folks were leaning, said Capozzi, who was back at work Friday in his job as director of the University of Alaska Anchorage Aviation Technology division.

Instead, he said, "the very first thing we did was let everybody say everything you think and feel about this. Just vent. That was the starting point."

Another juror, Alan Rowe, a courier for Cal Worthington Ford, said some people hoped at the start that they could find Kohring not guilty on all counts. But as Capozzi helped them consider the various elements of each charge during nine hours of deliberations, they all realized that wouldn't be the right thing, Rowe said.

Hint to the lawyers and judge for the next trial: Jurors said they'd like the use of a machine to project documents onto the wall, so everyone can look at the same thing together. The jury only got one copy of the 26-page jury instructions.

"It was a very thorough and I thought extraordinarily fair process," Capozzi said. "There was a lot of emotion. There was a lot of empathy for, I thought, Victor Kohring the man, but the facts were the facts as we found them."

"Nobody was going to let their mind be decided on emotion alone."

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

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1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

November 4, 2007 Sunday
FINAL EDITION

Scandal brings change to Legislature;
JUNEAU: Oil industry sends fewer lobbyists to the Capitol.

BYLINE: By SEAN COCKERHAM scockerham@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 1406 words

DATELINE: JUNEAU -

State House Speaker John Harris sat in his quiet Capitol office on a recent morning, checking e-mail. Outside his door, the benches where lobbyists used to sit jammed thigh to thigh stood as empty as the T-shirt shops shut for the winter on the rainy streets of Alaska's capital city.

Harris looked up from his computer, swiveled around in his chair, and said that only a single oil lobbyist had come to see him since the special session on raising oil taxes had begun more than a week before. He said that lobbyist, Exxon Mobil's Kevin Jardell, didn't even really lobby him.

"I think they are very nervous about how much interaction they have with legislators," the Republican from Valdez said.

Alaska's state Capitol is a much different place these days. Legislators go to work every day in a building that was raided by the FBI in August 2006. They've watched former colleagues convicted of corruption and headed to federal prison. At least one sitting legislator has worked with the FBI in its investigation. A well-known lobbyist was revealed to have been wearing a hidden camera. A suite known as "Animal House" for drinking and lobbying in a popular Juneau hotel turned out to be wired with FBI recording devices.

It's not over.

The FBI has made clear its investigation into the political corruption is ongoing.

Legislators say the trauma has led to more openness in the Capitol but also greater suspicion. There's less industry lobbying in the halls, although indirect lobbying from advertisements is strong. Lawmakers are careful not to appear as though they are influenced.

Big Lake Republican Rep. Mark Neuman felt the need to declare "I haven't spoken to any lobbyist while working on this bill" during committee debate a week ago on the oil tax bill.

FBI - Stevens-1438

Some legislators also interact differently with one another.

"People are suspicious, scared, anxious, tight," said Eagle River Sen. Fred Dyson, who helped the FBI in its investigation.

Dyson said his colleagues have not shunned him for assisting the feds, at least not overtly. But he said he does regret that there's less overall camaraderie in the Capitol halls than there was before the FBI raids and subsequent trials.

Dyson said, though, it is a needed cleansing. He and other legislators also said the legislative process is more open than it used to be.

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NOT FUNNY ANY MORE

Lawmakers of all political stripes appear to be getting their questions answered inside and outside of the committee hearings, for example, instead of being blown off if they aren't in the majority. There seems to be more courtesy shown to the minority than in the past. Legislators consider that a more open decision-making process than what usually happens here.

Still, it's not clear how much of the apparent openness is a desire for good government and how much is fear of the voters and even of federal prosecutors. Legislators have acknowledged that there could be FBI bugs in the state Capitol and wiretaps on the phones.

House speaker Harris said he has told legislators -- mostly in jest -- that they'd better be careful about telling jokes that could be misinterpreted by anyone listening in.

Sen. Dyson said he has noticed legislators being more careful about what they say. He compared it to how people don't joke about bombs and guns at the airport.

"I'm guessing most of our boys are not talking about corrupt bastards and stuff," said Dyson.

The Corrupt Bastards Club started as a barroom joke last year among legislators who had been criticized for taking campaign contributions from the oil-field services company Veco Corp. A Veco executive even paid for the girlfriend of then-state Rep. Pete Kott to make "CBC" hats for club members.

But legislators don't find it very funny anymore.

Two Veco executives pleaded guilty in May to bribing Republican legislators during the debate last year that resulted in the current state oil tax system.

Kott is among three convicted legislators who are headed to federal prison. The corruption is a major reason Gov. Sarah Palin has called the Legislature into this special session to reconsider the oil tax.

$14.99 SPECIALS

Many of the legislators here collected thousands of dollars in Veco contributions over the years, a subject they are obviously sensitive about nowadays. Calls to the legislative ethics committee, which gives lawmakers advice on what's considered acceptable behavior, are up by at least one-third.

Several legislators said they have nothing to hide and are not worried at all about potential wiretaps or what they say. There's a deep frustration among legislators who say they are honest that they're all being painted as dirty.

The Legislature last spring, in response to the scandal, passed new ethics laws. Alaska didn't go so far as other states that have banned lobbyists from wining and dining legislators. But now the lobbyist has to report the cost if the tab goes over $15.

Lawmakers say some of their colleagues used to boast about never having to pay for a meal. That doesn't seem as prevalent, although there are jokes about $14.99 dinner specials.

"You don't see as many legislators with oil industry lobbyists in expensive restaurants," said Anchorage Democratic Rep. Mike Doogan.

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It's more low rent nowadays. Doogan said he saw a lobbyist eating with legislators at Subway.

Prominent Alaska lobbyist Ashley Reed said most legislators don't want to see their names listed in state reports as being wined and dined, particularly in the current political environment.

Reed isn't working for an oil company at the moment. But he's spent time at this special session talking to legislators about other issues. He said lobbyists and legislators are feeling out how to interact with one another in this new world. Everyone is trying to figure out how the new ethics laws work.

"I think there's a certain degree of nervousness, a lack of understanding, and people trying to figure out what they can and can't do vis-a-vis the ethics law," Reed said.

LOBBYING VIA ADS, E-MAILS

The lobbyists working this special session on oil taxes are mostly a subset of the regular crew that works every legislative session. There aren't planeloads of oilmen in dark suits from Anchorage and Houston working the state Capitol halls like in previous Alaska oil tax debates.

Conoco Phillips Alaska President Jim Bowles conceded in an interview before the special session that the current sensitivity of Alaska politics would obviously have to affect lobbying. Oil company representatives also say their lobbyists have always been there to provide information to state legislators -- not to twist arms. The companies deny having any knowledge of Veco's bribes.

Oil company representatives have spent hours testifying before committees, trying to make their case that higher oil taxes would hurt the state in the long run by discouraging investment. Company lobbyists watch, take notes and offer advice to the executives who testify.

Anchorage Rep. Doogan said oil company representatives who testify are less "confrontational."

There are no threats of leaving the state if oil taxes go up. It is more of a soft conversation, an attempt to show legislators the companies and the state have common interests.

Doogan said the oil companies are full of smart people and they have adjusted their tactics.

"The tide has turned on them. They are not in the catbird's seat -- at the moment," he said.

Not all lobbying happens directly in the Capitol and in Juneau bars and restaurants, though.

Legislators say they are getting e-mails from employees of oil-related businesses urging them not to raise taxes on the industry. Chambers of commerce have been asking businesses to call Juneau.

Anti-tax forces are trying to counter the significant pressure being placed on legislators by the popular governor's calls for higher taxes. The oil industry launched an aggressive statewide advertising blitz with newspaper, television and radio ads arguing against the tax.

House Minority Leader Beth Kertulla said those ads are a form of lobbying. It is a change in emphasis for the oil industry, the Juneau Democrat said.

"My sense is that it's less in the hallways here and more coming from outside this time," she said, sitting on one of the Capitol benches that, at least for this moment in Alaska's history, wasn't full of lobbyists.

Find Sean Cockerham online at adn.com/contact/scockerham or call him in Juneau at 907-586-1531.

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1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

November 5, 2007 Monday
FINAL EDITION

High prices fuel debate over oil tax;
MORE AT STAKE: With industry profits huge but production on the decline, how much can state take?

BYLINE: By STEVE QUINN The Associated Press

SECTION: MAIN; Pg. A1

LENGTH: 993 words

DATELINE: JUNEAU -

If oil companies want to continue taking Alaska's oil, state officials say they need to up the ante.

In fact, Gov. Sarah Palin wants 25 percent off the top of all profits the companies make in Alaska, up from 22.5 percent and the second hike in as many years. In a special legislative session, oil giants are warning lawmakers that another increase will make the Alaska business climate look unstable.

But after Western oil companies have been effectively kicked out of Venezuela and Russia, this could be a hollow argument.

"The financial impact pales in comparison to what's going on overseas," said Greg Priddy, analyst with New York-based Eurasia Group. "In the end, with these oil prices, it will be something the industry is willing to absorb."

Already beset by federal corruption probes into last year's oil tax changes, Alaska is hardly alone in pursuing a greater state share.

Battles between governments and the industry are being played out worldwide. And with oil prices inching toward $100 a barrel -- having already surged 20 percent in one month -- the tension between the two is not likely to ease.

"It's a concern for us," said Kevin J. Mitchell, vice president of finance for ConocoPhillips' Alaska operations. "This global phenomena of increased government take continues to increase the cost of doing business"

INTERNATIONAL TREND

Throughout the year, governments have aggressively gone after some of the oil companies' staggering multibillion dollar profits.

* In April, Royal Dutch Shell PLC was forced to cede control of a project in Russia's Sakhalin island to state-controlled OAO Gazprom at the behest of the government. Shell sold Gazprom 27.5 percent of its stake, leaving it with 27.5 percent

* In May, President Hugo Chavez's government took over Venezuela's last privately run oil field, squeezing out major producers including BP PLC, ConocoPhillips, Exxon Mobil Corp., and Chevron Corp.

* In June, BP agreed to sell its stake in a giant Siberian gas field project to Gazprom. This essentially meant the end of an era when foreign oil companies could control Russia's largest hydrocarbon deposits without a strong state-controlled partner.

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* And in a less severe blow to the industry in Canada, Alberta's provincial government just last month announced it would bump up its take from the industry by $1.45 billion starting in 2009.

"What you're seeing is a global pattern of governments trying to recoup more of the windfall," Priddy said. "What's happening in Alaska is a really mild form but a clear reflection of that."

In Juneau, the industry is balking at Palin's push to boost the tax rate for the second straight year. Last year, the industry pushed for a 20 percent net profits tax or lower; it was the first rate change in 17 years. Exxon Mobil still is pushing for a tax lower than 20 percent.

Today, the stakes remain high for both sides, especially on the North Slope, which accounts for close to 14 percent of the nation's domestic production but is also in a 6 percent annual decline.

Annual net income in Alaska has reached the $2 billion mark for companies like ConocoPhillips and BP; Exxon Mobil does not disclose financial information for its Alaska operations.

INDUSTRY WARNINGS

A second new tax in as many years could create an unstable investment climate in Alaska, industry executives caution.

Companies cite rising costs and harsh arctic conditions in Alaska as inherent risks not found in other regions such as the Gulf of Mexico.

"I do all my investments on an after-tax basis, said Claire Fitzpatrick, senior vice president for London-based BP's Alaska operations. "I have to be able to demonstrate that it's a better investment for London to give me the money rather than the Gulf of Mexico or the Rockies, and the tax is part of it."

BP, ConocoPhillips and Exxon Mobil stressed to lawmakers that there are no plans to quit the North Slope, but they must still heed their warning because production is waning.

In one case, ConocoPhillips said, changing the tax structure could affect six projects under evaluation; production would start in three years.

Kevin Book, an energy policy analyst with Friedman, Billings, Ramsey and Co., said the impasse often lies with how elected officials whose term expires in two, four or six years, think differently from oil executives who evaluate projects on a 20- and 30-year cycle.

"It leads to self-deflating policy choices," Book said. "It deters production that brings you income, or at least it delays it."

The legislative debate is entering its third week of a special session, which has been driven by much more than the need to bulk up the state's coffers. Four members of the state Legislature that passed that law have been indicted on federal bribery charges, and the federal corruption probe has stretched to the state's congressional delegation.

U.S. Sen. Ted Stevens and Rep. Don Young, both Alaska Republicans, have come under scrutiny for their ties to VECO Corp., which last year lobbied heavily for the new tax.

The measure, promoted as a way to provide a stable tax climate in Alaska, was sought by major petroleum producers before they would consider building a multibillion dollar natural gas pipeline tapping vast reserves on the North Slope.

VECO, whose top executives pleaded guilty to federal bribery charges, would have been in line to bid on lucrative construction and maintenance contracts if that project had been built.

The tax passed, but the pipeline deal never moved forward.

The issue of public trust hangs over the industry as well as the Legislature this time, said Republican John Coghill, chairman of the state's House Rules Committee.

"Because of the court action that's going on with those who were involved in the last go-around, it's going to be very

important," he said. "We have to look at it from a stewardship position."

ONLINE: For more on the special session and the oil tax plan, go to

adn.com/legislature

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Anchorage Daily News (Alaska)

November 7, 2007 Wednesday
FINAL EDITION

APOC to work with feds in corruption inquiry;
CONCERNS: State agency plans to pursue its investigation but will link up with Justice Department.

BYLINE: By SEAN COCKERHAM scockerham@adn.com

SECTION: ALASKA; Pg. B1

LENGTH: 269 words

The Alaska Public Offices Commission is moving forward on its investigation of what Veco illegally did to benefit Alaska politicians. But APOC is going to have its investigator liaison with the U.S. Department of Justice to try and avoid conflict with the ongoing federal investigation into corruption in Alaska politics.

The Justice Department had sent a letter in early October to state prosecutors asking them to stay out of the investigation. But APOC is a semi-independent state agency and decided to proceed with its investigation until hearing from the Justice Department itself.

William Welch, chief of the Justice Department's Public Integrity Section, then wrote APOC on Oct. 26. Welch said he encourages APOC, which focuses on campaign finance violations, to continue to gather publicly available information for its investigation.

But he expressed concern APOC might get in the way of the federal investigation if it starts issuing subpoenas. APOC isn't giving up its right to issue subpoenas. But the agency decided it would be a good idea to have its investigator liaison with someone in the Justice Department to try and avoid problems.

APOC's investigation is focusing on matters such as polls Veco illegally bought for legislators and illegal Veco campaign contributions.

Find Sean Cockerham online at adn.com/contact/scockerham or call him in Juneau at 1-907-586-1531.

POLITICAL SCANDALS: For coverage of the corruption investigations from Alaska to D.C., go to

adn.com/fbi

TALK BACK: See if you can hold your own with a fiery cast of characters on our political blog at

adn.com/alaskapolitics

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1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

November 7, 2007 Wednesday
FINAL EDITION

Oil tax hike likely as session nears end;
LOTS OF SPECULATION: Any result is possible, legislators say, with even no change a possibility.

BYLINE: By SEAN COCKERHAM scockerham@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 949 words

DATELINE: JUNEAU -

The stain of corrupt state legislators, reports of big oil company profits, and a tremendously popular governor are mixing into a potent political stew that's making it more likely legislators will raise taxes on the oil industry.

There are 10 days left in the 30-day special session on raising the state's main oil tax. The lower committees are done with their work. Now it's time for the real show -- the finance committees and the fights on the House and Senate floor over raising the oil tax. More than a billion dollars a year could be at stake -- for the state to get or the oil companies to keep.

The battle lines in Juneau are being redrawn this week as the special session approaches its climax. The rhetoric is less now about whether to raise oil taxes and more about how much and at what price.

Senate President Lyda Green has probably been the most powerful opponent of Gov. Sarah Palin's push to raise taxes. But even Green said she could support raising the extra tax the state collects when oil prices and company profits are high.

"I think that's where we're headed," the Wasilla Republican said.

The Republican governor, though, said the price-driven approach Green is talking about does not go nearly far enough.

Democrats call it a weak Plan B embraced by legislators who would really prefer to do nothing.

Legislators say this is a free-for-all.

The oil tax bill has many moving pieces -- tax rates, tax credits, deductions, retroactivity, etc. -- and changing any one of them affects allegiances. It's not like a lot of issues in the Legislature, where powerful leaders of the majority have the votes locked down.

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This will not be a party line vote.

Palin seems confident.

"At the end of the day, Alaskans are going to be very pleased with the outcome," Palin said.

IMPETUS TO ACT

There's a lot of pressure on legislators to act. Three of their former colleagues appear headed to federal prison for taking bribes during the debate last year that ended in the current oil tax system. More indictments are expected. Consultants are

194A-AN-13620-M; 606

telling lawmakers they can raise taxes without driving away oil investment. Many constituents don't want them to emerge from the special session empty-handed.

But oil company representatives say higher taxes will harm investments. That's not what's good for the state or the industry at a time when oil production is in steady decline, they say. Chambers of commerce are weighing in on their side.

There's still a very real chance that this special session will end next week with no change to the oil tax. There remain many divided factions, and getting a majority to agree on anything will be tough. Anti-tax legislators have a powerful ally: the clock.

The special session is set to end Nov. 16. Legislators can vote to extend the session. But many of them are tired of being here and Thanksgiving is coming. Eagle River Rep. Bill Stoltze, who wants a higher tax, figured there is between a "zero and negative 5 percent chance" his colleagues will vote to extend themselves for more time in Juneau.

Stoltze said delay is a useful tactic for legislators who want to leave the tax alone.

"It's a lot easier to make nothing happen than something happen," he pointed out.

There's constant speculation in the Capitol halls, but no one can credibly predict how it will turn out.

"There is a possibility that we'll get a strong oil tax out of here," said Anchorage Democratic Sen. Hollis French, whose Judiciary Committee passed a bill last weekend that would bring in even more money than the governor's plan.

83 PERCENT APPROVAL

The Palin factor will help shape the outcome. The governor had an 83 percent approval rating in one recent poll. Legislators have to think about whether they want to take her on.

Palin wrote a newspaper column last week defending her plan. But she has not visibly waded into the Capital fray during this special session.

She has not testified before a committee or given speeches to the Legislature the way that her predecessor, Gov. Frank Murkowski, did (with limited success). Palin has called only a single press conference this special session, and that was to talk about the Exxon Valdez court case.

At least one legislator, Fairbanks Republican Rep. Jay Ramras, has questioned why the governor is not more involved in pushing her oil tax. Palin brushes off the criticism.

"Things are going very well with the role that I've been playing thus far," the governor said.

Palin said her role is to speak with legislators individually and in groups when they have questions about her tax proposal.

"So far so good. And that is what we will continue to do," Palin said.

Palin said she doesn't think the majority of legislators agree with the senate president's view that taxes should go up only when oil prices are high. The governor wants also to increase the base state oil profits tax rate from 22.5 to 25 percent.

Her revenue commissioner, Pat Galvin, said $80- and $90-a-barrel oil prices are a very recent phenomenon. Legislators need to raise the base tax rate and not bank on high prices, he said.

But lawmakers who want to only raise the surcharge at high prices say it's a way to get money without hurting investment. Several who previously didn't want to change the tax at all said consultants have helped convince them this could work. Details of how it would look are under construction.

"I think our finance (committee) guys are working on a very ambitious plan to increase the take in a way that's a little less painful," said Green, the Senate president. "Then everybody shares on the upside."

Find Sean Cockerham online at adn.com/contact/scockerham or call him in Juneau at 907-586-1531.

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WHAT DO I KNOW?

.....THIS AND THAT AS THINGS COME UP

FRIDAY, NOVEMBER 09, 2007

DOJ Press Release on Kohring Trial

Again (as with the Kott verdict), the Department of Justice tells the world that the defendant was convicted of three counts (bribery, conspiracy, and attempted extortion) but doesn't mention that he was NOT convicted of one count (extortion.) It's one thing for private companies to omit important information to make themselves look good, but it's entirely different when the government does that.

Also of interest is that they say he faces a maximum of 35 years in prison (20 years on the attempted extortion charge, 10 years on the bribery charge, and five years on the conspiracy charge.) If the *attempted* extortion charge means up to 20 years, what would he have been facing if convicted for extortion? Not only did the DOJ not mention that he was acquitted on one charge, but that he was acquitted on the most significant charge - Extortion.

The last paragraph is also of interest:

> This case was prosecuted by trial attorneys Nicholas A. Marsh and Edward P. Sullivan of the Criminal Division's Public Integrity Section, headed by Chief William M. Welch, II, and Assistant U.S. Attorneys Joseph W. Bottini and James A. Goeke of the District of Alaska. The case is being investigated by the FBI and the Internal Revenue Service Criminal Investigative Division.

The first sentence includes all four attorneys, though only Sullivan and Bottini actually tried the case. Marsh was there for the first couple of days. He said he was returning to DC after that. Goeke was in Courtroom 3 during most of the Kohring trial, sitting in the back.

The last sentence says the IRS is investigating the case with the FBI. One question that has been raised about the Veco contributions to remodeling Ted Stevens' Girdwood house has been about what Stevens did for Veco in return. Can the Government prove a direct connection? There is the National Science Foundation grant that Veco got. But if the IRS is investigating too, perhaps they are checking on whether Stevens declared the $100,000 worth of work Allen says Veco did for Stevens on his income tax forms.

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ABOUT ME

STEVE

I started this blog just to find out what the blogworld was all about. I figured I needed to actually blog, not just read other people's blogs, to understand how it works, and what ways it could be used. This is all experimental. A learning exercise for me. It's turning out to be a look at one person's (mine) life in Anchorage. November was devoted to posts from India. February and March were from Thailand. Back in Anchorage now.

VIEW MY COMPLETE PROFILE

BLOG ARCHIVE

▼ 2007 (431)
▼ November (26)
Assembly Work Session on Anti-Sanctuary Ordinance

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Former Alaska State Representative
Victor Kohring Convicted on Public Corruption Charges

WASHINGTON – A federal jury in Anchorage, Alaska, has found former Alaska State Representative Victor H. Kohring guilty of conspiracy, bribery and attempted extortion, Assistant Attorney General Alice S. Fisher of the Criminal Division announced today.

Following an eight-day jury trial, Kohring, a member of the Alaska State House of Representatives from 1994 to 2007, was convicted of conspiracy, bribery and attempted extortion, for corruptly soliciting and receiving financial benefits from a company in exchange for performing official acts in the Alaska State Legislature on the company's behalf.

On May 4, 2007, Kohring was arrested following the unsealing of two indictments charging him and two former Alaska representatives with various public corruption offenses.

At trial, the jury heard evidence that Kohring, while serving as a member in the state legislature, solicited bribes from and took action to benefit the financial interests of VECO Corporation, a major Alaska oil services company. Trial evidence, including more than 25 recordings of conversations involving Kohring and former VECO executives, showed that Kohring repeatedly agreed to lobby his colleagues and, if needed, cast votes in VECO's favor on a key petroleum production tax proposal pending before the Alaska legislature. In exchange, Kohring received multiple cash payments and solicited a $17,000 payment.

"Former Representative Victor Kohring betrayed his oath of office and the people of Alaska when he deliberately and repeatedly took bribes in exchange for official acts," said Assistant Attorney General Fisher. "I thank the federal prosecutors and FBI agents who have worked so hard on this case. Their efforts demonstrate that the Department of Justice will pursue public officials who abuse their positions of power for their own financial gain."

The VECO executives who testified at trial, former Chief Executive Officer Bill J. Allen and former Vice President of Community Affairs and Government Relations Richard L. Smith, pleaded guilty in May 2007 to providing more than $400,000 in corrupt payments to public officials from the state of Alaska.

- Charlie Wilson's War
- Library Day, Anchorage is Our Home
- Mountain Ash Berries on Ice
- Big Oil's Still Big Oil
- State Censoring Blogs?
- Watching the Snow Fall
- Refugee Nation
- Jack Dalton - My Heart Runs in Two Directions
- Darjeeling Limited
- DOJ Press Release on Kohring Trial
- Back into the Real World - Chester Creek
- Trial Leftovers - Access to Courts and Credentiali...
- Liberty Watch 2
- Talk of Alaska
- Blog Meets Radio - KSKA Tuesday at 10am
- Liberty Watch - Who Reads Your Email?
- Dan Fagan on Vic Kohring
- Paul Kendall on Hydrogen
- More Horror Stories from Naomi Wolf
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- Day Light Savings
- Web Surfing Tip
- Buddhist Influence on my Views of Anger
- Let he who is without sin, cast the first stone.
- Kohring Jury Says Guilty Three Times out of Four

▶ October (58)
▶ September (69)
▶ August (53)
▶ July (48)
▶ June (36)

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Kohring is the third former member of the Alaska House of Representatives to be convicted this year of corruption crimes. Thomas T. Anderson, a former elected member of the Alaska state House of Representatives, was sentenced to 5 years in prison for extortion, conspiracy, bribery and money laundering for soliciting and receiving money from an FBI confidential source in exchange for agreeing to perform official acts to further a business interest represented by the source. Peter Kott, a former Speaker of the House of Representatives, was convicted in September 2007 of extortion, bribery and conspiracy, and is scheduled to be sentenced on Dec. 7, 2007.

Kohring faces a maximum sentence of 20 years in prison on the attempted extortion charge, a maximum sentence of 10 years on the bribery charge, and a maximum sentence of five years on the conspiracy charge. U.S. District Judge John W. Sedwick of the District of Alaska set sentencing for Feb. 6, 2008.

This case was prosecuted by trial attorneys Nicholas A. Marsh and Edward P. Sullivan of the Criminal Division's Public Integrity Section, headed by Chief William M. Welch, II, and Assistant U.S. Attorneys Joseph W. Bottini and James A. Goeke of the District of Alaska. The case is being investigated by the FBI and the Internal Revenue Service Criminal Investigative Division.

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07-878

POSTED BY STEVE AT 5:52 PM

LABELS: ETHICS/CORRUPTION, KOHRING TRIAL, TED STEVENS

1 COMMENTS:

Elaine said...

The IRS is investigating, too?
How interesting.
When they come after somebody, that person is TOAST.
This just gets more and more interesting. I will lay in a supply of pop corn for the next few months.
Keep up the good work - Steve - it's going to be a long and dark winter.
Elaine

SAT NOV 10, 01:27:00 PM PST

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ethics/corruption (108)

Anchorage Daily News (Alaska)

November 11, 2007 Sunday
FINAL EDITION

Earmarks and favors;
Rep. Don Young used his influential position to win donations and fund donors' projects

BYLINE: By GREG GORDON and ERIKA BOLSTAD McClatchy Newspapers

SECTION: MAIN; Pg. A1

LENGTH: 2775 words

As chairman of the House transportation committee, Alaska Congressman Don Young crisscrossed America to view proposed highway projects -- and to collect campaign contributions from road builders, real estate developers, lobbyists and business people. With weak opposition in his elections in Alaska, he spent campaign money to fly in corporate jets and stay in luxury resorts and hotels. Back in Washington, he steered hundreds of millions of dollars in federal highway money to pet projects that benefited people who gave him campaign cash.

WASHINGTON -- As chairman of the House transportation committee, Alaska Congressman Don Young flew at least three times to upstate New York aboard a jet owned by Robert Congel, an ambitious shopping mall developer seeking federal highway money.

With Young's help, Congel got millions of dollars to boost his dream of building the largest mall in North America. The veteran Republican congressman got something, too: more than $33,000 in political contributions from Congel, his family and his associates.

For Young, the Congel story was hardly unusual. Time after time in recent years, Young approved millions of dollars for highway projects for people who in turn fattened his campaign treasury.

With money pouring in from transportation interests, Young amassed $6.5 million in political contributions from 2001 to 2005. Facing weak political opposition at home, he didn't need much for his campaign. Instead, Young tapped his campaign fund to travel the country, often lavishly and in corporate jets, to meet with more developers and view their proposed highway projects.

Now Young's campaign donations are going for another purpose. He's spent nearly $450,000 on criminal defense lawyers so far this year after he learned of an FBI investigation into his relationships with political donors, who include a Florida real estate developer seeking a highway ramp near his undeveloped land.

Young has plenty of company in Congress when it comes to parlaying federal contracts and grants into campaign donations. But few have taken richer advantage of a controversial process called "earmarking."

During his six years as chairman of the Transportation and Infrastructure Committee, Young transformed the massive 2005 highway spending bill by dramatically increasing the use of earmarks, which set aside billions in federal money for pet projects.

With Young in charge, the number of earmarks more than tripled -- from 1,850 projects worth $9.35 billion in 1998 to 6,371 projects valued at $24.2 billion in 2005. Federal auditors have found that thousands of these new earmarks weren't priorities for state transportation officials.

A McClatchy Newspapers investigation has found just how lucrative Young's earmarks were:

FBI - Stevens-1452

194A-AN-13620-M;608

* Of the $6.5 million in contributions that Young collected -- $5.5 million for his campaign and $1 million for his leadership political action committee, or PAC -- about 85 percent came from people who didn't live in Alaska and couldn't vote for him.

* While the number of donors who got earmarks is hard to determine, an analysis of Young's campaign finance reports show that beneficiaries of just seven earmarks with a total price of $259 million gave the veteran congressman at least $575,000. None of the projects was in Alaska.

* As hundreds of lobbyists sought to influence the massive highway-spending bill from 2003 to 2005, Young accepted at least 20 trips aboard private aircraft provided by corporations currying favor with the powerful congressman. He also stayed at such luxury hotels and resorts as the posh Four Seasons hotel in Newport Beach, Calif., MGM's five-diamond Bellagio casino in Las Vegas and the Lodge and Ranch at Chama, N.M., which offers pricey hunting and fly-fishing excursions.

ACTION 'BEARS SCRUTINY'

Young, 74, who has been Alaska's only member of the House of Representatives for 35 years, declined to be interviewed for this story, to comment about specific earmarks or to answer questions about his political donors.

In a written statement, he said that if members of Congress didn't earmark funding, "then federal agencies (would) decide where the money is best spent in that district." He didn't say why that system would be worse than Young himself deciding the fate of projects across the country.

Young's financial relationships with those seeking specific earmarks have created some unseemly appearances. For example, dozens of transportation lobbyists fly to Alaska each year for a fundraiser, where they join Young for a day of salmon fishing.

One aspect of the pending FBI investigation centers on Young's role in securing a $10 million earmark in the $286.5 billion highway bill passed in 2005. The earmark, which was inserted in the bill after final passage by the House of Representatives and Senate, was for a study of a highway ramp sought by a Florida real estate developer. At a fundraiser while on a trip to Bonita Springs, Fla., to inspect the site, Young received more than $40,000 in donations.

The FBI also has looked into Young's connections to an indicted Wisconsin trucking executive who benefited from the provisions in the highway bill, and into his relationship with executives of Veco Corp., the Alaska oil field services company that has been Young's top source of campaign donations over the past two decades. Two top Veco officials have pleaded guilty to bribing Alaska state legislators and using company money to make illegal campaign contributions to state and federal candidates.

Young's legal problems reflect a rise in political corruption investigations by the Justice Department in recent years, which have focused on the connections between campaign contributions and the funding of pet projects through earmarks. So far, more than a dozen members of Congress have come under federal scrutiny.

Ronald Levin, a law professor at Washington University in St. Louis who has studied congressional ethics, called Young's issuance of earmarks benefiting donors who weren't his constituents "unusual" and said that it "bears scrutiny."

One question, he said, is "did he arrange favors for them because they were contributors?" Even if there's no evidence that Young exchanged legislative favors for donations, Levin said that the House ethics committee members would have to decide "whether they can identify some act or conduct on his part that sets him apart from conduct generally tolerated."

Daniel Lowenstein, a University of California, Los Angeles, law professor who's written extensively about election law, declined to comment on Young's fundraising but called the earmarks system "a serious problem" because some campaign donors "are or seem to be ... interested in very specific projects."

The surge in earmarking has been a bonanza for Alaska. Young and Republican Sen. Ted Stevens, at the time the chairman of the Senate Appropriations Committee, played central roles in landing $1 billion in earmarks for Alaska, the equivalent of about $1,500 for every man, woman and child in the state. It was the third highest amount in the nation.

Among the earmarks: $449 million for what critics have ridiculed as two "bridges to nowhere" -- one in Ketchikan and one across Knik Arm in Anchorage formally named Don Young's Way. Alaska Gov. Sarah Palin, also a Republican, last

month refused to use any more money for the Ketchikan project, redirecting it for other purposes.

EARMARKS HAD FEW FINGERPRINTS

In his statement to McClatchy Newspapers, Young said that Alaska is "more than twice the size of Texas" and "a relatively new state that did not start building its infrastructure until World War II," while "most other states have had a few hundred years to do what we've been trying to do." He said it would have been "irresponsible" for him, as chairman, to pass over less populated states that otherwise "would be overlooked by the Washington bureaucracy."

But in the wake of a deadly interstate highway bridge collapse in Minnesota, U.S. Transportation Secretary Mary Peters said in September that Congress' "addiction to earmarks" is diverting funds urgently needed for bridge and road maintenance and to address mounting traffic congestion in big cities.

Unlike today's rules, which require House members to disclose their sponsorship of earmarks, many of the 2005 transportation earmarks were attached to the five-year spending bill in a secretive, closed-door process that left few fingerprints.

Helping move the bill along were 1,117 lobbyists who were paid tens of millions to seek earmarks on behalf of corporations, institutions and even state and local governments, says the nonprofit watchdog group Taxpayers for Common Sense. Among the lobbyists were several former Young aides.

While some congressmen and senators publicly touted earmarks to their constituents, the rationale behind many earmarks is difficult to determine. State and federal transportation officials are loath to criticize publicly those earmarks that they didn't seek for fear of angering Young and other senior legislators.

About 5,600 of the earmarks, worth $17 billion, ordered specific uses for money that states were due to receive under a formula based on size and population. In a recent audit, the U.S. Transportation Department's Office of Inspector General quoted Federal Highway Administration officials as saying that many of those earmarks went for projects "that would not have been high-priority candidates for funding" by state officials.

"They paved the legislation with political pork, ignoring real transportation needs," charged Keith Ashdown, chief investigator for Taxpayers for Common Sense. He pointed to Cincinnati's Brent Spence Bridge, which needs to be rebuilt but received only a few million dollars.

"The 150,000 people who drive over Brent Spence every day is likely to be the number of people that drive over one of the Alaska 'bridges to nowhere' in a year," Ashdown said.

More than 700 other earmarks, costing $6.9 billion, drew even bigger jeers from policy watchdogs because they didn't undergo the kind of rigorous cost-benefit analyses that states usually are required to perform to receive federal highway money.

WIDELY TRAVELED

In addition to the Florida highway ramp, Young's earmarks include:

* Two $5 million allotments benefiting Syracuse, N.Y., shopping mall developer Congel, one for a state study of transportation projects near where Congel hopes to build North America's largest mall and one to develop digital construction technology. Congel, his employees, family members and friends donated more than $33,000 to Young.

FBI - Stevens-1454

* $100 million sought by road builders from Virginia and elsewhere to kick-start a multibillion-dollar project to add four truck lanes to a 325-mile span of Interstate 81, a plan that was scaled back dramatically after an environmental review. Executives of many of the 40 companies backing the plan, their family members and political action committees gave Young $237,000.

* $32 million for five central California projects backed by Young's friend and colleague, then-Republican Congressman Richard Pombo, including a highway interchange in Pombo's hometown of Tracy, where he and his family had extensive real estate holdings. Young collected more than $34,000 at a San Jose area fundraiser in April 2004. Road builder URS Corp. helped pay for a dinner reception; Young's campaign finance report showed he reimbursed the company $845 for the cost.

Young's spokeswoman, Meredith Kenny, said recently that as chairman, the congressman traveled far and wide to view proposed highway and transit projects. "If he's going to fund a project, he wants to see it," she said.

During a standoff with the White House that delayed the transportation bill's passage by nearly two years -- Young wanted to spend more money than the administration was willing to allow -- he crisscrossed the country, often accompanied by his wife, Lu (for whom he named the highway bill SAFETEA-LU). He traveled to Arizona, Arkansas, California, Florida, New Jersey, Texas, Washington and Puerto Rico.

Between 2003 and 2005, Young rode in jets owned or leased by companies seeking earmarks. At the time, a House rule allowed congressional campaigns to reimburse the firms the equivalent of first-class airfare instead of the actual cost for the more expensive private flight.

Young's campaign aides frequently scheduled fundraisers to coincide with his visits, and the delays in passage of the highway bill allowed a second round of fundraisers in a new campaign cycle.

Young also helped Arkansas' congressional delegation procure a $72 million earmark for a highway link between Pine Bluff and a future Interstate 69. Making two trips to Arkansas -- one in each election cycle -- he collected $60,000 in January 2004 and $147,000 in March 2005.

Young also got at least $24,000 from executives of Arkansas-based Wal-Mart Stores and its PAC. Wal-Mart, which hired former Young legislative director Levon Boyagian to lobby on its behalf, benefited from a $35 million earmark for widening a road in front of its Bentonville, Ark., headquarters.

A QUESTION OF PRIORITIES

Florida Transportation Secretary Stephanie Kopelousos, whose agency opposes earmarks, said the funds usually amount to no more than seed money. States then must come up with millions of dollars to finish low-priority projects. Some cities and counties whose projects were rejected in the resulting budget squeeze then hire their own lobbyists to push for congressional earmarks, she said.

Ronald Utt, a Heritage Foundation scholar who has studied wasteful spending in transportation bills, said many earmarked projects are of such low priority that billions of dollars in earmarked money has gone unused.

Until the late 1990s, the U.S. Transportation Department issued reports listing earmarks that were never used, he said, but that practice was ended because Congress didn't want the results known.

"What they were finding was that about half the earmarks that were authorized by Congress were never done," Utt said, calling that a logical conclusion. "Usually the reason you have an earmark is that these are projects that would never get done under normal circumstances."

Among earmarks' chief defenders is the House committee's new Democratic chairman, Jim Oberstar of Minnesota, who waited 40 years as a congressional aide and congressman for his turn in the chairman's seat. Oberstar believes that ending earmarks wouldn't remove politics from the process, but only cede to state governors and transportation commissioners decisions over how to spend federal tax dollars, an aide said.

A number of fiscal conservatives in Congress are pushing for reforms to rein in earmarking, and President Bush has used his veto power to protest earmarks, which he says reflect a lack of "fiscal discipline."

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But outlawing them will be tough, as exemplified by the attitude of City Commissioner Ben Nelson of Bonita Springs, Fla., who supported Young's controversial earmark for a highway ramp study. Nelson said he wouldn't "pass moral judgment on the way the process works" in Congress.

"The city of Bonita Springs is supportive of the earmark," he said, "regardless of how 'dirty' it is."

Greg Gordon is a reporter in the Washington bureau of McClatchy Newspapers, and Erika Bolstad covers Alaska issues from Washington for McClatchy and the Daily News. E-mail them at ggordon@mcclatchydc.com and ebolstad@adn.com

WHAT DO YOU THINK?: Talk about this story and hear what others have to say. Click on the story and go to the reader comment section at the bottom.

INSIDE: A closer look at some of the projects that Rep. Don Young went to bat for. See Page A-6

SOME PROJECTS YOUNG HELPED

IN VIRGINIA: Road builders and others pushing a multibillion-dollar truck highway project gave Rep. Don Young more than $230,000 in campaign contributions. Young supported spending $100 million to kick-start the project.

IN SYRACUSE, N.Y.: More than $33,000 in campaign contributions came to Young from a real estate developer, his family and friends. Young supported $10 million in federal spending to benefit the developer, including paying for a traffic study where he hopes to build North America's largest mall.

IN ARKANSAS: More than $200,000 came to Young from Arkansas fundraisers and Arkansas-based Wal-Mart executives. Young helped fund a $72 million highway project between Pine Bluff and a planned interstate, and $35 million for widening a road leading to Wal-Mart's Bentonville headquarters.

IN FLORIDA: Developers met with Young and donated more than $40,000. Young earmarked $10 million to study an offramp.

LOAD-DATE: November 12, 2007

LANGUAGE: ENGLISH

GRAPHIC: ILLUSTRATION SHOWS INCREASE IN EARMARKS BETWEEN 1982 AND 2005 AND SUGGESTS THEY'RE OUT OF CONTROL.
ILLUSTRATION SHOWS DON YOUNG'S FUNDRAISING TRAIL AND PROJECTS.
BOB HALLINEN / Daily News archive 2006
Use of earmarks tripled during Rep. Don Young's six years as chairman of the House transportation committee.
LAUREN VICTORIA BURKE / Associated Press archive 2006
As chairman of the House Transportation and Infrastructure Committee, Young oversaw a tripling in the use of earmarks.
BILL ROTH / Daily News archive 2007
Congressman Don Young reacts to protesters gathered where food was being served at his meet and greet at the Delaney Park Strip last August. Young said, "It's America; they can do what they want to do."

DOCUMENT-TYPE: Staff

PUBLICATION-TYPE: Newspaper

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1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

November 11, 2007 Sunday
FINAL EDITION

Legislators try to plug break for line repairs;
SESSION: Lawmakers want loophole closed that allows oil firms to deduct fix-it expenses.

BYLINE: By STEVE QUINN The Associated Press

SECTION: ALASKA; Pg. B1

LENGTH: 737 words

DATELINE: JUNEAU -

As the state Legislature spends its last week of a special session wrangling over a tax hike on oil companies' net profits, there still is the matter of a certain $130 million tax break to resolve.

That's essentially the amount current state laws says BP can legally deduct for replacing 16 miles of transit pipeline that sustained two corrosion-related leaks last year and caused a partial shutdown at Prudhoe Bay, the nation's largest oil field.

Many legislators say the law has a loophole that must be closed. Others say a hasty change could create more problems. More than one year later, the issue remains highly charged.

Corrosion was to blame for a leak that spilled more than 200,000 gallons in March 2006 in a section of the transit line. BP recently pleaded guilty to a criminal violation of the federal Clean Water Act for that record spill.

A much smaller spill in another part of the line occurred in August 2006, while state lawmakers were debating oil taxes. That spill triggered the Prudhoe closures and sent oil prices toward $80 per barrel, stirring fears of escalating gasoline prices.

"The price of oil had gone up, so the shutdown wasn't leaving us destitute," said Sen. Gene Therriault, R-North Pole. "But what we immediately started talking about was, should they be able to deduct that expense. That debate continues."

Since then, two state lawmakers have pushed for a tax law change that would keep oil companies from passing repair costs stemming from improper maintenance back to the state through deductions and tax credits.

Bills sponsored by Sen. Tom Wagoner of Kenai and House Rep. Kurt Olson of Soldotna, both Republicans, were stalled in separate committees during the regular session that ended in May.

Last year Wagoner unsuccessfully tried to push this consideration into the state's new tax bill just a few days after the partial shutdown.

WHO SHOULD PAY?

The two lawmakers are now pinning their hopes on similar provisions in Gov. Sarah Palin's bill being debated in a special legislative session scheduled to end Friday.

"Bad maintenance or lack of maintenance should not be passed back to the citizens of Alaska. It's that simple," said Olson. "If they end up taking these deductions, then we end up paying for that poor maintenance, and that needs to be fixed."

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BP spokesman Ronnie Chappell said lawmakers need to be mindful that BP's transit pipeline is a $260 million investment into new infrastructure designed to last decades.

"This is a significant upgrade and capital investment in the future of that oil field," Chappell said. "We will continue to take any and all deductions we are allowed under the law."

• The federal government hasn't missed its chance to hold BP accountable. Congress has held hearings on the corrosion, including one in May while Wagoner's bill languished in a House committee.

In late October, BP entered into a plea agreement on the misdemeanor violation of the federal Clean Water Act. The agreement with the U.S. Attorney's Office will cost BP more than $20 million.

LOOPHOLES

State lawmakers, however, have been less successful than the federal government, a setback Wagoner deems, "an embarrassment."

"Big brother has got to take care of state of Alaska," Wagoner said. "That doesn't look very good to me."

BP's federal criminal negligence is not covered as a deduction exemption under the state's current tax law.

Palin's new bill proposes a change in who should pay for petroleum equipment maintenance repairs that stem from an "unscheduled interruption of, or reduction in the rate of, oil or gas production."

The plea agreement enhances the urgency to rewrite the law, Palin said.

"It's been clear by the evidence in this case as to why we need to close the loopholes," Palin said. "That's what this bill covers."

If lawmakers can't find room for provisions under Palin's plan, House Finance Committee Mike Chenault, R-Nikiski, said he would revisit Wagoner's bill.

That bill was referred to Chenault's committee with less than a week remaining in the regular session last May. Chenault said there was no time to hold a hearing because the House was still dealing with other pressing matters, including a multibillion-dollar state budget.

"Some of the deductions need to be looked at and they need to be tightened," Chenault said. "I don't think they should be given a free ride. If they had shoddy maintenance, it shouldn't be deductible."

LOAD-DATE: November 12, 2007

LANGUAGE: ENGLISH

DOCUMENT-TYPE: WIRE

PUBLICATION-TYPE: Newspaper

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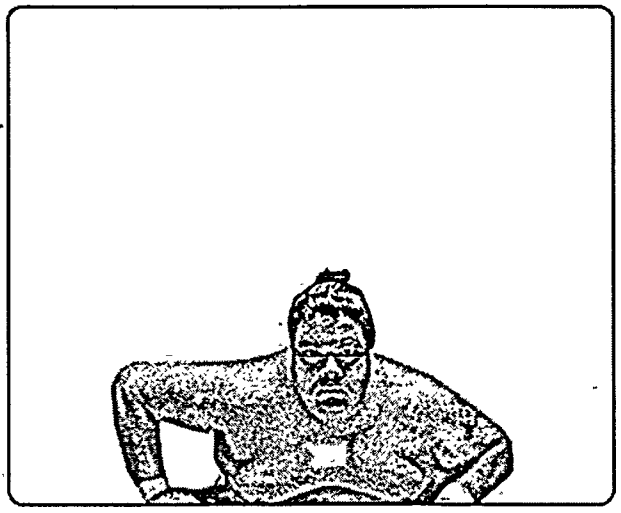

CORRECTION TO THIS ARTICLE
Previous editions of this article in print and on the Web incorrectly identified state Rep. Jay Ramras (R) as Ray Ramras. This version has been corrected.

'I'll Sell My Soul to the Devil'

Corruption Scandals Involve Alaska's Biggest Political Names

By Karl Vick
Washington Post Staff Writer
Monday, November 12, 2007; A01

ANCHORAGE -- When the FBI came looking for corruption in Alaska politics, it found an excellent perch in Suite 604 of the Baranof Hotel in Juneau, the state capital. There, a profane septuagenarian named Bill Allen did business throughout a 2006 special session called to set taxes on the oil industry. With hundred-dollar bills in his front pocket for ease of access when lawmakers turned up with their hands out, the oil-services company executive turned in a bravura performance before the pinhole camera that federal agents installed opposite his favorite chair.

"Let me count first here," Allen said, shushing a former statehouse speaker as he counted out a bribe in video footage entered as evidence in the lawmaker's September trial, one of several crowding the docket of the federal court here.

On another tape, Pete Kott, the former Republican speaker of the Alaska House of Representatives, crowed as he described beating back a tax bill opposed by oil companies. "I had to cheat, steal, beg, borrow and lie," Kott said. "Exxon's happy. BP's happy. I'll sell my soul to the devil."

"Well, that will stay in this room," one lobbyist said as a midnight session wound down.

It did not, of course. Since breaking into public view a year ago when federal agents raided lawmakers' offices and homes -- finding $32,200 neatly stacked in a closet of Kott's condo -- the federal probe has produced four indictments, three convictions, three guilty pleas and a rapt audience keen to see how high into Alaska's political hierarchy the rot reaches.

Officially, the scandal has remained confined to Juneau, where Alaska lawmakers had grown so accustomed to operating under the presumption of impropriety that several of them embroidered ball caps with the letters CBC, for "Corrupt Bastards Club." (An Anchorage coffeehouse now offers Corrupt Bastards Brew.) But with signs that the investigation is brushing against Alaska's lone congressman, Don Young (R), and its longtime and venerated senator Ted Stevens (R), residents of the Last Frontier are experiencing a rare spasm of soul-searching.

"These disclosures have come as a real shock, because of revelations of what was going on, and because Alaskans have always felt that they are special," said Vic Fisher, 83, one of four surviving members of the convention that only a half-century ago wrote Alaska's state constitution. "And that this thing is ruining our national reputation."

FBI - Stevens-1459

194A-AN-13620-M;610

Young, who has represented the nation's largest state in the U.S. House for 34 years, has not been named in the proceedings -- yet he reports spending $450,000 on legal fees over the past six months. Veco, the oil-field services company that Allen owned, was Young's largest campaign contributor.

Stevens, an iconic figure who has dominated Alaska politics for decades, has said little publicly since agents swarmed over his mountainside home, the renovation of which was overseen by Allen.

But Ben Stevens, the senator's son and a former Alaska Senate president, has been at the center of the scandal from the start. When Allen pleaded guilty to bribery and conspiracy charges, he stated that almost a quarter of a million dollars in consulting fees paid to the younger Stevens was in fact bribery.

"About the only ones that I can trust is you and ol' Ben Stevens," the oil executive told Kott on one tape.

The younger Stevens maintains his innocence, most recently in a call to an Anchorage radio talk show that noted he had received fees from fishing companies that benefited from federal grants his father engineered.

"I'm under investigation by the Department of Justice, the FBI, the IRS, the National Marine Fisheries Service," Ben Stevens told KFQD-AM. "This is a feeding frenzy. Anybody who says anything, this is an environment where any accusation is . . . is automatic guilt."

The probe has delivered low humor as well as bad behavior. In one exchange the FBI captured by wiretap, Allen handed a sexual potency pill and a sleeping pill to Kott -- who later phoned, confused and upset, after mixing them up.

"Sometimes you try to come up with an exaggeration to make a point," said Les Gara, an Anchorage Democrat. "It's hard to do that here."

Not all the indictments rose from oil money. Former representative Tom Anderson last month was sentenced to five years for taking money from a consultant for a company hoping to build a prison in Alaska; the consultant was working undercover for the FBI. The Republican lawmaker's only previous brush with the law came when his girlfriend, a fellow legislator, summoned police as they fought over bowling scores.

But Alaskans appreciate, on a personal level, the role of petroleum in their state. When vast deposits were discovered on the North Slope, the government negotiated a share of royalties that now accounts for 85 percent of the state budget. The windfall not only lets Alaska do away with personal income tax but also offers annual payments to every one of its 670,000 residents. This year's check: $1,654.

Dependence on such a mammoth scale naturally affected the dynamic in Juneau, where the Petroleum Club became the preferred site for political fundraisers.

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"You get this frontier image of individualism, stereotypical bluster, self-reliance, and it plays right into corrupt politics," said historian Steve Haycox, author of several books on Alaska. " 'We don't need advice from anybody else. We don't give a damn about traditional institutions of American culture. We're just going to do it our way.' "

The bluster roared in Suite 604, where Allen and his chief lobbyist plotted strategy and dispensed cash.

"You got any hundreds?" Allen asks an associate before passing a wad to then-Rep. Vic Kohring,

convicted early this month of bribery and extortion.

"I appreciate that, Bill. Thank you so much," Kohring says warmly. "What can I do at this point to help you guys? Anything? Just keep lobbying my colleagues for the governor's plan?"

The footage unspools like a Thomas Nast cartoon come to life, the grainy images punctuated by Allen's bray, the pop and squeak of a cork leaving a wine bottle and the sycophantic chortles of lawmakers vying for Veco's favor.

Veco Vice President Rick Smith, who also pleaded guilty, tried on one tape to coax Allen toward discretion. But Allen waved him off, referring to pressure from "clients."

Smith relents: "You have to get dirty and you have to produce; I understand that."

Alaskans' disappointment with all this has taken several forms.

Few profess shock.

"It was common knowledge that everything was corrupt," said Ray Metcalfe, a former Republican legislator known as "Disco Ray" while in office, but known in later years for his vain efforts to persuade state officials to investigate Ben Stevens. "It was common knowledge, but nobody wanted to talk about it."

The brazenness evident on the tapes has taken many aback, however.

"There's a whole kind of culture of unreality," said Michael Carey, former editorial page editor of the Anchorage Daily News, whose Web site, http://www.adn.com, posted much of the evidence. "I always thought there were people on the take, but in the way of campaign contributions -- traditionally legitimate ways to game the system."

Indeed, the fallout has some officials wondering what "normal" means in Alaska politics. Last month, a Fairbanks Republican accused a mining company of bribing private citizens by flying them to Anchorage and giving them spending money.

"I don't know if this is immoral behavior, illegal behavior, unethical behavior or just raw capitalism," said Rep. Jay Ramras. In the end, upon encountering one of the men he had accused, "we hugged it out, like they say on the HBO show 'Entourage.' "

Veco's bribes went to public officials, totaling $400,000, Allen testified. But some residents expressed dismay at the puny size of individual transactions. Kohring was convicted of taking around $2,000.

FBI - Stevens-1461

"The fact of the matter is, we all want to bribe a politician," said Mr. Whitekeys, an Anchorage entertainer whose long-running political cabaret is called the Whale Fat Follies. "We all thought it'd take a Mercedes or a Porsche. Nobody knew you could buy a politician for the cost of a used riding lawn mower."

Alaskans also express a regret bordering on shame that the misdeeds were uncovered by the feds. The state is deeply ambivalent about Washington. Thanks in large part to Ted Stevens's seniority, Alaska receives more federal money per capita than any other state, a situation that tends to undermine the image of flinty self-reliance.

It also encourages cronyism. Bob Kaufman, a Web tourism entrepreneur who moved to Anchorage as a venture capitalist, said that every one of a half-dozen businesses he researched for acquisition depended on a government subsidy for profitability.

"Most of the companies up here, I look at them and say, 'I'm not as valuable as an owner up here, because I don't have any buddies in politics,' " Kaufman said.

Still, the tapes produced sentiments that overwhelm even resentment toward Washington. "I spoke at a meeting of Alaska Conservation Voters recently, mentioned the FBI -- and people applauded!" said Vic Fisher.

The outrage helped Democrats push through ethics legislation last session, and in November catapulted a reformer into the governor's chair. Republican Sarah Palin was already running on clean government when the first indictments landed; right between the primary and general election.

In office, Palin has kept up the drumbeat, last month summoning lawmakers back for a new special session on the very oil-tax issue that brought the FBI to Juneau. In an interview, Palin said she wanted to "clear the legislature's name" by "allowing legislators the opportunity to revote.

"Those who are left," she added.

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FBI - Stevens-1462

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1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

November 12, 2007 Monday
FINAL EDITION

House OKs 25 percent oil tax bill;
SEVERAL INCREASES: Revenue Department says the package could be worth $1.5 billion more for state.

BYLINE: BY SEAN COCKERHAM scockerham@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 840 words

DATELINE: JUNEAU -

The state House passed a major oil tax increase Sunday night after a debate that included allegations of conflicts of interest and calls to restore the damaged public trust in state leaders.

The bill would raise the state oil tax rate from 22.5 to 25 percent, the increase sought by Gov. Sarah Palin. The bill would also increase the extra charge the state collects when oil prices and company profits are high. The total package could bring in $1.5 billion more yearly in these times of high prices, the Revenue Department said.

Representatives voted 27 to 13 to pass the bill in the waning days of the special session, which was called by the governor to address the issue. The fight is not over, though. The House has to reconcile the bill with whatever the state Senate wants. The Senate hasn't come out with its version of the oil tax yet.

Legislators have argued emotionally during the special session about whether to raise the base oil tax rate as Palin wanted. But Sunday's House vote on the amendment to do so passed easily.

The vote in favor of the amendment was 26 to 14. Fairbanks Republican Rep. Mike Kelly argued in favor of it, saying the oil tax the Legislature passed last year was tainted. He was referring to the bribes then-Veco Corp. executives admitted they paid legislators in an effort to keep the tax rate low.

"This sets us on a course to restoring trust," he said.

Not even one rose to speak against Kelly.

A group of oil industry lobbyists walked out of the Capitol after the amendment vote, looking glum and wondering aloud if the vote would stand.

FBI - Stevens-1463

It was a bad night for opponents of raising the oil tax. They were on the defensive as soon as the House floor session began. Kodiak Republican state Rep. Gabrielle LeDoux, who is running for Congress, argued that some of them shouldn't even get to vote.

"It is absolutely essential to restore the public trust," LeDoux said in a speech on the House floor. "One way we can do that is if people with clear ties to the oil industry recuse themselves from voting."

It's tradition in the Legislature to require lawmakers who declare a conflict of interest to vote anyway. House Rules Chairman John Coghill, a North Pole Republican, rose and said it's a citizen Legislature and everyone has conflicts on one issue or another.

194A-AN-13620-M; 611

"Just because somebody works in a particular industry, I don't know if you can paint them ... as an industry shill, if you will," he said.

Anchorage Republican Rep. Kevin Meyer, who works in purchasing for Conoco Phillips, said he doesn't have a conflict under state law. That's because he doesn't have a "substantial equity ownership" in the oil company.

Meyer asked to be excused from voting anyway, but he was told to vote. Republican Reps. Mike Chenault of Nikiski and Mike Hawker of Anchorage also declared potential conflicts. Both were required to vote. Hawker's wife works in the oil industry and Chenault owns a construction firm that has done oil field work in the past.

"I'm not afraid to admit I work in the oil industry," Chenault said. "I have all my life."

Chenault had managed to keep the tax rate down at 22.5 percent in the House Finance Committee, where he argued it could save jobs. But Chenault was repeatedly on the losing end Sunday in the votes on the House floor.

House Democrats won two significant amendments Sunday night. One was a compromise in the debate over what kind of tax Alaska should have.

The Democrats object to the state having an oil tax based on net profits, which they say allows the oil companies to reduce their tax burden by claiming lots of deductions.

Many Democrats had instead wanted a tax system based just on gross production at the big North Slope oil fields. That wasn't getting any traction in the Legislature. So they instead offered an amendment to have a standard deduction on operating expenses for the Prudhoe and Kuparuk fields, rather than letting the companies itemize those costs.

The amendment passed 21-19. Anchorage Democratic Rep. Les Gara then successfully pushed another amendment to do away with the companies' ability to get retroactive tax deductions for investments made in previous years.

The final debate over the bill included tax hike opponents saying it goes too far, taking even more money than the governor's original proposal. House Majority Leader Ralph Samuels, an Anchorage Republican, painted a bleak vision of a potential future of economic problems and declining property values.

"The consequences of us being wrong, they are dreadful consequences," Samuels said.

Fairbanks Republican Rep. Kelly downplayed such talk. He said the oil company public relations effort has been successful, persuading some legislators to be scared of the future. Kelly said he's studied the tax, and Alaska will be fine.

"I'm very confident we have done the right thing here," he said.

The governor released a statement saying "all Alaskans can be proud of the bill."

LEGISLATURE: For more on the special session and oil tax, go to

adn.com/legislature

LOAD-DATE: November 12, 2007

FBI - Stevens-1464

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PUBLICATION-TYPE: Newspaper

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CBS NEWS

BACK PRINT

Alaska Rocked By Political Scandals

ANCHORAGE, Nov. 12, 2007

(Washingtonpost.com) *This story was written by Karl Vick.*

When the FBI came looking for corruption in Alaska politics, it found an excellent perch in Suite 604 of the Baranof Hotel in Juneau, the state capital. There, a profane septuagenarian named Bill Allen did business throughout a 2006 special session called to set taxes on the oil industry. With hundred-dollar bills in his front pocket for ease of access when lawmakers turned up with their hands out, the oil-services company executive turned in a bravura performance before the pinhole camera that federal agents installed opposite his favorite chair.

"Let me count first here," Allen said, shushing a former statehouse speaker as he counted out a bribe in video footage entered as evidence in the lawmaker's September trial, one of several crowding the docket of the federal court here.

On another tape, Pete Kott, the former Republican speaker of the Alaska House of Representatives, crowed as he described beating back a tax bill opposed by oil companies. "I had to cheat, steal, beg, borrow and lie," Kott said. "Exxon's happy. BP's happy. I'll sell my soul to the devil."

"Well, that will stay in this room," one lobbyist said as a midnight session wound down.

It did not, of course. Since breaking into public view a year ago when federal agents raided lawmakers' offices and homes -- finding $32,200 neatly stacked in a closet of Kott's condo -- the federal probe has produced four indictments, three convictions, three guilty pleas and a rapt audience keen to see how high into Alaska's political hierarchy the rot reaches.

Officially, the scandal has remained confined to Juneau, where Alaska lawmakers had grown so accustomed to operating under the presumption of impropriety that several of them embroidered ball caps with the letters CBC, for "Corrupt Bastards Club." (An Anchorage coffeehouse now offers Corrupt Bastards Brew.) But with signs that the investigation is brushing against Alaska's lone congressman, Don Young (R), and its longtime and venerated senator Ted Stevens (R), residents of the Last Frontier are experiencing a rare spasm of soul-searching.

"These disclosures have come as a real shock, because of revelations of what was going on, and because Alaskans have always felt that they are special," said Vic Fisher, 83, one of four surviving members of the convention that only a half-century ago wrote Alaska's state constitution. "And that this thing is ruining our national reputation."

Young, who has represented the nation's largest state in the U.S. House for 34 years, has not been named in the proceedings -- yet he reports spending $450,000 on legal fees over the past six months. Veco, the oil-field services company that Allen owned, was Young's largest campaign contributor.

Stevens, an iconic figure who has dominated Alaska politics for decades, has said little publicly since agents swarmed over his mountainside home, the renovation of which was overseen by Allen.

But Ben Stevens, the senator's son and a former Alaska Senate president, has been at the center of the scandal from the start. When Allen pleaded guilty to bribery and conspiracy charges, he stated that almost a quarter of a million dollars in consulting fees paid to the younger Stevens was in fact bribery.

"About the only ones that I can trust is you and ol' Ben Stevens," the oil executive told Kott on one tape.

The younger Stevens maintains his innocence, most recently in a call to an Anchorage radio talk show that noted he had received fees from fishing companies that benefited from federal grants his father engineered. FBI - Stevens-1465

"I'm under investigation by the Department of Justice, the FBI, the IRS, the National Marine Fisheries Service," Ben Stevens told KFQD-AM. "This is a feeding frenzy. Anybody who says anything, this is an environment where any accusation is . . . is automatic guilt."

The probe has delivered low humor as well as bad behavior. In one exchange the FBI captured by wiretap, Allen handed a sexual potency pill and a sleeping pill to Kott -- who later phoned, confused and upset, after mixing them up.

"Sometimes you try to come up with an exaggeration to make a point," said Les Gara, an Anchorage Democrat. "It's hard to do that here."

Not all the indictments rose from oil money. Former representative Tom Anderson last month was sentenced to five years for taking money from a consultant for a company hoping to build a prison in Alaska; the consultant was working undercover for

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the FBI. The Republican lawmaker's only previous brush with the law came when his girlfriend, a fellow legislator, summoned police as they fought over bowling scores.

But Alaskans appreciate, on a personal level, the role of petroleum in their state. When vast deposits were discovered on the North Slope, the government negotiated a share of royalties that now accounts for 85 percent of the state budget. The windfall not only lets Alaska do away with personal income tax but also offers annual payments to every one of its 670,000 residents. This year's check: $1,654.

Dependence on such a mammoth scale naturally affected the dynamic in Juneau, where the Petroleum Club became the preferred site for political fundraisers.

"You get this frontier image of individualism, stereotypical bluster, self-reliance, and it plays right into corrupt politics," said historian Steve Haycox, author of several books on Alaska. " 'We don't need advice from anybody else. We don't give a damn about traditional institutions of American culture. We're just going to do it our way.' "

The bluster roared in Suite 604, where Allen and his chief lobbyist plotted strategy and dispensed cash.

"You got any hundreds?" Allen asks an associate before passing a wad to then-Rep. Vic Kohring, convicted early this month of bribery and extortion.

"I appreciate that, Bill. Thank you so much," Kohring says warmly. "What can I do at this point to help you guys? Anything? Just keep lobbying my colleagues for the governor's plan?"

The footage unspools like a Thomas Nast cartoon come to life, the grainy images punctuated by Allen's bray, the pop and squeak of a cork leaving a wine bottle and the sycophantic chortles of lawmakers vying for Veco's favor.

Veco Vice President Rick Smith, who also pleaded guilty, tried on one tape to coax Allen toward discretion. But Allen waved him off, referring to pressure from "clients."

Smith relents: "You have to get dirty and you have to produce; I understand that."

Alaskans' disappointment with all this has taken several forms.

Few profess shock.

"It was common knowledge that everything was corrupt," said Ray Metcalfe, a former Republican legislator known as "Disco Ray" while in office, but known in later years for his vain efforts to persuade state officials to investigate Ben Stevens. "It was common knowledge, but nobody wanted to talk about it."

The brazenness evident on the tapes has taken many aback, however.

"There's a whole kind of culture of unreality," said Michael Carey, former editorial page editor of the Anchorage Daily News, whose Web site, http://www.adn.com, posted much of the evidence. "I always thought there were people on the take, but in the way of campaign contributions -- traditionally legitimate ways to game the system."

Indeed, the fallout has some officials wondering what "normal" means in Alaska politics. Last month, a Fairbanks Republican accused a mining company of bribing private citizens by flying them to Anchorage and giving them spending money.

"I don't know if this is immoral behavior, illegal behavior, unethical behavior or just raw capitalism," said Rep. Ray Ramras. In the end, upon encountering one of the men he had accused, "we hugged it out, like they say on the HBO show 'Entourage.' "

Veco's bribes went to public officials, totaling $400,000, Allen testified. But some residents expressed dismay at the puny size of individual transactions. Kohring was convicted of taking around $2,000.

"The fact of the matter is, we all want to bribe a politician," said Mr. Whitekeys, an Anchorage entertainer whose long-running political cabaret is called the Whale Fat Follies. "We all thought it'd take a Mercedes or a Porsche. Nobody knew you could buy a politician for the cost of a used riding lawn mower."

Alaskans also express a regret bordering on shame that the misdeeds were uncovered by the feds. The state is deeply ambivalent about Washington. Thanks in large part to Ted Stevens's seniority, Alaska receives more federal money per capita than any other state, a situation that tends to undermine the image of flinty self-reliance.

It also encourages cronyism. Bob Kaufman, a Web tourism entrepreneur who moved to Anchorage as a venture capitalist, said that every one of a half-dozen businesses he researched for acquisition depended on a government subsidy for profitability.

"Most of the companies up here, I look at them and say, 'I'm not as valuable as an owner up here, because I don't have any buddies in politics,' " Kaufman said.

FBI - Stevens-1466

Still, the tapes produced sentiments that overwhelm even resentment toward Washington. "I spoke at a meeting of Alaska Conservation Voters recently, mentioned the FBI -- and people applauded!" said Vic Fisher.

The outrage helped Democrats push through ethics legislation last session, and in November catapulted a reformer into the governor's chair. Republican Sarah Palin was already running on clean government when the first indictments landed, right between the primary and general election.

In office, Palin has kept up the drumbeat, last month summoning lawmakers back for a new special session on the very oil-tax issue that brought the FBI to Juneau. In an interview, Palin said she wanted to "clear the legislature's name" by "allowing legislators the opportunity to revote.

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FBI - Stevens-1467

Anchorage Daily News (Alaska)

November 13, 2007 Tuesday
FINAL EDITION

Anderson to prison on Dec. 3;
5-YEAR SENTENCE: First ex-legislator convicted in FBI sting will go to Oregon.

BYLINE: The Associated Press

SECTION: ALASKA; Pg. B1

LENGTH: 281 words

A former Alaska lawmaker convicted of seven counts of conspiracy and bribery will begin his five-year federal prison sentence next month.

Former Rep. Tom Anderson on Monday told Anchorage television station KTUU that he will report to a federal prison south of Portland, Ore., on Dec. 3.

Anderson, 40, a two-term Republican from Anchorage who chose not to run for re-election in 2006, was convicted in July of taking nearly $24,000 he thought was coming from a private prison firm, Cornell Industries Inc., in exchange for his assistance on legislation.

The money was supplied by the FBI through an informant under contract to Cornell, Frank Prewitt, a former Alaska Department of Corrections commissioner. Prewitt secretly recorded his conversations with Anderson and a co-conspirator, lobbyist Bill Bobrick, between July 2004 and March 2005. Cornell Industries was not aware of the bribery scheme or investigation.

The 60-month sentence fell within the presentencing report guidelines of 51 to 63 months.

Anderson was the first of four former Republican Alaska lawmakers arrested on federal corruption charges.

Former House Speaker Pete Kott was convicted in October of conspiracy to solicit financial benefits, extortion and bribery. He will be sentenced Dec. 7.

Former state Rep. Vic Kohring was convicted earlier this month of bribery, conspiracy to commit extortion and attempted interference with commerce by extortion. He was acquitted of another count of interference with commerce by extortion. Sentencing was set Feb. 6.

FBI - Stevens-1468

The corruption trial of former state Rep. Bruce Weyhrauch has been delayed.

CORRUPTION: Read more about the trials and FBI investigations at

adn.com/fbi

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DOCUMENT-TYPE: WIRE

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FBI - Stevens-1469

Golf Tournaments Eyed in Corruption Case

By MATT APUZZO
KTVA

Article Last Updated:11/14/2007 03:15:45 PM AKST

WASHINGTON (AP) The Justice Department is investigating whether an Alaska oil contractor used golf tournaments to funnel cash to Rep. Don Young, people close to the corruption investigation said.

The contractor, Rick Smith, told investigators that Young personally received cash at the events. Once an important ally who helped raise tens of thousands of dollars for Young's election committee, Smith has become a key government informant.

As part of his cooperation, Smith allowed FBI agents to record his telephone calls with the Republican congressman in a corruption sting. The former VECO Corp. vice president has pleaded guilty to bribing state lawmakers to support oil-friendly legislation.

Details of Smith's cooperation against Alaska's 18-term congressman were confirmed by people close to the case who spoke on condition of anonymity because they were not authorized to discuss it publicly.

The case, which surfaced last year as a state bribery investigation, has spread from Alaska to Capitol Hill, where Young and Alaska Sen. Ted Stevens are under scrutiny. Two of the most powerful Republicans in Congress, Young and Stevens are influential figures in setting U.S. energy policy and have close ties to VECO, which services pipelines and builds oil exploration equipment. Young has spent more than $446,000 on legal fees this year, campaign finance reports show.

Golf outings have often been used by lobbyists and interest groups to curry favor with lawmakers. Politicians, including Young, also use them as fundraisers.

The events under FBI scrutiny, however, were different. Unlike the dollar-for-dollar accounting of golf fundraisers in Alaska, Washington state and Virginia, the events at the Moose Run Golf Course just outside Anchorage were informal and the prizes were cash. There is no record of them on the campaign or personal financial reports that federal lawmakers are required to file.

"That tournament had nothing to do with the campaign or anything official. It was just people getting together to play golf," said Young's campaign spokesman, Mike Anderson, who declined to discuss the tournaments or how often Young won. "The congressman finds it inappropriate to discuss anything connected to an ongoing investigation."

Moose Run manager Gary Sanford said he recalls the tournament being held about three times over the past several years. About 16 to 24 people played, mostly Anchorage businessmen, at maybe $100 each, Sanford said. Smith made the arrangements, handled the money and doled out the cash prizes, Sanford recalled.

Sanford said he was sometimes around when prize money was handed out and said he doesn't remember ever seeing Young receive cash he didn't win.

Sanford said he doesn't know whether records were kept. VECO attorney Amy Menard said she hasn't seen any documents related to the tournaments and Smith's attorney, John Murtagh, did not return messages seeking comment.

The events were normally held in August, shortly after Young's annual pig roast fundraiser, which has also attracted FBI attention. Smith organized that event, which drew up to 400 people and cost up to $15,000. The events, which Smith organized for years, were lucrative. The day after the 2006 event, Young's campaign reported nearly $45,000 in donations.

After the investigation surfaced, Young amended his campaign finance reports to show he reimbursed VECO founder Bill Allen about $38,000 for event expenses.

At a recent corruption trial, defense attorneys suggested Smith laundered money by cashing golf tournament checks at a bar under what he called a "phony account."

FBI - Stevens-1470

Some golf managers around Anchorage received letters from the Justice Department alerting them they'd been recorded on wiretaps of Smith's phone.

Jeff Barnhart, manager of the Settlers Bay Golf Course in Wasilla, Alaska, received such a letter. He said he's not surprised authorities are eyeing Smith's golf tournaments, but he said the businessman will be remembered in golf circles for his good deeds.

"He's done a lot for the community," Barnhart said, "and raised money for more charities than you can imagine."

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194A-AN-13620-M; 614

Anchorage Daily News (Alaska)

November 14, 2007 Wednesday
FINAL EDITION

Session nears end with no new oil tax;
PALIN: Governor says she'll call for another 30 days if needed.

BYLINE: By SEAN COCKERHAM scockerham@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 895 words

DATELINE: JUNEAU -

The special session is set to end in two days, and it is increasingly looking as if there might be no oil tax bill the House and Senate can agree on.

That doesn't mean the fight would end, though. Gov. Sarah Palin said Tuesday she would call the Legislature into another 30-day special session if lawmakers do not send her a bill by the Friday midnight deadline. She wouldn't say if the next special session would come right after this one.

The state House passed a bill Sunday night that would give Palin the oil tax increase she wants. But it has stalled in the Senate Finance Committee, which has yet to come up with its own version of the oil tax.

Legislative leaders agreed Tuesday that there is not enough time left to have a conference committee work out the differences between whatever the Senate decides and the bill the House passed.

That means unless the Senate passes a bill by midnight Friday that the House can accept without major changes, there will be no oil tax measure this special session.

Leaders of the House and Senate weren't giving up hope of finding a compromise by the deadline.

"I think the most likely scenario is the Senate passes something we can accept and we all go home," said House Speaker John Harris, a Valdez Republican.

Senate President Lyda Green said she also thinks there is a good chance of reaching an agreement with the House in time.

"There is a will in both bodies to not have to continue to work on this issue," the Republican from Wasilla said.

FBI - Stevens-1471

Green said there is a "50-50" chance the Senate will pass a measure substantially similar to what the House passed on Sunday night. That bill would increase the oil tax rate from 22.5 to 25 percent of net profits, with an additional 0.4 percentage point increase for each dollar the price of oil is above about $52 per barrel.

That bill would bring in around $1.5 billion more a year to the state in these times of high oil prices, according to the Revenue Department.

SENATE IS SPLIT

Green herself thinks it taxes too much. But her bipartisan Senate majority is deeply split over this issue. Green said there might be a way to find some tradeoffs enough members of the Senate can agree on that the House accepts as well.

194A-AN-13620-M; 615

Senate Finance Committee Co-Chair Bert Stedman is talking about a plan to keep the base oil tax rate at 22.5 percent but take more than the House is proposing when oil prices and company profits are high.

The House likely would not agree to that approach.

The governor does not like it either, arguing the state needs more protection for when oil prices drop.

But the immediate issue is that Stedman's committee has not emerged with any bill it can send to the floor for a vote. There has been talk of such a bill appearing in the Finance Committee for the past few days, but it keeps getting pushed back.

Stedman, R-Sitka, said the staff that drafts the actual language has been backed up, particularly the legislative lawyers who research the statutes in putting together bills. Stedman is in charge of the bill in the Senate at this point in the process.

Stedman said he was frustrated by the delay and is not trying to run out the clock to keep a tax bill from passing.

"I had Senator Green call legislative legal at noon today and ask them to get the bill out faster," he said.

Tam Cook, director of legal services for the Legislature, declined to comment.

COUNTING VOTES

Republicans in the Senate minority said they are skeptical of the drafters-are-behind argument.

They said Senate majority Republicans are either trying to run out the clock to avoid raising the oil tax or just cannot figure out what to do. The Republicans in the majority have to deal with Democrats they share power with as well as the governor, minority members said.

"My guess is the majority sees themselves in an untenable position and is trying to see a way out of it," said Eagle River Republican Sen. Fred Dyson.

Senate Minority Leader Gene Therriault said majority members have tried to stall on oil taxes before. He said FBI tapes from 2006, when lawmakers were writing the current oil tax law, show that former Veco Corp. chief Bill Allen asked then-Senate President Ben Stevens to run out the clock during a conference committee in one of the special sessions over oil taxes.

Allen has testified to bribing Stevens to try to keep the oil tax low. Stevens has not been charged and denies any wrongdoing.

Juneau Democratic Sen. Kim Elton said he didn't think Stedman was trying to run out the clock. But Elton, a member of the Senate majority, was frustrated it was taking so long to get a bill out.

Elton said the Senate was taking too much time trying to figure out what had enough votes to pass. At some point, he said, the Senate has to just put something on the floor and see where the votes are.

Stedman said he was pushing hard to get a bill done so legislators can go home for Thanksgiving. He had consultants draw up charts detailing the effect of his oil tax plan and held committee meetings Monday and Tuesday to discuss it, even though the bill had not arrived from the drafters.

FBI - Stevens-1472

Find Sean Cockerham online at adn.com/contact/scockerham or call him in Juneau at 907-586-1531.

DISCUSS: Is a 22.5 percent oil tax enough, or should legislators pass the governor's requested 25 percent tax? Sound off on our political blog.

adn.com/alaskapolitics

LOAD-DATE: November 14, 2007

LANGUAGE: ENGLISH

GRAPHIC: Photos by SEANNA O'SULLIVAN / The Associated Press
Senate Finance Committee member Fred Dyson, R-Eagle River, listens to testimony during a committee meeting Tuesday. The oil tax bill was stalled in the committee Tuesday.
Senate Finance Committee members Donny Olson, D-Nome, left, and Charlie Huggins, R-Wasilla, watch a presentation of proposed oil tax legislation Tuesday.

DOCUMENT-TYPE: Staff

PUBLICATION-TYPE: Newspaper

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FBI - Stevens-1473

Anchorage Daily News (Alaska)

November 15, 2007 Thursday
FINAL EDITION

25 percent goes forward;
CONCESSIONS: Higher take likely to pass full Senate vote, but stage is set for debate with House over details.

BYLINE: By SEAN COCKERHAM scockerham@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 1024 words

DATELINE: JUNEAU -

Leaders of the state Senate backed down Wednesday night and agreed to the major oil tax increase Gov. Sarah Palin and the state House demand.

Senators said they expect to pass the bill today and send it back to the House to have a vote on a final agreement.

The Senate Finance Committee voted late Wednesday to increase the oil tax rate from 22.5 percent to 25 percent of net profits. The senators also agreed to the House formula of charging an additional 0.4 percent more tax for each dollar price of oil above about $52 per barrel.

The revenue department had estimated the House version could bring in around $1.5 billion more a year to the state in these times of high oil prices.

But there are other differences between the House and Senate versions. It is not a sure bet the House will accept the bill.

Still, agreeing to the oil tax rates pushed by the House and governor represents a huge concession by leaders of the Senate.

Senate President Lyda Green said she still thinks the bill taxes too much and does not expect to vote for it. But it came down to which side had the votes.

The Wasilla Republican said Democrats in her bipartisan majority coalition pushed for the tax increase. So did almost all the Republicans in the Senate minority.

"There were enough people who wanted it to change," Green said.

FBI - Stevens-1474

Legislators were saying as recently as Tuesday that the 30-day special session could end Friday at midnight with no agreement on an oil tax. But the momentum shifted Wednesday against the state Senate leadership.

"I think they finally counted the votes and realized they were on the short side of things," said Sen. Tom Wagoner, a Kenai Republican who is part of the Senate minority.

Gov. Sarah Palin had said Tuesday she would call the Legislature into another special session if she doesn't get an oil tax bill by the Friday deadline.

The ticking clock and a desire among lawmakers to get done with this painful debate helped prod the bill forward

194A-AN-13620-m; 6166

Wednesday.

Legislators have been arguing over oil taxes for more than a year; they passed an oil tax bill last year but the governor asked for a new one after former executives of oil-field services company Veco pleaded guilty to bribing some lawmakers to support a low rate.

It's still not over. There are a lot of parts to the oil tax bill, and disagreement over any one of them could still kill it.

"Time is running thin. You start to worry, is the Senate going to give us enough time to deal with it?" said House Minority Leader Beth Kerttula, a Juneau Democrat.

House Democrats might not accept the Senate version of the bill. If they don't, it's liable to be dead.

The sticking point could be a proposed limit on how much the oil companies can claim as tax deductions for operating costs at the Prudhoe and Kuparuk oil fields. The House bill includes a standard deduction that can go up only 3 percent a year.

It's not in the Senate version at the moment. That could be a deal breaker.

House Democrats say there has to be at least one nonmoving piece in this oil tax based on net profits. How much money the state gets each year varies depending on price, tax credits, industry costs and other factors.

That's one of the issues with the net profits tax passed last year. It's not bringing in nearly as much money as the state thought it would because of rising industry cost deductions.

Anchorage Democratic Sen. Hollis French said he would work on getting a limit on deductions into the final Senate bill.

French, a member of the Senate majority, was happy as he worked in his legislative office on Wednesday night. He was meeting with state revenue commissioner Pat Galvin and readying amendments with fellow Anchorage Democratic Sen. Bill Wielechowski.

"We're cooking up an oil tax bill," French said.

The Senate Finance Committee accepted the higher tax rate with no objections from its members on Wednesday night. Sitka Republican Sen. Bert Stedman had been pushing an alternative plan that kept the tax rate at the lower 22.5 percent but increased the surcharge at high oil prices more than the House bill.

Stedman, co-chair of the finance committee, said he still thinks his idea is better for the state. But it just didn't have the support, he said.

The progress on a tax increase came despite testimony in the Senate on Wednesday from oil company officials saying the move would limit industry investment in Alaska's oil patch. They said the tax plans being considered in the Legislature include many aspects that amount to "hidden taxes" in addition to the rate, and increased surcharges at times of high oil prices.

"It is unrealistic to expect an increase in taxes of this magnitude will not have an impact," said Conoco Phillips Alaska vice president Kevin Mitchell. He and BP Alaska senior vice president Claire Fitzpatrick said their companies will review current and future investment plans.

FBI - Stevens-1475

"There is a lot of stuff which we will now have to question," Fitzpatrick said. "When you're adding that much tax it will no longer be attractive."

But their testimony didn't seem to have its intended effect.

Sen. Kim Elton, D-Juneau, said oil investment decisions are made in a global context. Oil taxes are rising around the world as company profits go up.

"It is fairly predictable what they are going to say," Elton said

Find Sean Cockerham online at adn.com/contact/scockerham or call him in Juneau at 1-907-586-1531.

SO FAR

Special session on oil taxes

The session began Oct. 18, and since then six committees -- three in the House and three in the Senate -- have worked through the bill. On Sunday, the House adopted a tax increase worth about $1.5 billion at high oil prices, according to the state.

ON WEDNESDAY

Oil companies told the Senate Finance Committee that boosting the tax will hurt their investment plans for Alaska oil fields. The committee paved the way for a bill to raise taxes anyway.

STILL TO COME

The special session ends no later than midnight Friday. Gov. Palin said she will call lawmakers back into session if they don't send her a tax increase by Friday's deadline.

Go to adn.com for the latest news from Juneau on oil taxes.

LOAD-DATE: November 15, 2007

LANGUAGE: ENGLISH

GRAPHIC: SEANNA O'SULLIVAN / The Associated Press
Sens. Lyman Hoffman, left, D-Bethel, and Donny Olson, D-Nome, look over details of proposed oil tax legislation Wednesday at the State Capitol Building in Juneau.

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FBI - Stevens-1476

1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

November 16, 2007 Friday
FINAL EDITION

Late vote brings optimism;
NEGOTIATIONS: Senate's version of bill contains key points favored by House, Palin.

BYLINE: By SEAN COCKERHAM scockerham@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 947 words

DATELINE: JUNEAU -

The state Senate voted late Thursday night to grant Gov. Sarah Palin and the state House the oil tax increase they want.

"This is sweeping, this is historic, this is powerful legislation we are passing here tonight," said Anchorage Democratic Sen. Hollis French.

The final Senate vote at nearly 11 p.m. makes it likely that the special session will end by midnight tonight with a state oil tax rewrite that would raise billions in additional dollars in the coming years.

The Senate passed the bill on a 14 to 5 vote, with Sens. Lyda Green, Lyman Hoffman, Charlie Huggins, Bert Stedman and Con Bunde voting against it.

The Senate bill will need to go back to the House today for final agreement. There's no time for negotiations, so the House will have to take it or leave it. The Senate bill does include some differences from the bill the House passed Sunday night. So it's possible there might still be sticking points.

House Speaker John Harris said he needed to watch and see all the amendments the Senate passed Thursday night. But, just based on what it looked like earlier in the day, he was confident the House would accept it.

"In a heartbeat," he said.

The basic taxing parts of the House and Senate bills are the same. They would increase the base state oil tax rate from 22.5 to 25 percent of net profits. They also charge an additional 0.4 percentage points more tax for each dollar the price of oil goes above about $52 per barrel.

FBI - Stevens-1477

The state revenue department hasn't had a chance to estimate how much money the bill the Senate passed could bring in. But the department said the House version of the oil tax could raise $1.5 billion a year more in these times of high oil prices.

The Senate version of the bill makes the tax increase retroactive to June 30. That would bring an additional $450 million to the state this year.

Sitka Sen. Stedman said the pieces in the bill add up to a "staggering" increase in tax, far above what it seems by just looking at the base rate. Stedman was among the senators who voted against it.

Some legislators have said the tax needed to be changed to restore public trust. Former executives of Veco Corp. have admitted to bribing some lawmakers last year when the current oil tax was being debated. One state senator, Anchorage Republican John Cowdery, had been mentioned in the corruption investigation and stayed away from the special session. He

194A-AN-13620-M;617

has not been charged with anything.

Anchorage Democratic Sen. Johnny Ellis said this tax should last for a long time.

"It has taken extraordinary circumstances, a political crisis in the state of Alaska for us to muster the political will to make these adjustments," he said.

Anchorage Republican Sen. Con Bunde suggested, though, that it's "a bit of a fool's errand" to focus on re-establishing public faith in the Legislature. Bunde said it seems like the national sport is to go after political figures.

Senators spent more than three hours talking about amendments Thursday. One that passed could make it easier to win acceptance in the House. It would limit tax deductions the oil companies can claim for operating costs at the Prudhoe and Kuparuk fields on the North Slope.

The deductions could only rise by 3 percent a year. This represents a line in the sand for House Democrats, some of whom suggested they might vote against the entire bill if it was not included in the final version.

French, the Anchorage Democrat, pushed the amendment through the Senate.

He argued the oil tax system based on net profits that the Legislature set up last year needs at least one nonmoving piece the state can count on.

How much money the tax brings in depends on oil prices, tax credits, deductions, and other factors. That's one of the big issues state officials have with the tax. It's not bringing in nearly as much money as the state thought it would because of rising oil industry cost deductions.

French's amendment calls for the limit on tax deductions to go away after three years. He said that would allow more flexibility for costly "heavy oil" production on the North Slope to get going.

The Senate later rejected a non-binding proposal to suggest that much of the money from the oil tax increase go into the earnings reserve of the Alaska Permanent Fund. North Pole Republican Sen. Gene Therriault argued for it.

But Stedman, the Sitka Republican, and others countered that Alaska has a lot of needs in schools, roads and the like. They said the Legislature would be responsible with the money but needs to weigh it more carefully than just as an amendment on the Senate floor.

The Senate did pass other amendments to the bill on Thursday night including measures that would:

* Prevent companies from deducting costs arising from breaking the law or failing to comply with their lease obligations. That's retroactive to March 31 of last year to keep BP from deducting costs related to corrosion that led to a partial shutdown of Prudhoe Bay last year. It's in the House version as well, but with different language.

* Allow oil tax auditors to indefinitely be in a new job classification that allows higher salaries so the state can recruit them. The House version takes a different approach to getting auditors paid more.

* Allow the state revenue department discretion in deciding what lease expenses the companies can deduct from their taxes; rather than having the Legislature set all the allowable deductions. This is also in the House version.

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Find Sean Cockerham online at adn.com/contact/scockerham or call him in Juneau at 907-586-1531.

UPDATES: Check the Web tonight to see if the session ends with an agreement before the midnight deadline.

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LOAD-DATE: November 16, 2007

LANGUAGE: ENGLISH

GRAPHIC: SEANNA O'SULLIVAN / The Associated Press

Senate Finance Committee Co-Chair Lyman Hoffman, D-Bethel, talks on the phone outside the committee room at the Capitol building in Juneau on Thursday.
Members of the Senate bipartisan coalition gather for a closed-door meeting in the office of Senate President Lyda Green, R-Matanuska-Susitna, seated at the desk in center, to discuss proposed oil tax legislation before a floor session Thursday at the Capitol in Juneau.

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2 of 2 DOCUMENTS

Anchorage Daily News (Alaska)

November 16, 2007 Friday
FINAL EDITION

Stevens lays blame on media;
INVESTIGATION: Alaska senator hints of retribution after investigation ends.

BYLINE: ERIKA BOLSTAD ebolstad@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 820 words

DATELINE: WASHINGTON -

U.S. Sen. Ted Stevens said Thursday he has no fear of a Democratic opponent in next year's election, and he blamed overzealous reporters for the continued interest in the federal investigation both he and his son have been caught up in.

His comments about the investigation came toward the end of a wide-ranging interview in which Stevens touched on his concerns about access to health care in Alaska, mental health care for returning veterans and coastal erosion caused by global warming.

Stevens has said little about the investigation since the FBI and IRS raided his home in Girdwood in late July as part of a wider probe into corruption in Alaska politics.

So far, the corruption investigation has led to the conviction of three state lawmakers, two oil executives and a lobbyist. They include former Veco CEO Bill Allen, a major political fundraiser who has pleaded guilty to bribing state lawmakers and who has been a witness in the ongoing corruption trials. Allen oversaw the renovations to Stevens' home in 2000; Stevens has long maintained that he did nothing wrong and paid every remodeling bill he was given.

Stevens said Thursday that he intends to remain tight-lipped about the investigation, in part because he doesn't want to be accused of obstructing justice. As a former U.S. attorney, Stevens said "I think I know the law and the consequences of making comments about this investigation better than any other senator does.

"I'm not about to get myself into a worse situation by commenting on something I don't think needs any comment," he added.

But Stevens also suggested that the scrutiny he has faced is politically motivated. He pointed to four other senators who went through investigations, and said that those colleagues failed to draw the same sort of attention. He did not identify which senators he was referring to.

FBI - Stevens 1480

"I don't see any reason why we should have had this massive press interest in what's going on," Stevens said. "It's just an investigation of a federal agency. They go on all the time. No one else talks about them the way they talk about the one involving me."

He also said that he was unconcerned about the efforts of the Democratic Senatorial Campaign Committee, which sees him as a vulnerable candidate and is actively recruiting candidates to run against him. Their top prospect, Anchorage Mayor Mark Begich, has flown to Washington to meet with top Senate Democrats, including the DSSC chairman, Sen. Charles Schumer of New York.

"Well that's because they seem to think that they've got some inside knowledge about the outcome of the investigation I

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can't talk about," Stevens said. "I'm not worried about this campaign. Not in the least."

"We're not in the rush to raise any money," he added. "We are raising money. We can raise money after this cloud goes away, which I hope will go away soon."

But Stevens grew testy when a reporter suggested that the level of interest in the state's senior senator was high because so many Alaska politicians and public figures had been caught in the wider corruption probe. Also, as the longest-serving GOP senator in history, and the former chairman of the Senate Appropriations Committee, Stevens has a higher profile than the average Washington politician.

In the interview, Stevens made vague threats to the people who have suggested that he and his son, former state Senate President Ben Stevens, might be guilty of some sort of wrongdoing. The younger Stevens hasn't been charged with a crime, but his name has come up repeatedly in court proceedings. Plea documents in Allen's own case say that payments of $243,250 the Veco CEO made to Ben Stevens were bribes in exchange for "giving advice, lobbying colleagues, and taking official acts in matters before the Legislature" when the younger Stevens was a state lawmaker.

"Your papers print (the names of) those people who have been convicted and my son's name and mine at the same time. As far as the public is concerned, it's all the same ball of wax," Stevens said. "I'm not going to comment on that ball of wax."

"But we've been included in a way that I hope people understand the laws that are doing it," he said. "Because when it's all over, some people are going to have to account for what they've said and what they've charged us with."

It was unclear whom Stevens was threatening. When asked if he meant libel or perjury, Stevens said: "No. I'm just saying there are ways to account for this in the future."

When asked if he meant political retribution, he remained vague:

"I think the people out there ought to worry about that the way I worry about the investigation. There are myriad things you can do. Just a myriad of things."

When pressed, he wouldn't elaborate further:

"I've said it," Stevens said.

STEVENS: Listen to him talk about his re-election, funding for post-traumatic stress for returning soldiers and federal spending in Alaska.

adn.com

LOAD-DATE: November 16, 2007

LANGUAGE: ENGLISH

GRAPHIC: Stevens

DOCUMENT-TYPE: Staff

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Anchorage Daily News (Alaska)

November 19, 2007 Monday
FINAL EDITION

Oil industry clout pushed back by Palin, legislators; BIPARTISAN: GOP, Democrats link up to capture more for state.

BYLINE: By STEVE QUINN The Associated Press

SECTION: ALASKA; Pg. B6

LENGTH: 647 words

DATELINE: JUNEAU -

The State of Alaska got about $1.5 billion richer Friday -- and all of it thanks to a governor unafraid of the powerful oil industry, a handful of convicted felons, and a state Legislature that opted not to vote along party lines.

In 30 days, the Legislature rewrote its tax laws for the second time in as many years, banking not only the billions but also the belief that it hasn't taxed too much to discourage investment into North Slope fields currently at a 6 percent annual production decline.

With less than eight hours left in the special session, the House adjourned, bringing an end to a monthlong tug-of-war over a tax increase from 22.5 percent to 25 percent -- a debate set against the backdrop of a federal corruption probe and national scrutiny.

"This was historic because we must learn soon to stand on our own," said Sen. Hollis French, D-Anchorage. "We will not get the federal help we have gotten in the past. That help has got to come from our own resources, from our own efforts, from our own oil. This is another step."

BRIBERY BACKDROP

It started with Gov. Sarah Palin calling lawmakers back to Juneau to review statutes strongly tied to federal corruption probes that have so far produced the bribery convictions of three former state lawmakers.

"I recognize that Alaska's position of strength when we deal with the oil companies is our state constitution," Palin said. "That allows optimism for this administration when we go into the discussions with the industry."

While companies were crying foul on the tax hike these last 30 days, market oil prices inched closer to $100 a barrel per day and companies were posting multibillion profits.

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Meanwhile, news that the U.S. Supreme Court agreed to hear Exxon Mobil Corp.'s punitive damages appeal for spilling 11 million gallons of oil into Alaska waters in 1989 didn't help.

Nor did BP's plea agreement with federal authorities to pay $373 million in fines linked to energy price-fixing, a deadly refinery blast in Texas and pipeline leaks in Alaska.

"You have to find out who is credible, who is believable," said House Rules Chairman John Coghill, R-North Pole.

"Quite frankly, I don't think the oil companies are credible right now," he said. "I probably listened to consultants more than I would have otherwise."

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Coghill, however, said the distrust might have had a chilling effect on lawmakers who legitimately believed the state's tax rewrite efforts were onerous and created an unstable investment climate.

One of those lawmakers was Rep. Mike Hawker, R-Anchorage, whose wife works for Conoco Phillips' Cook Inlet operations, about 800 miles south of the North Slope.

"We have a guilt-by-association political environment in this building right now," said Hawker, who voted against the bill. "It's been exploited by factions, as opposed to parties.

"Folks who voted against this bill did so because they are fundamental believers in a conservative economic philosophy. Those folks felt constrained."

CROSS-PARTY ALLIANCES

While Hawker was kept in check, Republicans and Democrats came out of their hard-line positions and found common ground. Unlikely alliances formed and held firm upon final passage Friday afternoon.

There may not be another day when Anchorage Democrat Les Gara and Fairbanks Republican Mike Kelly share space on an amendment to raise taxes.

"On this one, we had a common interest, which was to take the state's sovereignty back," Gara said. "We needed to clear the cloud of corruption and take our fair share for our oil. This was one bill where we could do all of those things at one time."

Kelly assured his colleagues the changes will pay off.

"I'm cool as a cucumber; my blood pressure is 120 over 60, and I'm very confident we've done the right thing," he said. "I have no fear whatsoever, and I say that in front of people who are going to hold us to those statements."

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1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

November 22, 2007 Thursday
FINAL EDITION

Bobrick likely to spend time behind bars;
SENTENCE: Ex-lobbyist snared in political corruption probe.

BYLINE: By LISA DEMER ldemer@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 1181 words

Once-prominent lobbyist Bill Bobrick almost surely is going to prison.

But not for long.

His sentencing on a single felony charge of conspiracy, part of an ongoing federal investigation of political corruption in Alaska, is set for Tuesday morning before U.S. District Judge John Sedwick.

Bobrick has been cooperating with the government, so will get much less time than the five years slapped on the only other defendant sentenced so far in the corruption probe, former state Rep. Tom Anderson.

"I take full responsibility for my crime," Bobrick, 52, said in a brief telephone call on Wednesday. "I can never apologize too much to my fellow Alaskans for the damage I have done to our political system."

Prosecutors are asking that he be sentenced to a year and a day, which triggers a rule that requires he do all the time in prison, less only good time. With good behavior, he could be out after about 101/2 months.

They also want two years of probation, prosecutors wrote in a memo to the judge.

The defense wants a sentence of less than a year and is asking that Bobrick be allowed to serve at least part of it under house arrest or in a halfway house. That would allow him to do community service as he's serving his time, which is what his attorney said he really wants.

Federal prisoners don't get "good time" for sentences of less than a year.

"Bobrick is not pleading for mercy," his attorney, Doug Pope, wrote in his sentencing memorandum. "He is requesting that the court credit him with providing substantial assistance to the government, and give him a chance to atone for his crime."

FBI - Stevens-1484

If he hadn't cooperated, he'd be facing two years or longer for the conspiracy conviction under sentencing guidelines.

Bobrick is married and has lived in Alaska for 32 years. His wife is in her third year of medical school.

Pope filed in court more than 50 letters of support, many trying to convince the judge to fashion a sentence that puts Bobrick to work doing community service rather than serving time in prison.

At least six former Anchorage Assembly members and several law enforcement representatives are among the dozens who wrote in. Bobrick's not the type to get in trouble again, his supporters said. Many mentioned good work he's done as a volunteer for years. They said he apologized to his friends, clients and colleagues one by one long before his case became public.

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"I believe that Bill Bobrick knows that his actions were wrong and that he is full of remorse about the choices he made," wrote Jane Angvik, a former Anchorage Assembly member. She met him in 1986 through political activity and has served on boards with him. She wrote that she's talked with him about the crime and he wept as he described his regret. "He said he had 'lost his way,' that he has changed, and that he is prepared to accept whatever punishment the court deems appropriate."

Bobrick pleaded guilty in May to conspiring with Anderson to push the interests of a private prison firm in exchange for money. He became one of the main government witnesses against Anderson in a trial this summer.

A consultant to Cornell Cos. funneled $24,000 to Bobrick in the scheme, and Bobrick eventually passed almost all of it on to Anderson. The consultant, former state Corrections Commissioner Frank Prewitt, was working undercover for the FBI and Cornell knew nothing of the bribes, officials have said.

Until he was caught up in the ongoing, multipronged FBI investigation last year, Bobrick was a powerful player in the city. He didn't lobby the state Legislature but was active politically and served as executive director of the Alaska Democratic Party in the late 1980s. He then registered as a lobbyist in the municipality. For years, he had more clients than anyone with city business. He's lost all that now.

The FBI confronted him in late September 2006 with secretly recorded telephone calls and meetings about the scheme with Anderson. He began cooperating on Sept. 28, 2006.

The defense expects the government to agree that his help "has been as broad and as extensive as the government requested, that his assistance extended beyond the 'Cornell Corrections conspiracy' which was the subject of the Anderson indictment and trial, and involved actively assisting in collecting evidence, including recording conversations."

Bobrick was vaguely threatened before the Anderson trial, according to Pope. He described it as "contacts implying threats of economic injury."

"Those threats were credible," Pope wrote. "It is reasonable to conclude that they were an attempt to influence Bobrick's testimony or to dissuade him from testifying at all."

Pope didn't provide details but indicated in his memo that more information was in another filing, which was not made public.

The government is seeking a $5,000 fine. But Bobrick no longer can make a living and should not be fined, Pope wrote.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

His friends step forward

Here's a sampling of the 52 letters of support filed in court in support of former lobbyist Bill Bobrick:

* Several mentioned his work for Standing Together Against Rape, or STAR. He served as board chairman and helped it through some shaky times.

"When he became STAR's Chair, it began to restructure and re-build credibility in the community, especially with law enforcement," wrote Dennis McMillian, a longtime leader in Anchorage's nonprofit world. "When Bill finally left the board, STAR had transformed from a weak organization almost closing its doors, to one of the strongest, most respected nonprofits in our community."

FBI - Stevens-1485

* Rainbow Connection Therapeutic Horseback Riding Program looked into hiring him but Bobrick volunteered his services, wrote Colleen Burgh, the board secretary. Rainbow Connection was supporting a ballot issue to lease city land for the program.

"The ballot measure was successful, with credit going to Mr. Bobrick for his assistance and sound advice," wrote Daniel Rogers, board president.

* At least six former Assembly members wrote in: Janice Shamberg, Fay Von Gemmingen, Brian Whittle, Pamela Jennings, Jane Angvik and Ted Carlson.

"I am very disappointed and saddened by his actions in this case. I know he is working to right a terrible wrong, but the sting of this will be with him, his family and friends for many years to come," Von Gemmingen wrote. She asked the judge to consider that he has apologized to those he's hurt, shown remorse, helped the government. And "now he is working daily to completely turn his life around."

* Among the former or present police officers supporting Bobrick is Anchorage Police Chief Rob Heun. He knew Bobrick through the police union, which he used to head and Bobrick lobbied for, and through STAR. He was writing as a private citizen, he said.

"There is value to society when others who break the law recognize the importance of admitting to a crime, accepting responsibility for it, and cooperating with law enforcement to ensure a thorough and complete investigation. I believe Mr. Bobrick did just that," Heun wrote.

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LANGUAGE: ENGLISH

GRAPHIC: Bobrick

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FBI - Stevens-1486

Anchorage Daily News (Alaska)

November 23, 2007 Friday
FINAL EDITION

Young phones home for town hall meetings;
HIGH TECH: Computer dialing can reach 50,000 people simultaneously.

BYLINE: By ERIKA BOLSTAD ebolstad@adn.com

SECTION: ALASKA; Pg. B1

LENGTH: 1122 words

DATELINE: WASHINGTON -

Guess who's on the line, from the nation's capital? That's right, your congressman, Rep. Don Young.

There may be dozens of new ways of reaching out to voters, but the telephone town hall has become one of the most popular for lawmakers. With the help of sophisticated computer dialing programs and a database of phone numbers, voters are getting an earful from lawmakers, who can use the technology to reach out to thousands of constituents at a time.

The technology has proven especially valuable for lawmakers like Young, who represent Western states. Geography means that frequent trips home from the Capitol aren't always easy or practical.

"He loves them," said Meredith Kenny, a spokeswoman for the Alaska Republican. "It's hard being in Washington, D.C., and so far away and not being able to get back to the district as often."

Here's how the town halls work: Autodialing computer programs call up to 50,000 people at once, to alert them to the town hall. They can either stay on the line, or choose to hang up. And if no one is home, they'll be left a sorry-we-missed-you message.

"Even people who really care about politics, are they going to drive to a town meeting?" asked David Jacobs, a partner with the Franking Group, the Utah company that Young's office uses for the telephone town halls. "You're sitting in the convenience of your own home, the phone rings. If you want to answer you can. If you want to stay on the phone you can. It's convenient."

Once the call is live, the format is up to the congressman. People can queue up to ask questions, or they can leave messages for staffers if they hear something that requires a follow-up. Generally, several hundred people are on the line at once.

Occasionally, Young connects with people he and his wife, Lu, know personally, outside of politics. On one recent call, one of the people on the line was Lu Young's priest as a child, Kenny said.

And just like radio hosts who want to end especially annoying calls, the lawmakers running the calls have the power to cut off obnoxious callers.

Not Young, though. Alaska's congressman takes the call and makes the most of it, Kenny said. He did two town halls late this summer and early fall, and was so enamored with the process that he hopes to make them regular events, Kenny said.

"He's very engaging," Kenny said. "We have the option of dropping callers, but we don't do that with him. He likes the back and forth."

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TAXPAYERS FOOT THE BILL

Some senators use the town halls, too, but they are especially popular for House members, whose two-year re-election cycle pressures them to keep in close contact with constituents.

The technology is a few years old, but it took off before the 2006 election and has proved popular since then. The town halls are covered under the "franking" privileges held by each member of Congress, which allows them to send mail at taxpayer expense to update their constituents on their activities.

The main evangelist for telephone town halls has been Rep. Dan Lungren, R-Calif., who conducts a monthly call with his constituents. A former radio talk show host, Lungren started the town halls in 2005. He was introduced to the concept by his friend, Rodney Smith, the former finance chairman of the Republican National Committee and one of the leading providers of the technology.

"If you can't fly back to California, or Alaska, you're able to have an interaction with your constituents while sitting in your office in Washington," said Lungren's spokesman, Brian Kaveney. "It's a very personal touch, because you're calling them at their home."

Traditional town halls just don't guarantee the kind of predictable turnout that's possible with one of the telephone town halls, Kaveney said. A recent call from Lungren had 400 people listening and 30 people waiting to ask a question.

And when a congressman sends out a franked mailer, well, it just as often ends up in the trash. They have to be careful not to make too many of the calls, because no one wants to be put in the same category as a telemarketer. But people in Lungren's district have come to expect the calls.

"People know he does them, so they don't treat them like a robocall," he said. "Democrats will say, "You know I don't appreciate your views, but I appreciate that you took the time to call me.""

For about $2,500, it's possible to reach about 50,000 people, whether it's direct contact or a message, Kaveney said. The company that does Young's costs about 17 cents a call, Kenny said, far less than postage.

Critics of franking say that it gives an advantage to incumbents, who can use their congressional accounts to pay for the telephone town halls.

E-TOWN HALLS ALSO GROWING

But many of the people who use the technology disagree -- both Republicans and Democrats. It's so inexpensive that it's accessible even to challengers on shoestring budgets, said Ed Patru, a spokesman for the House Republican Conference.

"I disagree with the notion, in this day and age when technology is so cheap and so available, that incumbents have access to more technology, and greater communication abilities," Patru said.

Plus, added Kenny, it's a congressman's duty to stay in touch with the people he represents.

"It's his duty to report back to people," she said. "Part of his job is to stay in touch with constituents." The telephone town halls are popular with both Republicans and Democrats, although GOP advisers acknowledge that their Democratic counterparts seem to have been quicker to embrace other technologies, such as e-town halls.

FBI - Stevens-1488

E-town halls allow members of Congress to chat online with constituents -- also from home, from a comfortable spot in front of their computer. It's also a little less intrusive than a phone call in the middle of dinner.

"They're great, because a lot of people get involved, and because people can participate at home," said Nick Papas, a spokesman for the House Democratic Caucus, "And it's nice for members, because they can do it from Washington."

There's no question that one of the most attractive things about telephone town halls is that politicians are able to target who they want to speak to. Some of the companies that run telephone town halls are able to pinpoint voters by age and other identifiers, making it easy to tailor a message. They also get to speak directly to voters, without the filter of the media.

Even so, it doesn't mean they shouldn't make the trek home to speak with people personally, said Jacobs, who worked in

the office of Sen. Sam Brownback, R-Kansas, before he started at the Franking Group.

"These are a wonderful tool when used with traditional mail and e-mail," Jacobs said. "But nothing beats face time in your district."

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GRAPHIC: Young

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Anchorage Daily News (Alaska)

November 24, 2007 Saturday
FINAL EDITION

Ethics training lacks a final test;
NEW LAW: Lobbyists simply say they've viewed presentation.

BYLINE: By KYLE HOPKINS khopkins@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 397 words

A new state law that makes lobbyists take ethics training is being carried out partly on the honor system.

Lobbyists who want to register to influence state politicians and decision-makers can choose to take the new ethics course online. There is no test.

Lobbyists simply print out a form promising they clicked through the roughly hourlong presentation, sign it and send it in.

The training is required as part of an ethics reform package passed by the Legislature and signed into law by Gov. Sarah Palin in July. The new rules say the Alaska Public Offices Commission must provide the training, though APOC wasn't given any money to do so, said executive director Brooke Miles.

APOC is offering the training in person, too, with classes beginning in December, Miles said.

But the agency needed to offer the service online because people must complete training before they register as a lobbyist, and people can register at any time, she said.

In fact, someone who lobbies for more than 10 hours in a month must register with the state almost immediately, meaning they couldn't wait for periodical training sessions, she said.

"This was the only practical approach," Miles said of the online training.

Rep. John Coghill, R-North Pole, said that he worked on the training requirement for lobbyists with Rep. Max Gruenberg, an Anchorage Democrat.

Coghill said his goal wasn't necessarily to have lobbyists sit through a class, but to know the rules and to sign some kind of affidavit saying they'd reviewed the laws.

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"Lobbyists these days are going to be under the highest scrutiny," Coghill said.

He said the Legislature likely will include money for the training next year.

So why no test for the online ethics course?

Miles said APOC staff talked about that idea, but it would take time to grade the exams --about 180 lobbyists are registered with the state this year, according to the APOC Web site -- and the new law doesn't require a test, only training.

But couldn't people lie and say they took the online training when they didn't?

194A-AN-13620-M;622

"You're never going to know what people are going to do ... there's always ways to get around everything, if that's the goal," Miles said.

Find Kyle Hopkins' political blog online at adn.com/alaskapolitics or call him at 257-4334.

GO TO ETHICS CLASS: Want to take the online ethics training for lobbyists? Go to

www.state.ak.us/apoc

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Young's earmark helps three fishing companies

CAMPAIGN DONORS: Provision was tucked in bill without review.

By WESLEY LOY
wloy@adn.com

(Published: November 25, 2007)

An earlier bill carrying Rep. Don Young's earmark to help three fishing companies with their Alaska crabbing operations failed to pass; the earmark then got through in the Magnuson-Stevens Fishery Conservation and Management Reauthorization Act of 2006. *(ERIK HILL / Daily News archive 1992)*

Some of the toughest money in America is made fishing for king and snow crab in the tempestuous Bering Sea.

But some crab boat owners also do well on the opposite coast in Washington, D.C.

A case in point is an arcane section written into a bill Congress passed in December, just hours before adjourning for the year. President Bush signed the bill into law about a month later.

Section 122 of the act, an updated version of the nation's main ocean fisheries law, gives three fishing companies -- and only three -- the right to exchange certain rights to catch and process Bering Sea crab for a new and potentially more profitable kind of right. The change could lower the costs of running crab boats and hauling catches to an onshore processing plant.

Al Chaffee *( )*

The three companies -- Yardarm Knot, Blue Dutch and Trident Seafoods -- are all headed by people who have made substantial political contributions to U.S. Rep. Don Young, the Alaska Republican who inserted Section 122 into the legislation.

Two of the companies, Yardarm Knot and Trident, also have long-standing ties with Young and U.S. Sen. Ted Stevens, R-Alaska, employing firms with lobbyists who used to work as aides to the two lawmakers. Yardarm also has paid the senator's son, Ben Stevens, for consulting and business services while he was a state legislator.

Some competing seafood companies fought the section, but their managers declined to discuss their complaints publicly.

Alaska's crab fishing industry is a distant and dangerous trade that has become household entertainment across the country, thanks to the popular Discovery Channel reality show "Deadliest Catch."

The crab fisheries are lucrative, worth well over $100 million at the docks in recent years.

Craig Holman, of the congressional watchdog group Public Citizen, said Section 122 is the same kind of earmarking tactic that has stirred lots of trouble recently for Young on bills that benefited

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associates or campaign contributors elsewhere in the country.

The provision smacks of political favoritism, sidestepped the normal process for changing federal fishery rules, wasn't subject to a public debate or hearing, and was inserted into a major bill at the last minute, he said.

"This section is typical of Don Young-style legislating," Holman said. "He appears to view his role on Capitol Hill as protecting the interests of those who will give him campaign contributions. He's been doing that extensively through the earmarking practice, and he did it in this case in legislation that was otherwise a very noble act."

Young declined repeated requests for an interview.

"Unfortunately I just do not think Congressman Young's schedule is going to allow for an interview, though I appreciate your interest," his press aide, Meredith Kenny, said in an e-mail.

She provided another e-mail, however, in defense of Section 122, saying part of the reasoning behind it was to "make participants in the fishery more economically viable."

CRABBING REVOLUTION

The law, the Magnuson-Stevens Fishery Conservation and Management Reauthorization Act of 2006, on the whole won widespread praise from fishermen, environmentalists and others concerned with safeguarding the nation's ocean fish stocks.

It was the first overhaul in a decade for the law, which originally was passed in 1976 and is partly named for Ted Stevens, who made the act's passage a personal priority last year.

The law helps govern the Bering Sea crab fisheries, which in 2005 switched from a derby style of fishing to one in which boats and processing plants effectively own individual shares of the catch.

Normally, the Anchorage-based North Pacific Fishery Management Council helps make changes in federal fisheries management off Alaska.

But Young's Section 122, amounting to about a page and a half in a 91-page act, never got a council review.

That troubles Kodiak fisherman Terry Haines, who said vessel crewmen often have been ignored or disadvantaged when corporate fishing companies lobby policy-makers for changes in fishing rules.

The Young provision, he said, should have been subject to a public review "simply to avoid any appearance of impropriety and to give other stakeholders a chance to be involved."

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A version of the language appeared last year in a U.S. Coast Guard bill Young sponsored as chairman of the House Transportation and Infrastructure Committee. But Congress didn't pass the bill.

The language reappeared in the Magnuson-Stevens Act in early December. The House Resources Committee had jurisdiction over the bill, and Young was a senior committee member.

The act would be one of the last Congress passed in 2006.

Regulators with the National Marine Fisheries Service are working now to implement Section 122,

which would take effect with next year's crab fisheries.

CHANGING THE RULES

According to a NMFS analysis, the law qualifies just three seafood companies to convert their existing crab fishery shares into a new type -- one that will allow them to catch as well as process crab aboard boats equipped to do both jobs.

Such a consolidated operation could save the three crab producers sizable costs. For instance, they don't need to run separate boats to catch crab and haul them to port for processing in a packing house.

Crab rights also can be sold or leased, and the combo catch and processing quota created under Section 122 likely would be worth up to 25 percent more than straight catch quota, said Jeff Osborn of Dock Street Brokers in Seattle.

The federal analysis says the three companies each can switch up to 1 million pounds of crab annually to the new kind of shares. It does not estimate the financial benefits the companies could realize.

The three companies, all based in Seattle, are:

- Yardarm Knot, a unit of Yardarm Knot Inc., whose president is Al Chaffee.
- Blue Dutch, a unit of parent company Blue North Fisheries.
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A potential loser under Section 122 was St. Paul, an island town in the middle of the Bering Sea that relies heavily on tax revenue from local crab processing. But a provision says companies that catch and then process crab offshore must compensate St. Paul by paying a fee of 5 percent on the crab's value.

Dave Whaley, a Republican fisheries staffer on the House Resources Committee, said a lobbyist for Yardarm Knot -- he said he couldn't recall the name -- came to see him last year about the crab provision.

One concern was that the St. Paul harbor was clogging with winter ice that could keep crab boats from delivering crab to the docks, and the goal was to find a way to process the crab at sea and still protect St. Paul's interests, he said.

"This was viewed as a legitimate policy concern," one Congress could handle faster than the North Pacific Fishery Management Council, Whaley said. FBI - Stevens-1494

CAMPAIGN CASH

Chaffee did not respond to repeated requests for comment.

He has made campaign contributions to several members of Congress in both parties, with Young among the most frequent recipients. In the past five years, Chaffee gave Young a total of $4,500, according to Federal Election Commission records compiled by the Center for Responsive Politics. Employees of his companies gave $8,500 more.

Chaffee has other connections to Alaska's congressional delegation. In the past two years, Yardarm Knot has paid a total of $100,000 to two law firms for lobbying: Robertson, Monagle & Eastaugh, in which former Stevens staffer Brad Gilman is a partner, and Blank Rome, which counts former Young chief of staff C.J. Zane and former Young aide Duncan Smith as principals.

Ben Stevens, in financial disclosures required of legislators, said Chaffee's companies paid him $121,800 total from 2002 through last year for consulting and business services.

Chaffee was among four men, including Young's son-in-law, Art Nelson, and former Stevens fisheries aide Trevor McCabe, who together bought 60 acres on mostly undeveloped Point MacKenzie across Knik Arm from Anchorage.

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Executives with Trident Seafoods, a titan among seafood companies operating in Alaska, offered limited comment on Section 122.

"Trident did not push for the conversion language," Trident general counsel Joe Plesha said in an e-mail. "Congressman Young was really trying to find an answer that helped everyone."

Top Trident executives including company president Chuck Bundrant, his wife and son, and Plesha have given $12,900 to Young in the last five years, according to the Center for Responsive Politics. Trident also has employed Robertson, Monagle & Eastaugh for lobbying.

'WORST OF LEGISLATION'

The center says Mike Burns, president of Blue North Fisheries, and his brother, Patrick Burns, have given Young $3,500 since 2003.

But Mike Burns said his company also didn't seek Section 122 -- and has no plans to take advantage of it.

"When I first got a written version of it, it took me about a week to understand what it was," he said. "Obviously it serves some purpose."

Burns added that Young a couple of years ago helped his company win initial crab fishery shares it wasn't able to get through the North Pacific Fishery Management Council.

"As a last resort we went to Congressman Young, who looked at it, saw an injustice there, and went to bat for us and fixed it," Burns said. "I have nothing but the highest regard for the man. He didn't ask for any favors or anything like that."

But Holman, of Public Citizen, said earmarks or last-minute "riders" on major bills -- items such as Section 122 -- are "usually done to benefit special interests or campaign contributors."

"This is an example of the worst of legislation and the legislating process -- representatives producing legislation specifically designed to benefit a very small sector, either friends, colleagues or campaign contributors, which indirectly benefits the lawmaker himself."

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Sources: Center for Responsive Politics, company Web sites

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2 of 2 DOCUMENTS

Anchorage Daily News (Alaska)

November 25, 2007 Sunday
FINAL EDITION

Young's earmark boosts 3 fish firms;
CAMPAIGN DONORS: Provision was tucked in bill without review.

BYLINE: By WESLEY LOY wloy@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 1867 words

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But some crab boat owners also do well on the opposite coast in Washington, D.C.

A case in point is an arcane section written into a bill Congress passed in December, just hours before adjourning for the year. President Bush signed the bill into law about a month later.

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Sources: Center for Responsive Politics, company Web sites

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ILLUSTRATION SHOWS MAP.
ILLUSTRATION SHOWS EXCERPT FROM SECTION 122 OF THE MAGNUSON-STEVENS FISHERY CONSERVATION AND MANAGEMENT REAUTHORIZATION ACT OF 2006 THAT BENEFITED THREE COMPANIES WHOSE EXECUTIVES MADE CAMPAIGN CONTRIBUTIONS TO REP. DON YOUNG.
Chaffee
ERIK HILL / Daily News archive 1992
An earlier bill carrying Rep. Don Young's earmark to help three fishing companies with their Alaska crabbing operations failed to pass; the earmark then got through in the Magnuson-Stevens Fishery Conservation and Management

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Anchorage Daily News (Alaska)

November 28, 2007 Wednesday
FINAL EDITION

Sen. Lesil McGuire accused of threatening witness; CALLS: Ex-lobbyist Bobrick was due to testify against her spouse, former Rep. Tom Anderson.

BYLINE: By LISA DEMER ldemer@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 1191 words

State Sen. Lesil McGuire was accused Tuesday of making veiled threats to dissuade a lobbyist from testifying in the corruption case against her husband, former state Rep. Tom Anderson.

The surprising information came up during the sentencing hearing of Bill Bobrick, a once-prominent lobbyist who began cooperating in September 2006 with the FBI in its investigation of corruption in Alaska politics.

In an interview after the hearing, McGuire denied making any threats and said Bobrick was deflecting attention from himself onto her "on the day of his reckoning with the public."

Bobrick, 52, pleaded guilty in May to conspiring with Anderson to push the interests of a private prison firm in exchange for money. He funneled nearly $24,000 to Anderson, money put up by a prison consultant who was working undercover for the FBI. In all, Anderson received nearly $26,000. The prison company, Cornell Cos., didn't know about the scheme, federal officials have said.

U.S. District Judge John Sedwick ordered Bobrick to serve five months in prison, followed by five months of house arrest on the felony conspiracy conviction. That's the minimum sentence under federal guidelines, which are advisory. It's far less than the two years to 30 months that Bobrick would have faced if he didn't cooperate.

And it's much less than the five years that Sedwick sentenced Anderson to serve. The Republican who represented East Anchorage in the Legislature for two terms also initially cooperated with the FBI, then decided to fight the charges against him. He was indicted in December 2006 and a jury convicted him in July of seven felony counts including bribery and money laundering.

Anderson reports to a federal prison on Monday in Oregon.

At Anderson's trial last summer, Bobrick testified for hours to help the government put the former legislator away.

"Certainly his testimony cemented the deal for the government," Sedwick said at Tuesday's sentencing.

He also wore a wire, helped the FBI investigate other people, and did as much as any witness could be expected to do, the judge said.

Prosecutor Joe Bottini also praised Bobrick but said he needed to be punished for being a catalyst for the scheme that got him and Anderson in trouble to begin with.

Before all this, Bobrick had a long list of clients who paid him to represent them before the city of Anchorage. His clients included at various times the police union, the firefighters' union, developers, Wal-Mart and many more.

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194A-AN-13620-m; 625

Bobrick's attorney, Doug Pope, told Sedwick the threats by McGuire were real. He asked the judge to consider a lighter sentence since Bobrick helped the government despite the attempts at intimidation. On New Year's Day, less than a month after Anderson was indicted, McGuire called Bobrick, the judge was told. Bobrick's wife, Jessica Bury, was in medical school at Mayo Medical School in Minnesota. McGuire wanted her number to tell her "about efforts to bar Jessica from obtaining her license to practice in Alaska," Pope said.

"Bobrick understood the call to be a threat that, if he testified favorably for the government, Lesil McGuire would take steps to see that Jessica did not obtain her medical license," Pope said.

McGuire dug up Bury's number on her own and left similar messages on her voice mail, Pope said.

Pope had asked that the portion of the hearing dealing with the threats be closed to the public. But Sedwick ruled it had to be open.

Pope told reporters outside of court that he considered McGuire's actions "witness tampering."

McGuire is someone to be reckoned with, he told the judge. Not only is she a state senator, but her father is David McGuire, a prominent and influential orthopedic surgeon in Anchorage, Pope said. He served on the Alaska State Medical Board from 1992 to 1995 and was chairman much of that time. The board licenses doctors in Alaska.

Pope said he immediately alerted prosecutor Bottini. Prosecutors took the veiled threats very seriously, Bottini said.

Bobrick was walking on the Coastal Trail when McGuire reached him on his cell phone, Bottini said, so there was no recording of that call, but he said he believes Bobrick's recollection of it.

"It was for the purpose of trying to rattle his cage, which in part she succeeded in doing," Bottini told the judge, referring to McGuire.

He said it took him until the next day to get hold of Anderson's attorney, Paul Stocker. If anything like that happened again, prosecutors would try to revoke Anderson's release on bond, Bottini said he told Stockler.

Stockler said in an interview that he conveyed that to Anderson and McGuire.

"She had an innocent explanation for the contact. I said I don't care," Stockler said. Defendants shouldn't be contacting witnesses, he said.

The calls stopped, everyone agrees.

McGuire said she didn't even know that Bobrick was working with the government until Stockler told her.

She doesn't remember exactly why she was so eager to talk to Bury that day but thinks she wanted to commiserate. The two couples were friends. They went out to dinner at Sullivan's Steakhouse, got together to play Cranium, talked about intimate family things, McGuire said.

"I can just tell you this. I didn't threaten her. And I wish the best for her," McGuire said.

She said she felt empathy for Bury and still is struggling to deal with what happened.

FBI - Stevens-1503

"I just feel like every time I get my sea legs back something hits me again," McGuire said.

The judge said that it was hard to know just what to make of the reported threats and that "the facts may not be exactly as they've been suggested today."

"With respect to the threat against Mr. Bobrick's wife, I cannot place a great deal of stock in it but I think it is worth considering," Sedwick said.

Ultimately, he said, it did seem that Bobrick had cause to worry about his wife's future, even if McGuire had no ability to actually carry out any threat. And Bobrick "soldiered on," the judge said.

Under Tuesday's sentence, Bobrick also must serve two years on probation. He also must do 800 hours of community service and pay a $3,000 fine.

Bobrick told the judge he's lived in Alaska for 32 years and he'll try to spend the next 32 making up for what he did, if he lives that long.

"I don't really have the words to convey the depths of my shame and my remorse," Bobrick said. Sedwick said he's never seen a defendant so remorseful.

Bobrick said he knows he has contributed to the view that the Alaska political system is corrupt.

"I'll carry that scar for the rest of my life," Bobrick said.

As the hearing ended, both Bobrick and Bury seemed overcome, maybe with relief. She cried and they hugged. They walked with friends out of the Federal Building. They had nothing to say to the mass of reporters who surrounded them.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

ONLINE AUDIO: Hear clips from Bill Bobrick's sentencing, including the alleged threat made by Sen. Lesil McGuire to Bobrick's wife.

adn.com/fbi

Bobrick's sentence

* Five months in prison

* Five months of house arrest

* Two years on probation

* 800 hours community service

* $3,000 fine

LOAD-DATE: November 28, 2007

LANGUAGE: ENGLISH

DOCUMENT-TYPE: Staff

PUBLICATION-TYPE: Newspaper

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FBI - Stevens-1504

1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

November 28, 2007 Wednesday
FINAL EDITION

Distrust in Wasilla City Hall;
MALL PROJECTS: Council questions city officials' dealings with developer.

BYLINE: By ZAZ HOLLANDER zhollander@adn.com

SECTION: ALASKA; Pg. B1

LENGTH: 465 words

DATELINE: WASILLA

City Council plans to order an investigation of the relationship between city employees and the developer building two mega-malls along the Parks Highway.

Among the questions councilors want answered is whether city officials, including Mayor Dianne Keller, have been secretly working with Meritage Development Group LLC.

Meritage hopes to build two shopping centers that together would roughly equal the Anchorage 5th Avenue mall in size. The first, Creekside Town Square, sits just east of a new Target store. The second, Gateway Crossing, would overlook Wasilla's Sears store.

City Council member Steve Menard proposed an independent review of the city's relationship with Meritage at the council's Monday night meeting.

Council members unanimously agreed to have city attorney Tom Klinkner conduct the review but postponed further action until Dec. 10, when Klinkner can provide an estimate of the cost of his services. The council could change its instructions at that time.

City officials have worked with Meritage, planning roads around and within the center and across private property flanking the malls. The city drew fire from local business owners, however, who said the city threatened to use part of their properties for a road accessing Meritage's development. The city later scrapped plans for the road.

Menard, in a memo proposing the review, said he hoped to answer nine questions, including:

* Did city employees engage in "inappropriate behavior ... in their assistance with the development of Creekside Town Square"?

FBI - Stevens-1505

* Did Keller and economic development director Casey Reynolds violate personnel or ethical policies during a May trip to Las Vegas, where the pair met with Meritage officials?

* Did Keller act inappropriately when she sent a letter in August vaguely threatening to use some private property near Town Square?

Councilors -- and even the mayor -- backed Menard's idea.

"I agree wholeheartedly. We need to find out what happened and (ensure) that this doesn't happen again," council member Marty Metiva said, though he noted that only the Vegas trip question appeared to have a legal basis.

194A-AN-13620-M:626

Reynolds, in an interview Tuesday, called the trip "a typical business trip marketing the city" that also involved another local developer. The pair had one dinner with Meritage, but no business was discussed.

"It's not like they bought us tickets for shows, or paid for hotel rooms or anything," he said.

Keller was absent from Monday night's meeting, attending her grandmother's 96th birthday party in Texas, she said at a previous meeting.

In previously written comments, Keller said she had no objections to Menard's proposal but "wanted clear outcomes and a finite budget."

Find Zaz Hollander online at adn.com/contact/zhollander or call 907-352-6711.

LOAD-DATE: November 28, 2007

LANGUAGE: ENGLISH

GRAPHIC: Illustrated by Ron Engstrom
ILLUSTRATION SHOWS MAP

DOCUMENT-TYPE: Staff

PUBLICATION-TYPE: Newspaper

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FBI - Stevens-1506

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Paper: Anchorage Daily News (AK)
Title: Bobrick's lawyer releases McGuire's phone messages -
RECORDINGS: Senator said she had heard that lobbyist's wife's career could be in jeopardy.
Date: November 30, 2007

The lawyer representing convicted lobbyist Bill Bobrick on Thursday played for reporters two telephone messages left by state Sen. Lesil McGuire, confirming she indeed made the calls reported in court Tuesday but not entirely dispelling the ambiguity over whether they were threats.

In the Jan. 1 calls, left on the cell phone of Bobrick and the answering machine of his wife, Jessica Bury, McGuire sounds like she's trying to be Bury's friend in reporting that "some people" are saying bad things about her.

Just what McGuire said, and what she meant by it, has become a topic of heated debate on blogs, talk radio and other forums after the issue first was raised Tuesday when Bobrick was sentenced for conspiracy. McGuire, R-Anchorage, served three terms in the state House before being elected to the Senate last year.

Bobrick was a key witness in the corruption trial last summer of McGuire's husband, former Rep. Tom Anderson. Bobrick's lawyer, Doug Pope, said in court Tuesday that McGuire's phone calls sounded like witness tampering. Prosecutors agreed that her words were threatening.

Anderson was convicted of seven felonies, including bribery. He starts his five-year prison sentence Monday.

In the phone messages, McGuire clearly asserts that Bury's career would be jeopardized by what the unnamed people were saying about her.

Bury is in her third year of medical school in Minnesota and hopes to return to Alaska to serve as a doctor.

"What this person said was not kind, it was awful, and they made an implication that could affect her potential medical career and I was very upset by it and I defended her," McGuire said on the message left on Bobrick's cell phone.

"But I would like to relay the information to her and the person that said it just so she's aware that there is this contingency of people that I would just simply say are hoping for her to not succeed."

In the call, McGuire appears to refer to a 10-year-old lawsuit that was settled in Bury's favor, Pope said.

The recorded messages contradict two statements made by McGuire in an interview Tuesday with the Daily News. In that interview, McGuire said she never mentioned anything medically related in the January calls. She also said she wasn't aware at the time that Bobrick was working for the FBI.

Bobrick said Thursday that though McGuire was trying to sound like a pal in the calls, she was never a good friend and was just trying to intimidate him.

"I took it as a direct attempt to influence my testimony about Tom Anderson's corruption," Bobrick said Thursday evening.

The first of three related calls that McGuire made on New Year's Day was to Bobrick. She was at the Hotel Captain Cook and reached him on his cell phone as he walked his old poodle Archie on the Coastal Trail.

Before she even identified herself, McGuire asked him "are you recording this?" Bobrick said. He wasn't. He asked who it was; she said it was Lesil McGuire and that "Jessica needs to know some things that could affect her ability to get her license," Bobrick recalled Thursday. She wanted Bury's number in Minnesota, where she was attending Mayo Medical School.

Bobrick said he told her he was walking his dog and would call her back. He then called the FBI.

The copy of the recording on Bury's answering machine is barely audible. In it, McGuire tells Bury that "horrible things were said about you that I know were not true."

"I just want to talk to you about it. I think there's a way to strategize around it," McGuire says.

McGuire then called Bobrick back and left the second message, saying at the start that she was not the subject of the FBI investigation.

FBI - Stevens-1507

194A-AN-13620-M;627

"If anyone's listening to this recording, I have a feeling you're required to report who called here but I'm not in that category," McGuire said. "I'm calling you on a personal matter about Jessica. I left her a message but I would like an opportunity to talk to you about it. It's very disturbing and it could impact her, in a way, professionally that bothers me."

The FBI made copies of both recordings and told Bobrick and his wife not to have contact with McGuire. Assistant U.S. Attorney Joe Bottini called Anderson's attorney, Paul Stockler, and warned him that if anything like that happened again, prosecutors might try to revoke Anderson's bail.

The calls stopped.

McGuire's role first came under scrutiny during **Bobrick's** sentencing hearing Tuesday.

Bobrick pleaded guilty in May to conspiring with Anderson to support a private prison company. Tuesday, he was sentenced to five months in prison and five months of house arrest.

Pope asked the judge to consider that Bobrick and his wife felt threatened by McGuire, yet he testified anyway. Taking a risk justifies a lighter sentence, Pope said.

"I felt she was tampering with a witness, your honor. I thought she should've been indicted," the defense lawyer told the judge.

Reporters then began pressing for the recordings. On Thursday, the FBI gave copies to Pope, who shared them.

Under conditions Bobrick and his wife set for reporters, the particulars of the matter that McGuire referred to as personal for Bury could only be described in general terms.

McGuire, on Tuesday, denied ever talking about Bury's ability to work as a doctor in Alaska.

"I never talked about her ability to practice at all. That never happened," McGuire said.

She said she couldn't recall why she was so intent on reaching Bury on New Year's Day, but said maybe she just wanted to commiserate. Anderson had been arrested just weeks before.

"That is what is so bizarre. ... I don't even know what I said but nothing about medical," McGuire said.

"I didn't even know that Bill was working for the government then," McGuire said.

But back in December 2006, only Anderson was under indictment, and no public charges were filed against Bobrick. It was easy for McGuire to figure out **Bobrick's** role, prosecutor Bottini said in court.

Bobrick said he wanted to release the recordings "to show that Lesil McGuire is not telling the truth, once again."

McGuire did not return phone messages about the recordings Thursday night.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390. Find Richard Mauer online at adn.com/contact/rmauer or call 257-4345.

LISTEN: Hear excerpts from phone messages left by Sen. Lesil McGuire.

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FBI - Stevens-1508

Author: LISA DEMER and RICHARD MAUER Anchorage Daily News Staff
Section: Main
Page: A1
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Anchorage Daily News (Alaska)

December 1, 2007 Saturday
FINAL EDITION

Prosecution wants max for Kott;
10 TO 121/2 YEARS: Defense is seeking less than three years in prison.

BYLINE: By LISA DEMER ldemer@adn.com

SECTION: ALASKA; Pg. B1

LENGTH: 657 words

Prosecutors want to put former House Speaker Pete Kott away -- for more than 10 years.

The defense says less than three years is plenty.

A federal jury convicted Kott in September of three felony charges: conspiracy, bribery and extortion. He was acquitted of wire fraud. Jurors found that he was bribed by executives with oil field services company Veco Corp. to push a version of an oil tax favored by North Slope oil producers.

Kott's sentencing hearing is scheduled for Dec. 7, and prosecutors filed their recommendation to the judge on Friday. Defense lawyer Jim Wendt said his recommendation should be filed today. He expected to ask for a range of 33 to 41 months.

"It's an adversarial system. They argue for as much as they think they can possibly get. The defense argues for the minimum amount. Everybody knows that," Wendt said.

A decision will be up to U.S. District Judge John Sedwick, who is presiding over all the corruption cases so far.

Kott, 58 and Republican, represented Eagle River in the Legislature for seven terms, including one as House speaker. He now lives with his girlfriend in Juneau.

During his trial, prosecutors played dozens of secretly made recordings for jurors. On many, Kott came across as a heavy-drinking ally of Veco. But the defense claimed he was just a hard-working blue collar Republican, a man who got on his knees laying hardwood floors for a living, someone who didn't ask for handouts.

Prosecutors are seeking double the sentence handed down to convicted former state Rep. Tom Anderson, who reports to federal prison Monday. And their recommendation is far above the four to six years they initially estimated Kott might face.

Now they say Kott should get about 10 to 121/2 years, several more than what a U.S. probation officer suggested. They argued to the judge in a memorandum that he deserves more time because he took multiple bribes and was an organizer of a criminal conspiracy.

As the government sees it, Kott in effect took three bribes: a promised job as a Veco lobbyist or consultant, talked about in 2006 and earlier; a $5,000 payment in 2004 that Kott testified was a truck loan still unpaid; and three other benefits that Kott received in 2006, which prosecutors count as one bribe for sentencing purposes. That last item includes $1,000 cash, a political poll for Kott that cost Veco $2,750, and an inflated flooring invoice for $7,993.

What's more, prosecutors say, Kott was "a critical organizer and manager within the larger conspiracy." Then-Veco chief executive Bill Allen, who has pleaded guilty to bribery and testified against his old friend Kott, placed high value on Kott's role, they say.

FBI - Stevens-1509

194A-AN-13620-M; 628

That's clear, they say, from a June 6, 2006, secretly recorded telephone call between Allen and Jim Bowles, president of Conoco Phillips Alaska. Allen told Bowles that he was using Kott and then-Senate President Ben Stevens to kill the tax bill, which at that point was too high for the industry.

Beyond that, prosecutors say, "Kott attempted to evade responsibility for his crimes by blatantly lying to the jury about his actions down to the very last vote he took as a legislator."

They go on:

"It cannot be disputed that Kott's crimes, particularly given his past leadership role as Speaker of the Alaska State House and his long tenure in that body, have struck a severe blow to the public's faith in the Alaska State Legislature and their elected leaders."

The government also is seeking a $16,473 fine, which totals the amount of the corrupt payments, and three years probation.

So far, in the multi-pronged federal corruption investigation, three former legislators have been convicted by juries, two Veco Corp. executives and a former lobbyist in Anchorage have pleaded guilty; a fourth legislator is awaiting trial while the government appeals a ruling on evidence. The investigation is continuing.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

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FBI - Stevens-1510

1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

December 2, 2007 Sunday
FINAL EDITION

Corruption scandal scared off gas line bid;
MIDAMERICAN: Company CEO says ongoing investigation puts in question all Alaska projects.

BYLINE: By WESLEY LOY wloy@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 879 words

A major Midwest energy company cites Alaska's political corruption scandal for its unexpected decision not to submit a natural gas pipeline application.

In a Friday letter to Gov. Sarah Palin, the chief executive of MidAmerican Energy Holdings Co. suggests that criminal investigations, performance lapses by one major North Slope oil producer and other factors stand in the way of a gas line.

"As you are painfully aware the ongoing corruption investigations coupled with previous indictments, guilty pleas and convictions draw into question virtually every major Alaskan project participant and governmental levels from State to Federal," says the letter from MidAmerican CEO David Sokol. "Obviously your administration had no involvement in these previous shenanigans nor did we; however, you and we alone cannot develop the pipeline project through AGIA's expected process."

MidAmerican was expected to be among the companies applying by Friday's deadline for a package of financial and other pipeline incentives under Palin's Alaska Gasline Inducement Act.

Palin is the latest in a string of governors to try to spur construction of a multibillion-dollar gas line.

Such a project would be a tax and jobs boon to Alaska, but the cost and risk of laying pipe as far as Chicago have for decades sidelined the project. Three oil companies, BP, Conoco Phillips and Exxon Mobil, hold the rights to most of the Slope's enormous gas reserves.

Palin late Friday announced the state had received five pipeline bids, plus a proposal from Conoco that didn't meet minimum application requirements.

The bids came amid a federal investigation that has resulted in criminal charges against four former state legislators, two of whom have been convicted of taking bribes from executives of oil field services firm Veco Corp. who were trying to influence last year's debate on raising oil taxes. Other state and federal lawmakers have been named but not charged in the probe.

State taxation rates factor heavily into political efforts to encourage either the oil companies or an independent pipeline company to build a gas line.

In his letter, Sokol said that while gas demand makes a pipeline costing up to $30 billion a compelling project, MidAmerican declined to bid due to problems in Alaska.

Aside from ongoing criminal investigations, Sokol cites the "performance issues" of one major oil company -- an apparent reference to BP, which last week pleaded guilty in Anchorage to a federal environmental crime for allowing oil to spill last year from a neglected pipeline in the giant Prudhoe Bay oil field.

FBI - Stevens-1511

194A-AN-13620-M;629

Sokol also mentions a legal battle in which the state is trying to take away leases in the rich Point Thomson oil and gas field for lack of development by Exxon and others.

MidAmerican, based in Des Moines, Iowa, is a subsidiary of billionaire investor Warren Buffett's Berkshire Hathaway Inc. MidAmerican runs gas and electric power utilities, and says its pipelines carried about 8 percent of the natural gas consumed in the United States in 2006.

This isn't the first time Sokol has pointedly withdrawn from Alaska's stumble-prone gas pipeline derby.

In 2004, after Palin's predecessor, former Gov. Frank Murkowski, refused to grant MidAmerican exclusive rights for five years to pursue a gas line, Sokol openly criticized Murkowski and declared his company was withdrawing from negotiations.

"On one hand your leadership and that of your administration has been outstanding and your integrity and transparent style are a breath of fresh air in what has proven to be a rather shady and smoke filled past in regard to energy issues in Alaska," Sokol wrote Palin.

"On the other hand the deepening and ongoing investigations into political and corporate corruption in Alaska make a thorough and thoughtful proposal in compliance with AGIA an unrealistic exercise for our organization. For a project of this magnitude to proceed, integrity must be the foundation upon which all project elements are based."

Sokol suggested the Alaska and U.S. governments will need to team with "a proven and nonconflicted project development partner" to deliver Alaska gas to the nation.

Allan Urlis, a MidAmerican spokesman, declined Saturday to elaborate on Sokol's letter.

Members of Palin's gas pipeline team couldn't be reached for comment Saturday.

The five pipeline bids received Friday came from TransCanada Corp., Chinese energy giant Sinopec, a little-known California firm called AEnergia, the Alaska Gasline Port Authority and the Alaska Natural Gas Development Authority.

Industry watchers had speculated another major energy company, England-based BG Group, might also submit an application. The company plans to drill exploratory wells on the North Slope this winter.

In a Thursday letter to Palin explaining why BG didn't bid, company executive Martin Houston predicted a gas line will be developed but "there was still too much economic uncertainty for us at this stage."

However, the company offered to share its project analysis with the governor, and indicated the BG and Palin gas teams will meet Dec. 12.

Find Wesley Loy online at adn.com/contact/wloy or call 257-4590.

ONLINE: Read the letters explaining why MidAmerican and BG opted out of the AGIA process.

adn.com

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FEATURE

BUSINESS

YOUTH

Muckraker Ray makes bid for U.S. Senate

•Homer honors Metcalfe for shining light on corruption

By Layton Ehmke
Homer Tribune
December 5, 2007

HOMER TRIBUNE/Layton Ehmke

Ray Metcalfe accepts the 2007 Muckraker Award, presented by Cook Inletkeeper's Bob Shavelson on Saturday night at Alice's Champagne Palace.

Considering the powerful people he's taken on, you'd figure Ray Metcalfe might have mysteriously disappeared — never to take up another row with corruption again. Instead, Metcalfe is out and about, shaking hands as he rallies Alaskans to support his bid to take on Ted Stevens and his 60-plus years worth of power and connection in the U.S. Senate. Of course, Metcalfe will first have to win the Democrat primary here to move up to the main event.

Metcalfe is the man who shined a million-candle-power spotlight on the bribes that oil company, Veco Corp., slipped into the pockets of Alaska lawmakers. As a result, Alaska politicians are being investigated for extortion, tax evasion and bribery.

Stevens remains entangled with FBI and IRS investigations, specifically for billing Veco for the remodeling of his Girdwood home — the one the FBI raided July 30. Former executives of the oil company testified they bribed many lawmakers —including Stevens's son, Ben, to the tune of $243,250.

Metcalfe's duties of raking the muck out of politics is far from over, he said Saturday night as he accepted the 2007 Muckraker award presented by Bob Shavelson, of Homer. Metcalfe likened his battle to that of fighting a 17-headed hydra, saying all of its heads must be destroyed in order to kill off the 30-year streak of corrupt politics that fundamentally "gave away Prudhoe Bay." He added that the Alaska Permanent Fund would be worth $100 billion today, had it not been for corruption.

Metcalfe was elected to the Alaska Legislature in 1978 and 1980. In 1986, he attempted to form the Republican Moderate Party to rival the ideological movements he began to see within the Republican party.

FBI - Stevens-1513

194A-AN-13620-M; 630

Today, he said he intends to set a balance to politics by being to the Democratic party what Sarah Palin has been to the Republicans – fresh air. His campaign slogan makes the following promise: He'll "cut out the bribery and pass the savings on to you."

The Homer Tribune and Metcalfe had a candid conversation at his coffee-shop rally on Sunday to find out what he's about — and what he's not.

Homer Tribune: If you were to form a political party today, what would it be?
Ray Metcalfe: Well, what I tried to do was form a party based in ethics. It had no platform. But as far as issues went, it had a statement of principals that said if you were going to be a member of good standing, you had to abide by these principals. And you could agree or disagree with me on all kinds of things, but if you were abiding by these principals and if you were open and honest, then the voter could decide if they wanted you. I'd do the same again. I want the straight scoop and I want the voters to make the choice with good information.

HT: How would you define your role in the U.S. Senate?
RM: I have done more to expose corruption in this state than any political figure in the state's history. I'm just good at it. It takes tenacity, thick skin and the willingness to take on the very, very, very powerful..

HT: Why hasn't anyone found you mysteriously dead and buried in the desert?
RM: I get asked that question every day, and sometimes I wonder myself. But think about it. How many other people would have had the knowledge to do what I did? I have enough knowledge about how government works to read between the lines, and I knew that nobody else was going to fix it. And to a large degree, nobody else would have known how to fix it. So, when you know that you're only one to do it, you kind of have a duty to.
If I'm elected to the U.S. Senate, I will spend the rest of my political career, and probably the rest of my life, doing the same thing nationally that I've done in Alaska.

HT: Starting with?
RM: Corruption is wherever you look. You'll find it. I'm just as quick to expose a dirty Democrat as I am to expose a dirty Republican. When I see it, I'll expose it.

HT: Who was the first person you investigated and exposed?
RM: Ben Stevens was the first person I tore apart, filleted and staked out in the sun to dry.

HT: If you were to meet Ben Stevens in this coffee shop in Homer, how would that exchange go down?
RM: I'd probably put a table up on end between him and me so that any saltshakers coming my way would be deflected. [laughs]

HT: Teddy Roosevelt said muckrakers are too busy cleaning up filth and are completely unaware of any celestial beauty and glory above

them. Are you?
RM: I saw it last night at the Muckrakers Ball. As I was standing there getting this award — you know, wasn't that a shining moment?

HT: Who's going to make a good president?
RM: Hillary would be fine — Obama would be better. I like his judgment. Anybody that can be bamboozled into voting for Iraq, knowing what I know she knew, appalls me. I was appalled when I watched all those Democrats roll over and vote for the Patriot Act. I was more appalled when they rolled over and supported George Bush on the invasion of Iraq. I just look at those things as disgusting. And I don't believe there was a single senator that wasn't well aware that Saddham Hussein had absolutely nothing to do with the knocking down of our towers — meanwhile our military was directed down the wrong way from the guy who really did it.
If you're concerned about war on terror — as you should be — you're No. 1 worry should be that a nuclear weapon will be detonated in an American city. What have we done to prevent that? Nothing.
Have we secured a single port? Nope. The nukes have been proliferated, and we pulled our troops off the North Korean border. As soon as we did that, they started building nukes right and left. And we have no way of knowing whether or not they've sold them to Osama. If they did, all he has to do is stick an address to a city near you on the backside of a sea-land container and drop it in the mail — because there are no checks. The most likely place to get a nuke is in the mail.

- We also played a short round of free-word association. The rules are simple: the Homer Tribune said a word, and Metcalfe said the first thing that popped into his head. Here's what happened:

Homer Tribune	Metcalfe
Oasis	Water
Pebble	Mine
Sheep	Montana
APOC	Corrupt
Politics	Corrupt
Prosperity	Getting our fair share
Pitfall	Veco
Rock N' Roll	Me
Permanent Fund	Make it shine
Kickback	Ben Stevens
Gamble	Listening to lobbyists
John Cowdery	More crooked than a dog's kind leg
Sarah Palin	Absolutely delightful
The war	Stinks

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1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

December 7, 2007 Friday
FINAL EDITION

Senate doesn't intend to take action against McGuire; CALLS: Lawmaker is accused of threatening wife of trial witness.

BYLINE: By SEAN COCKERHAM scockerham@adn.com

SECTION: ALASKA; Pg. B1

LENGTH: 744 words

The state Senate has no plans to take action against Sen. Lesil McGuire over allegations she threatened the wife of a witness in the corruption trial against her husband.

The Senate majority spokesman, Jeff Turner, said the bipartisan majority caucus has not discussed the matter. Turner said it does not seem to be an issue for the caucus. Senate President Lyda Green hasn't returned repeated phone calls about McGuire.

Anchorage Democratic Sen. Hollis French said that "there is a lot of smoke here," but he doesn't think what McGuire did was witness tampering. French is a former prosecutor and chair of the Senate Judiciary Committee, of which McGuire is a member.

McGuire, an Anchorage Republican, made the calls on New Year's Day to lobbyist Bill Bobrick and his wife, Jessica Bury.

"Was it good judgment?" French said. "Probably not."

Bobrick was a key witness in the bribery and corruption trial last summer of McGuire's husband, former state Rep. Tom Anderson. Bobrick's lawyer, Doug Pope, said at Bobrick's sentencing last week for his involvement in the bribery that McGuire's phone calls sounded like witness tampering. Prosecutors agreed her words were threatening, but didn't pursue charges.

Pope made public copies of two phone messages that McGuire left Bobrick and his wife. Eagle River Republican Sen. Fred Dyson, who assisted the FBI in its investigation of corruption in the state Legislature, said he listened to the messages after the media released them.

Dyson said he couldn't tell if they were threats.

"Listening to the tape, I think that could be taken either way," Dyson said.

FBI - Stevens-1516

Dyson, a member of the Senate minority, said he probably wouldn't recommend the majority take action against McGuire.

Potential actions could range from a formal reprimand or loss of committee positions to expulsion from the majority caucus. In 1982, senators expelled from the Legislature one of their own, George Hohman, after he was convicted of bribery.

McGuire sounds on a message as though she is attempting to be Bury's friend by reporting "some people" are saying awful things that could hurt Bury's ability to get an Alaska medical license. Bury is in her third year of medical school in Minnesota and hopes to return to Alaska to serve as a doctor. McGuire and Bury know one another but there's dispute about whether they were friends.

194A-AN-13620-M;631

The recorded messages contradict a statement McGuire made to the Daily News that she never mentioned anything medically related in the calls.

McGuire also said she wasn't aware at the time of the calls that Bobrick was cooperating with the FBI. But in her message left on Bobrick's phone, McGuire feels the need to say she isn't a subject of an FBI investigation.

"If anyone's listening to this recording, I have a feeling you're required to report who called here but I'm not in that category," McGuire said in the message.

McGuire's husband, Anderson, began his federal prison sentence on Monday.

McGuire has refused requests for comment on the alleged threats since the audio of the phone messages was made public a week ago. She'd earlier said the messages weren't threats.

Senate Minority Leader Gene Therriault said it appears as though what McGuire did was inappropriate.

"Whether it was something that rises to the level of censure from the body, I don't know," the North Pole Republican said.

Therriault said other cases in the Legislature have been more clear-cut. Therriault's Senate minority has urged that the majority reconsider having Anchorage Republican Sen. John Cowdery in the powerful position of rules chair.

Former Veco Corp. executives have implicated Cowdery in their scheme to bribe state legislators during a 2006 debate on an oil-tax rewrite. The Senate majority caucus has not taken action against Cowdery, but he did not attend last month's special session on oil taxes.

Gov. Sarah Palin has also said the Senate majority should review keeping Cowdery as rules chair.

Palin declined to weigh in on McGuire last week and said it's up to the Legislature to police its own.

Therriault said the McGuire phone calls might be something for the legislative ethics committee to look into. Ethics committee members wouldn't comment, saying it is confidential whether or not they are considering any kind of investigation.

Generally, the committee deals with issues related to misuse of legislative office.

Find Sean Cockerham online at adn.com/contact/scockerham or call him at 257-4344.

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Anchorage Daily News (Alaska)

December 7, 2007 Friday
FINAL EDITION

29 letters attempt to lighten Kott's sentence; JUDGE RULES TODAY: Ex-legislator called "fatherly," "common drunk."

BYLINE: By LISA DEMER ldemer@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 891 words

In letter after letter, friends, relatives and colleagues of convicted former state Rep. Pete Kott urge a federal judge to go easy when sentencing him today.

The bad stuff wasn't him, it was the booze, said one.

He's a good man, an involved father and grandfather, a good son to his 82-year-old mother, who is in poor health, said others.

They portray him as generous and compassionate, not someone looking out for himself. His flooring business required hard, physical labor and he did it free for friends. Even the money he was convicted of taking as bribes mainly went to others, some said.

A former legislative aide, Patrick Harman, wrote that Kott was corrupted not by money, but by alcohol. In his trial, prosecutors played recordings of Kott plotting with Veco Corp. executives after he had been drinking, sometimes heavily.

"If I were to numerically judge his rapid decline from Speaker of the House to common drunk, he would earn a perfect 10," Harman wrote.

A federal jury in September convicted Kott, 58, of bribery, conspiracy and extortion for his role in pushing an oil tax favored by North Slope oil producers. In exchange, he received nearly $9,000, a political poll for his re-election campaign and the promise of a job, all from Veco Corp. and its two top executives, according to testimony from the trial.

Prosecutors want U.S. District Judge John Sedwick to put Kott away for more than 10 years. The defense is asking for no more than 33 months.

Kott represented Eagle River for seven terms in the House, including one as speaker. He lost in the Republican primary last year. He now lives in Juneau.

FBI - Stevens-1518

In all, 29 people wrote in to support Kott.

"Pete was once one of the most influential politicians in Alaska; today he has lost his career, his marriage, his integrity, his reputation, and disappointed many, including myself," Harman wrote.

The former aide urged the judge to require that Kott get alcohol treatment and be allowed to pay back society through public service, not a stint in prison, maybe by teaching ethics classes to politicians.

"The monies that Pete received were, in reality, pretty meager. Personally, I believe he 'sold his vote' for alcohol," Harman wrote.

194A-AN-132620-M; 632

Last year, Kott's daughter, Pamela, a former Miss Alaska USA and model, was bitten in the face by a friend's boxer. "Mr. Kott took time to console me as I was in tears ... being ever so fatherly to me and looking back, I appreciate it," Audrey Burke wrote to the judge.

Burke said she became friends with Pamela when both worked as Alaska Airlines flight attendants. Kott was many attendants' favorite legislator, she wrote.

Former legislative candidate Earl Mayo, who along with his wife owns the How How restaurant and Ramada Inn in Muldoon, wrote that he and Kott are good friends going back 17 years. When Mayo needed to fix up a house to sell, Kott spent a month doing the interior work and "never asked for anything in return." Same thing when they did the interior of the How How, Mayo wrote.

Kott even accompanied the Mayos to Stanford Hospital when his wife needed treatment there, Mayo wrote.

The hard-drinking, cussing man seen on the FBI surveillance tapes isn't who Kott really is, several letter writers said.

"The real Pete is a model of decorum and respect," Debra Stovern, his girlfriend, wrote to the judge. "He normally treats people with kindness, speaks kindly, and does not use profane language."

Kott -- Scotty to his family -- was born in Flint, Mich. His parents had a stormy marriage and his younger brother Michael grew up in "fear for his mother's safety," wrote Michael's wife, Elizabeth. Kott took on a fatherly role toward Michael and helped him turn out to be a good man. Kott was the cornerstone of the family and still is, Michael Kott wrote. When their mother was ill with cancer in 2001, Kott spent nights with her at the hospital and stayed with her at home as she recovered. She's now ill again.

Kott joined the Air Force, turned the military into a career, got college degrees along the way, and retired after 22 years as a captain.

Former Rep. Bill Williams, a Republican from Ketchikan, described how fair and dedicated Kott was in the Legislature, no matter who he was dealing with. There was also an element of charm.

"When he spoke, you would have to listen very carefully due to his sense of humor that he used constructively to change the views of others without causing resentment," Williams wrote. Kott also did the floors in Williams' home, at the cost of the materials.

As for the bribes, he didn't get much, according to his lawyer.

Kott received $1,000 from Veco's Bill Allen in cash, but it was to reimburse him for a contribution he made to then-Gov. Frank Murkowski's campaign, Kott's lawyer, Jim Wendt, argues in his sentencing memorandum.

And the $7,993 paid by Allen through an inflated flooring invoice went to Kott's son so the younger Peter Kott could work on his dad's campaign, Wendt wrote.

Another $5,000 Kott received from Allen -- which Kott testified was a loan not ever repaid -- shouldn't be counted at all since Allen never testified about it, Wendt maintained. And the promised job wasn't worth nearly as much as the government contended, Wendt wrote.

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The sentencing hearing begins today at 8:30 a.m.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

LOAD-DATE: December 7, 2007

LANGUAGE: ENGLISH

GRAPHIC: Kott
AL GRILLO / Associated Press archive 2007
Former legislator Pete Kott, center, exits the federal courthouse in Anchorage with his daughter, Pam Kott, left, and girlfriend

Debra Stovern after he was convicted of conspiracy, extortion and bribery in September.

DOCUMENT-TYPE: Staff

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FBI - Stevens-1520

2 of 2 DOCUMENTS

Anchorage Daily News (Alaska)

December 8, 2007 Saturday
FINAL EDITION

Kott gets 6 years;;
Severity of crime, perjury on stand earn longer sentence

BYLINE: By LISA DEMER ldemer@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 1393 words

A federal judge sentenced former state House Speaker Pete Kott to six years in prison on Friday for his role in a corrupt scheme to push an industry-backed oil tax.

In a courtroom crowded with Kott's family, friends, reporters, defense lawyers, prosecutors and FBI agents, U.S. District Judge John Sedwick said that Kott should serve a longer than typical sentence because of the seriousness of the matter. The judge also ordered a $10,000 fine and three years' probation.

In addition, Sedwick found that Kott lied on the witness stand during his trial in September and factored that in too.

A federal jury in September convicted Kott, 58, of bribery, conspiracy and extortion for his role in advocating an oil tax pushed by Veco Corp. executives and favored by North Slope oil producers. He received nearly $9,000, a political poll for his re-election campaign and the promise of a lobbying job, all from Veco executives, according to testimony.

The stakes in Juneau during the 2006 legislative session were huge. Kott and other Veco allies were trying to keep the proposed new oil tax on profits at 20 percent, as the industry wanted. But others were pushing for a higher rate. Even a 1 percent change in the tax rate meant tens of millions to the state, if not even more.

"What we have here is an offense that has caused the entirety of the population of this (statewide judicial) district and a few kibitzers from Outside to question the integrity of the very political system here in Alaska," Sedwick said.

Kott's behavior "causes all of us to wonder what really does go on in Juneau," the judge said.

Kott's trial was packed with revelations. Prosecutors played for jurors FBI telephone wiretaps and surveillance videos that exposed a seamy world of heavy drinking, foul language and political deal-making.

"What we saw here, and what the jury convicted Mr. Kott of, was an unusual and extraordinary, outrageous, egregious pattern of self-serving conduct," said prosecutor Nicholas Marsh, of the U.S. Justice Department's Public Integrity Section in Washington, D.C.

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But defense lawyer Jim Wendt argued that Kott is a hardworking man with an exceptional character who served 14 years in the state House and 22 years in the U.S. Air Force.

"It's not the mere fact that he's been a public servant for so many years. It's the fact that he's a thoroughly decent human being that will treat the garbageman and the governor the same. He treats them fairly," Wendt said.

In all, the bribes to Kott were worth nearly $30,000, counting the $2,750 for the poll paid for by Veco and an estimated $18,000 that Kott could have made lobbying during one legislative session for Veco, Sedwick determined.

Former Veco chief executive Bill Allen and a former company vice president, Rick Smith, pleaded guilty to bribing Kott

194A-AN-13620-M;633

and other lawmakers, and are cooperating with the government. Both testified against Kott.

The judge said he didn't know whether the tax rate Veco so fiercely wanted was best for Alaska. Allen testified oil producers wanted to lock in a rate before they would move forward with a natural gas pipeline. Allen was motivated by greed, the judge said. Veco could have made millions off a pipeline contract. The company was sold in September.

Sedwick said he also had to consider the five-year sentence handed to former Rep. Tom Anderson. Anderson was convicted of taking bribes that he thought were from a private prison company.

"I think Mr. Marsh is correct in pointing out that although Mr. Anderson's conduct was bad, Mr. Kott's was even worse," Sedwick said.

Kott, a Republican from Eagle River, was someone with real stature, a former House speaker, a leader whom others turned to for advice, Sedwick said. The judge said Anderson struck him "as basically a lightweight."

Kott must serve more time, the judge said.

Assistant U.S. attorney James Goeke said that Kott lied on the stand about several matters, including $7,993 paid by Allen to Kott's hardwood flooring business. According to Allen and Smith's testimony, and to surveillance recordings, they came up with a phony invoice and paid the money to free up Kott's son in the summer of 2006 to work on his father's re-election campaign. Kott lost in the Republican primary.

Kott concocted stories that the work was actually going to be done at Smith's house or maybe Allen's, Goeke told the judge. He co-opted his son and girlfriend to testify that way, too, prosecutors said.

Wendt said Kott did not lie about anything material to the case and could have done the work.

Sedwick said Kott knew what he was doing when he took the stand.

"Having listened to that testimony, I am utterly convinced that at the trial, with respect to this payment, Mr. Kott gave false testimony under oath," Sedwick said.

Kott wasn't confused, the judge said. He didn't have a bad memory.

"The testimony appeared to me to have been carefully crafted to deceive the jury," Sedwick said.

In court Friday, Kott spoke for less than 80 seconds, reading from something he wrote ahead of time. His voice shook. He sounded nervous.

He said he was sorry.

"However, all my actions that I took while a member of the Legislature on the House floor, I took and truly felt that I did so in the best interests for the citizens of Alaska and the state of Alaska," Kott told the judge.

He appeared to refer to the drinking and scheming shown on FBI surveillance recordings from Suite 604 of the Baranof Hotel, Veco's Juneau's headquarters.

"For my statements, my association, my behavior away from the floor of the Legislature, I do deeply regret and apologize," Kott said.

He said he hopes people's opinion of him softens over time.

"It's always been my goal to be involved with bringing out the great potential of this state and the people, and I believe I'll continue to do so to the best of my ability," he said.

Kott did not specifically admit any guilt. He still may appeal, Wendt said after the hearing.

Kott's attorney had argued that he should receive 33 months in prison -- a little less than three years -- while prosecutors had sought at least 10 years before Friday's hearing.

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The judge did not set a date for Kott to report to prison. He said he'll recommend that Kott serve his time at the federal prison in Sheridan, Ore., the same place where Anderson is incarcerated. With time off for good behavior, Kott will serve more than five years.

"Disappointed," was all Kott would say as he left the courtroom, his daughter Pamela and his lawyer by his side. His son, his brother, his girlfriend and other friends all came to his sentencing.

A crush of reporters surrounded Kott as he walked away in the dark morning light on a slippery downtown sidewalk.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

SENTENCING: Hear Judge John Sedwick discuss Kott's perjury, and listen to Kott's apology.

adn.com/fbi

LETTERS: Read the 29 letters written in support of Kott.

adn.com/politics

Already sentenced

Former Rep. Tom Anderson:

Five years in prison after conviction in July for bribery, extortion, conspiracy and money laundering. Began serving sentence on Monday at Sheridan, Ore., federal prison.

Former lobbyist Bill Bobrick: Five months in prison plus five months' house arrest after pleading guilty to conspiracy for bribing Anderson. He hasn't yet begun serving the sentence. He cooperated with authorities and testified against Anderson.

Awaiting sentencing

Former Rep. Vic Kohring: Convicted in October of bribery, conspiracy and attempted extortion. Sentencing is scheduled for February.

Former Veco CEO Bill Allen: Pleaded guilty in May to bribery and conspiracy for his dealings with five state legislators. Is cooperating with authorities; no sentencing date scheduled.

Former Veco vice president Rick Smith: Pleaded guilty in May to bribery and conspiracy for his dealings with five state legislators. Is cooperating with authorities; no sentencing date scheduled.

Awaiting trial

Former Rep. Bruce Weyhrauch: Charged with bribery, attempted extortion, conspiracy and mail fraud. Was originally scheduled to be tried with Kott. The case was split off, and no trial date has been set while an appeal is considered over what evidence can be used.

FBI - Stevens-1523

What's next?

Authorities will only say that the federal investigation into corruption in Alaska politics continues.

LOAD-DATE: December 10, 2007

LANGUAGE: ENGLISH

GRAPHIC: MARC LESTER / Anchorage Daily News
Former state Rep. Pete Kott, flanked by his daughter Pamela and attorney Jim Wendt, leaves the Federal Courthouse in Anchorage on Friday after being sentenced to six years in federal prison. "Disappointed," was all he said as he left.

A crowd of reporters and others follows Pete Kott as he walks away from the Federal Courthouse in downtown Anchorage on Friday. Kott was sentenced to six years in federal prison and fined $10,000 for his conviction on bribery and other corruption charges.
Kott apologized for "my statements, my association, my behavior away from the floor of the Legislature."

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NewsBank, Inc. America's Newspapers

Paper: Anchorage Daily News (AK)
Title: State watchdog agency wants $130,000 increase -
APOC: After scandals in Juneau and small budgets, more staffing is sought.
Date: December 14, 2007

The Alaska Public Offices Commission is looking for an additional $130,000 in the coming year as it tries to beef up its role as the state's watchdog over politicians.

APOC executive director Brooke Miles said she thinks legislators recognize the need to give more money to the agency as the corruption scandal involving bribed lawmakers continues to unfold.

"In response to the question of, 'why didn't APOC do something?' " Miles said.

There's a lot of criticism over the fact it's taken the FBI to come in and clean up Alaska's mess. It's not APOC's fault, defenders of the campaign finance agency say.

"Their staff has been cut to the bone and they need some help," said Anchorage Democratic Rep. Bob Buch.

It was just four years ago that then-Gov. Frank Murkowski tried to get rid of APOC. Times have changed, though, and APOC is almost sure to get the money it wants.

"I just think that with everything that's happened down in Juneau, I think they could catch things in the early stage before they progress or mature into a federal offense," said Anchorage Republican Rep. Kevin Meyer.

Meyer is co-chair of the House Finance Committee. He said $130,000 is a modest amount for what APOC can do with it.

The agency's annual budget is around a million dollars. The Legislature this spring funded a single investigator for the agency. Miles said the additional $130,000 would allow contract work or a temporary staffing increase.

That could include maybe another investigator, paralegal or hearing officer. The agency could need help with the upcoming campaign season, Miles said.

Miles said an obstacle to hiring another permanent investigator is lack of space in the agency's office on Northern Lights Boulevard.

APOC's investigator, Jeff Berliner, is currently investigating polls that Veco Corp. illegally purchased polling for state political candidates. Former Veco executives have admitting bribing legislators in an attempt to keep oil taxes low last year.

"I really can't tell you anything, except that it's ongoing and the commission is using all the tools at its disposal, including subpoena powers," Miles said.

Find Sean Cockerham online at adn.com/contact/scockerham or call him at 257-4344.

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Section: Alaska
Page: B1
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1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

December 19, 2007 Wednesday
FINAL EDITION

Senator wants earmark inquiry;
FLORIDA: Alaska's Don Young headed panel during fund shift.

BYLINE: By ERIKA BOLSTAD ebolstad@adn.com

SECTION: ALASKA; Pg. B1

LENGTH: 1120 words

DATELINE: WASHINGTON -

An Oklahoma senator who has been a strident critic of the "earmark favor factory" has asked for an investigation into how money was set aside to study a highway interchange next to environmentally sensitive land in Florida..

The $10 million earmark was slipped into the 2005 highway spending bill, a $286 billion behemoth overseen by U.S. Rep. Don Young, R-Alaska, then chairman of the House Transportation Committee.

Sen. Tom Coburn, R-Okla., has asked for an investigative panel with subpoena power to determine who placed the earmark for the so-called Coconut Road study into the highway bill.

"Those who perverted and distorted the explicit will of the U.S. Congress must also be held to account," Coburn said in a letter. "A full investigation into this matter is necessary to ensure that this does not happen again."

The earmark first drew the attention of Florida road planners when they learned they had received $10 million for the study even though it wasn't one of their priorities. But they had sought $10 million to widen Interstate 75 in Lee County, Fla.

The language in this original earmark was changed after Congress voted on it, erasing I-75 and adding the words "Coconut Road" as it was being cleaned up in the bill-enrollment process before being sent to President Bush.

That fact, uncovered by a community activist in Florida nearly two years after the highway bill was signed into law, has infuriated Coburn and congressional watchdogs, who see it as a breach of the public's trust in the legislative process. Congress voted for one thing, they point out, but the bill signed by the president said something else.

"For Dr. Coburn it's not necessarily about Coconut Road," said his spokesman, John Hart. "What happened was an assault against constitutional authority. It begs the question: Is there a secretive branch of government that can alter bills?"

Young has long maintained that the interchange was asked for by Florida Gulf Coast University, and has said that he earmarked the money because residents told him they wanted it in 2005 when he attended one of their community transportation meetings with a local congressman, Rep. Connie Mack, R-Fla.

Tuesday, Young's spokesman Meredith Kenny said only that Young "has consistently welcomed an open earmark process." Kenny pointed to an October article in a Capitol Hill newspaper that suggested the legislative change was made by Mack, then a junior Republican on the Transportation Committee.

But many, including the FBI, have questioned the timing of the earmark, one of 6,371 approved on Young's watch.

DONATIONS TO YOUNG

FBI - Stevens-1526

194A-AN-13620-M; 635

The FBI interviewed at least one community activist who said he thought a Coconut Road interchange would open for development environmentally sensitive land owned by Daniel Aronoff, a friend of Young's who organized a March 2005 fundraiser in Bonita Springs, Fla., for the congressman.

"Almost everybody here who's been involved in this kind of stuff reached the conclusion that it was the contributions and the funding that turned out to benefit Aronoff," said Dan Eslick, a community activist who helped draw attention to the unusual earmark and outlined what he knew to an FBI agent.

In the two weeks before and after the Coconut Road earmark was inserted in the spending bill, Young's campaign and political action committee collected contributions from Aronoff, his lobbyist and other Florida business executives. The Florida donations, mainly from real estate interests, totaled more than $40,000.

A McClatchy Newspapers investigation in November documented Young's extensive travels as Transportation Committee chairman. Young amassed $6.5 million in political contributions from 2001 to 2005. With weak opponents during his re-election bids, he tapped his campaign funds to travel the country to meet with developers and view their proposed highway projects.

Mack's office did not return phone calls, but the Florida Republican has said that he will work to get the money shifted from the Coconut Road study and back toward the original freeway widening project.

Until he gets at least the promise of an investigation into the earmark change, Coburn will continue his hold on what's known as "glitch bill," legislation that fixes technical problems in the 2005 highway bill, Hart said. Coburn requested the investigation in a letter to the Senate minority leader explaining his hold on the glitch bill.

Individual U.S. senators have the power to hold up legislation. But the glitch bill has already passed the House and many senators will want to see it move forward in the Senate, because they have local projects dependent on money in it. One of the fixes in it shifts money back to the I-75 widening project -- and away from the Coconut Road study.

OTHER COMPLAINTS

Coburn, long a crusader against wasteful spending, has a history of singling out Alaska projects championed by Young and U.S. Sen. Ted Stevens.

After Hurricane Katrina, Coburn suggested that Congress shift $452 million for Alaska bridge projects toward rebuilding an Interstate 10 bridge in Louisiana.

It drew a dramatic outcry from Stevens, who threatened on the Senate floor to quit his job and vowed that if his colleagues passed the bill, "I will be taken out of here on a stretcher." Coburn was able to muster only 15 votes in the face of Stevens' threats.

But Tuesday, Coburn's spokesman pointed out that even though the Oklahoma senator was unsuccessful at removing money for the bridges, the national uproar over the projects was such that this year Alaska Gov. Sarah Palin cancelled plans for the bridge from Ketchikan to Gravina Island.

Coburn expects to be successful with solving the Coconut Road mystery too, Hart said.

The Coconut Road earmark has already drawn calls for an investigation by one of Young's 2008 political opponents, Democrat Diane Benson, who filed a complaint with the House committee on Standards of Official Conduct.

It also drew an ethics complaint from Taxpayers for Common Sense, a federal budget watchdog group based in Washington, D.C.

It was the nonpartisan organization's first-ever ethics complaint, said the group's vice president, Steve Ellis, but they felt it was an important move because their organization had particular interest in the highway bill. Investigators with Taxpayers for Common Sense spent thousands of hours analyzing wasteful spending in it and are largely credited with coining the term "bridge to nowhere."

"We need to get to the bottom of this and hold people accountable," Ellis said.

Find Erika Bolstad online at adn.com/contact/ebolstad or call her in Washington, D.C., at 202-383-6104.

READ Sen. Coburn's letter about the Coconut Road provision at

adn.com/news

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1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

December 19, 2007 Wednesday
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APOC decides McGuire earned consulting fees;
PROVIDENCE: Evidence shows that she produced work for the $10,500 that she was paid.

BYLINE: By SEAN COCKERHAM scockerham@adn.com

SECTION: MAIN; Pg. A3

LENGTH: 1094 words

A claim that Anchorage state Sen. Lesil McGuire did nothing to earn $10,500 in consulting fees from Providence Health System four years ago was unanimously dismissed Tuesday by the Alaska Public Offices Commission.

But a commission member believes the work done by McGuire, R-Anchorage, amounted to lobbying the state for Providence and wasn't appropriate for a legislator.

"To me this is conflict, conflict, conflict. Sen. McGuire should not have engaged in developing a lobbying strategy," said commission member Elizabeth Hickerson, a retired state attorney and a Democrat.

Documents released as part of the APOC investigation show McGuire's consulting job included working with Providence's lobbyist, former Rep. Eldon Mulder, on how the hospital could get money from the state as part of a deal involving the old Alaska Psychiatric Institute.

Hickerson wanted the commission to refer the matter immediately to the Legislative Ethics Committee to consider. But she was outvoted 3 to 2. The commissioners instead voted to postpone any possible referral until their February meeting. APOC staff is to look into it in the meantime.

Assistant attorney general Jan De- Young told the commission that she did not think what McGuire did counts as lobbying under the law. State legislators are not allowed under law to act as lobbyists.

McGuire's lawyer, Charles Dunnagan, was visibly frustrated with the way things went Tuesday. He said with some heat after Hickerson's call to refer it to the Legislative Ethic Committee that APOC was "out of line." Dunnagan said the commission shouldn't suddenly just charge off on a brand new probe of McGuire after spending months on an investigation that cleared her of the previous allegations.

He said McGuire did no lobbying and he does not see conflict of interest in what she did.

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"I think it is exceedingly unfair," he said.

SCOPE OF WORK

Providence Health System in Alaska gave McGuire a $10,500 contract in October 2003 for three months of consulting work.

McGuire, who was in the state House at the time, was hired to help the hospital acquire the Alaska Psychiatric Institute.

Her contract said she would develop a plan "that requires the state of Alaska to release the existing Alaska Psychiatric Institute to Providence and pay Providence the sum of $7 million for said structure."

194A-AN-13620-M;636

Providence would in return release the state from its obligation to demolish the building, according to McGuire's contract with the hospital.

That all came to pass about a year after McGuire's contract ended.

Providence had purchased the old API land from the Alaska Mental Health Trust Authority for $8 million. The state was supposed to demolish and remove the old asbestos-filled building at a cost estimated between $11 million and $14 million.

But Providence decided the building would be salvageable as administrative offices once the asbestos was removed. The state health and resources departments then reached a written agreement in December of 2004 to pay Providence $7 million to waive the state's liability to take out the asbestos and demolish the building.

The Public Offices Commission started investigating McGuire's contract this summer. The complaint came from Ray Metcalfe, who is now a Democratic candidate for the U.S. Senate, and who lost to McGuire in a 2000 race for the state House.

Metcalfe's original complaint claimed McGuire kept changing her description of what she did for the money.

The commission, after hearing from Metcalfe, expanded the investigation to whether McGuire actually did any work to earn it.

APOC investigator Jeff Berliner found no evidence McGuire was guilty of either accusation. He said there is substantial evidence, including sworn statements, that she produced work for Providence.

STRATEGY

But commission member Hickerson said a McGuire "work product" released as part of the investigation show that she was paid to help create a strategy for influencing state officials and legislators.

She's talking about a December 2003 memo from McGuire to Providence chief executive Al Parrish. Providence submitted it to APOC as McGuire's work product. In it, McGuire outlines strategies for negotiating a cash payment from the state in return for relieving the state of its liability to remove the old asbestos-laden API building.

"As the state of Alaska is facing recurring financial difficulties, negotiating for a lump sum cash payment will be difficult, at best," her memo said.

The memo gives several suggestions for how Providence can "maximize opportunity for resolution." That includes engaging the state health department to find common interest. The memo also said then-state health commissioner Joel Gilbertson was very close to the governor at the time, Frank Murkowski. So whatever conclusion Gilbertson reached would likely win favor, the memo said.

Gilbertson ended up leaving the state in September of 2005 for a job with Providence.

APOC said McGuire worked on the memo with Providence lobbyist Mulder, a former Republican lawmaker from Anchorage, as well as Laurie Herman, regional government affairs director for the hospital.

An APOC report said Mulder told the investigator that he met with McGuire twice to discuss her work and that he and Herman passed drafts back and forth until everyone was satisfied and McGuire signed off on it. Mulder described his role as "basically clean-up with Lesil,'" according to the report prepared by APOC staff members.

DeYoung, the assistant attorney general, said she didn't think what McGuire did was lobbying because there's no evidence McGuire had communication with lawmakers on behalf of her client.

McGuire's lawyer, Dunnagan, agreed, and said he did not see a conflict of interest,

"I don't think it's a conflict for legislators to have business interests or be involved with things that have a relationship to government," he told the commission.

Dunnagan said it happens all the time in a citizen Legislature. He gave the example of commercial fishermen who are

also members of the Legislature.

Metcalfe, who filed multiple complaints with the commission against former Sen. Ben Stevens over his consulting contracts said a sitting legislator being paid to strategize equals bribery.

Find Sean Cockerham online at adn.com/contact/scockerham or call him at 257-4344.

INSIDE

DON YOUNG: A U.S. senator wants to find out who slipped a $10 million earmark into a huge highway bill overseen by Alaska's congressman.

Page B-1

ALL POLITICS, ALL THE TIME: Read our Alaska politics blog at

adn.com/alaskapolitics

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Did oil producers know about Veco illegal acts?

PRODUCTION TAX: What the "big boys" knew about an effort to alter legislation is questioned.

By TOM KIZZIA
tkizzia@adn.com

(Published: October 2, 2007)

On June 6 of last year, with the state House of Representatives poised to adopt a new 23.5-percent tax on oil production, Veco Corp. chief Bill Allen placed a phone call to the president of Conoco Phillips Alaska. The FBI was listening in.

"If there's any way we can get this thing stopped, that's the best possible outcome," says Conoco Alaska president Jim Bowles.

"It's just between me and you, but I got Pete Kott and Ben doing it," Allen tells the oil company executive.

Bowles doesn't ask how or why. Instead he stresses the importance of getting the House to adjourn. Later in the call, Allen returns to Kott and Ben Stevens, who at the time was president of the state Senate, and boasts they planned to force adjournment in a way that can't be traced.

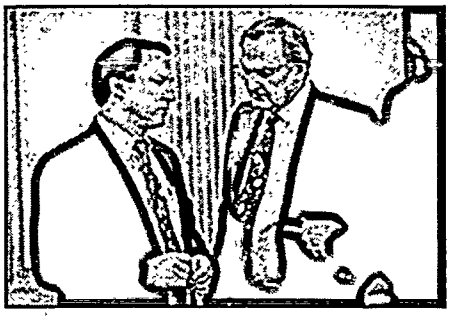
"Well, that's ideal," says Bowles.

There's nothing in the brief conversation to indicate that Conoco knew Allen had paid bribes to Kott and Stevens, as Allen admitted doing in Kott's corruption trial in federal court in September.

But the wiretap recording of the call, along with other audio and video evidence presented by prosecutors in the Kott case, has raised new questions about oil company lobbying in last year's tax debate, drawing attention to relations between Alaska's major oil producers, Veco and the still-unfolding federal corruption investigation.

Was Veco lobbying on its own behalf or under instructions from BP, Conoco and Exxon -- "the three big boys," as anxious Veco officials call them on surveillance tapes? Did Veco have a long-standing agreement by which it received benefits for its political work, such as North Slope oil field service contracts?

And did the companies, whose officers and lobbyists worked side-by-side with Veco on the big oil-tax and natural gas-



Former VECO Corp. president Bill Allen, right, talks with then-Senate Finance Committee chairman Rick Halford in May 1996 in Juneau. Halford said Veco's role in energy legislation was evident to most lawmakers. "Some people used to say Bill Allen was their designated hostage, to be tortured when the majors needed something." *(AL GRILLO / Associated Press archive 1996)*

Jim Bowles is president of Conoco Phillips Alaska, Inc. *( )*

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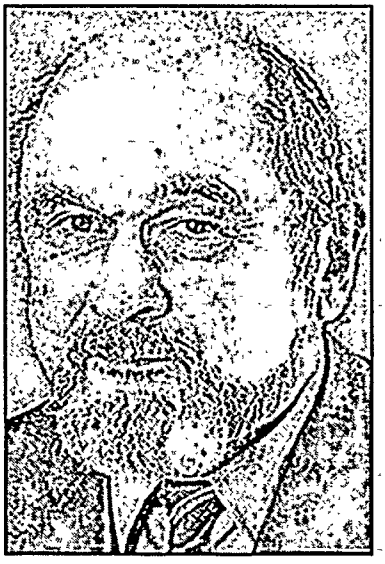
pipeline bills of 2006, know how far the company was willing to go?

SUSPICIONS AROUSED

Allen and another former Veco executive, Rick Smith, have pleaded guilty to conspiracy, bribery and extortion, and a jury convicted Kott on those charges last week. Since the conviction, local blogs and talk radio have been filled with questions about how much the oil producers knew.

Democratic legislators jumped into the fray Friday, calling on oil company chiefs to spell out any "coordination" between their companies and Veco during the oil tax debate. They said it is important to clear the air before the Legislature convenes in special session Oct. 18 for another look at the oil tax system. Republican Gov. Sarah Palin has said the tax eventually passed last year was "tainted" by corruption.



Fred Dyson *(Seanna O'Sullivan/AP)*

Rep. Les Gara and Sen. Hollis French, both Anchorage Democrats, wrote oil companies a letter asking if their representatives "ever discussed whether Veco would seek to influence legislators with campaign donations or other payments." They cited evidence from the Kott trial.

"How can you not ask the question with that evidence? Was Bill Allen their henchman?" said French.

In recent statements, all three oil companies denied knowing anything about the bribes or other crimes. Exxon, BP and Conoco said they have been told their employees are not under suspicion or being investigated.

"BP had no knowledge of any illegal activity that was taking place, and we condemn the behavior in the strongest possible terms," said BP Alaska spokesman Daren Beaudo .

Conoco Phillips Alaska president Bowles has declined to answer questions about Veco. His company released a statement that Bowles issued to company employees in the wake of the evidence presented in the Kott trial, in which he said he had no knowledge of illegal activities.

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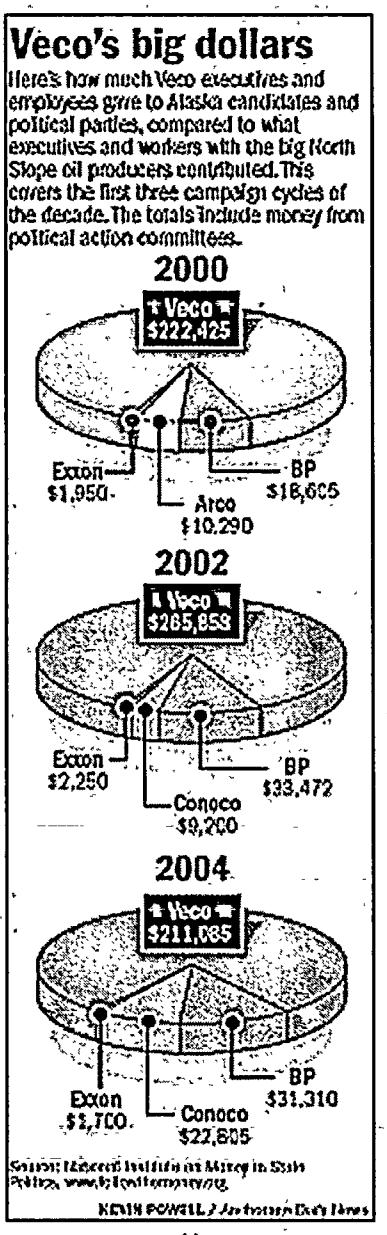
"Unfortunately, the government's corruption investigation of certain legislators and several former executives of Veco has cast a pall on the image of our company and our industry in Alaska," Bowles said. "It is impossible to prevent false rumors and innuendo, but times like these reinforce the importance of our absolute commitment to open, honest and ethical behavior."

As to any long-standing agreements with Veco about political influence, the companies declined to say anything.

CAMPAIGN MONEY TRAIL

Examination of the FBI recordings and trial testimony available so far in the federal corruption investigation reveals no clear evidence that the oil companies knew anything about bribed legislators.



That's not to say the record is complete, however. Recordings played for jurors in the Kott trial, relating specifically to the charges against him, add up to only a few hours. FBI officials say total intercepts in the Veco investigation, which covers other political figures as well, include more than 17,000 phone calls and at least 400 hours of video recordings from the company's bugged suite at Juneau's Baranof Hotel.

Veco, which started as an oil field services company, has been a prominent political player in Alaska for two decades.

The company has long been the biggest source of campaign money in Alaska, both on the state and federal levels. In the three campaign cycles before the 2006 tax fight, for instance, Veco officials donated five times as much money as officials from Conoco, Exxon and BP combined. Veco multiplied its influence by holding political fundraisers and bringing in checks from other sources.

Much of this money, Allen now admits, was reimbursed illegally to Veco officials through a special bonus program, in which the company provided executives money to give to favored candidates.

In the past, Veco officials said they were involved in campaigns because they wanted to see pro-development candidates elected. Allen offered a second reason for raising Veco's profile, when he testified in Kott's trial: growing competition for oil field work from Native corporations. And aside from its involvement in campaigns, Veco for many years had been a heavy, visible lobbying presence in Juneau, with Allen sometimes flying in to personally lobby lawmakers on bills affecting the oil industry.

But some dispute that Veco became a major political player strictly on its own.

Two former legislators told the Daily News in interviews last week they'd been told by Allen he answered to the major producers as he lobbied the Legislature -- at least in the years before 2006.

"There may be, and I think there is, culpability on the part of the producers," said Jim Whitaker, a former Republican state representative who is now the Fairbanks North Star Borough mayor and a proponent of a gas pipeline opposed by the major producers. "They were certainly aware of much of what Veco is doing. These are not naive people."

Whitaker recalled a conversation with Allen around 2000 about prospects for a gas pipeline.

"What Bill Allen told me in the course of that conversation was that the only person he listened to in regard to the gas line was the then-president of Arco Alaska, Kevin Meyers," Whitaker said. "He was the person that told Bill what to do regarding gas line issues."

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Rick Halford, a longtime Eagle River lawmaker and former Senate president, said Veco's role was evident to most legislators.

"Everybody knew that Veco was representing the majors, but they were never saying it directly," Halford said.

Halford said he considered Allen a personal friend after taking him on a moose hunt, even though they clashed increasingly over oil policies. He recalled a meeting in his Senate office after BP proposed to buy Arco. Halford was a leader in the legislative opposition to the purchase.

"I can remember him telling me directly how much pressure BP was putting on him," Halford said. "Some people used to say Bill Allen was their designated hostage, to be tortured when the majors needed something. They tortured him with the contracts he needed to keep his people working."

Another perspective in circulation is that, by 2006, BP had come to view Veco with apprehension. Sen. Fred Dyson, R-Eagle River, said he heard as much from then-BP Alaska president Steve Marshall in a Capitol parking lot conversation during the oil-tax session. Dyson said he asked about the common perception in Juneau that Allen was working for the oil producers.

"He kind of scares us," Dyson recalled Marshall as saying. "We worry he'll screw up someday." The impression of Allen as chief political fixer was one promoted by Allen himself, the BP chief told him.

Dyson, who recently disclosed that he was working with the FBI during the 2006 sessions, added that he had no way of knowing whether Marshall's depiction was accurate, or an attempt to preserve a safe distance from Veco.

PRESSURE IN JUNEAU

In 2006, with oil taxes and a gas line deal looming, the oil companies hired additional lobbyists and sent officials to Juneau. Exxon reported spending more than $500,000 that year on lobbyists, Conoco $750,000, BP $1.2 million.

One picture that emerges from the FBI recordings is of Allen and Veco vice president Rick Smith, wound tight with anxiety as they weighed how their actions might be perceived by the oil companies. Plotting votes on the oil tax, they seem afraid to budge from the 20 percent tax to which they are somehow bound -- even when Kott, in May, says it would be good damage-control strategy to move higher.

"Pete, you might be right as rain, but how do we make a living?" Smith asked the legislator. Smith called their inability to move "a huge predicament."

The Veco bosses expressed resentment when other industry lobbyists take credit for their access to key legislators on Capitol Hill.

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"They forget how they got introduced to them," Smith lamented in May.

"I think ol' Jim Bowles will remember me," Allen said. "That's all I care about, is ol' Jim Bowles."

Veco was pushing for a long-term tax deal on oil, which the major oil producers described as an essential step toward winning their support for a gas line.

A gloomy late-night conversation between Allen and Smith over drinks in the Baranof suite back in March seemed to set the tone for the months to come.

"Me and you, we have to f---ing produce. Right now," Allen says.

"Have to get dirty and have to produce. I understand that," Smith says.

"But our clients have to know what we've done," Allen says. "... Because it's so important to us. Your life and my life. Whatever the f--- I got to do, I'll do it. Right here, we've got to produce."

The recordings are revealing in subtle ways too, with Allen being deferential to Bowles just as Kott was deferential to Allen. In both relationships, the man higher up the food chain directs the conversation, the lower one listens for cues, seems to crave recognition and makes sure to claim credit.

Two days after his conversation with Bowles, the Legislature adjourned its first special session without a bill and Allen called the oil company president back. He left a voice mail message, mentioning Kott and Stevens again. "Remember what I told you," Allen said. "We got it done."

CASHING POLITICAL FAVORS

Critics, including French and Gara, have homed in on Allen's comments to Bowles about leaving no trace of who was responsible for killing the bill.

"There were rumors around the session that Veco was involved in vote-buying," Gara said. "Why would Jim Bowles be concerned about a legislator leaving fingerprints on a bill? That is an indication that somebody knew something was going on."

The secret recordings also turn up evidence of how political influence was seen by Veco as a kind of currency. In March, Smith received a call from Kott, who was in Washington, D.C., having drinks with Marathon Oil's director of government affairs. Marathon, with oil and gas operations in Cook Inlet, was concerned about how new oil taxes aimed at the North Slope would affect them.

"We've got to take care of Marathon in this deal. We can carve them out something," Kott says.

Smith evades the subject at first, then sternly tells Kott not to promise anything to Marathon.

"We went to bat for those guys in Cook Inlet, and they dumped us on the maintenance contract," Smith says.

Kott seems to snap to attention. "All right, you know where my allegiance is," he says.

As the basis for a criminal charge of wire fraud, the recording fell flat. Kott later voted in favor of a Cook Inlet deal helping Marathon, and this was the one count on which the jury acquitted Kott. But it seems revealing as a window into Veco's motivations and the dog-yard hierarchies among the companies.

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OIL COMPANIES RESPOND

Exxon responded tersely to inquiries about the investigation with a written response that said only, "To the best of our knowledge, ExxonMobil is not the subject of any inquiry and we have received no indication from the government or other sources to suggest any actions by company employees were unlawful."

Exxon noted that Veco had contracts with the company cleaning up after the Exxon Valdez oil spill and on oil projects in Sakhalin, Russia. The company declined to answer specific questions.

BP was more forthcoming. Beaudo, the company spokesman, said federal investigators have been in touch with BP Alaska employees as part of the broader inquiry into Veco. Federal officials have indicated that no one at BP is under investigation or suspicion, he said.

"There has been a level of contact as part of the investigation," he said. "Any further detail about the extent of those contacts is best left to the investigating agencies."

As operator of most North Slope oil fields, BP had "significant" contracts with Veco, said Beaudo. Their lobbyists talked, and BP's name appears to have been on Veco's lips frequently. But the company had not asked Veco to do anything in Juneau on its behalf regarding the 2006 oil tax, he said.

"We were not asking others to carry our water," Beaudo said. "No one should be surprised that there was an exchange of information on an important policy position like this."

Beaudo declined to answer questions about pre-2006 relationships between his company and Veco regarding campaign finance and lobbying.

Contact reporter Tom Kizzia at adn.com/contact/tkizzia or call him in Homer at 1-907-235-4244.

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Donations from Veco employees fall from favor

ALASKA: Sens. Murkowski, Stevens divest some of what they got; Rep. Young doesn't.

By MATT APUZZO
The Associated Press

(Published: October 5, 2007)

WASHINGTON -- For years, while Veco Corp. was flush with oil profits and in a giving mood, Capitol Hill politicians happily accepted hundreds of thousands of dollars in campaign donations from employees of the oil contractor.

But now that two Alaska lawmakers are under FBI scrutiny as part of a growing corruption scandal involving Veco, the friendly feelings have faded and some in Washington are shedding the campaign donations connected with the company.

Veco was the most generous source of support for Alaska's current congressional delegation. Company employees donated more than $360,000 to candidates and their political action committees since 1993

Sen. Lisa Murkowski donated to charity the $8,000 her campaign received from convicted Veco executives Bill Allen and Rick Smith but not the $33,000 or so it got from other employees.

Sen. Ted Stevens donated to a veterans charity $18,000 his campaign received from Allen and Smith, said Timothy McKeever, Stevens' campaign treasurer. The senator plans to keep more than $50,000 from Veco employees.

Alaska Rep. Don Young, who has also come under scrutiny in the case, has made no move to return more than $180,000 in donations from Veco employees, including more than $34,000 from Allen and Smith.

Veco was generous far beyond Alaska: President Bush's campaign received more than $22,000, including $5,500 from Allen and Smith. Sen. Daniel K. Inouye, D-Hawaii, received thousands of dollars for his campaign. So did several Republicans senators including Richard Burr of North Carolina, Norm Coleman of Minnesota, Jim DeMint of South Carolina, Arlen Specter of Pennsylvania, John Sununu of New Hampshire, John Thune of South Dakota, Kit Bond of Missouri, David Vitter of Louisiana, George Voinovich of Ohio and John Ensign of Nevada.

Even Sen. Tom Coburn, R-Okla., an outspoken critic of the Alaska delegation's ability to steer money to the state without going through the normal appropriations process, received Veco-linked donations.

Lawmakers are divided on how to handle the money.

Bond's office said the senator recently donated about $9,000 to charity. That included not just the contributions received from Allen and Smith, but also donations from their wives and Veco employees.

DeMint spokesman Wesley Denton said the senator was "appalled to learn about these admitted

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crooks" and would donate all Veco contributions to the Citizens Against Government Waste, a nonprofit group he said is "dedicated to shining a light on this type of government corruption."

The National Republican Senatorial Committee said it donated to charity about $25,000 it got directly from Allen. Spokeswoman Rebecca Fisher said Thursday the committee plans to return or donate an additional $50,000 from Veco employees.

Thune's spokesman said Wednesday the senator would donate to charity $2,000 the campaign received from Allen and Smith because they pleaded guilty, but will keep $4,000 from other Veco employees. Rep. Jon Porter, R-Nev., said he donated to charity $500 his campaign received from Allen.

Inouye, a close friend of Stevens, also plans to keep $13,000 in Veco-related contributions. Coleman's office said his campaign books were closed and the money was already spent.

Coburn, too, plans to keep his donations. Spokesman John Hart said the senator "has more than demonstrated his independence on spending, particularly related to projects in Alaska."

Others did not return messages asking about the contributions.

Where the bucks stopped

A look at campaign contributions by Veco Corp. to elected officials in Washington since 1993. The list does not include donations to political action committees.

- Rep. Don Young, R-Alaska: $180,630
- Sen. Ted Stevens, R-Alaska: $70,500
- Sen. Lisa Murkowski, R-Alaska: $41,250
- President Bush: $22,050
- Sen. Frank Murkowski, R-Alaska $17,000
- Sen. Daniel K. Inouye, D-Hawaii: $13,000
- Sen. Richard Burr, R-N.C.: $6,000
- Sen. Tom Coburn, R-Okla. : $6,000
- Sen. Norm Coleman, R-Minn.: $6,000
- Sen. Jim DeMint, R-S.C.: $6,000
- Sen. John Sununu, R-N.H.: $6,000
- Sen. John Thune, R-S.D.: $6,000
- Sen. David Vitter, R-La.: $6,000

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- Sen. Kit Bond, R-Mo.: $5,016.
- Sen. Arlen Specter, R-Pa.: $4,000
- Sen. George Voinovich, R-Ohio: $3,750
- Sen. John Ensign, R-Nev.: $2,000
- Rep. Steve Pearce R-N.M.: $1,000
- Rep. Jon Porter, R-Nev.: $1,000.
- Rep. Dennis Rehberg, R-Mont.: $1,000
- Rep. Barbara Cubin, R-Wyo.: $500
- Sen. Larry Craig, R-Idaho: $200

Source: Center for Responsive Politics.

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Anderson admits he broke law, violated trust

COURT MEMO: Ex-lawmaker facing 6 years for corruption concedes role, seeks leniency.

By LISA DEMER
ldemer@adn.com

(Published: October 9, 2007)

Three months after a federal jury convicted him of seven felonies including bribery, former state Rep. Tom Anderson acknowledges that he broke the law, violated the public trust and must be punished.

Anderson didn't testify during the 10-day trial this summer. But he fought the charges, and until now maintained publicly that he was innocent.

His sentencing hearing is set for Oct. 15 before U.S. District Judge John Sedwick. A pre-sentence investigation report recommends he serve five to six years.

In a memo filed with the court on Monday, Anderson's lawyer says he is seeking "leniency, compassion and mercy." Except for the circumstances in the corruption case, Anderson has been a "tireless and selfless representative and advocate for the people of the State of Alaska," wrote defense lawyer Paul Stockler.

Anderson, a Republican who represented East Anchorage for two terms, shouldn't be sentenced to any more than two years and nine months, his lawyer argues.

"I accept full responsibility for the choices I've made and the damage I've done and the damage here transcends the personal loss and pain that has been suffered by my wife and family," Anderson says in the sentencing memorandum. His wife is state Sen. Lesil McGuire, and his father is former director of Alaska State Troopers.

Anderson was convicted of participating in a scheme in 2004 and 2005 with former Cornell Cos. lobbyist Bill Bobrick and consultant Frank Prewitt in which payments were funneled to him in exchange for his pushing the company's interests. Prewitt was working undercover for the FBI, and Cornell was unaware of the scheme, the U.S. Justice Department has said.

"Mr. Anderson believed at the time, that his actions were not in any way unlawful," Stockler says in the 47-page sentencing memorandum.

"Rather, he erroneously and indeed naively thought that he could properly serve two masters: the people of the State of Alaska, and a private consulting client seeking to capitalize on access to a legislator."

Anderson now realizes no one could do that, his lawyer says.

By the time the conspiracy began, Anderson was friends with Bobrick. Their families socialized often, from "informal game nights" to outings at the Alaska Center for the Performing Arts. "Over time, Mr. Anderson permitted that personal relationship to cloud his moral and ethical judgment," Stockler wrote.

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Anderson has no prior criminal convictions, his lawyer wrote.

Prosecutors have not yet filed their sentencing memorandum but will be seeking somewhere in the range of five years and three months to six years and six months, as recommended by the probation office in its report, Assistant U.S. Attorney Joe Bottini said Monday.

It's a little late for Anderson to acknowledge what he did wrong, Bottini said. He could have pleaded guilty.

"He put us through a trial," the prosecutor said. "In our view he is not entitled to any consideration for acceptance of responsibility."

Efforts to reach Anderson and Stockler were unsuccessful Monday.

But in the new court filing, Stockler wrote that there is no need to hand Anderson a long sentence to deter others. The story already is known to politicians, lobbyists and public officials.

"Moreover, they are aware that, as a result of his misdeeds, Tom Anderson was publicly disgraced, is now deeply in debt, and has lost his professional reputation, job, financial security, Alaska Permanent Fund dividend and right to vote."

The document also quotes letters of support from Anderson's friends, family and colleagues. One is from House Speaker John Harris, R-Valdez.

"Tom was a good legislator. In my opinion, he had the best interest of Alaskans on his moral and ethical compass," Harris is quoted as saying. Anderson got himself into a fix, Harris says, because he was "too naive or ill-prepared to recognize that politics and business are often comparable to a jungle."

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Kott seeks acquittal or chance in new trial

LAWYER ARGUES: Bill Allen was a friend; so-called bribes were gifts.

By LISA DEMER
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(Published: October 10, 2007)

Former House Speaker Pete Kott wants a federal judge to throw out the jury decision last month to convict him of three corruption charges or, at the least, to grant him a new trial.

In a 12-page memorandum filed last week, Kott's lawyer argues that, among other reasons, Kott should be acquitted because former Veco Corp. chief executive Bill Allen was foremost his friend and anything Kott received was simply a gift.

A jury convicted Kott on Sept. 25 of bribery, conspiracy and extortion but acquitted him of wire fraud. During the 15-day trial, jurors heard dozens of secretly made recordings that prosecutors used to prove that Kott plotted with former Veco Corp. executives Allen and Rick Smith to push through a new oil tax rate favored by North Slope producers in 2006.

Allen, who along with Smith has pleaded guilty to bribery and conspiracy, testified in Kott's trial that oil producers wanted tax stability before they would commit to a natural gas pipeline. Veco could have made millions off the pipeline. The oil field services company was taken over by CH2M Hill right before Kott's trial.

Defense lawyer Jim Wendt argues in the new court filing that there was no evidence of a connection between the Petroleum Profits Tax and anything that Kott received.

"There was no nexus to the PPT legislation established and as a result any alleged benefits that the defendant received could have been construed as simply gifts from a benefactor that Pete Kott has known for years," Wendt says.

Wendt raises some of the same points the defense brought up before U.S. Judge John Sedwick during the trial, especially as it relates to how the jury was instructed to consider the evidence. The judge rejected the arguments at the time.

Prosecutors will respond in court, said Bryan Sierra, U.S. Justice Department spokesman. They haven't yet filed a response, but will soon, he said.

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Testimony and other evidence at the trial showed that Kott received the promise of a job from Veco, $1,000 cash, a $7,993 check for an inflated flooring invoice, and a $2,750 political poll for his re-election bid.

Kott, a Republican who represented Eagle River in the House for seven terms, lost in the 2006 primary election.

The conspiracy conviction, Wendt argues, makes no sense on its face. To convict Kott of that charge, jurors were told they had to find that Kott, Allen and Smith conspired to commit at least one other crime, extortion, bribery or wire fraud. But Wendt asks how could Allen, Smith and Veco

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be both victims of extortion and part of the conspiracy to commit it?

"A 'victim' cannot 'conspire' to be extorted. It is inherently illogical," the defense lawyer says.

Prosecutors could have put on a case to show a bigger conspiracy including state Rep. Bruce Weyhrauch and former Senate President Ben Stevens, but they didn't, Wendt says. Now they are stuck with a conspiracy limited to Kott and the Veco executives, the defense says.

Weyhrauch was to be tried alongside Kott but his case was split off so the government could appeal a ruling on evidence. Stevens has not been charged but both Allen and Smith testified that they pleaded guilty to bribing Stevens, along with Kott.

Still, if jurors thought that Kott received bribes as part of the conspiracy, that argument appears to deflate.

As to extortion itself, Wendt argues that the government should have had to prove Kott explicitly promised to do what Veco wanted in exchange for benefits, and that he did as promised -- quid pro quo. That's because much of what he received could be considered campaign contributions, and there's a different standard as to what amounts to extortion of campaign contributions, the defense says.

Both sides agree that the flooring invoice was inflated to get money to Kott's son, Peter M. Kott, so he could manage his father's 2006 re-election campaign, the defense filing says. And the poll obviously was for the campaign.

Still, in the trial, the defense tried to convince jurors the nearly $8,000 check was for future flooring work. That strategy didn't play well with jurors when witnesses gave different stories about the flooring work. Kott and his son have a hardwood flooring business.

At any rate, the defense says that the evidence showed that the money and other things were to reward Kott, not to influence him. He wasn't bribed, the defense maintains.

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Kohring trial to stay in Alaska; judge denies venue change

By LISA DEMER
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(Published: October 10, 2007)

Former state Rep. Vic Kohring was back in federal court Tuesday for a quick hearing on a new indictment handed up last week.

His trial is set to begin in less than two weeks, and it won't be moved to the Seattle area the way his lawyer wanted.

He is still charged with the same four felonies -- conspiracy, extortion, attempted extortion and bribery -- and is accused of pushing Veco Corp.'s interests in exchange for money and a job for a relative.

But the new document adds details. It alleges that Kohring fired an aide at the request of Veco executive Bill Allen, and it takes the conspiracy much further back, to 2002.

Kohring told Magistrate Judge John Roberts he would plead the same way as he did in May.

"Not guilty, your honor," Kohring said.

Prosecutors gave the judge and defense lawyer Wayne Ross a copy of the new indictment that listed changes in red.

Roberts said he saw nothing to justify delaying the trial, now set to begin Oct. 22 in Anchorage.

Ross, who represented Kohring at the hearing, said afterward that he thought the government added the allegations so close to trial because "I think they're worried."

Kohring made out like he was in good spirits. He shook hands with prosecutors. He gave a thumbs-up to a TV crew.

"I'm feeling good and it's a beautiful day. I'm optimistic and healthy and that's 90 percent of it."

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He said he didn't want to talk about the case, though.

Kohring's chief defense lawyer, John Henry Browne of Seattle, had sought to have the trial moved to the Seattle area because of what he called "local media saturation and the resulting impossibility of seating a fair and impartial jury for this case anywhere in Alaska."

U.S. District Judge John Sedwick, in a 40-page written order that serves as a critique of the coverage to date, denied that request on Tuesday.

While there's been "a barrage of publicity" about Kohring, three other indicted legislators, Veco and

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its executives, it hasn't been inflammatory, the judge concluded.

The court was able to seat juries with relative ease in the corruption trials of former Reps. Tom Anderson and Pete Kott, Sedwick noted. He'll use the same procedure in the Kohring trial, including intensive, individual questioning of each prospective juror about publicity.

He's learned that people just don't follow the news the way they used to.

"To put it bluntly, a surprising number of prospective jurors are just not interested in, and do not follow, local news," Sedwick wrote. "Many don't even read local newspapers. Many do not watch the local news on television. Among those who do read the newspaper, many simply glance at the local news headlines while moving on to areas of interest such as sports or gardening."

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Anderson supporters push for leniency

LETTERS: Colleagues and friends say ex-representative deserves a break.

By LISA DEMER
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(Published: October 12, 2007)

With his sentencing on bribery and other charges just days away, former state Rep. Tom Anderson wants the judge to consider that people who know him well don't see him as a corrupt politician.

So far, his lawyer has filed 22 letters of support in court, from former legislative aides, friends, and colleagues from his days on the Anchorage School Board and in the Legislature.

Prosecutors are seeking a maximum sentence of more than eight years.

Anderson was the first of four indicted former legislators to go to trial, and on Monday will become the first to be sentenced. He was convicted in July of seven felonies, including bribery, extortion, conspiracy and money laundering.

His young son's godmother wrote what a good father Anderson is to the boy, whose name was deleted in the letters as filed.

Anderson's first in line to feed the child, he uses quick trips to the grocery store or the gas station as a chance to tell stories, and he's even happy to get up in the middle of the night when the toddler awakens, godmother Joanne Lytle wrote.

Glenn Clary, a pastor at Anchorage Baptist Temple, wrote that Tom is anguished over humiliating his parents and wife and feels like he damaged the integrity of the Legislature as an institution.

House Speaker John Harris said Anderson's eager-to-please personality may have gotten him into trouble, but he was a good legislator and did more than anyone else to modernize the State Crime Lab.

"No one would deny he has a good heart, and means well. I definitely feel he has been thrown into a pool of 'bigger fish' and hope you will equate his mindset and actions in contrast to other indicted individuals respectively," Harris wrote.

FBI - Stevens-1547

SEEKING 33-MONTH MAXIMUM SENTENCE

Anderson, who contended in his trial that he had been set up by the government, now is admitting that he did wrong and is asking for mercy. His lawyer, Paul Stockler, is asking for a sentence of no more than two years, nine months.

Prosecutors are seeking the maximum, or eight years and one month, which is even more time than recommended by the federal probation office in its pre-sentencing report. They say the judge shouldn't give him credit for accepting responsibility at this point.

"We submit that, in evaluating Anderson's eve-of-sentencing claims of contrition, the Court should

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consider the fact that Anderson elected to go to trial and have the charges decided by a jury of his peers," prosecutors Nicholas Marsh and Joe Bottini say in their sentencing memorandum.

Anderson seems to recognize that he'll end up in federal prison. Just this week, he paid his ex-wife $9,250 in child support for their two sons, both now teenagers living in Texas, according to the ex, Janet Alexander.

In all, he has four sons. His oldest, from an earlier relationship, lives in South Carolina and visits in the summer. The 17-year-old attended the last day of his father's trial. He's upset by what's happening, his mother, Stephanie Webb, said in an e-mail.

On Thursday, Anderson was taking care of essentials: eye exam, dentist, a checkup for his young son Grayson, he wrote in an e-mail Wednesday night.

ELECTED OFFICIALS ARE THE TROPHY

Around the country, defendants in public corruption cases are being hit with hefty sentences, said Peter Henning, a law professor at Wayne State University in Michigan who blogs on white collar crime.

"At one point a sentence over five years would have been almost unheard of in a public corruption case. Now you are seeing it with some regularity," Henning said in a telephone interview.

In ongoing cases, prosecutors may seek more prison time for the first defendants to go down, he said.

"In part they will seek a substantial sentence to send a message to other potential defendants, to try to get their cooperation. There is such a benefit to cooperating," he said. Some who cooperate don't even get prison time, he said.

Big corruption cases are like a spider web, he said. The government works them from the outside in, trying to get the individuals with private interests who paid the bribes to cooperate and reel in elected officials. "They are the trophy," Henning said.

Bottini, one of the prosecutors in the Anderson case, said they aren't trying to make an example out of him.

But there are several reasons why prosecutors are seeking eight-plus years, as laid out in their sentencing memo.

For one, Anderson was convicted of three money-laundering counts. Jurors found that Anderson participated in a scheme in which a phony Web site was used to funnel payments to him that he thought came from a private prison company. In reality, the money came from the FBI, through a Cornell Cos. consultant working undercover. The company didn't know about the scheme.

The probation office concluded it was "sophisticated laundering" involving a shell company, which means more prison time. The defense disputes that. The Web site for political news started out as a real idea but just never materialized, Stockler noted.

Prosecutors also want Anderson to serve more time because they contend he took multiple bribes, though he was convicted of one bribery count. That's because he sought additional money from the consultant, former state Corrections Commissioner Frank Prewitt, working undercover for the FBI. Prewitt testified that he paid Anderson an extra $2,000 in a side deal.

FBI - Stevens-1548

In all, Anderson received nearly $26,000 in bribe payments, according to evidence in the trial. Prosecutors say that his sentence should include "a fine of $26,000, totaling the amount of the corrupt payments."

Anderson plans to speak at his sentencing hearing, his lawyer said. His supporters will mainly be represented through the letters. Among the others who wrote in:

• Joshua Fink, who is director of the state Office of Public Advocacy. Anderson asked him to send a letter, and he did so as a private individual. They were roommates years ago as legislative aides in Juneau. He described Anderson as loyal, a loving family man, a legislator who fought for vulnerable Alaskans.

• Jim Patton, a friend who says there was an attitude of entitlement among legislators that Anderson witnessed during the years he served as a legislative aide. "Tom was more a product of his predecessors, and his ill-equipped gullibility meter, than of corruption."

• John Floyd, who served with Anderson on the Anchorage School Board and the Big Brothers Big Sisters board of directors. As a legislator, Anderson dealt with community concerns, including vandalism at Susitna Elementary, obtrusive snow mounds and funding for a traffic calming study on Muldoon Road, Floyd wrote.

Stockler said Anderson has done lots of soul searching in the last few months.

"I don't think it's ever too late to admit you made a mistake," he said.

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Ex-legislator Anderson sentenced to 5 years

By LISA DEMER
ldemer@adn.com
(Published: October 15, 2007)

A federal judge on Monday said that former state Rep. Tom Anderson "sold the public trust" and sentenced him to five years in prison for seven felonies involving corruption in office.

The two-hour sentencing hearing came with a surprise: Anderson's two former defense lawyers testified that he worked undercover nearly full-time for the FBI in the summer of 2005 in the hope of leniency.

Ultimately, the deal fell apart. Prosecutors asked for a long sentence. In a courtroom crowded with Anderson's friends and family on one side and FBI agents and prosecutors on the other, U.S. District Judge John Sedwick said the former lawmaker didn't have much respect for the position once he got into office, regarding it as something that paid poorly and demanded much time.

A federal jury convicted Anderson on July 9 of three counts of money laundering, two counts of extortion and a count each of bribery and conspiracy.

"He took the money because he wanted the money," Sedwick said. The judge said he doesn't think Anderson, 40, will get in trouble again. "But I have a very considerable concern for sending a message to the community that we really can't tolerate the kind of behavior in which he engaged," the judge said.

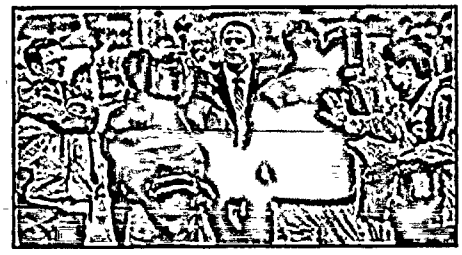
Sedwick said he knew the case was heartbreaking for Anderson's large crowd of supporters. Most defendants who come before him have no one, the judge said.

Among those who showed up for Anderson: his wife, state Sen. Lesil McGuire, and his father, also Tom Anderson, former director of Alaska State Troopers.

"I have no idea how Mr. Anderson's apple fell so far from the tree, but it did," Sedwick said.

Anderson, a Republican, represented East Anchorage for two terms in the Legislature. He didn't run in 2006. He's only the

Former state legislator Tom Anderson strides past members of the Anchorage media on the way to the Anchorage federal courthouse Monday, Oct. 15, 2007. Anderson was in court for sentencing after a federal jury convicted him in July of money laundering, extortion, bribery and conspiracy. *()*



Former Alaska legislator Tom Anderson, flanked by media cameras, enters the Anchorage federal courthouse today. Anderson was sentenced to five years in federal prison after his conviction on conspiracy and bribery charges. *(JIM LAVRAKAS / Anchorage Daily News)*

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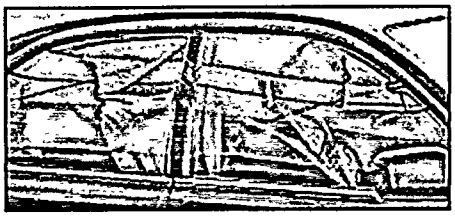

Anderson and his wife, state Sen. Lesil McGuire, drive away from the courthouse after sentencing.

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second Alaska legislator to be convicted of bribery, after the late Sen. George Hohman in 1981.

According to Anderson's former lawyers, his role as a wired informant for the FBI fell apart soon after he told then-girlfriend McGuire about his involvement. *(JIM LAVRAKAS / Anchorage Daily News)*

Before Anderson's hearing, the defense had asked for mercy and a sentence of less than three years. Prosecutors had sought the maximum they thought he could get under advisory sentencing guidelines, or more than eight years.

Sedwick found that some areas underscored by prosecutors to support a longer sentence didn't apply.

A longer sentence for Anderson won't deter others, Paul Stockler, Anderson's defense attorney, told the judge. But it matters to Anderson's ability to restart his life. If he got three years, he'd be able to take his and McGuire's young son to the first day of kindergarten, Stockler said.

As it is, Anderson's career as a legislator is finished, Stockler said. Anderson knows now that he's brought shame "to the entire state of Alaska and the Legislature," Stockler said.

Prosecutor Joe Bottini told Sedwick he thought Anderson's late show of remorse was a facade.

"What's resulted from this conviction and the overall investigation as a whole is that the public's faith in the integrity of our legislative system is eroded seriously," Bottini said. "... People are looking at this going "Are they all dirty?'"

Anderson was the first Alaska legislator convicted in the ongoing political corruption investigation that burst into view last year with the FBI raids of lawmakers' offices. Another, former Rep. Pete Kott, was convicted last month and two others are awaiting trial.

Anderson told Sedwick he was sorry for what he did, apologizing to the judge, his family and the state of Alaska. He spoke in a quiet voice that didn't waiver.

"I've let her down," he said about McGuire, "and I've let my family down."

Evidence in the trial showed that he participated in a scheme to push the interests of a private prison company in exchange for what turned out to be nearly $26,000 in payments. A consultant for Cornell Cos. was working undercover for the FBI, and the company wasn't involved in the scheme, the U.S. Justice Department has said.

Anderson said he didn't get the full impact of the evidence until he saw undercover videos at his trial of him scheming with a Cornell lobbyist and consultant.

"I was embarrassed," Anderson said. The conspiracy involved a sham company that was supposed to operate a Web site on which Cornell would place advertisements.

When he took money from the consultant knowing that Cornell didn't need or want the ads, "I don't know how much more wrong that could have been," Anderson told the judge.

As Sedwick made it clear that Anderson would go to prison, his wife, mother and others cried in the courtroom. Sedwick allowed him to remain out of custody as details of his confinement are worked out. The judge said he'll recommend that Anderson serve his time in Sheridan, Ore., as Anderson requested, though there's no guarantee he'll get that. It's a medium security prison with a prison camp next door.

Besides five years in prison, Sedwick also ordered two years of supervised release. He didn't order a fine.

When the hearing ended, Anderson slowly walked over to his family and friends. He and McGuire embraced.

Lingering outside the courtroom with supporters, Anderson thanked everyone. Friends assured McGuire they would be OK. "Will we?" McGuire wondered.

Later, as Anderson and McGuire got into a waiting vehicle, his face crumbled with the strain of the day.

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Legal spending mounts, Young campaign reports

CAMPAIGN FINANCE: Congressman hasn't revealed what sort of advice he's buying.

By ERIKA BOLSTAD
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(Published: October 16, 2007)

WASHINGTON -- U.S. Rep. Don Young continued to spend thousands of dollars of campaign donations on attorneys through the summer, according to financial reports filed by his campaign on Monday.

The reports, to the Federal Election Commission, show that over the past three months, Young spent $184,708 on legal fees.

That brings Young's total spending on legal advice this year to $446,845.

Young, a Republican who has been Alaska's sole congressman since 1973, has not said what kind of legal work or defense the campaign money is buying. He has been under federal investigation for his ties to Veco Corp., for fundraising activities and for his role in specific congressional earmarks, according to various media reports.

Young has not spoken publicly about the investigation. In April, his campaign manager said that the campaign had retained a Washington, D.C., firm for advice in connection with campaign contributions from a trucking executive under federal indictment in Wisconsin.

In the three-month period ending Sept. 30, Young paid the firm, Akin Gump Strauss and Hauer, $177,607 for legal advice, according to the report filed Monday. The firm got $242,306 of his business last quarter.

Tobin, O'Connor, Ewing and Richard earned $7,100 from Young this quarter; last quarter, they billed him $19,831.

Federal election law allows lawmakers and candidates to pay legal bills with campaign finance accounts. They have fairly broad discretion to spend the money on legal fees, as long as the legal bills are connected to their role as an elected official or candidate for office.

Young reported collecting $143,421 in contributions during the three-month period ending Sept. 30. Young raised about $111,000 during the second quarter this year, according to an earlier report.

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"We've had some good fundraisers, and we're encouraged by where we are," said Young's campaign manager, Steven Dougherty.

But even as he brought in money from events such as his annul pig roast in Anchorage this summer, Young was clearly spending money too. His reports show he had $1.4 million on hand at the end of the reporting period. Last quarter, he had $1.6 million in the bank.

The 74-year-old congressman faces a spirited field of candidates seeking to unseat him,

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encouraged in part by the ethics cloud that has made him vulnerable to a challenger.

Republican state Rep. Gabrielle LeDoux of Kodiak plans to take on Young in the GOP primary, and three Democrats have said they're running for his seat: his 2006 opponent, Diane Benson; former state House minority leader Ethan Berkowitz; and former state Democratic Party chief Jake Metcalfe.

Metcalfe has raised $61,625 so far, according to his report, and Benson has $28,205 in the bank, according to her report. Berkowitz announced his candidacy last week and hasn't released any fundraising numbers to the FEC yet.

U.S. Sen. Ted Stevens, who also has been drawn into the Veco investigation, has not used any of his campaign money on criminal lawyers, said Tim McKeever, Stevens' campaign treasurer.

A report released Monday night covers the period when the FBI and IRS raided the senator's home in Girdwood this summer. Stevens hired Brendan Sullivan, one of the best-known criminal defense lawyers in Washington, but his fees are not coming out of the senator's campaign money.

The only lawyers who are being paid out of campaign funds are those who review the campaign finance reports for accuracy, McKeever said. McKeever released on Monday only the first four summary pages of Stevens' 290-page document. Unlike U.S. House members, who must file campaign disclosure forms electronically, U.S. senators are allowed to mail their reports the day they're due.

The summary report shows that Stevens has just over $1 million in the bank. So far, three little-known candidates have filed to run against him: Democrats Rocky Caldero of Dutch Harbor and Frank Vondersaar of Homer, and Republican Gerald "Jerry" Heikes of Palmer.

Stevens' campaign raised $463,020 over the past three months, making it one of the senator's most fruitful fundraising quarters in recent years, McKeever said.

"The pace is running ahead of what we raised in 2001," McKeever said, adding that the approach is no different from Stevens' 2002 campaign. "It's basically the same kind of fundraising -- if anything, we've done more fundraisers in Alaska."

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State will give feds clear field in investigations

CORRUPTION: Washington wants Alaska not to muddle investigation.

By DAN JOLING
The Associated Press

(Published: October 17, 2007)

State prosecutors will back off an investigation of election campaign polling practices to avoid interfering with an ongoing federal corruption probe, Gov. Sarah Palin announced Tuesday.

Palin, who championed ethics reform while winning office last November, released a letter from the U.S. Department of Justice that said a state investigation could interfere with the federal effort.

"Because of the long-standing federal investigation into these matters, we believe that concurrent state investigative activity will have the effect of compromising certain aspects of the ongoing federal public corruption investigation," said Brenda K. Morris, deputy chief of the Justice Department's public integrity section.

She commented in a letter to Alaska Attorney General Talis Colberg.

Attorneys from the Public Integrity Section are prosecuting four former Alaska legislators, including former House Speaker Pete Kott, R-Eagle River, who was convicted of bribery and other counts last month.

State officials announced they would investigate after testimony emerged from Kott's trial that Kott and possibly others had illegally received campaign polls paid for by officials of Veco Corp., a major oil field services company that spent thousands of dollars supporting pro-development candidates.

Veco CEO Bill Allen and a company vice president, Rick Smith, have pleaded guilty to bribing public officials. Their plea agreements require them to cooperate with investigators.

They testified at Kott's trial that Veco paid $2,750 for a poll that showed Kott where he stood in his re-election campaign in 2006. Kott subsequently lost in the Republican primary.

Smith testified that Veco had paid for other polls over the years, including a $20,000 poll in 2006 for former Gov. Frank Murkowski before he was a declared candidate for re-election.

Colberg assigned lawyers to closely watch Kott's trial in federal court to see if it revealed other possible criminal acts.

But he cautioned that the state would have to proceed carefully before pursuing its own criminal charges because federal authorities did not want interference from the state.

The Justice Department letter, dated Friday, puts the brakes on state investigators.

Palin said she has directed the attorney general to continue to monitor alleged illegal activities by public officials but that her office will not impede or compromise the federal investigation.

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Former state Rep. Tom Anderson, R-Anchorage was sentenced Monday to five years in prison following his conviction in July on seven counts of conspiracy and bribery. He was convicted of taking nearly $24,000 that he thought was coming from a Houston-based company, Cornell Industries Inc., which hoped to build a private prison in Alaska.

The money was supplied by the FBI through an informant under contract to Cornell who secretly recorded his conversations with Anderson in 2004 and 2005. The company was not aware of the investigation.

Kott was convicted last month of conspiracy to solicit financial benefits, extortion and bribery.

Former Rep. Vic Kohring is scheduled to go on trial on corruption charges Monday. The corruption trial of former state Rep. Bruce Weyhrauch has been delayed.

UPDATES: For up-to-date news on the federal corruption investigation, check adn.com. Talk about it on our politics blog,

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Hunt for bigger fish hooked Kohring, lawyer tells court

TRIAL MONDAY: Former lawmaker faces federal charges of bribery, extortion.

By STEVE QUINN
The Associated Press

(Published: October 17, 2007)

JUNEAU -- "You dun got the wrong man."

That was the folksy conclusion Vic Kohring's attorney presented to federal prosecutors in January in an otherwise serious letter turning down a plea deal for the former Alaska lawmaker.

The letter, obtained by The Associated Press, was sent to assistant U.S. attorney Joseph Bottini by Kohring's lawyer, Wayne Anthony Ross, who said Kohring had done nothing wrong.

Federal prosecutors four months later charged Kohring, then a state representative, and two former lawmakers with bribery and extortion.

Kohring is accused of demanding and accepting up to $2,600 in cash and a $3,000 job for a relative from former Veco Corp. executives in exchange for his support. The indictment also alleges Kohring sought but did not receive a $17,000 payment for credit card debt.

Prosecutors claim Kohring's cozy relationship with Veco executives Bill Allen and Rick Smith went back to 2002. Ross claimed in the letter this is nothing more than a decade-old friendship, not a pay-for-play relationship.

Kohring's trial starts Monday in Anchorage.

Kohring declined Tuesday to talk about specifics of the case, but did say, "This is becoming more and more of a reality, now that it's here. Of course, I'm fighting for my life here."

Charged along with Kohring were former Republican Reps. Pete Kott, who was convicted on three counts last month, and Bruce Weyhrauch, whose trial has been postponed.

Since the May indictments, U.S. Sen. Ted Stevens and U.S. Rep. Don Young have also come under federal scrutiny for their relationship with Veco executives.

Seattle-based John Henry Browne, another attorney for Kohring, told the AP on Tuesday that Kohring got ensnared in a wider federal probe that was after bigger trophies, Stevens and his son, Ben Stevens, a former state Senate president.

"What happened was this little fish named Vic Kohring got caught in it. There's not much meat in this hamburger," Browne said. FBI - Stevens-1557

Ted Stevens is under investigation for remodeling work done by Veco employees at his Alaska home. Ben Stevens had his office searched in an FBI raid last year, but he hasn't been charged. Bill Allen testified in Kott's trial last month that his bribery conviction included allegations of payments to Ben Stevens through a consulting contract. Ben Stevens has denied any wrongdoing. Ted

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Stevens has said he won't discuss the investigation for fear it will look like he's trying to influence it.

A spokesman for the Department of Justice, which is prosecuting the Kohring case, declined comment Tuesday.

Ross' five-page letter will essentially serve as an outline for the defense, his lawyers said.

Ross notes in the letter that Kohring went against Veco's wishes and never endorsed the final petroleum profits tax passed by the Legislature last year.

However, a number of times Kohring voted against amendments to raise the tax above the 20 percent that Veco was strongly pushing. The tax, which Gov. Sarah Palin has called tainted by corruption exposed by the investigation, will be revisited during a special session that starts Thursday.

"We respectfully decline your offer to have Vic Kohring plead to a criminal charge," Ross wrote Bottini in January. "Vic did not sell his vote(s) to anyone. ... We strongly disagree with your assertion that what Vic did was criminal in nature."

He conceded, however, that Kohring now understands he foolishly placed himself in a position where he and his actions could be subjected to scrutiny and misinterpretation.

In the letter, Ross also countered the importance of several videotapes and recordings Bottini played to them in an earlier meeting.

In one, Kohring visited Smith and Allen at the Baranof Hotel in Juneau, seeking their advice on how he could deal with a past due credit card debt. "Vic was interested in a loan or a legitimate job and these things were discussed," Ross wrote.

But he said Kohring several times emphasized "that everything had to be legitimate and on the up and up. Allen and Smith listened but seemed unenthusiastic about helping, so Vic dropped the matter and did not bring it up to them again."

Ross also noted recorded phone conversations, which he said showed Kohring's typical behavior.

"Vic often asks constituents, 'What can I do to help,' " he wrote. "He says those same words to anyone or everyone.

"There were never any agreements expressed or implied between Vic and Allen for Vic's vote."

He also discounted the allegation that Kohring arranged a job for a relative. He said Smith broached the subject of Kohring's nephew applying for a Veco engineering internship over small talk during a chance meeting at a hotel lounge.

"Smith's offer was unexpected. Vic was not even aware such a program existed," Ross wrote. "Smith asked for nothing from Vic when he made the offer and nothing later."

Ross told Bottini that Kohring was supportive of efforts to clean up politics in Alaska. "However in this instance, as they say in the movies, 'You dun got the wrong man,' " he wrote.

Daily News reporter Lisa Demer contributed to this story.

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Judge scolds Kohring's lawyer, cites lack of professionalism

SCOLDING: Judge says defense should focus on court, not the press.

By LISA DEMER
ldemer@adn.com

(Published: October 18, 2007)

Kohring lawyer John Henry Browne ()

Former state Rep. Vic Kohring's lawyer got a scolding Wednesday from the judge.

U.S. District Court Judge John Sedwick seemed exasperated by tactics being used by John Henry Browne, a Seattle criminal defense lawyer. He described the defense efforts as troublesome, worrisome and unusual for Anchorage. And the judge warned Browne to stop trying his case in the press.

Jury selection begins Monday in Kohring's trial on four federal felony charges, including bribery, extortion and conspiracy.

Kohring's main trial lawyer is Browne, and he's also represented by Wayne Anthony Ross, a well-known Anchorage lawyer. Kohring, a Wasilla Republican, was elected seven times. He resigned in July to concentrate on his defense.

At a court hearing Wednesday to discuss jury selection and other matters before the trial, prosecutor Joe Bottini told Sedwick that the defense lawyers were behaving unprofessionally and needed to be called on it.

Bottini pointed to an Associated Press story that was published in the Daily News on Wednesday. It was based on a five-page letter that Ross sent to him back in January rejecting any plea deal and outlining the defense in detail.

Among other things, Ross wrote, "As they say in the movies, 'You dun got the wrong man.' "

Besides that, Bottini told Sedwick, Browne was making outrageous claims in various legal motions that weren't supported by evidence but were getting lots of publicity. He was "using court filings to work the press," Bottini said.

FBI - Stevens-1560

MIRANDA RIGHTS

For instance, Browne filed a motion to throw out a statement that Kohring gave to FBI agents on Aug. 31, 2006 -- the day agents served search warrants at legislative offices around the state, including his. Browne contended that the agents detained the lawmaker in his office, then failed to read him his Miranda rights. But at a hearing, Browne called no witnesses and dropped that issue, Bottini noted.

Then on Tuesday, Browne filed a motion to dismiss the case based on what he calls "prosecutorial misconduct." He contends that Sen. Fred Dyson, R-Eagle River, was acting as an agent of the

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government in June when he suggested through an aide that Kohring consider negotiating with prosecutors. Browne said that interfered with Kohring's right to counsel.

"Mr. Kohring, on account of and in direct response to the government's excessive overreaching, decided to refuse to negotiate, opting instead for trial," Browne's motion said.

But Dyson has said that he approached Kohring on his own, as a friend -- not at the request of the FBI, Bottini said.

Browne told the judge he's concerned about whether Kohring can get a fair trial because of all the publicity about the case -- much of it the government's allegations.

Browne mentioned a story that included the judge's comments Monday in sentencing former state Rep. Tom Anderson to prison on bribery and other charges. Sedwick said at Monday's sentencing that he was concerned with "sending a message to the community that we really can't tolerate the kind of behavior in which he engaged."

Sedwick said Anderson's case had nothing to do with Kohring's. He said he reviewed the coverage on Kohring item by item and found it for the most part "professional and extremely fair."

The judge said the defense behavior was "unusual, to say the least." It appeared the letter from Ross was given to reporters in an effort to obtain favor before the trial, he said.

Ross wasn't at the court hearing. He said earlier this week that he's mainly the local contact.

As to the claim regarding Dyson, Sedwick said, "there is precious little to support it." The evidence consists mainly of two things: An aide to Kohring saying that an aide to Dyson told him that an FBI agent had suggested Kohring call her because things would go easier if he cooperated, and a photocopy of FBI agent Mary Beth Kepner's business card.

Sedwick said he'd rule later on that matter.

But it did appear that the defense was casting aspersions without basis and that was "very troublesome," the judge said.

Browne hasn't filed a trial memo, giving some glimpse of the defense, even though it was due Monday. Browne said he would do so and noted that he didn't have a team of lawyers working on it, perhaps a reference to the four prosecutors in the courtroom.

Browne said he was trying to keep the case on track even though a new indictment in the case was unsealed Oct. 4. He noted that was during a period in which he was out of town and had asked for no activity in the case.

Don't expect any sympathy on that point, Sedwick said. In Anchorage, lawyers don't take a week off just before a trial, he said. And Browne knew about the allegations in the new indictment for some time, Sedwick said.

"You are not going to pull the wool over my eyes on that one," Sedwick said. FBI - Stevens-1561

Kohring is accused of being in a conspiracy with executives from oil field services company Veco Corp. to push their interests. The new indictment takes the conspiracy further back, to 2002.

The judge said he wasn't going to formally issue a finding but warned Browne not to try his case in

the press.

QUESTIONNAIRES STUDIED

Sedwick and the attorneys on both sides also went through questionnaires that had been sent in by prospective jurors to see if any were obviously biased or had other reasons they couldn't serve.

Of 120 potential jurors in the pool, 49 were excused on Wednesday. Many had hardships related to work, children, travel or medical issues. Two didn't speak English well. A couple had potential conflicts of interest. One worked for the court.

While the questionnaires weren't made public, it appeared from the lawyers' discussion that around 20 people were excused because they indicated they couldn't be fair to Kohring.

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Kohring corruption trial jury selection is today

BRIBES OR GIFTS? Secret tapes of ex-lawmaker will be at center of arguments.

By LISA DEMER
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(Published: October 22, 2007)

Was former state Rep. Vic Kohring another Alaska politician with his hand out, or a guy who accepted cash as a gift from a friend?

That's the question facing jurors in Kohring's trial on public corruption charges. Jury selection starts today in U.S. District Court, and jurors should begin hearing the government's side of the case by midweek.

Kohring, a Wasilla Republican, was elected seven times before resigning in July to concentrate on his defense.

Prosecutors intend to rely on secretly made recordings of meetings and phone calls to convince jurors, as well as testimony from those who say they paid bribes. That is the same approach the government used in two previous Alaska corruption trials that resulted in convictions this year.

In Kohring's case, the two sides have very different interpretations of the recordings.

Kohring is accused of accepting cash payments totaling as much as $2,600, seeking another $17,000, and soliciting an internship for his nephew in exchange for doing the bidding of Veco Corp. The oil field services company was sold in September to CH2M Hill.

A trial memorandum outlining the defense says that Kohring's friendship with former Veco chief executive Bill Allen began more than 12 years ago.

The two men were particularly close because Kohring's wife is from Russia, as was Allen's girlfriend, says the memo by Kohring's lawyer, John Henry Browne. Both women came to Alaska with their daughters.

"This common bond involving their Russian families created a special camaraderie between Vic and Allen that made the nature of their relationship more personal than professional," the trial memo says.

FBI - Stevens-1563

During the 2006 legislative session, Veco was pushing a new oil tax favored by North Slope oil producers as a step toward building a natural gas pipeline that could have been enormously lucrative for Veco.

Prosecutors charge that Kohring received payments to push the oil tax, but the defense says the money was a personal gift.

Both sides agree that on March 30, 2006, Kohring met with Allen and former Veco vice president Rick Smith in Suite 604 of Juneau's Baranof Hotel.

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In a video recording of that meeting, Kohring brought up the topic of a "personal financial matter that ... potentially, could hurt me politically," the defense memo says. He told Allen and Smith that he owed $17,000 on a credit card for a surgery. Prosecutors say the debt was in collection.

Kohring asked about a job or loan and stressed that it had to be legitimate, according to the defense.

"As Allen and Smith seemed unenthusiastic about helping Mr. Kohring, he dropped the issue and did not bring it up to them again," the defense says.

Prosecutors say in their trial memo that the trio also talked at length about how to structure the deal to avoid "red flags."

During that meeting, prosecutors say, Kohring continued to talk about his finances and his family. Allen asked Smith if he had any "hundreds." Smith opened his wallet and handed at least $100 to Allen, who gave it to Kohring. Allen then opened his wallet and handed Kohring a second handful of cash, totaling $500 to $1,000, the prosecution says.

After getting the money, Kohring brought up the oil tax, which was being pushed by then-Gov. Frank Murkowski. Here's a snippet of conversation, according to the prosecution memo:

Kohring: "What can I do at this point to help you guys? Anything?"

Allen: "Whatever you, you know, uh, uh ..."

Kohring: "Just keep lobbying my colleagues for the governor's plan, right?"

The defense memo says the money wasn't a bribe for support on the tax, but just a gift between friends.

Kohring told Allen and Smith he was going to be able to spend Easter with his stepdaughter for the first time, the memo says:

"Allen suggested that Kohring sponsor an Easter egg hunt for his daughter, but with the surprise of presents in the eggs. It was then that Allen provided Kohring with an undetermined sum of money, to be used specifically for the Easter egg hunt," the memo says.

Before Kohring left, he mentioned that his family had given Allen a bottle of Russian vodka.

"This exchange of presents amongst close friends, therefore, had nothing to do with any official action," the defense contends.

Kohring was completely unaware that the gifts "were ever intended to influence Mr. Kohring's work as a legislator." FBI - Stevens-1564

Later, in an April 20, 2006, conversation with Smith, Kohring thanked Smith and Allen for their support over the years. He wanted to hug Allen, he said. His family thoroughly enjoyed the Easter egg hunt, with the money in the eggs as Allen suggested, he said, according to the defense memo.

The extensive recordings, according to the defense, "demonstrate Mr. Kohring's continued dedication to his constituents and his unwavering stance against tax increases."

The trial is expected to take about two weeks. Prosecutors say they expect to call 20-25 witnesses

including a dozen or more FBI agents. That's because Browne wouldn't agree to let a single FBI agent authenticate all the recordings, as was done in the recent trial of former state Rep. Pete Kott. The defense lawyer said he didn't want to make the government's job easier.

Prosecutors will be allowed to use a statement that Kohring gave to FBI agents as well as materials seized in an Aug. 31, 2006, search of his legislative office. U.S. District Judge John Sedwick ruled last week that the search was legal.

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Potential Kohring jurors questioned

Lawyers pick from 70 to decide bribery, corruption charges

By LISA DEMER
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(Published: October 23, 2007)

If everything goes as planned, lawyers in former Rep. Vic Kohring's trial will make opening statements this afternoon, Oct. 23, 2007. *(JIM LAVRAKAS / Anchorage Daily News)*

On one side of the courtroom Monday, former state Rep. Vic Kohring and his lawyer whispered with their trial consultant about potential jurors.

On the other side, two federal prosecutors and an FBI agent jotted notes about who they wanted to judge their public corruption case against the defendant. They got help from two other prosecutors sitting behind them.

Kohring's trial on four federal felonies including bribery and conspiracy began in U.S. District Court on Monday with prospective jurors being brought in one by one for questioning about whether they already had an opinion about the case.

The defense team includes Alan Cohen, a Seattle communications psychologist who has worked as a consultant on hundreds of trials. Cohen said he's just looking for people with an open mind.

A few news reporters and bloggers showed up, but otherwise most seats in the courtroom were empty for the dull but important first stage of the trial. Lawyers consider jury selection perhaps the most crucial part of any case that goes to trial. A powerful, opinionated juror can sway the rest of the group; a lone rogue can mean a hung jury.

The proceedings should liven up today. U.S. District Court Judge John Sedwick said that he expects to seat a jury by noon. If everything stays on track, lawyers will make their opening statements this afternoon and prosecutors will call their first witnesses.

Most jurors in the original pool of 120 who held strong opinions about Kohring or politicians in general already had been weeded out through written questionnaires.

FBI - Stevens-1566

Of 70 who came to U.S. District Court on Monday, Sedwick, and occasionally the lawyers, questioned 57. Five were excused, only one because of concerns about fairness. The rest either had medical issues or other reasons.

Those in the pool still being considered include a neighbor of prosecutor Joe Bottini, a son of former Gov. Wally Hickel, and a woman who told Sedwick that she is skeptical about wiretap evidence. The judge noted that she said she would still consider all the evidence and didn't excuse her.

Much of the case against Kohring is from secretly made recordings.

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The case is expected to take about two weeks.

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Kohring defense aims to discredit ex-Veco chief

ALLEN: Attorneys outline cases as state's latest corruption trial opens.

By LISA DEMER
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(Published: October 24, 2007)

Former state Rep. Vic Kohring's trial on federal public corruption charges opened in full gear Tuesday with surprises from both sides.

Kohring's lawyer, John Henry Browne of Seattle, reeled off a list of prominent Alaskans whom he said Veco executives claimed to "own," including U.S. Sen. Ted Stevens, U.S. Rep. Don Young and Stevens' son, former state Senate President Ben Stevens.

"All these big names," Browne said, but in the defendant's chair is Kohring -- a man, the attorney noted, who slept on his office couch in Juneau and who lives in a trailer in Wasilla.

Neither Ted nor Ben Stevens nor Young has been charged.

Prosecutor Joe Bottini offered a twist of his own. He told jurors about an idea hatched by former Veco Corp. chief executive Bill Allen to kill an oil tax bill with Kohring's help. Legislators were closing in on a rate far above what the North Slope oil producers wanted, he said.

Kohring is being tried in U.S. District Court on four felonies: bribery, conspiracy, extortion and attempted extortion. He is accused of conspiring with Allen and former Veco vice president Rick Smith to push through the oil industry's favored new tax. The oil field services company was sold in September to CH2M Hill.

Kohring, a Wasilla Republican, was elected seven times then resigned in July to concentrate on his defense.

A jury was picked just before noon. Half are from Anchorage, and others are from Eagle River, Palmer, Nikiski, Dillingham and a rural address on the Glenn Highway.

FULL COURTROOM

The big courtroom filled up for opening statements with defense lawyers, prosecutors, news reporters and more.

FBI - Stevens-1568

The prosecution wants jurors to see Kohring as a man who sold his public office. Allen gave Kohring handfuls of cash because he felt sorry for him but also to win his loyalty, Bottini said. Kohring had such strong anti-tax sentiments that Allen felt he had to buy him off to make sure he wouldn't go "wacko" and vote against Veco's preferred oil tax, the prosecutor said.

"This case is about the misuse of a position of public trust for personal financial gain," Bottini told jurors.

The defense is trying to portray Kohring as a guy who was broke and accepted cash as gifts from

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Allen, someone he thought was his friend. But he didn't sell his office and never voted for the petroleum profits tax, Browne said.

"He refused to be bought," the defense lawyer told jurors.

The votes on the oil tax legislation are complicated. There were multiple votes in the full House, often in the form of amendments to raise the tax beyond the 20 percent tax proposed by then-Gov. Frank Murkowski and then pushed hard by Veco. Kohring voted against the amendments.

Allen was long a powerful player in state politics and, along with other Veco executives, a generous contributor to both state and federal political candidates. Then he fell, hard. Allen and Smith pleaded guilty in May to bribery and other charges and are cooperating with the FBI in its ongoing corruption investigation.

At the recent corruption trial of former House Speaker Pete Kott, Allen testified that he had bribed Kott, Kohring and Ben Stevens. He also has admitted that Veco executives were paid illegal special bonuses in exchange for making campaign contributions.

Prosecutors told jurors that Kohring's own words will be used against him in secretly made recordings, including numerous telephone calls and a March 30, 2006, meeting in Suite 604 of Juneau's Baranof Hotel.

In that meeting, Kohring asked Allen and Smith for money to pay off a $17,000 credit card bill headed for collection. He accepted cash when both opened their wallets for him, Bottini said.

Browne told jurors that Allen will be testifying against Kohring to save his children and to get a lighter prison sentence. The defense lawyer mentioned Allen's heavy drinking and his head injury from a motorcycle crash. Yet "he is going to come in and tell you he remembers things specifically," Browne said.

On some points, Allen's testimony is all the government has, Browne said. There are no recordings, no wiretaps "no nothing."

He talked about Allen as a "multi multi multimillionaire."

"Mr. Allen thought he owned the world," Browne told jurors. Allen even bragged that "I own so and so's ass," the lawyer said, and said Allen included on that list Ted Stevens and Young along with various former and current state legislators. Some of the names have not come up publicly in the investigation before now. Browne dropped Stevens' and Young's names a number of times.

Allen will tell jurors that he made a deal with the government, Browne said, and now "the government owns his ass."

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Jurors will be hearing Allen cuss a lot on the recordings, Browne said. But not Kohring. He doesn't swear, drink or smoke, his lawyer said.

When Allen and Smith opened their wallets to Kohring on March 30, 2006, it was so he could put on an Easter egg hunt for his stepdaughter at Allen's suggestion, Browne said.

Other people -- Kott, Ben Stevens, and former Rep. Tom Anderson -- got much more from Veco, Browne said. Stevens and Anderson both had consulting contracts that they didn't have to work for, he said.

"And they are giving Vic Kohring money for Easter eggs," Browne said.

Prosecutors seemed taken aback by Browne bringing up Stevens and Young but didn't say much about it afterward. The information was "out of context," Bottini said.

PROSECUTION'S CASE

Bottini walked jurors through a complex narrative in which Veco executives worked hard to get Kohring on their side.

The North Slope producers wanted "certainty" on taxes before they would commit to a natural gas pipeline that would have been very lucrative to Veco, Bottini said. Worried that Kohring might foul up the oil tax bill, Allen and Smith took him out to dinner at the Island Pub in nearby Douglas on Feb. 23, 2006, two days after the oil tax legislation was introduced, the prosecutor said. At the dinner, Allen handed Kohring $1,000 cash, Bottini told jurors.

Later, Allen's plan to kill the higher version of the tax involved getting Kohring away from the Capitol building in Juneau in the last hours of a special session in June 2006, Bottini told jurors.

As the prosecutor told the story to jurors, Allen thought the bill would die because every member of the House was supposed to be there. He asked Kohring to go for a ride and skip the floor vote. They agreed to meet at the McDonald's in Juneau.

But other people told Allen that idea wouldn't work and would just hurt Kohring politically, Bottini said. Allen couldn't reach Kohring to call it off so went ahead and met him at McDonald's where they bought "a bunch of food."

On the way back to the hotel, Bottini said, Allen pulled out $500 or $600 and handed it to Kohring. Over hamburgers in the suite, Allen told Kohring he wouldn't do anything to hurt him. In the prosecutor's telling, Kohring answered that he would have done what Allen asked anyway.

The McDonald's story came as a surprise to the defense. Browne told jurors he hadn't heard it before.

Browne called Kohring -- who's 6 foot 6 1/2 inches -- "a gentle giant" and told jurors they'll be hearing from him later in the trial.

"He's like Andy Griffith," Browne told reporters after court ended for the day, referring to the television star who played the folksy and honest sheriff of fictional Mayberry, N.C.

Kohring is the third state legislator to be tried in the corruption investigation. Anderson was sentenced to five years in prison last week on bribery and other charges involving a scheme with a private prison company. Kott was convicted in September of four felonies including bribery. Former state Rep. Bruce Weyhrauch is awaiting trial.

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Kohring's trial continues today in federal court.

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Video shows Kohring accepting Veco cash

CORRUPTION TRIAL: Ex-legislator told Veco executives that he had a $17,000 credit card debt.

By LISA DEMER
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(Published: October 25, 2007)

Jurors hearing the public corruption case against former state Rep. Vic Kohring on Wednesday watched a video secretly made last spring that showed two executives with Veco Corp. open their wallets and hand him cash.

On the big screen in the federal courtroom, Kohring was clearly visible front and center accepting the money. Then-Veco chief executive Bill Allen and vice president Rick Smith were off to the side. Both later resigned, and Veco as a corporation no longer exists.

"Well, thank you very much," Kohring told them in the March 30, 2006, video. He shook Allen's hand and slipped the money into his jacket pocket.

Prosecutors presented the heart of their case Wednesday: 25 recordings from telephone wiretaps and a bug planted in Suite 604 of Juneau's Baranof Hotel.

In many of the calls, Kohring calls Smith on his cell phone and does most of the talking. He asks what he can do for Veco. He gives mini-political speeches about how conservative and anti-tax he is. He rants at times about the "damn media."

And he asks Smith and sometimes Allen for things: help with a Veco internship for his nephew, a loaner truck, a campaign fundraiser, a way to pay off a $17,000 credit card debt from surgery.

Kohring is being tried on four federal felonies including bribery and conspiracy. Prosecutors accuse him of conspiring with Smith and Allen to push Veco's interests on a new oil tax. Kohring, a Republican from Wasilla, resigned in July during his seventh term.

The defense contends that Kohring simply accepted gifts from his friends and never took bribes.

The recording from March 30, 2006, is remarkable on several levels.

The day before, Kohring called Smith. He said he was stressed and that people were pulling his arm in about "10 different directions." The pace of the legislative session had picked up. He was staying up until 2, 3 a.m. and was getting burned out.

He asked to talk to Smith and Allen about "a relatively serious matter" not involving Veco or the oil industry but something important to him.

Around midafternoon on March 30, Kohring went to Suite 604 to tell Smith and Allen his troubles.

He was in a financial hole that could hurt him politically, he told them on the video. He had had back surgery at the Mayo Clinic and maxxed out several credit cards to cover the bill. Kohring said

later, outside of court, that he had spinal fusion surgery in 2002.

He still owed $17,000 on one card, he told Smith and Allen. He had been paying $500 a month, but the debt went to a collection agency that had demanded payment in full. He was worried his financial situation would become public.

He asked them for advice and threw out some ideas. Maybe he could get paid for some sort of project. He wanted real work, not a "freebie," he said. Maybe they could refer him to somebody. Maybe give him a "modest loan."

He told Smith and Allen that he didn't want them to feel like he was applying pressure. He said on the video he wanted everything to be "completely above board."

"I am not coming to the well," Kohring told them. Still, he said that he was living paycheck to paycheck. He couldn't qualify for a loan. He was trying to sell his ranch house in Wasilla, but it was only appraised at $110,000 and wasn't attracting a buyer.

Allen mused about it. What if he was a cosigner on a loan? Kohring would have to be careful about that, Allen said.

Kohring agreed. He said he didn't want to raise any red flags.

Didn't he have state health insurance? Allen asked. Kohring said he did, but the Mayo Clinic wasn't on the preferred provider list.

Allen said he'd think about Kohring's request.

One of the charges against Kohring is attempted extortion, stemming from that request for help with the debt.

Kohring's lawyer, John Henry Browne, has said the issue didn't amount to anything. Smith and Allen didn't seem interested so Kohring dropped it, Browne told jurors in his opening statement.

In the same meeting, Kohring mentions that he's about to spend his first Easter with his stepdaughter. His wife and daughter live in Beaverton, Ore. Usually he can't get away from the Legislature then, he said.

Allen suggested Kohring put money in plastic Easter eggs. Allen asked Smith if he had any hundreds. Smith is seen on the video standing up, taking out his wallet and peeling off some bills, at least $100, according to prosecutors. Allen handed the cash to Kohring.

Kohring thanked them.

He said he had just sent his stepdaughter a card and some money for her Girl Scout uniform.

Allen said he wanted to help on her uniform and pulled out some more bills, totaling $500 to $1,000, prosecutors say. Kohring thanked them again and shook Allen's hand.

In the courtroom as the scene played, some of the jurors scribbled notes. All seemed glued to the screen.

"What can I do at this point to help you guys? Anything?" Kohring asked on the video.

FBI - Stevens-1573

Allen, who has a head injury from a motorcycle wreck, stumbled a bit. Kohring answered his own question.

"Just keep lobbying my colleagues for the governor's plan, right?" Kohring said.

He then discussed a number of specific legislators he could talk to. The House Finance Committee members were particularly important. Kohring reeled off most of their names.

He said he could find out where they stood then "politely and gently try to influence them."

Kohring also told Allen that he had passed along to his wife that Allen liked their gift of Russian vodka. Kohring, portrayed by his attorney as a man who doesn't drink, swear or smoke, said on the recording that he enjoyed vodka, too. He said it helped him escape the "woes of the world."

Kohring's wife is Russian and outside of court Kohring explained that they may share a drink as part of her culture. He's not seen drinking on any of the recordings.

Kohring discussed an internship at Veco for his nephew -- a 17-year-old high school basketball star -- in various calls to Smith.

The defense says that Smith initially brought it up and that the nephew was well-qualified. But it's clear that Kohring was relying on Smith to guide him and to secure the position.

Kohring dropped off his nephew's resume at the Baronof front desk and phoned Smith to let him know. His nephew came to visit him in Juneau, and Kohring mentioned to Smith in a recorded call that he had a "bunch of lobbyists all lined up to buy my nephew dinner."

In an April 20, 2006, phone call, Smith told Kohring that his nephew had landed the internship.

"Wow! Outstanding," Kohring responds. "Thank you so very much for arranging that, Rick."

Kohring asked Smith to let him know what he could do "on the legislative end of things."

"You got it, partner," Smith answered.

In a call to Smith on July 1, 2006, Kohring passed along how much his nephew appreciated the job. Veco had sweetened the pot by giving him some overtime at $24 an hour. The nephew ultimately ended up with $3,000, Kohring told Smith at summer's end.

On July 23, 2006, as the campaign season geared up, Kohring called Smith again.

Would it be too forward to ask him to set up a luncheon fundraiser at the Petroleum Club in Anchorage? Kohring asked. No problem, Smith answered.

Kohring later reported back that the fundraiser brought in $4,000.

As to the pickup truck, Kohring called Smith a couple of times to ask for a loaner he could use during his campaign. His own vehicle wasn't reliable, he said in recorded calls.

The last call was on Aug. 30, 2006. Smith said he'd get back to him.

The next day, FBI agents raided offices of six legislators, including Kohring's. FBI - Stevens-1574

The trial continues today. Smith may be on the stand first thing.

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Find more

LATEST FROM TRIAL: We'll be blogging updates from the Kohring trial all day today; catch up by reading Wednesday's dispatches.

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Find additional material on adn.com as the case unfolds:

• Live blogging from the courthouse. Reporter Kyle Hopkins will be in the trial every day filing multiple dispatches to our politics blog: adn.com/alaskapolitics.

• Audio testimony. Unlike in state court, cameras or recorders aren't allowed in federal courtrooms. Audio recordings of each day's court proceedings are produced by the court and made available to the public, usually the following day. We usually have them in hand each afternoon. We'll be finding interesting clips and expect to be posting them by late afternoon or early evening each day. Today we have the complete audio from Tuesday's opening statements.

• FBI audio and video. The phone wiretaps and hotel-suite surveillance video recordings will be available eventually, as they were in the Kott trial, but not the next day. They're being played in court but are generally difficult to hear clearly. We will post these when the easier-to-understand original-source recordings are made available -- we're hoping within the next several days.

-- David Hulen, state/local news editor dhulen@adn.com

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Allen drops blackmail bombshell in Kohring trial testimony

HOME WORK: Secret video and "Red Carpet List" also come up as prosecution rests.

By LISA DEMER and KYLE HOPKINS
Anchorage Daily News

(Published: October 30, 2007)

Former Veco chief Bill Allen was termed a "supporter" in Kohring's computer. *( )*

Former Veco Corp. chief executive Bill Allen, on the witness stand for a second day Monday, revealed that his nephew tried to blackmail him over work done on U.S. Sen. Ted Stevens' home.

That bombshell, a side issue to the main event, came as one of a number of developments Monday in the public corruption trial of former state Rep. Vic Kohring, a Wasilla Republican. Among tidbits presented to jurors:

• A video from February 2005 showed Kohring talking about the possibility of consulting for Veco. It was secretly recorded by Frank Prewitt, then a consultant for the private prison firm Cornell Cos. who was working undercover for the FBI, unknown to his employer.

• A document taken off Kohring's legislative computer titled "Red Carpet List" named his favored office visitors, in four categories: lobbyists, friends, supporters, other. Allen and former Veco vice president Rick Smith were included as "supporters" but not friends. That cuts into one of the main defense arguments, that money given to Kohring by Veco executives was just a gift from friends, not a calculated bribe as prosecutors assert.

• Kohring told FBI agents in a lengthy interview during the Aug. 31, 2006, search of his Wasilla legislative office that he had accepted money from Allen and Smith for his own personal use, as well as campaign contributions. After he thought about it awhile, he described the money as a gift, FBI agent Alan Vanderploeg told jurors.

At day's end, prosecutors rested their case. To wrap up the government's evidence against Kohring, they called a flurry of quick witnesses: state Sen. Tom Wagoner, R-Kenai, who talked about a dustup from a 2003 oil bill; the legislative ethics administrator; and a couple of FBI agents.

Allen decided to cooperate with the feds the day he was first confronted by the FBI, on Aug. 30, 2006. The next day, offices of six legislators were searched by the FBI. He said he was shown the FBI's secretly made recordings, which are the backbone of the government case.

Prosecutor Joe Bottini asked Allen if seeing the recording from March 30, 2006, in which Allen hands money to Kohring, factored into his decision to cooperate.

Yes, Allen answered.

Why? Bottini said.

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"I knew that was ... illegal, what I done," Allen testified.

Over the course of the day, the defense tried to discredit Allen, raise questions about the money given to Kohring and show that in the scheme of things, Kohring was a bit player.

Allen's heated relationship with his nephew, Dave Anderson, first came into public view last month in the corruption trial of former House Speaker Pete Kott. In that trial, the defense pushed Allen on whether he had threatened to have Anderson killed because of the blackmail -- but never asked what the blackmail was all about.

On Monday, Kohring's defense lawyer, John Henry Browne of Seattle, brought up the blackmail anew.

"I was not going to kill him, no," Allen said, as he did in the earlier trial.

Allen, who suffered a head injury in a 2001 motorcycle crash and struggles with words, seemed less addled on the stand than he had been late Friday afternoon.

What was Anderson blackmailing him about? Browne asked.

"Ted Stevens' house," Allen answered.

U.S. Sen. Ted Stevens' official residence, a home in Girdwood, doubled in size during a renovation overseen by Veco in 2000. The Daily News reported in May that the remodel, and Veco's role in it, were part of the far-reaching, ongoing investigation into public corruption in Alaska. In July, FBI and IRS agents spent nearly 12 hours searching the house and documenting the addition. Stevens has denied wrongdoing and has said he paid the bills that were given to him.

Robert Williams, a Veco employee who supervised construction on the house, said in an interview last month that Anderson was a metal worker who helped construct the steel staircase for the Girdwood house.

In court on Monday, Browne asked Allen to confirm that Veco paid for the renovation. Allen said he didn't know what it cost.

Was it a gift to Sen. Stevens? Browne asked.

No, Allen said.

"I didn't know how much the house cost, and I still don't know," Allen said.

Browne asked Allen whether he had cooperated with the government in its investigation into Ted Stevens "and the money Veco gave to help with the house."

FBI - Stevens-1577

Yes, Allen answered.

Browne tried to portray Allen as someone working with federal prosecutors because he has to -- to protect himself, his grown children and his former business.

Veco was sold in September for about $400 million to CH2M Hill. Allen testified that he and his family owned 85 percent of the company at that time.

While Veco has not been charged criminally, Allen never got a written assurance from prosecutors

that absolutely protects it from prosecution. He said that he could have sold Veco for more with such a commitment.

On the stand in this trial, as he did in the earlier trial of Kott, Allen said he doesn't care what happens to him.

"Hell, my life is all, all over anyway," he said. "I begged on the pass for Veco and I never got that done, so, you know, to hell with it."

Kohring rubbed his neck as he listened. A scar near his collar is a reminder of the spinal fusion surgery that he says still bothers him, and is one reason he once told the Veco executives he was in debt for medical bills.

Later, Browne asked Allen if he cares what happens to his adult children even if he doesn't care about himself. If prosecutors think Allen hasn't cooperated, can't Allen's children still be indicted? Browne asked.

Yes, Allen said, as one of his daughters, Tammy Kerrigan, watched from the gallery.

As prosecutors neared the end of their case, former Alaska corrections commissioner-turned-consultant Frank Prewitt took the stand, describing a two-hour dinner he had with Kohring on Feb. 15, 2005.

Prewitt wore a hidden camera. In a video played for the jury, he could be heard telling Kohring that Veco is "always giving people consulting contracts."

"You'd think they'd offer you one," Prewitt said.

Kohring could be seen seated across from Prewitt, eating. The camera tilted up when Prewitt took a drink from a mug.

"Well, maybe I should ask them," Kohring said.

Veco already had offered to hire him in some capacity, he said. He soon added he would want a "legitimate arrangement" and said he didn't want a "freebie."

Kohring told Prewitt that Veco had been his biggest political supporter, giving him $40,000 or $50,000 over the years.

Prewitt also asked about a former Kohring aide, Eric Musser. Kohring told Prewitt that Allen leaned on him to get Musser to drop a campaign finance complaint against another Valley legislator, Beverly Masek, a Republican from Willow.

FBI - Stevens-1578

In the tape, Kohring doesn't say he fired Musser -- something prosecutors assert -- but said he didn't like that the aide filed the complaint without telling him.

As for Masek, Kohring said: "In some ways, I wanted her to at least get a slap on the wrist and be held accountable for what she had done."

At one point in the video, Kohring said that Allen is on his "red carpet list" of friends and supporters -- people who are welcomed in his office at any time.

Prosecutors showed the jury a copy of that list. It included 22 names -- 10 lobbyists, eight people

listed as "personal friends" and four people described as "supporters."

Allen, Smith and former Veco president Pete Leathard were all listed as supporters.

It wasn't clear at day's end whether Kohring would testify or whether the defense would put on a case at all. Browne told Sedwick he honestly didn't know.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390. Find Kyle Hopkins online at adn.com/contact/khopkins or call 257-4334. Daily News reporter Richard Mauer contributed to this story.

VIDEO: Frank Prewitt's secret recording of Vic Kohring. adn.com/fbi

BLOG: "Red Carpet List" and live trial updates. adn.com/alaskapolitics

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Defense rests without Kohring's testimony

DEFENSE RESTS: Nephew of ex-legislator, longtime friend give their testimony.

By LISA DEMER and KYLE HOPKINS
Anchorage Daily News

(Published: October 31, 2007)

Bill Allen ( )

The defense case for former state Rep. Vic Kohring consisted of two witnesses who on Tuesday spent just an hour on the stand between them: Kohring's 19-year-old nephew and a longtime Kohring friend and political adviser from the Mat-Su area.

The Wasilla Republican never testified. His lawyer, John Henry Browne, hinted at several points during the trial that Kohring would do so. But it's always a gamble for a defendant to face prosecutors, and Browne said Tuesday they decided there was no need.

"It's definitely a tough call," Browne said. "We agonized until 12 or 1 o'clock last night and we were ready to go either way today. And my feeling is that they just haven't proven the case."

Closing arguments in the corruption case are set for this morning.

Jurors will have to decide whether Kohring solicited and accepted bribes from executives with the former Veco Corp. to push the oil field service company's interests on an oil tax and other matters. The defense says the money Kohring took was simply gifts from friends. Veco is no more -- it was sold to CH2M Hill in September.

If the jury believes former Veco chief executive Bill Allen, "we're in trouble," Browne said. Allen testified about making payments to Kohring during last year's legislative session -- hundreds of dollars in cash handed to him in front of a secret FBI surveillance camera in Veco's hotel suite, $1,000 in cash during dinner at a Juneau-area bar, several hundred dollars more on the last night of a special session. Allen said he gave Kohring cash multiple other times going back to 2002.

Browne said Allen shouldn't be believed, that he would lie to save his adult children, who were part owners of Veco, from prosecution.

The bribes, prosecutors say, consist of $2,100 to $2,600 in 2006, the $3,000 summer job for Kohring's nephew, and an attempt to get another $17,000 from the Veco executives to pay off a credit card bill. In all, Kohring faces four felony counts: bribery, conspiracy, extortion and attempted extortion.

NEPHEW'S TESTIMONY

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On Tuesday, Aaron Kohring took the stand for the defense to tell jurors about his 2006 summer job with Veco.

Prosecutors say that Aaron was hired for a well-paying summer internship because Kohring pulled

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strings with Veco executives.

Aaron's a tall, athletic-looking young man with close-cropped hair. He was a basketball star in high school. He wore a tan sweater and seemed calm on the stand, though he said later said it was difficult for him.

Under questioning by Browne, he told jurors that he was exceptionally close to his uncle.

"I grew up without a father and Vic has always been there kind of filling that role, pretty much," Aaron told jurors.

Aaron said his Uncle Vic told him in early 2006 that positions were opening up at Veco. He was 17, about to graduate from high school, and needed a summer job. Someone at Veco, not his uncle, told him he was hired. He said his job ended up being "mainly a facility position or a facility worker, I guess you'd call it."

He worked eight hours a day, made $16 an hour, and used the money to help pay for his first year as a petroleum engineering student at the University of Alaska Fairbanks and to cover some bills at home, he said.

Then it was prosecutor Joe Bottini's turn to ask the questions. Under cross examination, Aaron said that Kohring helped him put his resume together. And his uncle either e-mailed it or hand-delivered it to Veco.

Asked by Bottini whether he ever interviewed for the job, he said he didn't.

"You basically give a resume to your uncle, as far as you know, that gets turned in to Veco?"

"Mm-hmm," Aaron responded

"And then someone calls you and says you're hired, right?"

"Mm-hmm," he said.

Wasn't the job basically moving furniture, emptying recycling bins, rearranging cubicles? Aaron agreed it was manual labor.

Prosecutors have made a point that he also got $24 an hour for overtime but Aaron said he only made that two or three times for working through lunch.

Later Tuesday after the defense wrapped up, prosecutors called Kari MacDonald, a recruiting specialist for Veco who now works for CH2M Hill.

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She said the summer internship was supposed to be a mentorship for college juniors and seniors, not new high school graduates.

So why was Aaron Kohring hired? Bottini asked.

"He was referred to us by Bill Allen," MacDonald said. Former Veco vice president Rick Smith earlier testified that he wrote the referral that mentioned Aaron was Kohring's nephew, but he signed Allen's name.

Without that, MacDonald said she "highly doubted" Aaron would have been hired.

Also on Tuesday, the defense called Robert Hall, owner of Gorilla Fireworks in Houston, a lawyer and a political consultant to Kohring.

He is 49, the same age as Kohring, and they went to Dimond High together. He described Kohring as "a friend and client."

Hall, wearing black jeans and a plaid shirt with pearl buttons, spoke softly, but also conversationally, sometimes directly talking to the jury. He looks like an older version of the actor Jack Black.

Both sides seemed to use him as a surrogate for Kohring. Browne asked Hall about former Kohring aide Eric Musser.

Prosecutors say Allen asked Kohring in 2004 to get Musser to drop a campaign money complaint against then-Rep. Beverly Masek, R-Willow. They also say Kohring laid off Musser and then made the layoff permanent. But they didn't call Musser to testify.

"Was Mr. Musser ever fired by Mr. Kohring?" Browne asked.

"No, he was not," Hall replied.

After hearing about Hall's testimony, Musser called into the Mike Porcaro talk show on KENI-AM to tell his side of the story. He told Porcaro that he did, indeed, get fired.

"How would Robert know? He wasn't my boss. I mean, I didn't work for Robert Hall," Musser said. "... Mr. Hall's memory must be eluding him."

CAMPAIGN HELP

Prosecutor Edward Sullivan, with the U.S. Justice Department's Public Integrity Section in Washington, D.C., tried to show the business and political ties between Hall and Kohring in cross examining Hall.

Hall said that he and his wife and probably his father had given to Kohring's campaigns. "We loaned him a truck, but it was in my wife's name, and I declared that as a contribution," Hall said.

He said all he got out of lending the truck was a full tank of gas and a lube job.

The prosecutor asked about different businesses or companies Hall owned -- a coffee stand, fireworks stands, a company called Alaska Nanometal, a media business that placed ads for Kohring.

Since 2000, the prosecutor asked, is it true that Hall's media business has been paid more than $63,000 by Kohring's campaigns?

"That could be," Hall said, including the costs of buying ads.

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Sullivan asked Hall where Kohring stayed when he was working as a legislator in Juneau.

Kohring was first elected in 1994 and at first lived with roommates, Hall said. Then Kohring slept on a boat and then in a camper, he said. The last six to eight years, Kohring slept on a couch in his office, Hall said.

Would Hall be surprised to hear that Kohring made nearly $100,000, including his base salary and consulting work? Sullivan asked.

"Well, I think that would only be one year. ... I think the other years, it would have topped out at ($80,000) or so," Hall said.

Sullivan asked Hall whether Kohring performed "official acts" to help his fireworks business.

"On several occasions," Hall answered.

Sullivan asked him whether he knew of proposals to restrict fireworks after the enormous 1996 Miller's Reach fire. Hall at first said he didn't. He said there was never an official cause but that officials found bottle rockets twisted together and buried near where the fire started.

Didn't Hall remember Kohring "running around the halls of the governor's office trying to address this fireworks issue?" Sullivan asked. Hall said he remembers efforts to restrict fireworks for safety reasons.

After both sides wrapped up Tuesday morning, Kohring told reporters he felt confident but acknowledged: "There's no guarantees. You're rolling the dice when you go to trial."

He showed reporters something he's had with him throughout the trial: An icon of St. Victor. He said his wife, who is Russian, gave it to him in 2003 "to keep me safe and successful."

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Ex-legislator's call for new trial disputed by federal attorneys

CORRUPTION: His lawyer says jurors convicted him on an incorrect charge.

By PAT FORGEY
Juneau Empire
(Published: October 31, 2007)

Pete Kott *(Erik Hill)*

Federal prosecutors are urging the judge who presided over the trial in which former state House Speaker Pete Kott was convicted of bribery to reject Kott's request for a new trial.

They said Kott knew what he was doing when he accepted bribes for taking official action.

Kott represented Eagle River as a Republican in the state House of Representatives for seven terms but moved to Juneau after losing a 2006 re-election bid.

Prosecutor James Goeke, an assistant U.S. attorney with the Department of Justice's Public Integrity Sections, said the verdict was clear.

"The jury heard evidence of Kott's receipt of things of value, Kott's performance of official acts, and Kott's own words connecting the two," he said.

After Kott's conviction on multiple criminal counts, his attorney called the verdict flawed, and asked Judge John Sedwick to set it aside.

Attorney James Wendt claimed Kott's conviction was actually for taking "illegal campaign contributions," which prosecutors hotly disputed.

"The government stridently disagrees with Kott's characterization as such, and noted that it is in fact Kott, who repeatedly, and for his own benefit, attempted to portray these payments as a benefit to Kott's campaign," Goeke said.

The federal prosecutors said they presented evidence that, despite Kott's claims, the payments had been made as bribes, not campaign contributions.

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Goeke also said that Kott's claims of a "legislative immunity doctrine" were without merit, or even without an explanation of what such a doctrine was supposed to be.

"To the extent that Kott claims that his official acts as a legislator cannot be used against him in a criminal trial, the law is squarely to the contrary," Goeke said.

Kott was convicted on three felony counts in late September. His attorney filed a request for a new trial a week later.

Sentencing is set for Dec. 7 in Anchorage.

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Jury begins deliberations in Kohring trial

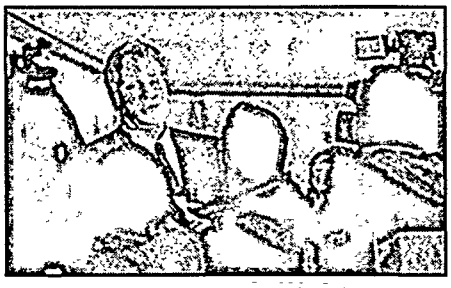
Were cash and favors evidence of corruption or camaraderie?

by LISA DEMER and KYLE HOPKINS

(Published: October 31, 2007)

Jurors deliberating the corruption case against former state Rep. Vic Kohring were wrestling with two opposing pictures laid out Wednesday by lawyers on each side:

Manipulative state lawmaker on the take, or well-meaning public servant who took some gifts from friends.



Former state Rep. Vic Kohring talks to the media at the Anchorage federal courthouse Wednesday Oct. 31, 2007, after his federal corruption case was sent to the jury. "I'm at peace with myself regardless of the outcome," Kohring said. "I'm alive and I'm healthy and I've got a lot of support out there." *(BOB HALLINEN / Anchorage Daily News)*

The lawyers gave dramatic closing arguments -- with visual aids and stage whispers -- on the trial's eighth day in U.S. District Court. The case went to jurors just before noon.

Prosecutors told jurors they had plenty of evidence that Kohring knew how to work Veco Corp. executives with his hand out -- for free meals, an internship for his nephew, help with a credit card debt, payments of cash.

Prosecutor Edward Sullivan walked jurors through meetings and phone conversations between Kohring and Veco executives Bill Allen and Rick Smith during the 2006 legislation session. None of them knew it, but the FBI was recording them.

A freeze-frame image of Kohring smiling as he accepted a handful of cash from Allen flashed behind Sullivan on the big screen in Courtroom 3. It came from an FBI recording made on March 30, 2006, in Suite 604 of Juneau's Baranof Hotel.

Bill Allen *( )*

"Take a look at that picture," Sullivan told jurors. "Folks, that is not a gift. That's a payoff. That is a bribe."

Sullivan, who is with the U.S. Justice Department's Public Integrity Section in Washington, D.C., reminded jurors what Kohring said after accepting two cash payments that day from the Veco executives.

"He asks for instructions. 'What can I do to help you guys at this point?' " Sullivan said.

Kohring, a Wasilla Republican elected seven times, is the third former state lawmaker to stand trial this year for bribery and other crimes in the wide-ranging federal investigation into corruption in Alaska politics. Kohring is charged with bribery, conspiracy, extortion and attempted extortion.

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During the 2006 legislative session, Veco was pushing a new oil tax regime. North Slope oil producers wanted to lock in tax stability before they would commit to a natural gas pipeline that could have been enormously lucrative to Veco.

Vic Kohring and his lawyer Henry Browne talk to the media and leave the courthouse after his federal bribery case went to the jury on today. *(BOB HALLINEN / Anchorage Daily News)*

But defense lawyer John Henry Browne of Seattle told jurors that the prosecution's case was weak and that parts of it had fallen apart before their eyes. Kohring always thought the money he accepted was simply gifts from friends, not bribes, he said.

Browne put up a series of posters starting with one that said, in all caps, "NOT GUILTY MEANS NOT PROVEN."

NATURE OF FRIENDSHIP

Prosecutors told jurors Kohring may have socialized with Allen and Smith, but it was really a business relationship.

While Browne told jurors at the trial's start that Kohring and Allen were close because of relationships with Russian women, Allen testified that wasn't so, Sullivan told jurors. He hadn't even met Kohring's wife, who is Russian. She lives near Portland, Ore., and did not attend the trial.

"The only thing Vic Kohring brought to this party ... was his legislative hat," Sullivan said. And "he's not shy about putting it out and asking them for money."

Sullivan said Allen and Smith had a secret. The prosecutor walked closer to the jurors, talking to them in a stage whisper: They knew "this guy," who never voted for a tax, was going to support the tax rate supported by Veco and the North Slope oil producers.

Sullivan talked about how it was always Kohring who called Smith -- not the other way around -- with Kohring saying he'd lobby colleagues and advocate good things for Veco.

Kohring was playing Allen and pleading poverty, Sullivan said, while he was making about $100,000 -- counting his salary, legislative per diem money and consulting work. But he never let on to Allen about that "because that's going to stop the money train," Sullivan said.

In a March 4, 2006, video, Allen tells Smith about $1,000 that he gave to Kohring during a dinner among the three at the Juneau-area Island Pub. Prosecutors played it Wednesday so jurors could again hear Allen tell Smith that Kohring would now "kiss our ass."

Sullivan: "Is there anything else I need to say about the relationship between Veco and Vic Kohring?"

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DEFENSE DIGS AT ALLEN, FBI

Browne tried hard to discredit Allen, who testified for the government that he had made cash payments to Kohring going back to 2002. The only way they can convict Kohring, Browne said, is if they believe Allen. He pleaded guilty to bribery and conspiracy and is cooperating with the government. Allen will say anything to protect his grown children, who were part-owners of Veco, from being prosecuted, Browne said. The company was sold last month for about $400 million.

Browne called Allen blasphemous, rude, arrogant, grandiose, intoxicated and obsessed with power.

"He has a memory problem. He has a brain injury. He obviously drinks too much," Browne said. "His demeanor on the stand was completely self-serving and basically pathetic."

Would you, Browne asked jurors, base a big life decision on what Allen had to say, or even buy a car from him?

The feds started investigating corruption in Alaska years ago with the help of Frank Prewitt -- a former corrections commissioner turned consultant -- who himself was in trouble and decided to cooperate by working undercover, Browne said.

"And when the names came out, the FBI started drooling," he said. Those names, he said, included U.S. Sen. Ted Stevens; his son, former Senate President Ben Stevens; U.S. Rep. Don Young; and former state Reps. Bruce Weyhrauch, Pete Kott, Tom Anderson.

"And one of the names they heard was Mr. Kohring," Browne said.

So the FBI cast a huge web, he said, and Kohring was caught up in it.

He told jurors he believes the government lawyers realized just before the trial that Kohring didn't vote for the oil tax that ultimately passed last August.

"The government's case was a mistake. It was falling apart," Browne said. But prosecutors told jurors that Kohring did vote Veco's way on the tax.

In the March 30, 2006, video, Kohring is asking for help from Allen and Smith in paying off a $17,000 credit card debt from a surgery. He suggests he could get a loan or work from Veco.

Allen hands Kohring $100 he got from Smith to put in a plastic Easter egg for his stepdaughter. Then, when Kohring mentions he just sent his stepdaughter money for a Girl Scout uniform, Allen reaches into his front pocket, pulls out another $600 to $700 he had stashed there for Kohring, and hands it over too.

Browne dismissed those payments as "money for Easter eggs."

Why, Browne asked, didn't the government, with all its resources, call as witnesses legislators who Kohring supposedly lobbied to help Veco?

"Let me tell you, there is absolutely no end to that deep pocket," Browne said. At the trial, "you saw FBI agents flown in from all over the country, New York, Texas, California."

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PROSECUTION STRIKES BACK

Prosecutor Joe Bottini, an assistant U.S. attorney based in Anchorage, wrapped up the government's case looking to deliver a counterpunch to points made by Browne:

• If Browne thought jurors needed to hear from more witnesses, he could have called them himself, Bottini said. Subpoenas look the same for the defense as the prosecution, he said, holding up an 8 1/2 by 11 piece of paper. As for the prosecution only playing select parts of the Kohring tapes, Bottini said: "If he thought there was something that we were hiding from you in this trial, hit play. It's the button with the little arrow on it."

• Bottini reminded jurors that Browne called Prewitt, a government witness, a "sleazy lobbyist."

"It didn't stop this guy from going out to dinner with him, and getting his meal paid for by Mr. Prewitt," Bottini said, pointing at Kohring.

• On Browne's comments that Allen was an unreliable witness, Bottini told jurors that the brain injury affects his ability to express himself, not his thought process. Allen ran one of the biggest companies in Alaska for years after his injury, he said. He'd clearly been drinking in some of the videos, Bottini said, but wasn't incoherent.

Ultimately, Bottini said, Kohring knew "what it took to get Mr. Allen to give him things. Kohring turned this guy into a human ATM machine."

As he wound down his argument, Bottini put one of the defense lawyer's posters back on the easel. He took a black marker to it, crossing through some of the words until two were left: "GUILTY PROVEN."

After a few hours of deliberations, jurors asked to watch one of the surveillance videos again. Just after 4:30 p.m., they left for the day, still undecided.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390. Find Kyle Hopkins online at adn.com/contact/khopkins or call 257-4334.

The Kohring case: Is the ex-legislator guilty or innocent?

THE PROSECUTION

• Kohring received multiple cash payments from Allen over the years and learned to call Veco execs when he needed something: Money, a truck, a free meal.

• Unaware he's being recorded, Allen can be heard saying he gave Kohring $1,000 in a conversation about doing whatever it takes to pass Veco's favored oil tax bill.

• Kohring unlocked a bill from his committees, let go a valued aide and stayed out of a Mat-Su Senate race, all at Allen's request.

• Everything Allen says is backed by recordings or other testimony, including a video on which Kohring tells Veco execs he'd racked up $17,000 in debt and needs help. He is seen taking cash from Allen, then promising to lobby his colleagues on Veco's behalf.

THE DEFENSE

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• There's no proof Kohring was given cash for anything except Easter eggs and a Girl Scout uniform for his daughter.

• Much of the feds' case relies on the word of former Veco chief Bill Allen, who is now a convicted felon trying to protect his kids from indictments. Because of a head injury, the jury saw Allen struggling to express himself on the stand.

• In secretly made FBI recordings, Kohring says he wants any work he does for Veco to be legitimate. No freebies, he says.

• Two words: Prove it. The defense says prosecutors failed to show, beyond a reasonable doubt, that Kohring traded political influence for money.

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Kohring neither defiant nor remorseful

Jurors decide ex-legislator took money to sway oil tax

By LISA DEMER and KYLE HOPKINS
Anchorage Daily News

(Published: October 31, 2007)

Less than an hour after a federal jury convicted former state Rep. Vic Kohring of public corruption charges on Thursday, he apologized to the people of Alaska for the stress and trauma of the investigation and trial.

But he stopped short of accepting responsibility for the crimes of bribery, conspiracy and attempted extortion -- crimes he now stands convicted of committing.

Kohring is on a tightrope. If he accepts blame now, he could spoil any appeal. But if he's defiant, prosecutors are sure to point that out when it's time to be sentenced.

"I expected this as a possible outcome and, as I said yesterday, I'm going to accept it and move on regardless," said Kohring, 49.

The 12-member jury convicted Kohring, a Wasilla Republican, on three of four counts, concluding that he sold his office to the oil-field service company Veco Corp. and former executives Bill Allen and Rick Smith, who pleaded guilty to bribery and conspiracy and cooperated with the government.

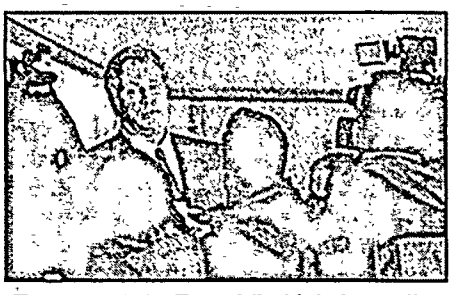
Jurors found that he conspired with Allen and Smith to push a new oil tax favored by North Slope oil producers through the Legislature in 2006, tried to extort them to pay his $17,000 credit card debt, and took bribes from them.

But jurors also issued one "not guilty" verdict. Kohring was acquitted of extorting money, and a summer job for his nephew, from Allen, Veco's former chief executive, and Smith, a former vice president.

Kohring's defense asserted that it was friendship, not greed and politics, that led Kohring to ask Allen and Smith for money and do Veco's bidding in Juneau.

The government says he knew what he was doing. Kohring "betrayed his oath of office and the people of Alaska when he deliberately and repeatedly took bribes in exchange for official acts," assistant attorney general Alice Fisher of the U.S. Justice

Former state Rep. Vic Kohring and his attorney John Henry Browne speak to the media outside the Federal Courthouse in Anchorage on Thursday, after Kohring was convicted on three of four counts of corruption for selling influence to Veco Corp. executives. A federal jury found him guilty of conspiracy, attempted extortion and bribery. He was found not guilty of extortion.. *( )*



Former state Rep. Vic Kohring talks to the media at the Anchorage federal courthouse Wednesday Oct. 31, 2007, after his federal corruption case was sent to the jury. "I'm at peace with myself regardless of the outcome," Kohring said. "I'm alive and I'm healthy and I've got a lot of support out there." *(BOB HALLINEN / Anchorage Daily News)*

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Department in Washington, D.C., said in a written statement. She thanked the federal prosecutors and FBI agents.

Former state Rep. Vic Kohring was convicted today on three of four counts of corruption for selling influence to Veco Corp. executives. A federal jury found him guilty of conspiracy, attempted extortion and bribery. He was found not guilty of extortion. *(BILL ROTH / Anchorage Daily News)*

As they left the Federal Building, jurors looked drained but relieved after roughly nine hours of deliberations over two days. Only a few would talk. They said they anguished over their decision.

One, who declined to be identified other than as "juror No. 8," said "they didn't get the sharks. They got the minnow."

Most felt sorry for Kohring and saw him as "a very sympathetic figure," said Alan Rowe, juror No. 12.

"The circumstances surrounding the case were tragic," said Rowe, a courier for Cal Worthington Ford who plays keyboard in a classic rock and soul band called Al and the Kaholics.

Kohring seemed like he really wanted what's best for Alaska but showed poor judgment when he got in cahoots with Veco executives, Rowe said.

Kohring couldn't get past the damning videotapes secretly filmed in Veco's suite in Juneau's Baranof Hotel and the telephone wiretaps.

But surprisingly, Rowe said, the most convincing FBI recording wasn't the one from March 30, 2006, in which Kohring is seen twice taking cash from Allen. Defense lawyer John Henry Browne's characterization of that scene as the "Easter egg incident" resonated with jurors, Rowe said. In the video, Allen tells Kohring the money is to be put in plastic Easter eggs and to help out with a Girl Scout uniform for his stepdaughter.

"We didn't want to implicate the little girl," Rowe said.

But jurors believed that Allen slipped Kohring $1,000 during a Feb. 23, 2006, dinner at the Juneau-area Island Pub, and that the money was a bribe, Rowe said. On a surveillance video less than two weeks later, Allen and Smith talk about the payment and how Kohring would now "kiss our ass."

On the conspiracy count, Rowe said, the strongest evidence came from a June 8, 2006, recording that jurors asked to see again during deliberations.

It was the last night of a special session on the oil tax, by then at a rate higher than Veco wanted. Kohring tells Allen he would have done what Veco wanted to upend the bill, even if it hurt him politically.

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Jurors didn't think much of the allegation that Kohring was bribed when he secured a summer internship at Veco for his nephew, Rowe said. "We're all thinking, 'So what?' This is the way the world works."

Talking to a few reporters outside the courtroom doors just after the verdict, Kohring described the jurors as "good people" with the right intentions, and said he wanted to thank them for their hard work. He thanked the people of Alaska too, for his more than 12 years in office. He also wanted to say he was sorry.

"Just to apologize to these same people, including my family and friends, for the trauma they experienced, as I did, over the last 14 months, leading up to today," Kohring said.

His friend Fred James, who sat behind Kohring each day of the trial, said he thought Kohring was done in by pre-trial publicity, tried and convicted in the Daily News and on television. Asked if he agreed, Kohring said, "I think in part, yes."

Browne had tried to get the trial moved outside of Alaska, but U.S. District Judge John Sedwick rejected that. The judge questioned jurors extensively and excluded those who had already made up their minds.

Kohring and his lawyer walked downstairs to face a semicircle of microphones and TV cameras and answer more questions.

Does he still maintain his innocence?

"I'd rather not go there at this point," Kohring said.

Browne said they hadn't decided whether to appeal but had several possible points, including the fact that they hadn't been allowed to put on character witnesses.

"We have an outcome here that is difficult for me, of course," Kohring said. "But I've got a great future ahead of me and I'm looking forward to that future."

His wife, Tatiana, is supportive and they've been talking regularly, he said, though she couldn't be there for the trial. She lives near Portland, Ore.

Kohring said he didn't regret not taking a plea deal. There was never a reasonable offer anyway, Browne said.

After court on Thursday, prosecutor Joe Bottini took the unusual step of singling out prosecution witness Frank Prewitt, who has been working undercover for the FBI since 2004. Prewitt was a minor witness in the Kohring trial, but his work helped investigators get the evidence they needed for wiretaps on phones and bugs planted in Suite 604 at the Baranof.

While Browne called Prewitt a "sleazy lobbyist" in his closing argument Wednesday, Bottini said that's not how the government feels about him.

"Nothing can be further from the truth," Bottini said. Prewitt has done a "tremendous" job for the government, he said. "We owe him a lot, frankly."

Kohring was the third person convicted by a jury in the government's wide-ranging corruption scandal. It has yet to lose a case. Juries took about the same amount of time to convict the first two, ex-Reps. Pete Kott and Tom Anderson.

Judge Sedwick set Kohring's sentencing for Feb. 6. Prosecutors estimated that Kohring could be facing three to five years.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390. Find Kyle Hopkins online at adn.com/contact/khopkins or call 257-4334.

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Reaction from Juneau

• The FBI's and U.S. Justice Department's investigation into public corruption in Alaska continues. It's unclear when, or whether, additional charges will be filed, and officials will not discuss the investigation's targets. But at least two other current or former lawmakers have been identified in charging documents and testimony as committing illegal acts in cahoots with Veco officials: former state Sen. Ben Stevens and current Sen. John Cowdery, both Anchorage Republicans.

• Sentencing for former House Speaker Pete Kott, convicted of bribery, extortion and conspiracy in September, is set for Dec. 7. Kohring is the third former state representative convicted since the wide-ranging federal investigation of public corruption burst into view last August with the simultaneous searches of six state lawmakers' offices. So far:

• Former Rep. Tom Anderson, R-Anchorage, was convicted in July of bribery, money laundering and other charges for taking payoffs from a consultant.

• Former House Speaker Pete Kott, R-Eagle River, was convicted of bribery, extortion and conspiracy in September for his dealings with Veco executives on oil tax legislation last year.

• Former Rep. Bruce Weyhrauch, R-Juneau, was charged with bribery and other crimes for his dealings with Veco executives. He's awaiting trial while questions about evidence in his case are appealed.

• Former Veco CEO Bill Allen pleaded guilty to bribery and conspiracy for his dealing with Kott, Kohring, Weyhrauch and other lawmakers. He's awaiting sentencing.

• Former Veco vice president Rick Smith pleaded guilty to bribery and conspiracy for his dealing with Kott, Kohring, Weyhrauch and other lawmakers. He's awaiting sentencing.

• Former lobbyist Bill Bobrick, a longtime lobbyist on the city level, pleaded guilty to conspiracy for bribing Anderson. He's awaiting sentencing.

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FBI - Stevens-1594

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Anchorage Daily News

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Former legislator set to enter Oregon federal prison Dec. 3

5-YEAR SENTENCE: Anderson was first convicted in FBI investigation.

The Associated Press

(Published: November 13, 2007)

A former Alaska lawmaker convicted of seven counts of conspiracy and bribery will begin his five-year federal prison sentence next month.

Former Rep. Tom Anderson on Monday told Anchorage television station KTUU that he will report to a federal prison south of Portland, Ore., on Dec. 3.

Anderson, 40, a two-term Republican from Anchorage who chose not to run for re-election in 2006, was convicted in July of taking nearly $24,000 he thought was coming from a private prison firm, Cornell Industries Inc., in exchange for his assistance on legislation.

The money was supplied by the FBI through an informant under contract to Cornell, Frank Prewitt, a former Alaska Department of Corrections commissioner. Prewitt secretly recorded his conversations with Anderson and a co-conspirator, lobbyist Bill Bobrick, between July 2004 and March 2005. Cornell Industries was not aware of the bribery scheme or investigation.

The 60-month sentence fell within the presentencing report guidelines of 51 to 63 months.

Anderson was the first of four former Republican Alaska lawmakers arrested on federal corruption charges.

Former House Speaker Pete Kott was convicted in October of conspiracy to solicit financial benefits, extortion and bribery. He will be sentenced Dec. 7.

Former state Rep. Vic Kohring was convicted earlier this month of bribery, conspiracy to commit extortion and attempted interference with commerce by extortion. He was acquitted of another count of interference with commerce by extortion. Sentencing was set Feb. 6.

The corruption trial of former state Rep. Bruce Weyhrauch has been delayed.

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FBI - Stevens-1595

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317KS01.0th 194A-AN-13620-M:657

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.) C-1 & C-3
FRONTIERSMAN

Date: 9/21/2007
Edition:

Title: FORMER LAWMAKER APOLOGIZES FOR LANGUAGE, BUT PROCLAIMS INNOCENCE

Character:
or
Classification: AN-13620-M ;658
Submitting Office: Anchorage

Indexing:

Former lawmaker apologizes for language, but proclaims innocence

BY DAN JOLING
Associated Press Writer

ANCHORAGE, (AP) — A former state legislator on Thursday apologized to jurors for foul language the FBI secretly caught him spouting in wiretaps and a hidden camera while investigating him on corruption charges.

Former state Rep. Pete Kott, a seven-term Republican who represented Eagle River on Anchorage's north side, said going to trial has cost him relationships with people and probably his legacy. It has been a tremendous embarrassment to him and his family, he said.

However, "I believe I had to go through this," he said. "I don't believe the charges are correct, that I'm not guilty, but I had to go through this no matter what."

Kott is charged with conspiracy to solicit financial benefits for his service as a legislator, extortion "under color of official right" and bribery. A fourth charge, wire fraud, is based on a phone call he made from Washington, D.C., while on legislative business. In the phone call, he sought the phone number of a lobbyist and ended up speaking about official business that prosecutors contend was part of a conspiracy.

Kott stands accused of accepting nearly $9,000, a political poll and the promise of a future job from officials of VECO Corp., a major oil field services company.

Former VECO chairman Bill Allen and Rick Smith, a vice president for legislative affairs, have pleaded guilty to bribing Kott and other lawmakers. They testified last week that they used Kott to push a revised crude oil tax with terms favorable to clients in the petroleum industry.

The measure was considered a law that could lead producers to begin negotiating for construction of a natural gas pipeline tapping Alaska's vast North Slope reserves. That project carries a price tag in the tens of billions of dollars. VECO would have been in position to bid on the pipeline or other oil field work.

Prosecutors could get their chance to question Kott as early as Thursday afternoon.

Defense attorney James Wendt acknowledges that Kott worked with VECO officials as documented in the secret

See **KOTT**, *Page C3*

KOTT

Continued from Page C1

recordings made by the FBI. However, he says it was not against the law for a lawmaker to work with company officials on legislation desired by most Alaskans.

In painstaking detail starting Wednesday afternoon and continuing into Thursday morning, Wendt led Kott through the history of the crude oil tax bill, seeking to establish that Kott was not acting in lockstep with VECO officials.

VECO officials backed a version of the bill calling for a 20 percent tax rate. Kott, reviewing the official House record of votes during the regular legislative session and two special sessions, noted that he had never had the opportunity to vote on that rate.

Kott initially backed the 20 percent level, he said, but compromised as it became apparent that some of his colleagues and the state Senate would hold out for a higher rate.

"We were just looking for a way to bring closure to the issue," he said.

At one point late in the regular session in May 2006, Kott himself offered an amendment that would have set the tax rate at 21.5 percent. Kott also voted for the final version of the measure in the second special session that ended in July 2006 and carried a rate of 22.5 percent.

Kott's polite testimony was in contrast to the vulgarities displayed in the recordings, and Kott addressed that directly to jurors.

"I apologize for the videos that have been presented during the course of this trial," he said.

His 22-year Air Force career and 14 years in the legislature, including two as speaker, likely will be overshadowed by the trial, he said.

"I think people will forget about the good things and remember the bad things," Kott said.

FBI - Stevens-1596

AN-13620-M;658

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(Indicate page, name of newspaper, city and state.) B-1
ANCHORAGE DAILY NEWS

Date: 10/31/2007
Edition:

Title: KOTT'S CALL FOR NEW TRIAL DISPUTED BY FEDERAL ATTORNEYS

Character:
or
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Submitting Office: Anchorage

Indexing:

FBI - Stevens-1597

194A-AN-13620-M; 659

Kott's call for new trial disputed by federal attorneys

CORRUPTION: His lawyer says jurors convicted him on an incorrect charge.

By PAT FORGEY
Juneau Empire

Federal prosecutors are urging the judge who presided over the trial in which former state House Speaker Pete Kott was convicted of bribery to reject Kott's request for a new trial.

They said Kott knew what he was doing when he accepted bribes for taking official action.

Kott represented Eagle River as a Republican in the state House of Representatives for seven terms but moved to Juneau after losing a 2006 re-election bid.

Kott

Prosecutor James Goeke, an assistant U.S. attorney with the Department of Justice's Public Integrity Sections, said the verdict was clear.

"The jury heard evidence of Kott's receipt of things of value, Kott's performance of official acts, and Kott's own words connecting the two," he said.

After Kott's conviction on multiple criminal counts, his attorney called the verdict flawed, and asked Judge John Sedwick to set it aside.

Attorney James Wendt claimed Kott's conviction was actually for taking "illegal campaign contributions," which prosecutors hotly disputed.

"The government stridently disagrees with Kott's characterization as such, and noted that it is in fact Kott, who repeatedly, and for his own benefit, attempted to portray these payments as a benefit to Kott's campaign," Goeke said.

The federal prosecutors said they presented evidence that, despite Kott's claims, the payments had been made as bribes, not campaign contributions.

Goeke also said that Kott's claims of a "legislative immunity doctrine" were without merit, or even without an explanation of what such a doctrine was supposed to be.

"To the extent that Kott claims that his official acts as a legislator cannot be used against him in a criminal trial, the law is squarely to the contrary," Goeke said.

Kott was convicted on three felony counts in late September. His attorney filed a request for a new trial a week later.

Sentencing is set for Dec. 7 in Anchorage.

FBI - Stevens-1598

FD-350 (Rev. 5-8-81)

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(Indicate page, name of newspaper, city and state.) C6

FRONTIERSMAN

Date: ~~01/15/2008~~ 9/16/2007

Edition:

Title: PALIN WANTS REVIEW OF SENATE RULES CHAIRMAN

Character:

or

Classification: AN-13620-M ;660

Submitting Office: Anchorage

Indexing:

FBI - Stevens-1599

194A-AN-13620-M;660

Palin wants review of Senate rules chairman

BY STEVE QUINN
Associated Press Writer

JUNEAU, Alaska (AP) — Gov. Sarah Palin said on Monday that Senate leaders should review whether Anchorage Republican John Cowdery is qualified to remain the Senate's Rules Committee chairman.

On Friday, a former oil field services executive testified that Cowdery was among five lawmakers he bribed for favorable influence on oil tax legislation.

Cowdery was among six legislators whose offices the FBI raided last year. He has not been charged, but was named in testimony during former Rep. Pete Kott's federal corruption trial last week.

Palin stopped short of calling for Cowdery to be stripped of his title, saying that decision rests with Senate leaders who initially put him in that position.

The rules chairman is considered the gatekeeper of all legislation that reaches the Senate floor for a vote.

"With that confirmation in testimony, I would think that the Senate leadership would want to address the issue," Palin said. "We haven't heard them address it yet.

"And we haven't heard what Senate leadership intends to do about the allegations, especially now that the names have been made public."

Senate President Lyda Green, R-Wasilla, did not immediately return requests for comment Monday.

Cowdery is out of town and unavailable for comment, said Jeff Turner, press secretary for the Senate majority, made up of six Republicans and nine Democrats.

After federal agents searched his office last August, Cowdery was among the first to respond.

"It's pretty bizarre," he said in a prepared statement. "That's all I know. It's pretty bizarre. I haven't done anything wrong."

A special session looms next month on oil taxes, called in part to review how the Legislature in 2006 passed a new tax on the oil industry. The issue dominated the session and is at the heart of charges against three former lawmakers, including Kott.

"At the very least the leadership needs to look at can we go through a special session and evaluate the proposal?"

- Gene Therriault, Minority Leader R-North Pole

Having Cowdery remain as Rules Committee chairman for the session that starts Oct. 18 has some lawmakers nervous.

"At the very least the leadership needs to look at can we go through a special session and evaluate the proposal?" said Minority Leader Gene Therriault, R-North Pole.

Cowdery's appointment came under scrutiny Jan. 16 during the first Senate floor session when committee appointments received a vote.

Therriault, whose minority group is made up of five Republicans, raised the issue then, but Cowdery was approved along coalition lines, 15-5.

Therriault believes testimony last week from former VECO Corp. Vice President Rick Smith — in which Smith didn't elaborate on how he allegedly bribed Cowdery — warrants revisting Cowdery's leadership role.

"Now there appears even more reason to be concerned about public perception over Senator Cowdery remaining in a leadership position," Therriault said.

FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) C-1 & C-6
FRONTIERSMAN

(Mount Clipping in Space Below)

Date: 09/18/2007
Edition: TUESDAY

Title: VECO OFFICIAL ACKNOWLEDGES ORGANIZING FUNDRAISER FOR YOUNG

Character:
or
Classification: AN-13620-M ; 6661
Submitting Office: Anchorage

Indexing:

FBI - Stevens-1601

194A-AN-13620-M; 6661

STATE

Mat-Su Valley Frontiersman

PAGE C1 TUESDAY, SEPTEMBER 18, 2007

VECO official acknowledges organizing fundraiser for Young

BY DAN JOLING
Associated Press Writer

ANCHORAGE, (AP) — The corruption trial of a former Alaska state legislator Monday continued to pop out names of prominent national politicians.

A former oil field services company official convicted of bribing Alaska state legislators testified Monday he was instrumental in organizing an annual pig roast fundraiser that brought in thousands of campaign dollars to U.S. Rep. Don Young.

Rick Smith, the vice president of governmental affairs for VECO Corp. until he resigned in May, mentioned no wrongdoing in regard to Young.

The pig roast was held annually at the home of former VECO Corp. Chairman Bill Allen. After Allen and Smith pleaded guilty in May to bribing Alaska lawmakers, this summer's fundraiser moved to the home of former Gov. Bill Sheffield, where it drew about 70 protesters.

Smith has pleaded guilty to bribing former state Rep. Pete Kott, who represented Eagle River, an Anchorage bedroom community, and other state lawmakers.

Allen testified during Kott's trial last week that he had assigned one to four employees for up to six months to work on the home of U.S. Sen. Ted Stevens. Allen also testified that his bribery conviction included allegations of payments to Stevens' son, former state Senate President Ben Stevens, R-Anchorage, through a consulting contract. Ben Stevens has not been charged.

Both Smith and Allen pleaded guilty to conspiracy and bribery and agreed to cooperate with federal investigators in the widespread corruption probe.

Like Allen, Smith acknowledged he made a number of calls after Aug. 31, 2006, that he knew would be recorded on the government's behalf.

"Wild guess, 20 to 40," Smith estimated of the number of calls he made.

He also wore a recording device for meeting with people five to 10 times at the government's behest, he said.

VECO is one of Alaska's largest oil field services companies, providing engineering, construction, operation and maintenance services to petroleum producers. During the 2006 Alaska legislative session, which ran from January to June, VECO officials including Allen and Smith spent days in Juneau pushing lawmakers, with Kott's assistance, to approve legislation that could lead major oil producers to approve a natural gas pipeline taking Alaska's North Slope natural gas to Midwest markets.

VECO would have been eligible to bid on contracts connected to the pipeline, estimated to cost $20 billion to $30 billion.

Smith testified last week he helped hatch a plan to funnel cash to Kott for Kott's re-election bid. He said he and Kott agreed that Kott's hardwood flooring business should submit a $7,993 bill on top of another invoice for refinishing work done at Allens' home. That bill, eventually paid with a personal check by Allen, forms one of the legs of the case against Kott.

Kott's attorney, James Wendt, on Monday tried to draw distinctions between Kott and other lawmakers who had financial connections to VECO.

Smith acknowledged that Kott had never signed any sort of a contract for payments as had others VECO was accused of bribing, such as the younger Stevens.

Smith said he had arranged for a payment to be made to another state lawmaker, Rep. Tom Anderson, R-Anchorage, who was convicted July of conspiracy and bribery in a separate case. He has not been charged with taking illegal money from VECO.

Smith said he hired Anderson to perform legal work. Anderson held a law degree but has not passed the bar in Alaska.

See **YOUNG**, *Page C6*

Hirsch gives vibrant performance as doomed wanderer

BY CHRISTY LEMIRE
AP Movie Critic

You probably don't know the ıame Emile Hirsch. Not yet at east.

He's a young, good-looking, ıp-and-coming actor who's ›een working steadily for the ›ast few years now — he was he guy who lusted after Elisha Cuthbert in "The Girl Next Door," maybe that'll ring a bell.

All that should change, howver, with "Into the Wild," and deservedly so.

ate and idealistic but also impetuous, stubborn and self-righteous. Penn depicts this flawed figure with all the richness and complexity you'd find in the unforgiving Alaskan terrain, presenting McCandless in both his selflessness and selfishness without once judging him or turning him into a martyr.

At the same time, there's an innocence to "Into the Wild," with its notions about the purity of freed

status-conscious mom and dad (Marcia Gay Harden and William Hurt, both strong in just a few flashback glimpses) that he's interested in Harvard Law School, and already has saved $24,000 toward tuition.

Then he ends up giving the bulk of his money to charity and burning the rest of his cash, literally, before hopping into his beat-up car for points unknown. He aspires to be a modern-day Thoreau or Jack London, communing with the wilderness and coming out enlightened for the experience, and even adopts the name "Alexander Supertramp" to signal his bold, new persona.

But he's clearly still mired in adolescence in many ways; his journal entries — rambling, self-important — include oversized exclamation points dotted with little circles at the bottom. That boyish enthusiasm often works to his advan-

Photo courtesy/Paramount Vantage

Christopher McCandless, played by Emile Hirsch, begins his trek into the wild.

tage, though, especially as he enjoys the kindness of strangers during his travels.

There's the hippie couple (Catherine Keener and Brian Dierker) who take him under their wing and treat him like a son; a South Dakota farmer (Vince Vaughn, comparatively

between all these strongly acted adventures and the destination that would become Chris' last: an abandoned bus in middle-of-nowhere Alaska. He reads, he hunts, he tries to stay warm, tries to stay alive. There's the crunch of snow beneath his feet, the sound of

printing Chris' words in capital letters on the screen; on the flip side, original music from Eddie Vedder complements the action beautifully and is an ideal choice for its own sense of insatiability.)

As in the previous films he's directed, including 2001's

YOUNG

Continued from Page C1

"It was a sham contract, wasn't it?" Wendt asked.

"We never got any work out of it," Smith replied.

"I asked him to produce things for us. It didn't happen," Smith said.

As for Young's pig roast fundraiser, Smith said he had helped organize the yearly events for a decade.

"I came in the loop early on," Smith said.

The guest list usually had 200 to 400 names of people who were expected to contribute to Young's re-election campaigns, he said.

Smith said he hired one of Anchorage's upscale restaurants, Marx Brothers, to cater the annual summer affairs. The bill from the restaurant for each event likely was $10,000 to $15,000, he said.

Wendt pressed Smith on his motivation for providing "substantial assistance" to the government in his cooperation agreement.

"I'm still looking at nine to 11 years," Smith said of his potential sentence.

Wasn't Smith hoping to see that reduced?

"That's my hope," Smith said.

The defense case is expected to begin Tuesday.

FBI - Stevens-1604

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(Indicate page, name of newspaper, city and state.) C-1 & C-6
FRONTIERSMAN

Date: 09/18/2007
Edition:

Title: KOTT ATTORNEY TRIES TO MAKE INROADS VS. RECORDINGS, WITNESSES

Character:
or
Classification: AN-13620-M ; 6662
Submitting Office: Anchorage

Indexing:

FBI - Stevens-1605

194A-AN-13620-M; 6662

FBI - Stevens-1606

Kott attorney tries to make inroads vs. recordings, witnesses

BY DAN JOLING
Associated Press Writer

ANCHORAGE, (AP) — If former state Rep. Pete Kott hopes to be acquitted of federal corruption charges, he will have to overcome three days of testimony by men he once considered close friends.

Former VECO Corp. executives Bill Allen and Rick Smith acknowledged at Kott's trial their own guilt in bribing elected officials and testified that the seven-term lawmaker had accepted their money, a $2,750 political poll and the promise of a job once he left office.

Allen, VECO's founder and former chief, told jurors he once let the man who called him "Uncle Bill" live at his home for three months during a particularly busy time for Kott's hardwood flooring business. The temporary digs saved Kott the ride home to Eagle River every night, Allen said.

Smith, the former VECO vice president for government affairs, said VECO relied on Anchorage Republicans Ben Stevens and John Cowdery in the state Senate to advance their pro-oil industry agenda. In the House, it was Kott. Neither Stevens nor Cowdery has been charged.

"We used Pete in a lot of those ways. He was very significant for us. He had always carried our water," Smith said, and over the years, they became friends.

Kott is charged with conspiracy to solicit financial benefits for his service as a legislator, extortion "under color of official right," bribery and wire fraud.

VECO is one of Alaska's largest oil field services companies, providing engineering, construction, operation and maintenance services to petroleum producers. When its sale was completed Sept. 7 for $400 million, Allen said, he owned 5 percent of the company and 80 percent was owned by an Allen family trust, with his three children each holding one-third of the trust.

As part of their investigation, federal authorities wiretapped the cell phones of Allen and Smith from late 2005 through August 2006. They also planted a hidden video camera in a hotel room rented by VECO during the 2006 legislative session.

Prosecutors opened the trial Monday with three days of recorded conversations, then reinforced the selected dialogue with testimony from Allen and Smith. Nicholas A. Marsh, a trial attorney in the Public Integrity Section of the U.S. Department of Justice, said the evidence would prove Kott sold out.

Defense attorney James Wendt could present his case as early as Tuesday. He contends there was nothing illegal about Kott planning strategy with the VECO officials on legislation important to most Alaskans. But his first obstacle in defending Kott may be the recorded conversations, salted with profanity, sometimes fueled by booze and interspersed by the occasional crude reference to women.

See KOTT, *Page C6*

"The Pledge," Penn never shies away from the bleaker aspects of the story — not just in the external surroundings, but within the character's soul. Hirsch lost 41 pounds from his already lean frame to play the man at his most mortally emaciated, but in Penn's assured hands, the actor's transformation from the inside is just as startling to behold.

"Into the Wild," a Paramount Vantage release, is rated R for language and some nudity. Running time: 150 minutes. Three and a half stars out of four.

FBI - Stevens-1607

tens to bill yners for clean up

clearing his land for him. His is one of four properties the city will clean or demolish homes on next week.

City law bans property owners from neglecting their properties to the point of constituting a "public nuisance" or fire or health hazard.

The city recovers the money for labor, landfill fees and other costs from the homeowners through bills or property liens, city chief of staff Pat Cole said.

City public works supervisor Roy Moore said the notifications that precede the cleanups often prompt people to clean their land before the city moves in with loaders, workers and trucks.

"That's the best-case scenario," he said.

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Before petroleum companies would take on the financial risk of a project that conservatively could cost $20 billion, Allen testified, petroleum producers wanted certainty in oil taxes. With industry critics calling for changes in Alaska's tax system, that meant a new oil production tax of no more than 20 percent.

Smith said Friday his company was willing to do almost anything to pass a tax bill backed by producers — even if it meant bending the law.

In one meeting secretly videotaped by the FBI, and recounted by Smith, he said the company might have to "get dirty" to line up lawmakers.

"It could be jobs," Smith said of the illegal incentives. "It could be actual dollars."

VECO's tactics eventually did cross the line, Smith said.

Kott told Smith late in the 2006 session that he knew Rep. Bruce Weyhrauch, R-Juneau, had been offered work by VECO. The news alarmed Smith.

"My concern was that Bill and I didn't want anyone to know that Bruce Weyhrauch had approached us to do work with VECO," Smith said. "We were concerned it was illegal."

Weyhrauch was to have been tried with Kott, but was able to separate his case and faces trial later.

Smith testified he helped hatch a plan to funnel cash to Kott for his re-election. Meeting Kott at the Rendezvous bar in Juneau, away from the usual hangouts for the legislative crowd, he and Kott agreed that Kott should give him a phony $7,993 invoice for refinishing hardwood floors at Smith's Anchorage home.

Smith told his boss, Allen, that he would handle the payment arrangements.

"I didn't want him to be tainted," Smith said. "If anyone should get hit with this situation, it would be me."

Kott periodically referred to a project VECO had in Barbados, a prison, and joked he wanted to be warden.

"It was just a reminder that we were going to provide a job for Pete at some point," Smith said.

But in questioning Allen, defense attorney Wendt said a job offer for Kott likely was an empty promise.

Allen confirmed that VECO almost was sold in 2005 and Kott knew it. If Kott had won re-election in 2006, he would have been in office through the end of 2008 and state law would have prohibited him from taking a lobbying job for a year after that. By that time, he implied, Kott had to know that the company might have been sold and someone other than Allen could be running the company.

Wendt got Allen to confirm that Kott had received other job offers, including one from a harbormaster.

Wendt also tried to make the point that Kott had voted against the official VECO position on a workers compensation bill, benefits for public employees and tort reform.

FD-350 (Rev. 5-8-81)

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

(Mount Clipping in Space Below)

Date: 9/30/2007
Edition:

Title: VIC KOHRING'S ON DECK

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or
Classification: AN-13620-M ; 663
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Indexing:

FBI - Stevens-1609

194A-AN-13620-M; 663

KOHRING

Continued from Page A1

Material from Kohring's office was confiscated in 2006 by the Federal Bureau of Investigation as part of its probe into corruption surrounding oil and gas deals under then-Gov. Frank Murkowski.

The grand jury indictment enumerated dates and times of detailed conversations between Kohring and Bill Allen and Veco Vice President Rick Smith. The indictment says Kohring, Allen and Smith "did knowingly and willfully combine, conspire, confederate and agree together and with each other to obstruct, delay and affect in any way and degree commerce and the movement of any article and commodity in commerce by extortion."

The indictment also says the seven-term lawmaker allegedly conspired to performed official acts as a member of the state Legislature "for the purpose of enriching himself and his family members."

In one secretly videoed conversation between Allen and Smith, Allen talked about having just given Kohring $1,000 and, as a result, Kohring would "kiss our [behind]."

Allen testified against Kott and is expected to testify about some of the same evidence at Kohring's trial.

According to the indictment, Kohring allegedly agreed to lobby for oil industry-friendly terms in the debate last year over a new oil taxation formula known as the Petroleum Profits Tax. In return, he received cash totaling close to $2,500 and a $3,000 job for a relative. Kohring also allegedly requested help from Veco in paying off a $17,000 credit card debt that was in collection.

The petroleum profits system, adopted by the Legislature of which Kohring was a part, has been criticized with creating a shortfall in estimated tax income from the oil industry. Saying the PPT is tainted by corruption, Gov. Sarah Palin has called for a special session of the Legislature to take another look at the profits tax.

Kohring's attorney, John Henry Browne of Seattle, has tried to get Kohring's case dismissed.

Browne has argued that state Sen. Fred Dyson was "in bed" with the government when he appealed to Kohring to work with the Federal Bureau of Investigation.

"It was an effort by Dyson to try to get us to roll over and play dead," Browne said.

Dyson admits he urged Kohring to speak to the FBI about the former representative's upcoming trial. Dyson had made the same recommendation to Allen, he said.

"[Allen's] attorney worked out the best possible deal," Dyson said.

Dyson said that whether Kohring took money or not, he believes that Kohring never intended to do any harm.

"I do not believe he had any evil intention to hurt the public interest of Alaskans," Dyson said. "From what I know of [Kohring's] heart and his convictions, that was my impression."

Dyson said that in his interaction with the FBI the investigators did not see Kohring as "an intrinsically evil person" motivated by greed.

Dyson said the FBI did not prompt him to talk to Kohring. In fact, Dyson said, when the FBI found out that he had the agency was upset.

"They chewed me pretty good," Dyson said.

Kohring's trial, along with the trials and investigations of other Alaska legislators, will have an effect on the opinions of Alaskans, said David Maas, professor emeritus of political science at the University of Alaska Anchorage.

The convictions and accusations "sort of reinforces people's perception of politics, unfortunately, which is pretty negative," Maas said.

While it is difficult to tie in how legislators vote with the money they may have taken, those in the Legislature are responsive to people who have money and people who have access, Maas said.

In the case of U.S. Sen. Ted Stevens who has taken the side of the oil industry on issues such as drilling in the Arctic National Wildlife Refuge while allegedly taking favors from Veco in the form of home improvements it is hard to determine if Stevens acted in response to popular public opinion or for his own personal gain, Maas said.

"The oil industry is very important in Alaska, the interests Veco represents are very important to Alaska, so legislators are going to listen to these interests," he said. "Whatever legislators do to support the oil industry would be popular in Alaska."

Kohring announced that he would resign as District 14 representative during a Greater Wasilla Chamber of Commerce meeting in June. Kohring said he intended to step down, win his court case and return to public service.

Palin chose Wes Keller to replace Kohring.

Kohring, 48, was first elected to office in 1994. He has been an Alaska resident for the last 43 years.

75 CENTS

FBI - Stevens-1612

Vic Kohring's on deck

On the heels of Kott conviction, former legislator's trial set to begin Oct. 22

BY RUSSELL STIGALL
For the Frontiersman

MAT-SU – The investigation into the bribery and extortion of former members of Alaska's Legislature turns its attention next to former Wasilla Rep. Vic Kohring.

With the trial of former Eagle River Rep. Pete Kott over Kohring is next to face the judgment of his peers. Kott, scheduled to be sentenced Dec. 7, was convicted recently on three counts of bribery, extortion and conspiracy. Kohring faces the same charges, and his trial is scheduled to begin Oct. 22.

Vic Kohring

Kohring could face the same damning evidence that helped convict Kott — the testimony of former Veco Corp. CEO Bill Allen and secretly recorded conversations between Veco executives from Room 604 of Juneau's Westmark Baranof Hotel.

Kohring nor his attorney was unavailable for comment about whether the Kott trial and convictions would have any bearing on Kohring's defense.

During a previous interview, Kohring said he believes he will be found innocent, but that he knows the gravity of his situation.

"I have been charged with some very serious crimes," Kohring said.

The former lawmaker faces up to 50 years in prison.

Kohring turned himself in to federal officials in Juneau on the afternoon of May 4 following the arrest earlier in the day of former legislators Kott and Bruce Weyhrauch, R-Juneau.

See **KOHRING**, *Page A10*

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.) A13
FRONTIERSMAN

Date: 10/5/2007
Edition: FRIDAY

Title: POLITICIANS SHED MONEY FROM ALASKA CONTRACTOR

Character:
or
Classification: AN-13620-M ; 6664
Submitting Office: Anchorage

Indexing:

FBI - Stevens-1613

194A-AN-13620-M; 6664

Politicians shed money from Alaska contractor

BY MATT APUZZO
Associated Press Writer

WASHINGTON — For years, while VECO Corp. was flush with oil profits and in a giving mood, Capitol Hill politicians happily accepted hundreds of thousands of dollars in campaign donations from employees of the Alaska oil contractor.

But now that two Alaska lawmakers are under FBI scrutiny as part of a growing corruption scandal involving VECO, the friendly feelings have faded and some in Washington are shedding the campaign donations connected with the company.

VECO founder Bill Allen and former company vice president Rick Smith have pleaded guilty to bribing public officials. They also admitted running a company "special bonus program" that steered money to favored candidates, violated federal tax laws and sent untold amounts of corporate money into political coffers.

Testifying recently at a corruption trial in Anchorage, Alaska, Allen said his generosity was aimed at oil-friendly lawmakers and candidates. "If they're working with the oil industry, I'd like to help with their campaigns," he said.

From 1993 until the FBI approached them last year, Allen and Smith donated more than $200,000 to federal political causes. Their employees [illegible] that amount.

VECO's records, has so far revealed few details about when the program began or who benefited from it.

That leaves several candidates, from Alaska to the White House, unclear about sizable donations.

"We don't know anything more about this so-called special bonus program than we've read in the newspaper," said Timothy McKeever, the campaign treasurer for Sen. Ted Stevens, R-Alaska.

Stevens, who is under federal investigation because VECO employees helped renovate his house, donated to a veterans charity $18,000 his campaign received from Allen and Smith, McKeever said. The senator plans to keep more than $50,000 from VECO employees.

VECO was the most generous source of support for Alaska's congressional delegation. Employees donated more than $360,000 to candidates and their political action committees since 1993. Like Stevens, Republican Sen. Lisa Murkowski donated to charity $8,000 her campaign received from Allen and Smith but not the $33,000 or so it got from other employees.

Alaska Rep. Don Young, who has also come under scrutiny in the case, has made no move to return more than $180,000 in donations from VECO employees, including more than $34,000 from Allen and Smith.

VECO was generous far beyond Alaska: President Bush's campaign received more than $22,000, including $5,500 from Allen and Smith. Sen. Daniel K. Inouye, D-Hawaii, received thousands of dollars for his campaign. So did several Republicans senators including Richard Burr of North Carolina, Norm Coleman of Minnesota, Jim DeMint of South Carolina, Arlen Specter of Pennsylvania, John Sununu of New Hampshire, John Thune of South Dakota, Kit Bond of Missouri, David Vitter of Louisiana, George Voinovich of Ohio and John Ensign of Nevada.

Even Sen. Tom Coburn, R-Okla., an outspoken critic of the Alaska delegation's ability to steer money to the state without going through the normal appropriations process, received VECO-linked donations.

Lawmakers are divided on how to handle the money.

Bond's office said the senator recently donated about $9,000 to charity. That included not just the contributions received from Allen and Smith, but also donations from their wives and VECO employees.

DeMint spokesman Wesley Denton said the senator was "appalled to learn about these admitted crooks" and would donate all VECO contributions to the Citizens Against Government Waste, a nonprofit group he said was "dedicated to shining a light on this type of government corruption."

The National Republican Senatorial Committee said it donated to charity about $25,000 it got directly from Allen. Spokeswoman Rebecca Fisher said Thursday the committee plans to return or donate an additional $50,000 from VECO employees. She said the committee is waiting until the case is resolved, however, because any donations deemed improper would have to be sent to the Treasury Department.

Thune's spokesman said Wednesday the senator would donate to charity $2,000 the campaign received from Allen and Smith because they pleaded guilty, but will keep $4,000 from other VECO employees. Rep. Jon Porter, R-Nev., said he donated to charity $500 his campaign received from Allen.

Bush's campaign books are closed but Danny Diaz, a spokesman for the Republican National Committee, said the campaign "would take appropriate action" if it learned improper donations were received.

Inouye, a close friend of Stevens, also plans to keep $13,000 in VECO-related contributions. Coleman's office said his campaign books were closed and the money was already spent.

Coburn, too, plans to keep his donations. Spokesman John Hart said the senator "has more than demonstrated his independence on spending, particularly related to projects in Alaska."

Others did not return messages asking about the contributions.

In theory, VECO's bonus program allowed employees to donate their company bonuses, amounting to several thousands of dollars, to politicians or charity.

In reality, Smith has admitted selecting candidates and setting the bonus amounts. Allen testified that employees didn't have much of a choice.

Asked by a prosecutor whether bonuses would be continued for workers who kept the money instead of sharing it with politicians, Allen said: "No. Why would I do that?"

Lawrence M. Noble, the government's former top elections lawyer, said Allen's admission appears to make the program illegal, since corporations are prohibited from reimbursing and directing contributions to federal election candidates.

Without more information, however, it's impossible to know which donations employees made on their own and which were made as part of the program.

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.) B-1 & B-2
ANCHORAGE DAILY NEWS

Date: 9/27/2007
Edition: THURSDAY

Title: NEW LOOK AT YOUNG EARMARK

Character:
or
Classification: AN-13620-M ; 6665
Submitting Office: Anchorage

Indexing:

New look at Young earmark

FLORIDA: Highway money may be unconstitutional, critics say.

By GREG GORDON
McClatchy Newspapers

WASHINGTON — A watchdog group asked the House ethics committee on Wednesday to investigate how a $10 million earmark for a Florida highway interchange, which was backed by Alaska Rep. Don Young, was inserted into a bill that already had won final congressional approval.

Young

In a letter to the committee's leaders, Ryan Alexander, president of Taxpayers for Common Sense, called "the actions taken by Young's staff ... an apparent violation" of the Constitution that undermined the integrity of the House of Representatives.

"In the absence of an accounting and explanation, the public is left to assume the worst, further degrading the already low public regard for Congress," Alexander wrote the committee chairwoman, Rep. Stephanie Tubbs Jones, D-Ohio, and the ranking Republican, Rep. Doc Hastings of Washington. The committee is scheduled to meet Friday.

McClatchy Newspapers reported recently that the FBI is investigating the 2005 earmark for a $10 million study of a proposed Co-

See Page B-2, **YOUNG EARMARK**

FBI - Stevens-1615

194A-AN-13620-M;6665

YOUNG EARMARK: *Bill altered after approval*

Continued from B-1

conut Road interchange near Bonita Springs, Fla., as part of an inquiry into whether Young, R-Alaska, traded his influence as chairman of the House Transportation Committee for campaign contributions or other favors.

On Feb. 19, 2005, three weeks before the House passed a massive, six-year transportation bill, Young visited the site of the proposed interchange along Interstate 75, which was sought by real estate developer Daniel Aronoff. Young also attended a political fundraiser, netting more than $40,000 in donations from builders and developers, including Aronoff, whose land would soar in value if linked to I-75.

The bill that won final passage later that summer earmarked $10 million for "widening and improvements for I-75" in Collier and Lee counties. But on Aug. 10, the language was altered to read: "Coconut Rd. Interchange I-75/Lee County."

Alexander noted in his letter that the earmark was the only one of 6,371 allocations for congressional pet projects to be substantially changed during the "bill enrollment process," in which the House clerk makes technical corrections.

Young has maintained that he earmarked the money for the Coconut Road interchange because residents told him they wanted it in 2005 when he attended one of their community transportation meetings.

Alexander said that in 1854, an alleged tiny, but substantive, alteration of a House land grant bill for the Territory of Minnesota after final congressional passage led to an inquiry that concluded that the perpetrator should face "severe censure."

Alexander called on the ethics committee to investigate who substituted the earmark language, who knew of the change and on whose authority it was made.

Civic-minded residents scrub, paint over racial slurs, obsc

By PETER PORCO
pporco@adn.com

Free advice to the graffiti vandals tagging Independence Park: Find a new line of work.

Resident Kathy Harte doesn't yet have your number, but she's on your tail, erasing the swastikas, racial slurs and obscene drawings after you scrawl them on the fences, signs and electrical boxes in her subdivision.

If she can't erase, she removes — like the bicycle sign smeared in red with an ugly racist epithet that Harte wondered. The sign stood over the children's playground.

A 59-year-old fiber artist and businesswoman, Harte is one of a new breed of vigilante — a freelance graffiti buster.

She's lived in Anchorage for 30 years, 14 of them in Independence Park south of Abbott Road. Only this summer, as the florid, outsized initials and slogans blossomed like deadly nightshade in her neighborhood, did she find her new calling.

"I take the dog out for a walk every day," she said. "I start-

more, and they started to get all the fences as you come into Independence Drive."

She took asphalt paint and began covering offensive scrawls on the community bike paths. She and her husband removed the metal sign in the playground and covered up the crude drawings of body parts.

Harte learned from the community's property manager that at least two other people — a person using black paint and another using grey paint — were also busting

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FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) 10A
USA TODAY

(Mount Clipping in Space Below)

Date: 9/28/2007
Edition: FRIDAY

Title: FIRM EMPLOYEE'S CLAIMS SPAWN MORE SCRUTINY FOR ALASKA SENATOR
Character:
or
Classification: AN-13620-M ;6666
Submitting Office: Anchorage

Indexing:

Firm employee's claims spawn more scrutiny for Alaska senator

Campaign: No records show contractor worked fundraiser

The Associated Press

WASHINGTON — Sen. Ted Stevens' campaign has no evidence a contracting firm paid workers to help run the Alaska senator's fundraisers, the campaign treasurer said, disputing one employee's claim that he parked cars and performed odd jobs while on the contractor's payroll.

The FBI is investigating whether Stevens, the Senate's longest-serving Republican, accepted inappropriate gifts from Bill Allen, the founder of oil-services company VECO Corp. Allen has pleaded guilty to bribing lawmakers and said he paid employees to renovate the senator's home.

One of those employees told the Associated Press last week that Allen also hired him to help run fundraisers for Stevens and other candidates, an apparent violation of campaign-finance laws. Robert Williams said he worked three or four fundraisers for the senator, delivering ice, arranging table rentals and parking cars.

"If he was asked to perform services, we were never told he performed those services," said Timothy McKeever, the campaign treasurer. "We pay for all fundraising expenses."

McKeever said Wednesday night that in his 20 years working for the campaign, he never recalls seeing people parking cars for guests at fundraisers and was unaware of any VECO employees sent to work at the events. Allen did host a fundraiser at his home for the senator last year, but McKeever said the campaign insisted on paying for expenses.

By Chris Miller, AP

Under investigation: Sen. Ted Stevens, R-Alaska, at the NOAA facility in Juneau in August. The FBI is investigating whether Stevens accepted inappropriate gifts.

"I was very clear with them to send us bills for everything. We wanted to pay all costs associated with that event," McKeever said. "We got bills, which we were told for all services."

Campaign-finance reports show no payments to Allen, but they do indicate more than $12,000 in fundraising expenses were paid in mid-July 2006. That's around the time that Allen and other VECO executives — who usually donated at fundraisers rather than through the mail — donated $1,000 apiece to the campaign.

McKeever did not recall the date of Allen's fundraiser but said "we don't have any outstanding bills unpaid" for it.

Stevens has made a similar statement regarding his home renovation project, saying he paid every bill he received.

FBI - Stevens-1618

194A-AN-13620-M;6666

FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) A1 & A12
FRONTIERSMAN

(Mount Clipping in Space Below)

Date: 9/18/2007
Edition: TUESDAY

Title: SENATOR JUST TRYING TO HELP

Character:
or
Classification: AN-13620-M ; 1667
Submitting Office: Anchorage

Indexing:

WWW.FRONTIERSMAN.COM

KOHRING

Continued from Page A1

As Kohring's attorney, Browne hopes to prove there was improper contact with Kohring by Dyson, R-Eagle River, as a way to possibly get charges against Kohring involving alleged taking of bribes from the oil services firm Veco dismissed. The Wasilla Republican's trial is set to begin Oct. 22.

Dyson had been working with the FBI since February 2006, even inviting key corruption prosecution witness and Veco chairman Bill Allen to breakfast but instead delivering him to a place where FBI investigators were waiting to question him. But Dyson has already stated via e-mail to Kohring's defense team that he was not acting as an agent of the U.S. government when he contacted Kohring recently and urged him to work out a plea.

Reached Monday after he'd spent all day at former state Rep. Pete Kott's corruption trial in Anchorage, Dyson said he was only trying to be a good friend to Kohring when he made the call and offered the advice to reach a plea.

"What I did, I've always felt a lot of affection and respect for Vic," Dyson said. Dyson said he suggested that Kohring should sit down and work out a deal. Dyson said he wasn't making an "end run" around Kohring's lawyer and assumed if Kohring did try to make a deal he'd bring the attorney along.

"The FBI didn't put me up to that, and was pretty upset that I did that," Dyson said.

Kohring's attorney, Dyson said, mis-read the situation and "got his knickers in a knot."

Browne was in Anchorage Monday morning for a pre-trial hearing in Kohring's case, where he made the allegation of improper contact between Dyson and Kohring. Browne could not be reached for comment on when he planned to file such a motion.

"Mr. Dyson said he did it on his own," Browne told the Associated Press on Monday. "I don't know that."

Kohring also could not be reached for comment.

Kohring was the last of three legislators accused of corruption this year to leave office voluntarily. The other two legislators, Kott and Rep. Bruce Weyhrauch, were also indicted and Kott is now on trial.

Kott and Weyhrauch resigned shortly after their indictments. Kohring lost a key committee chairmanship prior to his resignation but stayed in office until June amid mounting public pressure to resign. He has vowed to win the case and return to public office. He resigned in June maintaining his innocence to the charges that he took money from Veco in return for votes favoring oil industry goals.

U.S. Justice Department attorneys are still reviewing pre-trial motions and other pertinent documents, said department spokesman Bryan Sierra of the agency's Washington, D.C. office. Sierra was aware of Browne's allegations regarding the FBI and Dyson.

"If we have a response to that, we'll do it in court," Sierra said.

Browne has represented a string of high-profile criminal defendants, including murderer Benjamin Ng, who was spared the death penalty for his participation in the 1983 mass murder known as the Wah Mee Massacre. In that crime, three men, including Ng, robbed the Wah Mee gambling club in Seattle's Chinatown, tying up 14 victims before at least two of the robbers opened fire killing all but one witness. Ng was one of the gunmen.

Contact John R. Moses at john.moses@frontiersman.com or call him at 352-2270.

194A-AN-13620-M ; 1667

Mat-Su Valley
Frontiersman
TUESDAY, SEPTEMBER 18, 2007 | YOUR HOMETOWN NEWSPAPER SINCE 1947
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Senator just trying to help

Kohring attorney wants inquest into Dyson's ties to FBI

Vic Kohring

BY JOHN R. MOSES
Frontiersman

ANCHORAGE — A state senator accused by a criminal defense attorney of being an FBI pawn working covertly against indicted former state Rep. Vic Kohring said Monday the whole matter is "really silly" and is being blown out of proportion.

Kohring's attorney — who has also accused the FBI of pressuring Kohring to plead guilty to corruption and extortion charges — wants a federal court to review the relationship between FBI investigators and state Sen. Fred Dyson, who recently sent Kohring a message through a former Kohring aide urging the embattled Wasilla lawmaker to make a plea deal with prosecutors.

Kohring has pleaded not guilty to federal corruption and extortion charges.

A U.S. Justice Department spokesman said Monday it was too early to comment on claims raised by defense attorney John Henry Browne of Seattle.

See **KOHRING**, *Page A12*

FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) A3
FRONTIERSMAN

(Mount Clipping in Space Below)

Date: 10/28/2007
Edition: SUNDAY

Title: ALLEN TESTIFIES HE GAVE MONEY TO KOHRING 'TO MAKE SURE HE WAS LOYAL'

Character:
or
Classification: AN-13620-M ; 1668
Submitting Office: Anchorage

Indexing:

Allen and Smith have testified that they badly wanted the Alaska Legislature in 2006 to approve new oil tax legislation, known as the Petroleum Production Tax, or PPT. The measure, promoted as a way to provide a stable tax climate in Alaska, was sought by major petroleum producers before they would consider building a multibillion dollar natural gas pipeline tapping vast reserves on the state's North Slope. VECO would have been in line to bid on lucrative construction and maintenance contracts if that project had been built.

Allen testified Friday that he worried about how Kohring would vote on the PPT because he was famously against any increase in taxes. Kohring, the chairman of the House Special Committee on Oil and Gas, also was miffed because the bill was not referred to his committee.

Within a few days after the bill was introduced in February 2006, Allen, Smith and Kohring dined at the Island Pub on Douglas Island to talk about legislative business, Allen said. Smith made an excuse to leave the table, Allen said, and Allen gave Kohring $1,000.

"I wanted to make sure he was OK and kind of soften him up a little bit, where he wouldn't be so mad," Allen said.

In a meeting recorded by the secret FBI camera, Kohring on March 30, 2006 approached Allen and Smith for help in paying off a $17,000 credit card debt through a loan or a job. Near the end of the meeting, Kohring mentioned that he was about to fly to Oregon to see his wife and daughter. Allen said he gave Kohring a $100 bill that he could hide in a plastic Easter egg for the girl. When Kohring expressed gratitude for the gift and said he had just sent her money for a Girl Scout uniform, Allen handed him another wad of cash — $600 to $700 in 20-

FBI - Stevens-1621

194A-AN-13620-M; 1668

Allen testifies he gave money to Kohring 'to make sure he was loyal'

BY DAN JOLING
Associated Press Writer

ANCHORAGE (AP) — The former head of a major Alaska pipeline services company testified Friday that he handed state Rep. Vic Kohring $600 to $700 or more on at least five occasions.

Bill Allen, former CEO of VECO Corp., also contradicted key parts of the defense case put forth by Kohring, who claims that money he received from the political power broker was a gift between men who bonded in part because of their relationships with women from Russia. Allen said he has never met Kohring's wife. He said a woman from Russia with whom he once had a relationship did not have a daughter, as Kohring's Russian-born wife does.

Kohring, elected seven times to the state House from Wasilla, is accused of demanding and accepting at least $2,600 from VECO officials in exchange for his support on legislation.

Prosecutors also contend Kohring solicited a job from VECO for his nephew and that Kohring sought $17,000 to pay off a credit card debt. Kohring is charged with four federal felony counts. Kohring resigned from the Alaska Legislature in June.

The federal government investigation of corruption in Alaska politics included wiretaps placed on the phones of Allen and VECO vice president Rick Smith in late 2005 and throughout the regular and special legislative sessions in 2006. The FBI also bugged a Juneau hotel suite used as a meeting

dollar bills.

"I figured I'd give him some more money," Allen said.

He rejected the idea of a $17,000 loan, he said, after talking to VECO's chief financial officer.

Allen said he had handed $600 to $700 to Kohring at least two times between 2002 and 2006. The first was soon after Kohring married and Allen learned Kohring could not afford housing in Juneau.

"He was sleeping in his office and I'd say, 'Vic, you're 6-8. How in the hell can you sleep on that couch?' He'd say, 'I do it.'"

Kohring also had trouble affording food, Allen said.

"Mostly it would be junk food. I felt sorry for him," Allen said.

He had another motive for payments to Kohring, Allen said — "to make sure he was loyal."

He made a similar cash payment to Kohring when the lawmaker was about to make a trip to Portland, Ore., and a third when Kohring told Allen he needed money for his daughter, Allen said.

In return, Allen said, Kohring said yes when Allen made requests. Kohring released a Senate bill from his committee affecting oil taxes for Cook Inlet producers, Allen said. Jim Clark, then-Gov. Frank Murkowski's chief of staff, had asked Allen to speak to Kohring, Allen said.

Kohring also agreed to not run for a state Senate seat held by Sen. Lyda Green, R-Wasilla. During the 2006 session, Kohring pledged to keep VECO informed on legislative matters and to lobby colleagues for the oil tax at the rate the company favored, Allen said.

Allen made one final payment to Kohring on June 8, 2006, the last day of the first special session when the legislature was debating a revised oil tax. Allen said he handed Kohring $600 to $700 on a Juneau street as they walked back to VECO's rented hotel room.

Allen faced cross examination late Friday afternoon from Kohring's attorney, John Henry Browne. In sometimes testy answers, Allen acknowledged that no one else has witnessed him giving money to Kohring other than Smith during the meeting in which Allen offered cash for the Easter egg and the Girl Scout uniform.

Allen is scheduled to continue testifying Monday.

FBI - Stevens-1622

FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) A1 - A14
FRONTIERSMAN

(Mount Clipping in Space Below)

Date: 10/12/2007
Edition: FRIDAY

Title: KOHRING FACES TRIAL WITH CONFIDENCE

Character:
or
Classification: AN-13620-M ; 669
Submitting Office: Anchorage

Indexing:

CONFIDENCE

Continued from Page A1

an inner calmness; however, I fully expect to win this case, and there's no way I am going to roll over and give up. I've always been a fighter by nature and intend to battle this thing hard, defend myself with every ounce of my strength and being and, God willing, convince the jury of my innocence and walk away a free man when it's all over."

In the months leading up to his impending trial, some lawmakers, including Eagle River Sen. Fred Dyson, have urged Kohring to reach a plea agreement with prosecutors. If convicted, he faces up to 50 years in prison.

Kohring says agreeing to any deal with prosecutors would be an admission of guilt.

"I prefer taking the risk of proceeding with a trial, which is obviously a big gamble," Kohring said.

Kohring likened his trial against federal prosecutors backed by the resources of the U.S. government to the biblical confrontation between David and Goliath.

"I just hope my aim is accurate and I find a smooth stone," Kohring said.

Because of intense media scrutiny of Kohring and the scandal, the seven-time representative wanted his trial moved out of Alaska. He says jurors may be biased by the media coverage of his case.

"[Those in the media] try and convict me with their incredibly biased, one-sided and manipulating reporting," Kohring says. "Unfortunately, even if innocent, it may prove very difficult to get a fair trial because of the way these over-zealous people in the media irresponsibly manipulate the unsuspecting public in such a slanderous way."

Kohring is expected to face some of the same evidence and testimony that helped convict two of his former colleagues. In Kott's trial, the testimony of former VECO CEO Bill Allen was damaging as he described conversations and arrangements he had with lawmakers, including cash payments and other bribes.

"The most difficult task I face is the lynch-mob mentality throughout the state where much of the public is convinced that the accused — like me — are automatically guilty even before we have a chance to speak one word in court."

Vic Kohring

Kohring has maintained his innocence from the day in May he was led in handcuffs into a federal courtroom in Juneau to the day he announced his resignation in June to a crowd of more than 200 at a Greater Wasilla Chamber of Commerce meeting.

"The most difficult task I face is the lynch-mob mentality throughout the state where much of the public is convinced that the accused — like me — are automatically guilty even before we have a chance to speak one word in court," he says. "It's not the public's fault though. I hold the media responsible for this travesty."

Kohring said he is at peace, even with the thought that a jury could convict him.

"I fully recognize how serious this is and how determined the feds are to convict me, whether it's right or wrong; simply get another notch on their belt and advance their careers," Kohring says. "Truth and justice don't always seem to be a priority with the feds."

A full transcript of the Frontiersman's questions and Kohring's answers can be found online at www.frontiersman.com.

FBI - Stevens-1623

194A-AN-13620-M;669

Kohring faces trial with confidence

Former lawmaker talks about public fight over corruption, conspiracy and bribery charges

BY RUSSELL STIGALL
For the Frontiersman

MAT-SU — Vic Kohring says he will walk into his corruption trial in 10 days with a calm heart and the ammunition of the righteous.

Following the trials of reluctantly guilty Pete Kott and admittedly guilty Tom Anderson, former state representative Kohring is stalwart in his conviction he is not corrupt. Set for trial Oct. 22, Kohring responded to questions provided by the Mat-Su Valley Frontiersman in an exclusive e-mail interview.

The former Wasilla representative is one of a cadre of legislators caught up in scandal for having allegedly taken bribes for votes on the Petroleum Profits Tax. Former Reps. Kott and Anderson were convicted for their roles and Anderson also recently admitted his guilt. Kott is asking for a new trial.

Kohring entered a plea of not guilty Tuesday to an amended federal indictment that charges he took money from former VECO Corp. executives in exchange for his vote as far back as January 2002.

Kohring calls the revised indictment a "ludicrous ... Hail Mary" lobbed by prosecutors "in desperation, trying to pull off a last-second victory."

Kohring's comments were e-mailed to a reporter working for the Frontiersman and confirmed by telephone with the former lawmaker. In his responses,

'I'm fully prepared for the worst and am not afraid. In fact, I have real peace in my heart and an inner calmness ...'

Vic Kohring

MORE INSIDE
See page A3 for more on former House Rep. Vic Kohring and his upcoming trial.

Kohring makes it clear he will come out fighting.

"I'm fully prepared for the worst and am not afraid," Kohring says. "In fact, I have real peace in my heart and

See **CONFIDENCE**, *Page A14*

FBI - Stevens-1624

FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) A1 - A8
FRONTIERSMAN

Date: 10/21/2007
Edition:

Title: KOHRING BRIBERY TRIAL SET TO BEGIN

Character:
or
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Submitting Office: Anchorage

Indexing:

KOHRING

Continued from Page A1

foolishly placed himself in a position where he and his actions could be subjected to scrutiny and misinterpretation," Ross says. "However, ... Vic never sold his vote for a gift."

Ross describes the scene in one video: Room 604 of the Baranof Hotel in Juneau and Kohring stops by his friend's room to chat. With debt collectors on his back, Kohring asks Allen and VECO VP Rick Smith about a loan to pay back his debt. Neither Smith nor Allen seemed excited by the prospect of loaning Kohring $17,000, so Kohring dropped the issue, Ross says.

Repeated phone calls to federal prosecutors for response to the claims made in Ross' letter were not returned.

But the video shows Allen giving Kohring some money to use for "Easter presents for Vic's stepdaughter [Anjuta]," Ross says. Allen also gives Kohring some how-to advice for his stepdaughter's Easter egg hunt. Ross argues that Allen's gift to Kohring's stepdaughter was "unsolicited and unexpected." This is not the only occasion Allen gave Kohring's stepdaughter a gift. After a phone conversation at a restaurant in Douglas, Allen "gave Vic some money to buy things for Vic's stepdaughter, as he has on several occasions," Ross says.

Ross argues Kohring's helpful demeanor has caused him undue grief. When Kohring was recorded asking Allen, "What can I do to help?" and "let me know what I [can] do to help," Kohring's attorney says what was heard was "typical Vic Kohring" — something Kohring would say to anyone, not just people who buy gifts for his family.

Chief District Court Judge John Sedwick denied Kohring's recent request to dismiss the case against him and a motion to move the trial out of state. Kohring claims the government denied his Sixth Amendment right to counsel when state Sen. Fred Dyson advised Kohring to work with the Federal Bureau of Investigation. Sedwick also denied Kohring's request to suppress evidence found during an FBI search of his Wasilla office in August 2006. Kohring said he hadn't been read his Miranda rights nor had he been allowed to remain silent. The government contests that federal investigators had a search warrant but did not use it because Kohring allowed the search.

'Vic understands now how he foolishly placed himself in a position where he and his actions could be subjected to scrutiny and misinterpretation. However, ... Vic never sold his vote for a gift.'

Attorney Wayne Ross, who represents Vic Kohring

FBI - Stevens-1625

194A-AN-13620-M;670

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Kohring bribery trial set to begin

BY RUSSELL STIGALL
For the Frontiersman

ANCHORAGE — Months of preparation, rumors and state political intrigue come to a head Monday when the trial of former state Rep. Vic Kohring of Wasilla gets underway.

The former Republican lawmaker has repeatedly maintained his innocence to federal charges of bribery, corruption and conspiracy. Kohring has waited and watched as fellow former lawmakers Tom Anderson and Pete Kott were tried and convicted of similar charges. At the center of the corruption is oil services company VECO and its former CEO, Bill Allen. Allen has testified he paid Kott, Kohring and others in return for favorable votes on the Petroleum Profits Tax.

Vic Kohring

Many of Allen's ex-legislator friends seem to have needed money.

Former Eagle River state Rep. Pete Kott, convicted last month on three counts of bribery, extortion and conspiracy, recently asked to have his trial thrown out. Kott admitted taking thousands from Allen, but said he was a friend of Allen's and only took the $9,000 as a friend.

The several thousand dollars prosecutors allege Kohring accepted from Allen was also only one friend to another. The money was mainly for Kohring's stepdaughter, Anjuta, the former lawmaker says in pretrial documents. In a letter from attorney Wayne Anthony Ross to Assistant U.S. Attorney Joseph Bottini on behalf of Kohring, Ross says Kohring and Allen shared a penchant for Russian life partners and a commonality in the raising of their daughters.

"What Vic and Allen had in common with their respective Russian life partners created a special bond and friendship between Vic and Allen," Ross says in the letter.

The letter, sent in January, goes on to defend Kohring, 44, against implied allegations in several video and audio recordings made by federal investigators. Ross and Kohring attended a meeting where Bottini presented the recordings. In the letter Ross says the government would waste its efforts by prosecute Kohring.

"Vic understands now how he

See **KOHRING**, *Page A8*

IF YOU GO

- **What:** Trial of former state Rep. Vic Kohring.
- **When:** Begins 9 a.m. Monday.
- **Where:** U.S. Federal District Court House, Courtroom No. 6.
- **The players:** Prosecuting attorneys for USA vs. Kohring are Nicholas Marsh, Edward Sullivan, Joseph Bottini and James Goeke. Defense attorneys John Henry Browne of Seattle and Wayne Ross of Anchorage represent Kohring.

FD-350 (Rev. 5-8-81)

(Indicate page, name of newspaper, city and state.) A3 - A8
FRONTIERSMAN

(Mount Clipping in Space Below)

Date: 10/26/2007
Edition: FRIDAY

Title: KOHRING JURY SEATED; HEARS TAPED EVIDENCE

Character:
or
Classification: AN-13620-M ;671
Submitting Office: Anchorage

Indexing:

FBI - Stevens-1627

194A-AN-13620-M;671

TRIAL

Continued from Page A3

his eagerness to help his "friends at VECO."

Kohring was Boy Scout-courteous and seemed eager to please in the recordings with VECO's Allen and Smith.

In the recordings, Kohring praised his staff, was almost never profane and took pride in House Bill 386, which he helped write. A 2006 piece of legislation, HB 386 extended the deadline for certain oil and gas expenses to be used as credits against the Petroleum Profits Tax (PPT), which was also passed last year. The FBI tapped Smith's cell phone and hid video cameras in suite 604 of the Westmark Baranoff Hotel in Juneau, where Allen and Smith met with legislators, including Kohring.

On the recordings, Kohring expressed a dislike for the Anchorage Daily News and Channel 2 news because they "twisted" public opinion with "spoon-fed lies" about Murkowski's PPT. Prosecutors claim Kohring was one of a group of state lawmakers who accepted VECO money in exchange for favorable votes on the PPT.

Much time on the tapes was devoted to the VECO internship Kohring procured for his nephew, Aaron, from Smith. They also discussed special tax breaks for the oil industry Kohring wrote into House Bill 386.

On the video surveillance tape Kohring could be seen taking several hundred dollars from Allen to get Easter eggs for his stepdaughter. He was also shown as eager to help his "friends at VECO," which included gathering information for and lobbying on behalf of the company. In one scene, Kohring and Allen eat from bags full of McDonald's take-out food at the hotel and Kohring seems willing to conspire with Allen to kill a bill in the state House.

Allen and Smith are shown discussing how they would reward then state Sen. Ben Stevens and Kott for their help on the PPT Bill. To these two former legislators Allen adds Korhing's name.

"Well, we got ol' Kohring we got to figure out," Allen said.

During a taped phone conversation, Kohring asked Smith to hand the phone to Allen.

"Uncle Bill, my friend," Kohring can be heard saying. He then thanks Allen for Aaron's internship.

"I wouldn't hug you, but I'd give you a good hearty handshake," Kohring said.

Allen asked Kohring to spy on his fellow legislators. "Kind of, see what they are really thinking about," Allen said. "Tell us who is really with the governor's [Frank Murkowski] 20/20 [Petroleum Profits Tax Bill]."

Later Kohring reports back to Allen about Rep. Kevin Meyer, R-District 30.

"He's in our camp definitely," Kohring said.

When Murkowski's preferred 20 percent petroleum tax bill changed to 22.8 percent, Allen and Smith got serious. "We have to get dirty and we have to produce," Allen says on the tapes. "Just like ol' Vic the other night I gave him a thousand. That's what I've got to do."

For that $1,000, Allen said Kohring "would kiss our ass."

In another audio recording, Kohring took a pot shot at the local Friends of Mat-Su, which Kohring called a liberal anti-development group. Kohring said the group would be no help to his 2006 campaign.

"They're drooling at the prospect of replacing Vic

FBI - Stevens-1628

hears taped evidence

started to walk back to the Baranoff Hotel, Bottini said. On the way, Allen stuffed $500 or $600 into Kohring's hand. Back in suite 604, Kohring, Allen and Smith are seen on surveillance video eating the fast food and talking about Allen's scuttled plan.

Bottini said Allen told Kohring he did not follow through with the plan because he did not want to harm Kohring's political career.

Kohring replied, "'I would have done it for you anyway, Bill,'" Bottini said.

Day 3 — Prosecution Presents Its Case

Kohring seemed relaxed Wednesday as prosecutors played through nearly two dozen recordings of meetings and conversations he

See TRIAL, *Page A8*

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WARREN BOLAM

Lifelong Alaska resident Warren E. Bolam, 70, passed away Oct. 16, 2007, at Elvies Assisted Living Home in Wasilla.

A service was held Wednesday at Valley Memorial Park on the Old Glenn Highway.

Bolam was born Nov. 1, 1936, in Anchorage to John and Mary Bolam.

Bolam worked as a heavy equipment operator for the City

tionship with her grandchildren. She had a great sense of humor and was generous. She would make care packages out of what was in her cupboards for family or friends who needed it. She lived her life as if every day could be her last.

Schmahl is survived by her life partner, Larry Wright of Wasilla; daughters, Heather (Jamey) Watts of Wasilla, and Denise Wolk and her partner Steve Olds of Kenai; son Dennis (Lori) McKoon of Wasilla; sisters, Lorraine (Lolly) and Roberta (Bobbi) of Washington; brothers, John, Timothy and Donald Schmahl of Washington; grandchildren, J.T. and Andrew Watts, Nancy and D.J. Harris, all of Wasilla, Laura Mason of Eagle River, Thomas Mason of Kenai, Johnathan and Eric Mason of Seattle and Jacob Whitman-Maillard of Washington; great-grandchildren Shaleana Steger and Zoe Mason

p.m. Saturday with visitation beginning at 1 p.m. at Sherrod Elementary School, 561 N. Gulkana in Palmer. William Sharlow will officiate. Pallbearers will be Bobby Jenks, Ron Bell, Jim Merchant, David Walker, David King and Paul Jensen. Honorary pallbearers will be Joe, Floyd, Ron and Robert Gumminger Jr., Robert Gumminger Sr., Frederick K. Owens Jr., Bob Jenks Sr. and Billy Daniels.

Davis was born Dec. 10, 1949, in Palmer, and was in the Wasilla High School Class of 1968. She was also a 1969 California Dental School Graduate and took several courses at Mat-Su College.

A lifelong Palmer resident, Davis worked for Matanuska Electric Association since 1969 and was a member of the Palmer Elks and Moose lodges. She was also involved with the Valley Alzheimer's Group, Relay for Life and the American Cancer Society (daffodils). She enjoyed traveling, shopping and had a love of her family and friends, and especially QVC purse and shoe shopping.

Davis is survived by her sister, Ethel (Robert) Gumminger and their children, Butch, Ron, Floyd, Jackie, Joe and their families, all of Spokane; and cousins, Doreen (Larry) Nelson, Judy (George) Hargreaves, Darwin and Jane Pearson, Ron and Jean Pearson.

Davis was preceded in death by her parents, Floyd and Evelyn Davis, and niece, Janine Sikes.

Valley Funeral Homes and Crematory of Wasilla and Palmer is assisting the family.

OPINION

MANAGING EDITOR: GREG JOHNSON PHONE: 352-2268 FAX: 352-2276 E-MAIL LETTERS TO: CONTA

FRONTIERSMAN EDITORIAL

Building fees part of the price

Mat-Su Valley
Frontiersman
FRIDAY, OCTOBER 26, 2007 PAGE A4

CT@FRONTIERSMAN.COM

The World According to Chuck

nce cartoonist whose award-winning work has been published in the "Best Editorial Cartoons of
e opinions expressed in his cartoons are not necessarily those of the Mat-Su Valley Frontiersman,
any Wick Communications Co.

Letters to the editor

FBI - Stevens-1630

POLICY ON SUBMISSIONS

We welcome Letters to the Editor. Letters will be edited for length, clarity, good taste and libel. Factual accuracy and a civil tone are expected.

Letters should not exceed 400 words. All letters, including e-mail, must have a name and include a daytime phone number for verification. Letters will generally be printed in the order in which they are received. However, until they have been verified, they are not considered received. Longer Spectrum pieces are 600-800 words. We do not normally run letters sent to multiple publications.

E-mail letters and comments to the Mat-Su Valley Frontiersman to info@frontiersman.com. Fax letters to 352-2276. Mail to Editor, Mat-Su Valley Frontiersman, 5751 E. Mayflower Ct., Wasilla, AK 99654.

Opinions expressed in letters to the editor and in guest columns, such as Spectrum, are not necessarily those of the Mat-Su Valley Frontiersman, its officers, management or staff.

The Mat-Su Valley Frontiersman will not print any letters that involve conflicts between individuals or individuals and businesses.

unteers running the recycling education outreach booth at the fair, which helped to make the Alaska State Fair in Palmer the stand-out annual recycling event in the state and one of the top fair recycling programs in the nation.

A special thank you to both Valley Recycle Pick Up and Alaska Waste for their help and cooperation with this great program.

And finally, thank you to all the fairgoers who used the recycling containers. Together we are turning it around.

Pete Praetorius
VCRS board president
Wasilla

There are some things the public should know

drivers.

When you or your spouse is an elected official, you represent the public. You are expected to set the example. And when you set a bad example, the public has a right to know about it. That is a fact of life. If you don't like that, I suggest you stay out of politics.

The article printed by the Frontiersman also serves to show the public that big-wigs or their spouses don't get special treatment from our law enforcement people. It also shows the lack of judgement from some judges.

Perhaps if the Frontiersman printed more articles on what happens to drunk drivers it might serve to prevent other people from making that error in judgement.

acts. They assaulted the public, they showed a total lack of concern for the safety of the public.

All the fines in the world won't replace a human life or ease the pain of a mangled child. People who threaten the safety of the public need to be identified to the public, and the courts need to pay attention to (the law).

R.K. Butts
Wasilla

A message for legislators

I recently sent all 50 legislators a public opinion message. Of course, I received no responses. Perhaps it was the content of the message that chilled them. The message went as follows:

"Since you folks are fond of mandatory sentences, especially the Republicans, why not a mandatory minimum of 20 years for those convicted of public corruption-type offenses?"

Why not set the example? I wonder if these folks in the Legislature have the intestinal fortitude to address breaches of the public trust committed by their kind, which harm us all in many, many ways with long-term effects. ... [Not like] some poor schlep who yells at his kids, which makes him a domestic violence criminal for the rest of his life. Or, for that matter, any

FBI - Stevens-1631

Kohring jury seated;

Editor's Note: Following is a chronological compilation of days two and three of the Vic Kohring corruption trial in Anchorage. Visit the Frontiersman online daily for up-to-date coverage of each day's happenings.

BY RUSSELL STIGALL
For the Frontiersman

Day 2 — The Trial Begins

ANCHORAGE — A jury of 12, along with three alternates, heard opening statements Tuesday afternoon in the bribery and corruption trial of former state Rep. Vic Kohring of Wasilla.

Kohring

Prosecutors and defense attorneys thinned the jury pool for USA vs. Kohring by noon on Tuesday. Jury selection began Monday.

Kohring, former Republican representative for District 14, faces up to 55 years in prison if convicted on federal charges of conspiracy, extortion and bribery. Potential jurors were brought in from around Alaska, including Bethel, Unalaska, Wasilla, Anchorage and Soldotna.

In an indictment of the former lawmaker, prosecutors allege as early as January 2002 Kohring was provided cash payments of about $500 to $1,000 by Bill Allen, then CEO of oil services company VECO, and the company's vice president, Rick Smith. The cash was to reward Kohring for "official acts taken and to be taken regarding [Allen] and [Smith's] business interests," according to the indictment.

At the behest of Allen, Kohring may have also fired his aide, Eric Musser, who had filed a complaint with the Alaska Public Offices Commission against former state Rep. Bev Masek, whom Allen and VECO supported. Initially defined as a loan, $17,000 Kohring solicited from Allen and Smith to help pay credit card debt in collection is alleged to be a payment in Kohring's indictment.

During jury selection Monday and early Tuesday, military members, contractors, project managers and cooks were turned away from jury service. Alaska residents who garden, fish, quilt and play hockey in their free time also didn't make the cut. But hobbies and professions were not the only deciding factors in selecting a jury to decide Kohring's fate, said defense attorney John Henry Browne. Browne said he and Alan Cohen, a communications psychologist, were looking for a particular type of juror.

"People with open minds," Browne said.

Kohring and Browne said they are happy with the final makeup of the jury. Much culling of the jury came from the possibility recent media coverage of Kohring's case and the public corruption trials of former Reps. Tom Anderson and Pete Kott may have influenced jurors. Both Kott and Anderson were convicted.

Though U.S. District Chief Judge John Sedwick denied Kohring's request to move his trial to Washington State due to pre-trial publicity, many more potential jurors than is typical, 120 in total, were called to seat a jury that was not swayed by news coverage of Kohring's case. The potential jurors were narrowed down to 70 before the first day of selection, then down to 57 by the end of the first day Monday.

Day 2 — Opening Arguments for Prosecution

A surprise allegation in opening arguments Tuesday afternoon claimed influence from oil interests did more than bribe Kohring. Prosecutors told the jury they will show that in addition to accepting bribes from VECO's Allen, Kohring twice abstained from running against Republican state Sen. Lyda Green at Allen's request.

The gloves were off as federal prosecutors and attorneys representing Kohring presented opening arguments in the third trial of a former state lawmaker this year.

While Assistant U.S. Attorney Joseph Bottini told jurors Kohring accepted bribes from Allen, Kohring's defense attorney, Browne, said the two were friends and any small amounts of money that changed hands between the two were gifts, not graft.

Bottini promised the jury he would prove Kohring had expressed an interest in two elections to run for Green's state Senate seat, but Allen convinced him not to. Green, who could not be immediately reached for comment, has been a vocal opponent to Gov. Sarah Palin's proposal to increase the state's Petroleum Profits Tax.

Allen, who testified to bribing Kott and is expected to testify against Kohring, is unreliable and should not be believed, Browne argued during his opening. Allen has problems with alcohol use, was in a serious motorcycle accident while not wearing a helmet and is the type of person who uses expletives in every sentence. He cut a deal with the government to protect his family.

'Mr. Allen thought he owned the world,'

Defense attorney John Henry Browne about former VECO CEO Bill Allen

A surprise allegation in opening arguments Tuesday afternoon claimed influence from oil interests did more than bribe Kohring. Prosecutors told the jury they will show that in addition to accepting bribes from VECO's Allen, Kohring twice abstained from running against Republican state Sen. Lyda Green at Allen's request.

Browne also said he obtained a copy of the affidavit the government used to acquire a search warrant for Kohring's Wasilla legislative office. In that affidavit were the names of 12 people linked to the case, 11 of which were blacked out. In his reading of the affidavit, Browne said he came to understand that Allen believed he had U.S. Sen. Ted Stevens and U.S. Rep. Don Young under this thumb.

"Mr. Allen thought he owned the world," Browne said, reading to the jury transcripts of conversations between Allen and former VECO VP Smith in suite 604 at the Westmark Baranoff Hotel. "We know what the governor [Frank Murkowski] wants and we got Ted and we got Young," Browne read.

Browne tried to show Kohring's situation pales in comparison to VECO's controversial $250,000 consulting contract with former state Senate President Ben Stevens. He painted Kohring as an innocent soul who should not be judged by the actions of other former lawmakers like Kott, where one of his trial questions was a $10,000 overcharge for a flooring job. In comparison, Kohring "sleeps on his couch and lives in a trailer."

Bottini's opening was highlighted by a colorful anecdote that combined conspiracy, bribery and fast food. In an attempt to halt the 22.8 percent Petroleum Profits Tax from passing through the Legislature in 2006, Allen concocted a scheme to spirit Kohring out of the Capitol on the day the bill was up for vote. Kohring's absence was supposed stop the House from voting. Smith convinced Allen that would be a bad idea, but not before Allen scheduled a meeting with Kohring at a McDonald's in downtown Juneau.

Kohring and Allen met, ordered food and

(Indicate page, name of newspaper, city and state.) A1 - A14
FRONTIERSMAN

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Submitting Office: Anchorage

Indexing:

1944-AN-13620-M; 672

50 CENTS

Allen says he bribed Stevens, Young

Prosecution rests in Kohring trial, defense may present case or rest

BY RUSSELL STIGALL
For the Frontiersman

ANCHORAGE — Former state house Rep. Vic Kohring took a back seat at his own trial Monday as former VECO CEO Bill Allen testified that in addition to state lawmakers, he also bribed U.S. Sen. Ted Stevens and U.S. Rep. Don Young.

Allen testified about a 2005 incident where he thought an Australian company decided not to buy VECO because VECO President Pete Lethard made an intoxicated slip and revealed the company's practice of bribery.

Federal prosecutors Joseph Bottini and Edward Sullivan appeared confident as they closed their case against Kohring at about 4 p.m. Monday. Allen spent the final two days of the prosecution's case on the witness stand. During his testimony, he revealed how he and former VECO vice president Rick Smith gave money to Kohring in exchange for his support in working in VECO's interest on legislation.

Kohring, a seven-time former state House representative for District 14, is charged with bribery, corruption and extortion.

His attorney, Seattle-based John Henry Browne, said he may waive his turn at presenting a case to the jury. He

See **BRIBED**, *Page A14*

FD-350 (Rev. 5-8-81)

FBI - Stevens-1633

Mat-Su Valley Frontiersman
PAGE A13 TUESDAY, OCTOBER 30, 2007

Supreme Court to hear Exxon Valdez case

BY MARK SHERMAN
Associated Press Writer

WASHINGTON — The Supreme Court agreed Monday to decide whether Exxon Mobil Corp. should pay $2.5 billion in punitive damages to victims of the huge Exxon Valdez oil spill that fouled more than 1,200 miles of Alaskan coastline in 1989.

The high court stepped into the long-running battle over the damages that Exxon Mobil

money would be insufficient. "I ... would have been able to make twice what I make now if the fisheries had stayed healthy," Webber said Monday after learning of the court's action.

But the justices said they would consider whether the company should have to pay damages at all under the Clean Water Act and centuries-old laws governing shipping. The court has frequently sided with business interests in punitive damages and other cases of

money was awarded to the widow of a smoker in Oregon.

Exxon said it already has paid $3.4 billion in cleanup costs and other penalties resulting from the oil spill.

"This case has never been about compensating people for actual damages," company spokesman Tony Cudmore said in a statement. "Rather it is about whether further punishment is warranted

Valdez ran aground with 53 million gallons of crude oil in its hold on March 23, 1989.

The plaintiffs said Exxon knew Hazelwood had sought treatment for drinking, but had begun drinking again. "Exxon placed a relapsed alcoholic, who it knew was drinking aboard its ships, in command of an enormous vessel carrying toxic cargo across treacherous and resource-rich waters," they said.

The San Francisco-based 9th U.S. Circuit Court of Appeals reduced the punitive damages because, in part, the company tried to clean up the spill and didn't spill oil from the tanker Exxon Valdez deliberately.

Kash's Carpet Bargains

BRIBED

Continued from Page A1

believes the government has not met its burden of proof and will make a decision about putting on a defense sometime before 9 a.m. this morning.

Browne has been trying to show the jury that Kohring is an affable character and naturally helpful. His actions on secret video and audio surveillance tapes saying he wanted to help Allen and VECO are examples of that, not of making promises in exchange for cash.

Browne asked U.S. District Court Judge John Sedwick Monday if he could call witnesses who would testify that Kohring has a habit of asking, "What can I do for you?" Sedwick denied the request.

Kohring's public corruption trial follows that of former state Reps. Pete Kott and Tom Anderson, both of whom were convicted. Anderson was sentenced to five years in prison. Kott is scheduled to be sentenced on Dec. 7.

Browne questioned Allen about home improvement — specifically, controversial improvements VECO is alleged to have made to Stevens' home in Girdwood. Allen said he is helping the government in its investigation of Senator Stevens. The former VECO executive also testified he has implicated Stevens' son Ben Stevens, former state Senate president and Republican Committee member.

In addition to giving Kohring money on several occasions, Allen testified he asked Kohring on two occasions to not challenge state Senate President Lyda Green for the Wasilla Senate seat. Allen did not say why he preferred Green retain her office.

Browne has attempted to portray Allen and Smith as men who bent government officials to their will with handfuls of cash and bogus contracts, and as alcoholic liars.

And as Allen sat in the witness chair Monday, his eyes blinking and his spotted hands fumbling with large hearing aids, Allen seemed subdued from the man who is heard using two related expletives 38 times in a five-minute video.

Browne said different sides of Allen were on display during his testimony.

"Do you normally talk the way you did on this tape?" Browne asked.

"No," Allen responded.

Allen and Smith testified as part of a plea arrangement with federal prosecutors.

With his plea agreement, Allen saved his three children from a similar fate.

A meeting between Judge Sedwick, Browne and prosecuting attorneys spelled out the limits Browne could test in his cross-examination of Allen and Smith. The limits were to prevent Browne and Allen from revealing facts from the FBI's ongoing investigations not related to Kohring's case, Sedwick said.

Frank Pruitt, who volunteered to help the FBI investigate legislator corruption, testified Monday about secretly recorded video of himself and Kohring eating diner. In the grainy video Pruitt said he seeded the conversation with topics given him by the FBI, like "Rick Smith" or "VECO consulting jobs."

Browne said Pruitt's testimony is tainted by his request that the FBI pay him for his informant work. Pruitt said he didn't realize when he first pleaded that helping the government conduct its investigation would be so time consuming.

Contact Russell Stigall at www.russellstigall.com.

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(Indicate page, name of newspaper, city and state.) C-1,C-2
FRONTIERSMAN

(Mount Clipping in Space Below)

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Indexing:

STEVENS

Continued from Page C1

asked how Kott's son resolved his financial problems. Kott replied: "It was your check."

Kott, like Stevens, is Allen's longtime friend. Kott's corruption trial is under way in Anchorage.

Beyond the calls Allen made while cooperating, prosecutors also have thousands of conversations the FBI recorded while secretly wiretapping phones belonging to Allen and fellow VECO executive Rick Smith. Agents also secretly videotaped meetings between contractors and state politicians at a hotel suite in Juneau, Alaska's capital.

In addition to work on Stevens' house, a former employee also said VECO workers also helped run the senator's fundraisers while on company time, a practice that appears to violate campaign finance laws.

Agents taped Ted Stevens as part of corruption sting

BY MATT APUZZO
Associated Press Writer

WASHINGTON (AP) — The FBI, working with an Alaska oil contractor, secretly taped telephone calls with Sen. Ted Stevens as part of a public corruption sting, according to people close to the investigation.

The secret recordings suggest the Justice Department was eyeing Stevens long before June, when the Republican senator first publicly acknowledged he was under scrutiny. At that time, it appeared Stevens was a new focus in a case that had already ensnared several state lawmakers.

The recorded calls between Stevens and businessman Bill Allen were confirmed by two people close to the case who spoke on condition of anonymity because the investigation is still under way. They declined to say how many calls were recorded or what was said.

Allen, a wealthy businessman and Stevens' political patron, agreed to the taping last year after authorities confronted him with evidence he had bribed Alaska lawmakers. He pleaded guilty to bribery and is a key witness against Alaska legislators. He also has told prosecutors he paid his employees to renovate the senator's house.

In July, FBI agents raided that house in the Anchorage suburb of Girdwood. Stevens has denied any wrongdoing and said he paid every bill he received for the project. Spokesman Aaron Saunders declined to comment Thursday. Stevens has said he won't discuss the investigation for fear it will look like he's trying to influence it.

FBI spokesman Richard Kolko said the agency would not discuss any aspect of the ongoing investigation.

Allen testified in federal court last week that he called several people at the FBI's behest.

"It's been a lot of work," Allen said of his efforts for the FBI.

A judge had previously ruled that Allen could not discuss politicians currently under investigation.

Allen is the founder of VECO Corp., an oil services firm that made nearly $1 billion in annual revenue. The company was a powerful lobbying force and its employees donated heavily to federal and state campaigns.

One example of Allen's calls surfaced last week in the trial of former Alaska House Speaker Peter Kott. While working with the FBI, Allen called Kott and

See **STEVENS**, *Page C2*

FBI - Stevens-1635

14A-AN-13620-M ; 673

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194A-AN-13620-M; 674

Mat-Su Valley Frontiersman
PAGE A11 FRIDAY, OCTOBER 26, 2007

BP fine could cost company political leverage

BY JEANNETTE J. LEE AND STEVE QUINN
AP Business Writers

ANCHORAGE, — The sullying of two acres of delicate tundra and a frozen lake in the vast oil fields of northern Alaska will cost BP America more than the $20 million required in a federal settlement over environmental pollution.

It could also cost them political leverage as Alaska lawmakers open a debate over raising the state tax on net oil profits.

The oil tax bill is heavily backed by Gov. Sarah Palin and features a component that would prohibit oil companies from making tax deduction

The spill was the largest ever in the North Slope fields, which border the Arctic Ocean.

The agreement was one of several struck between the London-based oil and gas giant and federal investigators in the resolution of probes across the U.S.

The London-based company agreed to pay a total of $373 million in fines and restitution over the manipulation of energy markets in the Midwest and violation of the Clean Air Act in a refinery explosion that killed 15 people in Texas.

Four former BP employees were indicted by a federal grand jury in Chicago on 20 counts of mail and wire fraud charges

Arctic environmental research. The fine is the largest ever levied for an environmental misdemeanor in Alaska, Cohen said.

It takes into account the money BP should have spent to properly maintain the pipeline, as well as a prior felony against the company when a contractor illegally dumped waste oil and other toxic substances at the North Slope's Endicott field in 1999, Cohen said.

Still, some lawmakers were not satisfied, saying the fine is not a large enough deterrent when dealing with multi-billion dollar global conglomerates.

"The proof is there they didn't

tors traced the crude oil spill in March 2006 to poor maintenance of a transit pipeline, Cohen said.

The pipe was corroded, with a hole the size of an almond caused by bacteria living beneath a build-up of sludge, according to Cohen. The microbes produce an acid that eats away at the pipe. The sludge, which BP should have removed, protects them from being swept away by the flow of oil, Cohen said.

The line was one of several that carry oil from a production center into the trans-Alaska oil pipeline, an 800-mile trunk that runs from the North Slope to the tanker port of Valdez in south-central Alaska. The leak occurred at a caribou crossing, where a mound is built over the pipeline allowing the animals to cross, according the plea agreement.

The incident was followed in August 2006 with a 1,000-gallon oil spill, forcing BP Exploration Alaska, Inc. to temporarily halve its Prudhoe Bay production to less than 200,000 gallons a day.

Justice officials said BP will not be charged for the August incident because it has cooperated fully with the investigation.

The state is still pursuing a civil case against the company, said Attorney General Talis Colberg. He would not give further details.

Kash's Carpet Bargains

KOHRING

Continued from Page A1

makers.

Kohring's corruption trial follows that of former state Reps. Pete Kott and Tom Anderson. Kott and Anderson were convicted. Anderson was sentenced to five years in prison. Kott is scheduled for sentencing Dec. 7.

Smith testified the money given to Kohring was payoff to keep Kohring in VECO's favor. Browne has maintained Kohring never voted in favor of any bill at the bidding of VECO; however, Kohring is heard and seen on secret recordings saying he would attempt to lobby and influence his fellow legislators.

Smith said Kohring told him he would make appointments with members of the House Finance Committee to lobby for the Production Profits Tax VECO favored. The tax was arranged by former Gov. Frank Murkowski and officials from oil companies Exxon, British Petroleum and Conoco to give the industry a stable tax rate on oil and gas production in Alaska. Murkowski and the oil industry, of which VECO was a part, preferred a tax of 20 percent, lower than that 22.8 percent passed by the Legislature.

At one point in Thursday's testimony Kohring made eye contact with Smith and the two held the gaze for a moment. Kohring smiled and Smith turned away.

When asked during a break by the Frontiersman reporter what it was like to sit across from Smith in the unfamiliar venue of a courtroom, Kohring said it was surreal.

"I've known him for 14 years," he said. "We've had many dinners together. We were, at least I thought he was a friend, and to have him over there glaring at me, it was crazy."

Browne tried to show that Smith had personal motives to point an accusing finger at Kohring.

Smith's plea deal with the government allows his sentence to be substantially reduced from federal guidelines. The guidelines call for Smith to receive nine-to-11-year sentence.

"This is dealing with the rest of your life," Browne said.

"I understand that I am up against a hard one," Smith said. "I'm 62 years old."

Also part of the plea, the government agreed not to charge VECO Corp. with a crime. This allowed Allen to sell the company to CH2M Hill. Smith benefited from this sale with a $200,000 to $300,000 severance package. Smith was also given $500,000 to hire two attorneys.

Video and audio recordings of Smith and Allen played for the jury were rife with profanity. From the witness stand Smith apologized for his foul language.

The Federal Bureau of Investigation first approached Smith on Aug. 31, 2006, he said. Allen invited Smith to a meeting at Allen's house. When Smith arrived FBI agents were already there. Smith has pleaded guilty to bribery, extortion and conspiracy.

Most of the prosecution's questions asked Smith to clarify or give his thoughts about the recordings presented the day before in court.

Smith understood Kohring's phone calls to be reassurance that Kohring was on board with VECO's wishes. On one occasion Kohring called Smith to talk about House Bill 386, which called for tax breaks for exploration expenditures to oil companies.

Smith said Kohring went out of his way "to show me he's out there being proactive" to help get the best legislation for the oil industry.

Prosecuting attorney Edward Sullivan went so far as to try to get Smith to call Kohring a "loyal soldier," but an objection by Browne to the attempt was sustained.

Throughout the day at various times jurors would pour each other glasses of water, take notes or yawn and stare. One juror spent 10 minutes with his head in his hand.

Smith also testified about $17,000 Kohring asked himself and Allen for to pay off his credit card debt.

"We both said we didn't want to touch it at all," Smith said; however, in a hidden video recorded at the time, Smith brings up the $17,000, saying that after the 2006 legislative session Allen and Smith would need to make a decision about his request for cash.

During cross examination Browne asked Smith about Allen's secretly recorded statement where he said that for a $1,000 payment Allen gave to Kohring, Kohring "would kiss our ass."

"But he didn't kiss your ass, did he?" Browne said.

Former VECO CEO Allen is expected to testify when the trial resumes today.

50 CENTS

Smith: Kohring promised results for VECO

BY RUSSELL STIGALL
For the Frontiersman

ANCHORAGE — Vic Kohring took the money.

That was the consensus Thursday during the fourth day of trial for the former state House representative charged with bribery, corruption and extortion.

Former VECO vice president Rick Smith spent the day on the witness stand testifying for the prosecution. No one, not even Kohring's defense attorney, John Henry Browne, disputes former VECO CEO Bill Allen and Smith passed hundred dollar bills to the former District 14 legislator, who resigned in June.

The question is whether the money given to Kohring was bribes to buy the lawmaker's influence or simply gifts between old friends. Browne attempted half the day Thursday to wring a satisfactory answer to that question out of Smith on cross examination.

Smith, 62, who sat on the witness stand with reading glasses perched on his nose, appeared put out by the testimony he had to give. Throughout the day, Smith's eyes would dart to the federal prosecutors with whom he had cut a plea deal. Smith and Allen both agreed to testify against Kohring and other indicted state law-

See **KOHRING**, *Page A12*

DAY 4

Kohring corruption trial
For more on this week's court happenings see page A3.

FBI - Stevens-1639

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.) C-1, C-2
FRONTIERSMAN

Date: 10/12/2007
Edition: FRIDAY

Title: KOHRING MAINTAINS INNOCENCE, ENTERS 'NOT GUILTY' PLEA

Character:
or
Classification: AN-13620-M ; 1675
Submitting Office: Anchorage

Indexing:

FBI - Stevens-1640

194A-AN-13620-M; 1675

FD-350 (Rev. 5-8-81)

GUILTY

Continued from Page A1

ruption.

The jury appeared serious as its members filed into the courtroom, some dressed in suits and others in collared shirts. During the nearly two-week trial, the jury heard and saw secret government wiretaps that featured Kohring; former VECO CEO Bill Allen and former VECO vice president Rick Smith. Allen and Smith also both testified about giving Kohring money and the lawmaker's eagerness to be useful to them and VECO.

One lengthy video surveillance tape clearly shows Kohring asking Allen and Smith for a $17,000 loan. He needed the money to pay off credit card debt and told the VECO executives a loan from them would help protect his political reputation.

Assistant U.S. Attorneys Edward Sullivan and Joseph Bottini spent parts of six days laying out their case against Kohring, including linking him to attempts to influence Petroleum Profits Tax legislation.

Browne called two witnesses: Kohring's 19-year-old nephew and a friend.

Kohring is the third former state legislator to be convicted of similar charges in an ongoing federal public corruption investigation being run by the FBI. Former state House Rep. Tom Anderson was sentenced to five years and former Rep. Pete Kott, found guilty of three counts, will be sentenced Dec. 7. Another former House member, Bruce Weyhrauch, is next in line to face federal prosecutors.

Visit the Frontiersman online, www.frontiersman.com, for day-by-day coverage of Vic Kohring's trial.

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.) A1-A10
FRONTIERSMAN

Date: 11/2/2007
Edition:

Title: KOHRING GUILTY

Character:
or
Classification: AN-13620-M ;6776
Submitting Office: Anchorage

Indexing:

FBI - Stevens-1641

194A-AN-13620-M;6776

Kohring maintains innocence, enters 'not guilty' plea

BY RUSSELL STIGALL
For the Frontiersman

ANCHORAGE — In the wake of fellow former state lawmakers being convicted of and admitting to bribery and corruption, seven-time House member Vic Kohring maintains his innocence.

At his arraignment in U.S. District Courtroom 6 Tuesday afternoon, the former Wasilla representative told Judge John D. Roberts he would not change his position.

"Not guilty, your honor," Kohring said when asked to plead on federal charges he accepted money from officers of oil services company VECO Corp. in exchange for favorable votes on legislation.

His plea also comes less than a week following the release of an amended indictment that expanded upon Kohring's original indictment released in May. The superseding indictment adds allegations that extend the former lawmaker's alleged conspiracy back to January 2002.

Federal investigators allege that as early as 2002, Kohring was provided cash payments of about $500 to $1,000 by then VECO Chief Executive Officer Bill Allen and VECO Vice President Rick Smith to reward Kohring for "official acts taken and to be taken regarding [Allen] and [Smith's] business interests," the revised indictment says. It alleges that Kohring, at the behest of Allen, laid off an aide who had filed a complaint with the Alaska Public Officials Commission against a legislator Allen and VECO supported.

DENNIS ZAKI/Courtesy photo

Former state Rep. Vic Kohring, center, is approached by media walking into court Tuesday in Anchorage. He's accompanied by attorney Wayne Ross, far right.

The revised indictment also changes language in the allegation that Kohring solicited $17,000 from Allen and Smith to help pay his credit card debt that was in collection. Initially defined as a loan, the $17,000 is now deemed a payment to Kohring, who told Allen and Smith he did not have the money to pay the debt and was under pressure to do so.

Kohring told Allen and Smith the debt was a "personal financial matter" that "potentially could hurt me politically," the indictment says.

When asked Tuesday if Kohring's legal team has enough time to deal with the superseding indictment before Kohring's trial begins Oct. 22, Wayne Ross, an attorney representing Kohring at Tuesday's plea hearing, seemed confident.

"Oh yeah, there is nothing new here," he said.

Ross was filling in for Seattle attorney John Henry Browne, who was unavailable to attend the hearing.

The arraignment for USA v. Kohring took a few minutes and was sparsely attended, mostly by members of the media. Three attorneys represented the federal government.

Allen is expected to testify against Kohring. The former VECO CEO cut a deal to testify against former Rep. Pete Kott, who was convicted by a jury last month, and Kohring. During Kott's trial, Allen's testimony was damaging as he described conversations and arrangements he had with the former legislator, including cash payments and other bribes. In return, Kott voted how Allen wanted on the Petroleum Profits Tax. Prosecutors also have a videotaped conversation between Allen and Smith that shows Allen talking about giving Kohring $1,000.

Political watchdog and Mat-Su Valley resident Myrl Thompson attended Tuesday's plea hearing said Kohring acted like the amiable politician who won seven straight House elections. Kohring seemed in good spirits, shaking hands with prosecutors and making small talk with reporters before entering the courtroom.

Kohring and Ross went over papers while they waited for the arraignment to begin.

"I've been doing my homework," Kohring said. "Believe me, I wanted to be ready for this one."

Judge Roberts accepted Kohring's not guilty plea and set his trial to begin at 9 a.m. Oct. 22 at the federal courthouse in Anchorage.

50 CENTS

Kohring guilty

Jury convicts former Mat-Su Valley legislator on 3 of 4 corruption charges

BY RUSSELL STIGALL
For the Frontiersman

Anchorage — Vic Kohring showed little emotion Thursday as his verdict was read — guilty, guilty, guilty.

Following more than a week of testimony, a jury convicted the former seven-time state House member on three of four federal charges. Kohring, 49, a Wasilla Republican, is guilty of bribery, attempted extortion and conspiracy to commit extortion. He was acquitted of a fourth corruption charge.

Vic Kohring

The jury of seven men and five women deliberated for an afternoon and a morning before returning the verdict.

Following the verdict, Kohring, who remains free on bail pending his sentencing, apologized to his friends, family and former constituents for the trauma of his trial. He and his attorney, Seattle-based John Henry Browne, also blamed the Anchorage Daily News and Channel 2 News for biasing the jury pool, an argument they made before the trial began. Kohring did not testify at his trial.

Browne estimates Kohring could be looking at a prison sentence of three years, adding a decision to appeal the verdict hasn't been made. Kohring's sentencing is scheduled for February 2008.

Before his trial, Kohring, who took money from former VECO oil service company executives in return for political favors, labeled himself a modern-day David battling the Goliath of the federal government. Browne attempted to show Kohring as a small fish innocently caught up in a large pond of cor-

See **GUILTY**, *Page A10*

FBI - Stevens-1643

(Indicate page, name of newspaper, city and state.) A1-A11 FRONTIERSMAN

Date: 10/16/2007
Edition:

Title: KOHRING TO ASK FOR DISMISSAL

Character:
or
Classification: AN-13620-M
Submitting Office: Anchorage

1677

Indexing:

(Mount Clipping in Space Below)

KOHRING

Continued from Page A1

A plea arrangement would require a deal between Kohring and prosecutors. This can be ne any time before a verdict, Gara said, adding it is not likely Kohring would take a deal.

Kohring, in an e-mail interview, said he would not accept a deal with prosecutors because that would be an admission of guilt.

"It might be that the prosecution has offered him nothing [less] than what he would get from the court," Gara said. "That is often the case in a trial, if there is no significant offer of leniency the defendant decides just to go to trial."

Gara said Kohring faces a national atmosphere where people see corruption at all levels of government. On a local level, the trials of former Reps. Tom Anderson and Pete Kott have shown an ugly side of the state Legislature.

"Juries are offended by the bribery conduct they are hearing about," Gara said. "Makes you wonder if they were innocent legislators if they could get off on their indictments."

Kohring attempted to have his trial moved out of Alaska because the media could have already turned the jury pool

FD-350 (Rev. 5-8-81)

194A-AN-13620-M, 1677

Judge denies Kohring's change of venue bid

BY RUSSELL STIGALL
For the Frontiersman

MAT-SU — Former state House Rep. Vic Kohring has been denied his request to face a jury outside of Alaska.

Kohring told U.S. District Judge John W. Sedwick he feels he cannot receive a fair trial in Alaska because of the intense media coverage of the state Legislature corruption scandal, of which Kohring is a part. The seven-time House member is accused of taking money in exchange for favorable votes for VECO oil services company officials. He faces federal charges of bribery, conspiracy and corruption. His trial is scheduled to begin Oct. 22.

Sedwick disagreed, writing in an Oct. 5 opinion that "none of the individual media items warrant a finding of presumed prejudice."

While there has been significant media coverage of Kohring's case, "The publicity has been spread over a period of many months," Sedwick says in his ruling. "Most of it consists of entirely factual news stories ... that are measured in tone and not inflammatory."

Drawing on case precedent, Sedwick says a change of venue would be appropriate "only in extreme cases where a community is literally saturated with inflammatory and prejudicial publicity. That is not the situation with respect to the community from which Kohring's jury will be drawn."

The judge also says there has not been a "huge wave of public passion" directed toward Kohring and attributes this partially to the relatively small percentage of Alaska residents who follow events in the news media.

Kohring requested his trial be held in Washington state. His attorney, John Henry Browne, is based in Seattle.

In making his case for the change of venue, Kohring's attorney submitted as evidence of inflammatory publicity a front page story from the May 6 Mat-Su Valley Frontiersman.

"This story is factual," Sedwick ruled. "It does contain a colorful quote from the VECO executive [about giving Kohring $1,000 and, as a result, Kohring would 'kiss our ass'], but even that appears to be a factual report and something that likely will be presented as part of the wiretap evidence at trial."

Editorial cartoons in the Frontiersman were considered inflammatory but did not rise to the level of ordering a change of venue.

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.) A14
FRONTIERSMAN, MAT-SU VALLEY, AI

Date: 10/16/2007
Edition: TUESDAY

Title: JUDGE SENTENCES ANDERSON TO FIVE YEARS ON CORRUPTION CONVICTIONS

Character:
or
Classification: AN-13620-M ; 678
Submitting Office: Anchorage

Indexing:

FBI - Stevens-1646

194A-AN-13620-M;678

Kohring to ask for dismissal

BY RUSSELL STIGALL
For the Frontiersman

ALASKA — Former state Rep. Vic Kohring and his legal team plan to answer the bell swinging when his trial begins Oct. 22.

In a defendant's status report filed with U.S. District court Oct. 11, the former lawmaker and his attorney, John Henry Browne, argue federal prosecutors should throw Kohring's case out. They will contest evidence prosecutors intend to use against Kohring.

Kohring said Browne intends to file a motion to dismiss the case.

A seven-time state House member, Kohring faces federal charges of bribery, corruption and conspiracy. He will be the third former Alaska lawmaker to stand trial over the past six months.

In the report, Kohring and Brown say the government interfered with Kohring's right to legal counsel and trial by using Eagle River state Sen. Fred Dyson as an undercover Federal Bureau of Investigation informant.

Dyson has repeatedly denied acting on behalf of the FBI.

Prosecuting Kohring on behalf of the United States of America are William M. Welch, chief of the U.S. Attorney's Office's Public Integrity Section, trial attorneys Nicholas Marsh and Edward Sullivan, and assistant U.S. attorneys Joseph Bottini and James Goeke. Repeated phone calls and attempts to contact prosecutors about claims made in the status report were not returned.

In an affidavit accompanying Kohring's report, Kohring's former chief of staff, John Davies, explains Dyson's alleged connection to the FBI. Davies works for Rep. Wes Keller, R-Wasilla, who was appointed to fill Kohring's seat after Kohring resigned in June. Keller was Dyson's chief of staff before Keller's own appointment to the Legislature.

While Keller was working for Dyson and Davies for Kohring, Davies says Keller handed him the card of an FBI agent. Keller told him that "an FBI agent ... had come by Senator Dyson's office and left her card with the senator saying, 'Have Representative Kohring call me. It will go easier for him if he cooperates with us,' or words to that effect."

Kohring and Browne maintain that this contact was the FBI, through Dyson, trying to deny him his right to legal representation and a trial.

Kohring said Browne also believes the government's recent filing of an amended indictment amounts to a "last-minute filing."

"Now they're claiming they may not be prepared for the start of the Oct. 22 trial because of this," Kohring said.

The government's superseding indictment, released Oct. 4, should not delay the start of the trial, Browne says in the status report. "It is Mr. Kohring's adamant desire to go to trial on the day presently set for trial."

Rep. Les Gara, D-Anchorage, said that despite any pre-trial posturing, Kohring could still reach a plea deal with federal prosecutors.

"You can always plead, depending on the strength of your case," Gara said.

See KOHRING, *Page A11*

it was the only thing he was doing. It was really stressful," he said.

Anderson had misgivings about extending his cooperation to the legislative session in Juneau.

"The people in his district had not elected him to be an undercover agent," Feldman said.

Anderson's willingness to save himself bumped up against what he felt was duplicitous to his legislative colleagues, he said, and Anderson stopped cooperating.

Anderson knew the consequences of ending his cooperation, Feldman said, and it happened.

"There was no ambiguity about what would unfold," Feldman said.

Anderson was arrested Dec. 7 and charged with conspiracy, bribery, money laundering and interfering with commerce, a charge connected to a demand for payments.

He was the first of four former Alaska lawmakers arrested on federal corruption charges. Former House Speaker Pete Kott, R-Eagle River, was convicted last month of conspiracy to solicit financial benefits, extortion and bribery.

Former Rep. Vic Kohring, R-Wasilla, is scheduled to go on trial on corruption charges next week.

The corruption trial of former state Rep. Bruce Weyhrauch, R-Juneau, has been delayed. Federal prosecutors are appealing a decision on the case that said they could not claim that Weyhrauch were required to disclose to fellow legislators or the public that he was seeking employment from VECO.

packs in learning

PALMER — An unlikely combination of fisheries, the legal process and agriculture gave 44 Glacier View School students in grades one through 12 a variety of experiences during a recent field trip.

Ninth- through 12th-grade students observed the Carl the Cat court case in Palmer Superior Court and had the privilege to meet at length with Judge Eric Smith, presiding over the case. The high school students, enrolled in a law-related studies course taught by history teacher Mark Owen, learned about job opportunities in the field of law and the legal process.

Meanwhile, first- through eighth-grade students began their field trip at Spring Creek, where Alaska Department of Fish and Game officials taught them about the life cycle of Alaska salmon. Students saw how salmon eggs are fertilized.

Third- through fifth-grade students will monitor some of the eggs' growth in a large fish tank at their school. Garth Morgan, the Glacier View science teacher, tested the water temperature and oxygen levels of Spring Creek with his junior high students to ensure the classroom tank environment matches that of the creek.

VanderWeele Farms, the third stop on the field trip for the elementary and junior high students, was equally relevant to Alaska Studies, said Jodi Talcott, who is teaching grades three through five. Alaska Agriculture in the

FBI - Stevens-1650

Mat-Su Valley Frontiersman
PAGE A14 TUESDAY, OCTOBER 16, 2007

Judge sentences Anderson to five years on corruption convictions

BY DAN JOLING
Associated Press Writer

ANCHORAGE (AP) — Former state Rep. Tom Anderson helped the FBI investigate a half dozen other cases of suspected public corruption in Alaska.

That got him no consideration from federal prosecutors after he abruptly stopped cooperating.

Anderson, convicted July 9 of seven counts of conspiracy and bribery, was sentenced Monday to five years in prison, a term prosecutors considered too short.

Anderson's sentencing hearing took two hours as witnesses described how the former lawmaker, after being confronted with evidence in his own corruption case, agreed to help investigators by recording conversations with a half dozen or so others under investigation.

According to witnesses Monday, that stopped after Anderson told his future wife, state Sen. Lesil McGuire, R-Anchorage, that he was cooperating with investigators. She learned he would be expected to plead guilty to one felony count, and that investigators expected him to continue assisting them with secret recordings in the 2006 legislative session.

Shortly after that meeting, Anderson fired his attorney and stopped wearing a wire.

Anderson, 40, a two-term Republican from Anchorage who chose not to run for reelection in 2006, was convicted of taking nearly $24,000 he thought was coming from a private prison firm, Cornell Industries, Inc., in exchange for his assistance on legislation.

The money was supplied by the FBI through an informant under contract to Cornell, Frank Prewitt, a former Alaska Department of Corrections commissioner. Prewitt secretly recorded his conversations with Anderson and a coconspirator, lobbyist Bill Bobrick, between July 2004 and March 2005. Cornell Industries was not aware of the investigation.

Anderson did not immediately comment after the sentence was announced. He remains free and afterward hugged friends and family members — many in tears — who lined the gallery.

Prosecutors sought a sentence of more than eight years. Assistant U.S. Attorney Joe Bottini said the evidence showed Anderson did more than succumb to temptation to take money. Anderson solicited the bribe, betrayed his public trust and actively took part in concealing the money, Bottini said.

"The public's faith in the integrity of our legislative system is eroded," Bottini said.

He urged U.S. District Court Judge John Sedwick to restore the public's faith.

"They have to know it was serious, and when they're caught they're going to be punished, and they're going to be punished to the extent they deserve," Bottini said.

Anderson's lawyer, Paul Stockler, asked for a sentence of no more than three years, which he said was "more than enough time."

The difference between five and three years would have no affect as a deterrent, Stockler said. But it would make a significant difference in Anderson's ability to support his three children from previous relationships and in the life of his young son — the difference between taking him to his first day of kindergarten or the first day of second grade, Stockler said.

Sedwick decision for a 60-month sentence fell within the pre-sentencing report guidelines of the 51 to 63 months. The judge noted the volume of support letters that had poured in for Anderson and said the matter likely was heartbreaking for Anderson's family. Anderson is the son of a former director of the Alaska State Troopers.

"I have no idea how Mr. Anderson's apple fell so far from the tree, but it did," Sedwick said.

The judge said he took into account Anderson's long record of community and legislative service and his willingness to help constituents, but ultimately, Anderson did not take a bribe to help someone else.

"He took the money because he wanted the money," Sedwick said.

Anderson's former attorneys testified about his cooperation with investigators.

Craig Howard, a 22-year public defender now in private practice, said he was called from his son's Little League game in summer 2005 to Anderson's legislative office as the FBI was about to serve a search warrant. Anderson had been confronted by investigators that afternoon.

The government made it clear from the outset, Howard said, that Anderson would have to plead guilty to one felony charge even as he cooperated. There was an understanding he might be able to say which charge, Howard said, but the arrangement called for nothing less than a felony.

"From day one, no way was it going to be a misdemeanor in this case," Howard said.

Anderson cooperated with investigators throughout the summer. Anderson's father had been informed of the investigation, Howard said.

After learning that McGuire was pregnant, Howard said, Anderson insisted that she be told of his situation. Prosecutors gave their consent and Anderson's cooperation with the government, as well as his connection to Howard, ended.

"I was dismissed," Howard said.

Howard's replacement, Jeffrey Feldman, testified that without a written agreement between Anderson and prosecutors, he negotiated for a "pass" for his client, such as a misdemeanor plea, in exchange for Anderson's cooperation. He tried to pin prosecutors down as to the exact considerations Anderson would receive for his cooperation.

"That became the goal," Feldman said. "It wasn't the goal initially."

By September 2005, the investigation was Anderson's "job," consuming all of his time, Feldman said.

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FBI - Stevens-1651

(Indicate page, name of newspaper, city and state.) A1 FRONTIERSMAN

Date: 11/18/2007
Edition: ~~FRIDAY~~

Title: GREEN SURPRISED BY FORMER VECC CHIEF'S TESTIMONY

Character:
or
Classification: AN-13620-M
Submitting Office: Anchorage

Indexing:

194A-AN-13620-M, 6679

Green surprised by former VECO chief's testimony

State Senate president doesn't know why Allen would talk Kohring out of running for her seat

BY RUSSELL STIGALL
For the Frontiersman

MAT-SU — As the state Legislature prepares to end a month-long special session by successfully passing new oil tax reform, the fallout from convictions of former state lawmakers continues.

It was during last month's bribery and corruption trial of former state Rep. Vic Kohring, R-Wasilla, that former VECO CEO Bill Allen testified that on two occasions he convinced the former Wasilla lawmaker to not run against state Senate President Lyda Green. This revelation was used by the Federal Bureau of Investigation and federal prosecutors to help make their case that the Wasilla Republican was beholden to the wishes of VECO executives. Kohring was convicted of bribery, attempted extortion and conspiracy.

That she was a favored legislator of Allen or VECO was news to Green, R-Wasilla, who said after Kohring's conviction she never had any improper contact with Allen or VECO. Green said she has no idea why Allen would convince Kohring not to run against her and she had no idea at the time Kohring was considering it. She also said has been saddened to see Kohring, a friend, go through his public trial, along with other former state legislators Tom Anderson and Pete Kott, who were also convicted of corruption.

Green, an educator and business owner, was first elected to the state Senate in 1997. Since 1998, Alaska Public Offices Commission records show Green has accepted at least $15,000 from VECO Corp. for her campaigns. In that same time, VECO contributed to many local and national political campaigns. The top six beneficiaries of VECO's political generosity received about $866,000 total, records show. These were legal contributions reported to APOC.

Green, who has never been charged or officially implicated in any wrongdoing, was a vocal opponent of the Petroleum Profits Tax, which this past week was replaced during a special session of the Legislature with another oil tax plan that taxes the oil industry at a higher rate. Gov. Sarah Palin called the special session because she said the PPT, which was at the heart of the charges against Anderson, Kott and Kohring, was tainted by corruption.

Contacted by the Frontiersman following Kohring's conviction, Green said she was not beholden to Allen or VECO and has never done anything improper as a member of the state Senate. She acknowledged the convictions of former legislators may affect the public's trust in lawmakers overall. Most lawmakers are simple, honest residents working in good faith and guided by their beliefs, she said.

Allen's testimony during Kohring's trial last month also showed Rep. Bev Masek, R-Willow, was another of the former VECO executive's political favorites. Allen said he convinced Kohring to fire his aide, Eric Musser, who alleged Masek had misused campaign contributions. Allen said he liked Masek's voting record, was irked when Musser blew the whistle on her and asked Kohring to fire him.

Kohring denies he fired Musser at the behest of Allen.

Managing editor Greg Johnson contributed to this report.

FD-350 (Rev. 5-8-81)

FD-350 (Rev. 5-8-81)

(Mount Clipping in Space Below)

(Indicate page, name of newspaper, city and state.) A1-A14
FRONTIERSMAN

Date: 10/23/2007
Edition: ~~FRIDAY~~

Title: JURORS PROBED ABOUT MEDIA COVERAGE

Character:
or
Classification: AN-13620-M ; 680
Submitting Office: Anchorage

Indexing:

MEDIA

Continued from Page A1

In the indictment, released Oct. 4, federal investigators allege that as early as January 2002 Kohring was provided cash payments of about $500 to $1,000 by Allen and former VECO VP Rick Smith to reward Kohring for "official acts taken and to be taken regarding [Allen] and [Smith's] business interests."

The superseding indictment also alleges that Kohring, at the behest of Allen, laid off his aide, Eric Musser, who had filed a complaint with the Alaska Public Offices Commission against former Rep. Beverly Masek, whom Allen and VECO supported.

One by one Monday, 70 potential jurors filed into Courtroom No. 3 of the U.S. Federal Building and Courthouse in Anchorage in random order. U.S. District Court Judge John W. Sedwick questioned the group to determine if they had been influenced by media coverage of Kohring, Kott, Anderson, Allen and Smith.

Kohring seemed in good spirits as he helped his attorney, Seattle-based John Henry Browne, screen potential jurors. The court had questioned 50 jurors by 4 p.m. During a short break in the selection process, Browne said he is looking to empanel a fair jury.

"I think we're making inroads there," Browne said.

Last week, Judge Sedwick reprimanded Kohring and Browne for information they released to the press. The judge admonished the pair to try their case in court, not in the media.

Sedwick had to reel Browne in again during the jury selection on Monday.

Assistant U.S. Attorney Joseph Bottini said Browne could be influencing the jurors in a way that could come into play later in the trial. Browne said to several potential jurors they provided more thoughtful answers than other potential jurors.

Sedwick agreed with Bottini and asked Browne to cease.

Jury selection continues today and opening arguments are expected to begin Wednesday.

FBI - Stevens-1652

194A-AN-13620-M;680

Jurors probed about media coverage

Jury selection begins in Kohring trial

BY RUSSELL STIGALL
For the Frontiersman

ANCHORAGE — Alaska's legislative corruption scandal has not been on the radar of many of former state House Rep. Vic Kohring's potential jurors.

Kohring's trial on federal charges of bribery, corruption and conspiracy opened in Anchorage Monday.

Considerable media that has covered Kohring's indictment, as well as the trials and convictions of former state Reps. Pete Kott and Tom Anderson, has apparently had little influence on those reporting for jury duty Monday.

Kohring's defense and federal prosecutors used the first day of jury selection in Kohring's trial process to gauge how much influence media coverage has had on potential jurors.

While many jurors subscribe to print media, far fewer said they read front-page articles. Many peruse sports, weather and headlines.

Kohring is accused of accepting money from former VECO CEO Bill Allen in return for his vote on the Petroleum Profits Tax legislation. Kohring has repeatedly denied any wrongdoing and has maintained he and Allen were friends.

An amended indictment against the former seven-time state legislator says Kohring may have been under the influence of VECO Corp. since 2002.

See MEDIA, *Page A14*

FBI - Stevens 1653

NewsBank America's Newspapers

And then there was 1 - Personal-conduct issues brought down all but Green QUARTET OF VALLEY LAWMAKERS RODE HIGH -- FOR A WHILE

Anchorage Daily News (AK) - December 31, 2007

Author: *S.J. KOMARNITSKY skomarnitsky@adn.com ; Staff*

Three years ago, they were the seemingly unbeatable gang of four. Vic Kohring, Scott Ogan, Bev Masek and Lyda Green were upstarts with little political experience when they rode a Republican wave to victory in 1994 that turned the Matanuska-Susitna Borough from a Democratic haven to a Republican stronghold.

Among the vanquished were the then-senior member of the Legislature, Sen. Jay Kerttula of Palmer, a 32-year veteran, and Rep. Ron Larson of Palmer, a 12-year incumbent.

"If you were a Republican in 1994, your name could have been Dillinger, first name John, and you probably would have been elected," said state Rep. Carl Gatto of Palmer, who served with the four after being elected in 2002.

But they proved their victories no fluke. For 10 years, they easily beat back challengers and weathered grilling on their political stands, residency and legislative attendance record.

In 2004, their fortunes turned. And when Vic Kohring six months ago resigned his House seat representing Wasilla to focus on his defense to charges of conspiracy, bribery and attempted extortion, only Green, the state Senate president, remained.

Like Kohring, who was convicted and faces sentencing in February, Masek and Ogan left under a cloud.

Ogan, of Palmer, resigned in August 2004 after constituents, angered by his work as a consultant for a resource-extraction company, launched a recall campaign.

That same month, Masek, of Willow, lost a primary election to political newcomer Mark Neuman, a Big Lake woodworker who went on to win Masek's District 15 House seat. She was dogged by a legislative inquiry into alleged use of her campaign funds for personal expenses. The Alaska Public Offices Commission later fined her $1,000.

Peter Burchell, a local educator for whom Burchell High School in Wasilla is named, ran as an independent in 2002 against Kohring. He says he sees in the departures of Ogan, Masek and Kohring ethical lapses brought on by arrogance.

"I think it's the same reason they got elected (in 1994)," he said. "Then it was the Democrats. Now they were getting too big for their britches."

FBI - Stevens 1654

But other Valley political observers say not to make much of the turnover, at least in terms of a change in the political leanings of borough citizens. All three legislators were replaced by Republicans with solidly conservative resumes -- Reps. Neuman and Wes Keller and Sen. Charlie Huggins, all of Wasilla.

"What people want from their legislators hasn't changed," said Tuckerman Babcock, a former chairman of the state Republican Party. "If you look at the issues that led to the defeat or resignation of the lawmakers, it's not related to their stands on issues; they are related to their personal conduct,"

Green, a Wasilla lawmaker, was reluctant to make any generalizations about her colleagues' departures

194A-AN-13620-M;681

besides saying the situation was "sad."

But she said not seeing Ogan, Masek and Kohring in the hallways in Juneau is strange. The longer one stays in office, she noted, the harder it is to keep up with constituents.

"Once you get to a certain point in this game when you're so busy with your office, it's harder to be on the street and at every borough meeting and be visible ... it's easy to lose touch," Green said.

KOHRING

Kohring arguably fell the furthest of the three.

A drywall hanger and loan manager, he literally came out of nowhere in 1994 to beat Pat Carney, a Wasilla Democrat who had served four terms in the House. Kohring wasn't even on the ballot until the general election. He was recruited to step in after the Republican primary winner -- pastor John Cummings -- withdrew.

But in the seven weeks left in which to campaign, Kohring ran hard and developed a signature style. He knocked on doors and waved signs along the Glenn Highway. He liked to show off for reporters that season's worn shoes.

"He worked his tail off," said Babcock, who helped recruit Kohring as a candidate.

Of the four, Kohring also seemed the most bulletproof. His electoral victories were the most lopsided. He won by 2-1 margins against credible, well-funded challengers, and in spite of questions about his finances and particularly his residency. His wife lived in Oregon, and Kohring sold his home in Wasilla. He claimed that he lived primarily with his parents in their mobile home, also in Wasilla.

Even word of the FBI investigation that was his eventual undoing did him little initial harm. Voters last year re-elected him easily by a 3-2 margin over Democrat Katie Hurley, a former legislator and a participant in the Alaska constitutional convention.

Burchell, whom Kohring in 2002 crushed in the polls 2-1, said Kohring had a pitch-perfect message voters in his district loved: "no tax, no tax, no tax."

The only way he could lose: "He had to take himself out," Burchell said.

OGAN

Scott Ogan was a cabinetmaker with $5,000 in campaign funds in 1994 when he challenged Larson, a 12-year incumbent with a campaign war chest of nearly $70,000. Larson was adept at bringing state projects home to the Valley and would later have an elementary school named after him.

But Ogan's "Ogan is pro-gun" slogan and his theme, time for change, caught on in a year when voters nationally ushered in a Republican sweep that handed that party control of both the U.S. House and Senate for the first time in 40 years.

John Bitney, an aide to Larson at the time and now working for Rep. John Harris of Valdez, said Larson was so certain of victory that he had already lined up the votes to become House speaker, the top leader in the House.

When results showed Ogan had won by just more than 130 votes out of some 6,400 cast, the calls started coming from other legislators, including then House Speaker Ramona Barnes.

"They were just floored," Bitney said.

Once in office, Ogan became a lightning rod on issues like gay marriage, which he opposed, and subsistence. He adamantly opposed giving a priority to rural residents for hunting and fishing access.

But his conservative beliefs played well in his Palmer-area district, where voters sent him to the Senate in 2002 even after he revoked his belief in limiting how many years someone can be in office -- a key promise by many 1994 electees.

Then came coal bed methane.

Conservatives and liberals throughout the Valley united in their opposition to Colorado-based Evergreen Resources Inc.'s plans to drill for coal bed methane in their backyards without their permission. The state owns the mineral rights to the land beneath those homes and could lease them to the company.

Ogan, hired as a consultant by Evergreen at $40,000 a year, was considered a sellout and came under fire.

Although he maintained he'd been upfront about his work and later quit the job, residents launched a recall. In August 2004, after a Superior Court judge denied a request to keep the recall off the ballot, Ogan resigned.

Ogan, now working for the state Natural Resources Department, in a recent interview said he resigned because of his health and not because of the recall. He suffered a near-fatal heart attack in 2002 and a week after he resigned underwent an angioplasty to unblock two clogged arteries in his heart.

MASEK

Masek, who arrived quietly, winning a four-way 1994 race for a vacant House seat representing Willow, also exited quietly.

She made few headlines in the Legislature, although like Ogan she stood out for her opposition to a rural preference for subsistence despite being an Athabascan from Anvik. In 2001, she compiled the second-worst attendance record in the House. Her opponents harped on that record.

Since her loss in 2004, she has dropped from public view. Attempts to contact her were unsuccessful. Calls left with Kohring's attorney were not returned.

The four used to appear in campaign ads together touting the power they brought to the Valley. Green said she still has enough pull to keep the Valley happy when it comes to state spending.

"Seniority doesn't take long to recoup," she said.

But she and Gatto said the departures of Ogan, Masek and Kohring are a reminder to lawmakers to stay in touch with constituents and steer clear of any suggestion of a conflict of interest.

"If I ever had a thought, it's even less of a thought," Gatto said.

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FBI - Stevens-1656

BLOG: Discuss Alaska political topics, including corruption, at adn.com/alaskapolitics

Caption: Photo 2: Vic Kohring CMYK_123107.jpg Photo 3: Beverly Masek CMYK_123107.jpg Photo 4: Scott Ogan CMYK_123107.jpg Photo 5: 31 Pat Carney_123107.jpg Photo 6: RepRonLarson_123107.jpg Photo 7: SenJayKerttula_123107.jpg Photo 8: 31 LydaGreen_123107.jpg Graphic 1: Lyda Green CMYK_123107.eps
SEANNA O'SULLIVAN / Associated Press archive 2007 Senate President Lyda Green, R-Wasilla, talking with Sen. Gene Therriault on Nov. 16 at the Capitol in Juneau, said not seeing Ogan, Masek and Kohring in the hallways is strange. 1994's victories Beverly Masek ran for an open seat. Lyda Green defeated Jay Kerttula. Scott Ogan defeated Ron Larson. Vic Kohring defeated Pat Carney.

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Anchorage Daily News (Alaska)

January 12, 2008 Saturday
FINAL EDITION

Kott seeks to delay going to prison

BYLINE: The Associated Press

SECTION: MAIN; Pg. A3

LENGTH: 121 words

Former Alaska House Speaker Pete Kott has asked federal officials if he can start his prison sentence later than ordered.

Kott was sentenced last month to serve six years in a federal prison for his convictions on conspiracy, bribery and extortion charges.

In court documents filed Thursday, Kott said he wants to delay reporting to the federal prison in Oregon until Feb. 1 so he can support his daughter Pamela, who is scheduled to give birth around Jan. 21.

He's scheduled to report to prison Jan. 17.

Kott also is appealing both his conviction and sentence. It could take up to 18 months for the federal appeals court to hear Kott's case.

READ more about the investigation that led to Kott's conviction at

adn.com/fbi

LOAD-DATE: January 14, 2008

LANGUAGE: ENGLISH

GRAPHIC: Kott

DOCUMENT-TYPE: WIRE

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Anchorage Daily News (Alaska)

January 13, 2008 Sunday
FINAL EDITION

Time to go to work;
The 25th Alaska Legislature 2008

BYLINE: By SEAN COCKERHAM scockerham@adn.com

SECTION: MAIN; Pg. A3

LENGTH: 1260 words

The Alaska Legislature convenes Tuesday, and many of the biggest decisions will involve what to do with a budget surplus that's liable to be around $4 billion. Key lawmakers are saying they'll save, and not spend, at least a big portion of it.

If they do, they'll be making history. The Legislature in the early '80s saved hundreds of millions of windfall dollars each year by putting them in the Alaska Permanent Fund. But that was a long time ago and was unusual.

There is always an urge to spend whatever money comes in, and that will be no different this year. Legislators say Alaskans agree it's good to save money -- except when it comes to whatever their own priority is.

"Everybody has someplace they want to spend these billions of dollars," said Anchorage Republican Rep. Mike Hawker.

The decision this fall to retroactively raise state taxes on the oil companies has combined with high crude oil prices to leave the state swimming in cash.

Just how much the surplus will be depends on oil prices. Lawmakers expect the surplus left over from the current fiscal year, which ends in June, could combine with more than $3 billion expected in the coming year to give them a windfall in the $4 billion range.

Juneau economist Gregg Erickson has been watching Alaska Legislatures for 35 years.

Erickson said he's only seen windfalls saved six times in those years. Four of them were in the early 1980s. The other two were recent examples of putting money into an education fund, Erickson said, and that was really just a placeholder for the money to be spent later.

There is a Constitutional Budget Reserve, created after legal settlements with the oil companies. But Erickson said legislators have evaded their legal requirement to put back what they take out of it.

FLUSH WITH MONEY

FBI - Stevens-1659

Top state lawmakers say a huge windfall like this one is a rare event and they want to save at least part of it.

There is also some bipartisan criticism of Gov. Sarah Palin for not including more savings in her spending proposal to the Legislature. Palin's plan includes putting $380 million into the Constitutional Budget Reserve, creating endowments for transportation and alternative energy, swelling the fund for schools, giving more dollars to local governments and paying $450 million toward the multibillion state pension liabilities.

Sitka Republican Sen. Bert Stedman argued there needs to be more savings in the mix.

"I think there's going to be strong support within the Legislature to save these monies," said Stedman, who has a lot of say as co-chair of the Senate Finance Committee.

194A-AN-13620-M,683

Oil production is steadily declining in Alaska, a fact that's being masked by the high price of oil. Once the prices drop, the amount of money coming to the state will plummet. The state gets more than 85 percent of its revenue from oil production. That includes money from production taxes, royalties, property taxes and corporate income taxes.

Stedman wants to give schools more money and consider putting the rest into the Constitutional Budget Reserve. The CBR is the state's main savings account and lawmakers draw on it to balance the budget in years when low oil prices bring deficits.

Stedman said he thinks past legislators have taken care with the state's money. There is roughly $3 billion left in the budget reserve and $38.6 billion in the Alaska Permanent Fund -- most of which legislators are forbidden from touching.

Anchorage Democratic Rep. Mike Doogan doesn't sound ready to place any bets the Legislature is going to save the surplus.

"If the Legislature actually shows some self-restraint in spending it will be the first time in the history of the state of Alaska," he said.

He said the exceptions are those early '80s deposits into the Permanent Fund. Doogan said he has a bill drafted that would basically take the entire current surplus and put it into the Constitutional Budget Reserve.

Doogan said the state needs to make sure that it has money in the future for needs like police protection, health care, you name it.

"The oil fairy has once again tapped us with her magic wand, but when that stops what are you going to do?" Doogan said.

WHAT ARE YOU GOING TO DO?

Putting money into the Constitutional Budget Reserve is touchy because it takes a three-quarters vote to tap into it. That means the legislative majority must negotiate with the minority to get at the money.

House Majority Leader Ralph Samuels said he's got another idea. Samuels said he's interested in creating a new constitutionally protected fund that would house most of the surplus. That new fund would be invested and 4.5 percent of it would be made available to the Legislature each year for spending.

That plan would require a two-thirds vote of the Legislature to put it on the ballot for the public to decide. Samuels, a Republican from Anchorage, conceded it could be a tall order to get that many legislators to vote for the idea.

Anchorage Rep. Hawker said he thinks all the money from the recent oil tax hike should go to paying off the state's teacher pension liability. It could be paid off in just a couple years, he said, and then the Legislature could do the same for the public employee pension debt.

The state public employee and teacher retirement systems have an unfunded liability of $8.5 billion to $10 billion. That's the projected gap between the retirement systems' total assets and the amount in benefits they are required to pay out over the next 25 years.

The retirement system liability is a huge burden on school districts, municipalities and state government.

"When we have the money to fix it we should do it," said Hawker, who is on the House Finance Committee. "It helps the state because it takes off the continuing pressure to increase the amount we have to fund each year."

WHERE TO SPEND?

Hawker is the prime architect of the health and social services budget in the House. He's open to a modest spending increase in that area, saying that this is a year to "reinforce the foundation" of the system but not to create an expansion of it.

Lawmakers are liable to press for spending on state infrastructure projects, like a $10 million expansion of the Port of Anchorage. Sitka Republican Sen. Stedman said ferries need replacement and money should go for road improvements.

"Alaskans want us to put the money in savings but virtually every community has a whole list of (infrastructure) needs," Stedman said.

There seems to be fairly universal agreement that schools will get more money this year.

Anchorage Democratic Sen. Hollis French said he'd like to see half the surplus go into the Constitutional Budget Reserve, with schools his biggest priority in dividing up the rest.

This is the first year lawmakers are under the voter mandate to limit the regular legislative session to 90 days. Most legislators seem to think the surplus will be the big issue of the regular session, with a likely special session to follow on natural gas pipeline issues.

"If last year was about corruption and oil taxes, this year will be about the budget and gas line," French said.

Read more from Sean Cockerham on our Alaska Politics blog at adn.com/alaskapolitics, or call him at 257-4344.

The Alaska Legislature convenes on Tuesday for its 2008 regular session. Today, we have two stories: How to deal with the projected $4 billion budget surplus and the new shorter legislative session, along with resources on how to get information from, and to, lawmakers. Coming Tuesday: A rundown of other issues that lawmakers will be dealing with.

LOAD-DATE: January 14, 2008

LANGUAGE: ENGLISH

GRAPHIC: SEANNA O'SULLIVAN / Associated Press archive 2005
As legislators gather this week at the Capitol Building in downtown Juneau, they have a pleasant problem on their hands: how to deal with a huge surplus.

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Anchorage Daily News (Alaska)

January 13, 2008 Sunday
FINAL EDITION

Young in the race of his life;
STIFF COMPETITION: He'll be campaigning in Alaska every month.

BYLINE: By SEAN COCKERHAM scockerham@adn.com

FBI - Stevens-1662

SECTION: MAIN; Pg. A1

LENGTH: 946 words

Don Young is showing early signs of an aggressive campaign, conceding that winning his 19th term as Alaska's lone congressman is not going to be easy this fall.

"I'm going to be in the state every month for the rest of this year," Young told supporters in Anchorage last week. "I will be running as hard as you've ever seen me run."

Young, who is widely reported to be under federal investigation, has drawn more competition for his seat than in well over a decade.

Over the past week he held campaign events in Fairbanks, Wasilla, Kenai and Anchorage. Unlike during his 2006 race, Young's campaign Web site lists campaign events and features a map of Alaska that says, "Coming soon, you'll be able to follow Don's footsteps around the state!"

Republican Party of Alaska chairman Randy Ruedrich said he likes what he's seeing.

"He's on his way and that's important," Ruedrich said. "It's a higher level of real engagement than he's had in a number of years."

THE COMPETITION

Young's challengers have largely been focusing on fundraising this early in the campaign, although they've also been out meeting with groups. Young has a somewhat different timeline, as he will have to juggle his Alaska campaigning with the time he spends in Washington, D.C., until the summer congressional recess.

He faces a Republican primary challenger in Gabrielle LeDoux, a state representative from Kodiak, who will be busy in Juneau as the Legislature begins its 90-day session.

The Democratic contenders for Young's congressional seat are former state House minority leader Ethan Berkowitz, ex-state Democratic Party chief Jake Metcalfe and Diane Benson, who received 40 percent of the vote when she ran against Young in 2006.

"This is not going to be an easy election," Young said at his meet and greet and fundraiser at the Sourdough Mining Company, an Anchorage restaurant.

A theme in Young's campaign is that none of his challengers would be able to do the job better than he has.

"Anybody running for this job, ask them what they can do better than Don Young. In fact, ask them, really, what hasn't he done?" Young said.

His competitors say Young, who first went to Congress in 1973, has been in office long enough and it's time for change. At least two of them, Benson and Metcalfe, have focused on the federal investigation and argue it hurts Alaska's credibility.

194A-AN-13620-M; 6B4

Young, 74, has been under investigation for his ties to Veco Corp., for fundraising activities and for his role in specific congressional earmarks, according to various media reports. He has not been charged with any crime.

Young has spent hundreds of thousands of campaign dollars on lawyers. He has not said what kind of legal work the campaign money is buying.

PROUD OF EARMARKS

Maybe a dozen protesters picketed Young's campaign event on a cold night in Anchorage. Some focused on opposition to the Iraq war, others on earmarks. Members of Congress insert earmarks into national spending bills to direct money to specific projects and programs. The process has been criticized for lack of hearings or debate over the spending.

Democratic challenger Benson, as well as Oklahoma Republican Sen. Tom Coburn, have asked for an investigation into how a $10 million earmark to study a Florida interchange was inserted into a bill that had already won final congressional approval.

A real estate developer who favored the interchange contributed to Young's campaign. But Young said he favored the earmark because local residents asks for it.

There are conflicting stories about who inserted the earmark.

Young, chairman of the House transportation committee at the time, defended earmarks in general during his Alaska visit last week.

"None of those earmarks were ever put into a bill that wasn't asked for, including in Florida, and I want you to understand that," Young said in a Friday speech at a ports conference in Anchorage.

He said communities across Alaska ask him for earmarks to help with needs the state can't, or won't, provide for.

That's his job, Young said.

"I'm proud of every earmark I've ever gotten," he said. "That's really what you ask me to do."

Protesters outside Young's campaign event at the Sourdough Mining Company said they hope to be in his face wherever he goes on the campaign trail. John Fairleigh, an organizer of the protest, said he wants to make it more difficult for Young to campaign.

"I'd like this many or more protesters to greet him every time he goes out into public, so he fears to go out into public," he said.

Fairleigh carried a sign with Young's picture that read: "This little piggy sold earmarks." He said that supporting earmarks is like supporting embezzlement.

Some of the protesters who tried to go into the Young campaign event were kicked out. One woman, Dagmar Mikko, said she was pushed.

ON THE STUMP

Young's Anchorage campaign event was a drinks-and-dinner affair, with political notables like GOP party chair Ruedrich and former Democratic Gov. Bill Sheffield among the crowd.

Young took the microphone and said he and his supporters have to get out and talk to voters.

"And convince people I am still there, my heart is still there, my dedication is still there. Nobody knows this state better than I do," Young said.

A campaign event earlier in the week at Evangelo's Restaurant in Wasilla was more laid back.

Young chatted with small groups. Some people, like Jack Bohnert of Wasilla, just wanted to say hi. Bohnert said Young understands that Alaska is a young state and has needs.

FBI - Stevens-1663

"He's great," Bohnert said. "I've voted for him every time now for 20 years."

Find Sean Cockerham online at adn.com/contact/scockerham or call him at 257-4344.

LOAD-DATE: January 14, 2008

LANGUAGE: ENGLISH

GRAPHIC: Photos by MARC LESTER / Anchorage Daily News
U.S. Rep. Don Young speaks to supporters during an event at the Sourdough Mining Company Restaurant on Thursday.
Young, left, is greeted by former Alaska Gov. Bill Sheffield on Thursday night.

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Anchorage Daily News (Alaska)

December 30, 2007 Sunday
FINAL EDITION

Letter urges Cowdery to resign;
LEGISLATURE: Senator implicated in Veco scandal is asked by minority to quit. xxxx: XXXXX

BYLINE: By SEAN COCKERHAM scockerham@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 821 words

The state Senate minority has sent a letter to Anchorage Sen. John Cowdery asking him to resign from public office because he has been implicated in the Veco bribery scandal.

"Now that we are approaching the regular session, and with it seeming the majority does not intend to do anything, we felt it was appropriate to say something," Senate Minority Leader Gene Therriault, a Republican from North Pole, said Saturday.

Therriault said the letter was hand-delivered to Cowdery more than a week ago. He said the only other copies went to state Senate President Lyda Green and Senate Majority Leader Gary Stevens.

Green, a Wasilla Republican, said Cowdery has not been charged with any crime and she feels "it is probably very premature" for lawmakers to call for his resignation.

Green said she spoke briefly to Cowdery about the letter from the Senate minority.

"He was very hurt, as was his wife," Green said.

Green said, at this point at least, she expects Cowdery to serve in the coming legislative session and to continue in the position of Senate rules chairman. The 2008 session begins on Jan. 15.

Cowdery did not return a phone message left at his home seeking comment Saturday. He has not responded to recent requests by the Daily News for an interview.

He has previously denied any wrongdoing. His name has come up in federal corruption trials, though.

Former Veco Corp. vice president Rick Smith testified in the recent trials of two former state legislators that he bribed Cowdery. Smith, who has been convicted and is cooperating with federal prosecutors, did not give details.

Former Veco chief Bill Allen, who has also been convicted of giving bribes and is cooperating with federal prosecutors, has testified Cowdery was a part of his inner circle.

Cowdery is one of six state legislators whose offices the FBI searched in August 2006.

Cowdery stayed away from the recent special session on oil taxes, saying he did not want to be a distraction. The Republican represents a district that includes a stretch of the Lower Hillside and South Anchorage.

FBI - Stevens-1665

Therriault said the Senate majority should not ignore the sworn trial testimony about Cowdery.

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"They can't just adopt a bunker mentality and think the Alaska public is going to let it blow over. Because I don't think they are," he said.

Therriault on Saturday confirmed the existence of the letter asking Cowdery to resign but declined to release a copy of it after consulting with members of his caucus.

"It was not our intent, individually signing the letter, that it be used to generate a headline," Therriault said.

Therriault said all five members of the Senate minority caucus signed the letter. All are Republicans.

The bipartisan Senate majority caucus is composed of six Republicans and nine Democrats. Juneau Democratic Sen. Kim Elton, when contacted by a reporter on Saturday, said it was the first he'd heard of such a letter asking for Cowdery to resign.

Elton said he thinks whether Cowdery should resign is more of an issue between Cowdery and his constituents. He said it is not time for the majority to act.

But Elton said that, if nothing changes before the Legislature convenes next month, the majority would need to talk about what to do.

"I think a discussion needs to happen because of the testimony during the trials, and I think it will happen," Elton said.

Whatever Cowdery did or didn't do, Elton said, perceptions could get in the way of Senate business.

"People need to talk about those perceptions," he said.

That would include a discussion about whether Cowdery remains as rules chairman, he said. It's one of the most powerful jobs in the Senate, basically the gatekeeper of what legislation reaches the floor for a vote. Republican Gov. Sarah Palin and the Senate minority have both said the majority should review whether Cowdery stays as the rules chairman.

Senate President Green said she thinks the bigger issue at the moment is Cowdery's health. Cowdery, 77, has been repeatedly hospitalized in recent months, including with pneumonia and an infection in his leg. He has used a walker at times.

"I continue to be concerned about his health. ... I know he's had continuing visits with the doctor. I don't know what the status of those are. But, you know, he had some pretty serious illnesses just two or three months ago. Some of those you don't just snap back from in a flash. That's my concern," Green said.

Green said that Cowdery is looking better lately and has lost some weight.

If Cowdery did resign from the Senate, the governor would select a replacement to fill out the one year remaining in his term. Cowdery has not registered with the division of elections to run for re-election next fall but has until June to do so.

He has filed his intent with the Alaska Public Offices Commission to raise campaign money for a 2008 run.

Find Sean Cockerham online at adn.com/contact/scockerham or call him at 257-4344.

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GRAPHIC: Therriault
Cowdery

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Anchorage Daily News (Alaska)

January 9, 2008 Wednesday
FINAL EDITION

Suspicion surrounds Cowdery;
INVESTIGATION: State senator faces no charges, but he's been linked to Veco corruption scandal.

BYLINE: By LISA DEMER ldemer@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 1929 words

The FBI searched his office and a federal informant named him from the witness stand as someone he bribed.

Long-time state Sen. John Cowdery, who just announced that he won't run again, hasn't been charged with anything, but his name keeps popping up in the ongoing federal investigation into corruption in Alaska.

The FBI search, the courtroom accusations, his position of power in the Senate -- they all fuel public conjecture. So does his long, personal relationship with former Veco chief executive Bill Allen, already convicted of bribery.

And for years, there has been speculation about a yacht owned by Cowdery that sank in its slip in the Whittier harbor. It ended up in a Veco yard near the Port of Anchorage.

Does the vessel fit into the ongoing investigation?

The feds say nothing.

But some information is available, starting with the fact that Allen and Cowdery go way back.

Both are self-made contractors with little formal schooling. The two men were so close that Cowdery could pop over to Allen's downtown Anchorage home whenever he wanted, Allen testified in a recent corruption trial. "I'm at the front door," the senator would announce.

So when Cowdery's yacht, the Johnita II, sank nearly seven years ago, he relied on Veco and his friend Allen to help him deal with the resulting mess, according to three individuals involved with the boat's salvage.

Veco, an oil field services contractor now at the center of the corruption cases, paid to have the damaged boat towed to Anchorage because Allen was going to buy and repair it, Cowdery said in an interview recently. But Allen later backed out, the senator said.

"There's nothing there," Cowdery said.

In any event, Cowdery said, too much time has passed to bring charges. "Of course, the statute of limitations is gone on that," he said.

FBI - Stevens-1667

(Bribery has a five-year statute of limitations, and the boat sank in 2001.)

In May, Allen pleaded guilty to bribery and conspiracy, revealing his role as an informant in the FBI investigation of influence peddling. Already two state lawmakers have been convicted of accepting bribes in exchange for helping push a Veco-supported oil tax. As Allen told jurors, the bribes took various forms: cash payoffs, promises of a job, and money that he funneled to a former House speaker through an inflated business invoice.

194A-AN-13620-M; 686

Cowdery is one of six state legislators whose offices were searched in August 2006 by the FBI as the investigation burst into public view. Former Veco vice president Rick Smith, also convicted and cooperating, testified in recent corruption trials that he bribed Cowdery, but didn't give details. Allen said from the stand that Cowdery was part of his inner circle.

Cowdery has a folksy Midwestern manner and, at 77, a shock of white hair. He's been ailing physically, uses a walker at times. He said he won't run in 2008 because of his health and age.

He says he's done nothing wrong and doesn't expect to be indicted. He didn't respond to written questions and for months wouldn't be interviewed.

Back in 2006, when he was again named chairman of the powerful Senate Rules Committee, Cowdery puzzled over the things FBI agents had seized from his office: copies of his legislative paycheck, a video of legislative skits and a manual of conduct for legislative pages. "What does that got to do with the price of tea?" Cowdery said at the time.

They also took a single business card out of maybe 10,000 he has collected, he said. It belonged to Veco's Rick Smith.

UNDERWATER

Cowdery's time in Alaska stretches back to 1950. He and his wife, Juanita, live in a house on Lake Otis Parkway. Cowdery used to run an excavation business and was a city public works executive under Mayor Tom Fink.

A Republican whose district includes a stretch of South Anchorage and the Lower Hillside, Cowdery has been elected three times to the House and three times to the Senate.

He's had boats for years and has tempted fate more than once.

The Johnita II, like the first Johnita, was named after the combined first names of John and Juanita.

Just after the legislative session in 2000, Cowdery skippered his newly bought 50-foot Chris Craft from Southern California to Whittier. According to an account Cowdery posted on his family Web site, he and the crew of the Johnita II barely made it.

Caught in a sudden storm off Vancouver Island, they lost steering, put on survival suits, called the U.S. Coast Guard for a rescue, and were towed to a bay, Cowdery's account says.

Months later, the Whittier harbor master noticed the Johnita II was in trouble.

It was around 6:15 on the morning of Feb. 26, 2001. Dark. Snow on the ground. Icy around the dock. Then-harbor master Charlene Arneson poured herself a cup of coffee, lifted the drapes and saw Cowdery's big boat listing.

She alerted others, then took off to grab a pump from the harbor shop.

"By the time I got the pump to the top of the ramp ... it was already down," Arneson, who is now retired, said in a recent interview.

By 6:50 a.m., the Johnita II was underwater, according to the harbor's incident report.

FBI - Stevens-1668

The harbor crew and a local marine services business worked all day and into the night to raise it, said Mike Davidson, who at the time was operations manager and later served as harbor master.

There was no government investigation into why the boat sank, but Davidson said it appears a screw holding a clamp around a critical hose simply rusted through.

Chris Pallister, an Anchorage attorney who eventually restored the boat, said he found numerous defects with its design and believes water was able to leak in a number of ways, including through a deck drainage hose that came loose and allowed heavy wet snow and rain to pour in. Water seeped in slowly, over days, he believes.

At any rate, the Johnita II was a wreck. Crews tried to lift it out of the water for repairs, but it was too heavy for the equipment on hand, Davidson said. Both Davidson and Larry Gilman, owner of Custom Marine Services, said Cowdery paid for the boat to be raised.

Then Veco stepped in, according to Dave Martinsen, a Wasilla resident whose family had boats in Whittier and who now works as a long-distance truck driver.

Cowdery was by then a senator and chairman of the Transportation Committee. He called Martinsen to tow the boat by water all the way around the Kenai Peninsula to the Veco yard near Ship Creek in Anchorage, Martinsen said.

When he pulled into the Anchorage dock with the Johnita II in tow, Cowdery and his wife met him. He thought Cowdery was going to pay him.

Instead, Martinsen said, Cowdery told him to go to an address near the airport -- years later, he doesn't remember whose home it was, or exactly where. But whoever was there gave him a Veco check, he said.

"I took it (the boat) to Veco's yard and actually Veco was the one that paid me," Martinsen said.

As he remembers the job, Veco paid him between $4,000 and $5,000 to tow the Johnita II.

"I remember damn sure who paid me and I was shocked by the matter," Martinsen said.

REPAIRS FOR A SHARE

Sometime after that, Cowdery told Anchorage furniture maker Ernie Hall that Bill Allen had become a partner in the boat, according to Hall.

Cowdery had approached Hall the year before about building a custom teak table for the yacht. When the boat sank, Cowdery told Hall to forget it. Later he dropped by Hall's Midtown plant, Alaska Furniture Manufacturing, and said to go ahead.

"I said, 'Oh, did you get a new boat?' " Hall recalled. "He said, 'No, we've got that one refloated and Bill Allen's redoing it and he's a 49 percent partner in the boat with me, or he took 49 percent and he's going to restore the boat.' "

So they went to the docks to check it out.

"It was a typical thing with John. John always comes flying up in his Cadillac, jumps out, runs in and says 'Here, I need you to go with me for a minute.' Then you run and take a look at a deal," said Hall, who in 2002 was a Democratic candidate for lieutenant governor.

Allen had a mechanic inspect the boat and decided he didn't want it after all, Cowdery said in the recent interview.

For his labor and some money, Pallister said he became a partner in the boat, which he used over the summer last year. He runs a nonprofit beach cleanup group. Cowdery said Pallister made payments to him and eventually bought the boat outright.

Last year, Pallister sought state and federal grants for state park cleanup work to be done through his nonprofit, Gulf of Alaska Keeper.

Two Juneau lobbyists worked for Pallister to get the state money.

"I told them right out of the get-go, 'Listen, John Cowdery and I are partners in a boat. Keep him the hell out of this. I don't want any linkage with John Cowdery or Veco or anything else,' " Pallister said.

Yet Cowdery approached the Senate Finance Committee seeking $150,000 in state money for the project, said Fred Fisher, at the time a Senate budget aide. The full Legislature approved it, but Palin vetoed the appropriation.

FBI - Stevens-1669

'THE SAME MAKEUP'

Over the years, Cowdery socialized with Allen and was perhaps the state Legislature's biggest beneficiary of campaign money from Veco executives.

Allen told jurors that other than his drinking buddy, former House Speaker Pete Kott, Cowdery was the legislator he was closest to.

"John Cowdery was -- he didn't drink a lot, but him and I seen each other a lot. He had the same makeup, I guess, of me," Allen testified in the Kott trial.

Cowdery collected more than $35,000 in campaign contributions from Veco executives and employees between 1998 and 2004, according to candidate reports compiled by the Daily News and other sources. From the top Veco givers, he got more than any other candidate, according to a 2006 opinion column that ran in Alaska newspapers by Veco critic Lori Backes, a supporter of an all-Alaska gas pipeline project. He came in just ahead of the now-convicted Kott.

Smith testified in the recent trials that Cowdery was one of the main legislators Veco relied on to push a new oil tax as a step toward getting a natural gas pipeline, which could have been enormously lucrative to Veco.

According to court documents, Cowdery, Allen and an unnamed "elected official" in need of money met at a restaurant where Allen offered to raise $25,000 if the official would vote the same way as Cowdery and then-Senate President Ben Stevens.

But nothing came of it and when a tax rate higher than Veco wanted passed in an August 2006 special session, Cowdery missed the vote:

Allen and Smith stepped down from their jobs after pleading guilty to bribery and conspiracy in May. Veco's been sold. But Cowdery is still in the state Senate and until Jan. 2, he was a candidate for re-election this year.

BACK AT SEA

This summer, Cowdery survived another boating calamity and it was worse than the other ones.

On Aug. 1, he and three others took his smaller boat, the Johnita, out of Whittier harbor for a day of fishing. Then the cabin started to fill with smoke, said Ron Wise, a musician friend of Cowdery's on board that day. Two men on a nearby boat rescued the Cowdery foursome.

A funnel of dark smoke poured into the sky. It was all that remained as the boat sank into the depths of Prince William Sound.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390. Reporter Sean Cockerham contributed to this story.

CORRUPTION: For complete coverage of the FBI investigations into Alaska politicians, including secretly recorded audio and video surveillance, a big-picture overview and list of key figures involved, visit

adn.com/fbi

LOAD-DATE: January 9, 2008

LANGUAGE: ENGLISH

GRAPHIC: Cowdery
Photo courtesy of Whittier Small Boat Harbor
State Sen. John Cowdery's boat, the Johnita II, sank at the dock in Whittier on Feb. 26, 2001. It was raised and towed to a Veco yard at the Port of Anchorage by Dave Martinsen. Martinsen said he was paid between $4,000 and $5,000 for the work with a Veco check.
RICHARD MAUER / Daily News archive 2006
Cowdery, using a walker, returns to his legislative office in Anchorage after being questioned by federal agents on Aug. 31, 2006.

DOCUMENT-TYPE: Staff

FBI - Stevens-1670

PUBLICATION-TYPE: Newspaper

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Anchorage Daily News (Alaska)

December 21, 2007 Friday
FINAL EDITION

Committee rules Harris ran afoul of ethics law; DOING PARTY BUSINESS: Panel dismisses complaint against Kott.

BYLINE: By SEAN COCKERHAM scockerham@adn.com

SECTION: ALASKA; Pg. B1

LENGTH: 602 words

There's probable cause that House Speaker John Harris broke state ethics law with a news release calling on Ben Stevens to resign from the Republican National Committee.

That's the word from the Select Committee on Legislative Ethics. It dismissed a complaint against convicted former state House Speaker Pete Kott but upheld one against Harris. The committee basically said Harris was doing Republican Party business out of his legislative office.

"Representative Harris used state resources (staff, equipment and legislative letterhead), to prepare and issue a press release focused solely on partisan political activity," said the report, released Wednesday.

Stevens, the former president of the state Senate, is under federal investigation. Gov. Sarah Palin has also called on Stevens to resign. But someone made a confidential ethics complaint against Harris after he issued a press release on it.

Harris put in policies for his legislative office after the complaint to make sure it doesn't happen again, the report said. In light of that, the committee said no punishment is needed.

Harris, a Republican from Valdez, was in Mexico on vacation Thursday and couldn't be reached for comment.

Harris issued the news release on Sept. 19. It was headlined "Speaker Calls on Ben Stevens to Resign National Committeeman Position."

Stevens, son of U.S. Sen. Ted Stevens, holds the position of national committeeman for the Alaska Republican Party.

That gives him a seat on the Republican National Committee. The Republican National Committee is composed of one man and one woman from each of the 50 states. The committee decides the party position and puts together the party platform, among other things.

Two executives of the oil field services company Veco have testified that they bribed Stevens. But Stevens has not been charged and has denied engaging in any illegal activity.

Harris' news release said Stevens had lost the confidence of Alaskans and the support of the state's top elected leadership. It said Stevens had not attended to the duties of the Republican National Committee for more than two years. His term ends in March.

The ethics committee also dismissed a complaint filed in May against former House Speaker Pete Kott. He was sentenced this month to six years in prison on federal corruption charges.

FBI - Stevens-1671

The committee decided not to investigate the most serious allegation in the complaint.

The ethics report described the allegation only as "that former representative Kott used his status as a legislator to obtain personal gain for Debora J. Stovern in a court hearing."

194A-AN-13620-M1,687

Stovern is Kott's girlfriend. She said in a Wednesday interview Kott was accused of helping her in a child support case.

"The allegation was that he somehow influenced the judge to set a child support amount, which of course is ridiculous," she said.

Ethics committee administrator Joyce Anderson said the reasons the panel decided not to investigate are confidential. But, under the law, there could be a couple.

The committee members might have decided the complaint lacked enough information to warrant an investigation. Or they might have decided it was somehow outside their jurisdiction, although it generally covers misuse of legislative office.

The committee dismissed an allegation Kott failed to disclose that Stovern was his "domestic partner" when he was a legislator and she worked for the legislative affairs agency.

It also threw out a claim Kott improperly used state resources by faxing eight documents in 2003.

Find Sean Cockerham online at adn.com/contact/scockerham or call him at 257-4344.

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FBI - Stevens-1672

Anchorage Daily News (Alaska)

December 20, 2007 Thursday
FINAL EDITION

Kott files appeal of 6-year sentence, federal convictions; CORRUPTION: He wants to remain out of prison during process.

BYLINE: By STEVE QUINN The Associated Press

SECTION: ALASKA; Pg. B2

LENGTH: 324 words

DATELINE: JUNEAU -

Former Alaska House Speaker Pete Kott has appealed both his conviction and his six-year sentence on federal corruption charges.

Kott also has asked the court to let him remain free until his appeal is heard by the 9th U.S. Circuit Court of Appeals, his attorney, James Wendt, said Wednesday.

Kott was found guilty of conspiracy, bribery and extortion in September and was sentenced earlier this month. He hasn't been assigned a federal prison or a date to turn himself in, Wendt said.

It could take up to 18 months for the federal appeals court to hear Kott's case. Until then, Wendt said, he would like for Kott to be able to stay out of prison.

"If he goes to jail and wins an appeal, he will have done all that time in jail potentially for nothing," said Wendt, who has recommended Kott hire an attorney specializing in appeals to further handle the case.

Calls to the Justice Department seeking comment were not immediately returned.

Kott is one of three former lawmakers found guilty this year of bribery.

In two of those cases, both lawmakers -- including Kott -- were bribed by executives of the oil field services company Veco Corp. who tried to influence passage of an oil tax favorable to the oil industry. The tax was passed, but lawmakers returned to Juneau last month and revised the rate.

At Kott's sentencing earlier this month, U.S. District Judge John Sedwick assigned a prison term beyond sentencing guidelines after concluding that Kott had committed perjury during his trial.

Sedwick also said the legislation Kott took bribes to influence -- a revised tax law on Alaska's principal industry, crude oil extraction -- affected every Alaskan.

Kott was fined $10,000 along with the prison sentence. He could have received 35 years on the three charges.

Kott represented Eagle River for 14 years, including two as House speaker.

FBI - Stevens-1673

He lost his bid for re-election during a 2006 primary to current House Rep. Anna Fairclough.

LOAD-DATE: December 20, 2007

194A-AN-13620-M;688

LANGUAGE: ENGLISH

GRAPHIC: Kott

DOCUMENT-TYPE: WIRE

PUBLICATION-TYPE: Newspaper

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FBI - Stevens-1674

Anchorage Daily News (Alaska)

January 1, 2008 Tuesday
FINAL EDITION

Wondrous and weird: 2007 all that for Alaska; LIVELY YEAR: Maggie, Mackey and malfeasance all played a part.

BYLINE: By STEVE QUINN The Associated Press

FBI - Stevens-1675

SECTION: ALASKA; Pg. B1

LENGTH: 857 words

From the federal courtroom to the Capitol to the North Slope, Alaska forged its way into national and even global headlines.

Sometimes the news was sobering, like recent NASA reports on how the Arctic Ocean could be nearly ice-free during summer within decades.

At times, it was bizarre, like the story of a female astronaut driving from Texas to Florida on a trip that prosecutors said was to attack a rival for the affection of Alaskan Bill Oefelein, another astronaut.

Other times it was an inspiring tale, thanks to cancer survivor Lance Mackey winning the Yukon Quest and Iditarod in the same year.

Alaskans welcomed a popular new governor to her first legislative session and had the state's profile raised in animation through "The Simpsons Movie."

Still, corruption and Gov. Sarah Palin's emergence on the national scene -- one that included a photo shoot with Vogue -- led the news for most of 2007.

At times, their paths crossed, as when Palin called a special legislative session to raise an oil tax that was at the heart of the federal probe.

Federal investigators had their day in all three major cities, starting with Fairbanks in January. That month, former Fairbanks Mayor Jim Hayes and his wife, Chris, were indicted on charges of using federal funds to pay personal bills.

For the next four months, Alaskans awaited the results of 2006 FBI raids on several lawmakers' offices. By May 4, they had a few answers.

Republican state Rep. Vic Kohring of Wasilla and former Reps. Pete Kott and Bruce Weyhrauch were arrested on charges they accepted bribes to support legislation for oil services company Veco Corp.

A few days later, two of the company's top officers, Bill Allen and Rick Smith, pleaded guilty to bribing them and other lawmakers with cash or the promise of jobs for their backing on bills supported by Veco.

Allen and Smith served as government witnesses, leading to the conviction of Kott and Kohring. Kott received a six-year prison sentence; Kohring awaits sentencing. Weyhrauch's trial has been delayed.

In a separate federal case, former Rep. Tom Anderson, R-Anchorage, was found guilty of conspiracy and bribery for taking money he thought was coming from a private prison firm. The money was supplied by the FBI through an informant. Anderson began serving his five-year prison term this month.

By summertime, the investigation reached Capitol Hill, where Sen. Ted Stevens and U.S. Rep. Don Young became part of a wide-ranging probe that includes their connection with Allen and Smith.

194A-AN-136220-M;6689

In July, federal agents searched Stevens' Girdwood home, focusing on records related to his relationship with Allen. Stevens has been under a federal investigation for a 2000 renovation that more than doubled the size of his home, a project overseen by Allen. Stevens has repeatedly said he paid all bills he was given.

Other top Alaska stories for 2007 include:

CLIMATE

Arctic melt reached numerous records in 2007, including a few that touched the state. Dwindling sea ice affected wildlife as 6,000 walruses hauled out on shore instead of sea ice in northwest Alaska in October. Alaska's permafrost also warmed.

STRIPPER MURDER

A stripper-turned-soccer mom was convicted of first-degree murder. Mechele Linehan was convicted of conspiring with a man who hoped to marry her, John T. Carlin III, to kill her fiance, Kent Leppink, who was shot three times in 1996 on an isolated trail near Hope.

SUPREME COURT

The court provided the final word on one case and agreed to hear another.

In June, the Supreme Court tightened limits on student speech that advocates drug use when it ruled against former Juneau-Douglas High School student Joseph Frederick and his 14-foot-long "Bong Hits 4 Jesus" banner.

In October, the Supreme Court agreed to consider whether Exxon Mobil, having already paid more than $3.5 billion in cleanup costs and other penalties, should face punitive damages.

BRIDGE GOES NOWHERE

The state pulled the plug on a proposed bridge from Ketchikan to its airport on Gravina Island. It was a multimillion-dollar project, backed by a federal earmark, that quickly became a symbol of pork barrel spending. It also cast Alaska as a freeloading state.

BP SETTLEMENT

More than one year after a partial production shutdown to Prudhoe Bay, field operator BP America agreed to pay $20 million and plead guilty to a misdemeanor violation of the federal Clean Water Act for a crude spill on the North Slope.

MOVIES AND LITERATURE

Alaska found itself prominent in two general-release films this year -- "The Simpsons Movie" and "Into the Wild"-- and one best-selling novel, "The Yiddish Policemen's Union."

MAGGIE THE ELEPHANT

The Air Force helped move Maggie, the state's only elephant, on a one-way trip to San Andreas, Calif. The trip ended a months-long dispute between those wanting Maggie to stay at the Alaska Zoo and those advocating for a warmer climate.

FBI - Stevens-1676

Pleas to have her moved grew louder this year when Maggie twice couldn't stand up on her own.

MUSHING

Cancer survivor Lance Mackey made mushing history with victories in the grueling Yukon Quest International Sled Dog Race and then the Iditarod.

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FBI - Stevens-1677

Anchorage Daily News (Alaska)

January 4, 2008 Friday
FINAL EDITION

Cowdery won't seek re-election;
HEALTH: Kidney infection may keep him from legislative session.

BYLINE: By SEAN COCKERHAM scockerham@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 900 words

Embattled state Sen. John Cowdery of Anchorage has dropped his bid for re-election and may not attend the legislative session that starts in Juneau this month.

But Cowdery said Thursday he won't resign from the Legislature, despite health problems and having his name linked in court testimony to the Veco bribery scandal.

"I don't plan on resigning. I don't have to go to Juneau. I can do most of my work here if I have to," said Cowdery, sitting in his legislative office in downtown Anchorage.

Cowdery said it is up to his doctor whether he goes to Juneau when the 2008 legislative session begins Jan. 15.

The 77-year-old Republican said resigning would be seen as an indication that he has done something wrong. Cowdery has not been charged and said he has done nothing wrong.

The all-Republican Senate minority sent Cowdery a letter last month asking him to resign as a result of being implicated in the scandal. Three former legislators have been convicted so far in the broad, ongoing federal corruption probe.

Cowdery is one of the most powerful members of the bipartisan Senate majority caucus. He chairs the Rules Committee, basically the gatekeeper for what legislation reaches the floor for a vote.

Former Veco Corp. vice president Rick Smith testified under oath in the recent corruption trials of two former state legislators that he bribed Cowdery. Smith, who has been convicted and is cooperating with federal prosecutors, did not give details.

Cowdery said Thursday that Smith lied.

"If, when this is all over, he said that under oath, I am going to sue the hell out of him," Cowdery said.

FBI - Stevens-1678

Smith's lawyer, John Murtagh, declined comment.

Cowdery said he would check with his doctor in the middle of next week on whether he should go down to Juneau for the session.

He said he could still represent his constituents even if he's not in Juneau. Cowdery represents a district that includes a stretch of the Lower Hillside and South Anchorage.

Cowdery pointed out that other senators have missed big portions of a legislative session, either for their own health reasons or that of a spouse. Those lawmakers at times participated in legislative committee meetings by teleconference.

The Uniform Rules of the Alaska Legislature say legislators cannot miss floor sessions, where bills are passed, unless they are either excused or "ill and unable to attend."

194A-AN-13620-M;690

Cowdery said he would not claim the per diem payment lawmakers get during the session if he does not go to Juneau.

Anchorage Republican Rep. Kevin Meyer, who represents some of the same constituents in the state House as Cowdery does in the Senate, said he hopes Cowdery could at least make it to Juneau for key portions of the coming legislative session.

Lawmakers must be present in Juneau to vote on bills on the Senate floor.

"If you can't cast a vote, I'm not sure how well you are representing the district," Meyer said.

Meyer is running for Cowdery's Senate seat in the fall election. He was planning to do so whether Cowdery ran or not.

Cowdery faxed a letter Wednesday to the Alaska Public Offices Commission, saying he wasn't going to run again.

"Due to my age and health I wish to withdraw my letter of intent to run for re-election," Cowdery said in the handwritten letter.

Cowdery said in an interview that he is having kidney problems.

"They don't function right and they are infected. We are trying to break the infection. Sometimes we think we've got it and sometimes we don't," Cowdery said.

He said his doctor thinks the stress and uproar surrounding the federal investigation is making it worse.

Cowdery said he is confident he will not be indicted.

"I haven't done anything. I don't know anything," Cowdery said.

Cowdery's name has come up in the testimony of both Smith and former Veco chief executive Bill Allen, who also has pleaded guilty to bribery and is working with federal prosecutors. Allen testified Cowdery was part of his inner circle, one of his closest friends.

Cowdery is one of six state legislators whose offices the FBI searched in August 2006. He stayed away from the recent special session on oil taxes, saying he didn't want to be a distraction.

Cowdery said he worked his entire life to build his reputation and called the controversy swirling around him "bulls---." Cowdery said he believes the FBI is after bigger targets.

He said he thinks he has enough support in the bipartisan Senate majority to continue as the Rules chairman if he comes to Juneau for the legislative session. If he's not there when the session convenes Jan. 15, though, that could change.

Cowdery has been in the state Legislature since 1997. Meyer is the only candidate so far to file with the state division of elections to run for Cowdery's Senate seat in the fall.

Democrat Lynda Zaugg, who lost to Cowdery in 2004, has filed her intent with the state Public Offices Commission to raise campaign money for a 2008 run in either the state House or Senate.

Zaugg was out of town Thursday and couldn't be reached, but state Democratic Party officials said they expect her to run for Meyer's House seat instead of Cowdery's Senate seat.

Potential candidates have until June to file with the elections division.

"I am optimistic we will have a viable Democrat run for the seat," said Kay Brown, the party's spokeswoman.

Find Sean Cockerham online at adn.com/contact/scockerham or call him at 257-4344.

FBI - Stevens-1679

LOAD-DATE: January 4, 2008

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GRAPHIC: Cowdery

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FBI - Stevens-1680

Anchorage Daily News (Alaska)

December 31, 2007 Monday
FINAL EDITION

Meyer says he'll offer legislation on ethics;
ISSUES: His bills will address conflicts, fundraising in session.

BYLINE: By SEAN COCKERHAM scockerham@adn.com

SECTION: ALASKA; Pg. B1

LENGTH: 840 words

The Alaska Legislature, reeling from corruption convictions of three of its former members, isn't done arguing ethics.

Anchorage Republican Rep. Kevin Meyer said he plans to put in a bill meant to generate discussion about whether legislators should get to vote on something in which they have a potential conflict of interest. Currently, conflicts don't stop voting.

Meyer is also crafting a bill to forbid state legislators who are running for federal office from raising campaign money when the Legislature is in session. That takes a poke at Kodiak Rep. Gabrielle LeDoux's fundraising for her congressional race during this fall's special session on oil taxes.

Gov. Sarah Palin plans to get into the ethics mix as well with some bills of her own. Palin's legislative director, Russ Kelly, said the specifics are still being worked out.

Some Alaska legislators are weary of being reminded about the corruption that was in their midst. But it doesn't look as though it's going away as an issue anytime soon.

Kodiak Republican LeDoux, who is running for Don Young's seat in the U.S. House of Representatives, has been banging the drum loudly in recent weeks. LeDoux has been writing op-ed newspaper columns complaining that legislators routinely vote on bills in which they have a conflict of interest.

Alaska has a part-time citizen Legislature. Some legislators are essentially professional politicians, but others have ties to fishing, labor unions, oil, tourism and other interests that constantly have bills before the Legislature. Alaska legislators are required to publicly disclose their financial ties.

It's tradition in the Legislature to require all lawmakers who declare a conflict of interest to vote anyway. Basically, a legislator with a potential conflict is supposed to ask his colleagues to excuse him from voting. But all it takes is one other legislator to say, "I object," and he has to vote. There's always at least one objection.

LeDoux raised the issue in Juneau last month during the special session on raising oil taxes. She argued without success that legislators with ties to the oil industry should not vote.

Anchorage Rep. Meyer is one of the legislators LeDoux was talking about. He works in purchasing for Conoco Phillips, the state's biggest oil producer, when he is not in Juneau as a legislator.

Meyer is one of the most influential members of the state House and is running for the state Senate in next fall's elections. There have already been letters to the editor charging that he is conflicted by the fact that he works for an oil company.

FBI - Stevens-1681

Meyer consistently discloses his employer when oil bills come up in committee and on the floor.

"I'm pretty sensitive to it," he said.

194A-AN-136620-M; 6911

Meyer said his bill would set up a process similar to what happened when he was on the Anchorage Assembly, although he had problems with that process too.

Basically, he said, the Assembly members would take a vote on whether one of their colleagues had a conflict and should be barred from voting on a proposal.

But Meyer said that didn't really work too well. The votes on whether an Assembly member was conflicted often came down to whoever might be a political ally on the issue at hand, he said. So the process became too political, he said.

Meyer actually thinks the Legislature's current system is better than that. He said everyone in his district knows where he works and he's uncomfortable with them not having a representative when an issue comes up that is related to the oil industry.

But he said he is open to changing the system and hopes putting in a bill will generate debate.

"The discussion will be healthy. Through the discussion maybe we can come up with a hybrid version that works even better," Meyer said.

LeDoux said she'd like to see a clear rule that forbids legislators with financial interests in a bill from voting. She conceded it could be hard to sort out just who had financial ties to any given bill, but said the matter could go to the legislative ethics committee to be sorted out.

One ethics measure already in Alaska law forbids legislators from raising campaign money for state offices when the Legislature is in session.

The idea is to avoid any appearance of quid pro quo. Meyer said he wants to expand the law to also forbid legislators from raising money for federal office during session.

"It doesn't look good, whether you are looking for state office or federal office," he said.

LeDoux said she made some phone calls during the recent special session on oil taxes and raised just a little money for her congressional campaign. She pointed out that it's legal but said she's open to the possibility of outlawing it.

"We could certainly talk about that," LeDoux said.

LeDoux said she's also pushing a bill that mirrors the Alaskans for Clean Elections initiative. It would allow state candidates who agree to forgo private fundraising to be eligible for public financing of their campaigns.

Find Sean Cockerham online at adn.com/contact/scockerham or call him at 257-4344.

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Anchorage Daily News (Alaska)

January 15, 2008 Tuesday
FINAL EDITION

District GOP leaders call for Cowdery to resign; AILING: The president of the Senate says others have been given leeway for illness.

BYLINE: By ANNE SUTTON The Associated Press

SECTION: MAIN; Pg. A1

LENGTH: 680 words

DATELINE: JUNEAU -

The latest calls for Republican Sen. John Cowdery to step down are coming from his own party and district, though Senate leaders say the ailing lawmaker should be back in his Juneau office this week.

Just before lawmakers were to convene in legislative session in Juneau, Republican party leaders from Cowdery's Anchorage district called on the veteran lawmaker to resign, saying he could not effectively represent his district from afar.

The 77-year-old senator, who has been dogged by a federal corruption probe, said last week he would not attend this year's session because of poor health, but he would participate by telephone.

In a resolution dated Sunday, district committee leaders said that would not do.

"His telephonic participation would effectively disenfranchise the voters of this district on most issues of importance to the district and the state," committee leaders wrote.

Lawmakers may participate in committee meetings by telephone but must be present to vote on the floor of the Senate or House.

Cowdery was not available for comment. Senate majority spokesman Jeff Turner said Cowdery remains hospitalized in Anchorage.

But Senate President Lyda Green, R-Wasilla, said she expects Cowdery will report to Juneau by the week's end. Green has steadfastly defended keeping Cowdery as rules chairman, a position that serves as gatekeeper for legislation headed for a floor vote.

Green said people need to be mindful of Cowdery's health when questioning whether he should still be in office.

"He's been a faithful member of the Legislature," said Green. "It's always hard when there are investigations. It's a bad signal to send, if because someone has a legitimate absence, they are called upon to resign."

Green said lawmakers in the past have been granted extended absences because of illness, either their own or that of a family member.

State party chairman Randy Ruedrich, who serves as spokesman for the district committees, did not return phone calls.

District 30 chairman Kenneth Kirk said at least a dozen committee leaders were involved in the drafting and approval of the resolution, which addresses only the question of Cowdery's presence in Juneau and not the federal investigation.

"If we were going to do something based on the corruption allegations, I think we would owe it to him to give him the opportunity to be heard on that issue," said Kirk.

"If he goes down there (to Juneau), then obviously that resolves the problem from our point of view."

Cowdery is one of six state legislators whose offices were searched by the FBI in August 2006. He has not been charged and has denied any wrongdoing.

Despite the federal probe, Cowdery was named Rules Committee chairman last year by the Senate majority, which is made up of six Republicans and nine Democrats.

However, during the trial of former House Speaker Pete Kott in September, a former Veco vice president, Rick Smith, testified that Cowdery was among five lawmakers he bribed to influence oil tax legislation.

That prompted Gov. Sarah Palin and other lawmakers to question whether Cowdery was qualified to continue as the Senate's Rules Committee chairman.

A few days later, Cowdery said he would not participate in the fall special session to review oil taxes.

On Monday, as other capital offices bustled with lawmakers and their aides preparing for the start of the session Tuesday, a lone aide in Cowdery's office said he did not know if other staffers would be joining him.

Cowdery has been repeatedly hospitalized in recent months, including with pneumonia and an infection in his leg.

A retired contractor, Cowdery is in his third term in the Senate. He also served three terms in the House.

INSIDE

STATE OF THE STATE: The Legislature convenes today, and there's already a fight between Gov. Sarah Palin and the Senate majority -- over when she should deliver the State of the State speech tonight. Page A-3

READ THE RESOLUTION: Read the resolution calling for Cowdery's resignation, and keep up with all the latest politics news, on our Alaska politics blog.

adn.com/politics

LOAD-DATE: January 15, 2008

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GRAPHIC: Cowdery
CHRIS MILLER / The Associated Press
Sen. John Cowdery's Capitol office in Juneau sits unoccupied Monday because of his recent hospitalization. Shortly before lawmakers were to begin the 2008 legislative session, district chairmen from Cowdery's own Anchorage Republican district said he should resign.

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FBI - Stevens-1684

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POLITICAL ANIMAL

By Kevin Drum

June 15, 2005

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The speech I want the Democratic nominee to give.
By Theodore C. Sorensen

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NEWS & OPINION FROM OUR CONTRIBUTING EDITORS

David Segal: The Puzzling, Tragic End of a Golden Couple 08/01/2007

GOLD RUSH.... The *LA Times* reports on the investing prowess of Senator Ted Stevens (R-Gold Country):

> In 1997, Stevens invested $50,000 with developer Jonathan B. Rubini. Last year, at Stevens' request, Rubini and his partner bought back the senator's interests in their deals for $872,000, according to Senate financial disclosure forms made public Tuesday.

Now, I know what you're thinking: the feds spent $70 million investigating Bill and Hillary Clinton over an investment they *lost* money on. So the Justice Department will surely be all over this.

After all, they have plenty to work with. The *Anchorage Daily News* summarized a 2003 *LA Times* investigation thusly:

> While Rubini was multiplying Stevens' wealth, Stevens was helping Rubini secure a $450 million Defense Department contract to build and own housing on Elmendorf Air Force Base.

But the *Times* story provided new details about the Stevens family finances:

- Stevens' wife, Catherine Bittner Stevens, made at least $47,000 by buying bargain shares of Alaska Communications Systems stock and then selling them a year later. Stevens, as a senior member of the Commerce Committee, has influenced communications policy that has benefited ACS.

- Sen. Stevens did not report in his 1999 financial disclosure that Chamer Co. — an investment firm owned by Catherine Stevens, her siblings and their mother — obtained 42,248 shares of ACS, some of which Catherine Stevens later purchased. "Ethics rules require disclosure by a family-owned business, in detail and in the same year a transaction occurs," the Times reported.

- Other investors in JL Properties, the Anchorage real estate venture Stevens invested in, were required to contribute more capital if needed and to personally guarantee the partnership's debts. Stevens, though, did not take on that risk. The Times reported: "Stevens was not asked to guarantee notes or promise more money because he was brought in as a passive investor, Rubini said. The senator said he asked for that status because it shielded him for the kind of open-ended financial obligation that had caused his 'bad experience' in the crab boat venture" that he lost money on in the 1980s.

You can read more about Stevens here and here. The original *LA Times* story is here. I just know that a special prosecutor will be jumping all over this any day now.

—Kevin Drum 12:11 PM Permalink | Trackbacks | Comments (0)

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Common Dreams
NEWS CENTER
Progressive News & Views for the Progressive Community

Published on Wednesday, December 17, 2003 by the Los Angeles Times

Senator's Way to Wealth Was Paved With Favors

by Chuck Neubauer and Richard T. Cooper

ANCHORAGE — He wielded extraordinary power in Washington for more than three decades, eventually holding sway over nearly $800 billion a year in federal spending.

But outside the halls of the U.S. Senate, which is a world of personal wealth so rarified some call it "the Millionaires' Club," Sen. Ted Stevens (R-Alaska) had struggled financially.

Then, in 1997, he got serious about making money. And in almost no time, he too was a millionaire — thanks to investments with businessmen who received government contracts or other benefits with his help.

Added together, Stevens' new partnerships and investments provide a step-by-step guide to building a personal fortune — if you happen to be one of the country's most influential senators.

They also illustrate how lax ethics rules allow members of Congress and their families to profit from personal business dealings with special interests.

Among the ways that Stevens became wealthy:

• Armed with the power his committee posts give him over the Pentagon, Stevens helped save a $450-million military housing contract for an Anchorage businessman. The same businessman made Stevens a partner in a series of real estate investments that turned the senator's $50,000 stake into at least $750,000 in six years.

• An Alaska Native company that Stevens helped create got millions of dollars in defense contracts through preferences he wrote into law. Now the company pays $6 million a year to lease an office building owned by the senator and his business partners. Stevens continues to push legislation that benefits the company.

• An Alaskan communications company benefited from the senator's activities on the Commerce Committee. His wife, Catherine, earned tens of thousands of dollars from an inside deal involving the company's stock.

Stevens, in a written response to questions submitted by The Times, said that in all these cases his official actions were motivated by a desire to help Alaska, and that he played no role in the day-to-day management of the ventures into which he put money.

"I am a passive investor," Stevens said of his real estate dealings. "I am not now nor have I been involved in buying or selling properties, negotiating leases or making other management decisions."

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All in the Family

In these deals and others, Stevens' brother-in-law, William H. Bittner, played a pivotal role. An Anchorage lawyer and lobbyist, Bittner represents major business interests for whom the senator has repeatedly gone to bat. In one instance, Stevens engineered a $9.6-million federal appropriation that chiefly benefited a Bittner client, part of South Korea's Hyundai conglomerate.

Stevens tucked a single line into a must-pass appropriations bill that used federal tax dollars to buy the company out of a coal-loading facility in Seward.

194A-AN-13620-M;694

Stevens said he did it to lower the company's costs and keep it from canceling an agreement to buy Alaskan coal. Bittner did not respond to questions from The Times.

Stevens' relationship with Bittner fits an increasingly widespread pattern in Washington: Senior senators do favors for special interests that pay hundreds of thousand of dollars in lobbying and consulting fees to the senators' children, spouses and other relatives.

As The Times documented in a series of articles in the summer, Sens. John B. Breaux (D-La.), Trent Lott (R-Miss.) and Orrin G. Hatch (R-Utah) did favors for companies and groups that paid their sons as lobbyists and consultants. Sen. Harry Reid (D-Nev.) has pushed through federal land trades and other provisions benefiting Nevada interests that employ his sons and son-in-law.

The Times also reported that Stevens had continually supported interests that paid his youngest son, Ben, hundreds of thousands of dollars as a consultant.

The senators all said their decisions on policy issues and legislation had not been influenced by their relatives.

But Stevens' dealings have carried him a step further. His official actions have helped individuals and companies from which he himself draws financial benefits, a six-month Times examination found.

His required financial statements have fallen short of complete disclosure — especially on the activities of a small investment corporation owned by his wife and her family, a company that is covered by the reporting rules.

The Senate has few ethics rules governing such arrangements. Although accepting expensive gifts and speaking fees is banned, the conflict-of-interest rules are much less explicit. For example, nothing clearly bars a senator from sponsoring legislation that benefits the clients of family members who lobby. Nor are lawmakers prohibited from going into business with people receiving legislative favors.

Mainly, the Senate relies on an ill-defined injunction not to bring shame upon the body.

Senate Ethics Committee Chairman George Voinovich (R-Ohio) declined to discuss the issues raised by The Times articles.

House Ethics Committee Chairman Joel Hefley (R-Colo.) said he hoped to convene an advisory panel of current and former House Ethics Committee members next year to examine a range of ethics questions, including how to address the issue of lobbying by relatives.

"I do think we ought to revisit this," he said. He declined to comment on the issue of lawmakers' financial partners.

Lawmakers should be careful about their business relationships, John D. Saxon, a former Senate Ethics Committee counsel, said, speaking generally and not about Stevens in particular.

"It's a very slippery slope for a member of Congress to be entangled with someone in a business dealing and then use their official position to help them, even if it's on something completely different," he said.

'Stevens Money'

Today, Stevens is the longest-serving Republican in the Senate, and as president pro tempore stands just behind the vice president and the speaker of the House in the constitutional line of succession to the Oval Office.

For more than 20 years, he has been chairman or ranking member of the Senate's Defense Appropriations Subcommittee. Since 1997, he has been chairman or ranking member of the full Appropriations Committee, which must approve every dollar of federal discretionary spending each year.

FBI - Stevens-1692

Stevens' position as a senior member of the Commerce Committee adds to his clout — especially in telecommunications policy, which is under the committee's jurisdiction.

In Alaska, Stevens exerts unparalleled influence. No state is so dependent on federal dollars and decisions. The federal government still owns 60% of all its land, generates one-third of all jobs, and holds the keys to economic growth through regulation of its major industries — oil and gas, fishing, timber and tourism.

Federal spending in Alaska, known locally as "Stevens money," runs as much as 70% above the national average on a per capita basis.

Since his first day in the Senate in 1968, Stevens has delivered for Alaska.

He has won tax breaks for Native businesses, bailouts for fishermen, a pipeline for an oil consortium and restoration of an abandoned Army post as a tourist attraction for a Yukon village.

He got $28 million for a rail terminal open only during the summer and $40 million for a commercial space satellite facility.

Almost every institution, region and segment of the population in the state has benefited from Stevens' efforts, from its schools and social programs to its transportation system, its urban areas and the far-flung villages of Alaska's Native peoples.

But during the period Stevens has grown wealthy, some longtime supporters say, the senator has become less willing to hear their views.

"I've been here a long time, and always had a great deal of respect for Sen. Stevens' enormous power and the good he's done for Alaska," Terry Haines, a veteran commercial fisherman from Kodiak Island, said recently. "But lately he's become extremely rigid and doesn't seem to be listening to his constituents much."

Hard Times

Theodore Fulton Stevens was born Nov. 18, 1923, in Indianapolis. At the outset of the Great Depression, when Stevens was 6 years old, his parents divorced, according to his campaign biography.

Stevens went to live with his grandparents after the divorce, helping out by selling newspapers and working evenings and weekends in a drugstore. He later moved in with an aunt and uncle in Manhattan Beach, Calif., where he graduated from high school. Both his father and grandfather died of cancer, Stevens has said.

Stevens joined the Army Air Corps during World War II, flying cargo planes "over the Hump" in the Himalayas — some of the most dangerous missions of the war. He won two Distinguished Flying Crosses and two Air Medals, his biography says.

The biography describes how he graduated from UCLA and Harvard Law School. After working in the 1952 Eisenhower campaign, he was hired by a Washington lawyer, but soon took a new job as a lawyer in Alaska, which was still a territory.

He played a leading role in the successful campaign for statehood, but Alaska's voters rejected Stevens the first two times he ran for the Senate.

Winning a seat in the state Legislature, he became House majority leader and go-to man for Gov. Walter J. Hickel. In 1968, when Sen. E.L. "Bob" Bartlett died unexpectedly, Hickel picked his ally to fill the vacancy.

In the Senate at last, Stevens worked hard to master legislative details and committee politics.

But increasing political success was accompanied by personal tragedy. FBI - Stevens-1693

In 1978, his first wife, Ann, died along with four others when the executive jet carrying them home crashed at the Anchorage airport. Stevens was one of two survivors.

At that point, the Stevens' five children were adults. Two years later, he remarried, and soon had a daughter, Lily, who recently graduated from college.

In the 1980s, Stevens and his new wife, the former Catherine Bittner, suffered a serious financial reversal.

Along with her younger brother, William Bittner, and other partners, Stevens invested in the construction of a $2-million crab boat, records show. Before it was finished, costs soared and the crab market crashed, plunging Stevens into debt.

The unexpected inheritance of a 54-foot yacht helped Stevens to regain his financial footing. Records show the boat was a bequest from the late Charles Willis "Bill" Snedden, publisher of the Fairbanks Daily News-Miner, a longtime friend of Stevens'. Stevens sold the boat for about $400,000, according to a source involved in the transaction who did not want to be named.

Stevens' financial problems underscored the disparity between his personal situation and that of his wealthy Senate colleagues.

In a news interview in the late 1980s, he lashed out at Alaska voters for failing to appreciate the personal and financial sacrifices he had made for them.

A $50,000 Investment

In 1997, Stevens began making up for lost time.

"Money was never what Ted Stevens was about," one close associate said of Stevens' sudden focus on accumulating wealth. The associate attributed it to Stevens' age — he turned 80 last month — and to concern about his family.

Whatever the reasons for the change, sometime in 1997 — acting at the senator's request — brother-in-law Bittner contacted a friend, Anchorage real estate developer Jonathan B. Rubini, about investment opportunities for the senator, Rubini said.

At the time, Stevens was making about $130,000 a year as a senator, and his wife reported annual earnings of about $100,000.

Rubini said he would be honored to help, the developer recalled recently during extensive interviews in his Anchorage office.

A lawyer and a Democrat known for representing liberal clients, Rubini had a gift for engineering complex deals.

Rubini and his partner, Leonard B. Hyde, made it a practice to form a separate syndicate of investors for each project. Bittner had often been among those participants. Rubini arranged for Stevens to put up $50,000, giving him a 7.7% interest in a new syndicate called JLS Properties.

Rubini, Hyde and another partner who came in on the deal were required to personally guarantee, if necessary, debts the partnership took on. They also agreed to contribute more capital if needed.

Stevens was not asked to guarantee notes or promise more money because he was brought in as a passive investor, Rubini said. The senator said he asked for that status because it shielded him from the kind of open-ended financial obligation that had caused his "bad experience" in the crab boat venture.

The deal began in characteristic Rubini fashion, with the purchase of an $11-million collection of what he called

"ragtag" properties, whose out-of-state owners wanted to unload. Rubini quickly resold several of the properties to pay down debt.

Among the properties retained were a small office park near the Anchorage airport and a modest two-story office building downtown. Within three years, Rubini said, Stevens' equity climbed to about $250,000.

Stevens also invested $50,000 in a separate Rubini syndicate to acquire an apartment complex in Fairbanks in 1999, records show. Stevens' equity in that property has grown too, Rubini said.

A Federal Contract

Stevens was soon in a position to do a favor for Rubini.

When Elmendorf Air Force Base, immediately north of Anchorage, was selected to participate in a new Pentagon program to privatize base housing, Rubini and another set of partners bid on the $450-million contract in 2000.

The chosen developer would take title to the existing housing, upgrade and expand it, then rent the houses back to service families. At 828 units, the Elmendorf contract was far larger than anything Rubini had built before — "a big reach for us," as he put it.

Yet with low-interest government construction loans and the Air Force pledging to pay tenants' housing allowances directly to the contractor for the next 50 years, it looked like a moneymaker.

Bittner became an investor in the Elmendorf group that Rubini put together, records show. Stevens did not, and he said Monday that he had been unaware of Bittner's involvement.

The senator said he "strongly supported" privatization because it improved housing for military families and "it would greatly enhance the likelihood that Elmendorf would not be closed in the next round of base closures."

When Rubini sought more time to prepare his bid, Air Force officials noted in their records, he sent the senator a copy of the request.

"I purposely CC'd Sen. Stevens to send a signal to the Air Force that we would raise the issue with the Alaska delegation if the Air Force acted unreasonably," Rubini said.

Although it was less than he wanted, Rubini was given a two-week extension.

With only the final paperwork to wrap up, Rubini was told he'd won.

Then, in September 2000, days before the deal was to become final, the Air Force reneged. One government memo said the Air Force thought Rubini's group "lacked capacity and adequate financing" — claims Rubini strenuously rejects.

Rubini, whose group had already spent $1 million on preparation work, fought back. He filed a formal protest and also wrote to Stevens, explaining the problem and requesting help. Then he flew to Washington. First, he tried to talk to Air Force officials, who refused to see him. Next, he visited Stevens on Capitol Hill.

The meeting went so well that Stevens invited Rubini home, where they watched one of the presidential candidate debates between Al Gore and George W. Bush, Rubini said.

Military Offensive

Stevens said he decided to get involved with the Elmendorf project.

FBI - Stevens-1695

"My involvement with the Elmendorf project was motivated to ensure that the Air Force moved forward," he said in his written response.

In addition, he said, he was "looking out for an Alaskan company that was getting short shrift from the Department of Defense."

Stevens did not answer questions about the specific actions he took. He was quoted in an August Anchorage Daily News article as saying he called Air Force generals. The article reported on his relationship with Rubini.

Whatever he did, the Air Force began to feel some heat.

As chairman of Appropriations, Stevens is an ex officio member of its Military Construction Subcommittee. The chairman of that subcommittee, Conrad R. Burns (R-Mont.), is one of Stevens' fishing buddies.

In October 2000, Burns wrote to the secretary of the Air Force, F. Whitten Peters, threatening to take away the Elmendorf privatization money because of the glitch in awarding the contract.

Burns arranged for a similar letter to go to the Air Force from the chairman of the corresponding House committee, and House aides said they knew Stevens was interested in the matter.

Burns did not respond to calls or written questions about his actions.

Meanwhile, Rubini tried one more move: joining forces with the only other Elmendorf bidder — Hunt Building Corp. of El Paso. Hunt was an established builder of military housing, though the government had forced the company to pay $8 million in compensation for construction problems on an earlier project.

In early December 2000, the Air Force put aside its reservations and decided Rubini and his new partner were acceptable.

Rubini said he did not know specifically what Stevens did on the Elmendorf project. Whatever it was, "Sen. Stevens would have stepped up to assist any Alaska business," he said.

Air Force officials say they are happy with the work Rubini's firm has done at Elmendorf, and recently announced the Rubini group would get to do a second round of housing upgrades without further competition — this phase 50% larger than the first.

Inside Track

Stevens' efforts to help Rubini with Elmendorf came just as Rubini was making a decision that transformed Stevens from a modestly successful investor into a millionaire.

In October 2000, while Rubini was enlisting the senator's help with the Air Force, the developer acquired 30 acres in midtown Anchorage that he planned to cover with gleaming office towers.

Like Elmendorf, this deal was a big step up for Rubini — larger both in size and potential profits than his earlier ventures.

And Rubini chose to make Stevens and JLS Properties part of it. He said JLS had accrued equity in the properties it already owned and thus could help with the new financing.

Rubini could have financed the new development in many ways. He could have used the financial resources of almost any of his numerous successful holdings. Or, as he frequently did in such cases, he could have attracted an entirely new set of investors.

Why did he choose to use JLS to help with financing instead of one of the other options? It was just a decision he made, Rubini said.

FBI - Stevens-1696

Once again, the senator did not have to agree to guarantee the new venture's debts, as the other JLS partners were required to do.

The first new building to be constructed, called Centerpoint I, is a striking $35-million edifice with commanding views of snow-capped mountains. The remainder of the 30-acre parcel is being developed as Centerpoint II. Stevens is part of that project too.

Stevens has reported that his investments in JLS, Centerpoint I and Centerpoint II, all stemming from his initial $50,000 investment, are now worth between $750,000 and $1.5 million.

Rubini said there was no connection between Stevens' intervention on Elmendorf and Rubini's decision to move the senator into the Centerpoint deals.

"Clearly, a phone call from Sen. Stevens does not hurt," Rubini said, referring to the senator's contacts with the Air Force on his behalf.

"But there was no quid pro quo, plain and simple," he said.

Lifetime Annuity

Today, Centerpoint I is fully occupied as the new headquarters of the Arctic Slope Regional Corp., which is paying $6 million a year on a 20-year lease.

Arctic Slope is no ordinary tenant. A $1-billion-a-year business, it is the largest Alaskan-owned company in the state. More important, the company — along with 12 other regional Native corporations — was created through legislation the senator took the lead in drafting. And it has prospered through his continuing efforts in the Senate.

Arctic Slope and the other Native regional corporations were born in 1971 as part of a landmark bill called the Alaska Native Claims Settlement Act, hailed as a humanitarian alternative to the failures of traditional reservations.

Under the act, about 40 million acres and almost $1 billion in working capital went to Native corporations and to some 200 much smaller village bodies to settle their claims to land. They were to help their shareholders, the Native people living in their regions, by making investments, starting businesses and in other ways generating economic activity.

Many of the Native corporations have found it hard to fulfill their mission, but Arctic Slope, which represents Inupiat Eskimos on the oil-rich North Slope, gradually built a strong base providing support services to the giant oil companies at Prudhoe Bay.

And Stevens is now fighting to authorize oil extraction from the nearby Arctic National Wildlife Refuge, where Arctic Slope owns petroleum rights to 92,000 acres.

Thanks to Stevens, Arctic Slope and the other Native corporations also enjoy preferences when seeking federal contracts that go well beyond anything available to blacks or Latinos, even though Arctic Slope ranks among the nation's 500 largest privately owned companies.

One set of preferences that Stevens inserted into his annual defense appropriations bills recently enabled Arctic Slope and another Native corporation to land a $2-billion Pentagon deal without competitive bidding.

Now money is flowing the other way — to Stevens.

A company executive, Conrad Bagne, said Arctic Slope did not find out about Stevens' ownership in Centerpoint until the company had finalized the deal. He said Stevens' involvement had no effect on the company's decision to sign the lease and that there was no impropriety.

FBI - Stevens-1697

"No one is more committed to public service than Sen. Stevens," Bagne said.

Stevens now has a personal stake in his tenant's future. At the same time, he continues to aid the company's bottom line through his position as chairman of the Appropriations Committee. This year, for example, he pushed through legislation renewing the federal defense contract preferences.

In addition, Stevens has inserted a provision in this year's pending appropriations bill that directs federal agencies to consult with Arctic Slope and the other Native corporations on equal footing with tribal governments. This gives Arctic Slope, for one, new legal standing when pushing to open the Arctic wildlife refuge to oil and gas drilling — a position opposed by at least some tribal leaders.

"I have and will continue to work with all Alaska Native corporations — both individually and collectively — in my official capacity," said Stevens, noting that he does not deal directly with Arctic Slope on its lease.

An Arctic Slope subsidiary has paid Bittner $120,000 since 2002 to lobby on appropriations and government contracts.

Hidden Interest

Business interests that look to her husband for support have also enriched Catherine Stevens in a series of transactions that went through Chamer Co., the private family investment firm run by Bittner.

Sen. Stevens did not report some of these deals on his financial disclosure reports; others were reported only sketchily — without the details required by law.

One of the transactions was a quick stock deal involving the Alaska Communications Systems Group that earned Catherine Stevens at least $47,000, records show.

The company has benefited from the senator's influence over communications policy as a senior member of the Commerce Committee.

For example, Stevens pushed through legislation in 1996 that created a subsidy for remote telephone service, and he has fought efforts to dilute Alaska's sizable share of the subsidy. Alaska Communications considers the subsidy, called the universal service fund, an important revenue source.

Alaska Communications Chairman Charles Robinson said, "The universal service fund is important to every telephone company in Alaska." He said Stevens had "done a great job in preserving it."

The senator said his actions had "benefited all Alaskans and all Alaska communications companies."

Stevens stands to be an even more valuable ally in 2005, when he's scheduled to take over as Commerce Committee chairman.

Robinson combined the Fairbanks and Anchorage phone companies to create Alaska Communications in 1999, and took it public in the fall of that year.

As is common before companies go public, a select group of insiders was allowed to buy stock at a bargain price, in this instance $6.15 a share, the documents show. In this group were several financiers and others involved in creating the company, including Bittner, who was and is the company's Washington lobbyist.

Though she was not on record as an officer or financier for the company, Catherine Stevens ended up with some of the bargain shares. Robinson said he knew she had shares but did not remember how she obtained them.

Alaska Communications issued 42,248 shares to Chamer Co., which Catherine Stevens owns with Bittner, their sister and their mother. She purchased 16,250 of those shares and sold them a year later, according to the

Securities and Exchange Commission.

Ted Stevens did not report the shares on his ethics report for 1999, the year Chamer acquired them.

Ethics rules require disclosure of activity by a family-owned business, in detail and in the same year a transaction occurs.

The deal was not reported until 2000, after Catherine Stevens had sold her shares, most of them at $9.25, for a profit of at least $47,000.

Rubini, the developer of Centerpoint I, said Chamer also had an interest in that project. He said Chamer put up $250,000 for a 3% short-term stake in Centerpoint I that earned a 15% return on investment.

Records show Chamer also invested $125,000 in an earlier Rubini syndicate.

Stevens did not disclose either of these investments on his Senate financial forms.

Although Senate ethics rules encompass his wife's financial activities as well as his own, Stevens sought to distance himself from Chamer.

"I have no interest in that company, do not participate in its meetings, nor do I participate in any decisions related to its business activities," he said Monday. His wife did not respond to telephone messages on Tuesday.

Back in Washington

Stevens continues to push for money and other benefits for Alaskan interests — including nearly $400 million in pending legislation to help tourism, education, the environment, scientific research, roads, fisheries and the war against fetal alcohol syndrome.

There's also $2.5 million to survey the seabed for a fiber-optic cable connecting Kodiak Island, Anchorage and the Kenai Peninsula; Alaska Communications Systems serves both Anchorage and Kodiak.

Researcher Mark Madden in Washington assisted in this report. Staff writer Judy Pasternak in Washington also contributed.

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FBI - Stevens-1699

washingtonpost.com

FBI Probes Stevens's Earmark

$1.6 Million Appropriation Went to Alaska Marine Life Center

By Paul Kane and Dan Eggen
washingtonpost.com Staff Writer and Washington Post Staff Writer
Wednesday, August 1, 2007; A04

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The FBI is investigating whether Sen. Ted Stevens (R-Alaska) used a $1.6 million congressional appropriation to help an Alaska marine center purchase property from a business partner of the senator's son, said sources familiar with the probe.

That investigation comes amid a widening federal grand-jury probe into Stevens's connections to an energy services company. The FBI and the Interior Department's inspector general are also jointly examining a series of budgetary earmarks endorsed by Stevens in recent years for the Alaska SeaLife Center in Seward, said sources familiar with the probe who spoke about it on the condition of anonymity.

Investigators are particularly interested in how those earmarks may have helped the marine center buy land from Trevor McCabe, a former Stevens aide who was also a business partner of Stevens's son, Ben, according to sources and news reports. Ted Stevens has wielded enormous clout as a senior member of the Appropriations Committee, which he chaired for six years, regularly steering hundreds of millions of dollars a year in earmarks for his home state.

The center got a $1.6 million earmark to buy adjacent property owned by McCabe, sources said. The land was eventually sold by McCabe's firm to SeaLife for $550,000, according to sources and news accounts.

Officials with the Office of Inspector General at the Interior Department have interviewed a "handful" of employees at the National Park Service in recent weeks, said Marcia Blaszak, the service's regional director in Alaska. Investigators are interested in Park Service employees because the service was another prospective buyer of the McCabe parcel before it was sold to the SeaLife Center. The SeaLife investigation by the FBI and the Interior Department was first reported yesterday by Roll Call. McCabe could not be reached for comment yesterday. FBI officials declined to comment.

Stevens has declined to comment on most of the specific allegations against him, including the SeaLife purchase. But after his home outside Anchorage was searched for nine hours Monday by federal agents, Stevens spoke briefly yesterday behind closed doors to a group of Senate Republicans and Vice President Cheney, pleading for them to not to prejudge him based on news reports. "He's asked us to await all information during this investigation, and I will, while I'm standing by our longest-serving colleague," Senate Minority Whip Trent Lott (R-Miss.) said.

Sen. Daniel K. Inouye (D-Hawaii), Stevens's closest friend in the Senate who has served with the Alaskan for decades, spoke with Stevens early yesterday and came away reassured of his innocence.

"He's convinced, I think, that he didn't do anything wrong," Inouye said. "He's my friend, and he'll continue to be my friend."

But the raid on Stevens's home Monday by FBI and Internal Revenue Service agents heightened pressure on the longest-serving Republican in Senate history, who has been under scrutiny since last year by federal grand juries examining a home-remodeling project that was allegedly overseen by executives from Veco Corp., an energy services company. Veco's former chief executive, Bill J. Allen, and another executive have pleaded guilty to paying more than $400,000 in bribes to members of the state legislature, several of whom have been indicted, and other unnamed elected officials.

Both executives are cooperating with investigators. Contractors have told reporters that they gave documents and testimony to federal grand juries in Anchorage and Washington about the remodeling project, which more than doubled the house's square footage by adding a new ground floor. Some contractors have said Allen and Veco executives oversaw the remodeling project, but Stevens told local reporters two weeks ago that he paid every bill he received.

An energy company attorney declined to comment on whether Allen controlled the invoices for the home project, citing the investigation. "[The home] is certainly a part of the overarching investigation," said Amy Menard, outside counsel for Veco.

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FBI - Stevens-1701

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Alaska Newsreader

Today's news for the Last Frontier

By Terry Carr

(Published: August 2, 2007)

News for Thursday, Aug. 2

Keeping up with the delegation

Alaska's three members of Congress – Sens. Ted Stevens and Lisa Murkowski and Rep. Don Young – are still drawing a jumbo share of media attention as a tumultuous week nears an end. All have faced trouble in recent days, the most recent jolt being federal authorities' raid on Stevens' Girdwood home on Monday. Here's some of what's in the news today and what's developing:

▪ Young – who gained nationwide media attention last week for threatening to bite, like a mink, New Jersey Rep. Scott Garrett for threatening education money for Alaska – has apologized, according to a story in **The Hill**. "Young listed traumatic events within his state, his hospitalization last week and the hospitalization of his wife as reasons that caused him to act inappropriately on the House floor," the story says.

▪ Citing Senate records and financial disclosure forms, a story in **Roll Call** today says Stevens used a Senate employee as his personal bookkeeper but does not appear to have paid her for those services out of his own funds, even as the aide collected more than a quarter-million dollars in federal pay. An Associated Press story at **adn.com** previously reported that the employee, Barbara Flanders, was subpoenaed to testify to a grand jury about Stevens' dealings with Bill Allen.

▪ A Stevens colleague, Sen. Larry Craig, R-Idaho, told **The Crypt**, a Capitol Hill blog, that the FBI was "a bit Gestapo-like" in how it handled the search of Stevens' home. "When the FBI was offered a key and invited into the home, they chose publicize it to make sure the media was there first, and they broke in. That is gamesmanship. That makes senators very, very angry when they attempt to cooperate when for reason they are caught in these webs and yet they are denied that for the sake of the judiciary's publicity. That is wrong," Craig is quoted as saying.

▪ A **Fairbanks Daily News-Miner** editorial today says, "It's disturbing to see some people clamor for Sen. Stevens' head when it's not even clear yet that he is the target of the federal government's probe." The editorial concludes: "We'll all learn the details of this federal inquiry soon enough. Until we do, however, calls for the senator to step aside from committee positions are premature."

▪ The FBI investigation into corruption touching Alaska lawmakers could go on for years, a **KTUU** story says. The story suggests the state's "political culture" could come out the other end with a new look.

▪ Murkowski has posted a brief **statement** on her Web site that says, in part, "With the current investigation underway, it is not appropriate to jump to conclusions until the process is complete. Senator Stevens has the right to have the facts established in this matter."

194A-AN-1362D-M; 696

▪ Trevor McCabe, a former Stevens aide who has become part of the current investigation involving the senator (see ADN story **here**), filed papers in 2004 to create a restaurant company called Uncle Ted's Alaska LLC but then backed out of the plan last year, a story today at **TPMmuckraker.com** says. McCabe gave no indication in his paperwork as to the reason for changing his mind.

▪ A story at **bloomberg.com** looks at the notion that the federal investigation of Stevens not only threatens the career of the longest-serving Republican in Senate history, it also puts at risk the billions of dollars that the senator has steered to Alaska.

▪ **The New York Times** and others are reporting that attention on the Stevens situation is complicating a possible vote today on legislation overhauling lobbying and ethics standards. Senate Republicans had been resisting the Democrats' bill but some are less certain in their position in light of the raid on Stevens' home.

***

Are PFD days numbered? A **Peninsula Clarion** piece looks at the prospects that the annual cash payout to Alaskans could go away, always an explosive subject. The author reasons thus: As the fund keeps growing – it recently topped $40 billion – pressure will increase at the state level to spend some of it; and if federal appropriations tumble along with the fortunes of the state's congressional delegation, that too could increase the pressure to spend from the fund.

The story goes on: "Sen. Majority Leader Gary Stevens (no relation to Ted Stevens) said in Homer last week that he did not see any move to spend the fund over the next year or two, but further out, sentiments could change. 'We've just celebrated it reaching $40 billion. In a few more years, it will hit $50 billion,' Stevens noted. 'In another 10 years or so, it could reach $100 billion.'"

***

The long reach of an earthquake. A story that appeared in **The Chronicle Journal** of Thunder Bay, Ontario, and other publications says that researchers have found the shaking of a major Alaska earthquake in 2002 triggered tremors to roll under the landscape of Vancouver Island and rippled for thousands of kilometers through seismic zones across the United States. The researchers found the effects of the quake sloshed lakes from Seattle to Louisiana, muddied wells as far east as Pennsylvania and triggered small earthquakes in seismic zones across the western United States.

Researchers on the project say their findings could help advance toward predicting earthquakes. "So it's giving us a more complete picture of the faults, and with a more complete picture, we hope to predict earthquakes," said seismologist John Vidale.

***

Joyriding crewman. A **Kodiak Daily Mirror** story reports on the DUI arrest of a man with a record already of at least five drunken driving offenses. This time, though, he was taken into custody after he drove aground a 20-ton, 83-foot tender vessel just outside of St. Herman Harbor.

He was charged with violating probation, felony driving under the influence and refusing to provide a breath sample to troopers.

***

A new school, at long last. Coffman Cove, a small Southeast Alaska community on Prince of

Wales Island, is in line to get a new school, after waiting for 18 years, an **APRN** story reports. The project won legislative funding this year to replace the aging educational facility currently in use and where walls have holes and floors sag, according to the story.

The community has a population of about 150, more in the summer, and the school will cost about $7 million. "Some in Coffman Cove hope the school will be one of the community's anchors," the story reports.

***

The **Ketchikan Daily News** reports this act of generosity:

"The Hovik family donated its Kohler and Chase upright piano to The Salvation Army Thrift Store Tuesday after bringing it across Tongass Narrows aboard Pat Jirschele's small landing craft." The story includes a detailed description of the heroic grunt work – including rolling, skidding and heaving the piano past obstacles – needed to get the thing to its destination.

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FBI - Stevens-1704

From AlaskaEBG@aol.com
Sent Friday, August 3, 2007 11:03 pm
To MaryBeth.kepner@ic.fbi.gov , cjoy@leo.gov , colton_s@hotmail.com , jnewton3@leo.gov
Subject Sounds like Rosebaum to me...

Tuesday, July 31, 2007

Bookkeeper questioned in Sen. Stevens case
Warrant served at Ted Stevens' Girdwood home
Ted Stevens -- and Senate GOP -- In Trouble

July 31, 2007

The FBI and IRS's execution yesterday afternoon of a search warrant on the Alaska home of GOP Senator Ted Steven has been widely reported by now.

What's striking is this tidbit in today's WaPo:

Stevens said in a statement that his attorneys were advised of the impending search yesterday morning.
I spent nearly 9 years as a federal prosecutor. I'm not aware of a single instance when any prosecutor or agent told anyone outside the Justice Department that a search warrant was going to be executed later in the day. Telling outsiders -- especially lawyers for the person whose property will be searched -- defeats one of the principal purposes of a search warrant: SURPRISE to ensure the integrity of the evidence field.
If you're going to tell the target of the search in advance, then why not just serve a subpoena and trust in compliance?

Now Stevens' reported comment may have been a spin on a phone call from someone at DOJ when the agents were at the front door or the agents themselves calling Stevens' attorneys to ask for the key. But those seem more than a stretch considering that Stevens says the tip came in the a.m., and the search was executed in the p.m.

Maybe it's spin. Or maybe someone at DOJ broke a cardinal principle. Certainly, only a few people would have known about the impending search: the prosecutors conducting the investigation, the team of agents preparing to execute the search . . . and high-level DOJ officials who, considering that Stevens is a U.S. Senator, would have had to approve the search.

Regardless, one thing is clear about Stevens' status from the use of a search warrant. He is now squarely in the cross-hairs of a federal criminal investigation.

According to the Justice Department's Criminal Resource Manual Sec. 659:

A search warrant should not be used to obtain documentary materials believed to be in the private possession of a disinterested third party unless it appears that the use of a subpoena, summons, request, or other less intrusive alternative means of obtaining the materials would substantially jeopardize the availability or usefulness of the materials sought, and the application for the warrant has been authorized as provided in paragraph (a)(2) of this section.
Ted Stevens, clearly, is no "disinterested third party." More likely, given the hoopla a search warrant's execution creates, Stevens is a target -- defined by the U.S. Attorney's Manual Sec. 9-11.151 this way:

"A 'target' is a person as to whom the prosecutor or the grand jury has substantial evidence linking him or her to the commission of a crime and who, in the judgment of the prosecutor, is a putative defendant."
In any case, while on the one hand, it's just this sort of event -- a federal search warrant executed against a powerful politician of the same party as the administration -- that suggests the professionals in the Justice Department are doing their job, the remark WaPo attributed to Stevens -- that his attorneys were given a heads-up -- reminds that this Justice Department works very differently at the top than on the line.
If it's true that Stevens' lawyers had a heads-up about the search, I think it's more than fair to ask questions -- and to get answers -- about exactly who told Stevens' lawyers about the afternoon's planned search, who approved the disclosure, and what was the purpose of the tip-off.

194A-AN-13620-M; 697

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FBI - Stevens-1706

Girdwood's "Secret Santa" mystery ends: federal investigation of Sen. Stevens prompts revelation

By Ken Smith
Turnagain Times

For the past 25 years one man has donated vast amounts of money and gifts for children whose families couldn't afford Christmas presents in Girdwood Valley. He has done so in silence, acting as "Secret Santa." But now the man behind Santa wants to come forward, due in large part, to the recent Federal investigation of U.S. Sen. Ted Stevens and the remodeling done to his Girdwood home in 2000. And the man behind "Secret Santa" is Bob Persons, owner of the Double Musky Inn Restaurant in Girdwood. Persons is a close friend of Sen. Stevens since they met at the Double Musky over two decades ago, and Stevens is a frequent patron of the popular Cajun restaurant on Crow Creek Road.

Persons, who had the power of attorney in matters related to the construction of Stevens' first floor addition back in 2000, has been caught up in the federal probe by FBI and IRS investigators scrutinizing the role of oil services firm Veco in the remodeling project. Persons name has frequently been mentioned in local and national news coverage of the investigation and appeared before a grand jury in Washington D.C. in May to answer questions about the work on Stevens' home.

Persons is a private man, and the attention he's garnered from the investigation has thrust him into the national spotlight, which he feels has painted a negative image of him and his family. Persons felt compelled to come forward about his role in the community and his work as "Secret Santa" to present another side to the story.

"This is kind of embarrassing for me," Persons said. "I've kept quiet for 25 years (as "Secret Santa") and once I got caught up in the investigation, I wanted to stand up. I don't want my reputation that I've built up over 25 years being sullied by an investigation. Things that are unproven, things that nobody knows."

Persons explained that he and his wife, Deanna, have given tens of thousands of dollars for bicycles, tricycles and toys for the children of the less fortunate in Girdwood and dozens of bicycles to the children of "Alaska Women in Crisis". In addition, the Persons have given money to many people in Girdwood in their moment of crisis and, he said, have always done it without publication or desire for thanks or attention.

"I'm not a bad guy no matter what they say about me," he said, "and people that know me won't believe it anyway. But you get painted with an ugly brush and some of the paint sticks."

Girdwood resident, Judy Basler, is among several people in the community who has worked with Persons to help people less fortunate during Christmas time. She started the "Angel Tree" over 25 years

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ago, where each angel represents a needy child in the Four Valleys.
"Bob has always been a secret person," she said. "He's given bicycles and extra money to go shopping, to make sure every child has gifts under their trees at Christmas time."
Basler became emotional while describing Persons work, and the work of others in the community who have helped people in Girdwood during the holidays, fighting back tears as she talked about Persons donations and personal commitment to children less fortunate in the valley.
"I started the "Angel Tree" to make sure the children had Christmas gifts because every child needs a gift at Christmas," she said. "And Bob was the person that made sure they each got a gift. We need to see that goodness in people."
The Persons attention to the less fortunate in Girdwood goes back to the first years they owned the Double Musky in 1978 when there were no more than 350 people in Girdwood and many of them were struggling to make ends meet. The Persons were struggling themselves and served free sandwiches every Monday night to everyone in Girdwood and did not require the purchase of even a soft drink. In addition, Persons said he has paid for the removal of abandoned automobiles in Girdwood for years and has never discussed it with anyone but the local company that removed them.
"The investigation has been stressful," said Persons. "All of it has been stressful. But I do not feel any business has been hurt by this. The investigation has nothing to do with the business. I'm a very private man, and I don't like being a public figure."
Persons and his wife have first hand knowledge of hard times since his wife's father died when she was 14, leaving her mother with Deanna and three younger sisters. Persons' father died when he was 16 leaving him nothing to make a start in life, he said.
"We both know that hard work and sacrifice can get people through a bad patch," Persons explained, "and we have a natural sympathy for people who are struggling."
Persons said they are determined that children in Girdwood will always have a visit from Santa. He said that until this moment in his life, he never wanted attention for their acts of kindness and added that he does not even take charitable deductions from their taxes.
"I don't want to be the victim of false rumors," he said. "Those false rumors could be anything, rumors can be vicious."
Aside from the mental strain he has endured during the federal investigation of Sen. Stevens, he said the financial costs have also been burdensome, with legal costs accumulating at more than $35,000.
"It's like being hit by chip," he said. "They chip away at the big guys, and then they chip away at the little guy like me."

FBI - Stevens-1708

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Young offers no apologies but warns his election challengers

SPEAKING UP: Investigations aside, he cautions critics "in a glass house."

By DAN JOLING
The Associated Press

(Published: August 8, 2007)

Rep. Don Young speaks in Anchorage. *(AL GRILLO / The Associated Press)*

Investigations dogging U.S. Rep. Don Young have not damaged his effectiveness in Congress, the Alaska Republican said Tuesday, and he warned challengers of consequences if they sling rocks during the campaign next year when he runs for a 19th term.

"Those that cast stones better damn well not live in a glass house," he said.

Young, 74, has made more headlines this year for his campaign practices, his ties to convicted felons and his famous temper than for his lawmaking.

Young is being investigated for connections to Veco Corp., the Anchorage-based company whose former top two executives have pleaded guilty to bribing Alaska state lawmakers.

A former aide to Young, Mark Zachares, pleaded guilty in April to conspiracy for accepting $30,000 of tickets from congressional influence peddler Jack Abramoff. Zachares left Young's staff in 2005.

Questions Tuesday on investigations were off limits, Young said.

"As far as commenting on anything concerning any of these investigations, I am not free at this time to comment," he said, adding, "Most of what you've read in the paper is, I think, journalism that's been really moving this constant curiosity along."

Former Veco chief Bill Allen held annual fundraisers for Young and public records show the congressman received $157,000 from Veco's employees and its political action committee between 1996 and 2006.

"Figure it out," Young said. "Ten years, $150,000, it's what, $20,000 or less a year? That's not very much money." He has no intention of returning Veco money as some other Alaska politicians have done.

FBI - Stevens-1709

CONGRESS VS. CAMPAIGN

Young draws a line between his actions as a congressman and the campaign.

"My campaign is separated from my office," he said. "Totally separated, totally divorced. I am the candidate, they are the campaign office."

194A-AN-13620-M; 699

He would not say why his campaign is spending nearly a quarter-million dollars to retain a Washington, D.C., law firm, Akin, Gump, Strauss Hauer & Feld, or even who his attorney within the firm is.

Apart from investigations, Young remains unapologetic for his actions.

Young inserted a $10 million earmark into a federal highway spending bill to study extension of a Florida highway that could benefit a builder who hosted a fundraiser for Young. The money was desired by local officials and he has compiled the press clips to show it, he said.

Just last week, he apologized to fellow Republicans for a harsh exchange with Rep. Scott Garrett, R-N.J., who -- unannounced to Young -- opposed a $33 million education appropriation for Alaska Natives. Young on the floor of Congress drew a wildlife analogy: "There is always another day when those who bite will be killed, too, and I am very good at that. Those that bite me will be bitten back."

His cause was correct, he said Tuesday.

"My job is to defend what happens in the state of Alaska for the people of the state of Alaska, and I did so. The results were good. ... I've always been one to be very forceful in the heat of battle. I have not changed, even in my maturity, because I don't have the prerogative of being weak in the halls of Congress."

And despite ridicule, he continues support for two new Alaska bridges -- one connecting Ketchikan to its airport, another providing a shortcut from Anchorage across Knik Arm to land in the Matanuska-Susitna Borough.

"The state's bridges will be built. It's a matter of when," Young said. "I think we can build this one --the Knik crossing -- relatively soon. It is needed. The land necessary for growth in this state is needed across the inlet. It's a very short bridge. It's not a big project. But it's a project that created a lot of publicity because of (Hurricane) Katrina and, frankly, (Arizona Republican Sen.) John McCain, and they started this 'bridges to nowhere.' "

The investigations, the questioned spending and the dustups with colleagues have not changed his effectiveness, he said. Anyone who doesn't believe him doesn't know Congress, he said.

"You will find no one that does not respect me in the Congress," he said. "You may find some that don't like me. That doesn't bother me. You'll find some of them who are extremely loyal, on both sides of the aisle. I don't apologize for anything I've done as far as representing the state."

Even with Alaska Democrats smelling blood from the nicks inflicted by the media, Young said, he does not see himself as vulnerable in the 2008 election. Diane Benson, who ran against Young last year, and former Alaska Democratic Party chairman Jake Metcalfe have said they will run.

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Young has won elections by 2,000 votes or less in the past.

He expects opponents to raise "all these cloudy questions," he said, but does not intend to stand idly and let them beat him up, he said.

"Have at it," he said. "They have never been in a race till they've been in a race with me."

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Young offers no apologies but warns his election challengers

SPEAKING UP: Investigations aside, he cautions critics "in a glass house."

By DAN JOLING
The Associated Press

(Published: August 8, 2007)

Rep. Don Young speaks in Anchorage. *(AL GRILLO / The Associated Press)*

Investigations dogging U.S. Rep. Don Young have not damaged his effectiveness in Congress, the Alaska Republican said Tuesday, and he warned challengers of consequences if they sling rocks during the campaign next year when he runs for a 19th term.

"Those that cast stones better damn well not live in a glass house," he said.

Young, 74, has made more headlines this year for his campaign practices, his ties to convicted felons and his famous temper than for his lawmaking.

Young is being investigated for connections to Veco Corp., the Anchorage-based company whose former top two executives have pleaded guilty to bribing Alaska state lawmakers.

A former aide to Young, Mark Zachares, pleaded guilty in April to conspiracy for accepting $30,000 of tickets from congressional influence peddler Jack Abramoff. Zachares left Young's staff in 2005.

Questions Tuesday on investigations were off limits, Young said.

"As far as commenting on anything concerning any of these investigations, I am not free at this time to comment," he said, adding, "Most of what you've read in the paper is, I think, journalism that's been really moving this constant curiosity along."

Former Veco chief Bill Allen held annual fundraisers for Young and public records show the congressman received $157,000 from Veco's employees and its political action committee between 1996 and 2006.

"Figure it out," Young said. "Ten years, $150,000, it's what, $20,000 or less a year? That's not very much money." He has no intention of returning Veco money as some other Alaska politicians have done.

CONGRESS VS. CAMPAIGN

FBI - Stevens-1712

Young draws a line between his actions as a congressman and the campaign.

"My campaign is separated from my office," he said. "Totally separated, totally divorced. I am the candidate, they are the campaign office."

He would not say why his campaign is spending nearly a quarter-million dollars to retain a Washington, D.C., law firm, Akin, Gump, Strauss Hauer & Feld, or even who his attorney within the firm is.

Apart from investigations, Young remains unapologetic for his actions.

Young inserted a $10 million earmark into a federal highway spending bill to study extension of a Florida highway that could benefit a builder who hosted a fundraiser for Young. The money was desired by local officials and he has compiled the press clips to show it, he said.

Just last week, he apologized to fellow Republicans for a harsh exchange with Rep. Scott Garrett, R-N.J., who -- unannounced to Young -- opposed a $33 million education appropriation for Alaska Natives. Young on the floor of Congress drew a wildlife analogy: "There is always another day when those who bite will be killed, too, and I am very good at that. Those that bite me will be bitten back."

His cause was correct, he said Tuesday.

"My job is to defend what happens in the state of Alaska for the people of the state of Alaska, and I did so. The results were good. ... I've always been one to be very forceful in the heat of battle. I have not changed, even in my maturity, because I don't have the prerogative of being weak in the halls of Congress."

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Excerpts from Associated Press interview with Don Young

(Published: August 8, 2007)

Q. You've been in the news a lot lately for things other than making laws. Specifically, we'd like to ask you if you can talk about some of these things that we've not heard addressed before, like your relationship with Jack Abramoff.

A. As far as commenting on anything concerning any of these investigations, I am not free at this time to comment. Most of what you've read in the paper is, I think, journalism that's been really moving this constant curiosity along.

Q. Bill Allen's been in the news, and you've had some association with him. What can you tell us about that association? His employees have donated $150,000 over 10 years.

A. Figure it out. Ten years, $150,000. It's what, $20,000 or less a year. That's not very much money.

Q. Some state representatives have returned money to these people. Do you have any plans to do that?

A. No.

Q. There was a report that you paid back $38,000 to him for fundraising costs.

A. The campaign paid it back to him. I didn't pay it back.

Q. I guess I associate you with your campaign.

A. My campaign is separated from my office. Totally separated, totally divorced. I am the candidate; they are the campaign office.

Q. OK, can you explain why that was done?

A. I have no idea, I'm not a part of the campaign office. Let's not get too far away, because I can't really comment on the ongoing investigation by the federal people, agencies, so let's not go too far that way.

Q. OK. The Washington Post reports that your campaign has spent a little more than a quarter-million dollars in legal fees. Can you tell us what that is about?

A. No

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Q. Is that because you don't know what it's being spent on?

A. I definitely said I wasn't going to comment on the expenditures. I'm not commenting, you know, I'm not going to comment. Now, don't keep fishing because I'm not going anywhere you're fishing.

Q. I'm trying to distinguish what areas you are willing to comment on.

A. I don't want to comment on that. It's public knowledge. What is it every three months. I know what the campaign has done as far as the legal fees go, but I'm not going to comment on what they're being spent for. It's all there, it's public knowledge.

Q.. I'd like to ask you about the incident with the representative from New Jersey on the House floor. I don't think you commented to Alaskans about it. Did you apologize to the gentleman?

A. I apologized to the group. It was a Republican study group, because I included them in my chastising. And you have to understand, I will say what I did was right for the state, was right for the Alaska Native population. That's a program that I helped instigate under the Bill Clinton administration. And it was a $33 million amount of dollars that they were trying to cut out, which to me was an affront, especially since they hadn't notified me that they were going to do so. And I will be the first to tell you that I was a little bit under stress. My wife has not been well. I was going into the hospital the next day, or two days later, for a prostate operation, and I may have gone overboard a little bit, but again, my job is to defend what happens in the state of Alaska for the people of the state of Alaska, and I did so. The results were good. ... You know, in the heat of battle, and I've always been one in the heat of battle to be very, very forceful. I have not changed, even in my maturity, because I don't have the prerogative of being weak in the halls of Congress.

Q. Let me ask you your assessment of two things: the investigations and your short temper that is well-known there — is that ultimately hurting the state?

A. No, no. People don't understand this, you know? I have found no weakness in the Congress at all. You will find no one who does not respect me in the Congress. You may find some that don't like me. That doesn't bother me.

Q. Your enthusiasm for the bridge project remains as high as ever?

A. The shortsightedness of this state, quite frankly, and the Congress, if they don't address the infrastructure issue, is to me, not thinking of the future at all. My bridges, if you want to call them my bridges — the state's bridges — will be built. It's just a matter of when. I think we can build this Knik crossing relatively soon. It is needed, the land necessary for the growth of this state is needed across the inlet. It's a very short bridge, it's not a big project. But it's a project that gained a lot of publicity because of Katrina and frankly, John McCain, and they started this "bridges to nowhere." ... There's never been a bridge built anywhere that didn't go somewhere.

Q. Do you think people Outside just don't get it about the bridges?

A. Most of them don't understand that it was not new money. It was money from the trust fund within the state's formula. They don't quite understand that. They think it's coming from the general treasury. And it's not coming out of the general treasury, it's coming out of a trust fund. We do get a larger share of it, but that's my role. If people have any ideas in this state that they don't need that, that they don't want it, then that's the prerogative of the state and they should speak up. This concept of earmarks, people don't understand this concept of earmarks either. They have this idea that earmarks are evil. Earmarks allow the elected representatives of a state or of a district to decide how money shall be spent instead of the bureaucracy.

FBI - Stevens-1716

Q. To the election, Democrats are smelling blood in the water. ...

A. According to the paper.

Q. Do you think you're vulnerable?

A. No. I think it's going to be a different race.

Q. How? **A.** It's different in the sense that it may be, we're no different from any other group of animals. You know, they look at me and they see me, I'm 74 years old, and they figure he's a little old, he's been wounded, he's been nicked by the media, and this is going to be interesting when this thing is all over, because then I want to see what people say, you know? They say oh, he's nicked, you know, we can get him. Well, have at it. They have never been in a race until they've been in a race with me. ... If the people decide somebody else can better do the job, then they'll elect somebody else. And it'll hurt for about 35 minutes. ... I don't understand people who want to be vindictive. 'I'm going to get you.' What are they going to get? I'm 35 years of service, and it's been an absolutely great joy, and I want to serve 36 and 37. And if that doesn't happen, that's the way it goes.

Q. Any idea what we're going to see differently?

A. Well, I think the standard thing will be raising all these cloudy questions. That's fine just remember; those that cast stones better damn well better not live in a glass house.

Q. You know stuff?

A. Let's put it this way, I'm not just going to sit and let everybody beat me up. It'll make for an exciting campaign.

Q. How's your health?

A. Good. I've had a prostate operation, and it's a little bit dicey, but I feel good, I work out, you know.

Q. Do you think you'll ever reach a point where, you've got your years in, you just want to kick back and take it easy?

A. There's two things. I can't say no to that. Probably not. I'll probably ...

Q. Die with your boots on?

A. Die with my boots on. Hopefully doing something for the people of Alaska. I have to say this: The thing that keeps me going is what I think I can do and my ability to learn something every day. You guys don't understand this but I get to meet great people — great Alaskans, non-Alaskans. I get to hear new ideas and new thoughts, and one thing I don't want to do, most people who retire die, quickly. I believe I can contribute.

Q. Without commenting on any investigation, are the feds going to eventually have to come around and say, this congressman did nothing wrong?

FBI - Stevens-1717

A. I have no idea. I don't know how they work. I really don't.

Q. From a commonsense point of view?

A. I would like to say that would happen but I have no knowledge. I don't know how they work, I

have no understanding how things are done. I would like to think that someday it will all be cleared up.

Q. You can tell Alaska voters you did nothing wrong?

A. I'm not supposed to comment.

Q. You can't even say that?

A. I am not supposed to comment.

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Friendly crowd welcomes Stevens

BACK HOME: Senator defends earmarks, is mum on investigation.

By LISA DEMER and KYLE HOPKINS
Anchorage Daily News

(Published: August 8, 2007)

Supporters greet Alaska Sen. Ted Stevens on his way to a Rotary luncheon in anchorage where he spoke Aug. 7, 2007. *(MARC LESTER / Anchorage Daily News)*

Sen. Ted Stevens, center, walks away from reporters after speaking at the Anchorage Hilton Aug. 7, 2007. *(MARC LESTER / Anchorage Daily News)*

U.S. Sen. Ted Stevens, on his first trip back to Alaska since FBI agents searched his Girdwood home last week, vigorously defended controversial budget earmarks on Tuesday before a large and welcoming hometown crowd.

But he refused to address questions from reporters before or after his speech about the renovation of his home, the ongoing federal investigation or earmarks that benefited his son, Ben, a former aide and their clients.

"I know you're interested in the items that have been in the media recently. I wish I could discuss those in detail. But to avoid any suggestion that I as a senator am attempting to influence an investigation by the Department of Justice, I simply cannot talk about it," he said at the start of his speech before The Anchorage Rotary Club at the Anchorage Hilton. He talked for more than 30 minutes, counting time for questions.

Federal investigators are looking into a 2000 construction project that doubled the size of Stevens' Girdwood home. Bill Allen, the former longtime CEO of Veco Corp., oversaw the work, and the investigation appears focused on whether any of it was an improper gift. Allen has pleaded guilty to bribing four state legislators, including Stevens' son, Ben, who has not been charged.

Stevens never mentioned the house project on Tuesday.

"I do think it's in the best interest of the state that this investigation proceeds, and I hope you'll understand what I've just said," he said.

SUPPORTERS TURN OUT

Well before the senator arrived, a few dozen people, many holding signs, gathered outside the Hilton at the invitation of state Republican Party leaders to show their support for Stevens. Some said they always make a point of thanking Stevens when he's in town.

"I've known him for 40 years," said Jane Niebergall of Anchorage, a retiree who worked in real estate, retail and publishing and as a Bush educator.

Her young grandson soon held her sign, which said: "I am happy to see you, Senator. Thank you

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for your hard work in Alaska." Scrawled in the margin: "A good man!"

The investigation just makes her sad. Things are too muddy. "I do believe he's an honest man," Niebergall said.

Another longtime Alaskan, Frank Reed, a retired banker and early city leader who has lived here for 91 of his 94 years, called the investigation "a witch hunt."

Republicans have rallied for Stevens during congressional recesses as a group before, said Alaska Republican Party chairman Randy Ruedrich, who helped organize Tuesday's show.

The investigation, Ruedrich said, was "a very unfortunate attack at this time."

"There may be things wrong. I don't think the senator has done anything wrong. He's made comments to that effect and I believe him."

People shouldn't be too quick to judge Stevens, who has done so much for Alaska, said Marilyn Stewart, who held a sign that said "Well Done!"

"The FBI is doing their job but it doesn't signify that the senator has done anything wrong," Stewart said.

Carl Marrs, the former head of Cook Inlet Region Inc. and part of a group of influential Alaskans who have owned race horses with Stevens, showed up at the rally too.

Just after noon, Stevens pulled up in a white Chevy Tahoe owned by his campaign committee.

"Hello, Senator!" a fan called out. "Welcome home!"

"It is nice to be home," Stevens answered.

"So many people to hug around here," he added as he made his way through the crowd.

After that warm greeting, Stevens walked briskly, brushing off reporters as he made his way to the hotel ballroom. There another friendly crowd waited to hear him speak. The Rotarians greeted him with a standing ovation and sang "God Bless America."

At least twice on Tuesday, Stevens turned as if to respond to reporters who fired off questions. Aides jumped in and moved him along.

Jonathon Lack, an Anchorage attorney, state Republican Party officer and former Stevens aide, introduced the man whom he said everyone knows as "Uncle Ted."

When Lack worked for Stevens as a young staffer, he sometimes had the task of escorting the senator to morning meetings, he told the audience. As he waited one morning, Stevens' cat Tigger was tormenting a tiny shrew. Lack said he tried to get the cat to stop and finally resorted to nudging it with his foot. It may have looked like he was kicking the cat -- just as the senator stepped outside.

Stevens let loose. "Don't kick the goddamn cat!" Lack tried to explain about the shrew. Stevens wouldn't have it. "He's doing his job. Maybe I should kick you every time you do your job."

The audience roared.

But that's what it's like being a U.S. senator, Lack told them.

"People kick you when you do your job and after you get kicked, you go right back to it, doing the work you were elected to do."

IRAQ, EARMARKS

Audience members were too polite to ask about the federal investigation, sticking instead to topics such as Iraq and the Denali Commission.

Here's what Stevens said about Iraq:

"What we'd like to see and what we dream of is a democratic Iraq in the center of the Middle East that will help stabilize that area for us. I'm one who believes that we're facing a new crusade, a crusade of a different type, by the militant Islamic extremists."

Stevens spent much of his time itemizing the wealth of federal spending and programs that he has secured for Alaska.

Some of the earmarks benefited his son, former state Senate President Ben Stevens, and a former aide, Trevor McCabe, and their clients.

He never mentioned those.

"I don't like the word 'earmark,'" Stevens told the crowd. Earmarks are just amendments to appropriations bills, he said.

"We don't add to the budget. And if ... I don't earmark these monies for Alaska, your taxes aren't going to go down. The money will simply go to other states for their needs and ours will go unmet," he told the packed room of movers and shakers.

Earmarks have been criticized for being hastily inserted with little accountability to the public.

But the senator said that the real question about earmarks is whether elected leaders or "employees in the bowels of some office" are better suited to decide where federal money should be sent.

"So I ask you, is it wrong for a village in rural Alaska to want help with providing running water when places like New York City get millions in federal funds for their water projects?"

LISTS HIS ACHIEVEMENTS

Stevens reeled off project after project that he brought to Alaska. Lighting for the many Alaska airports that had none. Upgrading Anchorage's 911 system. Restoring urban fisheries. Money for local communities to fight wildfires as they best saw fit. Money for youth courts. And much more.

He pointed to military expansion worth millions to Alaska: the Stryker brigade, the new F-22 fighter jets coming to Elmendorf Air Force Base, multiforce training at Eielson.

"Alaska will in fact be the key to the defense in coming decades," Stevens said.

Critics called a recent appropriation for firefighting in Anchorage "a waste of money," Stevens said. "I call it good government."

"Without our seniority, and I say this categorically, Alaska's share will go down," Stevens said.

Stevens said his role is simple.

"I believe I was sent there to do the best I can to get the money to meet the needs of this state."

The crowd clapped.

Stevens ended his talk defiantly:

"I'm proud of the job I've been able to do ... working for you and with you every day, regardless of the slings and arrows I face attacking what I've tried to do for Alaska and Alaskans."

The standing ovation went on for half a minute.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390. Read Kyle Hopkins' political blog at adn.com/alaskapolitics. Reporter Richard Mauer contributed to this story.

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Letters to the editor

(Published: August 8, 2007)

The honorable Lisa is a victim

I do not think the honorable Sen. Lisa Murkowski is guilty of anything except taking advantage of a bargain offered by a friend, which any of us has the right to do.

I believe she is the victim of nit-picking and the hysteria of the moment.

---- Norman Griffin

Homer

European cities given too much ink in Daily News weather report

As a child, my parents encouraged me to read my hometown paper as a way to teach me something about geography and tell me about various parts of the world. Now, as a mother of two, I look to the Daily News as a means of introducing the world to my children. The weather report (back page of the Alaska section) is a great place to start, but I'm disappointed in the "World Cities" list.

European cities account for almost 37 percent of the "World Cities" listed, but Europe accounts for only 11 percent of the world's population. By contrast, China and India make up 20 percent and 16 percent of the world's population, respectively, yet they account for only 4 percent of your list. Worse still, Asia, which makes up about 60 percent of the world's population, is represented as only 14 percent of the "World Cities" list.

The "World Cities" list is more than a weather report; it's a concrete connection to our diverse world and a reflection of countries we think are important. Asia is of increasing economic and geopolitical significance in the world and for Alaska; the Daily News should recognize this.

-- Shawnalee Whitney

Anchorage

FBI - Stevens-1723

Police ignore homeless drunks

What is going on with our homeless population? Apparently nothing. They are allowed to walk around drunk, on drugs or any other way they should feel like. And what is being done? Nothing. You call the cops for them almost hitting you and the cops don't do anything.

What is wrong with that picture? Anyone else tries to swing at you and you call the cops, that person gets charged with assault. Why not the homeless drunk people?

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---- Rae Tomlin

Anchorage

Gun packing 'mentally healthy' are the ones who need watching

I had to chuckle at the July 17 article about Anchorage lawmaker Les Gara's proposal on gun control regarding mentally ill patients.

Have we all gone mad? It is apparently obvious that our "mentally healthy" need no help whatsoever from the mentally ill when it comes to gunning down one another in record numbers. According to the Special Committee on Gun Violence, in 2003 there were an estimated 30,000 firearm-related deaths in the United States.

The irony is that most violent crimes are committed not by the mentally ill, but by testosterone-fueled young men, who consider gun ownership a rite of passage into manhood.

Violence breeds more violence, and more guns on the streets equate to increased violence. The Special Committee on Gun Violence goes on to say that the rate of death from firearms in the United States is eight times higher than its economic counterparts in other countries. Hardly a sobering thought!

Let's get real. The simple truth is that we love to pack some heat. It's an image that most Americans are proud to portray and one in which Hollywood wantonly personifies. Unfortunately, this image is costing lives.

Since many of those reading this letter will consider me crazy for not packing some heat, maybe Gara does have a good point after all.

-- Danny Kilanowski

Wasilla

Many thanks to those who cleaned up graffiti at Susitna Elementary

On May 25 I discovered extensive graffiti spray-painted on the backside of our Susitna Elementary School. This was the worst public display of obscenity and graphic vulgarity that I had ever seen. Anchorage police agreed: These were deplorable actions.

I want to thank our school's business partner since 1994, Carrs Muldoon -- specifically manager Mike Miller -- for providing the key evidence to apprehend the vandals ("Three more teens arrested in vandalism at elementary school," July 19). I also want to thank our Neighborhood Watch program, the Anchorage School District security team, and ASD's school resource officers for collaborating with Carrs' security team. This was certainly an example of the private and public sectors working together for a positive outcome for our East Anchorage community.

Anchorage school and business partnerships make our community stronger and set good examples for our young people.

I am glad that the district will seek restitution for the expense of repairing the vandalism. District paint crews worked diligently to clean the damage. But, I also wish to recognize that most of our Anchorage youths are helpful and contributing community members. I can only hope that now, anticipating the court's severe consequences and through fulfilling rigorous community service --

these teens will turn their lives toward a better direction.

---- Paul Wieneke, principal

Susitna Elementary School

Anchorage

Just a few questions regarding the work being done by our FBI

Several Alaska legislators are being accused of numerous felonies of conspiracy, bribery, etc.

Despite what political affiliation one has, think:

Why are our legislators being targeted by the FBI?

Are other states having their legislators targeted like ours?

Why are the ones targeted connected to oil concerns?

Does some power person who doesn't want development have a friend in the FBI?

The FBI built an office building in Anchorage a while back. Before that we did not have these problems?

Is this the FBI having to justify the new building or their jobs?

If the rest of the trials turn out like the first one, Tom Anderson's, then it appears being innocent on some or all charges does not matter?

Is this about the FBI not being able to lose face? According to the news, the FBI apparently harassed witnesses for Tom Anderson, why?

What is really going on here?

If it can happen to them it can happen to you or me?

---- Linda Chandler

Wasilla

Checkers is more complicated than at first it would seem

Obviously a U.S. senator who doesn't understand the difference between Richard Nixon's cocker spaniel and the Alaska insider land deal of the century should have at least sought the advice of a proper Camp Cupcake alum before doing it. People who don't play checkers well should not be trusted to play this country's highest level of speech-making chess.

-- Robert Lee

Anchorage

FBI - Stevens-1725

Interchange project will improve Mountain View and Russian Jack

In response to the Alaska notebook that appeared July 25 on the editorial page ("Why cheer this?"): First, we are not South Mountain View, but Russian Jack, as we have been for 30 years. This is defined in the Anchorage Municipal Code (chapter 2.40). We also have our own Anchorage police substation (donated by a concerned citizen). Incidentally, the Daily News is located in Airport Heights.

Second, the interchange and ultimately the highway-to-highway connection will speed commuters through Anchorage, taking them off Bragaw Street, Debarr Road and Mountain View Drive, making these streets safer and less congested. As Mayor Mark Begich said at the ground-breaking, the highway-to-highway project will remove 60,000 vehicles a day from local surface streets.

Third, the interchange project will include a safer way for our children to go to Clark Middle School, without climbing the old pedestrian overpass and being intimidated by transients. The new path will even allow them to ride their bicycles to school, thus offering more exercise opportunity.

Finally, we do hope that the reduction in commuter traffic on local streets and easier pedestrian travel will bring the Mountain View and Russian Jack communities closer.

---- Edward Leach, president

Russian Jack Park Community Council

Anchorage

Stop protecting Mayor Begich; he's biggest power abuser of all

The ethics problems of the Republicans are headlines: What about the one right in front of you? Only power reveals ethics problems. Maybe the News will stop protecting the biggest abuser of all, Mayor Mark Begich. Look at the Glenn Square deal. Look at taxes and MUSA (Municipality Utilities Service Assessments). Look at the Muldoon Wal-Mart. Look at the convention center. Begich helps his friends on a regular basis, but we don't hear a word about it. Why doesn't the Daily News tell us a little about some of the mayor's property that he has sold fairly recently?

The FBI needs to look at all of these politicians who trade their political power for personal gains. Power creates corruption, not party affiliation. Come on, Daily News, report all the facts, not just those with your political agenda in mind.

---- Judd Walker

Anchorage

Health care in U.S. is atrocious

It is absolutely crucial that the American people residing here in the United States are taken care of before any other country in the world. The medical care the taxpaying citizens of this nation are receiving is atrocious. Help us all now.

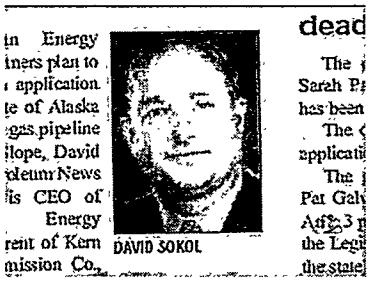
---- Dr. Louis Garding

Moose Pass

FBI - Stevens-1726

<<Back

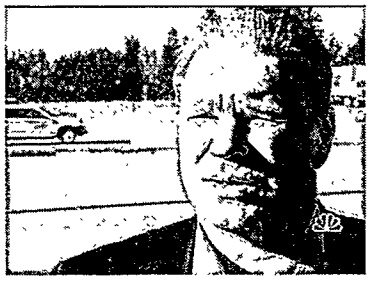
Public corruption probe expanding?



Sokol says he plans to submit a bid to build an Alaska natural gas pipeline under the new Gasoline Inducement Act. (KTUU-TV)

The charging document suggests then VECO CEO Bill Allen discussed the pending Petroleum Profits Tax with former Rep. Bruce Weyhrauch. (KTUU-TV)

Gov. Palin has called a special session for October 18 to reconsider the Petroleum Profits Tax. (KTUU-TV)



Scott Heyworth with Alaska Natural Gas Authority said Sokol's statements are very powerful. (KTUU-TV)

by Bill McAllister
Friday, Aug. 10, 2007

ANCHORAGE, Alaska -- The CEO of a major energy company is speculating that the public corruption probe in Alaska could extend to the North Slope producers.

One of the charging documents against former legislators says that a lobbyist for one of the producers did know something about an oilfield services company executive trying to manipulate a lawmaker last year.

The Petroleum News is reporting that David Sokol, CEO of MidAmerican Energy Holdings Company, believes it's possible that there could be criminal investigations and indictments that involve the major North Slope producers.

Sokol, whose company is a subsidiary of billionaire Warren Buffett's Berkshire Hathaway, says he plans to submit a bid to build an Alaska natural gas pipeline under the new Gasline Inducement Act.

But according to the Petroleum News, Sokol says that plan could be derailed if the FBI's ongoing probes into public corruption in Alaska would, "Circle back to implicate any of the producers. If they do, our concern is the process might negatively impact a gas line project from a timing standpoint."

Scott Heyworth with Alaska Natural Gas Authority said Sokol's statements are bold.

"Those are some powerful statements by Mr. Sokol to say something like that. Something bruised MidAmerican for them to come out swinging, and that's a punch back," Heyworth said.

Heyworth has stayed heavily involved in natural gas issues since sponsoring a citizens' initiative in 2002 to create the Alaska Natural Gas Development Authority.

Heyworth said it appears Sokol has mixed motives in speculating about possible involvement of the producers in the scandal concerning oilfield services company VECO.

"He certainly has his own self interest because MidAmerican wants to bid on it, and I think the producers pretty much would like everybody else to go away. But he's putting out what he's heard. You'd have to say he's heard some rumors also, or something to that effect. Like we all have," Heyworth said. "I mean, a number of us up here have been hearing those rumors, but they're just rumors, you know. I have no insight into the

FBI - Stevens-1727

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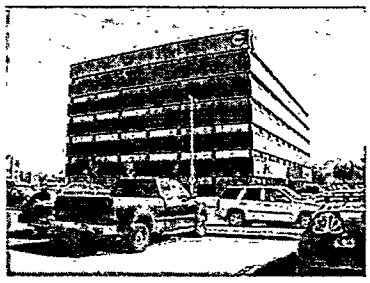

MidAmerican becomes the latest entity to raise the question of what the big three producers knew. (KTUU-TV)

grand jury, and I don't think you do either or anyone in Alaska; it's a pretty secret thing, I believe."

But there is more than rumors.

The charging document against former Reps. Bruce Weyhrauch and Pete Kott, who are accused of bribery, extortion and other felonies, includes references to a conversation between a vice president of VECO and a lobbyist for one of the producers that occurred on or about May 25, 2006.

The document suggests that then VECO CEO Bill Allen discussed the pending Petroleum Profits Tax with Weyhrauch the night before.

According to the government's case, the VECO vice president told a lobbyist for one of the oil producers that Allen said the relationship with Weyhrauch was 'going well,' that VECO was keeping Weyhrauch in a good place, and that 'Bruce will be good.'

A spokesman for BP declined comment, and officials of ConocoPhillips and Exxon Mobil could not be immediately reached for comment.

Allen and former VECO Vice President Rick Smith have pleaded guilty to bribing legislators, and three former lawmakers await trial this fall.

And now MidAmerican becomes the latest entity to raise the question of what the big three producers knew, and when they knew it.

Coincidentally, tonight is the one-year anniversary of final passage of the Petroleum Profits Tax, which came at the conclusion of the Legislature's second special session of 2006.

Gov. Palin has called a special session for October 18 to reconsider that tax, in part because of what she considers the tainted process used to enact it.

Contact Bill McAllister at bmcallister@ktuu.com

WorldNow

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FBI - Stevens-1728

The New York Times

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August 10, 2007

Like Father, Like Son, Even When They Are Under Suspicion

By PHILIP SHENON

WASHINGTON, Aug. 9 — Ben Stevens is often said by Alaskans to be the spitting image of his father, Senator Ted Stevens. They have the same broad forehead, wide-set eyes and compact physique. They share the same rough-hewn personality, seemingly always spoiling for a fight.

Now, father and son share a new, unwelcome distinction. Both are under investigation by the Justice Department over their ties to an Alaska businessman who has confessed to bribing public officials.

The Alaska home of Ted Stevens, the longest-serving Republican in the Senate, was raided last week by the Federal Bureau of Investigation. His son's offices in the Alaska Legislature — he was a state senator until this year — were raided last summer.

Neither Ted Stevens, who is 83, nor Ben Stevens, 48, a fisherman turned politician and lobbyist who is the youngest of the senator's three sons, has been charged with a crime.

But in court papers in May in which he admitted to bribery, the Alaska businessman, Bill J. Allen, acknowledged making $243,000 in possibly illegal payments to a state lawmaker identified only as "Senator B." Although he denies wrongdoing, Ben Stevens, who has acknowledged receiving about $243,000 in consulting fees from Mr. Allen's oil-services firm, has not disputed that he is "Senator B."

It is undeniable that Ben Stevens has earned hundreds of thousands of dollars in consulting fees from companies and industry groups that have been the recipients of huge federal grants steered to Alaska by his father in recent years.

Prosecutors are now investigating whether Senator Stevens directed money to projects that benefited his son's lobbying clients. Until Democrats took control of the Senate this year, Senator Stevens had been chairman of the Appropriations Committee, which determines how the federal budget is actually spent.

People with knowledge of the investigation, speaking on condition of anonymity because of grand jury secrecy, say the F.B.I. is reviewing Senator Stevens's involvement in millions of dollars in earmarks to fishing and seafood companies that his son represented, as well as a $1.6 million appropriation to an Alaska marine sciences center to buy land owned by one of his son's business partners.

The story of the Stevens family is central to the rough-and-tumble history of Alaska politics — the elder Stevens entered the Senate in 1968, a decade after Alaska was granted statehood — and the latest chapter has its elements of tortured family drama.

Many Alaskans have been left wondering whether it was a doting, fiercely ambitious father who brought the

194A-AN-13620-M;708

son under the suspicion of criminal investigators, or an intemperate, boastful son who entangled his aging father in the Justice Department's fast-growing investigation.

"Tragedy is a pretty powerful word, but, yes, it applies," said Jack Roderick, a former law partner of Ted Stevens who was mayor of Anchorage in the 1970s.

Mr. Roderick said he suspected that Ben Stevens's tough-as-nails political style might help explain why his father had found himself under federal scrutiny. Mr. Roderick described Ted Stevens as "a father with a son who may have overstepped the bounds."

Ben Stevens's criminal defense lawyer, John Wolfe, said it might be precisely the opposite — that his client had come under unfair scrutiny by prosecutors because he is the son of a powerful senator with many adversaries. In Alaska, Mr. Wolfe said, "many people view life through a prism that is decidedly anti-Stevens."

Mr. Allen, the businessman at the center of the investigation, and Senator Stevens have been business partners in recent years; they were co-owners of a racehorse. But according to local news media reports, witnesses before a federal grand jury say that what appears to have attracted the attention of prosecutors is Mr. Allen's unusual role in renovating the Stevens family home in Girdwood, the house that was raided last week.

Contractors were instructed to forward their bills for the renovation, which more than doubled the size of the house, to Mr. Allen's oil-services business, VECO, not to the senator. Mr. Stevens has insisted that he paid every bill that was forwarded to him; he said those bills totaled about $130,000. The question before prosecutors is whether Mr. Allen paid some of the renovation costs in exchange for legislative favors.

Since the F.B.I. raid on his office last year, Ben Stevens has mostly stopped talking to reporters. But in the past, he had denied in interviews that he owed his success as a state politician and business consultant — under state law, he was allowed to do both simultaneously — to his father's influence in Washington.

"I've been living with it my whole life," he was quoted as telling The Anchorage Daily News in 2002. "There's nothing I can do to get rid of him as my dad."

Those comments came in response to financial disclosure forms filed by Mr. Stevens in the State Senate and other documents made public that year that revealed he had been paid more than $715,000 in salary and bonuses for three years' work on the 2001 Special Olympics World Winter Games in Anchorage.

The effort to bring the Special Olympics to Alaska had been a pet project of his father in Washington, and from his post on the Appropriations Committee, Senator Stevens helped steer millions of dollars in federal money to support the competition for mentally disabled athletes; the 2001 games were mostly underwritten by federal taxpayers.

After the games, Ben Stevens received two consulting and fund-raising contracts from Special Olympics, the Washington organization that oversees the games. The contracts were worth a total of $36,000. The larger contract was for $4,000 a month over a six-month period in 2001.

There is no evidence that his work for the Special Olympics has drawn any sort of scrutiny by investigators.

But the generosity of his pay package for a nonprofit event, and Mr. Stevens's subsequent consulting contracts with Special Olympics, drew strong criticism in Alaska and seemed to demonstrate how the younger Mr. Stevens had capitalized on his father's influence on Capitol Hill.

Jerry McBeath, a professor of political science at the University of Alaska in Fairbanks, said Ben Stevens was seen in the state as someone whose success was due largely to his bloodline: "What he has done in life has had less to do with native ability than with the fact that he's the son of a very powerful United States senator."

Ted Stevens, whose spokesmen in Washington did not return phone calls for comment this week, have said in the past that he had nothing to do with his son's appointment to the Special Olympics organizing committee or his pay for the 2001 games.

Leslie Aun, a Special Olympics spokeswoman, said the Anchorage games were considered "an extraordinary and wonderful event." Mr. Stevens was hired and paid by the local organizing committee, Ms. Aun said, adding, "We didn't have any role in that."

Ms. Aun said Mr. Stevens had been a valuable paid consultant to her group after the games and helped organize a major fund-raising drive.

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FBI - Stevens-1731

adn.com

AP story on Young

Posted by Alaska_Politics
Posted: July 24, 2007 - 6:21 pm

The Associated Press has moved this story ...

Wall Street Journal: Rep. Young under criminal investigation

The Associated Press

U.S. Rep. Don Young is under criminal investigation, the second member of Alaska's congressional delegation to be part of a federal corruption probe, a newspaper reported.

Young is being investigated for his alleged ties to VECO Corp., the Anchorage-based company whose former top two executives -- including former CEO Bill Allen -- have pleaded guilty to bribing Alaska state lawmakers, the Wall Street Journal, citing anonymous sources, reported on its Web site late Tuesday.

Investigators are trying to determine whether Young or U.S. Sen. Ted Stevens took bribes, illegal gratuities or unreported gifts from VECO, the newspaper reported, citing only "people close to the case."

A message left by The Associated Press late Tuesday at Young's Washington, D.C., office was not immediately returned.

The Daily News could not independently verify the story.

Stevens has continually declined to comment on the corruption investigation, which involves the FBI and the U.S. Justice Department.

The Wall Street Journal said Allen held fundraisers called "the Pig Roast" for Young every August for 10 years. Public records show Young received $157,000 from VECO employees and its political action committee between 1996 and 2006.

Young, a Republican, amended campaign-finance filings earlier this year to reflect $38,000 in payments to Allen, the Journal reported. The refunds were labeled "fundraising costs" in documents filed with the Federal Election Commission.

Young has spent more than $250,000 of his campaign contributions on legal services since he put a Washington, D.C., law firm on retainer this year, according to recent regulatory filings.

As part of a widening corruption probe, the FBI is looking closely at a 2000 construction project that more than doubled the size of Stevens' home in the ski resort community of Girdwood, about 40 miles south of Anchorage.

A contractor who did work on the house has said he was directed to send bills to VECO. The contractor said someone at the company would examine them for accuracy before sending them to Stevens, the longest serving Republican in Senate history.

"Federal agencies have conducted a broad ranging investigation in Alaska for almost a year. I believe this investigation should proceed to its conclusion without any appearance that I have attempted to influence its outcome," Stevens said in a written statement issued last week. "I will continue this policy of not commenting on this investigation until it has concluded."

"I urge Alaskans not to form conclusions based upon incomplete and sometimes incorrect reports in the media," Stevens said. "The legal process should be allowed to proceed so that all the facts can be established and the truth determined."

Allen and another former VECO executive, Rick Smith, have pleaded guilty to extortion and bribery related to their dealings with state legislators. They are said to be cooperating with investigators. No sentencing date has been set.

Alaska Politics

Kyle Hopkins covered the 2006 campaign for governor and is covering the Palin administration's transition. Before joining the Daily News in 2005, he was a writer for the Anchorage Press and the Fairbanks Daily News-Miner. E-mail him at khopkins@adn.com.

Archive : The Trail 2006 campaign blog

Archive

Ethics complaint over Murkowski-Penney deal - 7/25/2007 4:24 pm
What to do with the WSJ story - 7/25/2007 3:39 pm
AP story on Young - 7/24/2007 10:21 pm
Taxes - 7/24/2007 8.55 pm
Wall Street Journal: Young under criminal investigation - 7/24/2007 7:32 pm
Tax exemption? (UPDATED) - 7/23/2007 8:40 pm
Palin headed to Kuwait - 7/23/2007 2:16 pm
'Dreaming of Alaska?' - 7/23/2007 2:15 pm
Rumbles - 7/20/2007 8:39 pm
Letter to Metcalfe - 7/20/2007 8:36 pm
City: Marlow's power plant, plus upgrading Assembly chambers - 7/20/2007 5:29 pm
(UPDATED) Dittman poll: Businesses, milk, global warming - 7/20/2007 3.21 pm
Murkowski in the spotlight - 7/20/2007 10:46 am
Round-up - 7/19/2007 10:06 am
What to do about homeless - 7/18/2007 3:16 pm
Roll Call on Young - 7/18/2007 10:59 am
Tesche - 7/18/2007 10:31 am
Special session and capital creep - 7/17/2007 0:14 pm
Poop update - 7/17/2007 7:54 pm
(UPDATED) AP on Stevens - 7/17/2007 6:27 pm
Wrong number - 7/17/2007 3:20 pm
Wes Keller to replace Kohring - 7/17/2007 12:54 pm
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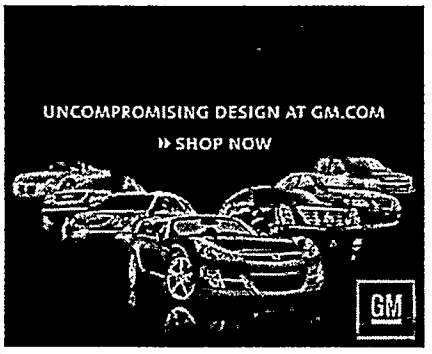

Alaska's Top Jobs all 79 top jobs

Health Care Services
Physician
Kodiak Area Native Association

Accounting/Banking/Finance
Accounts Receivable Technician
Alutiiq, LLC

Management/Professional
Corporate and Foundation Relations Manager
University of Alaska Fairbanks

Construction/Skilled/Trades
Project Manager
Company Confidential

Accounting/Banking/Finance
Accounting Manager
Company Confidential

careerbuilder

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194A-AN-13620-M;704

Three former Alaska lawmakers charged with bribery will face trial later this year.

Meanwhile, the state's junior senator, Republican Lisa Murkowski, has come under scrutiny by watchdog groups for allegedly benefiting from a questionable land deal. She and her husband purchased a prime piece of property on the banks of the Kenai River at about $100,000 below market price. The land was purchased from the lot's adjacent neighbor and longtime Murkowski friend, Bob Penney, who also is a friend and a longtime business associate of Stevens.

Penney, who recently testified before a federal grand jury in the Stevens' investigation, said he was satisfied with the sale to Murkowski and her husband and received three times more than he paid for the property.

add new comment

11 July 25, 2007 - 2:06pm | Stags_Leap

more Lisa Murkowski problems

has anyone looked into the "financing" of the Penney-gate land deal? She reportedly got a sweetheart 39 year mortgage from a bank. Just so happens Lisa is a former board member of this bank.
A 39 year mortgage is extremely extremely rare. Banks just don't do them. So why did she get one? She is a U.S. Senator and a former board member of that bank. And this is another GIFT she should have disclosed to the FEC -which she did not.

reply »

July 25, 2007 - 4:00pm | tomtom

Stags,

It has been common practice for the past few years for financial insititutions to offer terms up to 40 years here in Alaska. In other countries, they are issuing multi-generational mortgages and in other states they are issuing mortgages up to 50 years.
Please check with Alaska USA, they talk about the 40 year mortgage on their website.

reply »

10 July 25, 2007 - 12:53pm | bobbys_place

Alaska Newspapers ducking political hot potatos

What happened to good old investigative reporting by Alaska Newspapers? What happened is that LM, DY and TS have the ability to call people who run large amounts of advertising in the Daily News and Fairbanks News Miner (and TV and radio stations) and get them to call the media and say,"hey I didn't like that story about my favorite crooked politician, how about I pull my ads from your newspaper/radio/TV" and instead of putting integrity and journalist ethics above dollars, the media gets gun shy and will only run stories that have already been reported by the lower 48 media, so they have an excuse when their customer calls complaining about the "attack" on the crooks we have elected. The Daily News is as crooked as LM, DY and TS, because they ignore what is going on in, because reporting it is not in their own $elf intere$t.

reply »

July 25, 2007 - 1:45pm | chilcoot

Garbage

The post above by "bobbys_place" is pure garbage. The Daily News has the Pulitzers to prove it. The Daily News has been all over the corruption of prominent Alaska politicians, and has been for years. Ask John Lindauer, George Jacko, Ben Stevens, Ralph Seekins, Scott Ogan, Jerry Ward, Jim Zawacki, Lin Garrison, Vic Kohring, Al Veazy, Pete Kott, Bruce Weyrauch, Ramona Barnes, and Dave Donley. That the Daily News is not presently leading in investigating Don Young's problems is hardly evidence that the Daily News is not trying. Good grief, what an uninformed post.

reply »

July 25, 2007 - 1:28pm | heyworth

correct

you nailed it.

reply »

9 July 25, 2007 - 11:50am | fishwrapper

Big Don

If Don goes to trial, I hope he takes the stand! We'd be in for a !@#$%&*$ Fest! Can't wait to see the judges face.

reply »

8 July 25, 2007 - 11:34am | Stags_Leap

Campaign funds for Legal Defense

USA Today has a good article in the 5/17/07 edition, called: 'Campaign funds going to legal fees.' That gives some good background on the issue. Someone kindly put up an html link to it...please.

reply »

7 July 25, 2007 - 9:29am | leowassilie

November 2006

If I remember right, didn't Diane Benson receive 40% of the vote last time?
You see, our state is progressive.

reply »

July 25, 2007 - 1:39pm | heyworth

Being used

The Dems used Diane last time by luring her in to run against Young to "soften" him up for "their guy" in '08.
They won't support her at all in this coming Primary.
Just watch which big name D files.
Need I even give the first 4 names?
She won't have a chance.
No support at all.
Sorry DB. It's what they do to folks like you.
Don't waste your time.
I know.

reply »

July 25, 2007 - 3:29pm | leowassilie

FBI - Stevens-1733

i gotcha
Not really trying to point out her as a potential candidate more than to point out that Alaskan's are actually progressing away from electing Don Young.
reply »

6 July 25, 2007 - 9:19am | leowassilie

Kenai's Murky River
It doesn't matter how much money Penney earned.
The COST of the property is a historical figure that means little to the prospective buyer, and is the measure from which to pay capital gains tax from the owner. The ONLY thing that matters here is the Fair Market Value, since LM was the buyer. The FACT he did receive three times more than he paid for the property is a great indicator the property is undervalued from borough assessments.
reply »

5 July 25, 2007 - 8:51am | chilcoot

This Can't Be True
No way is Don Young corrupt. He's pure as the driven snow.
Why, just last week, I saw him walk by an old woman and not shove her to the ground.
I've heard he can go weeks without tackling an environmentalist, binding him in duct tape, and setting him alight in whale oil.
Don Young reeks of integrity. Because that's what integrity does. It reeks. No way is he corrupt.
reply »

4 July 25, 2007 - 7:47am | nickolas

a joyous day
or it would be, if this was of any real consequence, shamefull on one side, but well needed to be done, on the other however the buck doesn't stop there, and nothing will come of any of this, personaly to I it looks more like an illusion of pretend adjucation of justice to give the public a hope pf trust in some agency that has no office or Officers. One could always hope though this will continue, of course to do so would litigate the Alaska Court system as well, which doesn' seem to be the intent, since knowone ever wants to eliminate all players.
reply »

3 July 25, 2007 - 7:41am | Stags_Leap

question on Lisa Murkowskii land deal
Duke Cunningham's original criminal problems started with defense contractor Mitchell Wade paying Cunningham $1.675 million for the congressman's Del Mar Heights home in late 2003. Wade then sold it 11 months later for $975,000 ---- resulting in a $700,000 loss.
So why is it ethical for Lisa to underpay for a prime piece of property owned by Penney, which gives her an immediate $150K-$200K in equity, which she didn't disclose to the FEC?
reply »

July 25, 2007 - 9:26am | ilovelucy

Question that hasn't been asked
Did Lisa sell her Anchorage home for the assessed value or market price? From what I could tell from the city property site, she sold it for $405,270 and it was assessed at 325,400 in 2005 and $344,400 in 2006 (when the sale was recorded - however, the 2005 assessment might have been current when she actually sold the place). Why would she know enough to ask more than the assessed value and yet seem so clueless when it comes to property purchases on the Kenai?
Even if it's a rhetorical question, the ADN should've asked it. They should actually report the news sometimes, not just respond to it after national groups do it.
reply »

July 25, 2007 - 7:57am | TheSdog

Stags
If LM turned around and sold it now for 400K or something along those lines you might have a point.
Then again, this transaction is going the other way.
You also need the smoking gun of what exactly LM did for Penny in exchange for money. That was clearly demarcarted in the Cunningham case.
reply »

2 July 24, 2007 - 11:25pm | alambernakis

Where is the ADN?
Here is yet another example of the outside media reporting stories that more appropriately should be done by the ADN. What is the matter with our local paper? Why are so many significant news stories about the questionable conduct of our Congressional delegation being originally reported by others? The Lisa Murkowski story came from talkingpointsmemo. This story came from the Wall Street Journal. The story about Don Young returning campaign contributions came from Roll Call (and by the way only was posted on this blog and has never been the subject of a story in the ADN). The ADN's failure to adequately cover our Congressional delegation is as embarrasing as Don Young's speech about Alaska's biting and fighting minks.
reply »

July 25, 2007 - 1:03am | shasta2

RETURNING CAMPAIGN CONTRIBUTIONS
The congressmen Young received campaign contributions and for some reason and for what reason did he say he was not needing them? Really, Did he just return $35,000.00 or whatever amount? Why did Bubba just turn around and give a refund? The house of cards etc. I am afraid is coming down.. Perhaps the jets won't be flying as the money was already spent by the old man but a lot of legislatures I bet will be packing up ready to drive south..
reply »

1 July 24, 2007 - 10:51pm | adnak

Who isn't under investigation?
How sweet it is, the Trifecta!
Stevens, Boss Young, Murky Jr., I'm so proud of our state.
And let's not forget Ben, half of the Juneau legislature, and lots of fishing industry leaders all waiting for jailtime too!
And after the Bridge to Mars ridicule, we can kiss the federal buck$$$ away. No more easy money for Alaska for years.
All these folks are going down, was all the power we gave them all these years worth it?
We are the laughing stock of America-those bozos in Alaska.
We and Sarah better drive some real world deals on our part of the oil and gas. If we continue to give our fair share away, and lose our accustomed chunk of the federal purse, I can see lots of families having to leave the state.
No federal largesse, a reduction in big ticket infrastructure funding, this state is going to be hurting for a long time.
I hope all these folks end up in prison for awhile, because their not welcome in Alaska anymore.
Thanks, all you selfish, scurvy, politicians.

FBI - Stevens-1734

You've done a great job ruining the future of a lot of hard working Alaskans.
reply »

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FBI - Stevens-1735

washingtonpost.com

Timeline of Stevens Investigation Events

Advertisement

Tiger Woods gets it.

Kelly Ripa gets it.

By The Associated Press
The Associated Press
Tuesday, July 31, 2007; 1:44 PM

-- A timeline of Alaska Republican Sen. Ted Stevens' involvement in a federal investigation centered on VECO Corp., an Alaska-based oil field services and engineering company.

In May, one current and two former Alaska legislators pleaded not guilty to extortion and taking bribes to support legislation benefiting the company. Days later, Bill Allen, VECO founder and CEO, and a VECO vice president both pleaded guilty to bribing state lawmakers in exchange for votes favoring industry on oil legislation.

_ 2000: Renovations on Stevens' home in the ski resort community of Girdwood more than double the house's size. Allen oversaw the project. Contractors said they submitted bills to Allen, then received checks from Stevens.

_ Aug. 31 2006: The FBI raided the offices of Stevens' son, then Alaska Senate President Ben Stevens, along with the offices of several other state lawmakers in an investigation of VECO. The younger Stevens has not been charged.

_ May 25, 2007: Bob Persons, Stevens' friend and neighbor, was ordered to appear before a grand jury in Washington, the Anchorage Daily News reported. The government directed Persons to submit documents related to the work on Stevens' home in Girdwood, including work tied to VECO and contractors who were hired or supervised by VECO.

_ Summer 2007: Barbara Flanders, who serves as a financial clerk for Stevens on the Commerce Committee, testified before a federal grand jury joined by the IRS and the Interior Department. She provided documents regarding the senator's bills, according to an attorney in the case.

_ June 2007: Bob Penney, Alaska businessman and associate of Stevens, testified before a grand jury in Anchorage that has gathered information in the corruption cases.

_ June 7, 2007: The Washington Post reported that Stevens had hired lawyers and was instructed by the FBI to preserve records relevant to the burgeoning federal investigation.

_ July 2007: Stevens told The Associated Press that he's worried that a corruption investigation "could cause me some trouble" in running for re-election next year.

FBI - Stevens-1736

194A-AN-13620-D-705

_ July 17, 2007: Stevens filed his personal financial disclosure form after receiving a two-month extension to fix what he called a few simple technical errors. Stevens said every bill he and his wife received for renovations to their home was paid "with our own money."

_ July 30, 2007: FBI agents executed a search warrant at Stevens' Girdwood home, which included taking photos and training video cameras on the house. An attorney briefed on the raid said officials appeared particularly interested in cases of wine stored in the senator's house.

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(UPDATED) FBI, IRS searching Stevens' Girdwood house

Posted by Alaska_Politics
Posted: July 30, 2007 - 10:38 am

I think this version of the Stevens story will be in tomorrow's paper ...

By RICHARD MAUER and ERIKA BOLSTAD
Anchorage Daily News

Federal law enforcement agents raided U.S. Sen. Ted Stevens' Alaska home in Girdwood on Monday, hauling off undisclosed items from inside and taking extensive pictures and video. Officials wouldn't say what they were looking for or what they found.

"All I can say is that agents from the FBI and IRS are currently conducting a search at that residence," Dave Heller, the assistant special agent in charge of the FBI's Anchorage office said Monday.

Neighbors said agents showed up between 11 a.m. and noon, and that a commercial locksmith was called to open the front door. Some two dozen agents were still there at 9 p.m.

Stevens, 83, has long been the most powerful political figure in Alaska, and a major force in Congress. A swarm of federal agents serving a search warrant at his home is unprecedented in Alaska politics, and is part of what appears to be a widening corruption investigation that first burst into view last August. That's when agents raided the offices state legislators and the oil field services company Veco, among others.

Federal investigators and grand juries in Anchorage and Washington, D.C., have been seeking information about a remodeling project at Stevens' Girdwood home the occurred in 2000. The project, which more than doubled the size of the house, was overseen by Veco CEO Bill Allen. Two months ago, he pleaded guilty to bribing state lawmakers and agreed to cooperate with authorities.

Stevens said in a written statement that his lawyers were told Monday morning that federal agents "wished to search my home in Girdwood in connection with an ongoing investigation. I continue to believe this investigation should proceed to its conclusion without any appearance that I have attempted to influence its outcome. I will continue my policy of not commenting on this investigation until it has concluded."

subhead here

Throughout the afternoon Monday, agents could be seen coming and going from the house, on a dirt street below the Alyeska Ski Resort. Curtains were drawn much of the day, so it was impossible to know what was happening inside. But outside, agents could be seen taking extensive still and video images of the house and surrounding property. The agents were obviously cataloging the house and its fixtures, from light switches and electrical outlets to a big stainless steel barbecue grill on a second-floor deck that neighbors said was hoisted there with crane. At one point, agents climbed on the pitched metal roof to take pictures of heat tape in the gutter.

One agent could be seen carrying a full large black garbage bag out of the house, and put it in the white truck.

A half-dozen federal vehicles, including a white panel truck with a satellite dish on the roof, were parked in front of the house most of the day. At least 10 more federal vehicles were parked at the ski resort's day lodge a couple blocks away.

The commotion didn't attract much attention in laid-back Girdwood through the afternoon, though by evening quite a few people had made Stevens' street part of their evening dog-walking itinerary.

Agents at the house wouldn't answer questions. Heller, the FBI spokesman in Anchorage, directed other

Alaska Politics

Kyle Hopkins covered the 2006 campaign for governor and is covering the Palin administration's transition. Before joining the Daily News in 2005, he was a writer for the Anchorage Press and the Fairbanks Daily News-Miner. E-mail him at khopkins@adn.com.

Archive : The Trail 2006 campaign blog

Archive

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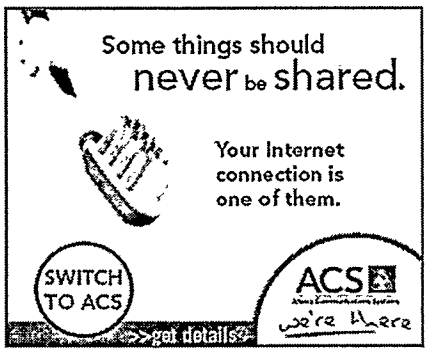

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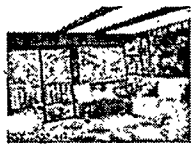

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FBI - Stevens-1738

194A-AN-13620-m;706

questions to the U.S. Justice Department's Public Integrity Section in Washington, which has been working with the FBI and two Anchorage-based assistant U.S. attorneys on the inquiry. A spokesman there had no comment, and neither did a spokesman for the IRS.

subhead here

Three contractors who worked on the remodeling project told the Daily News in May that their records had been subpoenaed by a federal grand jury, and others connected with the work and with Stevens said they had been interviewed or called to appear before a grand jury.

One of the contractors who worked on the job said he was hired by Veco CEO Bill Allen. The contractor said that his invoices were paid by Stevens and his wife, Catherine, but that the bills were reviewed first by Veco.

A federal law enforcement official, who spoke on the condition of not being identified by name, said the FBI is trying to determine whether Stevens has received a hidden benefit stemming from his position in Congress.

If Stevens received renovation work for which he did not play, it could be deemed unreported income by the IRS. Receipt of unreported renovation work also could amount to an illegal gratuity. Or if it were performed in return for political favors, it could be considered a bribe.

Two weeks ago, Stevens told reporters that money for the remodeling came out of his own pocket. "As a practical matter, I will tell you. We paid every bill that was given to us," Stevens told reporters. "Every bill that was sent to us has been paid, personally, with our own money, and that's all there is to it. It's our own money."The remodeling involved lifting the house on stilts and adding a first floor. City records show the 10-room dwelling has 2,471 square feet and is assessed at $440,900.

subhead here

Earlier this year, Stevens announced he planned to run for re-election in 2008 for another six-year term. Stevens' Washington, D.C., lawyer, Brendan Sullivan, said Monday that he had a "long standing practice not to comment on such matters" and would not answer any questions about the raid. Sullivan, one of the best-known criminal defense lawyers in Washington, represented former Lt. Col. Oliver North, the central figure in the Iran-Contra scandal in the late 1980s.

Earlier this summer, Stevens told the Washington Post that federal investigators had asked him to preserve certain documents as part of the Veco probe, and that he expected to eventually turn those documents over to the FBI. He told the Post that "my son is also under investigation." Stevens said then he had not been interviewed by federal investigators.

Four former state lawmakers have been charged with bribery and other crimes. One, former Anchorage Rep. Tom Anderson, was convicted earlier this summer of taking money from the lobbyist for a private prison company. The others, all accused of taking bribes from Veco executives, are awaiting trial. Allen and Smith are awaiting sentencing.

Last August, federal agents served more than 20 search warrants across the state, including at the offices of six state legislators, including Ted Stevens' son, Ben Stevens, who at the time was president of the state Senate. Ben Stevens has not been charged, but Allen's guilty plea in May described Veco paying him some $243,000 in phony "consulting" fees while he was in office.

The Wall Street Journal and Associated Press reported last week that Alaska's sole congressman, Rep. Don Young, is also being investigated as part of the Veco criminal inquiry. Young recently reported spending more than $260,000 from his campaign treasury on unspecified legal fees during the first six months of this year.

Richard Mauer reported from Girdwood and can be reached at rmauer@adn.com or 257-4345. Erika Bolstad reported from Washington and can be reached at ebolstad@adn.com. Greg Gordon of McClatchy Newspapers also contributed.

add new comment

21 August 1, 2007 - 9:25am | Stags_Leap

from CNN

Among the questions is how about $700,000 of nearly $4 million directed to the National Park Service wound up being paid to companies associated with Trevor McCabe, a former legislative director for Stevens, according to officials and others familiar with the deals.

The SeaLife Center got about a quarter of the $4 million and paid more than $500,000 for land next to it that belonged to a company owned by McCabe. The price was more than twice the land's appraised value. The center paid at least $200,000 more to a construction company in which McCabe was a managing partner to demolish a building on the land, which is now an open space in Seward's downtown.

Since the $50 million facility opened in 1998, it has proven to be one of Stevens' pet projects. Most of the public funding, or about $37 million, that went into building the SeaLife Center came from funds awarded to Alaska because of the 1989 Exxon Valdez oil spill.

FBI - Stevens-1739

Stevens also has steered at least $30 million toward the center's operations through the National Oceanic and Atmospheric Administration, part of the Commerce Department. That money has gone to the Seward Association for the Advancement of Marine Science, which manages the center and began in 1988 as a lobbying group.

McCabe also was a business partner with Ben Stevens in a consulting firm that federal investigators are interested in. Calls for comment to Stevens' congressional office, McCabe and the SeaLife Center went unreturned. Marcia Blaszak, a spokeswoman for the National Park Service in Anchorage, Alaska, could not immediately be reached for comment.

The Exxon Valdez money -- partly administered by the Interior Department -- was intended to assist the SeaLife Center in restoring the damaged natural resources in the areas affected by the spill. But for the past five years, the center has done little new research in oil spill restoration.

"The Interior Department is seriously concerned that they are a party to misappropriation of a portion of the Exxon Valdez settlement," said John S. French, an environmental consultant in Seward and former member of a public advisory group on the settlement money. "My impression is that some people, not me, really started flagging the situation after the land sale by Trevor McCabe."

reply »

August 1, 2007 - 11:42am | jtgranger

Didn't Exxon invent the Stevens special "Secret Backroom Deals"

Or was United States District Court Judge Russel Holland incorrect discussing that "astonishing ruse" with Exxon and the "Seattle Seven" Seafood Processors?

And of course Seward would be the correct placename for a Stevens update on real Republican Senators like New York senator, and later Secretary of State, William Seward for a real republican administration, back when republicans were republicans, not dixie democrats with Trevor McCabe, and Ben Stevens "Advance North LLC"

Of course Sheets Byrd taught Ted everthing he needed to know to be Chair of the Senate checkbook.

Of course thiose drunken sailor cases from our favorite Texans, the longest running DUI cases in world history still have not yet been brought to Justice.

I guess Alaska needs to remove 7 Stars on their Flag also, and then they can be a Lone Star State just like their friends from Dixie, Teds promise land.

What do you do with a drunken sailor?

Elect him as your reprensative of choice, over and over again.

And another interesting comment from our friend Ted to Dana Bash a reporter from CNN questioning Ted at the Senate Chamber
"Do you understand English"

Seems Ted might need a refresher course in english also,
or are all those Federal Statues written in another language?

Like; "Conspiracy to Defraud the United States"???

Or many other statues of Title 18 and the others included in our United States Criminal Code's?

Where do Alaskan's find their U.S. Reps? They seem confused with all those laws, of course as if they don't apply to lawmakers?

But Ted always has had trouble with English
Like that Dept. of Justice letter from the boys at the Anti-Trust division, who enforce Senator Sherman's Act of 1890.
Of course only Ted wouldent know the Senator Sherman was a good friend of Senator Seward.
Where did this moron namede Stevens go to school at?
Evidently as we all know the correctly used term of per-se violation of this Act, went unheeded by Ted and his cronies, regarding the Crab Ratz Program.

English has always been a difficult subject matter for the Stevens Klan, but is that the reason for President Bush sending the troops to Alaska???

reply »

20 August 1, 2007 - 6:49am | turdball

Innocent until proven guilty.

It is one of the fundamental rights we have living in this great country. Let Senator Stevens have his day in court before we deem him guilty. This investigation is hardly over and will touch many Alaskans for a very long time.

The first corruption trial is over except for the sentencing and it is fitting Tom Anderson is the first. While he did some good things for Alaskans, he took money, probably more times than we will ever know. And he was a bully, and arrogant about it.

He will be a sad chapter of Alaskan history which is just beginning to be written.

But remember it is not time to elect Democrats just because they are democrats, nor Republicans because they are Republicans. It is time to keep good people. No one is perfect, but there are good legislators out there serving people.

FBI - Stevens-1740

But it is past time to move the capitol to the population mass near Anchorage and put it on the road system. Let the people see who their legislators are talking to, and give people access to their government.

Juneau is starting to gear up to stop the "Capitol Creep" today. Soon everyone will get a mailer explaining the cost of moving the capitol. Well we can no longer afford to have the capitol in Juneau, the price of oil is high we have the money and we can afford to move at least the Legislature.

Let Juneau fly to Anchorage to visit their legislators. Transparency is good for government if government is within reach of the most populated area of the State.

reply »

August 1, 2007 - 2:50pm | nick

***Presumed* Innocent until Proven Guilty**
Presumed Innocent until Proven Guilty
1. This applies to judicial courts, not the court of public opinion.
2. This does not apply to the prosecution or those performing an investigation of alleged corruption.
3. Let's make one thing clear: the concept here, in judicial courts, is that someone is presumed to be innocent. Being presumed innocent and actually being innocent are two different things. In fact, if one has committed a crime, he / she is guilty, whether or not that person is ever found guilty by a court or not.
4. R D I or G, conservative or progressive, and friend or foe, if an elected representative is found to have egregiously violated the public trust through conspiracy, corruption, bribery or other such malfeasance then that person, regardless of all the good they may or may not have done in the past, deserves to be held accountable. When you are a public servant you make a contract of integrity with the people you represent. Breaking that contract carries consequences.

As an aside you might want to change your login name from "turdball" to a more befitting name / term as many of your comments are well stated.

reply »

August 1, 2007 - 12:56pm | undeclared

The voters decided
to keep the capitol in Juneau. So stop whining.

reply »

19 August 1, 2007 - 6:43am | geefour907

US vs. Alaska
Make no mistake about it - this is not so much about Ted Stevens or Ben or Lisa or Don or anyone else as it is about the U.S. vs. Alaska. The FBI and the press are taking their cues from national sentiment.

reply »

18 August 1, 2007 - 5:47am | staufen

"Ted's on the run,
....Ted's on the ruuuunnnnn...

[You know McCartney's classic, so sing along]

Stuck inside Marble Walls,
Senate Insider forever,
Never see the Public ones,
Just lobbyists like you,
Payoff you, Payoff you...

If I ever get out of Jail,
Thought of giving it all away,
to a non-profit family,
All I need is a fifth a day,
If I ever get out of Jail...

...

Well, the Night was falling in the Bribery world,
So I began to step and run,
On the Hill they're searching for me everywhere,
But the bribes will never be found.

Senator on the Run, Crook on the Run,
And the Country Judge was already bought off,
Will search for a rigged jury,
For Senator on the Run, Crook on the Run,
Ted's on the Run, ...Ted's on the Run.

I am reminded of when Senator Olympia Snowe chaired a Senate Oceans subcommittee hearing in Seattle in 1999, and Ted was wiggling in his seat along with Sen. Gorton when I gave testimony on Abusive Transfer Pricing... and Olympia looked at them turned sideways and wiggling, knowing they were more than a little uncomfortable with the $ truth! It is fun to see Ted pursued by reporters who might finally grow the cajones to keep asking questions and never stop... Ted is too arrogant to last long under the lights.

Favorite Quote - from the World According to GARP: "Not all the action in Life takes place where the camera lighting is best" - but, the Capitol hall could use a few flash bulbs again...

- Groundswell Fisheries Movement

reply »

August 1, 2007 - 9:12am | volcanoman

Hmmmm.....Purely hypothetical pustulation...
Now what could Trevor McCabe, Board of Fisheries member Jeremiah Campbell and NPFMC council member Ed Rasmuson have in common.....?

reply »

FBI - Stevens-1741

August 1, 2007 - 6:30am | turdball

Has Tom Anderson or a close friend tried to have you fired??

I am hearing Tom Anderson has tried to have several people blogging, or people working for lobbyists, reporters, and legislators fired or removed from from their jobs?

This would have occurred during the last few months.

Anyone out there willing to come forward? If there is a response here, even under blog names, I will post contact name and number. There is already a group talking.

reply »

August 1, 2007 - 8:38am | Black3

Tom Anderson didn't have the power

to do that even as a sitting Legislator and certainly not as an indicted and now convicted felon. Which isn't to say that he or, especially, his darling wife might not have suggested that someone do "something about" someone, especially if that someone was a Legislative staffer. Then you have to ask yourself which Legislator would be foolish enough to do something for either of them under current circumstances.

You seem to be familiar enough with State government to understand that the one mortal sin in either the Executive or Legislative Branches is to do or say something that might call negative attention to an elected or appointed official. That said, all they can really do is huff and puff and threaten to blow your house down.

Even Legislators who foolishly think their employees "serve at the pleasure" quickly cool their jets when someone points out the wrongful discharge cases decided by Alaska Courts in favor of political appointees.

Maybe somebody was foolish enough to talk about stuff like this, but I certainly wouldn't consider it a credible threat.

reply »

August 1, 2007 - 2:02pm | turdball

Check their long distance records

You are wrong. Anderson and McGuire tried it 6 times that our little group is aware of. First when they got caught drinking on the house floor (redbull and vodka) along with a soon to be tried legislator.

There were times they tracked Anchorage Daily News reporters through security tapes in the capitol to try to discover sources.

The Captitol security tapes were reviewed to see if an altercation between Anderson and a lobbyist was on tape and which staff member was in the area to have overheard it.

There was multiple times when they called from out of state demanding 5 or 6 staff members be fired because they new about certain issues involving the Andersons.

Theres been talk from his former staffers, off the record of course. Everyone knows this goes on.

Remember when Jerry Ward fired a pregnant staffer? She was unemployed about 45 minutes. That was a lawsuit waiting to happen.

And you might think you know who wrote this but you don't our little group loans computers and IP addresses. And we have no short term memory. We can't remember who wrote this today.

reply »

August 1, 2007 - 2:20pm | Black3

I'm the one that got to go

tell Ward he was going to apologize, put that woman back to work, and pray real hard she'd be happy with that. Nobody whose job it really was had the guts to do it and some who got paid for knowing better told him it was OK.

I don't doubt that Anderson and McGuire huffed and puffed; I just don't think either had/has the power to do more than huff and puff.

reply »

FBI - Stevens-1742

17 July 31, 2007 - 5:13pm | Stags_Leap

Run Begich Run

Uncle Ted has deceived us all -along with his Republican brethern. We need an ethical elected official who has brains, and can identify with us regular joe's.

Begich - you have my vote in 2008. You have nothing to lose. Even a loss would expand your name recognition state-wide, to set you up to dethrone the prom queen in 2010.

Seriously Mark -take a chance. The state needs you. It's your destiny.

reply »

July 31, 2007 - 10:35pm | volcanoman

Oh Barf, Little Miss Stars in your Eyes.....
Just get ready to have your notion of a perfect world under Nephew Begich to be dispelled.
" Ethical elected official" according to standards defined by whom? You?

As a matter of fact, we are all engaged in a search for trust at this point in time, and it gets so redundant to have party- oriented hacks defining themselves as if God [or the non-existence of Dog] is on their side to the exclusion of anyone differing in political party and religious standards. This sells as well as Christianity vs Islam vs PETA vs "The Unions"vs The"Liberal Media" vs the "Right Wing Fascist Mo-Fo's.

I know people on both sides of the political spectrum that can read things as well as my uneducated carcass can between the lines enough to understand we are constantly played against ourselves for the benefit of those without conscience regarding their fellow human beings being nothing more than stepping stones to further their own comfort and continue their attempts at distancing themselves from mortality by accumulating what passes for wealth.
Whew, Jack Kerouac may or may not roll over after that dissertation.
Everyone, get a grip!
No matter how you couch it, we remain presumptuous about our ultimate fate.
In the meantime, we are hurtling through the known universe at a fantastic [think fantasy] rate of speed, so don't get yer panties in too much of a bunch, we'll be there before you know it.

Do your best to drop the vitriol, this is supposed to be for the betterment of all. If you look,you'll find the world outside of Alaska quite lacking. Let's make here better. So knock it off!!

reply »

August 1, 2007 - 6:25am | turdball

Will we be invited to a "Bill Weimer" style fundraiser?
Knowles collected money from Veco, and there are some interesting old connections between business deals between some democratic old friends.

And remember ANY TIME THE DAILY NEWS DECIDES TO DISCLOSE ANYONES IP ADDRESS SAY TO ATTORNEYS OR OTHER INTERESTED PARTIES, THEY LEGALLY MAY DO SO.

reply »

16 July 31, 2007 - 11:19am | Rockin_Mel_Slurrup

Ted, Ben, Trevor and the Sealife Center
Oy. This is not good.

http://tinyurl.com/2oazjt

"The project, the Alaska SeaLife Center in Seaward, Alaska, has received some $50 million in federal money since 1998. One of Stevens' former aides, Trevor McCabe, was paid $558,000 of that money for an adjacent piece of land. Federal investigators want to know more about the arrangement."

reply »

15 July 31, 2007 - 8:35am | registeringissilly

Stevens' legal problems bigger than just VECO -- also fisheries.
Roll Call reports that in addition to the VECO allegations, "the FBI and the Department of the Interior are investigating a series of earmarks pushed through Congress over the past several years by Stevens for an Alaska nonprofit tied to Trevor McCabe, a former Stevens aide and a business partner of his son, Ben.

I wonder how many other former staffers have gotten sweet deals through their relationship with Ted?

reply »

July 31, 2007 - 10:21am | jtgranger

Ever hear of Advance North LLC?
With Ben Stevens and Trevor McCabe setting up this supposed Limited Liability Corporation?

Seems that Teds Legislation for fisheries with Alaska Seafood Marketing Board monies paid by some of the Seattle Seven Seafood Processors as kickbacks to Ben hasent worked out so well fror Ben and Ted.

Or then there's the Adak Fisheries Scam, with Icicle Seafoods at the helm using pollock to line Bens wallet, but no-one should notice as Adak is so far off the map???

One can really only wonder why our President ignored the Stevens Murkowski suggested appointments for Alaska's U.S. Attorney???

Someone should get a clue in Alaska about a few federal and state politicians on there way to jail.

I thought "Conspiracy to defraud the United States" was a clearly written criminal statue.

Or does that only apply in 49 other states of the Union?

I guess no-one's figured out how great the fishing in Alaska has been lately for 70 Federal Agents flying from all parts of the nation can't be wrong, can they?

Isn't it perfect Ted hiring Oliver Norths criminal defense attorney??? I suppose Ted also has "no comment" on his best friend and the other party Chairman of Approperations, Sheets Bird from West Virginia?

FBI - Stevens-1743

Sheets taught Stevens well, and Bens Advance North is perfect, the DOJ cant be wrong Advancing North!

"North to Alaska...you go North the rush is on..."

reply »

July 31, 2007 - 9:56am | Stags_Leap

agreed

much bigger problems and more big names to be indicted soon.

reply »

July 31, 2007 - 6:56pm | jpowell

Rumor has it that

up to 20 more might be soon indicted in connection with the fisheries deals. This time is will not stop in Alaska. Watch out Seattle.

reply »

July 31, 2007 - 9:57am | F_Firkle

Come now....

Uncle Teddy has already asserted that he had no idea that son Benny was on those/that board(s), let alone that Benny pocketed over a million dollars from the 'ear marks' in what looks, at least from a distance, a whole lot like quid pro quo kick-backs for sponsoring access to Uncle Ted's office and authority...

I mean -REALLY-, the nerve of those silly agents and prosecutors to think that every son who's indirectly gifted a million bucks of the public's tax money by their daddy, automatically results in the daddy's kowledge of the gifting.. I mean.. Like, lots of sons get a milion bucks by virtue of their daddy's governmental authority, and never say anything about it to the old man, either before or after... Ingrateful hoodlums, anyway!! Sheesh!

Of course, I've never personally seen such an event, involving such depths of pure naivete' and convenient ignorance, but I'm sure it's possible... Isn't it?? ;^>)

By the way, Ted, who has those Paxton memos, and what condition are they in?? You don't happen to know a Farrah Fawcett look-alike named Fawn Hall, do you?? "Have shredder, will travel.."

Ted?? Ted?? Are you there??

Hmmmm...

Oh well, he was a good partisan hack while he lasted. And he never had too much critical (or even real) to say about even the worst of the Repugnikan administrations. I guess that's how he kept getting all of that pork that he required in order to appease the mostly-Demopublican unions.. But in the end, money and shallow political power can only carry one so far, eh??

Now, where'd GW go.. Seems to me that there's enough of a trail of proverbial bread crumbs on the ol' floor that the public integrity Fibbies oughta' wanna' ask HIM some questions too. That's the moment that I'm saving -my- popcorn for..

reply »

14 July 31, 2007 - 8:21am | wasilla_blogzilla

I'm sure they'll be laughing when...

Ted is a great asset to our state and we should leave him alone to do what's best for all of us. We need to give him all the honor that is due for his unrelenting pursuit of helping ALL Alaskans. For years he has done a superlative job in procuring funding that has pulled us out of the Frontier Age. With his great skill and statesmanship he has held Senators that would reduce us back to cavemen at bay. These attacks would not be happening if he was a liberal democrat. I'm sure the mainstream media misinformers will be laughing when the military that Ted Stevens has guarding our great state has to pull out due to funding cuts by our liberal congress and they wake up one morning to find that the Chinese Army is patrolling our streets.

reply »

FBI - Stevens-1744

August 1, 2007 - 9:06am | nduperron

Uncle Ted

We all need to give Senator Stevens a fair shake,if he is guilty then he needs to pay for what he has done. If he is not guilty then a whole lot of people on this blog will be eating tons of crow. I personally think all 100 US Senators should be investgated. Do you really think the likes of Harry Reid and Ted Kennedy have never done anything illegal. Remember We may have a Republican President and AG but the Dems currently control the purse strings so I would not be suprised if this is be done as a pay back to Senator Stevens, he has made foes across the political alise. This stuff happens no matter what party controls the $$$$ and right now it is Harry Reid and Nancy Pelosi Liberal Democrats that control congress.

reply »

July 31, 2007 - 7:16pm | snowline

Is Wasilla BioZILLA for real?

Or did someone allow their 4th grader on here again?

reply »

July 31, 2007 - 2:14pm | ilovelucy

Wow!

Let me get this straight. Greed is good. Ted is great. Liberals are responsible for the Federal Bureau of Investigation's criminal probe, despite the fact that GW Bush is President and Gonzales is the AG . But really, the best part is that the Commies are coming to get us if we don't let Robber Baron Ted enrich his family & friends.

Of COURSE you're from Wasilla.

reply »

July 31, 2007 - 10:31am | F_Firkle

Oh, Fer' Shur...

I can clearly remember ol' Billy Bob Clinton conspiring to gift my PFD and my best smoked king strips to Uncle Ho and Chairman Mao...

It's a derned good thing that anti-constitutionalist, quasi-dictator GW and the Stevens family are here to keep me free.. Where would I be without them??? (Other than for having only two parties participating in my telephone calls, and having my otherwise private affairs remain private, that is....)

But if the Chinese -should- show up, maybe it'll bring an end to the puzzling mystery they've been enduring over there, regarding what's happened to all of those tourist trinkets displaced from their factories, and most recently discovered in our 'Alaskan' gift shops...

reply »

July 31, 2007 - 11:13am | wasilla_blogzilla

Get ready

Well go ahead and getcher cone head straw hat, wooden clogs, and bowl of rice. When people like you elect the Ice Queen (Billy Jeff don't have any use for her) and lock up all the moral decent folk like the Honorable Ted you surely won't be getting any more PFD's or Smoked King Strips. Because it won't be any different than the Chinese taking over. Why would you worry one bit if in the name of eliminating terrorism your phone conversation gets monitored. Unless, of course you've got something to hide. As our great leader said immediately after 9/11, "If you're not with us then your against us". You must be against us and supporting the Axis of Evil.

reply »

July 31, 2007 - 12:43pm | F_Firkle

So now I voted for Sarah, eh..

The sound-bytes from Dr. Strangelove types, like yourself, often has me laughing my arse off... I had a Colonel in charge of a military post I worked on who spoke your language fluently... Funny, (albeit dimented), guy..

But you're not even close, in terms of my political affiliations.

But I also recall seeing someone who sounded very much like you in a 1937 anti-cannabis film, and again in a bit of 'Domino Theory' propaganda from the Nixon Whitehouse in the later 60s. Thankfully, only the truly paranoid and blind still subscribe to that bizarre nationalistic tripe.

As for the old, "If you don't have anything to hide," b.s., how 'bout you let me see inside your wallet, sock drawers, and your wife's private lingerie stash, as well as your diary entries and your safe deposit box; afterall, I -am- the government, as in "by, for and of the People," right? And I have fewer arrests on my adult record than GW does, thus making me a more up-standing kinda' guy at the moment... And I've got fewer 'friendly fire' kills under my belt than those who you seem to worship, as well.... And I've bankrupted fewer businesses than your heros as well.. being somewhat more fiscally conservative than they are, in -real time-.

What's tough for folks like you to admit is that by tearing holes in that constitution that's "just another goddamned piece of paper" (quoted from GW himself), if there's treason going on, and I truly believe that there is, and you wanna' find it, all that you need is a mirror.

Some of us still believe in -real- freedom, beyond the rhetorical tripe mumbled between bouts of automatons engaged in flag-waving on July 4th, and absent Orwell's Big Brother gov. And some of us are even willing to stand tall in order to keep what little we've got left of it.

You can put that in your pipe and smoke it, after you're done being an apologist for the current fascists and corporatists in charge here.... The ones who are currently falling like flies, btw..

reply »

August 1, 2007 - 9:21am | shasta2

SO WHAT?

FBI - Stevens-1745

You two genious guys stop the b.s. Please, we don't know what your saying except to one another. I think nothing wrong with having friends. You would do the same as Ted or Don if you had the means. People do things for friends. Ted & Don perhaps had a few more friends than they should have but non the less they have helped the majoriety of the finance here in Seward and Anchorage. So stop the wise cracks and just be friends..And stop speaking in riddles for dogs sake..

reply »

July 31, 2007 - 7:22pm | rfn

Just a guess....

but I think that "clinking" noise you're hearing is your chain being yanked....apparently by an expert!

reply »

July 31, 2007 - 10:21pm | F_Firkle

Ive never lived in the fabled land of strip malls...

and beehive hairdoos, having stayed more to places that more closely resemble the Alaska of my youth...

Blogzilla might indeed be pulling my chain, though it was I who initially (and potentially mistakenly) responded to his Dr. Strangelove paranoia of pinko commies, neo-socialists, those who might question his beloved figure-heads, and, , peaceniks.

But in many years of activism, and in professional life as well, in various roles and locations, I've met enough persons spewing (in all sincerity) similar stuff such as his. I also know that there are indeed those persons out there who believe in our Neo-Corporatists' pablum, as though Moses had brought it down from the mountains himself..

The "If you have nothing to hide" line was standard 'in-coming' when we initially opposed the USA PATRIOT ACT. And I might add that particular brain-dead retort is not too dissimilar to what many in Ted's company touted in their support of the totalitarian power-grabbing that's rolled out of both Congress and the Whitehouse these last 6 years..

BTW, I find it nothing less than ironic that some of the financial disclosure stuff contained in the USAPA could feasibly be used to bite ol' Ted squarely in the keister now that it's his campasinos who are under the proverbial microscope.. Especially all that stuff related to accessing business records, and the expanded definitions of 'financial institutions,' etc... Potential poetic justice, perhaps... ;^>)

reply »

July 31, 2007 - 9.58pm | pp05416

You might be right rfn

but I dunno - people from Wasilla are like that.

reply »

July 31, 2007 - 11.21am | heyworth

We are ready

Wrong.

We support the Axis of Truth and Legality.

Your buddy Alberto most likely signed the Search Warrants and your great leader knows whats going on up here.

So is he also against himself?

You talk to him often? Share with us.

reply »

July 31, 2007 - 11:43am | wasilla_blogzilla

Sharing room

Heyworth, you sound like your ready for an extended stay at the Tehran Hilton with F_Firkle. That way you can see firsthand the meaning of "Truth and Legality". Be sure to get Firkle a Beehive suit and have her walk behind you though as you wander through the town square looking for some rotten mutton to eat.

reply »

July 31, 2007 - 12:34pm | IHEARTmea

Just a thought

Perhaps, _blogzilla, you should consider a decaffeinated coffee.

reply »

July 31, 2007 - 1:41pm | pp05416

Blogzilla vs. Firkle

FBI - Stevens-1746

In Congress, the dems have a Weiner and the reps have a Boehner. Blogzilla and Firkle are way off thread. Sounds like a Weiner/Boehner issue to me.

reply »

July 31 2007 - 3:18pm | F_Firkle

Not at all

PP, if you'd closely read the thread, you'd have seen blogzilla crying the blues about how we're going to land in great pools of carnage as a result of holding such honorable men (specifically Repugnikan legislators) accountable for their apparent corruption. I wrote back re. the similarities between his tripe and many similar voices in past episodes of mind-numbing propaganda.

I was specifically addressing the many excuses persons offer up as reasons to keep folks in office who shouldn't be there, which is very much on track with this thread; it lends itself to explaining why persons who are now under investigation are still in office to be doing what they're doing.

Lastly, I'm not a Dem; life-long Independent, and more recently a Republican Moderate.

Not all perspectives are either convenient or narrow. ;^>)

reply »

13 July 31, 2007 - 7:53am | pp05416

The perfect defense for TED

I can save Ted hundreds of thousands of dollars that could be better spent on running his next campaign. The argument - simple: This has been going on for years and this is the way we have to get things done up here. The Bushie Supreme Justices will recognize that this argument has years of precedence and will rule in favor of Stevens. This will spare Dubya the need for a pardon so that those pinko commies in Congress will not be able to find reason to expand the investigations to their indebted friends.

reply »

12 July 31, 2007 - 5:36am | georgiawashington

Senator Stevens

I am not surprised in the least that Senator Stevens is now under investigation by the FBI. For the past three years I have been writing to various newspapers in both Washington DC and Alaska to let the voting public know how this man is wasting tax money. He pays a salary to his Director of Scheduling, Martha DeLynn Henry, that is way out of proportion to her education and job description. For the tax year 2000 her total income from Senator Steven's payroll was just over $66,000/year; by February 2004, just over 3 years later, her salary was $120,000/year. Ms. Henry has no formal post secondary education and is basically a Secretary who maintains Senator Steven's schedule as well as coordination of travel arrangements for his wife Catherine and daughter Lilly.
I suppose a Senator can pay his staff whatever he feels is a fair and equitable salary but I'm sure the people of Alaska can think of much better usage for that money than to double his Secretary's salary in just 3 years (a whopping 100% salary increase in three years, where else in America can this be possible?). The last documented salary for Ms. Henry was in February of 2004 in a custody hearing in the court in Alexandria Virginia, where there is a letter from Senator Stevens validating that her annual salary was, at that time, $120,000. One can only wonder what it is now, 3 1/2 years later.
Makes one wonder what his other employees earn...those with degrees, his legal staff etc. It also makes one wonder where the money for these salaries comes from...taxpayers money or "undisclosed sources".

reply »

July 31, 2007 - 7:00pm | heliodolly

sour grapes

you have been bitching about employees pay for days. where you not hired for a job in Ted's office and therefore bitter about it. what is your deal?

reply »

FBI - Stevens-1747

August 1, 2007 - 10:09am | georgiawashington

Sour Grapes

Hey Dolly It's not sour grapes at all, my income is actually above that and and I would not even consider working for anyone remotely involved in American politics. The point was that I would have thought that a Senator would be earing somewhere around that range ($120,000) in 2004. But if his sectretary was haulin' in that kind of dough back then...what does he earn? What do his high level employees earn? Does anyone know what a Senator's salary is? Sounds like a royal waste of money to me, I'm no expert on Alaska but there must be social programs that could use funding with that money. Maybe when his empire comes tumbling down, those left unemployed will have a hard time readjusting their lifestyles to accomodate the drop in pay they will most likely have to take when they get jobs in the real world.

reply »

July 31, 2007 - 10:44pm | F_Firkle

I dunno'..
, but when I see someone's salary in the government sector double, and Congress hasn't recently given themselves a 100% pay increase, and the person whose salary doubled didn't win a major settlement for some mega-law firm, several questions pop into my mind, too.

Like, for example;

Who's having whose love child??

or

Who saw sumpthin' that they maybe shouldn't have, but handled it in such a way as to please the person holding the purse strings??

or

(Insert any number of scenarios that might result in the doubling of a public service salary...)

**though I can't speak for georgia, no, I haven't applied for, or been rejected from, any employment application process at Uncle Teddy's office. The degree of animosity that I typically was addressed with, by some elderly sarcastic office staff woman there, tells me quite clearly that it'd likely be a 'hostile work environment'.. As in, no place, or person, I'd personally want to work for.

reply »

11 July 31, 2007 - 1:46am | gr8landclay

I'm so tired of knee-jerk, unthinking reactions by jerks!!
You know, there are a number of us who have, at one time or another, been affiliated with one or the other of our several political parties here in Alaska... or have always been "independents"; ... but most of us who have been here for a while, and watched our chosen home and our politics change with oil and growth, have a kindred feeling with each other that we share above all other things - we regard ourselves, first and foremost, as ALASKANS - and regardless of "the bacon" brought home, we all know there are values we want our elected officials to stand for. The republican party, as it stands now - both nationally and in Alaska, is not a republican party anyone can feel proud of right now... and it needs to become one...

maybe its only because they've held the reins of power too long... maybe democrats - or greens, or moderate republicans - would exhibit the same self-rightousness and arrogance and lack of regard for the good of its ordinary citizens as these people are, and have been exhibiting.. But the POINT is - it is the republicans that are CURRENTLY shaming us, and using us, and line their pockets while saying the hell with us ordinary Alaskans, and being the butt-kissing lackeys of their in-State and out-of-State corporate owners and their lobbyists... and thus it is the current of REPUBLICANS [and i hate to use that decent word to describe these "people" - the corrupt bastard club some of them used to describe themselves seems more apt] that we will wish our hands of.. i would hope some of our more reputable Alaska Republicans would get together quietly with similar reputable Alaska Democrats, Greens, independents, and others - and agree on people of quality and character they could all support and endorse, regardless of party, for th next election - even if they had to endorse more than one for each seat.. At this particular time in our history, it would be extremely valuable for Alaska's voters to get a "seal of approval" from some respected "elders" and non-partisan Alaskans whose love for, and wisdom about, our currently bruised State we could respect!

reply »

10 July 30, 2007 - 10:24pm | edgefinder

FBI still in Stevens' Home as of 37 min ago
show details 12:44 am (37 minutes ago)

Reaction to the FBI/IRS raid on the home of Senator Ted Stevens
By Matthew Simon, CBS 11 News Reporter
Article Last Updated: 07/30/2007 07:17:17 PM AKDT

CBS 11 News has reaction to the raid on the home of Senator Ted Stevens from some Alaskan lawmakers. CBS 11 broke this news to a number of lawmakers Monday, all of whom expressed shock to hear Stevens's home was being searched.
Speaker of the House John Harris tells CBS 11 News he thinks, "If the FBI had legitimate reasons, then I understand that. But it's frustrating to all of us. Because we're on the outside looking in. And it is hard for some of us to concentrate on state business."

FBI - Stevens-1748

House Majority Leader Ralph Samuels added, "You sure hope for the state's sake, you hope this is a miscommunications. He's an economic force for the state and any truth to these allegations would be unfortunate."

We also heard from Democrats Monday.

"It seems plain to me our Legislature has been tainted. It's possible our federal delegation has been tainted by favoritism. Let's get it out in the open and let the chips fall where they may," said Representative Harry Crawford, (D) of Anchorage.

reply »

9 July 30, 2007 - 9:43pm | TheSdog

Do not throw caution to the wind
It can be an extremely disconcerting experience to have heroes fall from their pedastals. The things

that DY, Uncle Ted, and to some extent the Murkowskis have done for this state in DC are nothing short of phenomenal. I find some of it distasteful waste but nonetheless phenomenal.

The thing we cannot afford is backlash without thinking about what we are doing in the backlash. It is truly like picking up someone on the rebound after a long relationship.

Followers of The Palin will of course hurl stones at me but Palin is what backlash got us in the governor's mansion. She is in way over her head and has continued to pander to the backlash instead of truly moving us forward. She has shown no fiscal responsibility, favored one part of the state repetitively(how ethical is that?) and given us a farce called AGIA. Sures makes people feel good to "take a stand" though while the future crumbles around us.

We need to make sure we do not make the same mistake as we move to replace Uncle Ted and DY. We are a red state and in general the R agenda is better for us. Ultimately, the Dems are in the back pockets of the trial lawyers, the environmentalists and the labor unions. The interests of these groups often go in directions which are bad for this state.

You can listen to Metcalfe, Begich and Berkowitz try to pretend they are conservatives when they speak but the truth is they are not. Anyone can eventually bring home pork(although I wish people would not) but there are bigger issues on the agenda.

The Rs including our current legislators at state and federal levels have lost their fiscal ways. Do you really think any of the Dems would be better? Have you looked at what Begich has done to spending in this town? How about the way Berkowitz complained about too much cutting as a legislator? Union boy Metcalfe who likely never saw too fat a contract?

There will be payback in DC for the stuff that has been over the years. We will need someone not only to bring back bacon but vote in other ways to help this state. In general, that will be with a conservative bent most of the time.

Do not backlash just to backlash. Otherwise, we could be paying an even worse price for a long time to come.

reply »

July 31, 2007 - 2:11pm | KatRock_AK

Backlash is sometimes a good thing

While it is all too often a knee-jerk reaction, backlash away from an horrendous situation can be helpful to figure out where the middle (and safer, more responsible) ground is.

I agree that the election of Governor Palin had a not insignificant element of backlash, but hell....it was a looooooong time a'commin Sdog. The real question is will she be able to lead us into a better situation than the previous administrations? I think so. Hell...she couldn't do much worse.

Look at the PPT...and what Commissioner Galvin had to say about it....

"Getting information about how PPT is working is one problem, Galvin said. The only information the state has received was with true-up payments in April. 'Since then all we've received are checks.'

"That is the way the tax system was designed, he said, but it is frustrating for Revenue in trying to determine what costs are being deducted and what those costs represent.

'We're working with the taxpayers to try to get them to voluntarily provide us with information to help us in that assessment.' "

Are you kidding me??? The State of Alaska has an oil production tax system that simply accepts checks, and has to verify the basis on the amount through investigation that might (and probably) involve litigation???

Seriously, if any of the legislators who supported and voted in favor of this structure can convince Alaskans that to give the oil industry the opportunity to determine their payment rate with no backup documentation, I'll say we deserve what we get.

And then ask my congressional delegation to negotiate the same deal for me with the IRS: I'll send you a check, quarterly, in an amount that I think I owe. You won't know what I made, won't know what exactly I deducted, and you're going to have to appeal MY assertions rather than have me prove them to you in my filing. Oh, and by the way, I can afford waaaaaay more lawyers than you can...sooo... bring it on!

Good Lord!

reply »

July 31, 2007 - 4:36pm | TheSdog

Kat

I notice you avoided my points about The Palin in favor of talking about the PPT. I think the PPT needs to be looked at but calling a special session is pandering especially since it initially has brought us in more money.

You do get to file your tax return with the IRS. More than a few people take liberties with it which is why there is an auditing process. Depending on how little or more money you get with a different tax, auditing may be worth it. Clearly, there should not be deductions for malfeisance but the PPT is a clear example of carefully looking at the options before we blindly go into something else out of backlash.

FBI - Stevens-1749

I, for one, would have a team of people I trusted look at it very closely for the gov and the legislature before calling any special session. I would not put only angry backlash people or "shills" on that team. I have zero confidence in The Palin to pick the right people to look at it.

We could do worse, that is most of my point. If you vote on emotion instead of with your brain you can get into trouble.

reply »

July 31, 2007 - 5:01pm | tkelley

"Backlash" in the name of reducing the cost of doing business

SDog: Yes, PPT review should have nothing to do with political backlash. It should have all to do with cost of doing business. If get the same amount of tax revenues from the producers with less overhead, less cost of doing business – then that should be the goal.

The producers should want a gross production tax too, if they were serious about simplifying business and reducing the cost of revenue accounting. But they would rather have a complex system with gray areas they can milk via the courts so they can get on the Exxon Alaska spill payment plan. If there is a backlash against complexity for simplicity in the way we do business with the oil producers ... than that is a good, non-emotional backlash no matter who initiates it or who is involved.

reply »

July 31, 2007 - 5:18pm | TheSdog

I am all for simple

but there is no such thing as a "simple" tax in this country.

Even a gross tax needs some tweeking based on oil prices to be fair to all involved.

If it were up to me I'd simplify more than just the PPT. I'd simplify everything and put accountants out of jobs in droves.

However, everybody else wants as much money as possible which may not necessarily be a gross tax. That is my point.

reply »

July 31, 2007 - 2:57pm | tkelley

Watching PPT like a Hawk(er)

[sarcasm alert] KatRock: You must be mistaken. My state representative Mike Hawker assured me in a letter to his constituents last fall that the PPT could be adequately administered by the existing State of Alaska revenue accounting staff. There is NO PROBLEM with PPT ... just ask Mr. Hawker!

reply »

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FBI - Stevens-1750

The New York Times
nytimes.com

THE NEXT GREAT SCI FI EPIC

August 1, 2007

Stevens' Earmark Funds Airport Project That Benefits One Company

By CQ Staff, CONGRESSIONAL QUARTERLY

By Kathryn A. Wolfe, CQ Staff

Sen. Ted Stevens, who as a top appropriator has mastered the art of the congressional earmark, tucked $3.5 million into a Senate spending bill this year to help finance an airport to serve a remote Alaskan island.

The airstrip would connect the roughly 100 permanent residents of Akutan to the outside world. The biggest beneficiary, though, would be Seattle-based Trident Seafoods Corp., which operates one of the world's largest seafood processing plants on the volcanic island in the Aleutians.

Trident and Stevens are no strangers. For years, company founder and Chief Executive Charles Bundrant has been a generous contributor to the Alaska Republican's campaigns. And in December, according to the Seattle Times, a federal grand jury investigating political corruption in Alaska ordered Trident and other seafood companies to produce documents detailing financial ties to the senator's son, former Alaska Fisheries Marketing Board Chairman Ben Stevens.

The younger Stevens served until last year as chairman of the federally funded board that his father created in a 2003 appropriations bill (PL 108-199) to promote Alaska seafood. The board provided marketing grants to Trident and other seafood companies at the same time Ben Stevens served as a paid consultant to industry trade groups.

The Senate Appropriations Committee approved the measure containing the airport earmark, the fiscal 2008 Transportation-HUD spending bill (S 1789), on July 12. It is awaiting full Senate action, probably sometime in September.

Logistical Challenges

While the Akutan airport would benefit Trident, Akutan's mayor said the town, not the company, asked for the funds.

A Stevens spokesman said the earmark was intended to help a rural community overcome daunting infrastructure challenges. At least twice a year, Akutan's population balloons to more than 1,000, as seasonal workers from as far as California flood in for jobs at Trident's processing plant. The only air access during those high periods is a twice-daily flight provided by an aging, eight-seat Grumman Goose seaplane. Trident has to charter the seaplane, along with extra boats, to transport employees to the island, according to company employees.

"It holds eight people, so you can imagine trying to bring 1,000 people in for a season -- it takes them two weeks to complete that task," said Joe Bereskin, Akutan's mayor.

FBI - Stevens-1751

194A-AN-13620-M; 707

Bereskin said the town has been seeking ways to pay for a new airport for several years, largely because of the deteriorating condition of the Grumman Goose, operated by Peninsula Airways Inc. Once the Goose is retired, the island won't have regular air access without an airport, he said.

Bereskin said the earmark is the first construction money allotted for the estimated $40 million airport project. He said a mix of federal, state and local money will be needed for the project, although "the bulk of it will have to come from Congress."

In addition to the earmark, Bereskin said, the town is seeking $3 million from the state and would try to sell bonds to raise an additional $3 million. The extra $6 million, he said, should be enough "at least to get the ball rolling and the rest of it will fall into place."

Stevens' earmark for Akutan is not the only airport project in the bill. But because it appears to benefit only one company, that makes it "less of a public good and much more of a private good," said Steve Ellis, vice president for programs at the anti-earmark group Taxpayers for Common Sense.

He likened it to building a driveway for Trident's use. "If this is important to Trident, which evidently it is, then that's important for them to invest in and probably shouldn't be something that the federal taxpayers are asked to pick up the tab for," he said.

Aaron Saunders, a spokesman for Stevens, said that criticism "ignores the needs of a community that includes a recognized native Alaskan village."

He said an airport would allow for emergency services and more regular food and gasoline deliveries that will help drive down prices on consumer items, which sometimes can be four or five times what mainlanders pay.

The Seattle Times reported last year that a federal grand jury subpoenaed documents from Trident as part of an ongoing corruption investigation. For more than a year, the grand jury has been investigating ties between Alaska politicians and the engineering firm Veco Inc. The firm's founder, Bill Allen, pleaded guilty this spring to bribing several state lawmakers and is cooperating with investigators. Allen supervised a major expansion of the elder Stevens' home, which federal agents searched July 30.

Last fall, the investigation broadened to include the Alaskan fisheries industry. Ben Stevens disclosed in a letter to the Anchorage Daily News newspaper that records regarding the Alaska Fisheries Marketing Board were among documents federal investigators seized during a search last year.

Trident's Bundrant has been a longtime supporter of the elder Stevens. Bundrant and his family have contributed $17,300 since 1995 to Ted Stevens' political campaigns and $10,800 to his leadership PAC. Bundrant also gave $55,000 to the National Republican Senatorial Campaign Committee.

Trident General Counsel Joseph T. Plesha declined to comment on the investigation. Neither Ted Stevens, the longest-serving Republican in the Senate, nor his son, the former Alaska Senate president, has been charged with any wrongdoing.

"I continue to believe this investigation should proceed without any appearance that I have attempted to influence its outcome," Ted Stevens said after his house was searched this week. "I will continue my policy of not commenting on this investigation until it has been concluded."

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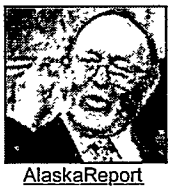
AlaskaReport

Reuters - 38 minutes ago
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FBI, IRS search home of Sen. Ted Stevens
Houston Chronicle
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New York Daily News

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FBI - Stevens-1753

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By Chris Cillizza

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What's the Matter With Alaska?

Remember Alaska?

The ruby red state President Bush carried by 25 points in 2004 and 31 points four years earlier? The state who last elected a Democrat to the Senate in 1974. And to the House in 1972? (For trivia's sake, Mike Gravel -- yes, that Mike Gravel, was the last Alaska Democrat in the Senate; the late Rep. Nick Begich was the last Democrat in the House.)

Well, the times are changing in the Last Frontier thanks to a public corruption scandal that has badly damaged the Republican brand and potentially implicated both Sen. Ted Stevens (R-Alaska) and Rep. Don Young (R-Alaska).

At the core of the scandal is **Bill Allen**, the former head of Veco Corp. Allen -- along with another Veco executive -- pleaded guilty in May to bribing state legislators and other elected officials in exchange for favorable legislation. In the plea agreement, the men acknowledged giving $243,500 to a state senator's consulting company in hopes of winning support for a piece of legislation. Although the state Senator is not named in the plea agreement, the amount of money is identical to that which Veco paid former state Sen. Ben Stevens' (R-Alaska) consulting company.

As first reported by washingtonpost.com's Paul Kane, Ted Stevens -- Ben's father -- had also been asked by the FBI to retain any records in connection with Veco. At issue for Ted Stevens is more than $100,000 of work done on his home, a project that was allegedly overseen by Allen and other Veco executives. The FBI's raid of Stevens' home yesterday seems to suggest the Justice Department continues to be very interested in the Senator's connections to Veco.

Young is also struggling to hold up against the weight of the Veco scandal. As reported in the Wall Street Journal last week, the 18-term lawmaker is also now a subject of the federal investigation into the pay-to-play scandal. In the last three months alone, Young spent more than $250,000 on legal fees.

Both Stevens and Young are up for re-election in 2008. Neither has given the slightest indication that they are planning to leave office as a result of the ongoing investigation but the controversy has emboldened longtime opponents of the two incumbents.

Witness the Club For Growth, a fiscally conservative third party group

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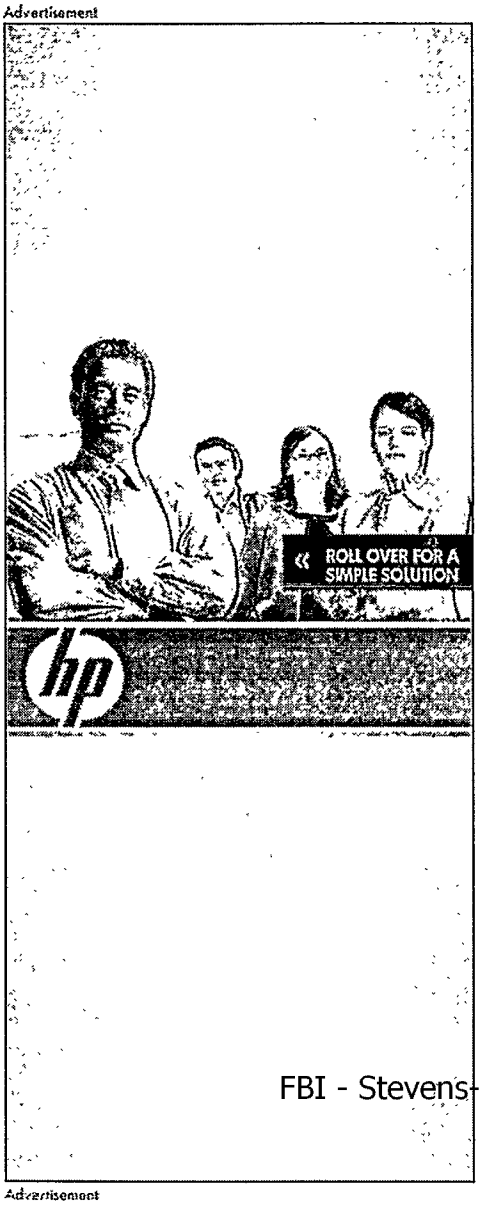

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FBI - Stevens-1754

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proudly tout for their state. Earlier this month, the Club released a poll, conducted by Red Sea LLC, that seemed to show that even Alaska voters were fed up with this practice.

Asked whether they approved or disapproved of the $223 million in federal spending for a bridge from Ketchikan to Gravina Island (aka the "Bridge to Nowhere") 25 percent said they approved of the money being allocated for the bridge-building while 66 percent disapproved. Seventy-one percent said they would prefer a candidate who "wants to cut overall spending even if that includes cutting some money that would come to Alaska," while just 17 percent favored a candidate "willing to increase overall spending on federal program as long as more federal spending and projects come to Alaska."

Most worrisome for Stevens' electoral prospects was that 47 percent said the following statement was true: "Ted Stevens has done some good things for Alaska but after forty years in Washington it's time for a change"; just 45 percent said that statement was false. Did we mention these are Republican primary voters?

Alaska over the last few cycles has shown a willingness to shake up the political establishment. After two decades in the Senate, **Frank Murkowksi** (R-Alaska) won the governorship in a landslide in 2002. He went on to appoint his daughter, Lisa, to the vacant Senate seat -- a move that brought charges of nepotism down on both father and daughter. After **Lisa Murkowski** narrowly beat former Gov. **Tony Knowles** (D) to win a full Senate term in 2004, Frank Murkowksi was faced with an open revolt from the Republican party in his 2006 re-election bid. He took just 19 percent of the vote in the primary, a stunning collapse and a sign that Alaska voters were ready for a chance. Wasilla Mayor **Sarah Palin**, who ran an outsider and a reformer, won the primary and general election easily and is now enjoying sky-high approval ratings in office.

Could Stevens and/or Young fall victim to that same sort of voter fatigue? Possibly -- especially if the ongoing scandal worsens or fellow Republicans revolt. A number of prominent Republicans are mulling primary challenges to Stevens or Young but it remains to be seen whether any serious candidate steps forward in either race.

Democrats have been quietly recruiting in the state on the off chance that either Stevens or Young retires or the Veco scandal badly damages their political prospects. The crown jewel recruit in the state is Anchorage Mayor **Mark Begich**, son of the late Congressman. Begich's last name gives him considerable entree among Alaska voters and his base in Anchorage doesn't hurt either. Begich is said to be considering runs for either the House or Senate but from what we hear is leaning toward the Senate under the belief that holding a House seat every two years is a near impossibility. On the House side, it appears as though former state House Minority Leader **Ethan Berkowitz** and 2006 lieutenant governor nominee is the likeliest challenger to Young.

FBI - Stevens-1755

Before Democrats get to far ahead of themsleves, it's important to remember that despite the upheaval in the state Republican party, Alaska remains a strongly Republican state. It's a certainty that whoever Republicans nominate for president will carry the state and likely carry it handily. That should give Stevens and Young or whoever their replacements are a nice boost.

Still, Alaska's political environment in incredibly fluid at the moment. Things are changing rapidly. Keep watch.

By Chris Cillizza | July 31, 2007; 1:38 PM ET | Category: House

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No wonder Homer Simpson headed to Alaska to hide out. These GOP crooks and hacks must think that no one is paying attention to what goes on up there.

Posted by: Loudoun Voter | July 31, 2007 02:05 PM

What's wrong with Alaska? It's run by republicans. Corruption inevitably results.

Posted by: | July 31, 2007 02:09 PM

Imagine if a Democrat was running for president, and his grandfather had been a major financial supporter of Hitler -- how the rightwing/media would have howled over it. But bush -- not a peep. Never a mention.

Now imagine if say, Bill Clinton's father had been having a business meeting with bin Ladin's brother the morning of 9/11 -- omigod -- can you imagine the conspiracy theeories, the outrage -- but bush, not a peep.

So much for the myth of the liberal media. Even Ann Coulter says, 'we own the media' -- and they do.

Posted by: | July 31, 2007 02:11 PM

What's wrong with Louisiana? It's run by democrats. Corruption inevitably results.

Let's generalize things a bit more to get at the truth.

What's wrong with government? It's run by partisan politcians. Corruption inevitably results.

Posted by: | July 31, 2007 02:21 PM

What's wrong with corporations? They're run by greedy CEOs. Corruption inevitably results.

Posted by: | July 31, 2007 02:23 PM

FBI - Stevens-1756

"Dear VoteVets.org Supporter,

Today, veterans of the wars in Afghanistan and Iraq wrote to President Bush, calling him to come clean on the death of former NFL star and Army Ranger, Pat Tillman, and we need you to join us.

Go to VoteVets.org and sign on to our letter

Last week, it was reported that medical examiners who examined Tillman's body shortly after his death determined his fatal wounds may have been caused by shots fired from ten yards away, and urged for a criminal investigation into his death. They were denied. This new finding seems to

contradict the government's second official explanation of his death, which was that it was caused by friendly fire from a convoy that was a greater distance away. The initial story, that he was killed by enemy fire, was already proven to be a lie, and officers who contributed to the cover up were punished.

Yet, when the House Committee on Oversight and Government Reform sent the President a bi-partisan request for a number of documents related to the Tillman investigation, the Administration refused to turn over key communications the Committee asked for, citing Executive Privilege.

Go to VoteVets.org and tell the White House this is not acceptable

There is no Executive Privilege claim that holds any water when the matter is the death of an American soldier - especially one who had been used by the Administration as a poster for the war. By refusing to release every pertinent document, the White House is fostering a climate of distrust among those in the military, hurting efforts to recruit new soldiers by creating doubt on behalf of parents who should expect their 18-year old son or daughter will be honored for their service, and insulting the memory of Pat Tillman. Unless the President has something to hide, he should release all the documents requested by Republicans and Democrats on the Committee.

Finally, as Commander in Chief, the President owes the complete and total truth to Corporal Tillman's mother, Mary Tillman. Those of us who served know that it is the duty of any officer to write to the families of those under us who were killed, and tell them the entire truth regarding their love one's death. To lie about any details or withhold any information would not just cause unjust pain to the survivors, but is to dishonor the fallen. As our nation's top commander, it is the President's duty to the Tillman family to release all materials related to his death.

For the good of our military, our troops, the Tillmans, and our nation, we need you to sign on to our letter, calling on the President to comply with all past and future requests of the House Committee on Oversight and Government Reform on the matter of the death of Corporal Tillman.

Sincerely,

Jon Soltz
Iraq War Veteran
Co-Founder and Chairman, VoteVets.org
"

Posted by: support the troops | July 31, 2007 02:24 PM

It's amazing that the liberals attack anyone who doesn't subscribe to the same bravo sierra they do and THEN critize anyone else who does the same thing.

I wonder if there will be a day when all this fighting among Americans will end? Will each side ever be able to give a little bit? With all the insults (which shows how large mind is), there is no way to ever solve our problems.

And please....don't EVER say that Ann Coulter represents the conservatives in this country. That's like saying that Jesse Jackson represents all blacks.

Posted by: San | July 31, 2007 02:24 PM

FBI - Stevens-1757

another bias article.

Posted by: | July 31, 2007 02:25 PM

anonymous coward writes
"What's wrong with government? It's run by partisan politcians. Corruption inevitably results."

Nah. The problem is one-party rule, not government. The system works a lot better when the parties have to produce positive results & good government in order to stay in power. At the fed level, when Reagan had to work with a Dem Congress & Clinton had to work with a GOP Congress, government worked

better than, say, when Bush had a GOP Congress.

Posted by: bsimon | July 31, 2007 02:27 PM

Yeah, this article has sickly bias. How about reporters stick to reporting fact. If they have a personal belief, great, keep if to yourself. It's called professionalism...the rest of the business world does it, it's about time journalism does, too.

Posted by: nlavigne | July 31, 2007 02:30 PM

Stevens & Young? Couldn't happen to better guys.

Posted by: ssomo | July 31, 2007 02:31 PM

When an individual believes the risk of being blamed (or proven guilty) for a socially or legally offensive action is low, then this individual will most likely take this risk. The problem isn't republican, democratic, or governmental - it's human nature. How does a society (on any level) evolve away from cutthroat politics/business, corrupt practices, dishonorable tactics, etc? Can we? I'm not ignorant and unintelligent to come up with this answer on my own.

Posted by: | July 31, 2007 02:32 PM

I live in Alaska and there is nothing wrong with us. We are however, very tired tired of the "same ol' thing, different day" mentality of ALL politicians. Regardless of how we feel personally about our current representatives, politically, it is time for a change. Not just with this states representation but with the US government as a whole. The upcoming elections will certianly be interesting...perhaps we should all be keeping an informed eye on what ALL candidates are doing (as well as what they are sayng) rather than pointing fingers.

Posted by: hull | July 31, 2007 02:32 PM

Change to a Democrat so you can be more like us over here in Virginia. Toss the constitution and apply excessive fines and taxes.Pass more laws since obviously your to stupid to govern yourself. Corruption or socialism HMMM hard choice. Corruption is like an infection you can usually cure the condition. Socialism as a virus there is no cure. Mr. Clinton Obama for 2008 he gets my vote.

Posted by: Mike | July 31, 2007 02:33 PM

All I can say is "yes - finally!"

Every tree, bush, drop of oil, and clod of dirt has been for sale in Alaska to the highest bidder for years - no questions asked or restrictions placed. The pipeline is now a rusted leaky disaster waiting to happen. Old growth logs go for cheap to the best bribing Asian. Fish? Take all you want. Minerals? Just have at it, my friend. Hell, don't even bother to clean up after yourself - we don't care!

Need a political favor in order to make a bunch of dough off of natural resources with little or no environmental oversight? Just call Ted or Don. These crooks have had little or no respect for the law, the environment, or common decency since - well, forever.

FBI - Stevens-1758

The Alaskan state government bribes its own citzens with oil revenue $ to look the other way - and they do smugly do so, laughing at the lower 48 all the way.

Posted by: Doug C | July 31, 2007 02:36 PM

Media run by the right-wing?! Haha, good one. What was the last study... reporters and journalists who are democrats outnumber republicans 4:1. And what was it, 22? out of the 25 highest circulated newspapers weigh heavily toward liberals. Talk radio is run by conservatives, I'll give you that, no doubt,

but that's because people there's no market for liberals because nobody wants to hear them talk.

Posted by: Mike | July 31, 2007 02:38 PM

Is there really anyone out there who can't differentiate between the party of corruption and the party of responsbility and honesty? Who last gave us a balanced budget? Who presents real scientific data about the environment, and just about everything else rather than mainpulated data to achieve political gain? Anyone who makes less than $250,000 a year and who votes for a Republican is a fool. And anyone who earns over $250,000 a year and votes for a Republican is a short-sighted self-indulgent fool that is endangering the country for their own immediate tax gain - which by the way is devoured by the increase in gas prices for all of us. Think the GOP is really Christian? Take a close look at their actions. I doubt Christ would be for tax cuts for the rich over the multitude of needs of the poor. I doubt Christ would be for the Iraq war and the killing of tens of thousands of civilians. I doubt Christ would be for any of the liars we have in Washington... or the likes of the two up in Alaska. Either way, if you vote for the GOP you are a fool and about as anti-Christian as they come. It is not your words that make you Christian, its your actions. And frankly, the actions of the GOP in the last 7 years is about as pathetic as it comes. Worst President in history? That's just the start of it. God only knows the damage that has been done to America by the GOP.

Posted by: AJ Smith | July 31, 2007 02:40 PM

No surprise that it's a loaded article, when it's headlined with a loaded question.

Silly, silly, silly.

By my best rational judgement, there's nothing wrong with alaska.

Posted by: What's the Matter With Alaska? | July 31, 2007 02:41 PM

Bong Hits 4 Jesus

Posted by: frank burns | July 31, 2007 02:41 PM

"Before Democrats get to far ahead..."

CC, that should be "...too far...."

Posted by: | July 31, 2007 02:42 PM

Mayor Begich the Crown Jewel? Is that the same Mayor Begich that almost lost his last bid for reelection? The Mayor Begich that many in Anchorage believe is just as corrupt at the Anchorage Assembly and many of the rest of the State's politicians??

Posted by: Gary | July 31, 2007 02:42 PM

What's wrong with DC, Massachusetts, Louisiana,...
When a party dominates, the crooks go there to seek power. Not suprising. The difference is that when a Rebublican crook is found, Republicans dump the culprit. Democrats re-elect there crooked politians.

FBI - Stevens-1759

Posted by: Dave | July 31, 2007 02:44 PM

(This is my First Post -- though there is another Mike now)

It only took 27 minutes for the rabid left-wing bloggers to corrupt this conversation. Not surprisingly, it was the first post.

bsimon -- shouldn't you be asking Loudon if he/she only comes on this website to bash republicans?

(see previous thread)

Posted by: Mike | July 31, 2007 02:45 PM

"Change to a Democrat so you can be more like us over here in Virginia...and apply excessive fines..." - Mike

You probably never looked to find out, but the sponsor of the excessive fines legislation was a Republican.

Posted by: | July 31, 2007 02:48 PM

I have to say, Ted Stevens' record as #1 Senator Bringing home the Most Pork is a shameful stain on his record and the party, and it's high time the good people of AK voted in someone less, er, creative in fundraising methods.

He has not been a fiscal conservative, something the voters of AK seem to value. And what is with that Incredible Hulk necktie? - Is the Incredible Hulk from Alaska? I could see maybe Bigfoot, but c'mon....

Ultimate power ultimately corrupts. However, of the sitting Senators who have held office for >40 years, 5 out of 6 are Democrats.

Posted by: proudtobeGOP | July 31, 2007 02:49 PM

$100,000 spent on the cuff to fix up his house and it still looks like a dump.

Posted by: GiveAmericaBack | July 31, 2007 02:49 PM

Imagine if a Democrat was running for president, and his grandfather had been a major financial supporter of Hitler -- how the rightwing/media would have howled over it. But bush -- not a peep. Never a mention.

going to beat that horse again you obsessive klown. did anyone tell you Bush is not running? Stooge.

Posted by: | July 31, 2007 02:50 PM

It's not the corruption, but the the obviously blatant " I dont care what the people say or want" kind of corruption that leaves me and I believe the rest of country mad at these criminal politicians. They obviously believe they are above the law and untouchable. Unfortunately the president encourages this with his own brand of corruption and pardoning power.

Posted by: chris g | July 31, 2007 02:50 PM

The dems are fed up and pubs are in denial. Who are you going to turn to now? now? No, seriously who's next in line that is the problem the system is failing and we are no longer a great nation because of it. We lack the foresight or the strenght to challenge an age old system in this young democracy, only we have the power to chang and we need to change. vote for the outsiders the problem inlays with the people who know the system.

Posted by: CLORES | July 31, 2007 02:51 PM

Mike: "Toss the constitution and apply excessive fines and taxes.Pass more laws since obviously your to stupid to govern yourself."

Hey Mikey, you neglected to mention who controls both houses of the Virginia legislature and enacted these fines to allow themselves to say they didn't raise taxes.

Why, it's the Republicans of course!

Posted by: Loudoun Voter | July 31, 2007 02:53 PM

False premise Mike.

First of all, if nobody wanted to listen to liberals, then how could they possibly make up that 4:1 ratio of journalists and reporters? If nobody wanted to hear what they have to say, would they still have jobs?

FBI - Stevens-1760

Second, while the journalists may more often than not be categorized as "liberal", they mostly work for large corporations. Who runs the large corporations? Conservatives. Who, for the most part, controls the purse strings in the form of advertising dollars for media outlets? Conservatives.

Therefore, the money controls the media, because if advertisers don't like the message, they pull their dollars. Result: conservatives control the media.

Posted by: JamesCH | July 31, 2007 02:53 PM

The problem with this type of article is it is never about the person it is always about what party they are from because heaven knows that democrats will never pull something like this....

Posted by: Lauren | July 31, 2007 02:54 PM

Mike asks
"bsimon -- shouldn't you be asking Loudon if he/she only comes on this website to bash republicans?"

I can see why you would think so, but no. Loudon Voter referenced Alaska in his comment, thus remaining on-topic. He did choose a partisan attack, but it still met reasonable criteria for topicality. Now, if you want to pick a post for criticism, lets go with the 2:11 note, which was likely offered by rufus. Totally off-topic rant solely intended to bash the opposition.

Posted by: bsimon | July 31, 2007 02:54 PM

Those of us who have dealt with elected officials on a regular basis for many years will tell you that the incidence of venality and dishonorable conduct is about what you would expect from the general public: maybe as many as 1 in 30 are, for want of a better word, crooks.
I hope Sen. Stevens is not one, because prison would be very hard on an 80+ year old man.
Always remember that absolute power tends to corrupt, absolutely, and never let any person or party think that he or it is indispensable.
Do not become beholden to a party or a candidate. They represent you; they cannot own you.

Posted by: | July 31, 2007 02:55 PM

Mikeyboo: "bsimon -- shouldn't you be asking Loudon if he/she only comes on on this website to bash republicans?"

you can ask and you'd be wrong, ace. bsimon can tell you that last week we had a very interesting debate over the alleged coat-tails effect. It was 100 percent polite. Of course, you weren't there.

Posted by: Loudoun Voter | July 31, 2007 02:55 PM

hey nlavigne, does that "professionalism" apply to Fox News also?

Posted by: ssomo | July 31, 2007 02:57 PM

FBI - Stevens-1761

Texas Mike, how long do you think it will take Zouk (or whichever name he uses this time) to get over here and try to get the blog away from Stevens and Young and onto Jefferson?

Or Klinton, or Peanut Carter, or anybody but Stevens and Young?

Zouk is the one who more often gets a thread far offtrack by casting wide nets of generalizations and hauling in anybody who gets caught in the net. [An example is how he landed TruthHunter posing as "ssdd"?]

A number of us suspect that he works at the RNC and that it is part of his job.

Keep an eye out for him and watch how he operates. The intentional subversion of the thread is more often from the right side of the page, not the left. (the rufuses don't count - they are head cases unto themselves).

Posted by: | July 31, 2007 02:57 PM

Lauren: "The problem with this type of article is it is never about the person it is always about what party they are from because heaven knows that democrats will never pull something like this...."

Lauren, do you see something factually wrong with the article? CC is hardly considered to be a Democratic stooge.

Posted by: Loudoun Voter | July 31, 2007 02:58 PM

Berkowitz the best candidate for Young's seat? How about Jake Metcalfe, who had the balls to announce his campaign, while Ethan B. sits on the sidelines, calling potshots and waiting for someone with real Alaskan cache to hand down his coattails?

Alaskans are sick of partisan politics and bickering. Ethan B. was minority whip and all he did was whine. He's from Frisco - Alaskans are ready to elect a real Alaskan. jake's the best guy for the job.

Posted by: Frank G. | July 31, 2007 02:58 PM

shouldn't you be asking Loudon if he/she only comes on this website to bash republicans?

That is exactly what Loud and
dumb voter does here. And that is the extent of it.

funny how all the howling misfit moonbats come on this site to bash bush and they never see how utterly worthless that is. Just like the last election - no ideas leads to no new laws.

Let's rename the blog 'howling misfit moonbat losers who despise Bush incoherently'. that is apt.

why argue with an idiot about the level of thier stupidity. It is sufficient to note that they all seem to be equally stupid and have no agenda but hate and envy.

Why is it that all the women are tough and all the men wimps in Lib lalaland? something contrary to human nature there, same as Marxism.

QED

Posted by: QED | July 31, 2007 02:59 PM

All of you are full of crap!!!
Democrats quit fooling yourselves!!! I have
One word for all of you...ILLINIOS!!! Controlled by the Democrat party since its inception!!! You want corruption, we got it!!! NEPOTISM, no problemo, an unbalanced budget year after year, no problem!!! We have a $1 BILLION deficit to match!!! The Democrats cannot even pass a budget here & they are all in the same party. We got it all!!! And who fault is it, DEMOCRATS!! Time for both these parties to belly up & admit they are equally incompetant & equally corrupt!!!!!!!!!!
WHEN IS THERE GOING TO BE ANOTHER CHOICE!!! GO THIRD PARTY GO!!!
God bless!!!

FBI - Stevens-1762

Posted by: Rick B | July 31, 2007 02:59 PM

"The New Yorker:

At first glance, next year's Presidential election looks like a blowout. But it might not be. Luckily for the incumbent party, neither George W. Bush nor Dick Cheney will be running; indeed, the election of 2008 will be the first since 1952 without a sitting President or Vice-President on the ballot. At the moment, survey research reflects a generic public preference for a Democratic victory next year. Still, despite everything, there are nearly as many polls showing particular Republicans beating particular Democrats as vice versa. So

this election could be another close one. If it is, the winner may turn out to have been chosen not on November 4, 2008, but five months earlier, on June 3rd.

Two weeks ago, one of the most important Republican lawyers in Sacramento quietly filed a ballot initiative that would end the practice of granting all fifty-five of California's electoral votes to the statewide winner. Instead, it would award two of them to the statewide winner and the rest, one by one, to the winner in each congressional district. Nineteen of the fifty-three districts are represented by Republicans, but Bush carried twenty-two districts in 2004. The bottom line is that the initiative, if passed, would spot the Republican ticket something in the neighborhood of twenty electoral votes-votes that it wouldn't get under the rules prevailing in every other sizable state in the Union.

If you haven't seen it already, take a look at the video "Hacking Democracy". (h/t Todd for link)"

Posted by: If you can't win, cheat | July 31, 2007 03:02 PM

Human history shows over and over again that power corrupts. The more power an individual has, the less they feel there are consequences to abusing that power, the more they will abuse it.
It is especially bad in the hands of Conservatives whose entire philosophy is based around reckless selfishness, unbased pride (arrogance), the need to squash and control others, and a constant itch for conflict and bloodshed. All of this, of course, well supported by an ancient book they all take far too seriously.

However, power can be abused by people who start off with more noble intentions as well. Especially when corporate forces who are best served by the representatives failing to serve their people work on all sides to tempt that person into obedience or submission.

There is nothing wrong with socialism, it is a far better way to run a government then sit back and let autocracy turn quickly into an oligarchical plutocracy. The fact that under Republican leadership in the last 20 years with only an 8 year break, America has deflated entirely and now runs entirely on credit lent by Communist (China) and Socialist (Japan) nations. Meanwhile countries that were bankrupt after WWII took on more socialist governments and built back up.

However, democratic socialism, the best form of government, only functions when the people care enough to participate. When it is unusual for even 50% of eligible voters to participate in an election, American incumbants are more likely to be reelected than they were in Russia at the height of the Soviet rule and nothing that the government does creates the kind of bitter demonstrations that would really make the politicians fear for their jobs when not doing their jobs well, it really doesn't matter.

Members of the American government spend more time raising funds for their next election than they do representing their people. The reason is simply because they know that no matter how good or bad of a job they actually do over the year, a bunch of commercials and smear campaigns at election time will mean more than all of that when it comes to staying in power.

Posted by: Andrew | July 31, 2007 03:02 PM

FBI - Stevens-1763

proudtobeGOP -Google "lord acton"

Posted by: | July 31, 2007 03:03 PM

As for what's wrong with Alaska, well, it's the same thing that's wrong with the the rest of the country, and it can be summed up in two words:

Power corrupts.

Happens with Democrats, happens with Republicans, and everyone in between. It's been proven time and time again.

If you can remember that far back, we're in an ethical crisis not unlike the one

we saw in the late 80s-early 90s with a too long in power Democratic Congress. Too much power routinely leads to its abuse. Hence checks and balances. This is a natural, albeit unfortunate, byproduct of democracy mixed with capitalism.

The root of the problem is the for-profit nature of American politics as they are today. Find a way to shut off the money, and maybe we can return to democracy for the benefit of the people.

Just my opinion. I wish I had the ability to go beyond defining the problem, but I can't yet see the solution.

Posted by: JamesCH | July 31, 2007 03:03 PM

Doug C.'s comments aren't exactly, well, accurate or fair.
Alaska has a long history of irresponsible resource exploitation (starting with Russian fur traders) alternating with periods of resource conservation. Sometimes, the rip-rape-and-run practices are being conducted in one area while wise conserveration practices are taking place elsewhere.
I have long been a critic of many in Alaska's political establishment, including the Congressional delegation. I don't support drilling in ANWR (putting me at odds with most of the state) or the Teshekpuk Lake area (putting me probably on the same side as a majority of Alaskans); I'm skeptical about the Kensington Mine (putting me in a minority) and opposed to the Pebble Mine (putting me in the vast majority).
It is true, though, that Alaskans make their living from natural resources, renewable and non-renewable. Sometimes that use of resources is responsible, sometimes not. Doug is WAY off the mark when he criticized Alaska fisheries management, for example, which has been cited as a model for the world. Especially Alaska's salmon management.
As for other environmental preservation, Alaskans deserve some credit as well as some blame. Alaskans, overall, are pretty responsible about wildlife management and appreciative of wildlife. Anchorage is the only big city, maybe in the world, where brown (as well as black) bears roam, and in fact are valued. In other U.S. states, people are still fearful of brown bears, as well as wolves, and fighting hard to prevent reintroduction.
Alaska was also the first U.S. state to impose environmental regulations on cruise ships, which previously had been major sources of water pollution, as well as emitters of air pollution. Other states are taking Alaska's lead. Former Gov. Tony Knowles deserves a lot of the credit for Alaska's cruise-ship regulation, which now has benefitted all places where the ships go because the cruise lines have had to upgrade their wastewater-treatment systems to comply with Alaska law.
Doug is also WAY off the mark when he refers to the Alaska Permanent Fund dividend as a bribe or a payment from the state to residents. It is an annual dividend from investment earnings in a publicly owned fund that was built from public royalties earned through the extraction of a publicly owned resource, oil. Almost every drop of oil that is pumped out of Alaska comes from state-owned land and state-owned mineral rights. The people of Alaska own that oil and also are entitled to the financial benefits when their public oil is extracted. Unlike other states (such as Texas, where ranchers can become oil barons if oil is discovered on their property), there are no private individuals who own mineral rights. It's illegal. All mineral rights are owned by: the state, the federal government or the Alaska Native corportations. Don't have any more time to explain the Permanent Fund or its dividend; just Google Jay Hammond (populist pro-environment, Big Oil-fighting former governor who's considered the father of the dividend) to learn more.
And speaking of Alaska Natives, I would wager that we've done a much better job here of preserving our Native cultures, including our Native languages, than most other states.
Yes, Alaska's Congressional delegation and the Corrupt Bastards Club (primarily Ben Stevens) have what is coming to them, but don't bash all of Alaska unfairly along the way.

Posted by: In defense of Alaska | July 31, 2007 03:03 PM

Doug C.'s comments aren't exactly, well, accurate or fair.

FBI - Stevens-1764

Alaska has a long history of irresponsible resource exploitation (starting with Russian fur traders) alternating with periods of resource conservation. Sometimes, the rip-rape-and-run practices are being conducted in one area while wise conserveration practices are taking place elsewhere.
I have long been a critic of many in Alaska's political establishment, including the Congressional delegation. I don't support drilling in ANWR (putting me at odds with most of the state) or the Teshekpuk Lake area (putting me probably on the same side as a majority of Alaskans); I'm skeptical about the Kensington Mine (putting me in a minority) and opposed to the Pebble Mine (putting me in the vast majority).
It is true, though, that Alaskans make their living from natural resources, renewable and non-renewable. Sometimes that use of resources is responsible, sometimes not. Doug is WAY off the mark when he criticized Alaska fisheries management, for example, which has been cited as a model for the world. Especially Alaska's salmon management.
As for other environmental preservation, Alaskans deserve some credit as well as some blame. Alaskans, overall, are pretty responsible about wildlife management and appreciative of wildlife. Anchorage is the only big city, maybe in the world, where brown (as well as black) bears roam, and in fact are valued. In other U.S. states, people are still fearful of brown bears, as well as wolves, and fighting hard to prevent reintroduction.
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Yes, Alaska's Congressional delegation and the Corrupt Bastards Club (primarily Ben Stevens) have what is coming to them, but don't bash all of Alaska unfairly along the way.

Posted by: In defense of Alaska | July 31, 2007 03:03 PM

You appear to have a backup -- it's coming out your mouth.

Posted by: QED, Try Metamucil | July 31, 2007 03:04 PM

FBI - Stevens-1765

Frank G writes
"Alaskans are sick of partisan politics and bickering. Ethan B. was minority whip and all he did was whine. He's from Frisco - Alaskans are ready to elect a real Alaskan. jake's the best guy for the job."

Frank, sounds like you're a local Alaskan. What do they like, from the Republicans? My guess is the Alaskan mindset identifies with the traditional GOP sales pitch of small government, low taxes, states' rights, etc. Is it that stuff, or the social stuff - 'family values' etc?

Posted by: bsimon | July 31, 2007 03:04 PM

another hour, another new name for gutless coward/ignorant moron

Posted by: QED = Gutless Coward | July 31, 2007 03:05 PM

A number of us suspect that he works at the RNC and that it is part of his job

how many voices inside your pea brain today Kos koward?

does any sane person think the RNC would pay someone to come in here and try to get Kos Koward to vote R? Only a Lib.

Posted by: | July 31, 2007 03:05 PM

If you can't win, cheat - I believe that what you described is the method which Maine already uses to award Presidential electoral votes.

It's just one of a number alternatives in the discussion of Electoral College reforms.

Didn't the Powers That Be in Maryland just come up with something similar?

It may have been done quietly in Sacramento, but it is a legitimate alternative to the current archaic process. It's far from cheating.

Posted by: | July 31, 2007 03:08 PM

Therefore, the money controls the media, because if advertisers don't like the message, they pull their dollars. Result: conservatives control the media."

Well said james. And so who is really controlling the media?
$$$

Some one please explain to me just how this article is "bias" - (I think that perhaps you mean to use the word biased)

It factually reports the goings on regarding Stevens and Young. It states that the Alaska Republican party has undergone some upheavals, and implies that Alaskan voters have a somewhat independent streak.

It closes by pointing out the Alaska is a strongly Republican state that will probably continue to be so.

Oh, wait a minute. The facts reported in the story cast a bad light on Republicans. Silly me - of course it's biased.

Posted by: John D in Houston | July 31, 2007 03:10 PM

'Yeah, this article has sickly bias.'

why is it than cons are so incredibly stupid they can't write a sentence? i guess that answers itself. if they weren't they wouldn't be cons.

Posted by: | July 31, 2007 03:10 PM

Stevens is a criminal hack. The rest of the country should file a class-action suit suit against Alaska to recoup the theft from the treasury. I'd happily give up the pitance my MN hacks managed to bring home to get the Alaska haul returned.

Posted by: RK | July 31, 2007 03:11 PM

Mike,

Please explain to me how Hilary Clinton is a "known felon". I believe that one has to be indicted and convicted for that to be an accurate statement.

If you are referring to Whitewater, I think you'd better check out how that one turned out. I beleive that there was no wrong doing found.

Posted by: John D in Houston | July 31, 2007 03:12 PM

Mike: "But what do you do with a known felon? Nominate her for President."

The Web is the greatest invention ever for gutless cowards like Mike. It allows them to engage in libelous behavior from the safety of mommy's basement.

Posted by: Loudoun Voter | July 31, 2007 03:13 PM

'What was the last study... reporters and journalists who are democrats outnumber republicans 4:1. And what was it, 22? out of the 25 highest circulated newspapers weigh heavily toward liberals'

that phony study again -- included clerks and folks in the mail room -- and even people who were no longer employed -- by not a single editor. bogus through and through.

Posted by: | July 31, 2007 03:13 PM

"Power tends to corrupt, and absolute power corrupts absolutely. Great men are are almost always bad men."

Well, "!". 50% of the last phrase may, indeed, apply to Senator Stevens.

Posted by: proudtobeGOP | July 31, 2007 03:13 PM

Sorry about the double post. I didn't realize that the internet isn't a big truck you can dump stuff on! It's a series of tubes, I have learned from an informed source, and I guess mine were blocked.

Posted by: In defense of Alaska | July 31, 2007 03:13 PM

FBI - Stevens-1767

Who was the last Democrat who lied to US into a war that destabilized an entire region of the world and cost over 3,000 lives so far?

Isn't it long past time to impeach Bush and Cheney, and throw MANY of their upper-level minions in jail??!

Posted by: | July 31, 2007 03:14 PM

BSIMON, I think you hit the nail on the head. It's not a particular party, it's the lack of checks and balances that comes from one-party rule. Don't forget, our government had one-party rule for 6 straight years; hence, more corruption.

Posted by: Bo | July 31, 2007 03:14 PM

"Isn't it long past time to impeach Bush and Cheney, and throw MANY of their their upper-level minions in jail??!"

I'm quite sure the Democrats are perfectly happy to allow this crew to remain in office right through next year's presidential campaign.

Posted by: Loudoun Voter | July 31, 2007 03:16 PM

...and to the poster preceding my correctly spelled, capitalized and punctuated post, from one considered to be a conservative by my Democrat friends: huh?

Posted by: RK | July 31, 2007 03:16 PM

Loudon can point to 1 intelligent conversation in 2 weeks. OK.

that puts him well above his fellow kooks. Try to find a single, original, creative idea from the loonies of the left here. you can't because they don't exist.

what you get is Bush bashing, cutting and pasting from lefty hate blogs, ruin America sensibilities and of course insults. there is also one particular demented individual who sees something called zouk everywhere he goes and likes to shout it to the moon when he spies it. what sort of poor tormented creature lives thier life like this?

watch and you will see.

"so incredibly stupid they can't write a sentence"

followed by:

"if they weren't they wouldn't be cons"

Laughing yet. there is more.

Posted by: QED | July 31, 2007 03:18 PM

Cons prefer corruption to socialism. That really just about sums up their incredible and bottomless stupidity. They'd rather their money stolen than have a social safety net. No wonder the ads on con talk shows are all for baldness and ED remedies and snake oil salesmen. They are stoooooooopid.

Posted by: | July 31, 2007 03:18 PM

FBI - Stevens-1768

If you are referring to Whitewater, I think you'd better check out how that one turned out. I beleive that there was no wrong doing found.

Ha ha - try to ignore the fact that most of all their friends went to jail. nope- no wrong doing there. If you're a Lib.

How about you face the fact that clinton 1 was the most corrupt administration in modern history? the most convictions, the most pleas, the most fleeing from the country, etc,.

Posted by: no facts please, we're Dems | July 31, 2007 03:20 PM

VECO had two large contracts in Barbados; a pipeline and a prison. People

here are wondering if there were inappropiate payments here as well

Posted by: trjr7246 | July 31, 2007 03:22 PM

No wonder the ads on con talk shows are all for baldness and ED remedies and snake oil salesmen. They are stoooooooopid

the end of Lib intellect is upon us. this is the last try at making sense

Posted by: | July 31, 2007 03:23 PM

Off thread but, only a lawyer could come up with this opinion:
Does S.C. Law Cover Federal Campaigns?
By Jim Davenport, AP

COLUMBIA, S.C. - South Carolina law may allow state workers to use taxpayer computers and time to promote presidential campaigns, a state Ethics Commission lawyer said.

The comments from commission general counsel Cathy Hazelwood came after an Associated Press review of e-mails that showed former state Treasurer Thomas Ravenel exchanged messages promoting Republican presidential candidate Rudy Giuliani during office hours. Ravenel resigned last week following a federal cocaine charge.

"I think an argument can be made that it is an unwise use of time; however, campaign practices specifically excludes federal candidates," Hazelwood wrote in an e-mail to the AP.

Mental corruption!

Posted by: | July 31, 2007 03:25 PM

I see kowardly Kos klown is at full speed ahead on his hate and envy kick today. might as well write off this blog today.

funny how all the candidates but biden are in the pall of the hateful left. and afraid to take them on. why are Libs always afraid of everyone?

go the way of Dean and Lamont. Buh bye.

how will hillary the robot answer a real question if and when she finally gets one?

Posted by: ssdd | July 31, 2007 11:17 AM

A prediction that always comes true around here.

Posted by: truer words have not been said | July 31, 2007 03:26 PM

BSIMON, an answer to your question: Alaskans are not too much into the family-values stuff. The general political debates are over natural resources (mostly oil) and how to manage them -- extract or preserve. We have hard-core "boomers" who want to drill, mine and pave everything (like Frank Murkowski), hard-core "greenies" who live off the grid (Alaska has had the nation's most successful Green Party) and all varieties in between.
Lately, the major, overwhelming issue has been, what is going to be our relationship with the oil industry? Sarah Palin, though a Republican, campaigned and has governed as a tough-on-oil official. This makes her a very atypical Republican.
Social issues that are considered important in the Lower 48 -- abortion, gay rights, immigration -- are not big deals here. Socially, the state is pretty libertarian (like the Yukon and Northwest Territories). One issue that does come up perennially is the question of legalizing marijuana, or to what degree it should be legalized.
Alaskans tend to be not too straight-laced and not Bible-thumpers, even the Republicans. If we were, we wouldn't be living here.
Hope that gives you a sense of the social and political scene.

Posted by: In defense of Alaska | July 31, 2007 03:27 PM

FBI - Stevens-1769

"clinton 1 was the most corrupt administration in modern history? the most convictions, the most pleas"

You're ignoring the pardons given by Republican Presidents in this statement, right Zouk!

Posted by: | July 31, 2007 03:28 PM

QED - HAHA I'm laughing. I didn't want to sound stupid by asking who the hell Zouk is -- because a lot of people seem to see him. I thought maybe my computer wasn't downloading all the posts.

Posted by: Mike | July 31, 2007 03:28 PM

With reference to the butt-ferret who chose to bring Louisiana into the discussion about ALASKA: Right now our biggest embarrasment is Senator David Vitter. Our biggest short-term problem is a federal government who is much more interested in rebuilding Iraq (which they destroyed), than Louisiana. Our biggest long-term problem is that the majority of domestic oil production runs through this state and our politics is constantly interfered with by "Big-Oil".

Are you still going to say that the troubles of my state are caused by Democrats? Check the facts and history of Louisiana before using it in a lame attempt to make yourself think you have a point.

Posted by: Louisiana Resident | July 31, 2007 03:28 PM

Oh look, it's No Facts again! Now we can continue our discussion of DDT. For those that missed it, here's a recap:

No Facts (AKA kingofzouk, QED, SSDD, etc.): Since DDT was banned, malaria has killed millions.
Blarg (AKA me): No, DDT is still used to fight malaria.
No Facts: You didn't cite a source! You're a lying lib liar who lies!
Blarg: [Citations]
No Facts: [Silence]

So, are you going to retract your ridiculous claims that DDT bans have killed millions in Africa? Or are you just going to ignore the fact that you have, once again, been proven wrong? I'm betting on the latter. I also bet you'll post the same lies again in a few days.

Posted by: Blarg | July 31, 2007 03:29 PM

How much did the Repub get for the pardon. I think the actual cash value of a pardon has slumped in the last 7 years. How much is a stay in the WH these days? Oh, I keep forgetting. all that stuff was made up by Ann coulter. And Monica and all the other bimbos lie. If you're a Lib.

Posted by: QED | July 31, 2007 03:32 PM

"What's wrong with the Empire? It's run by Darth Vader and the Emperor. Corruption inevitably results."

Posted by: Jed Dye | July 31, 2007 03:33 PM

FBI - Stevens-1770

According to Bate and Okonski, writing in a recent issue of UpDate, the monthly newsletter of the Competitive Enterprise Institute, "Spraying DDT in houses and on mosquito breeding grounds was the primary reason that rates of malaria around the world declined dramatically after the Second World War. Nearly one million Indians died from malaria in 1945," they report, "but DDT spraying reduced this to a few thousand by 1960. However. concerns about the environmental harm of DDT led to a decline in spray- ing and, likewise, a resurgence of malaria. Today there are once again millions of cases of malaria in India, and over 300 million cases worldwide -- most in subsaharan Africa."

http://www.conservativemonitor.com/news/2001017.shtml

Posted by: no facts please, we're Dems | July 31, 2007 03:36 PM

It has been 30 years since DDT was banned as a result of Rachel Carson's literary skills. Malaria and other diseases controlled by the "miracle pesticide" are on the rise again. In Sri Lanka, five years after DDT was banned under pressure from U.S. regulators and diplomats, malaria deaths were back up to 2.5 million per year.

http://www.freerepublic.com/focus/f-news/731285/posts

Posted by: we demand our own facts | July 31, 2007 03:37 PM

Sixty million people have died needlessly of malaria, since the imposition of the 1972 ban on DDT, and hundreds of millions more have suffered from this debilitating disease. The majority of those affected are children. Of the 300 to 500 million new cases of malaria each year, 200 to 300 million are children, and malaria now kills one child every 30 seconds. Ninety percent of the reported cases of malaria are in Africa, and 40 percent of the world's population, inhabitants of tropical countries, are threatened by the increasing incidence of malaria.

The DDT ban does not only affect tropical nations. In the wake of the DDT ban, the United States stopped its mosquito control programs, cutting the budgets for mosquito control and monitoring. Exactly as scientists had warned 25 years ago, we are now facing increases of mosquito-borne killer diseases--West Nile fever and dengue, to name the most prominent.

http://www.21stcenturysciencetech.com/articles/summ02/DDT.html

Posted by: what about wiki? | July 31, 2007 03:40 PM

Trying to keep this on thread - would DDT work on the Black Flies in Alaska?

Posted by: | July 31, 2007 03:40 PM

While it is true that we don't know every last risk of using DDT, we know very well what the risk of malaria is - and on balance malaria is far, far more deadly than the worst that one could imagine about DDT," said Amir Attaran, director of the Malaria Project in Washington. He and the Malaria Foundation International organised the open letter.

"We are not in love with DDT. But the reality is that if you try to get rid of DDT without guaranteeing that money will be available for alternatives, you will kill people.

http://www.malaria.org/DDT_Guardian_VIII_99.html

Posted by: dem science = opinion | July 31, 2007 03:42 PM

To only a few chemicals does man owe as great a debt as to DDT... In little more than two decades, DDT has prevented 500 million human deaths, due to malaria, that otherwise would have been inevitable."

FBI - Stevens-1771

[National Academy of Sciences, Committee on Research in the Life Sciences of the Committee on Science and Public Policy. 1970. The Life Sciences; Recent Progress and Application to Human Affairs; The World of Biological Research; Requirements for the Future.]
It is believed that [malaria] afflicts between 300 and 500 million every year, causing up to 2.7 million deaths, mainly among children under five years.

[Africa News, January 27, 1999]
Some mosquitoes became "resistant" to DDT. "There is persuasive evidence that antimalarial operations did not produce mosquito resistance to DDT. That crime, and in a very real sense it was a crime, can be laid to the intemperate and inappropriate use of DDT by farmers, espeially cotton growers. They used the insecticide at levels that would accelerate, if not actually induce, the

selection of a resistant population of mosquitoes."

[Desowitz, RS. 1992. Malaria Capers. W.W. Norton & Company]
"Resistance" may be a misleading term when discussing DDT and mosquitoes. While some mosquitoes develop biochemical/physiological mechanisms of resistance to the chemical, DDT also can provoke strong avoidance behavior in some mosquitoes so they spend less time in areas where DDT has been applied -- this still reduces mosquito-human contact. "This avoidance behavior, exhibited when malaria vectors avoid insecticides by not entering or by rapidly exiting sprayed houses, should raise serious questions about the overall value of current physiological and biochemical resistance tests. The continued efficacy of DDT in Africa, India, Brazil, and Mexico, where 69% of all reported cases of malaria occur and where vectors are physiologically resistant to DDT (excluding Brazil), serves as one indicator that repellency is very important in preventing indoor transmission of malaria."

DDT was banned by an EPA administrator who ignored the decision of his own administrative law judge.

Feeding primates more than 33,000 times the average daily human exposure to DDT (as estimated in 1969 and 1972) was "inconclusive with respect to a carcinogenic effect of DDT in nonhuman primates."

[J Cancer Res Clin Oncol 1999;125(3-4):219-25]

http://www.junkscience.com/ddtfaq.html

Posted by: Dem science = junk science | July 31, 2007 03:45 PM

I've lived in Alaska for almost 40 yrs, and watched in disgust as the politicians have become more and more corrupt. however I doubt it has anything to do with political affiliation. When you are coming from a state with so many natural resources to be exploited, a politician is going to be courted by the industries attempting to exploit those resources. It is only human to take the money and run, too bad. I am glad they are finally getting some outside scrutiny. This house deal of Teddy's is nothing, compared to what he has socked away, imho.

Posted by: charlotte | July 31, 2007 03:45 PM

Dem science -
1. write a book that predicts doom and gloom
2. go to wikipedia and enter in your opinion.
3. find some journalist who flopped out of college because calculus was too hard, get them to report the news
4. find sufficient negative motivation in all your skeptics
5. no matter what, ignore numbers, facts, figures and old science.

Posted by: QED | July 31, 2007 03:48 PM

As a committed Lib , I will study the DDT facts above and not rest until I can find a single misspelled word with which to discredit the whole affair.

we are Libs, we don't do citations to scientific magazines. We only believe truth from Kos and NYT. Or any cable show with really low ratings.

FBI - Stevens-1772

Posted by: SSDD | July 31, 2007 03:50 PM

You're quoting from advocacy articles on sites like Free Republic. Those aren't valid sources; their facts are flat-out wrong. For instance, the 21stcenturysciencetech article refers to millions dying since the 1972 ban. But that ban was in the US ONLY. It was not an international ban. So unless 60 million people have died in the US because of lack of DDT, the US ban has nothing to do with anything. DDT is still used in malaria-prone countries.

Then there's the malaria.org article. It argues against a proposed DDT ban in 1999. And that ban was never enacted. Remind me how this helps your argument that millions of have died due to 1960s DDT bans.

By the way, the first limitations on DDT usage in the 60s were due to mosquitos showing resistance to DDT. Are you going to blame Rachel Carson and the environmentalist movement for that? No, that was caused by evolution, so I guess you'll have to blame Darwin.

Posted by: Blarg | July 31, 2007 03:51 PM

Can we Libs go back to the pre-internet days when facts and figures weren't so readily available. we always lose when actual numbers and facts are involved.

curse you al gore.

Can we get back to talking about Breck girls hair now. Our little Lib brains hurt.

Posted by: no facts please, we're Dems | July 31, 2007 03:53 PM

"Who was the last Democrat who lied to US into a war that destabilized an entire region of the world and cost over 3.000 lives so far?"

Johnson.
They U.S. government faked an attack on a ship in order to get the country to committ to invading Vietnam and interfering in a civil war that we had no part in and couldn't really benefit from all because of an over-the-top irrational, paranoid fear of a political philosophy.

Anyway, the cost of lives from the Iraq war is more around 300,000 instead of 3,000. Many of those 297,000 that you don't count were far more innocent and noble than the 3,000 that you bother to count. But it still isn't as high as Vietnam.

Posted by: Andrew | July 31, 2007 03:56 PM

So, are you going to retract your ridiculous claims that DDT bans have killed millions in Africa? Or are you just going to ignore the fact that you have, once again, been proven wrong? I'm betting on the latter. I also bet you'll post the same lies again in a few days.

Posted by: Blarg | July 31, 2007 03:29 PM

What say you now misguided fool? Want some ketchup with that. I don't expect a response after such a thorough drubbing. you Libs always run and hide when forcibly confronted.

Try this:

Mosquitoes are evil - like bush. that seems to be the level of your discourse on this blog.

Posted by: QED | July 31, 2007 03:56 PM

WASHINGTON - President Bush's choice to head the military Joint Chiefs of Staff said Tuesday an increase of troops in Iraq is giving commanders the forces needed to improve security there.

time to flop Hill, a new poll is in.

Posted by: no facts please, we're Dems | July 31, 2007 03:57 PM

FBI - Stevens-1773

I guess you weren't actually interested in a response of any depth to your idiotic idiotic demand. did you even look at the junk science site with solid citations on every claim - how about malaria.org.? Why demand answers and then ignore them. you are a coward and dishonest. a true Lib. hint - stay away from science - it makes you look even weaker and dumber than the average Lib, if that is even conceivable.

Posted by: QED | July 31, 2007 04:02 PM

"Before Democrats get to far ahead..."

CC, that should be "...too far...."

--repugs can't spell or use grammar...

Posted by: | July 31, 2007 04:04 PM

"Before Democrats get to far ahead..."

CC, that should be "...too far...."

--repugs can't spell or use grammar...

Posted by: | July 31, 2007 04:04 PM

Video: Feds Search Sen. Stevens' Home In Probe

Watch this video coverage of the breaking investigation now: http://onthehillblog.blogspot.com/2007/07/video-feds-search-sen-stevens-home-in.html

Posted by: | July 31, 2007 04:05 PM

'Ultimate power ultimately corrupts. However, of the sitting Senators who have have held office for >40 years, 5 out of 6 are Democrats.'

--therby implying that they have done something wrong, which they have not. you people are so deceptive, so dishonest.

Posted by: | July 31, 2007 04:07 PM

But that ban was in the US ONLY.

who do you think makes the stuff for the rest of the world. I should have considered that you Libs don't do math or science. I forgot you have so little understanding of world economics as well.

If you really want an answer to all your clueless claims about DDT, simply go to the junk science site. It is all there complete with actual scientists and their publications. It will be a much better use of your time than this blog ever will be. you may learn something if you care to. I always thought that blarg was not a complete close-minded Lib, until now.

Posted by: no econ, we're Dems | July 31, 2007 04:07 PM

Mike says

"your to stupid to govern yourself."

!!

Posted by: | July 31, 2007 04:08 PM

You assert the benefits of socialism and cite Japan as a "socialist" economy.

Japan is an oligarchical economy that practiced precapitalist mercantilism until their monetary system nearly collapsed.

You correctly cite China as a Communist country - but its economy is largely capitalist, and certainly not Marxist.

There are no purely socialist economies in the industrialized world although there are various categories of "welfare states": countries in which most means of production and distribution are privately owned but the government provides a "safety blanket"
for the lame and halt, the elderly, the orphan, the sick, and/or more.

From your examples you meant "welfare states" when you referred to "socialist"
states.

These kinds of economies can exist in a dictatorship, like China, or in a representative government, like ours. Under a representative government,

FBI - Stevens-1774

many people will opt for private control of the means of production and distribution, out of inherent distrust of one entity controlling the lifeblood of the nation. As a result, actual democratic socialism has only worked for limited times in local contexts where everyone knew and generally trusted everyone else. Even the Israeli kibbutzim have now largely disappeared.

Not one voter in ten in Alaska would choose socialism, although most enjoy the "oil dividend".

Posted by: to "Andrew" at 3:02 PM | July 31, 2007 04:11 PM

'funny how all the howling misfit moonbats'

so very characteristic, koz -- what a brainless little illiterate twit you are. and yes, some do believe you work for the RNC -- it is well documented that they have been hiring trolls since 2006 -- but you'd think they'd pick somene smarter.

one of the main reasons people think this, however, is that you could not posibly on here as much you are every single day, if you had an actual job.

Posted by: | July 31, 2007 04:13 PM

"Many of those 297,000 that you don't count were far more innocent and noble than the 3,000 that you bother to count" - Andrew

And YOU know that they were far more innocent and noble because?

Posted by: | July 31, 2007 04:14 PM

The junk science site says nothing to prove your original statement that millions have died due to DDT bans. Your citations from that site usually don't even relate to your point.

The first quote describes that DDT prevented many deaths in the 40s and 50s. As a quote from 1970, it has nothing to do with post-Silent Spring DDT bans.

The second quote says that many people are killed by malaria. It mentions nothing about Rachel Carson, the environmental movement, or DDT bans.

Then you include a couple of quotes about mosquitos becoming resistant to DDT. This actually undercuts your point. If overspraying causes resistance, then not overspraying is good. Guess what? Silent Spring advocated against overspraying DDT. And since Silent Spring, overspraying has been significantly reduced. Spraying of DDT continues, however, because it was not banned.

Then you say that DDT was banned for bad reasons. That still doesn't prove that the US ban caused any deaths.

You wrap up with a study that says DDT doesn't cause cancer. That still says nothing about your original point.

And, yes, I looked at malaria.org. It has many references to the fact that DDT is still used to fight malaria in Third World countries. Which casts some doubt on your original claim that DDT bans kill millions, because it clearly shows that DDT HAS NOT BEEN BANNED IN COUNTRIES WITH MALARIA!

Face it; you've got nothing. You pulled up a bunch of citations that are only periphally related to your original statement, and none that provide any sort of proof. And every time I point out how wrong you are, you paste in a few more pages of crap, then mock me for not responding. Absolutely pathetic.

Posted by: Blarg | July 31, 2007 04:14 PM

Oh look, it's No Facts again! Now we can continue our discussion of DDT. For those that missed it, here's a recap:

No Facts (AKA kingofzouk, QED, SSDD, etc.): Since DDT was banned, malaria has killed millions.
Blarg (AKA me): No, DDT is still used to fight malaria.

FBI - Stevens-1775

No Facts: You didn't cite a source! You're a lying lib liar who lies!
Blarg: [Citations from wikipedia]
No Facts: multiple citations from scientific sources
Blarg: Waaahh, can we go back to opinions only?
Other Libs - we don't do facts, why try? Poll anyone?

Posted by: no facts please, we're Dems | July 31, 2007 04:15 PM

Simple....Anwar The Dems will never get Alaska

Posted by: Jack | July 31, 2007 04:16 PM

'demented individual who sees something called zouk everywhere he goes'

QED/zouk -- anon is several people. your speech and grammar patterns, and particlar obssessions make you recognizable no matter how many names you use -- no one is foooled.

Posted by: | July 31, 2007 04:17 PM

'might as well write off this blog today.'

you always promise zouk and then you never leave. ever.

Posted by: | July 31, 2007 04:19 PM

Discrimination allows superiority where truth is hidden and corruption tends to creep in.

This is the human equation.

People change day to day. Things change, steal rusts while conceited blows away, but the energy that makes us who we are moves

through us as we experience our lives.

Governments, Advocates. Churches, and Media put pressure on sex offenders who are struggling daily to make a way for their

families.

These groups are one in the same who have created the realm of secrecy and oppress for gain.

To be ashamed of being a flawed human who makes mistakes, is the responsibility of the person/group/s allowing laws of decimation

which is abuse.

Inflicting pain on any person who has been betrayed by that societies recklessness to hide the truth because of its own shame is

the ultimate in irresponsibility.

By continuing to advocate lifetime sentences, separation, eradication, concerning sexual offenses is recognition of the breakdown

of group/s and any system/s which supports this human rights abuse .

There can be no justice where the responsible party is the society which refuses acceptance of its error.

FBI - Stevens-1776

Thinking that labeling anyone concerning life and death decisions with regard to sexual offenses has no validity.

The stigma/demonization/and continuance of the myth is perpetrated by the group/s and any system/s that makes people suffer for a

belief that has only for centuries hidden its own truth.

Please take time to write those who can change our laws.

What ever we do we do to ourselves as money and power leads us by the ring in our nose rendering us unable to hear or see beyond

sound of our own greed.

Mr. & Mrs. Keith Richard Radford Jr.
http://www.SOSunite.com
http://www.youtube.com/sosunite

Posted by: Keith Richard Radford Jr | July 31, 2007 04:19 PM

I'll tell you what's wrong with Alaska. It's cold up there, the winters are dark and long, which all make for boring people with nothing better to do than get into mischief. I think we ought to send Hillary and her groupies up there where they wont menace the rest of us.

Posted by: MikeB | July 31, 2007 04:19 PM

If you've ever bothered to notice you would see that conservative talk show hosts all call themselves "political satirist". They have to do this to keep from being sued for the lies that they say about people. A person who calls himself a journalist is bound by law (and news company policies) to be able to prove that he has reasonble evidence that what he writes is true.

Do you really think that Rush Limbaugh believes anything he says on the radio?

Do you also think that Dan Rather would have paid the price for being wrong if he had been a talk radio charlatan like Limbaugh?

Do you really think that you being a republican tool makes everyone who disagrees with you a liberal?

Posted by: | July 31, 2007 04:20 PM

'I also bet you'll post the same lies again in a few days.'

blarg, zoukie/QED/etc -- has a standard routine, a standard set of talking points he posts every single day -- so my guess is it will come up on the next thread.

oh and look how precious -- he uses the American Nazi white suremacists over at the Little Green Football site as a credible reference.

LOL....

Posted by: | July 31, 2007 04:23 PM

I simply don't have the patience to do all your work in educating yourself. I always suspected you were slow blarg, but now i am convinced. try this:

The late Dr. J. Gordon Edwards estimated
that 190 people per minute are either
dying or suffering directly or indirectly from
the USA ban of DDT and other pesticides.

http://3billionandcounting.com/index2.php

this should speak directly to your carved out argument, for what I am no longer sure. If you keep back peddling, maybe you will arrive where you began. I am done with arguing with dimwits who couldn't admit an error if it hit them in the face. After having written that last sentence, I understand hill's position. It is no different than the rest of you liars and enablers.

Posted by: QED | July 31, 2007 04:26 PM

FBI - Stevens-1777

MikeB - maybe we could send all the engineers to Alaska too.

Posted by: | July 31, 2007 04:35 PM

'Do you really think that you being a republican tool makes everyone who disagrees with you a liberal?'

they don't think -- that's the pronblem.

Posted by: | July 31, 2007 04:35 PM

don't get curious and head over to junk science and look around at your new religion - global warming. there is real science there and you Libs will be very dissappointed.

Stick with what you know - insults, slander and emotionalism. Men who act like women and women who look like men. Pretty funny when the most masculine member of your party is hillary.

Posted by: QED | July 31, 2007 04:36 PM

""The Mona Lisa should hang in a museum, not a subway platform. The Statue of Liberty should stand unvarnished in New York Harbor, not draped with corporate logos.

And The Wall Street Journal should be owned by a company dedicated to maintaining its integrity, not one grasping to find content for a yet-to-be-launched cable channel."

wow.

http://www.msnbc.msn.com/id/19916213/?GT1=10150

Posted by: rufus1133 | July 31, 2007 04:36 PM

U.S. toll in Iraq lowest in 8 months

Ohhh bad news for Ms Reid.

Posted by: good news for US is bad for Libs | July 31, 2007 04:38 PM

See, someone does watch MSNBC. I thought you all were extinct.

Posted by: | July 31, 2007 04:39 PM

The level of nastiness on this thread is unbelievable. This is just the way the repubs like it. Hurl insults at each other--that way no serious discussions can occur and the political elites in Washington can go on scheming their corrupt, criminal enterprises. Why do you think Rove et al bring out the hot topics like gay marriage, flag burning, aboertion, etc. before all elections? The answer is to distract the rabblefrom knowing what's being done in Washington against most people's self interest. They don't have3 to bother anymore--you're all distracting yourselves now.

Posted by: Bo | July 31, 2007 04:42 PM

No, Zouk a lower death toll is always better news for all of us.

Now, let's make it progressively lower. Instead of being used as twisted logic for having to send more troops in, to get them killed.

Posted by: | July 31, 2007 04:42 PM

Hit number two, after lowe's last week:

"Home Depot seems to have had a change of heart. They're now unequivocally telling their customers that they will not advertise on Bill O'Reilly's show."

Posted by: rufus | July 31, 2007 04:43 PM

Why aren't you in the Military, zouk/QED-- instead of sitting on your pimply white a*s typing all day, shilling for chemical companies?

ANSWER ZOUK/QED - WHY AREN'T YOU IN IRAQ? WHY DO YOU ALWAYS AVOID THE QUESTION?

Posted by: | July 31, 2007 04:44 PM

Can we hurry up and surrender now. what would happen to my majority if somehow we were to win this war? Now that I have staked my career on

FBI - Stevens-1778

losing, I really need it to happen soon. Nancy - help!

Posted by: Reid my Libs | July 31, 2007 04:44 PM

QED: "Stick with what you know - insults, slander and emotionalism. Men who act like women and women who look like men. Pretty funny when the most masculine member of your party is hillary."

That's not too internally inconsistent, is it? What a d-bag.

Posted by: QED: What a Dick | July 31, 2007 04:45 PM

Troll Bait:
1. DDT
2. Global warming
3. Harry Reid or Nancy Pelosi
4. Math

What am I missing?

Posted by: Don't feed the trolls! | July 31, 2007 04:47 PM

Republican presidential hopeful Rudy Giuliani on Tuesday offered a consumer-oriented solution to the nation's health care woes that relies on giving individuals tax credits to purchase private insurance.

Edwards estimates that his plan would cost $90 billion to $120 billion per year

Obama estimates his plan would cost $50 billion to $65 billion per year

Posted by: Reid my Libs, lots of taxes | July 31, 2007 04:47 PM

trolls -- let's see, you're missing -- how we are winning in iraq, how 'Libs' don't understand economics, how "Dems' will raise taxes -- he's got quite a list. Every day.

Posted by: | July 31, 2007 04:50 PM

Hillary, Nancy, please show me how to be a man. I seem to have lost my way. you two clearly know more about it than I do.

Posted by: Reid my Libs | July 31, 2007 04:51 PM

nd no amount of time will make much of a difference" in the war in Iraq. "[P] rudence dictates that we plan for an eventual drawdown and the transition of responsibilities to Iraqi security forces," he said. In questioning later, he conceded, "there does not appear to be much political progress" in Iraq.

Mullen also said, "A protracted deployment of U.S. troops to Iraq...risks further emboldening Iranian hegemonic ambitions and encourages their continued support to Shia insurgents in Iraq and the Taliban in Afghanistan."

In the end, however, Mullen qualified his skepticism over the current course in Iraq by endorsing a long-term occupation. "U.S. military forces will be needed in Iraq for 'years not months," he said.

UPDATE: Asked whether or not U.S. forces were "winning" in Iraq, Mullen said; "[b]ased on the...lack of political reconciliation...I would be concerned about whether we'd be winning or not," Tim Grieve notes.

FBI - Stevens-1779

Posted by: x | July 31, 2007 04:53 PM

Oh yes I forgot:
5. The elimination of tax cuts for millionaires and billionaires.

Posted by: Don't feed the trolls! | July 31, 2007 04:53 PM

"I am done with arguing with dimwits who couldn't admit an error if it hit them them in the face."

Tell me what my error is.

Am I in error when I say that DDT is still widely used around the world? No, that's true. Malaria.org describes the use of DDT to fight malaria throughout Africa and Asia. This usage is supported by the World Health Organization.

Am I in error when I say that the 1972 ban only affects the US? Nope, that's true too. Other countries banned DDT earlier, or later, or not at all. And, of course, it's not banned in countries that still suffer from malaria.

Am I in error when I say that your citations are meaningless? Looks like I'm correct there also. Just because you're incapable of remembering what you're arguing about doesn't mean that everyone else is. None of your citations have done anything to prove your point.

Am I in error to continue a conversation with someone who does nothing but spout half-truths and insults? Well, I'm afraid you've got me there.

Posted by: Blarg | July 31, 2007 04:55 PM

"trolls -- let's see, you're missing -- how we are winning in iraq, how 'Libs' don't understand economics, how "Dems' will raise taxes -- he's got quite a list. Every day."

Raise taxes. Yeah. if you make over a million. I have a novil idea. Instead of hording your wealth, why not pay your employee's more. That will bring down your taxable income :)

Posted by: rufus1133 | July 31, 2007 04:58 PM

'Am I in error to continue a conversation with someone who does nothing but spout half-truths and insults? Well, I'm afraid you've got me there.'

It IS a waste of time, blarg -- zouk gets proven wrong and he just cites the same false stats all over again. he can no more tell the truth than explain why he isn't in Iraq, or why he doesn't have a job or a life.

Posted by: | July 31, 2007 05:04 PM

Reid my Libs says:

Hillary, Nancy, please show me how to be a man. I seem to have lost my way. you two clearly know more about it than I do.

This is [unintentionally] poignant. 10 year old boys are running this country.

Posted by: 1arryb | July 31, 2007 05:05 PM

After reading most of the comments, it is cetain to me, that most of these folks probably don't know where alaska is.
I have been a resident for 44 years.
Stevens and Young need to go, along with ted's son.
It is a great state and beautiful.Come up some June.

Posted by: Alaskana | July 31, 2007 05:10 PM

After reading most of the comments, it is cetain to me, that most of these folks probably don't know where alaska is.
I have been a resident for 44 years.
Stevens and Young need to go, along with ted's son.
It is a great state and beautiful.Come up some June, if your a anti Alaska, try December or January.

Posted by: Alaskana | July 31, 2007 05:11 PM

I feel that. Don't post for zouk. Post for the independant viewers who read, but are scared to post because they don't want to be put on some terrorist watch list. That's who you should post for. The people who are not in the know.

Don't worry about these fascists that know what time it is, but continue to

FBI - Stevens-1780

spout propoganda. That is his game. don't let him suck you in. That's why I'm here. To battle the trolls (and be the furthest left) to give you the oppurtunity to speak freely to the independants. Speak your mind. Ignore the trolls. I got this :)

Posted by: rufus1133 | July 31, 2007 05:11 PM

Troll Bait:
1. DDT
2. Global warming
3. Harry Reid or Nancy Pelosi
4. Math
5. The elimination of tax cuts for millionaires and billionaires

This seems to cover it. Please take note.

Posted by: Don't feed the trolls! | July 31, 2007 05:23 PM

Trollbait, you forgot one:
6. volunteering to fight the trolls.

Posted by: bsimon | July 31, 2007 05:28 PM

You do me. I'll do me. I got my agenda. It is in progress and seems to be working. I'm the one doing the hard work out here. Help me, don't hinder me.

Do you, I'll do me. Ignore me if you must. Or leave. No disrespect.

Some things need to be said. Some people need to be called on their BS. With me being on here the furthest left, if gives all of you the chance to say whatever you want AND NOT BE SCARED. Maybe someone reading will clarify or clean up my statements for me, happens on here all the time. Maybe a troll will attack me rather than you, bsimon.

If you disagree or think I'm lying, research. If you can re-phrase, please do so. But don't silence me. If only we all could speak our minds without fear. That used to be what this country was founded on. The mere fact that you have ANY fear before posting ANYTHING shows how far this country is fallen

Posted by: rufus | July 31, 2007 05:35 PM

"You do me. I'll do me"

You do you that is. Sorry :)

Posted by: rufus | July 31, 2007 05:36 PM

"Trollbait, you forgot one:
6. volunteering to fight the trolls."

Eminently sensible IF you can first recognize the signs of trollism which are the first five on that list.

Posted by: Don't feed the trolls! | July 31, 2007 05:36 PM

Blah blah blah. Keep making yourself feel big.

Posted by: rufus | July 31, 2007 05:38 PM

rufus "Raise taxes. Yeah. if you make over a million"

Actually rufus, most of the dems plans would raise taxes on those making over $200,000 not a million. Your idea of punishing the successful in America is but one example of why the dems will lose again in '08.

Tax and spend dems; always consistent in that at least.

Posted by: proudtobeGOP | July 31, 2007 05:40 PM

FBI - Stevens-1781

Alaska! I have never been there. I have told I should more there. What is your state's political leanings. Are there more liberal areas than otehrs?

What is so good about Alaska? What is bad about Alaska?

Anybody that lives there or has lived there. Is it mostly military in the woods?

Posted by: Rufus1133 | July 31, 2007 05:43 PM

GOP. what's up Old man :).

I hear your attack. But what do you think about taxing the millionares TO FORCE the business owners to pay their employee's more?

I hear your attack and spin, but what about the poin tI made? Do you think that is a fair approach? Let me dig something up for you. You people say this a a republic, reminesent of the roman republic. If that's the case why to the top not filter the money down anymore. Why the hording Listen to this:

Posted by: rufus | July 31, 2007 05:47 PM

http://en.wikipedia.org/wiki/Romulus_and_Remus

"The rest of the people became the populace of the city, and out of the populace, Romulus hand selected 100 of the most noble men to serve as a council for the city. He called these men Patricians and their council the Roman Senate. Romulus called these noble men Patricians not only because they were the fathers of legitimate sons, but also because he intended the great and the wealthy to treat the weak and the poor as fathers treat their sons."

Why does the party that claims patriotism as a virtue, hate this country so. Why do people that claim to be christians hate liberals and the poor so much. Why to the wealthy not share with the less fortunate so as to not involk the hungrey's wrath?

These questiosn are included in my previous. You want REAL conversation. Let us see how you answer a real question. Or if you answer it at all.

Posted by: rufus | July 31, 2007 05:51 PM

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FBI - Stevens-1782

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Anchorage Daily News (Alaska)

December 22, 2007 Saturday
FINAL EDITION

Cuddy proposes Stevens rematch;
OFF LIMITS: Developer says he won't run on federal investigation.

BYLINE: By SEAN COCKERHAM scockerham@adn.com

SECTION: ALASKA; Pg. B1

LENGTH: 464 words

Anchorage developer David Cuddy is making another run against Ted Stevens.

Cuddy said he would file a letter of intent after New Year's to run in the 2008 Republican primary for the U.S. Senate. He last challenged Stevens over a decade ago.

Cuddy comes from one of Alaska's most prominent banking families. He's a former state legislator and used to be president of First National Bank of Anchorage. He spent time earlier this decade living in Los Angeles, consulting for the entertainment industry.

Cuddy spent roughly $1 million, most of that from his own bank account, in an unsuccessful effort to wrest the party nomination from Stevens in 1996. Cuddy got just 27 percent of the primary vote then.

Cuddy, 55, ran that race as a conservative who said he wanted to shrink government and cut taxes. It turned into a hard-hitting campaign in which Cuddy accused Stevens in a series of advertisements of breaking the law and abusing the perks of power. The Federal Election Commission ended up dismissing a claim by Cuddy that Stevens' 1990 campaign committee improperly spent campaign contributions on him and his staff.

Cuddy said Friday that in this race he doesn't plan to make an issue of the federal investigation of Stevens.

The FBI and IRS raided Stevens' Girdwood home in late July as part of a probe into corruption in Alaska politics. Stevens has not been charged.

But Cuddy said he does intend to focus on the broad issues of government reform and clean elections. He has said it's a question of whether voters want pork or good government.

Cuddy announced his plan to run late on Friday afternoon; Tim McKeever, who is acting as spokesman for Stevens' re-election effort, couldn't be reached for comment.

FBI - Stevens-1783

Anchorage pollster Dave Dittman said Friday night he thinks Cuddy could pose a challenge for Stevens.

Cuddy "will have a ways to go in re-establishing himself," said Dittman, who is doing work for the Stevens campaign.

But Ivan Moore, another Anchorage pollster and campaign consultant, earlier this week was dismissive of Cuddy's ability to seriously threaten Stevens in a Republican primary race.

"He may be in trouble, his negatives may be up, but he's still Ted," said Moore.

Moore often works for Democratic candidates. Democrats believe Anchorage Mayor Mark Begich would give Stevens real problems. Begich said he hasn't made up his mind whether to run.

194A-AN-13620-M;710

Ray Metcalfe, a former state legislator and founder of the Republican Moderate Party, is running for the U.S. Senate seat as a Democrat.

Rocky Caldero of Dutch Harbor and Frank Vondersaar of Homer have also filed to run as Democrats. Jerry Heikes of Palmer has filed to run for the U.S. Senate seat as a Republican.

Find Sean Cockerham online at adn.com/contact/scockerham or call him at 257-4344.

LOAD-DATE: December 24, 2007

LANGUAGE: ENGLISH

GRAPHIC: Cuddy ran for Stevens' seat in 1996 and lost.

DOCUMENT-TYPE: Staff

PUBLICATION-TYPE: Newspaper

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FBI - Stevens-1784

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Locals react to federal investigations

by Rebecca Palsha
Wednesday, Aug. 1, 2007

ANCHORAGE, Alaska -- Alaska has been thrust into a national spotlight due to suspect leadership of some of the state's most prominent people.

But how do Alaskans feel about the recent FBI search on the home of Sen. Ted Stevens and the accusations against some former members of the state Legislature?

Many people Channel 2 News spoke with said while they hoped no one is guilty, most seem concerned that federal agents had to get involved.

Vic Fischer, a former state legislator who helped draft the Alaska Constitution more than 50 years ago, said he was disappointed by the recent turn of events.

"It's sort of sad what's going on in Alaska," he said. "It's a shame that Alaska's reputation these days is getting rather messed up compared to what it's been."

Fischer said this is not what he and others envisioned when writing the state's Constitution and moving the U.S. territory toward federal statehood.

"Generally it was an era of optimism and vision," Fischer said. "That vision did not include the issues running around before us in Alaska today."

Former East Anchorage Rep. Tom Anderson was found guilty on seven felony counts just weeks ago; today, three other former state lawmakers await trials on corruption charges.

Now the Alaska pubic has something else to await as well, as events continue to unfold surrounding a federal raid of Sen. Stevens' Girdwood home and Alaska Congressman Don Young's implication in a public integrity investigation.

In some way, all have been linked to the VECO Corp. bribery scandal. VECO Corp. founder and former CEO Bill Allen pleaded guilty two months ago to bribing state lawmakers.

People around the nation are now keeping a close eye on Alaska politics, but what do locals think?

Jeff Slear of Anchorage said if something is discovered about Stevens, it should be pursued.

"I would hope he does everything legitimately, but he may be a target. However, if it's found out that it was wrongdoing, it should be investigated," Slear said.

Chuck Jerde of Anchorage said there is likely a reason that the investigation was started.

"They must have something, or else they wouldn't be looking. It's a pretty big deal and there is a good possibility there is something we don't know about," Jerde said.

University of Alaska Anchorage History professor Stephen Haycox said elections will tell how much of an impact the investigations had.

194A-AN-13620-M;7111

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University of Alaska Anchorage History professor Stephen Haycox said elections will tell how much of an impact the investigations had.

FBI - Stevens-1786

194A-AN-13620-m,711

"I don't think we'll really know until we see how people vote for their legislators," Haycox said.

Voting may be the only real way of knowing. So for now, Fischer keeps his eye on the future.

"We'll just see what happens," Fischer said.

Democrats are very eager to see if the recent scandals will be enough to get their party members elected into office.

Contact Rebecca Palsha at rpalsha@ktuu.com

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FBI - Stevens-1787

Anchorage Daily News (Alaska)

August 12, 2007 Sunday
FINAL EDITION

First family of fur: PERRY GREEN; Alaskana Interview

BYLINE: Interview by JUDY FERGUSON Daily News correspondent

SECTION: LIFE; Pg. G3

LENGTH: 1119 words

I was born in 1936 in Seattle from a European line of master furriers dating back to the 18th century. My father, David Green, was born about 1900 in an Eastern European cultural center, Galicia, then a part of the Austro-Hungarian Empire. My great-uncles immigrated to New York in the late 1800s. They established one of the largest fur manufacturing outlets in New York City, Green Brothers. In 1904, my grandfather and their eight children, including my 4-year-old father, David Green, followed.

When he was 10, my father apprenticed to a master furrier in Philadelphia, which was a 24/7 job. When he wasn't working, he read Jack London's "Call of the Wild," which captured his imagination to go north. When he was 16, his guild conferred on him the title "master furrier." With this background, he confidently headed north toward Alaska.

In 1921, he saw a sign in Seattle's Baker Fur Co. window -- "Help Wanted, Master Furrier" -- and stopped in. Six months later, he'd earned the respect of local furriers and had climbed Mount Rainier as well. Establishing a Seattle base, he left for Cordova but continued, over the years, to return to Seattle.

The copper mine at Kennicott, with its Copper River and Northwest Railroad terminus, had made Cordova a critical port. Dad opened a shop and became the local furrier. In those days, a customer didn't buy a ready-made coat but brought his own furs or selected hides from those in the store. A master furrier like my father could do everything: design, match, stretch, nail, cut and sew fur. Many wore fur, and the ultimate was the durable otter coat, considered a "lifetime" coat."

While in Cordova, a friend suggested to my dad to go meet Ruth Grad, a Latvian immigrant, the daughter of the first Hebrew teacher in Vancouver, British Columbia. In 1926, they married in Vancouver; Dad decided to close his Cordova shop. He began a store in Seattle but just in time for the Great Depression. He missed Alaska and, working with his brothers' New York City factory, he opened a second store in Ketchikan. In the late 1940s, he opened a third shop in Juneau. Dad was always on the road.

In the late 1930s, Aleuts on the Chain noticed Japanese scouting and mapping their islands. Consequently, the U.S. military planted forward observers on the islands. Working 18- to 20-hour shifts then, Dad began making full-length muskrat liners and parkas, both warm and camouflaging, for the observers. At the factory, he slept a few hours at night. Between 1939 and 1941, Mother carried shopping bags of food to feed him and the factory workers.

JOINING THE BUSINESS

In 1950 my brother, Jerry, and I spent our "free day," Sunday, at the factory. My dad would say to me, "You sew another seam like that, and I will kiss your hands -- and then cut them off." Of course, he never did.

As my father saw Anchorage becoming an important center, he decided to establish his company's headquarters (with an upstairs family apartment) on Fourth Avenue in 1950.

Six years later, I married 17-year-old Gloria Dolgoff in Seattle and moved her to "faraway" Alaska. It was only natural to start my own fur-buying business, Anchorage Fur Trading. I traveled four months annually buying ivory and furs. Over

time, I visited over 300 villages -- Nikolski in the Chain, Mekoryuk on Nunivak Island, Dillingham, Chevak, St. Lawrence Island, up the Yukon River, north to Point Barrow, upriver, downriver and in between. I bought from grocers at Tok Junction, Tetlin and Northway, the Indians in the Copper River Basin and across the border into Yukon Territory.

Even though times were hard, I could leave my black bag with $20,000 cash in my host's home. In those days, there were still women who wore facial tattoos and men adept at survival skills who signed their name with an "X." I'd issue a check to village trappers, who then circulated it like cash. Six months later, the check with six or seven endorsements on the back would hit the bank in Anchorage. I thought life would always be the same. Children were important, old people were revered and there was a tranquility.

Other territorial fur buyers were Louis Rotman of Kotzebue, the last USPS dogsled mail carrier; Samuel Applebaum of Bethel (aka "Sardine Sam"); Fairbanks' Muskrat Johnny; Charlie Goldstein, a founder of Juneau and a respected fur buyer, who even spoke Tlingit; his colleague, Fred Hamburg, who was a U.S. marshal as well.

I sold to fur auctions all over the world, wherever the price was best for a particular pelt.

WHISKEY FOR TOOTHPASTE

In 1964, we had two Anchorage stores: David Green Furs here on Fourth as well as Arctic Fur and Leather on Fourth Avenue between D and E streets.

At 5:36 p.m. on Friday, March 27, my son, Alan, was climbing into the barber's chair when the earth began to shake. As my two children and I exited, the earth began opening and closing three to four inches every 15 yards, increasing then to 12 to 14 inches, and then, with a loud bang, it slammed shut. The buildings on the north of Fourth Avenue suddenly collapsed.

Leaving our children with my wife, I found my father alone in the athletic club, sitting on the massage table, repeating, "Well, the damned fools did it." When I asked, he exclaimed, "The Russians dropped an atomic bomb!"

After hearing the truth, he told me to go find Mother. I found her upstairs at home, rocking and lamenting, "Oh, my Passover dishes, all broken!" I took her to the window, where we surveyed the wreckage and I explained the event. On the day of both Good Friday and of Passover, we saw our home was untouched. Since the water was suspect, my father said, "Finally I get to brush my teeth with whiskey."

Soon he found it increasingly difficult to manage both the Anchorage and Seattle stores, and he reluctantly closed the Seattle factory.

By 1970 we knew my father's heart was bad. Both Jerry and I began to take over David Green Furs. In 1971, Dad was gone. About 1970, when my cousin in New York died, I also began running the New York factory.

In 2000, our children took over. Jerry's son, David, now manages David Green Furs. His wife, Shani, is our fashion manager. My daughter, Deborah Grashin, takes care of the accounting -- the "inside." My oldest son, Alan, runs the store in Ketchikan. Jerry's daughter, Sarah Green, runs Sarah's Specialty Shop, and my son Jay Green has three gift shops, Polar Bear Gifts.

We are a history of Alaska, where it has been my great joy to know its real people.

Judy Ferguson is a publisher and the author of three children's books, "Alaska's Secret Door," Alaska's Little Chief" and the newly released "Alaska's First People." Her Web site is www.alaska-highway.org/delta/outpost.

FBI - Stevens-1789

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GRAPHIC: Photo by JUDY FERGUSON
Perry Green in 2007 with a painting of his father.
Historical photos courtesy of Perry Green
Perry Green with his father, David, at Fur Rendezvous, 1960. Perry traveled statewide as a fur buyer.
Brothers Jerry, left, and Perry Green in the 1990s.

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FBI - Stevens-1790

Anchorage Daily News (Alaska)

August 21, 2007 Tuesday
FINAL EDITION

Oil tax nets $800M less than state predicted;

PPT: With special session looming, report on controversial net-profits tax draws mixed responses.

BYLINE: By TOM KIZZIA tkizzia@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 1083 words

State income from the controversial new net-profits tax imposed on the oil industry a year ago will bring in $800 million less than expected this year, a Palin administration report concludes.

The main problem: Industry capital and operating expenses, which can now be deducted from profits before taxes, are twice as high as proponents predicted 12 months ago.

The huge gap between the tax as advertised and its actual performance is helping frame the debate for a special legislative session on oil taxes scheduled for October, Palin administration officials say.

"It does put the exclamation point on the concern that we need to re-examine this," said state Commissioner of Revenue Pat Galvin.

Gov. Sarah Palin said earlier this month she is calling for a second look at the new Petroleum Profits Tax, or PPT, in part because a cloud of corruption surrounds its origins. Three legislators have been charged in federal court with selling their votes on the tax to the oilfield-services company Veco.

The under-performance of the tax in its first year adds reasons for review, say critics of the tax.

"It exposes the weaknesses in the net-profits system right away," said David Gottstein, a member of Backbone, a bipartisan group pushing state lawmakers to take a tough stance on oil industry taxation. Backbone and others have long predicted the state would be no match for sophisticated oil company accounting.

But industry officials say the unexpectedly high deductions reflect real increases in steel prices and other costs these days. Operating the North Slope fields is expensive, they say - and jacking up taxes again could hurt investment here.

"Increased costs aren't necessarily a bad thing. It means the level of investment is up," said Kara Moriarty, deputy director of the Alaska Oil and Gas Association. "That's the balance PPT was meant to strike."

Palin officials concede that industry costs have indeed risen. They say the high costs are probably here to stay, and are not related to one-time expenses due to last year's spills and shutdowns on the North Slope.

Former Gov. Frank Murkowski's administration officials apparently failed to anticipate this 12 months ago when pushing for the PPT, Galvin said. "What I don't know is if the most current information was used, or if there was some suppression of current information because it didn't fit with the information being used," he said. "There's not a need for casting blame."

TAX IS TAINTED BY CORRUPTION SCANDAL

FBI - Stevens-1791

194A-AN-13620-M; 7/13

The report, issued earlier this month, says it's too soon to know whether the law's incentives have spurred new investments or led to excessive deductions.

The current state forecast for oil production and oil prices is slightly less than predicted, and these factors contributed in a small way to the under-performance of the tax, revenue officials said.

Palin says she plans to announce Sept. 4 how she wants the Legislature to change the oil tax.

Corruption will certainly be a theme of the session beginning Oct. 18. In August 2006, the PPT's passage in the state House hinged on a single vote. Two Veco executives have pleaded guilty to bribing lawmakers to vote in step with industry on the tax. Critics say offers of money and jobs may have swayed enough votes to prevent the Legislature from approving a higher tax rate, or another sort of tax entirely.

With the timing that has become a Palin trademark, the governor will be announcing her oil tax decision one day before the scheduled opening of the trials of former Reps. Pete Kott, R-Eagle River, and Bruce Weyhrauch, R-Juneau, both of whom are accused of selling their PPT votes to Veco in 2006.

Administration officials are still debating whether to propose changes to the net-profits tax or a switch to a broad tax on the gross value of oil production, with deductions keyed to specific investments. Some Democrats pushed unsuccessfully for a gross tax last year, and Palin spoke favorably of that alternative during her 2006 campaign.

But some legislators say a complete overhaul of the state's brand-new oil tax is too much to ask of a 30-day special session.

House Resources co-chairman Jay Ramras, R-Fairbanks, said even if the income isn't as high as expected, the net-profits tax should be given a few years to see whether it encourages new investment in Alaska.

"The question is whether we're going to tax our way into prosperity or develop our way into prosperity," Ramras said.

Backers of the new tax note that, even with the big deductions, it is bringing the state $250 million more this year than would have come under the now-discredited "ELF" oil tax system it replaced.

Oil companies operating in Alaska are united in opposing a special session to revisit the oil tax issue this year, the oil and gas association's Moriarty said.

PPT critics, on the other hand, say the new tax would need to be changed even if it were delivering as promised.

"PPT was intended to short-change us," said Rep. Les Gara, D-Anchorage. "So if we just go back to what was intended, we cement in the system that was designed to short-change us."

Democrats cite petroleum consultants who say Alaska's total share from its oilfields is only 61 percent, compared with a world average of 67 percent or higher. The difference would be worth more than $1 billion a year to the state, they say.

LEGISLATURE WILL TAKE PALIN'S LEAD

The new law included a "progressive surcharge" meant to capture more windfall profits from high oil prices. When the PPT tax passed, advocates said the surcharge would kick in when oil hit $55 a barrel. Because of the higher deducted costs, however, the surcharge won't take effect until oil is between $60 and $63 a barrel, Palin officials said.

The net-profits tax has brought two other surprises, Palin officials said. The law allowed smaller exploration companies to build up tax credits through investments and sell them to major producers. But no market for the credits has materialized among the companies that pay taxes, Galvin said. Also, the state is having a hard time hiring qualified auditors who can sort through the oil company deductions.

House Speaker John Harris, R-Valdez, said Monday he's willing to consider a major overhaul of the state's new oil tax if that's what the governor decides to propose.

"We're going to take a lot of our lead from the administration," he said. "She sits on the high ground here."

Find Tom Kizzia online at adn.com/contact/tkizzia or call him in Homer at 1-907-235-4244.

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1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

August 22, 2007 Wednesday
FINAL EDITION

'New kid' Keller is in the House;
READY TO GO: A man described as having "integrity and honor" replaces the arrested Vic Kohring.

BYLINE: By RINDI WHITE rwhite@adn.com

SECTION: MAT-SU WEEKLY SECTION; Pg. G1

LENGTH: 976 words

DATELINE: WASILLA

With a leather couch, a coffee cupboard and art on the walls in his office at 600 E. Railroad Ave., Wes Keller is ready to hear from his constituents.

On July 24, the Wasilla man became the Valley's newest state representative. Keller, 61, fills a seat vacated by Rep. Vic Kohring, who resigned July 19 to focus on his legal defense. Kohring this spring was arrested on federal bribery and corruption charges for allegedly taking money from oil field services company Veco in return for his support on oil issues.

Keller hails from northern Wisconsin. He moved to Alaska in 1969 and worked around the state in building maintenance, construction, industrial training and in the oil field. Since 1999 he worked as Eagle River Sen. Fred Dyson's chief of staff.

Keller is a pilot, a hunter, a fisherman and a family man. He and his wife, Gayle, have three grown children and five grandchildren.

We caught up with Keller last week, a few hours after he was introduced to the Wasilla Chamber of Commerce.

Q. You just got back in state -- from where?

A. I went to the National Conference of State Legislatures (in Boston). I had the honor a year and a half ago of being selected as staff co-chair of the standing education committee and as co-chair of the legislative education staff network executive committee. I had to present my resolution; I'd been working on a resolution promoting the use of education technology to individualize learning for every child. (The resolution passed unanimously.)

Q. Was this your first junket?

FBI - Stevens-1794

A. (Laughs) This is my first working trip, yes. I'd been to NCSL before though.

There were a lot of breakout sessions. I picked up a number of really great sessions, one on property tax, one on judicial appointments. They were really fascinating to me.

Q. So this is sort of your first week in office? Are you getting settled in?

A. I had a little bit of time (before the conference). I've hired staff ... Jim Pound and John Davies, and I hired Janet Ogan. She was working for Sen. Green. They're an excellent staff. They keep me straight and help me stand up.

194A-AN-13620-M; 714

Q. You're the new kid on the block at the Wasilla Legislative Information Office building. Is there any teasing or hazing going on?

A. There've been a few people who say "Hell-OO REP-re-SENT-a-tive!" Sure, there's a little good-natured teasing. But really, I've been a little bit overwhelmed at the number of cards and phone calls and e-mails, offers to help -- and, sure, some condolences. But it's been rewarding and it sets my desire to do a good job.

Q. Isn't it a cut in pay?

A. Very much so.

My parents spent their lives working in the community, trying to make things better. That's just the way I tick. I think it's an opportunity to get some really good representation for the people in my district. I would've been uncomfortable not stepping forward. I think I was uniquely positioned to do it.

Q. When you worked for Sen. Fred Dyson, did you aspire to become an elected official?

A. I guess I anticipated it when I began to realize my representative was in trouble, a little bit. I went through a process, first thinking "no way" and then working through it. Working for a senator as a staffer, I began to really appreciate that staffers make the world go 'round. But it's not that I aspired to work up the ladder. Sen. Dyson, I wasn't thinking about bumping him off or anything. (Laughs)

Q. What does your family think about your decision?

A. That's one of the most delightful parts about my job. It's here, it's with my family and my friends. Commuting to Eagle River got a little old. My family, they're very supportive. My wife, Gayle, she also worked for Sen. Dyson in the same time frame. My kids are excited. They think it's wonderful -- they don't see the spooky part. And I've got five grandkids. They think it's really cool to see Grandpa on TV.

Q. When Lt. Gov. Sean Parnell introduced you at the governor's picnic in Wasilla on July 24, he said you "lived a life of integrity and honor" in Juneau. Why did he say that?

A. You'd have to ask Sean, but I can guess. When you're down there, you live in an imported group of people and you form opinions about them. That's just how it works.

Q. But "integrity and honor," that's a pretty impressive description. Is that something you aspire to?

A. I'm a Christian, and I believe in the values as laid out in the Big 10. Sure, I want to be obedient to my creator, that's probably part of it. And I try to be really straight with people.

Q. Do you have hopes for the special session and your first regular session?

A. Starting with the special session, I think it's really good we're reviewing (the Petroleum Profits Tax). I don't know if there's anything wrong with PPT, but 85 percent of our earnings come from oil, and the resources of Alaska are to be used for the maximum benefit of the people. So I'm glad we're looking at it. I don't know yet where the proposal is going to come out -- we haven't even seen anything yet.

As for next session, even though I have eight years of experience with the process, I've never been on the floor.

I am working on legislation for campaign reform. The idea is to restrict campaign contributions so they just come from your constituency. It's a pretty radical idea.

I have some legislation ideas, several other things I'm thinking about, but at this point I'm not even sure what committees I'll be on yet.

FBI - Stevens-1795

Q. What's on your summer reading list? Do you even have time to read these days?

A. Right now I'm reading a novel, for a little RandR. It's Patrick O'Brian's "The Surgeon's Mate." And I've been working on some books by Dallas Willard. He writes about faith and values and things I think are inspiring to me. But I'm not above a

Louis L'Amour, either.

Find Daily News reporter Rindi White online at www.adn.com/contact/rwhite or call 352-6709.

Q&A

LOAD-DATE: August 22, 2007

LANGUAGE: ENGLISH

GRAPHIC: Keller
EVAN R. STEINHAUSER / Anchorage Daily News
Wes Keller, who recently filled the District 14 House seat that was vacated by Rep. Vic Kohring, has worked as a teacher, building contractor, oil field hand and pilot in the Alaska National Guard, and served as chief of staff to Alaska state Sen. Fred Dyson.

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FBI - Stevens-1796

NewsBank America's Newspapers

Senator preaches patience as main strategy for Iraq - Question and answer

Anchorage Daily News (AK) - August 15, 2007

Author: *Staff*

Q. What do you see as the way forward (in Iraq)? A. Patience, which the press doesn't seem to have much of. (U.S. military commander in Iraq Gen. David) Petraeus has all the qualification of Eisenhower. As a matter of fact I think if he succeeds he will be an Eisenhower.

The great difficulty is people who say "Pull out" don't have an answer when you ask, "What will you do with a new Iraq that's really al-Qaida with the oil production? ... What's your answer going to be to what they want to do to the United States?

Q. Isn't al-Qaida a Sunni organization in a Shiite country? Are you suggesting the Sunnis are going to end up back in charge of Iraq?

A. I'm not exactly certain who's going to be in charge of Iraq. I don't know if we pull out. And, by the way, I don't think it's necessarily a Sunni organization. It has strength in so many countries now. It's getting a lot of its money from portions of the Saudi and other oil producers. That's really sort of a payment to them to avoid the trouble they're causing elsewhere, such as in Iraq. ...

(Someone) was quoted as saying we ought have sent 300,000 people instead of 30,000 people (in the surge). You're not going to like this, but Clinton kept cutting down the numbers of our people in the Army and the Air Force. Cutting, cutting, cutting, cutting. We ended up with fewer wings, fewer divisions. We don't count divisions any more; we count brigades because we don't have many divisions. Anyone who says (we should have sent) 300,000 people just doesn't know the statistics.

Q. There's some suggestion that we don't have enough troops -- we've used up too many troops to stay there.

A. We have a volunteer military. ... You could expand them ... The volunteers are there. ... The question is, how big a military do you want?

The joint command wants more people. They want to increase. It remains to be seen whether we'll do that.

The people who make these statements about, oh you could do it, just send more people -- where are you going to get them? We're sending people right here from this state over there for the third time. You know why? There's no one else to send. It's just because the military is so small. And it takes you six to nine months just to train them. It takes two years to train them before you can get them overseas.

Q. What did you make of (Congressman John) Murtha's proposal to have troops stay at least as long at home as they were deployed to lengthen the rotations?

A. He's a friend of mine. But what he's saying, that's a way to end the war. If you can't send them back and you don't have any more to send, what happens? If you don't replace the people that were there, you have an automatic withdrawal.

Q. Well, how much patience are you prepared to have?

FBI - Stevens-1797

A. Your question is how much patience have I got for the news media. This frantic demand to totally withdraw without regard to any consequences I think is just, it's immature, immoral as far as I'm concerned. The consequences of what we do over there are great on the future. If we walk away again -- we (already) have very few partners left in the world -- and we won't have any.

Q. Were you surprised at the amount of time it's taken to patch back Iraq, with the number of people we had to put Iraq back together? Given that we only had that number of men to go, was it a good call to go?

194A-AN-13620-M;715

A. There was no alternative but to go. ... Would you rather see Saddam Hussein still there, is that what you're telling me?

Q. Well, I don't think we've got a much better situation now. We've got people on their third rotation, we've got near anarchy there. You're saying we can't get out now. And the threat from Saddam was so imminent . ...

A. I'm saying we can't get out now because of developments since the war. You know, al-Qaida wasn't there when we started. The money for that insurgency wasn't there until we started. That's an aftermath of the militant, Islamic terrorist world.

The question is, are we going to do anything to prevent them owning a nation. ...

Q. I'm getting a better idea of what you don't think we should do in Iraq, which is not to leave precipitously, than what you think we should do.

A. I'm not a general. What the hell would you ask me that for? ... I don't make any military plans. I review them, and I give them money. ... I don't have any idea what they should do at this point. ... I think we'll succeed, I really do.

Q. I wanted to touch just briefly on your own situation and legal controversies.

A. You're not going to touch it at all or I'm going to leave. We had the understanding it was not going to come up.

Q. I understood the investigation wouldn't come up.

A. It's not going to come up at all.

Q. OK. What about your ability to be effective in Congress?

A. What about it? You're destroying it. More people are repeating what you're writing in your paper than anything else in the country. This paper has caused me more difficulty, and I've told you that before, than anything else. You've created me as the senator-for-life. You've been hanging me weekly.

You read any paper, the information -- most of it is not true -- started right here. And your guys just yesterday, they taunt me. They taunt me with statements that really no respectable reporter would ask a senator. It was already said I'm not going to answer your questions. They say, don't you have any concerns for your own integrity? Don't you have any conscience? That's what your reporters do to me. ...

I've spent hours here with you here in the past, and I've never seen any result of it at all. ... This paper has done nothing but try to assassinate me.

GO TO: ADN.com/opinion to listen to Sen. Stevens' remarks.

Q&A

EDITOR'S NOTE: Sen. Ted Stevens met with the Daily News editorial board last week on a number of topics. Here are excerpts of what he had to say about Iraq and about media coverage of his current controversies. Those present included editorial page editor Matt Zencey, publisher Mike Sexton, editor Pat Dougherty, cartoonist Peter Dunlap-Shohl and editorial writer Rosemary Shinohara. To hear excerpts on other topics, or the entire 57-minute session with Sen. Stevens, go online to ADN.com/opinion.

Caption: Photo 3: 15edit pg1.1_081507.jpg Graphic 1: Q_A_081507.eps Graphic 2: 15edit_Stevens_081507.eps
LAUREN VICTORIA BURKE / Associated Press archive 2007 Sen. Ted Stevens, who marked a milestone this year as the longest-serving GOP member in the U.S. Senate's history, says his ability to be effective in Congress has been damaged by news coverage, chiefly in the Daily News, of his activities.

Edition: *Final*
Section: *Alaska*
Page: *B5*

FBI - Stevens-1798

Anchorage Daily News (Alaska)

August 22, 2007 Wednesday
FINAL EDITION

Stevens not ready for gold watch;
BACKLASH: Investigations could rebound on the GOP, state Rep. Mike Kelly fears.

BYLINE: By STEVE QUINN The Associated Press

SECTION: ALASKA; Pg. B1

LENGTH: 671 words

DATELINE: JUNEAU -

U.S. Sen. Ted Stevens on Tuesday brushed off the call of a conservative Republican state lawmaker that he retire instead of seeking re-election next year.

"I've had that happen two or three times in my career," Stevens said during the dedication Tuesday of a $51 million marine research center bearing his name.

"This is a free country," said the 83-year-old Stevens, the longest serving Republican in Senate history.

State Rep. Mike Kelly, R-Fairbanks, has urged both Stevens and U.S. Rep. Don Young, 74, to retire at the end of their current terms. Stevens has been in office since 1968; Young, also a Republican, has held office since 1973.

Stevens is under scrutiny for his relationship with oil field services contractor Bill Allen, who helped oversee a renovation project that more than doubled the size of the senator's Girdwood home in 2000. Allen's former company, Veco Inc., won tens of millions of dollars in federal contracts, and he has pleaded guilty to bribing Alaska state lawmakers.

Several news media outlets have reported that Young is under investigation for his relationship with Veco and his campaign finance practices. State-level politics also have been touched by the Veco inquiry; three former state lawmakers face corruption trials this fall.

Kelly first called for Stevens and Young to retire this week in a letter to the editor of the Fairbanks Daily News-Miner.

Kelly told The Associated Press he's concerned the party will suffer defeats next year as a backlash because of corruption investigations at the state and congressional level.

"We need enough time before 2008 to consider from 40,000 feet what healing actions are required so no one is hurt," Kelly said.

"I wanted to see if a taller dog would call for a slate of activities that would help restore voter trust and confidence. Nobody seemed to be heading down that trail, so I did it and carefully considered that it wouldn't be accusatory or contentious," he said.

A spokesman for Young on Tuesday had no comment.

FBI - Stevens-1799

The August recess is normally a time when congressmen make the rounds of their home states to tout projects and visit constituents.

194A-AN-13620-M-716

But both Stevens and Young have been met with protests at almost every gathering. Some shouted "oink, oink" earlier this month at Young's annual pig roast campaign fundraiser in Anchorage.

At Tuesday's dedication ceremony, held hours before the public was allowed inside the Ted Stevens Marine Research Center for tours, protesters shouted and carried signs at the center's gates.

But they were kept well out of Stevens' sight and earshot.

Stevens breezed through the new 66,000-square-foot center with a constant curiosity about the new labs and offices at Lena Point, 17 miles north of Juneau.

The building, he says, reflects decades of his commitment to the industry, including laws under the Magnuson-Stevens Fishery Conservation and Management Act, a 30-year-old law that guides fishery management in waters between three miles and 200 miles offshore.

It also represents his interest in the nation's development of the fishing industry and marine life, especially that of Alaska, which supplies half the nation's seafood.

Stevens touted the importance of the fisheries industry, saying that if managed properly it will outlive the petroleum and mining industries that also drive the state's economy.

State Rep. Andrea Doll, D-Juneau, who attended the ceremony, says Stevens' work for the fisheries industry is a huge boost for the state's capital, and that cannot be overlooked.

"The jury hasn't come back yet," she said metaphorically about the investigation. "I think we need to acknowledge him for the things he's done. Give the credit where it's due."

The FBI raid on his home and the federal investigation are off limits for Stevens.

"I'm not going to answer any questions at all into the investigation; that's out," he said.

LETTER TO THE EDITOR: Read Rep. Mike Kelly's call for Young and Stevens to retire in the Fairbanks Daily News-Miner at

newsminer.com/2007/08/19/8469

LOAD-DATE: August 22, 2007

LANGUAGE: ENGLISH

GRAPHIC: Photos by CHRIS MILLER / The Associated Press
Rich Moniak and fellow members of Juneau People for Peace and Justice protest Tuesday before the dedication of the National Oceanic and Atmospheric Administration's Ted Stevens Marine Research Institute in Juneau. The protesters were kept out of Stevens' sight and hearing.
During dedication ceremonies for the new NOAA facility that bears his name, Stevens took a moment to address calls for him to step down after his current term expires. "This is a free country," said the 83-year-old Stevens, the longest serving Republican in Senate history.

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Anchorage Daily News (Alaska)

August 17, 2007 Friday
FINAL EDITION

Weyhrauch wants to be tried alone;
CORRUPTION CASE: Attorneys are mum on reasons for the motion.

BYLINE: By LISA DEMER ldemer@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 825 words

Three weeks before the corruption trial of former state Reps. Bruce Weyhrauch and Pete Kott is set to begin, Weyhrauch wants a judge to split his case from that of his co-defendant.

No one will say why.

The motion and supporting documents were filed under seal, out of public view. It's the same story with much of the legal maneuvering in the case. Lawyers involved say they couldn't talk about the issues even if they wanted to.

"There's a lot going on behind the scenes and it involves evidence that we can't discuss before the trial," said Doug Pope, one of Weyhrauch's attorneys.

The trial is scheduled to begin Sept. 5, though that could change. U.S. District Court Judge John Sedwick has yet to rule on several sealed motions.

The corruption case involves accusations that officials with oil field services contractor Veco Corp. bribed the legislators to help push an oil-production tax favored by the industry through the Legislature in 2006.

Veco's former chief executive, Bill Allen, and vice president, Rick Smith, have pleaded guilty to bribery and conspiracy involving four legislators: Kott, Weyhrauch, indicted former Wasilla Rep. Vic Kohring and former Senate President Ben Stevens, who was described but not named in court documents. Kohring has an October trial date. Stevens hasn't been charged.

Allen and Smith are now cooperating with the government and are expected to be key witnesses at the trial. They've resigned from Veco.

It appears from the indictment that the FBI used electronic surveillance of Veco's suite in Juneau's Baranof Hotel to collect evidence.

FBI - Stevens-1801

Kott is accused of taking payoffs totaling $8,993 and the promise of a job from Veco in exchange for doing the company's bidding. Weyhrauch is accused of soliciting legal work from Veco.

Generally, one reason a defendant tries to split off his case is so he won't be tainted by his co-defendant, said Rex Butler, a prominent Anchorage criminal defense attorney not connected with the Kott-Weyhrauch case.

"First of all, one person might be really knee deep in the trouble while the other person is a surface player," Butler said. "The problem is, in a joint trial, if a juror takes one down, they almost always will take both people down."

The specifics of the accusations against Kott and Weyhrauch differ, though they were indicted together May 3 and face similar charges: conspiracy and bribery against both; extortion and wire fraud against Kott; attempted extortion and mail

194A-AN-13620-M; 717

fraud against Weyhrauch.

Kott is described in the indictment as willingly doing Veco's bidding and meeting with Allen and Smith in the Baranof's Suite 604 to plot strategy.

As laid out in the indictment, Weyhrauch's role was smaller. But he is accused of following Kott and Allen's instruction to change his vote on an amendment opposed by the oil industry. He had mistakenly voted the wrong way, the indictment says.

The charging document quotes a conversation between Kott and Allen in Suite 604 after the amendment was defeated on May 7, 2006:

Kott: "I had to get 'er done. So, I had to come back and face this man right here," pointing to Allen. "I had to cheat, steal, beg, borrow and lie."

Allen: "I own your ass."

Co-defendants may want to point the finger at each other, but that can backfire in a joint trial, Butler said.

"Both parties will end up convicting each other," he said.

Defense lawyers also may end up stepping on each other's toes. And there can be problems with evidence when one defendant has made incriminating statements against the other, Butler said.

Plus, defense lawyers like looking like the little guy up against the government with all of its power and resources, Butler said. The image doesn't carry as well with a table full of defense lawyers.

Jim Wendt, who represents Kott, said he probably won't oppose the motion to sever the cases, but he won't join in, either.

As to Kott's defense, "You'll have to wait and see, but our defense is basically that our guy is not guilty," Wendt said.

Weyhrauch attorney Pope said that his client is innocent and never sold his votes.

Prosecutor Jim Goeke declined to comment on the upcoming trial or the maneuvering.

Jury selection is scheduled to begin Sept. 5 with a bigger-than-normal pool of 120 potential jurors from Southcentral Alaska and beyond. Judge Sedwick has ordered that potential jurors be pre-screened with a questionnaire. It asks whether they know the defendants, lawyers or key witnesses; what they've read, seen or heard about the case; and whether they already have opinions about Kott and Weyhrauch.

Kott is a former House Speaker from Eagle River first elected in 1992 and defeated in the 2006 Republican primary. He now lives in Juneau. Weyhrauch is a Juneau attorney who served two terms and didn't run again in 2006.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

STORIES: Visit the Web for more on the ongoing FBI investigation.

FBI - Stevens-1802

adn.com/corruption

LOAD-DATE: August 17, 2007

LANGUAGE: ENGLISH

GRAPHIC: Weyhrauch
Kott

DOCUMENT-TYPE: Staff

Anchorage Daily News (Alaska)

August 17, 2007 Friday
FINAL EDITION

Inouye raises voice for Stevens;
ON TOUR: Senator from Hawaii travels to Alaska in support of an old friend.

BYLINE: By TOM KIZZIA tkizzia@adn.com

SECTION: ALASKA; Pg. B1

LENGTH: 353 words

DATELINE: HOMER -

Sen. Ted Stevens got a campaign endorsement and a pat on the back from his old friend Democratic Sen. Daniel Inouye of Hawaii during a low-key appearance at a wildlife refuge visitor center in Homer on Thursday.

"I'm here to tell the people of Alaska that I support him, that you're fortunate to have him," Inouye said.

Stevens and Inouye, the ranking members of the Senate Commerce Committee, are traveling together in Alaska through the weekend. Inouye, a frequent visitor to Alaska, was honored by the Alaska Federation of Natives in Anchorage Wednesday.

The two senators said they are headed to Kodiak today and Fairbanks on Saturday. With Alaska Sen. Lisa Murkowski, they cut a ribbon at a new Alaska Railroad whistle stop in the Chugach Mountains south of Portage Thursday before flying to the southern Kenai Peninsula.

In Homer, the reception was friendly, as it has been elsewhere on Stevens' recess trip.

Stevens and Inouye defended the practice of earmarking funds for specific projects in the federal budget, saying it had long been necessary to allow their remote home states to catch up with the rest of the country.

In Hawaii, Inouye said, a town the size of Homer, with an area population of about 10,000, would never have such a grand facility as the Islands and Oceans Visitor Center. The senators spoke in the $18 million facility for an hour with about 100 people.

Thanked by Homer Mayor Jim Hornaday for the many buildings constructed with federal funds, Stevens said, "Every one of these came from an earmark. None of them was requested by the president."

While the national criticism of earmarks could hurt Alaska, Stevens said, the corruption investigation has not limited his effectiveness. In answer to a local reporter, Stevens said only one member of Congress had objected, while many others had come up to him and offered support.

"It's not a problem," he said.

Inouye deemed national press coverage of the Stevens investigation "overkill," citing repeated mentions of the recent FBI search of his friend's Girdwood home.

"It should be reported. It's news. But good God," Inouye said.

FBI - Stevens-1803

LOAD-DATE: August 17, 2007

194A-AN-13620-M; 718

LANGUAGE: ENGLISH

GRAPHIC: Inouye

DOCUMENT-TYPE: Staff

PUBLICATION-TYPE: Newspaper

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FBI - Stevens-1804

2 of 2 DOCUMENTS

Anchorage Daily News (Alaska)

August 14, 2007 Tuesday
FINAL EDITION

Young has a picnic on the Park Strip;

EAT-AND-GREET: Embattled congressman faces critics with humor and a little jig.

FBI - Stevens-1805

BYLINE: By KYLE HOPKINS khopkins@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 608 words

U.S. Rep. Don Young held a picnic on the Park Strip Monday, handing out Mountain Dew and Diet Pepsi as hundreds of people waited in line for a plate of free food and to shake hands with Alaska's lone congressman.

All the while, a small but loud cluster of protesters chanted slogans at Young from a few feet away. Young, standing in front of watermelon slices and hamburger plates, ignored some of the taunts and danced along with others.

"FBI! FBI!" the protesters yelled.

Young smiled and did a little dance, shaking his hips and pumping his arms. "They'll never get the best of me," he said at one point to a supporter who was making his way through the line.

Young is running for re-election and under federal investigation for his ties to the oil field services company Veco. One of the grills at the picnic was stamped with a plate-size Veco logo. A Young aide, Steve Hansen, said the grills were rentals and will be paid for by the campaign.

Young's annual pig roast fund-raiser in Anchorage last week drew more than 200 supporters and dozens of protesters.

Monday, fewer critics showed for his hastily arranged meet-and-greet picnic on the Park Strip. They were able to crowd within feet of the congressman for nearly 90 minutes as he served food, leading to jostling between supporters and protesters, a crying girl, and somebody grabbing somebody's shirt.

Signs for the picnic began appearing around town late last week, and the event drew hundreds in the afternoon heat.

Carl Washington, who is 32, stood shirtless resting on a BMX bicycle. He wore an "I'm a Young man" button hanging from a necklace.

He said he likes it that Young has been able to bring federal funding to Alaska. As for Young's critics, Washington said people try to knock you down if you're successful.

He pointed to the long, single-file line. "If you look at the people here -- low income. And I don't mean to disrespect nobody. People carrying backpacks. They're hungry."

Toward the end of the line stood Peter Brink, 42. He said it's become too expensive to live in rural Alaska and that he left Bethel in March. He's now homeless in Anchorage, he said.

Asked what he'd like to tell Young, he said: "There's too many companies that are controlling our congressmen."

Young arrived at about 5:30 p.m., shaking hands with well-wishers as he made his way to the food tent. Protesters who

194A-AN-13620-M;719

had been standing along I Street quickly followed, getting as close as Young's handlers would allow as a seemingly endless river of people picked up plates of hot dogs and beans, watermelon and salmon.

Mitchell Cannon, a 17-year-old who had been handing out Young buttons early in the day, had switched sides and written "Benson 08" on his T-shirt -- a reference to Democratic House candidate Diane Benson. Hansen, the Young aide, confronted a protester who was yelling into the tent, and Hansen said the man grabbed his shirt.

In the middle of the crowd, a 10-year-old girl cried, and Young supporters and critics argued as grill smoke blew across the strip.

Young made no speech. Reporters stood among the supporters and protesters, shouting questions:

Congressman Young, what do you think of all this?

"I love it! I love America!" Young replied.

Congressman Young, have you done anything wrong?

"The Lord is with me," he said.

Young left about 7 p.m. as the protesters complained about the Young supporters and the supporters complained about the protesters. Volunteers continued to serve watermelon and soda, and from 9th to 10th Avenue, the Park Strip smelled like smoke.

Find Kyle Hopkins' political blog online at adn.com/alaskapolitics or call him at 257-4334.

LOAD-DATE: August 14, 2007

LANGUAGE: ENGLISH

GRAPHIC: Find more photos online at adn.com Photos by BILL ROTH / Anchorage Daily News
Hundreds of people waited in line for free food and a chance to see Young.
Congressman Don Young reacts to protesters gathered where food was being served at his meet-and-greet at the Delaney Park Strip on Monday. Young said, "It's America; they can do what they want to do."

DOCUMENT-TYPE: Staff

PUBLICATION-TYPE: Newspaper

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FBI - Stevens-1806

1 of 1 DOCUMENT

Anchorage Daily News (Alaska)

August 7, 2007 Tuesday
FINAL EDITION

Young pays old bill for fundraiser food;
'CRAB FEED': E-mail notes in-kind contributions; payback is $5,583.

BYLINE: By ERIKA BOLSTAD ebolstad@adn.com

SECTION: ALASKA; Pg. B1

LENGTH: 387 words

DATELINE: WASHINGTON -

U.S. Rep. Don Young has agreed to reimburse a seafood trade association $5,583 for the cost of providing food at his annual "Crab Feed" fundraiser for the past seven years.

Young's campaign treasurer said that this spring the Pacific Seafood Processors Association sent the campaign an e-mail, saying the group had researched its records and determined it had made in-kind contributions that needed to be disclosed. The campaign wasn't aware of the contributions until receiving the e-mail, said Robert Bohnert, Young's campaign treasurer.

Originally, the campaign was going to reimburse the industry group only for the 2004-2006 contributions, but decided last week to also send back the 2001-2003 contributions, worth about $3,175 total. Typically, the Pacific Seafood Processors Association provided between $700 to $900 in seafood for the event, Bohnert said.

Bohnert said he did not know why Young or his lawyers made that decision, and referred further questions to Young's campaign manager, Steven Dougherty.

"We're not commenting at this time," Dougherty said. "We're not commenting on issues pertaining to this topic."

But until the seafood trade association told them about the in-kind contributions, they weren't aware of them, Bohnert said. They pay someone to organize the event, including ordering the food and renting out the Capitol Hill Club. The annual event is a Washington tradition for Alaska's Republican congressman

"If we don't know about it, we can't do anything about," Bohnert said. "I don't know what prompted them to send it to us."

In July, Young disclosed to the Federal Elections Commission that he spent more than $262,137 from his campaign account to pay legal bills this year. Between March 10 and June 15, Young's congressional fundraising committee, Alaskans for Don Young, paid two Washington law firms to advise him.

Young, who is under investigation by the FBI, has refused to address questions about the federal inquiry.

Young has four major fundraisers scheduled this August while he is in Alaska, Dougherty said. There's a pig roast in Anchorage on Wednesday, salmon bakes in Fairbanks and Anchorage on Aug. 13 and 15, and an Aug. 16 golf tournament in Palmer. He also plans his annual mooseburger fundraising event in September, when Congress goes back into session.

FBI - Stevens-1807

LOAD-DATE: August 7, 2007

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194A-AN-13620-M;720

DOCUMENT-TYPE: Staff

PUBLICATION-TYPE: Newspaper

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FBI - Stevens-1808

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Turning up the heat - Pig roast inside 'gates of hell' has those outside roaring ANCHORAGE PROTESTERS FEAST ON DON YOUNG'S FUNDRAISER

Anchorage Daily News (AK) - August 9, 2007

Author: *LISA DEMER, KYLE HOPKINS and LIZ RUSKIN Anchorage Daily News ; Staff*

Outside Don Young's annual pig roast fundraiser on Wednesday night, a raucous crowd of all ages and political persuasions taunted the guests with shouts of "oink, oink," waved signs against corruption and big money in politics, and generally protested anything Young was for. It was a party inside the fence, where the more than 200 guests drank beer and bottled water and dined on pork under white tents. They were asked to donate up to $1,000 each for U.S. Rep. Young's re-election campaign.

And it was a party outside, where about 70 protesters showed up for a remarkable demonstration not only against Young at his signature fundraiser event, but also against U.S. Sens. Ted Stevens and Lisa Murkowski, who were special guests.

The event, talked about on talk radio and the Internet for days, attracted all kinds.

"Restore habeas corpus!" one man shouted.

Another, a Minneapolis chef and performance artist who goes by Mero Cocinero Karimi, was there shaking a wooden spoon at arriving donors.

"I heard they were roasting a pig in celebration of corruption," he said, dressed in a poofy chef's hat and white jacket. "A pig is paying for this with his life! They never asked the pig's permission!"

"You are now entering the gates of hell," retired salmon fisherman John Farleigh, a third-generation Alaskan and one of the protest organizers, yelled out to guests as they walked down the long driveway to the Turnagain home of former Gov. Bill Sheffield. The party inside was off limits to news reporters.

Farleigh said his discontent has been boiling up for some time.

"They get caught in something untoward and nothing happens to them and so they think they are untouchable," he said.

Around the back, protesters shouted through the fence at donors as they dined.

"The secret sauce is blood and oil, topped with shredded Constitution!" sometime political candidate Thomas Higgins bellowed.

DIFFERENT POINTS OF VIEW

At one point, conservative talk show host Eddie Burke faced off against political consultant Art Hackney, who was one of a few guests who stopped to talk to reporters.

"I find this outrageous," Hackney said. "To me, the story is these guys who are stirring this up. Go look into them, because they have a helluva worse history than the people serving Alaska in the United States Congress."

As he spoke, the crowd closed in.

FBI - Stevens-1809

"Shame, shame, shame!" they roared at Hackney.

"Two wrongs make a right?" one man asked.

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Alaska's congressional delegation "built Alaska," Hackney said.

"Take Alaska back!" people in the crowd began shouting.

Hackney said that Burke and two others who have been pushing hard to crack down on politicians -- Ray Metcalfe and former U.S. Attorney Wev Shea -- are the ones who are unethical.

"I'm not being investigated by the FBI," Burke shot back. "Are you?"

"Are you going to grope me, Eddie?" Hackney asked. Burke was convicted of a misdemeanor in 1994 for drunkenly groping a waitress at the Peanut Farm.

"Thirteen years ago I acted like a drunk sailor in a bar," Burke said.

Burke was within inches of Hackney's face until a Young aide, Steve Hansen, guided Hackney away.

Among those spotted walking into the fundraiser were Diane Kaplan, president of the Rasmuson Foundation, and former legislator and oil industry lobbyist Mark Hanley.

High-powered Washington lobbyist Jack Ferguson, who has close ties to Young, came. His clients have included Alaska Airlines, Arctic Power, trucking companies and cruise lines. Another D.C. lobbyist at the event: Rick Alcalde, a frequent contributor to Young who lobbied him on national transportation projects.

When Alaska Republican Party chairman Randy Ruedrich arrived, someone shouted, "Talk about ethically challenged!" Ruedrich was forced to step down from his job as head of the state's oil and gas commission amid allegations he misused his office for political purposes.

A CHANGE OF VENUE

The location at Sheffield's home was a change from recent years, when the event was held at the home of former Veco Corp. chairman Bill Allen. Allen has pleaded guilty to bribing four former state lawmakers. Young and Stevens both are under federal investigation for their ties to Veco.

Steve Dougherty, Young's campaign manager, said they cooked an entire pig this year too. It just wasn't in one piece, as was the tradition when Allen hosted the event.

By roughly 7:30 p.m., Sens. Stevens and Murkowski had already driven out of Sheffield's driveway, to jeers from the remaining crowd outside. Then Young left too, smiling, riding in the back of a silver Chrysler sedan.

Minutes later, a faded blue ice cream truck arrived, playing tinny children's music. A few of the maybe two dozen remaining protesters stood eating Popsicles and fudge bars, still holding signs, in the early evening heat as the last partygoers walked to their cars.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

Caption: Photo 1: Protest1_080907.jpg Photo 2: PigRoast_080907.jpg Photo 3: PigRoast2_080907.jpg BILL ROTH / Anchorage Daily News The boisterous crowd of protesters outside former Gov. Bill Sheffield's Turnagain home on Wednesday evening during Don Young's annual pig roast included Minneapolis chef and performance artist Mero Cocinero Karimi. "A pig is paying for this with his life!" he said. Don Young's annual pig roast drew more than 200 guests who were asked to donate up to $1,000 each. MARC LESTER / Anchorage Daily News "I find this outrageous," said political consultant Art Hackney. "To me, the story is these guys who are stirring this up."

Edition: *State*
Section: *Main*
Page: *A1*
Correction: *Correction A story about Don Young's pig roast on Page A-1 Thursday incorrectly described John Farleigh as a third-generation Alaskan. He is a fourth-generation Alaskan and a third-generation Anchorage resident.*
Record Number: *1457550408/09/07*
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FBI - Stevens-1810

Anchorage Daily News (Alaska)

August 12, 2007 Sunday
FINAL EDITION

Pork for a few, then fish for all;
DON YOUNG: Congressman hosts salmon bake on Delaney Park Strip.

BYLINE: By KYLE HOPKINS khopkins@adn.com

SECTION: ALASKA; Pg. B1

LENGTH: 469 words

U.S. Rep. Don Young is having a public barbecue in Downtown Anchorage on Monday afternoon, days after protesters taunted him and guests at his annual pig roast fundraiser.

"You're invited to Congressman Young's salmon bake and bar-b-que," read a broad, yellow sign that appeared last week on the Delaney Park Strip. By weekend, similar signs had sprouted all over town.

The signs say the shindig will last from 3 to 7 p.m. Monday. By Friday afternoon, an organizer of the original protest began circulating e-mails calling for another anti-Young rally.

Young is under federal investigation for his ties to Veco Corp., and dozens of protesters surrounded his fundraiser Wednesday at the home of former Gov. Bill Sheffield.

Young appears at the private pig roast every year. Until recently, it was held at the home of former Veco chief Bill Allen, who has since pleaded guilty to bribing state legislators.

But the Anchorage salmon bake -- where "everyone is invited," according to the advertising -- is new.

According to the city, Young's campaign indicated on July 26 it wanted to hold an event on the Park Strip. Later, his campaign reserved 20 picnic tables at $20 each, according to the city.

Young usually attends the state Republican Party's annual picnic this time of year, said party chairman Randy Ruedrich. But this year, the party pushed its meeting back to September in hopes of enticing Republican presidential candidates, he said.

Ruedrich said Young will be back in D.C. by then, so he's holding the salmon bake in Anchorage instead. "He's having his own community event because we moved ours."

Political consultant Art Hackney, who traded barbs with Young critics at last week's protest, said he cringed when he saw the sign advertising Monday's public meet and greet.

"That sounds like an invitation for a rather raucous event," he said.

John Farleigh hopes so. He was one of the organizers of the pig roast protest and was trying Friday to rally people to show up at the salmon bake too.

Farleigh said he wants to create an environment where Young doesn't even want to appear in public. "If we could bump it up over 100 (people) next time, then we're looking at some momentum."

Two Democrats -- Jake Metcalfe and Diane Benson -- have announced they're running against Young.

"I find it pretty interesting that he is campaigning or getting out and having contact with people so early in the election year ... it signifies that he's worried," said Metcalfe.

But Young said he's ready for battle in a recent interview with The Associated Press.

"They say 'Oh, he's nicked,' you know, we can get him. Well, have at it. They have never been in a race till they get in a race with me," he told the AP.

Find Kyle Hopkins' political blog online at adn.com/alaskapolitics or call him at 257-4334.

LOAD-DATE: August 13, 2007

LANGUAGE: ENGLISH

GRAPHIC: Young

DOCUMENT-TYPE: Staff

PUBLICATION-TYPE: Newspaper

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FBI - Stevens-1812

2 of 2 DOCUMENTS

Anchorage Daily News (Alaska)

August 10, 2007 Friday
FINAL EDITION

FBI seizes Stevens note;
'OVER $130,000' PAID: Two pages to former federal prosecutor become part of probe into home remodeling.

BYLINE: By RICHARD MAUER rmauer@adn.com

SECTION: MAIN; Pg. A1

LENGTH: 1495 words

FBI agents earlier this week retrieved a handwritten note by U.S. Sen. Ted Stevens to former U.S. Attorney Wev Shea in which Stevens said he and his wife paid "over $130,000" for the Veco-supervised renovations to their home in Girdwood.

The amount described in the note, dated June 7, is the only time Stevens is known to have put a figure on his out-of-pocket costs for the 2000 addition, which more than doubled the size of the house. Stevens told reporters last month that he paid every bill he received, leaving open the possibility that he wasn't billed for all the work. He has declined to answer any more questions.

If $130,000 is an accurate total, it would raise questions about how such a major renovation could have been accomplished within such a tight budget. The carpentry contractor alone said he was paid more than $100,000 by Stevens. Another contractor, who raised up the house to make room for the new first floor and built part of the foundation, said he too was paid by Stevens, though he didn't recall the amount. The earth-moving contractor who prepared the ground for the job also said he was paid by Stevens.

That would leave little if any left over for a range of other work that was done, everything from design to plumbing and electric to a new roof. As recently as this week, Stevens declined to answer questions about how the project was billed and financed.

Federal investigators are keenly interested in the matter as part of their three-year investigation of official corruption in Alaska. They've subpoenaed witnesses to testify about the project before grand juries in Anchorage and Washington, D.C., and the FBI and IRS conducted a 12-hour search of the home July 30, with agents documenting the addition in painstaking detail. According to the office of the Senate historian, it was the first time a sitting senator's residence was searched in the history of those agencies.

'SAD PORTION OF MY LIFE'

Stevens' note was a thank-you to good wishes from Shea on the eve of a White House dinner held in Stevens' honor on May 23. Stevens' remarks about the construction project were unsolicited.

"This is a sad portion of my life -- it will take time to explain," Stevens said in the two-page note. "Catherine and I personally paid over $130,000 for the improvements to our chalet in Girdwood. Someone -- or more than one -- keeps telling the FBI that's not so. Takes time to go back over five years to prove they are wrong."

In a briefing with Alaska reporters in Washington on July 16, Stevens appeared to leave room for a discrepancy between what he paid and the actual costs.

"We paid every bill that was given to us. Every bill that was sent to us has been paid, personally, with our own money, and that's all there is to it," Stevens said before cutting off questions about the house and the investigation.

The existence of the note was first reported Sunday in the Seattle Times. At 9:30 a.m. Monday, Shea said, two FBI agents on special duty here from Miami arrived at his downtown office and asked for the original. Shea turned it over.

In executing their search warrant on Stevens' home July 30, agents appeared to be as interested in the house itself as in removing anything inside. They used tape measures, still cameras, video cameras and even a special camera capable of producing 360-degree panoramas to document the dwelling and its fixtures.

With the curtains drawn, it was impossible for someone outside to tell what the agents were doing in the house.

But outside, agents scaled the building on ladders to take pictures of the aluminum roof and the ice-melting heat tape installed on it and in the gutters. They took detailed pictures of outdoor electrical fixtures, including those on a spruce tree in the front yard, and twice uncovered and photographed a stainless steel barbecue.

The house was expanded by jacking up the one-story building and adding a new ground floor with two bedrooms, a sauna, bathroom, a laundry room, game room, "mud room" and garage, according to plans filed with the city at the time.

Three contractors who discussed their role in the project with the Daily News in May would have absorbed most or all of the $130,000-plus cited by Stevens. Specifically:

* Augie Paone of Christensen Builders, the main contractor, said he was paid "more than $100,000" by Stevens for framing, other carpentry and some of the kitchen cabinetry and painting. Paone said he has testified about the project before a federal grand jury in Anchorage.

* Anchorage house mover Toney Hannah said he was paid by Stevens for jacking up the home, building a new foundation, then lowering the home on the new first story. He didn't recall how much he was paid and couldn't look up the invoices because they had been taken by the FBI.

* Girdwood contractor Bob Redmond was paid by Stevens for earth-moving work associated with the project, according to his stepmother, Jean Redmond. The FBI took his files as well, she said.

That leaves the project design, blueprints, Veco's project management, plumbing, heating and electrical work unaccounted for, as well as carpentry work performed before Paone was hired. In addition, a neighbor, Daryl Pederson, said a new aluminum roof was installed at the time, on a roofline with multiple peaks and angles. Whether the project included new appliances or other furnishings couldn't be determined.

Paone said he was hired by Veco's chairman at the time, Bill Allen, and said he submitted his invoices to Veco first before he was paid by Stevens. Paone said he observed mechanical contractors working on the heating system and plumbers on the pipes, but didn't recall who they were.

Paone said he has no idea if other contractors were paid by Stevens. "It's just that he was never around. He didn't know what was going on."

'DESIGNED BY JCH'

Four sheets of building plans submitted to the city for the project contained no identifying mark that would show who drew them or for whom the designer worked. However, the initials "JCH" were printed next to "Designed By" on all four sheets, along with a date of July 24, 2000.

The initials match John C. Hess, a Veco employee who works in the company's engineering group. Visited at his Anchorage home in June, he declined to talk about the Stevens project. Asked if he drafted the plans, he said, "That's possible." On Thursday, his wife, Jill, said the plans were his.

Hess was one of five current or former Veco employees listed on a subpoena summoning Girdwood resident and Stevens friend Bob Persons to a grand jury in Washington, D.C., in May. Persons, who took out the land use permit for the project, was asked to bring any information or documents connecting those five employees to the work on Stevens' home.

Allen has pleaded guilty to bribing Alaska legislators and violating tax laws and is cooperating with federal authorities in hopes of getting a reduction in his sentence and keeping other family members out of jail. The FBI had wiretaps on his phones and video surveillance of his lobbying hotel suite in Juneau for more than two years before the federal investigation

broke into the open in August 2006 with raids on the offices of six legislators, including then Senate President Ben Stevens, Ted Stevens' son. Ben Stevens has not been charged.

Persons looked after the house when Stevens wasn't around, and was given power of attorney to act for the senator and his wife on the remodeling project. Shea, the U.S. Attorney for Alaska between 1990 and '93, got to know Persons 30 years ago when Shea was living in Girdwood and Persons owned a cafe. Persons since achieved acclaim with his Double Musky restaurant.

Shea found out from Persons that Persons, his wife, and other Alaskans were invited to the White House for a special dinner honoring Stevens on May 25 -- two days before Persons' date with the grand jury. It was among the tributes to Stevens this spring when he became the longest serving Republican senator in history. Shea faxed a letter to Stevens, praising his "commitment to Alaska," honoring his military service, and describing their mutual friendship with Bob and Deanna Persons.

In his June 7 reply, Stevens didn't mention the White House dinner but discussed his house.

Find Richard Mauer online at adn.com/contact/rmauer or call 257-4345.

6/7/07

Dear Wev --

My staff tells me I did not respond to your May 23 letter. I truly believed I did as I answered a series of "thank yous" from people who wish us well in these hours of strife.

This is a sad portion of my life -- it will take time to explain. Catherine and I personally paid over $130,000 for the improvements to our chalet in Girdwood.

Someone -- or more than one -- keeps telling the FBI that's not so. Takes time to go back over five years to prove they are wrong.

I do appreciate your comments.

My best

Ted

dig deeper: For stories and photos of the FBI/IRS investigation of Stevens' house, go online.

adn.com/stevens

LOAD-DATE: August 10, 2007

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GRAPHIC: ILLUSTRATION SHOWS SCAN OF STEVENS' LETTER.

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FBI - Stevens-1815

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Anchorage Daily News (Alaska)

August 10, 2007 Friday
FINAL EDITION

Earmark tampering suggested;
FLORIDA ROAD: Don Young or staff changed bill, report says.

BYLINE: By ERIKA BOLSTAD ebolstad@adn.com

SECTION: ALASKA; Pg. B1

LENGTH: 548 words

DATELINE: WASHINGTON -

A $10 million earmark that benefited a Florida developer continues to cause a stink in the Sunshine State, where some local road planners say they didn't ask for it and still don't understand how Alaska's congressman got it for them.

In Florida, the leader of a local transportation planning organization asked a retired federal government budget expert to research how U.S. Rep. Don Young designated money for what's known as the Coconut Road interchange. Wednesday, the researcher issued a report suggesting that Young or his staff changed language in the earmark after it had already been approved for another project they sought, the widening of Interstate 75.

Both the House and Senate voted for the earmark in 2005 when it was part of a massive highway bill ushered through Young's Transportation committee, said researcher Darla Letourneau, a retired former congressional liaison to the Department of Labor in Washington. At some point, as the bill was being cleaned up to be sent to the president, the $10 million earmark was given a specific designation for the Coconut Road interchange.

It's not unusual for technical and grammatical changes to be made at the final stage of the legislative process, said Letourneau, who lives in the beachfront community of Sanibel. But in this case, Letourneau said, the changes were to the substance of the bill. It went from being an earmark for a general road-widening project to one that benefited a specific interchange - one that many local officials opposed because they feared it would open environmentally sensitive lands to more development.

"It's definitely not consistent with the rules, at least on its face," Letourneau said. Letourneau was asked by her friend, Carla Brooks Johnston, a Sanibel city commissioner, to research the earmark for a planning group that helps determine how transportation money will be spent locally.

"It raises a lot of questions in my mind," Letourneau said Wednesday. "It's just another example of abuse of power."

Young, currently under federal investigation as part of the Veco corruption inquiry, drew national scrutiny this spring for this particular earmark. It was first reported in the Naples (Fla.) Daily News, where people questioned why a congressman from Alaska would take such interest in an interchange in Florida - even though some local planners hadn't asked for it. The $10 million Florida earmark could lead to an interchange that improves freeway access to land owned by real estate developer Daniel Aronoff; it was inserted into the legislation in 2005 soon after Aronoff helped raise $40,000 in Florida for Young's re-election.

Wednesday, Young held one of his biggest fundraisers in Anchorage, his annual pig roast. Guests included several Washington lobbyists, including Rick Alcalde, a frequent Young contributor. Alcalde's clients include Aronoff's real estate business, the Landon Companies, according to federal disclosure forms.

Young's office would not comment Wednesday on the Florida earmark, and has called it a "recycled story." Previously,

Young has said that he was asked by people in the community to put the earmark in the transportation spending bill, and that he was told it would pay for transportation improvements to assist with hurricane evacuation.

LOAD-DATE: August 10, 2007

LANGUAGE: ENGLISH

DOCUMENT-TYPE: Staff

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Jake Metcalfe - It would be irresponsible not to investigate Don Young and Ted Stevens

July 14, 2007

By Jake Metcalfe - Lew Williams Jr., former publisher of the Ketchikan Daily News, recently attacked the news media in general and the Democratic Party in particular for the scandals troubling Alaska's two senior elected Republicans in Washington, D.C.

Lew should know better.

He has been in the news business for too many years, beginning with his newspaper route when he delivered papers to my grandfather's house in Juneau at the top of Gold Street some 65 years ago. It is the job of news reporters to report. If, as Williams suggests, there is nothing to worry about, then it will blow over.

But considering Rep. **Don Young**'s connection to Jack Abramoff and Sen. **Ted Stevens'** connection to VECO, for any journalist who purports to cover the political beat to ignore these stories would be unprofessional and a violation of the public's need to know.

Williams suggests news reporters at least try Googling sources. Well, Lew, try this: If you Google **"Don Young" plus "corruption"** plus "Jack Abramoff," you'll get 22,000 hits. Googling **"Ted Stevens" plus "corruption"** plus "VECO" nets 27,000. With this much smoke, it's worth looking for a fire. If so, either the FBI or some enterprising journalist will find it.

As for Williams' attacks on the Democratic Party, I'll remind this former reporter and former Democrat, that the trans-Alaska oil pipeline would never have been built but for the Democratic Party. At the time the pipeline was approved, there was a Democrat in the Governor's Mansion, Democrats controlled both Houses of the Alaska Legislature, Democrats sat in two of Alaska's three congressional seats, and Democratic majorities controlled both the U.S. Senate and U.S. House of Representatives.

Present Alaska Democrats. Alaska Democrats have a long history of supporting progress and projects such as the Alaska gas line. We are proud of our history of advocating and representing the interests of Alaska's working people - blue collar and professional. I can assure Alaskans that on my watch the Alaska Democratic Party will continue these traditions.

But Lew. He is reduced to throwing weak mud balls.

Amid our Alaska corruption scandals, I honestly pity Lew. He and his fellow travelers are reduced to defending the indefensible: corruption of the lowest sort - selling out all Alaskans (including fellow Alaskans) for the benefit of the world's most profitable corporations, and doing this for pocket change.

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[illegible] from the tone of Lew's column and several letters to the [illegible] would think the indicted are the victims. They are [illegible] by these writers as honest, intelligent, productive [illegible] of the community. I'm a former district attorney, and I [illegible] you how many criminals I've successfully prosecuted [illegible] the victim despite overwhelming evidence. As a [illegible] I always found that to be the surest sign the defendant [illegible] be rehabilitated.

[illegible] hard working people of Alaska don't buy your [illegible] defense of these corrupt bastards, or your attack-[illegible] game. As one of my colleagues once said, "There [illegible] three types of crime: stupidity in the first, second and [illegible] degree."

[illegible] crimes are more stupid than those committed by arrogant [illegible] who believe they are above the law.

[illegible] Metcalfe is chairman of the Alaska Democratic Party and a [illegible] District attorney for the state of Alaska.

[illegible] Stories:

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[illegible] and Don Young Fail to Provide 'Honest Services'

[illegible] closing in on Ted Stevens' son Ben

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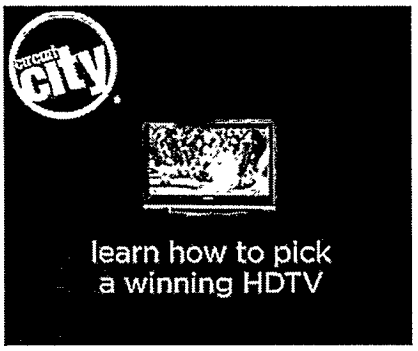
Examples of Alaska earmarks

Examples of Alaska Projects Earmarked by Lawmakers

The Associated Press
AP News

Aug 14, 2007 13:56 EDT

Some examples of special project appropriations going to Alaska, as compiled by the private group Taxpayers for Common Sense:



_Alaska Fisheries Marketing Board. From its federal funds, the board gave Alaska Airlines a $500,000 grant. It was used, in part, to paint a Boeing 737 to look like a Chinook Salmon to promote the state's seafood.

_The Alyeska Roundhouse received $450,000. The building is at the Alyeska ski resort in Girdwood, where Alaska Republican Sen. Ted Stevens has his home.

_Money for six "Alternative Salmon Products." The University of Alaska received several of these earmarks, which included $450,000 for development of baby food containing salmon in 2006.

_Alaska Christian College received $435,000 in 2005. The school had several dozen students at the time.

_The National Archives and Records Administration received at least $2.25 million toward the purchase of an empty lot in Anchorage from two former Stevens business partners. The purchase cost was $3.5 million, allowing the former Stevens partners to more than double their investment.

_The Alaska Botanical Garden received $300,000 over three years for expansion and renovation.

_SpringBoard, an organization that helps Alaska businesses meet the needs of the Department of Defense, received $14 million the past two years.

_$250,000 was appropriated to plan for the Alaska Statehood celebration, set for 2009.

_$1 million in 2005 went for mobile computers for police cars in Wasilla, Alaska, population 6,700.

Source: AP News

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Robert Scheer: Hillary Pushes the Button
What in the world was Sen. Hillary Clinton thinking when she attacked Sen. Barack Obama for ruling out the...

Markos Moulitsas ZÃºniga: "MSM" vs. "Traditional Media"
It's become in vogue by progressives to adopt the right-wing acronym "MSM" to refer to the "mainstream media". It's...

David Roberts: Bush speechwriter supports action on climate change after leaving White House; misunderstands issue; offends my sensibilities
grist org Via Brian Beutler (The Other WunderkindTM), I notice that longtime Bush loyalist and former Bush speechwriter Michael Gerson...

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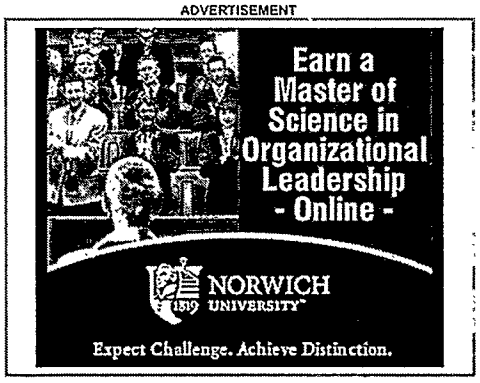

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Sen. Ted Stevens (R-AK) (WDCPIX.com)

Alaska: Where Pork Lives

By Laura McGann - August 14, 2007, 3:51 PM

The AP teamed up with Taxpayers for Common Sense to take a hard look at how Alaska has benefited from earmarks:

More than 2,000 projects worth $7.5 billion have gone to Alaska since 2000, says Taxpayers for Common Sense. Alaska received a little over $1 billion in the 2005 highway bill.

A 2005-2007 study of earmarks by the group showed that Alaska _ ranked 47th in population _ has done far better than other states, when spending is calculated per person. Spending over the three-year period came to $4,311 per person in earmarked projects for Alaskans, while Hawaii was a distant second at $1,812. At the low end were the populous states of Texas, at $98 per person, and New York, $95 per person.

Part of the difference can be explained by Alaska's special needs, with its remote geography, rough terrain and extreme weather. But the clout of Stevens and Young also has played a huge role.

Here are a few of the more, ahem, interesting projects.

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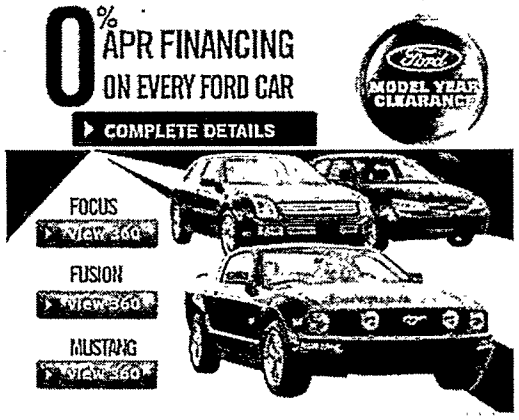

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Comments:

Alaska Christian College? My tax dollars went to pay for religious ed? What happened to the separation f church and state thing? This pisses me off even more than painting a salmon on an airplane or paying for some company to incorporate salmon into baby food.

Posted by: Toxophilite
Date: August 14, 2007 4:03 PM

Interesting comparison between Hawaii and Alaska earmark monies. As someone living in Hawaii, I can say that Alaska has no corner on the "remote geography" market. While we may not appear a likely candidate for 'extreme weather' like Alaska (note that Hurricane Flossie is making its way toward us as I write), the 44 days solid of rain that killed seven and did $$ millions in road, crop and sewage pipe infrastructure damage last year is certainly not trivial.

Not that I'm asking for a Senator like Stevens, of course, don't get me wrong. But yeah, does seem like things are a little lopsided. At least all our bridges go somewhere....

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Posted by: pakaal
Date: August 14, 2007 4:44 PM

Well...
At least we have some consolation. After all, once the case is decided against Stevens, Stevens, Young, and Murkowski, and they are all found guilty of fraud and misappropriation of taxpayers' dollars and bribery... after this occurs... at least we taxpayers will be reimbursed now, won't we?

We really do not have justice (justice: n. 1. The quality of being just; fairness.

2. a. The principle of moral rightness; equity. b. Conformity to moral rightness in action or attitude; righteousness. 3. a. The upholding of what is just, especially fair treatment and due reward in accordance with honor, standards, or law. b. Law The administration and procedure of law) anymore, though, do we...

Posted by: johnnydoughey
Date: August 14, 2007 5:24 PM

From the AP:

_$1 million in 2005 went for mobile computers for police cars in Wasilla, Alaska, population 6,700.

I just checked the Wasilla 2007 capital budget and it has $4,250,000 in federal aid budgeted for wideband mobile communicatons in 2007. I linked to the budget below - see p. 22 of the actual budget, p 30 of the PDF file.

Wasilla's entire 2007 budget is $13,140,971.

I think Alaska needs to be audited.

Posted by: Nelly Bly
Date: August 14, 2007 5:42 PM

Any interest on the part of TPM's editors to conduct a similar audit of the spending in Jack Murtha's district -- how about just to the defense contractors that use his brother's lobbying firm?

Or how about Rep. Mollohan from West Virginia. Seems like the reporting on him was that just about every dollar in campaign contributions he received came from people connected to non-profits that operated exclusively on federal grant money directed to them by Mollohan earmarks.

Posted by: shipwreckedcrew
Date: August 14, 2007 10:18 PM

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Posted by: shipwreckedcrew
Date: August 14, 2007 10:19 PM

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1. Since Alaska's total population is that of a mid-size city while covering an area 2 or 3 times larger than Texas, any project of magnitude here will cost

more per person. While interesting, per person federal spending is no more statistically valid for states at the extremes of population than simply comparing Alaska's total federal spending with that of other states.

2. I trust there will be articles on earmarks in others states, e.g. as what Tom Coburn got in Oklahoma, or Ted Kennedy in Massachusetts- who recently got a $100 million earmark to produce jet engines (in Lynn, MA) that the Air Force DOESN'T WANT.

Picking on federal spending and earmarks only in Alaska may the the sport du jour, but it's not fair.

Posted by: bobalaska
Date: August 14, 2007 10:44 PM

Alaska brainwashing. TPM readers remember Ted and Don have a huge victim following in Alaska

you must remember everyone is a victim in Alaska including Ted and Don according to Ted and Don

Posted by:
Date: August 14, 2007 11:54 PM

If you really wanted to dig, look into the preferential federal contracts for Alaska Native-owned corporations. How sweet it is!

Posted by: Grumpy
Date: August 15, 2007 10:20 AM

I wonder how much of the easiness with which the Alaskan Congressmen got pork had to do with the administration's want to open up the wildlife rfuge to oil companies???? Were they given carte blanche so Big Oil could make a buck?

Posted by: The Raving Badger
Date: August 15, 2007 12:52 PM

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last three months

THIS JUST IN:

RECORD CRACKDOWN ON CORRUPT IRAQ CONTRACTS
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(USA TODAY)

U.S. WEIGHING TERRORIST LABEL FOR IRAN GUARDS
The Bush administration is preparing to declare that Iran's Revolutionary Guard Corps is a foreign terrorist organization, senior administration officials said Tuesday.
(NY Times)

LAWYERSR SAY PADILLA WENT OVERSEAS TO STUDY
Jose Padilla traveled overseas to peacefully study Arabic and Islam and not to train as an Al Qaeda terrorist, his lawyer said in closing arguments yesterday in a case rooted in 2002 allegations that he plotted to detonate a "dirty bomb" in the United States.
(Boston Globe)

EXAMPLES OF ALASKA EARMARKS
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(Associated Press)

ARMY CHIEF UNSURE WHEN DUTY TOURS WILL BE CUT
Gen. George Casey, the Army's chief of staff, said yesterday he didn't know when officials would be able to cut the length of soldiers' tours back to 12 months.
(Associated Press)

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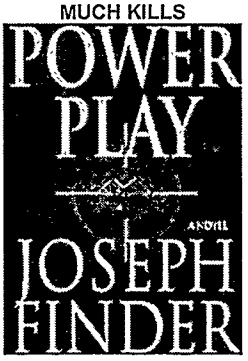

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Leahy Asks for a Chat with Bush

DOJ to Feinstein: Nanny Nanny Boo Boo

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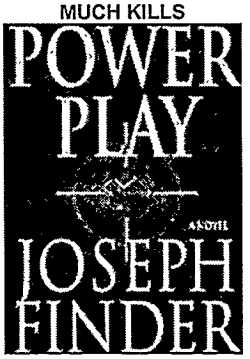

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Sen. Ted Stevens (R-AK) (WDCPIX.com)

Stevens: Local Paper Out to "Assassinate Me"

By Laura McGann - August 15, 2007, 12:54 PM

Sen. Ted Stevens (R-AK) finally stood up for himself. He called out the *Anchorage Daily News* for trying to destroy his credibility during an interview with its editorial board last week. Presumably Stevens is upset about coverage of events like the FBI raid of his Girdwood home, which marked the first time in history federal investigators searched a sitting U.S. senator's residence.

Stevens initially threatened to leave the interview when a reporter brought up the ongoing federal investigation, but Stevens did respond to a question about his "ability to be effective in Congress":

A. What about it? You're destroying it. More people are repeating what you're writing in your paper than anything else in the country. This paper has caused me more difficulty, and I've told you that before, than anything else. You've created me as the senator-for-life. You've been hanging me weekly.

You read any paper, the information -- most of it is not true -- started right here. And your guys just yesterday, they taunt me. They taunt me with statements that really no respectable reporter would ask a senator. It was already said I'm not going to answer your questions. They say, don't you have any concerns for your own integrity? Don't you have any conscience? That's what your reporters do to me. ...

I've spent hours here with you here in the past, and I've never seen any result of it at all. ... This paper has done nothing but

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try to assassinate me.

Yeah *Daily News*, ease up.

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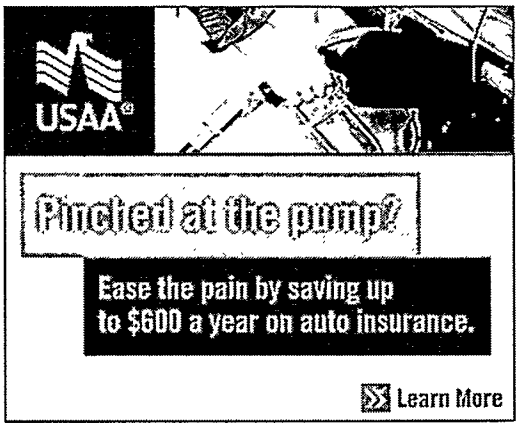

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Comments:

I was just scimming through Bill Allens plea facts and I stumbled upon something pretty damning for Teddy Boy;

"From in or about 1995 until in or about 2001 ALLEN corruptly authorized VECO to engage and pay on a monthly basis the consulting services of a private company owned by [Ben Stevens], who was, at that time, not an elected public official. During that time, ALLEN discussed with [Ben Stevens] the possibility that [Ben Stevens] would eventually become an executive at VECO."

So, if Allen was making "corrupt" payments to Ben Stevens before he was even elected, those payments clearly cannot have been intended to by his vote. These payments also do not appear in the round-up of fees used to influence Stevens jr's support. Furthermore, it is not likely that Allen would start paying for his support back in 1995 when Ben probably did not even think of going to the Legislature (they even discussed ANOTHER job for him, at VECO).

FBI - Stevens-1831

The only logical conclusion can be that these payments were made to buy Ted Stevens' support. This is gonna be bad.

Posted by: Oscar
Date: August 15, 2007 1:11 PM

let the victimization begin! Ted Stevens is officially running for office with these comments

P.S. Ted, Capitol Hill are reading TPM not ADN

tubular

Posted by:
Date: August 15, 2007 1:37 PM

Best part of the interview:

Q. Isn't al-Qaida a Sunni organization in a Shiite country? Are you suggesting the Sunnis are going to end up back in charge of Iraq?

A. I'm not exactly certain who's going to be in charge of Iraq. I don't know if we pull out. And, by the way, I don't think it's necessarily a Sunni organization.

Yup, he's a US Senator.

Posted by: JesseLman
Date: August 15, 2007 1:39 PM

"statements that really no respectable reporter would ask a senator"

I believe this statement is an important insight to the attitudes our elected officials have embraced.

When this country became a democracy, it was attempting to do away with the complete separation of the heirarchy with the masses. Our Constitution is full of protections quarding us from the Kings and rulers. Even George the 1st (sad that this clown in office was given the same name as our 1st president, who refused to be known as anything more than "one who presides").

We have come full circle. We now have senators, congressmen, and presidents who actually believe they should be treated differently than us common folk.

The problem we are up against has nothing to do with the Iraq War, terrorism, poverty, or anthing else. These are only the situations which have resulted from the REAL problem. We have allowed our representatives to become arrogant, self serving, nonaccountable rulers, and this past 6 1/2 years has shown us just how much and how often rulers listen to their subjects...

FBI - Stevens-1832

Unless we have another revo@&* (any of you still secure enough to believe they are NOT using their "find" command to look for certain words) in which we somehow pull their throwns out from under them, their rule will become more and more set in concrete and we will become less and less annoying. Look around... it is becoming more and more evident as the months go by...

Posted by: johnnydoughey
Date: August 15, 2007 1:54 PM

Laura,

I suggest you call Willie Hensley and ask him if he's willing to be candid about the threatening phone calls Don Young has been making to him and his employer over the past few weeks. I hope you beat the ADN to the story, because it is even better - by far - than St. Ted's rant to the ADN editors.

Posted by: Ed*ard Teller
Date: August 15, 2007 1:59 PM

RE: 1:54 PM

Sorry. "thrown" should be "throne". Freud must have been whispering to me...

Posted by: johnnydoughey
Date: August 15, 2007 2:00 PM

"statements that really no respectable reporter would ask a senator."

No respectable reporter would have ignored the Alaska gravy train story(s), it is really muckin'up the river water...

And so what is TPMmuckraker, Ted, chopped liver?

Methinks the Anchorage paper took some cues from Laura, but that would be more proof that the 4th Estate has moved on up to the east side, and is now living on The Blogs..

Needless to say, "The Senator for Life" may not appreciate that "sentence, when it comes from the other side of the wiitness chair...
...a 20 year sentence for his overt corruption would be tantamount to a life sentence. And who needs to even look for "proof", when you've been a Republican from Alaska for so long, all your crimes are right there on the Congressional Record!!!

Posted by: JEP
Date: August 15, 2007 2:04 PM

Stevens said he is friends with Murtha. No suprise there, is there?

FBI - Stevens-1833

Posted by: Pork Barrel
Date: August 15, 2007 2:11 PM

Darn! The Alaska Daily News didn't ask Stevens about what Barbara Flanders, 54, does to earn $150k as a financial clerk for the Senate Commerce Committee.

Flanders is the one who did personal bookkeeping for Ted and was called to

testify about the Girdwood bills.

Are Stevens and Flanders romantically linked? Did Senator Inouye, committee chairman, give Flanders a $38k raise this year on behalf of his best friend, Ted?

Inquiring minds want to know!

Posted by: Just Asking
Date: August 15, 2007 2:16 PM

LOL - Our failure in Iraq is Bill Clinton's fault!

Posted by: Didn't you just know it!
Date: August 15, 2007 2:36 PM

TED STEVENS REALLY SHOWS HIS "INTERNET-TUBES" MENTALITY IN THAT INTERVIEW... AND ALSO COMES ACROSS AS A SILVER-SPOON SPOILED BRAT.

HE'S SUPER-SPECIAL: HE SHOULD ONLY HAVE POSITIVE STORIES WRITTEN ABOUT HIS ILLEGAL, CORRUPT, PORK-GLUTTONED WORK AS A SENATOR.

OLD FART!

Posted by: Herb
Date: August 15, 2007 2:42 PM

Could Senator Stevens elaborate here?

"If we walk away again -- we (already) have very few partners left in the world -- and we won't have any."

Walk away again? Is he talking about Vietnam or what?

Very few partners left in the world? Why is that?

Which of our partners will abandon us if we walk away from Iraq?

FBI - Stevens-1834

Posted by: Cyrptographer
Date: August 15, 2007 2:42 PM

"Gen. David) Petraeus has all the qualification of Eisenhower. As a matter of fact I think if he succeeds he will be an Eisenhower."

And if Petraeus doesn't succeed, he can be Westmoreland.

Posted by: I like Ike!
Date: August 15, 2007 2:53 PM

"I've spent hours here with you here in the past, and I've never seen any result of it at all."

Talk about perfect insight into the corrupt mind of Sen. Stevens: "I did you a favor, therefore I deserve preferential treatment." Clearly there's a sense of betrayal that the local paper is undermining the Alaskan graft industry.

Posted by: gbheron
Date: August 15, 2007 3:09 PM

Of course the ADN reporting on his legal troubles is causing him grief - it is widely read throughout the state. From the ADN pages to the voters. This is also probably why his handlers suggested he agree to an interview. It's unfortunate for him that he couldn't keep a lid on his temper, and threw a hissy fit at the paper for doing it's job.

His sense of entitlement, that he is above suspicion because he is a senator, is breathtaking.

Posted by: TEL
Date: August 15, 2007 3:19 PM

One can listen to the entire interview by going to the Daily News site (www.adn.com) and downloading it. The way the transcript was edited was very kind to the Senator.

It is clearly time for him to resign; or, at the very least, to step aside when his term ends next year. He is not a well man.

Posted by: AlaskaVet
Date: August 15, 2007 3:38 PM

Alaska Vet,

I doubt either Senator Stevens or Representative Young will be standing for re-election come next spring. Young has already pulled his 2008 campaign website - http://www.donyoung08.com/

FBI - Stevens-1835

Posted by: Ed*ard Teller
Date: August 15, 2007 3:47 PM

Universal rule of the road:

When a public official openly blames the media for their troubles, they are finished...

Adios, Sen. Stevens

GO

last three months

THIS JUST IN:

RECORD CRACKDOWN ON CORRUPT IRAQ CONTRACTS
A federal crackdown on corruption involving U.S. contracts in Iraq produced a record number of criminal and administrative cases last month — including the largest bribery case.
(USA TODAY)

U.S. WEIGHING TERRORIST LABEL FOR IRAN GUARDS
The Bush administration is preparing to declare that Iran's Revolutionary Guard Corps is a foreign terrorist organization, senior administration officials said Tuesday.
(NY Times)

LAWYERSR SAY PADILLA WENT OVERSEAS TO STUDY
Jose Padilla traveled overseas to peacefully study Arabic and Islam and not to train as an Al Qaeda terrorist, his lawyer said in closing arguments yesterday in a case rooted in 2002 allegations that he plotted to detonate a "dirty bomb" in the United States.
(Boston Globe)

EXAMPLES OF ALASKA EARMARKS
Here are some examples of special project appropriations going to Alaska, as compiled by the private group Taxpayers for Common Sense.
(Associated Press)

ARMY CHIEF UNSURE WHEN DUTY TOURS WILL BE CUT
Gen. George Casey, the Army's chief of staff, said yesterday he didn't know when officials would be able to cut the length of soldiers' tours back to 12 months.
(Associated Press)

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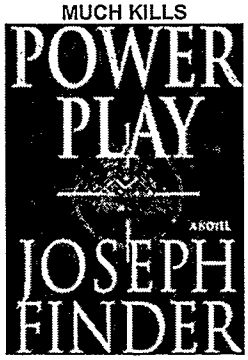

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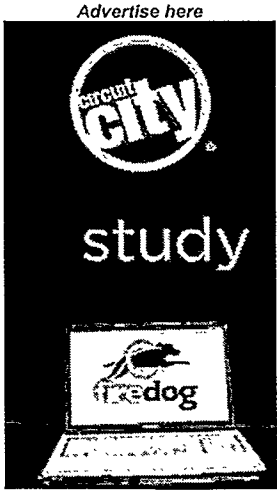

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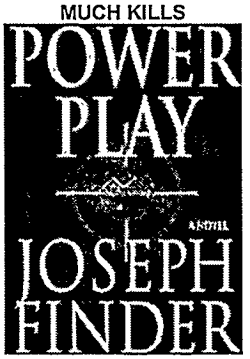

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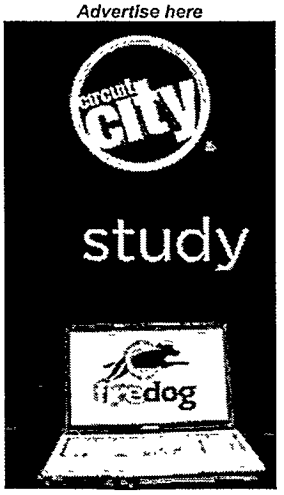

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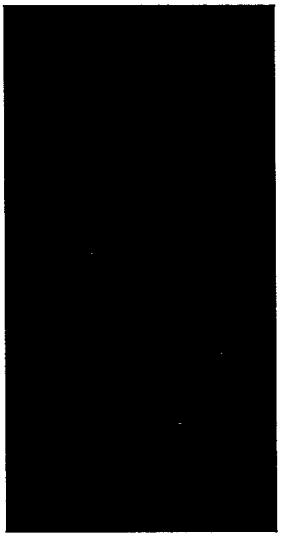

FBI - Stevens-1838

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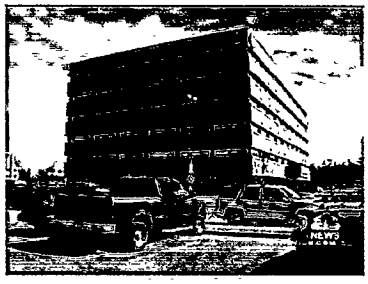
More suspicions surface in Stevens FBI investigation

More details surfaced today regarding an FBI investigation into the finances of Sen. Ted Stevens and his son, Ben. (KTUU-TV)



McClatchy Newspapers says the FBI is investigating an award of $170 million in federal contracts to VECO Corp. (KTUU-TV)

The McClatchy article contained no allegation that Stevens steered the money to VECO. (KTUU-TV)

Bering Marine Corporation hired Ben Stevens to work on a boat in the Arctic Ocean under a subcontract with Shell Oil. (KTUU-TV)

by Bill McAllister
Thursday, Aug. 16, 2007

ANCHORAGE, Alaska -- More details came to light today regarding an FBI investigation into the finances of Alaska Sen. Ted Stevens and his son, Ben, former president of the State Senate.

Reports out of Washington make connections between funding provided by the elder Stevens and contracts and employment received by his son from companies that got the federal money.

As usual, the FBI isn't confirming anything, but one article describes an aspect of the federal investigation that has not been reported on by the media thus far, while another suggests a link between congressional appropriations and Ben Stevens' current job.

McClatchy Newspapers says the FBI is investigating an award of $170 million in federal contracts to VECO, the oilfield services company that monitored remodeling of Ted Stevens' Girdwood home in 2000.

Two top former VECO executives pleaded guilty in May to bribing state legislators, including Ben Stevens, who has not been charged.

VECO won a contract in 1999 to provide logistical support for arctic research, according to the McClatchy report, even though the firm had limited experience in that field.

The article contained no allegation that Stevens steered the money to VECO, but says it was well-known in certain circles at the time that Ben Stevens was a VECO consultant.

Meanwhile, Roll Call, a Capitol Hill publication, reports the company that recently hired Ben Stevens received $300 million in federal contracts over the past six years, much of which came from appropriations under oversight by the elder Stevens.

FBI - Stevens-1839

Bering Marine Corporation, a subsidiary of Lynden, hired Ben Stevens to work on a boat in the Arctic Ocean under a subcontract with Shell Oil.

Lynden CEO Jim Jansen reportedly paid Ben Stevens $10,000 to work as a federal lobbyist in 1997.

University of Nebraska's Marijane Hancock had a proposal to continue the school's polar research grant and lost out to VECO in the award of the grant by the National Science Foundation.

194A-AN-13620-m; 729

Two top former VECO executives pleaded guilty in May to bribing state legislators. (KTUU-TV)

"It was well known. It was coffee shop talk. It was lunchroom talk about Stevens' influence and his, I'm going to say manipulation because that's how we talked about it over the lunch hour, of funds and pressure on NSF," Hancock said.

Senator Stevens continues to decline to comment on any aspect of the FBI investigation.

Washington is where the appropriations were originally made, and someone involved in the federal probe may be leaking information to reporters there.

It certainly isn't happening on that scale within Alaska.

Although the FBI won't confirm it, Dana Cruikshank of the National Science Foundation said in a brief interview this afternoon that the FBI is looking into the agency's award of the polar research contract to VECO in 1999.

Contact Bill McAllister at bmcallister@ktuu.com

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FBI - Stevens-1840

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Fairbanks Republican lobs bomb at GOP leadership

by Channel 2 News staff
Monday, Aug. 20, 2007

ANCHORAGE, Alaska -- Rep. Mike Kelly, R-Fairbanks, has written a letter to the editor of the Fairbanks News Miner asking U.S. Rep Don Young and Sen. Ted Stevens to step down and not seek re-election next year.

Kelly also called on state Sen. John Cowdery, chairman of the Senate Rules Committee, and Alaska Republican Party Chairman Randy Ruedrich to resign.

In the letter, Kelly acknowledges that his words would ignite controversy no matter "how well written," but that Republicans want a change and insinuated that senior members had done the party more harm than good in light of recent corruption probes.

Cowdery's office was raided by federal investigators last year. Ruedrich has been cited and fined for ethical lapses by the state Legislature. Both Young and Stevens are currently under federal investigation into charges of corruption.

Watch the Channel 2 News evening broadcasts for the complete report.

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FBI - Stevens-1841

194A-AN-13620-M;730

FAIRBANKS
Daily News - Miner

Letters to the Editor

Published August 19, 2007

Time for sacrifice and honor

August 17, 2007

To the editor:

The Alaska Republican Party, legitimate home of the conservative agenda built upon individual responsibility, limited government, development of human and natural resource potential, solid ethics and traditional family values is in need of change, inspiration and visionary leadership. In the year just ahead Alaskans will surely select: a) effective reform, or b) further revolution. "Status quo" will not be their choice. I've held this piece for a month since it will tread large sore toes no matter how carefully written. But no rancor or accusation or offense is intended.

Rebuilding public trust and confidence is the worthy task. A new Governor and changes to ethics legislation gave us a start. Next steps would involve selfless sacrifice for the benefit of the Republican Party and the conservative agenda by powerful individuals whose action could permit a new team of conservative candidates to rise without risk of offending current longtime office holders. Failing this, I fear we risk further slide toward the wretched agenda of the far left – some would say deservedly. Here's how I would like to see this play out:

Senator Ted Stevens would announce his intent to retire at the end of his current term and support the strongest conservative candidate that comes forth to replace him in the next election.

Congressman Don Young would take the same action to contribute to the re-birth of his party.

Senate Rules Chair John Cowdery would, in the same spirit, resign his Alaska Senate seat to permit Governor Palin to appoint a replacement in time for the special session beginning October 18.

Alaska Republican Party Chairman Randy Ruedrich would join the effort by announcing his intent to resign and assist his replacement in the transition.

Seeing these positive steps the popular and conservative Governor Palin may feel more comfortable working with a team of Republican leaders to restore the confidence of Alaskans in their government and lead Alaska to a bright future.

Rep. Mike Kelly

R-Fairbanks

FBI - Stevens-1842

Buyer beware!

194A-AN-13620-M; 731

Aug. 1, 2007

To the editor:

While next in line to check out at local grocery store, I noticed a display of gift cards. One of them was a Visa gift card for $50. I thought that would be the perfect gift for my son-in-law's birthday. He comes home in November after serving his second tour of duty in Iraq. I asked the cashier if this was a prepaid Visa card, and she said that it was. I bought the card, which was in a cardboard sleeve. Before exiting the store I looked over my sales slip and noticed that they had charged me a $4.95 fee. Since the card display is at the check-out, I didn't have time to read the fine print as there were customers waiting behind me. I started to read the fine print on the cardboard sleeve and noticed that the $50 icon was in big letters, but surrounding it was fine print that said "Card good through October 2007," and at the bottom of the card, in very fine print, was the message "A $4.95 purchase fee applies."

The fine print was way too small for seniors to read without using a magnifying glass or putting on reading glasses. Since the card was only good through October, I couldn't use it because the gift recipient will not return to America until November. I went to customer service and asked for my money back. A manager appeared and told me that they couldn't refund my money on a gift card. I explained the situation and told her that since I didn't bring my lawyer with me I felt like they were cheating me. She still refused. I asked to speak to her supervisor. When he arrived I told him my sad story and he told me that I was just out of luck. I went to a store next door determined to spend the $50 and get rid of the card taking the loss of $4.95. I presented the card for payment, but it didn't work. The clerk called the toll-free number on the card and was told that there was a 30 minute waiting period between the purchase and ability to use the card. I mailed the card to my daughter and told her to buy something for her husband's birthday.

I guess that when you shop, it's "Let the buyer beware" instead of "The customer is always right" or "Satisfaction guaranteed or your money refunded."

Roby McHone

Fairbanks

UAF athletics

Aug. 6, 2007

To the editor:

Several of the recent letters to the editor concerning the UAF athletics director Forrest Karr are missing the point.

I've been in Fairbanks for 27 years and, as a booster and former employee of the university, I've dealt with all of the athletics directors over the years. Some were good, some were great and a few were not so hot. Forrest is one of the best. I retired in 2006 and am currently a volunteer in the Athletics Department. I can tell you that the morale within the department is the best I've ever seen. There is a positive attitude, and the department seems to be moving in the same direction instead of each sport doing its own thing.

Regardless of what you may think about his decision concerning the two players who want to renege on

FBI - Stevens-1843

their letters of intent, the athletics director has an obligation to do what he thinks is in the best interest of the university.

Although the public and media can state anything they want about the situation, the athletics director and others within the university are severely restricted by federal law in what they can disclose about any student or employee. So, what you have read in the paper is only half the story, and you are not going to hear the other half, because the Family Educational Rights and Privacy Act won't allow the university to discuss specific details about these students and their situation.

College isn't just about playing sports and going to classes. It's the whole experience. And, part of that experience is learning that when you commit to something you have to follow through or suffer the consequences. The letter of intent process is just one commitment. When these and other college students sign up for classes, move into the dorm, accept financial aid, park on campus, etc., they become responsible for following through on commitments. If they do not there are consequences.

These young men were aware that a change in coaching staff was not grounds for not following through with their commitment. The National Letter of Intent is not a complicated, lengthy legal document. It is a one page contract that outlines in plain language the benefits and responsibilities of committing to attend and play for a college or university.

Let these individuals start learning what it means to sign a legal document. It's the first of many things they will learn in college, whichever one it is that they choose to attend.

Tim Bauer

Fairbanks

Give it back

Aug. 16, 2007

To the editor:

I would like to ask the person who stole my wallet to please return it. It was taken from my shopping cart at Sam's Club Wednesday evening. I had several pictures, small tokens from my husband, and bible verses from friends and family that mean a great deal to me. They cannot be replaced.

The wallet was black with pink lips (one of a kind), and only had $20 in it. All the cards have been cancelled, so it's of no use to you!

I am still in shock that this happened. My husband and I only had our backs turned for a second. I never thought this could happen to me, and certainly not in Fairbanks. What is happening to our town?

Please, if you can find it in your heart to return my precious belongings, I will be forever grateful.

Karla Mangum

Fairbanks

FBI - Stevens-1844

Roundabout 101 class

Aug. 17, 2007

To the editor:

Regarding Mary Fenno's letter regarding Roundabout 101, I would gladly teach a class! Topics to be covered would include "Why Signaling A Left Turn Is Just Plain Dumb," "The Evils of Stopping," "Is Right-Of-Way The Same As Wrong-Of-Way?" and "Can You Chew Gum And Use A Roundabout At The Same Time? The class final will be multiple choice, er, actually, it will consist of only two multiple-choice questions: 1) Will you use the roundabout correctly so that others will not become abusive to you? 2) If I poke you repeatedly with my cattle prod, will you stop being an idiot about using the roundabout?

The only right answers should be obvious even to the most roudabout-challenged individuals.

Bob Hammond

Fairbanks

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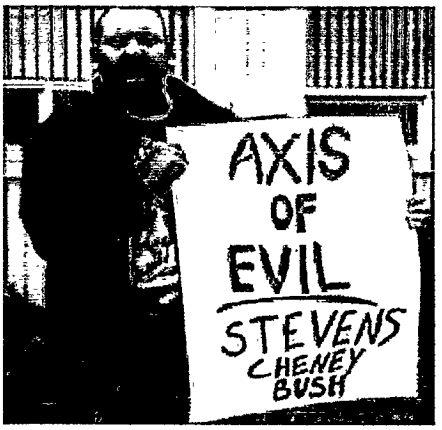
Alaska Photo Gallery
Pictures of the aurora, bears, birds, and more.

Alaska fishermen scream at Ted Stevens in Kodiak

August 19, 2007

Kodiak, Alaska - Alaska Sen. Ted Stevens and Hawaii Sen. Daniel Inouye were greeted by an angry group of around 30 commercial fishermen protesting **crab rationalization** and Stevens' involvement in federal fisheries issues at a luncheon sponsored by the Kodiak Chamber of Commerce.



Stevens, **under multiple criminal investigations for corruption**, kept his head low and walked briskly into the Kodiak Inn Hotel after arriving about 10 minutes late.

The protesters shouted "Racketeer go home!" "Give it back" and "FBI" among others.

Casey Kelly at Kodiak's local radio station **KMXT** interviewed some of the protesters. (**Listen Here**).

The mayor of Kodiak Carolyn Floyd, Al Burch, **Julie Bonney**, were among 45 people that attended the lunchtime gathering.

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FBI - Stevens-1846

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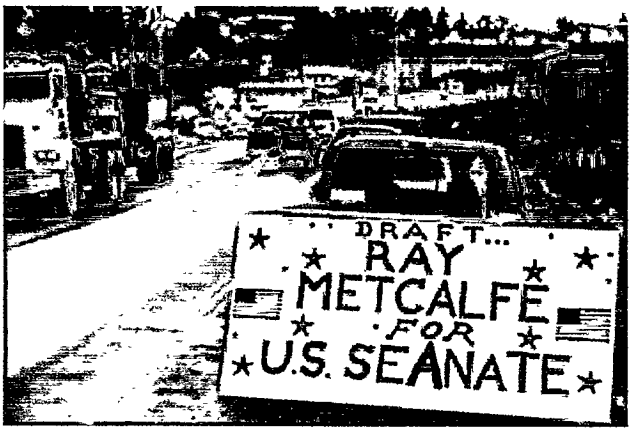

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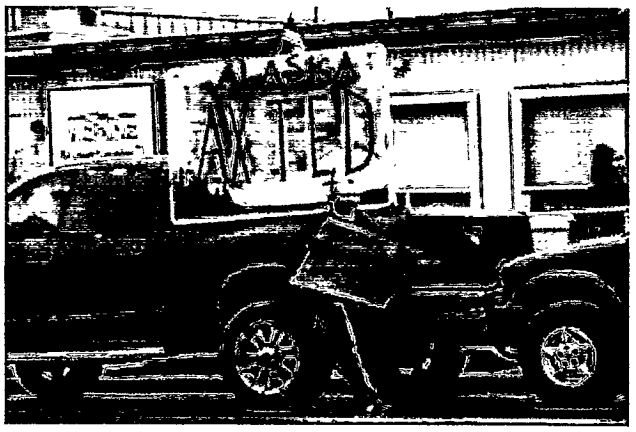

Alaska fishermen shout at Ted Stevens in Kodiak, Alaska

FBI - Stevens-1848

We should be able to grasp ethics without straining so much

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Wow, it's hard for me to swallow the lack of understanding with regard to the current ethics investigations, especially after reading the Aug. 11 letters. Let me try to explain.

"We've robbed Sen. Murkowski of a home on the Kenai."

Umm ... no, she paid for prime real estate approximately what I might pay for a site-condo in Anchorage. There is no way that I, as an average citizen, would get a deal like that. She is a senator and should understand that everything she does while in office should be for the people she represents, not her own gain.

"I have been following the witch hunt. ..."

"Most people I know would take a good deal. ..."

Guess what? These people are not "most people." They represent the state of Alaska and all of its people. I'm sure they can afford plenty without being offered "a good deal" on land, renovations, and seafood feeds.

Sadly, these points seem to escape some of us.

---- Craig Hewitt

Anchorage

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Alaska Newsreader

Today's news for the Last Frontier

By Terry Carr

(Published: August 20, 2007)

News for Monday, Aug. 20

Sen. Stevens and Sen. Daniel Inouye, Hawaii. (AP photo) *( )*

Stevens plays to mixed reviews. Sen. Ted Stevens, who has been getting rough press and rough receptions while he's in Alaska during the current congressional recess, was targeted by a noisy crowd of critics during a Kodiak visit, according to reports from **KMXT** radio and the **Alaska Report**. But while the reception from the protesters on the street was hostile, those inside the Kodiak Inn Hotel were in a much more receptive mood and paid $10 a head to hear a lunchtime speech from the senator, according to the reports.

Stevens was accompanied in Kodiak by friend and fellow senator Daniel Inouye, who has defended Stevens in the face of a federal investigation. Both major Honolulu newspapers addressed their relationship over the weekend

The **Honolulu Advertiser**, under a headline "Senate buddies Inouye, Stevens staying tight through corruption probe," in a lengthy story on Sunday quoted Inouye as saying that Stevens told him he has done nothing wrong. "That's what he assures me. ...So far, the senators on both sides have been publicly very cordial and friendly. I don't see any change. They don't shy away like he was a leper."

The **Star Bulletin**, meanwhile, in a shorter opinion piece, noted in its headline that "Inouye-Stevens amity transcends FBI probe." The commentary also points out that former Veco executive Bill Allen gave Inouye's campaign $2,000 and other Veco employees chipped in $9,000.

And in yet another of the commentaries on Stevens that Outside newspapers have given space to, a **Seattle Times** story from Washington, D.C., on Sunday noted that "the potential demise" of Stevens has provoked mixed emotions in the nation's capital and "nearly complete silence" from Democrats. "Though he has vehemently fought Democrats on a wide range of energy and environmental issues, the Alaska Republican has long-standing personal and professional relationships with many in the opposing party," the story says.

FBI - Stevens-1850

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Mat Maid not milked out yet. A story in the **Mat-Su Valley Frontiersman** details some of the changes that have been made at the struggling Matanuska Maid Dairy under a new board and suggests things are looking up.

The story quotes Kristin Cole, a member of the state Board of Agriculture and Conservation, saying, "There is no reason for imminent shutdown, and all of us are encouraged by what we're seeing (financially). ... Our primary focus is to keep Mat Maid in Alaska."

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Celebrity crabbers. The **Cape Gazette** in Delaware reports that fans mobbed the captains and crewmen who have starred in Discovery Channel's "Deadliest Catch" during a casino appearance. The men were from the Time Bandit, the Sea Star and the Cornelia Marie, boats that chase crab in the Bering Sea.

The fans, for the most part, were seeking autographs. "People just love these guys," a spokesperson said. "And it crosses all ages and genders. They are treated like rock stars."

***

Su Valley back in the educating business. Su Valley Junior/Senior High School, destroyed by fire in June, will be back in business today when the students return for the new school year, stories from **Mat-Su Valley Frontiersman** and **KTUU** say. School facilities have been moved across the Glenn Highway, and portable classrooms will host classes. The Upper Susitna Senior and Community Center hall will serve as the cafeteria.

"If we have a good attitude about it, the kids will have a good attitude about it," veteran social studies teacher Dave Stull told the newspaper.

***

Critics rip plans for hazardous waste facility. **KTVA** has a story saying that public reaction is running against a hazardous waste facility near downtown Anchorage. The Hawaii company that would build the facility says its proposed site at First Avenue and Ingra Street is in an industrial zone, but critics say it's too close to the Brother Francis Shelter and to Fairview, which are among the places at risk.

"If they tried to put this in the middle of a middle-class neighborhood with the same number of residents, people would be up in arms," said Rep. Les Gara, D-Anchorage.

***

"Mayor Begich has a vindictive streak." So says an angry opinion piece authored by Frank Dahl that ran over the weekend at the **Voice of the Times** web site (scroll down a bit to get to it). Dahl claims the Assembly and the mayor are showing anti-business sentiments and suggests the mayor is driven by the city's hospitality businesses' refusal to back him in the last election.

***

All aboard. **KIMO** has a story about plans for Alaska Railroad whistle-stop service in the Chugach National Forest. The train will ultimately make five stops in the forest in areas otherwise difficult to reach.

FBI - Stevens-1851

Alaska Railroad Chairman John Binkley told the television station: "We'll have a schedule laid out of how we're going to advance, when the next whistle stop will come on line, what the trail systems will be, and if there's the funding available to do that. Then we'll proceed right down that line and up, up this national forest for Alaskans."

***

More flood tales. The stories from those who were there for the 1967 Fairbanks flood, which has

been described as a turning point in the city's history, keep on coming. Dermot Cole's column in the **Fairbanks Daily News-Miner** has a new list of tales. The newspaper put out a call for stories and the responses have flowed in.

***

Memorial to divers. A short item in the **Seattle Post-Intelligencer** takes note of a memorial that has been created to two Coast Guard divers who died while diving last year north of Barrow. The memorial is at a Coast Guard facility in Seattle. A **report** highly critical of events leading up to the deaths was ultimately issued.

***

Alaska-Russia links in WWII. A new book by the son of a Russian army officer looks back at the Alaska-Siberia Lend-Lease Program of World War II, according to a story in the **Juneau Empire**. The writer, Boris Dolitsky, has lived in Alaska since 1985 and has been researching the subject that, he says, doesn't get much attention in history books these days.

"If you take the U.S. textbooks today, and I took 11 of those, there are only two or three paragraphs in each book dedicated to the lend-lease," Dolitsky told the paper. "And nothing about the Alaska-Siberia airway. But we have to keep in mind that lend-lease was the largest project of the 20th century: $50 billion that in today's money is about $800 billion."

***

Grub in a bag. Soldiers at Fort Greeley were given the mission in 2005 of testing eight new versions of the Army's Meals Ready to Eat, which were under development at the time. Now the new meals are about to be deployed, and **The Smoking Gun** web site has the blunt reviews from the Greeley troops. Some examples:

> The chicken and dumplings triggered "a flatulence symphony in my tent all night."
> Of the stuffed cabbage, "The meal sucked! Do you even try this crap before you give it to us?"
> On the same meal: "Don't ever give the stuffed cabbage to a soldier again; even POWs deserve better."
> "Good idea with flavored bread now if it were softer."
> "Maybe change the name 'chicken loaf' scares me."
> And at least one favorable notice: "The vanilla pudding is so good that I ripped it open. Licked the inside and rolled around on top of it like a dog."

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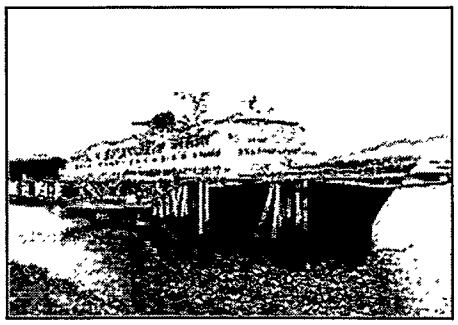
Today's news for the Last Frontier

By Terry Carr

(Published: August 17, 2007)



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News for Friday, Aug. 17

Here's your money back. A South Florida planning board voted today to send back to Congress a $10 million earmark for an Interstate 75 interchange that would benefit a Florida developer who is also a major contributor to Alaska Rep. Don Young. The board meeting is going on now and is being blogged **here** by the Naples Daily News.

The Lee County Regional Planning Council is urging that the money be used for a different project. Allegations have arisen that the measure appropriating the money was changed after it was approved by Congress to steer the money to the interchange.

Church investigation. The **Kodiak Daily Mirror** says in a story today that the primate of the Orthodox Church in America has undertaken an investigation into allegations of misconduct within the church's Alaska Diocese. The investigation is centering on the Kodiak clergy, the seminary there and the bishop who oversees it, according to the story.

A confidential letter written by the primate and quoted at length in the story notes that at least part of the allegations apparently involve sexual misconduct.

Bishop Nikolai, who heads the Alaska Diocese, has been asked to step aside during the investigation, the story says.

***

Down for the season. The state ferry Columbia, flagship of the of the Alaska Marine Highway fleet, will be out of service for the rest of the season, according to a story in today's **Juneau Empire**. The vessel threw a piston rod in one of its engines and has been sent to Ketchikan for repairs.

Rep. Beth Kerttula, D-Juneau, is quoted in the story as saying that the loss of the Columbia emphasizes the need for investing in newer ships. "We need more funding to keep ships up and running," she said. "The Marine Highway System is our highway, and all highways need to be subsidized."

FBI - Stevens-1853

***

Go with the flow. With the Columbia sidelined, a **Ketchikan Daily News** editorial notes that travel plans for some in the community have probably been disrupted. The writer's solution to any irritation that might arise:

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"Let's keep smiling and empathizing and doing whatever we can to make our unwillingly overstaying guests as comfortable as possible, realizing that it's difficult to be tired and ready to go home with no immediate way to get there."

***

On Stevens' trail. A **New York Times** story reports on some of Ted Stevens' activities in Alaska during the present congressional recess. The story says "fears of the unknown have been stirring in the outsize soul of the Last Frontier" as news of federal authorities' interest in the senator and his son, Ben Stevens, has surfaced.

The story notes that Ted Stevens has apparently not been seen at his home in Girdwood, which was searched by federal agents in July. The story ends this way:

"Mr. Stevens has told friends that he was given notice that investigators were going to conduct a search and that he offered them a key. They declined and found their own way inside. On a recent afternoon, a white van from Action Locksmith was parked outside the house in a light rain. The man driving the van said he had come to change the locks on the house."

***

And another view. The **Los Angeles Times** also weighs in today with a hefty piece – 1,500 words headlined "In Alaska, scandal flows like crude" – that starts with Bill Allen and Veco and goes from there to the "scandals – some overlapping, some stand-alone – (that) have shaken the state's small political world to its core."

***

A passion for hammers. A Haines man has turned his interest in tools and history into a museum that may boast the world's premier collection of hammers, according to a story in the **Juneau Empire**. Dave Pahl has about 1,700 hammers but likes to think of himself as "collecting history."

"Visitors to Haines can find his building easily enough: Just look for the gigantic hammer in the yard," the story says.

***

Pricey business climate. A cost-of-doing-business index, developed by the **Milken Institute** and posted on its web site, lists Alaska as one of the three most expensive states for doing business. Hawaii and New York are the other two. The three were at the top in the last survey too, according to the institute.

FBI - Stevens-1854

***

Aiming to float a maritime museum. A story in the **Peninsula Clarion** takes note of the efforts of a Homer man to create a museum that would tell the story of Alaska's rich maritime history. Michael Neece envisions a place that would look back some 800 years.

"I haven't accumulated anything yet, but so many people have been offering things, including things like ship logs from the 1780s, plenty of vessels and other artifacts. But I can't accept anything until I have a physical location to store them and a curator," Neece said.

***

Beluga issue boils. Comments keep pouring in on the proposal to list Cook Inlet belugas as endangered under the Endangered Species Act, even though the deadline has passed for comments, a **Homer Tribune** story says. Gov. Sarah Palin has made known her administration's opposition to the listing.

But federal officials insist their numbers show belugas are not increasing, according to the story, and critics take issue with the governor's stand. "The governor and her staff are ignoring the facts and the science of this issue," the story quotes Cook Inletkeeper executive director Bob Shavelson saying. "They're politically motivated to support extractive industries."

***

One view of ANWR issue. **Treasure America** web site has produced and put up a video, "Drawing the Line," with some nice footage of the Arctic National Wildlife Refuge. The point of the video, however, is political, not aesthetic. The video and accompanying information argue that maintaining the refuge in its "pristine state is a better economic move than opening it to the minor, short-term gains of oil exploration."

***

Return of a fallen soldier. Daniel Reyes, a 24-year-old Fort Richardson soldier who died in Iraq, was taken home to San Jose, Calif. And a story at **InsideBayArea.com** tells the story of him being next to his younger brother, Roberto Esparza, who aspired to also join the Army but died when his bike was hit by a car.

Reyes was one of two Fort Rich paratroopers killed during an attack early this month. He was in Iraq when his brother was killed but returned home for that funeral, according to the story.

***

And on the other side of the country ... A **Washington Post** story tells of the reaction of family members and friends to the death of Chief Warrant Officer Jackie McFarlane, one of five Fort Wainwright soldiers who died in a helicopter crash in Iraq this week.

McFarlane, who grew up in Norfolk, Va., was a member of the Victory Christian Faith Center church in Fairbanks, the story says. "Jackie's priorities were God, his wife, his children and the Army," a friend and church member is quoted as saying.

***

Spell it right, please. A letter to the editor of the **Juneau Empire**, "Put the apostrophe in the right place," urges that those involved with a waterfront attraction in the city consult a dictionary:

"I was just down on South Franklin Street admiring the Peoples' Wharf (their punctuation, not mine). The city of Juneau will obviously be providing Diamonds International, The Fur Factory and Venetian Jewelers with tremendous economic opportunities every tourist season. Therefore, I do not mind burdening these businesses with one simple request: Please move that apostrophe to the correct place (People's)."

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The Next Hurrah

« Shorter Karen Hewitt: Foggo and Wilkes Are BFFs | Main | Dear George: Fire Wolfie, or Else »

May 07, 2007

Ben Stevens ~~Not~~ Is Named in VECO Charging Document

by emptywheel

Correction: Edward Teller is right. Stevens **is** named--he's has to be Senator B, since he was appointed mid-term. And for a whole bunch of other reasons.

Though I disagree with Teller as to why Stevens wasn't indicted. As I said, if you're giving two old men plea agreements, you're going after someone else. Stevens is likely that someone else.

Someone check my math, preferably Steve, who gave such a superb primer on Alaska politics last week. The CEO, Bill Allen, and VP, Rick Smith, of VECO pled guilty today to charges of bribery and conspiracy. This is the case that has already won three state representatives indictments last week. There remains the outstanding question of whether Ted Stevens' son, Ben, would be indicted too. The charging document for Allen describes two unknown Alaska state Senators (it also lists the House Representatives who were indicted last week) involved in this conspiracy this way:

> "State Senator A" is an elected member of the Alaska State Senate. State Senator A was first elected to the Alaska State Senate in 2000.
>
> "State Senator B" was, from 2001 to 2006, a member of the Alaska State Senate.

~~Ben Stevens is serving as President of the Senate. But he wasn't elected until 2002. So he's neither A (elected too late) nor B (still serving). So he is not yet in the immediate scope of this investigation.~~

As to the question of the intent to prosecute this seriously, the plea deals VECO executives Allen and Rick Smith got strongly suggest this thing is not done. Why make plea deals with two elderly men unless you intend to use their

FBI - Stevens-1857

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cooperation to make a further case?

May 07, 2007 at 18:19 in Bush/Republican Scandals, Contributor--emptywheel | Permalink

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Listed below are links to weblogs that reference Ben Stevens ~~Not~~ Is Named in VECO Charging Document:

Comments

Now if VECO is worth billions as Allen says to the judge - should not some of that be due as "reparations" as probably some of that value was created through the use of bribery and conspiracy to break the law.

Posted by: ab initio | May 07, 2007 at 18:36

Ben Stevens is Senator B. He's not in the Alaska senate any longer. Please see http://www.adn.com/static/includes/alaskapolitics/indictment page seven. Only one Alaska senator completely fits the description. He hasn't been indicted yet because Alice Fisher chooses to hold Ben's dad and Lisa Murkowski hostages to her scheme to take over Gonzo's job.

Posted by: Ed*ard Teller | May 07, 2007 at 18:50

Oh, I almost forgot. Ben was elected in 2002, but had been appointed to the Alaska Senate in 2001.

Posted by: Ed*ard Teller | May 07, 2007 at 18:56

Right you are, Edward, thanks. Though as I said, I think it'll be hard to have gotten plea deals from these guys, based on their cooperation, and not actually get their cooperation to get someone else. And that someone else is almost certainly Stevens.

Posted by: emptywheel | May 07, 2007 at 18:59

Thanks. BTW, EW, I figured out who Steve is - he rocks!

Posted by: Ed*ard Teller | May 07, 2007 at 19:15

Another Alaskan chiming in... we are all sure Stevens is Senator B. We suspect Cowdry is Senator A... what we want to know is who the "unnamed elected official" is for

FBI - Stevens-1858

whom Senator A was soliciting funds and who with Senator A met with Allen on June 25, 2006 in an Anchorage restaurant to discuss these misappropriations...

Some are even hinting at the former Gov... I know he was in Iraq the week prior and was expected back in his office Monday, June 26th. But if he connected through Anchorage, he could have been there on Sunday the 25th. Rumors, rumors... It would make sense then that he didn't follow up on the election money (as stated in the indictment) since he lost the primary (unexpected, on his part). More grist for the rumor mill!

Posted by: Patrick McGonegal | May 07, 2007 at 19:58

So I will keep asking this, you Alaskans, until you invite me up for salmon (and I'm hoping it'll be soon, if you know what I mean--today was the first day of $35/pound salmon at my fishmonger, which I can't afford).

Is it your sense this is real? Stevens, and possibly others? With the VECO pleas, is this going to happen for real? Or are you voting with Edward Teller (and against my salmon dinner) that this is currently an open threat?

BC I have reason to suspect they misjudged Cohen, or Buchanan isn't as corrupt as she's been made out to be, and that he will chase public corruption as diligently as anyone.

And if we're talking the former governor AND Stevens' son, I guess we'd have an easy explanation for why a sane WH would ignore both the Senators' suggestions.

Posted by: emptywheel | May 07, 2007 at 20:58

Marcy,

I'll make you a similar deal to the one I made Howie Klein and egregious: You get yourself as far as Anchorage, and I'll spring for the salmon fishing trip. In the old days, before the long-legged 747s, it was routine to put down in Anchorage to refuel on the way from Chicago to the Orient. Not so much anymore, but next time you have to do business in Asia, see about alternative routes. I'll even try to arrange for you to meet Diane Benson and some of the southcentral Alaskan progressives who love your work so much.

Posted by: Ed*ard Teller | May 07, 2007 at 21:27

FBI - Stevens-1859

Hmmm. I've got a whole bunch of miles to dump. Is mr. emptywheel invited too? He's never been.

I was in Anchorage in 1994 doing business with big oil (gulp, yup, even talked to Alyeska). And in Denali in 1991 on a "business trip" with Sierra Club. But I missed salmon season both times.

And yes, I've never gotten the stop in Alaska. Straight to Tokyo from Detroit, unless there's a typhoon in Tokyo.

Posted by: emptywheel | May 07, 2007 at 21:37

looks like outsourcing, to me... but since i love Ed*ard almost as much as Marcy, I guess I'll share

of course this is only because I trust you both to SHARE with TNH.

no, not the salmon, eat hearty... but all the cynicism and speculation that requires no refrigeration

Posted by: njr | May 07, 2007 at 22:29

so all of this really is about fishing ???

you're one hell of a fisherwoman EW

be careful though. In Alaska, humans are in the middle of the food chain at times

Posted by: freepatriot | May 07, 2007 at 22:35

I can't offer any fishing trips or connections to Alaskan progressives of note but I will pick you and Mr. EW up at the airport and drive you wherever you need to go.

How about a nice hike on the coastal trail and some salmon on the grill? There are some decent Alaskan beers to try too.

Bill Allen may be older but he has a nefarious and uncooperative history. The feds must have a big stick to get his cooperation. Allen is saving his company.

FBI - Stevens-1860

Posted by: Outahere | May 07, 2007 at 22:38

outahere

Just so long as I don't have to hike on tundra again. That's not very much fun, even if the views are terrific.

Posted by: emptywheel | May 07, 2007 at 23:19

Marcy,

Mr. EW too! Ms. ET, ETette, ET, Jr. and Strider will all welcome your family. niklake at mtaonline dot net.

Posted by: Ed*ard Teller | May 08, 2007 at 01:20

Of course the allure of free fishing trips in Alaska has brought many a politician and DC bureaucrat on fact finding missions in the summer. And they always seem to find some time in their normally busy schedules to do a little fishing. I guess bloggers aren't immune to such temptations either. Alaskans tend to have a lot more respect for those folks who do their work up here in January and February. And, yes, you can still fly from NY through Anchorage to Taipei on China Airlines. Korean Airlines does NY-Anchorage-Seoul in the summers. It's a long trip, so a couple of days in Anchorage is a good break.

Anyway, yes, Ben seems to be Senator B. And I've also heard, like Patrick, that John Cowdery is likely Senator A.

If anyone's interested in more background, the ADN did a good article on Ben Stevens and the fish deal almost two years ago. Here's the opening couple of paragraphs and the url is at the end.

Ben Stevens' secret fish deal
State senator helped steer Adak pollock to a company he had financial stake in
By RICHARD MAUER
Anchorage Daily News
Published: September 18, 2005
Last Modified: September 18, 2005 at 07:37 AM
State Sen. Ben Stevens held a secret option to buy into an Alaska seafood company at the same time his powerful father, U.S. Sen. Ted Stevens, was creating a special Aleutian Islands fishery that would supply the company with pollock worth millions of dollars a year.

The pollock allocation alone was projected to provide the company with $1.5 million in profits this year and $3.7 million in 2006, the company's founder said in an affidavit in March, before problems involving the company and the availability of fish cast doubt on those numbers. Under his deal, Ben Stevens would have been entitled to one-fourth of the profits of the company, Adak Fisheries.

FBI - Stevens-1861

During the time he held the option, the company grew in value from about $2 million to at least $8.5 million, according to an owner and court documents.
The rest is at: www.adn.com/front/story/6984518p-6885437c.html

But while we're focused on the villians here, I'd like to point out some good guys who have stood up to these guys. Rich Mauer, who wrote this original Ben and Fish article and has had his finger in most of the recent articles, is a great reporter for the ADN.

Also, former Republican state legislator, and founder of the Moderate Republican Party, Ray Metcalf, has been a relentless thorn in Ben Stevens side. He's the one who brought the complaint against Stevens before the Alaska Public Offices Commission, claiming that Stevens had gotten all this money from Veco for consulting, but didn't say what he did for that money. Precisely the issues on the front page today. He was a lone voice in the wilderness for a long time. One of his complaint letters to the APOC is at: http://www.repmod.info/OpenLtr2Marquez-Metcalfe-3-25-06.pdf

Another legislator who spoke truth to the corrupt was Minority Leader Ethan Berkowitz. On this audio clip you first hear Weyhrauch, one of this week's indictees.
http://www.jamglue.com/tracks/102458
Before this audio clip (originally from Gavel to Gavel, the state live coverage of the legislature, this clip was posted on the ADN site Saturday, May 5, 2007), Weyhrauch had introduced an amendment that passed. The Veco lobbyists were ticked off. There was a short recess. The tape begins with Weyhrauch apologizing, he'd made a mistake and would like to rescind the amendment. Then Berkowitz, working hard to keep his voice calm, reminds W. that the oil belongs to the people of the state of Alaska, not the companies. That legislators are not supposed to be jumping from the House floor to do the lobbyists' bidding, etc. Weyhrauch takes great offense. Berkowitz goes on. Just in case the clip doesn't work above, you can go to this url:

There are lots of other heroes in this story. Those who didn't give up just because the Republicans and the oil companies seemed insurmountable, who just kept on doing their jobs well. Perhaps the other Alaskans on here can

FBI - Stevens-1862

point them out, and the rest of you can identify the good guy Feds.

[I tried to post this a couple of times with some links, but it got blocked as suspected span. I've taken the html out and am trying it again.]

Posted by: Steve | May 08, 2007 at 05:08

Marcy,

Make sure that is *wild* salmon that you are paying $35/pound for!

Farm-raised salmon should cost no more than chicken due to the way it is raised. (Look at the wholesale price.) This is one of the biggest rip-offs in the restaurant biz because diners assume that someone went hand-to-hand with a grizzly to get that salmon and they'll pay a premium.

OTOH, nothing is better than fish you've caught yourself, even if it is a fairly tame and ordinary trout. :)=

Posted by: hauksdottir | May 08, 2007 at 05:14

Apparently Bill Allen is no longer the owner of Veco. He was titled 'owner' as of Monday morning but by last night a special BOD was at the helm. (As a friend said, "He'll be getting paid under the table rather than doing the paying at that table!")

No tundra walks - check. Actually the coastal trail is the local, paved 'Tony Knowles Coastal Trail' easily enjoyed. You never know who you might see on a sunny day - - it is a small town.

Posted by: Outahere | May 08, 2007 at 09:57

Man, I'm going to screw up Alaska news more often--it does wonders for my vacations schedule!

Posted by: emptywheel | May 08, 2007 at 11:13

Regarding the response to my last comment which asked if Alaskans believe this is "real" as in, will these people really be prosecuted. Short answer, definitive "YES". The question remains is who will be charged? Two have pled (I detest the word "pleaded"--we don't use "leaded" so why "pleaded"?) guilty, three more have been indicted and at least five more are implicated (two senators, one "elected official" and two more VECO folks). I think they have been

FBI - Stevens-1863

Stevens dead to rights and are probably working on him to roll (my bet is they want him to roll on the "elected official"). I am hoping that both Senator A and Senator B-en Stevens are plea bargaining to roll on this third party, because that would mean that the as yet unnamed "elected official" is someone of even greater import... that would be one of only four people in this State (a US Senator--we have two--our Representative, or, as many suspect, our former Governor). It is a lot of speculation at this point, but it seems with the information already released that the two senators are pan-fried. Face it, it appears that the DOJ has recordings of these conversations (why else would there be such phrases as "unintelligible" included in the transcripts? So the only explanation is that there is some negotiation going on in the background to nail an as yet unnamed participant.

I think it is going to be exciting here. Even if it only reaches as high as the two senators, we have a real scandal. If it goes higher, I think we will have some serious national headlines...

Posted by: Patrick McGonegal | May 08, 2007 at 13:15

Oh, and just to round out the Alaskan offers... I live in Southeast Alaska (Juneau) with my wife and two young boys and we would not only meet you at the plane, but would even offer you a room (for two, bring Mr. Emptywheel along!). We have great salmon fishing (as does most of Alaska) but we also have world-renowned whale watching (not to mention a "walk up" glacier).

I can't promise you'll meet with the afore-mentioned "progressives" (questionable), but you'll meet plenty of locals and we all have political opinions to share. :)

Hiking, salmon-fishing, whale watching, mountain tram, glacier viewing (and touching!)... what could be better? And free lodging to boot! :)

Serious. If you're up this way, my family would be happy to welcome you to our home. Wanna see what we enjoy on a daily basis, just check out the photo database on my website (http://www.didjuneau.com/images.php) and check out the various categories in the left column. :)

So, add another invitation to the list!

Posted by: Patrick McGonegal | May 08, 2007 at 14:28

FBI - Stevens-1864

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FBI - Stevens-1866

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November 2006
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Here's what happened

Posted: July 6, 2007 - 6:05 pm

You've had questions about the Bobrick/Begich/Knowles post that appeared, then was removed, earlier this week.

Chief state & local news editor David Hulen explains:

There's been some discussion here about a story we posted Tuesday afternoon on adn.com and on the Alaska Politics blog about the Tom Anderson trial. We removed the story, without explanation, from both places later that afternoon, and it didn't appear in the next day's print newspaper (a different story about Tuesday's events in court did run).

Here's what happened (and at the end, links to audio clips of the testimony that resulted in the story):

Our reporter covering the trial, Lisa Demer, has been writing long stories each day that we've publishing in the paper and the Web site. Most days, she also has written short updates for adn.com during lunch breaks. Lisa's a veteran reporter and one of the most careful and consistently accurate journalists I know.

On Tuesday, she called in a brief story based on testimony from that morning. It had come during fairly aggressive cross-examination of a key government witness, former lobbyist Bill Bobrick, by Anderson's attorney, Paul Stockler.

Jurors were shown a partial transcript of a July 24, 2004, conversation between Bobrick and another government witness, Frank Prewitt. In it, Bobrick boasted about trying to raise $45,000 to $50,000 in campaign contributions for former Gov. Tony Knowles during his race that year for the U.S. Senate.

"We're going to move heaven and earth to try to get Tony Knowles elected," Bobrick told Prewitt. Bobrick mentioned Mayor Mark Begich as being part of an effort to raise money for Knowles, although it was not explicit what Begich's role would have been.

Bobrick testified he never pursued the idea.

Stockler pressed Bobrick on the fund-raising, and seemed to be trying to make the point that Bobrick had been caught by investigators in an illegal scheme, and that part of his motivation in cooperating with the authorities was the hope of leniency.

The lawyers in the case weren't available to explain further during the lunch break. They have generally been reluctant to talk to the press because the judge has instructed them to be careful about what they say to reporters. We did not have access to the transcript

Alaska Politics

State, local and beyond

Alaska has a new governor, a new legislature and a powerful congressional delegation. Come here for the latest news and tidbits from the transition, from Juneau and elsewhere by Daily News political reporters. We want to hear from you, too. So sound off and interact with other readers and the reporters in the "comments" section.

Kyle Hopkins covered the 2006 campaign for governor and is covering the Palin administration's transition. Before joining the Daily News in 2005, he was a writer for the Anchorage Press and the Fairbanks Daily News-Miner. E-mail him at khopkins@adn.com.

The Trail 2006 campaign blog

Sabra Ayres covers Alaska state politics and the legislature from our capitol bureau in Juneau. Before joining the Daily News in December 2006, Sabra covered the former Soviet Union as a Moscow correspondent for the Cox Newspapers. Email her at sayres@adn.com.

ARCHIVE

Jury finds Anderson guilty - 7/9/2007 1:42 pm

Here's what happened - 7/6/2007 6:05 pm

Thanks! - 7/6/2007 5:26 pm

Going, going...not yet gone - 7/6/2007 4:28 pm

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FBI - Stevens-1869

194A-AN-13620-M; 737

being referred to (at this point, none of the exhibits in the case have been made public - a situation we're trying to change).

Lisa wrote a story based on the testimony, an editor reviewed it, and we published it online. It began, "Bill Bobrick, a former lobbyist in Anchorage and a government witness in the corruption trial of former state Rep. Tom Anderson, today testified about a 2004 conversation in which he discussed an idea to funnel large amounts of apparently illegal campaign money to benefit former Gov. Tony Knowles, then running for U.S. Senate." The story went on to say that Bobrick told Prewitt that the effort would have involved Begich.

Later that afternoon, a law enforcement agent told Demer that Stockler was cross-examining Bobrick about two separate fund-raising ideas: an illegal scheme never executed and a plan to help Knowles legitimately with the help of Begich and others.

Late in the afternoon, Lisa and Bill White, one of the local news editors who had been working with her on the story, decided to pull the story off adn.com, and later the blog, because they had questions about its accuracy. What was actually said in court was confusing. Bobrick's scheme was not clearly laid out, and there was no quick way to follow up, expand on or investigate what was said. By that point of the day, other editors here were raising questions about whether the story was fair or whether there was enough context for the story to make sense. Demer, meanwhile, was focused on the story for the next day's newspaper (a factor in why we chose to remove the afternoon Web story completely rather than take the time to rework it). So we pulled the story and moved on to the next day's story.

7/3/2007 11:42 am

'Inconsistencies' - 7/2/2007 4:14 pm

Should everyone have to get insurance? - 7/2/2007 3:19 pm

Backbone II: Electric Boogaloo - 7/2/2007 1:41 pm

Universal health care - 7/2/2007 12:24 pm

Whose job was it ... - 7/2/2007 10:13 am

Third soldier - 7/2/2007 6:26 am

Green's response - 6/29/2007 5:33 pm

Begich on budget cuts - 6/29/2007 2:27 pm

Cap budget - 6/29/2007 2:24 pm

Veterans, Democrats & Young - 6/28/2007 7:22 pm

Late night - 6/28/2007 5:18 pm

Let them eat sandwiches - 6/28/2007 4:54 pm

Alberto Gonzales on Stevens - 6/28/2007 1:11 pm

Full plate - 6/28/2007 10:51 am

Bald eagle back - 6/28/2007 8:18 am

full archive »

This is one of the downsides of online journalism: stories are reported, written and published in minutes, instead of the hours spent on a typical newspaper story. In hindsight, we should have explained why we removed the story.

Meanwhile, on Thursday, Bobrick returned a phone call from Lisa. He said he could not talk in any detail about the case but he could clarify, in general, what had happened with the fund-raising. Begich was hosting a legitimate fundraiser for Knowles, he said. Neither Begich nor Knowles had any idea that he was thinking of trying to bring in more money than campaign limits would allow, and in the end, he dropped the idea, he said.

"I acknowledged it was wrong to do and it was a stupid idea," Bobrick said.

Want to listen yourself? Here's that portion of the cross-examination (it's eight minutes long, so we've broken it into three parts).

Part 1

Part 2

Part 3

add new comment

"God sent me here tonight, to bring this prison to you."

I couldn't make this Prison Shell Game Hustle stuff up if I tried.

Really.

new twentythreeskidoo | July 9, 2007 - 12:20pm

reply »

FBI - Stevens-1870

---

puff piece for democrats.....

boy what a long winded non excuse. It sure didn't stop the daily news from printing lesil's name over and over in the paper, even though it had nothing to do with anything improper.

What's the difference between the two??

It was part of the trial. period. tony and mark can make their denials, just like

lesil did. But to completely eliminate the story as if nothing happened? Nothing but bias.

I am a non partisan so I am not pushing for favoritism to republicans either. What I think we all want is a return to fair minded, investigative journalism that used to represent the daily news.

I noticed the third recycled story again today on the front page: Stevens and young in trouble!! democrats ready to move into their offices!!!

Please just print the news and leave the editorializing and wishing and hoping to the editorial page.

new truthseeker | July 9, 2007 - 11:24am

reply »

Seeker

It is more than ADN. KTUU usually plays ball as well.

nOse has not been around lately or he'd get after me for claiming there was a KTUU-ADN-Dem alliance.

There is a reason why I have in the past referred to the ADN and KTUU as Pravda and Al-Jazeera.

The umpteenth story on Stevens and Young without any real new developments is a bit much.

Pravda and Al-Jazeera can never get enough of the jet either. They almost talk about as much as KUDO.

new TheSdog | July 9, 2007 - 11:54am

reply »

KTUU

Channel 2 TV is head and shoulders above the ADN on objectively reporting the news.

Especially if it has to do with Democratic torch bearers or Oil Companies.

They report.

The ADN hides, edits, misleads, removes, squashes, editorializes, and covers up or leaves unprinted numerous important to Alaskans stories over and over again.

Especially re the gas line and all that has really gone on in the last 6 years.

Or is currrently going on.

Alaskans have been left void of true reporting by the ADN on all aspects of the gas line.

Just look at all those full color full page and 3/4 page adds by the Oil Companies. Day after day. Never hurt the Golden Goose.

This alone is a huge and shocking story.

new heyworth | July 9, 2007 - 12:05pm

reply »

SH

Advertisors do not have much say over content.

If they did...I see a BP or C-P commercial just about every time I watch the news on KTUU or KTVA. Along with obligatory Pebble Mine commercials.

That argument carries no water. If you want to advertise in the media your options are limited up here.

Al Jazeera, ah, I mean KTUU is just as biased as the ADN. They love Begich and Knowles. Ever notice how glowing and non-ending their coverage is of Begich is?

Could it be Jason Ulmer...I mean Jason Moore. I, like most people, almost never watch KTVA so I cannot comment on them.

FBI - Stevens-1871

The media unfortunately is part of the revolving door in the political world with the same people going back and forth.

new TheSdog | July 9, 2007 - 1:25pm

reply »

just a hunch

All those entities do advertise on TV 2 and the ADN.

You miss the point that TV 2 does not hold back truth.

The reporting of the Knowles and Begich comments by Bobrick under oath ran as their (TV 2) first story at both 5 and 6 pm July 3.

They never retracted them. It was just "court testimomy".

The ADN first put the same comments/testimony out on this Blog, then cut the comments entirely from the front page Lisa Demer story (July 4) and then pulled it off their Blog, and then had some editor write the mish-mash justifying explanation at the top of this header section.

Probably just coincidence huh?

Not many have watched this as closely as I have regarding non reporting of important stories re the gas line by the ADN.

You would be amazed what has NOT been reported in the ADN but covered well in the Juneau Empire, Fairbanks News-Miner, Petroleum News, and Journal of Commerce. I know.

new heyworth | July 9, 2007 - 2:14pm

reply »

SH

You would be amazed what has NOT been reported in the ADN but covered well in the Juneau Empire, Fairbanks News-Miner, Petroleum News, and Journal of Commerce. I know.

I am not surprised at all.

KTUU did go with the testimony story but you don't see either digging on it. KTUU also already knew it was here on the blog. Somebody missed the memo or it was too late.

I am telling you KTUU is just as bad as the ADN on most things. I notice you left them out of your last paragraph.

new TheSdog | July 9, 2007 - 2:53pm

reply »

Another good source

Steve Heimel is doing an excellent job of covering it too.

new twentythreeskidoo | July 9, 2007 - 2:43pm

reply »

great

didn't know that 23sdoo.

thanks.

new heyworth | July 9, 2007 - 2:50pm

reply »

FBI - Stevens-1872

Kyle

any updates on the Anderson trial? I'm predicting a verdict by end of today - guilty on all counts. TA should consider himself a lucky man if he beats any of the charges.
This trial is really just scratching the surface of what's to come -in my opinion. I'm wondering if the verdict comes back guilty on all charges, and TA is faced with jail time, could the feds offer leniency in exchange for additional

cooperation/information?

new Stags_Leap | July 9, 2007 - 9:44am

reply »

Yes..... and the real question

will be how far the investigation goes into VECO fronting for the oil companies in the PPT. Anderson wasn't part of that and it is much more serious for the state.

VECO isn't taxed by PPT. It is obvious all their corruption was on behalf of the oil companies.

new truthseeker | July 9, 2007 - 11:12am

reply »

The deal making is usually over

when you go to trial. Once you've walked thru the Courthouse door, you've almost always made your choices.

new Black3 | July 9, 2007 - 9:48am

reply »

Voice of the Times 07/07/07

Editorial 7/07/07
Media selective
about apoplexy

A FEW DAYS AGO, we pointed out the painfully obvious: that Alaska's news media seem to pick and choose their next victims for the pillory based on, well, bias, and that they do not lift their voices against friends.

The embarrassing tidbits surfacing in the federal trial of former Rep. Tom Anderson do nothing but underscore that assertion.

First, there was testimony in Anderson's trial that Mayor Mark Begich suggested to a company that wanted to build a juvenile center in Anchorage that it should hire a lobbyist to deal with city issues.

It turns out that Bill Bobrick, who has pleaded guilty in the corruption probe that netted Anderson, was the only lobbyist of note who lobbied the city, and he was a close friend of the mayor's.

No howls of indignation from the Anchorage Daily News or its fellow travelers. No endlessly repetitive stories hammering home the relationship. No outraged editorials.

Then, testimony from Bobrick, a government informant, detailed a 2004 conversation "in which he discussed a (sic) idea to funnel large amounts of apparently illegal campaign money to benefit former Gov. Tony Knowles, then running for the U.S. Senate," the News reported Tuesday.

"Bobrick told (Frank) Prewitt (another informant and a former corrections commissioner) during this meeting that he envisioned a joint effort to funnel $45,000 to $50,000 in campaign contributions to Knowles that would have involved Anchorage Mayor Mark Begich and other Democratic activists," the paper said.

The newspaper went on to say: "There is no evidence that Begich or Knowles knew about Bobrick's idea." (You have to ask yourself how the newspaper would know that? Why would it issue a blanket exoneration, based on . . .?)

There, of course, has been no call for a more thorough investigation, or editorial lectures on the appearance of impropriety, or any of the other tired nonsense the newspaper trots out when it has no real proof of wrongdoing.

FBI - Stevens-1873

Bobrick said he did not go through with the scheme and that apparently is good enough. Knowles said it would have been ridiculous. As for Begich, his spokeswoman, Julie Hasquet, did his talking. He did nothing wrong, she said.

And that raises other questions. Why is a city employee, a woman the taxpayers pay to speak for the mayor of Anchorage, running interference for Begich in a matter unrelated to his job as chief executive? It would seem to us that if Begich needs a spokesperson for private matters he should hire a public relations firm on his own dime, not use city resources.

Anybody in the media notice all that?

No? What a surprise.

new twentythreeskidoo | July 7, 2007 - 10:58pm

reply »

no story there

you are making wild speculations that are NOT supported by facts. I wouldn't print any of it. A newspaper has to verify its facts/sources. Otherwise, there can be no objectivity or truth to the story.
It is common practice for municipal government to hire lobbyists.
In sum, the only lame thing here is your juvenile attempt to smear the Mayor with misleading and false statements.

new Stags_Leap | July 8, 2007 - 7:35am

reply »

Stags, for such a loudmouth,

you are astoundingly naive or simply blind to any allegation that doesn't involve a Republican.

You are dealing with a group of people who have been business and political associates since the early seventies. They've all raised lots of money, you don't do that for nothing, and have held all sorts of elected and appointed positions; they know how to reward their friends and punish their enemies, and they're far better at it than Republicans who tend to be rather hamfisted and get caught.

There is a literal revolving door between State and ANC government and various for profit and nonprofit businesses that do business with the State and city governments; follow the money and who has what jobs and when. It ain't rocket science. Go figure out how someone with Wiemar's past got Allvest going and how Allvest got its big start with the drug testing contract with DOC when Frank Prewitt was DC and Bill Parker was a Special Assistant. Then figure out how all the emphasis on a badly needed State prison got deflected to private prison iniatives - initiatives that would never survive the union opposition - while Allvest and others moved into halfway houses and the like to pick up an ever-growing prisoner load. What's funny is that while VECO, CCA, and others were being shook down for "contributions" over a private prison scheme that hadn't a snowball's chance in Hell, the big money was going to the ever so politically friendly halfway houses.

The very worst thing that could happen to these people was when the Murkowski administration started making moves toward a real State owned and operated prison which would cut off a lot of the gravy train to them. Even during Knowles, people with very close ties did everything they could to make building and opening the ANC jail complex as difficult and expensive as possible. Even that structure was set up so that it wouldn't accommodate sentenced offenders and thus cut into the gravy train. The bidding is still open on who gets what, if anything, out of the new Mat-Su prison project, but if it doesn't get built or doesn't have adequate capacity, it won't be because the neighbors don't like it. Pass the popcorn.

new Black3 | July 9, 2007 - 7:49am

reply »

The real problem

There is a literal revolving door between State and ANC government and various for profit and nonprofit businesses that do business with the State and city governments; follow the money and who has what jobs and when.

I'd say that sums it up.

new TheSdog | July 9, 2007 - 8:24am

reply »

FBI - Stevens-1874

Stags

You're missing the point.

The ADN runs stories all the time on speculation and not supported by facts.

We still don't even have close to al the facts on Steven's house in Girdwood but that did not stop the ADN.

This is a little more than just "hiring a lobbyist." The VOT is streching it a little by suggesting it is likely Begich pr Knowles knew but this is still a story.

new TheSdog | July 8, 2007 - 9:19am

reply »

Nobody is Smearing Anybody

Don't you want to know what your enemies are saying, Stags ?

In fact, Here's a rather flattering article written very recently about Mark's Uncle, a former longtime state lawmaker back in Minnesota. The Newsreader folks can once again thank me for this little nugget.

If you really dig it's interesting what you can find in the Carson City NV and Big Arm MT white pages.

Personally, I really *do* believe that this was the first time *ever*, that Bobrick cooked up a "Bill Weimar-style" fundraiser for a friend, er, uh, i mean a client.

The story is what were the other "6-8 investigations" that Prewitt was working on and when was he working on them ?

What's the deal with the $30,000 loan from Weimar ?

Did Weimar's legal and financial troubles around this time period (2000-2002) have anything to do with all of this ?

When did the feds start sniffing around up here ?

We know that Prewitt started wearing the wire in the spring of 2003. What was Frankie doing prior to that to warrant their attention ?

> "The Republican Party is going to rue the day in this state for allowing Randy Ruedrich (chairman of the Republican Party of Alaska) to remain as a chair. He's bringing this party down and it's bad." KTUU also interviewed Rep. Eric Croft. He says he saw this coming two years ago, during a legislative committee meeting concerning VECO's pitch for a sole-source contract award for a private prison. "**I said at the time, in 2004, on the Whittier proposal, someone's going to jail over this 'cause I could see how corrupt the process was,**" said Croft, D-Anchorage.

There are some names involved with some very big projects that are going to start coming up in the near future.

It's so obvious, go back through the APOC records, it's all there, well, most of it.

Remember the LA Times piece back in 2003 that caused Senator Ted to blow a gasket ?

This pot has been simmering for quite a while, and it's going to stain a lot of people by the time it all boils over.

And yes, to a lesser degree, Knowles wasn't as willing to roll over on private prisons than Murkowski was, that much I'll agree on.

But he took their money, as did a lot of people.

Follow the money, follow the money.

Someone needs to write a book about all of this.

new twentythreeskidoo | July 8, 2007 - 8:11am

reply »

FBI - Stevens-1875

There was NO

pressure from Governor Murkowski to make any move towards private prisons and one Helluva lot of opposition to it in both Admin and DOC.

The privatization pressure in that administration came from the smart boys from Anchorage, mostly refugees from the Weurch administration such as Neil Gunn, who wound up in OMB and their friend Scott Hawkins. They had a scheme worked out that would allow them to step on any purchase the State made and a lot of friends in the Legislature willing to help them do it, see, e.g., the Privatization Pilot Program legislation. I won't go so far as to say

that Admin sabotaged it, but certainly nothing was done to make it easier for them. Law finally stepped in and pretty much stopped it. I crossed swords over it with OMB repeatedly. The unions were smart enough to never offer any concessions on contracting out language and we had better things to do than try to get any so a bunch of ANC smartasses could get rich.

I was and remain adamantly opposed to privatization of core governmental functions and so long as I was there, there wasn't anybody with enough horsepower to really get around me on the issue.

new Black3 | July 9, 2007 - 7:19am

reply »

digging

since you are so good at it, have you ever looked into the no-bid contract for Pac-West?

new Stags_Leap | July 9, 2007 - 4:45am

reply »

I'm not going to defend

the Pac-West contract, since I don't know or care exactly how it was done, but there is nothing per se improper or illegal about a sole source contract so long as the award rules are followed.

new Black3 | July 9, 2007 - 7:25am

reply »

This Is Precious

All **laid out** in a nice timely fasion by a seasoned reporter with perhaps the deepest institutional memory of recent Alaska politics.

> *"While Marsh looks like he hasn't been outside in years, Stockler looks like he just got back from a beach vacation. Marsh has those clean cut Tobey Mcquire looks, Stockler's head is shaved and he looks like someone who breaks your knees if you don't pay your debts."*
>
> *"Within minutes the jurors had asked for a copy of the stipulations. And then another note came out asking when they could have a smoke break."*
>
> *"Frank Prewitt began wearing a wire with Bobrick and then Anderson in Spring 2003. Prewitt claimed that 'mistakes' he'd made were either past the statute of limitations or very minor and that he was cooperating with the FBI voluntarily, not to get any reduction in sentence or charges dropped. He said he was involved with 6-8 other investigations.*
> *Bill Bobrick began cooperating with the FBI in late September or early October 2006. He quickly pled guilty and agreed to cooperate with the FBI. It's not clear whether he is cooperating in other investigations. The only promise made to him was that if things went well, they might write a letter to the judge asking for leniency in sentencing.*
> *Tom Anderson was called into the FBI in November 2006 [June 14, 2005]. Anderson, obviously, has not pleaded guilty, but apparently has cooperated with the FBI and wom a wire.*
>
> *So this case is most likely the tip of the iceberg. We know of three more legislators who have been indicted and two more who have been investigated, but not indicted."*

new twentythreeskidoo | July 7, 2007 - 11:17am

reply »

Precious

makes me think of that ugly creature in the The Hobbit -Return of the King movie. PRECIOUS. I can't get it out of my mind now. It's like a bad song stuck in my mind -like something from the Village People.

new Stags_Leap | July 9, 2007 - 9:45am

reply »

FBI - Stevens-1876

Statute of Limitations..

The Supreme Court thas still not ruled/provided as to a clear guidance of Racketeering Statute of Limitations.

From my understanding is has to be after the statute was enacted ,of course, and fresh predicate acts could possibly bring out the whole course of events since the date of enactment of the Rico legislation, depending on

relatedness.

Two predicate acts (fraud) in a certain number of years may be all that is needed.

new edgefinder | July 7, 2007 - 9:23pm

reply »

Reason against S of L

The very basis of fraud laws provides the reasoning to argue why there should never be a statute of limitations (similar to murder: you're dead when you are killed). When our Treasury is robbed, that money never went to work for benefits elsewhere. Resources can't often be replaced. (There are estimates the oil companies took $100 billion from you, Alaskans, in past 30 years! Think about that when revisiting the PPT based on net profits or dropped-down-bottom-lines via falsified Transfer Pricing accounting.)

FRAUD VITIATES ALL THAT FOLLOWS - it lives within all subsequent transactions and events derived from the fraudulent beginning.

The real problem with RICO is that in the 1989 Senate re-write, not enough was done about strengthening White Collar crime laws. Drug wars = bankers, accountants, lawyers, judges and other white collars who handle the big money. Follow the money, not the small time dealers etc.

Same with theft of Alaska's resources: follow the money -- go after the Certified Public Accomplices (profit launderers across national borders in global affiliate structures), financiers (often members of same Japanese keiretsu of operating and banking firms), and the (often foreign paid) lobbyists working behind scenes with Congressional staffers and Alaska's delegates to earmark, slip in special language etc.

And for getting back the golden goose sakes (before it is killed off), extend the IRS 3 year S of L on criminal cases against corporations. And stop the "gift shop" method of audit division giveaways (letting culprits go for 10 cents on the $ lost).

After all, we are talking here, today, about the legislators and other servants of this Corporatism and Kleptocracy. They are supposed to work for you! (hope you have seen the YouTube about idea of buying back Alaska for $10million for its citizens to own the Legislature.)

Groundswell Fisheries Movement

- FRAUD - and corruption - VITIATES ALL THAT FOLLOWS!!!

new staufen | July 8, 2007 - 7:21am

reply »

Disturbing And Almost Beautiful In A Corrupt Sort Of Way

The CBC needs a slogan, something the marketers can hit home with. I wonder if Croft would let them use his quote ?

Keep in mind party peoples, Prewitt was wearing his wire when this was happening...

What did Croft know back then ?

XXXXXX

From the May 9th 2004 Alaska State Legislature House Finance Committee Minutes
Representative Croft MOVED to ADOPT Amendment #3. (Copy on File). Co-Chair Williams OBJECTED.

FBI - Stevens-1877

Representative Croft explained the amendment. He emphasized that the privatization of the prison system bill has been around for many years. He recounted the numerous communities who have attempted to get that proposal and how devastating it was to each of them. Representative Croft objected to the litany of "sole source projects". There has never been a clean proposal presented to the Committee. The proposals are always sole source, with heavy money deals directed to one contractor. It is always prearranged and never clean. He believed that the legislation would result in sole sourcing

being prearranged with political pressure through construction and continued operations.

Representative Croft warned that the State would see someone indicted and likely sent to prison over the proposed series. He stressed that he "hates" this type of proposal because of what it does to the integrity of the Legislature. He disliked the "high money and motives money and the legislators". These proposals historically have left a trail of damaged communities. Representative Croft warned tat Whittier would regret it at some point.

Senator Green interjected that the amendment language would return the legislation to the original bill. She pointed out that the Whittier language had been added with great deliberation. All the language is "futuristic" and will reesult in a lease-purchase owned by the State. She acknowledged it would be a policy call.

Representative Stoltze commented that Amendment #3 is important and requested an analysis. He inquired if there had been an overview of the contract between the City of Whittier and that contracting group.

VERN JONES, CHIEF PROCUREMENT OFFICER, DEPARTMENT OF ADMINISTRATION, indicated that the Department had not read the contract, but had read the City of Whittier's RFP. The procurement process for the City of Whittier did not comply with the State's contract process. Whittier would be subjected to their own ordinances. Without Amendment #3, the bill requires the City of Whittier procurement process to comply with the State's. He offered to provide technicalities regarding negotiation costs.

Representative Hawker acknowledged that the bill could resolve concerns raised by Representative Croft. He said he opposed Amendment #3.

A roll call vote was taken on the motion.

IN FAVOR: Croft, Stoltze
OPPOSED: Fate, Foster, Hawker, Joule, Meyer, Moses, Chenalut, Williams, Harris

The MOTION FAILED (2-9).

new twentythreeskidoo | July 8, 2007 - 8:04am

reply »

This is for another investigation not Andersons

If any of this is correct, it is meant for another investigation. It serves no purpose to explain it here.

What is important today is thanking everyone who worked so diligently in the Anderson case to find the facts.

There are many of us who want to thank prosecutors and investigators personally but are not able to for fear of retribution from the Andersons. We have seen it before, but that too is unimportant here.

Thanks to the prosecutors, support staff and every person who devoted extra time to bring Tom Anderson to justice. Regardless of the outcome you have put every politician on notice, and you have cleaned up Alaska politics. Elected officials are a bit less arrogant today, and embarrassed about their behavior. Thank you. R's or D's are better behaved as a result of the Anderson prosecution. Thank you.

FBI - Stevens-1878

The one fact we will disagree on is whether Mrs. Anderson knew Tom was taking money. She knew, you could not prove it but she had to know. She makes it her business to know. Hopefully she will be of use during the VECO investigation.

Regardless, thank you again. A hundred people who can't tell you want to thank you but don't dare.

new nooneknows | July 7, 2007 - 7:50am

reply »

Speaking of retribution...

Having the a Troopers (ie. TA's father) as a potential retribution weapon, I wonder what other ..

Some funny business went on about ten years ago- one of those failures to do fair 'internal' as it were, investigations,or of another Agency actually.

A good 'ol boy-thing with witnesses loosing contact so no investigation...

Might have even been seen by a Federal Judge showmewhere....Hmmm

Do anyone know what years his Father served as DPS?

new edgefinder | July 7, 2007 - 9:31pm

reply »

You have to remember

It was a job with the State Troopers that brought J. Frank Prewitt, Jr. J.D., M.S. to Alaska a long, long time ago.

It's probably a safe bet that he and TA's father had some sort of professional relationship.

new twentythreeskidoo | July 9, 2007 - 12:29pm

reply »

Bobrick versus Prewitt

on the ADN coverage during 2004 is pretty telling Kyle.

Bobrick was not even on the radar in articles other than the crazy ads he ran on radio.

http://www.adn.com/senate/story/5719930p-5653268c.html

"...Knowles spokesman Matt McKenna said the campaign did not know about the ads before a reporter contacted him. Knowles listened to the commercial that angered Stevens for the first time Wednesday, and after he heard it, he called Bobrick and asked him to pull it, McKenna said. He then called Stevens to let the senator know he was outraged over the content and also sent a handwritten letter to Stevens.

Knowles "believes they are disrespectful and a lame attempt at humor about a subject that is not funny," McKenna said. "There are overzealous supporters on both sides. But (Bobrick) is doing this on his own."

Interesting take by Knowles back then on not knowing about the ad. Think John Q public would buy that today?

Bobrick was on the muni lobbyist listing for Cornell and all the focus was on Prewitt.

I wonder why.

Well who was really the real real "bad guy" the FBI used.

What can be expected during the 2008 election. I am sure the DNC and their Congressional election commitee is having a cow right now.

How many times do you think the ADN editors can say Abramhoff?

new tlamb775 | July 6, 2007 - 10:36pm

reply »

Disturbing and Beautiful in a Corrupt Sort of Way

From the KTUU website

FBI - Stevens-1879

> *No evidence has been presented* that **Mayor Begich** had knowledge of what **Bobrick** was proposing, and in court **Bobrick** testified the campaign contribution scheme never came to be.
>
> In the same recorded conversation, which was transcribed and shown to jurors on an overhead screen, **Bobrick** alludes that he and **Weimar** had worked on something similar in the past.
>
> He went on to say **Weimar** had once come up with a stack of checks for a prior campaign, totaling as much as **$65,000**. Again, no evidence, other than transcribed excerpts of the conversation in which **Bobrick** makes these remarks, was presented in court regarding these claims.
>
> **Bobrick** is charged only in connection with the current case. Stockler argued that the reason **Bobrick** was willing to plead guilty and testify against **Anderson** was in hopes

he wouldn't face prosecution for other crimes and for leniency at sentencing.

In the conversation, **Bobrick** says he is working on an idea to raise money for **Knowles**, in what he called a ***"Bill Weimar-style fundraiser."*** **Weimar** is a man with long-standing connections to the corrections industry, and the former owner of a company called Allvest, which was sold to Cornell (for 21 million dollars). **Weimar** is also a former client of **Bobrick's**.

XXX

*In the case of Anchorage, **Corrections Group North** -- the new corporation formed by **Allvest, Veco** and **Wackenhut** -- proposed using 40 acres in the city owned by Veco to build a 624-bed facility at a cost of $60 million to $80 million. **Allvest President Bill Weimar,** who was on the board of the Downtown Community Council, and lobbyist **William Bobrick** contributed more than **$11,000** to candidates running in **1996 for the Anchorage Assembly,** which had to approve zoning changes for the project before it could move ahead.*

XXX

Between 1990 and 1998, Allvest (now Cornell) contributed nearly **$120,000** to state political campaigns, including **$5,100** in 1996 and 1998 given to **Eldon Mulder,** House Finance co-Chair and author of the legislation authorizing a prison in Delta Junction. (The Prison Payoff , November 2000)

In addition to political contributions, Cornell lobbyist **Joe Hayes paid Eldon Mulder's wife $85,000 to work as his office manager.** (Peninsula Clarion , September 23, 2001)

Cornell is so well connected that one of their executives was appointed to chair a subcommittee charged with "advising" the state on prison privatization. When that created too much of a conflict, he was replaced by... a former Cornell executive. (Anchorage Daily News, February 28, 2000)

XXX

Weimar sold the assets of Allvest for $20 million in 1998 and began a series of asset transfers to separate corporations and trusts. After the J.W. creditors and Brown had
obtained their state court judgments against Allvest, they each filed supplemental complaints
in aid of execution in their respective state court actions. The supplemental complaints were
against Weimar and other non-debtor entities, and sought to recover the Allvest assets on
fraudulent transfer, alter ego and other grounds.
In May of 2002, the **J.W. creditors seized $490,854.00 from Allvest.** Brown
filed an involuntary chapter 11 bankruptcy petition against Allvest in October of 2002.

XXX

Search the APOC records for ***"CONCERNED CITIZENS FOR RESPONSIBLE ECONOMIC DEVELOPMENT"*** and see who contributed heavily **(Cornell, Neeser, VECO, Kenai Native Association)** to their campaign to bring a private prison to the Kenai in 2001. You can also search the records and see that the **Bobrick/Weimar** team has been giving money to **Tony Knowles** at least back to 1990.

XXX

As to **Prewitt's** own questionable behaviors, he told jurors that he did accept $30,000 from a friend, **Bill Weimar,** in 1994. At the time, **Prewitt** was state corrections commissioner and **Weimar** owned a halfway house business called **Allvest. Prewitt** said he was facing a difficult family situation and considered the money a loan, which he repaid the next year, after he left his state post, by working four months for **Allvest** for free. He said he shouldn't have accepted the money.

FBI - Stevens-1880

XXX

What caused the governor to change his strongly stated opposition to privatized prisons? He hasn't explained his shift yet. But in May 2003, a prominent Anchorage architect named **Mark Pfeffer** met with his aides to promote the Veco-Cornell prison project. **Pfeffer had recently joined the prison consortium, and he had also signed on as treasurer for Lisa Murkowski's reelection campaign.** Around that time, her father began to back away from his pledge to oppose private prisons, issuing a

vague announcement that his administration would take a **"fresh look"** at the Veco-Cornell prison plan.

Meanwhile, money from Veco and its lobbyists has flowed into **Lisa Murkowski's** campaign. The first $2,000 check from Veco chairman **Bill Allen** showed up on May 13, 2003, only days after the Anchorage Daily News reported the governor's shift on his project. ***Allen, who registered as a lobbyist in Anchorage to push the project, has given regularly and generously -- as have other Veco executives, whose total of $43,750 is Murkowski's largest single donation.*** Lobbyists from **Patton Boggs**, which represents **Veco** in promoting the prison deal, have given her an additional **$12,000.**

XXX

Jim Kelly, former director of communications for the Alaska Permanent Fund Corp., has joined the management team of **Allvest Information Services**. The firm manages Assessments.com, one of the nation's leading providers of validated risk assessment/cased management software, staff training and implementation consulting. Among its major clients are juvenile justice departments for the states of Washington, Florida, Montana and Wyoming, and Los Angeles and San Diego counties in California.

From the Assessments.com website:

> Assessments is one of the nation's leading providers of software and other services to help state and county probation agencies more effectively and efficiently manage their day-to-day activities.

XXX

From ACLU of New Mexico Blog posted July 5, 2007:

Pressures are mounting for Bernalillo County and the federal office of Immigration and Customs Enforcement (ICE) to aggressively audit the way **Cornell Corrections, Inc.** is managing the immigrant detention facility that now occupies the former Bernalillo County Detention Center in downtown Albuquerque. In recent days, both the Tribune and the Journal have reported on the appalling conditions in the facility, including inadequate medical care, overcrowding, poor food, unprofessionalism of jail guards, and increasingly unsanitary conditions. A federal judge has taken an interest in the situation and attorneys who sued the county for jail overcrowding several years ago are demanding access to the facility. The ACLU is investigating whether the conditions amount to "cruel and unusual punishment."

XXX

From the Alaska State Legislature Legislative Minutes

Co-Chair **Mulder** noted that testimony had been taken from Delta Junction. He observed that there had not been any consensus for a facility to be built there. He noted that the lawsuit is the greatest concern. Co-Chair **Mulder** noted that financial relief could not be provided within the confines of the legislation. Co-Chair **Mulder** advised that he would speak with **Senator Stevens** about the debt concern for the City of Delta Junction. **Mr. Gilbertson** interjected that **Cornell** is a participant in the lawsuit against the City of Delta Junction because of **Allvest, Inc.**, and noted that they would appreciate any help they could get.

XXX

From the Cornell Rap Sheet

But the **Knowles** administration -- and several key legislators -- preferred an alternative this year that would expand regional prisons and jails. The administration's resistance toughened in the closing days of the session, when Corrections Commissioner **Margaret Pugh** issued a letter recommending a veto of the Whittier bill. Cornell will still follow the local debate and continue to run six Alaska halfway houses, said company spokesman Doucette. Delta Junction is glad to have the $1 million loan, given that the legal settlement was due July 1, said city administrator **Pete Hallgren**. He said the city has already undertaken a study of forming a local borough, in part as a response to a flood of federal money now reaching the area as part of the national missile defense project being built at nearby Fort Greely. The former Army post was to have been the site of the private prison. Delta Junction backed out of the deal with **Allvest**, the principal company in the Delta Correction Group, amid local controversy over a lack of competitive bidding. **Allvest** sued and won a settlement from the city.

FBI - Stevens-1881

--

Cornell and **Veco** are lobbying heavily for a private prison in Whittier. To that end, they've retained **Kent Dawson, Mark Higgins and Joe Hayes,** heavy hitters in the capitol. The Whittier bill was co-sponsored by **Rep. Eldon Mulder,** the house finance chair.

--

"The majority of (Whittier) people won't 'fess up to it, but 60 to 70 percent of them are against the prison, too," he said. **"The simple reason is that the ordinance was written to exclude a public vote. ... There's no public vote. Not even an advisory vote."** Arneson also voiced concern over lack of a feasibility study. However, Butler said, "We don't have any problems with thinking the prison isn't feasible. The contractor will do a site evaluation and that will be a feasibility study." In 1998, the Legislature authorized the creation of a private prison by the city of Delta Junction at abandoned U.S. Army facilities at Fort Greely. **Corrections Group North, formed by Cornell and Weimar Investments,** worked with Delta Junction on that project. **Pete Hallgren,** the executive director of Delta Junction's department of economic development and the city administrator, said a $75,000 feasibility study "indicated that there wasn't anywhere near enough money appropriated under the enabling legislation to make it financially feasible." Constructing the private prison was not pursued, lawsuits were filed, and Hallgren said, "We came out of the project defending against a lawsuit by the proposed prison operator. We ended up settling the case for $1.1 million." Delta Junction has paid $100,000. The remaining $1 million is due July 1. "It's more money than we've got," Hallgren said.

--

Croft, who's against the Whittier project, says he finds that ***"disturbing" and "almost beautiful in a corrupt sort of way."***

new twentythreeskidoo | July 7, 2007 - 12:48am

reply »

No sale

That original story was clear Begich and Knowles likely did not know of this proposed plan.

It was innuendo but that never stops the ADN when an R follows somebody's name. You run with it and if absolutely necessary you run a correction or retraction 2 weeks later on page Z-976.

I can hear now about how you knew and your ethics would not allow you to run it. What a load of rationallizing nonsense.

I do not think TK or MB did anything here. I said as much when that blog was up.

I actually do think it is relevant their names came up. It is something the public has a right to know. we all should know the lobbyists work both sides. All the inbreeding is nauseating.

Here is a great example of how it works...

Eric Croft sent me a letter asking for money when he ran for governor.

I called him up and left a message that I wanted him to explain why he voted against the med malpractice bill.

So, I get a call from the Alaska Physician and Surgeons lobbyist(a group I am not a member of I might add). He tells me Croft voted against it but gave him valuable information on how other people would vote. Therefore, Croft was really my friend even though he voted in a way I did not like.

It was surreal.

They're all in it together no matter how holy the Ds think they are right now.

new TheSdog | July 6, 2007 - 8:46pm

reply »

---

one of the problems -

with on-line, "instant" news is that "stuff happens", and stories continue to develop. You did the right thing by pulling this story off the blog. While I appreciate that breaking news gets put up here, I also understand that as more

FBI - Stevens-1882

facts are developed, the news changes.

new akgambit | July 6, 2007 - 8:02pm

reply »

Doh

one less smoke screen for the prom queen and her cult of followers.

Good on the ADN for pulling the story, and good on them for explaining the reasons.

Now we can focus on AGIA and the coming few months. The prom queen will be held accountable. Don't let them/her fool you with their pending excuses and blame game.

new Stags_Leap | July 6, 2007 - 7:40pm

reply »

Stags u r crazy

Just for fun how long will it take the Anderson jury to come to a verdict? And what will the verdict be, for all you fans of the legal system?

new Barbies_R_US | July 8, 2007 - 4:57pm

reply »

Wrong thread..

We're talking about gravy funnels here Stags. Did you listen to the link or not?

Stacks of checks and sources and paper trails, corrupting relationships people engage in.....

I didn't hear the name Palin, did you?

Prosecutor sounds like Joe Friday. Just the facts Bill, just the facts...

ABSCAM is taken...How about ANDERSCAM.

new edgefinder | July 6, 2007 - 8:54pm

reply »

Okay edge

Since you brought her up...

Explain the pattern of cuts. Especially with regards to Stoltze and the valley.

Also explain how a "fiscal conservative" allows Mat Maid which has no viablility to go on.

Explain how the panderer pushed for continuing senior welfare.

There is more. If you think Palin is completely above the political ganes you are dead wrong.

new TheSdog | July 8, 2007 - 6:28pm

reply »

I'm not too familar with

I'm not too familar with Stoltze but the perceived favoritism may have a way of taking care of itself. Being on Finance Committee he must have some connection to the PPT that was favored by federal criminals

Palin probably wants the Federalis' to take their showing elsewhere, but the job may only be half done. This perceived favoritism may have a way of taking care of itself.

Mat Maid deserved another shot with people who have the best interests, and will now be under the magnifying glass. It is a keeper with the right people.

As for seniors I would hope the ones in the wrong "bracket" save the state and not take it. As for the ones needy, pandering or not, at least she is not alienating them like Frank.

FBI - Stevens-1883

new edgefinder | July 9, 2007 - 12:54am

reply »

If you do not see the ethical

dilemna in Palin's decisions favoring valley and valley interests.

I mean all new Ag members valley people save one former valley resident?

Take the blinders off.

new TheSdog | July 9, 2007 - 7:54am

reply »

Great ideas!

Now, let's get serious about that bridge I offered for sale earlier. There's only one and it could easily turn into a bidding war if you don't act soon!

new rfn | July 6, 2007 - 7:55pm

reply »

thanks kyle,

for providing the reasons.

new akgen | July 6, 2007 - 6:30pm

reply »

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FBI - Stevens-1884

MSNBC.com

Courts rules FBI raid on lawmaker illegal

By Stephanie Kirchgaessner in Washington
Financial Times
Updated: 5:43 p.m. AKT Aug 3, 2007

The FBI illegally seized documents from the Capitol Hill office of a Louisiana lawmaker last year, a US court ruled on Friday, in a decision that could affect the ability of federal prosecutors to investigate political corruption.

The court of appeals for the District of Columbia said the Department of Justice must return to William Jefferson some privileged documents that were taken during the raid.

It ruled that the search of Mr Jefferson's computer hard drives was not illegal, however, because it did not reveal "legislative material" to the executive branch of government.

Mr Jefferson, a Democratic congressman who is alleged to have kept $90,000 in cash in his home freezer, was indicted on corruption charges in June, months after the search of his Washington office caused a bipartisan furore over whether the raid was constitutional.

The Department of Justice said on Friday it was pleased that the court did not find the search of the office unconstitutional but was "disappointed" that the ruling required members of Congress to be given "advance notice and the right to review materials before the execution of a search warrant".

The department said its prosecution of Mr Jefferson would not be hurt by the decision because of "procedures" it put in place before its search warrant was executed.

Mr Jefferson's attorney, Robert Trout, hailed the ruling as a victory.

"This is a reminder that just because the Department of Justice says it's so, doesn't make it so. We are confident that as this case moves forward, and when all of the facts are known, we will prevail again and clear Congressman Jefferson's name," Mr Trout said in a statement.

But Melanie Sloan, a former prosecutor and ethics watchdog, said the decision was "devastating" to the investigation and prosecution of congressional corruption because it could have a "profound effect" on other cases, including the fed-eral investigation into Ted Stevens, the longest-serving Republican in the Senate.

Mr Stevens' Alaska home was searched by the FBI and tax officials on Monday as part of a wide-ranging corruption probe.

"Sen Ted Stevens now has every incentive to store in his congressional office any document concerning the renovations of his house, secure in the knowledge that it will be beyond the reach of federal investigators," she said.

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FBI - Stevens-1885

URL: http://www.msnbc.msn.com/id/20114520/

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194A-AN-13620-M, 738

[redacted] (AN) (FBI)

b6
b7C

From: [redacted] (LA) (FBI)
Sent: Friday, August 10, 2007 2:38 PM
To: [redacted] (AN) (FBI)
Subject: FBI Brief - You Probably Knew This Already

UNCLASSIFIED
NON-RECORD

Stevens Hosting Lobbyists For Fundraiser At Alaska Fishing Lodge. Roll Call (8/9, Newmyer, 11:56 a.m.) reported on its Web site, "Undeterred in the face of a federal corruption probe, Sen. Ted Stevens...is hosting a small klatch of top lobbyists and others this weekend for a fishing and fundraising trip to his home state. The getaway, billed as the 'Ted Stevens El Capitan Fishing Event,' combines 'three days of some of the best salt water fishing you will ever have,' according to the invite, with a fundraising reception expected to net at least $2,300 per person for the Senator's re-election campaign." Roll Call notes, "While Stevens has held fundraising events at the lodge in previous years, they have benefited a nonprofit entity," and "this is the first year the trip has been staged as a political fundraiser."

Meanwhile, under the headline "Like Father, Like Son, Even When They Are Under Suspicion," the New York Times (8/10, Shenon, 1.18M) reports, "Ben Stevens is often said by Alaskans to be the spitting image of his father, Senator Ted Stevens. ... Now, father and son share a new, unwelcome distinction. Both are under investigation by the Justice Department over their ties to an Alaska businessman who has confessed to bribing public officials. The Alaska home of Ted Stevens, the longest-serving Republican in the Senate, was raided last week by the Federal Bureau of Investigation. His son's offices in the Alaska Legislature - he was a state senator until this year - were raided last summer." The Times notes, "Many Alaskans have been left wondering whether it was a doting, fiercely ambitious father who brought the son under the suspicion of criminal investigators, or an intemperate, boastful son who entangled his aging father in the Justice Department's fast-growing investigation."

UNCLASSIFIED

FBI - Stevens-1886

194A-AN-13620-m 739

adn.com
Anchorage Daily News

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Records expose Young-Abramoff ties

MARIANA ISLANDS: Congressman has denied being influenced.

By RICHARD MAUER
rmauer@adn.com
(04/20/08 01:49:47)

Rep. Don Young has said he never allowed convicted lobbyist Jack Abramoff to be an influential force over him in Congress.

But now a trove of old billing records from two of Abramoff's firms show that his team of lobbyists had more than 120 contacts with Young's personal and committee staffs over 25 months, including at least 10 with Young himself.

The available records cover a single Abramoff client, the Commonwealth of the Northern Mariana Islands, a U.S. territory in the Pacific that Young oversaw when he chaired the House Resources Committee from 1995 to 2001.

The records show that one of the looming concerns of Abramoff and his fellow lobbyists at the time was a bill introduced by Young's fellow Alaskan, Sen. Frank Murkowski, to reform labor and immigration practices feeding the island's notorious Chinese-owned sweatshops. In 2000, Murkowski's bill passed the Senate unanimously, but Young stopped it cold in his committee, refusing to hold even a hearing.

Young has denied taking that action or any other as a favor to Abramoff, now in a federal prison.

"Abramoff is, and has been, inconsequential to my work in Congress," Young wrote in 2006 in response to a Daily News editorial linking him to the lobbyist. "I have never had any personal or professional relationship with Abramoff."

But as more information surfaces in the Abramoff lobbying scandal, the connections to Young only deepen. Among that new information was a private memo written by Abramoff himself to the governor of the Mariana Islands, expressing concern that Young was being forced by term limits to give up his Resources chairmanship in 2001.

"The loss of Chairman Young's authority cannot easily be measured -- or replaced," Abramoff wrote on Jan. 4, 2001, in crediting Young with blocking reform legislation. "We have lost major institutional memory and friendship."

FBI - Stevens-1887

LINKS TO ABRAMOFF

Young has been defending himself over matters related to Abramoff since the lobbying scandal began to unravel in 2005. Young's campaign spokesman and chief of staff, Mike Anderson, declined to say in an interview last week whether some portion of the $1.1 million the campaign has spent on legal fees over the last year relate to the ongoing FBI investigation of the Abramoff affair, which has led to 13 convictions so far of lobbyists, aides, a former congressman and two former administration officials. Young himself refused to discuss the matter the last time he met with reporters in Anchorage in February, and Anderson would not comment on matters involving

194A-AN-13620-M;740

Abramoff.

Young first came under criticism related to Abramoff over his efforts as Resources chairman to preserve the freewheeling Mariana economy. Investigations by the government, media and human rights groups uncovered widespread abuses in the garment industry and among sex workers there starting in the mid-1990s, but Young asserted those investigations were bogus.

Then, in 2006, a four-year-old letter surfaced from Young asking the head of the General Services Administration to grant preferences in the development of the Old Post Office Pavilion in Washington, D.C., to disadvantaged businesses. Abramoff was seeking just such a privilege for two Indian tribe clients. A Young spokesman would later say that fact was a coincidence.

Last year, Mark Zachares, whom Young hired as a top aide on the House Transportation Committee, pleaded guilty to accepting bribes from Abramoff and agreed to help investigators. Before going to work for Young, Zachares, originally from Alaska, had been a labor and immigration official for the Mariana government. Prosecutors said Abramoff placed Zachares on Young's committee, and Zachares used his insider spot to help Abramoff's clients. Since Zachares' plea 12 months ago, Young has refused to explain what he knows about how Zachares got his job.

Now the 900-plus pages of Abramoff billing records and memos associated with the Mariana Islands are telling more of the story, though they represent only a fraction of Abramoff's total business activities from the 1990s until his first guilty plea on Jan. 3, 2006.

CONNECTIONS WIDEN

The documents emerged in 2005, when the Los Angeles Times, The Associated Press and other media obtained them under a public information request from the Mariana capital of Saipan. Dennis Greenia, a blogger and publications director for the nonprofit Co-op America, provided copies of the records to the Daily News. Some of those records are also coming into play in Colorado, where the Denver Post has been writing about another congressman with Abramoff and Mariana Islands ties, former Rep. Bob Schaffer, a Republican now running for U.S. Senate.

As a member of Young's Resources Committee, Schaffer took a free trip to the Mariana Islands arranged by Abramoff's law firm, then played a central role in a 1989 committee hearing investigating Interior department officials in the Clinton administration who were trying to rein in the Saipan government.

The documents span an intermittent period of 25 months from January 1996 to December 2001. At times during that period, the Mariana government let its arrangement with Abramoff lapse. Other months of billing records are missing.

But the records that are available show Abramoff billing the island commonwealth for some 120 contacts by his team with Young's staff and Young himself -- meetings, phone calls and letters.

Abramoff billed the government for just one meeting he had with Young, on March 6, 1997. At the time, the governor of the territory was visiting Washington. One of Abramoff's lobbyists, Lisa Helpert Tucker, reported five meetings with Young from March 27, 1996, to Oct. 2, 1997. Lobbyists Dennis Stephens, Shawn Vassell, William Myhre and Darrell Connor all said they met with Young in 1996 and 1997.

Lloyd Jones, a former Alaska state senator from Ketchikan who went to work for Young, had 10 meetings and phone conferences with Abramoff's team when he was staff director of the Resources Committee, according to the records. Jones, who retired in January, didn't return a call left on the answering machine at his home in Virginia, where he lives with his wife, Jan Faiks, another former

Alaska state senator.

Other Young aides, including Kurt Christensen, Dan Kish, Manase Mansur and Bill Simmons, had nearly as many contacts as Jones. Lu Young, the congressman's wife, attended a meeting with an Abramoff lobbyist on Sept. 14, 2000, the records show.

But by far the largest number of contacts -- 35 -- were with Duane Gibson, a lawyer on Young's Resources Committee who followed Young when he became Transportation Committee chairman in 2001. Gibson is a former aide to Sen. Ted Stevens and, with his brother Brett, also a lawyer, owns the Anchorage company that makes Yummy Chummies dog treats.

Gibson, as a congressional official, took a trip to the Mariana Islands in December 1997 that was arranged and paid for by Abramoff's lobbying firm. Abramoff submitted a $48,042 bill to the Mariana government to cover the cost of the trip, which included 10 people, among them:

• Lobbyist David Safavian, who a few years later would land a job as the Bush administration's top procurement official in the General Services Administration. Safavian was sentenced to 18 months in prison in 2006 for covering up his connections to Abramoff.

• Roger France, former chief of staff to Rep. Charles Taylor, R-N.C. France is now living in Anchorage, where he has a contract to develop the public relations campaign to open the Pebble Mine in the Bristol Bay region, according to Pebble spokesman Sean Magee.

TROUBLE FOR LOBBYISTS

Shortly after Young took over the Transportation Committee in 2001 for a six-year term -- assuming continued Republican control of the House -- Abramoff lobbyist Dennis Stephens sent an e-mail to Abramoff, with the subject line "duane gibson." It was an idea of how to exploit a new situation with old friends.

"Maybe you and I need to meet with Duane and have him walk us through (a blacked-out name) priorities at his new committee," Stephens said. "Young should be there for six years -- that is plenty of time to develop appropriate clients, sign them up and deliver."

In its charging documents against Mark Zachares, the Alaskan who went to work for Young and pleaded guilty to accepting Abramoff bribes, the government said Abramoff tried to find a job for him in the Interior Department office that oversaw U.S. territories. But the Bush administration wouldn't hire Zachares.

Instead, he got a job as counsel to a subcommittee of Young's Transportation Committee in June 2002, one month after Gibson left to work for Abramoff's firm, Greenberg Traurig.

Zachares' guilty plea made reference to a person who intervened on his behalf to get him the job, but did not name or otherwise identify the person. Young and his spokesmen have refused to provide more information. Lloyd Jones would have been in overall charge of the staff. The chairman of the subcommittee where Zachares worked, Rep. Frank LoBiondio, R-N.J., said Young had overall supervision of the entire staff, including Zachares.

Gibson has consistently declined to talk about anything connected with Abramoff. Reached on his cell phone last week, he said he had nothing to say. FBI - Stevens-1889

While working at Greenberg Traurig, one of his fellow lobbyists e-mailed Gibson and others that a terrible situation was developing in the White House. An ethics official had advised agencies dealing with Indian tribes that lobbyists should never be allowed to attend their meetings, and that it was a

waste of tribes' money to hire lobbyists at all.

Those were "fighting words," the lobbyist, Kevin Ring, wrote Gibson. Tribes with casinos were some of Greenberg Trauig's most lucrative clients.

Gibson responded quickly, telling Ring to find out all he could about the ethics adviser -- and get her fired. He also suggested a dirty trick: start a "phone bank" to place a thousand calls a day to the ethics adviser "from every tribe with a problem."

There was nothing in the records to indicate whether Ring followed through with Gibson's advice.

Greenberg Trauig fired Abramoff in March 2004 as he was falling under increasing scrutiny. Gibson left a few months later. He now lobbies on his own or subcontracts from other lobbying firms, according to his lobbying registrations. By far his biggest contract is with the Pebble Mine partnership, generating nearly $1 million in fees since 2005.

Pebble spokesman Magee said the mine developers got to know Gibson when he was lobbying for the Alaska Miners Association. He said he asked Gibson about Abramoff last week following an inquiry by the Daily News. Gibson said he wasn't under investigation, Magee said. However, the Los Angeles Times reported in 2006 that the Justice Department sought information on Gibson in a grand jury subpoena served on an Indian tribe in Louisiana represented by Abramoff and Gibson.

THE MARIANAS

The situation in the Mariana Islands set up an unusual public confrontation between Young and Alaska's then-junior senator, Frank Murkowski. Both are Republicans.

The Marianas are a string of 14 islands north of Guam, the scene of bloody battles with Japan during World War II. The atomic bomb dropped on Hiroshima was assembled on one of the islands. After the war, the people of the islands decided to affiliate with the United States. Their covenant, signed in 1976, allowed them to have their own immigration and labor policies, though Congress retained the right to impose all U.S. laws.

In the 1980s, tariffs on garments made in some Asian countries gave a decided advantage to clothing factories in the Marianas. Though the industry in Saipan was dominated by the Tan family from Hong Kong and the clothing was made by "guest workers" from China, the Philippines, Bangladesh and elsewhere, the labels said, "Made in U.S.A." The island economy boomed, but not without cost in human misery.

A growing number of reports spoke of near slave-labor conditions, with workers kept in sealed compounds, required to work seven days a week without overtime, and sometimes getting no paycheck at all. There were widespread reports of women coerced into getting abortions to keep their jobs. Some women hired abroad found themselves working not in garment factories at all, but sex clubs.

Murkowski was then chairman of the Senate Energy and Natural Resources Committee, which, like Young's committee, had jurisdiction over the Mariana commonwealth. In February 1996, he and Sen. Daniel Akaka, D-Hawaii, traveled to Saipan to see conditions themselves. They returned outraged.

Visiting one garment factory, Murkowski said, he "talked with some Bangladesh workers who had not been paid and who were living in appalling conditions." He also described a young woman taken to Saipan as a minor and forced to work as a prostitute.

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"This was occurring under the U.S. flag and supposedly with the protection all U.S. citizens enjoy under our Constitution," Murkowski said in a Senate speech in 1999.

MURKOWSKI'S BILL

By the time Murkowski introduced his first bill to take over labor and immigration on the Marianas, in 1997, Abramoff was working for the garment industry and the government. Murkowski failed to get a vote on his bill, but he introduced a slightly scaled-back measure in the next Congress in 1999. This time, the Senate passed it by unanimous consent on Feb. 7, 2000. It went to the House, where it was assigned to Young's committee.

In memos to the Marianas government that March, April and May, Abramoff said his staff was closely monitoring the legislation. In April, he wrote, his lobbyists "continued meetings with House Resources Committee Members and staff to advocate rejection" of the Murkowski measure. Actual billing records for those months are not available, so there's no way to know who the lobbyists were talking to.

Young stopped Murkowski's bill cold, refusing to let it out of his committee. He said the stories of worker abuse were largely fabricated by trade unions and special interest groups promoted by the news media.

"There's no need to move anything," he told a Daily News reporter in July 2000. "Why should you move anything that's really been fueled, very frankly, by hysteria reporting by the media?"

The following January, in his private memo to Mariana officials, Abramoff took credit for the result. "We erected a roadblock in the House to stop the bill from moving," he wrote.

Was that bluster by Abramoff in an effort to convince a client to shell out more money, or did he actually manipulate Young?

Since leaving office, Murkowski has declined to talk about the Marianas issue.

YOUNG DEFENDS ROLE

In the 2006 op-ed column in the Daily News, Young said he was listening to the administration on the islands, not Abramoff, when he spiked Murkowski's bill.

Young also said he got first-hand information when he led a congressional trip to the Marianas and nearby Guam and the Marshall Islands in February 1999. He brought along three delegates from other U.S. territories, eight staff members including Lloyd Jones, and four other congressmen, including Rep. John Doolittle, R-Sacramento, whose wife's home office was raided by FBI agents last year in the Abramoff investigation. Doolittle has not been charged.

Young visited factories and residences. Critics charged that all he saw was what the Tan family wanted him to see.

The visit was covered wall-to-wall by the local paper, the Marinas Variety News & View. A day after Young's group left, on Feb. 22, 1999, it published a small story about an alien worker group that said the delegation provided "no help" with abuse claims. Leaders of the organization, representing Filipinos, Bangladeshis, Pakistanis, Chinese, Sri Lankans and Indians, managed to get a one-hour hearing with the delegation -- minus Young, the paper said. Young didn't meet with the group, the newspaper reported, because he "was tired."

WAGE BILL BECOMES LAW

With the Democrats back in control of Congress, Rep. George Miller, D-Calif., long a foe of Young's on the Mariana Islands, introduced a bill in 2006 that would bring the islands in line with the U.S. minimum wage. President Bush signed it into law last year. Then, two weeks ago, the Senate approved a House measure extending U.S. immigration law to the islands. That, too, is expected to be enacted.

Find Richard Mauer online at adn.com/contact/rmauer or call 257-4345.

What is the Abramoff investigation?

In his heyday in the 1990s and early 2000s, he was routinely referred to in print as "super-lobbyist" Jack Abramoff. That's been replaced with "disgraced lobbyist." Abramoff and his team of lobbyists, many of them former Republican congressional aides, made tens of millions of dollars advocating for Indian tribes with casinos, U.S. territories and dozens of other clients. But Abramoff's access to Congress was greased with bribes and his dealings with clients were marred by fraud, according to his guilty pleas on Jan. 3, 2006, in Washington and the following day in Florida. He agreed to cooperate in an ongoing FBI investigation of influence peddling.

So far, 11 others have been convicted in the Abramoff case, including three former Bush administration officials, former Rep. Bob Ney, R-Ohio, and two of his former aides, two former aides to former House Majority Leader Tom DeLay, R-Texas, and an aide to Rep. Don Young, R-Alaska.

-- Richard Mauer

Who's who

From 1995 to 2001, Don Young was chairman of the House Resources Committee, which had oversight of U.S. territories, including the Mariana Islands. From 2001-2007, Young chaired the House Transportation Committee.

Some 25 months of billing records from Abramoff's firms to the Mariana government list the hours worked on its behalf and who lobbyists had contacted. Key lobbyists who worked with Young and his personal and House Resources Committee staff:

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Dennis Stephens (more than 50 contacts), still a lobbyist

Lisa Helpert Tucker (nearly 20 contacts), still a lobbyist.

Darrell Conner (more than 15 contacts), still a lobbyist.

Patrick Pizzella, now an assistant secretary of labor

The records show Abramoff himself, Tucker, Stephens and Conner met or spoke directly with Young. There's no way to confirm the accuracy of those records.

Key staff members contacted were:

Duane Gibson, a top official in Young's Resources and Transportation committees, who topped the list with about 35 contacts. Gibson received some notoriety during the aftermath of the 2000 election when he was photographed in the "Brooks Brothers Riot" -- a demonstration by Republican congressional staffers outside a meeting of election canvassers in Miami organized to stop a hand recount of thousands of ballots in the presidential election. After leaving Young's staff in 2002, Gibson went to work at Abramoff's firm and now has his own small firm.

Lloyd Jones, Young's chief of staff at the Interior and Transportation committees. Jones retired in January after working for Young for about a decade. He's a former Alaska state senator from Ketchikan.

Dan Kish, Young's former chief of staff.

Bill Simmons, now a lobbyist, was Young's staff director for the House Resources Subcommittee on Forests until 1999.

Kurt Christensen is now the Republican chief of staff for House Resource's Subcommittee on National Parks, Forests and Public Lands. Young is back on House Resources as its senior Republican.

-- Richard Mauer

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Q&A: Don Young and the Coconut Road controversy

EARMARK: $10 million put in 2005 highway spending bill is coming back to haunt him.

By ERIKA BOLSTAD
ebolstad@adn.com

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enlarge
BILL ROTH / Daily News archive 2008
Congressman Don Young held a press conference where he got testy with reporters in his Anchorage office Feb. 20, 2008.

WASHINGTON -- Last week, the U.S. Senate voted to ask the Justice Department to look into what happened in 2005 when Alaska's sole congressman earmarked $10 million in unasked-for money to study a highway interchange in southwest Florida.

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The 64 to 28 vote was an unprecedented request on the part of the Senate for a federal inquiry into the actions of a member of the House of Representatives.

At the center of it all: Alaska Rep. Don Young, who acknowledged responsibility last week for the 2005 earmark, which shifted $10 million pledged to help widen Interstate 75 to the interchange study. If built, the interchange promised to benefit one of Young's campaign donors, a family friend whose real estate company owned property nearby. The earmark was one of thousands overseen by Young when he was responsible for pushing a multiyear highway spending bill through Congress.

Young has maintained that there was nothing wrong with what he did, and that the earmark was requested by the community.

But Young is already the subject of a federal investigation, and many questions remain about how the earmark showed up in the spending bill -- after the House and Senate had already voted on an alternative proposal.

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What follows is an explanation of where the controversy came from, what's known, and what isn't:

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ADVERTISEMENT

Q. How did the Coconut Road earmark come to national attention?

A. The obscure Coconut Road earmark first came to the attention of transportation planners in Lee County, Fla., in 2006, when they tried to figure out why they had received $10 million in federal money for a study of an intersection that wasn't on their list of transportation priorities.

The transportation board thought it was getting a $10 million earmark to go toward widening of Interstate 75. Instead, the money

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was earmarked to the study of an interchange that improves freeway access to land owned by real estate developer Daniel Aronoff.

The community was divided over the earmark for the Coconut Road interchange. Although it wasn't on the list of priorities, some organizations, such as Florida Gulf Coast University, had been pushing for the interchange.

Local newspapers, including the Naples Daily News, picked up on the controversy, and posed the question to Young, at the time the chairman of the House Transportation and Infrastructure Committee. In 2005, the Alaska Republican oversaw the multiyear transportation bill, a $286.4 billion spending plan for some of the biggest infrastructure projects across the U.S. (The bill also included $452 million for the Gravina Island and Knik Arm spans that came to be known as the bridges-to-nowhere.)

Young refused to address the issue. The story failed to draw national attention until The New York Times wrote about it last spring. The article elaborated on the connections between the developers seeking the earmark and a 2005 campaign fundraiser Young attended in Bonita Springs, Fla., at the invitation of a local congressman, Rep. Connie Mack, R-Fla. (The article also reported that when a Times reporter approached Young to speak to him about it, the congressman "responded with an obscene gesture.")

Those donating money -- about $40,000 total -- to Young included Aronoff, whose family has long been friendly with Young. The earmark for the interchange study showed up not long after the fundraiser.

Q. How was the earmark put in the transportation bill?

A. It wasn't until August 2007 that anyone realized that there may have been an additional impropriety beyond Young's questionable approval of earmarks that benefited his campaign donors.

In Florida, the head of the transportation planning board asked her friend, Darla Letourneau, to research how the county landed the earmark -- and to determine whether there was a way to use the money how they wanted. Both Mack and Young had suggested it might be poor form to turn down the money, and transportation planners wanted to see if there was a way to keep the money but spend it on road widening.

Letourneau, a retired former congressional liaison to the Department of Labor in Washington, found that as the bill was being cleaned up to be sent to the president, the $10 million earmark was given a specific designation for the Coconut Road interchange. Her research showed that the bill was changed after both the House and the Senate voted on it.

The Web site Talking Points Memo took it one step beyond; researchers looked at 6,373 earmarks in the bill and found that the Coconut Road earmark was the only one that underwent any substantive changes.

Q. What was Young's role?

A. Last spring, Young called the matter "a recycled story" and wouldn't answer questions about it. But as ethics watchdogs, journalists and community activists have uncovered more information, his office has been gradually more forthcoming with the sequence of events.

Initially, they would say nothing other than that the community asked for the change in the earmark and that they made it. In December, they told the Daily News that they always intended for the earmark to go to the interchange study. Florida Gulf Coast University asked for it for hurricane evacuation in 2005 when he attended one of their community transportation meetings.

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The actual changes to the earmark came during the enrollment process, when transportation committee staffers from both parties (as well as both the House and Senate) sat down with clerks to fix technical problems with the bill. One of Young's aides on the transportation committee made the change at that time.

Last week, Young's spokeswoman Meredith Kenny told the Washington Post that the bill was altered after both the House and Senate voted on it.

"There was an error in the bill and so it was corrected," Kenny told the Post.

But the change was a substantive one that Congress never voted on, and it angered watchdog groups because it was a clear deviation from regular legislative procedure. They have been calling on the House ethics panel to investigate since Letourneau discovered the post-vote change to the earmark.

Their efforts bore fruit last week when Sen. Tom Coburn, R-Okla., a longtime critic of earmarks and wasteful spending, called for an internal investigation by a bipartisan panel of House and Senate members. The panel would help restore integrity to the legislative process by finding out exactly what happened, Coburn said. His proposal failed and the Senate voted on an alternative: a request for the Justice Department to look into criminal activity connected to the earmark change.

Alaska's two senators, Republicans Lisa Murkowski and Ted Stevens, voted for the failed Coburn proposal but not the Justice Department investigation.

Q. What role will the Justice Department have?

A. The Justice Department already has been investigating. A community activist in Florida told the Daily News last year that he had been interviewed by the FBI in 2006. Investigators wanted to know about the political connections of the people who sought the earmark.

Young has been interviewed by the Justice Department and has provided it with documents, his lawyer, John Dowd, told the Daily News. Dowd said he's advised Young not to talk about "matters under investigation." The Justice Department also requested Young not talk about them, Dowd said. The FBI and Justice have several ongoing investigations, including the wide-ranging probe into political corruption in Alaska. They haven't been forthcoming about their ongoing corruption investigations, because of the sensitive nature of investigating political figures.

But Justice also has refused to even address some of the fundamental questions raised by the Senate's call last week for an inquiry into the Coconut Road earmark. It's not clear whether the Justice Department will investigate, or whether it has the authority to look into an internal, procedural matter.

Q. What role did Florida lawmakers play?

A. Young's office has long tried to cast blame on Connie Mack, pointing to a letter he wrote in support of the Coconut Road study. But while Mack was involved in organizing the 2005 fundraiser in Florida, he was a junior congressman on Young's large House committee. Mack didn't have the authority -- or the position -- to actually change the earmark, unlike Young and the staffers he employed on the committee. While he may have asked for the change, ultimately it was Young's staffers who made it. Mack has denied any involvement but also refuses to discuss the matter.

He, as well as other Florida lawmakers (including the ranking Republican on the House Transportation committee, Rep. John Mica) asked for the earmark to go back to its original format: money for the widening of I-75. They were joined in the Senate by both Florida senators, Republican Mel Martinez and Democrat Bill Nelson. Both the senators voted for the Justice Department investigation.

The Senate's request last week for an investigation was actually attached to legislation that does away with the Coconut Road bill and allows Florida transportation planners to use the money as originally intended: for road widening.

Find Erika Bolstad online at adn.com/contact/ebolstad or call in Washington, D.C., at 1-202-383-6104.

Troubles mount for Rep. Don Young

- On Thursday, the U.S. Senate voted 64 to 28 to ask the Justice Department to investigate Young's $10 million Coconut Road earmark.
- Convicted D.C. lobbyist Jack Abramoff's staff had more than 120 contacts with Young's staff over a 25-month period, according to billing records.
- Young refuses to discuss $1.1 million in campaign funds he has spent on legal fees over the past year.

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Comments

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29 Sunday, April 27, 2008 - 11:59am | badmick

Dung Young Done

The tyrant dies bleeding in the sand!!Parnell, 45, shocked political observers when he announced he was seeking the Republican nomination for Youngâ€™s seat at the partyâ€™s state convention last month. Young has expressed his displeasure that he was not informed of Parnellâ€™s decision beforehand.â€œGiven the personality involved, I donâ€™t think a call would be productive,â€ he said. ...

28 Saturday, April 26, 2008 - 6:35am | Birch

Glory_To_God,

many Alaskans gave money to the Young Campaign to be used on the campaign. Now they find that he has spent the extraordinary amount of $1,100,000 on his personal legal matters. This may or may not be legal in itself, but I think that Alaskans have every right to be angry with the diversion of their money from politicking to trial lawyers. Wasn't there a parable about a man who gave his servant mon ...

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27 Friday, April 25, 2008 - 3:22am | travelingtweety

Prison?

Prison sounds about the right place for young to spend the rest of his life. Lets send him there with a soap on a rope so it can be used for the same things that he's done to us for years.He's a foul mouthed old fool who's time is up, and after spending over a Million Dollars of money people gave him to run for office speaks loud and clear. Sure would like to see him give me Thee Finger ...

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26 Tuesday, April 22, 2008 - 9:23am | wolfvorkian

The more I read

about the Young affair, the more I realize why Don has spent over a million dollars on legal fees. He may end up in prison.

25 Friday, April 25, 2008 - 9:29pm | joshgold

Alaskans can do better

Alaskans deserve better than Don Young. It is unfortunate that Ted Stevens is on the same ballot as this contemptuous crook.

24 Tuesday, April 22, 2008 - 5:16am | juliaclayton

Hey Don

If I were you it would be hard for me to sleep at night. Lets see you walk around with that smug attitude of yours now. You make me feel ill everytime I see or read something about you. See ya around

23 Monday, April 21, 2008 - 9:33pm | sheenar416

Are you really suprised?.....

Public servant my ass!.....what a scum bag.

See all 29 comments

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Kohring retrial denied

By Andrew Wellner
Frontiersman

MAT-SU â€" A federal district court judge in Anchorage has denied Vic Kohringâ€™s motion asking the judge to recuse himself and for Kohring to receive a new trial. The former longtime Mat-Su Valley state legislator was convicted in late 2007 on charges of bribery, corruption and attempted extortion.

Kohring will be sentenced 9:30 a.m. Thursday, May 8 in Anchorage.

Kohring was a sitting state representative from Wasilla when he was indicted on federal charges relating to money he received from former officials from oil field services company VECO at the time the state was considering revising petroleum taxes.

In early February, his lawyer, Seattle-based John Henry Browne, argued Kohring should receive a new trial and claimed Judge John Sedwick was biased against him. In a 29-page decision, Sedwick, in essence, ruled Monday that Kohringâ€™s motions were filed late and, even if they werenâ€™t, are baseless.

Kohring had argued that though he realized seven to 10 days after his trial that the judge may have been biased, he needed time to research voting records and talk to lawyers and judges before taking such a drastic step as challenging Sedwickâ€™s impartiality. As such, Browne wrote on Kohringâ€™s behalf, the motion came more than two months after the former lawmakerâ€™s conviction.

Sedwick didnâ€™t buy it.

â€œKohring has failed to establish that he filed the motion within a reasonable time after discovering the facts that he now asserts give rise to the appearance of a lack of impartiality,â€ the judge says in his ruling.

One of the contentions Kohring raised was that Sedwick lives catty-corner to Bill Allen, the former CEO of VECO who admitted to bribing Kohring and testified at his trial. He also argued Sedwick went to high school with Rick Smith, another VECO executive who also testified against Kohring.

Sedwickâ€™s ruling says Kohringâ€™s claims donâ€™t stand up and that case law seems to indicate mere acquaintance with a witness is not enough to force a judge to recuse himself.

The other part of Kohringâ€™s argument involves Sedwickâ€™s wife, Deborah Sedwick. In 1997 and 1998, during Kohringâ€™s time as a legislator, he pushed changes to the state Department of Commerce that, Kohring argued, merged her department with another and eliminated her position.

Sedwick rules on each piece of evidence Kohring argues shows he butted heads with Deborah Sedwick. In each instance, Sedwick rules the relationship between his wife and Kohring, far from being uncivil, demonstrated an ability on the part of both parties to disagree on political issues without taking it personally.

â€œEven if one could somehow assume that Ms. Sedwick harbored some personal antagonism or hostility during the 1997-99 period, there is no basis upon which an informed and thoughtful person could possibly conclude that the ill-will was so pervasive and deep-seated that it has lived on for nearly a decade,â€ Sedwick says in his ruling.

Young's legal fees surpass $1 million

By ERIKA BOLSTAD
The Anchorage Daily News

April 16, 2008

WASHINGTON – [Alaska] U.S. Rep. Don Young has spent more than $1.1 million on lawyers who have helped fend off Justice Department investigations, according to a campaign spending report filed Tuesday with the Federal Election Commission.

Young crossed the million-dollar threshold earlier this year, when his campaign wrote checks for $93,725 and $119,004 in legal fees to Washington, D.C., law firm Akin Gump Strauss Hauer and Feld.

Young paid the legal bills from his campaign account even after he established a separate legal expense fund this winter to help pay for lawyers. He has until April 30 to disclose the activity in that account.

Young, a Republican who has held office since 1973, still won't say why he spends so much on lawyers or exactly what they are doing for him. Young, who held a combative news conference in February, said he wished he could speak his mind. He can't, he said in a statement released Tuesday, because "both the Department of Justice and my lawyers have asked that I not comment further on the investigation. I MUST honor this request," using capital letters for emphasis.

"Many people have been concerned about my legal fees and I do not take their concerns lightly," he added. "I have learned that the legal process is an expensive process, but I have nothing to hide. When it comes to my family and my character, the truth is priceless. That is exactly why I hired good legal counsel, and I have worked fully with the Department of Justice by answering their questions and providing them with anything they have requested."

Young has not been charged with any wrongdoing, but he is connected to several ongoing investigations. They include an FBI probe into his ties to a Florida developer who held a fundraiser for Young in 2005 and then landed an earmark in the highway bill the congressman was shepherding through Congress when he chaired the House Transportation committee. The $10 million earmark, originally slated for the widening of Interstate 75, was shifted toward a study of an interchange instead.

The FBI interviewed community activists who said they felt an interchange at Coconut Road and I-75 would allow the development of environmentally sensitive land owned by Daniel Aronoff, a developer who organized the March 2005 fundraiser in Bonita Springs, Fla.

Like other Alaska politicians, Young also has ties to the wide-ranging federal corruption probe into fundraising practices by the former oil-services company Veco and its chief executive, Bill Allen.

Allen, a major political fundraiser, pleaded guilty to bribing state lawmakers and has been a witness in the ongoing corruption investigation. Until this year, Allen and Veco executives were Young's largest source of campaign contributions.

Young also has had several connections to lobbyist Jack Abramoff, now serving a federal sentence and assisting the FBI and a team of federal prosecutors in an ongoing investigation of influence peddling in Washington.

Young has not been identified as a subject of the investigation, but one of his top Transportation committee aides, former Alaskan Mark Zachares, pleaded guilty last year to conspiring with Abramoff by taking cash and expensive gifts and helping his clients get projects. Zachares, who's also cooperating with prosecutors, was placed in his job by Abramoff, according to his plea. Young has refused to publicly explain how that happened.

DETERMINING PRIVILEGE

Young's lead attorney, Washington defense counsel John Dowd, did not return calls Tuesday. Young's campaign spokesman, Mike Anderson, said that the bulk of the legal expenses has been for lawyers who are reviewing Young's congressional papers to determine whether they are privileged under the separation of powers doctrine, or whether they must be turned over to federal investigators. The Constitution protects some activities of Congress from executive branch officials like FBI agents or U.S. attorneys, though the privilege is not absolute.

Legal expenses have continued to eat away at Young's campaign coffers, even as challengers have filed to run against him. He faces two Republicans in the August 26 primary: state Rep. Gabrielle LeDoux and Lt. Gov. Sean Parnell. Neither candidate has raised as much money as Young, but his once-healthy campaign account has dwindled down to $604,268, with more money going out than coming in.

If Young prevails in the primary, he'll face one of three Democrats in the race. The leading fundraiser, former state House Minority Leader Ethan Berkowitz, raised twice as much money as Young. With $287,306 in the bank, Berkowitz continues to gain on Young.

Young's most recent campaign finance report shows that of the $252,293 he spent on legal bills, $212,752 went to Akin Gump. Young paid another $24,520 to another Washington firm, Tobin O'Connor & Ewing. He also paid $15,020 to John Wolfe of Seattle, a criminal defense attorney who has represented Ben Stevens, the son of U.S. Sen. Ted Stevens, in the federal corruption probe in Alaska.

Lawmakers are allowed to spend campaign donations on legal expenses as long as they're connected to their role as officeholders.

Young's separate legal expense fund allows supporters to give up to $5,000 in addition to the $4,600 that individuals also can donate to his campaign. Unlike an election campaign, though, lobbyists are barred from contributing to the legal expense fund. He can accept money from corporations, which cannot donate money directly to campaigns.

REIMBURSING BILL ALLEN

The latest report has an unusual reference to an effort by Young to reimburse old fundraising expenses paid by Veco on his behalf.

According to Anderson, who is also Young's chief of staff, the campaign decided to take a close look at past fundraising expenses after the 2006 election. One reason for the self-examination was the defeat in California of one of Young's closest Republican colleagues in the House, Richard Pombo. Anderson said Pombo was weakened by third-party attacks and Young's campaign officials wanted to guard against Young being similarly vulnerable in 2008.

In reviewing the campaign's expenses for 2006, they discovered they weren't properly billed by Veco for its annual pig roast on Young's behalf, Anderson said. With that discovery, campaign officials looked back several more years -- he didn't know how many -- and determined that Veco or Allen needed to be reimbursed $37,626. A check was sent to Bill Allen in January 2007, the campaign reported.

Anderson said the audit and the reimbursement occurred months before it was known that Allen was cooperating with federal investigators. Allen and Veco vice president Rick Smith pleaded guilty in May 2007, more than eight months after they secretly began working for the FBI.

Young's most recent report said that Allen never cashed the reimbursement check. This January, the campaign gave the money instead to the U.S. Treasury.

Young's legal fees

2007

1st quarter $25,000

2nd quarter $177,886

3rd quarter $245,457

4th quarter $423,672

2008

1st quarter $252,293

Total $1,124,308

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Source: Young's reports to Federal Elections Commission

Reporter Richard Mauer contributed to this report. Find Erika Bolstad online at adn.com/contact/ebolstad or call in Washington, D.C., at 202-383-6104.

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Air it out

Young welcomes investigation; so do his constituents

(04/20/08 22:48:32)

Last week the U.S. Senate voted to ask the Justice Department to investigate the $10 million Florida interchange earmark inserted into the 2005 highway bill by Rep. Don Young's staff.

That earmark changed the nature of the appropriation. Florida transportation officials had sought money to widen a stretch of Interstate 75, not build an interchange at I-75 and Coconut Road. The interchange appeared to benefit Young campaign contributors.

Investigate? The sooner the better.

There's question about whether the Senate should be voting to ask the Justice Department to do what it may be doing already. Rep. Young has spent more than $1 million in legal fees but has not been charged with anything or even named as the subject of any federal investigation. Federal investigators have interviewed people in Florida who raised questions about the political connections of those involved in the change of the road money appropriation.

Sen. Tom Coburn has proposed a bipartisan congressional investigation of the Young earmark. He said the Senate vote might be unconstitutional. Congress, he said, should police its own members on ethics and procedural rules.

Sen. Harry Reid said the Young earmark is an example of corruption in Congress.

The Senate vote was not just a party-line split. The 64 in favor in favor of a Justice Department investigation included 20 Republicans.

As near as we can tell, there are separate issues here.

• Young's staff apparently changed the earmark to reflect what Young called the wishes of the community in Lee County, Fla. But the change was made after the House and Senate had voted on the bill. Young's staff called it a technical fix. Many of Young's colleagues don't buy it. Did Young violate congressional rules with the after-the-vote fix? That's a matter for Congress to settle.

• Florida road planners said they didn't ask for the change. Florida Gulf Coast University, Young donors and a lobbyist for both the university and Florida developer Daniel Aronoff did seek the change; the lobbyist, Aronoff and others contributed more than $40,000 to Young's campaign, both before and after the change was made.

The questions Alaskans want answered are simple: Did campaign contributions buy a fix for special interests in the transportation bill? Was the claim of "technical change" cover for such a fix? Did Young violate any ethics rules or federal laws?

Whether it's the Justice Department or a bipartisan congressional committee, this earmark and Young's role in it need a thorough investigation, with the power of subpoena.

FBI - Stevens-1901

194A-AN-13620-m;745

More than $1 million in legal bills and what looks like an unprecedented Senate call for the investigation of a House member do not bode well for Rep. Young.

Young's office says he welcomes an investigation of the earmark. He should, because the Coconut Road earmark issue isn't going away until it's resolved.

BOTTOM LINE: Alaskans deserve a thorough inquiry into their congressman's Florida work.

He's late

President warms just a little to action on climate change

If global warming is happening as slowly as the president's response to it, we've got nothing to worry about.

Last week, President Bush made what was billed as a bold Rose Garden speech on his long-range vision for cutting carbon emissions and slowing climate change. He wants to stop the growth in U.S. carbon emissions by 2025, consolidate incentives for cleaner energy production and use, ensure global cooperation, especially with China and India, and encourage technological breakthroughs.

Given the Bush track record of the last seven years, it's hard to take such proposals seriously.

The administration argues that radical short-term fixes are both ineffective in slowing climate change and harmful to the U.S. economy. This view has climate change as a long-term problem requiring long-term solutions.

Some of what the president and his advisers said makes sense. Yes, we should consider the economic impacts and weigh them against actions to alleviate global warming. Wisdom may argue against doctrinaire refusals to consider alternatives like nuclear energy. And China and India need to be part of the solution.

But there's little sense of urgency in the White House approach, no real specifics. This is a view of global warming that says we've got time. Let's talk awhile.

Is this the current generation's World War II? It's a popular notion among some of the most passionate prophets of apocalyptic change, and recently made the cover of Time magazine. Still, the analogy seems forced.

So did the president's Rose Garden speech. The president's proposals boil down to faith in market forces and Yankee ingenuity. Both will play a role in dealing with climate change. The Bush administration has not, and won't.

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Automated Serial Permanent Charge-Out
FD-5a (1-5-94)

Date: 05/15/08 Time: 20:58

Case ID: 194A-AN-13620-M Serial: 744

Description of Document:

Type : NEWSPAPE
Date : 04/20/08
To : ANCHORAGE
From : ANCHORAGE DAILY NEWS
Topic: LETTERS TO THE EDITOR (4/21/08)

Reason for Permanent Charge-Out:

not appropriate for the file

Employee: [redacted]

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Justice asked to probe Young earmark

COCONUT ROAD: Circumstances of $10 million change questioned.

By ERIKA BOLSTAD
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(04/18/08 00:38:37)

WASHINGTON -- The U.S. Senate on Thursday took the unusual step of asking the Justice Department to investigate Rep. Don Young's Coconut Road earmark.

The Senate's 64-28 vote calls on the Justice Department to look into the circumstances surrounding the 2005 earmark, which shifted $10 million from a road widening project in southwest Florida to a study of an interchange that promised to benefit one of Young's campaign donors.

Young has frequently made national news in his 35 years in office, but it is uncommon for any rank-and-file member of the House of Representatives to be the center of attention and discussion in the Senate. The Senate historian's office could recall no example Thursday of the Senate ever asking the Justice Department to look into possible criminal conduct by a House member.

But the 2005 earmark by an Alaska congressman for a southwest Florida road has, as Senate Majority Leader Harry Reid, D-Nev., said, spotlighted "the corruption that permeated the Congress in recent years."

"If violations of federal criminal law occurred, it is the province of the Justice Department and the FBI to investigate and prosecute them," Reid said on the Senate floor.

Justice Department officials would not comment on Thursday's Senate vote. They also have repeatedly refused to comment on any ongoing investigation in Florida, where FBI agents have interviewed community activists who raised questions about the political connections of the people who benefited from the earmark.

EARMARK CAME AS A SURPRISE

The Coconut Road earmark was in the $286.4 billion highway bill that Young oversaw in 2005 as the influential Republican chairman of the House Transportation and Infrastructure Committee. An aide made the change to the legislation after the House and Senate had already voted on the bill, a secret move that has angered other members of Congress and that, ultimately, led to Thursday's call for an investigation.

Young has said since last summer that the community asked for the change and that when one of his staffers made it during the bill enrollment process, they considered it a technical fix that mirrored what people in Florida wanted. His office wouldn't comment Thursday on the Senate vote, but has said for the past week that Young welcomes scrutiny of how the earmark was changed.

"It's a matter of the process, not the member," Young's spokeswoman, Meredith Kenny, said earlier this week. "None of this could have happened just at the hand of Congressman Young."

FBI - Stevens-1904

194A-AN-13620-M;746

Thursday's vote for a Justice Department investigation was actually an amendment to a bill that corrects a number of technical problems in the original 2005 bill -- including reversing Young's Coconut Road earmark.

ROAD PLANNERS RAISE QUESTIONS

The $10 million earmark, originally for the widening of Interstate 75 in Lee County, Fla., was shifted toward a study of an interchange instead.

The FBI has interviewed community activists who said they felt an interchange at Coconut Road and I-75 would allow the development of environmentally sensitive land owned by Florida developer Daniel Aronoff.

But federal investigators didn't start looking into the matter until local road planners started questioning why they had received an unasked-for earmark to study something that wasn't one of their transportation priorities. They'd originally asked for the $10 million to widen the interstate.

Other community interests were pushing for the interchange, including nearby Florida Gulf Coast University. The school asked for the Coconut Road study when Young attended one of their community transportation meetings with a local congressman, Rep. Connie Mack, R-Fla.

Young's chief of staff, Mike Anderson, has said previously that school officials wanted it to serve as a demonstration project for a sophisticated transportation hub that could be monitored with cameras during hurricane evacuations. "It's captured in three words: Hurricane evacuation route," Anderson told McClatchy Newspapers in August.

Yet in the weeks before and after the earmark was inserted in the spending bill, Young's campaign and his political action committee collected contributions from Aronoff, his lobbyist and a number of business interests. Those donations totaled more than $40,000.

Contributors included Rick Alcalde, a Young campaign donor who worked on behalf of Aronoff's real estate firm, the Landon Companies. Alcalde also worked as a lobbyist for Florida Gulf Coast University.

Lobbying disclosure forms show that in 2005, the Landon Companies paid Alcalde $80,000 specifically to lobby on Young's highway bill. In 2006, the university paid him $40,000 to lobby on a transportation appropriations bill.

FBI - Stevens-1905

ALASKA SENATORS VOTE AGAINST

The fundraiser was one of many Young attended nationwide as chairman of the transportation committee, where he was the final say on what highway projects got approved across America.

Eventually, the original earmark was changed, but after the House and Senate had both voted on it. An enrollment clerk, working with staffers on Young's committee, erased "I-75" and added the words "Coconut Road" as the massive spending bill was being cleaned up to be sent to President Bush for signing.

Thursday, support for the Justice Department investigation, sponsored by Sen. Barbara Boxer, D-Calif., drew an unlikely coalition of Democrats and Republicans, many of whom said they were concerned about the integrity of their legislative process. Twenty of the votes of support came from Republicans, including Sen. Mitch McConnell, R-Ky., the Senate minority leader.

House leaders had a muted response to the Senate vote, but indicated they were concerned about what had happened. House Speaker Nancy Pelosi, D-Calif., said Thursday that the matter should be taken up by the House ethics committee. The Republican House leader, Rep. John Boehner, said he also had no objections to an investigation.

"Mr. Young's office has welcomed any inquiry or examination of the earmark, and I would support that as well," Boehner said. "I think it's in everyone's interest that we know what happened and did not happen here."

Both of Alaska's senators voted against the Justice Department investigation, with Republican Sen. Ted Stevens calling it a "dangerous precedent." But both he and Sen. Lisa Murkowski, R-Alaska, did vote for an alternative proposal posed by Sen. Tom Coburn, R-Okla.

Coburn, who opposes earmarks and has been critical of the Alaska delegation, had asked for a bipartisan House and Senate committee to investigate the earmark. It would then refer its findings to the proper authorities. His proposal had 49 supporters, but needed 60 votes for approval.

Later, Coburn said he feared that the Senate's vote Thursday was unconstitutional. Congress can't order a criminal investigation any more than the Justice Department can investigate violations of congressional rules, Coburn said. It violates the Speech and Debate clause of the Constitution, which keeps investigators from using legislative materials as evidence of wrongdoing in criminal investigations.

"Violating congressional rules is not a crime, yet Congress has just given away its right to police itself with this misguided amendment," Coburn said.

His concerns were echoed by congressional budget and ethics watchdog groups, who say they worry that a criminal investigation won't get at the heart of what is essentially a procedural problem.

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Judge dismisses Kohring's bias claim, sets sentencing date

SENTENCING SET: Judge says no evidence backs allegation he was prejudiced against ex-lawmaker.

By LISA DEMER
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(04/15/08 00:02:21)

U.S. District Judge John Sedwick on Monday rejected former state Rep. Vic Kohring's accusations of bias and set sentencing for May 8 for the former lawmaker's convictions on bribery, conspiracy and attempted extortion.

Kohring's lawyer, John Henry Browne of Seattle, said they will take the matter to the Ninth Circuit Court of Appeals.

In February, three months after a jury convicted him, Kohring asked that the case be thrown out or, at the least, for a new trial with a different judge.

Kohring asked Sedwick to step aside because of what he called an "extremely antagonistic relationship" Kohring had with the judge's wife, Deborah Sedwick. It started back in the late 1990s when she was commissioner of the state Department of Commerce and Economic Development and Kohring targeted her department for cuts and downsizing.

Kohring said he sponsored legislation that eliminated her department and her job as commissioner.

In truth, the judge noted, the legislation led to the merger of two state departments, and Deborah Sedwick ended up as commissioner of a revamped and enlarged agency. Her pay went up, not down, over the years, according to state officials.

In his 29-page order, Sedwick wrote that "certain allegations made by Kohring are either inaccurate, misleading, or conclusions without any evidentiary support."

While Kohring's legislation could have led to the demotion of Deborah Sedwick from commissioner to division director, "there is no evidence, direct or indirect, from which it may logically be inferred that it was directed at Ms. Sedwick personally or that she considered that as being its purpose," the judge wrote.

Kohring sought a hearing to air his complaints of bias under what Sedwick called "the novel theory that he has a constitutional right to confront and cross-examine the judge." There's no requirement for a hearing and no need for one, Sedwick said.

Beyond that, Kohring's motion was brought too late, Sedwick wrote. Kohring sought a new trial Feb. 1, three months after his conviction.

Kohring argued that he made the connection between Judge Sedwick and former Commissioner Sedwick only after she showed up for closing arguments in his trial. In court papers, Browne added that the defense needed to "confer with colleagues, friends, legal scholars and even federal judges," all of whom said Sedwick should step down.

"It is literally amazing to contemplate the assertion that one or more federal judges actually did offer Mr. Browne the gratuitous opinion that another federal judge should have recused himself in a pending case in which Mr. Browne was appearing," Sedwick wrote.

Kohring raised three questions: the "combative" relationship between Kohring and Deborah Sedwick between 1997 and 1999; the fact the Sedwicks are neighbors of government witness Bill Allen; and the fact that Sedwick went to high school -- more than 40 years ago -- with another government witness, Rick Smith. Kohring was convicted of conspiring with Allen and Smith to push through an oil tax rate sought by North Slope producers.

Sedwick said that no reasonable person would think a judge was biased just because he lived in the same neighborhood as a witness or went to high school with one. In fact, he authorized wiretaps of Allen and Smith's phones, and the resulting evidence ultimately led to their guilty pleas, the judge wrote.

In a brief telephone interview Monday, Browne said he wasn't convinced the judge could be impartial about a neighbor. "It's just kind of classic Alaska good ol' boy stuff going on."

Browne said he remains concerned about the appearance of a conflict involving the judge and that he will appeal on that and other grounds.

"It's a very unusual situation because the judge is ruling on his own credibility," Browne said.

As to the relationship between Kohring and the judge's wife, Sedwick said there are two questions. First, was there real animosity? And second, would a reasonable person think the judge would remain aware of it to the point he could not be impartial all these years later.

"The court concludes that given all the circumstances, no fully informed, thoughtful person would see the situation for anything other than this: Ten years ago, Kohring and Ms. Sedwick held different views of what was in the public interest with respect to the budgeting for and operation of certain state departments," the judge wrote. "Objectively viewed, there was no personal animosity, but rather a difference of political opinion."

Even if his wife had some hostility back then, no reasonable person would think the ill will so deep-seated that it could live on for a decade, Sedwick wrote.

Prosecutors have asked Sedwick to send Kohring to prison for five years. Browne has not yet filed his recommendation.

Kohring, a Republican from Wasilla, was elected seven times but resigned before his trial.

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Investigation of road earmark sought

FLORIDA HIGHWAY: Staff member says Young won't object.

By GREG GORDON
McClatchy Newspapers

(04/11/08 00:39:42)

WASHINGTON -- An Oklahoma senator plans to propose legislation next week that would force a special congressional investigation to find out who set aside $10 million in a 2005 transportation bill after it won final House and Senate passage. The money was to study a possible highway interchange in southwest Florida.

Such an investigation almost certainly would focus on veteran Alaska Republican Rep. Don Young, who was chairman of the House Transportation Committee when the unusually late substantive revision was made in the summer of 1995.

Months earlier, Young collected more than $40,000 at a fundraiser in Bonita Springs, Fla., much of it from Florida real estate developer Daniel Aronoff and others seeking the interchange at a nearby site along Interstate 75.

McClatchy Newspapers reported last year that the FBI was looking at Young's role in redirecting the $10 million as part of investigations into his earmarking practices and his relationship with an Alaska oil services company.

Sen. Tom Coburn, R-Okla., vowed in December to block unanimous passage of a routine bill updating the transportation legislation unless the Senate agreed to an investigation. His plan to introduce a formal amendment signals a more determined push.

Coburn's spokesman, John Hart, said that both Florida senators -- Democrat Bill Nelson and Republican Mel Martinez -- are co-sponsoring the amendment, a copy of which was obtained by McClatchy. It calls for creation of an eight-member select committee appointed by House and Senate leaders of both parties, to "determine when, how, why and by whom such improper revisions (to the bill) were made."

The panel would have subpoena power to compel the appearance of key witnesses and obtain documents. The committee would be required to issue an interim report by Aug. 1 and a final report by Oct. 1.

FBI - Stevens-1909

Meredith Kenny, a spokeswoman for Young, said the congressman "has always supported and welcomed an open earmark process."

"If Congress decides to take up the matter of this particular project," she said, "there will be no objection from Mr. Young. "

The Coconut Road episode has upset many members of Congress because the change was made after final passage, when only nonsubstantive, technical corrections were permitted. Until the change, the $10 million had been allotted for widening a portion of I-75.

194A-AN-13620-M; 748

Hart said Coburn plans to introduce the amendment by Monday and is confident the full Senate will get to vote "on the substance of the provision."

Hart called it "a brazen attack against the integrity of every member of Congress" and "an unprecedented abuse of power" to change the measure between its final passage and the president's desk.

Steve Ellis, vice president of Taxpayers for Common Sense, a watchdog group that helped uncover the earmark, praised the amendment.

"This gimmick, this power play to shift the language, had real consequences," he said. "The community down there has been waiting two years to get their $10 million to actually widen I-75 because of this whole long, drawn-out fight over the interchange at Coconut Road."

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Kid care

Legislature can still boost children's health insurance

(04/09/08 23:39:38)

The Senate Finance Committee breathed some life this week into a bill that would expand the state's health care insurance program for low-income children and pregnant women.

The committee finally moved the bill along to the next step.

That's good news, though it will be a stretch to get the bill passed by both houses of the Legislature before adjournment, scheduled Sunday.

Some legislators are reluctant to support the bill because they fear the state won't be able to afford children's health insurance at the increased level at some time in the future.

That would be understandable if Alaska provided children's health insurance at a reasonable level.

It doesn't. Our health insurance program is one of the most stringent in the country. A state as flush as ours should take better care of its children.

Congress created this joint federal-state program to insure children in families with too much income to qualify for Medicaid and too little income to be able to purchase their own private insurance.

In Alaska, the program covers children in families with earnings at 175 percent of the federal poverty level.

Forty-one states include families with earnings at twice the federal poverty level, an aide to Sen. Bettye Davis told the Senate Finance Committee. Davis's bill, which the committee moved out Tuesday, would raise Alaska to the 200 percent level, too.

Angela Liston of Anchorage was one of less than a dozen people testifying at the committee hearing.

"Frankly, as an Alaska resident, it's sort of an embarrassment that Alaska, one of the wealthiest states, has one of the lowest levels of children's health care," she said.

The economic argument against expanding the program is even weaker when you consider that the federal government pays 70 percent of the costs.

It's true that some time in the future, Alaska will likely have to cut back on spending. At that point, the level of children's health insurance will have to be weighed against every other state program.

But that's no reason to deny children who need health care today. We've got the money. We've got no excuses.

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194A-AN-13620-M;749

BOTTOM LINE: This bill will extend health insurance to more low-income children. It's a no-brainer.

Initiatives

Let's make it easier to follow the money, consider the source

Whether writing new law is the work of citizens or legislators, we do a better job of it in the light of disclosure.

That's why most of House Bill 355, the Open and Transparent Initiative Act, is a good idea.

The bill, sponsored by Rep. Kyle Johansen of Ketchikan, would require initiative committees to disclose, right from the start, names of contributors and publish that information online. Anyone donating more than $500 would have to file a separate report on their donation as well. Current law requires disclosure only after the initiative backers have finished gathering signatures. This bill would let voters know before they signed a petition who was backing it.

That kind of information is as important to a fair and open initiative process as it is in any election. The more information we have about who is behind an initiative and why, the better we can judge an initiative's purpose, intent and what, if any, special interests it may serve. And the sooner we know, the better.

The initiative process is a valuable right, guaranteed in the Alaska Constitution. Through it, citizens can work their will when their elected representatives will not.

The bar for success is high, as it should be. Only after a proposed initiative passes legal review and certification by the state can backers then set out to gain signatures. They need to collect registered voters' signatures equal to 10 percent of the vote in the last general election -- currently 23,831. In addition, those signatures must include seven percent of the vote in the last general election from at least 30 of the state's 40 House districts. No exclusive cherry-picking for signatures in the population centers like Anchorage.

That high bar can be expensive to reach. The law allows sponsors to pay signature-gatherers up to $1 a name. Alaskans should be able to know who's paying those bills, or any other expenses involved in an initiative campaign, whether for or against, from the first signature to the morning of the election.

We'd strike one section of the bill, which sets well-meaning but vague guidelines for what a committee can name itself. An initiative committee's name should reflect what an initiative would do. Backers shouldn't be allowed to blow smoke with a bogus name that might win the support of voters who don't read the fine print.

But we'd rather let the political marketplace sort that out than give state employees control over the process. Critics will swiftly point out deceptions. The bill should stick to its prime purpose of disclosure. Then voters can follow the money and draw their own conclusions about whether an initiative committee's name fits.

There's an old line that likens making law to making sausage, and says don't look too closely. Don't buy it. Alaskans need to know how the sausage is made and who's making it.

BOTTOM LINE: Open up the initiative process to more disclosure of financial backers.

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Legislators try to dampen gambling initiative

CONSTITUTIONAL AMENDMENT: Judiciary chairman wants issue to go to voters in November.

By SEAN COCKERHAM
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(04/10/08 00:02:36)

State legislators are moving toward changing the state constitution to demand a public vote before any gambling for profit can be legalized in Alaska.

The idea is to blunt an initiative that's set to appear on the August statewide ballot. The initiative would create a commission with the power to authorize gambling -- from lotteries to casino games -- without the Legislature's approval.

The state House voted 33-6 in favor of the constitutional amendment this week. It goes to the Senate, where Judiciary Committee Chairman Hollis French thinks it has a real shot at passing even with just four days left in the legislative session.

If the Senate does pass the constitutional amendment in time and the governor signs it, the idea would go to voters for approval in the November election. That's presumably before the gaming commission could get set up and act.

"I want this to go into the constitution, that people will always have a say," said Anchorage Democratic Rep. Harry Crawford, a longtime foe of expanding gambling who sponsored the measure with Eagle River Republican Rep. Nancy Dahlstrom.

Currently, it is up to the Legislature to decide whether to allow gambling beyond the limited number of pull-tabs, bingo, ice classics, pools, raffles and the like that are now legal to benefit nonprofits. Recent years have seen fights in the Legislature over whether to expand what's allowed to include video poker, a casino, lotteries or card rooms. In the end, the Legislature refused to do so.

That's when people associated with the bar and restaurant industry trade group CHARR produced the initiative for an Alaska Gaming Commission. CHARR members had lobbied for the legalization of video gambling machines in bars and clubs.

The proposed commission would regulate existing gaming in Alaska, which is now overseen by the state Department of Revenue. It would also have the power to expand gambling.

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WILL OF THE PEOPLE

Darwin Biwer, owner of the Anchorage bar Darwin's Theory, said initiative backers collected more than 50,000 signatures while getting the measure on the August ballot. He said Anchorage Rep. Crawford's constitutional amendment is an attempt to thwart the will of the voters to decide by initiative.

"It's kind of embarrassing to even do such a thing," Biwer said.

194A-AN-13620-M; 750

He said the Legislature is out of touch with the public on gambling issues and listens to a vocal minority. He said polls show, for example, that Alaskans want a lottery.

"Everybody wants a lottery; it's stupid not have one," he said.

Biwer said the commission would strengthen monitoring and enforcement of gaming.

CAN IT PASS?

Crawford said initiative backers misleadingly sold the initiative as a move for greater regulation rather than a tool for expanded gambling. Biwer said the initiative language is clear about what the commission would have the power to do.

The initiative says the commission is meant to generate revenue for the state and regulate gaming activities. The five voting commissioners are to be appointed by the governor and confirmed by the Legislature to five-year terms.

Crawford said the commission would have too much power. His proposed constitutional amendment would forbid for-profit gambling without both a statewide vote and a vote in whatever community where the gambling would happen.

Crawford is confident his proposal would get the necessary two-thirds vote to pass the Legislature if it reaches the Senate floor. But he said the question is if it will be held up in committee in the frantic final days of the legislative session.

The measure is likely to go first to the Senate Judiciary Committee. French, the chairman, supports HJR 2 and thinks it "probably does" have legs in the Senate.

French noted it was the Senate in recent years that killed proposals passed by the House to legalize card rooms and potentially allow a casino to be built in Anchorage.

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E-mails may violate ethics code

STEVENS AND SHEFFIELD: Exchange included an offer for a Senate race fundraiser.

By LISA DEMER
ldemer@adn.com

(04/08/08 00:04:13)

An intriguing e-mail exchange between U.S. Sen. Ted Stevens and Port of Anchorage director Bill Sheffield caused an instant flap Monday, with Mayor Mark Begich directing that it be investigated as a possible violation of the city's new ethics code.

In the e-mail chain, 16 months old but just being publicized, Alaska's senior senator and former governor chat about Christmas, sharing drinks and a campaign fundraiser for Stevens to be hosted by Sheffield.

Sheffield was using his city e-mail account when he offered to "hold a FR at my house." He said Monday that could have stood for "a footrace or a fun rally or whatever" but acknowledged they were talking about a fundraiser.

"It was probably a mistake," Sheffield said by cell phone from Juneau, where he is trying to secure state funding for a proposed $700 million port expansion. He said he has hosted fundraisers for Stevens for years, starting long before he became port director.

Stevens said in a statement that he is careful not to use public resources in campaigning. He was using a BlackBerry with e-mail paid for by his campaign, as he has for years, according to campaign spokesman Tim McKeever. The address at issue -- no longer active -- was teds8042@bbi.senate.gov.

"There was no misuse of federal resources in this situation," Stevens said in a statement.

The six e-mails in the string were among nearly 1,000 pages of docu- ments obtained in November 2007 by the Alaska Public Interest Research Group through a public records request to the port.

The documents included hundreds of other e-mails, but those in the string from November 2006 were the only ones about political campaigning, said AkPIRG executive director Steve Cleary. He publicized the chain Monday as he sent in a new request for any e-mails between Sheffield and the congressional delegation, staff members, legislators or candidates that relate in any way to election campaign activity, including fundraising.

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E-MAILS WERE A SURPRISE

The public interest group sought the port expansion records because of concerns about the size and cost of the project.

It was surprising that the e-mails on fundraising and Christmas were included given that Stevens and Sheffield didn't even discuss the port, Cleary said. The original request sought, among other things, communications with members of Congress or their staffs on the port.

"AkPIRG believes that public officials whether elected or appointed shouldn't be using public time or public resources to engage in election campaign activity," Cleary said. "You are supposed to be doing your job, not engaging in ... political activity of any kind."

The e-mails at issue were sent just a few months after the federal investigation into Alaska political corruption burst into public view. Offices of six legislators, including Stevens' son, then-Senate President Ben Stevens, were searched by the FBI in August 2006. But Ted Stevens would not be caught in the glare until July 2007, when the FBI searched his Girdwood home.

Neither Stevens has been charged with a crime, and the investigation is ongoing. So far, three former legislators, a lobbyist, a top aide to former Gov. Frank Murkowski, and two former executives of the defunct oil field services company Veco have been convicted of various corruption charges. A fourth former lawmaker is awaiting trial.

On Nov. 16, 2006, Ted Stevens wrote to Sheffield about the upcoming campaign.

"It's going to be a long, hard trail, probably the toughest one I've faced, but there are still issues here that I do believe I can deal with better than the next person," Stevens e-mailed. "We'll be home for Christmas-hope you and I can talk about some of these problems over a glass."

The next evening, Sheffield e-mailed back and invited Stevens over for dinner or a drink on Christmas Day.

"Other wise see you in Girdwood at your convenience. You may want a FR this year. Let me know."

A delighted Stevens wrote back right away.

"Bill: you're on! Will do it and I will welcome an FR at your place. It feels good to start to gear up for the race! Thanks.T."

CITY E-MAIL ACCOUNT

The conversation next picks up on Nov. 28. Sheffield says people will start coming at 3 p.m. on Christmas with dinner at 4.

Also: "Received your letter regarding request for early money. Will gather up a few checks and hold a FR at my house as well," Sheffield wrote.

In his reply, Stevens said they'd come early because of a planned dinner "with all the gang" including "Ellie," whom he called the grand dame of "our total family." He was referring to Elladean Bittner, mother of his wife, Catherine, said McKeever.

"This will be a tough election if the war isn't over abd (typo) that doesn't look too good now!" Stevens wrote.

On Monday, Cleary sent the exchange to Begich, the city attorney and news reporters. He referenced the city code prohibiting municipal employees from campaigning while on duty.

Begich then referred the matter to deputy municipal attorney Rhonda Westover -- the city's senior ethics officer -- for investigation. She'll decide whether it needs to go to the Ethics Board, which makes recommendations.

Begich, like Sheffield, is a Democrat. He is seriously considering running against Stevens.

So far, the port expansion project has received $109 million in federal earmarks.

Sheffield said his support for Stevens had nothing to do with money for the port. McKeever said the same thing, on behalf of Stevens.

As to the fundraiser, McKeever said it didn't happen until August 2007.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

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Fundraising e-mails between senator, port director questioned

by Jill Burke
Monday, April 7, 2008

ANCHORAGE, Alaska -- A local government watchdog group claims to have unearthed questionable e-mails between a city official and U.S. Sen. Ted Stevens.

The Alaska Public Interest Research Group says it came across what appears to be an e-mail thread about campaign fundraising between the senator and Port of Anchorage Director Bill Sheffield.

The documents were discovered during an AKPIRG review of materials concerning the rising cost of the port expansion.

The e-mails stand out because they appear to originate from both men's official government addresses.

AKPIRG believes that city ethics laws may have been violated in the exchange.

It is illegal for city officials to use their official e-mail addresses or government computers to conduct fundraising, according to the statute.

Watch the Channel 2 News evening broadcasts for the complete report.

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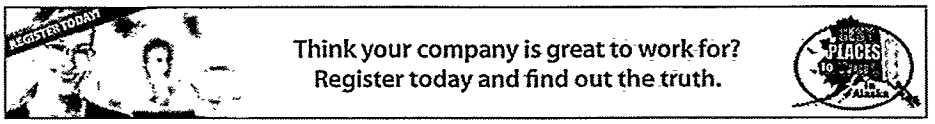

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April 14, 2008

Legislature approved business license fee reduction

The state House gave unanimous consent April 13 to HB 111, sending Gov. Sarah Palin's bill to reduce business license fees to her for her signature.

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Bill increasing state funding for tour promotion sent to governor

A bill expanding the state's share of funding for tourism marketing from 50 percent to 70 percent for three years was approved.

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Personal information protection act goes to governor

While it was slightly weakened by seven amendments adopted in the Senate Finance Committee, the final version of House Bill 65 passed the Legislature.

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Legislature approves bill requiring reports on lease-purchases

House legislation prompted by former Gov. Frank Murkowski's jet lease/purchase passed

Web posted Tuesday, April 1, 2008

Ethics bills heard and held

By Steve Quinn
Associated Press Writer

JUNEAU (AP) - A bill looking to give state watchdogs more time to investigate complaints against elected officials has come down to one burning issue: how much time.

The debate started Monday in the House Finance Committee and was likely to continue Tuesday with just 13 days remaining in this legislative session.

Two Anchorage Republican representatives boiled the argument down to the difference of a single year.

Bob Lynn, the bill sponsor is pushing for five years, but his aide Mike Sica told the committee he would be willing to settle for four. Lynn was sick and not present.

Lynn's argument is that five years would encompass the longest possible full term plus the campaign season leading up to it.

Kevin Meyer, the committee co-chairman, introduced an amendment for four years, a proposal that will get further discussion.

"It's the length of your Senate term or your two House terms; that's why four years," Meyer said. "It's not making it more onerous than even the IRS does on our taxes."

Democratic Rep. Les Gara, also of Anchorage, however, is pushing for five years, saying that reflects the criminal statutes.

Gara and fellow Anchorage Democrat Harry Crawford first raised the issue last fall when testimony in a federal trial revealed former oil field service executives paid for some candidate's political polls.

"I just feel the statute of limitations should be longer so people aren't shielded from their conduct," Gara told the committee.

Gara and Crawford had insisted that the Alaska Public Offices Commission should pursue charges. But APOC said it was bound by a one-year statute of limitations. However, the commission has ordered an investigation

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the Senate with a unanimous vote, April 11.

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Renewable energy debate sparks as session nears end

NPDES primacy bill goes to governor

ATIA marketing match shift held in Senate Finance

into other cases.

The commission has said it's worth it to learn who else may have received this kind of help from Veco Corp., even while bound by the current laws. Additionally, there could be value in preventing any infractions from happening again, one investigator said. The results haven't been announced.

Lawmakers are trying to make the term consistent with another provision calling for elected officials and those who lost races to keep campaign receipts for six years. Meyer is calling for four as well.

"It makes no difference to me whether this is one, two, four, five 10, 20, 25 years or the rest of your life," said Anchorage Republican Mike Hawker. "Just make it consistent throughout."

If APOC had more than one year, it could have pursued an investigation into Jim Clark, the chief of staff to former Gov. Frank Murkowski. Federal prosecutors did get to Clark, however.

Clark pleaded guilty to hiding from state election regulators more than $68,000 in polls and consultants' fees he secured from the oil field services company Veco Corp. for Murkowski's failed gubernatorial re-election bid two years ago.

APOC had four years to investigate complaints, but the time limit got reduced to one year in 2003.

"Prior to amending it down, I don't think the system was broken; in hindsight now that it's back before us, we see it's broken," said Rep. Reggie Joule, D-Kotzebue. "We probably shouldn't have fixed it when it wasn't, but now we need to fix it since it is.

"Under the unbroken system, it was four years. I would say just go back to that."

A second bill proposed by Lynn includes prohibiting a lawmaker from accepting or soliciting campaign donations in the municipality where a session is held 90 days before an election.

During Monday's meeting, concern arose over the fairness to lawmakers who live in the city where session is held. A special session is to be held in Juneau, the city where three lawmakers call home.

Still, committee members said it could have broader effect if a special session is held outside of Juneau, as it was in Anchorage last June.

Additionally, the second bill allows legislative staff members to receive gifts from immediate family, even if they are lobbyists.

Lawmakers' spouses or domestic partners are not permitted to be a registered lobbyist thanks to a sweeping ethics reform bill past last year.

e-mail your letters and comments to editor@alaskajournal.com

PREVIOUS ARTICLES

Health care legislation appears dead but Coghill tries for resurrection

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Young's campaign donations up; legal spending continues

The Associated Press
(04/07/08 00:18:57)

WASHINGTON, D.C. -- U.S. Rep. Don Young raised more funds for his re-election campaign during the first quarter of this year than in the last quarter of 2007.

The Alaska Republican, however, continued to pay substantial legal fees to defend himself against a federal probe into corruption allegations.

According to a Young spokesman, the congressman's re-election campaign raised more than $164,000 in contributions between January and March. In the last quarter of 2007, just under $44,000 was raised.

Young's report to be filed soon with the Federal Elections Commission will show that he spent about $213,000 in legal fees in the first quarter of this year, the spokesman said.

Almost $94,000 was billed in January for legal work performed in December. Fees charged between January and March added up to about $119,000.

Additional legal fees will show up on the next quarterly report. A bill for about $23,000 in legal work done in March was sent to the campaign in April.

Those charges, combined with previous fees, total more than $1.1 million for legal counsel since the beginning of the 2007-2008 campaign cycle.

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CONTACT: Wayne A. Stevens at (907) 586-2010
wstevens@alaskachamber.com

The Alaska State Chamber of Commerce Announces Jim Jansen as Outstanding Alaskan of the Year

(Anchorage, AK, September 13, 2007) – The Alaska State Chamber of Commerce named Jim Jansen the 2007 William A. Egan Outstanding Alaskan at the Chamber's 48th Annual Convention and Business Trade Show in Anchorage. The Celebrated and prestigious William A. Egan award is given to individuals who have made substantial and continual contributions of statewide significance while working in the private sector. Each year, nominations are kept strictly confidential and the selection is made by the casting of a secret ballot by all past chairs of the Alaska State Chamber of Commerce. The recipients of the Outstanding Alaskan of the Year form an impressive list of Alaskan "Who's Who" and dates back to its first honoree in 1964.

Jim Jansen is a recognized transportation visionary. As a second generation Alaskan businessman, his leadership, vision and dedication has taken the Lynden family of companies from being a solid trucking operation to an all-encompassing multimodal transportation provider using aircraft, boats, barges, hovercraft, specialty trucking, and global forwarding.

Lynden began with a clear mission. Put the customer first, deliver quality, and be the best at what you do. Today, Lynden's service area has grown to include Alaska, Washington, Western Canada, with additional service extending throughout the United States and internationally, via land, sea and air. The Lynden family of some sixteen companies includes Bering Marine, Lynden Logistics, Alaska Marine Lines, Lynden Transport, Alaska West Express and Lynden Air Cargo among others.

Since 1982, Jim has served as Lynden's Chief Executive Officer. He began his career with Lynden in 1970 and held progressively responsible positions within the organization prior to becoming CEO. Lynden has a culture that clearly began with Jim's father, Hank Jansen, and continues today through Jim's leadership.
His motto is 'Work Hard, Give Back to your Community, and Have Fun". Jim is always looking for new opportunities and continues to build the company.

In Alaska, the Lynden companies are widely recognized and respected for applying the ingenuity that is mandatory for successfully operating equipment in our environment. This ingenuity applies throughout the Lynden organization.

ALASKA STATE CHAMBER OF COMMERCE

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Date: 06/03/08 Time: 13:37

Case ID: 194A-AN-13620-M Serial: 756

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To : ANCHORAGE
From : ANCHORAGE DAILY NEWS
Topic: ALASKA EAR

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Report From Alaska: Old School vs. New School in GOP -- Sort Of

by John Gizzi (more by this author)
Posted 03/18/2008 ET
Updated 03/19/2008 ET

As readers of my political columns in HUMAN EVENTS know, Alaska is rarely high on the list for reporting. It's not that it's so far away, but it's just that politics in the state are rarely exciting. Until Frank Murkowski relinquished his Senate seat to become governor in '02 and appointed his daughter Lisa to succeed him in Washington, the Land of the Midnight Sun had had the same two Republican senators for decades -- Frank Murkowski since 1980 and Ted Stevens since 1968. Fellow Republican Don Young had held the state's lone U.S. House seat since 1973 (winning a special election to replace Democratic Rep. Nick Begich, who was declared legally dead a few months after disappearing in a small airplane but nonetheless defeating Young in November). About the last time I focused on a race for governor was in 1990, when former Republican Gov. (1966-68) Walter Hickel won his old job back as the nominee of the Alaskan Independence Party (which wants the state to secede from the union and become a sovereign nation).

But all that is changing in a big way. So when Massachusetts political consultant Holly Robichaud called me after returning from the state GOP convention this weekend, I jumped to take her call. Holly was in Alaska to train more than 50 participants in a workshop sponsored by the Republican Federation of Republican Women. This comes at a time when conservative Republican Gov. Sarah Palin -- seven months pregnant with her fifth child barely a year after succeeded Murkowski as governor -- is being boomed for as a running mate with John McCain. Moreover, the state's two most durable pols -- 74-year-old Young and 84-year-old Stevens -- are headed for the fights of their political lives. Both Republicans have been touched by scandal, albeit never formally accused on any crime.

"It's really a case of new school versus old school," Robichaud told me, after spending a weekend at the state convention that attracted more than 500 FBI - Stevens-1926

Republican activists to the Captain John Cook Hotel in Anchorage, "There was a feeling at the convention that 'We need to clean house and if the Republicans don't clean house, the Democrats will.'"

She was referring to the stunning announcement at the convention by Lieutenant Governor Sean Parnell that he would be a candidate against Rep. Young for nomination to the at-large House seat. Parnell's declaration was followed by an even more stunning announcement by Palin that she was supporting him against the 35-year incumbent.

"And then Don Young blew his cork," Robichaud said. She recalled how the congressman took to the podium, denounced Parnell, and wondered aloud angrily why he ran for lieutenant governor in '06 if his ambition was Congress.

The differences between Parnell and Young are less on issues than image. As the Almanac of American Politics notes in its latest edition, "Young's 2008 re-election prospects became clouded by a far-reaching FBI corruption probe in Alaska. In May 2007, Rick Smith, an associate of Young's and the former CEO of the politically-connected oil -- production services firm VECO Corp, whose PAC was the single largest contributor to Young since 1989, and several others plead guilty to bribery and conspiracy charges. The Wall Street Journal reported in July 2007 that the investigation had expanded to include Young." In the '06 general election, Young's little-known and underfinanced Democratic foe got a surprising 40% of the vote.

A third candidate in the primary race with Young and Parnell is State Rep. Gabrielle LeDoux. For the first time in memory, Democrats will field a heavyweight contender for the House seat -- most likely former State House Democratic Leader Ethan Berkowitz.

The guilty plea of Smith and fellow VECO executive Bill Allen has also touched the venerable Sen. Stevens, whose home in Girdwood, Alaska was raided by the FBI in July of 2007 (although Stevens has yet to be charged with any crime). One year before, there were FBI raids on the offices of six Alaska legislators (including the senator's son, State Sen. Ben Stevens, who has since left the legislature) and VECO' Allen had overseen and allegedly paid for remodeling work on the senator's home.

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But, in contrast to Young, Stevens faces no primary opposition. As Robichaud explained, "Ted Stevens is looked at as having a halo on his head for all the federal money he has brought to Alaska to keep the economy going. There is forgiveness for him in the Republican Party." Perhaps, but this may not be the case in the state as a whole; a recent Research 2000 poll showed Anchorage Mayor Mark Begich, son of the late Rep. Nick Begich, defeating Stevens by a margin of 47% to 41% statewide.

At this point, one thing is certain: in contrast to past years, Alaska politics will not be "business as usual."

John Gizzi is Political Editor of HUMAN EVENTS.

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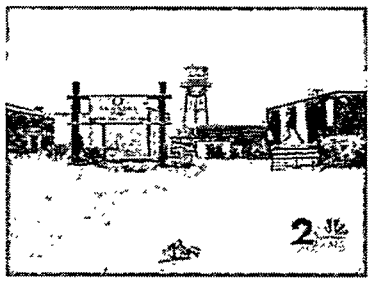
Mat Maid site hot property

Palmer Mayor John Combs (Kris Riley/KTUU-TV)



The plant sits in the heart of downtown Palmer and was once the epicenter of the Valley's dairy industry. But now it's cluttered with junk, used equipment and truck trailers. (Kris Riley/KTUU-TV)

Palmer City Manager Bill Allen (Kris Riley/KTUU-TV)

Ray Nix, asset manager with the state Division of Agriculture (Kris Riley/KTUU-TV)

by Lori Tipton
Monday, Jan. 7, 2008

PALMER, Alaska -- Matanuska Maid Dairy is no more and the state is in the process of shutting down its Anchorage plant and liquidating other assets, including the old dairy plant in Palmer.

State officials say they are already getting calls and letters from potential buyers for that piece of property.

The plant sits in the heart of downtown Palmer and was once the epicenter of the Valley's dairy industry. But now it's cluttered with junk, used equipment and truck trailers.

Mayor John Combs says Mat Maid moved to Anchorage more than 20 years ago but held on to this piece of property, which consists of one large building sitting on three acres.

"It's in a lot of disarray over there and, you know, needs a lot of attention," Combs said. "It's been neglected for a long, long time."

City Manager Bill Allen says it needs to be cleaned up. He sent a letter to the state asking if the city could buy the property.

"That's a big eyesore right in the heart of our community," he said. "We're getting ready to launch a major beautification project for the city of Palmer."

Allen says the city also wants to buy the property surrounding the old Mat Maid plant should it become available.

For now, the focus is on the three acres, assessed at just under $400,000.

Ray Nix, asset manager with the state Division of Agriculture, says the city is just one of many interested in the three acres.

"Offers to purchase, persons interested in leasing all or part of the facility, so yes, there has been several interests in the properties," Nix said.

But Allen says he hopes the state gives the city preferential treatment because of their plan to help beautify downtown.

"The city is willing to pay market value. We're not asking for a sweetheart deal," Allen said. "We simply want control of the property that plays such an important role in our future."

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194A-AN-13620-M: 759

Mat Maid once helped build a community here and city officials hope its property can serve as a cornerstone for Palmer's future.

Allen says he will address the city council at Tuesday's meeting, asking for approval to enter into negotiations for the property.

The Creamery Board will have the final say in who gets to purchase the property.

Contact Lori Tipton at ltipton@ktuu.com

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MEA plays dirty to sidestep democratic process

COMPASS: ***Points of view***

By DARIN MARKWARDT

(02/01/08 02:05:32)

I sometimes wonder if MEA does it intentionally -- if it lays awake at night thinking of ways to act petty and boorish, ways to say, "Hey, watch us thumb our noses at you, the member-owners -- and get away with it."

Over the past week, we have seen fresh examples of Matanuska Electric Association's disdain for its member-owners, and the democratic process.

The first incident involved Tom Staudenmaier. He has run for the MEA board ... a lot.

Every year he gathers his 50 required signatures, and every year he's on the ballot. This year, though ... oops. Only 49.

One short. MEA had to give an "Aw shucks, Tom, one short, terribly sorry ..." Tom was about to unleash a massive lawsuit, when -- ta da -- the magic 50th appeared.

Why did MEA want to keep Tom off the ballot? After all, he's never been close to winning.

Well, could it have to do with the fact that Lee Jordan -- who is running for reelection -- is from Eagle River? So is Tom. What a coincidence.

Could it be that MEA was trying to keep Tom off the ballot because he could siphon off 1,500 votes from Jordan?

It's the same old MEA tactics.

The second of MEA's latest transgressions involves the proposed bylaw change.

The new bylaw would seat newly elected board members on the MEA board within 15 days of the election, instead of making them wait 4½ months before being seated.

Three hundred signatures were needed to place the bylaw change on the MEA ballot. FBI - Stevens-1931

Six hundred and 20 member-owners signed the petition.

Six hundred and 20 signatures. (For you math majors, that's more than twice the amount needed).

MEA, of course, has chosen to play dirty. They have declared that the MEA ballot book will only show reasons for voting "no" on the bylaw change.

Well, long live the empire.

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Imagine the borough or state trying to get away with this. Imagine, in the voting booth, reading: "Reasons to vote no on this initiative," followed by a "yes" or "no."

No way, you'd cry. This is the United States. We don't play one-sided baseball. We either give both sides a fair say or say nothing at all.

But MEA doesn't want to play by those rules (pesky democracy ...). In fact, MEA assistant general manager Tuckerman Babcock has said that the "utility cooperatives aren't bound by the same rule of neutrality as state and borough governments when it comes to elections."

In essence, MEA management is saying that you -- the member-owner -- are too stupid to figure out what's right for your utility.

And to save you the trouble of thinking, MEA's benevolent management is just going to tell you how to vote on the bylaw initiative.

How charming.

Now here's the truth about MEA's election process: MEA forces its elected board members to wait for 4½ months before being seated.

That's longer than we make the president, governor or Congress member wait for office.

That's 4½ months for MEA's not-so-lame-duck board members to do whatever they want.

Four and a half months for MEA to try to find some reason to kick out the new board member, 4½ months for MEA to ignore the vote -- and the voice -- of their member-owners.

MEA claims that the new bylaw would conflict with current bylaws. New officers, they say, aren't elected until July.

What if an officer is defeated? We'd be left without an officer!

Wrong. The truth is that MEA bylaws allow the board to temporarily fill vacant officer positions.

That means if an officer -- say, the president -- is defeated, then the new MEA board will choose a fellow board member to temporarily fill the position. In July, the board will decide whether or not to keep that person as president.

It's rather simple. (That whole truth thing helps.)

Ask the other Railbelt utilities. Their newly elected board members are placed on the board within 15 days of the election or at the next meeting.

Look at the bylaws themselves. They say that election results must be certified within seven days.

It's not rocket science, MEA. Just because you don't like democracy doesn't mean you can make up the rules.

Darin Markwardt is a board member of MEA Ratepayers Alliance

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Kohring sentencing delayed

By Russell Stigall
For the Frontiersman

MAT-SU — Former state Rep. Vic Kohring has beat back his day of sentencing with an appeal for a new trial and to disqualify the judge who found him guilty.

Facing sentencing on his late 2007 convictions on corruption, bribery and attempted extortion charges, Kohring is asking U.S. District Court Chief Judge John Sedwick to overrule the convictions or order a new trial. The motion also asks Sedwick be recused from handling Kohring's case. Kohring was to be sentenced Wednesday, but that was pushed back to consider his motions.

Before Kohring's October 2007 trial, Sedwick denied appeals by the ex-legislator and his attorney, Seattle-based John Henry Browne, to move the trial to Seattle and disregard certain evidence. Kohring's motion accuses Sedwick of being biased as a result of a previous political disagreement between Kohring and Sedwick's wife.

Judge Sedwick referred Kohring's appeal to Judge H. Russell Holland. Holland interpreted Kohring's appeal and placed the decision back with Sedwick. Sedwick has until Feb. 25 to decide whether or not to recuse himself and Kohring has until March 10 react to Sedwick's decision.

Kohring, a seven-term Republican representative from Wasilla, was convicted of three counts of conspiracy, attempted extortion and bribery in a Federal political corruption case late last year.

Kohring benefited from and contributed to the cash and influence former VECO oil services company executives Bill Allen and Rick Smith meted out to at least a dozen state legislators for more than a decade. Kohring was found guilty of selling his influence and vote for multiple cash payments totaling an estimated $2,600.

During Kohring's trial, testimony and surveillance video showed Allen and Smith meeting with Kohring and other legislators in room 604 of the Baranof Hotel in Juneau. The Federal Bureau of Investigation bugged the room in 2005 and recorded thousands of hours of audio and video. Kohring and former House speaker Pete Kott were convicted of bribery and conspiracy, and the surveillance and testimony was used at both their trials.

Federal prosecutors Joseph Bottini and Edward Sullivan have asked Judge Sedwick to impose a five-year prison sentence on Kohring. Kott was sentenced to three years. The federal government is also asking for Kohring to be fined $24,244.

Bottini and Sullivan wrote in their sentencing memorandum that Sedwick should take into account Kohring's repeat offenses. He accepted multiple bribes from Allen and Smith and conspired with the executives on multiple occasions.

Kohring referred questions about the motions to his attorney. Repeated attempts to reach Browne before press time were unsuccessful.

FBI - Stevens-1934

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Revisit oil taxes? No

Regime passed in November provides fair share, incentives

(01/22/08 00:35:07)

State Sen. Charlie Huggins wants to give back to oil producers some of the money Alaska claimed as its due with the enhanced ACES legislation passed last November. There is no good reason to do so. Alaska simply took a fair share for its oil, limited deductions at the big fields and still provided attractive incentives for more investment.

It's a decent deal. We don't owe the industry a better one.

Why? Here are several reasons.

• Record profits off Alaska's oil. That's right -- Alaska's oil. Some of our lawmakers, and even some former governors, seem to forget the fundamental fact that the oil does not belong to the oil companies. It belongs to Alaska, and the Alaska Constitution requires that oil, like every other resource in the state, be used for the common benefit of Alaskans.

• Years of empty talk about building a gas pipeline, which would help secure Alaska's prosperity for decades. Yes, a gas line is a tremendous undertaking. Yes, reinjecting gas to produce more oil has increased Alaska's oil production. But the North Slope producers have made it clear that they'll do a gas line only on their terms, not ours. Again, Alaska lawmakers need to remember that the gas is Alaska's, not the producers'.

• Exxon, for its intransigence over paying punitive damages from its 1989 spill and its refusal to start producing the Point Thomson field. And, of course, its arrogance during the last oil tax debate and its insistence that North Slope gas will get to market only when it suits Exxon.

For the record, and we fervently wish Alaska's leaders would take this to heart: Alaska and the oil companies are not partners. For all the talk about alignment of interests, for all the good relationships and for all the contributions the oil industry makes to Alaska, when it comes time to deal, the state and the companies sit on opposite sides of the table.

And that's the way it should be.

The oil companies' job is to look out for their interests and maximize profits for shareholders. Alaska's leaders have a different job -- to look out for the interests of all Alaskans and to realize the greatest gain from our resources.

Lawmakers did that job about as well as they could last fall. The only reason to roll back the retroactive section of ACES and to uncap deductions is because the companies would prefer it that way. That's reason enough for the industry. That's nowhere near good enough for those elected to represent Alaskans. The industry has had no qualms about asking for retroactive tax credits. It should be able to take a few months' retroactive tax in stride.

Just how does it serve Alaska to return hundreds of millions in oil company taxes when the

companies are making extraordinary profits on $90 oil, and Alaska's income in future years is likely to shrink?

Sen. Huggins suggests that it's unfair to slap a retroactive tax on the industry. Unfair? What was unfair was that Alaska didn't boost its share sooner. Six months of retroactivity covers only a small share of the towering profits the industry has enjoyed harvesting Alaska's wealth.

Let ACES ride. Alaska still offers generous incentives for investment and a tax regime that won't have anyone in the industry missing any meals. Let's take care of Alaska -- and remember that Alaska is not synonymous with the oil industry.

BOTTOM LINE: State needs to hold its ACES. The industry will still play.

Don't do it

LeDoux's fundraising violates spirit of state ethics law<

State Rep. Gabrielle LeDoux (R-Kodiak) is trying to unseat longtime Alaska Rep. Don Young by presenting herself as a more ethical choice. So why does she insist on exploiting a fundraising loophole in state ethics law?

That law prohibits state lawmakers from fundraising in Juneau during the legislative session. Unfortunately, that ban applies only to fundraising for state legislative races. Since Rep. LeDoux is running for Congress, the ban does not apply to her. She's free to raise money, even from special interests who seek her favor during this legislative session. She won't agree to stop holding out her hand for contributions during the session.

A fellow Republican, House Speaker John Harris, has called on Rep. LeDoux to stop her ethically questionable fundraising. If she doesn't, Harris has suggested she could be evicted from the House Majority caucus.

That's a fine and principled stand -- but it also has a tinge of self-interest. Speaker Harris is often mentioned as a potential candidate for Congress, given Rep. Young's ethical and legal troubles. (Harris says he would not run unless Rep. Young stepped aside.) Up to this point in his long legislative career, Speaker Harris was hardly a noted champion of high ethical standards.

Potentially mixed motivations aside, Speaker Harris is right on this one. Rep. LeDoux is violating the spirit, if not the letter, of the state ethics law by raising money for her congressional bid during the legislative session. She should stop. If she doesn't, she'll have no reason to complain if the House majority caucus sanctions her.

BOTTOM LINE: An ethical legislator wouldn't fundraise for a congressional race while the Legislature is in session.

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Letters to the editor (1/21/08)

(01/21/08 00:18:02)

Kids need more time in the real world, not in crowded classrooms

Our children do not need more time in class; our teachers need fewer students in a class and less non-education-related duties ("School year should be longer, Comeau says," Jan. 14).

The last thing our children need is more time in a classroom that is overloaded. When you put 25 to 30-plus students in a class, it doesn't matter how long they are there.

Add to that all the assessments, surveys, new reading, math, report cards and underwater basket-weaving programs that are being dumped on the teachers and I am amazed that teachers have time to teach at all.

Our children also need time out of class to learn about the world and, to be honest, they need time with their parents. The last time I checked we are the primary care providers, not the school system.

The Anchorage School District administration has lost complete track of reality with this proposal to lengthen the school year. Trapping our children indoors for more hours a day or more days a year is missing the point; they are children and it is important for them to be children, not manufacturing drones.

Did it completely escape the School District administration's attention that summer is only three months a year and do they really think these kids will be attentive after a long winter?

Competitive -- who competes in a global market with a K-12 education?

-- Scott Henderson

Anchorage

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Chaining creates dogs that are antisocial, frustrated, neurotic

It is understood that chained dogs are at risk for attacks by wolves, other dogs, moose and abuse by people. It is also true that chained dogs are dangerous to people. According to the Journal of the American Veterinary Medical Association, 17 percent of dogs involved in fatal attacks on humans were restrained on their owner's property. These dogs are not allowed the normal "flight" response when chained, often leading them to fight instead.

A chained dog often lacks socialization and human interaction, essential for any dog's mental health. Chained dogs are frustrated by isolation, lack of exercise and boredom. Additionally, they must eat, sleep, defecate and urinate in the same small area, which is unnatural and creates more problems with house training. These dogs become neurotic from their situations, further deterring

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human interaction.

I have a wonderful dog (now 13) who spent the first two years of his life chained to a tree. The owners gave him to me willingly, although they warned me what a terrible dog he was: fights with other dogs, not house trained, ran away. These issues were related to his circumstances; we started daily walks and he lives happily with other dogs.

I implore you to take another look at your neighbor's barking, lonely dog. Consider talking to owners of neglected dogs and working to make their lives better.

-- Metis Riley

Anchorage

Police need to intercept red-light runners in Eagle River

I request the police department patrol the intersection of Hiland Road/Yosemite and Eagle River Loop/Briggs Bridge in the morning.

I live on Hiland Road and go through this intersection every morning between 7:15 and 7:30, which is the time Eagle River High School is getting ready to start. Recently as I waited for my green arrow to turn left off Hiland, I counted no fewer than seven cars running their red light.

It was total chaos!

Cars were cutting in front of each other, slamming on their brakes, totally disregarding the traffic order.

These were vehicles coming from the Briggs Bridge to get onto the Glenn Highway. Another morning again three cars ran the red light as I waited for my turn. There is also a lot of confusion with the drivers turning right on red from Yosemite to get onto the Glenn Highway. I assume these are parents having just dropped off their children at the high school.

Is there any way to restore order there in the morning? It looks like an "accident" waiting to happen.

-- Christine Kenshalo

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Eagle River

In changing times, we need some better representation in Congress

In the Jan. 13 article "Young in the race of his life," Rep. Don Young is quoted as arrogantly stating, "Anybody running for this job, ask them what they can do better than Don Young. In fact, ask them, really, what hasn't he done?"

The real questions to ask and ponder are:

Could someone else given the chance do more than Don Young has?

Would a new congressman actually be present to vote in Congress with a better attendance record?

Could there be a better choice to represent all Alaska, not just Republicans and corporate donors to Young's campaign in exchange for earmarks that he is so proud of?

Come on, Alaska -- times are changing. We need to get younger, more sharp and less corrupt politicians in office. Let's retire Don Young and Ted Stevens. Lisa Murkowski is doing a fair job and I think she would work well with any new representatives we send to Washington, D.C., be they Democrats or Republicans.

-- SR Phoenix

Homer

Meat likely wormy, wasn't wasted

Regarding the killing of the Kodiak brown bear reported in the Jan. 6 issue ("Big time"), I too was appalled at the apparent waste of all that meat that was left behind.

I was then told that it is rare for brown bears or grizzlies to be found without worms. Thus, even our state's Fish and Game recommends not eating grizzly or brown bear meat. So, Paul Hannis ("Hunters carry 150 pounds, leave 1,500 pounds to rot," Jan. 9) may rest assured that no meat was wasted.

-- Michael Krug

Anchorage

Commercial interests trying to take fish from dipnetters

It is that time of year for the Board of Fisheries to meet to revisit and revise the Upper Cook Inlet Management Plan for the next couple of years.

As usual, dipnetting (personal use) for your average Alaskan is under attack from the commercial fishers -- again. There is a proposal to limit dipnetters to 15 fish per head of household, rather than the current 25.

Other proposals are to limit motorized dipnetting to an anchored boat only; to do away with the windows, which are the 36-hour periods when commercial fishermen can't fish, so fish can enter the river; and to allow dipnetting only after the optimal escapement goal is met, which would be about the end of July.

More than 65,000 Alaskans benefit from dipnetting on the Kenai and Kasilof rivers. These are people just trying to put fish into the freezer. Yet we have the commercial fishermen taking about 94 percent of the total catch of sockeye salmon and they still want more. That means that the bigger percentage they want will come out of sportfishermen's and dipnetters' shares.

The Board of Fisheries meeting will be held on Feb. 1-12 at the Coast International Inn. If you want to save your access, plan on signing up before 10 a.m. Saturday, Feb. 2, to testify for three minutes. All you have to do is tell them to leave our fish alone and to leave the windows intact. It's our fish!

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-- Ken Federico

Wasilla

EDITOR'S NOTE: The writer is a founder of a dipnetting advocacy group.

Don't hit soldiers up for licenses; instead, let them hunt, fish free

This is in response to the Dec. 28 article "12 soldiers fudged on residency, must pay": For an arm of the government, wildlife troopers, to target our troops is a disgrace. Members of the military are the easiest to catch, according to wildlife troopers and captain Burke Waldron.

"It's easier to prove the date of arrival for military guys," said wildlife trooper Joe Paul.

We say thank you to our troops who have been fighting a war for our safety at home. Some have been away from their families for more than a year and when they come home we splash on the newspaper that Alaska is targeting troops lying on hunting and fishing licenses. Notice in the article that only personnel from the military are mentioned for increased enforcement efforts.

If we are so proud of our military, waive the one-year residency requirement for their hunting and fishing licenses. Show them that we are proud by giving back to them and issue active-duty members free licenses. I in no way fault the troopers for their job; it's the state lawmakers who set the rules. So come on, Juneau: Issue free licenses to our troops.

-- Davis E. Campbell

Waynesboro, Va.

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SeaLife Center deal was good for ex-aide to Stevens

SEWARD CENTER: Earmark was tailored to McCabe property sale.

By RICHARD MAUER and TOM KIZZIA
Anchorage Daily News

(02/10/08 00:16:41)

New documents have emerged in Seward showing that a $1.6 million earmark in 2005 by Sen. Ted Stevens was engineered so it would lead to the purchase of property owned by his former aide, Trevor McCabe, an Anchorage fisheries lobbyist.

The public records show that another Washington lobbyist who once worked for Stevens, Brad Gilman, acted as the go-between in the deal, connecting an unnamed "Senate aide" with Gilman's two clients in Seward: the city and the Alaska SeaLife Center, a federally supported marine research center and tourist attraction.

Gilman reported that the Senate aide was shopping for an entity that would guarantee the purchase of McCabe's property if it got the earmark, the documents said. Federal agencies had rejected previous attempts by McCabe and two partners to develop or sell the property, site of a derelict building, for a government visitor center and office complex.

The result was the sudden shift of the earmark by Stevens' office from the City of Seward, which wouldn't promise to buy the property, to the Alaska SeaLife Center, which had more discretion, according to a phone log written by a Seward official and minutes of the SeaLife Center board.

The backdoor arrangement described in the documents appeared to assure that a money-losing real estate venture by the partners would be bailed out by U.S. taxpayers without any need for the earmark itself to be explicit about its intent. As passed into law, the public language of the legislation only spoke vaguely about "various acquisitions."

The Seward land sale is under investigation by the FBI and inspectors general from two federal departments, Interior and Commerce.

Roy Keim, a spokesman for the Interior Department inspector general, said in a telephone interview from Washington last week that there was no sign the investigation would wrap up soon.

"These things take a long time," he said.

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REAL ESTATE MISTAKE

Flush with the unexpected grant, the SeaLife Center bought the property for $558,000 in 2006. The only partner to agree to an interview, Seward businessman Dale Lindsey, said before his death from cancer in November that it was no windfall. He lost about $23,000 and lots of sleep on the venture, he said.

"It was probably the worst real estate deal I ever got myself involved in, when I stop and reflect back on it, even absent all the publicity," said Lindsey, concerned about how people would remember him in the town he played a strong role in building. "It just was a bum deal from the

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start."

Gilman didn't return numerous calls placed to his office in Alexandria, Va., where he works for Robertson, Monagle and Eastaugh, the Juneau-based law and lobbying firm. McCabe's attorney, Michael White of Seattle, said, "Trevor has been instructed by his lawyer to continue to cooperate with investigators and make no public comments." The third partner, Anchorage office building owner Steve Zelener, didn't return several calls seeking comment.

A spokesman for Stevens said the senator wouldn't comment, following an office policy in effect since Stevens came under scrutiny in the corruption investigation in Alaska. In a Daily News interview on the Seward land deal in early 2006, before the Gilman conversation was known outside of a few city officials, a Stevens spokeswoman said the earmark "was not at Trevor McCabe's request or on behalf of Trevor McCabe." The grant came with no strings attached, the spokeswoman said.

SeaLife Center executive director Tylan Schrock, who announced two weeks ago he would leave his post later this year, said in interviews earlier this year and last year that the SeaLife Center had no obligation to buy McCabe's property with the grant, and asserted that the decision to buy it was the center's alone. He has not returned calls since the City of Seward released the records of its calls with Gilman.

The Alaska SeaLife Center has long been a favorite of Stevens, who has steered more than $50 million in federal funds to the nonprofit facility since it opened in 1998, including more than $3.5 million in the most recent appropriations bills. Schrock has been executive director for more than seven of those years.

McCabe, who worked eight years for Stevens in Washington, D.C., also has close ties to the marine facility. He is a past board member and helped provide financial backing when he was head of the At-Sea Processors' Association, a factory trawler group.

The documents were obtained by the Daily News under a public records request to the Seward city administration. The SeaLife Center had earlier refused to provide the board and executive committee minutes, saying they were confidential, despite the organization's status as a nonprofit and its overwhelming reliance on public funds. The city, which has a representative on the board, reached the opposite conclusion and released its copies.

The SeaLife Center appeared in the documents as a compliant partner to the wishes of the unnamed Senate aide, as expressed by Gilman. The city, required to engage in a public process before purchasing real estate, could offer no assurances that it would buy the Arcade property with the money, the documents said.

LEFTOVER MONEY

The $1.6 million represented money left over from an earlier Stevens earmark to the National Park Service to purchase land for a federal center in Seward. The original earmark required the remaining funds be handed over to the city for waterfront development and beautification.

Instead, as the federal budget emerged in July 2005, city officials discovered the money had been redirected to the SeaLife Center "for various acquisitions, waterfront improvements and facilities that complement the new Federal facility."

Seward's mayor and its city manager asked another city official to call Gilman to see whether he could explain what happened.

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The telephone log provided by the city to the Daily News doesn't name the Seward official who spoke with Gilman. City manager Phillip Oates, hired in March 2007, said it was assistant city manager Kirsten Vesel. She declined to comment.

Oates said the log was written sometime after the call from contemporaneous notes taken by Vesel.

According to the log, after some rounds of phone tag, the Seward official reached Gilman on July 27, 2005. Gilman told the city official that "a senator's aide" had called him prior to the emergence of the new earmark.

The aide, according to the log, asked Gilman whether the city could assure the purchase of the Arcade property with the funds.

"Mr. Gilman told me that he could not assure the senator's aide that the city could guarantee the purchase of any property," the log said.

The Seward official agreed with Gilman's analysis and told him so, the log said. "I concurred and said that all city property acquisitions have to go through a public process, so Administration cannot assure anything."

What about the Alaska SeaLife Center, the aide had asked Gilman, according to the log.

"Mr. Gilman told me that he was put in a difficult position because he represents the City and the ASLC," the log said. "However, he answered to the best of his ability."

Gilman's advice: "Mr. Gilman then told the Senator's aide that he thought that Tylan Schrock, executive director of ASLC, had more discretion and may be able to commit to this request. He recommended the aide call Tylan Schrock. Mr. Gilman then told me that he did not know that this conversation would lead to the transfer of the funds and was just as shocked as we were," the log said.

CONVERSATION WITH 'DC'

Minutes of the SeaLife Center's quarterly board meeting of July 22, 2005, corroborate the phone log.

"Tylan reported that he'd been contacted by DC about the ability to administer funds to purchase the Arcade property," the minutes said.

The minutes acknowledge the money had originally been destined for the city. But then the day before -- July 21, 2005, six days before the Seward official spoke with Gilman -- "Tylan received a phone call inquiring if he would be able to help move this deal forward because the City expressed some concern with doing so. The result is that approximately $1 million will go to the ASLC. The money will be used to remove the Arcade building," it said, with leftover funds for other SeaLife Center projects.

In an interview last August, Schrock said the "DC" in the minutes was a reference to Gilman, not the aide who Gilman suggested should call Schrock.

"Essentially what happened is, that the phone call that came to me was a question as to whether or not we could administer the Park Service monies in support the Waterfront Development Plan," Schrock said. "In the board meeting, what I was reporting here was that I had received a phone

call but it's about the ability to administer funds that the Park Service was supposed to have used to purchase the Arcade property."

When he presented the matter to the board, before the legislation was enacted, Schrock said, "We had no idea what we could use that (money) for."

Schrock disputed the accuracy of the minutes, saying the person who took them -- his employee -- had erred in saying the money was for the Arcade property. But Schrock wouldn't identify the scribe or allow the person to be interviewed.

"Not going down the pathway -- she's not going to be talking to you, if that's where you're going to go," Schrock said.

And he couldn't explain how no one -- board member, administrator, or other attendee -- failed to catch the alleged errors before the minutes were approved at the next board meeting, on Oct. 28, 2005.

In fact, the minutes of the Oct. 28 meeting appeared to confirm the phone log and the July 22 minutes.

By the time of that meeting, SeaLife Center officials knew they would receive $1.6 million and had decided to purchase the Arcade property, the minutes said, even as they were growing concerned about "political issues that may come as fallout."

"Bottom line is that we had to move on the Arcade Building if we wanted a deal," the Oct. 28 minutes quoted Schrock as saying.

In the 46-minute interview, Schrock cited Seward's "Waterfront Development Plan" 15 times as the rational basis for the SeaLife Center's decision to buy the Arcade property. It was the plan, not a command by a Senate aide or signal from a lobbyist, that he was following, he said.

Mayor Clark Corbridge said he knew of no document with that name and referred questions to City Clerk Jean Lewis. Lewis couldn't find anything with that name either, and suggested a call to Jeff Mow, the superintendant at Kenai Fjords National Park, who helped plan the proposed federal complex, the Mary Lowell Center.

Mow said he also knew of no such document, but said that sometimes people use that term interchangeably with the Seward Waterfront Study, a 2003 report commissioned by the National Park Service and U.S. Forest Service for locating the visitor center and administrative complex.

The study, which has no force of law, was conducted by the Portico Group of Seattle, which suggested the center be built downtown. In its recommended scenario, the Arcade Building would be razed and turned into "a plaza or public square." Today, the property remains a roped-off gravel patch.

Since the August interview, Schrock has refused requests to clarify what he meant by the "plan" or to answer additional questions.

Tim Nicoulin, chief financial officer of the Portico Group, said agents from the Interior Department's inspector general showed up at his firm Aug. 28. He provided all the information they sought about how recommendations were made. The investigator from the inspector general's office told him that the FBI was also investigating, he said.

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"It was a very transparent process," Nicoulin said of the study, with public hearings and a large public document.

SeaLife Center board member and Seward Councilman Willard Dunham said he thought the site would be good for expansion of the SeaLife Center, not a plaza.

"That is absolutely not true that anybody was ordered to buy the goddamned Arcade," Dunham said. "The SeaLife center was looking for places to buy or look at or lease because we needed expansion."

TESTIMONY LOST

Lindsey, the longtime Seward businessman and a partner in Arcade building, was terminally ill with cancer when he agreed to be interviewed at home in August. He said he was cooperating with the federal investigation. It is unknown what effect, if any, the loss of his potential testimony would have to any litigation arising from the probe.

Lindsey said it was McCabe's idea to create the partnership, the Centennial Group, and to buy the Arcade Building and Old Solly's next door in 2003. Each of the partners -- McCabe, a Seward native, along with Lindsey and Zelener -- owned a third of the business and contributed according to their specialities. Lindsey dealt with financing, Zelener with commercial property and McCabe with politics.

"(McCabe) was yo-yoing back and forth between Washington, D.C., more times than I knew," Lindsey said. "I think it's fair to assume he had some influence back there," Lindsey said, though McCabe never provided him with details of what he did.

Their first plan was a bust. They hired an architect to design a new building with first-class office space and underground parking for the Park Service, Forest Service and the National Marine Fisheries Service. But the Interior Department wanted to build its own building sprawling across two lots, one of which included Old Solly's, Lindsey said.

Centennial was able to come to terms with Interior for Old Solly's, but they reached an impasse with the Arcade Building next door. The first government appraisal valued the building and lot at $174,000, much less than the Centennial partners were willing to sell. Then federal inspectors found asbestos and lead paint, leading to a second government appraisal of $94,000.

Centennial withdrew its offer to sell to the Park Service in July 2005 -- around the time the earmark was being rewritten.

Lindsey said that among McCabe's influential friends on Stevens' staff was Lisa Sutherland, the senator's longtime aide when he was chairman of the Appropriations Committee and then the Commerce Committee.

In August 2003, Lindsey recalled, he offered his boat to Sutherland, McCabe, a Park Service official named Peter Armato and Mayor Shafer to sail into Resurrection Bay and get a view of Seward from the sea.

"They wanted to see what the waterfront looked like from a boat in terms of this waterfront development plan. They're primarily interested in the downtown area," Lindsey said.

McCabe seemed very close to Sutherland from having worked with her in Washington, Lindsey said.

"He was there because he and (Sutherland) work so closely together. They reminded me of brother and sister. There was a very cordial relationship that existed there," Lindsey said. "I think he's also close to Brad Gilman. They worked as lobbyists on fishery-related issues primarily and they were both from Alaska."

Armato said he couldn't talk about the boat trip because of the ongoing investigation.

Said Shafer: "All we did was, we were talking about the waterfront development and the need to improve the waterfront area."

Sutherland quit as Stevens' staff director on the Commerce Committee last March and began working as a lobbyist. She declined a request for an interview but said she would answer e-mailed questions. She never responded.

Contact Richard Mauer at rmauer@adn.com or 257-4345 and Tom Kizzia at tkizzia@adn.com or 907-235-4244.

HISTORY: Read earlier stories about the SeaLife Center and more about the political corruption investigation.

adn.com/fbi

RIFT: How the tussle over $1.6 million started.

adn.com/tedstevens

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APOC passes on ethics issue

MCGUIRE: Commission sends lobbying matter to Legislature.

By SEAN COCKERHAM
scockerham@adn.com

(02/08/08 00:40:58)

The Alaska Public Offices Commission is referring questions about Anchorage State Sen. Lesil McGuire's 2003 consulting contract to the Legislature's ethics committee for consideration.

The commissioners voted 3 to 1 Thursday to do so with no recommendation. That leaves it up to the ethics committee to decide whether McGuire did anything wrong. There's no telling whether the ethics committee will even consider the matter. Its work is confidential.

McGuire received $10,500 from Providence Health System in 2003. Her consulting job involved working with Providence's lobbyist on a strategy for how the hospital could get money from the state as part of a land deal involving the old Alaska Psychiatric Institute. McGuire was in the state House at the time.

Assistant attorney general Jan DeYoung told the commission she doesn't think McGuire violated any laws or rules. She recommended against referring the contract issue to the ethics committee. But Commissioner Elizabeth Hickerson said McGuire's work for Providence while a lawmaker "raises the appearance of impropriety at the least."

Congressional candidate Ray Metcalfe, who lost to McGuire in a 2000 race for the state House, has filed multiple complaints with APOC over the consulting contract.

The APOC has dismissed all of them.

McGuire denies any wrongdoing. Her attorney, Charles Dunnagan, said APOC has found no violation and is ignoring its own lawyer, DeYoung, in sending the contract issue to the ethics committee. He said Metcalfe has been manipulating the Public Offices Commission.

"This is absolutely irresponsible," he told the commissioners.

Find Sean Cockerham online at adn.com/contact/scockerham or call him at 257-4344.

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Public office investigator has high profile these days

By STEVE QUINN
The Associated Press
(02/11/08 00:47:46)

Jeff Berliner has a job he idealistically wishes never existed: that of an investigator who must scrutinize lawmakers' financial disclosure filings.

Thanks to the Legislature's recent sweeping ethics reform to include funding for an investigator, Berliner sits in a sparse office holding a job eliminated several years ago by former Gov. Frank Murkowski for financial reasons.

And with the backdrop of an ongoing federal corruption probe that has already produced convictions of three former state lawmakers, Berliner's job with the Alaska Public Office Commission has a higher profile than he'd like.

"This job shouldn't exist, but not in the way Murkowski didn't want it to exist," said Berliner, now in his sixth month with APOC. "In an ideal world, you would have people following the elections laws and campaign disclosures.

"But we all know we don't live in that kind of world. That's been demonstrated painfully clearly to us in the last year or so. I just want to make sure normal routine filings are what they are supposed to be: true, accurate and complying with the law."

DIVERSE BACKGROUND

The 58-year-old Berliner is a former investigative journalist who says he is not registered with either major political party. He has also worked as a Russian trade specialist under Murkowski's predecessor, Democratic Gov. Tony Knowles.

The Legislature is already looking at expanding one of the investigator's tools.

Current law stipulates Berliner can go back only one year to investigate potential wrongdoing. Rep. Bob Lynn, R-Anchorage, has proposed making that five years and requiring candidates and lawmakers to keep financial records for six years after an election.

The issue gained attention last fall during the federal trial of former House Speaker Pete Kott. A former Veco Corp. vice president and government witness, Rick Smith, testified that his company paid for hundreds of polls for Alaska lawmakers, including Kott during his failed 2006 re-election campaign.

Sharing poll information with Kott would constitute an illegal campaign contribution, but APOC can't impose any fines because of the one-year limit.

Even so, APOC wants to know who else may have received this kind of help from Veco.

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"It's worth it; there is another goal in mind here," Berliner said. "If you find that something has been occurring contrary to the disclosure laws that APOC oversees, you also want to find out how to prevent it in the future.

"You want to find out if there is a loophole that created the problem. That's far more important than nabbing somebody. ... The issue is getting compliance within the law."

There are other obstacles, too. The U.S. Justice Department asked Alaska Attorney General Talis Colberg to not investigate Veco while it conducts its own probes. But with APOC being a semi-independent agency, it still is pushing for answers while pledging not to interfere with the feds.

"It's a tough, difficult task when you consider the FBI has had a small army of agents up here working for two years going after this stuff," Berliner said.

"We've had one person for six months working on this some of the time and working on other things the rest of the time," he said.

Berliner insists the job isn't so much about him; rather it's the title of investigator that represents a change in holding the Legislature accountable.

THE FUNDING ISSUE

He's also working for a state agency that has historically operated in fear of legislators, who control its budget.

"Whether funding is an issue or not, what this really boils down to is integrity in government," Berliner said. "This is not about politics. It's about public disclosure. Politics rears its head constantly if someone doesn't like what you're doing, and they will grasp for a reason to rationalize it away."

Separate from Lynn's bill, APOC also wants more funding from lawmakers for a second investigator and a paralegal.

The agency, which Berliner says is still recovering from being "emasculated" by the previous administration, has never had two investigators. And he knows some lawmakers still want to keep the agency's power in check, so a second investigator may be a tall order.

Berliner expects pressure on both sides -- from the dissatisfied public calling for more action and from lawmakers not wanting too much oversight.

"A strong agency can withstand the attacks and do its job, then realize it's the public we are doing it for," Berliner said. "It's about compliance and public disclosure.

"It's not about bowing too much or too little. A weakened agency can't fulfill its mission; the strong agency that is fully staffed with enforcement powers will do what the public expects it to."

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Kohring in limbo on plea for trial

IMPARTIALITY: Judge declines to rule on request for new hearing.

Daily News staff and wire

(02/07/08 02:41:40)

A federal judge on Wednesday said he couldn't consider former House Rep. Vic Kohring's request to have the judge overseeing his case step down.

Kohring was convicted on federal bribery and extortion charges in November and is seeking to have the case thrown out or get a new trial. He was found guilty of demanding and accepting at least $2,600 from Veco Corp. executives for his support on legislation. He had been scheduled to be sentenced Monday, but the hearing was postponed.

Kohring's attorney, John Henry Browne of Seattle, argued that U.S. District Judge John Sedwick should step down because he has a conflict of interest. Browne claimed that Kohring introduced legislation that cost Sedwick's wife, Deborah, her state job, and that Sedwick should never have presided over Kohring's trial.

In reality, she remained a state commissioner, in charge of a revamped department.

Sedwick on Monday asked U.S. District Judge Russel Holland to decide the matter.

In an order filed Wednesday, Holland said in cases such as this, a judge has to disqualify himself where his impartiality might be reasonably questioned. He sent the question back to Sedwick

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The Earmark Culture Thrives in Washington
By George Will
Sunday, February 10, 2008

LEE COUNTY, Fla. -- Coconut Road near Fort Myers looks like any other concrete ribbon near housing developments, golf courses and shopping malls in this state's booming southwest. But like another fragrant slab of recent pork, the $223 million "Bridge to Nowhere" in Alaska, Coconut Road leads to somewhere darkly fascinating. It runs straight into Washington's earmark culture of waste, corruption and anticonstitutional deviousness.

Today the road ends at a chain-link fence, beyond which flows the river of traffic on Interstate 75. The earmark that would have built an interchange to connect Coconut Road to I-75 was, like the bridge, smudged with the fingerprints of Alaska's Republican Rep. Don Young, who in 2005 was chairman of the House Transportation and Infrastructure Committee. But this story involves more than one political vulgarian's wretched excesses. It also illustrates how Republicans earned their most recent and coming drubbings.

On July 29, 2005, the House and Senate passed legislation granting Lee County's request for $10 million for "widening and improvements for I-75" to facilitate evacuations during hurricanes. But on Feb. 19, 2005, Young had been in Bonita Springs near Fort Myers, collecting $40,000 in campaign funds. The contributors included developer Daniel Aronoff, a prolific supporter of Republicans and owner of about 4,000 acres along Coconut Road. The value of that land would be enhanced if Coconut Road were connected to I-75 by an interchange that would be adjacent to 1,200 of Aronoff's acres.

When the legislation reached the president on Aug. 10, 2005, the language about widening I-75 had been mysteriously deleted and replaced by "Coconut Rd. interchange I-75/ Lee County." So $10 million was to be spent for a project neither the House nor the Senate voted for, that Lee County did not want, and that someone unknown wrote into the legislation. But the Constitution says: "Every bill ... shall have passed the House of Representatives and the Senate" before it becomes law.

Young at first said the local congressman, Connie Mack, asked for the change. Mack denied that. In January 2006, Young, who subsequently changed his tune, warned Lee County that it could not spend the $10 million for the widening project it requested. Young says local residents requested the interchange project instead. But many residents, not including the developers who are Young's benefactors, oppose it for environmental and traffic reasons.

There are two mysteries: Who surreptitiously perverted the will of Congress? And why is Congress not angry and eager to identify the culprit? It seems reasonable to suspect that the answer to the first question is: Young or an agent of his. The answer, or answers, to the second question probably is, or are: Because Young is powerful -- and perhaps also because such violations of legislative due process have been committed on behalf of other members.

Fortunately, Senate rules enable an obdurate individual to force the institution to sit up and take notice. One such mechanism is a "hold," by which a senator can halt a bill. Freshman Sen. Tom Coburn is an Oklahoma Republican who happily has not learned the Senate ethic of playing nicely with others. He has put a hold on the bill that corrects technical problems in the 2005 highway bill. On Dec. 18, he announced that he will block that bill -- and its slew of earmarks; *that* will get members' attention -- if the bill "does not require a full and open investigation of the events leading up to the unauthorized revision of congressionally passed legislation." Coburn demands "a select committee, comprised of members of both the House and Senate," because "secret, improper and unauthorized changes to congressionally passed legislation call into question the integrity of our entire constitutional and legislative process."

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Seven weeks have passed and nothing has happened. Young, 74, one of whose former aides pleaded guilty to bribery charges involving the jailed lobbyist Jack Abramoff, is the subject of an FBI investigation concerning another matter, and faces strong opposition to a 19th term. Recently, two more House Republicans -- the total is now 28 -- announced their retirements, evidence that Republicans do not expect soon to end their minority status that began 17 months after the Coconut Road earmark alteration.

In his State of the Union address, the president vowed to veto any appropriation bill "that does not cut the number and cost of earmarks in half." Coburn tartly notes that although Congress hardly needs 5,500 earmarks -- half of last year's total -- the president's goal would be met if Republicans themselves quit earmarking. That fact goes far to explain the Republicans' current and future minority status.

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Rep. Young's legal fees mount, new report shows

FINANCE STATEMENT: Report says Alaska congressman paid $854,035 for lawyers in 2007; why is unknown.

By ERIKA BOLSTAD
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(02/01/08 00:17:19)

WASHINGTON -- Over the course of 2007, U.S. Rep. Don Young's re-election campaign spent $854,035 on legal fees, according to a new report filed on Thursday. And Alaska's lone congressman still isn't saying what the lawyers are doing for the money.

Meanwhile, three of Young's challengers in this year's elections -- Democrats Diane Benson and Ethan Berkowitz, and Republican Gabrielle LeDoux -- appear to have raised more money in campaign contributions than Young in the last three months of the year, although he still has more far more money in the bank.

Young, a Republican who has been in office since 1973, spent $407,190 on attorneys in the last three months of 2007 alone, according to his year-end campaign finance statement filed Thursday with the Federal Election Commission. Among the payments reported: $20,000 to Seattle criminal defense lawyer John Wolfe, who has represented former Alaska Senate President Ben Stevens in an ongoing probe into corruption in state politics.

Like Stevens, son of U.S. Sen. Ted Stevens, Young has not been charged with any wrongdoing. The far-reaching probe made its way to the top political leaders in Alaska, including the elder Stevens. FBI and IRS agents raided the U.S. senator's home in Girdwood last summer as part of an investigation into renovations overseen in 2000 by former Veco CEO Bill Allen. Allen, a major political fundraiser, pleaded guilty to bribing state lawmakers and was a witness in the ongoing corruption investigation. Veco executives have been, by far, the largest single corporate source of campaign contributions to Young since he's been in office.

Young's campaign spokesman, Mike Anderson, said he couldn't comment on what sort of legal work Young was buying with the money from his campaign account. Previously, the campaign said that Young had retained a Washington, D.C., firm for advice in connection with campaign contributions from a trucking executive under federal indictment in Wisconsin. Thursday, Anderson wouldn't elaborate.

"Mr. Young cannot comment on an ongoing investigation," Anderson said. "He's not at liberty to."

The bulk of the Young campaign legal fees reported in the last quarter, as in previous 2007 reports, went to the Washington, D.C., firm Akin Gump Strauss Hauer. The campaign paid the firm a total of $330,619.46 in four payments between October and December, the report shows. For the year, the campaign spent more than $750,000 with the firm, the reports show.

FUND SET UP

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Faced with continuing legal costs, Young earlier this month set up a legal expense fund so that his campaign cash wouldn't have to go toward lawyers. Some potential donors had said that they

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would like to donate to his campaign, Anderson said, but not his legal expenses. Others said they would contribute to his legal bills and not his campaign, Anderson said, so they decided to establish the fund.

The legal fund allows donors who have already contributed the maximum $4,600 allowed by law to contribute as much as $5,000 to the legal expense account. Lobbyists are barred from donating to it and Young can't actively solicit contributions, but individuals and corporations are allowed to give him money. Corporations are forbidden from donating directly to re-election campaigns, however.

Federal Election Commission rules allow public officials to spend their campaign money on attorneys, as long as the legal work is connected to the lawmaker's capacity as an officeholder.

According to filings with the FEC, Young's campaign account hovers just under $1 million, but he has an additional $238,000 in his Midnight Sun political action committee account.

Young took in just $43,850 in the final quarter of 2007, a poor showing for a once-legendary fundraiser who traveled the country picking up checks from donors when he served as chairman of the House Transportation Committee.

Anderson said the campaign is pleased with its totals.

"Those represent a lot of Alaskans who gave something because they believe in Congressman Young, and are willing to give him the benefit of the doubt," Anderson said.

But nearly all of Young's opponents fared better last quarter. The sole Republican in the race, state Rep. Gabrielle LeDoux of Kodiak, hadn't yet filed her FEC report late Thursday, but in an interview, she said that she brought in about $110,000 in three months. There was no way of independently confirming the amount.

"This is the first time in a generation that there's ever really been a congressional race in Alaska," LeDoux said. "I think the amount of money I was able to raise in just one quarter shows that there are, No. 1, a lot of people who are unhappy with Congressman Young and, No. 2, a lot of people out there who think I have a decent chance of winning the race."

LeDoux irritated other state Republicans by holding fundraisers in Juneau during the legislative session, and they threatened to vote her out of the caucus. She announced last week that, although it was legal to raise money during the legislative session, she would hold off until it ends.

Young's leading Democratic challenger, former state House minority leader Ethan Berkowitz, has raised $124,201, but has spent little of it so far.

"We're spending some, but we're preparing for a long, expensive battle," Berkowitz said. "Don Young has a lot of money in the bank and a lot of accounts to draw on. He has a lot of resources he can deploy."

Young's 2006 general election opponent, Diane Benson, raised $52,230 in the last quarter of 2007, said her campaign manager, Jeff Leanna. He said he estimates that she has about $32,000 cash on hand. Her FEC paperwork was also not available late Thursday.

Former state Democratic Party chief Jake Metcalfe raised $31,242 and has $11,393 left in his campaign account, FEC filings show.

In the U.S. Senate race, a preliminary FEC report filed by Stevens shows that he raised $207,606

over the past three months. Stevens has $1.7 million in his campaign war chest.

Find Erika Bolstad online at adn.com/contact/ebolstad or read her on our Alaska Politics blog at adn.com/alaskapolitics.

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Young's money

Legal defense fund allows friends to double down

(02/06/08 00:30:35)

When you work in a job where you get to write your own ethical rules, you can make some sweet financial arrangements.

Like when you're a member of Congress. You can take thousands of dollars from people who want you to do things for them, and you get to pretend that these financial transactions in no way influence the work you do. They're just campaign contributions, you see. They're not bribes because you can't actually put the money in your pocket to use as you please. But you do get to spend the money on things that are essential to preserving your famous and powerful position.

Like when you do something on the job that gets you in trouble with the law, as Alaska Rep. Don Young has. You need legal help, and good lawyers are expensive, as Don Young well knows. He has burned up $854,000 of his campaign contributions on lawyers.

He has burned up so much money on lawyers, he decided to create his own legal defense fund. And what do you know? That fund allows him to go back to his campaign benefactors and hit them up for even more money.

How convenient.

When an elected official spends that much on lawyers, most people would figure he's already in big-time legal trouble. But the authorities have not charged Congressman Young with any crime.

So why the huge legal bills, Congressman Young?

He won't say. He doesn't want to talk about it. Ongoing investigation, you know.

Uh-huh.

Well, we do know he has drawn fire for handing out transportation funding earmarks that benefit Outside donors to his campaign.

We do know his campaign accepted $180,000 over the years from Veco executives. Alaska's corruption trials have revealed that Veco executives got repaid for at least some donations with corporate funds, which is illegal.

We do know Rep. Young also got potentially illegal help from Veco personnel in staging campaign fundraisers. He belatedly amended his campaign finance reports to show payments to Veco's Bill Allen for fundraising activity.

But Don Young doesn't want to talk about any of it. He said he can't even tell Alaskans he's done nothing wrong. Can't comment. Ongoing investigation.

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If Rep. Young wants to continue being Alaska's congressman, he's going to have to explain these ethically dubious arrangements.

And if he doesn't explain them, Alaska voters shouldn't let him use silence to slither his way to re-election.

BOTTOM LINE: Here's one more dubious development involving Don Young.

Right move

Habitat division is going home

Gov. Sarah Palin has decided to return the state's habitat division to the state Department of Fish and Game. In other words, she's returning the habitat division to its natural habitat.

In 2003, then-Gov. Frank Murkowski, with tales of blocked development and lost jobs and income, essentially gutted the Division of Habitat and Restoration, pulled it from Fish and Game, renamed it the Office of Habitat Management and Permitting and sharply curtailed Fish and Game's traditional role in habitat protection. The purpose was to give more authority to the Department of Natural Resources. The goal was to speed development.

Many of the state's professional habitat biologists disputed the governor's claims. Their morale plunged with their authority.

For the first time in state history, Fish and Game was not the lead state agency in habitat protection. A later memorandum of understanding between the two departments seemed to seal Fish and Game's junior status.

That will change.

"It's gonna be restored to its original state," said Sharon Leighow, deputy press aide to Gov. Palin.

Most Alaskans probably don't care if habitat protection is run out of Fish and Game, DNR, or weights and measures, provided Alaska's wildlife, water, fresh air and natural beauty are protected.

But the signal from the Murkowski administration was clear, and it reversed the old Jay Hammond principle with a policy that said, "When in doubt, err on the side of development."

The current chiefs of DNR and Fish and Game, Tom Irwin and Denby Lloyd, said this week the habitat office has done well in DNR, but agreed its work will be more effective in Fish and Game.

The move restores balance to state management, where the challenge always is developing resources while protecting habitat. If these two departments pull together as they promise, Alaskans will be better off.

BOTTOM LINE: The governor undoes the wrong-headed move of her predecessor on the habitat division.

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Allen teen sex inquiry reopened

BAMBI: Police look into claim ex-Veco boss had sex with underage girl.

By RICHARD MAUER
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(02/03/08 06:01:34)

Anchorage police have reopened an investigation into allegations that Bill Allen, the government's key witness in the ongoing corruption inquiry and once a leading political force in Alaska, had sex with an underage girl in the mid-1990s.

The investigation originally began in 2004 as an offshoot of the scandalous Josef Boehm sex and drug ring, according to Detective Kevin Vandegriff, who worked with federal investigators on the Boehm case.

But when federal prosecutors asked Anchorage police to suspend the investigation shortly after it began, the department complied, he said.

The Allen investigation was dormant until December, when it was reopened, said Capt. Gardner Cobb, the city's chief of detectives. The evidence of wrongdoing on the part of Allen, now 70, was contradictory and never strong, both Cobb and Vandegriff said.

But Vandegriff decided to go back into the case, interviewing witnesses and reviewing the record, "to make sure there's nothing else out there that we're missing," Cobb said in an interview in December. Vandegriff is still following leads and the investigation remains open, APD spokesman Paul Honeman said Friday.

The specific allegation was sexual abuse of a minor, Cobb said, a crime for which there is no statute of limitations.

A MIGHTY FALL

Allen pleaded guilty in May to bribing Alaska lawmakers. Once the chairman and an owner of the oil field services company Veco, he was forced to sell the company and now faces a lengthy prison term. That's a stunning fall for a power broker who handed oil-policy decrees to a stable of bribed legislators and who regularly socialized with senators and other national political figures who came to Alaska as guests of Sen. Ted Stevens.

At the time the Boehm investigation was developing, from 2003 to 2004, Allen was still a major player in Alaska politics, as he had been for decades, and was a reliable source of campaign money for state candidates, members of Alaska's congressional delegation and other national politicians. In 2000 he was Alaska co-chairman of President Bush's election campaign.

In an interview in October, Vandegriff wouldn't name Allen's alleged victim or victims. He said Allen was not a direct subject of the Boehm investigation. But he said there was one person involved in both the Boehm case and the investigation of Allen: Bambi Tyree, one of Boehm's co-defendants.

Vince Blomfield, Tyree's boyfriend starting around 1999 when he was 36 and she was 18, said in

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an interview with a private investigator working for Boehm that Tyree claimed to have had a sexual relationship with Allen when she was 14 or 15. Allen would have been in his late 50s at the time. The interview with Blomfield was cited in a court filing by Boehm's attorneys, who were trying to portray Tyree as having a history of preying on older men with money.

Allen's attorney, Robert Bundy, said Allen denied having an improper relationship with Tyree, now 27.

CASE RE-EVALUATED

Cobb wouldn't say what prompted the department to reopen the case. But the action follows inquiries by the Daily News, a surge in activity in civil lawsuits by Boehm's underage victims, and a reference to the Allen-Tyree allegation in a closed hearing in at least one of the recent federal corruption trials, where Allen was the government's chief witness. The existence of the investigation was first reported last week by the weekly Anchorage Press.

Tyree's father, Mark, who died in 2005, also figures in the ongoing federal corruption investigation in Alaska. He installed the furnace and plumbing in the Veco-supervised renovations to Sen. Ted Stevens' home in 2000, according to Robert Williams, the former Veco employee who hired Tyree.

Mark Tyree's name is mentioned in at least one federal grand jury subpoena concerning Veco and Ted Stevens.

COCAINE AND GIRLS

Boehm, now 64, was the wealthy owner of Alaska Industrial Hardware and other businesses, but his deep addiction to crack cocaine and his unrelenting attraction to girls and young women got him an 11-year federal prison sentence in 2005. He is currently at the minimum security Seagoville Federal Correctional Institution near Dallas.

Tyree was also a crack addict. As one of Boehm's original co-defendants, she pleaded guilty to finding the teenage girls for the ring in return for a seemingly limitless supply of cocaine sold to Boehm by her friends and others. Recognizing her cooperation with authorities and her abuse as a young teen by Boehm and other men, Judge John Sedwick sentenced her to three years.

She was released Sept. 6, 2006, and is living and working in Anchorage. Through her attorney, federal public defender Sue Ellen Tatter, Tyree declined to comment.

In the October interview, Vandegriff said he heard no suggestions that Allen was a visitor to Boehm's Oceanview home or the many "parties" Boehm held at hotels around town.

OLDER MEN

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Though Tyree's extensive juvenile record remains sealed, her background has surfaced in several court cases, including a separate federal drug prosecution in 1996. The record shows a long pattern of involvement with older men. Bambi had just turned 15 when she, her older sister Tia, then 18, and 42-year-old Billy Ray Lang were arrested at the airport after a flight from California. The Tyree sisters had a combined 11 pounds of cocaine strapped into girdles they had bought before the trip in a Spenard extra-large shop.

Bambi was ordered to McLaughlin Youth Center. But Tia was held in jail and the girls' parents, Mark and Cris Tyree, testified about the family in an effort to get her released on bail. Bambi, a frequent runaway since age 11 and a Wasilla middle-school dropout, had moved in with Lang in the fall of 1995 when she was 14, Cris Tyree said. Cris Tyree described Lang as Tia's pimp and said that he

ran an Anchorage call-girl service named "Cover Girls."

"I was told he was using my daughters," Cris Tyree testified.

Boehm pleaded guilty to cocaine and sexual exploitation charges. The government sought to portray his crimes as particularly egregious, deserving the maximum sentence. The defense tried to show him as a doddering, addled old man exploited for his money by a string of addicts and dealers, with Bambi Tyree first among them. It was a pattern Tyree had established for herself, they asserted, referring to Bill Allen. Vince Blomfield said it was the case in his relationship with her as well.

"She suffers from a heavy crack addiction, and her actions were geared toward obtaining funds to feed that habit," the defense said in a memorandum filed under seal and obtained by the Daily News. "Tyree often obtained the required funds by exploiting rich men."

'B.A.' CITED IN TRANSCRIPTS

Citing their private investigator's interviews with Blomfield and another friend of Tyree's, Marty Myre, the memorandum said that in addition to Boehm, "she developed a relationship with another rich and powerful businessman in Alaska, B.A."

"Bambi claimed that B.A. bought her a vehicle and that on one occasion he gave her $5,000," the defense document said.

While the court documents don't further identify "B.A.," in footnotes, the memorandum referenced pages in the transcripts of a Sept. 23, 2004, interview with Blomfield and a Nov. 10, 2004, interview with Myre. Copies of the transcripts obtained by the Daily News show the initials "B.A." referred to Bill Allen on those pages.

Blomfield, who now works at a Fairbanks strip club, turned down a request for an interview. Myre, a guide and contractor, also wouldn't talk.

LOVE AND MONEY

In the transcript of the Sept. 23, 2004, interview, Blomfield said he met Tyree at a convenience store phone booth around 1999 when she was 18. He pegged her for a party girl and asked her if she wanted a ride. She did, and the relationship developed quickly before coming to a halt when his money ran out, he said.

Tyree told Blomfield she was just ending a relationship with Allen, Blomfield said.

"He figured out, I think, to get as far away from -- you know, because to my knowledge, Bill Allen did not use drugs. He drank and partied with her," Blomfield told the private investigator.

Blomfield said Tyree told him she had a sexual relationship with Allen when she was 14 or 15.

That age range would've extended from the time she ran away to Bill Ray Lang's place in East Anchorage to after her release from McLaughlin on the cocaine trafficking charge.

"His name (Allen) came up constantly," Blomfield said. "She would leave me and go get money from him," Blomfield said. "Her father literally told me under his own words that he had met Bill and that Bill had told him that he was dating his daughter." Blomfield said he was present when Bambi called Allen in Washington, D.C.

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"I spent Christmas with Bambi's family, and there were presents under the tree for the entire family from Bill Allen. He had bought her sister a car. He had given her father a number of contracts."

Blomfield said he thought Allen got the car for Bambi Tyree when she was 16. The family always referred to the vehicle "as the car that Bill bought," Blomfield said.

Public records confirm that Bambi Tyree got a new 1999 black Volkswagen Beetle on Nov. 30, 1998, but she wasn't 16 -- she was approaching her 18th birthday and just getting out of another stay at McLaughlin. Nothing in the record indicates who made the down payment. Her parents were listed as co-owners.

Three pickups owned by members of the Tyree family are connected to Allen or Veco.

A 1994 Ford originally owned by Veco Equipment was transferred to Mark Tyree in 2002, according to public records. The truck is now registered to Tyree's brother, James. The records don't show how the truck was financed.

State records show that a 1998 Ford pickup was similarly transferred to Bambi's brother Anthony from Veco Equipment Inc. on Sept. 13, 2006, again with no reference to a price.

Bill Allen's name appears as the note holder on the registration for a 2003 Ford truck registered by Anthony, according to state vehicle records.

Anthony Tyree couldn't be located for comment. A neighbor of the family home in Wasilla said she believed Anthony is attending school out of state.

BLOMFIELD CLAIM DISPUTED

In a handwritten note to the Daily News last year, Cris Tyree said Blomfield never came to her house at Christmas. She described him as "an unreliable source" with drug problems himself and a criminal record. She wouldn't answer questions.

Court records show Blomfield had several forgery and escape convictions, mostly misdemeanors and all related to his drug addiction. In 2001, his mother urged a judge to give him a maximum jail sentence to keep him away from narcotics. (Ironically, some of the money that financed his cocaine use during the time he was dating Tyree would have come from the FBI: His share of money paid by the agency to the real estate company owned by Blomfield's family, which built the FBI's downtown headquarters, according to information in one of his court cases.)

ALLEN BEFRIENDED FAMILY

Robert Bundy, Allen's attorney, said Allen had an above-board friendship with the entire Tyree family.

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"Bill says he never had any kind of illicit relationship with her, ever," Bundy said. "(Mark) Tyree was a plumber who did good work, did a lot of work on Bill's stuff. He got to know him over the years."

Bundy said Allen doesn't remember how he met Mark Tyree, but it was "before he ever heard of Bambi."

"He and Mark became pretty good pals because they kind of had similar backgrounds, they both

dropped out of high school, and got a trade," Bundy said. Allen never had a sexual relationship with Tyree at any age, Bundy said.

Mark Tyree died of cancer at his Wasilla home on April 1, 2005. Allen was with Tyree at his deathbed, Bundy said, and promised to take care of the family.

CASE WAS SHAKY

Detective Vandegriff of the Anchorage Police Department declined to say whether Blomfield was one of his original sources when he opened the case against Allen in February 2004.

"It came up as part of the Boehm investigation," he said. "It just came out as part of the interviews."

The initial case against Allen "wasn't very solid," he added. "We had some contradictory information, but I was just kind of getting started."

Then federal prosecutors told him to "cease and desist," he said.

The joint city-federal prosecution was run by two assistant U.S. attorneys, Frank Russo and James Goeke. Tyree testified that both prosecutors participated in the 15 to 20 hours of debriefings she underwent with the FBI and detectives as part of her plea deal.

Goeke, now with the prosecution team pursuing the corruption cases, didn't return several calls for comment.

Russo acknowledged "there were allegations along the lines of his (Allen's) involvement with Bambi Tyree," but said he asked Vandegriff to suspend the Allen investigation for purely practical reasons: The Boehm case was complex, with dozens of witnesses, and Boehm himself had a high-powered, three-attorney defense team that fought at every opportunity. Nearly 1,000 documents were filed, and that was in a case that never went to trial.

"We said, 'Hey, why don't we put this aside until later. We have enough to focus on,' " Russo said. That was his only concern, he said.

Federal prosecutors and the FBI have not yet provided a historical account of how the corruption investigation began and how it evolved with Veco and Allen at its center. Court filings by federal prosecutors since made public show it was well under way in the fall of 2005 with court-ordered wiretaps and later, video surveillance of Allen and a Veco vice president. That would have been 18 months after Vandegriff opened his case.

Russo added, "There were no charges ever brought against Allen for anything related to what Boehm was doing. In terms of the sexual assault of a minor, that's something that APD has on their files; they're free to do whatever they want with that."

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Vandegriff said Russo's request was fine with him.

"I had plenty on my plate to do with the Boehm investigation, and when I was told to stop that one, no problem," the detective said in the October interview.

While mentions of the relationship between Tyree and Allen have appeared in court, most have been heard in closed proceedings or referenced in sealed filings. That was the case in the Boehm prosecution, and also in the recent federal bribery prosecutions.

Judge Sedwick, the federal district judge who presided over the Boehm cases, is also the judge in the corruption cases.

"You can presume ... that the judge knows all about it," Russo said, referring to the Allen allegations.

ONE CASE LED TO ANOTHER

The issue arose at a closed-door hearing during former Rep. Pete Kott's corruption trial in September just as Allen was taking the stand. Government prosecutors, required to disclose information about their witness, volunteered that Allen wasn't coerced to plead guilty by evidence concerning his relationship with Tyree, according to Kott's lawyer Jim Wendt. Had that happened, Wendt said, it might have been relevant to his case.

Still, Allen's decision to cooperate with the government, made in a single August day in 2006, seemed extraordinarily swift, Wendt said. "I did not understand why Bill Allen would have flipped so fast, and I still don't understand. I don't know if it has anything to do with this young woman or for other reasons," Wendt said.

Asked whether Allen's relationship with Tyree was one of the issues that arose during closed hearings in the next bribery case, that of Rep. Victor Kohring, defense attorney John Henry Browne said, "That's something that we were not allowed to go into," but also said he couldn't "confirm or deny that that was one of them because that would be violating the order of the judge."

In December, secrecy issues in the Boehm case flared anew, this time involving more than a half-dozen plaintiffs -- mostly formerly juvenile victims -- seeking to recover damages from Boehm and his codefendants in the criminal case.

With lawyers poised to depose Vandegriff's APD partner in the Boehm investigation, Detective Steven Boltz, the U.S. Attorney's office intervened to make sure his testimony remained under seal. Assistant U.S. attorney Daniel Cooper said at an emergency hearing in federal court Dec. 18, just before Boltz' deposition, that he was trying to ensure that the identities of juvenile witnesses were protected and grand jury proceedings remained secret. He didn't mention Allen or Tyree.

The civil cases against Boehm were tentatively settled two weeks ago. The terms are secret.

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Alaska Ear

(02/03/08 01:14:49)

GRAYBAR JOURNAL ... Former Rep. Tom Anderson writes that he's settling in, has a job as a tutor and is getting used to the ugly uniforms -- a cheery note all in all considering he's writing from federal prison in Oregon. He's made lots of new friends, an earwig reports. Alas, most of them drug dealers, which make up much of the prison population.

Tom jokes that he, Vic Kohring and Pete Kott are going to form an Alaska political caucus.

PERFORMANCE ART ... Tuesday promises an ear-worthy experience at Loussac Library. This year's "Big Read" selection is the all-time favorite "To Kill a Mockingbird" by Harper Lee. From noon to 1 p.m. in the Wilda Marston, sponsors will stage a reading of the famous courtroom scene with an all-star cast: Former Mayor Rick Mystrom will play defense attorney Atticus Finch, Mayor Begich is the prosecutor, Rex Butler is Tom the defendant and John Tracy is the Judge.

The Big Read is a national community-based effort to promote reading, sponsored by the National Endowment for the Arts.

CLOSE CALL ... This story of skiing peril comes from Sen. Kim Elton's weekly newsletter: "Senate Sergeant-At-Arms Gary Stambaugh was snowed under last weekend, but not at work. Gary was caught in an avalanche while skiing outside the boundaries of Eaglecrest.

"He ended up being swept down the mountain about 900 feet. At the end of the slide he was buried in snow lying on his side with only the fingers at the end of his extended arm above the snow. Skiers who saw the avalanche were able to quickly dig him out. We're glad to have him back."

Darlings, listen to Ear. This is what happens to people who go outside when they don't have to.

WHO? ... Uncle Ted's calendar arrived in the mail last week. Nice photo, although Ben looks a little glum. The caption says "The Stevens family gathered for the wedding of Laura Beth Covich to Phil Sexton in Arizona." No, Ear has no idea who they are. Sounds like the title of a Victorian painting.

A QUESTION ... Is there any truth to the rumor that Jim Clark and Bill Corbus brokered the deal, or whatever one would call it, that brought Frank the Bank out of hiding to run point for the North Slope producers in the gas line debate?

It seems unlikely to earwigs asked for their opinion. The rumor was sparked by Clark and Corbus showing up around town with the former governor, who appears to still rent an apartment in the Bittner house downtown.

The Divine Appendage freely admits Ear doesn't get it. What does Frank think he's doing, and who does he think cares? A concerned observer asked Ear to forward a message: "Hey Frank, Papa Pilgrim wants his hat back."

FBI - Stevens-1964

194A-AN-13620-M,772

ORDER IN THE COURT ... We're getting a new Supreme Court justice soon. Daniel Winfree, a Fairbanks lawyer with a good reputation but no judicial experience, will be sworn in at the Rabinowitz Courthouse on Feb. 12. A reception follows at the Fairbanks Princess Riverside Lodge.

OUT AND ABOUT ... Greg Wilhoit, a key character in John Grisham's nonfiction book "The Innocent Man," will speak at Borders Books and Music on Dimond this coming Thursday at 7 p.m. The book is a story of wrongful conviction, and the event is sponsored by the Alaska Innocence Project.

GET WELL SOON ... Friends of former Rep. Mike Szymanski say he's doing well after a heart attack on Jan. 22. Calling himself "born again," the ever irreverent Mike is urging people to take chest symptoms seriously and get to the hospital right away.

A PATHETIC PLEA ... News that Don Young, Congressman for Fewer and Fewer Alaskans Including Ear and Others, had trouble raising campaign money for the last quarter of 2007 struck terror in the heart of the Luscious Lobe. Is it too early to endorse darling Don for re-election? Even if he gets indicted? Even if he's in the cell next to Tom Anderson? Please? Ear is not above begging. This column would be in such trouble without him.

THE MAGIC TOUCH ... The image manipulators at Conoco Phillips have really nailed the Alaska psyche. The company is looking to develop oil in the National Petroleum Reserve-Alaska, which requires federal approval of a development "unit." On Thursday, the Bureau of Land Management announced approval of "The Greater Moose's Tooth Unit," just west of the Colville River.

Could they have chosen a more popular name? Maybe "The Lucky Wishbone Unit," but that's about it. Good work, guys.

ON THE MOVE ... Bingo Barnes, the short-lived publisher of the Anchorage Press, left the job Tuesday, and reportedly the state -- to spend more time with his family, of course. People who listen to bugs planted in the Worldwide Headquarter of the Press say there was no prior indication of family issues but no one seems that sorry to see him go. Want to know more? Ask an Eskimo. (If you don't get the reference, check a Aug. 31 story on the KTVA Web site or Ear on 9/2/07).

Compiled by Sheila Toomey. Find Ear online at adn.com/ear.

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Kohring accuses his trial judge of bias

Ex-legislator says he tried to cut job of Sedwick's wife

By LISA DEMER
ldemer@adn.com

(02/05/08 00:09:39)

Late last week, just days before his scheduled sentencing on corruption charges, former state Rep. Vic Kohring accused the federal judge presiding over his case of bias and asked that a jury's guilty verdicts be thrown out.

On Monday, U.S. District Judge John Sedwick asked another judge to decide if he should step aside.

Sedwick postponed Kohring's sentencing until U.S. District Judge Russel Holland issues a ruling in the matter. Sentencing had been set for Feb. 11.

Prosecutors say Kohring's efforts to dismiss the case or get a new trial are unwarranted.

Kohring says he didn't get a fair trial because of a bitter public feud with the judge's wife, Deborah Sedwick, a former state commissioner whose agency budget he tried to cut and whose department and job he said he eliminated.

In a telephone interview Monday evening, Kohring said he didn't connect Judge Sedwick to former Commissioner Sedwick until Deborah Sedwick showed up for closing arguments at his trial.

"What is my worst political rival and enemy doing at my trial here, at the courtroom?" Kohring said he wondered. He said he didn't even know the Sedwicks were related but researched public records and news archives and found out they were married.

"Once I made this connection, I was sickened. My heart sunk into my stomach, and I was just stunned by what I learned," Kohring said.

A federal jury convicted Kohring in November of bribery, conspiracy and attempted extortion. Executives with the former Veco Corp. testified they bribed him to push an industry-backed version of an oil production tax on profits.

Kohring said a series of rulings by Sedwick "crippled my ability to win in court." He maintains he never took bribes.

According to Kohring's attorney, John Henry Browne of Seattle, a bill by Kohring did away with Deborah Sedwick's high-level state job and cost the couple at least $10,000 a year because of her reduced salary.

FBI - Stevens-1966

That's what Browne said in court papers filed Friday.

But as it turns out, Deborah Sedwick did not lose her job. She remained a commissioner with a revamped agency. And her salary went up over the years, not down, according to state officials.

194A-AN-13620-m, 773

In his order handing the issue to Holland, Judge Sedwick wrote that he doesn't recall ever talking with his wife or otherwise hearing about actions Kohring took as a legislator against her.

While Kohring talks about eliminating two state departments in "one of the most significant pieces of legislation in the history of this state," others say the two agencies were simply merged.

Judge Sedwick wrote that his wife became commissioner of the combined department.

That's exactly what happened, said Mike Black, deputy commissioner of what's now known as the Department of Commerce, Community and Economic Development.

"Commissioner Sedwick survived all that," Black said.

Efforts to reach Deborah Sedwick were unsuccessful. The judge declined to be interviewed.

The details about what actually happened eluded Browne for a while.

In the motion filed Friday, Browne wrote: "It is beyond comprehension that the antagonistic relationship between Ms. Sedwick and the defendant was not the subject of conversation between Judge Sedwick and his wife at the time of her conflicts with Mr. Kohring."

"It is even more unlikely that this was not discussed ... at the time Representative Kohring was charged. This is particularly true since Mr. Kohring's legislation actually eliminated Ms. Sedwick('s) job, greatly reduced the budget of her department and eliminated at least $10,000 annually from the Sedwick household income."

MANIPULATING FACTS

But that distorts the facts, according to Black and other state officials.

Browne also noted that Sedwick lives across the street from former Veco chief executive Bill Allen, one of the government's star witnesses, and that he went to high school with former Veco vice president Rick Smith.

All of that should have been aired before the trial, Browne said. It's no different from jurors having a perceived conflict of interest, he said.

Prosecutors aren't buying it.

"From what I have read thus far, I imagine that we are going to oppose this as completely unwarranted," said Assistant U.S. Attorney Joe Bottini. Prosecutors are seeking a five-year prison term for Kohring.

FBI - Stevens-1967

In the late 1990s, Kohring, an anti-tax Republican from Wasilla, and Commissioner Sedwick, a Knowles appointee, went after each other publicly.

In a "Budget Alert" in April 1998, she called his budget-cutting proposals "draconian" and "devastating," Kohring says in a sworn statement filed in court recently.

He responded with a press release that said state employees were spending like "drunken sailors."

His bill that year would have downgraded Deborah Sedwick's department to a division and cut her pay to roughly $74,000, Kohring says in his affidavit.

But his proposal didn't pass.

The next year, Kohring tried again with a different bill, which got through. But as the two departments merged into one, Sedwick came out on top. She remained commissioner until she resigned shortly after the November 2002 election that brought Republican Frank Murkowski into office.

Browne said Monday that he didn't understand those nuances until he talked again with Kohring.

Kohring said he still believes lingering bad feelings contributed to rulings against him that kept evidence of his innocence from the jury.

For example, Sedwick limited cross-examination of Allen, preventing questioning about allegations of sexual misconduct that could have damaged Allen's credibility, Kohring said.

"The whole thing is really starting to stink," Browne said.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

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Uh-oh

Federal law inhibits reform move

(01/31/08 00:50:15)

A useful reform measure pending in the Alaska Legislature has run afoul of a decade-old federal court ruling from the other side of the country.

Alaska lawmakers are considering whether to ban legislators from collecting campaign contributions for any office -- state, local or federal -- while the Legislature is in session. The move would close a troublesome loophole in the legislative ethics law.

A legislator cannot take contributions for a state legislative race during the legislative session but can take money for a statewide, federal or local election contest. That loophole allows special interests to buy special access to ambitious legislators while they are reviewing and voting on legislation.

Closing this loophole sounds like it would be a pretty simple matter.

Not so -- at least when it comes to legislators aiming for federal office.

Georgia's Legislature long ago passed a fundraising ban like the one being considered here in Alaska. A disgruntled Georgia legislator sued. In 1996, he won a federal appeals court ruling that struck down the fundraising restriction as it applies to federal election campaigns. Georgia's restriction on its legislators' fundraising, the court said, was pre-empted by federal election law. The U.S. Supreme Court let that ruling stand.

That leaves Alaska legislators with a tough choice. They can respect the ruling and pass a limited reform that leaves intact the federal election fundraising loophole. Or the Legislature could contradict the federal court ruling and tell its members they can't raise any campaign money during the session -- period.

We know which choice would work best for Alaskans. During the session, legislators should be working for people who elected them, instead of dialing for campaign dollars in any race -- especially an expensive federal contest that covers the entire state.

And who knows, there's a decent chance that, given a second look at the question, the federal courts might rule the other way.

The appeals court split 2-1 in the Georgia case, and the dissenting judge made an excellent point. The Georgia restriction, he said, doesn't apply to all Georgia candidates for federal office, so it is not an illegal attempt to meddle in federal elections, an area where the federal government is the sole boss. The Georgia Legislature was merely saying what its members were not allowed to do. That's a matter for the Georgia Legislature, not the federal government, to decide.

In the decade since that ruling, the U.S. Supreme Court has struck down some federal laws because they go too far in treading on state government powers. New legal standards set in those

cases might help reverse the misguided decision in the Georgia case.

Given the corruption that afflicted the Alaska Legislature, Alaskans want and need legislators to uphold the strongest possible ethical standards. Include a federal election fundraising ban in the legislative ethics reform -- and should any lawmaker decide to challenge it, let's see if the federal courts will come to their senses.

BOTTOM LINE: The tighter the ban on campaign fundraising during a legislative session, the better.

He's ba-a-ck

State doesn't need this help

Ex-Gov. Frank Murkowski is back, "intending to join gas line debate."

As Dave Barry would say, we are not making this up.

This is the governor who gave away the store in his proposed gas line contract with Exxon, Conoco and BP. In return, he got little more than a promise the Big Three would keep sort-of-working on a gas line, which would get built whenever it suited them.

This is the governor who derailed his own gas line promotion efforts by indulging those same three multi-national companies' additional demand for "certainty" on oil taxes.

But hey, Murkowski's return to the gas line issue is a truly inspirational act of political hubris. Maybe it will inspire other discredited political figures to return to the scene of the disasters they helped create.

Imagine, George Bush might pop up a few months after he leaves office and volunteer to help the new president figure a way out of Iraq.

Michael Brown, President Bush's horse-fancying FEMA director, might come back and offer to help reconstruct post-hurricane New Orleans.

Heck, ex-president Bill Clinton might volunteer to teach abstinence-only classes to teenage girls.

How could ex-Gov. Murkowski be of most help in bringing Alaska a North Slope gas line?

By heeding the verdict of Alaska voters and quietly returning to his political retirement.

BOTTOM LINE: Frank Murkowski help with the state's gas line promotion efforts? No thanks.

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Judge overturns APOC ruling on payment to Stevens

FINANCIAL DISCLOSURE: No laws in place then required that the income be reported.

By JEANNETTE J. LEE
The Associated Press
(01/29/08 02:39:33)

Former state Senate president Ben Stevens, who has been embroiled in political scandal over the past year, has won a small victory in a dispute with the state's legislative watchdog over financial disclosure laws.

The Alaska Public Offices Commission last year found that Stevens failed to report payments from his service on the board of directors of Semco Energy, parent company of Alaska's largest utility.

The commission recommended that Stevens pay a fine of $630 for failing to disclose more than $70,000 in deferred compensation from Semco.

Superior Court Judge Mark Rindner ruled against the commission on Friday, saying the laws that would have compelled Stevens to report the income were not in place at the time.

The ruling hinged on Rindner's determination that Stevens did not have to report any deferred payments for 2005, two years before a law requiring such disclosures went into effect.

"Stevens cannot be punished for failing to disclose information that the Legislature should have required him to disclose if, in fact, the Legislature did not mandate such disclosure," Rindner wrote. "It was error to assess a civil penalty against him."

Stevens did not run for re-election in 2006.

Semco is the parent company of Enstar Natural Gas Co., Alaska's largest utility.

APOC Director Brooke Miles said on Monday she had not finished reading the decision and could not comment. She referred calls to the Department of Law, which didn't immediately respond.

Calls to Stevens' lawyer, John Wolfe, were not immediately returned.

The complaint against Stevens, R-Anchorage, was brought by the Republican Moderate Party. The party claimed Stevens failed to report payments worth $74,000 received from Semco Energy three years ago.

A separate lawsuit over income Stevens received from a consulting firm in which he held an interest has yet to be decided, Miles said.

The company, Advance North, was established by Stevens and Trevor McCabe, a former legislative director for U.S. Sen. Ted Stevens, R-Alaska, Ben Stevens' father. McCabe now is sole owner of the company.

Stevens is one of six Alaska lawmakers who had their offices raided by the FBI in 2006 in an

194A-AN-13620-M;775

ongoing federal probe into corruption in the state Legislature. Two lawmakers have been convicted for ties to Veco Corp., a former oil field services company.

Two former Veco executives have testified in those trials that they bribed Stevens, but he has not been charged. Stevens, through his lawyer, has denied any wrongdoing.

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Health shopping

State's proposal for a health Web site will help consumers

(01/30/08 00:28:35)

Say you were shopping around for knee surgery, and wanted to know which hospital does more knee surgeries, and charges the least.

Or maybe you just want to find the lowest-priced blood-pressure medicine in town.

Your search would be a lot easier, if the Legislature passes the main piece of health care legislation offered by Gov. Sarah Palin this session. It calls for the state to create a health information Web site that would provide cost comparisons and quality ratings for consumers.

This is a good step. Because the information isn't readily available, prices for different health care procedures are pretty much a mystery to most of us. And they shouldn't be.

Dr. Jay Butler, the state's chief medical officer, walked state senators through different states' Web sites during a committee hearing last week.

On the Michigan Department of Community Health Web site, browsers can complete a questionnaire and get a report on how they might improve their health.

On floridahealthfinder.gov, you can check the price of a prescription at pharmacies in your town or even your ZIP code.

The price for 30 40-milligram tablets of the blood pressure medicine Lisinopril ranged from $19.99 to $56.08.

Also in Florida, you can pick a medical procedure and produce a list that tells how often the procedure was performed at each hospital in your area, the average cost at each hospital, and the average length of hospital stay.

In Broward County, Fla., knee replacements ranged from $46,551 to $51,821.

New Hampshire's nhhealthcost.org is even slicker: You put in your health insurance info, and it breaks down the cost by what you personally might expect to pay, plus the insurance company bill.

These possibilities are all intriguing.

The governor's bill was put together quickly, and doesn't spell out exactly what might be included on Alaska's Web site.

Sen. Fred Dyson, R-Eagle River, has sponsored a bill that includes more detail on the information that should go on the Web site, but is less specific on who would put it together.

FBI - Stevens-1973

194A-AN-13620-M;FF6

The governor's bill creates a health commission for ongoing planning, and a health information office to gather data and produce the Web site. Dyson said after last week's hearing that the bills may be merged.

Health and Social Services Commissioner Karleen Jackson said the information site is to "empower consumers to take control of their health."

It would do that to a certain extent. It would offer the information many need to help themselves.

We shouldn't kid ourselves, though, that a state health information site will reduce the overall costs of medical care. Insurers, the government and physicians all have a bigger say in the costs than lowly consumers.

Oftentimes, people in Alaska don't have a choice of hospitals. Even in Anchorage, where there are two private ones, insurance companies usually decide which one is preferred. If you go to the one that's not, you might pay a penalty.

Even so, having price and quality information readily available will make Alaskans better consumers.

BOTTOM LINE: We should have a state Web site that lets Alaskans price medical services.

Culture change

New ethics rule could help

The Alaska Legislature's perfunctory way of handling conflicts of interest hurts public confidence in the institution. Just about any conflict -- whether long known to voters or brand new, trivial or profound -- is OK, as long as it is disclosed. To abstain from a vote, every one of the lawmaker's colleagues must grant permission. If there's a single anonymous objection, the lawmaker must vote, despite the conflict.

Anchorage Rep. Kevin Meyer is right -- it's time his colleagues revisit this tolerant approach. He wants a new rule that makes two changes. The legislator would have to explain the basic details of his or her conflict. (An explanation is optional now.) Then, permission to abstain would be decided by majority vote, not an anonymous chirp from a single colleague.

Rep. Meyer's change would help, but it won't necessarily change the Legislature's automatic tolerance for almost any conflict.

What's needed is a new default standard: A member with a conflict should expect to abstain, unless his colleagues decide that the conflict isn't that significant. The question should be decided by a supermajority -- say, a two-thirds vote.

Alaska legislators are understandably loathe to take away a colleague's power to vote. In a citizen legislature, conflicts of interest are almost inevitable. Many conflicts -- such as Rep. Meyer's off-season job with the oil company Conoco Phillips -- are well known to voters when they elect someone. But in some cases, a legislator may have a substantial and direct personal stake in the question before the Legislature. In those cases, Alaskans need to know that the lawmaker with the conflict will not just speak up -- but will also abstain from self-interested voting.

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BOTTOM LINE: Alaska legislators with serious conflicts of interest should be expected to abstain from voting.

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The 2007 Soapy Smith Awards

(01/06/08 00:57:34)

YOU MEAN HE WOULD DECEIVE THE GARBAGEMAN, TOO??

Former House speaker Pete Kott's attorney, arguing for a light sentence in the Veco corruption scandal, said "He's a thoroughly decent human being that will treat the garbageman and the governor the same."

UNFORTUNATELY FOR BILL, THE FBI REPOSSESSED IT

Convicted lobbyist Bill Allen was caught on tape boasting to former House Speaker Pete Kott, "I own your ass."

ALIENS MADE HIM DO IT

One of Kott's supporters told the court, "The real Pete is a model of decorum and respect. He normally treats people with kindness, speaks kindly and does not use profane language."

OH, SO THAT EXPLAINS IT

Another supporter of Pete Kott told the court Pete was a really nice, decent guy -- when he wasn't drinking.

OOPS. HE'LL BE STAYING ON THE OTHER SIDE OF THE BARS

Kott was caught on tape telling his Veco patrons, "I just want to be the warden in Barbados," referring to a prison Veco was building in the tropical locale.

THE LEAST OF HIS WORRIES

After Bill Allen pleaded guilty to corruption felonies, Gov. Sarah Palin kicked him off the Alaska Alberta commission.

FBI - Stevens-1976

SINGING FOR HIS SUPPER

In Bill Allen's deal for a guilty plea on corruption charges, the government agreed not to go after his company, Veco, whose funds were used to further Allen's corrupt schemes. Later in the year, the Allen family sold off most of Veco for about $365 million.

HE'S NOT A DOCTOR, BUT HE PLAYED ONE IN ROOM 604

Bill Allen provided Pete Kott with sleeping pills and pills for enhancing sexual performance.

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WE'D ALL BE BETTER OFF IF HE'D SLEPT MORE

After getting pills for sleeping and for enhancing sexual performance from Bill Allen, Kott told Allen he got the two kinds mixed up and spent a long, frustrating night awake while his "old lady" slept next to him in bed.

FUNNY, I DON'T RECALL ANY FBI RAIDS ON THE MAYBERRY POLICE DEPARTMENT...

Before former state Rep. Vic Kohring was convicted on corruption charges, his lawyer said Vic was just like Andy Griffith, the big, folksy sheriff of the fictional TV town, Mayberry.

ANTI-BRIBERY LAWS ARE JUST SO DARN COMPLICATED

The lawyer for convicted bribe-taker Tom Anderson said Anderson "believed at the time that his actions were not in any way unlawful."

YEAH, BUT MONEY ACTS LIKE A MAGNET ON THAT OL' COMPASS NEEDLE

John Harris, R-Valdez, wrote the court in Tom Anderson's defense, saying the convicted lawmaker "had the best interest of Alaskans on his moral and ethical compass."

HE SHOULDA BUILT IT IN SPENARD

After Airport Heights resident Billy Powers built Snowzilla, a two-and-a-half-story-tall snowman that drew local gawkers and worldwide attention, city code enforcement officers cracked down on Powers for letting years worth of junk pile up in his yard.

OBVIOUSLY, THESE GUYS AREN'T TAKING STEROIDS

Anchorage Assembly conservatives passed a resolution saying they planned to hold the city budget to last year's spending level. When the Assembly finally passed the budget, it was $28 million bigger than the previous year.

EVEN A BLIND SQUIRREL FINDS AN ACORN NOW AND THEN

Conservative talk show host Dan Fagan's regular column in the Daily News included one blasting Lisa Murkowski for her cut-rate deal buying a Kenai River waterfront lot from developer Bob Penney and another blasting Don Young for handing out funding earmarks for Lower 48 campaign contributors.

DITTO

U.S. Sens. Ted Stevens and Lisa Murkowski drew praise from conservationists for co-sponsoring a bill that would actually help fight global warming.

HOW CAN WE MISS YOU WHEN YOU WON'T GO AWAY?

The Voice of the Times, run for 15 years by recently convicted bribe-payer Bill Allen, left the pages of the Daily News but continued as a Web-only publication.

UNCLEAR ON THE CONCEPT

FBI - Stevens-1977

U.S. Sen. Lisa Murkowski agreed to sell back the Kenai River lot she bought at a cut rate from political pal Bob Penney, but said her big mistake was doing a bad job of explaining why there was nothing wrong with the deal.

WHERE THERE'S SMOKE ...

Though not indicted, U.S. Rep. Don Young has already spent half a million dollars on legal fees, which he drew from his campaign funds.

AT LEAST HE DIDN'T HAVE TO TAKE OFF HIS SHOES FOR TSA

Lacking government ID for traveling by plane, Paul Woods decided to drive from Alaska to Mystic, Conn., on his riding lawn mower. He made it as far as Pennsylvania.

AND TO I.D. PROBLEM BUREAUCRATS, WE SUGGEST CLOWN HATS

The Department of Fish and Game announced a plan to help identify problem bears at the Russian River by tranquilizing them and dyeing their coats with bright colors.

WHERE IS JUDGE JUDY WHEN YOU NEED HER?

A state court in Palmer held a four-day day trial, followed by three days of jury deliberation, to determine who should have custody of Carl the Cat.

DON'T YA HATE IT WHEN THE WIFE DOES THAT?

The First Dude went back to work with BP on the North Slope, even though Gov. Sarah Palin had promised he wouldn't do so when she was running for governor. She said she hadn't checked with him before making that campaign promise.

HE WAS ALSO DETAINED ON SUSPICION OF BREATHING THE AIR WITHOUT A PERMIT

Police confiscated Brian Tanner's laptop computer because he was parked in the Palmer library parking lot after hours, using the library's wireless Internet connection, which is free to users when the library is open and had not been turned off at closing time.

COULDN'T HAPPEN TO A NICER TOWN I

Wasilla was treated to an aerial display of huge, foamy bubbles that burped into the sky from the city sewer lagoon.

COULDN'T HAPPEN TO A NICER TOWN II

A study commissioned by the city of Juneau says global warming will make the rainy state capital even warmer and wetter.

FORGET THE GIRAFFES. WHAT ABOUT THE HYPERVENTILATING PRIMATE IN THE HOUSE OF REPRESENTATIVES?

Ketchikan state Rep. Kyle Johansen said Alaska didn't need to put ocean rangers aboard cruise ships to make sure they are obeying state anti-pollution laws. "It's akin to Legislative Affairs hiring 20 extra security guards to keep the giraffes out of the parking lot. They're just not there. It doesn't exist," said Johansen.

WHEN GRENADES ARE OUTLAWED, ONLY OUTLAWS WILL HAVE GRENADES

Alex Crawford, a Libertarian Assembly candidate from Muldoon, complained that he couldn't get grenades for his grenade launchers.

ALASKANS DON'T REALLY CARE HOW THEY DIE OUTSIDE

The Anchorage Daily News started a new feature on the obituary page that was briefly called "Deaths Elsewhere.

BUT BOYS, IF YOU WANT A DATE, SHE'S ALREADY SPOKEN FOR

Gov. Palin said any Alaska student who was thinking about dropping out could call her personally for advice and encouragement.

FUN COUPLES

Bill Allen and Pete Kott

Sarah Palin and Andrew Halcro

Sarah Palin and Lyda Green

Lyda Green and Hollis French

Lisa Nowak and Billy-O the Astronaut

Mark Begich and Mark Pfeffer

SHOOT A DART INTO MY BUTT, WILL YOU? WELL, TAKE THIS!!

After biologists tranquilized a moose near Gustavus, the drugged animal charged the hovering helicopter and made it crash by sticking its snout into the copter's tail rotor.

THAT WAS NO ACCIDENT; THAT WAS A POLITICAL STATEMENT

Dogs were banned from the state Capitol after a security camera caught one "leaving a sizable deposit" in front of an elevator.

DARN. WE KNOW IT'S IN THERE SOMEWHERE

Alyeska lost part of a cleaning pig in the trans-Alaska oil pipeline for more than a month. A spokesman said "We'll just keep looking."

FBI - Stevens-1979

HE'S PETA'S MAN OF THE YEAR

When a dog on the team of Yukon Quest musher Aaron Burmeister swallowed its tongue and stopped breathing, the musher saved the dog by giving it "mouth to snout" CPR.

WE'RE RED, TOO -- FROM EMBARRASSMENT

During a U.S. House floor debate on an energy bill in January, Congressman Don Young declared --

"I am wearing this red shirt today; it's the color of the bill we're debating today -- Communist red."

FIRST PRIZE, ONE LUNCH WITH DON

SECOND PRIZE, TWO LUNCHES

In January, Congressman Don Young started a trivia contest for constituents, in which the first one to call with the correct answer won lunch with him in either Alaska or Washington, D.C.

NEXT STOP, THE WORLD COURT

The U.S. Supreme Court refused to hear the last-ditch appeal filed by opponents of the federal law that gives a subsistence hunting and fishing priority to rural Alaska residents. Opponents vowed not to give up their fight.

GRADING ON THE CURVE

U of A Regent Jim Hayes defended his initial refusal to resign, despite a federal corruption indictment, saying his attendance was "pretty good," even though he missed more than half the meetings in the previous 14 months.

THAT'S WHAT YOU GET FOR FLYING AROUND ON BROOMS ...

With oil prices above $90 a barrel, and the Legislature preparing to pass a higher, corruption-free version of Alaska's oil tax, Exxon complained that it was a victim of a "witch hunt."

HMMM ... MAYBE 'WITCH' IS PUTTING IT NICELY

As the Alaska Legislature debated raising the state's oil production tax, passed under corrupt pressure from Veco to hold down the rate, Exxon argued that legislators should drop the tax rate even lower than Veco wanted.

NOW YOU'RE REALLY INSULTING WITCHES ...

The same week Exxon argued for a state oil tax cut, the company got the U.S. Supreme Court to consider its appeal, which, if granted, would kill the entire multibillion-dollar punitive damage award won by Alaskans after Exxon's oil spill 18 years ago.

OH SHUT UP I

In fighting efforts to fix Alaska's corruption-tainted oil tax, Fairbanks Republican Rep. Jay Ramras suggested that Gov. Palin was the second coming of Joe McCarthy, the anti-Communist witch hunter of the 1950s, persecuting legislators like him who dared resist the tax change.

OH SHUT UP II

Ramras also compared himself to the famous unknown protester in China who stopped a line of tanks in Tiananmen Square during a brief uprising in spring 1989.

OH SHUT UP III

Ramras also complained about how hard it is to be an oil company in Alaska, because they have to

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scour the world looking for oil and trying to keep making more and more money, so their shareholders will be happy.

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Ethics bills to enter fast track in Legislature

PUBLIC TRUST: APOC could gain resources while conflicted legislators could lose their votes.

By SEAN COCKERHAM
scockerham@adn.com

(01/28/08 00:02:32)

JUNEAU -- Memories at the Alaska Capitol go back decades. No one seems to remember a legislator ever being excused from voting because of a conflict of interest. That's just how it's always been done.

Another tradition at the Capitol has been to bash the Alaska Public Offices Commission, the state's campaign finance watchdog agency.

But times have changed in the Legislature, courtesy of the Federal Bureau of Investigation. Three former Alaska legislators are headed to federal prison and the word ethics is on everyone's lips at the Capitol.

There is a growing debate over whether, and how, to ban legislators from voting on an issue in which they have a financial stake. And a bill appears to be fast-tracked to boost the power and funding of that old whipping boy the Alaska Public Offices Commission, or APOC.

The Legislature gave APOC a single investigator last year. Now House Bill 281 aims to give APOC a second investigator and a paralegal.

The measure would also increase APOC's statute of limitations on imposing civil penalties from the current one-year limit up to five years.

Rep. Bob Lynn, sponsor of the APOC bill and chair of the House State Affairs Committee, said ethics bills will be a priority for his committee this year.

"Insofar as practical, so far as possible, I'm going to put ethics bills at the front of the line," said the Anchorage Republican. "We have to build the public trust."

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CATCH-22

House Minority Leader Beth Kerttula said trust includes tackling the issue of legislators voting with a conflict of interest.

"We've got to deal with it. I think the public expects us to deal with it and I think we have a real moral obligation to deal with it," said the Democrat from Juneau.

State legislators with potential conflicts of interest regularly ask their fellow legislators to excuse them from voting. But it's just a show.

All it takes is one other legislator to say, "I object," in order to force the conflicted lawmaker to vote. And there's always at least one objection.

194A-AN-13620-m;778

Alaska is one of 13 states with no requirement that a member of the House or the Senate should ever abstain from voting because of a conflict, according to the National Conference of State Legislatures.

Alaska appears to be the only state where all it takes is a single objection to forbid conflicted legislators from not voting if they want to.

Alaska law is somewhat of a Catch-22. It says legislators with a conflict must not vote "unless required by the Uniform Rules of the Alaska State Legislature." And the uniform rules say all legislators must vote unless their colleagues unanimously agree to let them abstain.

The issue got hot during the recent special session on raising oil taxes. Kodiak Republican Rep. Gabrielle LeDoux tried without success to prevent legislators with ties to the oil industry from voting.

There's far from universal agreement in the Legislature that lawmakers with conflicts should be forbidden from voting. There are essentially professional legislators, but it's supposed to be a part-time citizen Legislature.

It's not so easy as it might seem to sort out what is a conflict and what the Legislature should do about it, said Anchorage Democratic Rep. Mike Doogan.

Doogan said that disqualifying a representative leaves the 15,000 or so constituents of that representative without a voice on the issue.

"If you're an attorney and you have a conflict, you say, 'I can't represent this client'; the client can go out and get another attorney. If a reporter has got a conflict, 'I can't do this story'; the editor can get another reporter,' " he said.

"We can't just reach out and get another member of the House of Representatives from House District 25 if I say I've got a conflict," Doogan said.

House Speaker John Harris said it's not fair for the Legislature to rob those constituents of a vote.

"Is it right for me to determine if some other member really has a conflict?" the Valdez Republican said. "It's not really my job, it's not really my responsibility. It's the voters of the district."

Harris said he does think Alaska law should be changed, though, to allow a conflicted legislator to be excused from voting if he or she wants.

Lawmakers sometimes avoid voting by just not showing up on the House or Senate floor. But any lawmaker can place a "call" on fellow legislators, forcing them to come to the floor and take a vote.

FBI - Stevens-1983

SUBSTANTIAL BENEFIT

Sen. Bill Wielechowski thinks constituents would understand if their representative can't vote on an issue in which he or she has a direct financial stake.

"If there is an obvious conflict of interest, you should not vote," the Anchorage Democrat said.

Wielechowski's SB 203 would forbid legislators from voting on an issue if they, their employer or an immediate family member with whom they live would benefit directly and substantially from the matter.

Kodiak Rep. LeDoux has filed a similar bill in the state House.

How to define what exactly constitutes a "substantial" benefit will be an issue.

It could be left up to the legislative ethics committee on a case-by-case basis, or lawmakers might define it themselves. There's even some talk in the Capitol of having the majority and minority leaders be the judges.

Anchorage Republican Rep. Kevin Meyer has floated the idea of having legislators vote to decide whether their colleague has a conflict on a given issue. But even Meyer harbors doubts about that approach.

He said it could become too political. Legislators might use it as a weapon to keep a political opponent from voting and to allow an ally to vote. Meyer said the bottom line is for the voters to elect honest people.

"If they're not honest people, then get rid of them," he said. "And if the public won't get rid of them, then the FBI will, if they're totally not honest."

Read Sean Cockerham on our Alaska Politics blog at adn.com/alaskapolitics.

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Lawmaker accuses mine company of bribery

The Associated Press
(Published: September 18, 2007)

FAIRBANKS - A Fairbanks legislator is asking the state's attorney general to investigate allegations of bribery by the developer of the hotly debated Pebble mine project in Western Alaska.

Rep. Jay Ramras, a Republican, sent a letter to Attorney General Talis Colberg containing what he said is information from Dillingham-area residents that Northern Dynasty Mines Inc. has paid local officials to support the project.

"In conversation after conversation, I heard disturbing stories of money and influence being inappropriately plied to influence this important policy decision," Ramras wrote.

Ramras said the company paid for villagers from the region to fly to Anchorage for a meeting on the project, paid for their hotel rooms and gave them $600 apiece in cash.

He also said local elected officials and directors of Native corporations received payments from the company.

Ramras asked the attorney general to investigate the allegations during upcoming legislative hearings in the region.

Northern Dynasty spokesman Sean Magee told the Fairbanks Daily News-Miner that the allegations are baseless and said money for the trips and meetings is all above-board.

Magee said Northern Dynasty has paid dozens of community leaders to attend educational meetings in Anchorage and generally compensates them $200 per day for their time away from home and work.

"All this is fully disclosed," he said. "This is not money that is passing under the table."

Northern Dynasty and its subcontractors have also employed elected officials for work related to the project, such as site services or transportation services, he said.

Positions in local government are not full time, and many of the officials have found additional work with Northern Dynasty.

FBI - Stevens-1985

Northern Dynasty employed more than 100 people from the Bristol Bay area last year and spent more than $4 million on contracts with local companies. The company employs four "community associates" to share information about the mine to locals, he said.

"We won't apologize for those things," he said.

The Alaska Native corporation in Iliamna has expressed frustration with Ramras.

"We are personally offended by the accusations being made by a legislator from urban Alaska," Lisa Reimers,

194A-AN-13620-M;779

general manager of Iliamna Development Corp., said in a statement.

Ramras said he considered himself a conduit for rural Alaskans who are reluctant to come forward publicly with complaints against the company.

He has long opposed development of the mine and said he believes it would pose a hazard to subsistence fisheries. The open-pit mine would be the largest in North America and would be positioned near the headwaters of rivers that are crucial to millions of spawning salmon each year.

Ramras is co-sponsoring a bill that would raise significant hurdles for Northern Dynasty by making it illegal to disturb certain salmon streams in the Bristol Bay region.

Ramras is friends with Bob Gillam, who owns a lodge near Pebble and has actively fought the project. Ramras said his position on Pebble is not affected by his friendship with Gillam.

"I don't dance to his tune," he said.

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This term is his last, Wilken says

NO RE-ELECTION: The senator wants family and business time.

The Associated Press

(01/25/08 00:42:41)

Veteran state Sen. Gary Wilken, a Fairbanks Republican who unexpectedly found himself in the minority last year, will not seek re-election this fall.

Wilken said he will step down from the Senate to spend more time with his family and friends and to get back into small business.

"I think when I look back on my years, I'll feel good that I was able, to some extent, to make good decisions based on fact and that those decisions helped Alaska," he said.

Wilken, 62, won his first term in 1996. He was named to the Senate Finance Committee in his third year in Juneau and served as co-chairman of the committee that signs off on all state spending from 2003 to 2006.

He ended up in the minority last year when Sen. Lyda Green, R-Wasilla, put together a coalition that included Senate Democrats.

Wilken and four other Republicans were suddenly relegated to the minority.

Wilken described the bipartisan majority that currently runs the Senate as held together "by surpluses and silly putty." One reason to return to Juneau this year was to make sure important issues get taken care of, he said, including legislation needed to pave the way for a natural gas pipeline.

"It's really, really difficult for me to walk away from participating in some of the biggest decisions Alaska will ever have," he said.

However, he said he would not have the same passion for the job for another four years.

Wilken's district covers the University of Alaska Fairbanks. He focused significant time on university and public school funding.

He laughed when asked if he was planning a run for Fairbanks North Star Borough mayor.

"That would be a lot of fun, but I'm just too old," he said. "I'm not moving and I'm not going to be borough mayor."

Senate Minority Leader Gene Therriault, R-North Pole, said Wilken earned a reputation as hardworking and credible.

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"Big shoes to fill, definitely," he said.

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Gift of kidney to ailing lawmaker against the rules

ETHICS LAW: Legislative aide wants to donate organ to Nome legislator Richard Foster.

By SEAN COCKERHAM
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(01/25/08 00:24:53)

JUNEAU -- Nome Rep. Richard Foster is famous at the state Capitol for his love of machine guns and the weekly "Foster Night" musical jam parties he used to host in his Capitol office.

Now Foster is hurting, badly, and his many friends at the state Capitol want to do more than send flowers. A half-dozen offered to donate their kidneys to the ailing legislator. Sue Stancliff, an aide to Fairbanks Rep. Mike Kelly, appears to be a match.

Here's the problem: It appears to be against state ethics law for Stancliffe to give Foster a kidney.

Alaska lawmakers tightened the ethics laws last year following the FBI raids on legislative offices and the criminal charges against former legislators. The changes included stricter limits on the gifts that state legislators can receive.

The Legislature did insert a "compassionate gift" exemption into the law to cover items meant as comfort in times of tragedy or a health emergency. But even those gifts can't be worth more than $250, and donating a kidney is figured to be worth more than that.

That's why North Pole Rep. John Coghill has introduced House Bill 317, which would eliminate the dollar limit on a compassionate gift to a legislator or legislative employee. The gift recipient would still have to disclose the gift within 30 days.

Coghill said the legislative ethics committee approached him and let him know it could be a problem for Stancliff to give Foster her kidney. Coghill said he wants to make sure there are no legal questions.

There would still be the question of whether Foster, who has had heart problems as well as the kidney disease, is strong enough for the procedure.

Foster, 61, suffered a mild stroke on Friday and is undergoing treatment at a Seattle hospital. The stroke left him with some speech and mobility problems, according to his staff, but he is improving.

FBI - Stevens-1989

Dillingham Rep. Bryce Edgmon, Foster's former staffer and longtime friend, said Foster is undergoing a two-week intensive therapy session and is responding well.

He has a two-week, excused absence from the Legislature, and other lawmakers have been assigned to take over his budget subcommittees until he is ready to return.

Even before his latest hospitalization, Foster had to go to a Juneau hospital for dialysis three times a week. The process would leave him dehydrated and drained of energy.

But friends said he was still able to crack cornball jokes.

194A-AN-13620-M; 781

Foster, a retired air taxi operator first elected to the House in 1988, is a colorful character in the old Alaskan style.

His official legislative Web site lists his interests as "Enjoying the country, Music by Spank The Dog."

Foster also likes guns, a lot. He faced federal charges in 1991 of illegal possession of unregistered automatic weapons. His stash included two AKs, a German MG 42 from World War II, two British World War II-style Sten guns and a Soviet 50 mm mortar.

The jury in Nome, where Foster was born, quickly found him not guilty on all counts.

Foster is also known for jokes that can crack up somber House floor sessions.

"He'll make you smile on a dark day in this building when smiles are hard to come by," said Stancliff, the legislative aide who wants to give Foster one of her kidneys.

Stancliff, who lives in Tok when the Legislature isn't in session, is the finance committee aide for Fairbanks Republican Rep. Kelly. Foster, a Democrat who aligns with the Republican-led majority, has a seat on the finance committee.

She said Foster would have a newspaper with a hole cut out of it in the finance committee. Then he'd pick up the newspaper and look at her through it, just to make her laugh.

Stancliff said the hope is to do the kidney transplant sometime this spring after the legislative session is over.

"The good Lord gave me two healthy kidneys and my faith is very, very strong," she said.

Read Sean Cockerham on our politics blog: adn.com/alaskapolitics.

PALIN IN VOGUE: The February issue of the fashion magazine is out, and Alaska's governor is in it. She's not wearing glasses.

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Health cited as senator resigns chairmanship

COWDERY: Links to Veco scandal trail ill politician.

By SEAN COCKERHAM
scockerham@adn.com
(01/16/08 02:41:17)

JUNEAU -- Anchorage Sen. John Cowdery, ailing and implicated in the Veco bribery scandal, announced Tuesday that he was stepping down from the powerful position of rules chairman of the state Senate.

The Republican is hospitalized in Anchorage but hopes to make it to Juneau for the 90-day legislative session, which began Tuesday.

"Due to my recurrent health issues I have decided it's best for me and the Alaska Senate to resign as chairman of the Senate Rules Committee," Cowdery said in a written statement. "When my health allows it I will return to Juneau as quickly as possible so I can work on the issues that are important to the people of Senate District O."

The rules chairman is among the most influential members of the state Senate. The job is basically the gatekeeper for what bills make it to the floor of the Senate for a vote.

Senators said they didn't know when they would pick Cowdery's replacement for the job, or who it might be. This early in the session, bills aren't ready to go to the floor anyway, so they have some time to sort it out.

Cowdery, 77, has said he is suffering from kidney problems.

Former Veco Corp. vice president Rick Smith testified under oath in the recent corruption trials of two former state legislators that he bribed Cowdery. Smith, who has been convicted and is cooperating with federal prosecutors, did not give details.

Cowdery hasn't been charged and said Smith lied. Cowdery denies any wrongdoing.

The Senate minority has called on Cowdery to resign from office as a result of testimony tying him to the scandal. Republican party leaders from Cowdery's district have said he should resign if he can't make it to Juneau for the session.

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Governor calls for cooperation

Palin urges push toward self-reliance

By SEAN COCKERHAM
scockerham@adn.com

(01/16/08 00:05:36)

JUNEAU -- The Alaska Legislature began a 90-day session Tuesday with Gov. Sarah Palin feuding with the Senate president but also calling on legislators to work with her on the state's budget surplus and getting a natural gas pipeline.

"The Palin-Parnell administration stands ready to work not against you but with you to accomplish all this," the governor said in her annual State of the State speech.

Palin only briefly mentioned ethics but that was another big topic in the state Capitol on the first day of the 2008 session. Legislators, painfully aware that some of their former colleagues are headed to prison for bribery convictions, said they would focus on restoring public trust in the Legislature.

"The biggest thing we have to continue to do is build on what we did last year, and that is developing the public trust in the legislative process and legislators in general," said House Speaker John Harris, a Valdez Republican.

There will be lots of debate on whether legislators should be allowed to vote on bills in which they have a potential conflict of interest. Some legislators say no, others say each lawmaker has constituents who rely on their representation on issues in front of the Legislature.

"If you set up a mechanism in which (the state House) can disqualify a member for a conflict, you are essentially disenfranchising about 15,000 voters for the purposes of that question," said Anchorage Democratic Rep. Mike Doogan.

SELF-RELIANCE

Palin's speech was the big event of the first day, with many legislators hoping to hear where the governor wants to take the state in the coming year.

Palin said Alaska must become more self-sufficient and not so reliant on money steered home by the state's congressional delegation.

"We can and must continue to develop our economy, because we cannot and must not rely so heavily on federal government earmarks," Palin said in the speech to a joint session of the state House and Senate.

The Republican governor's speech was largely a look back at her first year in office and a case for the budget recommendations she's made to the Legislature. The governor's significant new initiative in the speech was the proposed elimination of a state certificate of need program that limits the creation of new medical facilities in Alaska.

FBI - Stevens-1992

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House Finance Committee co-chairman Kevin Meyer, an Anchorage Republican, said he did not learn much from the speech.

"Not much substance," he said.

Anchorage Democratic Sen. Johnny Ellis said the speech did include a long list of "programs, directions, visions," and had a positive theme. Ellis said he wished, though, that the governor had talked about improving communications with the Legislature.

A BETTER FOOT

"I'm hoping this session starts off on a new foot of better communication," Ellis said.

Some legislators felt blindsided by the budget vetoes the governor made last year. Ellis said miscommunication also was at the root of how this session has started with a fight between the governor and the Senate majority.

The dispute was over what time the governor would give her speech. It reached the point where Palin was talking about giving the speech just to the House -- without members of the Senate there.

The governor had asked in mid-December to give the speech at 6 p.m. in the hopes it could be carried live on television news. Her office said that, after hearing no objection, the governor purchased a plane ticket to leave later the same night of the speech to go see her son Track graduate Thursday from boot camp in Georgia.

The state House is in charge of picking the time for the speech and last week decided it would be at 7 p.m., too late for the governor to make the plane.

The House agreed to move it up to 6 p.m. But, up until the day before the speech, the Senate majority said it would need to stick to the 7 p.m. schedule because senators were still arriving in Juneau.

Senate President Lyda Green on Tuesday then proposed a 4 p.m. speech "to better accommodate the governor's personal travel schedule." Palin agreed but bristled at the implication that it was about her personal travel.

Palin said she only bought the plane ticket after lawmakers didn't object when she notified them more than a month ago that she preferred an earlier start time.

"This is an unfortunate indication that some would rather spend time and resources on things other than working together and moving our state forward," Palin said in a written statement. "My office has a lot of work to accomplish for Alaskans and we will not let things like this get us get bogged down."

Ellis said it was a misunderstanding and the Senate put the speech back on track after understanding why Palin needed an earlier time.

CHANGE AND TRUST

Palin said in her speech that in her first year in office "we have seen positive change and restored trust."

FBI - Stevens-1993

She mentioned ethics reform, raising taxes on the oil companies and her proposed path to a natural gas pipeline as achievements of the year.

Palin also said she would appoint a coordinator to oversee the statewide energy fund she has proposed for renewable projects like wind, hydropower and geothermal energy. She spoke about her previous proposal for early and increased funding for schools, to avoid the cycle of districts giving pink slips to teachers and then hiring them back when the money comes in.

Palin also talked about improving health care, arguing that getting rid of the certificate of need program would increase health care competition and access. It's a program where significant new medical facilities must get a state certificate showing that there's a need for them in the community.

It's supposed to guard against doctors cherry-picking profitable services, like radiology, leaving community hospitals with more costly and less profitable services like emergency care.

Palin said the system is broken and riddled with lawsuits.

"Alaskans want health care in the hands of doctors, not lobbyists and lawyers," Palin said.

Contact Sean Cockerham at scockerham@adn.com or 907-586-1531 in Juneau.

Key points

Palin's key points:

- **PUBLIC TRUST:** In her first year in office "we have seen positive change and restored trust."

- **GAS PIPELINE:** The Alaska Gasline Inducement Act has "cleared the path for our gas to feed hungry local markets and to help secure the United States with a safe, stable and domestic supply of clean energy."

- **SHARING STATE REVENUE:** She touted her plans to share more revenue with local governments, provide more school funding, and create endowments for transportation and alternative energy.

- **SAVING:** The governor said there needs to be a focus on high energy costs while "saving and investing" the windfall dollars the state treasury receives from the record high oil prices.

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LeDoux pledges to stop fundraising

ETHICS: House majority drops talk about punishment.

By SEAN COCKERHAM
scockerham@adn.com
(01/24/08 00:13:52)

JUNEAU -- Kodiak Republican Rep. Gabrielle LeDoux pledged Wednesday to stop raising money for her congressional race while the Legislature is in session.

Her announcement came shortly before the House majority was expected to have a caucus meeting on whether to punish LeDoux if she didn't stop.

House Speaker John Harris said last week that he thought LeDoux should get kicked out of the caucus if she didn't cut it out.

Harris said on Wednesday that LeDoux's announcement settles the matter.

"If she lives up to the terms of what she said she's going to do, that's all we were asking," the Valdez Republican said.

LeDoux said last week that she'd keep fundraising despite the pressure because it's legal and broke no rules. But she said in a statement Wednesday that she searched her conscience and decided to stop.

LeDoux said lawmakers must avoid even the appearance of impropriety in the wake of Alaska's corruption scandal. If she's going to keep calling for change, she needs to stop business as usual herself, LeDoux said.

"I will hold myself to a higher standard and I will not fundraise for the remainder of the session," she said in the statement. "Even though I know that in the world of business, money and influence this will make my run for statewide office more difficult, I am willing to take on that challenge."

LeDoux is running against U.S. Rep. Don Young in the Republican primary.

She noted in her letter that Young can raise campaign cash even when Congress in session. She said she supports public financing of campaigns but that's not the current system and it's necessary to raise money.

Alaska law forbids candidates for the state Legislature from raising campaign money in Juneau during the legislative session.

FBI - Stevens-1995

The idea is to prevent the appearance of trading influence for contributions.

LeDoux is running for a federal office and therefore isn't covered by the law.

But Anchorage Republican Rep. Kevin Meyer has a bill to expand the fundraising prohibition to all federal, municipal and other state candidates. That bill is moving fast through the state House.

194A-AN-13620-M;784

Harris said it just doesn't look good for any legislator to raise money during the session from people with interests before the Legislature.

Harris said Alaska lawmakers must be particularly aware of ethical implications following the bribery scandal that has led to three former legislators being convicted in recent months.

Harris said he would have been satisfied if LeDoux promised just not to raise campaign cash in Juneau during the legislative session, and not from lobbyists.

Harris had expressed an interest in running for Congress himself but said he won't do so as long as Young is in the race.

For the latest from Juneau, read Sean Cockerham on our Alaska Politics blog: adn.com/alaskapolitics.

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Alaska Ear
The divine appendage

(01/20/08 00:32:30)

SOMETHING MISSING? ... The following is verbatim from an amicus brief in the Exxon Valdez case on behalf of the Legislature and Alaska's former governors, in support of the damaged fishermen still waiting for their money. This is the part where the legislative lawyers explain who they represent:

"Amici include all the living former Governors of the State of Alaska. The Honorable Walter Hickel served as Governor of Alaska from 1966 to 1969 and from 1990 to 1994, and from 1969 to 1970 served as Secretary of the United States Department of the Interior.

"The Honorable William Sheffield served as Governor of Alaska from 1982 to 1986. The Honorable Steve Cowper served as Governor of Alaska from 1986 to 1990. The Honorable Anthony Knowles served as Alaska Governor from 1994 to 2002."

Hmmm. Have the state lawyers forgotten someone? Ear understands why Gov. Miller isn't there -- everyone forgets him. He is still alive, right? But isn't someone else missing?

SARADISE ... It was a trash talk festival last week but all the earish stuff on the speech-scheduling flap ended up in news stories. All The Divine Appendage can do is footnote:

1) If you haven't listened to it yet, check out Sarah live on the Bob and Mark morning show Tuesday. Be warned, BM says bad words while the gov giggles in the background. It's truly astonishing and will certainly be played by Sarah's opponent in her next election race.

2) That stuff aside, Ear's favorite part was Sarah sharing a family moment.

Governor: "... Man, I realized last night I've got to be really careful in what I say here at home. Piper heard me griping about Lyda's actions on this to Todd, and Piper, she looks at me and she says, 'Can you pull her hair?' ... I'd better just zip my lip and not talk about things like that in front of a kid."

Ear found it on palintology.com. You can link to the whole thing at adn.com/ear.

ONE MORE QUESTION ... Is it too soon to award Lyda Green the Frank Murkowski Public Relations Trophy? Even when Frank was right, he managed to look bad.

BLOAX? ... Ear doesn't know what to make of an announcement that federal informant and former Alaska Commissioner of Corrections Frank Prewitt has written a book about the political corruption cases, cleverly titled "Bridges to Nowhere." An elaborate description showed up on a local blog and someone claiming to be a publicist e-mailed Ear that the book is real and being shopped to publishers.

"The story begins in 2004," the promotion says, "when the author finds himself a 'person of

FBI - Stevens-1997

194A-AN-13620-M;785

interest' to a federal investigation. To clear his name, the author agrees to 'cooperate' in exchange for leniency over crimes the federal government knew he didn't commit.

"While the events invite serious reflection about our system of government, the actual conspiracies unfold more like a season of Desperate Housewives Go to Washington ..."

Earwigs dismiss it as phony and even the credulous appendage thinks it's most unlikely.

Check out whatdoino-steve. blogspot.com and decide for yourself if it's just another blog hoax.

ON THE AGENDA ... For the Mat-Su Assembly meeting last week:

"Resolution Serial No. 08-009: A resolution objecting to the inflammatory and false dropout factory label assigned to Wasilla High School by Johns Hopkins University."

Yeah, that'll help the dropout problem.

CHOW HOUNDS ... Remember the long-time executive chef who lost her job at the Mansion when Sarah decided to live mostly in Wasilla instead of Juneau? Stefani Marnon was first reassigned as a "constituent relations assistant" in the governor's office and later to the state museum.

Earwigs report she's finally landed where they really appreciate a good chef: the Legislative Lounge.

Lawmakers were smacking their lips in anticipation, according to Sen. Kim Elton's newsletter.

WHENEVER ... State workers in Barrow got the following memo one day last week: "Due to severe weather conditions and at the request of Governor Palin, all State of Alaska offices in Barrow are closed until further notice. The situation will continue to be monitored.

"Employees are required to leave contact numbers with immediate supervisors. Once weather conditions have improved, employees will be notified and expected to return to work. ..."

It was signed by Commissioner of Admin Annette Kreitzer.

Seems like a good thing. It was like minus 45 with wind chill. But a far north earwig reports that no "further notice" has yet been received.

Despite the temptation, most employees came to work the next day, Ear is told.

OUT AND ABOUT ... Was that our Lisa Murkowski chowing down on catfish and collard greens -- or something ethnic-- on Thursday at Catfish Haven on Boniface? That's what earwigs report.

A GOOD DEED ... Moose Lodge 1534 is hosting a raffle and silent auction Wednesday from 5 to 8 p.m. for ADN letter-writer and one-time congressional candidate Dave Carlson, 68, who lost his Spenard home of 25 years in a fire on Thanksgiving. Spaghetti dinner is $5.

FUN WITHOUT INDICTMENTS ... A terribly clever earwig and her friends came up with some Alaska nursery rhymes over the holidays, inspired perhaps by a little grog. Here are a few:

Hulking Ted Stevens

FBI - Stevens-1998

Sat for some seasons

Giving the money away.

In the Girdwood arena

They served a subpoena

Scaring Ted Stevens away.

And:

Hey diddle dollar

The Governor's daughter

Went to the Senate to play.

Bob Penney's land

Came to her hand

But she had to give it away.

SPACED ... One of the new designers on "Trading Spaces" this season is Juneau carpenter Thad Mills. See his "me" video at tlc.discovery.com/fansites/tradingspaces/meet-the-crew/meet-the-crew.html.

Ear had a little trouble with his claim to have kung-fu'd a bear, but it's aimed at Outsiders who will believe anything, so ...

AND FINALLY ... A fun factoid: A birdnerd earwig reports that all 50 eagles involved in the fish gunk incident -- the 20 who died in Kodiak and the 30 that came to the bird treatment center -- are male. A lesser appendage might engage in sexist speculation about females being the brighter of the sexes in any number of species. But maybe the girls were just on diets after the holidays.

Compiled by Sheila Toomey. Find Ear online at adn.com/ear.

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FBI - Stevens-1999

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Wasilla city official leaves for Palmer job

TURNOVER: Garley is fourth city boss to depart in last year.

By RINDI WHITE
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(01/18/08 02:10:51)

WASILLA -- Add another city official to the list of those moving on to other jobs.

Wasilla deputy administrator Sandra Garley is leaving Jan. 31 for the newly created planning director post across the Valley at the city of Palmer. Garley has been at Wasilla four years, two as city planning director and two as city deputy administrator. Before that, she worked for the Matanuska-Susitna Borough as planning director.

Her announcement last week makes her the fourth city department head in the past year to leave Wasilla. The other three are Finance Director Ted Leonard, Wasilla Police Chief John Glass and Susan Colligan, who was promoted from deputy finance director to take Leonard's job but then also left.

That amount of turnover, the equivalent of losing half the city's managerial staff, is unusual but perhaps not unexpected with the clock counting down on Mayor Dianne Keller's second, and, by city law, last term in office.

City code lists six department managers who serve at the pleasure of the mayor. All face the risk of being terminated by their new boss if they stay until Keller's term ends in October.

"I'll have to be honest and look somebody in the eye and say I can't guarantee it," Keller said.

The main drain on city staff in this case has been to the state. Aside from Garley, all the others have been lured away by state jobs.

Garley said future job stability wasn't a major factor in her decision. Rather, she said, she was attracted by the challenges she thinks the newly created Palmer position will present.

"Palmer is in the fastest-growing borough in Alaska and they are having growing pains just like every other community, incorporated and unincorporated, in the borough. We'll be dealing with growth issues and with what Palmer wants to be," she said.

As for where the other directors are now, former Police Chief Glass left the city in February 2007 to become deputy commissioner of the Alaska Department of Public Safety. Deputy chief Angella Long was promoted to police chief when Glass departed.

In March, city Finance Director Ted Leonard, a city employee since 1998, left for a job as a deputy commissioner in the Department of Commerce, Community and Economic Development.

Deputy finance director Susan Colligan was promoted to director, but left the position she vacated empty. Nine months later, she announced she was leaving to become special assistant to the commissioner in the state Department of Military and Veterans Affairs.

FBI - Stevens-2000

194A-AN-13620-M;786

Keller said the turnover hasn't slowed city business. She's tapped into Wasilla's rich pipeline of former government employees to assist while she searches for permanent replacements.

Former city Finance Director Erling Nelson is filling in as director temporarily. Former Mat-Su Borough comptroller Kelli Veech is temporarily acting as deputy finance director. But neither is interested in the jobs on more than just a temporary basis, Keller said.

This week, she interviewed candidates for the city's chief financial officer post. Keller said she'd seek a temporary administrator to fill Garley's spot.

Keller said that when Colligan announced her plans to leave, the realization that she was entering the final year of her term hit. She said she takes the departures as a compliment.

"It just goes to show we have really good staff and people are always keeping an eye out to see if they can lure our staff away," Keller told City Council on Monday.

Find Daily News reporter Rindi White online at www.adn.com/contact/rwhite or call 352-6709.

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Stevens reaches out to colleagues to OK legal fund

SENATE ETHICS COMMITTEE: He's racking up fees to fight charges that he failed to report gifts and repairs.

By ERIKA BOLSTAD
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(08/21/08 02:21:57)

WASHINGTON -- Sen. Ted Stevens has asked the U.S. Senate Ethics Committee to approve a legal expense fund to help pay the cost of his criminal defense.

Stevens, R-Alaska, joins Rep. Don Young, R-Alaska, who set up such a fund earlier this year to help defray the cost of mounting legal expenses connected to a federal probe into campaign donations and other matters.

The Senate Ethics Committee must approve the legal expense fund, but generally does so for senators if the legal expenses are connected to their role as an officeholder. Stevens was indicted last month on seven felony counts of failing to report more than $250,000 in gifts and home repairs from the now-defunct oil services company Veco Inc.

Individuals and political action committees can contribute up to $10,000 to the Senate fund. Lobbyists, corporations, foreign nationals and labor unions are barred from making contributions. The fund, which would be managed by a trustee, would file quarterly reports detailing the contributors. Stevens is not allowed to solicit contributions and said Wednesday he won't accept donations until the ethics committee has signed off on creating the fund.

The rules in the House of Representatives differ slightly from the Senate guidelines. In the House, corporations are allowed to contribute to legal expense funds, but contributions are capped at $5,000.

Until he set up the fund, Young had been paying the bulk of his legal fees from his campaign account. So far, Young's campaign has spent $1.3 million on lawyers. He raised about $54,000 for his fund so far this year, largely from old friends and fishing interests.

Until now, Stevens has not addressed how he is paying for his lawyer, Brendan Sullivan, one of the most expensive and highly regarded criminal defense attorneys in Washington, D.C. Sullivan's previous clients have included former Lt. Col. Oliver North. More recently, he has been defending billionaire Henry Nicholas on drug and securities charges connected to his role as the co-founder of Broadcom, a California company that manufactures computer and cell phone chips.

Stevens did reveal in his most recent personal financial disclosure form that he already owes Sullivan up to $50,000.

FBI - Stevens-2002

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Stevens' trial will be in D.C.

CHANGE OF VENUE DENIED: His lawyers wanted senator to face 7 felony counts in Alaska.

By ERIKA BOLSTAD
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(08/21/08 04:10:31)

WASHINGTON -- A federal judge on Wednesday turned down Sen. Ted Stevens' request to move his corruption trial to Alaska, tying the 84-year-old Alaska Republican to a Washington, D.C., courtroom at the height of his re-election campaign 3,500 miles away.

U.S. District Judge Emmet Sullivan decided that the trial will remain in the nation's capital and it will continue on an accelerated schedule. The judge offered to take Fridays off during the trial so that Stevens could travel to Alaska to campaign on the weekend, but the senator's lawyer, Brendan Sullivan, was lukewarm to the idea, especially if it means a slower path to a verdict.

Stevens asked for, and received, a speedy trial schedule so that he could go to court before the Nov. 4 election. Jury selection is set to begin Sept. 22 and the trial is scheduled to start two days later. It is expected to last four weeks.

"We want the earliest possible trial," his attorney said. "We want the verdict as far this side of Election Day as possible."

Stevens faces seven felony counts of knowingly taking home repairs and gifts worth more than $250,000 from the oil services company Veco Corp. and failing to report them on his annual Senate disclosure forms from 2001 through 2006. If convicted, he faces up to five years in prison on each count.

Stevens was in Alaska campaigning for the Senate seat he has held since 1968 and didn't attend Wednesday's court hearing. On Tuesday, he faces six opponents in the Republican primary.

Stevens on Wednesday released a statement saying he asked his attorneys to request a venue change "because I wanted Alaskans to have a first-hand opportunity to learn the facts of this matter."

"I understand the court's decision today, and continue to have every faith in the fairness of the American judicial system and the court's commitment to conduct a speedy trial," Stevens said. "I welcome the opportunity to demonstrate that I am innocent of these changes."

His campaign spokesman, Aaron Saunders, said that a Washington trial has "little impact on this campaign moving forward." The campaign will "build upon our organization and support base" to "ensure this is a vibrant campaign," Saunders said.

FBI - Stevens-2003

'SO WHAT!'

Stevens' lawyers argued unsuccessfully that the trial should be moved because many of the witnesses are in Alaska, and that jurors should see Stevens' Girdwood home, where Veco employees, including former chief executive officer Bill Allen, oversaw renovations in 2000 that doubled its size. They also argued that it would be disruptive for Stevens to have the trial in Washington while he runs for re-election in Alaska.

His lawyer even held up a map of the U.S., hoping to illustrate the 3,500-mile distance. The charges in the case are about events that happened in Alaska, Brendan Sullivan argued, not Washington, D.C.

194-AN-13620-m-788

"Forms were filed here? So what!" he said. "It's all about Alaska."

Brendan Sullivan also complained that federal investigators have been working on this case for several years, giving prosecutors ample opportunity to bring charges on a timetable that wouldn't have interfered with the election.

"They didn't have to bring this 28 days before a primary and 98 days before the election," he said.

But Judge Sullivan signaled early during Wednesday's hearing that he was disinclined to move the trial, in part because he had worked so hard to clear his own calendar to hear the Stevens case quickly.

"This court went to great lengths, I emphasize, great lengths, to rearrange its calendar," he said as he read his decision.

Also, prosecutors assured the judge that there would be no problem getting faraway witnesses to Washington. The trial is appropriate here, prosecutors said, since this is where they allege the crimes occurred.

"This is a proper venue for the crimes charged in the indictment," said Nicholas Marsh, one of the prosecutors with the Justice Department's Public Integrity Section.

"It's true, a lot of this relates to Alaska," Marsh added, but quibbled with Brendan Sullivan's "so what!" characterization of the disclosure forms. "These forms are very important. They serve a very important public function."

'A HOUSE, GIFTS AND FORMS'

Judge Sullivan weighed several factors in his decision, such as where Stevens spends most of his time and where the witnesses are. But his biggest concern appeared to be ensuring that Stevens could continue to campaign even as his trial proceeded.

At one point, Stevens' lawyer appeared peeved by the potential effect on the election. He specifically mentioned a motion filed last week by prosecutors, who indicated they want to introduce evidence that will help bolster their case. The potential evidence doesn't include new charges, but the motion alleges some previously unknown information, including that Stevens accepted a $31,000 personal loan from an old friend as part of a lucrative Florida real estate deal, then failed to report it on his disclosure forms.

There was no need to "publicize to the world" such information "during the election," Brendan Sullivan said. He added he thought the case was about "a house, gifts and forms."

"I think it's about some forms and some statements made in the District of Columbia," the judge countered.

Federal prosecutors also had argued that holding the trial in Alaska while Stevens is campaigning for re-election had potential to taint the home-state jury pool. In addition, they were concerned about Stevens' statements about his innocence to the news media and at campaign events. They cited recent remarks in interviews and at campaign rallies, as well as a statement last year when he told reporters that he had "paid every bill that was given to us" connected with his home renovations. Those types of remarks also have the power to sway potential jurors, they argued.

Stevens' claim that it the trial would be disruptive to his campaign gave prosecutors "heartburn," Marsh said, especially since Stevens himself asked for a speedy trial during campaign season.

"He knew he was running for re-election," Marsh said.

FBI - Stevens-2004

Brendan Sullivan argued that there's nothing inappropriate about Stevens proclaiming his innocence on the campaign trail, although he also said he has cautioned his client to avoid any references to specifics of the case.

"So far, thank God, that's not a crime in America," to proclaim your innocence, Brendan Sullivan said. "If he slips

into declaring himself innocent, I say great for him."

Judge Sullivan said he found the prosecution arguments more persuasive, and agreed that the potential jurors stood to be tainted by pre-trial publicity and media exposure. He also said he thought that the federal courthouse in Washington was better prepared to accommodate the intense media interest in the case.

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FBI - Stevens-2005

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Push for private prison was downfall

GUILTY PLEA: Ex-halfway house official was accused in conspiracy scheme.

By TOM KIZZIA
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(08/12/08 00:06:10)

An intense political battle over private prisons in Alaska kept the state's jail-building efforts tied in knots for a decade, ending only in 2005 after complaints of strong-arm lobbying helped turn legislative sentiment against the idea.

A driving force for privatizing prisons throughout that time was Bill Weimar, the former halfway house official who pleaded guilty Monday in U.S. District Court to conspiring to make illegal payments to a legislative candidate in 2004.

Weimar was the principal spokesman for the first two private-prison proposals to surface in the 1990s, but faded into the background after selling his halfway houses in 1998 to Cornell Corrections, a national prison company based in Houston.

Even as late as the summer of 2004, however, when the private prison idea was on its last legs, Weimar held a substantial interest in the deal, standing to make $5.5 million if a private prison was ever built, according to the federal charging documents filed Monday.

Among Weimar's private-prison partners, at least for much of the time he was pushing the idea: Veco Corp.

Resorting both to raw political muscle and to high-flown sentiments about saving money and bringing Native prisoners home, backers of the private prisons won legislative support for successive plans aimed at Anchorage, Delta Junction, Kenai and Whittier. Two prison deals were approved, and two others made it through the state House. Competing proposals to build state-run facilities were shoved aside.

But each private plan eventually died, falling victim to local opposition, resistance from prison guard unions and skepticism from Republican and Democratic governors.

Meanwhile the number of state prisoners shipped to the Lower 48 because of inadequate space here grew to more than 800. A new 1,500-bed state-run prison now being built in the Mat-Su Borough is intended to bring many of those inmates back to Alaska.

Through the years, debate centered on whether inmates could be housed reliably and cheaply in a facility designed and run by a for-profit firm. The stakes were high: a 25-year prison deal, worth $1 billion, would have been the largest state-private contract in Alaska history.

FBI - Stevens-2006

PARTNERS INCLUDED VECO

Corrections Group North, the original design-build joint venture pushing a private deal, included not only Cornell and Weimar's company, Allvest, but the well-connected oil field services and construction firm Veco. Some of Juneau's top lobbyists worked for the cause, and they had strong advocates in the Legislature.

Among the elected leaders were the House Finance chairman, Rep. Eldon Mulder, R-Anchorage, whose then-wife worked with Cornell lobbyist Joe Hayes, and former state Sen. Jerry Ward, who had ties to the Kenai Natives Association, a Cornell partner. Ward's real estate firm managed pull tab parlors for the Kenai Native group.

With each plan came complaints about backroom deals.

194-AN-13620-M - 789

"What I see, over and over, is repeated sole-source, pre-arranged, heavy-money deals that go to specific contractors. ... It's never been a clean, competitive proposal," Rep. Eric Croft, D-Anchorage, complained in a

2004 committee hearing. "We are going to see somebody indicted and probably imprisoned over this series of proposals."

The first proposed private prison would have been built on Veco-owned land in South Anchorage. A contract was approved by the House in 1997, but with a Senate vote pending the idea was withdrawn on the eve of a citywide vote.

Anchorage voters went ahead to reject the idea by a 2-1 margin -- what one Assembly member called "driving a nail in the coffin."

The idea quickly rose again, with help from Ward, who put together a plan for facilities in the Mat-Su and Seward. The plan was publicly praised by Weimar, but was soon replaced by the idea of locating a private prison at the mothballed Fort Greely near Delta Junction.

A deal with Allvest was approved in 1998, both by local voters and then the Legislature. But after Weimar brought Cornell into the consortium that year, a change of sentiment in Delta Junction upended the contract. The prison companies sued and won a settlement of $1.1 million.

LAST STAND IN WHITTIER

The prison backers bounced back, striking a deal with Kenai Natives Association and taking it to the Kenai Peninsula Borough. The borough assembly invited proposals from other firms. Corrections Group North finished second in the bidding, but was bumped to first on the strength of its proposed Native-owned location and its political expertise.

The Legislature approved the Kenai project in May 2001, but once again local opposition was rising. The borough assembly decided to seek voter approval, and when the project lost by a 3-1 ratio the plan died.

After a brief dalliance in Wrangell, the Cornell private prison made its last stand in Whittier. The isolated Prince William Sound port jumped on board within six weeks of the Kenai vote. But momentum in Juneau was beginning to slacken. For three legislative sessions the private prison issue was debated without a decision.

By the summer of 2004, Veco was out of the consortium and the Whittier plan was limping along. That's when, according to the charges he pleaded guilty to on Monday, Weimar made illegal payments to a legislative candidate in return for the candidate supporting the project. The effort failed, and in March 2005 Whittier announced it was done with the prison.

Cornell continued with its halfway houses in Alaska but said it was no longer interested in pursuing a private prison in Alaska.

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Cowdery pleads not guilty

FEDERAL CHARGES: Lawmaker's attorney says indictment a 'mistake.'

By SEAN COCKERHAM
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(08/12/08 02:12:32)

Anchorage state Sen. John Cowdery pleaded not guilty to federal corruption charges Monday after his lawyer wheeled him into court in a wheelchair.

U.S. marshals fingerprinted Cowdery and took his passport, and a magistrate allowed him to go free on $5,000 bond. U.S. District Court Judge Ralph Beistline will preside over Cowdery's trial, which is set for Oct. 6 in Anchorage.

The 78-year-old Cowdery faces a maximum of 15 years in federal prison if convicted on the two corruption charges. He is accused of scheming with executives of Veco Corp. to try to buy the vote of a fellow state senator, Nome Democrat Donny Olson, in order to keep state oil taxes down.

Olson has not been charged. He says he didn't get anything from Veco and didn't do its bidding.

Cowdery said little in court Monday. Both he and his attorney, Kevin Fitzgerald, declined to speak to reporters. Fitzgerald told the magistrate that Cowdery continues to be employed by the state of Alaska as a legislator. He is not running for re-election this fall.

Cowdery hesitated before replying when Magistrate John Roberts asked his age. Cowdery, who suffers from kidney problems, also looked over the court's list of medications he's on.

"Maybe that's all I'm taking, my wife knows more than I do," he told the magistrate.

Cowdery's wife, Juanita, observed the arraignment from the public gallery. She was expressionless.

Three former Alaska state legislators have already been convicted and sentenced as part of the broad FBI corruption probe into state politics. All of them pleaded not guilty and went to trial.

Federal prosecutor Joseph Bottini said in court he could turn over "voluminous" evidence to the defense this week. He said Cowdery's lawyer first needs to give prosecutors a 750-gigabyte portable computer hard drive and that it will take 24 hours to upload all the material.

Prosecutors are expected to use FBI audio and video recordings as evidence against Cowdery, just as in the previous corruption trials of state legislators.

FBI - Stevens-2008

Former Veco executives Bill Allen and Rick Smith have pleaded guilty to bribing legislators to push through the tax rate favored by oil companies that operate on the North Slope. They said in court papers that Cowdery was part of the conspiracy.

Cowdery's lawyer, Fitzgerald, has said the government misinterpreted comments made by Cowdery and that the indictment "will be exposed for the mistake it is."

Cowdery, until recently, was one of the most powerful figures of the bipartisan state Senate majority, which made him the rules chair, a position that gave him clout over which bills made it to the floor for a vote. Cowdery resigned that chairmanship this spring.

He stepped down as head of the Legislative Council, which oversees administrative business of the Legislature, after his indictment last month.

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Stevens trial belongs in Washington, prosecutors argue

VENUE: The jury can view photos rather than tour his Girdwood home, they say.

By ERIKA BOLSTAD
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(08/12/08 01:59:15)

Sen. Ted Stevens' trial should stay in Washington, federal prosecutors insisted in papers filed Monday, arguing that hearing it in Alaska while the 84-year-old Republican campaigns for reelection could taint the home state jury pool.

They also argued that, fundamentally, the case against Stevens is based in the nation's capital. He faces seven felony counts of knowingly taking home repairs and gifts worth more than $250,000 from the oil services company Veco Corp. and failing to report them on his annual U.S. Senate disclosure forms from 2001 through 2006.

"Simply put, this is a case about a scheme to conceal, largely through the submission of false financial disclosure forms to the United States Senate," Justice Department prosecutors wrote in a motion filed Monday afternoon. The financial disclosure forms were "created, reviewed, signed and filed in the District of Columbia, and a substantial portion of Stevens' scheme to conceal occurred in or around the District of Columbia."

U.S. District Court Judge Emmet Sullivan is scheduled to hear the change-of-venue motion Aug. 20. Last week in court, Sullivan promised the trial would be "fast but ... fair," to accommodate Stevens' election schedule, and said he hasn't prejudged the senator's request to move it to Alaska. But Sullivan already has made plans to begin jury selection in Washington, D.C., on Sept. 22. The trial itself is set to begin two days later.

Stevens' lawyers have argued that most of the witnesses in the case are in Alaska. They also argued that jurors should see Stevens' Girdwood home, where Veco employees, including CEO Bill Allen, oversaw renovations in 2000 that doubled it in size.

Mostly, though, his lawyers said last week they're concerned that Stevens be able to continue campaigning before and during the trial. Stevens, who has held the office since 1968, faces six Republican challengers in the Aug. 26 primary before moving on to the Nov. 4 general election.

WILL CAMPAIGNING TAINT JURORS?

Last week, his lawyers said that if the trial remains in Washington, he would have "a minimal opportunity to personally participate in the electoral process that will decide his professional future."

But prosecutors said Monday that was a "substantial factor weighing heavily against transfer."

FBI - Stevens-2009

Since his July 31 arraignment, the senator has been traveling all over Alaska and participating in campaign rallies where he has "vocally proclaimed his innocence of the crimes charged against him," prosecutors wrote in their motion.

Those claims have been widely reported in the media, prosecutors said, and it's likely that Stevens will "continue to offer explanations and characterizations of the factual and legal issues in the case."

That has consequences, prosecutors argued, especially if Stevens continues to campaign during the trial. It has potential to taint the jury pool, but also could require that they be sequestered and barred from TV, radio and newspapers during the trial. Apart from the trial, that could limit jurors' participation in the 2008 electoral process as well, prosecutors argued.

They also downplayed the concerns Stevens' lawyers have expressed about transferring witnesses and evidence from Alaska to Washington, D.C.

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42 BOXES OF MATERIAL

Witnesses can easily travel to Washington, D.C., the prosecutors argued, and nearly all of the evidence "will be rendered in an electronic format." There are 42 boxes of materials provided by Stevens to the government, the motion noted, but those are in Washington.

For the same reasons, there's no need for a jury to see the house, prosecutors said. For one, the evidence will include more than 1,000 high-resolution digital photos of both the interior and exterior, they said in their motion.

"The Girdwood residence is not the 'scene of the crimes,' but is rather merely the subject of some, but not all, of the defendant's false statements," prosecutors wrote.

Prosecutors added that the precise value of the benefits Stevens is accused of receiving will not be the predominant issue at trial. Instead, it will be "whether Stevens knew he received more than $250 in benefits from a source that he did not repay."

Prosecutors cite several other reasons for keeping the trial in Washington, D.C.:

• Stevens also is accused of failing to disclose that he traded his vintage Ford Mustang and $5,000 to Allen in 1999 for a new Land Rover Discovery worth about $44,000. The trade for Allen's Land Rover involved correspondence and financial instruments sent from Washington, prosecutors said. And ultimately, Stevens' 1964 Mustang was also shipped from Washington, they pointed out.

• Much of the correspondence concerning renovations at Stevens' Girdwood home, including the transmission of architectural drawings, e-mails and handwritten notes, was sent from Washington, prosecutors said.

• Although Stevens is not charged with bribery, the indictment against him details how Veco asked for assistance with federal matters and how Stevens helped the company. It also lays out how Stevens received things of value from Veco and failed to disclose them. In their motion, prosecutors said the requests for official acts that were made of Stevens involved written correspondence and were sent to addresses and computer servers in Washington.

• Prosecutors also pointed out that all three of the U.S. District Court judges in Alaska were nominated and confirmed by the U.S. Senate while Stevens was the senior senator from Alaska. Typically, a senior senator from a state suggests -- or even endorses -- judges and other federal appointees.

• Finally, prosecutors also argued that Stevens actually lives in Washington, D.C.:

"Although Stevens maintains a residence in Alaska, there can be no legitimate dispute that for all practical purposes, (he) lives and works in the District of Columbia. His spouse is an attorney at a law firm in the District of Columbia, and the family owns a personal residence in the District of Columbia."

Prosecutors wrote that if the trial is in Washington, D.C., Stevens will "be able to maintain close contact with his Senate office, and continue to live in his own home."

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FBI - Stevens-2010

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Businessman Weimar paid candidate to push prison

GUILTY PLEA: Fixation on building private prison brought him down.

By LISA DEMER and RICHARD MAUER
Anchorage Daily News

(08/12/08 01:34:41)

Bill Weimar, who made his fortune off private halfway houses in Alaska, pleaded guilty Monday to two federal felonies in U.S. District Court in Anchorage.

He admitted his role in a conspiracy to secretly funnel money to a political consultant for an unnamed state Senate candidate, knowing the candidate would back a private prison if he won.

Weimar had a long-standing relationship with the candidate running in the 2004 primary, a charging document filed Monday said. Weimar held a "contingent interest" in a private prison project worth $5.5 million, but only if the project was completed, the charges say.

He faces prison time in the plea deal and may have to forfeit "certain property." Prosecutors estimate a sentence of 10 to 16 months. U.S. District Judge John Sedwick isn't bound to that. He set sentencing for Oct. 29.

Weimar, who owned Allvest Inc., becomes the 11th person charged in the broad, ongoing investigation by the FBI and U.S. Department of Justice into political corruption in Alaska. Weimar, 68, now lives in Big Arm, Mont.

At the brief hearing on Monday, Weimar answered the judge's routine questions. Assistant U.S. Attorney Joe Bottini outlined the two charges: conspiracy to commit honest services mail and wire fraud, and illegally manipulating currency transactions to avoid reporting them to the Treasury Department.

Weimar has admitted paying the consultant a total of $20,000 during the primary in August 2004 to cover expenses for the candidate, without reporting the payments and without routing them through the campaign.

How do you plead? Sedwick asked.

"Guilty," Weimar answered, to each charge.

LAWMAKER NOT NAMED

For years, Weimar pushed plans for a private prison in Alaska, but the project was always controversial and no prison was ever built.

A Democratic activist in the 1970s, Weimar later became close to the Republicans who controlled the Alaska Legislature.

FBI - Stevens-2011

Neither the Senate candidate nor the consultant -- both accused of conspiring with Weimar -- is named in the charging document. Prosecutors declined to expand on it Monday.

But the candidate described in the documents, and in court Monday, appears to be former state Sen. Jerry Ward. He didn't return phone calls or e-mail messages on Monday.

Ward, a Republican elected from Anchorage in 1996 and the Kenai Peninsula in 2000, fervently pushed private prison projects as a legislator.

The charging document says the candidate running in 2004 had a long relationship with Weimar, and held elected office part of that time.

194A-AN-13620-m - 192

Ward and Weimar were "buddies," according to a statement that former lobbyist Bill Bobrick, who worked for Weimar, gave to the FBI in September 2006. Bobrick also has pleaded guilty in the corruption investigation. He declined to comment on Monday.

In 1997, a plan for a private prison in South Anchorage with Allvest and Veco Corp. as partners crumbled under strong public opposition. As that project evaporated, Ward emerged as the lead architect of a new plan to build private prisons in the Mat-Su and Seward.

"By God, this really solves the problem," Weimar was quoted as saying at the time.

In 2001, Ward signed on as the only Senate sponsor of a House bill pushing a private prison on the Kenai.

The charging document against Weimar doesn't say whether the candidate won in 2004 and does not call the person a legislator.

Ward lost his seat in 2002 to Tom Wagoner. He was trying to regain it in 2004, but lost in the Republican primary to Wagoner.

SEATTLE CONSULTANT

In court Monday, Bottini told the judge the consultant was from Seattle. Some of Ward's biggest campaign expenses in 2004 were more than $43,000 in fees charged by Madison Communications, an advertising and public relations firm based in suburban Kirkland, Wash.

Numerous calls left for Madison principal Brett Bader on Monday were not returned.

The charges against Weimar and other court documents quote details of a number of telephone conversations he had with the consultant and the candidate from Aug. 17 to Aug. 23, 2004.

In a telephone conversation on Aug. 17, 2004, the consultant told Weimar that the campaign was having money trouble, court documents say.

"I'm worried we're reaching the limit now. I don't know where we find 10 grand unless (Candidate A) can get more in," the consultant said

"There's no legal way to do that. At least not on that scale," Weimar responded.

Later that day, Weimar arranged to cover the next advertising mailer for the candidate, and told the candidate so, the document says.

On Aug. 20, 2004, Weimar told the candidate of an unpaid invoice of $20,000 with the consultant.

The candidate's campaign funds were depleted, the charges say. The candidate said he had only $300 to $400 left in his account.

On Aug. 23, 2004, Weimar made arrangements with the consultant to pay off the debt, the charges say. He then called the candidate and told him "he would not be receiving any further bills from Consultant A," the charging document says.

Weimar sent the consulting company a $3,000 check on Aug. 23, 2004, then sent $8,500 in cash that same day by express mail, and another $8,500 cash the day after, the charges say.

"WE'VE MOVED ON"

The charges also do not name the private prison company, but Cornell Corrections Inc. tried to build a prison in various Alaska communities, including Delta Junction, Kenai and Whittier. The charging document describes the unnamed company's Alaska interests as halfway houses, a planned juvenile treatment center, and a private prison project, and that matches Cornell's interests.

In 1998, in the midst of planning for a private prison in Delta Junction, Weimar sold five Alaska halfway houses to Cornell for $21 million. He also formed a partnership with Cornell to pursue the Delta prison and subsequent deals for a private facility.

One goal of the conspiracy was to get the private prison company to give campaign contributions to the candidate to help win election, according to the charges.

A spokesman for Cornell said the company was unaware of the charges but supports the prosecution. The executives now in charge of Cornell weren't there at the time of the events that involved Weimar, spokesman Charles Seigel said Monday. Company records don't show any evidence of wrongdoing, he added.

"We've moved on and we are very different and have it behind us," Seigel said.

Cornell also has not pursued a private prison in Alaska for years and is no longer interested in that, he said.

"We're glad this investigation is going on but whatever was going on or may have been going on in the past, that is not the Cornell that exists now, both in the policy on the private prison as we've talked about and in general about the way we do business."

By 2004, Veco was no longer involved in the prison project, Frank Prewitt, a former state corrections commissioner, Cornell consultant and FBI informant, has said.

ANDERSON INVOLVED

The failed private prison effort was also central in the government's case against former state Rep. Tom Anderson, R-Anchorage, now in prison.

At Anderson's corruption trial last summer, Prewitt was a key witness who testified at length about his undercover work to collect evidence against Anderson, and also about questionable acts in his own past.

From the witness stand, Prewitt said that in 1994 -- when he was corrections commissioner and Weimar owned Allvest -- he accepted $30,000 from Weimar. Prewitt testified that he considered the money a loan, which he repaid the next year, after he left his state post, by working four months for Allvest for free.

Weimar helped start Allvest in 1985, then bought out his partners and turned it into a multimillion dollar corporation with operations in Alaska and Washington state. Its government contracts were worth an estimated $10 million a year.

Allvest also operated a lab that did contract urinalysis work, and used to run the city's Animal Control Center and the Community Service Patrol.

In 2002, Allvest was forced into bankruptcy because of unpaid judgments in civil suits against the company. The bankruptcy case eventually was settled.

FBI - Stevens-2013

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390. Find Richard Mauer at adn.com/contact/rmauer or call 257-4345. Daily News reporter Tom Kizzia contributed to this story.

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Feds reveal more in Stevens case

FILINGS: Prosecutors allege senator used inside help to profit from Florida condo.

By RICHARD MAUER
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(08/15/08 03:37:45)

Federal prosecutors offered a glimpse of previously unseen evidence against U.S. Sen. Ted Stevens in new court filings Thursday, including allegations that Stevens used insider help to turn a secret $5,000 investment in a Florida condo development into more than $100,000 in quick profits.

The government also dismissed assertions by Stevens that his conduct was shielded by the constitution as a member of Congress, citing nine examples of Stevens' "errands" and requests involving Veco that had nothing to do with protected lawmaking.

Among them: an intercepted telephone call in which Stevens discusses how his son Ben, then the state Senate President, planned to push a bill favored by the oil industry as a prelude to gas development.

The new filings go substantially further than the indictment handed up against Stevens last month charging him with seven counts of failing to disclose gifts from 1999 through 2006. Most of the alleged gifts were from the former Alaska-based oil field service company Veco and its politically active chairman, Bill Allen. Allen and Veco vice president Rick Smith have pleaded guilty to bribing elected officials and are working with government prosecutors and are expected to testify at Stevens' trial, tentatively scheduled to start with jury selection Sept. 22.

Stevens demanded a speedy trial in hopes of a positive outcome before the November election, in which he is seeking a seventh full term. So far, the case is set for district court in Washington, though Stevens is asking for a change of venue to Alaska, where a more friendly jury might await him.

One of the government documents is a response to an earlier motion filed by Stevens seeking dismissal of the charges on the basis of the Constitution's Speech or Debate clause. That clause offers broad protection to members of Congress from prosecution for activity in furtherance of legislation -- but it's not a blanket immunity. Nor is the separation of powers doctrine, which Stevens' attorneys cited in another motion seeking dismissal Thursday.

The allegations concerning the Florida condo emerged in another document filed electronically by prosecutors Wednesday night, hours after the court clerk closed for the day. That document also alleges that Stevens sought jobs from Veco for a son and a grandchild and a new Jeep Cherokee for his daughter Lily in 2005.

The government says it plans to offer that evidence at trial as background, as proof of the crimes in the indictment, and as evidence of a guilty conscience. Stevens wouldn't comment, but it's likely his legal team will fight against introduction of the evidence as extraneous to the charges.

FBI - Stevens-2014

NEW ALLEGATIONS

While much of the government's case had emerged in newspaper reports long before the Washington grand jury handed up the indictment, the allegations concerning Florida condo and Jeep Cherokee have never been aired.

The Florida transaction began in 2001, a year after Allen began renovating Stevens' Girdwood residence, and a time at which Stevens was approaching the pinnacle of his power in the Senate.

On Feb. 4, 2001, Stevens and his wife, Catherine, signed a purchase contract with a development company about to build a condo project in Florida, agreeing to buy a garden unit for $360,000. The contract was a standard one and required a 10 percent down payment -- $36,000 -- but Stevens only put down $5,000, the motion says.

194A-AN-13670-17 -793

The development company was only described as "Company B." One of Company B's partners was "Person C," a personal friend of the Stevens, the government said.

Rather than require Stevens to put down the normal amount, Person C fronted the $31,000 in an interest-free loan that he paid to an escrow company "for the benefit of 'Theodore and Catherine Stevens,' " the government said.

There was evidence that the Stevenses never intended to live in the condo but merely saw it as a quick way to turn a buck, the document says.

On Aug. 21, 2001, Person C wrote Stevens that the deal was about to turn out "as I told you." Though the condo was still unbuilt, Company B had just accepted an offer on Stevens' garden apartment for $515,000 -- the same one Stevens were offered for $360,000 six months earlier. The buyer would assume Stevens' liabilities.

It was after that buyout that the Stevens' repaid Person C for the $31,000 loan, sending a $15,000 check on Sept. 12, 2001 and a $16,000 check on Dec. 11, 2001.

The government said Stevens was required to disclose any loan over $10,000 during 2001, but failed when it came to the condo loan.

"Although Stevens knowingly carried debt on a $31,000 interest-free loan from his personal friend for more than 10 months during 2001, Stevens did not list such a liability on his 2001 disclosure form," the government said.

JEEP CHEROKEE

The vehicle transaction in 2005 follows up an earlier one in 1999 that is referenced in Stevens' indictment. In the first deal, Stevens was looking for a car for his daughter, Lily, then 18. He was accused of not reporting the trade of a 35-year-old Mustang worth $20,000, plus $5,000 cash, for a new Land Rover Discovery bought by Allen worth $44,000 -- for a net benefit of around $20,000.

By 2005, Lily Stevens needed a new car, the government said in its filing Thursday. So Stevens returned to the original source: Allen.

"Allen offered to get Stevens' daughter a new car in exchange for the 1999 Land Rover, and Stevens agreed," the government said.

This time, the SUV would be a new Jeep Grand Cherokee. The deal was made between Stevens' daughter and a Veco employee "for the purpose of hiding Allen's involvement in the transaction." Allen wrote a personal check to the employee for $35,000, who bought the Jeep July 15, 2005, for a little more than $34,000 from a dealer.

Veco shipped the car to Seattle, paid the employee to fly to Seattle, pick up the car, and deliver it to Berkeley, Calif. Lily Stevens earned her law degree at the University of California at Berkeley, according to her wedding announcement in May.

Lily Stevens paid the Veco employee $13,000 plus her old car, valued at about $9,000, for the $34,000 Jeep, the government said.

FBI - Stevens-2015

PHOENIX JOB

In March 2006, after the government had begun tapping Allen's phones, Stevens asked a lobbyist to ask Allen for a job in Phoenix for one of his three sons. The son was unnamed, but Walter Stevens, a multimedia management specialist, lived in Phoenix, at least in the 1990s.

In a recorded conversation, the unidentified lobbyist told Allen, "I saw (Sen. Stevens) at lunch and he asked if you -- I'm not sure why he mentioned it to me -- but he asked me to, I think, find out if you had any business contacts in Phoenix with respect to his son who is down there, who finds himself without a job at this point." The lobbyist said Stevens mentioned Allen by name.

Allen ordered company officials to find a job for the son in Alaska in the summer of 2006, the government said. "Stevens' son accepted the position with Veco and also received a personal loan from Allen."

GAS LINE

In another filing Thursday, this one in response to Stevens' assertion of his immunity as a congressman, the government said Stevens' activities went well beyond his legislative role and should not be protected. One example prosecutors cited was Stevens pushing for state legislation on a proposed natural gas pipeline sought for years by Veco.

Stevens used his official position to try to get the state Legislature to approve construction of a gas line during the 2006 legislative session, the new filing says -- a session already shown to be tainted by corruption.

Between January and June 2006, the FBI secretly recorded telephone calls between Allen, Stevens, his legislative staff and his son, then-state Senate President Ben Stevens. They discussed the gas line, then-Gov. Frank Murkowski's negotiations with oil producers and legislation, the filing says. In one call, Stevens promised Allen he would "whittle down" the federal permitting and reviews, the document says.

In a call on June 25, 2006, Stevens and Allen talked about hearings coming up before a state Senate committee on which Ben Stevens served. Prosecutors say Stevens told Allen he was working with his son.

"I'm gonna try to see if I can get some bigwigs from back here to go up there and say, 'Look, uh, you just gotta make up your mind, you gotta get this done. There's no politics in it, there's necessity in it for the Federal government,' " Stevens told Allen, according to the filing.

He asked how he could help Allen, and said he was going to try to get the Secretary of Energy and head of the Federal Energy Regulatory Commission to Alaska regarding the need to act on the pipeline, prosecutors contend.

On July 7, 2006, Stevens traveled to Alaska and addressed the Senate committee, "urging it to cease infighting and pass the pipeline legislation before liquified natural gas monopolizes the marketplace," prosecutors say.

Three days later, the Federal Energy Regulatory Commission issued a report with a similar message.

Daily News reporters Lisa Demer and Erika Bolstad contributed to this report. Find Richard Mauer online at adn.com/contact/rmauer or call 257-4345.

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Stevens' defense team says case unconstitutional

TOO VAGUE: Lawyers ask judge to throw out charges that senator accepted money.

By ERIKA BOLSTAD
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(08/15/08 02:04:56)

WASHINGTON -- Lawyers for Sen. Ted Stevens attacked the Justice Department case against him as unconstitutional and asked a judge on Thursday to throw out charges the Alaska Republican accepted thousands of dollars of home repairs and gifts and lied about them on his financial disclosure forms.

Stevens' lawyers argued in motions filed Thursday that the charges against the 84-year-old senator are vague, that they violate laws on the statute of limitations and that they breach constitutional barriers meant to keep executive branch investigators from meddling in congressional affairs.

His lawyers also complained that although Stevens is not charged with bribery, the first count of the indictment includes "blatantly inflammatory" language that suggests he accepted gifts and renovations from Veco Corp. in exchange for legislative favors for the former Alaska-based oil services company. Jurors should not see that language, his lawyers said in one of their motions.

"The gratuitous suggestion of a quid pro quo relationship would only serve to inflame the jury and create unfair prejudice against Senator Stevens," his lawyer, Robert Cary wrote.

Stevens' lawyers submitted seven motions on Thursday, the deadline for filings in an expedited trial schedule granted at Stevens' request, so his case can be heard before the Nov. 4 election.

U.S. District Court Judge Emmet Sullivan will hold a hearing Wednesday to decide whether to move Stevens' trial to Alaska. If the trial stays in Washington, jury selection is expected to begin Sept. 22. The trial would begin two days later.

Even as his lawyers prepare to defend Stevens in court, he continues to campaign in Alaska for the Aug 26 Republican primary. Stevens' campaign on Thursday unveiled three television commercials that will begin airing throughout Alaska.

SEPARATION OF POWERS

In their motions, Stevens' lawyers raised particular concerns about the first count of the indictment, which suggested Stevens accepted gifts in exchange for helping Veco with federal legislative business.

His lawyers argued that a grand jury could have issued such an indictment only if it were shown evidence that violates what's known as the speech or debate clause -- a portion of the U.S. Constitution that limits what sort of evidence executive branch investigators can use when they probe acts by members of Congress. If a grand jury heard evidence protected under the speech or debate clause, "the indictment in this case should be dismissed," Stevens' lawyers wrote.

FBI - Stevens-2017

Investigators may have overstepped their authority by interviewing Stevens' past and current legislative staffers, the senator's lawyers suggested.

"Even if those staffers did not themselves testify before the grand jury, it is equally problematic if FBI agents summarized testimony about protected information to the grand jury," his lawyers wrote.

In a similar vein, they argued that the indictment violated the separation of powers clause of the Constitution. The alleged false statements and omissions that Stevens made in the financial disclosure forms are a matter for the U.S. Senate to take up, not executive branch investigators, his lawyers argued.

- 794

194-AN-13620-m

In several other motions, Stevens' lawyers accused prosecutors of being sloppy and imprecise about the charges he faces. The indictment accused Stevens of failing to disclose the receipt of certain "things of value," his lawyers wrote.

"Yet the indictment does not describe the alleged falsity or concealment with any degree of specificity," they wrote, calling it "fatal to the indictment."

"ALLEGATIONS ARE INSUFFICIENT"

Stevens' lawyers ask for prosecutors to file more detailed charges that specify the things of value mentioned in the indictment, as well as the labor costs of Veco employees and contractors who worked on renovations in 2000 that doubled the size of Stevens' house.

They also want more specifics on the cost of materials that prosecutors allege weren't included in the invoices sent to Stevens.

The motion also suggests that the indictment doesn't adequately specify what sort of requests Veco employees made of Stevens when they asked him to use his official opinion to help the company.

"These allegations are insufficient, as a matter of law, to provide Senator Stevens with fair notice of the charges against him or to ensure that the grand jury properly returned an indictment in this matter," they wrote. "He is constitutionally owed a statement of the specific charges against him, a requirement not satisfied by a recitation of facts followed by general allegations."

The gifts Stevens is charged with accepting from 1999 to 2006 came during a renovation that doubled the size of the Girdwood home he owns with his wife, Catherine.

Veco employees and contractors performed architectural design services, put the house on stilts and installed a new three-bedroom first floor, a finished basement, a garage, a Viking gas range and a wraparound deck, according to the indictment.

Stevens paid a construction firm for its work, but the indictment accuses him of failing to fully reimburse Veco or its contractors -- even as he stayed closely involved in the progress of the work. Stevens has said he paid $130,000 of the construction costs.

Stevens' lawyers also argued Thursday in their motions that some of the charges he faces are outside of the statue of limitations.

During the investigation, Stevens agreed to a statute of limitations that dates to May 9, 2002. Yet his lawyers pointed out that the indictment alleges a scheme to conceal gifts by filing false disclosure forms that include the calendar years 1999 and 2000.

Sullivan will hear all motions in the case Sept. 10.

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Evidence overwhelms Stevens lawyers

HELP: Defense team scrambling to sift through glut of legal material.

By ERIKA BOLSTAD
ebolstad@adn.com

(08/14/08 01:42:34)

WASHINGTON -- Lawyers for Sen. Ted Stevens, facing a stepped-up trial schedule, asked for help Wednesday trying to make sense of more than 67,000 documents and 2,800 audio files that could end up as evidence against him.

Prosecutors and lawyers for Stevens had a brief hearing Wednesday afternoon to decide how to handle discovery materials the Justice Department is handing over to Stevens' defense team. That includes recordings of roughly 10,000 phone conversations.

Stevens, 84, faces a Sept. 24 trial on charges he knowingly took home repairs and gifts worth more than $250,000 from the oil field services company, Veco Corp., and failed to report them on his annual U.S. Senate disclosure forms. Next week, a judge will decide whether to grant Stevens' request to move the trial to Alaska.

Wednesday, one of Stevens' lawyers, Alex Romain, asked the government to provide more detail about 67,000 pages of documents they scanned electronically and handed over to the defense. Some of the documents don't show where they begin and end, the defense complained. Those documents include bank records, spreadsheets and evidence that was seized from Veco Corp. computers.

Veco CEO Bill Allen and Richard Smith, a former vice president of community affairs and government relations for the now-defunct company, pleaded guilty in May 2007 to making more than $400,000 in corrupt payments to Alaska public officials.

Allen's testimony has been key in other convictions in the ongoing public corruption investigation, which to date has led to charges against 11 lawmakers, lobbyists and businessmen. Eight have been convicted or pleaded guilty. Three lawmakers, including Stevens, are awaiting trial.

Stevens' lawyers on Wednesday also asked to have better labeling on approximately 2,800 audio files, and the government agreed to be more forthcoming about who is calling or who is receiving the call, and when it was made. The audio files include wiretaps of both cell phones and land lines, Stevens' lawyers said Wednesday.

The defense also wants "surveillance logs" used by investigators to determine when calls began and ended and who is on the line.

With all the discovery materials, prosecutors said they would work with the defense to try to provide more information.

FBI - Stevens-2019

DISPUTES IN THE OPEN

The fast-moving trial calendar, sped up so Stevens could face a jury before the general election, means that some of the tug-of-war that generally goes on behind the scenes in criminal trials is playing out in the courtroom.

They're the kind of issues that could generally be handled over the telephone, said U.S. District Court Judge Emmet Sullivan. In this case, though, Sullivan said he is anxious to be as transparent as possible because of the high-profile nature of the trial and the intense media scrutiny.

When necessary, Sullivan said, he'll hold a hearing, but the speed of the case means that lawyers need to settle some of their disputes over potential evidence among themselves.

194-AN-03620-01 -795

"I'm going to make myself available," he warned the defense and prosecution, "but this is an issue best resolved

by the attorneys."

If the case remains in Washington, D.C., jury selection is scheduled to begin Sept. 22, two days before the trial. Lawyers for both the defense and the prosecution have asked to submit questionnaires to the jurors, so they can review them and base their selection on their answers.

Questionnaires are rarely used, Sullivan said, so he asked the lawyers to make plans to photocopy 30 to 40 copies of the answers submitted by the estimated 150 jurors in the initial pool. The copies will be needed for members of the legal teams.

PRETRIAL PUBLICITY

Meanwhile, Stevens' lawyers submitted a second brief Wednesday in support of their motion to move the trial to Alaska. In it they argued that holding the trial in Alaska is "the only way to permit Senator Stevens even a minor role in his reelection campaign." Stevens, a Republican who has held his Senate seat since 1968 and has been campaigning in Alaska, has attended only one of his court appearances since his indictment.

His attorneys continued to argue that most of the witnesses are in Alaska, as is one of the pieces of evidence in the case: Stevens' home in Girdwood.

Stevens' lawyers also dismissed concerns by the Justice Department prosecutors that moving the trial to Alaska -- while the senator campaigns there -- could taint the jury pool.

Stevens has "received positive and negative publicity in Alaska and in the District of Columbia," his lawyers wrote. "This publicity can be expected to continue in both venues during the trial. In either venue, the effects of pre-trial publicity can be addressed during jury selection while the effects of publicity during trial can be addressed by appropriate instructions to the jury."

Prosecutors argued in a motion filed Monday that they believe the case is fundamentally a Washington, D.C.-based one, since the case centers on disclosure forms Stevens filed with the U.S. Senate.

Find Erika Bolstad online at adn.com/contact/ebolstad or call her in Washington, D.C., at 202-383-6104.

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FBI - Stevens-2021

Potential questions for jurors in Stevens case

Posted by Alaska_Politics
Posted: August 19, 2008 - 2:13 pm

From Richard Mauer in Anchorage --

What potential Washington, D.C., jurors know about Alaska, what they think about the oil industry, and whether they have reservations about sending an 84-year-old man to jail are all questions on proposed juror questionnaires submitted for review Monday in U.S. Sen. Ted Stevens' felony disclosure case.

Prosecutors and Stevens' defense attorney filed three separate lists of questions to U.S. District Court Judge Emmet Sullivan — one they agreed on, and separate additions (**government here** and **defense here**) they hoped to convince the judge to use.

Sullivan said he expects to begin seating a jury in Washington on Sep. 22 — though Stevens is still hoping to move the trial to Alaska, where undoubtedly the questions to potential jurors would be quite different.

Anyone who's served on a jury will be familiar with most of the noncontroversial, joint questions: where do you work, do you know anyone in the courtroom, have you ever been convicted of a crime, can you spare the time to sit in a courtroom (for four weeks), do you understand the presumption of innocence afforded any defendant?

But there were also questions unique to this case: have you ever had a vexing experience with home remodeling? Ever refuse to pay a contractor because the work was lousy? Both sides want to know, presumably because the renovations to Stevens' Girdwood home starting in 2000 by the oil-field service company Veco are central to the case. The government, in its seven-count indictment, alleged Stevens failed to disclose work and furnishing provided by Veco and its chairman, Bill Allen.

Several joint questions seek to find out if potential jurors are political active or read about politics, especially the insider Capitol Hill publications. Do they listen to talk radio, read political blogs or go to Internet forums? The government, in particular, wants to know if they read the conservative Drudge Report or the liberal Huffington Post online.

Alaska Politics

This is the place to talk about Alaska politics -- state, local, national. Public life in the Last Frontier may never have been more interesting than right now -- the broad and still-evolving corruption investigation, a big election, a popular governor, powerful members of Congress under scrutiny, and the usual hardball Alaska politics. Come here for news, tidbits and information, and join the discussion. **Keep your comments civil and on point. Avoid personal attacks. Do not use profanity. Posts that violate the Terms of Use will be deleted. Repeat offenders will be banned.**

Contributors

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Kyle Hopkins writes about Anchorage city government and politics. He covered last year's campaign for governor, and has blogged extensively about Alaska politics for the past year. He grew up in Southeast Alaska and was a reporter at the Fairbanks Daily News-Miner and Anchorage Press. E-mail Kyle at khopkins@adn.com

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Sean Cockerham writes about Alaska state politics. He spent three years based in Juneau for the Daily News before joining the Tacoma News-Tribune two years ago to write about Washington state politics. He went to Iraq twice for the News Tribune, and previously wrote about Alaska government and politics for the Fairbanks Daily News-Miner. Now he's back in Anchorage. E-mail Sean at scockerham@adn.com

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Stevens' lawyers want to know what kind of impression the potential jurors have of Alaska in general. Their answers, by the way, may provide a clue about the harm to Alaska of all the coverage — some involving Stevens — of our famed "Bridges to Nowhere," other earmarks and the corruption investigation.

Stevens' lawyers are seeking permission to ask a similar question about their impressions of Congress in general.

The government wants to know if the IRS has ever gone after them, in particular for the error of a spouse or tax preparer.

And then there are these proposed questions, also from the government: In your course of employment/business, have you ever given a gift to a vendor? In your course of employment/business have you ever received a gift from another business entity?

And finally, the government wants to know whether Stevens' age would prejudice the outcome: "Would you have any difficulty finding an 84-year-old guilty of a crime if you knew that a conviction might result in a prison term?"

A hearing will be held at 11 a.m. Washington time tomorrow on Stevens' request to move the trial to Alaska.

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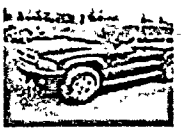

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you make me sick

After all Senator Stevens has done, you ingrates want to tear him down? Alaska wouldn't even be a state without him--show some respect. he hasn't done anything wrong, so grow a backbone and defend him.

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FBI - Stevens-2022

August 20, 2008 - 12:34am | **zerocut**

HUH? You talkin' to me?

Stevens hasn't denied receiving any of the under-the-table "freebies" from Veco. His only comment on the matter, so far, is that he "paid every bill that was sent to him".

Did Steven's have a contract with Veco or Allen? (Don't think so! ... that would leave a paper trail).

Did Steven's ever question Allen or Veco as to why they were doing all that "free" work ... or that they were doing it without being asked? (Don't think so ..... that would imply that he was aware of the "gifts" he wasn't reporting).

Why didn't Stevens just report the gifts? (Hummmmm.... on it's face, the whole thing looks like

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Stevens' lawyers accuse prosecutors of 'smear'

FILINGS: Defense says feds insinuate bribery despite no such charge against senator.

By RICHARD MAUER and ERIKA BOLSTAD
Anchorage Daily News

(08/26/08 03:12:56)

Lawyers for Ted Stevens accused prosecutors Monday of attempting to unfairly try Alaska's senior U.S. senator next month by introducing "irrelevant and prejudicial evidence" that has nothing to do with the disclosure violations he's charge with.

Defense attorney Robert Cary asserted that new issues raised by the government "in its unnecessary public filing" nine days earlier have no place in the trial, scheduled to begin Sept. 22 in Washington, D.C.

"Instead, they are an obvious attempt to smear the senator's character," Cary wrote.

Among those issues was an undisclosed $31,000 loan by a developer to Stevens in 2001 that let him turn a $5,000 investment in an unbuilt Florida condo into a $100,000 profit, and a discount of more than $10,000 on a Jeep obtained by the oil field services company Veco for Stevens' adult daughter Lily in 2005.

And in another filing on Monday, Cary served notice on the government that he might attempt to question former Veco chairman Bill Allen, the government's chief witness, about an Anchorage Police Department investigation of him. Cary didn't provide details, but the Daily News and other media reported that Anchorage police investigated Allen for sexual abuse of a minor from allegations involving a girl who was under 16. That investigation came up in a closed-door hearing in the bribery trial of a state legislator in Anchorage last year in which Allen was the lead witness, but the jury never heard the allegations.

Cary said the government brought up the matter in a sealed motion in which it sought a ruling that any such cross-examination of Allen would be "inflammatory and impermissible" under court procedure. Cary said the government's motion itself was inappropriately filed under seal.

The defense filings came amid a blizzard of motions and responses filed by both sides Monday in U.S. District Court in Washington, the day before Stevens faces six challengers in today's Republican primary. The pretrial jockeying by the two sides is an effort to use the law, court procedures and the Constitution to their advantage as the structure of the trial takes shape.

U.S. District Court Judge Emmet Sullivan has agreed to hear the case on an expedited basis to improve Stevens' chances of a verdict before the general election Nov. 4.

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Stevens insists he's innocent and will be exonerated by a jury.

In one of his filings, Stevens argued that the government was unfairly trying to bring in evidence of bribery when it was only charging Stevens with failing to report more than $250,000 in gifts, mostly from Allen and Veco.

"The utter illogic of the government's position reveals what is really going on," Cary wrote. "The government wishes to smuggle in suggestions of bribery and corruption that it has not charged and cannot prove. The indictment alleges no quid pro quo for any gifts Sen. Stevens allegedly received, but the government now asks permission to introduce evidence of official actions in order to invite the jury baselessly to infer just such a quid pro quo."

"PUBLIC SCRUTINY AND CRITICISM"

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For their part, prosecutors lashed back at that argument. Prosecutors said the evidence is crucial to establishing motive. The information it wants to show the jury also details the close relationship between Stevens and Allen, who had ready access to Stevens over the phone, in e-mail and in person.

Their job is to show that Stevens "knowingly and intentionally" lied on his disclosure forms, prosecutors wrote. To do that, they need to prove a motive.

Prosecutors argued in their motions that if Stevens had reported the gifts they accuse him of accepting but failing to report, he would have faced questions that could have drawn media scrutiny as well as ethics complaints and a possible ouster from office.

He wanted to avoid "the negative consequences flowing from such disclosure, particularly during a time frame when the defendant had been engaged in performing official acts for Veco and Bill Allen," prosecutors wrote.

In other words, it was necessary for him to hide how close he was to Allen, prosecutors said, because he "would have subjected himself to public scrutiny and criticism regarding his ongoing relationship with Veco and Bill Allen, and the fact that he was laboring under a conflict of interest."

"Most importantly, disclosure of the things of value and the negative repercussions flowing from that disclosure would have threatened the defendant's future stream of things of value from Veco, Bill Allen and others."

Prosecutors also countered arguments that the charges against Stevens aren't specific enough. Stevens "cannot credibly claim that he cannot understand the charges or prepare his defense," government lawyers wrote, because they are "exceptionally detailed."

They cite one example: "Where the indictment charges that Stevens received things of value at the Girdwood residence, the indictment specifically notes that the 'renovation work included jacking up and resting the house on stilts, building a new first floor with two bedrooms and a bathroom, renovating the existing residence, and adding a garage with workshop and a second-story wraparound deck.'"

Also, while Stevens is entitled to know what charges he faces, prosecutors wrote that he is not owed an explanation of "each and every detail of how (the case) will be proved."

They also dispute Stevens' claim that the indictment violated provisions of the Constitution's Speech or Debate clause, which bars the government prosecutors from using speeches and legislation introduced by members of Congress as evidence. Prosecutors said that evidence protected by legislative immunity granted by the Constitution was not shown to the grand jury that ultimately indicted Stevens.

"The prosecutors who were involved in the grand jury proceedings are not aware of any evidence introduced to the grand jury that reflects an act taken by Stevens, such as bills or statements on the floor of the Senate, that would be considered protected legislative activity."

As for Stevens' claim that under the Constitution it's up to the Senate to police itself when it comes to disclosure rules, prosecutors counter that the case "does not involve enforcement of internal Senate rules."

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"It involves enforcement of an unambiguous rule contained in the criminal law: do not lie when required by law to provide honest disclosure of assets." That was a law Congress itself passed.

"STEVENS DID NOTHING IMPROPER"

On the matter of the evidence involving the Florida loan, the Jeep and other issues, Stevens' lawyers argued that it would prejudice the jury. In the case of the Florida loan in particular, "Sen. Stevens did nothing improper," Cary, his attorney, wrote.

The Jeep deal "is a misguided attempt to impugn Sen. Stevens and his family before the jury," Cary argued.

In its earlier filings, the government included excerpts of two e-mails Stevens sent to his friend Bob Persons, the

Double Musky restaurateur in Girdwood. The government said Stevens was acting guilty in those e-mails. The excerpts cited by the government suggested Stevens was asking Persons to be less than candid before a grand jury.

Persons kept an eye on Veco's renovations to Stevens' home in Girdwood starting in 2000, the majority of the alleged unreported Veco gifts in Stevens' indictment.

Cary submitted two entire e-mails, which he said showed them to be innocuous.

In one, dated May 17, 2007, Stevens advises Persons to get his own attorney involved. Apparently Persons was afraid of an indictment himself, and Stevens said he needed a lawyer.

In the second e-mail, sent six hours after the first, Stevens again stressed the important of legal counsel.

"If they know you have legal advice, they will be more careful," Stevens said.

Stevens also provided some advice about how Persons should proceed.

"Again, don't let them rattle you and don't answer questions you don't know the answers to," Stevens said. "They have lots of info from Bill," Stevens said, a likely reference to Bill Allen.

Contact reporter Richard Mauer at rmauer@adn.com and Erika Bolstad at ebolstad@adn.com

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Stevens' lawyers want to block phone evidence

CORRUPTION CASE: Senator's team tries to get evidence tossed.

By ERIKA BOLSTAD
ebolstad@adn.com

(09/03/08 01:36:16)

WASHINGTON -- Lawyers for Sen. Ted Stevens signaled Tuesday they'll try to keep jurors from hearing as many as 105 phone calls the FBI recorded as part of the investigation that led to the 84-year-old Alaska Republican's indictment on corruption charges.

The phone calls appear to be among the thousands of hours of secretly recorded phone taps and video surveillance that have helped prosecutors land seven convictions and guilty pleas in the sweeping multiyear probe of corruption in Alaska politics. In at least one of the cases, jurors said the recordings -- which showcase crude talk and salty exchanges between lobbyists and state lawmakers -- were key to their guilty verdict.

The senator goes to trial Sept. 24 on seven counts of lying on his annual financial disclosure reports about gifts and home repairs he allegedly received from an oil services company and its CEO, Bill Allen. A judge granted an expedited trial so that Stevens could face a jury before the Nov. 4 election. Stevens, who won a Republican primary last week, faces Anchorage Mayor Mark Begich, a Democrat, in the general election.

His lawyers on Tuesday continued to shore up their defense of the senator, filing motions that criticized prosecutors for a vaguely written indictment and for insinuating that Stevens took bribes. The government "obviously wishes to import the stench of a bribery prosecution into a case that is nothing of the sort," wrote Stevens' lawyers.

Stevens' lawyers complained in documents that prosecutors dumped more than 400 hours of video and audio evidence on them last month, but little of it was related to Stevens. Only 105 of the 2,800 intercepted phone calls feature Stevens, his lawyers wrote in motions filed Tuesday.

They also said the Justice Department didn't specifically name the senator as a "targeted interceptee" in the affidavits they submitted to a court seeking permission for wiretaps. As a result, they may to seek to keep a jury from hearing those recordings, one of his lawyers, Robert Cary, wrote in motions filed Tuesday. They're asking for detailed logs that show the government made every effort to avoid recording noncriminal conversations and people who weren't named in orders authorizing the wiretaps.

FLORIDA DEAL TIE-IN

Last week, his lawyers accused prosecutors of unfairly introducing "irrelevant and prejudicial evidence" that has nothing to do with the disclosure violations he faces.

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His attorneys are referring to how prosecutors revealed that a friend loaned Stevens $31,000 in 2001 that let him turn a $5,000 investment in an unbuilt Florida condo into a $103,000 profit. He faces no charges in connection with the allegation.

However, prosecutors argued Tuesday in their own motions that they intend to introduce the information at trial because it is directly related to charges he faces in connection with repairs to his home in Girdwood. Stevens took out a line of credit on his Girdwood home to pay for Veco repairs, prosecutors said.

They said they'll be showing that even as Allen and Veco helped Stevens by "doing free work on the Girdwood residence," another friend helped defray the home repair expenses the senator paid to non-Veco workers by "providing him with a virtually-no-risk real estate investment that covered Stevens' line of credit."

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The information about the "no-risk" Florida real estate deal is "relevant to establishing Stevens' knowledge and

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interest concerning his personal investments and financial status," prosecutors wrote.

SPEECH-OR-DEBATE CONFLICTS

Stevens' lawyers on Tuesday also continued to press their case for throwing out the indictment based on the speech-or-debate clause of the U.S. Constitution, which bars the government prosecutors from using speeches and legislation introduced by members of Congress as evidence. Prosecutors said that evidence protected by legislative immunity granted by the Constitution was not shown to the grand jury that ultimately indicted Stevens.

But Stevens' lawyers said they believe the grand jurors did see protected material, and they've asked for permission to review transcripts of what prosecutors presented in the secret sessions.

That would mirror what government lawyers have done in the Rep. William Jefferson case, Stevens' lawyers said in their motions. Jefferson, a Louisiana Democrat, faces bribery charges. In Jefferson's case, his lawyers were given permission to review grand jury testimony of the congressman's legislative aides to determine whether there are speech or debate conflicts. A judge reviewed the remaining transcripts for conflicts.

Prosecutors continued to maintain in their filings that that the evidence of "official or political actions" by Stevens will "be limited to such routinely admissible categories as constituent services or communication with government agencies."

U.S. District Court Judge Emmet Sullivan will hear all of the pretrial motions next week. Sullivan has already ruled that the trial will stay in Washington D.C. instead of moving to Alaska.

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FBI taped more than 100 Stevens calls

By MATT APUZZO
The Associated Press
(09/02/08 13:37:29)

WASHINGTON - FBI agents taped more than 100 phone conversations involving Sen. Ted Stevens as part of their public corruption investigation, Stevens' attorneys said today.

The FBI's trove of secretly recorded conversations has already been the highlight of trials in Alaska, but the size of its collection against Stevens has until now been unclear. The sometimes-graphic conversations between hard-drinking oil contractors and corrupt Alaska politicians helped the Justice Department send three state politicians to prison.

The calls involving Stevens could be played in court this month when the Senate's longest-serving Republican stands trial on charges of lying about hundreds of thousands of dollars in home renovations and other gifts he received from an oil contractor.

The FBI did not tap Stevens' phone but did tap several phones belonging to contractors in the case. Out of 2,800 intercepted phone conversations, Stevens was recorded 105 times, his attorneys wrote in court documents.

Though Stevens is not charged with bribery, prosecutors want jurors to hear about a close relationship with Stevens and Veco founder Bill Allen. They want to portray Allen as an influence-buyer with a direct line into Stevens' office. Phone conversations between the two men could help that case.

His attorneys began laying the groundwork for a future argument that those calls should not be admitted into evidence. FBI agents can only tape conversations related to people or topics named in a warrant. The Justice Department did not name Stevens as a wiretapping target, his attorneys wrote, "yet it appears to have targeted his phone calls."

Stevens' attorneys object to the government's plan to present evidence that Stevens not only accepted gifts and services from Veco but also used his Senate seat to help the company's interests.

"The government obviously wishes to import the stench of a bribery prosecution into a case that is nothing of the sort," attorney Robert M. Cary wrote.

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US Senate has final say if Stevens is convicted

CONSTITUTION: Only a two-thirds majority vote can expel a sitting member.

By STEVE QUINN
The Associated Press
(09/01/08 01:49:51)

If Ted Stevens is convicted in his federal trial next month, his name will still appear as the Republican candidate for Senate on Alaska's November election ballot.

And if the 84-year-old Stevens then wins his seventh full term and refuses to resign, it could fall to his colleagues to decide whether he should be expelled.

"Once the jury has rendered a verdict, the Senate has a constitutional right to consider the qualifications of the member," said Don Ritchie, an associate Senate historian.

It would take a two-thirds vote of the Senate to expel Stevens.

No sitting senator has been removed in 146 years. The last was Indiana Sen. Jesse Bright in 1862.

Others facing expulsion, like Oregon Sen. Bob Packwood in 1995, resigned before the Senate took a vote.

Stevens, whose trial starts Sept. 22 in Washington, D.C., said it won't come anywhere near that.

He will not discuss stepping down, withdrawing from the race or quitting the Senate. His plans are simply to first win in court, and then at the polls.

"Put this down: That will never happen -- ever, OK?" Stevens said. "I am not stepping down. I'm going to run through and I'm going to win this election.

"The court case is going to go on. Whether it's finished or not, I'm still going to run for re-election, OK?"

Federal prosecutors allege Stevens failed to disclose more than $250,000 in home renovations and gifts from executives at oil services contractor Veco Corp.

Stevens, the Senate's longest-serving Republican, has pleaded not guilty.

Ritchie said fellow senators usually do not intervene while elections or court cases are pending.

"They've always waited until the legal process is complete and voters had their say," he said. "Once they're elected, the only judge of qualifications to serve is the U.S. Senate."

Stevens satisfied voters from his party Tuesday, capturing 63 percent of the vote and defeating six opponents.

After winning his primary, Stevens quickly proclaimed the Nov. 4 election a "piece of cake."

Stevens faces a staunch opponent in November, Anchorage Mayor Mark Begich, who is popular and has the backing of the national Democratic party.

Begich will seemingly have the state to himself to campaign while Stevens is on trial in late September and early October.

Begich in the campaign so far has avoided calling attention to the corruption charges, saying he believes

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Alaskans will vote for him, not necessarily against Stevens.

"What people want to talk about are issues of energy, of health care and of taxes. That's where I'm going to go," Begich said.

Stevens has attempted to paint Begich as a liberal aligning with interest outside the state, including "extreme environmentalists."

If Stevens is re-elected after a conviction but then resigns from the Senate or is expelled, Alaska Gov. Sarah Palin would be required to call a special election.

That's a relatively new provision in state law, driven when former U.S. Sen. Frank Murkowski won the gubernatorial race in 2002 and then appointed his daughter, Lisa Murkowski, to his seat.

Alaska residents were upset with what they saw as nepotism. A voter initiative ended gubernatorial appointments to vacancies in 2004, the same year Murkowski successfully won her first full term in the Senate by defeating former Gov. Tony Knowles.

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Stevens lawyer seeks access to evidence

By RICHARD MAUER
(09/09/08 15:55:06)

An attorney defending Sen. Ted Stevens against felony disclosure charges argued in a filing today that the government's failure to provide an advance look at evidence risks jeopardizing the fast-approaching trial.

In a motion to compel the government to turn over the material, Robert Cary accused prosecutors of "dilatory tactics" that could jeopardize Stevens' right to a fair trial.

The case is being heard in Washington, D.C., where Stevens files his annual financial disclosures. He's charged with seven counts of intentionally submitting false ones over the years by omitting gifts and benefits worth more than $250,000 from friends and favor-seekers, chief among them Bill Allen, the former chairman of the oil-field services company Veco.

U.S. District Court Judge Emmet Sullivan has scheduled a hearing tomorrow on at least a half-dozen significant issues that have arisen over the last month, including the motion filed today.

Though the motion was filed Tuesday, it was dated Sept. 2, a week earlier. Cary didn't respond to an e-mail message seeking clarification.

Cary argued that Supreme Court decisions protecting defendant rights require the government to turn over evidence in its possession that could show Stevens wasn't guilty of the crimes charged. The defense also demanded information that could be used to impeach government witnesses.

For instance, Cary demanded the government provide any information involving a state investigation of Bill Allen for sexual abuse of a minor.

The Daily News reported in February that in 2004, Anchorage police investigated whether Bill Allen had sex in the 1990s with a girl who was under 16, a felony without a statute of limitations. The case was closed at the request of federal prosecutors when the girl, by then an adult, had become the chief witness in federal case involving a sex-and-cocaine ring. A federal prosecutor told the Daily News last year that he feared the police would become distracted by pursuing Allen, jeopardizing the drug and sex case already at hand.

Anchorage police reopened their investigation in December, then suspended it when witnesses couldn't be located.

In his filing, Cary demanded the government provide details about "the pendency of any investigation (into sexual abuse by Allen), whether it was quashed, why it was quashed, and when it was quashed," because all that is relevant to Allen's credibility.

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"His cooperation with the government, and the nature of his testimony, may well be driven by a belief, whether justified or not, that his assistance to the government would guarantee him immunity or leniency in the state investigation," Cary wrote.

Cary also alleged the government knows about a "purportedly false affidavit" signed by David Anderson, Bill Allen's nephew and an expected witness. The affidavit, submitted in an unrelated case, contains a claim by Anderson that "the government has provided him and his friends and family with a broad grant of immunity in exchange for his testimony in this case."

Anderson has told reporters that he was one the key workers sent by Allen to renovate and furnish Ted Stevens' home in Girdwood starting in 2000. Anderson later had a major falling-out with Allen over a girlfriend and other

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issues, and Allen was questioned during a trial last year whether he wanted to kill Anderson. Allen denied it.

Cary also demanded any plea agreements the government may have entered into with Anderson and another Veco worker on the Stevens home project, Rocky Williams. In an earlier filing, the Stevens defense team acknowledged being told by the government there were no such deals. But they questioned whether there were informal understandings.

Cary also challenged audio tapes made of intercepted phone calls of Sen. Stevens. He said that if Stevens wasn't the designated target in wiretap authorizations signed by a judge, the evidence contained in them should be suppressed. But the government has so far failed to provide the necessary information about the recorded conversations to make that determination, he said

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Judge rejects move to dismiss Stevens charges

By ERIKE BOLSTAD
(09/10/08 13:59:45)

WASHINGTON -- All the bluster about "dilatory" tactics aside, it looks as though Sen. Ted Stevens will go to trial in two weeks, as scheduled and in the midst of his re-election bid.

Lawyers for the Alaska Republican tried but failed Wednesday to have the corruption case thrown out on grounds it is unconstitutional and that some counts in the indictment were outside the statute of limitations.

Stevens, 84, faces seven felony counts of knowingly taking home repairs and gifts worth more than $250,000 from the oil field services company Veco Corp. and failing to report them on his annual U.S. Senate disclosure forms.

Jury selection is scheduled to begin Sept. 22.

U.S. District Court Judge Emmet Sullivan ruled against most of the motions filed by Stevens' lawyers, including one that would have stricken language in the indictment that suggests he accepted gifts and renovations from Veco in exchange for legislative favors for the company.

Sullivan is expected to issue additional rulings on two key issues leading up to the trial. He will determine whether evidence in the case violates constitutional separations that keep lawmakers from being prosecuted for their legislative actions in the halls of Congress. He'll also rule on whether prosecutors can introduce a wide array of other evidence to boost their case, including showing that Stevens hid a $31,000 loan from a friend and then parlayed it into $129,250 in real estate gains.

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Stevens' alleged gift list grows

EVIDENCE: $1,000 sled dog among items not disclosed by senator, prosecution says.

By RICHARD MAUER
rmauer@adn.com

(09/08/08 23:53:41)

Federal prosecutors revealed more evidence Monday in their case against U.S. Sen. Ted Stevens, detailing a new round of gifts that he allegedly failed to disclose between 2001 and 2003.

In a filing in U.S. District Court in Washington, D.C., the government listed the items as a $1,000 sled dog, a $3,200 stained-glass window and a $2,695 massage chair. They are in addition to the $250,000-plus in labor and materials allegedly provided by the oil-field service company Veco Corp. when it renovated and furnished Stevens' Girdwood home starting in 2000.

Monday's filings from each side asked U.S. District Judge Emmet Sullivan to adopt its version of the case to be read to prospective jurors when they gather in two weeks for Stevens' trial in Washington, D.C. The statement of the case is supposed to be a neutral rendition of the issues at trial, but each side clearly jockeyed for advantage.

Sullivan may choose one or the other, or draft his own version, steering somewhere between the advocates, who also submitted competing jury instructions Monday in advance of the trial.

In a separate motion, Stevens' attorneys asked Sullivan to order the release of the medical records of Bill Allen, the 71-year-old former chairman of Veco, who suffered a head injury in a motorcycle accident in 2001. Allen, who pleaded guilty to bribing state legislators and who is expected to be the chief witness against Stevens, said in testimony in state court last year that he had trouble speaking because of the accident, though he could think clearly.

Stevens' attorneys disclosed they had sought a voluntary authorization from Allen to allow them to inspect his medical records at Providence Alaska Medical Center in Anchorage and at UCLA Health Systems in Los Angeles, where he was treated by a neurologist and neurosurgeon. Allen's lawyer, Bob Bundy, turned them down.

Stevens has contended he is innocent and will be vindicated by a jury. He has asked for a speedy trial, hoping a verdict in his favor would be rendered before the November election. Stevens, the longest serving Republican senator, is seeking his seventh full term; he faces Anchorage Mayor Mark Begich, a Democrat, on Nov. 4.

The government took a half-page in their document to describe the Girdwood renovations, telling how a floor was added to Stevens' home along with a wrap-around deck, new rooms, and major electrical and plumbing work.

DEFENSE DISMISSES NEW LIST

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In their version of the statement of the case, Stevens' lawyers devoted only a seven-word phrase in a single sentence to the renovations. They used more words for the newly reported items, but spoke dismissively of them.

"The government further alleges that Sen. Stevens knowingly and willfully failed to report an alleged gift of stained glass, knowingly and willfully failed to report an alleged gift of a dog, and knowingly and willfully failed to report an alleged gift of a chair," Stevens' attorneys wrote.

The chair wasn't just a chair, the government said, but a $2,695 massage chair given to Stevens by a friend identified only as "Person A." The chair was placed in Stevens' home in Washington, it said.

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The stained glass wasn't just stained glass either. It was a "hand-designed, hand-constructed stained glass window built to specifications provided by the defendant and his spouse, but paid for by 'Person B' and given to

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Stevens in 2001."

And the dog wasn't just a mutt from the pound. It was an expensive sled dog Stevens got from "Person B" in 2003. The government alleged Stevens misrepresented the dog as a $250 gift from the nonprofit Kenai River Sportfishing Association, a group closely associated with his friend, Bob Penney. In his 2003 disclosure, Stevens said the dog was "an honorary award in recognition of public service" and that he had purchased its twin for $250.

In asking for authority to subpoena Allen's medical records, Stevens' attorneys said that "understanding the scope and severity of Allen's brain injury is highly significant to the preparation of the defense."

Citing his testimony in the trials of two legislators that resulted in convictions, the attorneys added, "History has shown that, when Allen is called as a government witness, the government typically begins by eliciting his testimony that he was involved in a motorcycle accident in 2001 that impacted his speech, but otherwise left his brain function unaffected. The defense is certainly entitled to test the accuracy of Allen's account and determine whether Allen's memory or ability to perceive were impacted when 'about a quarter' of Allen's brain 'died' in the accident," they said, using Allen's own descriptions of his injuries.

Find Richard Mauer online at adn.com/contact/rmauer or call 257-4345.

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Stevens lawyers protest delays

EVIDENCE: Defense says tactics could jeopardize fairness.

By RICHARD MAUER
rmauer@adn.com

(09/10/08 01:34:35)

An attorney defending U.S. Sen. Ted Stevens against federal charges argued Tuesday that the government's failure to provide an advance look at evidence risks jeopardizing the fast-approaching trial.

In a motion to compel the government to turn over the material, Robert Cary accused prosecutors of "dilatory tactics" that could jeopardize Stevens' right to a fair trial.

But the government, which is prosecuting Stevens in Washington, D.C., on seven counts of filing false annual financial disclosures, dismissed the defense claims as being "without merit."

U.S. District Judge Emmet Sullivan has scheduled a hearing today on at least a half-dozen significant issues that have arisen over the last month, including the motion filed Tuesday. Stevens' trial is set to start with jury selection on Sept. 22 and is expected to last about a month.

Under that schedule, the trial would end just a week or so before election day, Nov. 4, when Stevens, the Senate's longest serving Republican, is standing for his seventh full term against Anchorage Mayor Mark Begich, a Democrat.

Stevens is accused of intentionally failing to disclose gifts and benefits worth more than $250,000 from friends and favor-seekers, chief among them Bill Allen, the former chairman of the oil-field services company Veco Corp. Allen has pleaded guilty to bribing Alaska legislators and will be one of the government's chief witnesses against Stevens.

ALLEN INVESTIGATION

In his filing, Cary argued that the government's obligation to turn over evidence that would be favorable to Stevens -- or damaging to the witnesses against him -- should include information about an Anchorage investigation of Allen for sexual abuse of a minor.

The Daily News reported in February that in 2004, Anchorage police investigated whether Allen had sex in the 1990s with a girl who was under 16. The case was closed at the request of federal prosecutors, when the girl, by then an adult, had become the chief witness in a federal case involving a sex-and-cocaine ring. One of the federal prosecutors told the Daily News last year that he had feared the police working on the federal investigation would become distracted by pursuing Allen, jeopardizing the drug and sex case already at hand.

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Anchorage police reopened their investigation in December, then suspended it when witnesses couldn't be located.

Cary demanded the government provide details about "the pendency of any investigation (into sexual abuse by Allen), whether it was quashed, why it was quashed, and when it was quashed," because all that is relevant to Allen's credibility.

"His cooperation with the government, and the nature of his testimony, may well be driven by a belief, whether justified or not, that his assistance to the government would guarantee him immunity or leniency in the state investigation," Cary wrote.

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But in its reply to Cary, filed shortly after 6:30 p.m. in Washington by Brenda Morris, principal deputy chief of the Justice Department's Public Integrity Section, the government argued that the sexual abuse case shouldn't be

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used to impeach Allen at the trial.

"As the Court knows, the government has sought to limit cross-examination of Bill Allen concerning matters that are highly inflammatory and prejudicial to the government," she said. Nevertheless, the government has already provided some limited information about Allen to the defense, and the defense could have read about the matter in the newspaper, Morris said.

'FALSE AFFIDAVIT'

Cary also alleged the government knows about a "purportedly false affidavit" signed by David Anderson, Bill Allen's nephew and an expected witness against Stevens. The affidavit, submitted in an unrelated case, contains a claim by Anderson that "the government has provided him and his friends and family with a broad grant of immunity in exchange for his testimony in this case."

Anderson has told reporters that he was one of the key workers sent by Allen to renovate and furnish Stevens' home in Girdwood starting in 2000. Anderson later had a major falling-out with Allen over a girlfriend and other issues, and Allen was questioned during a trial last year whether he wanted to kill Anderson. Allen denied it.

Cary also demanded any plea agreements the government may have entered into with Anderson and another Veco worker on the Stevens home project, Rocky Williams. In an earlier filing, the Stevens defense team acknowledged being told by the government there were no such deals. But the defense questioned whether there were informal understandings.

Morris said there were none, and the defense knew it.

"Defendant's decision to petition the Court to compel production of nonexistent materials is an abuse of process and should be denied," she wrote.

Cary also challenged audio tapes made of intercepted phone calls of Stevens. He said that if Stevens wasn't the designated target in wiretap authorizations signed by a judge, the evidence contained in them should be suppressed. But the government has so far failed to provide the necessary information about the recorded conversations to make that determination, he said.

Morris said the government provided everything that was required by law. And she ridiculed a demand by the defense that the government turn over data that would identify each photograph taken in Stevens' house during a government raid last summer.

"In support of this argument, defendant appears to claim that he can only understand, and thus make use of, these photographs if he has a log identifying what those photographs are," she wrote. "But these photographs are not murky, covert snapshots of an unknown crime scene; rather, they are photographs of the defendant's house. Again, defendant is clutching at straws."

With its 22-page response, the government also filed 68 pages of letters and e-mails between prosecutors and defense attorneys concerning the exchange of evidence. In one, there's a reference to videos taken from cameras hidden in a kitchen and a living room, though there was no explanation.

That reference appeared to indicate the existence of previously undisclosed FBI surveillance cameras. Video from inside Veco's suite at the Baranof hotel in Juneau played a significant role in convicting two state legislators last year of taking bribes from Allen.

Find Richard Mauer online at adn.com/contact/rmauer or call 257-4345.

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Judge orders Stevens prosecutors to simplify evidence

By ERIKA BOLSTAD
(09/12/08 15:45:31)

WASHINGTON - Sen. Ted Stevens' legal team complained that government lawyers had given them unwieldy electronic versions of more than 15,000 potential pieces of evidence in the Alaska Republican's corruption trial.

Now they'll be flooded with paper.

A federal judge today ordered that government lawyers turn over nearly everything on paper so Stevens' lawyers can have it in a more workable format this weekend in time to prepare for the senator's Sept. 24 trial.

"You'd have the same complaints if they gave you that information (in the same way), the same complaints," U.S. District Judge Emmet Sullivan told Justice Department prosecutors Friday, during an emergency hearing called just a few hours before it began.

Stevens, 84, faces seven felony counts of knowingly taking home repairs and gifts worth more than $250,000 from the now-defunct oil-services company Veco Corp. and failing to report them on his annual Senate disclosure forms. Jury selection is set to begin Sept. 22 and the trial is scheduled to begin two days later.

In their motion, filed this morning, Stevens' lawyers Alex Romain and Robert Cary complained that the government's "gamesmanship and 'hide-the-ball tactics' undermine the fairness of the upcoming trial."

Their specific complaint was that the government produced 15,038 pages without "load files," the electronic equivalent of staples, paper clips and folders. There's no way to differentiate where one document begins and ends, Stevens' lawyers said.

They also were concerned that some electronic files were "locked," which means they cannot search them electronically. To find a specific document in a 1,608-page electronic file taken from Veco computers, they must read the whole thing because they cannot search it electronically by key word.

Prosecutors were clearly frustrated with Stevens' lawyers, although they stopped short of using the "gamesmanship" language employed by the defense team. His lawyers' concerns could all have been addressed without the emergency hearing, argued Brenda Morris, the lead federal prosecutor.

"Just because he has 'U.S. Senator' before his name doesn't mean we have to drink out of a fire hose every time they call us," she said.

Not so fast, scolded Sullivan, who just prior to the Stevens' hearing heard a petition from a Guantanamo detainee who had been on a hunger strike for three years and whose lawyers were trying to wrest their client's medical records from the government. Stevens is getting the same deference all defendants get in his courtroom, Sullivan said, although the senator's request for speedy trial before the election has moved things at a brisker pace than most criminal trials.

"This defendant's not being treated any differently than anyone else," Sullivan said. "No other cases have been moved. I wouldn't do that for anyone. I wouldn't do that for anyone because of their status."

But Sullivan seemed to be slightly annoyed, too. On Wednesday, he told the lawyers to work out their disputes among themselves and not bother him with trivial quarrels over evidence, and told them he wished they'd tried harder to avoid such hearings.

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He was less sympathetic to a request by Stevens' lawyers to receive detailed evidence about when investigators questioned certain witnesses. There's no precedent for them receiving what are known as "form 302's," documents that detail the information gleaned by FBI agents when they interview witnesses, including the time and place. They've already given Stevens' lawyers a list that has much of that information, Morris said.

"Yet another example of drinking out of that fire hose," she said.

Stevens' lawyers indicated that when Sullivan holds a hearing next week to discuss what evidence will be allowed at trial, they will work to exclude some photographic evidence. They've asked for the "metadata" on thousands of photos taken the day FBI and IRS agents raided Stevens' home in Girdwood.

They plan to have an expert who has written a textbook on crime scene photography explain how certain camera angles and lenses could make the home appear larger than it actually is, Cary said, describing it as a "small log cabin."

Isn't it a "chalet?" asked Sullivan.

"It's a chalet, but it's modest," Cary said.

"We didn't call it a chalet; they called it a chalet," Morris said, adding that investigators "didn't take pictures to make it look better."

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Stevens loses attempt to have trial thrown out

The Associated Press
(09/16/08 13:52:37)

WASHINGTON, D.C. -- Alaska Sen. Ted Stevens has lost a final attempt to get his upcoming corruption trial thrown out.

U.S. District Judge Emmet Sullivan ruled that the trial will start next week, with jury selection beginning Monday.

Stevens is charged with lying on Senate records about gifts and home renovations from Veco Corp., an oil pipeline services company. Stevens, who is running for re-election, has pleaded not guilty and wants the trial finished by Election Day.

Stevens' lawyers had argued that the whole case is based on information related to his work as an Alaska senator. They also said the government wants to introduce evidence that would require Stevens to talk about his official work to defend himself.

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Stevens court case still on, judge decides

RULING: Selection of jury begins Monday after final hearing.

By ERIKA BOLSTAD
ebolstad@adn.com

(09/17/08 01:54:51)

WASHINGTON -- Sen. Ted Stevens won't be able to argue that evidence in the federal corruption case against him violates constitutional separations that keep lawmakers from being prosecuted for their legislative actions in the halls of Congress.

A federal judge on Tuesday turned down his lawyers' request to throw out the seven-count indictment against the senator, and he said in a hearing that if evidence arises at trial that looks as though it violates what is known as the speech-or-debate clause of the Constitution, he will consider barring it.

But it was Stevens' lawyers' job to show he's entitled to immunity under the speech or debate clause and they failed to do so, said U.S. District Court Judge Emmet Sullivan. Previously, the senator's lawyers had suggested that investigators could have overstepped their authority by interviewing Stevens' past and current legislative staffers

Sullivan reviewed grand jury transcripts to determine whether witnesses were asked questions that would have violated the speech or debate clause, which limits what sort of evidence executive branch investigators can use when they probe acts by members of Congress. He said he saw a handful, but it was "in no way pervasive."

Stevens, in the midst of a re-election bid, didn't attend the court hearing Tuesday. However, he was in Washington D.C., in the Capitol. The 84-year-old Alaska Republican faces Anchorage Mayor Mark Begich, a Democrat, in the Nov. 4 election.

Stevens faces seven felony counts alleging he knowingly took home repairs and gifts worth more than $250,000 from the now-defunct oil services company Veco Corp. and Bill Allen, its former CEO. Prosecutors said that Allen, who pleaded guilty to bribing state lawmakers in Alaska, is expected to be one of the first witnesses in the case against Stevens.

Sullivan also said Tuesday he would allow evidence from prosecutors that details what Stevens did in his role as an officeholder to help Veco. They include evidence he helped the company land federal contracts and grants, evidence he tried to influence the state in its efforts to build a natural gas pipeline, and communication between his office and the company.

Sullivan did tell prosecutors that they have until today to turn over redacted versions of what are known as "form 302s," the documents that detail the information gleaned by FBI agents when they interview witnesses, including the time and place and what they unearthed from their questions.

FBI - Stevens-2041

There are hundreds of the forms, warned one of the prosecutors, Edward Sullivan. Allen alone "has been spoken to many, many times," Sullivan said.

Tuesday's hearing was an effort to resolve disputed evidence before the trial; Sullivan cautioned that he wanted as many of the questions settled before the trial as possible so they don't bog down its progress.

"This process has to be a meaningful one," Sullivan said. "I don't want to start this thing and still be doing it New Year's Day."

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Sullivan will take up the remaining issues Thursday in the final pretrial hearing before the trial. Jury selection

begins Monday; the trial is set to begin two days later.

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Lawyers argue over wiretaps in Stevens case

By RICHARD MAUER & ERIKA BOLSTAD
Anchorage Daily News
(09/18/08 15:10:27)

WASHINGTON - Defense and prosecutors in Sen. Ted Stevens' criminal disclosure case wrangled today over the admissibility of a wiretapped conversation in which two of Stevens' friends spoke of his aversion to opening his own wallet.

"Ted gets hysterical when he has to spend his own money," Alaska restaurateur Robert Persons told the former chairman of oil-field services company Veco Corp., Bill Allen, in a conversation overheard by the FBI and quoted in court by a prosecutor.

Persons, founder of the Double Musky Inn restaurant in Girdwood, told Allen there was a reason for Stevens' reluctance: the senator "can't really afford to pay a bunch of money," he said.

The prosecutor, assistant U.S. Attorney James Goeke of Anchorage, didn't cite a date for that conversation, nor was it directly connected to Veco's big remodeling project at Stevens' home in Girdwood.

Rather, the conversation was about an investment by the three men and others in a partnership that owned a thoroughbred. But the government says it illustrated a consistent pattern of behavior reflected in Stevens' seven-count indictment. Stevens' defense says the conversation, and others the government is seeking to play to a jury, is irrelevant and prejudicial.

The government has accused Stevens of taking more than $250,000 in labor, materials and furnishings from Veco and Allen starting in 2000, then failing to report the gifts on his annual Senate disclosures. His trial will begin Monday in Washington with at least two days of jury selection.

Allen has pleaded guilty to bribing state legislators and is expected to be a key witness against Stevens. Persons has testified before a federal grand jury under subpoena but has expressed reluctance to speak ill of Stevens, whom he still considers a friend. Persons lives above his Girdwood restaurant and routinely kept an eye on Stevens' home when Stevens and his wife, Catherine, were in Washington.

The open-courtroom conference Thursday before U.S. District Court Judge Emmet Sullivan was called to allow defense and prosecution to bring up unresolved issues of evidence, law and procedure. Sullivan decided some questions but left others for the trial itself.

FBI - Stevens-2043

Sullivan ruled that the defense was entitled to review the medical records of Allen's 2001 motorcycle accident, when he suffered a serious head injury. Allen, testifying last year in Anchorage at the trials of two state legislators, said the accident impaired his speech but not his memory or intellectual ability. Sullivan ordered both sides to respect Allen's privacy and not disclose anything publicly until he rules whether the medical information is relevant.

Also for reasons of privacy, Sullivan said, the government shouldn't enter as evidence all 2,200 pages of Stevens' personal financial information, including credit card receipts. The government said the records would show that Stevens never paid Veco for the items it purchased for him, but Sullivan said the government should find another way to prove that.

The Persons-Allen phone call was among eight recorded conversations of third-party conversations that the defense sought to keep from the jury. Defense attorney Robert Cary characterized the call as "triple hearsay" as

it related to Stevens.

Stevens, Persons, Allen, Allen's son Mark and six other friends created a company called Alaska's Great Eagle LLC in 2004 to own race horses. Persons, who managed the partnership, was concerned about having to ask the others for more investment money.

In another call, Washington lobbyist Richard Ladd told Allen that Stevens had asked him to call to see if he could get a job for one of Stevens' sons.

The FBI began tapping Allen's phones in 2005 during the covert stage of its investigation of public corruption in Alaska. The investigation became public in a series of raids in August 2006. Among the targets was the legislative office of Ted Stevens' son Ben, then the president of the Alaska State Senate.

Sullivan again addressed Stevens' protections under the Constitution's Speech-or-Debate Clause, which prevents prosecutions for normal legislative activities. Sullivan had earlier rejected a bid by Stevens to dismiss his indictment under the clause, but on Thursday said it still could bar the government from introducing some evidence. He told the defense it could make objections each night based on expected evidence to be introduced the next day of trial.

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Judge's rulings lean toward privacy

STEVENS: Sides dispute use of credit card records, Allen motorcycle injuries in trial.

By RICHARD MAUER and ERIKA BOLSTAD
Anchorage Daily News

(09/19/08 04:11:09)

WASHINGTON -- Defense lawyers and prosecutors in Sen. Ted Stevens' criminal disclosure case wrangled over the admissibility of a wiretapped conversation Thursday where two of Stevens' friends spoke of his aversion to opening his own wallet.

"Ted gets hysterical when he has to spend his own money," Alaska restaurateur Robert Persons told Bill Allen, the former chairman of oil field services company Veco Corp., in a conversation overheard by the FBI and quoted in court by a prosecutor.

Persons, founder of Girdwood's Double Musky restaurant, told Allen there was a reason for Stevens' reluctance: The Senator "can't really afford to pay a bunch of money," he said.

The prosecutor, assistant U.S. Attorney James Goeke of Anchorage, didn't cite a date for that conversation, nor was it directly connected to Veco's remodeling project at Stevens' home in Girdwood.

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PRIVACY ISSUES

The open-courtroom conference Thursday before U.S. District Court Judge Emmet Sullivan was called to allow defense and prosecution to bring up unresolved issues of evidence, law and procedure. Sullivan decided some questions but left others, including that of the tapes, for the trial itself.

FBI - Stevens-2045

Sullivan ruled that the defense was entitled to review the medical records of Allen's 2001 motorcycle accident, when he suffered a serious head injury. Allen, testifying last year in Anchorage at the trials of two state legislators, said the accident impaired his speech but not his memory or intellectual ability. Sullivan ordered both sides to respect Allen's privacy and not disclose anything publicly until he rules whether the medical information is relevant.

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Stevens, Persons, Allen, Allen's son Mark and six other friends created a company called Alaska's Great Eagle LLC in 2004 to own race horses. Persons, who managed the partnership, was concerned about having to ask the others for more investment money.

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Contact reporter Richard Mauer at rmauer@adn.com and Erika Bolstad at ebolstad@adn.com.

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Stevens wants to testify at his trial

BUSY TIME: Alaska senator discusses state projects, economy before heading back to D.C.

By KYLE HOPKINS
khopkins@adn.com

(09/20/08 04:02:17)

Sen. Ted Stevens said he intends to testify at his federal corruption trial, which begins with jury selection Monday, but he said the final decision will be up to his lawyers.

Stevens spoke briefly about the trial with reporters Friday in Anchorage while talking about defense spending in Alaska, the tanking economy and his plans for the next two months.

The Republican senator is running for re-election even as he's scheduled to defend himself against seven federal counts of failing to report gifts from the Veco Corp. He said he plans to return to Alaska several times in October, but he will have to be back in D.C. a day before scheduled court appearances.

The coming week will be a busy one for Congress, he said. "I intend to go from the court to the Senate and be there every afternoon, evening."

Stevens listed several Alaska projects in the defense spending bill now before Congress, including:

• $10 million to plan for a "coal-to-liquids facility" at Eielson Air Force Base. The idea is to convert coal into aviation fuel.

• $16 million for a "C-17 assault landing zone" at Fort Greely. Stevens said the landing zone would be used by the cargo aircraft in emergencies.

• $10 million to "continue the modernization and expansion" of the Port of Anchorage.

The Hill, a Washington newspaper, reported this week that Stevens topped the list of Senators with the most earmarks in the defense appropriations bill with a total of about $215 million in spending.

The Republican presidential candidate, Sen. John McCain, and running mate Gov. Sarah Palin, have criticized some earmarks on the campaign trail. But Stevens defended the military spending in Alaska -- it's been part of his campaign message -- as necessary and forward-thinking.

"Six of the seven largest armies in the world are in fact Pacific nations. We are going to see a buildup in this state to keep us prepared to deal with the contingencies of this century," he said.

Stevens spent much of the press conference on the larger political story this week -- the teetering global economy.

FBI - Stevens-2047

"I think we're on the precipice of a meltdown," he said.

As the Bush administration announced plans for a massive bailout that would see the federal government taking over worthless mortgages and bad debt, Stevens said questions of what to do with the economy has the potential to engulf Congress.

He said he'd recently participated in a teleconference with Treasury Secretary Henry Paulson, who described the Bush administration's plans. Stevens said he expected the plan to be controversial but that Paulson "fairly well convinced me this situation has reached the point where you either do something now, or wait for something worse."

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Anchorage Mayor Mark Begich, Stevens' Democratic opponent in the Nov. election, said Friday that the country's economic woes can be traced to the door of Congress and its lack of oversight.

"Now we're in a crisis mode, and I'm glad to see it seems on the surface they're going to work in a bi-partisan way to hit this issue head on," Begich said.

"But because they waited so long and because they weren't paying attention, taxpayers are going to pay a lot of money for this."

Stevens planned to return to Washington D.C. today.

"I expect to be home several times in October, and I pray to God that we're finished by November."

Find Kyle Hopkins' political blog online at adn.com/alaskapolitics or call him at 257-4334.

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Powerful lawmakers on Stevens trial witness list

Associated Press
(09/22/08 08:11:17)

WASHINGTON - Several powerful senators and former Secretary of State Colin Powell are among possible witnesses at the corruption trial of the longest serving U.S. Republican senator.

Jury selection began Monday in the trial of the Sen. Ted Stevens, who has represented Alaska for more than 35 years. A federal judge listed dozens of people who might be called at the monthlong trial.

Among them are Democratic Sens. Ted Kennedy, Patrick Leahy and Daniel Inouye. Republican Sen. Orrin Hatch is also on the list, as is Powell.

Stevens, who took his seat in the courtroom before the proceedings commenced, is charged with lying in Senate financial disclosure records about hundreds of thousands of dollars in gifts and home renovations he received from Veco Corp, an oil services company. On Friday, he urged people to reserve judgment until all the evidence is in.

The senator at the time repeated that "I am innocent of the charges against me, and I think the trial will show that."

Veco employees normally build oil pipeline and processing equipment. But company workers also led the renovation of the senator's home, a project that was overseen by Bill Allen, a longtime Stevens friend and now the government's star witness.

Stevens, 84, says he paid every bill he received and has pleaded not guilty to all seven counts. The senator has pushed to get his trial completed before Alaskans vote Nov. 4 on his re-election.

The 150 potential jurors will complete a multipage questionnaire behind closed doors before being questioned by lawyers on their suitability for the monthlong trial.

Stevens, who is looking to win a seventh, six-year term, is in a tough race against Anchorage Mayor Mark Begich, a Democrat. The longtime Republican lawmaker will have to stay in Washington during the trial, while Begich is free to campaign around Alaska.

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Fight brewing in Stevens trial over CH2M Hill documents

By ERIKA BOLSTAD
(09/22/08 09:31:20)

WASHINGTON -- The Colorado construction and engineering company that bought the oil services firm at the heart of Sen. Ted Stevens' corruption trial is trying to keep from handing over documents sought by the Alaska Republican's defense team.

Lawyers for CH2M HILL, which purchased Alaska-based Veco Corp. last year, don't want to make public some of the evidence sought by Stevens' attorneys, including documents that show how new company is cooperating with the federal corruption investigation.

Jury selection began today and will continue tomorrow. The trial itself will begin Wednesday in earnest.

Stevens' lawyers are looking for three things: communications between the company and prosecutors concerning the Veco sale, documents that detail whether the company would be prosecuted itself for misdeeds, and information that would show whether the company's former executives benefited by cooperating with the federal corruption investigation.

Those executives include Bill Allen, Veco's former CEO, who was convicted of bribing state lawmakers but hasn't been sentenced yet. Allen is expected to a pivotal witness in the senator's trial, as are recordings between him and Stevens.

Lawyers for CH2M HILL say that they're not obligated to turn over any of the material requested by Stevens' lawyers, who have already asked the Justice Department for it. Prosecutors have not turned it over either, saying that it's irrelevant to their prosecution of Stevens.

"Unsatisfied with the government's decision not to produce this very same information...the defendant now seeks these items from a nonparty in a backdoor attempt to circumvent the government's discovery obligations," lawyers for CH2M HILL wrote.

Stevens' lawyers counter that because Allen "apparently conducted numerous illegal activities through VECO, which have led to his conviction and that of several Alaska state officials, CH2M HILL's purchase of VECO could have exposed it to potential criminal indictment. Although an indictment would bean unwelcome event in the life of any corporation, for CH2M HILL criminal charges would be particularly devastating, because it is a government contractor and faces debarment if indicted."

They want the documents because they hope to show at trial that Allen had a motivation to "testify favorably" as a prosecution witness, Stevens' lawyers wrote.

FBI - Stevens-2050

CH2M Hill, an employee-owned company, bought Veco last September, and the formal stock-purchase agreement was filed publicly with the Securities and Exchange Commission. The agreement showed that the Allen family and two former Veco executives, Roger Chan and Peter Leathard, owned shares in Veco either directly or through trusts.

The Veco owners shared in the proceeds according to their ownership percentages, with the Allen family together holding more than 80 percent, according to sales documents.

According to the CH2M Hill purchase agreement, the total value of the sale was $380 million. But after adjustments, assumptions of debt and the issuance of $15 million in CH2M Hill stock to Veco employees who joined CH2M Hill, the owners were left to divide $146 million in cash.

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Another $70 million was withheld b payable by 2010 -- a guarantee aga t hidden or unexpected issues arising, including the possibility tha Veco could still be charged criminally as a corporation.

Allen has testified he tried to get immunity for the company but couldn't. In its SEC filing, CH2M Hill said such an event would be "potentially detrimental to CH2M HILL's reputation in the business community or impact our future business operations." The new owners said they would continue to cooperate with ongoing investigations and have had a "productive dialogue" with the U.S. Justice Department.

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Stevens asks to leave courtroom for Senate

By ERIKA BOLSTAD and RICHARD MAUER
Anchorage Daily News
(09/23/08 09:57:02)

WASHINGTON - A federal judge warned Sen. Ted Stevens that it might not be the best idea to leave the courtroom during the first week of his corruption trial, but that if he is needed in the U.S. Senate, he'll explain the senator's absence to jurors.

"I would be remiss if I didn't bring this to your attention," U.S. District Court Judge Emmet Sullivan told Stevens just before jury selection began this morning. "I think it's possible that some jurors may think someone is too busy."

His lawyer, Brendan Sullivan, wanted the judge to tell jurors that if Stevens is leaving, it is because he is needed in the Senate to help address the looming financial crisis. But the judge told him he would say only that if Stevens is absent, he would instruct jurors that the senator simply wouldn't be there, but that there was nothing wrong with it and they should not speculate about it.

Jurors paraded quickly through the courtroom this morning as the selection of individual jurors got under way in Stevens' corruption trial. By 12:30 p.m. (Eastern time), the judge had reviewed 14 jurors and dismissed five.

Those dismissed included a lobbyist with Republican ties who said he believed he has met Stevens before and that he worried that his political ties would make it difficult to overcome his bias in favor of the Alaska senator. The lobbyist, who represents home-based businesses such as Avon and Mary Kay cosmetics, described himself as "a political animal." He has never lobbied Stevens directly but has probably been at the same events, he told the judge.

"I think it would be hard for me to say I wouldn't have some inherent bias," the lobbyist told the judge, adding later, "You come into this with certain biases and beliefs, but first and foremost you have the task at hand."

"I appreciate your candor, thank you," the judge said.

Stevens' lead attorney, Sullivan, appeared eager to keep him.

"This man seems to be knowledgeable, maybe opinionated ..." his attorney said. "He's exactly the kind of thoughtful, honest juror that can follow the law and instructions.

But prosecutors wanted him out.

FBI - Stevens-2052

"I believe he was trying his best to be honest, but there is a struggle there. ... He is a lawyer," said Brenda Marsh, the lead prosecutor. "He has formed a bias in this case, he has indicated that in his line of work, ... and he is very active in the Republican Party."

The judge also let go another potential juror, a teacher and Christian Scientist who said she had religious objections to sitting in judgment on someone. He also dismissed a young man who has college courses that begin every evening at 4.

"We don't want you to miss any classes," the judge said, adding that he would defer his jury service until mid-June.

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"That sounds pretty good," the juror said.

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He dismissed another juror who had family ties to lawyers at Stevens' law firms, and one man who told him he thought it would be difficult to be fair because people in Stevens' position should be "held to a higher standard."

"I feel that I already have an opinion on the case. Two people from the oil company have already pled guilty to bribery," the man said. "I don't know how I would remove the things I've already read."

But most potential jurors remained in the pool, including a woman who Stevens' defense team objected to for saying she thought public officials are "supposed to serve the people ... and they're not above the law. They should always remember the people they're supposed to serve."

When asked by the judge whether "the fact that the senator has been indicted ... would you view that as wrongdoing on his part?

"Do I feel like that means he's guilty? No," the woman said, a response that kept her in the jury pool.

Another juror, when asked about his response on a questionnaire as to whether he had ever witnessed a crime, had this to say: "If you see someone smoking marijuana at a party, that's a crime." The judge kept him in the pool.

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From MIKE JONES <miamottley2@gmail.com>
Sent Monday, September 22, 2008 6:59 pm
Subject Powerful lawmakers on Stevens trial witness list
See blog towards the end of the article.

http://www.adn.com/news/politics/fbi/stevens/story/533357.html?mi_pluck_action=comment_submitted#Comments_Container

Powerful lawmakers on Stevens trial witness list

By ERIKA BOLSTAD and RICHARD MAUER
Anchorage Daily News

WASHINGTON -- A witness list read to potential jurors this morning suggested that a bevy of Sen. Ted Stevens' high-profile Senate colleagues would testify in his corruption trial.

The witness include his longtime friend and fellow World War II veteran Sen. Daniel Inouye, D-Hawaii, and three other Senate peers: Sen. Patrick Leahy, D-Vt., Sen. Orrin Hatch, R-Utah, and Sen. Ted Kennedy, D-Mass. Former Secretary of State Colin Powell is also on the list. It wasn't clear Monday whether the men are witnesses for the defense or the prosecution.

Also on the list: a Fairbanks strip club manager as well as the underage former mistress of one of the chief witnesses, Bill Allen, and the Anchorage Police Department detective who is investigating the relationship between the two.

Monday, Judge Emmet Sullivan issued an order allowing Stevens to duck in and out of the trial in federal district court in Washington, D.C., if he has Senate business to attend to. It's not clear whether he can leave to campaign; the 84-year-old senator is up for re-election and on Nov. 4 faces Democrat Mark Begich, the mayor of Anchorage.

Jury selection in Stevens' trial began today and will continue tomorrow. The trial itself will begin Wednesday. Stevens faces charges that he took more than $250,000 in labor, materials and furnishings from Veco and its former CEO, Allen, but failed to report the gifts on his annual Senate disclosure forms.

Meanwhile, the Colorado construction and engineering company that bought Veco is trying to keep from handing over documents sought by the Alaska Republican's defense team.

Lawyers for CH2M Hill, which purchased Alaska-based Veco Corp. last year, don't want to make public some of the evidence sought by Stevens' attorneys, including documents that show how the new company is cooperating with the federal corruption investigation.

Lawyers for C2HM Hill said in a motion filed Monday that they believe Stevens' defense team is conducting a "fishing expedition" for three things: communications between the company and prosecutors concerning the Veco sale, documents that detail whether the company would be prosecuted itself for misdeeds, and information that would show whether the company's former executives benefited by cooperating with the federal corruption investigation.

Those executives include Allen, who was convicted of bribing state lawmakers but hasn't been sentenced yet. Allen is expected to a pivotal witness in the senator's trial, as are recordings by the FBI between him and Stevens.

Lawyers for CH2M Hill say they're not obligated to turn over any of the material requested by Stevens' lawyers, who have already asked the Justice Department for it. Prosecutors have not turned it over either, saying that it's irrelevant to their prosecution of Stevens.

"Unsatisfied with the government's decision not to produce this very same information ... the defendant now seeks these items from a nonparty in a back-door attempt to circumvent the government's discovery obligations," lawyers for CH2M Hill wrote.

Stevens' lawyers counter that because Allen "apparently conducted numerous illegal activities through Veco, which have led to his conviction and that of several Alaska state officials, CH2M Hill's purchase of Veco could have exposed it to potential criminal indictment. Although an indictment would be an unwelcome event in the life of any corporation, for CH2M Hill criminal charges would be particularly devastating because it is a government contractor and faces debarment if indicted."

They want the documents because they hope to show at trial that Allen had a motivation to "testify favorably" as a prosecution witness, Stevens' lawyers wrote.

FBI - Stevens-2054

CH2M Hill, an employee-owned company, bought Veco last September, and the formal stock-purchase agreement was filed publicly with the Securities and Exchange Commission. The agreement showed that the Allen family and two former Veco executives, Roger Chan and Peter Leathard, owned shares in Veco either directly or through trusts.

The Veco owners shared in the proceeds according to their ownership percentages, with the Allen family together holding more than 80 percent, according to sales documents.

According to the CH2M Hill purchase agreement, the total value of the sale was $380 million. But after adjustments, assumptions of debt and

8004-AN-13718-S1004 1994-AN-13620-N - 814

the issuance of $15 million in CH2M Hill sto[illegible] Veco employees who joined CH2M Hill, the [illegible]ers were left to divide $146 million in cash.

Another $70 million was withheld but payable by 2010 -- a guarantee against hidden or unexpected issues arising, including the possibility that Veco could still be charged criminally as a corporation.

Allen has testified he tried to get immunity for the company but couldn't. In its SEC filing, CH2M Hill said such an event would be "potentially detrimental to CH2M Hill's reputation in the business community or impact our future business operations." The new owners said they would continue to cooperate with ongoing investigations and have had a "productive dialogue" with the U.S. Justice Department

BLOGS

I would suggest that the files be released as I am certain that these same files will also contain a link to the further corruption carried out by VECO and Allen in regard to their handling of two projects carried out in Barbados one being an Oil Storage facility and the other being a prison in both cases the final price tag exceeded the quoted price in one case by nearly three times the cost in the other by double the cost.

There is a VERY STRONG feeling on the island that VECO executives conspired with Barbadian con artist to defraud the Barbadian taxpayers by vast sums of money with kick backs arranged by Allen for the 4 Barbadian faciliators for ALLEN AND VECO.

See comments recently made by the new Prime Minister of Barbados The Hon Mr.David Thompson during a speech that was delivered on Saturday evening by him to Barbadians living in Toronto -:

SECRET ACCOUNTS

PRIME MINISTER DAVID THOMPSON is convinced that millions of dollars "bizarrely spent" during the previous Barbados Labour Party (BLP) Administration are now stashed in foreign bank accounts.

He did not call any names but he made it clear that he hoped one day to be able to track down the bank accounts and expose the culprits.

"Week after week in Cabinet, we unearth horror stories of how millions and millions of dollars were spent in the most bizarre of circumstances," Thompson said as he addressed the Canadian branch of the Democratic Labour Party (DLP) in Toronto on Saturday night.

"This is 2008 and it is not easy to tap into a person's personal bank account and find necessary deposits, but I am saying tonight that the money that was spent so recklessly in the past 14 years has not all dissolved into outer space, although much of it is not in Barbados.

"It is somewhere hidden and I intend to find some, if not all, of it," the Prime Minister said.

"We are not talking about a few hundred dollars here. We are not confusing ourselves with petty cash or other fine change. We are talking about millions and millions of dollars that could otherwise have gone into social, infrastructural and economic development policies and projects for the benefit of Barbadians," he charged.

He spoke of irregularities at the Rural and Urban Development Commissions as well as "strange" Town and Country Planning decisions.

"You cannot begin to imagine what was going on in Barbados. You cannot begin to imagine the depths to which governance – or lack thereof – sunk in Barbados," he told the audience.

The Prime Minister added that, as a consequence, the public service of Barbados was "never as politicised".

"There are political operatives of the Barbados Labour Party at work in virtually every department; charged with frustrating and undermining every project/initiative of your Government.

"Frequently, you discover situations where people are speaking freely about transactions and undertakings for which there is no record on file. It is only then you know that something of the sort existed. The files are now nowhere to be found."

It is for this reason, he said, that his Administration, as promised in the DLP manifesto, has set up a Governance Commission to review and examine current loopholes in the system of public administration in Barbados and to propose a series of reforms.

"I am not arrogant and I don't try to be. I spent too long in Opposition not to have learnt some lessons. But I apologise to no one – least of all the Barbados Labour Party – for the length of time it

is taking to get it right."

Thompson also spoke of other manifesto commitments such as the proposed Freedom of Information Bill which he said had been presented to Cabinet last Thursday and would soon be widely circulated and ultimately laid in Parliament.

Additionally, he said the Integrity In Public Life legislation covering such issues as declaration of assets, conflict of interest issues and the conduct of parliamentarians would also be available within the next few weeks.

"This Government is in office for eight months and it is making this legislative framework a reality. Others talked about it but instructively, never lifted a finger for 14 long years, to make it happen. Barbadians must ask themselves why!"

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Stevens jury set to hear witnesses Thursday

By ERIKA BOLSTAD and RICHARD MAUER
Anchorage Daily News
(09/24/08 14:21:56)

WASHINGTON - The newly impaneled jury that will determine whether Sen. Ted Stevens is guilty of lying on his financial disclosure forms will hear its first witnesses Thursday in his corruption trial.

First, prosecutors will outline their case against the 84-year-old Republican from Alaska. They're expected to call three witnesses. Stevens' lawyers also will have an opportunity to outline their defense, including shortcomings they hope to highlight in the government case against the senator.

Stevens was charged in late July with taking more than $250,000 in home repairs, labor and furnishings from a defunct oil-services company, Veco Corp., and Bill Allen, its former chief executive, and failing to report the gifts on his annual Senate disclosure forms.

The gifts he's accused of accepting include renovations to his home that lifted it from its foundation, added a lower story and doubled its size.

Among the first witnesses jurors will hear from Thursday is John Hess, a Veco engineer whose initials are on the renovation plans filed with the Municpality of Anchorage's building department. Stevens called the home, an A-frame in the resort community of Girdwood, his "chalet" in correspondence that will likely be entered as evidence against him in the case. Veco, according to the Stevens indictment, paid for the design work.

Today, after a day and a half of jury selection, lawyers for Sen. Ted Stevens and federal prosecutors agreed on a jury pool of 16, which includes four alternates.

The jury is made up of nine black women, three black men, two white women and two white men - a mix that reflects the population of Washington, D.C., which is more than 56 percent black.

It's a far different jury from what Stevens likely would have faced in Alaska, had he been successful in moving the trial to his home state. In Anchorage, U.S. Census figures show, the population is about 72 percent white, 6.5 percent black and about 8 percent Alaska Native.

The D.C. jury also is reflective of the city's professional class - 39 percent of the population has at least a four-year degree. In Anchorage, that number is closer to 29 percent.

There's a third-grade teacher with 21 kids in her classroom, a woman who is the receptionist for a trade association, a young man who works in the gift shop at a journalism museum, a man who oversees the operating rooms at a hospital, a woman who keeps the books for the D.C. National Guard, another woman who compiles criminal justice reports on wiretapping, and a man who works in drug counseling. FBI - Stevens-2057

Half of the jurors previously served on juries in federal or D.C. courts; one man was a grand juror.

Stevens is balancing his trial, his Senate duties and a campaign against Democratic challenger Mark Begich, Anchorage's mayor. Opening statements in the trial, which is expected to last three to four weeks. Stevens, who was indicted in late July, asked for the expedited schedule so there is a potential for the trial to wrap up before the Nov. 4 election.

Allen, 71, is expected to be the star witness in Stevens' trial, the culmination of four years of inquiry into corruption in Alaska politics. Allen, who's pleaded guilty to bribing state lawmakers in Alaska, has not yet been sentenced. But his courtroom testimony and secret recordings and videos of conversations were key to the

-815 194A-AN-13670-

Justice Department's seven successful convictions.

Allen and Veco vice president Rick Smith pleaded guilty in May 2007 to providing more than $400,000 in bribes to public officials in Alaska.

The Justice Department also won convictions of three former Alaska state representatives, all on bribery charges: Tom Anderson, Pete Kott and Vic Kohring. One other state representative, Bruce Weyrauch, is awaiting trial, as is current state Sen. John Cowdery.

In the same investigation, Jim Clark, onetime chief of staff to former Alaska Gov. Frank Murkowski, pleaded guilty in March to one count of conspiracy and agreed to cooperate with the federal investigation. Former Anchorage lobbyist Bill Bobrick also pleaded guilty in May 2007 to felony public corruption charges.

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Former governor reinserts himself in gas line talks

Although he wouldn't say exactly what role he's playing, Murkowski met Monday afternoon with officials at Conoco Phillips. (Phil Walczak/KTUU-TV)

by Mike Ross
Monday, Jan. 28, 2008

ANCHORAGE, Alaska -- After his own failure with the project, former Gov. Frank Murkowski is again jumping into the gasline debate.

Murkowski is back in Alaska. He said Monday he is meeting with some of the major producers and the Palin administration's gas line choice, TransCanada, in order to get the project moving.

"I feel as an Alaskan that I'm gonna do everything I can to help bring this gas," Murkowski said.

Although he wouldn't say exactly what role he's playing, Murkowski met Monday afternoon with officials at Conoco Phillips.

"We just can't wait for this process to go into a long period of litigation -- time's a-wastin'," he said.

Murkowski also says he plans to meet with BP, Exxon Mobil and TransCanada, the only pipeline bidder that met terms of the Alaska Gasline Inducement Act legislation, according to the Palin administration.

"The bottom line is to get this moving and how can we collectively work together to have the producers, the owners of the gas and TransCanada come together with the state of Alaska to get this project underway," he said.

In the final months of his term as governor, Murkowski's gas line deal with the major producers fell apart over concerns that he "gave away too much."

Many in the Legislature felt there weren't sufficient guarantees the pipeline would ever be built within the context of his negotiations. Tax breaks given to the producers were too generous.

The former governor says he is not working for or representing any particular party involved in the debate, though, and his efforts come as the tug-of-war between Gov. Sarah Palin and Conoco Phillips continues.

FBI - Stevens-2059

Palin rejected Conoco's "non-conforming" pipeline construction application with a letter that began with a quote from Albert Einstein that defined insanity as doing the same thing over and over again and expecting different results.

The company ran a full-page newspaper ad Sunday saying it's disappointed but not discouraged.

"We do plan to continue with our public outreach. We plan to continue with our efforts to move this project ahead," said Conoco Phillips vice president Brian Wenzel.

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The governor says she's committed to AGIA but isn't closing the door on Conoco.

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"We're not going to be stubborn," Palin said. "Some people characterize it as 'don't pull a Murkowski' -- you put your head in the sand and you don't want to hear from anybody else. We're going to hear from others."

Contact Mike Ross at mross@ktuu.com

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Jury seated in Stevens trial

By ERIKA BOLSTAD and RICHARD MAUER
Anchorage Daily News
(09/24/08 10:20:23)

WASHINGTON - Lawyers for Sen. Ted Stevens and federal prosecutors have picked a jury in his corruption trial. After a day and a half of jury selection, the pool was narrowed to 12, with four alternates.

Opening statements are set for Thursday morning.

The jury is made up of nine black women, three black men, two white women and two white men - a mix that reflects the population of Washington, D.C., which is more than 56 percent black.

There's a third-grade teacher, a receptionist for a trade association, a young man who works in the retail store at a journalism museum, a man who oversees the operating rooms at a hospital, a woman who keeps the books for the D.C. National Guard, another woman who compiles criminal justice reports on wiretapping, and a man who works in drug counseling.

Five of the jurors previously served on juries; one man was a grand juror.

The 84-year-old Alaska Republican faces charges that he took more than $250,000 in labor, materials and furnishings from a former oil-services company, Veco Corp., and Bill Allen, its former chief executive officer, and didn't report the gifts on his annual Senate disclosure forms. Opening arguments begin Thursday morning.

The senator is balancing his trial, his Senate duties and a tight re-election bid against Democratic challenger Mark Begich, Anchorage's mayor. Opening statements in the trial, which is expected to last three to four weeks, begin Thursday morning. Stevens, who was indicted in late July, asked for the expedited schedule so that there is a potential for the trial to wrap up before the Nov. 4 election.

Allen, 71, is expected to be the star witness in Stevens' trial, the culmination of four years of inquiry into corruption in Alaska politics. Allen, who himself has pleaded guilty to bribing state lawmakers in Alaska, has not yet been sentenced. But his courtroom testimony and secret recordings and videos of conversations were key to the Justice Department's seven successful convictions.

Allen and Veco vice president Rick Smith, pleaded guilty in May 2007 to providing more than $400,000 in corrupt payments to public officials from the state of Alaska.

The Justice Department also won convictions of three former Alaska state representatives, all convicted on bribery charges: Tom Anderson, Pete Kott and Vic Kohring. One other state representative, Bruce Weyrauch, is awaiting trial, as is current state Sen. John Cowdery.

In the same investigation, Jim Clark, onetime chief of staff to former Alaska governor Frank Murkowski, pleaded guilty in March to one count of conspiracy, and agreed to cooperate with the federal investigation. Former Anchorage lobbyist Bill Bobrick also pleaded guilty in May 2007 to felony public corruption charges.

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Juror links to Stevens, judge hard to avoid

SELECTION PROCESS: Federal judge trims field to about 30.

By ERIKA BOLSTAD and RICHARD MAUER
Anchorage Daily News
(09/23/08 21:58:26)

WASHINGTON -- A federal judge began on Tuesday to shape the jury that will decide whether Sen. Ted Stevens is guilty of lying about gifts on his annual Senate disclosure forms.

Jury selection is set to finish early this morning, but by the end of the day Tuesday, U.S. District Judge Emmet Sullivan had identified about 30 potential jurors. He asked 46 people whether they felt they could be impartial in a case about a public official and whether they knew any of the people who could testify as witnesses in the corruption case. He also asked many people if they thought they could be fair in deciding their verdict even if the defendant -- Stevens -- does not testify.

Just two potential jurors mentioned Stevens' home state. The father of Juror 1885 -- none of their names were used in open court -- was born in Alaska.

Juror 1632 had failed to respond to a written juror question asking what he thought about Alaska, so the judge asked him what came to mind.

"All I can say is, Alaska is cold," he said.

The jury pool in some ways showed what a small town Washington can be. Two jurors reported having direct contact with the judge in the past, one as a lawyer representing a telecommunications company, the other as a mother whose son was convicted of an unspecified crime. The lawyer remained on the panel, while the mother, who harbored ill feelings toward the court, did not.

And someone who might have watched jury selections in Anchorage would observe a surprising lack of diversity for cosmopolitan Washington. Anchorage jury pools often reflect the rich ethnic and racial diversity there, where more than 80 languages are the native tongues of students in the school district or their families. The Washington that showed up in Sullivan's courtroom was almost exclusively biracial -- African American and white. A single Asian -- a female lawyer -- was among the pool, along with a man who might have been Hispanic.

With government being the city's main industry, bureaucrats, clerks, technology workers, lawyers, lobbyists and one "signals analyst" for the Defense Department swelled the jury pool.

One of the lobbyists, Juror 2135, even had a connection to Stevens.

FBI - Stevens-2062

That juror is a corporate attorney with Verizon who practices before the FCC. The Senate Commerce Committee, which Stevens chaired until Republicans lost control of the Senate in 2006, has oversight of the FCC and Stevens has a lot to say about who its chairman will be. The juror said he met Stevens professionally and knew one of his long-term aides-turned-lobbyist, Lisa Sutherland.

Sutherland was listed Monday as a possible witness.

The lead prosecutor, Brenda Morris, asked the man if it would be a problem for his own career if he sat in judgment on a jury determining whether a powerful senator is guilty of a crime.

The man told the judge it would not be a problem and survived the first round of cuts.

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Two of the potential jurors had experience with corruption investigations. Juror 511 said a relative, a judge in Pennsylvania, is now under investigation by the FBI for abuse of power. The juror said she had become jaded, but didn't know if that would help or hurt Stevens. She was cut.

Juror 1902 worked for Walter Fauntroy when he was the District of Columbia's nonvoting delegate to Congress. She was subpoenaed by a grand jury investigating Fauntroy and remembered being frightened before she testified. In 1996, after leaving Congress, Fauntroy pleaded guilty to filing a false disclosure statement, the same violation Stevens is facing. Juror 1902 remained on the Stevens panel.

About 56 percent of Washington is African American and just over 53 percent of residents are women. By the end of Tuesday, the potential jurors in the pool of 30 or so included 13 black women.

ABSENCE MIGHT BE A MISTAKE

The jurors paraded quickly through the courtroom, as Stevens sat quietly at the defense table with his lawyers, a frown fixed on his face most of the day. During some breaks in the proceedings, he checked his Blackberry for e-mail messages in the airy modern atrium outside the courtroom. Stevens, the longest-serving Republican in the U.S. Senate, left the proceedings about 15 minutes early to go to the Capitol, where votes were scheduled.

The 84-year-old senator faces charges that he took more than $250,000 in labor, materials and furnishings from former oil services company Veco Corp. and Bill Allen, its former chief executive officer, and didn't report the gifts on his annual Senate disclosure forms. The senator is balancing his trial, his Senate duties and a tight re-election bid against his challenger, Anchorage Mayor Mark Begich, a Democrat.

Sullivan warned Stevens on Tuesday that it might not be the best idea to leave the courtroom during the first week of his corruption trial but that if he's needed in the Senate, the judge will explain his absence to jurors.

"I would be remiss if I didn't bring this to your attention," Sullivan told Stevens just before jury selection began. "I think it's possible that some jurors may think someone is too busy."

Stevens' lead attorney, Brendan Sullivan, wanted the judge to tell jurors that if Stevens is absent, it's because he's needed in the Senate to help address the looming financial crisis. The judge told him he'd say only that Stevens simply wouldn't be there, but that there was nothing wrong with his absence and the jurors shouldn't speculate about it.

LOBBYISTS IN THE POOL

Another lawyer/lobbyist failed to make the cut: a man with Republican ties who said he thought that he'd met Stevens before, and said he was worried that his political ties would make it difficult to overcome his bias in favor of the Alaska Republican senator. The lobbyist, who represents an association of home-based businesses such as Avon and Mary Kay cosmetics, described himself as "a political animal." He's never lobbied Stevens directly but probably has been at the same events, he told the judge.

"I think it would be hard for me to say I wouldn't have some inherent bias," the lobbyist told the judge.

FBI - Stevens-2063

A bias from the other side was held by Juror 86, who reported that his father was a lobbyist. He said he believed people in public office should be held to a higher standard, and had come to the conclusion that "Stevens is guilty." He also was struck from the pool.

The judge also let go another potential juror, a teacher who is a Christian Scientist and said she had religious objections to sitting in judgment on someone. He also dismissed several jurors who worked the night shift or were enrolled in college courses that conflict with the five-day-a-week trial schedule.

"We don't want you to miss any classes," the judge told one student.

Judge Sullivan dismissed another potential juror who had family ties to lawyers at the firm whose attorneys are representing Stevens.

OPENINGS ON THURSDAY

Most potential jurors remained in the pool, however, including a woman whom Stevens' defense team objected to for saying that she thought public officials are "supposed to serve the people ... and they're not above the law. They should always remember the people they're supposed to serve."

The judge asked her about "the fact that the senator has been indicted. ... Would you view that as wrongdoing on his part?"

"Do I feel like that means he's guilty? No," the woman said, a response that kept her in the pool.

Another juror, when he was asked about his response on a questionnaire to whether he'd ever witnessed a crime, had this to say: "If you see someone smoking marijuana at a party, that's a crime." The judge kept him in the pool.

Jury selection is expected to finish today. Opening statements in the trial are scheduled for Thursday morning.

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Prosecutor: Stevens used Veco as his own 'handyman service'

By ERIKA BOLSTAD and RICHARD MAUER
Anchorage Daily News
(09/25/08 09:11:13)

WASHINGTON - Sen. Ted Stevens used one of Alaska's biggest employers as his "own personal handyman service" and never paid Veco Corp. for hundreds of thousands of dollars' worth of renovations to his home, a federal prosecutor charged Thursday as she outlined the government's case for finding the Alaska Republican guilty of lying on financial disclosure forms.

"You'll learn that the defendant never paid Veco a dime for the work on the chalet. Not a penny," the Justice Department's lead prosecutor, Brenda Morris, told jurors in the opening minutes of Stevens' trial.

Stevens' lawyers countered that he was not guilty and blamed Veco and its chief executive officer, Bill Allen, for allowing costs to escalate without telling him what the expenses would be or even showing him all the bills. Allen also installed fancy add-ons - like a Viking gas grill and gaudy but pricey Christmas lights - that were unnecessary and unwanted, Stevens' lawyer, Brendan Sullivan said.

"When you see the evidence ... you'll see he had no intent to violate the law, no intent to conceal anything," his lawyer said. "He didn't want these things, he didn't ask for these things. He told some of them to take them back. He never once hid anything."

Sullivan also hinted that jurors would hear uncomfortable and intrusive details about the relationship between the 84-year-old Stevens and his second wife, Catherine Stevens, whom Sullivan said opened the bank account they established to pay for home renovations expenses.

"Catherine ran the financial part of the renovation," he said. "She was the person who opened the account, reviewed the bills, she was the person who wrote the check."

But prosecutors said that the jury will also hear from many of the people who did the work on Stevens' Girdwood home, Morris said, referring to the A-frame cabin as the "chalet," as the senator did: Morris said they will describe how even though Stevens paid subcontractors with whom he didn't have a personal relationship, he never paid Veco for its work, thanks to his close connections to the company's founder.

"If the defendant needed an electrician, he contacted Veco. If the defendant needed a plumber, he contacted Veco," she said. "We reach for the Yellow Pages, he reached for Veco."

FBI - Stevens-2065

Jurors also will hear about a 2006 conversation between Stevens and Allen, who already was cooperating with federal authorities at that point. In the conversation, Stevens told Allen that the worst that could happen to the two was if anyone found what the company had done for him was that they'd have to spend a lot of money on lawyers - and perhaps serve a little jail time.

Stevens knew he was doing wrong, Morris said, and contractors who the government alleges worked for free on the senator's home will testify that they were told not to talk about the work they were doing.

"One of the guys will tell you that he was told by Bill Allen to keep it quiet, that it would be bad if the public found out," Morris said.

"This is a simple case about a public official who took hundreds and thousands of dollars' worth of free financial

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benefits, and then took away the public's right to know that information," Morris said.

Stevens, the longest-serving Republican U.S. senator, faces seven felony counts of making false statements on his Senate financial-disclosure forms. In office since 1968, Stevens is up for re-election this year and is locked in a tight battle with his Democratic opponent, Mark Begich, the mayor of Anchorage.

The senator is accused of accepting more than $250,000 in home repairs, labor and furnishings from the now-defunct oil-services company Veco and Allen. Among the gifts he's accused of accepting are renovations to his Girdwood home that lifted it from its foundation and added a lower story, doubling it in size.

Allen, whose testimony will be the centerpiece of the trial, has pleaded guilty to bribing state lawmakers in Alaska. He hasn't yet been sentenced.

The judge cautioned jurors that what the lawyers said Thursday morning is merely a road map of the case, not evidence.

"They simply are statements of what the attorneys expect the evidence to be" and are designed to help the jury understand what sort of case it'll be hearing, U.S. District Judge Emmet Sullivan said.

He reminded the jurors that the law doesn't require the defendant to prove his innocence or present any evidence. Also, the judge added, the jurors must rely only on the facts in the case and not judge Stevens based on his race, religion, national origin or age.

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Courtroom is set for dramatic Stevens trial

OPENING STATEMENTS: Jury has been picked, and the first witnesses will take the stand this morning.

By ERIKA BOLSTAD and RICHARD MAUER
Anchorage Daily News
(09/25/08 01:07:16)

WASHINGTON -- With a jury seated Wednesday in the trial of Sen. Ted Stevens, opening statements and the first witnesses were set for this morning, lifting the curtain on what will be a historic courtroom drama.

Stevens, the first sitting senator to face a criminal trial since Sen. Harrison Williams, D-N.J., was convicted of bribery in 1981, will be tried by a jury of 11 women and five men, a panel that includes four alternates.

The jury is mainly a mix of white-collar professionals and bureaucrats, typical for this government-centric city. They'll have the job of determining whether Stevens, 84, who has represented Alaska since 1968, is guilty of seven counts of lying on his financial disclosure forms.

The government will begin its opening statement after the jurors are sworn and given preliminary instructions, expected at 9:30 a.m. Washington time, 5:30 a.m. in Alaska.

Stevens' lawyers also will have an opportunity to outline their defense, including shortcomings they hope to highlight in the government case against the senator.

Each side will have 75 minutes to introduce its case.

Stevens was charged in July with taking more than $250,000 in home repairs, labor and furnishings from the defunct oil-services company, Veco Corp., and Bill Allen, its former chief executive, and failing to report the gifts on his annual Senate disclosure forms. The gifts he's accused of accepting include renovations to his home that lifted it from its foundation, added a lower story, and doubled it in size.

Among the first witnesses jurors will hear from today is John Hess, a Veco engineer whose initials are on the renovation plans filed with the city of Anchorage's building department. Stevens called the home, an A-frame in the resort community of Girdwood, his "chalet" in correspondence that will likely be entered as evidence against him. Veco, according to the Stevens indictment, paid for the design work.

Another former Veco worker, Derek Awad, is scheduled to follow Hess.

JURY MAKEUP

FBI - Stevens-2067

The jury is made up of nine black women, three black men, two white women and two white men -- a mix that reflects the population of Washington, which is more than 56 percent African American.

It's a far different jury than Stevens likely would have faced in Alaska, had he been successful in moving the trial to his home state. In Anchorage, U.S. Census figures show the population is about 72 percent white, 6.5 percent black and about 8 percent Alaska Native.

The D.C. jury also is reflective of the city's professional class, where 39 percent of the population has at least a four-year college degree. In Anchorage, that number is closer to 29 percent.

Among the jurors chosen: a third-grade teacher, a receptionist for a trade association, a young man who works

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in the gift shop at a journalism museum, a man who oversees the operating rooms at a hospital, a woman who keeps the books for the National Guard, another woman who compiles criminal justice reports on wiretapping, and a man who works in drug counseling.

Half of the jurors previously served on juries, either in federal court or Washington, D.C., courts; one man said his only jury experience was as a grand juror.

The trial is expected to last four weeks, a fact not lost on the jurors.

"My principal.won't be very happy," the third grade teacher told the judge. He offered to call the principal on her behalf.

ALLEN AS STAR WITNESS?

In some cases, the jurors were asked to disclose their political leanings. One, a recent college graduate, said he came from a very conservative Republican family whose parents are ardent Sarah Palin supporters. The man said he flirted with a Republican organization in his sophomore year in college, but has since moderated his views and recently went to Baltimore to see Barack Obama at a rally.

"Politics-wise, I have no idea where I stand -- I'm still trying to figure it out," he said.

The juror said he didn't know much about Stevens but had been listening to the radio as he drove to the courthouse Monday in response to his jury summons. He heard on the news that Stevens' trial was about to begin.

"It was like, weird, I was like, that's interesting," he told the court.

Stevens is balancing his trial, his Senate duties and a campaign thousands of miles away against Democratic challenger Mark Begich, Anchorage's mayor.

Allen, 71, is expected to be the star witness in Stevens' trial, the culmination of four years of inquiry into corruption in Alaska politics. Allen, who's pleaded guilty to bribing state lawmakers in Alaska, has not yet been sentenced. But his courtroom testimony and secret recordings and videos of conversations were key to the Justice Department's seven successful convictions.

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Senator's day in court

Prosecution tells of free work; defense says bills were paid

By ERIKA BOLSTAD and RICHARD MAUER
Anchorage Daily News

(09/26/08 04:34:25)

WASHINGTON -- Sen. Ted Stevens used one of Alaska's biggest employers as his "own personal handyman service" and never paid Veco Corp. for hundreds of thousands of dollars in work done on his home, a federal prosecutor charged Thursday as she outlined the government's case for finding the Alaska Republican guilty of lying on financial disclosure forms.

"You'll learn that the defendant never paid Veco a dime for the work on the chalet. Not a penny," the Justice Department's lead prosecutor, Brenda Morris, told jurors.

Stevens' lawyer, Brendan Sullivan, countered that the senator is not guilty and that "every bill submitted was paid." He blamed Veco and its chief executive officer, Bill Allen, for allowing costs to escalate without telling Stevens what the expenses would be or even showing him all the bills. Allen also installed fancy add-ons -- like a Viking gas grill and gaudy but pricey Christmas lights -- that were unnecessary and unwanted, Sullivan said.

"When you see the evidence ... you'll see he had no intent to violate the law, no intent to conceal anything," Sullivan said. "He didn't want these things, he didn't ask for these things. He told some of them to take them back. He never once hid anything."

Sullivan also hinted that the jurors in coming days would hear some uncomfortable and intrusive details -- he didn't elaborate -- about the relationship between the 84-year-old Stevens and his second wife, Catherine Stevens, whom Sullivan said opened the bank account they established to pay for home renovations expenses in 2000.

Sullivan quoted Stevens as saying: " 'When it comes to things in and around the teepee, Catherine controls.' That might be a little old-fashioned, but Ted's old-fashioned. The most important thing to know is Catherine ran the financial part (of their household.)"

That extended to the renovation, Sullivan said.

"She was the person who opened the account, reviewed the bills, she was the person who wrote the check."

Sullivan said the senator and his wife paid five bills totaling about $160,000 to Augie Paone, owner of Christensen Builders, for carpentry work. They "believed the bills they received were covering the cost of the renovation," his lawyer said, adding that the project cost about $160,000.

FBI - Stevens-2069

He added that when Paone prepared the sixth bill to send to Veco for approval, it wasn't paid. Paone was told by Bill Allen and construction foreman Robert "Rocky" Williams that he was going to "eat that bill," Stevens' lawyer said.

"Augie thought about calling the senator and saying, 'by the way, they won't pay the bill,' " Sullivan said. "He didn't want to do that. He thought it would just be dangerous to go against Bill Allen."

Instead, Sullivan said, Paone was given a renovation job at Allen's home that helped him recover some of the expenses of the Stevens work. The additional costs from the Stevens renovations were padded into the work at Allen's home, Sullivan said, "unknown by the Stevenses."

"This was an act by Bill Allen to keep information from the Stevenses," Sullivan said. "Why? He thought the cost was too high. If the renovations were really $166,000, how could you send a bill for all these other costs run up

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on the Veco bill when Ted and Catherine were 3,000 miles away?"

Sullivan made a point to the jury that the Girdwood house, though Stevens' official Alaska residence, is not his and Catherine's primary home.

"They live here with us in the District of Columbia," he said. "That is their technical residence. They are lucky to spend 20 days a year at that residence."

THE CASE AGAINST STEVENS

The jury also will hear from many of the people who did the work on Stevens' home in Girdwood, Morris said, referring to the A-frame cabin as the "chalet," as the senator did. Morris said the workers will describe how even though Stevens paid subcontractors with whom he didn't have a personal relationship, he never paid Veco for its work, thanks to his close connections to the company's chief executive officer, Allen.

"If the defendant needed an electrician, he contacted Veco. If the defendant needed a plumber, he contacted Veco," she said. "We reach for the Yellow Pages, he reached for Veco."

Morris said jurors also will hear about a 2006 conversation between Stevens and Allen, who already was cooperating with federal authorities at that point. In the conversation, they said the worst that could happen to them if anyone found out what the company had done for him was that they'd have to spend a lot of money on lawyers -- and perhaps serve a little jail time. In the conversation, they agreed they wouldn't "be killed," meaning that it wasn't a matter of life or death.

Stevens knew he was doing wrong, Morris said, and contractors whom the government alleges worked for free on the senator's home will testify that they were told not to talk about the work they were doing.

"One of the guys will tell you that he was told by Bill Allen to keep it quiet, that it would be bad if the public found out," Morris said.

"This is a simple case about a public official who took hundreds and thousands of dollars' worth of free financial benefits, and then took away the public's right to know that information," Morris said.

Stevens, the longest-serving Republican U.S. senator, faces seven felony counts of making false statements on his Senate financial-disclosure forms. The 84-year-old Stevens is up for re-election this year and is locked in a tight battle with his Democratic opponent, Mark Begich, the mayor of Anchorage.

The senator is accused of accepting more than $250,000 in home repairs, labor and furnishings from Allen and the now-defunct oil field services company, Veco. Among the gifts he's accused of accepting are renovations to his Girdwood home that lifted it from its foundation and added a lower story, doubling it in size.

Allen, whose testimony will be the centerpiece of the trial, has pleaded guilty to bribing state lawmakers in Alaska. He hasn't yet been sentenced.

SCENE IN THE COURTROOM

FBI - Stevens-2070

Stevens scowled throughout the government's 45-minute opening remarks, but he smiled during several portions of his lawyer's remarks. Stevens listened through a set of earphones that enhanced the sound in the courtroom. The system also allowed him to hear the private conferences at the bench between lawyers and the judge.

As the trial began Thursday, both the courtroom and an overflow room were packed. The well in front of the judge, where the two sides sit, was filled on the government side with FBI agents, additional prosecutors and support staff. The defense side was packed with lawyers on the Stevens team.

The first row on the defense side of the courtroom was reserved for Stevens' friends and family. His daughter Beth sat at the end of the row and appeared to pay close attention to everything that was said. Although his wife came with Stevens to his arraignment, she is a witness in his trial and cannot attend the proceedings until she is called to testify.

On the other side of the courtroom, the first row was filled with sketch artists with huge pads covering their laps. There were two rows on one side and one row on the other for the media. There was also a full crowd of suited attorneys who came to check out the performance in openings by the two sides.

Throughout the morning session, a watch alarm periodically beeped from somewhere in the courtroom. When the lunch recess finally began and Stevens was leaving the courtroom, he took off his plastic-band wristwatch and handed it to one of his lawyers.

"I only paid 30 bucks -- I don't know how to turn it off," he said.

Contact the reporters: ebolstad@adn.com, rmauer@adn.com.

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First witness says he drew up the plans

By RICHARD MAUER and ERIKA BOLSTAD
Anchorage Daily News
(09/26/08 04:34:44)

WASHINGTON -- A Veco project manager testified that his boss, Bill Allen, invited him to lunch in a private Midtown Anchorage dining room in 2000 so he and Sen. Ted Stevens could plan the addition to Stevens' Girdwood residence.

The Veco employee, John C. Hess, was the first witness in Stevens' felony disclosure trial here. He was called to help prove the government's case that Alaska's six-term senator knew full well that Veco, the now-defunct oil-field service company, was paying for a major part of the renovations that doubled the size of his home.

Stevens is charged with failing to disclose more than $250,000 in gifts over six years, mainly from Allen and Veco. Stevens says the charges are unfounded.

Hess laid the foundation for much the case that will unfold over the next few weeks, testifying for more than two hours about the scope of the addition. His testimony was illustrated for the jury with more than a dozen of his own photographs, designs and blueprints of the project.

Hess, trained in drafting, engineering and architecture, was followed by another witness, Derrick Awad, also from Veco, who testified that Allen dispatched him and another Veco worker to drive to Girdwood to shovel Stevens' deck in the winter of 1998 or 1999. In the fall of 1999, Awad and two other Veco workers installed an emergency generator for Stevens.

Both Hess and Awad, along with other Veco employees expected to take the stand today, are now employed by the Denver-based engineering firm CH2M Hill, which bought most of Veco's assets from Allen, his three children and his two top executives just over a year ago.

ASSIGNMENT CAME FROM ALLEN

Hess' start on the project came when his manager summoned him to his office, he testified. The big boss, Allen, wanted to see him, the manager told him.

Within the next day or so, Hess met with Allen at Veco's executive offices in the Frontier Building on 36th Avenue in Anchorage.

"We sat down and discussed the project," he said. "I learned the project was a cabin that belonged to Sen. Stevens."

FBI - Stevens-2072

Allen said that Rocky Williams, a trusted Veco employee -- and a likely trial witness himself -- would be helping on the job. A few days later, Hess and Williams went to Girdwood to scope out the project. No one was home, but Williams had the key to Stevens' house. By that time, a plan was fully in place: They would raise the single-story home and build a new first floor beneath it. Hess went back to Anchorage and started drawing up the designs.

Not long after that, he got a call from Bill Allen or Allen's secretary, Linda Croft, directing him to come to lunch at Jens' Restaurant, an upscale place in a Midtown strip mall. When Hess got there, he was led through the restaurant to a private dining room, he testified. Stevens and Allen arrived a few minutes later, though Hess said he didn't know if they had driven together.

"Mr. Allen introduced me to Senator Stevens. He said I worked for Veco and that I would be helping with the remodeling of the cabin," Hess said.

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Lunch lasted about 1 1/2 hours. He listened for the first 45 minutes as A and Stevens "caught up" with each other. "It was two friends talking," he said.

"Halfway through the lunch, the subject changed. I started conversing with the senator," Hess said.

STEVENS REVIEWED DESIGNS

Stevens told him that the main reason he and his wife, Catherine, wanted to expand the house was because their grandchildren were spending time there, and there wasn't enough room, he testified. On some issues of design, Hess said, Stevens told him that he would defer to his wife.

From August through December 2000, Hess produced more designs, detailed construction drawings and revisions. He said he phoned Stevens a couple times and faxed material to him at his Senate office in Washington.

In one drawing introduced as evidence, Hess had noted at the bottom that Bob Persons, the owner of the Double Musky Restaurant in Girdwood and a good friend of the Stevenses, would be the "ramrod" on the project.

Persons' name appeared on other documents introduced as evidence, including a file folder created by Hess for the project that listed other names as well. On Aug. 26, 2000, Hess received a handwritten letter from Stevens mailed to his Veco office. In the note, which was shown to the jury, Stevens said he and Catherine were thrilled by his effort.

"Now I want you to give us a bill for your work," Stevens wrote. "And, as Bob (Persons) and I have told you, under our Senate rules I must pay you for what you have done. We'll be back in Anchorage in early October. Hope to (illegible) you then."

Hess said he wrote back to Stevens and told him he needed to ask Veco for the bill, not him. He said he also mentioned the note to his bosses. Hess said he didn't hear from Stevens after that.

Under cross-examination by Stevens' lawyer, Hess said he couldn't recall exactly how he contacted Stevens and had no copy of any correspondence. But he insisted he had done so.

The government alleged that Stevens never paid for Hess' time. In her opening statement earlier Thursday, Brenda Morris, the lead prosecutor, said Stevens exhibited a pattern of offering to pay bills, then never following up with cash.

While professional draftsmen usually include information on the plans that would identify themselves and their company, Hess said, those identifiers did not appear on the Stevens project. Only his initials, "JCH," identified his handiwork, including designs filed with the city building department.

"I recall Bill Allen suggesting that we should just keep it simple," Hess said. "He didn't want Veco on there."

Hess was followed to the witness stand by Awad. Stevens was reported to be frightened by the possibility of a massive power failure on New Years in 2000 -- the so-called Y2K bug -- so Veco bought him a $6,000 gas-powered generator and a switch that would automatically turn it on if the power failed, Awad said.

Awad said he and two other Veco employees picked up the generator, unpacked it, drove it to Girdwood and spent about two days installing it in the back of Stevens house. They had to cut a hole through the foundation to run a power cable inside, he said.

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Tradesmen detail Stevens 'chalet' renovation

By RICHARD MAUER and ERIKA BOLSTAD
Anchorage Daily News
(09/26/08 11:25:05)

WASHINGTON - Tradesmen who renovated Sen. Ted Stevens' home in Alaska in 2000 testified today about their work as prosecutors began building a case that the Alaska Republican never paid a prominent oil services company for electrical and carpentry work on the so-called "chalet."

In the second day of testimony, a series of electricians and carpenters described in detail how they jacked up the Girdwood house, installed a new first floor and redid all of the electrical wiring. In some cases, employees for Veco Corp. - whose executives were for years the leading campaign contributors to many Alaska political candidates, including Stevens - spent hundreds of hours devoted to work on the senator's home.

Stevens faces seven felony counts of lying on his Senate financial-disclosure forms. The 84-year-old senator is accused of accepting more than $250,000 in gifts from the now-defunct oil field services company, Veco, and its former chief executive officer, Bill Allen. Among the gifts he's accused of accepting are renovations to his Girdwood home that lifted it from its foundation and added a lower story, doubling it in size.

Some Veco employees spent months at the Stevens home, according to testimony. Beginning in October 2000, Roy Dettmer of Littleton, Colo., spent four months working six days a week, 10 hours a day, installing electric service in the new sections of the house and rewiring much of the old.

Every morning, he'd drive to the Veco's facility at the port of Anchorage, sign in using his badge, then drive 45 miles to Girdwood. In the evening, he would have to "badge out" again back at the port before he could go home to his hotel. Dettmer's pay at Veco at the time was between $27 and $29 an hour, plus overtime. Working a schedule of six weeks on, two off, Dettmer said he spent about 400 hours on the project.

Assistant U.S. Attorney Joe Bottini of Anchorage walked Dettmer through his tasks. The service entrance had been at the rear of the original house, but that was now 15 feet in the air. Dettmer moved it to the other side of the house in the new garage Veco built, requiring all the old circuits to be extended. That doubled the electrical capacity from 100 amps to 200 amps. That meant the generator that had only been installed by Veco the year before had to be rewired and moved as well.

Veco bought the material from an Anchorage supplier, Dettmer said. The new kitchen built by Veco on the second floor also had to be wired.

Dettmer said he never met Stevens, but Catherine Stevens, the senator's wife, came around once. The Veco supervisor, Rocky Williams, introduced him.

FBI - Stevens-2074

"We said 'Hi,' and that was it," Dettmer said.

Doug Alke, a Veco electrician, described installing a back-up generator at the residence in the fall of 1999, the year before the renovations that doubled the Stevens home in size.

Alke estimated that he spent an estimated 20 to 24 hours on the job, including coming back a few days after he and another Veco worker installed it to check on whether it was cutting on automatically each week to recharge the batteries.

The journeyman electrician, who was paid about $19.50 an hour at the time, said he filled out an "overhead number" on his timesheet, a code that described which client the work should be billed to. The number for the Stevens job wasn't for a specific client like other jobs were, Alke said. Instead, it was an internal code used for

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what he assumed were accounting purposes, he said.

Stevens' wife, Catherine, stopped by once to bring workers muffins, said another contractor, Mike Luther, a carpenter with Christensen Builders of Anchorage. He also saw Stevens once, saying he was friendly and "talked to everyone," Luther said.

On his way out of the courtroom Friday, Luther waved to Stevens as he walked past the senator at the defense table.

Friday, both prosecutors and Stevens' attorneys also made sure to familiarize the jury with terms that are second-nature to Alaskans, especially those who work on the North Slope oil fields. One of Stevens' lawyers, Robert Cary, asked Alke what was a "hitch" on the North Slope.

"A "hitch" is just a rotation," Alke said. "It's slang. Six weeks on, two weeks off."

Alaska might be a very distant place for many of the jurors, but Gov. Sarah Palin's vice presidential candidacy has made it more familiar than it once was. When Alke told the jury he was from her hometown of Wasilla, a murmur of recognition shot through the courtroom.

Stevens, who has held office since 1968 and is the longest-serving Republican in the U.S. Senate, is in a tight re-election contest with his Democratic opponent, Mark Begich, the mayor of Anchorage.

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Stevens defense accuses prosecutors of subterfuge

By ERIKA BOLSTAD and RICHARD MAUER
McClatchy Newspapers
(09/29/08 14:14:11)

WASHINGTON -- Prosecutors stumbled Monday in their corruption case against Sen. Ted Stevens, drawing the ire of a federal judge for sending home to Alaska a potential witness who has figured prominently in other people's testimony but so far has not testified himself.

Stevens lawyers asked for a mistrial and accused prosecutors of failing to tell them everything they knew about a Veco worker named Robert "Rocky" Williams, who oversaw renovations at the Stevens Girdwood home in 2001.

U.S. District Judge Emmet Sullivan said there was no basis for a mistrial, but he said he was "flabbergasted" with how prosecutors had sent Williams home without alerting him or defense attorneys that he was no longer scheduled to be a witness. Sullivan scolded prosecutors from the bench but out of earshot or view of the jury.

"I find it very, very disturbing that this has happened, and concerned about the appearance of propriety, or impropriety," Sullivan said, stopping short of accusing government prosecutors of misconduct or a lapse in ethics but threatening sanctions.

"After all, this is the search for the truth, and people ought not to forget about that," said Sullivan, who asked lawyers to give him briefs outlining what had happened. "This is a serious one; we're all officers of the court."

The jury heard none of the dispute, meaning that it may not have a bearing on the outcome of the trial.

Stevens, 84, faces seven felony counts of failing to report on his U.S. Senate disclosure forms more than $250,000 worth of gifts and home renovations, chiefly from Veco Corp. and its chief executive officer, Allen. The Alaska Republican, who is up for re-election Nov. 4, asked for a speedy trial so he'd have the opportunity to clear his name before then.

Williams, who worked for Allen, was originally set to be a government witness, but prosecutors decided in the opening days of the trial not to use him. It remains unclear why they no longer want him to testify, although he spent extensive time in Washington, D.C., with Justice Department lawyers in preparation for the trial.

Lawyers from both sides discussed the issue with the judge privately but did not elaborate in open court. Prosecutors did allude to Williams being "two weeks overdue" for something in Alaska, and in court filings, Stevens' attorneys refer to health issues that include "coughing episodes." FBI - Stevens-2076

Williams got in touch with Stevens' attorneys - at the direction of prosecutors - after they released him as a witness and sent him home to Alaska. The conversation they had over the weekend with Williams "casts the government's decision to send him home - on the eve of Bill Allen's testimony - in a very different light," Stevens' lawyers wrote in their filings.

Stevens' lawyers say there's evidence Williams worked far less on the Girdwood home remodel than other company employees have suggested in their testimony, including one of the company's bookkeepers who took the stand Friday.

Such evidence could help Stevens knock holes in the government's theory that the Veco work done on his home was so extensive that he must have known he was getting benefits above and beyond the $160,000 his lawyers said he paid a separate contractor for the work done to double his home in size.

"We got lucky," said one of Stevens' lawyers, Robert Cary. "We got his lucky that he changed his prior position of

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not wanting to talk to us."

In court filings, Cary said that "Mr. Williams informed defense counsel that he spent nowhere near eight hours per day, six to seven days per week, on the Girdwood home renovation project - in direct contrast to the timesheets that the government has placed in evidence to support its central theory that the unpaid cost of the project to Veco was $188,000."

No one answered the door or the phone this morning at Williams' trailer in South Anchorage. A pair of pickup trucks sat in the driveway, and what sounded like a TV could be heard playing from behind the door.

Prosecutors said they didn't intend to give the impression they were hiding information and apologized - but they were caught off balance by the judge's ire.

"We're distressed that we're being accused of this," said the prosecutor who bore the brunt of the judge's scolding, Nicholas Marsh.

"This was not a decision that came easily," said Brenda Morris, the lead prosecutor in the case.

"It would have been very easy to get me on the phone," Judge Sullivan said.

The judge offered Stevens' lawyers a chance to re-question Cheryl Boomershine, the Veco bookkeeper who testified Friday about how much money the company spent renovating the home in Girdwood. Boomershine was still in Washington this morning and available to come to court.

Jurors weren't told why there was a delay, although Sullivan had half-jokingly suggested to lawyers on both sides before the jury came in that he would tell them "the government hid the ball."

Instead, Sullivan joked about the Redskins win on Sunday and told them simply that additional information was available that wasn't available last week. Because Boomershine was still in D.C., they were able to bring her back to the stand to allow attorneys to ask her more questions.

When Boomershine took the stand, Cary walked her through the time cards Williams filed in connection with the project, trying to establish that all the time and money he spent on the Girdwood project may not have been 100 percent devoted to overseeing renovations at the Stevens home.

"You don't know whether Mr. Williams spent time working on other projects for Mr. Allen that had nothing to do with Girdwood?"

"No," Boomershine said.

Prosecutors continued to build their case by bringing to the stand a series of tradesmen who worked on Stevens' home.

A carpenter who was paid by Veco to build a deck testified he was told to be discreet about the project when the chief executive of an oil services company, Bill Allen, hired him in 2002.

FBI - Stevens-2077

"He said a certain amount of discretion would need to be used because it was the senator's house," and the company was actually an oil services firm, not a general contractor, testified Brian Byrne, who oversaw the deck construction.

Prosecutor Joe Bottini asked Byrne why he thought Allen would have said that.

"I'm not really sure, other than the appearance of impropriety I believe is what he was concerned about," Byrne said.

Stevens showed a rare smile during the proceedings when Cecil Dale, an electrician, testified about how the senator had given him a cigar the one time he met him.

"How was the cigar?" asked Beth Stewart, one of Stevens' lawyers.

"I never smoked it," Dale said.

Kyle Hopkins of the Anchorage Daily News contributed to this report.

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Veco bookkeeper: 'No paper trail'

By RICHARD MAUER and ERIKA BOLSTAD
Anchorage Daily News
(09/26/08 14:26:30)

WASHINGTON - Even as Veco Corp. was paying the bills for renovations on Sen. Ted Stevens' home in Alaska, the oil services company covered up the nature of the work in its books, the corporate bookkeeper testified today.

Veco bookkeeper Cheryl Boomershine testified that when she asked for an explanation for a $2,000 handwritten expense claim from the construction foreman, an attached note came back with the instructions that there should be no written records.

The orders "no paper trail," came from Bill Allen, the company's chief executive officer, Boomershine said, and they were written on the back of the expense form submitted in connection with the 2000 renovation of Stevens' home.

Boomershine also said that they assigned some costs to an account called "Girdwood Consultants." One of the consultants, she testified, was a plumber.

There's also no record that Stevens or his wife ever reimbursed the company for any construction costs for the projects that began in 1999, Boomershine said. Veco kept copies of deposits to its bank account, Boomershine testified, and the only checks that ever came in were reimbursements for two charter flights originally paid for by Veco.

Other tradesmen who renovated Stevens' home in Alaska in 2000 testified Friday about their work, as prosecutors began building a case that the Alaska Republican never paid a prominent oil services company for electrical and carpentry work on what Stevens called the "chalet."

Allen, who has already pleaded guilty to bribing state lawmakers in Alaska, is expected to testify Monday. Allen's testimony and secret recordings of conversations between him and Stevens are expected to be the strongest evidence in the government case against Stevens. The trial, which had been expected to take four weeks, is moving so fast that prosecutors might finish their case in eight days. They sped through so many witnesses that they had to scramble to schedule people to testify next week.

Friday, a series of electricians and carpenters described in detail how they jacked up the home in Girdwood, Alaska, and installed a lower story, and redid the electrical wiring. In some cases, employees for Veco Corp. -- whose executives were for years the leading campaign contributors to many Alaska political candidates, including Stevens -- spent hundreds of hours devoted to work on the senator's home.

FBI - Stevens-2079

Stevens faces seven felony counts of lying on his Senate financial-disclosure forms. The 84-year-old senator is accused of accepting more than $250,000 in gifts from the now-defunct oilfield services company and Allen. Among the gifts Stevens is accused of accepting are renovations to his Girdwood home that lifted it from its foundation and added a lower story, doubling it in size.

Some Veco employees spent months at the Stevens home, according to testimony. Beginning in October 2000, Roy Dettmer of Littleton, Colo., spent four months working six days a week, 10 hours a day, installing electric service in the new sections of the house and rewiring much of the old.

Every morning, he'd drive to the Port of Anchorage, where he was assigned to work, sign in using his badge, then drive 45 miles to Girdwood. In the evening, he would have to "badge out" again back at the port before he could go to his hotel. Dettmer's pay at Veco at the time was between $27 and $29 an hour, plus overtime. Working a

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schedule of six weeks on, two off, Dettmer said he spent about 400 hours on the project.

Assistant U.S. Attorney Joe Bottini of Anchorage walked Dettmer through his tasks. The service entrance had been at the rear of the original house, but that was now 15 feet in the air. Dettmer moved it to the other side of the house in the new garage Veco built, requiring all the old circuits to be extended. That doubled the electrical capacity from 100 amps to 200 amps. That meant the generator that had been installed by Veco only the year before had to be rewired and moved as well.

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Dettmer said he never met Stevens, but Catherine Stevens, the senator's wife, came around once. The Veco supervisor, Rocky Williams, introduced him.

"We said 'Hi,' and that was it," Dettmer said.

Doug Alke, a Veco electrician, described installing a backup generator at the residence in the fall of 1999, the year before the renovations that doubled the Stevens home in size.

Alke estimated that he spent an estimated 20 to 24 hours on the job, including coming back a few days after he and another Veco worker installed the generator to check on whether it was cutting on automatically each week to recharge the batteries.

The journeyman electrician, who was paid about $19.50 an hour at the time, said he filled out an "overhead number" on his timesheet, a code that described which client the work should be billed to. The number for the Stevens job wasn't for a specific client like other jobs were, Alke said. Instead, it was an internal code used for what he assumed were accounting purposes, he said.

Catherine Stevens stopped by once to bring workers muffins, said another contractor, Mike Luther, a carpenter with Christensen Builders of Anchorage. He also saw Sen. Stevens once, saying he was friendly and "talked to everyone."

On his way out of the courtroom Friday, Luther waved to Stevens as he walked past the senator at the defense table.

Friday, both prosecutors and Stevens' attorneys also made sure to familiarize the jury with some terms that are second-nature to Alaskans, especially those who work on the North Slope oilfields. One of Stevens' lawyers, Robert Cary, asked Alke what was a "hitch" on the North Slope.

"A 'hitch' is just a rotation," Alke said. "It's slang. Six weeks on, two weeks off."

Alaska might be a very distant place for many of the jurors, but Gov. Sarah Palin's vice presidential candidacy has made it more familiar than it once was. When Alke told the jury he was from her hometown of Wasilla, a murmur of recognition shot through the courtroom.

Stevens, who has held office since 1968 and is the longest-serving Republican in the Senate, is in a tight re-election contest with his Democratic opponent, Mark Begich, the mayor of Anchorage.

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Stevens indicted

False reports, not illegal gifts, are the issue in the case

(07/29/08 23:20:49)

Tuesday's indictment of U.S. Sen. Ted Stevens was a grim day in Alaska's history. Before his legal troubles, Sen. Stevens had a distinguished career of public service dating back before statehood. Now the man once hailed as "Alaskan of the Century" faces federal felony charges for allegedly filing false information on official forms about $250,000 worth of gifts, supplied by the man who was at the time the state's most powerful political operative, Veco's Bill Allen.

It's a shame the career of such an influential Alaska figure has sunk to this point. Regardless of whether he is convicted, Sen. Stevens showed bad judgment in getting so financially entangled with a lobbyist and political power broker who had already had run-ins with the law.

The federal indictment does not charge Sen. Stevens with bribery. It does allege that Bill Allen and Veco were seeking official actions from Sen. Stevens, and sometimes got them. But there was no quid pro quo for all the gifts he took, according to federal authorities.

Instead, what the indictment describes is a relationship of mutual back-scratching between a powerful insider and a powerful politician. Alaskans have seen too much of that already in the Veco scandal and elsewhere -- and that may help explain why Sen. Stevens was behind in his re-election race even before the indictment was issued.

It may turn out that what Bill Allen did for Sen. Stevens did not break federal corruption laws or Senate ethics rules. Nonetheless, Sen. Stevens will have trouble explaining to Alaska voters why they should tolerate such cozy arrangements between their elected officials and insiders who want to influence them.

BOTTOM LINE: Legal or not, Ted Stevens' dealings with convicted lobbyist Bill Allen are a black mark against his distinguished career.

Safe Harbor

Its record is reassuring

FBI - Stevens-2081

Safe Harbor Inn, a transitional housing motel at Fourth Avenue and Sitka Street, wants to expand to the old Ramada Inn in Muldoon. Some potential neighbors are worried that crime will go up and property values down, that Safe Harbor will be a magnet for street drunks. Some also complain that they didn't know such a facility might be coming to the neighborhood.

First, Safe Harbor is no homeless camp. It's a motel for people who have become homeless but who are trying to put their lives back together and work toward permanent housing.

Guests can't just walk in off the street. They have to be referred by a sponsoring agency. Guests or

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Sen. Ted Stevens' statement on his indictment

(07/29/08 13:45:10)

Statement from Sen. Ted Stevens, R-Alaska, on his indictment:

"I have proudly served this nation and Alaska for over 50 years. My public service began when I served in World War II. It saddens me to learn that these charges have been brought against me. I have never knowingly submitted a false disclosure form required by law as a U.S. senator.

"In accordance with Senate Republican Conference rules, I have temporarily relinquished my vice chairmanship and ranking positions until I am absolved of these charges.

"The impact of these charges on my family disturbs me greatly.

"I am innocent of these charges and intend to prove that."

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FBI - Stevens-2082

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Details of indictment of Sen. Stevens

(07/29/08 11:15:53)

Details of the seven-count indictment charging Sen. Ted Stevens, R-Alaska, with failing to disclose more than $250,000 worth of renovations on his Girdwood, Alaska, home and other gifts he received from VECO Corp., an Alaska oil services company, and its founder, Bill Allen:

-From 1999-2006: Stevens knew he was required to list any gifts of nominal value on his yearly financial disclosure reports and "knowingly and intentionally sought to conceal and cover up his receipt of things of value by filing Financial Disclosure Forms that contained false statements and omissions concerning Stevens' receipt of these things of value."

-Summer 2000 to end of 2001: "VECO incurred over $200,000 in materials, labor and other costs in connection with the work that VECO employees and contractors performed at (Stevens) Girdwood Residence. These costs included, but were not limited to, approximately $81,775.18 in materials, labor, architectural design and services, and other costs from approximately June 2000 to December 31, 2000, and approximately $110,153.64 in the first three and a half months of 2001 alone."

-2002: "The work performed by VECO employees and contractors at the Girdwood Residence included, among other projects, the installation of a first-floor wraparound deck, a plastic roof between the first- and second-floor decks, a heat tape system on the roof of the Girdwood Residence, and the installation and partial removal of rope lighting on multiple portions of the property. These projects cost VECO approximately $55,000."

-2004-2005: "Stevens contacted Allen and VECO employees multiple times to request that VECO employees or contractors perform additional tasks at the Girdwood Residence. These tasks included, without limitation, the installation of multiple kitchen appliances and maintenance on the heat tape system on the roof of the Girdwood Residence. ... Stevens contacted Allen and VECO employees multiple times to request that VECO employees or contractors perform additional tasks at the Girdwood Residence. These tasks included, without limitation, roof and gutter repairs, electrical wiring, and the replacement of sensors."

-2006: Allen assigned workers to repair the boiler and heating system at the Girdwood residence.

-In each case, the indictment says, Stevens knew that the work on the house he often referred to as "the chalet" was done by VECO employees and contractors. Stevens, however, "never paid or reimbursed VECO at any time for the cost of materials provided and labor performed by VECO and its employees at the Girdwood Residence," the indictment said.

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FBI - Stevens-2083

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Unreported gifts tripped up Stevens

NO BRIBERY: Government says senator wasn't in a payback game with Veco.

By ERIKA BOLSTAD
ebolstad@adn.com

(07/30/08 01:07:46)

WASHINGTON -- Sen. Ted Stevens got something from Veco and the oil services company got something from Alaska's senior Republican senator, according to Tuesday's federal indictment of the veteran senator.

But what Stevens got was not a bribe; it was his failure to report what he got that's the problem, according to the indictment and one of the top Justice Department officials overseeing the case, who spoke to the press Tuesday during a news conference.

"Bribery is not charged in this case," said Matt Friedrich, the acting assistant attorney general in charge of the criminal division of the Department of Justice. "Bribery requires proof of a specific agreement of a quid pro quo, of this for that. This indictment does not allege such an agreement."

The indictment lays out numerous examples of things that former Veco chief executive Bill Allen wanted and got from Stevens, such as help landing multimillion dollar, multiyear federal contracts with the National Science Foundation and assistance with international Veco projects in Pakistan and Russia.

The indictment also very carefully lists the things that federal investigators say Stevens received from Veco and Allen -- and then didn't disclose as gifts on the annual forms he's required to file with the Senate detailing his personal finances.

Yet "the indictment does not allege a quid pro quo," Friedrich said.

In other words, what the indictment does not do is say that Allen and Veco gave Stevens those things specifically in exchange for what the company wanted Stevens to obtain for them.

"Bribery and gratuity cases are tough," said Donald Smaltz, a California lawyer who was appointed as an independent counsel to investigate then-Agriculture Secretary Mike Espy for allegations he took gifts from growers who had business with his department. "This makes an easier case for the government."

FBI - Stevens-2084

The federal bribery statutes require prosecutors to show that a public official got something of value in exchange for a specific act that benefits the person who is bribing them, Smaltz said. Federal bribery charges also carry a penalty of up to 15 years in prison -- far stiffer than five years for making false statements. Stevens was charged with seven counts of making false statements on his financial disclosure forms.

Often, secret recordings are the only way to prove outright bribery, said Smaltz, whose prosecution of Espy ended in an acquittal. He points to the infamous Abscam case of the late 1970s, where investigators had videotaped surveillance of elected officials accepting bribes. That was the key to their convictions, Smaltz said.

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Another more recent example came in Alaska: the conviction of former Alaska state Rep. Vic Kohring, who was seen on FBI surveillance tapes accepting cash from Bill Allen.

"The only reason the government was able to make those cases, was because they were using undercover tactics and jurors ... were able to see precisely what was said by whom," Smaltz said. "It's very difficult for the defendants to weasel their way out of those cases.

Read Erika Bolstad on our Alaska Politics blog: adn.com/alaskapolitics.

Excerpts from the indictment

"Beginning in or about May 1999, and continuing to in or about August, 2007, in the District of Columbia and elsewhere ... STEVENS, while a sitting United States Senator, knowingly and willfully engaged in a scheme to conceal a material fact, that is, his continuing receipt of hundreds of thousands of dollars' worth of things of value from a private corporation and its chief executive officer."

"... STEVENS took multiple steps to conceal his continued receipt of things of value from ALLEN and VECO. During the nearly seven-year period in which STEVENS received multiple things of value from ALLEN and VECO, STEVENS filed and caused to be filed false annual Financial Disclosure Forms for the years 1999 to 2006 that did not report STEVENS' receipt of any thing of value from ALLEN and VECO, either as gifts or as liabilities, as required."

"... STEVENS, while during that same time period that he was concealing his continuing receipt of things of value from ALLEN and VECO from 1999 to 2006, received and accepted solicitations for multiple official actions from ALLEN and other VECO employees."

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Alaska Sen. Stevens indicted; 'I am innocent'

By LISA DEMER, RICHARD MAUER and ERIKA BOLSTAD
Anchorage Daily News
(07/30/08 00:51:35)

A federal grand jury in Washington, D.C., indicted long-term U.S. Sen. Ted Stevens Tuesday on seven counts of filing false financial disclosures, each a felony charge that carries a penalty of five years in prison and an unspecified fine.

With the indictment, Stevens, an icon in Alaska politics, becomes by far the most powerful politician charged in the broad, four-year federal investigation into public corruption in the state. To date, three state legislators, a high-level official in Gov. Frank Murkowski's administration, two businessmen and a lobbyist have been convicted, while two legislators are awaiting trial.

Stevens said he will fight to save himself and his long career.

"I am innocent of these charges and intend to prove that," he said in a prepared statement. "I have proudly served this nation and Alaska for over 50 years."

At a news conference in Washington to announce the indictment, Matthew Friedrich, acting assistant attorney general for the Justice Department's criminal division, said Stevens would be allowed to turn himself in. Stevens' attorney, Brendan Sullivan of Washington, was notified of the indictment Tuesday morning shortly before it became public, Friedrich said.

'THINGS OF VALUE'

The seven-count indictment charges Stevens with making false statements by failing to disclose "things of value" he received from Veco Corp., the now-defunct Alaska-based oil services and construction company, and from its chairman, Bill Allen, in a scheme that stretched over eight years.

At the same time, according to the indictment, Allen and other Veco employees asked Stevens to intervene on their behalf with the government, and Stevens sometimes obliged.

Stevens received substantial benefits from his relationship with Veco that he never disclosed, the indictment charged: improvements to his home in Girdwood; an automobile exchange in which he received a new Land Rover worth far more than his 35-year-old Mustang; and household appliances.

The federal Ethics in Government Act requires all senators to file financial disclosure statements detailing their transactions during the previous calendar year, including the disclosure of gifts above a specified value and all liabilities greater than $10,000.

At the news conference, Friedrich said the case involved false disclosures, not bribery, and no specific actions by Stevens in return for gifts were charged, even though the indictment mentioned some Veco requests and the favorable responses by Stevens and his staff.

FBI - Stevens-2086

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Some of the solicitations were made directly to Stevens and included requests for help by Veco on its international projects in Pakistan and Russia; requests for federal grants and contracts, including National Science Foundation contracts worth nearly $200 million; and assistance with efforts to construct a natural gas pipeline from Alaska's North Slope.

The indictment comes just as Stevens is in the political fight of his life to win a seventh term. The fallout was immediate: Under Republican rules governing indicted senators, he had to step aside from two key committee positions he earned through longevity -- his co-chairmanship of the Commerce Committee, which oversees fishing and telecommunications, and his ranking position on the defense appropriations subcommittee, from which he has sent millions in earmarks to Alaska.

Even with his famed clout in Washington at least temporarily diminished, Stevens vowed to continue his campaign. His presumptive Democratic opponent, Anchorage Mayor Mark Begich, wouldn't answer questions about Stevens' indictment.

YEAR AFTER GIRDWOOD RAID

Friedrich said the Justice Department followed its own rules in seeking an indictment when the evidence was complete and sufficient to bring charges. The political calendar wasn't considered, he said.

Allen, Veco's former chief executive, and Rick Smith, the company's former vice president of community affairs and government relations, pleaded guilty May 7, 2007, to providing more than $400,000 in corrupt payments to public officials from Alaska. Allen and Smith are cooperating and have been key witnesses in two trials so far.

Back then, there were no direct references in the Allen and Smith charges to gifts they provided to Stevens, though they admitted making corrupt payments of $243,250 over five years to Stevens' son Ben, once president of the Alaska Senate. Ben Stevens has not been charged and has denied wrongdoing.

The charges against Ted Stevens come almost exactly a year after an FBI and IRS raid on Stevens' home in Girdwood, the first time those agencies had ever raided the home of a sitting U.S. senator. At the time the agents documented the renovations made in 2000 that were overseen by Allen and managed by his employees and contractors. The renovations doubled the size of the home.

Stevens has refused to discuss the investigation, except to say he paid every bill he received connected to the renovation. He has refused to elaborate about whether that answer implied he knew of work on the house for which he wasn't billed.

The indictment said Stevens made "multiple false representations" to reporters, his friends and his staff about what he received from Veco and Allen. While it's no crime for an official to lie to the media, prosecutors charged that those statements were part of his long-term effort to conceal Veco's gifts and benefits.

FBI - Stevens-2087

MORE THAN $200,000 ON RENOVATIONS

From the summer of 2000 to about December 2001, Veco spent more than $200,000 on the Girdwood renovations, including materials, labor and architectural design, the indictment says. Much of that effort has already been the subject of extensive media coverage based on interviews with contractors, ex-Veco employees and Girdwood residents who witnessed the work.

For instance, Veco and Stevens hired a construction firm, identified only as "Construction Firm A" in the indictment, for the renovation project. The company matches the description of Christensen

Builders of Anchorage, whose president, Augie Paone, told the Daily News in May 2007 that he was hired by Veco but sent invoices to Stevens and that Stevens paid by personal check from a new account.

The charges say Stevens never paid Veco anything for the materials or labor provided by Veco, its employees and contractors but clearly knew that Veco did a lot of the work.

Paone said he fully cooperated with the government. The indictment echoes his assertions in the interview, adding that Construction Firm A focused on carpentry and finish work, and Veco employees did much more.

PRAISE FOR VECO WORKERS

In an e-mail to Allen Sept. 24, 2000, Stevens was full of praise for Veco and its employees, according to the indictment. "We've never worked with a man so easy to get along with as (unnamed Veco employee). Plus, everyone who's seen the place wants to know who has done the things he's done. ... You and (Person A) have been the spark plugs, and we are really pleased with all you have done. hope to see you and the chalet soon. best teds." The indictment goes much further than what was previously known and reveals that maintenance on the house extended into 2006. When something went awry, the charges say, Stevens asked Veco for help much as someone else might call a plumber.

By 2006, the concealed "things of value" topped $250,000.

The indictment has no reference to whether the government intercepted calls made to Stevens from any of Allen's or Smith's phones that were wiretapped under court order starting in 2005. Once Allen agreed to plead guilty, on Aug. 30, 2006, he placed several calls to public officials, including Stevens, in a sting effort. The content of those calls has not been disclosed.

The 1999 vehicle exchange cited in the indictment concerned a new car for Stevens' "dependent child," not naming the person. At the time, his only dependent child was daughter Lily.

Allen transferred a new 1999 Land Rover Discovery, which he had bought for $44,000, to Stevens. In exchange, Stevens gave Allen, a car collector with a love of Fords, a 1964 Mustang and $5,000. But the Mustang was worth less than $20,000, according to the indictment.

Lily Stevens, now 27, is the sole child of Stevens' marriage to his second wife, Catherine. Lily, a law clerk in Washington, is engaged to be married in late August. A call to her Washington office was not returned.

Stevens' first wife, Ann, was killed in the crash of a private jet in Anchorage in 1978 that injured Stevens. Ted and Ann Stevens had five children together, including Ben.

FBI - Stevens-2088

ALASKAN OF THE CENTURY

Stevens, 84, is the longest-serving Republican in the U.S. Senate. From 2003 to 2007, he was Senate president pro tem and third in line to the presidency. With political power that increased with his longevity, Stevens came to represent Alaska's clout in Congress. In January 2000, Stevens was named "Alaskan of the Century," and the Anchorage airport was renamed in his honor that July.

That was also the year of the bulk of the Girdwood home renovations.

Alaska's other senator, Lisa Murkowski, expressed shock at the indictment in a prepared statement today.

"I know Ted Stevens to be an honorable, hard-working Alaskan who has served our state well for as long as we have been a state," she said. "As to the charges, we are at the beginning of the criminal process and there is a judicial procedure in place that will be followed."

Murkowski, a Republican, probably owes her election in 2004 to Stevens. She was trailing former Gov. Tony Knowles in the polls until the final weeks, when Stevens began blitzing the state with commercials saying he needed her beside him in Washington.

Sen. Daniel Inouye, D-Hawaii, Stevens' best friend in the Senate, said in a brief statement: "In our legal system, a man is presumed innocent until proven guilty in a court of law. ... As far as I am concerned, Ted Stevens remains my friend. I believe in him."

Stevens and Inouye are both World War II veterans and call each other "brother." When Stevens became chairman of the Senate Commerce Committee in 2005, he named Inouye vice chairman rather than the usual term "ranking member" afforded the senior member of the opposite party.

Inouye returned the favor last year when Democrats took over the Senate and he became chairman.

Richard Mauer and Lisa Demer reported from Anchorage and Erika Bolstad reported from Washington, D.C.

Stevens' statement

JULY 29, 2008 - 12:40 PM

I have proudly served this nation and Alaska for over 50 years. My public service began when I served in World War II. It saddens me to learn that these charges have been brought against me. I have never knowingly submitted a false disclosure form required by law as a U.S. Senator.

In accordance with Senate Republican Conference rules, I have temporarily relinquished my vice-chairmanship and ranking positions until I am absolved of these charges.

The impact of these charges on my family disturbs me greatly.

I am innocent of these charges and intend to prove that.

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TO: THE DIRECTOR AND SENIOR STAFF

DATE: WEDNESDAY, JULY 30, 2008 7:00 AM EDT

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FBI NEWS

Stevens Indicted On Charges Of Failure To Report VECO Gifts. ABC World News (7/29, story 4, 2:25, Gibson, 8.78M) reported, "Well, there was something of a political earthquake in the US Senate, today. A seven-count federal indictment was filed against Senator Ted Stevens of Alaska, the longest serving Republican in the Senate, on charges he concealed more than $250,000 of gifts and services from an oil company, which helped renovate his home in Alaska." ABC (Tapper) added that "Stevens resigned from his leadership posts in two key committees...after becoming the 11th sitting US senator in American history to be indicted." ... Matthew Friedrich, Justice Department Criminal Division: "These items were not disclosed on Senator Stevens' financial disclosure forms, which he filed under penalties of perjury, either as gifts or as liabilities." ... Tapper: "His Republican colleagues, today, stood by him." Sen. Arlen Specter: "I've known Ted Stevens for 28 years, and I've always found him to be impeccably honest."

The CBS Evening News (7/29, story 3, 1:30, Couric, 7.66M) noted that "for several years as President Pro Tem, he was third in line to the presidency. But now...Stevens is facing criminal charges." ... Friedrich: "These renovations are alleged to have included the addition of a new first floor with multiple bedrooms and a bathroom as well as a finished full basement." CBS (Axelrod) added: "The feds say they've got Stevens for not including the work on federal disclosure forms, but prosecutors stopped short of charging Stevens with actually taking a bribe. Another case where it's not the crime, it's the cover-up." Andrew Cohen, CBS News legal analyst: "We've seen this pattern over and over again with high-profile figures from Martha Stewart to Lewis Libby, and now to Ted Stevens."

NBC Nightly News (7/29, story 4, 2:00, P. Williams, 9.87M) reported, "In a written statement, Senator Stevens said today's indictment 'saddens' him, and that he has 'never knowingly submitted a false disclosure form.' But analysts say this could be a fatal blow to his political future." Chuck Todd, NBC News political director: "Senator Stevens was considered one of the most vulnerable Republicans running for reelection in 2008. Now, with an actual indictment hanging over his head, it's probably impossible for him to survive." Williams: "Prosecutors say they brought the charges when the case was ready, and the Alaska election was not a factor."

Fox Special Report (7/29, lead story, 2:55, Hume) reported, "The Justice Department says Stevens falsified disclosure statements and lied to investigators to cover it up. Steven says he is innocent." ... Fox News (Bream) noted that in an interview Monday with Alaska Public Radio, Stevens said, "I really believe that I have not done anything that is wrong in the process of my official activities." Bream: "Even though this is a Republican administration, the Justice Department wanted to be very clear that this election year indictment is arriving now only because the case was ready for prosecution." Friedrich: "Partisan politics should play no part either in what charges we bring or in things like, you know, the timing of indictment or that type of thing. That policy has been followed to the letter in this case."

The AP (7/30, Jordan) reports that Stevens "is the first sitting U.S. senator to face federal indictment since 1993. He declared, 'I am innocent of these charges and intend to prove that.'" The AP notes that the "indictment...caps a lengthy FBI investigation that has upended Alaska politics and brought unfavorable attention to both Stevens and his congressional colleague, GOP Rep. Don Young. Both are running for re-election this year." VECO founder Bill Allen "agreed to cooperate with the FBI as part of a plea deal for a lesser penalty. That cooperation included letting the FBI tape his phone calls with Stevens, though those calls do not appear as part of the indictment."

The Washington Post (7/30, A1, Johnson, Kane, 696K) reports, "Sen. Sheldon Whitehouse...said federal prosecutors would be very careful about bringing such a highly sensitive indictment, especially in the months before an election. 'You go over it and go over it and go over it, to make sure you got it right,' he said. 'It's more of making sure you've got it all right, and then, in the DOJ's case, make sure you've got all the appropriate sign-offs from above.'" At yesterday's press conference, "Friedrich said prosecutors closely followed internal protocols for bringing criminal charges against elected officials. 'We bring cases based on our evaluation of the facts and the law,' he said. 'We bring cases when they are ready to be charge, and that's what happened here.' Stevens will be allowed to surrender to authorities on his own terms, Justice Department officials said."

The Alaska Daily News (7/30, Demer, Mauer, Bolstad) reports, "With the indictment, Stevens, an icon in Alaska politics, becomes by far the most powerful politician charged in the broad, four-year federal investigation into public corruption in the state. ... Stevens said he will fight to save himself and his long career." The Daily News notes, "At the news conference, Friedrich said the case involved false disclosures, not bribery, and no specific actions by Stevens in return for gifts were charged, even though the indictment mentioned some Veco requests and the favorable responses by Stevens and his staff. Some of the solicitations were made directly to Stevens and included requests for help by Veco on its international projects in Pakistan and Russia; requests for federal grants and contracts, including National Science Foundation contracts worth nearly $200 million; and assistance with efforts to construct a natural gas pipeline from Alaska's North Slope."

The Wall Street Journal (7/30, A3, Pérez, Wilke, Carlton, 2.07M) reports, "The indictment unsealed Tuesday was narrow, given the breadth of the year-long investigation by the Justice Department, FBI, Internal Revenue Service, and other agencies. Beyond Mr. Stevens's alleged ties to VECO, the FBI is continuing to look into the involvement of Mr. Stevens and his business partners in a variety of real-estate deals in Alaska and elsewhere, people close to the federal investigation said. In addition, these people said, the FBI has been investigating whether business partners, friends or relatives may have benefited from earmarks or other federal spending backed by the senator." The Journal notes, "In the indictment... prosecutors didn't allege any quid pro quo in Sen. Stevens's relationship with VECO. However, prosecutors alleged that during the time that Sen. Stevens concealed the gifts, he 'could and did use his position and his office on behalf of VECO.'"

The New York Times (7/30, Johnston, Herszenhorn, 1.12M) reports that the indictment "comes nearly a year to the day after F.B.I. agents raided the senator's home as part of a long-running and expansive public corruption investigation in Alaska. Mr. Stevens was informed of the indictment through a telephone call to his lawyer on Tuesday morning and was allowed to surrender instead of being arrested. ... Mr. Stevens declared his innocence and his intention to fight the charges against him in a statement posted on his Web site. 'I am innocent of these charges and intend to prove that,' he said.

The Washington Times (7/30, Lengell, 83K) notes, "Other members of Congress currently under indictment include Rep. Rick Renzi, Arizona Republican, who is facing federal wire fraud and money laundering charges and is retiring at the end of this term, and Rep. William J. Jefferson, Louisiana Democrat, who was indicted on racketeering and bribery charges. Nearly a dozen other members also have reportedly come under investigation for corruption." Senate Minority Leader Mitch McConnell declined to comment o" the accusations against Mr. Stevens." Senate Majority Leader Harry Reid "also said little about Mr. Stevens' legal trouble, and would not indicate whether the Republican conference should ask the lawmaker from Alaska to step down from the chamber."

Roll Call (7/30, Yachnin) reports, "Stevens has previously asserted that he personally paid outside contractors for the home renovations — FBI agents raided the property in 2007 as part of the ongoing investigation — although he has said VECO personnel did review bills from those contractors. But Allen, who along with another high-ranking VECO official pleaded guilty in May 2007 to providing more than $400,000 in payments to Alaska state officials, has testified in court that he used company funds to pay for some of the construction costs as well as provided company employees to perform the remodeling work." However, Roll Call also notes that Friedrich said, "This indictment does not allege a quid pro quo."

CQ (7/30, Hunter, Staff) reports, "Stevens' closest friend in the Senate and a fellow World War II veteran, Hawaii Democrat Daniel K. Inouye, said Stevens should be considered 'innocent until proven guilty,' adding that the indictment should not impact Stevens' ability to do his job. Another fellow World War II and Senate veteran, John W. Warner, R-Va., said Stevens has 'been a hero and a fighter, and he's been a fighter for his country's interests and a fighter for his state ever since.'"

On PBS' NewsHour (7/29, Lehrer) the Washington Post's Carol Leonnig said, "What's alleged is a failure to disclose and

concealing these gifts, which is very serious, but bribery is much more serious and much more difficult to prove. That is, indeed, what prosecutors and investigators began investigating, concerns that the senator may have been receiving something of value in a quid pro quo...but that is not what is charged. And that has, of course, caused a lot of discussion in Washington today about whether or not the prosecutors essentially just didn't have enough evidence to prove it or didn't believe that it occurred."

The Los Angeles Times (7/30, Hook, Murphy, 833K) notes, "The high political profile that Stevens, 84, has established could help him ride out, at least initially, the uproar triggered by his indictment Tuesday on charges that he failed to report gifts worth a quarter-million dollars. The first threat to his hold on power will come next month, when he faces a challenge in his state's Aug. 26 Republican primary. If he survives that, Stevens will face a tough Democratic rival in November."

The Hill (7/30, Raju, Bogardus), Seattle Times (7/30, Bernton, 217K), Financial Times (7/30, Luce), AFP (7/30), and NPR's All Things Considered (7/29, Kaste, Norris) also report on Stevens' indictment, as did CNN, Fox News, MSNBC, CNBC and Bloomberg TV throughout Tuesday afternoon and evening. Additionally, the AP (7/30, Davis), McClatchy (7/30, Lightman) and the Washington Post (7/30, A8, Cillizza, Kane, 696K) analyze the expected political fallout for the GOP.

Stevens Delayed Lifting Of Pakistan Sanctions Until VECO Dispute Resolved. The Los Angeles Times (7/30, Neubauer, 833K) reports that in 1999, the government of Pakistan was "desperate for the removal of powerful military and economic sanctions imposed after the country conducted nuclear tests in 1998. Many hundreds of millions of dollars in trade was at stake. Stevens was the chairman of the conference committee that was considering allowing that change. But first, according to Capitol Hill sources, he made it clear that he wanted Pakistan to resolve a multimillion-dollar dispute" with VECO. The company "is at the heart of the Stevens indictment handed down Tuesday, and prosecutors outlined hundreds of thousands of dollars in financial favors VECO allegedly did for Stevens. What was less clear was what Stevens did for VECO, though the indictment mentions -- without elaboration -- that VECO asked for his help with projects in Pakistan and Russia, among other favors."

Other Indictments Seen As Possible. The AP (7/30, Quinn) reports that Stevens "could be the biggest prize caught in a widespread federal investigation into corruption of Alaska politics, but his indictment might not be the last. The offices of six state lawmakers were raided two years ago, and all but two have either been charged or found guilty. The only exceptions are Stevens' son, Ben, and Sen. Donny Olson." Rep. Don Young "is also under federal investigation and his campaign is hemorrhaging money on legal fees with a primary against a formidable opponent, Lt. Gov. Sean Parnell, less than one month away." The AP notes, "The FBI is investigating Young's fundraising practices. He has not been charged. Federal authorities are also investigating an unrelated earmark for a Florida highway interchange sought by a developer who was also a campaign contributor."

More Commentary. The Washington Post (7/30, A14, 696K) editorializes, "It is notable that prosecutors sought only false-statement charges against Mr. Stevens for failing to report the alleged gifts; despite the language in the indictment about Mr. Stevens's alleged help for Veco, he was not charged with the more serious offense of taking a bribe or illegal gratuity. Nonetheless, the facts as portrayed in the indictment appear devastating for Mr. Stevens, who was already facing a difficult reelection race this year." The Post adds, "Mr. Stevens said, in a statement posted on his Web site yesterday, that he was 'innocent of these charges' and had 'never knowingly submitted a false disclosure form.' We look forward, as we imagine his constituents do, to hearing the senator's explanation of how, exactly, he thought all these renovations were being financed."

The Wall Street Journal (7/30, A14, 2.07M) editorializes that the Stevens indictment "is another blow to the Republican Congressional reputation for honest government -- as well as the party's chances of avoiding big losses in November. Minority parties don't typically defeat a majority when more of their own Members are being indicted for corruption. ... If Mr. Stevens insists on running again, Alaska Republicans will have a chance to render their own verdict in an August 26 Senate primary. Some political hygiene would seem to be in order."

Meanwhile, New Republic senior editor Michael Crowley writes in a Washington Post (7/30, 696K) op-ed, "Stevens says he is innocent, but if he's convicted, few tears will be shed in Washington. Stevens cultivated a tyrannical image and personalized politics to an extreme degree, dividing the world into friends and enemies and showing no mercy. This outlook carried him to great heights. But, nourished by the culture of a Republican-dominated Congress, it eventually became toxic."

FBI Helping Philadelphia Police Fight Crime In Violent Neighborhood. Fox Special Report (7/29, story 16, 3:00, Hume) reported, "The job of career FBI agents in the post-9/11 world is about more than counterterrorism. Most of their casework deals with public corruption, white collar crime, violent crime, and drugs. In part two of our series marking the FBI's 100th anniversary, Fox gained exclusive access to Squad Two, one of Philadelphia's premiere drug and violent crime task forces." ... John Magee, FBI intelligence analyst: "The 12th district is a particularly violent area in the city of Philadelphia southwest division, with a lot of gunshot wound victims and a lot of narcotics trafficking." Fox (Herridge) added: "And for career agent Judy Tyler, this takedown is her baby. ... Tyler and FBI intelligence analyst John McGee are using

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Stevens' trial scheduled before election

By ERIKA BOLSTAD
ebolstad@adn.com

(07/31/08 18:55:49)

WASHINGTON - Sen. Ted Stevens will have the opportunity to clear his name in a federal court before the Nov. 4 election, but a judge seemed unlikely to move the case to his home state where jurors might be more sympathetic to the 84-year-old political titan.

The Alaska Republican made his initial appearanceThursday afternoon in federal District Court in Washington. He pleaded not guilty to seven counts of failing to disclose gifts investigators say he received from Bill Allen, the former chief of the oil services company Veco.

The 84-year-old lawmaker, a former U.S. Attorney, prosecuted wrongdoers in Alaska in the 1950s and has filed briefs with the Supreme Court. But Thursday's court appearance was his first as a defendant in a criminal case.

Stevens isn't trying to "ask for any special favors because he's a senator and served 40 years in the Senate," said his lawyer, Brendan Sullivan. But, "he'd like to clear his name before the election. This is not a complex case. It should be one that moves quickly."

U.S. District Judge Emmet G. Sullivan set a tentative trial date of Sept. 24

"The reason for your request is not an insignificant one," the judge said. "I can appreciate why the senator would like to have this matter commence and concluded before the election."

Stevens' attorney told the judge it was the first time in his career that he recalled asking for a criminal trial to be moved at such a fast clip. On his way into the courthouse Thursday afternoon, Stevens waved to the television cameras lining Pennsylvania Avenue, within walking distance of the Capitol. He waited quietly for the proceedings to begin and was greeted politely by the judge, who welcomed him to the courtroom by saying "Good afternoon, senator."

Stevens said little during the hearing, but followed it closely. When it came time to enter his plea, his lawyer did it for him. After the first segment of the hearing, Stevens left the hearing room with his arms around his wife, Catherine, and one of his daughters, Beth. When it concluded, Stevens and his family and lawyers took the elevator down to a side exit, where he was whisked away in a black Cadillac.

Stevens' office issued a statement at the end of the day with the senator reiterating his innocence.

"I am humbled by all the outpouring of support, expressions of friendship, and offers of prayers," the statement said. "This process has lasted for more than a year, causing great distress to my family and confusing the Alaskans who have put their trust in me for more than 40 years.

"When all the facts come out at the trial, Alaskans will know that I continue to be a dedicated public servant and that I am working hard for them every day."

FBI - Stevens-2094

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NEEDED: 500GB HARD DRIVE

Stevens is charged with making false statements about more than $250,000 worth of goods and services that he allegedly received from Veco Corp., the now-defunct Anchorage-based oil services and construction company, and from its chairman, Allen. The senator is the highest-profile politician to be caught in the four-year-old federal corruption probe, which has led to the conviction of three state lawmakers, a high-level official in Gov. Frank Murkowski's administration, two Veco officials and a lobbyist. Two other state legislators are awaiting trial.

Prosecutors said they could be prepared to bring Stevens' case to trial at the end of September. Brenda Morris, the lead Justice Department prosecutor on the case, also told the judge they could begin handing over discovery materials in the case as soon as Stevens' attorney gave them a 500-gigabyte computer hard drive.

Morris said the evidence they will share includes video and audio recordings and "consensual monitoring," which is when one of the parties to a conversation has agreed to its recording but the other person is unaware.

The need for such a large computer hard drive suggests that voluminous amounts of recorded evidence will play a part in this trial, much as it has in other corruption cases brought in Alaska.

It's not clear whether prosecutors will use recorded conversations between Stevens and Allen in court, but Allen's cooperation and that of the No. 2 at Veco, Richard Smith, in the case has been instrumental in other convictions. So have the surveillance videos and conversations recorded by the FBI.

The two pleaded guilty in May 2007 to making more than $400,000 in corrupt payments to public officials from Alaska. Allen agreed to cooperate with investigators in return for leniency in his own sentencing.

"It's generally understood up here that both Allen and Smith were engaged in a sting operation for approximately six months after they agreed to cooperate," with federal investigators, said Doug Pope, who represented one of the lobbyists who pleaded guilty, Bill Bobrick. He also represents former state Rep. Bruce Weyhrauch, who is awaiting trial.

"A whole lot of telephone calls were recorded when they were talking to public officials," Pope said. "I've listened to every tape they've produced, and some of which involve people who are involved in the Stevens case. My take on it is that Allen and Smith were trying to set people up."

"ONLY THING THAT CONVICTED VIC"

John Henry Brown, a lawyer for Vic Kohring, a former state representative, said that jurors approached him after his client's trial and said that video evidence was what convinced the jury to find him guilty.

"One of the jurors contacted us, and told us the only thing that convicted Vic was the last tape... (when) Vic said, offhandedly to Bill (Allen), 'I won't vote on that if you don't want me to.' That was really the only thing that convicted Vic," Brown said.

Brown also said that it could help Stevens to move the trial venue from Washington D.C. to Anchorage, even though Judge Sullivan seemed disinclined to do so.

"I'm sure the (prosecutors) want to keep it in D.C. because everyone in Alaska loves Uncle Ted," Brown said.

FBI - Stevens-2095

The judge set a hearing on Stevens' change-of-venue motion for Aug. 19, but questioned Stevens' lawyer about why Stevens would push for such a motion when all parties had worked hard to find a trial date in Washington, D.C., that allowed the case to be heard before the election.

Brendan Sullivan said that they thought about 90 percent of the witnesses in the case would be from Alaska and that it would make it easier. If possible, they would like the judge to come to Alaska, Stevens' lawyer said.

They're prepared to work around the geographic challenges, Morris said.

Stevens wasn't required to post bond, but he does have to surrender his passport and get permission from the court if his duties as senator require him to leave the country. If convicted, Stevens could face an unspecified fine and as much as five years in prison on each of the seven counts.

Most of the alleged gifts to Stevens from 1999 to 2006 came during a renovation that doubled the size of a house he owns with his wife, Catherine, in Girdwood. The company's employees and contractors performed architectural design services, put the house on stilts and installed a new three-bedroom first floor, a finished basement, a garage, a Viking gas range and a wraparound deck, according to the indictment.

While Stevens paid a construction firm for its work, he never reimbursed Veco or its contractors, even while staying involved in the progress of the work, the indictment said. Stevens also is accused of trading his vintage Ford Mustang and $5,000 to Allen in the spring of 1999 for a new Land Rover Discovery worth about $44,000, a car he told Allen he wanted for one of his daughters. Stevens' Mustang was worth about $20,000 at the time, according to the indictment.

Meanwhile, as Stevens then served as the powerful chairman of the Senate Appropriations Committee, Allen and VECO sought his help with international projects, grants from the National Science Foundation and funding for a natural gas pipeline on Alaska's North Slope, the grand jury charged in its indictment.

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Stevens money a bit too tainted for some

GOP: Those facing re-election try to insulate themselves by donating funds obtained from Stevens to charity.

By GREG GORDON
McClatchy Newspapers

(07/31/08 01:25:56)

WASHINGTON -- Republican senators facing re-election challenges sought to insulate themselves from indicted Sen. Ted Stevens on Wednesday by promising to donate to charity tens of thousands of dollars they received from the veteran Alaska lawmaker's political action committee.

Senate Minority Leader Mitch McConnell of Kentucky and Texas Sen. John Cornyn, the chairman of the Republican Conference, led the way, with each disclosing that he'd relinquish $10,000 in campaign donations from Stevens' Northern Lights PAC.

Minnesota freshman Sen. Norm Coleman, who's fighting to win re-election against comedian-turned-politician Al Franken, decided to give away $20,000 that his campaign and his own leadership PAC got from Stevens' PAC.

The GOP senators acted a day after Stevens was indicted on charges of lying to conceal more than $250,000 in gifts from Veco Corp., a former Alaska oil services company at the center of a public corruption scandal that already has netted seven criminal convictions.

North Carolina Sen. Elizabeth Dole acted quickly on Tuesday, announcing that she'd give $10,000 from Stevens' PAC to a campaign to fight hunger.

Freshman Sen. John Sununu of New Hampshire made a similar decision on Wednesday as his Democratic rival, former governor Jeanne Shaheen, issued a press release charging that his re-election campaign was funded by $45,000 in "tainted" cash from Stevens and another $65,000 that the Alaska senator raised on his behalf.

Meantime, the Republican Party of Alaska on Wednesday disclosed that it's donated $34,500 it received from Veco executives to a half dozen Alaska-based charities. The party received more than $56,000 in donations from the company between 1997 and 2004, but spokesman McHugh Pierre said that more than $20,000 of those funds had been spent when the corruption scandal became public in 2006.

FBI - Stevens-2097

Democratic Sen. Daniel Inouye of Hawaii, one of Stevens' closest friends, however, said he wouldn't give away any of the $13,000 he received from Veco executives. He said he didn't solicit the contributions, and "to my knowledge they were not made illegally."

Veco executives gave at least $35,000 to Stevens' PAC in recent years, Federal Election Commission records show. Most of it came from former Veco CEO Bill Allen, who pled guilty last year to making illicit payments to Alaska politicians and allegedly arranged for free renovation work on Stevens' house in Girdwood. In all, Veco employees made more than $600,000 in political contributions between 1993 and 2007, virtually all of it to Republicans.

194A-AN-13620-m 833

In their effort to distance themselves from Stevens and Veco, the Republican senators are giving away more money than the company's employees gave to Stevens' Northern Lights PAC.

Republican senators, however, rejected calls to surrender money they received in previous election cycles from Stevens' PAC, which the GOP elder statesman routinely used to support his colleagues' campaigns.

Numerous Republican legislators last year donated to charities campaign money they received from Allen and other Veco executives. But legislators Wednesday continued to try to draw an array of ethical lines while trying to avoid any taint from the charges against Stevens.

Sen. Lisa Murkowski, Stevens' Alaska Republican colleague, received $41,250 from Veco executives for her victorious 2003-2004 campaign. Last year, she donated to charity $8,000 in donations from Allen and former Veco vice president Richard Smith, who pleaded guilty to corruption charges last year, but kept donations from other Veco executives.

Her spokesman, Mike Brumas, said Wednesday that to give away donations from other Veco employees would "impugn the integrity of a lot of good Alaskans."

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Sen. Ted Stevens to face judge in corruption case

By MATT APUZZO
(07/31/08 06:40:32)

Alaska Sen. Ted Stevens is due in federal court Thursday to answer charges that he lied about hundreds of thousands of dollars in gifts from an oil services contractor.

Stevens is the Senate's longest-serving Republican and has been a dominant figure in congressional politics for a generation. After being indicted on seven counts of lying on Senate disclosure forms, Stevens was ordered to surrender in federal court and appear before a judge Thursday afternoon. A throng of reporters and television crews awaited his appearance.

Stevens had been scheduled to appear at a pretrial services office earlier Thursday, to be interviewed by court officials but, under an unusual arrangement, he arrived for that meeting Wednesday afternoon, avoiding the media attention. U.S. Marshal George Walsh, whose office is in charge of booking defendants, said he was unaware of the arrangement until Thursday and was disappointed that it would appear Stevens received special treatment.

Court spokeswoman Jenna Gatski said Stevens made an early appointment with a pretrial services officer. Though a judge's order called for Stevens to appear for that meeting Thursday, Gatski said the pretrial office sets its own schedule. Stevens appeared late Wednesday afternoon but within business hours.

Stevens, a former federal prosecutor, has said little about the corruption investigation that has dogged him for more than a year. Thursday's court hearing was likely to be no different. He was expected to plead not guilty, but initial court appearances are usually brief.

The indictment is a blow to the senator's re-election bid. Once a seemingly invincible political figure, he now faces both Democratic and Republican challengers who hope his legal woes make him vulnerable.

Some GOP colleagues have distanced themselves from Stevens. A spokeswoman for John McCain's presidential campaign said Wednesday that the indictment was a "sad reminder" that the next president will have to work to rebuild the public's trust.

Nicolle Wallace said McCain and Stevens famously clashed over the appropriation process. McCain regularly says on the presidential campaign trail that appropriations are subject to corruption that causes voters to lose faith in government.

Stevens has steadfastly maintained his innocence, and his campaign has pledged that Stevens will press on with his re-election race.

He would have to ask U.S. District Judge Emmet G. Sullivan for permission to travel. Stevens was expected to remain free while he campaigns and attends to Senate business, but Sullivan was to decide what rules the senator must abide by while he awaits trial.

FBI - Stevens-2099

1944-AN-13620-m 834

Stevens, 84, is accused of concealing more than $250,000 in gifts and home remodeling services he received from VECO Corp., a once powerful contracting firm. Two top VECO executives have pleaded guilty to bribing state lawmakers. The executives cooperated with the FBI and provided information about Stevens.

If convicted, he faces up to five years in prison on each of seven counts.

The indictment stops short, however, of charging Stevens with bribery or other traditional corruption charges. Despite winning cooperation from the VECO executives and searching the senator's home, the Justice Department said it could not prove a this-for-that corruption case.

His indictment is the culmination of an FBI investigation that for years has sent tremors through Alaska's political system. Several state lawmakers have been charged and others, including Stevens' son, Ben, remain under scrutiny.

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Stevens due in court this morning

The Associated Press
(07/31/08 08:51:51)

Alaska Sen. Ted Stevens is due in federal court Thursday to answer charges that he lied about hundreds of thousands of dollars in gifts from an oil services contractor.

Stevens is the Senate's longest-serving Republican and has been a dominant figure in congressional politics for a generation. After being indicted on seven counts of lying on Senate disclosure forms, Stevens was ordered to surrender in federal court and appear before a judge Thursday afternoon. A throng of reporters and television crews awaited his appearance.

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He would have to ask U.S. District Judge Emmet G. Sullivan for permission to travel. Stevens was expected to remain free while he campaigns and attends to Senate business, but Sullivan was to decide what rules the senator must abide by while he awaits trial.

FBI - Stevens-2101

1944-AN-13620-m 835

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Supervisor says he erred about Veco labor costs

Anchoorage Daily News
(08/04/08 01:25:06)

A former Veco employee backed away from an assertion in an interview published in Sunday's Daily News that some labor costs for the 2000 renovation of Sen. Ted Stevens' home in Girdwood were borne by an oil company.

David Anderson, who supervised the project for Veco, an oil field service company implicated in the government's corruption investigation in Alaska, said he submitted the time slips for the shop electricians who worked on the Stevens house.

But on Sunday, he said he couldn't be sure how Veco accounted for the labor costs on its books.

Last week, Anderson said some of the labor charges were passed on to an oil company that was paying Veco to build a North Slope module in its shop at the time, probably BP, though not necessarily with the knowledge of the oil company. He affirmed that Saturday.

But on Sunday, Anderson said he was mistaken and only knew for sure that Veco covered the costs, not that they were passed through to a Veco client.

That accounting took place in a Veco office outside the scope of his job, he said Sunday.

Stevens was charged last week in a seven-count indictment with failing to disclose more than $250,000 worth of gifts from Veco, mostly related to renovations of his residence in Girdwood starting in 2000.

The indictment said Stevens failed to reimburse Veco for labor, materials and furnishings it provided Stevens from 2000 to 2006.

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Veco men sparked Stevens remodel

By RICHARD MAUER
rmauer@adn.com

(08/03/08 02:04:59)

Editor's note: Earlier versions of this story, online and in print, contained three paragraphs reporting that ex-Veco employee David Anderson said some of Veco's costs on the Stevens house were passed along to an oil company for which Veco was doing work. Anderson on Sunday said he was mistaken about this, and the three paragraphs were removed from the story. Read a fuller explanation **HERE**.

The idea to double the size of U.S. Sen. Ted Stevens' home in Girdwood by jacking it up and adding a new first floor was hatched by Veco employees over drinks at the Alyeska Prince Hotel, according to two of the participants.

"This is what I'm thinking -- I want to expand Ted's house," then-Veco chairman Bill Allen told two of his trusted employees, his nephew David Anderson and Robert "Rocky" Williams. "How can we do this?"

The conversation was recalled in interviews last week by Anderson and Williams, federal grand jury witnesses who may testify at Stevens' corruption trial scheduled next month. They said it took place in a suite at the Girdwood hotel rented for the night by Allen, probably in the spring of 1999 or 2000, Anderson said.

Anderson said he eventually supervised the start of the 2000 renovation project for Veco and continued to respond to maintenance requests by Stevens and his wife over the next few years. He said Veco paid for most of the work and Stevens should have known it.

Williams said he too had a supervisory role on the project and that he made no effort to conceal his employment with Veco when Stevens came around. Anderson described his recollections in a telephone interview last week from his home in the Matanuska-Susitna Borough. Williams was interviewed at his home in South Anchorage last week and in 2007.

Stevens, who has represented Alaska in the Senate since 1968, was indicted Tuesday on seven federal felony counts of failing to disclose on his annual financial statements more than $250,000 in gifts he allegedly received from Allen and Veco starting in 2000. The Veco-organized house renovation, subsequent repairs and Veco-supplied furnishings were central to most of the alleged violations.

Stevens says he is innocent and has vowed to fight for acquittal. On Thursday, he asked for a speedy trial and got it. A judge set a date of Sept. 24 in Washington, D.C.

Stevens has declined to answer questions about the house except to once say that he paid every bill he received. His wife, Catherine, did not respond to e-mails to her husband's Senate and campaign offices for comment on this story, and has previously declined to discuss the Girdwood remodeling.

Bill Allen pleaded guilty in May 2007 to federal conspiracy, bribery and tax charges and agreed to cooperate in a massive corruption investigation of Alaska politics. For the third time Friday, U.S. District Judge John Sedwick granted a Justice Department request to continue Allen's sentencing, this time until at least February 2009. The government's status report on Allen was filed under seal, prosecutors wrote, because "it discusses active criminal grand jury investigations and similar matters."

FBI - Stevens-2104

'BILL'S HOTSHOTTING'

The interviews with Anderson and Williams provide new details about the allegations in the Stevens indictment from the perspective of two people involved in the construction project. Their stories closely track the allegations in the government's case, though in several instances they spoke about work and furnishings provided to the

194A-AN-13680-m 937 e

Stevenses that were not directly mentioned in the indictment.

Anderson, a certified welder by trade, grew up with Bill Allen's son Mark in Kenai. Bill Allen got his start there in the 1970s, with Veco getting contracts on the oil platforms in Cook Inlet. When Allen sold Veco last year, the company had annual sales of nearly $1 billion and 4,000 employees worldwide.

Anderson spent years working on the North Slope, then moved to Anchorage in the 1990s when Veco opened a metal fabrication shop in South Anchorage.

Anderson said Bill Allen began bringing him into his inner circle, first trusting him with making campaign contributions that Allen would later -- and illegally -- reimburse with cash. Anderson said he built the giant wheeled barbecue grill later used to roast pigs at fundraisers for Rep. Don Young. The cooker was originally built for a party Allen planned to host for a Louisiana senator that was canceled, he said.

"Pretty soon I'm out of the shop -- I'm doing all of Bill's hotshotting," Anderson said.

One of those jobs took him to a chalet on Northland Road in Girdwood -- the official Alaska residence of Ted Stevens. Anderson wasn't sure of the year, but based on other documented events, it probably was 1999.

"I took a crew out there and we cleaned up," Anderson said. "Like a spring cleaning thing." Anderson had two or three other Veco employees with him, and they spent four or five days removing downed limbs, taking out brush and other tasks.

Ted Stevens wasn't there, Anderson recalled, but Stevens' wife, Catherine, was at the home.

"Catherine kind of told us what she wanted done," Anderson said. "She was telling me, 'Let's get that out of there, and that out of there."

Allen had ordered the cleanup and Catherine knew the crew was from Veco, Anderson said. "I know she didn't get a bill -- I know because I was running the paperwork," Anderson said.

Before they were done, he said, Allen showed up.

'GIVE HIM SOME MORE ROOM'

"He was checking on it, and he brought Rocky (Williams) out, and (Allen) goes, 'We need to talk,' " Anderson said. They drove over to the nearby Alyeska Prince Hotel -- now the Hotel Alyeska. Allen got a suite for himself and rooms for Anderson and Williams, the two employees said.

"We all met up there in Bill's stateroom," Anderson said. "Bill busts out the wine."

Allen had a question. "He goes, 'How can we expand Ted's house? I want to give him some more room.' "

Anderson, in the middle of the yard work project, had been having a rough time convincing the neighbors to spruce up their own places, he recalled. He said he told Allen that expanding the Stevens house horizontally toward the property lines of the quarter-acre lot would only put it closer to the neighbors -- not necessarily a good idea.

"Me and Rocky started talking about it -- why don't we just jack the house up? Which is what we did."

In two interviews last year, Williams recalled that at the time, there was talk of Stevens stepping down from the Senate -- especially if he could win approval of oil drilling in the Arctic National Wildlife Refuge, a goal that has proved elusive.

"Ted had actually wanted to retire a few years ago and Catherine never liked the original place," said Williams, who said he had conversations with both about the house.

THE PLANS

Before any work could begin, Anderson said, a huge tree overhanging the Stevens home had to be removed.

"I had to go in to Girdwood and I found these rustic-hippy tree cutters to come out there and cut that tree down. That was a big deal, cutting that tree down so that it didn't fall on the cabin," Anderson said.

The stump was about four feet in diameter, he said. Anderson didn't recall how much it cost to fell the tree and buck up the logs.

"It was fairly spendy -- that was a big tree -- but Veco, not Stevens, paid for it," Anderson said. "Ted had firewood -- they knew what was going on."

Anderson's next step was to get Veco engineers to design the addition. A Veco employee, John Hess, led the team, Anderson said.

"John Hess comes out, meets with me, meets with Rocky, and we started walking around looking at stuff, kicking it around -- how in the hell are we gonna do this?"

The initials "JCH" are on the plans filed with the city's building department -- though the documents themselves have no reference to Veco, which, according to Anderson and the Stevens indictment, paid for the design work.

When the Daily News interviewed Hess in June 2007, he declined to talk about the Stevens project. Asked then whether he drafted the plans, he said, "That's possible."

The city permits for the remodel were filed in July 2000 by Robert Persons, the Double Musky restaurateur and a longtime friend of the Stevenses. Persons monitored the progress of the project when neither Ted nor Catherine was around, Anderson and others said, and he is referenced in the Stevens indictment, though only as "Person A."

Persons didn't return several messages left on his phone and in person at the Double Musky over the last two weeks. In a brief interview in March, Persons said he doesn't doubt that Stevens believes he paid everything he owed on the house. That's the way Stevens conducted business in a racehorse partnership managed by Persons, he said: Whenever the partners were required to invest more cash, Persons said, Stevens insisted on being the first to put in.

"This shouldn't be happening," Persons said. "He's very strict about that sort of thing."

'A SAD PORTION OF MY LIFE'

Going through the Yellow Pages, Anderson found a house mover in Anchorage, Toney Hannah, to lift the house.

In an interview last year, Hannah said he first met with Ted and Catherine Stevens about the project in 1999, but the work actually took place in the fall of 2000.

Once Hannah jacked up the house, Anderson said, "it was me, Rocky and Bob Persons, and we were putting in floor joists." Allen dealt with Stevens, he said. "I'm just the supervisor."

FBI - Stevens-2106

Hannah said in the interview last year that he sent a bill to Stevens. Catherine paid by check, he said. He couldn't recall how much and couldn't look up the figure, he said, because the FBI had his files.

Veco hired Christensen Builders for the carpentry work, owner Augie Paone told the Daily News last year. Paone said he sent his invoices first to Veco, then faxed them to Stevens, who paid by check. He thought Stevens paid him at least $100,000 over the course of the project.

Paone's wife, Ruth, an officer of the company, said two weeks ago that neither she nor her husband would comment about the case now.

Stevens told reporters last year that he paid every invoice he received on the remodel.

"As a practical matter, I will tell you. We paid every bill that was given to us," Stevens told reporters last July.

"Every bill that was sent to us has been paid, personally, with our own money, and that's all there is to it. It's our own money."

In a handwritten note sent last summer to Wev Shea, the former U.S. Attorney for Alaska, Stevens said he paid $130,000.

"This is a sad portion of my life -- it will take time to explain," Stevens said in the two-page note, which was seized by the FBI after Shea told a Seattle Times reporter about it. "Catherine and I personally paid over $130,000 for the improvements to our chalet in Girdwood. Someone -- or more than one -- keeps telling the FBI that's not so. Takes time to go back over five years to prove they are wrong."

In the indictment, prosecutors accused Stevens of misleading friends and staff about the Girdwood project, but it doesn't say whether his note to Shea will be used as evidence of that allegation.

But the indictment appears to back up Paone's statements. It says invoices from "Company A," an apparent reference to Christensen Builders, were sent to Stevens and paid by the senator by personal check.

Those invoices, however, "did not include the labor costs of Veco employees and contractors and did not include the costs of materials provided by Veco," the indictment says. Veco employees "installed electrical, plumbing, framing, heating and flooring materials in the Girdwood Residence," as well as buying and installing fixtures and appliances, the indictment says. Between the summer of 2000 and Dec. 31, 2001, those costs totaled more than $200,000, the indictment says.

The electricians on the job were Veco employees, and the plumber, Mark Tyree, was a private contractor hired by Veco, Anderson said.

Veco absorbed the costs of material and Tyree's services, Anderson said.

A VECO JACKET

Among the electricians' tasks was to wire up a switch for a generator that would automatically turn on whenever the power went out, Anderson said. Allen told him to buy an oversized power plant to install in the back yard. It was so heavy that Anderson had to order in a Veco crane from the shop to lift it over the garage from the driveway and set it in place in the back.

It was another gift that Stevens got for free, Anderson said. "I know, because I ran the paperwork -- I did all the purchase orders."

The generator is not mentioned in the indictment.

Anderson said he himself did some of the Veco-paid steelwork -- manufacturing a metal staircase for inside the home in the Veco shop, and making the external pillars that held up the second deck. Williams corroborated that account.

"He's a welder, he knows how to design. He knew everybody at the fab shop," Williams said of Anderson.

Before the project was completed, Anderson had to leave for Oregon to attend to family matters after the death of an aunt -- Bill Allen's sister. Williams stayed on the project.

Stevens himself inspected the work about three times that fall, Williams said. There was no secret about Veco's involvement.

"I wore a Veco jacket the whole time," Williams said. "This was no big covert deal."

According to the indictment, Stevens thanked Allen multiple times for work on the Girdwood house, starting with the initial remodel. In 2000, the indictment says, Stevens sent Allen an e-mail praising a Veco employee whose name was redacted from the indictment

"(W)e've never worked with a man so easy to get along with as [name of a VECO employee], Plus, everyone who's seen the place wants to know who has done the things he's done. ... You and [PERSON A] have been the

spark plugs and we are really pleased with all you have done. hope to see you and the chalet soon."

Williams said Catherine Stevens wanted to put her touch on the place, which she and Stevens had bought as a 12-year-old house in 1983.

"So she picked out the carpet, she picked out the tile," Williams said. "She made it her place and that was what Ted wanted because I don't think he planned to be in politics at this point in time."

FALLING OUT WITH ALLEN

Anderson returned to Anchorage and resumed work on the home the following spring, he said, building the ground-floor deck. The Viking grill, cited in the indictment as another gift from Allen to Stevens, was lifted onto the upper deck and permanently plumbed to a gas line with solid pipe, Anderson said. Like the generator, it was so heavy it took a crane to install.

"I knew them," Anderson said of Ted and Catherine Stevens. "Usually Catherine would come by. Ted didn't come by that much," Anderson said. One day, there was a plumbing problem under the kitchen sink -- Anderson called it a "blowout," using a term from the oil patch.

"Catherine called me and said, 'My god, we've got to get this stopped.' I had to drive out to Girdwood and fix it." Anderson didn't remember the date, but said it was shortly after the renovation project was completed.

Anderson and Allen had a serious falling-out sometime after that. Anderson said that when he began dating one of Allen's girlfriends, Allen became enraged and Anderson lost his Veco job. In one of the corruption trials last year, the lawyer for former House Speaker Pete Kott attempted to discredit Allen by asking him if he had ever threatened to kill Anderson. Allen said he hadn't. Allen said Anderson was blackmailing him, but didn't elaborate.

Anderson denied blackmailing Allen.

When Anderson moved to a remote part of the Mat-Su Borough and adopted a low-key Alaska lifestyle, he thought he was done with Allen, he said.

Then one day a sedan appeared at his place. Inside were U.S. Treasury Department agents, he said. He got a phone call from someone else -- an FBI agent who couldn't find the place. The agent was directed to the house.

That was Aug. 31, 2006 -- the day teams of federal agents swarmed legislative offices in Anchorage, Juneau and Wasilla, executing search warrants and giving the first public sign that a massive investigation was under way. Agents had questioned Allen for the first time the day before.

Anderson said the agents wanted to talk to him as a key witness. He said he told them he had nothing to hide and has been cooperating ever since.

Find Richard Mauer online at adn.com/contact/rmauer or call 257-4345.

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Ex-Veco worker says he was mistaken about BP billing

Anchorage Daily News
(08/03/08 19:04:21)

A former Veco employee backed away from an assertion in an interview published in Sunday's Daily News that some labor costs for the 2000 renovation of Sen. Ted Stevens' home in Girdwood were borne by an oil company.

David Anderson, who supervised the project for Veco, an oil field service company implicated in the government's corruption investigation in Alaska, said he submitted the time slips for the shop electricians who worked on the Stevens house. But on Sunday, he said he couldn't be sure how Veco accounted for the labor costs on its books.

Last week, Anderson said some of the labor charges were passed on to an oil company that was paying Veco to build a North Slope module at the time in its shop, probably BP, though not necessarily with the knowledge of the oil company. He affirmed that Saturday.

But on Sunday, Anderson said he was mistaken and only knew for sure that Veco covered the costs, not that they were passed through to a Veco client. That accounting took place in a Veco office outside the scope of his job, he said Sunday.

Stevens was charged last week in a seven count indictment with failing to disclose more than $250,000 worth of gifts from Veco, most it related to renovations of his residence in Girdwood starting in 2000. The indictment said Stevens failed to reimburse Veco for labor, materials and furnishings it provided Stevens from 2000 to 2006.

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Veco hid construction expenses

STEVENS TRIAL: Bookkeeper says Allen wanted no paper trail.

By RICHARD MAUER and ERIKA BOLSTAD
Anchorage Daily News

(09/27/08 05:12:28)

WASHINGTON -- Even as Veco Corp. was paying the bills for renovations on Sen. Ted Stevens' home in Girdwood, the oil services company was concealing its activities in its own internal records, the corporate bookkeeper testified Friday.

Veco accounts manager Cheryl Boomershine testified that when she asked a co-worker to obtain the "who, when, where and why" for a $2,000 expense claim for materials from construction foreman Rocky Williams, she got back a note with orders that there should be no written records.

"No who, per Bill," said the note, referring to Veco chairman Bill Allen. The "when" was August 2000 and the "where" was Girdwood, but there would be no "why," wrote the co-worker.

"No paper trail per Bill Allen per Rocky," she said.

Anyone examining the Veco books might have thought that the company was spending tens of thousands of dollars on business consultants, not Stevens. Testifying on the second day of Stevens' trial for failing to disclose more than $250,000 in gifts from Veco, Boomershine said she created an account for the project called "Girdwood Consultants."

One of the "consultants," she testified, was a plumber named Mark Tyree.

And Boomershine said there's no record that Stevens or his wife ever reimbursed the company for any construction costs for projects that began in 1999 with a back-up generator that cost $6,300 plus labor.

Boomershine now works for CH2M Hill, which bought Veco last year and has been cooperating with the government. Boomershine said that at the FBI's request, she searched through all the backup copies of Veco deposits to its bank accounts; she testified she found only two checks from Stevens.

Both payments were for reimbursements for flights originally paid for by Veco. One check was dated Aug. 8, 2003, for $420.28, for a round trip between Anchorage and Kenai.

The other was dated Aug. 31, 2005, for $1,710.41 for a flight from Phoenix to Roswell and Hobbs, N.M. Allen's son Mark raises racehorses in Roswell, and there's a track at Hobbs.

FBI - Stevens-2110

WORKERS TESTIFY

Other tradesmen who renovated Stevens' home in Alaska in 2000 testified Friday about their work, as prosecutors began building a case that the Alaska Republican never paid Veco for electrical and carpentry work on the so-called "chalet."

Allen, who has already pleaded guilty to bribing state lawmakers in Alaska, was announced as the government's sole witness Monday.

Allen's testimony and secret recordings of conversations between him and Stevens are expected to be the strongest evidence in the government case against Stevens. The trial, which had been expected to take four weeks, is moving so fast that prosecutors might finish their case in eight days. They sped through so many witnesses that they had to scramble to schedule people to testify next week.

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194A-AN-136720-m

DEPLETED WITNESS LIST

Seven witnesses, mostly from Alaska, have testified so far. The case was moving at such an unexpectedly brisk clip that prosecutors ran out of witnesses Friday, drawing the ire of U.S. District Court Judge Emmet Sullivan. Many times a day since before the trial even started, Sullivan has pressed his point that jurors deserve utmost respect, and one way to honor them, he has frequently said, is to ensure they have as little waiting time as possible.

Sullivan was incredulous when the lead prosecutor, Brenda Morris, told him that more witnesses were flying in from Alaska on Sunday. The normally soft-spoken judge thundered back: Why were they not here already?

"I'm not going to tolerate it," he said, and threatened to decree that the government's case had concluded since there were no more witnesses available.

After a 10-minute recess for the government to come up with a revised list of witnesses for Monday, Sullivan had calmed when he re-entered the courtroom. The government presented Allen's name and nine alternates.

Prosecutors also said they could wrap up their case a week from Monday -- the eighth day of trial. They initially had predicted their case would take three weeks.

HOW THE WORK WENT

Earlier Friday, a series of electricians and carpenters described in detail how they jacked up Stevens' Girdwood home and installed a first story, and redid electrical wiring.

Some Veco employees spent months at the Stevens home, according to testimony.

One was Roy Dettmer, of Littleton, Colo. Beginning in October 2000, Dettmer spent four months working six days a week, 10 hours a day, installing electric service in the new sections of the house and rewiring much of the old.

Every morning, he testified, he'd drive to the Port of Anchorage, where he was assigned to work, sign in using his badge, then drive 45 miles to Girdwood. In the evening, he would have to "badge out" again back at the port before he could return to the hotel where he lived when he was in Alaska. Dettmer's pay at Veco at the time was between $27 and $29 an hour, plus overtime, he said. Working a schedule of six weeks on, two off, Dettmer figured he spent about 400 hours on the project.

Assistant U.S. Attorney Joe Bottini of Anchorage walked Dettmer through his tasks. The service entrance had been at the rear of the original house, but that was now 15 feet in the air. Dettmer moved it to the other side of the house in the new garage Veco built, requiring all the old circuits to be extended. That doubled the electrical capacity from 100 amps to 200 amps. That meant the generator that had been installed by Veco only the year before had to be rewired and moved as well.

Veco bought the material from an Anchorage supplier, Dettmer said. The new kitchen built by Veco on the second floor also had to be wired.

Dettmer said he never met Stevens, but Catherine Stevens, the senator's wife, came around once. Williams, the Veco supervisor, introduced him.

"We said 'Hi,' and that was it," Dettmer said.

Catherine Stevens stopped by once to bring workers muffins, said another contractor, Mike Luther, a carpenter with Christensen Builders of Anchorage. He also saw Sen. Stevens once.

"He was a friendly kind of guy -- he was talking to everyone," Luther said

On his way out of the courtroom Friday, Luther waved to Stevens as he walked past the senator at the defense table.

Both sides have tried to educate the jury about Alaska through the witnesses, asking them to describe the North

Slope, the Kenai River, Girdwood and the like.

But recent events outside the courtroom have also contributed familiarization, as was obvious when the first witness took the stand Friday. When Veco electrician Douglas Alke gave his hometown as "Wasilla," a murmur of recognition rustled from the jury box to the spectator section.

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Stevens: Government is hiding evidence

By ERIKA BOLSTAD
ebolstad@mcclatchydc.com

(09/29/08 08:12:57)

WASHINGTON - Sen. Ted Stevens is accusing prosecutors of hiding evidence from a potential witness that would help the Alaska Republican clear his name before the election, and asked a judge to declare a mistrial in his corruption case.

There's no basis for a mistrial, said District Court Judge Emmet Sullivan. But he was not happy with prosecutors and how they had handled the matter. Sullivan scolded one of the prosecutors, Nick Marsh, from the bench this morning, telling him "someone's treading some very shallow water here."

"I'm flabbergasted," Sullivan said.

The senator's lawyers, who asked for a speedy trial so that jurors could reach a verdict before Alaska voters go to the polls Nov. 4, made their accusations in a motion filed at 11:58 p.m. Sunday. Stevens faces seven felony counts of failing to report on his U.S. Senate disclosure forms more than $250,000 worth of gifts and home renovations, chiefly from Veco Corp. and its chief executive officer, Bill Allen.

Stevens' lawyers say that prosecutors declined to tell them everything they knew about a Veco worker named Rocky Williams, who oversaw renovations at the Stevens home in 2001. Evidence will show that Williams worked far less on the home than other company employees have suggested in their testimony, Stevens' lawyers said, including one of the company's bookkeepers who took the stand Friday.

Williams was originally set to be a government witness, but prosecutors decided in the opening days of the trial not to use him. They discussed the reasons why with the judge privately, in a bench conference, but did not say why in open court. They did allude to Williams being "two weeks overdue" for something in Alaska. And in court filings, Stevens' attorneys refer to health issues that include "coughing episodes."

That will help them knock holes in the government's theory that the Veco work done on Stevens' home was so extensive that he must have known he was getting freebies above and beyond the $160,000 his lawyers said he paid a separate contractor for the work.

Stevens' attorneys did speak to Williams over the weekend, after they learned that he wouldn't be a government witness.

"We got lucky," said one of Stevens' lawyers, Robert Cary. "We got his lucky that he changed his prior position of not wanting to talk to us."

FBI - Stevens-2113

In court filings, Cary said that "Mr. Williams informed defense counsel that he spent nowhere near 8 hours per day, 6-7 days per week, on the Girdwood home renovation project – in direct contrast to the timesheets that the government has placed in evidence to support its central theory that the unpaid cost of the project to Veco was $188,000."

The judge offered Stevens' lawyers a chance to re-question Cheryl Boomershine, the Veco bookkeeper who testified Friday about how much money the company spent renovating the home in Girdwood. Boomershine was still in Washington D.C. Monday morning and is expected to return to the courtroom today. Now, the defense team will be able to ask her questions that might help bolster their case.

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194A-AN-13620-11

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Allen won't testify in disclosure trial today

WITNESS LIST REVISED: Former Veco boss might be pushed back until Tuesday.

By RICHARD MAUER
rmauer@adn.com

(09/29/08 00:52:16)

WASHINGTON, D.C. -- Bill Allen won't be testifying today after all in Sen. Ted Stevens' disclosure trial.

On Friday, the government ran out of witnesses because the trial had been running faster than expected.

After being scolded by the judge for keeping the jury waiting, prosecutors announced that Allen, its chief witness and the former chief executive of Veco Corp., would open the day Monday. Allen was in town, and his lawyer, Bob Bundy of Anchorage, had been a regular presence in the back of the courtroom -- even for pretrial matters before the case opened on Thursday.

But Allen's scheduled testimony was also marked with controversy and possible delay -- the scope of cross examination remains undecided. Prosecutors are seeking to limit the kinds of questions that Stevens' attorneys can ask Allen in an effort to impeach him. In particular, they want to prevent questions about Bambi Tyree, who, as a 14- or 15-year-old, told friends she had sex with Allen. She is now 27 and is listed as a potential defense witness.

The defense says Stevens' right to confront the witnesses against him includes exploring whether Allen believed he wouldn't be prosecuted over Tyree if he agreed to plead guilty to federal public corruption charges and testify against Stevens and others.

On Saturday, the government revised its witness list for today, putting Allen back at least until Tuesday and probably later. He's replaced with a list of 14 other witnesses, including Courtney Boone, Stevens' former spokeswoman, and several former Veco employees.

Tyree's father's name has come up several times in the trial already, but in a different context. Mark Tyree, who died in 2005, was the Wasilla plumber hired by Veco to install the pipes, fixtures and heating in the renovations it provided for Stevens on his Girdwood home. Earlier this year, the Daily News reported that over the years, Allen provided gifts, including cars, for Bambi Tyree and her family.

Anchorage police have an open investigation of Allen for sexual abuse of a minor involving Tyree and at least one other woman.

In a motion filed Friday, the government sought to limit the questions of Allen and two other government witnesses, Allen's nephew, David Anderson, and his go-to problem solver, Rocky Williams, who worked as the foreman at Stevens' house. Both Anderson and Williams "are rumored to engage in excessive alcohol consumption," the government acknowledged.

FBI - Stevens-2114

Prosecutors asked the judge to "limit questioning of these witnesses when the cross examination strategy behind the questioning will serve no purpose other than to impair the search for the truth; harass, annoy, or humiliate the witness; improperly inflame the jury; and unfairly prejudice the government's case against defendant."

Stevens' attorneys said that the Allen investigations have already been publicly reported.

"The defense has no desire to smear any government witness," it wrote. "The Sixth Amendment, however, ensures that a criminal defendant will be entitled to explore his accusers' credibility and any motivation to lie."

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Prosecutors defend sending witness home to Alaska

By RICHARD MAUER and ERIKA BOLSTAD
Anchorage Daily News
(09/30/08 11:50:20)

WASHINGTON - Prosecutors shed more light Tuesday morning on why they chose to send home Robert "Rocky" Williams and not use him as a witness in Sen. Ted Stevens' corruption trial.

The head of the Justice Department's Public Integrity section said in a court filing that it was his decision to send Williams home to Alaska because he and others in their office had serious concerns about his health. Williams, who oversaw renovations at Stevens' home in Girdwood for Veco Corp., was scheduled to testify in Stevens' trial but prosecutors sent him home the day the trial opened.

Monday, prosecutors drew the ire of U.S. District Judge Emmet Sullivan, who threatened sanctions and asked for a full explanation of what had happened. Sullivan said he was "flabbergasted" that the government team sent Williams home without telling him or the defense.

Stevens' team seized on the situation, calling for a mistrial and accusing prosecutors of withholding potential testimony from Williams that could help Stevens. They were especially interested in potential evidence that Williams worked far less on the home than other company employees have suggested in their testimony, including one of the company's bookkeepers who took the stand last week.

Such evidence could help Stevens knock holes in the government's theory that the Veco work done on his home was so extensive that he must have known he was getting benefits above and beyond the $160,000 his lawyers said he paid a separate contractor for the work done to double his home in size.

Prosecutors said that when Williams met with government lawyers to prepare for his testimony, it was apparent he had "serious, health-related issues that warranted medical attention." Between his Nov. 7, 2006, grand jury testimony and the present, Williams had become "almost unrecognizable," prosecutors wrote in their filings.

"Mr. Williams had lost a substantial amount of weight, his abdomen was distended (and had been previously drained of excess fluid), he appeared jaundiced, his face was gaunt, he had substantially aged, he had chronic coughing spells, and he was frequently short of breath."

He was so sick that William Welch, the head of the Justice Department's public integrity section, said he could hear Williams "wheezing and coughing" in the corridor in the Justice Department long before he walked past his office.

FBI - Stevens-2115

There was no nefarious intent in sending him home to Alaska, Welch said, and accused the Stevens defense team of "win-at-all-cost" tactics.

"At no time did the government intend to engage in any type of deception," he wrote.

The dispute over Williams dominated the proceedings Monday, although jurors never saw any of the discussions.

The Republican senator faces seven felony counts of failing to report on his Senate disclosure forms more than $250,000 worth of gifts and home renovations, chiefly from Veco and its chief executive officer, Bill Allen. Stevens, who is up for re-election Nov. 4, asked for a speedy trial so he'd have the opportunity to clear his name before Election Day.

-841

Allen, the star witness, just took the stand this afternoon.

194A-AN-13620-M

Four other witnesses took the stand Tuesday morning, including Stevens' former press secretary, Courtney Boone, who testified about inquiries she had received from a reporter about work done on the Stevens home. The reporter, Heather Resz, had called to ask about a tip she'd received alleging that Veco had built a deck on Stevens' home without paying for it.

Boone said that when she asked the senator about it, his response was "the same as mine. 'What?' Shock," she said. "He said I'd have to talk to Mrs. Stevens about it because she handled the work that was done at the house.

Boone testified she was told by Stevens' wife, Catherine Stevens, that the work was done by Christensen Builders. That contradicts evidence from a carpenter who told the jury yesterday that he was paid more than $4,000 by Veco to build the lower deck.

Resz, who worked for a now-shuttered weekly paper owned by Alaska Newspapers Inc., read jurors the statement she received from Boone. In it, Boone told Resz that Stevens' wife had taken out a line of credit to pay for the addition, and that the "modernization of their chalet included work on their deck."

Resz said she thought she had run into a dead end and didn't pursue the story.

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Allen testifies in Stevens trial

By Richard Mauer and Erika Bolstad
Anchorage Daily News
(09/30/08 14:48:21)

WASHINGTON -- The self-made Alaska construction executive whose testimony could bring to an end the 40-year U.S. Senate career of Ted Stevens took the stand today in the corruption case against his former fishing buddy and friend.

Bill Allen, the founder of Veco Inc. and the star witness in Stevens' trial, spoke fondly and with admiration of the 84-year-old Republican senator from Alaska.

"We kind of really liked each other," Allen said this afternoon as prosecutors introduced a photo of the two men catching a king salmon. "Had the same thoughts. Ted really worked hard. Ted loved Alaska and I loved Alaska."

But Allen also began highlighting a pattern of gift-giving that is at the heart of the government case against the senator. Stevens, the longest-serving Republican in the Senate, is accused of failing to report on his annual financial disclosure forms more than $250,000 worth of gifts and home renovations, chiefly from Veco and Allen.

Prosecutor Joe Bottini, an assistant U.S. attorney from Anchorage, asked Allen whether Stevens ever paid him back for the estimated $5,000 to $6,000 cost of the backup generator the senator asked Allen to install in 1999, in advance of the Y2K scare.

"No," Allen said.

"To your knowledge, did he ever pay Veco back for the generator?"

"I don't know," Allen said. "I don't think so."

Allen, 71, is a key figure in the case against Stevens. He and former Veco vice president Rick Smith pleaded guilty in May 2007 to bribing state lawmakers as part of an effort to push through the Legislature an oil production tax favorable to North Slope oil producers. Both are cooperating with the government; neither has been sentenced.

In the three-and-a-half days of testimony leading up to Allen's turn at the stand, jurors have heard from former Veco employees and others who described under oath work they did on Stevens' home. Prosecutors say Stevens never paid for $188,000 worth of renovations paid for by Veco, including a deck, an exterior staircase and extensive electrical work.

FBI - Stevens-2117

Allen, who will continue his testimony tomorrow, began by telling jurors the story of his hardscrabble origins and how he worked his way from teenage welder in New Mexico to wealthy owner of one of Alaska's biggest private employers. Veco was sold last year to the Colorado construction firm CH2M Hill for $380 million.

He also explained to jurors that his halting speech is the result of a brain injury from a 2001 motorcycle accident. He testified he has no memory problems but sometimes has difficulty speaking the words he is thinking.

Allen described meeting Stevens for the first time in the early 1980s at fundraisers and events for Republican Frank Murkowski, who was running for the U.S. Senate and went on to a term as Alaska governor. Allen spoke wistfully of their former "close, personal friendship" and how they used to go to "boot camp" in the desert Southwest - where they would walk around, eating little and drinking only wine, "trying to get some pounds off."

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194A-AN-13620-M

While Allen testified, Stevens looked down at the table, writing. It didn't appear the two former friends ever made eye contact.

Allen also described a complicated 1999 transaction involving a new Land Rover he gave to Stevens in exchange for $5,000 and a 1964-and-a-half Ford Mustang. Stevens wanted to sell the Mustang and buy his daughter Lily a car, Allen said. He offered to give Stevens a $44,000 Land Rover Discovery that he had bought for one of his grandsons but decided not to give him because he was unhappy with him.

Stevens estimated the Mustang was worth $25,000. Allen thought it was worth less, $15,000 to $20,000. When asked whether he thought he had gotten a good trade, he said, "Not at that time, no."

Bottini then asked why he entered the agreement.

"Because I liked Ted," Allen said.

Allen's courtroom testimony and secret recordings he made of conversations with lawmakers and lobbyists were key to the Justice Department's seven previous successful convictions in a wide-ranging federal probe into corruption in Alaska politics.

The Justice Department convictions include those of three former Alaska state representatives, all on bribery charges: Tom Anderson, Pete Kott and Vic Kohring. One other state representative, Bruce Weyhrauch, is awaiting trial, as is current state Sen. John Cowdery.

In the same investigation, Jim Clark, onetime chief of staff to former Alaska Gov. Frank Murkowski, pleaded guilty in March to one count of conspiracy and agreed to cooperate with the federal investigation. Former Anchorage lobbyist Bill Bobrick, who also cooperated with prosecutors, pleaded guilty in May 2007 to a single conspiracy count.

If asked during testimony, Allen will not be allowed to specifically name one of the state lawmakers he pleaded guilty to bribing: former Senate President Ben Stevens, Ted Stevens' son.

In public charging documents connected to Allen's own case, Ben Stevens is referred to as "State Senator B." Allen himself named Stevens specifically in testimony in the trials last year of two Alaska legislators but has been instructed by government lawyers not to call "State Senator B" by name during the proceedings. Ben Stevens has not been charged with any wrongdoing.

Ted Stevens, who is up for re-election Nov. 4 and faces a spirited Democratic opponent, Anchorage Mayor Mark Begich, asked for a speedy trial so he'd have the opportunity to clear his name before Election Day.

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Six others testify for prosecution

STATEMENT: Serious health concern cited as reason witness was sent home.

By RICHARD MAUER and ERIKA BOLSTAD
Anchorage Daily News

(10/01/08 01:07:02)

WASHINGTON -- Prosecutors flatly rejected the claims of Sen. Ted Stevens' attorneys that government witness Rocky Williams was sent home to Anchorage to prevent him from helping the defense.

In a sworn statement demanded by the judge in Stevens' trial, the head of the Justice Department's Public Integrity section said it was his decision to send Williams home because he and others in their office had serious concerns about his health.

Williams, who oversaw renovations at Stevens' home in Girdwood for Veco Corp. from 2000-2001, was scheduled to testify for the government in Stevens' trial but prosecutors sent him home the day the trial opened.

Monday, prosecutors drew the ire of U.S. District Judge Emmet Sullivan, who threatened sanctions and asked for a full explanation of what had happened. Sullivan said he was "flabbergasted" that the government team sent Williams home without telling him or the defense.

Stevens' team seized on the situation, calling for a mistrial and accusing prosecutors of withholding potential testimony from Williams that could help Stevens. They were especially interested in potential evidence that Williams worked far less on the home than the hours recorded in a report by the company's bookkeeper, who testified earlier.

But Welch said that Williams actually made himself available to the defense when he arrived in Washington, about Sept. 15. Williams said he called the firm and left his hotel and cell phone numbers, Welch said. They never called back, he said.

The government said it had planned to call Williams among the first of its witnesses. But when Williams met with government lawyers to prepare for his testimony, it was apparent he had "serious, health-related issues that warranted medical attention." Between his Nov. 7, 2006, grand jury testimony and the present, Williams had become "almost unrecognizable," prosecutors wrote in their filings.

"Mr. Williams had lost a substantial amount of weight, his abdomen was distended (and had been previously drained of excess fluid), he appeared jaundiced, his face was gaunt, he had substantially aged, he had chronic coughing spells, and he was frequently short of breath."

The dispute over Williams dominated the proceedings Monday, although jurors never heard any of the discussions. By Tuesday, though, the Williams matter seemed all but forgotten, aside from the filing of motions and affidavits.

FBI - Stevens-2119

The government breezed through six witnesses on its way to its main witness, former Veco chairman Bill Allen. Each of the six in some way was connected to unreported gifts to Stevens or his alleged efforts to cover them up.

The Republican senator faces seven felony counts of failing to report on his Senate disclosure forms more than $250,000 worth of gifts and home renovations, chiefly from Veco and Allen.

Among the witnesses was a reporter from Wasilla who had a tip that Veco had provided free construction services for Allen and the Stevens press aide who successfully fended off the questions.

Heather Resz, then editor of the Anchorage Chronicle, a weekly owned by Alaska Newspapers Inc., testified she got a strong tip about Veco and Stevens in 2003, but was unable to confirm it through public records or other

-843 194A-AN-13670-m

sources.

She worked on the story, on and off, until 2004. About to give up, she called Courtney Boone, then press secretary for Stevens in Washington, she testified.

"Her initial reaction was that she assured me that the senator was an ethical man," Resz said. But there was one unusual aspect to that call. While Boone normally answered questions off the top of her head, in this case, she said she'd get back. It took two days.

Boone testified that when she got the call, she was "shocked" by the allegation. "I think I said, 'What, are you kidding? Seriously, are you kidding?' "

Boone demanded to know Resz's source and said she might not come back with any information at all unless Resz gave up the name. Resz refused.

Still, Boone knew the problem could be serious, she said. First she told Stevens' chief of staff, then went to Stevens directly. He too expressed shock, she said.

But then he told Boone to get in touch with his wife, whom he said had managed the household finances on the remodel. She also testified that Stevens' friend Bob Persons, the owner of the Double Musky in Girdwood who looked after the project for the Stevenses, called her about the project.

According to an e-mail account of that conversation Boone sent to Stevens, Persons told her the only thing Veco provided was some used pipe for the deck. The rest of the work was handled by Christensen Builders, Boone wrote.

Boone also told Stevens that another aide in his office had spoken with Allen about the call from Resz. Allen said he knew who her source was: "he is a disgruntled foreman who was fired a couple of years ago," Boone wrote.

Four days of testimony in the Stevens case so far shows that Persons knew Veco provided far more than used steel. He has yet to testify, though. The Stevenses paid Christensen about $130,000 for his work, but that was less than half the cost of the entire project, according to the testimony. The rest was picked by Veco.

Even though she knew that Veco provided something, the approved statement Boone prepared for Resz made no mention of the company, which managed the project and provided the architect, electricians, the plumber and carpenters, along with tens of thousands of dollars in material.

"It would've stirred up more questions," Boone testified. "This was a story I would've wanted to put a stop to."

The statement, as Resz read it to the jury, asserted that a general contractor -- presumably Christensen -- "handled all the subcontracting and supply work for the project."

Boone had succeeded. Resz never published a story.

"I closed the file and threw up my hands," Resz testified. "It's another dead end."

FBI - Stevens-2120

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Allen: Veco did work, didn't bill Stevens

By ERIKA BOLSTAD and RICHARD MAUER
Anchorage Daily News
(10/01/08 08:30:51)

WASHINGTON _ Taking the stand for the second day, the former chief executive of the Alaska oil services company that renovated Sen. Ted Stevens' home continued to testify about gifts and help with renovations he had given his longtime friend over the years.

Former Veco Corp. CEO Bill Allen, the star witness in the case against Stevens, was asked time and time again: Did Stevens paid for any of the work done by Veco? Did Stevens pay for the electrical work, the plumbing? Did he pay to move the generator? Did he pay for the lower level deck? How about the electrical tape system that melted ice off the roof?

"Who did that work?" asked prosecutor Joe Bottini.

"Veco electricians," Allen said.

"Who paid for the materials?" Bottini asked.

"Veco," Allen said.

Bottini asked whether Stevens ever sought a bill for the work that had been done in 2002. Allen hesitated for a few moments.

"I don't think so," he said slowly.

Stevens, 84, faces seven felony counts of making false statements on his financial disclosure forms. The Alaska Republican is accused of hiding more than $250,000 of gifts from Allen and others, chiefly home improvements that helped double his home in size.

Bottini asked Allen to read portions of a note Stevens sent him in October 2002, thanking Allen for his work on "the chalet." In the note, Stevens told him not to be "P.O.'d," but said that he needed to have a conversation with one of Stevens' neighbors in Girdwood, Bob Persons, a close friend of both who helped oversee the renovation of the senator's home.

"You owe me a bill," the letter from Stevens said. "Remember Torricelli, my friend. Friendship is one thing, compliance with the ethics rules entirely different."

FBI - Stevens-2121

Allen said he was unaware at the time what Stevens meant by "Torricelli." But Stevens was apparently referring to former Sen. Robert Torricelli, D-N.J., who in 2002 was investigated by the Justice Department for accepting improper gifts from a donor. The investigation closed, but the Senate Ethics Committee reviewed the investigative files and issued a public letter of admonishment to Torricelli, who then abandoned a re-election bid and left the Senate.

Allen said he didn't send Stevens a bill or invoice after the note, but as promised in the letter, he did have a conversation with Persons. Allen testified that Persons told him, "Don't worry about getting a bill, Ted's just covering his ass."

Then, realizing the language, might not be appropriate for the courtroom, said "Maybe I shouldn't say that."

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Stevens' offer to pay was ignored

FRIEND'S TESTIMONY: Allen says he took senator's request for a bill for Veco's work as just a gesture.

By ERIKA BOLSTAD and RICHARD MAUER
Anchorage Daily News
Published: October 2nd, 2008 01:33 AM
Last Modified: October 2nd, 2008 01:39 AM

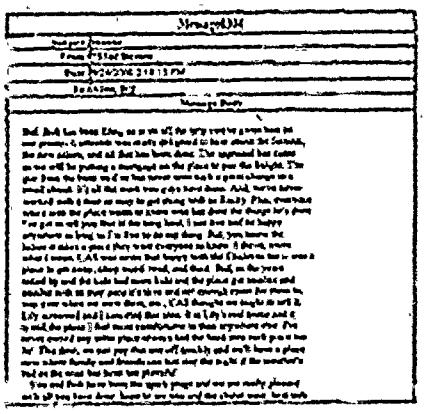
WASHINGTON -- After spending nearly $200,000 of his company's money improving the Girdwood home of Sen. Ted Stevens, Veco chief executive Bill Allen received a note from the senator asking for a bill.

"I asked Bob P to talk to you about this so don't get P.O.'d at him -- it just has to be done right," said the Oct. 6, 2002, handwritten note, entered as a prosecution exhibit Wednesday in Stevens' felony disclosure trial.

Sure enough, said Allen, on the witness stand for the second day, Bob Persons did talk to him. But Persons, a good friend of both men and the owner of the Double Musky restaurant in Girdwood, explained that the note wasn't to be taken seriously -- it's a wink and a nod, not a demand to do the right thing.

"Don't worry about getting a bill -- Ted's just covering his ass," Allen quoted Persons as saying. Then, briefly injecting a moment of levity into an otherwise tense morning, Allen turned to the jury and said, "Maybe I shouldn't have said 'ass.' " The jurors cracked up laughing.

Stevens' supposed request for a bill came on a day of damning testimony by Allen. But the session was cut short at the lunch break by an unexplained issue involving a juror. U.S. District Court Judge Emmet Sullivan called a closed-door meeting with attorneys for both sides before recessing for the day. Whether



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Government Exhibit 172, a September 2000 e-mail from Sen. Ted Stevens to Bill Allen, was introduced Oct. 1, 2008.

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that session was about the juror or other matters couldn't be learned.

But Sullivan said the trial would resume this morning with Allen back on the stand. The government is expected to play three recorded conversations between Allen and Stevens that were made in 2006 after Allen agreed to cooperate in the FBI's sweeping public corruption investigation in Alaska.

Stevens is charged with seven felony counts of failing to report more than $250,000 in gifts, mainly from Allen and Veco, between 1999 and 2006. Allen, the government's star witness, has pleaded guilty to bribing Alaska legislators and is awaiting sentencing.

On Wednesday, Allen's second day of testimony, he recited a litany of work he did for Stevens on the house without ever getting paid.

Allen was asked time and time again by assistant U.S. Attorney Joe Bottini: Did Stevens pay for any of the work done by Veco? Did Stevens pay for the electrical work, the plumbing? Did he pay to move the generator? Did he pay for the lower level deck? How about the electrical tape system that melted ice off the roof?

"Who did that work?" Bottini asked.

"Veco electricians," Allen said.

"Who paid for the materials?" Bottini asked.

"Veco," Allen said.

What about the steel deck and stairs at the back of the house? Veco.

What about the steel log holder.

"I think I had it fabricated at the shop," Allen said.

What about the new steel deck on the third story loft?

"That platform was fabricated at the Veco shop," Allen said.

Who paid for the folding metal escape ladder that went from the loft to the ground?

"Veco did."

Through Allen's testimony and notes and e-mails from Stevens, it became clear that Stevens knew what he was getting -- and appreciated it.

"Many thanks for all you've done to make our living easier and our home more enjoyable," Stevens wrote in a note to Allen dated Nov. 8, 2002.

"When I think of the many ways in which you make my life easier and more enjoyable, I lose count!" he said in the Oct. 2, 2002; note. "Thanks for all the work on the chalet."

"Bill: Bob (Persons) has been filling us in on all the help you've given him on our (remodeling) project," Stevens said in an e-mail on Sept. 24, 2000. "You and Bob have been the spark plugs and we are really pleased with all you have done."

Stevens singled out Rocky Williams, the Veco foreman who oversaw the biggest part of the project in 2000 and 2001 -- jacking up the house and adding a new first floor, a second-story kitchen and a garage.

"And we've never worked with a man so easy to get along with as Rocky," Stevens wrote. "Plus,

everyone who's seen the place want know who has done the things he's don

In the November 2002 note, Stevens repeated his request for a bill.

"Don't forget we need a bill for what's been done out at the chalet," Stevens wrote.

Allen said he ignored him again. "I don't know why," he said.

Did you want to send Sen. Stevens a bill? asked Bottini.

"I really didn't want to," Allen said.

"Why not?" asked Bottini.

"Because I wanted to help Ted," he said.

"Why?" Bottini asked.

" 'Cause I like him," Allen said.

Allen began his day of testimony recounting how he first heard that Stevens was dissatisfied with his Girdwood home.

"I think we were on the plane and he said he needed more room," Allen said. Stevens talked about jacking up the cabin and adding a large single room beneath it -- a place for bunk beds primarily for his grandchildren when they came to go skiing at nearby Alyeska Resort.

"I told him we had some jacks," Allen said.

Stevens eventually hired a house mover, not Veco, to lift the house. But as Stevens' wife, Catherine, warmed to the idea of the addition after initially wanting to sell the place, it became clear the project needed an architect, Allen said.

"He told me that Catherine, that she wanted to be in the middle of it," Allen said. "Now she wants to have a house. Before, she never did. (Now) she wants to put her fingerprints on it. He thought that was good. She wanted to have a bigger house."

Allen assigned an engineer with architectural experience to the project, he said.

Catherine Stevens rejected some ideas born from the oil fields where Veco normally worked. Allen thought a grated steel deck on the second story was a great idea because snow would fall through instead of having to be shoveled. She thought it would make the home look like an oil platform, Allen said. So Allen assigned workers to build a wood deck on the second floor, and later another deck on the new first floor to make the house look balanced.

And he fixed problems. With the project completed, he and Stevens would hang out on the ground-floor deck and smoke cigars, he said. When it rained, "the water would be coming down your neck" through the upper deck. The solution? Veco workers put a roof of plastic sheeting between the two decks.

Meanwhile, Veco was getting favors from Stevens, Allen said.

Stevens intervened to get the World Bank to pressure the Pakistani government to pay Veco its share of profits it claimed it was owed on a pipeline there. Stevens intervened with the State Department to pay for training Russians in building oil production modules, a project approved but never put place, Allen said. And Stevens acted on behalf of the company for an Arctic logistics contract with the National Science Foundation, though Allen said he thought he would have been successful without Stevens' help.

Stevens' defense has said that he was doing nothing more than helping constituents -- a normal

activity for senators.

Unrelated to Stevens, Allen testified about a previously undisclosed state legislator whom he had bribed, though he didn't provide the lawmaker's name. He also explained for the first time what his son, Mark Allen, might have done to put in him legal jeopardy had Allen not gotten him immunity.

The matter came up as Bottini asked Allen about his deal with the government. Aside from a possible reduction in his 9-to-11 year sentence if he cooperated -- Allen said he didn't trust the government to deliver -- he said his deal bought immunity for Mark and the rest of his family.

When Allen was being debriefed by the government, he said, he didn't mention a suspicion he had about his son: that Mark "got money to this legislator." After that debriefing session, Allen said, he called his son to confirm it.

"Yes, Dad, I did," Allen quoted his son as saying.

"The next thing in the morning, I got ahold of that agent and said I had, and that Mark had."

Allen was directed by the judge not to name any legislator he admitted bribing, in part because one of them was former Senate President Ben Stevens, Ted Stevens' son. The judge ruled such an assertion would be prejudicial to Ted Stevens. However, Allen described the legislator whom he and Mark had paid as "her."

So far, no current or former female legislators have been publicly identified as targets of the FBI's investigation.

Contact the reporters: **rmauer@adn.com** and **ebolstad@adn.com**.

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Stevens trial will continue, judge rules

By ERIKA BOLSTAD and RICHARD MAUER
Anchorage Daily News
Published: October 2nd, 2008 02:08 PM
Last Modified: October 2nd, 2008 06:56 PM

WASHINGTON - Prosecutors have seriously bungled evidence and witnesses, but Sen. Ted Stevens' corruption trial will proceed as planned, a federal judge ruled this afternoon.

The case against the Alaska Republican had threatened to collapse earlier in the day when his attorney demanded a mistrial or dismissal of charges over the government's failure to turn over evidence favorable to the senator.

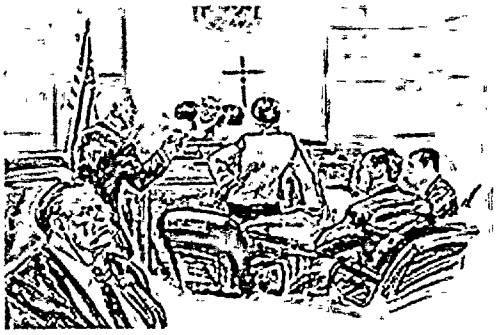
U.S. District Judge Emmet Sullivan was angered at prosecutors for their handling of evidence that might help Stevens' case but was "not persuaded" the violations were serious enough to declare a mistrial. The trial will resume Monday.

Judge Sullivan asked whether the defense attorneys wanted a few extra days before continuing with the trial and suggested they could make a new opening statement to jurors.

"Thank you for asking, but we believe there should be a dismissal," said Stevens' chief lawyer, Brendan Sullivan. "If not a dismissal, then a mistrial."

The chief prosecutor in the case apologized and called her team's oversight a mistake, though she asserted that Stevens' rights weren't violated. The defense team was looking for weaknesses and found one, said Brenda Morris, the lead prosecutor on the Justice Department team.

"They're just trying to make a hole and seep into a crack," she said.



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Dana Verkouteren / Associated Press
In this artist's rendering depicting a scene from the trial of Sen. Ted Stevens, R-Alaska, left, his Attorney Brendan Sullivan, second from left, speaks as Prosecution Attorney Brenda Morris, center right, and Judge Emmet G. Sullivan listen on Thursday Oct. 2, 2008.

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194-ANC-12670-M

"Dont you think thay have good reason to do that?" asked the judge.

The dispute began Wednesday night when prosecutors handed over notes by an FBI agent of an interview with the main prosecution witness, Bill Allen, the former chief executive of Veco Corp. Stevens is accused of not reporting more than $250,000 in free labor, materials and gifts he received, most of it from Veco, from 1999 to 2006.

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The agent's notes, on a document known as a Form 302, quoted Allen as saying he thought that Stevens would have paid a bill had he sent him one.

Allen is in the middle of his testimony, and he said Wednesday that he didn't send Stevens a bill for tens of thousands of dollars in repairs and remodeling even though the senator had asked for one at least twice in 2002. Allen testified that one of his good friends told him that Stevens was just "covering his ass" in asking for the bills.

"I can't do my duty to defend my client if the government does not abide by the instructions," Brendan Sullivan said today. He asserted that he would have delivered a different opening statement last week had he known what Allen had told the FBI agent.

"This can't be undone," he thundered, speaking directly up to the judge from a podium less than 10 feet away. Clutching his chest, he said, "My heart's beating twice as fast as it should be for a 66-year-old man. This can't happen in court."

As he accused the prosecution of misconduct, Morris leapt to her feet and got within inches of him, her voiced raised as well.

"He called me out," she told the judge as he tried to calm the situation.

Walking back to the defense table, Brendan Sullivan said, "I called her up, not out."

Morris admitted that she violated the judge's orders in not turning over the document, but not Stevens' rights. She said the defense was told that Allen had said that very thing in a letter on Sept. 9.

A copy of that letter, filed by the defense Thursday afternoon, said:

"Allen stated that he believed that defendant (Stevens) would not have paid the actual costs incurred by VECO, even if Allen had sent the defendant an invoice, because defendant would not have wanted to pay that high of a bill. Allen stated that defendant probably would have paid a reduced invoice if he had received one from Allen or VECO. Allen did not want to give defendant a bill partly because he felt that VECO's costs were higher than they needed to be, and partly because he simply did not want defendant to have to pay."

FBI - Stevens-2127

Morris said the letter was adequate information to the defense.

"He's getting a fair trial, believe me. You're getting a great fair trial," Morris said.

Judge Sullivan said he found the government's claims "unbelievable."

"It strikes me this is probably intentional," he said. "This is the government's chief witness!"

Before the trial, he'd ordered prosecutors to turn over redacted versions of 302 forms.

Morris said the prosecution found that particular 302 as it was preparing for the next round of witnesses. The agent who wrote it is scheduled to testify after Allen, and the prosecution would be required to make the report available to the defense at that time.

In its requirements to present material to the defense, the government operates under several kinds of rules. In one, known as a "Brady" after the Supreme Court decision that created it, the government is required to turn over evidence before the trial that would be favorable to the defendant. A different rule, known as "Jenks," requires the prosecution to provide more detailed notes from agents at the time they testify.

In addition, Judge Sullivan issued an order early in the case requiring the government to provide more material to the defense than Brady usually requires.

Morris said that when members of the prosecution team were preparing Jenks material for the FBI agent, Michelle Pluta, they realized that they should have given the document to the defense sooner under the judge's order.

"We do realize this is a gross error," Morris said. "It wasn't done intentionally by any stretch of the imagination. It was a human error."

The defense filed a heavily redacted version of the 302 Form, dated Feb. 28, 2007, around 1:30 p.m. Thursday, with only a few sentences of Allen's interview readable in the four-page document.

"The source (Allen) did not invoice STEVENS for the work that HESS (the project architect) performed; however, the source believes that STEVENS would have paid an invoice if he had received one."

In another part of the 302, Allen reported that he'd discussed a request by Stevens that he get a bill for plumbing work that Veco did on his house in Girdwood, Alaska.

"STEVENS said 'ethics' (an apparent reference to the Senate Ethics Committee) was on his ass and the source (Allen) needed to get him an invoice. STEVENS said he didn't want the source to go through what JON RUBINI went through with their investment. The source did not provide STEVENS with the requested invoice."

The reference to Rubini concerned a real estate investment in Anchorage that Rubini and his partner in JL Properties, Leonard Hyde, invited Stevens to make. Stevens' $50,000 investment grew to about $1 million in six years and was the subject of extensive news coverage after Stevens pushed the Air Force into approving a separate housing project of Rubini and Hyde's.

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New name in federal corruption case

JUSTIN STIEFEL: Agent interviewed him involving Veco payment scheme.

By LISA DEMER and RICHARD MAUER
Anchorage Daily News
Published: October 3rd, 2008 05:00 AM
Last Modified: October 3rd, 2008 01:11 PM

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WASHINGTON -- The name of yet another person emerged Thursday in the ever-broadening federal corruption investigation: Justin Stiefel, the former chief of staff and campaign manger for U.S. Sen. Lisa Murkowski.

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Justin Stiefel

Stiefel was interviewed by a federal agent over a payment scheme involving Veco when he did work for former Gov. Frank Murkowski's re-election campaign, and, prosecutors say in a footnote, "engaged in criminal conduct."

Stiefel's connection to the corruption case was disclosed in a defense filing in the current case against Alaska Sen. Ted Stevens. Defense lawyers, arguing for a mistrial in Stevens' case, attached to their motion letters from prosecutors to the defense.

In their Aug. 25 and Sept. 9 letters, the federal prosecutors handling the corruption cases list evidence that the defense might use to discredit government witnesses. Prosecutors have to provide that sort of information under federal court rulings.

The filing indicated Stiefel might still be subject to prosecution. Government lawyers said he has not been promised immunity.

FBI - Stevens-2129

Stiefel has run his own Washington, D.C.-area lobbying firm the last few years. Before he worked for Lisa Murkowski, he was a top aide to Stevens.

Reached by phone Thursday, Stiefel said he would have no comment about the court revelations.

Prosecutors say Stiefel was interviewed June 3. He said he performed consulting and polling work for Frank Murkowski's re-election campaign. Murkowski was trying for a second term in 2006 but Sarah Palin beat him in the Republican primary.

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As Stiefel explained it, Veco was supposed to pay Murkowski's polling company for Stiefel's work, in essence laundering the source of the money, prosecutors say in the Sept. 9 letter.

"Stiefel stated he agreed with (Veco executive) Rick Smith to have Veco pay a polling company for services performed by Stiefel and charged to the polling company. Stiefel stated this was done so that payments would not go directly from Veco to Stiefel. Stiefel further stated he never received any payment from Veco or the polling company."

Defense lawyers blacked out much of the information in the Aug. 25 letter before filing it in court. But they left a footnote about Stiefel.

"During the course of the investigation, the government independently learned that Stiefel had engaged in criminal conduct. (Stiefel) also initially made a false statement to a government agent during an interview. Stiefel later corrected the false statement during the same interview. Stiefel has not been promised immunity from prosecution for this conduct."

The letter didn't say what polling company Stiefel was connected with.

Dave Dittman, who handled Murkowski's polling until the last few weeks of the campaign, said Stiefel never worked for him. Likewise, said Bill McConkey, who wrote radio and television ads for Frank Murkowski. McConkey once was a big player in Alaska politics, working for Republicans. He now lives in Wisconsin, where he's a university instructor and operates a consulting business.

Veco Corp. is the former oil field services and construction company that has been at the center of most of the Alaska corruption cases. Smith, a Veco vice president, and Bill Allen, the company chairman, both have pleaded guilty to bribing Alaska legislators. Allen is the government's star witness in the case against Stevens, accused of hiding about $250,000 in home improvements and gifts, most from Allen and Veco.

Lisa Demer reported from Anchorage and Richard Mauer from Washington, D.C. Contact them at **ldemer@adn.com** and **rmauer@adn.com**.

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Stevens trial will proceed

NO MISTRIAL: Errors by prosecutors won't halt proceedings, judge rules

By ERIKA BOLSTAD and RICHARD MAUER
Anchorage Daily News
Published: October 3rd, 2008 04:59 AM
Last Modified: October 3rd, 2008 05:00 PM

WASHINGTON -- Prosecutors seriously bungled their obligations on evidence and witnesses but Sen. Ted Stevens' corruption trial will proceed as planned, a federal judge ruled Thursday.

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U.S. District Judge Emmet Sullivan

The case against the Alaska Republican had threatened to collapse earlier in the day when his attorney demanded a mistrial or dismissal of charges over the government's failure to turn over evidence favorable to the senator.

U.S. District Judge Emmet Sullivan, who Thursday morning was furious with prosecutors, said later in the day at a hearing that he was still angry but "not persuaded" that the violations were serious enough to declare a mistrial.

The trial, which paused Thursday while the dispute over evidence was resolved, will resume Monday.

Judge Sullivan asked whether the defense wanted a few extra days before continuing with the case, and he suggested that Stevens' lawyers could make a new opening statement to jurors. He even offered to tell the jury that the new opening was made necessarily by a government error.

more
JOSE LUIS MAGANA / The Associated Press
Prosecutors Brenda Morris, Nicholas Marsh and Joseph Bottini, front to back, leave the U.S. District Court in Washington on Wednesday October 2, 2008 after the day's proceedings in the trial of Alaska Sen. Ted Stevens. U.S. District Judge Emmet Sullivan refused to grant the defense's request for a mistrial or dismissal after learning that the prosecution had failed to turn over evidence that may have been favorable to Stevens.

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But those ideas were rejected by Stevens' chief lawyer, Brendan Sullivan, who argued that "the integrity of the proceeding has been breached."

"Thank you for asking, but we believe there should be a dismissal," Brendan Sullivan said. "If not a dismissal, then a mistrial."

The chief prosecutor in the case apologized and called her team's oversight a mistake, though she asserted that Stevens' rights weren't violated. What was really happening, she said, was that the defense team was looking for a weakness in the government's position and found one, said Brenda Morris, who heads the Justice Department trying the case.

"They're just trying to make a hole and seep into a crack," she said.

"Don't you think they have good reason to do that?" asked the judge.

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FBI FORM 302

It was the second time in a week that Judge Sullivan has reprimanded the prosecution team. He earlier became upset when the government sent a key witness home to Alaska without testifying and without informing the court or defense until the man left town. Prosecutors said the man, Rocky Williams, a foreman on the project to expand Stevens' home in Girdwood, was seriously ill.

The new dispute began Wednesday night when prosecutors handed over notes an FBI agent took of an interview with the main prosecution witness, Bill Allen, the former chief executive officer of Veco Corp. Stevens is accused of not reporting more than $250,000 in free labor, materials and gifts he received, most of it from Veco, from 1999 to 2006.

The agent's notes, on a document known as a Form 302, quoted Allen as saying he thought that Stevens would have paid a bill had he sent him one.

Allen is in the middle of his testimony, and he said Wednesday that he didn't send Stevens a bill for tens of thousands of dollars in repairs and remodeling even though the senator had asked for one at least twice in 2002. Allen testified that one of his good friends told him that Stevens was just "covering his ass" in asking for the bills.

"I can't do my duty to defend my client if the government does not abide by the instructions," Brendan Sullivan said Thursday. He said he would have delivered a different opening statement last week had he known what Allen had told the FBI agent.

"This can't be undone!" he thundered, speaking directly up to the judge from a podium less than 10 feet away. Clutching his chest, he said, "My heart's beating twice as fast as it should be for a 66-year-old man. This can't happen in court."

As he accused the prosecution of misconduct, Morris leapt to her feet and got within inches of him, her voiced raised as well.

"He called me out," she told the judge as he tried to calm the situation.

Walking back to the defense table, Brendan Sullivan said, "I called her up, not out."

Morris admitted that she violated the judge's orders in not turning over the document, but not Stevens' rights. She said the defense was told that Allen had said that very thing in a letter on Sept. 9.

A copy of that letter, filed by the defense Thursday afternoon, said:

"Allen stated that he believed that defendant (Stevens) would not have paid the actual costs incurred by VECO, even if Allen had sent the defendant an invoice, because defendant would not have wanted to pay that high of a bill. Allen stated that defendant probably would have paid a reduced invoice if he had received one from Allen or VECO. Allen did not want to give defendant a bill partly because he felt that VECO's costs were higher than they needed to be, and partly because he simply did not want defendant to have to pay."

Morris said the letter was adequate information to the defense.

"He's getting a fair trial, believe me. You're getting a great fair trial," Morris said.

On Thursday morning, Judge Sullivan said he found the government's claims "unbelievable."

"It strikes me this is probably intentional," he said. "This is the government's chief witness!"

Before the trial, he'd ordered prosecutors to turn over redacted versions of 302 forms. Morris said the prosecution found that particular 302 as it was preparing for the next round of witnesses. The agent who wrote it is scheduled to testify after Allen, and the prosecution would be required to make the report available to the defense at that time.

'A GROSS ERROR'

In its requirements to present material to the defense, the government operates under several kinds of rules. In one, known as a "Brady" after the Supreme Court decision that created it, the government is required to turn over evidence before the trial that would be favorable to the defendant. A different rule, known as "Jencks" from the statute that created it, requires the prosecution to provide more detailed notes from agents at the time they testify.

In addition, Judge Sullivan issued an order early in the case requiring the government to provide more material to the defense than Brady usually requires.

Morris said late Thursday that prosecutors had reported their own Brady violation to the Justice Department's Office of Professional Responsibility, which investigates allegations of misconduct by its attorneys.

She said that when members of the prosecution team were preparing Jencks material for the FBI agent, Michelle Pluta, they realized that they should have given the document to the defense sooner under the judge's order.

"We do realize this is a gross error," Morris said. "It wasn't done intentionally by any stretch of the imagination. It was a human error."

The defense team on Thursday afternoon received all 100 of the 302 Forms connected to the Stevens portion of the sweeping Alaska corruption investigation. Most are just one page, Morris said, but some are as long as 10 pages. It also received transcripts of all relevant grand jury testimony.

Contact the reporters: **rmauer@adn.com** and **ebolstad@adn.com.**

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Defense renews its bid to dismiss Stevens trial

MOTION: Judge orders government to file its response by 8 a.m. today.

By TOM HAYS
The Associated Press
Published: October 6th, 2008 01:44 AM
Last Modified: October 6th, 2008 01:48 AM

WASHINGTON -- Attorneys for Sen. Ted Stevens on Sunday renewed their effort to get a federal corruption case against the veteran Alaska lawmaker thrown out, saying prosecutors manipulated the story of their star witness to undermine the defense.

"Until today, defense counsel have refrained from alleging intentional misconduct by the government," the lawyers wrote in court papers. "We can no longer do so in good conscience."

U.S. District Judge Emmet G. Sullivan rejected a similar bid for a mistrial or dismissal on Friday after prosecutors said they would share with the defense documents they claimed were mistakenly withheld.

Stevens, 84, is charged with lying on senate financial disclosure forms about more than $250,000 in home renovations and other gifts from oil pipeline magnate Bill Allen. The senator's trial is expected to continue today with Allen returning to the witness stand.

FBI - Stevens-2134

The latest motion to end the trial says the newly disclosed documents show Allen originally told investigators he believed Stevens would have paid for work on a mountain cabin if billed -- proof, the defense says, that the senator never intended to hide anything.

Rather than turn over the first statement to the defense as required by rules of evidence, the government "intentionally procured from Allen a contradictory statement" and then "concealed its actions" from the court, the defense papers say.

There was no immediate response to messages left with the Justice Department, which is prosecuting the case.

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Judge Sullivan late Sunday ordered the government to file its response by 8 a.m. today. He scheduled a hearing on the defense motion for 9 a.m.

Testifying as part of a deal in which he pleaded guilty to bribing state legislators, Allen has told jurors he did not have the heart to bill his buddy for the work done by his company, Veco Corp. Stevens sometimes asked for bills, Allen said. But Allen said he was informed by a mutual friend that the senator made the requests simply to cover his tracks.

Lawyers for Stevens say the lawmaker relied on his wife to pay tens of thousands of dollars in bills on the remodeling project, and believed the job was above board. They claim Allen, who was overseeing the work while the senator was away, kept Stevens in the dark about the cost of extras such as wraparound decks, a Viking gas grill and fancy outdoor lighting.

Much of Allen's testimony focused on construction at the ski chalet and what Stevens knew about it. But the self-made multimillionaire also spun a folksy back story of a deep kinship ultimately destroyed by a sudden betrayal.

Allen, 71, spoke in a halting drawl that, he told jurors, was caused by lingering brain damage from a motorcycle accident. He described his steady rise from an apprentice welder in New Mexico to owner of an Alaska-based company with 5,000 employees. He said he first met the patriarch of Alaska politics in the early 1980s while attending political fundraisers.

As the years went by, the pair grew close. They smoked cigars together at Stevens' cabin. They fished for salmon. They flew to the Lower 48 for "boot camp" outings where they gave up hard liquor and heavy food for wine and light meals, and did lots of walking to get in shape.

"We kind of really liked each other," Allen testified as Stevens sat at the defense table with a frown etched on his face. "Had the same thoughts. ... Ted loved Alaska and I loved Alaska."

Handwritten notes from Stevens entered as evidence suggest the admiration was mutual. One note thanked Allen for the "many ways you make my life easier and more enjoyable."

Allen testified Stevens used his Senate seat to help VECO try to win lucrative government contracts and oil deals in the late 1990s. Defense lawyers insist their client merely was doing his duty to assist a constituent.

By 2006, the FBI had Allen under investigation for lining the pockets of state legislators voting on a pipeline project. After agents arrived unannounced at his doorstep that year, Allen agreed to cooperate -- even letting them record phone calls with Stevens -- so long as they did not pursue any charges against his family.

The investigators asked him "to help them to try to get the guys I bribed, and they told me if I did that they wouldn't mess with my kids," he said. "That was it, I guess."

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Stevens to Allen: 'These guys can't really hurt us'

By RICHARD MAUER AND ERIKA BOLSTAD
Anchorage Daily News
Published: October 6th, 2008 02:44 PM
Last Modified: October 6th, 2008 02:44 PM

WASHINGTON - In secretly recorded telephone conversations played in court today, Sen. Ted Stevens denied wrongdoing and cursed at the federal agents who were raiding homes and offices in Alaska as part of a sweeping corruption probe.

"I don't know what the (expletive) these guys are doing. We'll have to figure that out later," Stevens said to Bill Allen, chief executive of the oil services firm Veco Corp.

But Stevens also offered up advice on maintaining a good attitude in the face of the investigation to Allen, the man who - unknown to Stevens -- had agreed to testify against the senator in exchange for leniency in his own sentencing and the promise prosecutors wouldn't target his children.

They needed to maintain the attitude that "these guys can't really hurt us," Stevens said to Allen.

"They're not going to shoot us; it's not Iraq, so what the hell," Stevens said. "The worst that can happen to us is we wind up with a bunch of legal fees and might lose, and we might have to pay a little fine, might have to serve a little time in jail. I hope to Christ it never gets to that, and I don't think it will."

"I'm developing the attitude that I don't think I did anything wrong, so I'm going to go right through my life and keep doing what I think is right," the senator said.

Two years after that conversation, Stevens, now 84 and up for re-election, is on trial for taking more than $250,000 in gifts -

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Jose Luis Magana / Associated Press
Sen. Ted Stevens arrives with his daughter Beth Stevens at U.S. District Court in Washington Monday Oct. 6, 2008.

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chiefly from Veco -- and lying about them on his U.S. Senate financial disclosure forms.

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The first of the three recordings played today in court as part of Allen's testimony was made Aug. 31, 2006. That was one day after the FBI searched Allen's home and office and he agreed to cooperate with investigators in the Alaska corruption investigation. In 2007, Allen pleaded guilty to bribing state lawmakers.

In conversations played in court, Stevens told Allen the investigation was weighing on his mind so heavily that he wasn't sleeping well.

"Well, I'm not getting much sleep when I think about all this (expletive) that's going down, about four hours a night," Stevens said in the 2006 phone call. "But I'm going to survive. I just can't figure out why these (expletive) are doing this thing to our friends."

The Alaska Republican also was equally insistent he had done no wrong, telling Allen that his own lawyers had warned him about Martha Stewart, who Stevens described as going to prison not for what she had done but because "she lied about a conversation she had with somebody."

"I don't think we've done anything wrong, Bill, I can tell you right now," Stevens said. "I told my lawyers I can't think of a thing of we've done that's wrong."

On cross examination later in the day, Stevens' main lawyer, Brendan Sullivan, zeroed in quickly on the heart of their defense strategy: The senator is an honorable man who pays his debts and would have written a check for the home renovations had he known he owed Veco or Allen any money.

"You never tried to bribe Sen. Ted Stevens, did you, sir?"

"No," Allen said.

"You knew you couldn't bribe Sen. Ted Stevens, could you, sir?"

"No."

Allen's testimony, which is at the center of the trial against Stevens, began last week. The trial nearly derailed Thursday after Stevens' lawyers accused prosecutors of hiding evidence that Allen might have said things that would have helped Stevens win his case. They included notes from an FBI interview in which Allen told the investigator he thought Stevens would have paid a bill had he ever sent him one.

U.S. District Judge Emmet Sullivan, furious with the government team, ruled that prosecutors had bungled the evidence but that there was not enough misconduct to declare a mistrial or throw out the charges.

The trial, on hold for two days last week, restarted this morning with Allen's testimony. Before they played the audio recordings, prosecutor Joe Bottini walked Allen through a series of questions about gifts he'd given Stevens, including furniture, a bed and free labor on repairs to his boiler in 2006.

Allen testified about fixing the boiler in 2006 and how when he got the bill from Chugach Sewer and Drain, he didn't think it was right for Stevens to have to pay the labor costs since the plumber had screwed up the installation. The invoice read, "Labor paid by Bill."

That caused problems, Allen testified.

"I didn't want that saying that I was going to take care of the labor," he said, saying that he talked to mutual friend of Stevens' and his, Bob Persons, about the invoice. "It's going to be a mess, I didn't want this invoice going around for everybody, like a secretary, and Chugach Sewer and Drain."

Stevens did inquire about the bill, Allen said, but he never gave it to him.

"Did he ever ask you how much the labor charges were?" Bottini asked.

"Not that I can remember, no," Allen said.

But Stevens' attorney elicited a slightly different response from Allen when he asked about the exact same invoice.

"When Ted Stevens saw that notation, on the bill that he got in Washington, he called your secretary, Linda Croft, and told her to tell you he wanted the full bill, didn't he?" Brendan Sullivan asked.

"Yes," Allen said.

"And your secretary called you and told you exactly what Ted Stevens said, am I correct?"

"Yes," Allen said.

Brendan Sullivan also asked him whether Stevens insisted on paying his share when they dined together, and whether the senator reimbursed Allen when he flew on a Veco charter. He also brought up the racehorse stake the two had with other partners.

"Isn't it true that with respect to those little ventures you had, Ted Stevens always insisted on paying all of them money that was properly his share?"

"Yes," Allen said.

Stevens' lawyer also asked Allen whether he had told FBI agents that Stevens would he have paid a bill if he sent him an invoice. "I had no idea how much, but if it had been an invoice that was fair, I think Ted would have paid it," he said.

The awkward question-and-answer session was slowed by Allen's claims he was having difficulty hearing through the voice-amplification system he was using. He also sparred with Brendan Sullivan.

"You're not going to get me mad, are you?" Allen said.

"No," Sullivan said, adding that Allen would know if he were trying to provoke him.

"You're not going to get me mad," Allen said, smiling.

But Judge Sullivan was suspicious about Allen's demeanor and, once the jury had gone home for the day, called out to Allen's lawyer, Robert Bundy of Anchorage, in the audience. Bundy was signaling to Allen, the judge said, and threatened to hold him in contempt. He also suggested that Allen wasn't being entirely truthful about his hearing problems.

"It's entirely inappropriate; I can't imagine an attorney doing that," the judge said, adding later, "It's clear to me what I saw. It's really disturbing."

Bottini, who is an assistant U.S. attorney in Anchorage, vouched for Bundy and said he had known him for years. He "would be quite surprised if that was an intentional gesture on his part," Bottini said. It didn't appear Allen was looking at Bundy at the time.

Outside the courtroom, Stevens' lawyers continued to hammer at Allen's credibility as a witness, filing a second motion late Sunday asking the judge to declare a mistrial. This time, they accuse the prosecutors of deliberate misconduct and said they've manipulated Allen to elicit the testimony most damaging to Stevens.

Judge Sullivan will hold a hearing Tuesday or Wednesday on the new request for a mistrial. The judge has already twice reprimanded the prosecution team. He earlier became upset when the government sent a key witness home to Alaska without testifying and without informing the court or defense until the man left town. Prosecutors said the man, Rocky Williams, a foreman on the project to expand Stevens' home in Girdwood, was seriously ill.

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Published: October 7th, 2008 12:37 AM
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Oct. 18, 2006, phone call between ex-Veco chief Bill Allen and U.S. Sen. Ted Stevens. It was played for the jury Monday in Stevens' trial.

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TED STEVENS: I'm not going to let these guys get us in a position where they can charge us with something just because we didn't do what they think we should do. They've got to go out make the case that we did something that is against the law. I don't think we have violated the law."

BILL ALLEN: I don't think we have either, Ted. But ... that lawyer has grilled me and grilled me on what they think they can do. He talks to them, I don't."

STEVENS: That's, that's the way it should be. But as a practical matter, the question is, what can they convince the jury, uh grand jury, to charge us with? That's the problem. But when I was a district attorney, I handled grand juries, lots of them. They're funny people, but they also are people from within the community. And your reputation and everything else comes into play, as far as grand juries are concerned ... We ought to just cool it. I told Ben the same thing: just cool it, you know, go about our business and smile and have a happy face ... Do the things you used to do and just keep going. If it's a violation of the elections law, that's a corporate violation. This thing, it shouldn't, it shouldn't get to your mind, old buddy."

FBI - Stevens-2140

ALLEN: Well it has been, I'll tell you."

STEVENS: ... You've got to get a mental attitude that these guys can't really hurt us. You know, they're not going shoot us. It's not Iraq. What the hell? The worst that can be done, the worst that can happen to us is we round up a bunch of legal fees and might lose and we might have to pay a fine, might have to serve a little time in jail. I hope to Christ it never gets to that ... So I'm going to go right through my life and keep doing what I think is right.

More phone call excerpts

Sept. 10, 2006

-851

STEVENS: Keep your heart going, keep yourself going, 'cause we got a fight out there ahead of

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us. And we're gonna win it because we didn't do anything wrong. You've got a right to spend all the money you got to support the party you believe in.

ALLEN: Yeah, I know.

STEVENS: You remember that. No one can tell you you spent too much money.

ALLEN: Right.

STEVENS: The question is whether you did something illegal and I don't think you did. I have a little problem about Rick Smith from some of the things I'm hearing. I don't know if you're hearing that, but the things he's done down in Juneau may have been a little bit on the edge. But we'll stick with him. I'm not tossing him to the wolves, don't misunderstand me.

Oct. 18, 2006

STEVENS: When I was talking to my lawyers, they told me that we, we ought to avoid trying to look like we're meeting in a situation where we wouldn't be overheard or having no one with us. They point out that, what's her name, that woman that uh, who went to jail, Martha Stewart?

ALLEN: Yeah.

STEVENS: She didn't go to, to jail because she did something wrong. She went to jail because she lied about a conversation she had with somebody.

ALLEN: Uh huh.

STEVENS: They say we should have no problem ... we can meet, you know have dinner, or what not. But we should not try to look like we're going to try to try to keep things from the world. And he, they said we ought to really lay low right now, because this grand jury is meeting. And if they got wind that it looked like we were going try to, you know, do what they call obstruct justice, they could call us before the grand jury on a different, different thing all together.

Aug. 31, 2006

(The day of the FBI raids of legislative offices and other locations in Alaska)

ALLEN: ...Yeah, hey Ted, I've been trying to get ahold of Ben. I can't get ahold of him. And uh, the FBI got a warrant and searched my house and... and the office...

STEVENS: For what?

ALLEN: Uh, with, with Ben and trying to figure out, y'know, what ... what kind of ... you know, what he done for us.

STEVENS: I see. Ok.

ALLEN: And ...

STEVENS: Well, I ...

ALLEN: And uh, they asked me what I done on your house....

STEVENS: Yeah?

ALLEN: And I said, well, he's paid for everything and uh, you know, you don't ... you don't need this problem again, Ted, but that's what they're, uh, talking me ... and I just told 'em I wouldn't talk to 'em.

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Stevens evidence on tape played for jury

Senator maintains innocence in profanity-laced conversations with friend working for the FBI

By RICHARD MAUER and ERIKA BOLSTAD
Anchorage Daily News
Published: October 7th, 2008 12:44 AM
Last Modified: October 7th, 2008 09:43 AM

WASHINGTON -- In secretly recorded telephone conversations played in court Monday, Sen. Ted Stevens denied wrongdoing and spat out expletives to describe the federal agents who were raiding homes and offices in Alaska as part of a sweeping corruption probe.

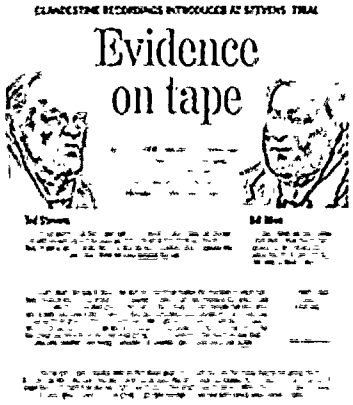
Click to enlarge
Sen. Ted Stevens leaves U.S. District Court in Washington, D.C., Oct. 6, 2008.

"I don't know what the (expletive) these guys are doing, we'll have to figure that out later," Stevens said to Bill Allen, the chief executive of the oilfield services firm, Veco Corp. The jury heard the full-throated Stevens, profanity and all.

But the recordings also provided insight into how Stevens has maintained his presence in Washington and Alaska without shrinking in shame or embarrassment despite the long, public investigation and then his seven-count felony indictment in July.

"You've got to get a mental attitude that these guys can't really hurt us," Stevens told Allen on Oct. 18, 2006, not knowing that Allen had been secretly working for the FBI for nearly two months.

"You know, they're not going to shoot us. It's not Iraq. What the



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hell? The worst that can be done, the worst that can happen to us is we round up a bunch of legal fees and might lose and we might have to pay a fine, might have to serve a little time in jail. I hope to Christ it never gets to that, and I don't think it will. But I'm developing the attitude that I don't think I did anything wrong so I'm going to go right through my life and keep doing what I think is right."

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The three audio recordings, totaling about 30 minutes, were the first played in Stevens' felony disclosure trial, now entering its second full week of testimony. Later this week, prosecutors say they plan to introduce recordings made on wiretaps on Allen's phones before he knew he was a suspect.

The recordings are nothing like the videos in the trials last year, where Allen and another Veco official could be seen reaching for hundred-dollar bills to stuff in the outstretched hands of state legislators, who were later convicted.

Stevens, now 84 and up for re-election, is on trial for taking more than $250,000 in gifts -- chiefly from Veco -- and lying about them on his U.S. Senate financial disclosure forms.

Prosecutors finished their direct examination of Allen at the end of the lunch break Monday, and he was handed over to chief defense counsel Brendan Sullivan. Over three hours of cross-examination, Sullivan tried to chip away at the government's case.

The main theme was Allen acknowledging that Stevens would have paid at least a fair price for much of the work done on his home by Veco -- had Stevens been billed. Allen also told of how some of the things he got for Stevens, like strands of outside house and tree lights for the winter, or big pieces of new and used furniture, were not solicited by Stevens and may not have been wanted.

"You never tried to bribe Sen. Ted Stevens, did you, sir?" asked Sullivan

"No," Allen said.

"You knew you couldn't bribe Sen. Ted Stevens, could you, sir?"

"No."

But the charges faced by Stevens were not that he was bribed or that he asked to get something for nothing. Rather, he's charged with failing to report gifts under ethics laws enacted by Congress.

The main effort by the prosecution so far has been to offer evidence that Stevens obtained tens of thousands of dollars of valuable services, materials and useful items from Veco and Allen, and knew about it. The defense so far has been that the government's accounting of those services was overstated, that the gifts weren't wanted, that the work was faulty and that Stevens wasn't given the opportunity to pay.

The first recording played Monday with Allen on the stand was made Aug. 31, 2006. That was the day that the FBI conducted a coordinated series of raids on legislative offices, including the office of Stevens' son, then-state Senate President Ben Stevens. It was also one day after Allen began cooperating with federal authorities.

Allen's call appeared to be the first that Ted Stevens heard of the raids. Allen reached Stevens on his cell phone while he was walking down a hill in San Francisco with his wife, Catherine.

Allen told him the FBI was asking about his "consulting" payments to Ben and Veco's renovations to Stevens' house in Girdwood.

"And I just told them I wouldn't talk to them," Allen lied.

"Yeah, OK. Good," said Stevens. He told Allen he had an "inkling" something was up, but by his descriptions in that conversation and others, seemed to think it was about Veco's campaign contributions, not gifts or, in the case of legislators, bribes.

In the Oct. 18, 2006, call, Stevens told Allen his son, in the last two months of his term, wasn't able to get the investigation out of his mind and it was threatening to affect his family.

"He's got to stop being just so depressed because it'll spring over to the kids. He's going to do all right. When his term finishes, we'll get some funds to help him pay his law firm, his legal fees. But he's got a tough row to hoe," Stevens said.

In the Sept. 10, 2006, call, Stevens said he was also emotionally affected by the investigation.

"Well, I'm not getting much sleep when I think about all this (expletive) that's going down, about four hours a night," Stevens said. "But I'm going to survive. I just can't figure out why these (expletive) are doing this thing to our friends."

Stevens also was equally insistent he broke no laws.

"I don't think we've done anything wrong, Bill, I can tell you right now," Stevens said. "I told my lawyers I can't think of a thing we've done that's wrong."

Allen's testimony, at the center of the trial against Stevens, began last week. The trial nearly derailed Thursday after Stevens' lawyers accused prosecutors of hiding evidence that Allen might have said things that would have helped Stevens win his case. They included notes from an FBI interview in which Allen told the investigator he thought Stevens would have paid a bill had he ever sent him one.

U.S. District Judge Emmet Sullivan ruled that prosecutors had bungled the disclosure of evidence to the defense, but that there was not enough misconduct to declare a mistrial or throw out the charges.

The trial, on hold over the evidence question, resumed Monday with Allen still on the stand, and he'll be there again this morning for more cross-examination. Before prosecutors played the audio recordings, assistant U.S. Attorney Joe Bottini of Anchorage walked Allen through a series of questions about gifts he'd given Stevens, including furniture, a bed and free labor on repairs to his boiler in 2006.

Allen testified about fixing the boiler in 2006, and how when he got the bill from Chugach Sewer and Drain, he didn't think it was right for Stevens to have to pay the labor costs, since the plumber had initially installed a circulation pump backward. On the invoice, it read "labor paid by Bill."

That caused problems, Allen testified.

"I didn't want that saying that I was going to take care of the labor," he said, saying that he talked to mutual friend of Stevens' and his, Bob Persons, about the invoice. "It's going to be a mess, I didn't want this invoice going around for everybody, like a secretary, and Chugach Sewer and Drain."

Stevens did inquire about the bill, Allen said, but he never gave him it.

But Brendan Sullivan, Stevens' attorney, elicited a slightly different response from Allen when he asked about the same invoice in cross-examination.

"When Ted Stevens saw that notation, on the (parts) bill that he got in Washington, he called your secretary, Linda Croft, and told her to tell you he wanted the full bill, didn't he?" Brendan Sullivan asked.

"Yes," Allen said.

"And your secretary called you and told you exactly what Ted Stevens said, am I correct?"

"Yes," Allen said.

When Allen built his own home and moved out of an apartment, he filled several rooms of Stevens' home with his old furniture. Allen, a tall, big man, had large, comfortable living room furniture that overwhelmed the Girdwood home, Allen acknowledged under questioning as monitors around the courtroom displayed a particularly wide chair.

"You're not an interior decorator?" Sullivan asked.

"No," said Allen.

"Did they tell you he (Stevens) couldn't sit in the chair because his feet didn't touch the ground?"

"No, they were too polite," Allen said.

Sullivan also asked him about whether Stevens insisted on paying his share when they dined together, and whether the senator reimbursed Allen when he flew on a Veco charter. He also brought up the racehorse stake the two had with other partners.

"Isn't it true that with respect to those little ventures you had, Ted Stevens always insisted on paying all of them money that was properly his share?"

"Yes," Allen said.

Stevens' lawyer also asked Allen whether he had told FBI agents that Stevens would have paid a bill if he sent him an invoice. "I had no idea how much, but if it had been an invoice that was fair, I think Ted would have paid it," he said.

The awkward question-and-answer session was slowed as Allen complained of having difficulty hearing through the voice-amplification system he was using. He also sparred with Brendan Sullivan.

"You're not going to get me mad, are you?" Allen said.

"No," Sullivan said, adding that Allen would know if he were trying to provoke him.

"You're not going to get me mad," Allen said, smiling.

But Judge Sullivan was suspicious about Allen's demeanor. With the jury still in, he pointed to a lawyer in the front row of the spectator's section, Robert Bundy of Anchorage, and said he saw him signaling to Allen and demanded at once that he stop. A marshal moved to the aisle one row behind Bundy and stood there till the next recess.

With the jury gone but the room still filled with lawyers, reporters and other spectators, Sullivan demanded Bundy, Allen's attorney, identify himself. Sullivan threatened Bundy with a contempt citation and an ouster from the courtroom.

"It's entirely inappropriate, I can't imagine an attorney doing that," the judge said, adding later, "It's clear to me what I saw. It's really disturbing."

Bottini, who is an assistant U.S. attorney in Anchorage, vouched for Bundy and said he had known him for years. He "would be quite surprised if that was an intentional gesture on his part," Bottini said. It didn't appear Allen was looking at Bundy at the time.

Outside of the courtroom, Stevens' lawyers continued to hammer at Allen's credibility as a witness, filing a second motion late Sunday asking the judge to declare a mistrial. This time, they accused the prosecutors of deliberate misconduct and said they've manipulated Allen to elicit the testimony

most damaging to Stevens.

Judge Sullivan will hold a hearing today or Wednesday on the new request for a mistrial.

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Allen's lawyer scolded by judge in Stevens trial

By ERIKA BOLSTAD and RICHARD MAUER
Anchorage Daily News
Published: October 7th, 2008 09:37 AM
Last Modified: October 7th, 2008 09:43 AM

WASHINGTON - The attorney representing Bill Allen, the star witness in Sen. Ted Stevens' corruption trial, was scolded further Tuesday morning by the judge overseeing the case.Anchorage attorney Robert Bundy, who has been sitting in the spectator section of the courtroom in Washington while his client has been testifying, was accused Monday by the judge of trying to signal to Allen on the stand and help him answer questions from a defense attorney.

Click to enlarge
Sen. Ted Stevens leaves U.S. District Court in Washington, D.C., Oct. 6, 2008.

"I couldn't believe what I was seeing," U.S. District Judge Emmet Sullivan said Tuesday morning, in something of a sideshow before the trial began for the day. "That's borderline obstruction of justice."

Bundy's colleague, Creighton Magid, said Tuesday morning that the Anchorage lawyer and former U.S. attorney is "absolutely torn up by this" and "vehemently" denied signaling to his client.

Monday, at the close of proceedings but with the jury still in the courtroom, Judge Sullivan pointed to Bundy, said he saw him signaling to Allen, and demanded he stop. A marshal moved to the aisle one row behind Bundy and waited there until the next recess.

With the jury gone but the room still filled with lawyers, reporters and other spectators, Judge Sullivan demanded that Bundy identify himself. The judge also threatened Bundy with a contempt citation and an ouster

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from the courtroom.

Judge Sullivan raised the matter again Tuesday morning, asking for Bundy to appear in the courtroom, but he was not there. Magid spoke on Bundy's behalf and also said he would represent Allen's interest in court today.

Stevens' chief lawyer, Brendan Sullivan, said he wasn't planning to say anything about what his own team had seen the day before, but since the judge had brought it up, he would. Stevens' personal lawyer, Bob Phillips, told one of the lawyers on the defense team Monday that he also had observed some sort of communication between Bundy in the courtroom and Allen on the stand, Sullivan said in court Tuesday.

"He was so distressed at what he saw, that he got up and signaled one of our young lawyers to mention what had happened," Brendan Sullivan said.

Stevens' lawyer also said that he received a call Monday night from Magid, asking him whether he objected to Bundy being in the courtroom during Allen's testimony. Brendan Sullivan told the judge that he told Magid on Monday night that he didn't want Bundy in the courtroom.

But prosecutors vouched for Bundy, calling him a "stellar" attorney. The accusations by the defense were just another "scurrilous" attempt to stir up trouble in the case and smear Bundy's name, said the chief prosecutor, Brenda Morris. It will be in Alaska newspapers now, Morris said, and will open up Bundy to the kind of hate mail she's received from people in the state.

Magid, too, said he was concerned that it had already been mentioned in the Anchorage Daily News. His colleague is an honorable former federal prosecutor who sits on the ethics committee of the Alaska Bar Association, Magid said.

"To have shots taken at Mr. Bundy and him not in the position to defend himself, I think is fundamentally unfair," Magid said.

That's true, Judge Sullivan acknowledged. The judge also conceded it was also possible that "maybe he was shaking his head in disbelief at something else."

Later this morning, when cross-examination of Allen resumed in the courtroom, Brendan Sullivan asked Allen whether he had seen Bundy in the courtroom Monday, and asked whether Allen saw him nodding his head when he gave certain answers.

"No," Allen said, "no, he did not do that."

Judge Sullivan said he didn't want the issue to be a distraction from the trial, but also said he wasn't content to let the issue rest and may ask for some sort of statement from the other attorney who witnessed the signals. He refused on Tuesday to rule out any sanctions.

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Stevens friends plotted to cover bills

By ERIKA BOLSTAD and RICHARD MAUER
Anchorage Daily News
Published: October 7th, 2008 04:46 PM
Last Modified: October 7th, 2008 04:47 PM

WASHINGTON - Sen. Ted Stevens' friends went out of their way to help pay his bills, according to court testimony today, even conspiring to cover up how much they paid for something as minor as plumbing repairs at his home in Girdwood.

Click to enlarge
Sen. Ted Stevens leaves U.S. District Court in Washington, D.C., Oct. 6, 2008.

"I'll just tell Ted to give me a check," his friend Bill Allen said in a conversation secretly recorded in 2006 by FBI agents investigating corruption in Alaska politics.

"You don't have to deposit it, you just have to make a copy of it," said Stevens' friend Robert Persons, who kept an eye on Stevens' home when he was out of town. "Then if it ever did come up, you can say, 'I didn't deposit that? Hell, I know I did.' "

The telephone conversations, played in court today near the end of the prosecution case against the senator, came as close to a smoking gun as Stevens' corruption trial has had. Stevens, 84, is on trial for lying on his Senate financial disclosure forms about more than $250,000 in gifts and renovations to his home in Girdwood in recent years. The gifts were largely from Veco Corp. and its chief executive, Allen, who now is the star witness in a corruption trial that's been under way since Sept. 22.

Prosecutors have been working to establish a case that time after time, Stevens took gifts even though he knew he should have paid his own way.

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But they've stumbled in their presentations, and Stevens' defense team has accused them of withholding evidence that would have been helpful to the senator's defense. Stevens' lawyers have tried twice now to have the charges thrown out and will argue again today in front of the judge for a mistrial.

Today, Brendan Sullivan, Stevens' lead defense attorney, continued to tear into the government's case when he cross-examined Allen, who has already pleaded guilty to bribing state lawmakers in Alaska. Sullivan worked to leave jurors with the impression that Allen deliberately held back information from Stevens about bills, and that the senator would have paid them had he ever been sent an invoice.

Brendan Sullivan also sought to dismiss the idea that Veco got special benefits when Stevens came to the company's defense over a pipeline in Pakistan, a labor training program for Russians, a logistics contract with the National Science Foundation and support for a proposed natural gas pipeline.

Sullivan today questioned Allen about his plea deal with the government and the risks that his lack of cooperation would disrupt the sale of Veco last year to CH2M Hill, the international engineering and construction firm based in Colorado. The company withheld $70 million from the cash they paid the owners of Veco -- Allen, his three children and two top executives -- to protect against contingencies, including the possibility Veco itself would be indicted.

But prosecutors came back swinging with the recordings this afternoon. Jurors paid close attention to the conversations between Allen and Persons and openly guffawed at the salty exchanges.

Prosecutors also played conversations highlighting Stevens' legendary tight-fistedness. Persons, Allen and Stevens were part of a horse racing venture and it was difficult to pry money out of the senator for it, his friends joked in their recorded conversations. Even Stevens' wife, Catherine, acknowledged it, the two joked.

"As Catherine says, Ted gets hysterical when he has to spend his own money," Persons said, chuckling. "He gets hysterical because he can't really afford to pay a bunch of money, I think."

"I know," Allen said.

One of the conversations shows the two were especially irritated in early 2006 after Allen sent a plumber he knew to make emergency repairs to Stevens' boiler. The plumber sent an invoice for his work with the notation "Labor paid by Bill" that Persons forwarded on to Stevens.

Stevens saw the notation and got annoyed, according to testimony. He sent Allen's secretary an e-mail saying he wanted to pay the whole bill, including labor costs. Allen had had it split in two so that he paid the $1,080 in labor and Stevens got the $1,187 bill for parts.

On Feb. 16, Allen called Persons to ask him why the bill went to Stevens marked with "labor paid by Bill."

"Oh (expletive), I didn't even see this, oh, labor paid by Bill. Ouch. I didn't see that, I'm sorry," Persons said.

"Oh (expletive)," Allen said.

"Well, it went straight to his house," Persons said.

"Yeah, but I got an email from ... that he's got to talk to me," Allen said, "and I've already taken care of that (expletive) bill."

"I just looked at that and I didn't...son of a bitch. I know you didn't want him to know that, did you?" Persons said.

"Well, that, and I didn't want everybody to know," Allen said.

Allen testified earlier in the day that although Stevens initially offered to pay him, Allen never sent him an invoice, and Stevens never again offered to pay.

But he also testified that he thought Stevens wanted to pay. Allen said he remembered having a conversation about the amount of work Veco had done on his house, as the two men were getting into Allen's car outside the Double Musky Inn, the restaurant in Girdwood owned by Persons. "He said, 'I know you're putting more work in there than what you're saying,' " Allen said.

Investigators had been recording Allen's conversations secretly for some time as part of their investigation, but he was not aware of it until Aug. 30, 2006, when the FBI searched his home and office and accused him of bribing state lawmakers. Allen agreed to cooperate with prosecutors and record some conversations with Stevens. Some of those were played during Monday's testimony.

The prosecution is expected to wrap up its case Wednesday, when the judge overseeing the case will also hear a motion by Stevens' legal team for a mistrial.

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Stevens jury hears of plot to hide bills

STEVENS TRIAL: Senator's friends tried to cover up plumbing work.

By ERIKA BOLSTAD and RICHARD MAUER
Anchorage Daily News
Published: October 8th, 2008 12:38 AM
Last Modified: October 8th, 2008 11:49 AM

WASHINGTON -- Two of Sen. Ted Stevens' best friends went into a panic in 2006 when they learned a plumber had mailed a bill showing that one of them -- Veco Corp. chief executive Bill Allen -- had paid more than $1,000 of his own money to fix Stevens' boiler.

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The Feb. 16, 2006, telephone conversation between Allen and Double Musky owner Bob Persons, intercepted in an FBI wiretap and played in court Tuesday, unveiled the two men plotting a cover-up of the plumber's honest transgression -- a scheme to first destroy the evidence, then create a cover story that would have required Stevens' participation.

"We need to get the guy at Chugach Sewer & Drain to make that disappear from his records," Persons told Allen. Then, Persons said, working out the plot as he spoke, Allen should get Stevens to write a check to him for the exact amount.

"You don't have to cash it -- just have it," Persons said. "You don't have to deposit it, just have to make a copy of it. ... And then if it ever did come up, you can say, 'I didn't deposit that? Hell, I know I did. I don't know where it went.' " Both men broke out in laughter at the thought of fooling a newspaper reporter or government investigator.

Jurors laughed too -- but it was like the last laugh at two men caught in the act.

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JOSE LUIS MAGNA / The Associated Press
Sen. Ted Stevens, R-Alaska, and his daughter Beth Stevens arrive at the U.S. District Court in Washington Oct. 7, 2008.

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There was no evidence presented that Stevens ever wrote the phony check, but the two friends expressed no doubts he would if asked.

The phone call was the closest thing so far to a smoking gun in Stevens' felony trial. It closed out the seventh day of testimony, giving jurors something to think about overnight as the government neared the conclusion of its case. Prosecutors may present the last of their witnesses today.

Stevens is accused of seven counts of failing to disclose more than $250,000 in gifts and favors, mainly from Allen and his Anchorage-based oil-field service company, Veco.

Listen to Allen-Stevens phone calls, with transcripts

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DEFENSE CROSS-EXAMINES ALLEN

Earlier Tuesday, Brendan Sullivan, Stevens' lead defense attorney, continued to tear into the government's case as he cross-examined Allen, who has already pleaded guilty to bribing state lawmakers in Alaska. Sullivan worked to leave jurors with the impression that Allen deliberately held back information from Stevens about bills, and that the senator would have paid them had he ever been sent an invoice.

Sullivan also sought to dismiss the idea that Veco got special benefits when Stevens came to the company's defense over a pipeline in Pakistan, a labor training program for Russians, a logistics contract with the National Science Foundation and support for a proposed natural gas pipeline.

Sullivan on Tuesday questioned Allen about his plea deal with the government and the risk his non-cooperation would be to the sale of Veco last year to CH2M Hill, the international engineering and construction firm based in Colorado. The company withheld $70 million from the cash it paid the owners of Veco -- Allen, his three children, and two top executives -- to protect against contingencies, including the possibility Veco itself would be indicted.

At one point, Sullivan all but accused Allen of lying on the witness stand about a remark Allen attributed to Persons. That came in testimony last week, when Allen told of receiving a handwritten note from Stevens in 2002 thanking him for renovating his home in Girdwood.

In that note, Stevens told Allen he wanted a bill for all of Veco's work. But Stevens also advised Allen to talk about the bill with Persons, a neighbor who has looked after Stevens' home for years.

When Allen did, he testified, Persons told him: "Don't worry about getting a bill -- Ted's just covering his ass."

The phone call four years later between Allen and Persons did nothing to discredit Allen's testimony.

FBI - Stevens-2153

By February 2006, the FBI was deep in its investigation of public corruption in Alaska, though nothing had surfaced publicly yet. The government had obtained wiretap warrants for all of Allen's phones and had been listening for months when the plumbing bill came up.

PLUMBING PROBLEM

In earlier testimony, Veco electrician Jack Billings said he had gotten called one evening to Stevens' home in Girdwood over a failure of the heating system. Stevens and Allen were there when he arrived from Anchorage.

Billings said he soon figured it was a plumbing problem, not electrical. It was late to call someone, but Allen told Billings to call his plumber: Charlie Hart of Chugach Sewer & Drain of Anchorage.

Hart didn't specialize in boilers, but he figured the problem was the boiler's circulating pump. He

replaced it, but put the new one in b[illegible]ward.

"I got a call later -- it was Bill Allen. We didn't help anything -- it made the situation worse," Billings testified Sept. 30. Stevens had a fireplace to keep warm, and they decided to call Hart back on a non-overtime basis.

Hart, testifying Tuesday after Allen, said he reinstalled the pump and put in a new pressure tank and other parts. At Allen's request, he sent the $1,118 bill for the parts to Stevens by way of Persons. He sent the $1,080 bill for labor and travel time to Allen at his Veco office.

The labor bill falsely listed the job site as 1644 W. 11th Ave in Anchorage -- Allen's home. The parts bill sent to Stevens had this notation: "Repair Materials for Heating System. Labor paid by Bill."

INTERCEPTED PHONE CALLS

Three intercepted calls were played to the jury Tuesday, all of them related to that bill.

On Feb. 2, 2006, Allen spoke to Persons and told him how he had split the bill and planned to take care of the labor himself. In the same call, Persons discussed how famously tight Stevens was with his money, referring to something he heard from Stevens' wife, Catherine.

"As Catherine says, Ted gets hysterical when he has to spend his own money," Persons said. "The flip side of it is, he can't really afford to pay a bunch of money."

Two weeks later, Allen got a call from his secretary, Linda Croft. She said that Stevens had sent him an e-mail saying he just got his bill for parts from Chugach Sewer & Drain. "It says 'Labor paid by Bill,'" Stevens wrote. "I should pay those plumbers. Please have someone send me a bill."

When Allen spoke with Persons later that day, he told him about the e-mail.

"I faxed him a bill," Persons said. "Isn't that what you wanted me to do?"

"What did it say about me doing it?" Allen asked.

"It doesn't say anything," Persons said. But then he decided to take another look at the bill.

"Oh s---, I didn't even see this. Oh, 'Labor paid by Bill.' Ouch. I didn't see that. I'm sorry," Persons said. At least it went straight to Stevens' house and wasn't seen by anyone else, Persons said.

But Allen's secretary knew, and so did the plumber, the men realized.

"We don't need this thing floating around," Persons said. "You tell that guy that he needs to, if he's got this bill in a file that he needs to get rid of it."

Only briefly did the two men discuss getting Stevens to actually reimburse Allen for that $1,080 he paid. Rather, they decided to just tell Hart, the plumber, that happened.

"Make him understand that Ted's paying for everything," Persons said. "That's the safest thing, Bill."

That's when Persons came up with the phony check idea.

"Have Ted write you a check for that," Persons said.

"Huh?" said Allen.

"To have Ted write you a check for that. You don't have to cash it -- just have it."

"Yeah. Yeah," said Allen.

"And then if it ever comes up, say screw you, here's the check," Persons said.

"That's the thing to do it, right there."

"I'll call Ted and tell him, send you a check," Persons said.

The prosecution is expected to wrap up its case today, when the judge overseeing the trial will also hear a motion by Stevens' legal team for a mistrial.

Contact the reporters: **rmauer@adn.com** and **ebolstad@adn.com**.

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Judge limits evidence, won't halt trial

By RICHARD MAUER and ERIKA BOLSTAD
Anchorage Daily News
Published: October 8th, 2008 04:10 PM
Last Modified: October 8th, 2008 04:11 PM

WASHINGTON - The corruption case against Sen. Ted Stevens suffered a blow to its credibility this afternoon when a federal judge ruled that prosecutors erred and jurors won't be able to consider crucial evidence about the time two workers spent renovating his house.

Jurors will be told to disregard evidence they've seen concerning how much time two Veco Corp. workers, Robert "Rocky" Williams and Dave Anderson, spent remodeling Stevens' home in Girdwood in 2000 and 2001. They'll also be told that prosecutors knew the hours Anderson said he worked could be inaccurate and yet still presented it to the jury as part of the $188,000 total that Veco accounting records show the oil field services company spent on the Stevens remodel.

"It's very troubling that the government would utilize records the government knows were false," said Judge Emmet Sullivan said. "And there's just no excuse for that whatsoever."

Judge Sullivan made his ruling Wednesday immediately after a hearing on a motion to throw out the case or declare a mistrial -- the fourth such move by Stevens' Washington, D.C.-based defense team. Prosecutors had just presented their final witness, an FBI agent who walked jurors through dozens of e-mails showing Stevens' awareness of the progress and the extent of the home repairs to his so-called chalet in the ski town.

Stevens, 84, is on trial for seven counts of filing false statements on the financial disclosure forms he's required to

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JOSE LUIS MAGNA / The Associated Press
Sen. Ted Stevens, R-Alaska, and his daughter Beth Stevens arrive at the U.S. District Court in Washington Oct. 7, 2008.

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submit each year as a U.S. senator. Alaska Republican is accused of accepting more than $250,000 in gifts and home repairs, mostly from Veco and its chief executive, Stevens' former close friend Bill Allen.

Stevens' team, led by Brendan Sullivan, filed its motion late Sunday after they had the opportunity to review more than 300 FBI interview reports and 83 grand jury transcripts the judge ordered government lawyers to turn over.

The defense team got those documents last week after Judge Sullivan ruled prosecutors had dragged their feet in turning over evidence that might be helpful to Stevens' case. That evidence included statements by Anderson that he thought Stevens would have paid bills for repairs - had he ever been given an invoice.

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"This is a criminal case with a career on the line, and the court has responsibilities, the defense has responsibilities, the government has responsibilities," said one of Stevens' lawyers, Robert Cary. "Time and time and time again the government has not lived up to them."

The documents the defense team received last week typically aren't turned over in their entirety to defendants, but, skeptical that the government had turned over everything, Judge Sullivan had prosecutors send them to Stevens' lawyers. The evidence showed that Anderson testified during a grand jury that he was in Portland, Ore., at the end of 2000, even though he submitted timesheets to Veco for work in Alaska on the Stevens place at the same time.

That chips away at the government claim that Veco spent $188,000 on Stevens' home, Stevens' lawyers argued. The $188,000 figure was one of the first numbers jurors saw, when a Veco bookkeeper testified in excruciating detail in the opening days of the trial about the total expenses the company's records showed had been spent on Stevens' home.

Prosecutors argued that they didn't think the Anderson time was an issue because there was a whole list of tradesmen -- many of whom have testified during the trial about the work they did at Stevens' home - whose time wasn't reflected in the spreadsheet explained by the Veco bookkeeper.

"There was a significant amount of time that Veco put in that never got put on that spreadsheet," said Nicholas Marsh of the Justice Department's Public Integrity unit. "There's a ton of Mr. Anderson's time that never got put on that spreadsheet."

But Judge Sullivan was especially incredulous that Marsh sat in on Anderson's grand jury testimony two years ago and heard him say he wasn't in Alaska yet still presented the worker's timesheets as accurate to jurors in the opening days of the trial

"We didn't look at the case that way," Marsh said as he explained his theory that there were countless hours of work not reflected on the Veco spreadsheet. "I'm being very truthful."

"You closed your eyes then," Judge Sullivan said. "You had to have closed your eyes to that testimony. Someone on that team knew Anderson wasn't in Alaska, he was in Portland. Someone on that team had an obligation to say, 'Something smells here.' "

It is the third major misstep by prosecutors, although it is only the first that will be evident to jurors. Prosecutors were chided previously by the judge for sending Williams home to Alaska without telling anyone. Williams, who was so ill that prosecutors were concerned for his life, wasn't used as a prosecution witness although other witnesses have mentioned his name repeatedly.

Although the judge's ruling leaves the government's case against Stevens intact, jurors will be told to disregard evidence because prosecutors failed in their obligation to disclose crucial information to the defense team.

In addition to the warning about the accounting records, they'll be given a second instruction to disregard all evidence regarding an automobile trade Stevens made with Allen. Judge Sullivan decided to strike that evidence after Stevens' lawyers complained yesterday they were never shown a check that shows Allen paid $44,000 for a Land Rover. The SUV was traded to Stevens, who gave it to his daughter, for the senator's 1964½ Mustang and $5,000.

Stevens' team spent substantial time this week trying to prove that Allen didn't actually pay $44,000 on the car but failed to land a "gotcha" moment because prosecutors came forward with a cancelled check that showed he had paid that much for it. Angered, they filed their fourth motion for a mistrial.

They should have been shown the check, Judge Sullivan agreed. He said he was surprised prosecutors never entered it as evidence, since it could have boosted the credibility of Allen's testimony.

Allen has already pleaded guilty to bribing state lawmakers in Alaska and is cooperating with the government in exchange for leniency in his own sentencing.

The chief Justice Department prosecutor in the case, Brenda Morris, told the judge that the swift-moving nature of this trial was bound to lead to snags in turning over information to the defense. Stevens, who has held office since 1968, is up for a difficult re-election bid and asked for a speedy trial so he could have a verdict before voters make their decision about his future on Nov. 4.

But Judge Sullivan said speed was no excuse.

"It's not about the pace of litigation, it's about the fairness of the proceedings," he said. "We don't sacrifice fairness for expedience."

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Judge tosses out evidence in Stevens trial

Sullivan says government knew timesheets were wrong but still tried to use them

By RICHARD MAUER and ERIKA BOLSTAD
Anchorage Daily News
Published: October 9th, 2008 01:08 AM
Last Modified: October 9th, 2008 12:18 AM

WASHINGTON -- Prosecutors in the corruption case against Sen. Ted Stevens suffered a blow to their credibility Wednesday when a federal judge said their error required him to throw out some crucial evidence about the time two workers spent renovating Stevens' house.

Jurors will be told to disregard evidence they've seen concerning how much time two Veco Corp. workers, Robert "Rocky" Williams and Dave Anderson, spent remodeling Stevens' Girdwood residence in 2000 and 2001.

They'll also be told that prosecutors knew that hours Anderson worked were inappropriately calculated in the $180,000 total that Veco accounting records show the oil field services company spent on the Stevens remodel.

"It's very troubling that the government would utilize records the government knows were false," said Judge Emmet Sullivan. "And there's just no excuse for that whatsoever."

Judge Sullivan made his ruling Wednesday right after a hearing on a motion to throw out the case or declare a mistrial -- the fourth such move by Stevens' Washington D.C.-based defense team. Prosecutors had just presented their final scheduled witness, an FBI agent who walked jurors through dozens of e-mails showing Stevens' awareness of the progress and the extent of the Girdwood home remodeling.

Hours after Sullivan's ruling, prosecutors filed a motion asking

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JOSE LUIS MAGANA / The Associated Press
Sen. Ted Stevens, R-Alaska, takes a walk Oct. 8, 2008, during a break at U.S. District Court in Washington, D.C.

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him to reconsider, saying they could [illegible] another witness -- a Veco foreman -- who would clarify the hours worked on the job. They didn't name the witness, but they had originally announced Williams, a foreman, would testify for the government, but then sent him back to Alaska, saying he was suffering from health issues.

In that motion, the government also asked Sullivan to not point fingers at the government in front of the jury.

DISCREPANCIES IN EVIDENCE

Stevens, 84, is on trial for seven counts of filing false statements on the financial disclosure forms he's required to submit each year as a U.S. senator. The Alaska Republican is accused of accepting more than $250,000 in gifts and home repairs, mostly from Veco and its chief executive, Stevens' former close friend, Bill Allen.

Stevens' lawyers, led by Brendan Sullivan, filed its motion Sunday night after they reviewed more than 300 FBI interview reports and 83 grand jury transcripts the judge ordered government lawyers to turn over.

The defense team got those documents last week after Judge Sullivan ruled prosecutors had dragged their feet on turning over evidence that might be helpful to Stevens' case. That evidence included statements by Allen that he thought Stevens would have paid bills for repairs had he ever been given an invoice.

This is a criminal case with a (Senate) career on the line, and the court has responsibilities, the defense has responsibilities, the government has responsibilities," said one of Stevens' lawyers, Robert Cary. "Time and time and time again the government has not lived up to them."

The documents the defense team received last week typically aren't turned over in their entirety to defendants, but skeptical that the government had turned over everything, Judge Sullivan had prosecutors send them to Stevens' lawyers. The evidence showed that Anderson testified to a grand jury that he was in Portland, Ore., at the end of 2000, even though he submitted timesheets to Veco for work in Alaska on the Stevens place at the same time.

That chips away at the government claim that Veco spent $188,000 on Stevens' home, Stevens' lawyers argued. The $188,000 figure was one of the first numbers jurors saw, when a Veco bookkeeper testified in excruciating detail in the opening days of the trial about the total expenses the company's records showed had been spent on Stevens' home.

Prosecutors argued that they didn't think the Anderson time was an issue because there was a whole list of tradesman -- many of whom have testified during the trial about the work they did at Stevens' home.-- whose time wasn't reflected in the spreadsheet created by the Veco bookkeeper.

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"There was a significant amount of time that Veco put in that never got put on that spreadsheet," said Nicholas Marsh of the Justice Department's Public Integrity unit. "There's a ton of Mr. Anderson's time that never got put on that spreadsheet."

But Judge Sullivan was especially incredulous that Marsh sat in on Anderson's grand jury testimony two years ago and heard Anderson say he wasn't in Alaska, and yet still presented the worker's time sheets as accurate to jurors.

"We didn't look at the case that way," Marsh said, as he explained his theory that there were countless hours of work not reflected on the Veco spreadsheet, and that prosecutors never vouched that the summary was anything more than a Veco business record. "I'm being very truthful."

"You closed your eyes then," Judge Sullivan said. "You had to have closed your eyes to that

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testimony. Someone on that team kn[illegible] Anderson wasn't in Alaska, he was in Po[illegible]nd. Someone on that team had an obligation to say something smells here.' "

VEHICLE SWAP OFF LIMITS

The judge's ruling Wednesday represented the third major misstep by prosecutors, although it's only the first that will be evident to jurors. Prosecutors were chided previously by the judge for sending Williams home to Alaska without telling anyone. Williams, who was so ill that prosecutors were concerned for his life, wasn't used as a prosecution witness although other witnesses have mentioned his name so frequently -- and positively -- that jurors may think they know him.

Although the judge's ruling leaves the government's case against Stevens intact, jurors will be told to disregard evidence because prosecutors failed in their obligation to disclose crucial information to the defense team.

In addition to the warning about the accounting records, they'll be given a second instruction to disregard all evidence regarding an automobile trade Stevens made with Allen. Judge Sullivan decided to strike that evidence after Stevens' lawyers complained on Tuesday that they were never shown a check that shows Allen paid $44,000 for a Land Rover. The SUV was traded to Stevens, who gave it to his daughter, for the senator's rare 1964 ½ Mustang and $5,000.

Stevens' team spent substantial time this week trying to prove that Allen didn't actually pay $44,000 for the SUV, introducing the window sticker with a price of about $42,125 and a dealer invoice for much less. But they failed to land a "gotcha" moment because prosecutors came forward with a cancelled check that showed that with dealer preparation and other charges, Allen actually paid $44,339.51. Angered, they filed their fourth motion for a mistrial.

Stevens' lawyers should have been shown the check as soon as the government knew about it, Judge Sullivan agreed. He said he was surprised prosecutors never entered it as evidence, since it could have boosted the credibility of Allen's testimony. Allen has already pleaded guilty to bribing state lawmakers in Alaska and is cooperating with the government in exchange for leniency in his own sentencing.

The chief Justice Department prosecutor in the case, Brenda Morris, told the judge that the swift-moving nature of this trial was bound to lead to some snags in turning over information to the defense. Stevens, who has held office since 1968, is up for a difficult re-election bid and asked for a speedy trial so he could have a verdict before voters make their decision about his future on Nov. 4.

But Judge Sullivan said speed was no excuse.

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Inouye tells jury he has 'absolute faith' in Stevens

By ERIKA BOLSTAD and RICHARD MAUER
Anchorage Daily News
Published: October 9th, 2008 02:50 PM
Last Modified: October 9th, 2008 02:50 PM

WASHINGTON - One of Sen. Ted Stevens' oldest friends and peers, a fellow World War II veteran and senator, led the charge today to defend the Alaska Republican's character and integrity.

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Sen. Daniel Inouye, D-Hawaii, the first defense witness in Stevens' corruption trial, told jurors that fellow senators have "absolute faith" in the 84-year-old. The two have been friends since Stevens entered the Senate in 1968, Inouye testified, and are so close that Stevens' youngest daughter, Lily, calls him 'Uncle Dan.' "

"I can assure that his word is good. As far as I'm concerned, it's good enough to take to the bank," he said of Stevens, whose friendship is such that the two call each other "brother."

With Inouye, Stevens' legal team began its defense, calling witnesses who are famous, such as former Secretary of State Colin Powell, and many who are famous in Alaska, such as David Monson, widower of Iditarod champion Susan Butcher.

Powell, referred to by the judge as "General Powell," will testify Friday afternoon. He is among about 10 character witnesses who Stevens' lawyers hope to introduce, but the judge is likely to limit them to three or so.

Stevens is charged with seven counts of filing false statements on the financial disclosure forms he's required to submit each year as a U.S. senator. He's accused of accepting more than $250,000 in gifts and home repairs, mostly from Veco and its former chief executive, Bill Allen, once a friend of Stevens and

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Jose Luis Magana / Associated Press
Sen. Ted Stevens, R-Alaska, and his daughter Beth Stevens, arrive at federal court in Washington, Thursday Oct. 9, 2008.

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the star witness in the case against Stevens

Stevens' lawyers began to chip away at evidence prosecution witnesses have presented about gifts the senator is alleged to have received over the years. This afternoon, they zeroed in on a sled dog Stevens' friends bought him for $1,000 at the Kenai Classic auction in 2003.

Early in the trial, Sullivan told how Stevens got one of the dogs at an auction and was so smitten with the puppy that he bought another one for about $250. But the dogs were too much of a handful for Stevens in Washington, D.C., and he and his wife decided to send them back to Alaska, where Monson and Butcher cared for them. Stevens and his wife sent two $500 checks for the dogs' care.

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In an e-mail read Wednesday in court, Stevens haggled with his friend Bob Penney over how much to value the dog on his financial disclosure paperwork, calling it a "GD disclosure form."

The dog sold at the auction was nearly worthless as a sled dog, testified kennel owner and Iditarod champion Dean Osmar. He gave it to his friend, James Varsos, the Alaska singer known as Hobo Jim, to offer up at the auction, an annual charity fundraiser attended by political bigwigs.

"I think most people went home with things they didn't really want," Varsos said of the auction.

Prosecutors rested their case earlier in the day, with one final witness. U.S. District Judge Emmet Sullivan decided to allow prosecutors to call David Anderson, a former welder who worked for Veco Corp. and supervised repairs that nearly doubled the size of Stevens' home in Girdwood.

Anderson, who is Allen's nephew, wasn't scheduled to testify. But prosecutors asked to allow him after the judge overseeing the case determined that some of the evidence they presented about Anderson's time on the project might have been inaccurate.

Stevens' defense team asked for a mistrial late Sunday, after they had the opportunity to review more than 300 FBI interview reports and 83 grand jury transcripts the judge ordered government lawyers to turn over. The defense team got those documents last week after Judge Sullivan ruled prosecutors had dragged their feet on turning over evidence that might be helpful to Stevens' case. That evidence included statements by Allen that he thought Stevens would have paid bills for repairs had he ever been given an invoice.

The evidence showed that Anderson testified to a grand jury that he was in Portland, Ore., at the end of 2000, even though he submitted timesheets to Veco for work in Alaska on the Stevens place at the same time.

Incensed, Sullivan on Wednesday punished prosecutors by ordering that jurors disregard the testimony from a Veco bookkeeper about Anderson's time.

Jurors also were told to disregard evidence they've seen concerning how much time Veco employee Robert "Rocky" Williams spent remodeling Stevens' home. They'll also be told that prosecutors knew the hours Anderson said he worked could be inaccurate and yet still presented it to the jury as part of the $188,000 total that Veco accounting records show the oilfield-services company spent on the Stevens remodel.

To compensate for the loss of evidence, prosecutors asked Thursday morning whether they could have Anderson testify. Judge Sullivan gave a reluctant OK over the objections of Stevens' legal team.

"They were sanctioned for their conduct," said one of Stevens' lawyers, Robert Cary. "Reverse, rewind and pretend like it never happened. We all understood that this case was closing. This is an afterthought, it's an attempt to pretend that a serious constitutional error never happened."

But prosecutors argued that Anderson's testimony will "provide the jury, the parties and the court with an alternative to sole reliance on any Veco" records. They also argued it was even more fair to Stevens, because his attorneys would have an opportunity to cross-examine Anderson and show jurors how he may have misled his bosses about the time he spent on the Girdwood renovations.

Anderson began his testimony midmorning Thursday. He testified he was working as much as 10 hours a day, six days a week, "between travel time and stuff," Anderson said. So was Williams, he said.

Anderson detailed the work he and Williams did on the home, including jacking it up to add a bottom story.

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Sen. Inouye testifies for his friend

STEVENS TRIAL: He says Alaska senator's word can be "taken to the bank."

By ERIKA BOLSTAD and RICHARD MAUER
Anchorage Daily News
Published: October 10th, 2008 03:00 AM
Last Modified: October 10th, 2008 05:04 AM

WASHINGTON -- The Hawaii Democrat whom Sen. Ted Stevens calls his "brother" opened the charge Thursday in defense of the Alaska Republican's character and integrity.

Sen. Daniel Inouye, the first defense witness in Stevens' corruption trial and one of the few sitting senators to have served longer than Stevens, told jurors that fellow senators have "absolute faith" in his 84-year-old Republican friend. The two World War II veterans met when Stevens entered the Senate in 1968 and discovered they had many bonds, Inouye testified. They are so close that Stevens' youngest daughter, Lily, calls him "Uncle Dan."

"I can assure that his word is good, as far as I'm concerned, it's good enough to take to the bank," he said of Stevens.

Under cross examination, Inouye refused to be drawn into a conversation about what he would think if he learned a person he had met had told a lie under oath.

"I'm not inclined to respond to a hypothetical question," Inouye said. "I don't operate that way -- the people I meet have substance."

With Inouye, Stevens' legal team began its defense. Today, they plan to call another famous character witness, former Secretary of State Colin Powell. Following Inouye on Thursday were witnesses with some celebrity among Alaskans, like

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JOSE LUIS MAGANA / The Associated Press
Sen. Daniel Inouye, D-Hawaii, appeared Thursday as a defense witness for Sen. Ted Stevens.

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musher David Monson, the widower of Iditarod champion Susan Butcher, and the balladeer Hobo Jim.

Powell and Inouye are among at least 10 character witnesses that Stevens' lawyers said they hoped to introduce, but U.S. District Court Judge Emmet Sullivan said that many would be redundant. Most trial courts don't allow more than three, government lawyers argued, though Judge Sullivan said he might allow as many as five.

In eliciting testimony from a friendly witness, defense attorney Brendan Sullivan was engaged in a much different encounter with Inouye than the one Sullivan is famous for.

In the 1987 Iran-Contra hearings, Inouye was the committee chairman and Sullivan was the attorney for Olliver North, one of the key targets of the congressional investigation. Tired of hearing Sullivan answering for North, Inouye said that maybe the witness should speak for himself.

"Well, sir. I'm not a potted plant," Sullivan replied. "I'm here as the lawyer. That's my job."

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SLED DOG'S WORTH

Stevens is charged with seven counts of filing false statements on financial disclosure forms he's required to submit each year as a U.S. senator -- each amounting to a lie on an oath signed with his own hand, said Nicholas Marsh, a trial attorney with the Justice Department's Public Integrity Section.

Stevens is accused of accepting more than $250,000 in gifts and home repairs, mostly from the defunct oil-field service company Veco and its former chief executive, Bill Allen, once a friend of Stevens and the star witness in the case against him.

Stevens' lawyers began to chip away at evidence prosecution witnesses have presented about gifts the senator is alleged to have received over the years. Thursday afternoon, they zeroed in on a sled dog bought for $1,000 at a 2003 auction.

In his opening statements to the jury, Brendan Sullivan told how Stevens got one of the dogs at an auction and was so smitten with the puppy that he bought another one for about $250. But the dogs were too much of a handful for Stevens in Washington, D.C., and he and his wife decided to send them back to Alaska, where Monson and Butcher cared for them. Stevens and his wife sent two $500 checks to Butcher for upkeep.

In an e-mail read Wednesday in court during the government's case, Stevens haggled with his friend, Bob Penney, over how much to value the dog on his financial disclosure paperwork, calling it a "GD disclosure form." The e-mails showed Stevens attempting to change the way he got the dog -- not as a $1,000 gift from Penney, the Anchorage real estate developer and sportfishing advocate who bid on the dog, but as a gift from the Kenai River Sportfishing Association, which Penney founded.

Long after he got the dog, Stevens asked Penney to turn his auction bid into a donation to the association so that the dog wouldn't appear to be worth as much.

Hobo Jim -- James Varsos -- testified that well-to-do bidders at the association's annual Kenai River Classic frequently bid up items out of all proportion because the money goes to charity. Varsos said he has donated his own $60 cowboy hats to the auction and has seen them go for as much as $450.

"I think most people went home with things they didn't really want," Varsos said of the auction.

Varsos, who helped out at the classic for about 10 years, picked up the puppy that was eventually

auctioned to Stevens from the Clam [illegible]h kennel of musher Dean Osmar, an Id[illegible]d champion.

Osmar described the female as the "runt" of a litter who would normally be shunned by mushers because it had blue eyes and white fur -- possible indicators of a genetic respiratory disease. It might have been worth $50 or $100 as a pet, he testified, though he donated it to the association.

After acquiring the blue-eyed female, Stevens bought another puppy from Osmar for $250. It was a better dog, he said.

But Taz and Keely proved too big a handful for the Stevenses in Washington. They asked Monson and Butcher for help.

"I agreed to take the sled dogs off their hands and take them back to Alaska," Monson testified.

VECO WELDER TESTIFIES

The final prosecution witness took the stand Thursday morning, just before the government rested its case against the Alaska Republican. David Anderson, a former welder who worked for Veco Corp. and supervised repairs that nearly doubled the size of Stevens' home in Girdwood, was not originally announced as a witness in the government case, but the judge allowed his testimony.

Anderson, who is Allen's nephew, was called after prosecutors had some of their evidence ruled inadmissible by Judge Sullivan.

Through a Veco account manager, the government presented evidence that Veco spent $188,000 on the Stevens remodel between 2000 and 2001.

But defense attorneys discovered in reviewing government evidence belatedly sent them that within that account manager's total were hours for Anderson and another Veco supervisor, Rocky Williams, that were worked elsewhere.

Judge Sullivan said the government knew some of those wages were inappropriately charged internally to the house project. As a sanction against the government, he told the jury to ignore the entire costs attributed to Williams and Anderson in the account manager's testimony.

On the witness stand Thursday morning, Anderson testified that he worked as much as 10 hours a day, six days a week on the house project. So did Williams, he said.

Anderson detailed the work he and Williams did on the home, including jacking it up to add a bottom story.

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Powell testifies to Stevens' high reputation

CHARACTER WITNESSES: All say senator is a force for good.

By ERIKA BOLSTAD and RICHARD MAUER
Anchorage Daily News
Published: October 11th, 2008 04:16 AM
Last Modified: October 11th, 2008 05:24 PM

WASHINGTON -- Colin Powell, the retired Army general and former secretary of state, took the witness stand Friday on behalf of U.S. Sen. Ted Stevens, raised his right hand and swore to tell the truth.

"Gen. Powell, good afternoon," U.S. District Judge Emmet Sullivan said to the biggest celebrity to testify as a character witness for Stevens, on trial on felony disclosure violations. "Sorry to keep you waiting yesterday."

"It's all right, Your Honor," Powell said.

Speaking in a courtroom suddenly packed with spectators and to jurors leaning forward in their seats, Powell recounted his long career, ending with his "dabbling in diplomacy," as he self-deprecatingly described his four years as secretary of state.

He then turned to Stevens, whom he has known for 25 years. Powell described Stevens as a "trusted individual" and a man with a "sterling" reputation.

"He was someone whose word you could rely on," said Powell.

Stevens was honest with him, he said, whether the news was good or bad.

"He would tell me when I had no clothes on -- figuratively, I mean -- and he would tell me when I was right and should go

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SUSAN WALSH / The Associated Press
Former Secretary of State Colin Powell leaves federal court in Washington, Friday, Oct. 10, 2008, after testifying at the corruption trial of Sen. Ted Stevens, R-Alaska.

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for it," Powell said: "He's a guy who, [illegible]ve said in the infantry, we would take on a long patrol."

Stevens was always a strong advocate for basing soldiers and military aircraft in Alaska, but when the Cold War ended and the Defense Department decided to cut military spending by 25 percent, Stevens agreed that Alaska should share in the pain of base closures, he said.

"He fights for his state but he also has the best interest of the country at heart," Powell said.

The Ted Steve[illegible]vestigation

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Testimony ends in Stevens trial

Stevens, on trial for lying about gifts on financial disclosure forms, has the right during the defense portion of the trial to ask character witnesses to speak on behalf of his "truthfulness and veracity." The first such character witness, Sen. Daniel Inouye, D-Hawaii, spoke Thursday. Three others are set to testify on Stevens' behalf, but the defense's wish to call Sen. Ted Kennedy was derailed by Kennedy's setback in his fight against a brain tumor.

Under cross examination, Powell said he had never been to Girdwood and has no independent knowledge of the charges Stevens faces.

Stevens, 84, faces charges of failing to disclose more than $250,000 in gifts between 1999 and 2006. Most of that total is related to a major renovation project that doubled the size of Stevens' home in Girdwood, with much of the work allegedly done for free by an oil-field service company run by Stevens' friend Bill Allen.

Julie Kitka, the president of the Alaska Federation of Natives, testified as someone who was familiar with Stevens' work in Alaska on behalf of Natives.

The AFN represents some of Alaska's biggest and most powerful corporations, like Cook Inlet Region Inc. and Arctic Slope Regional Corp., which have benefitted from special legislation by Stevens. But when Kitka turned to the jury to describe the AFN, she said it was "something like the NAACP," the civil rights organization.

The jury also heard from several other Alaskans who have had positive encounters with Stevens over the years, including a pediatric physician at the Alaska Native Medical Center in Anchorage, Dani Bowman. Stevens was instrumental in arranging an Air Force evacuation for a sick baby who needed emergency treatment not available in Alaska, Bowman said.

"He didn't listen to the rest of the question, he said, 'Yes I'll help you,' " she said, choking up with emotion. "It was beautiful."

Two former heads of the Alaska AFL-CIO, Mano Frey and Jim Sampson, testified that Stevens also was instrumental in requiring that union labor be used in big proposed projects like the gas pipeline or drilling in the Arctic National Wildlife Refuge. The oil industry and especially nonunion Veco opposed such project labor agreements, Sampson testified.

That defense evidence was used to counter prosecution assertions that Stevens took up Veco's agenda in Washington because of gifts he received.

The defense team also called a private real estate appraiser and two assessors from the Municipality of Anchorage to testify on the value of the Veco addition to Stevens' home.

The city's valuation jumped $104,800 from 2001 to 2002 when the city took into account the addition, said municipal assessor Marty McGee.

That's less than a third of the cost of the actual work, according to earlier testimony. Stevens himself paid about $160,000, and Veco spent about $180,000.

McGee said his figures were based on an inspection of only the outside of the house, and he

acknowledged under cross-examination that city records apparently missed one room that was added. The city's value is based on what the property could be expected to sell for, not what it cost to renovate, he said.

"A lot of times it costs a whole lot more to do the renovation work?" asked prosecutor Nicholas Marsh.

"That's possible," McGee said.

The judge earlier rejected a defense theory Stevens would have received a benefit from Veco's work only if it raised the appraised value of the Girdwood home. His lawyers have argued that the value is zero under that theory.

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Colin Powell: Stevens reputation 'sterling'

By ERIKA BOLSTAD and RICHARD MAUER
Anchorage Daily News
Published: October 10th, 2008 11:28 AM
Last Modified: October 10th, 2008 11:28 AM

WASHINGTON - One of the nation's best-known retired Army generals, Colin Powell, described Sen. Ted Stevens in court today as a "trusted individual" and a man with a "sterling" reputation.

"He was someone whose word you could rely on," said Powell, secretary of state in President Bush's first term, who self-deprecatingly described himself as someone who retired as the chairman of the Joint Chiefs of Staff and then "dabbled a bit in diplomacy."

Stevens, on trial for lying about gifts on financial disclosure forms, has the right to ask character witnesses to speak on behalf of his "truthfulness and veracity." The first such character witness, Sen. Daniel Inouye, D-Hawaii, spoke Thursday. Another three are set to testify on Stevens' behalf, but the highest-profile witness, by far, will be Powell.

The former secretary of state said he had known Stevens for 25 years, mostly in the senator's role as the top defense appropriator on a Senate defense appropriations committee. In Stevens, "I had a guy who would tell me when I was off base, he would tell me when I had no clothes on, figuratively, that is, and would tell me when I was right and go for it," Powell said. "He's a guy who, as we said in the infantry, we would take on a long patrol."

When asked outside of the courtroom after his testimony whether Stevens asked him personally to testify to his character, Powell said he couldn't recall if it was the senator or

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SUSAN WALSH / The Associated Press
Former Secretary of State Colin Powell leaves federal court in Washington, Friday, Oct. 10, 2008, after testifying at the corruption trial of Sen. Ted Stevens, R-Alaska.

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one of his lawyers. But he didn't think twice about testifying, Powell said.

"Not at all," he said, snapping his fingers to signify it was a snap decision.

Powell's endorsement followed a morning of testimony from people who worked on Stevens' home and were paid by Stevens and his family, or were aware of gifts he had received.

The former chairman of a nonprofit in Alaska testified that he was directed by a close friend of Stevens to "create a paper trail" that would show a husky puppy given to the senator was worth one-fourth what the friend paid for it.

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Stevens, 84, faces charges of failing to disclose more than $250,000 in gifts between 1999 and 2006. Most of that total involved a major renovation project that doubled the size of Stevens' home in Girdwood, with much of the work allegedly done for free by an oil-field service company run by Stevens' friend Bill Allen.

The testimony Friday morning, on the 10th day of trial, was only about a dog, but it's also part of the case against Stevens.

Ronald Rainey, a retired utility worker from Soldotna, was called by Stevens' defense to discredit a prosecution contention that the blue-eyed husky was a $1,000 dog -- a value far in excess of the $285 gift limit in effect for the Senate that year.

Rainey testified that the Kenai River Sportfishing Association gave the dog to Stevens, not the man who bid $1,000 for it at the group's annual charity auction. The bidder was Bob Penney, an Anchorage real estate developer, the founder of the association and Stevens' good friend.

But if Penney bought the dog with his $1,000 bid, why did Stevens report it in his 2003 Senate disclosure as a gift from the association with a value of $250?

According to Rainey, Penney bid up the value of the dog. When the auction hammer came down, he was the last bidder.

"It was a joke," Rainey said. "We knew he got stuck with something he didn't want."

Rainey described Penney as the founder of the association. He still had huge sway over the group, Rainey said. Penney proposed donating the dog back to the association; the association would then give it to someone who wanted it, Rainey said. That would be Stevens and his wife, Catherine, he testified.

But the document prepared by the association the night of the auction, shown to the jury earlier as a prosecution exhibit, showed Penney won the bid and took the dog. The statement listed the dog's fair market value as $500 and the paid-in-full bid as $1,000.

On Wednesday, the government introduced an e-mail written by Stevens to Penney on May 2, 2004, 10 months after the auction, in which he complained he was filling out his "GD disclosure form" and had a problem with the dog. Penney couldn't give him the dog because it was worth more than $285, Stevens said. He said the gift instead should be a present from the association.

"In May of 2004, Bob Penney asked you to create a paper trail concerning the sled dog?" asked prosecutor Nicholas Marsh.

"That's correct," Rainey said.

An e-mail introduced Friday from Rainey to Penney on May 6, 2004, said the association considered the dog was a "thank-you" to Stevens for all his work on its behalf.

"You did this because Bob Penney asked you to create a paper trail?" Marsh said.

"Yes," said Rainey. But he said the documentation reflected the association's intent at the time of the auction.

Earlier, the defense provided the names of 10 character witnesses it hoped would testify for Stevens. But the judge said he would only allow five, a more usual number.

Another proposed witness, Sen. Ted Kennedy, D-Mass., is probably too ill to testify, the defense said. The defense said it would like to call Sen. Orrin Hatch, R-Utah, former Transportation Secretary William Coleman, former District of Columbia council member John Ray, Olympic medalist and sportscaster Donna DeVerona and a fellow veteran from Stevens' World War II Army Air Corps unit, Leroy Parramore.

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Prosecutors subpoena e-mails of Stevens' wife

SUBPOENA: Evidence sought, including documents related to diamond earrings.

By ERIKA BOLSTAD and RICHARD MAUER
Anchorage Daily News
Published: October 12th, 2008 11:48 PM
Last Modified: October 12th, 2008 02:14 PM

WASHINGTON -- Even as Sen. Ted Stevens' trial approaches a likely end this week, federal prosecutors are still attempting to gather more evidence, including correspondence between the Alaska senator and his wife, Catherine, as well as e-mails she may have sent to 34 others about their home renovation and gifts the senator may have received.

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The federal subpoena to Catherine Stevens' law firm, dated Sept. 15, became public over the weekend when Stevens' legal team asked the judge in the case to prevent the government from obtaining thousands of documents from the law firm, Mayer Brown.

Prosecutors are also looking for communications between her and anyone with a U.S. Senate e-mail address, as well as documents relating to anything of value given or provided to Stevens, his wife or his daughter, Lily. That includes "any documents relating to diamond earrings," according to the motion.

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But Stevens' defense team doesn't want them turned over, accusing prosecutors of going on a fishing expedition and saying in their motion that a "more oppressive, non-specific subpoena could hardly be imagined."

The 84-year-old senator is on trial for lying on the Senate financial disclosure forms he's required to file each year. He's charged with accepting gifts and home renovations worth more than $250,000, chiefly from Veco Corp. and its former chief executive, Bill Allen, who was the star witness for the prosecution.

The renovations in 2000 and 2001 doubled the size of the Stevens' home in Girdwood, transforming it from a small, A-frame cabin into a two-story retreat with multiple decks, a Jacuzzi tub and a Viking outdoor grill. Prosecutors have been laying out a case that much of the work,

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including the decks as well as plumb[illegible] and a complete electrical overhaul, was[illegible]d for by Veco.

TRIAL IN DEFENSE PHASE

Stevens' trial, about to begin its fourth week, is in the midst of the defense phase. Prosecutors rested their case last week and his defense team began building a case that the senator was unaware that the renovations in question may have exceeded what he spent on it, an estimated $160,000. Several character witnesses, including former secretary of state Colin Powell, have also testified on Stevens' behalf.

Stevens' attorneys asked to quash the subpoena over the weekend after one of the prosecutors, Edward Sullivan, sent an e-mail asking for the documents the government had requested.

According to the filing, last year, prosecutors asked for and received more than 26,000 pages of documents from Catherine Stevens' law firm. But the law firm didn't turn over communications between Catherine Stevens and her husband because spouses are generally protected by law from having to provide evidence against each other in criminal case, according to the filing.

Prosecutors asked for the documents again on Sept. 15, just a week before jury selection began in the case.

The law firm did a search and handed over three discs containing thousands of e-mails to Stevens' defense team in early October, according to the filing. They reviewed them in search of privileged conversations between husband and wife and found none, but also found "no relevant ones," wrote one of Stevens' lawyers, Joseph Terry. The first 100 e-mails are about nothing more than "the recent death of Mrs. Stevens's mother; Lily Stevens' wedding; and grave illnesses of personal friends."

Prosecutors on Friday night asked again for the e-mails, prompting Stevens lawyers to file a motion asking the judge to keep them from getting them.

NEW NAMES EMERGE

The government's subpoena also lists some names that haven't come up before in the case, including Anchorage jeweler George Walton and his Alaska Gold and Diamond Co. and New York socialite Marylou Whitney and her husband, John Hendrickson, formerly from Alaska. Whitney and Hendrickson have been involved in the horse business with Stevens.

Also listed was Anchorage real estate developer Jon Rubini and one of his companies, Centerpoint LLC, in which Stevens was once an investor.

Stevens' lawyers also filed a motion Sunday night asking the judge to strike references to "the public's right to know" when it comes to disclosure of financial information.

"Any such public interest is irrelevant to the charges in this case, which are and must be based on alleged false statements to the government, not the public at large," Stevens' lawyers wrote. "The government obviously wishes to inflame the jury with assertions that the defendant has injured the public at large -- including the jurors themselves -- by supposedly depriving the populace of important information. This inflammatory suggestion should not be permitted."

Earlier, the defense successfully blocked the government from using the testimony of an advocate of public disclosure, Kent Cooper, about how disclosures are used by the media, public advocacy groups and the public at large.

The trial, on break today for the federal Columbus Day holiday, is scheduled to resume Tuesday morning.

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Allen used Stevens' home, witness testifies

COVICH: Senator's daughter says she found Veco chief at chalet when father was away.

By RICHARD MAUER and ERIKA BOLSTAD
Anchorage Daily News
Published: October 15th, 2008 01:05 AM
Last Modified: October 15th, 2008 01:18 AM

WASHINGTON -- Susan Covich found her father's house in Girdwood to be a convenient place to stop and spend the night during frequent trips between her home in Kenai and Anchorage, where between 2002 and 2004 she was furthering her own education and later attending to an ill friend's affairs.

Click to enlarge
Susan Stevens Covich testified Oct. 14, 2008.

But there were times, she testified in her father's trial Tuesday, that she arrived in Girdwood late at night to find strange cars in front of the chalet and people behind closed bedroom doors inside. One of those people would be Veco chairman Bill Allen, the oil-field contractor who helped renovate the place for her father and stepmother, Sen. Ted Stevens and Catherine Stevens.

Covich, a substitute teacher in the Kenai public schools, testified there were times that Allen appeared to have more control of the house than she did.

"I slept on the couch," Covich said of one such occasion when none of the five bedrooms was available. Allen appeared in the morning and told her she could move to one of the upstairs bedrooms, she said.

Another time, she said, "I was planning to make my stopover into

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JOSE LUIS MAGANA / The Associated Press
Sen. Ted Stevens leaves the courthouse with his daughters Beth Stevens, left, and Susan Stevens Covich at federal court in Washington. Covich testified in court Oct. 14, 2008.

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my Dad's house," she said. "There w lights on, cars in the parking lot. It just too creepy, so I just drove on."

DEFENSE TACTIC

Stevens is on trial on seven felony counts of failing to disclose about $250,000 in gifts and services on his annual financial statements. Most were from Allen and Veco and involved their effort to renovate and furnish Stevens' home.

With Covich's testimony, the first by a member of the Stevens family, the defense appeared to be making the point that Allen had himself in mind for some of the improvements he made to the home, and that Stevens didn't want all that Allen did. In one note from Stevens to Allen entered as evidence early in the trial, Stevens said he considered a $6,000 outdoor barbecue grill to belong to Allen, though Veco permanently plumbed it to a gas line on Stevens' upper deck and installed it there with a crane.

What could not be known Tuesday was how the jury would react to the assertion that Covich couldn't use her family's home on multiple occasions because Allen was there using his own key, apparently with the authorization of her father. There was no testimony about why Allen was there.

Covich also testified about another point that came up in the trial, this one involving her son. She confirmed that Veco got a job for her son, John Covich, on the North Slope, after he got out of a special high school program for troubled teens.

But, sobbing softly, Covich said her son had a "substance abuse problem" and "had some run-ins with the law because of that." When he begin missing the plane to the Slope, he was fired, Covich said, though Veco offered to take him back if he went straight.

That apparently happened in 2003, when Veco began paying his tuition and expenses to learn heavy diesel mechanics at the state vocational training center in Seward, she said.

"He survived the first semester, but right after Christmas he got back into abusing drugs again and was kicked out of the program in January 2004," Covich said. "He is residing in a correctional facility now."

State records show John P. Covich was locked up at the Wildwood Correctional Center in Kenai on April 29 for a probation violation with no set release date.

TRIAL WRAPPING UP

The defense has announced that Ted Stevens and Catherine Stevens will probably follow Covich to the witness stand later this week, though that could change. U.S. District Court Judge Emmet Sullivan said Tuesday that he expected the case to wrap up Monday with closing arguments and jury instructions.

It might have been possible for the case to go to the jury Friday, he said, but he doesn't like to start deliberations just before a weekend since the jury may feel pressured to reach a quick verdict.

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That schedule would mean that the jury could return a verdict less than two weeks before the veteran Republican stands for re-election. He faces Anchorage Mayor Mark Begich, a Democrat.

In other testimony Tuesday, lawyers for the senator continued to attempt to sow doubt in the minds of the jury as part of their effort to prove the central theme of their defense: that the Alaska Republican thought he was paying every bill he was given for his home renovations.

They bolstered their case with testimony from Augie Paone, owner of Christensen Builders of Anchorage. The contractor did the bulk of the carpentry that doubled the size of Stevens' once modest A-frame.

Prosecutors are trying to show that Veco paid for much of the work, including the decks, plumbing and a complete electrical overhaul. To that end, jurors heard exhaustive testimony from Veco employees and tradesmen -- especially the electricians -- who worked on Stevens' home yet never submitted bills for their work.

But Paone, a defense witness, said Tuesday that even though he was primarily the carpentry contractor, he also purchased electrical and plumbing supplies -- and presented them as line items in his bills, with the complete invoices from suppliers as backup.

His testimony suggested Stevens and his wife could have thought they were paying for everything themselves, even though Veco paid for the plumber and electricians and at least some of the material, according to earlier testimony.

Paone said he was very careful to do everything by the book, knowing Stevens' position. After meeting with Allen in late summer 2000 to go over the project's parameters, they decided Allen would review his invoices before they were sent to Stevens.

Paone said Stevens' wife, Catherine, paid him promptly when he sent the first five bills.

But the sixth bill, for $19,818, is another matter. It's clear Stevens never paid it, but Paone's testimony about why was delayed by a legal dispute that led to the jury going home early Tuesday.

In their opening statements, Stevens' lawyers told jurors that Paone was told by Allen and the construction foreman Robert "Rocky" Williams that he was going to "eat that bill."

But prosecutors argued that Paone's testimony Tuesday seemed likely to contradict his own testimony to a grand jury, where he said that Allen never explicitly said he would "eat" the bill, but implied it. Allen also testified he never specially told Paone he was stuck with the bill.

The judge will make a decision this morning on how to proceed.

OTHER TESTIMONY

In other defense testimony Tuesday, Jeanne Penney, a close friend of Stevens' wife, Catherine Stevens, testified about a $3,000 stained glass window that she bought as a housewarming present once the Stevenses finished construction on their home. Prosecutors have presented evidence that Stevens never disclosed the window as a gift.

Tuesday, Penney stumbled when she described for whom the gift was intended.

"I gave her a gift. I gave them a gift," she said, adding, "The interest of that gift was primarily to my friend, Catherine Bittner Stevens."

She described her friendship with Catherine as predating Catherine's marriage to Stevens and as one of two women who can sit around for hours in their pajamas, drinking coffee and talking.

Two other character witnesses also testified Tuesday. Sen. Orrin Hatch, R-Utah, a Senate colleague since 1976, described his friend as a "fine, decent, honorable man."

"I'd rate him at the very top," Hatch said. "He's one of the true lions of the Senate, along with my friend Ted Kennedy. He's totally honest, totally straightforward, fights for his state like you can't believe."

Also on Tuesday, Double Musky owner Bob Persons took the stand briefly outside the presence of the jury while Judge Sullivan called Persons' lawyer, Eric Sanders, in Anchorage. Persons, listed as one of Stevens' final witnesses, had asserted his Fifth Amendment right to not testify when he was subpoenaed to the grand jury in Washington before Stevens' indictment, lawyers for both sides said in court.

But now, he was willing to testify on behalf of his friend, Stevens, and the judge wanted to be sure that Sanders had advised his client of the risks of self-incrimination. Sanders assured the judge that Persons knew what he was doing.

Persons has emerged as a key figure in the house expansion. His name is on the construction documents filed with the Anchorage city building department, and witnesses said he was a frequent visitor to the project. The government has introduced dozens of e-mails showing how he kept Stevens abreast of the work.

RULING ON E-MAILS

Sullivan ruled Tuesday morning that thousands of e-mails from Catherine Stevens' work account will be turned over to federal prosecutors, who first asked for them more than a year ago. The defense had fought to prevent the documents from being turned over on relevancy grounds and also under the spousal privilege doctrine, which generally prevents one spouse from testifying against the other in a criminal case.

Prosecutors argued that communications between the couple "will be relevant to show the material elements of the charges in the indictment, including defendant's knowledge, intent and motivation for concealing the benefits he received from Veco."

They added that "in particular, we anticipate that certain documents at the time of the renovations will reflect that both Catherine Stevens and defendant knew they had not paid for the Veco work, and documents thereafter will reflect that Catherine Stevens and defendant took steps in 2004 to mislead the press when the media was investigating the costs associated with the renovations."

Sullivan said he saw no reason for prosecutors not to have the documents, and he ordered Stevens' lawyers to turn them over. But after reviewing the e-mails during the day, prosecutors said Stevens' law firm had failed to turn over any from the most relevant time frame -- from 2001, when she started work there, to 2004.

Contact the reporters: **rmauer@adn.com** and **ebolstad@adn.com**

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Stevens defense nears conclusion

By RICHARD MAUER AND ERIKA BOLSTAD
Anchorage Daily News
Published: October 14th, 2008 05:03 PM
Last Modified: October 14th, 2008 05:03 PM

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WASHINGTON -- The jury could begin deliberations Monday in Sen. Ted Stevens' corruption case, leading to the possibility of a verdict less than two weeks before the veteran Republican stands for re-election in Alaska.

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Stevens' lawyers should finish their defense late Wednesday or Thursday, and prosecutors will have the opportunity to present rebuttal witnesses. They'll likely have closing arguments Monday, said U.S. District Judge Emmet Sullivan; then he'll give jurors the case.

Today, lawyers for the senator continued to work to sow doubt in the minds of the jury as part of their effort to prove the central theme of their defense: that the Alaska Republican thought he was paying every bill he was given for renovations to his home in Girdwood.

They bolstered their case with testimony from Augie Paone, the Anchorage carpenter who did the bulk of the renovations that doubled the size of Stevens' once-modest A-frame.

Stevens, 84, is on trial on charges that he lied on the Senate financial-disclosure forms he's required to file each year. He's accused of failing to report gifts and home renovations worth more than $250,000, chiefly from Veco Corp. and its former chief executive, Bill Allen, who was the prosecution's star witness.

FBI - Stevens-2180

Prosecutors made the case that Veco paid for much of the work, including the decks, plumbing and a complete electrical overhaul. To that end, jurors heard exhaustive testimony from Veco employees and tradesmen -- especially the electricians -- who worked on Stevens' home yet never submitted bills for their work.

But Paone, a defense witness, said today he was very specific about billing the Stevenses for plumbing and electrical supplies, suggesting Stevens and his wife could have thought they were paying for everything themselves.

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Since Stevens is an elected official, Paone said, he was very careful to do everything by the book. He met with Allen in late summer 2000 to go over the project's parameters.

194A-AN-13620-M

"We were both under the impression that we were going to, based on the senator being an elected

official, I was going to present all my bills to the senator or Bill to make sure he knew exactly what he was getting," Paone said.

Paone said Stevens' wife, Catherine, paid him promptly when he sent the first five bills.

But when Paone began to testify about the sixth bill, for $19,818, the judge stopped him, based on objections from prosecutors. In their opening statements, Stevens' lawyers told jurors that Paone was told by Allen and the construction foreman Robert "Rocky" Williams that he was going to "eat that bill."

Prosecutors argued that Paone's testimony today seemed likely to contradict his testimony to a grand jury, in which he said Allen never explicitly said he would "eat" the bill but implied it. The judge will make a decision Wednesday morning on how to proceed.

Other witnesses weren't quite as successful for the defense as Paone. Jeanne Penney, a close friend of Stevens' wife, testified about a $3,000 stained-glass window that she bought as a housewarming present once the Stevenses finished construction on their home. Prosecutors have presented evidence that Stevens never disclosed the window as a gift.

Tuesday, Penney stumbled when she described for whom the gift was intended.

"I gave her a gift. I gave them a gift," she said, adding, "The interest of that gift was primarily to my friend, Catherine Bittner Stevens."

One of Stevens' daughters, Susan Covich, testified about another alleged benefit Allen offered Stevens: a pricey mechanical training course for Covich's son, Stevens' grandson. Allen helped Covich's son get into a Veco job-training program when he was a troubled young man struggling with addiction to drugs. She broke down as she described how her son, now incarcerated, lost his job with Veco, despite his family connections.

Covich also offered testimony designed to help boost another defense theme: that Stevens neither needed nor wanted the gifts Allen was giving, and that they were for the benefit of the Veco chief when he used the Girdwood home.

She testified that she often stayed at her father's home in Girdwood in 2002 when she was traveling between college classes in Anchorage and her home three hours south. Allen was often there when she arrived late at night, she said. One time, there were cars in the driveway and when she went inside, all the bedroom doors were closed.

"I was planning to make my stopover into my dad's house," she said. "There were lights on, cars in the parking lot. It just got too creepy, so I just drove on."

Two other character witnesses also testified Tuesday. Sen. Orrin Hatch, R-Utah, a Stevens colleague in the Senate since 1976, described his friend as a "fine, decent, honorable man."

"I'd rate him at the very top," Hatch said. "He's one of the true lions of the Senate, along with my friend Ted Kennedy. He's totally honest, totally straightforward, fights for his state like you can't believe."

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Stevens' wife is tentatively scheduled to testify too, although the senator's lawyers haven't said whether she will.

Stevens himself is at the end of the witness list, as a potential final witness, but it remains unclear whether he will actually testify. Judge Sullivan reminded Stevens -- out of the presence of the jury -- that he was under no obligation to do so.

"It's your choice. You don't have to say anything," Sullivan said this morning.

Sullivan ruled this morning that thousands of e-mails that Catherine Stevens sent will be turned over to federal prosecutors, who'd first asked for them more than a year ago.

Communications between Stevens and her husband "will be relevant to show the material elements of the charges in the indictment, including defendant's knowledge, intent and motivation for concealing the benefits he received from Veco," prosecutors argued.

They added that "in particular, we anticipate that certain documents at the time of the renovations will reflect that both Catherine Stevens and defendant knew they had not paid for the Veco work, and documents thereafter will reflect that Catherine Stevens and defendant took steps in 2004 to mislead the press when the media was investigating the costs associated with the renovations."

Stevens' lawyers had tried over the weekend to quash a Sept. 15 subpoena seeking the documents from her law firm, Mayer Brown.

Prosecutors had asked for communications between Catherine Stevens and anyone with a U.S. Senate e-mail address, as well as documents relating to anything of value given or provided to Ted Stevens, his wife or his daughter, Lily. That includes "any documents relating to diamond earrings," according to a motion filed by Stevens' attorneys.

Sullivan said he saw no reason for prosecutors not to have the documents, and he ordered Stevens' lawyers to turn them over.

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Contractor: Allen advised not billing Stevens

By ERIKA BOLSTAD and RICHARD MAUER
Anchorage Daily News
Published: October 15th, 2008 03:37 PM
Last Modified: October 15th, 2008 03:37 PM

WASHINGTON - It would have been "business suicide" to cross the powerful Bill Allen, testified the carpenter who renovated Sen. Ted Stevens' home in Girdwood and who said he was bullied into not sending the senator a final $13,393 bill.

Click to enlarge
Susan Stevens Covich testified Oct. 14, 2008.

Allen told him he should "eat" the final bill from the home renovations, said Augie Paone, who took the stand today as a defense witness in the senator's corruption trial. Allen, the chief executive of Veco Corp., an oil field services company that was one of Alaska's largest private employers before it was sold last year, was overseeing renovations at Stevens' home in Girdwood in 2000 and 2001.

Those renovations and other gifts are at the heart of the case against Stevens, whose corruption trial is in its fourth week. The 84-year-old Alaska Republican was charged with seven felony counts of making false statements on Senate financial-disclosure forms.

Stevens' wife, Catherine, is poised to testify Thursday, and the senator himself might take the stand. During the lunch break today, Stevens got onto the witness stand to determine whether he could hear and see the lawyers. He also tested the microphones.

enlarge
JOSE LUIS MAGANA / The Associated Press
Sen. Ted Stevens leaves the courthouse with his daughters Beth Stevens, left, and Susan Stevens Covich at federal court in Washington. Covich testified in court Oct. 14, 2008.

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Judge sends Stevens jurors home for day

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Stevens, who's listed as the final defense witness, doesn't have to take the stand. The judge has reminded him repeatedly that jurors aren't supposed to hold it against him if he doesn't.

Stevens gets help from some friends
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Testimony ends in Stevens trial

Paone testified today that he objected to "eating" the bill for work at Stevens' home and said so in a meeting with Allen, who told the carpenter he should "look at it as a political contribution," Paone said.

"At first I was shocked," Paone said. "I also tried to hold on to my composure. I knew I was in a bind, because I knew he had me in a spot where I really couldn't do anything."

Paone said he "thought about sending it over to the senator, but I knew it would be business suicide. I knew that I was between a rock and a hard place. I thought it was wiser - or better business sense on my side - to just leave it alone."

A few months later, Allen asked Paone's Christensen Builders to do work on his own house. Allen padded the cost of his own renovations to compensate for the $13,393 that Paone lost on the Stevens remodel, the carpenter testified.

"The understanding was that I will do some work for you but you still owe me $13,000," Paone said in court. "I was adamant that I was going to get paid for that bill that he owed me."

Stevens' legal team used Paone, who came across as a straight shooter, to chip away at Allen's credibility. Allen, who was the star witness for the prosecution, has pleaded guilty to bribing state lawmakers as part of the wide-ranging corruption investigation that drew in Stevens. Allen hasn't been sentenced yet.

One of the major themes of the defense case has been that Stevens and his wife paid all the bills that they received, and that Allen and other friends hid the true cost of the renovations, done mostly while the couple was in far-off Washington.

Yet some of Paone's testimony to a 2006 grand jury countered that theory, said prosecutor Joe Bottini, an assistant U.S. attorney in Anchorage. He asked Paone to refer to what he told grand jurors two years ago when the case was under investigation.

Didn't he go back to do additional work on the Stevens place?

He did, Paone said. He went back to work on the garage floor as well as to build shelves, including ski racks. Veco paid that $2,700 bill, Paone acknowledged. He also did some tiling on a fireplace at Stevens' home, he said, and the $850 expense was charged to Allen as part of the renovation work Paone did on the Veco chief executive officer's home.

Stevens' team also tried to use one of the senator's neighbors, Bob Persons, to attack one of the most memorable moments in the trial so far, when Allen told jurors that Persons said Stevens was "just covering his ass" and wasn't serious when he asked for a bill in 2002 for work on his house.

Persons, who owns the Double Musky restaurant in Girdwood, had a power of attorney to obtain a building permit on Stevens' behalf, oversaw the initial construction and handled bills for the family. Stevens' attorney asked him whether he, in fact, had told Allen that the senator was "just covering his ass" in asking for bills. Persons said he never said it.

"No," Persons said, adding under his breath, "crazy."

Persons, whose folksy mannerisms began when he took the stand and told the judge he'd rather be fishing, got a mild scolding for joking with members of the jury while they were leaving for their afternoon break. The judge, warning Persons that he was to have no contact with jurors, asked him what he said.

"I said, 'Do you have a bathroom back there?' " Persons said, a question that elicited chuckles even from Stevens, who usually sits stone-faced during testimony.

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Stevens friend testifies about billings

BOB PERSONS: Double Musky owner downplays Veco role.

By ERIKA BOLSTAD and RICHARD MAUER
Anchorage Daily News

(10/16/08 00:58:48)

WASHINGTON -- A few days before he was supposed to fly from Alaska to Washington and testify before a grand jury in May 2007, Bob Persons, the owner of the Double Musky restaurant in Girdwood, met with the investigation's target -- U.S. Sen. Ted Stevens.

The unusual timing of that meeting, and Stevens' suggestions to him about the facts in the case the government appeared to be building, became a subject of Persons' testimony Wednesday in Stevens' trial.

Persons was testifying on behalf of Stevens, his longtime friend and Girdwood neighbor, accused in a seven-count indictment of failing to report more than $250,000 in gifts and services, primarily from the oil-field service company Veco and its chief executive, Bill Allen.

Allen organized and paid a portion of the remodeling, furnishing and repairs of Stevens' home starting from 2000 to 2006, according to charges and evidence in the case.

Persons is expected to conclude his testimony this morning. The defense has announced just two more witnesses: Stevens' wife, Catherine, who the defense says was in charge of paying bills and financing the remodeling of the couple's Girdwood home; and Stevens himself.

Though it projected an examination of Stevens of several hours and potentially involving dozens of exhibits, the defense can still rest without calling him.

But as if to prove its intent, Stevens sat in the witness stand during a recess Wednesday and tested his ability to see the computer monitor where exhibits are displayed and to hear questions from his attorney spoken in a normal voice. Stevens, who is hard of hearing, has been listening to the trial with the assistance of court-supplied earphones, but he was without that aid in the practice run.

Once the defense rests, the government can present rebuttal witnesses, probably on Friday. Prosecutors said that so far, they just have three, and they won't be on the stand for long.

U.S. District Court Judge Emmet Sullivan said he hoped to conclude the case with closing arguments and instructions to the jury Monday.

PERSONS DOWNPLAYS VECO ROLE

FBI - Stevens-2186

Under friendly questioning by Robert Cary, one of Stevens' attorneys, Persons downplayed the role of Veco in the main phase of the renovations from late summer 2000 to early spring 2001. That's when the size of home was doubled -- through the work of contractors paid by Stevens, and from Veco workers, whom he didn't.

One of the trial's most memorable lines so far was uttered by Allen in his testimony for the prosecution two weeks ago, when he reported on a key conversation he had with Persons in 2002. Stevens had sent a note to Allen asking for a bill for Veco's work on the Girdwood house. But the note also asked Allen to speak with Persons about that very request.

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When he did, Persons told him the request was for show, Allen said.

"Mr. Persons, did you say to Bill Allen, 'Bill, don't worry about getting a bill -- Ted's just covering his ass?' " Cary

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asked, quoting Allen's testimony.

"No," Persons said. "Crazy," he added, under his breath.

But Persons' testimony under cross-examination, despite claims of a bad memory, played into the government's assertions that Stevens was well aware of at least some of Veco's largesse on his behalf.

In May 2007, two months before the FBI raided Stevens' home for evidence of the Veco work, Persons was summoned to a grand jury that was meeting one floor below the courtroom where Stevens' trial is now under way.

Before he left for Washington, Persons said, he met with Stevens and told him the subjects the government was interested in. Among the items listed on his subpoena were "generators" and "decorative lights of any type" provided to Stevens.

"He said the generator really wasn't what he wanted," Persons recalled Stevens saying.

But the government has already presented testimony and exhibits showing that Stevens feared losing power due to the so-called Y2K bug between Dec. 31, 1999, and the new year. Veco paid to install a $6,000 generator with an automatic starter that would fire it up if the power failed. Stevens expressed his thanks for the work -- and never paid, according to the evidence.

Veco electricians and workers spent days installing rope lights around the house and buried a cable between the house and a 60-foot-plus spruce tree so the tree could be lit from bottom to top. Persons told the grand jury that the Stevens family "hated the lights," he said Wednesday, especially the ones in the tree.

Prosecutor Nicholas Marsh reminded Persons how he told the grand jury that Stevens said that he had just recently heard that Veco installed the lights.

"That's what you told the grand jury, because that's what Ted Stevens told you," said Marsh, who also was Persons' interrogator before the grand jury.

Then Marsh asked Persons to read a note Stevens wrote to Allen on Nov. 8, 2002, thanking him for all the work on the Girdwood home.

"The Christmas lights top it all -- our 60 foot tree lighted to the highest point!" Stevens wrote.

Persons also testified his home above his restaurant was among the places raided in a massive FBI operation around Alaska on Aug. 31, 2006. That's when six legislative offices were also searched, including the offices of the state senate president, Ben Stevens, Ted's son.

Persons agreed to an interview by agents searching his house but told them he had trouble remembering things, he said Wednesday. Reading from an FBI report of the encounter, Marsh said, the agents said Persons explained he had a family history of Alzheimer's disease.

Then why, Marsh asked, was he so good at remembering things from years ago during his examination by Stevens' attorney?

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"When I see something that refreshes my memory, it helps," Persons said.

Persons, whose folksy mannerisms began when he took the stand and told the judge he'd rather be fishing, got a mild scolding for joking with the jury while they were leaving for their afternoon break. The judge, warning Persons he was to have no contact with jurors, asked him what he said.

"I said, 'Do you have a bathroom back there?' " Persons said, a question that elicited chuckles even from Stevens, who usually sits stone-faced during testimony.

'BUSINESS SUICIDE'

Earlier Wednesday, Augie Paone, the carpentry contractor on the Stevens renovation, said Catherine Stevens paid his first five bills after they were checked by Veco. But his sixth bill was never approved for submission to Stevens, and Paone decided not to send it to Stevens himself.

It would have been "business suicide" to cross Allen, Paone testified in explaining why he was bullied into not sending the senator a final $13,393 bill.

Allen told him he should "eat" the final bill from the home renovations, said Paone, who took the stand Wednesday as a defense witness. Paone, a residential specialist, said he was hired by Allen when it became apparent that Veco employees more used to oil-field work would be unable to complete the Stevens job before winter set in.

Paone testified Wednesday that he objected to not getting paid for his work at Stevens' home, especially after shelling out the cost of materials and wages. He testified he told that directly to Allen.

Allen told Paone he should "look at it as a political contribution," Paone testified.

"At first I was shocked," Paone said. "I also tried to hold on to my composure. I knew I was in a bind, because I knew he had me in a spot where I really couldn't do anything."

Paone said he was out of his league. He had five employees, Allen about 5,000.

Paone said he "thought about sending it over to the senator, but I knew it would be business suicide. I knew that I was between a rock and a hard place. I thought it was wiser -- or better business sense on my side -- to just leave it alone."

A few months later, Allen asked Paone's Christensen Builders to do work on his own house. Allen padded the cost of his own renovations to compensate for the $13,393 that Paone lost on the Stevens remodel, the carpenter testified.

"The understanding was that I will do some work for you but you still owe me $13,000," Paone said in court. "I was adamant that I was going to get paid for that bill that he owed me."

The bill he submitted to Allen, and which Allen paid, had a "Girdwood line item for "invoice from last year," though it didn't mention Stevens by name.

ALLEN'S CREDIBILITY ATTACKED

Stevens' legal team used Paone to chip away at Allen's credibility. Allen, who was the star witness for the prosecution, has pleaded guilty to bribing state lawmakers as part of the wide-ranging corruption investigation that drew in Stevens. Allen hasn't been sentenced yet.

One of the major themes of the defense case has been that Stevens and his wife paid all the bills that they received, and that Allen and other friends hid the true cost of the renovations, done mostly while the couple was in far-off Washington.

Yet some of Paone's testimony to a 2006 grand jury countered that theory, said prosecutor Joe Bottini, an assistant U.S. attorney from Anchorage. He asked Paone to refer to what he told grand jurors two years ago when the case was under investigation.

Didn't he go back to do additional work on the Stevens place?

He did, Paone said. He went back to work on the garage floor as well as to build shelves, including ski racks. Veco paid that $2,700 bill, Paone acknowledged. He also did some tiling on a fireplace at Stevens' home, he said, and the $850 expense was charged to Allen as part of the renovation work he did on the Veco chief executive officer's home.

In his cross-examination, Bottini countered with the argument that Stevens knew work was being done that he should have paid for but didn't. Work that Paone did after the main remodel was something that Stevens should

have known he needed to pay for, Bottini suggested.

"This additional work that you did, months later, fixing the garage floor, putting the shelves up in the garage, the fireplace work, that was all work that anyone would notice, isn't it?" Bottini asked.

"I guess it would," Paone said.

Paone said his initial intent on taking the job was to fully document everything, with extreme care, because of Stevens' position. That plan fell apart in the end, he said.

"Didn't you tell the grand jurors that you always thought that someday something like this might happen?" Bottini asked.

"I was concerned that the senator wasn't getting billed for some of that stuff and I was concerned that something like this would happen," Paone said.

Contact the reporters: ebolstad@adn.com and rmauer@adn.com.

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Stevens' wife takes stand for defense

By RICHARD MAUER AND ERIKA BOLSTAD
Anchorage Daily News
(10/16/08 08:40:32)

WASHINGTON - Jurors have seen photos of her home, heard from her friends, and seen dozens of checks she wrote, but Thursday, they finally heard from the wife of Sen. Ted Stevens herself, as she began testifying as a defense witness in her husband's corruption trial.

Catherine Stevens, a lawyer who appeared calm and poised while her husband's attorney, Robert Cary, questioned her, took the stand to help support the defense theory that the senator paid all bills he was given in connection with the renovations. She often turned and spoke directly to the jury.

Stevens may testify himself this afternoon. The 84-year-old Republican is on trial for failing to report more than $250,000 in gifts and services, largely from the oil-field service company Veco and its chief executive, his former friend, Bill Allen. Most of the gifts are connected to home renovations that doubled the size of the Stevens cabin in Girdwood.

Stevens' wife, who oversaw the financial details of the renovation work, said she assumed that two Veco Corp. employees on the job site in 2000 and 2001 were being paid by the contractor doing most of the work, Christensen Builders.

"He was working with Christensen Builders," Catherine Stevens said of Robert "Rocky" Williams. "He was on the job there. He was paid by them."

Same for David Anderson, another Veco employee working on their home, said Catherine Stevens.

"He was at the job site, I assumed he was working with Christensen Builders," she said.

Both workers were on the Veco payroll, according to earlier testimony. And Catherine Stevens testified that when she sent Williams a thank you gift certificate from Delta Airlines for all his work on their project, she sent it care of Veco's office in Anchorage.

"I don't know why, unless he asked that I sent it there," Catherine Stevens said. "He worked for Veco, I don't know how long."

Earlier in the day, prosecutors wrapped up their cross-examination of Bob Persons, Stevens' longtime friend and Girdwood neighbor, and a defense witness. Stevens' lawyers called him to strengthen their theory that the senator paid all bills he was given in connection with the renovations.

FBI - Stevens-2190

But prosecutors hit Persons hard both Wednesday and Thursday, pointing to inconsistencies in his testimony. When one of Stevens' defense attorneys, Robert Cary, asked Persons about conversations he had with Allen, Persons said he "reminded Bill (Allen) of all the times that the senator had told him that he had to give him bills for anything and everything that was done at that house."

Yet when asked by prosecutor Nicholas Marsh if he ever actually got an invoice from Allen, Persons said no.

One of Stevens' defense attorneys, asked Persons to describe a February 2006 interview with two FBI agents. The interview was very confusing, Persons said. It "reached a point where I don't know whether I was answering questions or he was," Persons said, describing the demeanor of one of the two agents who interviewed him at his home in Girdwood.

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"It was like being mentally water-boarded," Persons said. "The guy was awe. That was the most hateful human being I ever met in my life. That guy made me understand why there's a lot of innocent people in prison."

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Stevens answers charges: 'No sir'

By RICHARD MAUER and ERIKA BOLSTAD
Anchorage Daily News
Published: October 16th, 2008 01:24 PM
Last Modified: October 16th, 2008 03:26 PM

enlarge
Dana Verkouteren / AP
In this artist's rendering, Sen. Ted Stevens, R-Alaska, answer questions from his defense attorney Brendan Sullivan as judge Emmet G. Sullivan looks on at federal court in Washington, Thursday, Oct. 16, 2008. (AP Photo/Dana Verkouteren)

WASHINGTON -- Sen. Ted Stevens took the stand in his own defense this afternoon, asserting in a dramatic and rapid-fire exchange with his lawyer that he has done no wrong.

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"Senator, when you signed those forms, did you believe they were accurate and truthful?" asked his lawyer, Brendan Sullivan.

"Yes sir," Stevens said.

"Did you ever intentionally file false disclosure forms?" his lawyer asked.

"No, I did not," Stevens said.

"Did you ever engage in any scheme to conceal anything from the Senate?" Sullivan asked.

"No sir," Stevens said.

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The 84-year-old Alaska Republican is on trial for failing to report more than $250,000 in alleged gifts and services, largely from the oil field service company Veco and its chief executive, his former friend Bill Allen. Most of the gifts are connected to renovations that doubled the size of the Stevenses' home.

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His testimony, which ended after 20 minutes when court broke for the day, followed that of his wife, Catherine, who also testified as a defense witness:

Stevens is not required to take the stand, and jurors couldn't hold it against him if decided against it, the judge warned him before he began his testimony.

"It's a privilege and a duty," Stevens said just before jurors entered the room to hear his testimony.

Catherine Stevens, a lawyer who appeared calm and poised while her husband's attorney, Robert

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Cary, questioned her, took the stand to help support the defense theory that the Alaska senator had paid all the bills he received in connection with the renovations of their Girdwood home. She often turned and spoke directly to the jury.

Mrs. Stevens, who oversaw the financial details of the renovation, said she assumed that two Veco Corp. employees who were on the job site in 2000 and 2001 were being paid by the contractor that was doing most of the work, Christensen Builders.

"He was working with Christensen Builders," she said of Robert "Rocky" Williams. "He was on the job there. He was paid by them."

Same for David Anderson, another Veco employee who was working on their home, Catherine Stevens said.

"He was at the job site. I assumed he was working with Christensen Builders," she said.

Both workers were on the Veco payroll, according to earlier testimony.

Catherine Stevens also testified that when she sent Williams a thank-you gift certificate from Delta Air Lines for his work on the project, she sent it in care of Veco's office in Anchorage.

"I don't know why, unless he asked that I send it there," Catherine Stevens said. "He worked for Veco, I don't know how long."

Earlier in the day, prosecutors wrapped up their cross-examination of defense witness Bob Persons, Stevens' longtime friend and Girdwood neighbor, who had a power of attorney to obtain a building permit on Stevens' behalf, oversaw the initial construction and handled bills for the family. Stevens' lawyers called him to strengthen their theory that the senator had paid all the bills he was given for the renovations.

Prosecutors grilled Persons, however, pointing to inconsistencies in his testimony.

When Stevens attorney Cary asked Persons about conversations he'd had with Allen, Persons said he "reminded Bill of all the times that the senator had told him that he had to give him bills for anything and everything that was done at that house."

Yet when prosecutor Nicholas Marsh asked Persons whether he ever got an invoice from Allen, he said no.

One of Stevens' defense attorneys asked Persons to describe a February 2006 interview with two FBI agents. The interview was very confusing, Persons said. It "reached a point where I don't know whether I was answering questions or he was," Persons said, describing the demeanor of one of the agents who interviewed him at his home in Girdwood.

"It was like being mentally waterboarded," Persons said. "The guy was awful. That was the most hateful human being I ever met in my life. That guy made me understand why there's a lot of innocent people in prison."

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Sen. Stevens takes the stand

Senator voluntarily testifies in his defense on the same day his wife is cross-examined

By RICHARD MAUER and ERIKA BOLSTAD
Anchorage Daily News

(10/17/08 05:03:20)

WASHINGTON -- Sen. Ted Stevens took the stand in his own defense Thursday afternoon, erasing any doubts that he would finally break his public silence and answer at least some of the allegations of misconduct dogging him for the last two years.

After a day in which Stevens' wife faced sharp cross-examination, the jury returned from a late afternoon recess to see lead defense attorney Brendan Sullivan and Stevens standing at the defense table after everyone else sat down.

The judge summoned the courtroom to order, then Sullivan announced: "We call Sen. Ted Stevens."

With Stevens in the witness chair, his experienced trial attorney wasted no time getting to the central issue of the case: did the 40-year veteran of the Senate disgrace his career by filing false disclosures to hide some $250,000 in gifts between 1999 and 2006.

"Senator, when you signed those forms, did you believe they were accurate and truthful?" asked Sullivan.

"Yes, sir," Stevens said.

"Did you ever intentionally file false disclosure forms?" his lawyer asked.

"No, I did not," Stevens said.

"Did you ever engage in any scheme to conceal anything from the Senate?" Sullivan asked.

"No, sir," Stevens said.

The 84-year-old Alaska Republican is on trial on seven counts of filing false senate disclosures. Most of the alleged gifts were from the Alaska-based oil field service company Veco, now defunct, and its chief executive, Stevens' former friend Bill Allen. Most of the gifts are connected to renovations from 2000 to 2001 that doubled the size of the Stevenses' Girdwood home.

After the brief assertion of his innocence, Stevens' lawyer switched to a gentler line of inquiry: a 20-minute autobiography that began with Stevens' humble Depression-era origins in Indiana, outlined his World War II career flying transports in Asia, and talked about his journey into law and public service. Stevens told the jury about the plane crash in Anchorage that killed his first wife, Ann, and four others. From the stand, Stevens acknowledged the only other survivor of the crash, Tony Motley, a former diplomat who sat with other Stevens supporters in the courtroom Thursday.

Stevens is not required to take the stand, and jurors could not hold it against him if he had decided not to testify, the judge advised the senator before he began his testimony.

FBI - Stevens-2194

But Stevens, a senator since 1968, faces not just jurors in Washington, D.C., but the first competitive race of his Senate career back in Alaska. He has been stuck inside a federal courtroom for the past four weeks while 3,500 miles away, the Democratic mayor of Anchorage, Mark Begich, has been campaigning to replace him.

More than that, he has refused to discuss questions about his own integrity that have arisen since the FBI

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investigation of public corruption in Alaska surfaced with a coordinated series of raids on Aug. 31, 2006.

SENATOR IS ADAMANT ABOUT TESTIFYING

With the jury out, U.S. District Judge Emmet Sullivan asked Stevens and Brendan Sullivan to stand before the bench and answer questions to ensure Stevens understood his right to not testify. Stevens, once a territorial prosecutor in Fairbanks, was adamant about taking the stand.

"It's a privilege and a duty," he said.

The court recessed for the day as Stevens concluded his autobiography. Brendan Sullivan said he had about two hours of questions for his client when testimony resumes this morning, then the prosecution will get its turn.

The case is expected to go the jury early next week.

Stevens was preceded on the witness stand by his second wife, Catherine, who played either a major role or modest role in the renovations, depending on which theory of the case to believe. The defense says she handled the Stevens family finances and oversaw the home, but the government has introduced testimony and scores of e-mails, notes and other contemporaneous documents that show Sen. Stevens himself commenting on details of the Girdwood renovations by Veco employees.

Virtually every day for the first 12 days of trial, the government introduced evidence showing that Veco employees -- particularly electricians and a plumber -- were on the job daily, that the project's two supervisors, Robert "Rocky" Williams and Dave Anderson, were being paid by Veco. Veco provided much of the materials for the renovation and all the later additions and some repairs and furnishings, according to the evidence.

There has been no evidence that the Stevens ever paid Veco a penny for the work.

On the other hand, a parallel work team, from the home-building contractor Christensen Builders of Anchorage, also worked on the job, mainly doing the carpentry. The Stevenses paid more than $100,000 to Christensen -- all but one of their invoices. Christensen's final $13,000 invoice was paid by Allen.

CATHERINE STEVENS STICKS TO HER STORY

In her testimony Thursday, Catherine Stevens acknowledged that Christensen Builders was recommended by Allen. How did she know Allen had enough experience with home contractors to make an intelligent recommendation, she was asked under cross examination.

"He had a firm involved in construction," she said.

What kind of construction?

"I don't know what he did," she said.

Does he build houses?

Stevens replied that Allen's firm works on the North Slope, there were houses on the North Slope, so therefore he might have built houses.

Every other witness to testify about Veco's scope of expertise said it only encompassed oil-field, industrial and commercial work, though some employees had prior residential experience.

Catherine Stevens acknowledged that Williams and Anderson worked on the project but asserted that she believed they were being paid by Christensen -- even though she said she knew they were Veco employees before, knew they were Veco employees later, and sent mail to Williams at the Veco offices.

"He was working with Christensen Builders," she said of Williams. "He was on the job there. He was paid by them."

The same was true for Anderson, s[illegible] added. She said she assumed she w[illegible] paying their wages in the Christensen bills she paid.

She was the only witness in the case to offer such a theory.

Catherine Stevens, also an attorney and former prosecutor, stuck to her story even under cross examination by the lead trial attorney for the government, Brenda Morris. She professed to not know anything or have any curiosity about the man who drew the architectural plans, a Veco engineer, including whether he was qualified. She said she had no idea how a large deck appeared on the new first floor of her house a year after Christensen Builders finished their job -- work done by Veco.

"I don't know who built the deck," Catherine Stevens said. "We paid for the deck, I thought."

"Weren't you responsible for paying the renovations at the chalet?" Morris asked. "Who sent you a bill you thought was paid?"

Stevens' wife said she called the bookkeeper in her husband's Senate office to see if a bill had come in, but then said, "I forgot about it" and never followed up.

'IT WASN'T MY FURNITURE'

Under direct testimony, Catherine Stevens continually expressed anger over things she found in her house or that were added in construction -- items that came from Allen. There was the grated steel steps, built at great expense by Allen's nephew, Anderson, so snow would fall through and not have to be shoveled.

What was her reaction when she saw it?

"I was extremely angry," she told defense attorney Robert Cary. She wanted wood.

What about the steel platform at the bottom of the steps?

"I was extremely upset because they were very dangerous," she said.

How about the big Viking grill that Allen's employees bought and installed on her deck with a crane?

"I was angry because I did not know how it got there." For some reason, though natural gas was plumbed throughout her house, the fact that the grill used gas also made her angry -- and fearful of fire.

"I did not want any kind of gas anything," she said.

How about the furniture Allen gave to her from the apartment he was leaving?

"I was a very unhappy person when I saw it in my chalet," she said. "It wasn't my furniture, and my furniture wasn't there."

Under cross examination, she couldn't explain why, after seven years, she never got rid of the furniture she disliked so much, or why she didn't demand the contractors take out the steel stairs, or tell Allen to get rid of the grill.

"You make close to a half million dollars a year, why can't you get that out of there?" Morris asked. "Why does Bill Allen have to get it out of there?"

She said it belonged to Allen.

"Then send it to the dump!" Morris said. "He doesn't know any better."

Morris, through her questions, portrayed Catherine Stevens as a wealthy Washingtonian who treated Stevens' office staff like servants. Stevens aide Barbara Flanders maintained her checkbook, Stevens acknowledged,

paying her bills from Nordstrom, Neiman Marcus and Sacks Fifth Avenue.

"She was your human ATM machine," Morris said, getting cash when she needed and sending it home in Sen. Stevens' briefcase.

Contact the reporters: rmauer@adn.com and ebolstad@adn.com.

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Stevens bristles under cross-examination

By ERIKA BOLSTAND and RICHARD MAUER
Anchorage Daily News
(10/17/08 15:38:05)

WASHINGTON - Throughout his four-week corruption trial, Sen. Ted Stevens has sat quietly, listening to testimony from tradesmen about free home repairs and gifts, silent as the star witness told jurors that the Alaska Republican was merely "covering his ass" when he asked for bills.

But by late this afternoon, jurors had gotten a taste of the cranky 84-year-old senator who once called himself "the meanest man in town."

"Aren't these e-mails really what you're doing, you're covering your bottom?" asked Brenda Morris, the lead Justice Department prosecutor on his case, asking Stevens about how he handled a 2004 press inquiry into who paid for his renovations.

"My bottom wasn't bare," Stevens snapped back.

Stevens spent a grueling day on the witness stand, beginning with his lawyer guiding him through nearly four hours of testimony in the morning and early afternoon. In the final hours of the day, Morris spent more than an hour on follow-up questions.

The senator stuck with the two prevailing themes of his defense: that he wanted none of the gifts he had been given, and that his wife was responsible for the home renovations that led, in part, to his federal indictment. Stevens is accused of failing to disclose more than $250,000 in gifts - including free labor - that helped double the square-footage of his modest A-frame cabin in Girdwood.

Stevens, whose 40-year career in the Senate has given him a temperament more accustomed to being the one doing the questioning, bristled at having to wait to be asked. He wasn't always able to control himself, and he made his disdain for Morris clear by occasionally responding to her questions with inquiries of his own.

"I think you better rephrase your question; your question is tautological," he lectured Morris in response to a question about renovations to his deck.

Stevens testified he and his wife wanted none of the gifts and that they were especially annoyed when they returned to their newly renovated home in 2000 and found that Bill Allen, the chief witness against him, had replaced their furniture with used stuff of his own.

FBI - Stevens-2198

"If you didn't want all these items, why didn't you just ask for your key back?" Morris asked. "Why didn't you take away his key?"

"He was a good friend, and I trusted him," Stevens said of Allen, former chief of Veco Corp., an oilfield-services company and one of the largest private employers in Alaska. "He did things I didn't like and I asked him to change and he said he would. But he didn't."

Earlier in the day, under questioning by his own lawyer, Stevens had accused Allen of lying to jurors about conversations the two had when they were still friends.

Allen testified earlier in Stevens' corruption trial that he never gave Stevens invoices for work done on the senator's home in Girdwood, even though Stevens asked for them. Allen, who pleaded guilty last year to bribing Alaska state lawmakers, agreed to testify in Stevens' trial and two others in exchange for leniency in his own sentencing.

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Stevens disputed Allen's account of a 2006 conversation in Arizona, where they were both vacationing on their annual "boot camps" - get-togethers in which they would drink wine and walk in the desert to shed weight. Allen testified that he and Stevens talked about the need for the senator to receive invoices for the Veco work on the house. But Stevens denied the conversation.

"That's just an absolute lie - I heard it," Stevens said, referring to Allen's courtroom testimony. "It's just an absolute lie."

Stevens also disputed Allen's account of a conversation the two had in Alaska at a restaurant owned by a mutual friend in Girdwood. Stevens told him he was aware that his friend had done more work on the house than he was letting on, Allen testified.

That was "another falsehood," said Stevens.

Stevens also expanded on the "teepee" theory his lawyer, Brendan Sullivan, first introduced in the opening day of the trial. His wife was responsible for everything inside the teepee, Stevens said.

"What goes on inside" was up to Catherine, Stevens said. "Outside is my business."

When Stevens described his initial vision for renovating their cabin by adding a garage and a bunkroom on the first floor, he testified that it wasn't what his wife wanted and, therefore, they came up with a more elegant design.

"When she said she didn't like that plan, there was a new plan, and there was no argument," Stevens said. "And I wasn't unhappy about it. I was happy about that."

Catherine was in charge of all of it, Stevens testified. She obtained the line of credit, maintained the checkbook for their house-related expenses and received all of the bills. She paid them all too, Stevens said.

"She got all the bills and paid all the bills," he said.

Yet Stevens himself demonstrated extensive knowledge of how much money was going into the project. He asked his old law school friend, George Reycraft, to dissolve a trust worth about $50,000 to devote to the renovations. He instructed his bookkeeper to open up a bank account with $10,000, and he and his wife took out a line of credit together.

Stevens - and not his wife - also met with the Veco engineer who drew up the plans for the house. Once the drawings were complete, he wrote a note to the engineer asking for a bill, telling him that "under Senate rules, I must pay you for what you have done," and adding, "Now I want you to give us a bill for your work."

He never got a bill from Veco or the engineer, John Hess, Stevens testified today, and could not find any record of Hess replying to his letter.

Stevens' wife had a differing version of the story Thursday, when she testified. Hess' design was drawn up before they hired their main contractor, Christensen Builders, but Catherine Stevens testified she thought they were paying for the plans through Christensen Builders.

"I assume that it was part of the contract when we were paying for the construction of the chalet," she testified Thursday.

"You just took a drawing from someone you never met?" asked the prosecutor.

"Yep," said Catherine Stevens.

The trial, which began Sept. 22 with jury selection, is likely to conclude Monday.

The jury could begin deliberations as soon as Tuesday.

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Senator spars with prosecutor

STEVENS TRIAL: He says he concealed nothing: There was nothing to conceal.

By ERIKA BOLSTAD and RICHARD MAUER
Anchorage Daily News

(10/18/08 03:57:34)

WASHINGTON -- As it was, the witness chair was an unfamiliar venue for the senator of 40 years. But the aggressive, hostile questions Friday from a senior government prosecutor landed hard on Sen. Ted Stevens, famed for his short fuse.

Baited with rapid-fire challenges to his integrity, honesty and credibility, Stevens mainly answered "yes" or "no" before a jury that will soon be judging him, and keeping to his story that he didn't believe he received any gifts from the oil-field service company Veco or its chairman, Bill Allen.

Earlier Friday, questioned by his own attorney, Stevens dismissed earlier testimony from Allen that the senator once acknowledged owing the Veco boss money for the work. He called what Allen said in court "an absolute lie."

By late Friday afternoon, jurors had gotten a taste of the testy 84-year-old senator, who once called himself "the meanest man in town."

"Aren't these e-mails really what you're doing, you're covering your bottom?" asked Brenda Morris, the lead Justice Department prosecutor on his case, asking Stevens about how he handled a 2004 press inquiry into who paid for his renovations. The question referred back to the most memorable line of the trial, when Allen testified Oct. 1 that Stevens was just "covering his ass" in asking for invoices he had no intention of paying.

"My bottom wasn't bare," Stevens snapped back at Morris.

Stevens spent a grueling day on the witness stand, beginning with his lawyer guiding him through nearly four hours of testimony in the morning and early afternoon. Morris spent more than an hour on follow-up questions before the trial recessed for the weekend. Stevens is scheduled to be back in the witness chair Monday morning.

Stevens is charged in a seven-count felony indictment with lying on Senate disclosure forms from 1999-2006 by failing to report gifts, services and other benefits. Most were from Veco or Allen, both deeply involved in the renovations on Stevens' official residence in Girdwood starting in 2000.

Stevens' veteran defense attorney, Brendan Sullivan, spent most of the direct examination going over the list of alleged gifts item by item, with Stevens' specific refutation.

E-MAIL EVIDENCE

FBI - Stevens-2200

The process, used by both prosecution and defense, has become almost a rite: The witness, in this case Stevens, is directed to read a passage in an e-mail or note projected on monitors throughout the courtroom, including a large number of flat-screen panels shared by jurors. Often the same correspondence is used by the opposing side, only with different emphasis.

By now, some jurors could probably recite by heart the first three sentences of Government's Exhibit 509. It's come up with both Allen and Stevens to prove the government's case that Stevens knew about the work Veco did on his home, and by the defense to prove Stevens' intentions were honest.

The exhibit is a handwritten note from Stevens to Allen on Nov. 8, 2002 -- a few days after Stevens won his sixth full term.

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"Many thanks for all you have done to make our living easier and our home more enjoyable. The Christmas lights top it all -- our 80-foot tree lighted to the highest point!"

The lights, in fact, have turned into a key matter of contention. Veco installed hundreds of feet of rope lighting on the house, then built an underground cable to the spruce and installed two electric boxes and weather-proof outlets on the trunk. Veco workers ran the lights up the tree using a boom truck.

Despite the note, Stevens said he didn't like the lights and only wanted Allen to find someone to put up his own small colored lights he stored in his garage. Some of the strands he bought at post-Christmas sales, he said.

The third sentence in Government Exhibit 509 is: "Don't forget we need a bill for what's been done at the Chalet."

Stevens never got a bill from Allen.

UNWANTED 'GIFTS'

The tedious list of refutations by Stevens during his direct examination became quick fodder for Morris when she opened her cross examination with a jolt.

You didn't want the rope lights, she asked.

That's right, said Stevens.

You didn't want the first-floor deck?

I said I didn't expect it, corrected Stevens.

You didn't want the plastic roof over the deck?

I didn't know about that, said Stevens.

You didn't want the steel staircase?

No.

You didn't want the gas grill?

No.

You didn't want the fish statue?

No.

You didn't know about the repairs to the garage?

I did.

You didn't want the big black furniture?

No.

You didn't want the tools?

No.

Stevens said all those items appeared without him asking, starting in 2001. He couldn't stop Allen from giving

them to him.

"If you didn't want all these items, why didn't you ask for the key back?" Morris said.

"Because we were still friends," Stevens said. "He was still using the place more than I was."

"You were the 'Lion of the Senate,'" she said, a sarcastic reference to character witness testimony earlier in the week by Sen. Orrin Hatch. "But you didn't know how to stop a man from putting stuff in your place?"

"He was a good friend," Stevens again said of Allen.

"He did things I didn't like and I asked him to change and he said he would," Stevens added later. "But he didn't."

JUNK-YARD STAIRCASE

Stevens continually denied knowing that Veco itself provided any material or labor. But pressed on the grated steel staircase, custom-welded by Allen's nephew, Stevens said that Allen told him it came from the junk yard after it was removed from an oil platform

Did Allen have a junk yard in his home, Morris asked, or was it Veco's junk yard?

Stevens said he figured its cost was folded into the bills his wife actually paid to one of the contractors, Christensen Buildings. The owner of the company had earlier testified he had nothing to do with the staircase.

Over the course of the trial, the Washington jury has had a crash course in Alaskaology: the state's vast distances and regions, its unique Native corporations, dog mushing, the Kenai River and salmon fishing, the conflict between sport and commercial fishermen, Girdwood weather, roof glaciation and heat tape, moose on the highways, time zones, Statehood, the unending number of people planning to came to Alaska for a year or two only to stay for decades, and lots more.

Stevens added two new ones.

While Stevens made several requests for bills over the course of the cabin renovation, Morris noted, why didn't he ever ask for the price? The Veco architect who drew plans -- Stevens sent him a note at his Veco office, asking for a bill. Yet Stevens never asked, before or after, how much the plans would cost -- if he was serious about paying, why did he not get an estimate first, Morris asked.

"I don't ask him about his hourly wage. I just asked him for his bill. That's the Alaska way," Stevens said.

Did he check the architect's references, see whether he was licensed? No, said Stevens, he trusted Allen's recommendation.

Did he see whether the architect was bonded?

FBI - Stevens-2202

"We don't require anyone to have a bond," Stevens said. "That's not the Alaska way."

The architect, John Hess, was a Veco engineer who testified that he drew up the plans on company time. Hess said he wrote Stevens back that he couldn't charge for his time -- Stevens would have to pay Veco, he said.

Stevens said he never got that reply from Hess.

Stevens bristled at times during the cross-examination, having to wait for a question before he could reply. Sometimes the judge intervened. Stevens showed his disdain for Morris' questions by occasionally responding with inquiries of his own.

"I think you better rephrase your question, your question is tautological," he lectured Morris in response to a question about renovations to his deck.

And for a brief moment, Stevens and Morris traded roles.

Morris said he knew he was getting gifts when he sought a bill.

"If it's a gift, why did I ask for a bill?" said Stevens, redirecting the question to Morris.

"To cover your butt," she replied.

"That wasn't fair, ma'am," Stevens said.

WORKING ARRANGEMENTS

Earlier in the day, under questioning by his own lawyer, Stevens had accused Allen of lying to jurors about conversations the two had when they were still friends.

Allen testified earlier in Stevens' corruption trial that he never gave Stevens invoices for work done on the senator's home in Girdwood, even though Stevens asked for them. Allen, who pleaded guilty last year to bribing Alaska state lawmakers, agreed to testify in Stevens' trial and two others in exchange for leniency in his own sentencing.

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Which Stevens will jurors judge?

ARGUMENTS: Attorneys present

By ERIKA BOLSTAD and RICHARD MAUER
Anchorage Daily News

(10/21/08 20:35:23)

WASHINGTON — The man Alaskans have chosen to represent them in the U.S. Senate for 40 years was decried by prosecutors Tuesday as mean-spirited, sputtering liar who is so lacking in character that he'd blame anyone — including his wife — to avoid shouldering responsibility himself.

Not so, countered defense attorney Brendan Sullivan: "They ask you to brand him a criminal, tarnish everything he's done for 84 years, despite the fact the evidence is unrefuted that he's an honorable, truthful man."

Thus two visions of Sen. Ted Stevens, 84, clashed in sharp relief as a federal jury heard six hours of closing arguments in his disclosure trial. Stevens, who's running for re-election, is charged in a seven-count indictment of lying year after year about gifts and benefits on his official Senate disclosure statements.

The central item is the renovation of his house in Girdwood from 2000 to 2001, in which the oil-field service company Veco, under chairman Bill Allen, provided substantial labor and material.

But the government also brought in evidence of other gifts from 1999 through 2006 from Allen, Veco, and friends Bob and Jeanie Penney and Bob Persons, owner of the Double Musky restaurant in Girdwood. They include a powerful back-up generator, an outdoor gas range, an expensive massage chair, a puppy of sled-dog pedigree, a stained glass window, furniture, tools and home repairs and improvements.

U.S. District Court Judge Emmet Sullivan said he will deliver about two hours of instructions to the jury this morning before it retires for deliberations. Then, after a trial spanning nearly a month, the waiting begins.

Under court rules, prosecutors had two shots for their arguments, with the defense sandwiched in the middle. Each side had three hours to make its case.

GOOD FRIEND NAMED ALLEN

Joe Bottini, an assistant U.S. Attorney from Anchorage on loan to the Justice Department's Public Integrity Section in its broad investigation of public corruption in Alaska, began the government's case with a soft-spoken, methodical rendition of its evidence.

Bottini re-introduced the players in the drama, leading with Allen.

FBI - Stevens-2204

"Ted Stevens had a good friend and his name was Bill Allen," Bottini said. Stevens knew that Allen would give him "hundreds of thousands of dollars of free benefits," Bottini said.

Bottini cut to a short audio clip of Allen and Persons talking in a wiretapped conversation.

"Ted gets hysterical when he has to spend his own money," Persons told Allen. "The flip side of it is, he can't really afford to pay a bunch of money."

That's where's were Allen came in, Bottini said.

"Bill Allen was rich, Bill Allen was generous — Bill Allen was not hysterical about spending his own money," Bottini told the jury.

-871 194A-AN-13620-M

The case starts in 1999, when Stevens, fearful of a Y2K power failure, asked Allen to "hook up" a generator.

In his testimony, Stevens said he meant he wanted Allen to rent a small portable unit just for the period around New Years Eve. What he got was a generator that was lifted with a crane, installed in a permanent shed and wired to the house with an automatic switch that started up if the power went off — a $6,000-plus set-up. The next fall, when Veco began working on his addition, it moved the generator to the other side of the house and put in a new transfer switch with double the rating.

Stevens knew full well what he got, Bottini said, and never told Allen to get rid of it, or made an offer to pay for it. Yet he never listed the generator as a gift.

"He disclosed nothing because he didn't want anyone to know," Bottini said. "Can you imagine what the press would have done if he put it on that form? It would have been front-page news." The pressure from the public would have put a stop to any more gifts, Bottini said.

Bottini went through the list of smaller items. Anticipating that the defense might ridicule the prosecution for "making a federal case about this dog," Bottini explained that the dog showed how Stevens engineered a cover up in 2004.

"The case isn't about the dog. It's about what he did," Bottini said.

'CLASSIC COVER-UP'

According to testimony, Stevens was ogling a blue-eyed, white-fur husky puppy at the Kenai River Classic charity auction in 2003. He made an early bid, but Penney, an Anchorage real estate developer with a passion for Kenai River sportfishing, won the dog for $1,000. Stevens ended up with the dog anyway. The following May, when he was preparing his disclosure, he sent e-mails to Penney and others suggesting that he couldn't accept the dog as a $1,000 gift because that was over the gift limit.

"He calls it his, pardon me, his 'goddam' disclosure form," Bottini said, quoting one of the e-mails. "That pretty much displays his attitude."

By the time Stevens filled out his disclosure, it became a $250 gift. How? Penney claimed he donated the $1,000 dog not directly to Stevens but to the Kenai River Sport Fishing Association. The association then donated the dog to Stevens, who listed it as a $250 present — a value within the Senate rules.

"This is a classic cover-up, ladies and gentlemen," Bottini said. "What they tried to do is structure a story so that he launders the dog through the Classic."

While the dog and other gifts played out among his small circle of friends, the home remodel was something else: It took place in public and required specialist contractors who couldn't be trusted — or who may not want to give Stevens anything, Bottini said.

The solution? Have a mix of contractors paid by Stevens and workers from Veco — 19 in all — paid by Allen. As Bottini spoke, the names of the Veco workers appeared on a monitor.

FBI - Stevens-2205

Stevens and his wife paid about $160,000 to the contractors. The value of Veco's work, even after the judge removed some of the evidence, was at least $100,000, Bottini said.

Even if Veco didn't do the most efficient job because it specialized in oil field construction, so what. "He knew that the price was right — he was going to get this work for free," Bottini said.

'INNOCENT MAN'

Stevens' lawyer, Sullivan, accused prosecutors of offering a "twisted" account of Sen. Ted Stevens' life over the past eight years. He told jurors that "you have an innocent man on your hands" and that government investigators have exaggerated the case against the Republican senator.

"If you look at life through a filthy, dirty glass, then the whole world looks dirty," Sullivan said of the corruption

case that the Justice Department brought against Stevens. "You have here evidence that this is a very decent man. Would he be involved in a conspiracy, year after year, covering up?"

Sullivan, famous for his courtroom theatrics, modulated his voice, rising from shouts of outrage with his arms pumping over his head to soft-spoken, almost intimate conversation. At one point, jurors in the back row stopped him and said they couldn't hear his words.

Sullivan reminded jurors that in a case such as this, where Stevens' truthfulness is at stake, they can take into account the testimony of character witnesses. A parade of character witnesses, including Gen. Colin Powell, testified to Stevens' truthfulness, character and integrity earlier in the trial.

"The law thinks that a good life is worth something," Sullivan said. "It permits that kind of evidence so that you can rely upon it when you have to go in that room to make a decision that affects his life." Sullivan also used his time to focus on the same themes that he worked to elicit from Stevens himself when the senator took the stand in his own defense in the final three days of the trial.

Stevens maintained throughout his own testimony that he didn't want the things he was given and that he never received bills for some of the work done on his home, even though he asked for invoices. He placed the blame on his wife, Catherine, saying repeatedly that she was responsible for overseeing the renovations that led, in part, to his federal indictment.

"They believed they paid their debts and they didn't think they were getting anything for free," Sullivan said.

Sullivan ridiculed the government's case as an effort to paint Stevens as "some mastermind of conspiracy."

"Honest, truthful men like that don't engage in six-year conspiracies," he said.

On the other hand, Allen, the government's chief witness, had a strong motive to lie, Sullivan said. Allen was protecting his family in the deal he made with the government when he pleaded guilty to bribing state legislators, he said. In the deal, the government agreed to not prosecute his son, Mark, or any other family member.

"What will a man say on the witness stand to prevent his children from being charged?" Sullivan suddenly thundered in the courtroom. "Have you ever heard of a motive to lie worse than holding your family and son hostage?"

'STAND UP TO HIM'

Look beyond his title of senator, said Brenda Morris, the lead Justice Department prosecutor on the case, as she concluded the government's closing arguments.

"I ask you to do something that very few people have done," Morris said, recalling Stevens' sometimes snarling responses to her cross examination. "Stand up to him. Behind all that growling, and all those snappy comebacks and that righteous indignation, he's just a man. He should stand up and take responsibility like everyone who comes into the courtroom. Make him responsible."

Stevens was eloquent on the stand when he spoke of his own accomplishments, Morris said. But when he was asked about the renovations, she said, "he started stuttering and sputtering. Because he can't answer that because what he was telling you nonsense."

More than the other two lawyers, Morris tried to connect personally with the jury, asking them to think what it would be like to talk about the case in a friend's kitchen.

"Don't leave your common sense at the door," she said.

Recalling all the times Stevens said that he was surprised to find items left by Allen, Morris said: "Maybe since the defendant lives so close to the North Pole, maybe Santa and his elves came down and did this work and completed it. He had no idea."

Stevens said his wife managed the construction project, but the testimony only showed her writing checks and

making some minor decorating de ns, Morris said.

"Why all the sudden now is Catherine going to be responsible for this renovation? She's the mover and shaker on this? All you see her name associated with is the starfish knobs and paint," Morris said. "He testified here on Friday that his wife explained herself quite well," Morris said of Stevens. "That woman, Catherine Stevens, is still recovering from the bus he threw her under."

Through most of her presentation, Stevens sat with his eyes closed, his face gray. How could Stevens not be able to stop Allen from giving him things, she said.

"He didn't know how to get his key back?" she asked, reminding the jury that even after he changed the locks, he gave Allen the new key. "He didn't know how to stop a crazy man from putting stuff all up in his house?"

She said Stevens kept changing his story as his needs changed.

"What is consistent is that everyone is to blame but the defendant," she said. It was Bill Allen's fault. It was his wife's fault. It was his secretary's fault. It was the fault of Veco employees.

"This is a lawyer. This is a man who knows details. And it's everyone's fault but his," she said.

Contact the reporters: rmauer@adn.com and ebolstad@adn.com

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Stevens' defense rests

TRIAL: Senator is last witness; final arguments are scheduled for today.

By RICHARD MAUER and ERIKA BOLSTAD
Anchorage Daily News

(10/21/08 00:36:26)

WASHINGTON -- The defense rested Monday in Sen. Ted Stevens' disclosure trial after the Alaska senator spent another tense, and at times contentious, three hours in the witness chair.

For the second day, Stevens was confronted with contradictions in his story by the lead prosecutor in the case, Brenda Morris. If Stevens didn't consider furniture from Veco chairman Bill Allen a gift when he received it in 2001, for instance, why did he offer it to his son Ben in 2005?

Stevens replied that he never owned the furniture.

How about the $2,695 massage chair that Girdwood neighbor and Double Musky owner Bob Persons had delivered to Stevens' Washington home in 2001 and intended it to be a present, based on e-mails Persons sent when he first attempted to get the chair?

It was not a gift, Stevens said. It belongs to Persons. It's just been in his house in Washington for seven years.

"I told him I would not accept is as a gift," Stevens said. "We have lots of things in our house that do not belong with us."

Then how about the e-mail in December 2001 which Stevens sent to Persons, Morris asked. "The chair arrived and it's great, you can't tell him how much you enjoyed it. Why are you thanking him for a loan?" she asked.

"Because that's what he said it would be," Stevens replied.

In fact, Stevens said, he planned to ship the chair back to Persons in Alaska with other furniture from Washington to use in the Girdwood house, but there wasn't any room in the "chalet" -- the place was filled with Allen's stuff, he said.

Where was his original furniture?

"Bill Allen stole our furniture and put his in our chalet," Stevens said.

"Why didn't you call the police?" Morris asked.

FBI - Stevens-2208

"It never crossed my mind to call the police at that time," Stevens said. "I might now."

CLOSING ARGUMENTS TODAY

U.S. District Judge Emmet Sullivan sent the jury home at lunchtime with instruction to return for closing arguments at 9:30 a.m. today.

Both sides were planning three hours each to sum up their case. Sullivan then plans to instruct jurors in the law Wednesday morning before identifying and dismissing the four alternates and sending the remaining 12 to the jury room for deliberations.

Even as his trial unfolded over the last month in a courtroom in Washington, Stevens' surrogates have been running his re-election campaign for a seventh full term 3,500 miles back in Alaska against Anchorage Mayor

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Mark Begich, a Democrat.

But each day that passes without a verdict is one day closer to the Nov. 4 election with the central question in the Senate race -- Stevens' guilt or innocence -- unanswered.

Stevens, a Republican, had sought an early trial date hoping he could face voters riding the crest of a not-guilty verdict. But with 15 days of testimony and additional time spent on legal wrangling, the case will get to the jury just two weeks before the election. Lead prosecutor Brenda Morris from the Justice Department's Public Integrity Section began her cross-examination of Stevens on Monday where she left off Friday: the free stuff that appeared at his home in Girdwood from Bill Allen, the chairman of the oil-field service company Veco and a big-time Republican contributor. Stevens and wife Catherine said they didn't ask for the furniture that Allen brought from his old apartment in Anchorage in 2001 -- hated it, in fact.

The furniture was never listed as a gift on Stevens' disclosure forms, a Senate requirement for presents over $260 that year.

The government charges that Veco, Allen and other Alaska friends of Stevens gave him at least $250,000 in gifts and other benefits from 1999 to 2006. The gifts themselves weren't illegal, prosecutors say. Rather, it was Stevens' cover up -- his alleged failure to report them, they said. His motive? Keep Alaska voters in the dark so they wouldn't question his ethics, prosecutors said.

FURNITURE, SERVICES AND BEN STEVENS

Stevens has offered a variety of explanations for why he committed no crime. He thought he paid for some of the services, like the major renovations of his Girdwood home from 2000-2001, and some of the Veco-provided maintenance and repairs that followed. Some things he never wanted and when they arrived, he didn't use. Other items were loans, he said.

"The big, black leather furniture that Bill Allen left at your house -- do you recall?" Morris asked when her cross examination resumed Monday.

"Yes," Stevens said.

"With the cigarette burns?" said Morris.

"That's correct," said Stevens.

"It remains there?" said Morris of the furniture that arrived in 2001.

"Yes," said Stevens.

Morris showed Stevens an e-mail he sent to Allen on July 14, 2005.

"Ben and Elizabeth are looking at a larger house," the e-mail said. "We told them if they got one we'd let them have the black furniture you brought to the Chalet. I hope that is OK. Is the old stuff we had still in the warehouse?"

FBI - Stevens-2209

Morris asked Stevens, "You're trying to regift the furniture that's so hideous to your son, isn't that correct?"

"No," said Stevens

That's the same Ben Stevens who got $243,000 from Veco, Morris asked, referring to a brief reference earlier in the case to "consulting fees" Veco paid to Ben.

"He worked for Veco, I don't know how much money he got," Stevens said.

The same Ben Stevens who made $715,000 from the Special Olympics? Morris said, referring to what she earlier said were newspaper reports of Ben Stevens' salary when he ran the Anchorage committee putting on the winter

games in 2001.

Stevens said he didn't know how much his son was paid.

Why would Stevens give furniture to his son that he didn't own in the first place, Morris asked.

Referring to the e-mail to Allen, Stevens replied, "Why would I ask for permission if it's a gift to me?"

That brought an admonishment from the judge to him: "Answer the question, sir."

'GO RIGHT AHEAD WITH YOUR QUESTIONS, MISS'

On Friday, Stevens, famous for his testiness, answered many questions with questions of his own, but the judge's rebuke seemed to have had an effect Monday.

Stevens answered most the questions with "Yes, ma'am" or "No ma'am," but a few times he curtly called Morris "Miss."

For instance, when Morris was questioning him about his possession of a $29,000 fish sculpture on his deck that he claimed was a gift to his future senatorial library "when I'm gone," he said, "It belongs to the foundation. ... You go right ahead with your questions, Miss."

At one point in her cross examination, Morris tried setting a trap for Stevens over who was paying the salary of Rocky Williams, the Veco supervisor on the Girdwood remodeling project. The evidence in the trial was that Williams was paid by Veco, making his work a gift to Stevens. But did Stevens know that when he compiled his disclosure forms for the years 2000 and 2001?

In late September 2000, when work on the house was well under way with Williams and other Veco workers framing the addition that doubled the size of the house, Allen recommended Stevens hire Christensen Builders of Anchorage, owned by Augie Paone, for carpentry and cabinet work. From then until around March 2001, Catherine Stevens paid Christensen more than $100,000 for the work -- less than half the total cost of the project, according to the government.

Catherine Stevens earlier testified that she assumed she paid Williams' salary through Christensen's bills -- even though she knew he worked for Veco before and after the project and received mail at Veco's headquarters during the project.

With Ted Stevens on the stand, Morris began a methodical display of e-mail messages received and sent by the senator that referenced Williams. Most were from Persons, who kept his eye on the project for Stevens.

On July 20, 2000, Persons wrote Stevens, "Rocky will begin the (addition) drawings Friday and hopefully will have them for me on Monday."

Aug. 23, 2000: "I kind of torment Rocky to keep him concentrating on the chalet rather than all the projects Bill keeps him working on."

FBI - Stevens-2210

Sept. 10, 2000: "I can't emphasize enough how much and how well Rocky does, Bill has a true gem there. The guy works seven days a week on Bill's projects."

Sept. 11, 2000: "Rocky is pretty impatient to get the plywood on the walls because the north wind is beginning to blow."

"There's no mention of Augie in this e-mail and there's no Christensen Builders at this point, is there?" Morris asked.

"No," said Stevens.

She repeated the question after several more e-mails. Just who is Williams working for, she asked?

Stevens acknowledged that sometimes Williams worked for Veco. "But working on my house, he's working for me." Stevens said he had no idea how he paid Williams -- that was his wife's department.

"Catherine paid for the work that was done at our house, she paid the bills and that's all there is to it," Stevens said, in what ended up being the final words by the final witness in his trial.

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Testimony ends in Stevens trial

Testimony ends in Stevens trial

By RICHARD MAUER and ERIKA BOLSTAD
Anchorage Daily News

(10/20/08 17:52:03)

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For the second day, Stevens was confronted with contradictions in his story by the lead prosecutor in the case, Brenda Morris. If Stevens didn't consider furniture from Veco chairman Bill Allen a gift when he received in 2001, for instance, why did he offer it to his son Ben in 2005?

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How about the $2,695 massage chair that Girdwood neighbor and Double Musky owner Bob Persons had delivered to Stevens' Washington home in 2001 and intended it to be a present, based on e-mails Persons sent when he first attempted to get the chair?

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"I told him I would not accept is as a gift," Stevens said. "We have lots of things in our house that do not belong with us."

Then how about the e-mail in December 2001 which Stevens sent to Persons, Morris asked. "The chair arrived and it's great, you can't tell him how much you enjoyed it. Why are you thanking him for a loan?" she asked.

"Because that's what he said it would be," Stevens replied.

In fact, Stevens said, he planned to ship the chair back to Persons in Alaska with other furniture from Washington to use in the Girdwood house, but there wasn't any room in the "chalet" - the place was filled with Allen's stuff, he said.

Where was his original furniture?

"Bill Allen stole our furniture and put his in our chalet," Stevens said.

"Why didn't you call the police?" Morris asked.

FBI - Stevens-2212

"It never crossed my mind to call the police at that time," Stevens said. "I might now."

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Both sides were planning three hours each to sum up their case. Sullivan then plans to instruct jurors in the law Wednesday morning before identifying and dismissing the four alternates and sending the remaining 12 to the jury room for deliberations.

Even as his trial unfolded over the last month in a courtroom in Washington, Stevens' surrogates have been running his re-election campaign for a seventh full term 3,500 miles back in Alaska against Anchorage Mayor Mark Begich, a Democrat.

194A-AN-213670-M

But each day that passes without a verdict is one day closer to the Nov. 4 election with the central question in the Senate race - Stevens' guilt or innocence - unanswered.

Stevens, a Republican, had sought an early trial date hoping he could face voters riding the crest of a not-guilty verdict. But with 15 days of testimony and additional time spent on legal wrangling, the case will get to the jury just two weeks before the election. Lead prosecutor Brenda Morris from the Justice Department's Public Integrity Section began her cross examination of Stevens on Monday where she left off Friday: the free stuff that appeared at his home in Girdwood from Bill Allen, the chairman of the oil-field service company Veco and a big-time Republican contributor. Stevens and wife Catherine said they didn't ask for the furniture that Allen brought from his old apartment in Anchorage in 2001 - hated it, in fact.

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For instance, when Morris was questioning him about his possession of a $29,000 fish sculpture on his deck that he claimed was a gift to his future senatorial library "when I'm gone," he said, "It belongs to the foundation... You go right ahead with your questions, Miss."

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FBI - Stevens-2214

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"No," said Stevens.

She repeated the question after several more e-mails. Just who is Williams working for, she asked?

Stevens acknowledged that sometimes Williams worked for Veco. "But working on my house, he's working for me." Stevens said he had no idea how he paid Williams - that was his wife's department.

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Stevens gets help from some friends

TEXAS SENATOR: Kay Bailey flies in to help with campaign.

By TOM KIZZIAtkizzia@adn.com

(10/22/08 02:36:34)

Sen. Ted Stevens had another proxy campaigner in Alaska on Tuesday.

Sen. Kay Bailey Hutchison of Texas flew into Anchorage for the day for a short meeting with 14 invited businesswomen, followed by a press conference, a reception and a trip back to Ted Stevens Anchorage International Airport.

Her message, delivered alongside Sen. Lisa Murkowski: "Within the Senate family, there is great support for Ted Stevens." Alaska's senior senator has played an important role in building up the military, said Hutchison, who sits with Stevens on the Senate Appropriations Committee.

Stevens has been tied up in court in Washington, D.C., of course, unable to campaign but generating plenty of headlines. Stevens has put up a spirited defense against charges that he did not report gifts from the oil field services company Veco.

His two Republican surrogates in Anchorage Tuesday were asked if their support would extend to voting to seat Stevens in the Senate if he were convicted but managed to win re-election anyway. Hutchison said it would be premature for the Senate to reject him because Stevens would surely appeal any conviction — "for one thing, because the trial was not moved (to Alaska) to give him the right to a jury of people who understand."

Murkowski said there would be other grounds for an appeal, based on what she has read in press accounts: "Alaskans can see the prosecution failed, blundered in numerous instances . . . For us in the Senate to be acting before it's over one way or another is probably premature."

Hutchison said she can feel what Stevens is going through because she went through something similar. In 1993, when she was first elected to the U.S. Senate, Hutchison faced state criminal ethics charges that she used her office staff as Texas state treasurer for political gain, then covered up evidence. The case against her eventually collapsed after a judge found problems with the prosecution's case.

"I did tell him of some of the experiences that I had. I said you will get through this. You have so many friends who believe in you."

Hutchison, a Republican leader in the Senate, follows longtime Stevens friend Sen. Daniel Inouye, D-Hawaii, who was here to speak up for Stevens last week.

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Judge sends Stevens jurors home for day

By RICHARD MAUER AND ERIKA BOLSTAD
Anchorage Daily News
(10/22/08 14:11:33)

WASHINGTON - Sen. Ted Stevens' fate is now in the hands of jurors.

"The case is yours," U.S. District Judge Emmet Sullivan told them just before lunch Wednesday.

The jury returned to Sullivan's court at 4:25 p.m. Sullivan said they had sent a note.

Paraphrasing, he said jurors wanted to leave early. "Kind of stressful right now - we need a minute of clarity right now."

No problem, Sullivan said. "Of course I will let you go."

The judge earlier said he would normally dismiss jurors for the day at 4:45 p.m. They start at 9:30 a.m. and have an hour for lunch.

It took Sullivan one hour and 20 minutes to read through 81 pages of instructions to the jury on how to apply the law to the evidence they heard. They must decide whether Stevens, 84, is guilty of deliberately submitting false public statements about his personal finances covering the years 2000 to 2006.

The first of seven counts accuses Stevens of scheming to cover up false filings, while the other six charge him directly with lying on the Senate forms for failing to disclose gifts and benefits in excess of the Senate gift limits. Those limits ranged from $260 in 2000 to $305 in 2006.

The charges are all felonies.

Over 15 days of testimony in his trial here, prosecutors presented evidence that Stevens received some $250,000 in gifts and services from a group of close friends, especially former Veco chairman Bill Allen. Allen, who pleaded guilty to bribing Alaska legislators and is awaiting sentencing, was the government's chief witness.

The defense said Stevens was unaware of Veco's role in the renovations to his home in Girdwood. As for the other alleged gifts, Stevens said he didn't want them, didn't know where they came from, thought they were paid by his wife, or were not as valuable as the government asserted.

Each felony count carries a punishment of up to five years in federal prison, although jurors are forbidden from considering potential punishment when they decide the senator's guilt or innocence.

The outcome of the jury's decision will likely affect Stevens' fate at the polls. On Nov. 4, he faces Anchorage Mayor Mark Begich, a Democrat. Stevens has been in the courtroom for the past month as the campaign has gone on without him in Alaska.

FBI - Stevens-2216

Sullivan dismissed the four alternate jurors, but admonished them to not talk about the case on the outside chance that they may be called back if something happens to one of the remaining 12.

The alternates were randomly selected at the start of the trial, but their identities were known only to the judge, his staff, and the parties. Two of the alternates hugged as they left the courtroom Wednesday.

That left a jury even less diverse than before: a mostly middle aged group of eight women and four men. By

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appearances, 10 seem to be African American, one white, and one Hispanic.

In his instructions, Sullivan told the jurors that they may consider the five character witnesses they heard in determining the senator's guilt. The role of character witnesses is so important in a case based on Stevens' truthfulness that their testimony alone can be considered to raise a reasonable doubt of guilt in the minds of jurors.

Sullivan also cautioned them about Allen, the star witness in the trial and a former close friend of the senator. Many of the gifts Stevens is accused of accepting, including home renovations valued at more than $100,000, came from Allen or Veco.

Witnesses who've entered into plea agreements are under the same obligation to tell the truth as any other witness, the judge said, adding that Allen's guilty plea to bribing state lawmakers in Alaska has no connection to this case.

"Those charges have nothing to do with Senator Stevens," Sullivan said.

It's up to jurors to weigh Allen's biases and interests against those of other witnesses who testified in the trial, Sullivan said.

Jurors are allowed to consider several other alleged acts as evidence of motive, although Stevens wasn't charged with any crimes in connection with those acts. They include accepting a loan from a friend for a real estate deal and failing to report it, asking Allen to help his son and grandson find jobs and accepting a generator from Allen.

Those acts may be considered for "proof of motive, intent, opportunity, preparation, plan, knowledge, or absence of mistake or accident," Sullivan said.

The judge reminded jurors of the evidence he has stricken: all testimony about a car trade that Allen made with Stevens for Stevens' daughter, Lily; evidence showing how much Veco paid two Veco workers, Rocky Williams and Dave Anderson, during the time that they worked on Stevens' home; and a gift bag and shotgun that Stevens received from the Kenai River Sport Fishing Association and a punching bag and frame he got from Veco.

The car and the time records had originally been struck early in the trial following sharp complaints by the defense and a rebuke by the judge that prosecutors had failed to provide evidence to the defense. But the language in the instructions laid no blame for why the evidence wasn't to be considered.

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Stevens jurors want woman removed for 'violent outbursts'

By ERIKA BOLSTAD
ebolstad.adn.com
(10/23/08 10:17:17)

WASHINGTON - Eleven of the jurors deliberating in Sen. Ted Stevens' corruption case asked that the 12th juror be removed because she has had "violent outbursts" with other jurors and has been "rude, disrespectful and unreasonable."

The juror in question, No. 9, works for the National Guard as a bookkeeper.

The judge read from the note the jury foreman sent him, which began "we the jury, request that juror No. 9, be removed from the jury."

"She is being rude, disrespectful and unreasonable. She has had violent outbursts with other jurors and that's not helping anyone. The jurors are getting off-course. She's not following the laws and rules that are being stipulated to in the main instructions."

The judge did consider asking the foreman to come in and explain what he meant by "violent," because he was concerned about the jury's safety, but will instead ask the whole panel to come in and will remind them that they have an obligation to be civil to one another.

Defense attorney Robert Cary urged the judge to proceed slowly and not overreact.

"It cannot be the law that 11 people on a jury can ask that one person be removed," Cary said.

"If they're being violent they can," the judge responded.

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Stevens supporters, staff join wait for a verdict

Alaska senator's fate left up to 8 women and 4 men

By RICHARD MAUER and ERIKA BOLSTAD
Anchorage Daily News
(10/23/08 01:11:07)

WASHINGTON -- Sen. Ted Stevens' fate is now in the hands of jurors.

"The case is yours," U.S. District Judge Emmet Sullivan told them just before lunch Wednesday.

The jury returned to Sullivan's court at 4:25 p.m. Sullivan said they had sent a note. He said they wanted to leave early. "Kind of stressful right now," he said, reading from the note. "We need a minute of clarity right now."

No problem, Sullivan said. "Of course I will let you go," he said.

The judge earlier said he would normally dismiss jurors for the day at 4:45 p.m. They start at 9:30 a.m. and have an hour for lunch.

It took Sullivan one hour and 20 minutes to read through 81 pages of instructions to the jury on how to apply the law to the evidence they heard. They must decide whether Stevens, 84, is guilty of deliberately submitting false public statements about his personal finances covering the years 2000 to 2006.

The first of seven counts accuses Stevens of scheming to cover up false filings, while the other six charge him directly with lying on the Senate forms for failing to disclose gifts and benefits in excess of the Senate gift limits. Those limits ranged from $260 in 2000 to $305 in 2006.

The charges are all felonies.

Over 15 days of testimony in his trial here, prosecutors presented evidence that Stevens received some $250,000 in gifts and services from a group of close friends, especially former Veco chairman Bill Allen. Allen, who pleaded guilty to bribing Alaska legislators and is awaiting sentencing, was the government's chief witness.

The defense said Stevens was unaware of Veco's role in the renovations to his home in Girdwood. As for the other alleged gifts, Stevens said he didn't want them, didn't know where they came from, thought they were paid by his wife, or were not as valuable as the government asserted.

Each felony count carries a punishment of up to five years in federal prison, although jurors are forbidden from considering potential punishment when they decide the senator's guilt or innocence.

FBI - Stevens-2219

THE JURY

The outcome of the jury's decision may well affect Stevens' fate at the polls. On Nov. 4, he faces Anchorage Mayor Mark Begich, a Democrat, and three other candidates. Stevens has been in the courtroom for the past month as the campaign has gone on without him in Alaska.

Sullivan dismissed the four alternate jurors, but admonished them to not talk about the case on the outside chance that they may be called back if something happens to one of the remaining 12.

The alternates were randomly selected at the start of the trial, but their identities were known only to the judge, his staff, and the parties. Two of the alternates hugged as they left the courtroom Wednesday.

That left a jury even less diverse than before: a mostly middle aged group of eight women and four men. By

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appearances, 10 seem to be Africa[illegible]merican, one white, and one Hispan[illegible]

In his instructions, Sullivan told the jurors that they may consider the five character witnesses they heard in determining the senator's guilt. The role of character witnesses is so important in a case based on Stevens' truthfulness that their testimony alone can be considered to raise a reasonable doubt of guilt in the minds of jurors.

Sullivan also cautioned them about Allen, the star witness in the trial and a former close friend of the senator. Many of the gifts Stevens is accused of accepting, including bbhome renovations valued at more than $100,000, came from Allen or Veco.

Witnesses who have entered into plea agreements are under the same obligation to tell the truth as any other witness, the judge said, adding that Allen's guilty plea to bribing state lawmakers in Alaska has no connection to this case.

"Those charges have nothing to do with Sen. Stevens," Sullivan said.

STRICKEN EVIDENCE

It's up to jurors to weigh Allen's biases and interests against those of other witnesses who testified in the trial, Sullivan said.

Jurors are allowed to consider several other alleged acts as evidence of motive, although Stevens wasn't charged with any crimes in connection with those acts. They include accepting a loan from a friend for a real estate deal and failing to report it, asking Allen to help his son and grandson find jobs and accepting a generator from Allen.

Those acts may be considered for "proof of motive, intent, opportunity, preparation, plan, knowledge, or absence of mistake or accident," Sullivan said.

The judge reminded jurors of the evidence he has stricken: all testimony about a car trade that Allen made with Stevens for Stevens' daughter, Lily; evidence showing how much Veco paid two Veco workers, Rocky Williams and Dave Anderson, during the time that they worked on Stevens' home; and a gift bag and shotgun that Stevens received from the Kenai River Sport Fishing Association and a punching bag and frame he got from Veco.

The car and the time records had originally been struck early in the trial following sharp complaints by the defense and a rebuke by the judge that prosecutors had failed to provide evidence to the defense. But the language in the instructions laid no blame for why the evidence wasn't to be considered.

THE VERDICT: Sign up for our breaking-news alerts to get the jury's decision sent to your inbox as it happens.

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The Stevens trial jury

Here are thumbnail sketches of each of the 12 jurors and four alternates selected in the Stevens trial. It was not announced which ones are the alternates. The information is drawn from answers to questions by the judge and attorneys in the case. The number is their jury seat number.

THE JURY

• **JUROR #1 FEMALE:** A third-grade teacher with 21 kids in her class and with two brothers in law enforcement.

• **JUROR #2 MALE:** Works in Georgetown University Medical Center at a command center, compares it to being an air traffic controller. Has been a witness to crime, such as seeing people smoke marijuana, but has never

testified at a trial.

• **JUROR #3 FEMALE:** Works at an agency that does statistical reports on wiretaps, but doesn't listen to them. Served on a grand jury once.

• **JUROR #4 FEMALE:** A licensed paralegal, works for a mortgage company on bankruptcy issues. Initially thought a defendant should testify, but said she understood why that's not a requirement after the judge instructed her in the 5th Amendment guarantee.

• **JUROR #5 FEMALE:** Studying sociology but doesn't expect to get a degree for four or five years. Has a family member in a state legislature. Had trouble twice with contractors at her home.

• **JUROR #7 FEMALE:** Soft spoken. Has a family member in law enforcement, has been a juror in criminal court.

• **JUROR #8 FEMALE:** Has a background in finance and economics and does management analysis for the Navy, negotiating project costs on bases. Works with Congress, but just by way of documents, not live contacts. Served as a juror before. Has had a problem with home repair -- someone was almost killed because of shoddy work on her house, and she's suing the contractor.

• **JUROR #9 FEMALE:** Does bookkeeping and disbursements for the National Guard. Works with Congressional funding.

• **JUROR #10 MALE:** Works in the retail store at the Newseum, the downtown journalism museum. Cousin who was in a gang is in prison.

• **JUROR #12 FEMALE:** Receptionist and administrative assistant with a professional medical association. Deals with her organization's lobbyists and reads the specialty Capitol Hill journals lying around the office. Has relatives in law enforcement and initially said she would give more weight to the testimony of an officer, but later agreed to follow the judge's instructions to treat them like other witnesses.

• **JUROR #14 MALE:** Works for a drug rehabilitation agency. Has been a grand juror and served as a juror once before Judge Sullivan, who is hearing Sen. Stevens' case. Has a family member who works for the Metropolitan Washington Police Department. Identified by the judge Wednesday as the foreman.

• **JUROR #16 MALE:** Served as a juror this year in Superior Court in Washington. Works at downtown office buildings in Washington, but didn't say in what capacity.

ALTERNATES

• **JUROR #6 FEMALE:** Has a job where she works with public. Has friends who are ex-cops, and a friend who's a lawyer. Served on jury, where she was upset that one juror tried to hurry deliberations because she was leaving on vacation. Also served on a grand jury.

• **JUROR #11 FEMALE:** Familiar with Web site technology and runs her church's site on the Internet. Served on a jury in May.

• **JUROR #13 MALE:** Comes from a family of strong Republican conservatives who support Sarah Palin, and he briefly joined a college Republican group, but said he has since modified his views and went to Baltimore to see Barack Obama at a rally. "Politics-wise, I have no idea where I stand -- I'm still trying to figure it out."

• **JUROR #15 FEMALE:** A tennis player who's employed, but on extended leave. She's a first-time juror with a family member in law enforcement.

Verdict form

In the case of the United States of America v. Theodore F. Stevens the jury must decide on:

COUNT I: False Statements - Sch

Not guilty Guilty

COUNT II: False Statements - 2001 Senate Financial Disclosure Form

Not guilty Guilty

COUNT III: False Statements - 2002 Senate Financial Disclosure Form

Not guilty Guilty

COUNT IV: False Statements - 2003 Senate Financial Disclosure Form

Not guilty Guilty

COUNT V: False Statements - 2004 Senate Financial Disclosure Form

Not guilty Guilty

COUNT VI: False Statements - 2005 Senate Financial Disclosure Form

Not guilty Guilty

COUNT VII: False Statements - 2006 Senate Financial Disclosure Form

Not guilty Guilty

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Senate would decide Stevens' ultimate fate

HISTORIC: If senator is guilty and re-elected, colleagues could expel.

By TOM KIZZIA
tkizzia@adn.com

(10/23/08 00:03:32)

If Sen. Ted Stevens is found guilty and re-elected, it will be up to the Senate to decide whether he can keep his seat or should be expelled.

It's never happened before. Four senators in U.S. history have been convicted of crimes, but two resigned, one died and one saw his term expire before an expulsion vote took place. Two-thirds of the Senate would have to vote to expel.

"The Senate is a very collegial body and really doesn't like to act in that sense," Don Ritchie, an associate Senate historian, said in an interview Wednesday. He said the Senate would be likely to wait for any appeals to be settled before taking action.

The last actual expulsion of a senator occurred during the Civil War. Sen. Jesse Bright, D-Indiana, was kicked out for writing a letter to Jefferson Davis, president of the Confederate states, recommending a friend's gun manufacturing business in Texas.

Bright's letter was written a month before the Confederacy shelled Fort Sumter to start the war. He was expelled in early 1862.

Stevens is the 11th senator to be indicted for a crime. In September, on a visit to Anchorage, he said he would not consider stepping down or quitting his campaign for re-election because he expects to win his legal case.

"Put this down: That will never happen -- ever, OK?" Stevens said. "I am going to run through and I am going win this election."

The Constitution leaves it up to the Senate to decide who can serve. Senators do not like to step forward until after the voters and the judicial branch have spoken, Ritchie said.

Nine senators in U.S. history have been subjected to a lesser rebuke known as censure, which does not cost them their seats.

The most recent senatorial expulsion case involved ethics charges but no criminal indictment. Oregon Republican Bob Packwood resigned in 1995 after the Senate Ethics Committee recommended expulsion based on multiple accusations of sexual harassment.

FBI - Stevens-2223

In 1990, Sen. David Durenberger, R-Minn., was denounced by the Senate for circumventing rules about outside income, and he spent the last two years of a 17-year career under indictment for misusing public funds. He did not run for another term in 1994, and eight months after leaving the Senate he pleaded guilty to a misdemeanor, for which he was fined and sentenced to probation.

One senator pushed it to the brink. In 1981, Sen. Harrison Williams, D-NJ, was convicted of accepting bribes from a fake business in the FBI's Abscam investigation. That FBI sting also resulted in convictions of five members of the House of Representatives.

Williams continued serving as he appealed, arguing unsuccessfully that he'd been entrapped. After an expulsion debate on the Senate floor in 1982, Williams resigned before a vote could be taken.

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The two other senators convicted of crimes while in office were Sen. Joseph Burton, R-Kansas, who resigned in 1906, and Sen. John Mitchell, R-Oregon, who died in office in 1905 while his case was on appeal.

Sen. Kay Bailey Hutchison, R-Texas, who came to Anchorage this week to campaign for Stevens, was indicted in Texas shortly after her election in 1993 on charges that she had used her office as state treasurer to campaign for the Senate. The charges were eventually dropped.

No senator convicted of a crime has ever received a presidential pardon. Williams sought a pardon from President Bill Clinton but was turned down.

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Stevens jury goes home after chaotic day

By ERIKA BOLSTAD and RICHARD MAUER
Anchorage Daily News
(10/23/08 13:39:55)

WASHINGTON - A juror in Sen. Ted Stevens' corruption case who fellow jurors complained has been "rude, disrespectful and unreasonable" and engaged in "violent outbursts" will stay on the panel even though her 11 peers wanted her ousted.

Jurors spent their second day of deliberations today and went home for the day around 4:45 p.m. (12:30 Alaska time). They're considering whether to find Stevens guilty of making false statements on his Senate financial-disclosure forms.

Yesterday, they passed U.S. District Judge Emmet Sullivan a note asking to be dismissed a little early because deliberations had gotten "stressful" and they needed a break for "clarity."

Today, jurors passed Sullivan four notes, including one about the combative juror in question. The juror, No. 9, works for the National Guard as a bookkeeper.

Out of the jury's presence, Sullivan read from the note the foreman had sent him, which began, "We the jury request that juror No. 9 be removed from the jury."

"She is being rude, disrespectful and unreasonable," the foreman wrote. "She has had violent outbursts with other jurors and that's not helping anyone. The jurors are getting off-course. She's not following the laws and rules that are being stipulated to in the main instructions."

The jurors have taken center stage in a trial that, from the beginning, has had its share of drama simply because of the notoriety of the defendant. At one point, the trial threatened to fall apart entirely when Stevens' legal team filed a motion seeking a mistrial because prosecutors failed to hand over evidence that could have helped Stevens' defense.

The jurors apparently worked out their problems by this afternoon, although they again asked to go home a little early. They sent the judge a final note sometime after 4 p.m. saying "We have given the evidence consideration and have exhausted ourselves for this day." In a bit of jury humor, they added that they were "unanimous in requesting a break" and fully intended to resume their deliberations Friday.

Today, Sullivan said out of the jury's presence that he thought about asking the foreman to explain to the court what he meant by "violent," because he was concerned about the safety of jurors. Instead, though, he called the whole jury to the courtroom so that he could remind the members of their obligation to be civil to one another and foster an atmosphere of "mutual respect."

FBI - Stevens-2225

Once in the courtroom, the judge greeted the jurors, said he was happy to see them all smiling and told them that he was sympathetic to the amount of time they'd devoted to the case already. Jurors sat through the testimony of 52 witnesses over nearly four weeks, capped by three days of Stevens on the stand.

"It's been a long trial," Sullivan said. "We started selection the 22nd of September. We've been together a long time."

He also told the jurors that he wished he could give them all black robes because "you folks are the judges of the facts. It's not my job. Your job is to consider all the evidence, all the testimony."

Lawyers for both sides were concerned about how to handle the rude juror because the trial is at a delicate stage.

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If the judge had brought the foreman for questioning, he would have had to tiptoe around any queries that would suggest which way the jurors are leaning. Lawyers for Stevens as well as prosecutors were worried about singling out one juror.

"The incremental approach . . . is an appropriate one," said one of Stevens' attorneys, Robert Cary.

However, a recalcitrant juror also could be a good omen for the defense, if her obstinacy means that the jury is having trouble coming to a unanimous decision.

Sullivan told the lawyers after the jury left the courtroom that he'd watched the foreman carefully and thought that he and the other jurors had received his message to be courteous to one another.

"His response to my instruction was appropriate," Sullivan said. "He wasn't shaking his head as if to disagree. He didn't show any emotion one way or the other. It may well be that the court's response is the only response necessary. Only time will tell."

The jurors also had asked earlier for Page 20 of Stevens' indictment, which inadvertently had been left out of the evidence and exhibits they were given for their deliberations.

They also wanted a better explanation of "liabilities" and the limit that the senator should have disclosed each year on his forms. The charges against Stevens accuse him of failing to report gifts as well as liabilities, which are debts or obligations he might have incurred by accepting a gift and not reporting it. The judge declined to do so.

E-mail the reporters: ebolstad@adn.com and rmauer@adn.com.

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Absent juror halts Stevens trial

By ERIKA BOLSTAD and RICHARD MAUER
Anchorage Daily News
(10/24/08 07:09:54)

WASHINGTON - Sen. Ted Stevens' corruption trial all but ground to a halt Friday morning as a judge tried to determine how to handle a grieving juror who had to leave town to attend her father's funeral. U.S. District Judge Emmet Sullivan told jurors "everyone needs a day off now and then" and sent jurors home for the day at 9:50 a.m. without telling them why their fellow juror was gone.

Jurors, who have cheered in the past when Sullivan let them go early, didn't appear to be happy about the extra time off this time around. The jurors have been sitting in on the trial since jury selection began Sept. 22.

Sullivan will hold a hearing Sunday evening to see whether the grieving juror, who is in California for her father's funeral, will be available to return. First, he'll call the juror at 5 p.m. to determine her availability.

But even if she is available, it is unlikely deliberations would begin again until Tuesday or even Wednesday, a scheduling uncertainty that postpones any verdict in the senator's case until just days before he's on the ballot in Alaska Nov. 4.

Sullivan was disinclined to add an alternate juror because they would have to start from scratch on their deliberations, an option Sullivan said would put them in the same place as they would be if they didn't start again until later in the week.

However, he did bring in one of the alternate jurors to ask her whether she would be available if needed. He asked her whether she had spoken to anyone about the case or had formed an opinion on it. She said she hadn't talked about the case, but hesitated when Sullivan asked her whether she had made up her mind yet.

"I paused because I wanted to think if I'd formed an opinion," the juror said, adding that she didn't believe she had.

Sullivan also said he was reluctant to proceed with just 11 jurors, given the near-meltdown on the jury already. If they were to lose another juror they would have "major problems," Sullivan said. Federal juries are allowed to proceed with fewer than 12 jurors, but case law is unclear about proceeding with fewer than 11.

Problems with the jury began Thursday, just a day and a half after the panel got the case. The issues appear to have little to do with the actual deliberations in the case, which involve determining whether Stevens is guilty of making false statements on his Senate financial-disclosure forms. First, on Thursday, 11 of the jurors sought to boot the 12th from the panel after they complained that she had been "rude, disrespectful and unreasonable" and had engaged in "violent outbursts."

Then, after the judge appeared to have resolved the problem and jurors were all smiles, he had to call an emergency hearing at 6:30 p.m. because a second juror learned her father had died and she needed to go to California for his funeral.

Stevens' lawyers argued Friday morning for waiting to see whether the juror could return to the jury, rather than calling an alternate in or proceeding with 11 jurors. Prosecutors said they would prefer to avail themselves of the options available to replace the juror by going with the alternate juror.

"This is a lot placed on this juror," said Nicholas Marsh, one of the prosecutors on the Justice Department team.

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Stevens jurors squabble

One simply leaves; others try to oust 'rude' colleague

By ERIKA BOLSTAD and RICHARD MAUER
Anchorage Daily News
(10/24/08 03:55:33)

FBI - Stevens-2229

WASHINGTON -- The episodic dramatics and messiness that marked the hastily convened four-week trial of Sen. Ted Stevens spread to the jury Thursday when, after less than two days of deliberations, two members of the panel were in jeopardy of expulsion.

The first juror, a woman identified only as Juror 9, a National Guard bookkeeper, was accused in a note by the jury foreman of "rude, disrespectful and unreasonable" behavior and of making "violent outbursts with other jurors." The foreman said he and the other 10 jurors wanted Juror 9 kicked off the panel.

That dispute appeared to have been resolved peacefully with a folksy appeal for civil behavior by the judge, and the jurors could be seen leaving the courthouse for the day smiling and chatting among themselves.

Then, after dark, U.S. District Judge Emmet Sullivan summoned lawyers back to his courtroom with another problem: Juror 4, a woman who works as a paralegal at a mortgage company, alerted a marshal that she had to attend to a family emergency in Texas and then dropped from sight.

Sullivan called a special hearing for 9 a.m. today to resolve what to do next. If Juror 4 can be located and would promise to be back in Washington in time for Monday's session, Sullivan said, he would probably accommodate her by canceling deliberations today.

Just in case, he also told marshals to summon Alternate 1, also a woman in the female-dominated panel, and have her report for duty at the time of the hearing. Sullivan said he would consider replacing Juror 4 with the alternate, or allow 11 jurors to decide the case. He asked attorneys for both sides to research the issue and submit their recommendations by 7 a.m.

Stevens was indicted July 29 on seven counts of failing to disclose gifts he received from 2000 to 2006, mainly expensive house renovations from the oil-field service company Veco Corp. and its then-chief executive, Bill Allen. Though the law firm defending Stevens, Williams & Connolly, is famous for normally extending the pre-trial period with a deluge of motions, Stevens demanded a speedy trial, his constitutional right. He said he planned on being acquitted before he faced voters on Nov. 4.

That unusually fast schedule for such a major trial may have had consequences. The 7 a.m. deadline for document filings in the jury matter today is nothing unusual. Attorneys for both sides, along with the judge, his law clerks and staff, have often worked late into the night after the day's testimony and on weekends. It's not just for normal witness preparations but to make and respond to the numerous challenges and arguments that have cropped up, many of which might have been resolved at a less sleep-deprived pace had there been a longer lead-up to trial.

At one point, the government revealed a check that Allen had used to buy a Land Rover that he traded to Stevens' daughter after the defense went through contortions trying to show how much Allen had paid without that evidence. Judge Sullivan said he would have understood why the government failed to provide the check to the defense if it had gotten lost in the rush. Prosecutors said it was true they rediscovered the check in their mounds of evidence late in the game, but they also didn't think it was relevant to the defense.

That led to one of two sanctions imposed by the judge on the prosecution, striking all evidence about a car trade that allegedly benefitted Stevens. He also struck some evidence about how much money was spent on Stevens'

The attorneys and judge spent only two days picking the jury from a pool of 150.

Tensions inside the jury room emerged soon after deliberations began Wednesday. At 3:55 p.m., the foreman sent out a note that read:

"Can we leave a little early today? Would that be a problem, your honor. Kinda stressful right now. We need a minute of clarity for all."

The judge told them no problem. But before noon Thursday, two more notes came from the foreman and the judge summoned the attorneys to his courtroom to hear them read.

The first note was no problem: Somehow, page 20 of the indictment had failed to make it to the jury. The second note was a little more difficult to resolve. They wanted a better explanation of term "liabilities" and the limit that the senator should have disclosed each year on his forms.

The charges against Stevens accuse him of failing to report gifts as well as liabilities, which are debts or obligations that he might have incurred by accepting a gift and not reporting it. After some debate among the lawyers, the judge declined to do so.

While Sullivan was reading the second note, a marshal handed him a third. That was the show stopper.

"Judge Sullivan: We the jury request that Juror No. 9 be removed from the jury. She's being rude, disrespectful and unreasonable. She has had violent outbursts with other jurors and that is not helping anyone. The jurors are getting off course. She is not following the laws and rules that were stipulated in the instructions."

Sullivan said out of the jury's presence Thursday that he thought about asking the foreman to explain to the court what he meant by "violent" in the note, because the judge was concerned about the jurors' safety. Instead, he called the whole jury to the courtroom so that he could remind the members of their obligation to be civil to one another and foster an atmosphere of "mutual respect."

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Absent Stevens juror admits father didn't die

By ERIKA BOLSTAD
Anchorage Daily News
(11/03/08 08:44:09)

WASHINGTON -- Juror No. 4 in Sen. Ted Stevens' federal corruption trial, otherwise known as Marian Hinnant, did not leave to attend her father's funeral in California, as she told the judge.

Instead, Hinnant had a plane ticket to see the Breeder's Cup at the Santa Anita race track and didn't want to miss it, she told the judge this morning, in what sounded like completely irrational and perhaps even delusional remarks.

"I just wanted to go to the Breeder's Cup," she told reporters after a hearing the judge held to find out why she left town and lost contact with him, forcing him to replace her as a juror just hours before the jury found Stevens guilty.

Hinnant also told reporters that she would have found the Alaska senator guilty had she remained on the jury.

"He was guilty, but these other guys are just as guilty," she said, referring to other members of Congress.

Her lawyer, federal public defender A.J. Kramer, tried to keep her from saying much in court, telling the judge only that "her state of mind was such that she had to go to California."

"She apologizes to the court. In fact, her father did not die," Kramer said. "The story about her father was just one that popped into her head."

But Hinnant cut in, and in a thick Kentucky drawl, gave a rambling, incoherent and baffling monologue about her former employers in the horseracing industry in Kentucky. She mentioned drugs, wiretaps and horseracing, but made little sense.

"I'm not the one who was selling the drugs, I'm not the one who was doing the drugs," she said.

U.S. District Judge Emmet Sullivan let her go, saying that he was going to "accept Mr. Kramer's representation that you were not able to (deliberate) and for reasons that were serious to you."

He added: "I'm convinced you were not able to deliberate."

Sullivan told her that she did not have to speak to the media, but she said she was willing to talk, and she did. Outside of the courthouse, a pack of about 10 reporters followed her to the nearby Metro stop, as did several of Stevens' attorneys. Kramer escorted her to the station and encouraged her not to say much, but Hinnant appeared not to be able to restrain herself.

Hinnant, 52, told reporters that she works at Avis car rental in Union Station in Washington D.C. She worked in horseracing for many years and simply wanted to see the race, since she already had a plane ticket to California.

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194A-AN-13670-m e

Heated Senate race in final leg

THE PUSH: Stevens insists he's not guilty while Begich envisions a different future.

By SEAN COCKERHAM
scockerham@adn.com
Published: October 31st, 2008 04:05 AM
Last Modified: October 31st, 2008 08:47 AM

With just four days before the election and Alaska Sen. Ted Stevens insisting he's not a felon, the U.S. Senate race is white hot.

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"I've not been convicted yet," Stevens said Thursday in a meeting with the editorial board of the Fairbanks Daily News-Miner. "There's not a black mark by my name yet, until the appeal is over and I am finally convicted, if that happens. If that happens, of course I'll do what's right for Alaska and for the Senate. ... I don't anticipate it happening, and until it happens I do not have a black mark."

Stevens reiterated that position during a televised debate late Thursday night, declaring early in the give-and-take with Anchorage Mayor Mark Begich, "I have not been convicted of anything."

The senator said Gov. Sarah Palin and the other Republicans who have called on him to resign are only doing so for political gain, not because they are sincere. "I wouldn't hold it against them, I understand what they're doing, trying to get elected."

Begich argued during the debate that Stevens can't be effective for the state while he fights his conviction, and with Senate colleagues calling on him to resign.

"Senator Stevens has some serious issues he has to deal with that will distract him," Begich said.

A Washington, D.C., jury Monday convicted Stevens of seven felony counts of lying on financial disclosure forms about thousands of dollars of gifts and home renovations from Veco Corp.

FBI - Stevens-2232

Begich leads in the polls but is trying to keep his supporters from getting too confident, saying it will be a close election Tuesday. It's clear there's a reservoir of goodwill for the 84-year-old Stevens.

The latest bumper sticker to appear in Anchorage: "Vote For Ted Until He's Dead."

Begich, in speaking to a group of BP employees in Anchorage on Thursday, acknowledged that a lot of Alaskans are having a hard time voting against Stevens.

"We have to do what's right, it's painful because he has done a lot of things for us, there's no question about that ... but we must think about the future, not about individuals' desires. He made

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a comment he's going to fight the appeal as hard as he can with every ounce of energy. We need that energy focused on Alaska," he said.

"I know it's a tough call for a lot of people because there are a lot of emotions around this election, and I recognize that," Begich said.

Begich said that even if re-elected, Stevens would not be able to serve. "The fact is, even if elected his own minority leader has said he has 100 percent likelihood not to be seated, that he will be expelled from the Senate," Begich said.

But that's not exactly what Senate Minority Leader Mitch McConnell said.

McConnell said that if Stevens is re-elected "and the felony charge stands through the appeals process there is zero chance that a senator with a felony conviction would not be expelled from the Senate." Stevens' claim is that he'll be vindicated through the appeals.

Stevens has alluded to the possibility that if he loses on appeal, he could then resign so there would be a special election giving another Republican a shot at the seat.

That's a scenario talked up by the state Republican Party, which says conservatives need to vote for Stevens to at least send it into overtime instead of just handing it to the Democrats.

Stevens said in a KTVA Channel 11 online debate that he's fighting for re-election not just for himself, but because he believes a Republican should have the seat. "When the appellate process is over, I will accept the result, good or bad, and do what's best for Alaska and the Senate. I am bruised but not beaten; my integrity will be vindicated," Stevens said.

Senate Republicans including minority leader McConnell have said Stevens should resign. So has Alaska Gov. Sarah Palin, the Republican vice presidential nominee, and her running mate, John McCain.

Stevens, in his meeting with the Fairbanks paper's editorial board, dismissed that as "statements made on the trail, in the heat of battle." Alaska's junior senator, Republican Lisa Murkowski, was more critical of Republicans turning on him.

"For all of them, it's a very close election. I think they're looking to their own political skin. If it helps them in their effort to gain re-election, they will, unfortunately, throw Ted under the bus," she said.

Begich, 46, has not called on Stevens to resign, but the state Democratic Party has. In Anchorage, the Democratic Party invited faith leaders to meet with the press Thursday and talk about the need for politicians to have a moral compass in the wake of the Stevens verdict.

"Trying to serve the state while appealing something of this nature is going to be very, very difficult," said Dianne O'Connell, a retired Presbyterian minister.

But one of the speakers, Rev. Dr. William Greene of Eagle River Missionary Baptist Church, offered a somewhat surprising message, given that it was a Democratic event. Greene told the press he has no reason to mistrust Stevens and that plenty of innocent people are wronged by the court system.

FBI - Stevens-2233

Both Stevens and Begich will be barnstorming the road system for votes in the final days of campaigning. Stevens has a rally in Soldotna today and is going back to Fairbanks on Saturday. Begich is in Juneau today for his own rally, then goes on a campaign swing through the Kenai Peninsula on Saturday.

Both sides have post-conviction advertisements running on TV and radio. Stevens' say it should be up to Alaskans, not an Outside jury, to decide whether he's fit to serve the state. Begich's say now that a verdict is in, it's time to move on.

Begich is pitching himself as pragmatic and a centrist. He told BP employees he has some concerns about the way the state increased taxes on the oil industry last year.

Begich said he couldn't answer if the tax increase, which was supported by Democrats in the Legislature as well as Palin, went too far. But he said the state didn't take the right approach and suggested it was done in a punitive spirit.

"This was kind of like, let's just jam it on you and end of story, you're going to pay," he said.

One of the BP employees Begich spoke with in Anchorage, a man who also builds homes, complained Begich raised property taxes so much that he believes it "has hindered people from actually building houses and building larger houses."

Begich disagreed the tax was slowing home building. He said property taxes aren't as big a proportion of the budget as before he came to office, and the growing city has more police officers and fire stations, as well as improved snow removal.

"That doesn't come for free," Begich said. "But you get something for it."

The Associated Press and Daily News reporter Kyle Hopkins contributed to this story. Find Sean Cockerham online at **adn.com/contact/scockerham** or call him at 257-4344.

Candidates square off

The heavyweights met face to face for the final time Thursday. Incumbent Alaska Republican Rep. Don Young squared off against his Democratic challenger, Ethan Berkowitz, and incumbent U.S. Sen. Ted Stevens, a Republican, tangled with his Democratic challenger, Anchorage Mayor Mark Begich. They talked about corruption trials and whether Stevens should resign, how Congress might cut your energy bills and save the economy, and whether Gov. Sarah Palin is ready to step in as president of the United States. On that last one Young and Stevens say Palin's up to the top job, Berkowitz said her opponents are more qualified, and Begich left it to voters. To read what the candidates said about all the issues and about each other, visit our politics blog at **adn.com/alaskapolitics.**

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New names emerge in Allen FBI interviews

FBI QUESTIONING: He talks about what he did for specific lawmakers.

By LISA DEMER
ldemer@adn.com

(10/31/08 04:01:55)

The very first day that former Veco Corp. chairman Bill Allen sat down with FBI agents, he described questionable dealings with a number of Alaska politicians, some of whom are now in prison for the corrupt acts he described.

Newly filed court documents outline the extent of Allen's initial revelations to the FBI, including his interactions with public figures that haven't previously been reported -- and who haven't been charged.

In his first interview, the same day he learned of the investigation, Allen told the FBI about financial favors sought by and given to politicians.

He said he hired a lawyer for former state Rep. Bev Masek when she was fighting allegations of misspending campaign money. He said former state Rep. Cheryll Heinze came to his house seeking a job while she was in office. He said he bought property from former state Sen. Jerry Ward to provide him campaign money. And he talked about golf tournaments that generated cash for U.S. Rep. Don Young, though he also described Young as someone who couldn't be bought.

Heinze strongly disputed the allegations and Young, who faces re-election next week, has denied any wrongdoing. Masek and Ward did not return phone calls.

Whether federal authorities are still investigating or plan to bring cases against any of the newly named individuals isn't clear. FBI spokesman Eric Gonzalez would only say the investigation is ongoing. It's also unknown whether the FBI later obtained information that contradicted any of Allen's assertions.

The new documents -- summaries of Allen's initial interview with the FBI and a subsequent interview -- were filed earlier this month during the trial of U.S. Sen. Ted Stevens in Washington, D.C. The summaries were attached to motions filed by Stevens' lawyers. The summaries recount what Allen told investigators, and make no attempt to verify his assertions.

The first interview occurred on Aug. 30, 2006, after agents brought Allen into FBI headquarters in downtown Anchorage and he agreed to cooperate. The broad, multi-faceted investigation into Alaska corruption wouldn't become public knowledge until the next day, when federal agents swarmed legislative offices with search warrants. The FBI had been monitoring Allen's phone calls for months.

Allen pleaded guilty to bribery and conspiracy in May 2007. As part of his plea deal, prosecutors agreed not to seek charges against Allen's son, Mark, or other relatives.

FBI - Stevens-2235

Allen became one of the main prosecution witnesses at the federal trials last year of former state Reps. Pete Kott and Vic Kohring, who are both now in prison, and U.S. Sen. Ted Stevens, convicted Monday of seven felonies. Allen secretly recorded calls for the FBI were used as evidence against Stevens and Kott.

Here is some of what Allen asserted in the interviews:

REP. DON YOUNG

In his initial interview, Allen told the FBI about the pig roast fund-raiser that he hosted for Young. He said Marx Brothers Cafe catered it and he thought that Young covered the bills but wasn't sure. He said he paid for the alcohol with his Veco credit card, according to a summary of his interview with the FBI.

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194A-AN-13670-M

After the investigation surfaced, but before Allen's role was known, the Young campaign tried to reimburse Allen $37,626 for expenses associated with the annual pig roasts, the campaign has said. The check never was cashed, so the campaign sent the money to the U.S. Treasury.

Allen also talked to the FBI about "golf outings" organized by a Veco vice president, Rick Smith, to benefit Young. Smith also has pleaded guilty to bribery and conspiracy.

"Allen recalled that participants contributed $100 a piece to play. Allen said that the money given to Young was not a big deal and he considered it a 'thank you' to Young," the FBI interview summary said.

"Allen described Young as a life long friend and a person he calls his brother," the interview summary said. "Allen said that you can't 'buy' Young."

Gary Sanford, manager of the Moose Run Golf Course on Fort Richardson, said this week that he remembered the Smith-organized golf outings for Young, and recalled prizes like golf balls and putters, but not cash. However, last year, an Associated Press story reported that Sanford said he was sometimes around when cash prizes were handed out. In that story, Sanford said that he didn't remember Young receiving any cash that he didn't win.

Sanford said this week that he has never been interviewed by the FBI about the golf outings.

Young's chief of staff, Mike Anderson, said in his six years with Young, the congressman has never pushed legislation to specifically benefit Allen or Smith.

Young has said he cannot talk about the investigation but also that he wouldn't be running again if he had done anything dishonorable.

Young has reported spending more than $1.2 million in campaign contributions on legal fees since early 2007.

Young, 75 and a Republican, is running for his 19th term as Alaska's only U.S. House member. He has not been charged with any wrongdoing.

JERRY WARD

Allen told the FBI he bought a piece of land in Sterling from Ward for about $30,000, according to a summary of his initial interview. Ward suggested the deal because he needed money for his re-election campaign, Allen said. Allen told agents that he thought the price was inflated. The interview summary doesn't include a year, but Allen said that the deal was conducted with the help of someone named Earl Robinson. State land records show that Ward sold property in Sterling to Earl Paul Robinson of Oklahoma in October 2000, when Ward was running for re-election to his Senate seat.

Ward won in 2000 but lost to Tom Wagoner two years later. When Ward tried to wrest back the seat in 2004, he again approached Allen for money, according to the FBI interview summary. This time, Allen refused but he agreed not to help Wagoner, the incumbent.

Ward, a Republican who represented South Anchorage and the Kenai, served in the Senate from 1996 until his third term ended in 2003. He also served a House term in the early 1980s. FBI - Stevens-2236

Ward also has been linked to the criminal case against former halfway house operator Bill Weimar, who has pleaded guilty to two charges and is awaiting sentencing. Weimar has admitted being part of a conspiracy to funnel money to a campaign consultant for an unnamed candidate, knowing the candidate supported a private prison. That candidate appears to be Ward.

Ward did not return calls for this story or following Weimar's guilty plea in August. Ward has not been charged with any wrongdoing.

BEV MASEK

Allen helped out Masek, a former Republican state representative from Willow, "as she needed things," according to the summary of his initial interview. "For example, he would pay to fill her gas tank when she had no money,"

the statement said. He helped her with a flat tire. And, he told the FBI, he gave her cash.

When Masek faced complaints before the Alaska Public Offices Commission and the legislative ethics committee, Allen said he directed lawyer Jack Miller to represent her. Veco paid the bill, Allen told the FBI. He couldn't remember the total but said it could have been as much as $30,000. A call to Miller was not returned.

Masek didn't return repeated telephone calls seeking comment.

She served five terms in the state House, but lost in the 2004 primary election.

In September 2004, after a lengthy investigation generated by a complaint, the public offices commission fined Masek $1,000 for improperly spending campaign funds on personal items and to repay loans. The next year, a House ethics subcommittee found cause to believe that she broke state ethics law by using an aide for personal errands on state time and for "financial convenience." The employee had complained he had to loan her money or be fired. By then she was no longer in office, so no sanctions were imposed.

APOC wondered back in 2004 whether Allen was paying Masek's legal bills, Chris Ellingson, APOC assistant director, said this week.

"We suspected since it was his attorney that represented her. It didn't matter on our part," Ellingson said. While that may have been an ethical breach, it wasn't within the purview of APOC, she said.

Masek has not been charged with any wrongdoing.

CHERYLL HEINZE

As to Heinze, Allen said she was still in the Legislature when she came to his house seeking a job for herself or her husband, according to the FBI summary of his initial interview.

"At the time, Allen thought he was being set up by Heinze and Allen refused her request for a job," the interview summary said.

That didn't happen, Heinze said when reached on the phone this week.

"Good Lord!" she said. "I'm sorry. He's naming anyone and everyone he can name and trying to save something for his own kids. And he better the hell leave me out of it."

She remembers going to Allen's home for the Young fund-raisers, but says she never talked to Allen about a job.

"You know when he did the pig roast, everybody went. That's it," she said.

Heinze, a Republican from Anchorage, served a single House term after being elected in 2002. She suddenly dropped out of her 2004 race. That fall, her attorney, Jeff Feldman, confirmed that the FBI had been investigating her after complaints about her soliciting consulting work from Railbelt utilities. But nothing ever came of that.

At any rate, Heinze said this week she has never spoken with the FBI about anything. She has not been charged with any wrongdoing.

BEN STEVENS

In his interviews with federal agents, Allen couldn't recall work that former Senate President Ben Stevens did for Veco after becoming a legislator in 2001. Ben is Ted Stevens' son. For years, both before and after he was in the Legislature, Ben was a paid Veco consultant.

In his interview with agents in December 2006, Allen said that all Ben Stevens did for Veco the preceding year was work on the proposed gas pipeline and an oil tax that North Slope oil producers wanted.

"He knew more about these issues than anyone else," according to the summary of interviews from Dec. 11 and

12, 2006.

Before Ben Stevens was appointed to the Senate, he was a smart and capable consultant, Allen told federal agents.

When Veco had trouble getting what it was due from Pakistani officials for a pipeline, Ben Stevens went to the World Bank and negotiated payment, Allen said. He also helped on a project building a harbor on Sakhalin Island in Russia, Allen said.

But once he became a senator, his work dropped off, Allen acknowledged.

"There was concern in Veco that Ben Stevens was not doing any work and he was billing Veco monthly for work," according to the December 2006 interview summary, which was prepared by Internal Revenue Service agents.

Veco's lawyer and chief financial officer were worried the company would get in trouble, the interview summary said.

In one five-year stretch, from 2001 through 2005, Ben Stevens made $252,000 from Veco, according to his state disclosure forms.

"Ben, since the date the search warrants were executed more than two years ago, has insisted that he is innocent and did nothing wrong," his attorney, John Wolfe of Seattle, said Thursday. "He has been quite clear that Mr. Allen's statements about him are false and nothing new has transpired to cause him to change that opinion."

Ben Stevens has not been charged with any wrongdoing.

'SPECIAL BONUSES'

In those December 2006 interviews with the IRS and the FBI, Allen described Veco's special bonus program in detail.

Extra or special bonuses were paid to some Veco executives for political purposes, Allen told the federal agents. Allen said Veco President Pete Leathard, Smith, and himself had a meeting each year to determine which politicians, charities and community events they wanted to support. They mostly supported oil-industry-friendly Republicans, he said. Allen and Smith would review who was up for election and "guesstimate" bonus amounts based on the number of candidates and anticipated contribution amounts, he said.

A select group of executives received the special bonuses: Leathard, Smith, Roger Chan, Tom Corkran and Jamie Slack, Allen said, the summary said.

Allen figured the executives would not make political contributions on their own without the special bonuses, but also told the agents that no one was obligated to make contributions and a couple of executives weren't in the program.

FBI - Stevens-2238

"The Veco executive often agrees to the amount and Rick Smith will write that amount on the executive's business card as an IOU," the IRS summary said. He then would give the IOU to their personal assistant, Linda Croft, Allen told the agents.

Sometimes, they contributed in races Outside. Stevens urged Allen to support Republican Mike McGavick in his ultimately unsuccessful challenge two years ago to Democratic U.S. Sen. Maria Cantwell in Washington state, the interview summary said. McGavick later returned the donations, according to news reports.

Allen told the agents that he thought the special bonus program was legal, and he testified the same way at Kott's and Kohring's trials.

Leathard also thought it was legitimate, said his attorney, David Marshall of Bellevue, Wash.

"He believes what happened was completely legal and that there's nothing wrong with a bonus program for

people who make their own choices as to who they wish to contribute to," Marshall said.

Leathard has not been charged with any wrongdoing. Allen and Smith are the only former Veco executives who have been charged.

For years before the company was sold in 2007, the Veco executives were among the state's most active campaign contributors.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

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Juror's absence might hold up Stevens decision

FATHER DIED: Deliberations could go on with 11; alternate may be tapped.

By RICHARD MAUER and ERIKA BOLSTAD
Anchorage Daily News

(10/25/08 03:35:39)

WASHINGTON -- Eleven jurors went home early Friday without deliberating the fate of Sen. Ted Stevens after the judge located the 12th in California, where she had flown on short notice to attend her father's funeral.

The unplanned day off may be followed by another on Monday and possibly again Tuesday, depending on how U.S. District Judge Emmet Sullivan decides to proceed.

On Wednesday, the jury began considering whether Stevens is guilty of seven counts of failing to disclose gifts he received from 2000 to 2006, but little has gotten done so far.

Sullivan ordered attorneys for both sides to his court at 9 a.m. Friday, when he reported on a conversation he had with Juror 4 late the night before. The juror, initially reported to have gone to Texas for a family emergency, was in California, where her father had died, the judge said.

Sullivan said he didn't want to press the juror on her ability to return so soon after she had arrived. He said he had arranged to call her again Sunday afternoon from his chambers, with one attorney from each side present, to let her give a self-assessment of her emotional state, her desire to continue on the jury and her next availability in Washington.

Without committing himself, Sullivan said he might allow her until Wednesday to return to the jury room. Because jurors can't deliberate without all members present, that would amount to a five-day juror holiday at the late stage of a trial -- and with Stevens' election looming.

Stevens' attorneys said that was fine with them, but prosecutors said a long break would be too disruptive.

Sullivan said he had two other options. He could dismiss Juror 4 and allow the jury to continue with 11 members. The law allows that. In fact, the first trial brought by federal prosecutors in the current public corruption investigation in Alaska, the bribery case of former Rep. Tom Anderson, R-Anchorage, was decided by an 11-member jury. Anderson was convicted in July 2007 and is now in a federal penitentiary.

Sullivan could also replace Juror 4 with one of the four alternates who sat through the trial. To keep that option open, Sullivan asked the first alternate on the list -- Juror 11 -- to appear Friday morning to see if she were available and still qualified.

FBI - Stevens-2240

The juror, perhaps the most copious note-taker on the panel, testified under gentle questioning from Sullivan that she had not talked to anyone about the case and had successfully avoided media and Internet accounts of it, as the judge had admonished the alternates on Wednesday.

When Sullivan asked her whether she had made up her mind on Stevens' guilt, the juror hesitated for a moment. She said she hadn't, but the judge wanted to know what she was pondering.

"I paused because I wanted to think if I'd formed an opinion," Juror 11 said. That answer seemed to satisfy Sullivan, who said he'd be back in touch with her Sunday, one way or another.

Sullivan also summoned the remaining 11 jurors to his courtroom. "Everyone needs a day off now and then," he told them, without explaining the cause of the holiday.

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The jurors have been part of the case since Sept. 22, when jury selection began. During the trial, a day off or even an early dismissal by Sullivan was invariably greeted with big smiles and muted cheers by the jury, followed by boisterous conversation as they passed out the back door of the courtroom and into the secure hallway.

There was none of that Friday. Only the day before, the foreman had indicated they were making progress in the afternoon note he sent out to mark the end of Thursday's deliberations. There was no way to know what the jurors were thinking when they left the courtroom Friday morning, but their mood was noticeably subdued.

After seeing the jury leave and after he questioned Juror 11, Sullivan appeared to be reconsidering the notion that he would allow the grieving juror until Wednesday to return.

Would he call in the alternate? One downside, he said, was that he would have to instruct the jury to start their deliberations over with the new juror.

But there were other considerations. On Thursday, a disruptive juror slowed progress and led the rest of the jury to ask that she be removed. That was resolved by a heart-to-heart talk from the judge, but it was enough for him to express caution about proceeding with only 11.

"We lose another juror, we have major problems," he said. "I'm not sure I'll --" he started to say, then stopped. "We have major problems."

Stevens' lawyers argued Friday morning for waiting to see whether the juror could return, rather than calling in an alternate or proceeding with 11 jurors. Prosecutors said they'd prefer to go with the alternate juror.

"This is a lot placed on this juror," said Nicholas Marsh, one of the prosecutors on the Justice Department team.

Sullivan said that after his Sunday conversation with the grieving juror, he'll return to the open courtroom at 6 p.m. for further discussion -- and perhaps a decision -- on how to proceed.

Contact Richard Mauer at rmauer@adn.com and Erika Bolstad at ebolstad@mcclatchydc.com.

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Stevens jury gets an alternate

FUNERAL: Judge Sullivan replaces the missing juror; the trial will resume today.

By ERIKA BOLSTAD
ebolstad@adn.com

(10/26/08 23:53:47)

WASHINGTON -- After a one-day delay in jury deliberations, Sen. Ted Stevens' corruption trial will resume again this morning with an alternate juror replacing the one who left last week for her father's funeral in California.

Judge Emmet Sullivan paused proceedings Friday morning after the juror learned the previous night that her father had died and she needed to depart to attend his funeral. He had hoped to bring the juror back to continue deliberating with the other 11, but couldn't reach her Friday or over the weekend to determine whether she would still be available.

Instead of the trial being delayed any further, an alternate will take the missing juror's place and jurors will continue deliberating this morning. The juror who's in California will be dismissed.

"We have four alternates for this reason," Judge Sullivan said in court Sunday evening, in a rare weekend hearing. The four alternate jurors have sat through the entire trial.

The delay pushes a verdict in the case one day closer to Election Day, when Alaska voters also have a say in determining the Republican senator's fate. Stevens, who was indicted in late July, asked for an expedited trial date in the hopes of going to voters with an acquittal in hand, but his trial is now entering its sixth week. On Nov. 4, Stevens faces the most competitive race of his Senate career, against Anchorage Mayor Mark Begich, a Democrat.

The Justice Department was fine with the alternate juror, said prosecutor Nicholas Marsh, especially since the jury is "in the infancy of deliberations."

Stevens' attorneys offered only mild objections to the alternate, but did say they preferred to proceed with 11 jurors. The deliberations are at a "sensitive juncture," said one of Stevens' lawyers, Robert Cary, and they were reluctant to force the jurors to start over.

But Sullivan said he was leery of proceeding with just 11 jurors, based on the issues that have already arisen with the jury.

FBI - Stevens-2242

EARLY STRESS

Their first day of deliberations last week, jurors asked to go home early because they were stressed and needed "clarity." The second day, Thursday, 11 of the jurors complained in a note about a 12th juror and asked her to be removed from the panel for being rude and prone to "violent outbursts with other jurors." The judge resolved the problem with a stern lecture on civility and the jurors left Thursday afternoon all smiles.

Then, just hours later on Thursday evening, the juror learned her father had died and Sullivan halted the proceedings until he could figure out how to handle the issue of the missing juror.

Federal juries are allowed to proceed with fewer than 12 jurors, and while it's common to reach a verdict with just 11, it's almost unheard of to proceed with fewer than that. An alternate does require the whole jury panel to start from scratch, however, and although jurors had only deliberated about a day and a half so far, they appeared to be moving at a pretty fast clip. Jurors passed the judge a note Thursday afternoon saying that they had already reviewed all the evidence.

The jury of eight women and four men must review seven felony counts to determine whether Stevens is guilty of

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lying on his Senate disclosure fo about gifts, mostly home repairs fr the oil-services company Veco Corp. and its former owner, Bill Allen. Stevens is also accused of accepting other gifts from other friends and failing to report them.

The first of seven counts accuses Stevens of scheming to cover up the false filings; the other six charge him directly with lying on the Senate financial-disclosure forms for failing to disclose gifts and benefits in excess of the Senate gift limits. Those limits ranged from $260 in 2000 to $305 in 2006.

The government estimates the value of the gifts at more than $250,000 over a six-year period. That includes the value of the renovations that doubled in size Stevens' home in Girdwood.

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Friend's eatery located on road Stevens got paved

$2.7 MILLION: Spokesman says senator set aside funds at local officials' request.

By GARANCE BURKE and ADAM GOLDMAN
The Associated Press

(10/26/08 23:12:11)

GIRDWOOD -- Just 0.7 miles long, Crow Creek Road isn't a road to nowhere. It runs straight to the Double Musky Inn, a Cajun bistro owned by Bob Persons, a close friend of Alaska Sen. Ted Stevens.

It cost taxpayers $2.7 million to widen and pave that road, and Alaska had higher priorities. But an Associated Press examination of government e-mails and interviews with state transportation officials found that Stevens moved the project to the front of the line.

Persons, owner of the popular watering hole where the Republican senator frequently dines, testified as a defense witness this month in Washington, D.C., where Stevens is on trial for failing to disclose more than $250,000 in gifts.

"This is a classic pork barrel project that just confirms everyone's fears," said David Williams, a vice president for policy at Citizens Against Government Waste. "It's like 'Hey, if you're my buddy, I'll just get you a few million dollars and make you a road to your restaurant.' "

Details of the Crow Creek deal emerged as Stevens awaits a verdict in his trial. He is charged with lying on Senate financial disclosure forms about gifts, including more than $250,000 in home improvements to his cabin, not far from the Double Musky.

Trial testimony indicated that Stevens granted Persons power of attorney to guide the home renovation. Among the many presents Stevens is charged with concealing is a nearly $2,700 massage chair from Persons. Stevens says the chair was a loan. But his explanation of why he kept it in his house for seven years led to one of the more awkward exchanges of his testimony.

Telephone messages left at Persons' home and the restaurant were not immediately returned.

Stevens' spokesman, Steve Wackowski, declined to answer specific questions from the AP concerning Stevens' communications with Persons about the road. In a statement, he said the senator set aside the money at local officials' request and believed paving the road would boost tourism to a historic gold mine two miles beyond where the asphalt ends.

Stevens' intent, as relayed through his staff to state officials, "was that any improvements or construction must continue all the way up to the mine," according to the statement.

FBI - Stevens-2244

In 2002, when Stevens was chairman of the Senate Appropriations Committee, he inserted last-minute language in a transportation bill to secure $10 million for "Girdwood: Road Improvements." He then ensured that his intentions to pave his friend's road were carried out.

Girdwood officials planned to cut that project, however, and repair residential streets with the money, according to the e-mails. They had other priorities such as fixing trails and easing traffic.

That was unacceptable to Stevens, the longest serving Republican senator. Stevens, in office since 1968, has brought home billions in projects to his state.

In a June 2003 e-mail, a Stevens office worker, Lisa Sutherland, warned the director of Alaska's state office in Washington, D.C., that Stevens "would then be criticized for fixing up his own street. Remember he lives there. The best person to talk to to get guidance is Bob Persons."

-885 194A-AW-13620-m

Persons was ready to help.

At Sutherland's suggestion, a state transportation official, David Post, called Persons to clarify the senator's intent. Persons said the senator wanted the money to pave Crow Creek Road, a spruce-lined path dotted with a few commercial businesses.

Post told the AP he found it unusual to get direction on a publicly funded project from someone outside government. "It struck me as odd, yes," said Post, a regional transportation planning manager.

In an e-mail from June 24, 2003, the department's chief of planning for the central region wrote a colleague about Post's conversation with Persons.

"Spoke with Bob Persons this morning as Lisa suggested and his understanding from the Senator was that Crow Creek Rd. is number 1 priority because it is in such bad shape," reads the e-mail from John Tolley. "This is 'somewhat' consistent with the board of supervisors' priorities, however they have some other improvements in their top 7 priorities."

In fact, the paving of Crow Creek Road was No. 6.

Stevens and Persons have known each other for 25 years. Persons and his wife, Deanna, have contributed nearly $7,000 to Stevens' campaigns over the past decade.

The New Orleans-themed restaurant, which has been featured on the Food Network's "Best Of" series, is less than two miles from Stevens' house, near the Mount Alyeska ski resort. Stevens wrote an introduction for Persons' cookbook, praising his "honestly good meals."

In 2000, when the senator needed to renovate his cabin, he asked Persons for help. Prosecutors say Persons knew Stevens was not paying the full cost for the work and that he helped cover up who was -- an Alaska oil-services company.

Persons' son Justin, who co-owns the Musky, told the AP his father voiced concern about the paving project when crews took out trees along their property line this year.

Justin Persons said his father did not support the paving because the family long had enjoyed the "novelty of driving down a bumpy dirt road to a great restaurant."

But Post said Persons never objected to it when he called in 2003.

The restaurateur submitted one comment at a public meeting about the road project in 2004, urging authorities to "keep it narrow and add speed bumps w/ gravel shoulders for walkers & runners."

The repaving originally was intended to stretch 3.5 miles but had to be scaled back in part due to the cost of replacing a bridge farther along Crow Creek Road, said Jennifer Witt, a transportation department chief.

Today, the asphalt ends just past the Double Musky. Witt said in an interview it's a coincidence.

But had Stevens done a favor for his friend?

"I could see where it appears that way," said Witt.

Associated Press writers Justin Pritchard in Girdwood and Matt Apuzzo in Washington contributed to this report.

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Stevens jury gets down to detail work

By ERIKA BOLSTAD and RICHARD MAUER
Anchorage Daily News
(10/27/08 11:23:48)

WASHINGTON - Jurors weighing whether Sen. Ted Stevens is guilty of lying on his financial disclosure forms have developed a reputation for flaky behavior over the past several days, but they are apparently giving the evidence a meticulous reading.

Today, the jury picked up on a discrepancy between the indictment and the evidence in the case against the 84-year-old senator from Alaska. Why, jurors wondered, does the indictment say Stevens checked "no" on his 2001 financial disclosure form when asked whether he accepted any gifts?

The indictment also alleges Stevens did not attach any schedule detailing what gifts he received. Yet Stevens actually checked "yes," acknowledging that he had received gifts, the jurors noticed. Stevens also disclosed a gift: a $1,100 gold commemorative coin struck for the 2001 Special Olympics in Alaska.

The judge decided to answer the question by instructing jurors that "the indictment is merely a charging document; it is not evidence. You must consider all the evidence and my instructions to determine whether the government has proven each element of an offense in the indictment beyond a reasonable doubt."

The juror question refers to the first page of the disclosure form, on which senators are asked to report any gift of a value of $260 or more from 2001. Senators who check "yes" are directed to fill out a supplement schedule listing each gift, its source and its value.

For some of the years covered in the indictment, Stevens checked "yes." For instance, in 2004 he reported receiving an $800 rug from the president of Azerbaijan, which he donated to the secretary of state. But in no instance from 2000 to 2006 did Stevens list gifts from Veco or Bill Allen, the two people accused of providing most of the unreported gifts to him.

The discrepancy caught by jurors got by nearly everybody -- the judge, lawyers on both sides and even reporters who have sat through the proceedings. Still, U.S. District Judge Emmet Sullivan disagreed with prosecutors when they called it a typographical error.

"Presumably somebody reads these indictments before they return them," he said, his voice dripping with sarcasm. "Presumably."

The jury's attention to detail suggests its members are combing carefully through their instructions and matching up all of the counts in the instructions with the evidence and the allegations in the indictment.

"This jury is very perceptive; they aren't missing anything," Judge Sullivan said.

The jury's question is an important one because the year 2001 is at the heart of the government case, which accuses Stevens of accepting more than $250,000 in gifts over six years and willfully failing to disclose them on his financial disclosure forms.

FBI - Stevens-2246

In 2001 alone, Stevens is accused of accepting $110,153.64 in materials, labor and other renovation expenses to his home in Girdwood. He also is accused of accepting furniture for that home and a $2,695 massage chair for his home in Washington, D.C. Other gifts prosecutors said he accepted include a new tool cabinet with tools, a new professional Viking gas grill and a stained glass window.

One of Stevens' attorneys, Craig Singer, argued that Stevens can't be accused of making false statements when

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he did answer "yes" that he accepted gifts.

But prosecutors countered that the discrepancy doesn't matter. Even if Stevens did check "yes" on the form, he was legally obligated to report all gifts he received, and he never disclosed receiving any of the home repairs he got from Allen, Veco and others.

The jury passed the note to the judge shortly after noon on Monday Washington time, about three hours into their deliberations.

Jurors, who got the case Wednesday afternoon after four weeks of testimony, were ordered to start deliberating from scratch Monday after one of the jurors had to be dismissed over the weekend and replaced with an alternate. The dismissed juror learned her father died last week, holding up deliberations for a day while the judge determined whether to proceed without her.

Jurors got their flaky reputation last week when just a day into deliberations, they sent the judge a note asking for one of the jurors to be removed. The juror was having "violent outburst with other jurors," they told the judge. He lectured them on civility and jurors left for the day all smiles, the problem apparently resolved.

But then a juror's father died and she had to leave. The judge lost touch with the grieving juror, No. 4, over the weekend and couldn't determine whether she'd be available this week, so he decided Sunday to appoint an alternate juror.

Sullivan had halted deliberations Friday, but he decided in a hearing Sunday night to begin again with the alternate Monday morning.

As soon as court began for the day, Sullivan brought the alternate in for a brief conversation to see whether anything had happened over the weekend that would make her unable to deliberate and then told her to rejoin the jurors.

"We really appreciate your availability. Thank you," he told her. As one of four alternates, she'd sat through the trial but was dismissed once the jury began its deliberations last week. However, she and the other three alternates were warned not to read anything about the trial or talk to anyone about it because they might still be asked back.

The judge brought in the other jurors and told them not to speculate about why juror No. 4 no longer was present. He didn't tell them about her personal situation.

He also told them they needed to start their deliberations from scratch with the alternate juror but that how they did it was for them to decide.

Federal juries are allowed to proceed with fewer than 12 jurors. However, while it's common to reach a verdict with just 11, it's almost unheard of to proceed with fewer than that. Stevens' attorneys had advocated continuing with 11 rather than replacing the missing juror with an alternate.

The jury of eight women and four men must review seven felony counts to determine whether Stevens is guilty of lying on his Senate disclosure forms about gifts, mostly home repairs from the oil-services company Veco Corp. and its former owner, Allen. The Alaska Republican also is accused of accepting other gifts from other friends and failing to report them.

Although it's impossible to tell where it was in its deliberations before losing - and then regaining - a juror, the jury appears to be moving at a pretty fast clip so far. It got the case Wednesday afternoon and sent Sullivan a note Thursday afternoon asking to go home a little early and saying it had reviewed all the instructions.

The jury's prompt and apparently meticulous start Monday morning was a positive development for a panel that's had more than its share of theatrics since it began its deliberations. The judge took note after it left the courtroom to begin deliberating.

"Everyone was smiling. Everyone seems to be in a good mood this morning," the judge said. "No one appeared to be agitated or displeased. That's all I have to say."

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Timeline: Begich, Stevens and JL Properties

(10/27/08 01:55:53)

March 1997: U.S. Sen. Ted Stevens invests $50,000 in a new real estate venture called JLS Properties led by Jonathan Rubini and Leonard Hyde.

1999: Stevens invests another $50,000 in a Fairbanks apartment project developed by Rubini and Hyde.

2000: Stevens intervenes to help Rubini, Hyde and other partners -- which do not include Stevens -- after the U.S. Air Force backtracked on a deal for the group to build, renovate and run housing on Elmendorf Air Force Base. The group ultimately wins the lucrative contract.

May 2002: A Rubini and Hyde group buys the Calais office buildings in Midtown Anchorage from an Outside company.

August 2002: A Rubini and Hyde group buys land on Fifth Avenue downtown on which to build a headquarters for the National Park Service. Mark Begich, who was not in office, was the real estate agent on the sale, making $22,500.

December 2002: Rubini and Hyde give Begich an interest in Calais partnerships.

Feb. 5, 2003: Begich announces he is running for mayor.

Feb. 23, 2003: Congress approves $3.75 million appropriation to buy land for a new archives center in Anchorage.

April 1, 2003: Begich wins in a narrow victory over incumbent Mayor George Wuerch.

May 5, 2003: Leonard Hyde offers to sell either of two parcels to the federal government for a National Archives center. One is nine acres at 40th Avenue and Denali. The other, also in Midtown, is in what's called Centerpoint II, which includes Stevens as an investor.

June 2003: Rubini and Hyde's group, Eagle River Center LLC, buys the nine acres at 40th and Denali for $1.5 million from a retired teachers group.

Nov. 13, 2003: Agreement reached between Eagle River Center LLC and Midtown park committee to give it 20 percent of any net profit if the land is sold for a National Archives building in exchange for the group's support on a rezoning from residential to commercial.

December 2003: Federal government gets two appraisals on the land at 40th and Denali. One sets the market value at $2.9 million, which factored in the strong likelihood of the rezoning. The other put the value at $1.95 million under residential zoning and $4.5 million if rezoned commercial.

FBI - Stevens-2248

Jan. 23, 2004: Congress approves another $2,250,000 for the archives land.

Feb. 2, 2004: Begich writes letter to the municipal Planning and Zoning Commission supporting the rezone of the property.

Feb. 9, 2004: Planning and Zoning Commission recommends rezoning.

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June 2004: Rubini and Hyde's group sell the nine acres at 40th and Denali to the federal government for $3.5 million. Terms had been agreed to in March.

July 6, 2004: Archives property rezoning is approved by Assembly. Zoning is not effective unless a structure plan is approved within five years.

June 15, 2004: Stevens sells his interest in all investments with Rubini and Hyde. One investment was sold earlier in the year. He received $1,038,000 but also had to pay hefty taxes.

March 6, 2006: Begich sold his interest in the Calais partnerships for $53,430.

Sources: News stories, city records, land records, congressional budget documents, Taxpayers for Common Sense.

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The Verdict: count-by-count

(10/27/08 12:53:29)

Sen. Ted Stevens, R-Alaska, was convicted on all seven charges of making false statements on Senate financial documents about gifts he received from contractor Bill Allen, oil services company VECO Corp., and others.

Below are the charges. The verdict form is broken down by year and jurors did not have to indicate which gifts, if any, they believe Stevens concealed.

COUNT ONE: False Statements, Scheme

ACCUSATION: Stevens engaged in a scheme to conceal from his Senate financial disclosure documents home renovations and other gifts he received from Allen and VECO from 2000-2006. Stevens contends he never asked for any freebies and believed he paid for everything he received.

VERDICT: Guilty

COUNT TWO: False Statements

ACCUSATION: Stevens knowingly made false, fictitious or fraudulent statements on his 2001 Senate financial disclosure form regarding gifts from Allen and others. That year, VECO employees dramatic renovated Stevens' mountain cabin, building a new first floor and installing a new electrical system. Allen also filled Stevens' house with furniture, left a tool box in his garage and installed a grill on the porch. Stevens also received from another friend an expensive massage chair, which Stevens said was a loan, and a custom work of stained glass, which Stevens said his wife arranged and he knew nothing about.

VERDICT: Guilty

COUNT THREE: False Statements

ACCUSATION: Stevens knowingly made false, fictitious or fraudulent statements on his 2002 Senate financial disclosure form regarding gifts from Allen and others. That year, VECO employees installed a new roof, wraparound deck and rope lighting system on Stevens' home. An expensive fish statue, donated to his foundation by an Alaska nonprofit group, was also charged as a gift because it ended up on Stevens' front porch.

FBI - Stevens-2250

VERDICT: Guilty

COUNT FOUR: False Statements

ACCUSATION: Stevens knowingly made false, fictitious or fraudulent statements on his 2003 Senate financial disclosure form regarding gifts from Allen and others. That year, Stevens received an Alaskan sled dog puppy from a friend who paid $1,000 for it at a charity auction. Stevens reported the gift's value as $250 and wrote that it was from a charity in honor of his public service.

VERDICT: Guilty

COUNT FIVE: False Statements

ACCUSATION: Stevens knowingly made false, fictitious or fraudulent statements on his 2004 Senate financial disclosure form regarding gifts from Allen and others. That year, VECO employees installed or repaired kitchen appliances and performed maintenance on a rooftop snow-melt system at Stevens' house.

VERDICT: Guilty

COUNT SIX: False Statements

ACCUSATION: Stevens knowingly made false, fictitious or fraudulent statements on his 2005 Senate financial disclosure form regarding gifts from Allen and others. That year, VECO employees performed roof and gutter repairs and electrical wiring.

VERDICT: Guilty

COUNT SEVEN: False Statements

ACCUSATION: Stevens knowingly made false, fictitious or fraudulent statements on his 2006 Senate financial disclosure form regarding gifts from Allen and others. That year, a VECO employee and an outside contractor performed work on the boiler at Stevens' house. VECO's costs were never paid and Allen paid the outside contractor's labor. Stevens says he asked to be billed and didn't consider it a gift.

VERDICT: Guilty

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Jury finds Stevens guilty of lying about gifts

By ERIKA BOLSTAD and RICHARD MAUER
Anchorage Daily News
(10/27/08 15:47:57)

WASHINGTON - A jury today found U.S. Sen. Ted Stevens guilty of all seven counts of lying on his financial disclosure forms.

It is the highest-profile felony conviction in a sweeping four-year federal investigation into corruption in Alaska politics, and a rare conviction by a jury of a sitting U.S. senator.

Jurors found Stevens, 84, guilty of willfully filing false financial-disclosure forms that hid such gifts as a $2,695 massage chair, a stained glass window, a sled dog and renovations that doubled the size of his Girdwood home. Those gifts, valued at as much as $250,000 over seven years, came mostly from his former friend Bill Allen, the star prosecution witness in Stevens' trial and the former owner of Veco Corp.

The oil field-services company was one of Alaska's largest private employers before Allen, caught up in the federal corruption probe himself, was forced to sell it last year.

Now, Alaska voters will decide whether Stevens, who's represented the state in the Senate since 1968 and before that served in the state legislature and as a former assistant U.S. attorney and Interior Department official, should continue to serve as their senator.

That decision came quickly for they jurors, who deliberated for less than two full days. As the jury foreman read out the first guilty count this afternoon, the senator slumped slightly but was silent. When the second count was read, his lawyer Brendan Sullivan reached over and put his arm around Stevens. Sullivan shook his head in disappointment as the verdict was read.

As the senator exited the packed courtroom, his wife, Catherine, kissed him on the cheek.

"It's not over yet," he told her. She responded: "You got that right."

Then he added, "Not over yet."

Stevens' lawyers, whose firm is well known for not speaking to the news media, exited the courthouse with the senator, who sped off in a van without saying anything.

FBI - Stevens-2252

Several hours after the verdict, Stevens issued a defiant statement maintaining his innocence. He accused prosecutors of misconduct and announced his intention to remain a U.S. Senate candidate on the Nov. 4 ballot.

"I am obviously disappointed in the verdict but not surprised given the repeated instances of prosecutorial misconduct in this case," Stevens said. "I will fight this unjust verdict with every ounce of energy I have."

For the first time in his career, Stevens faces a competitive re-election fight, against Democratic Anchorage Mayor Mark Begich. The Alaska Democratic Party called for Stevens to resign, but Begich was more measured.

"This past year has been a difficult time for Alaskans, but our people are strong and resilient and I believe that we will be able to move forward together to address the critical challenges that face Alaska," Begich said in a statement.

Alaska Gov. Sarah Palin, the Republican vice-presidential candidate, issued a statement keeping in line with the

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anti-corruption rhetoric that figured in her campaign trial stump speech.

"This is a sad day for Alaska and for Senator Stevens and his family," Palin said. "The verdict shines a light on the corrupting influence of the big oil service company that was allowed to control too much of our state. That control was part of the culture of corruption I was elected to fight. And that fight must always move forward regardless of party or seniority or even past service."

Stevens, who was indicted in late July, sought an early trial date, gambling that he'd face voters as an innocent man. Even without the conviction, though, in order to re-elect Stevens, voters would have to overlook four weeks of testimony that exposed some of the senator's innermost financial and personal secrets.

The guilty verdict will complicate not only his re-election bid but also the remainder of his term in the Senate. His colleagues have the option -- never exercised -- of voting to expel him before his term ends in January. Four U.S. senators have been convicted of crimes, historians note, but not one has received a presidential pardon.

The rules of succession are complicated in Alaska, where courts haven't ruled on a referendum that prohibits the governor from appointing a senator if the office is vacant. That referendum was enacted after then-Gov. Frank Murkowski appointed his daughter, Lisa Murkowski, to the U.S. Senate seat he vacated.

The corruption trial, which began Sept. 22, featured 24 government witnesses and 28 defense witnesses. Jurors began their deliberations Wednesday afternoon, but halted Friday morning when one of the juror's left town for her father's funeral. U.S. District Judge Emmet Sullivan appointed an alternate juror Monday morning, and by 4 p.m., the panel had reached a verdict.

Stevens took the stand in his own defense, a tactic that appeared to hurt him after prosecutors painted him as a disagreeable and mean-spirited man who considered himself above the law.

"This has been a long and hard fought trial," said the head of the Justice Department's criminal division, Matthew Friedrich, in a press conference outside the courthouse after the trial. "The Department is proud of this team not only for this trial but for the investigation which led to it. "This investigation continues, as does our commitment to holding elected officials accountable when they violate our laws."

The senator's defense rested on the theory that he and his wife had paid all the bills they'd received in connection with the renovations of their home in Girdwood.

Catherine Stevens also took the stand, providing contradictory testimony that may have persuaded the jurors that their conflicting stories meant that they were lying or covering up a crime.

The jurors had to weigh the husband and wife testimony against that of Allen, who pleaded guilty to bribing state lawmakers in Alaska in an unrelated case. Allen agreed to testify in Stevens' trial and two others in exchange for leniency in his own sentencing and the promise that prosecutors wouldn't charge his children in the corruption investigation.

The jury also heard from a parade of tradesmen who had nothing to gain by their testimony.

Almost daily for the first two weeks of the trial, the government introduced evidence showing that Veco employees -- particularly electricians and a plumber -- were on the job daily. Prosecutors also showed that the project's two supervisors were being paid by Veco and that the company provided much of the materials for the renovation and all the later additions and some repairs and furnishings. Stevens' lawyers never presented evidence in the case that Stevens or his wife ever paid Veco a penny for the work.

The Justice Department has charged 11 people in connection with its corruption probe in Alaska, including five former and current state legislators in Alaska. Other than Stevens, five pleaded guilty, three were convicted by juries in Alaska and two await trial.

Judge Sullivan has not yet set a date for sentencing and first must hear a series of post-trial motions, such as one from Stevens seeking a new trial. Each of the seven felony counts carries a sentence of up to five years in prison.

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Stevens guilty: 'It's not over yet,' he says

By ERIKA BOLSTAD and RICHARD MAUER
Anchorage Daily News
(10/27/08 20:51:00)

WASHINGTON — A federal jury on Monday convicted U.S. Sen. Ted Stevens on all seven counts of lying on his financial disclosures, a crippling blow not just to his election chances next week but to his legacy as Alaska's longest serving and most accomplished living politician.

Stevens also risks jail time. The seven felonies each carry a penalty of five years in prison, though it's unlikely a significant prison sentence, if any, would be imposed on an 84-year-old, first-time offender with a long record of public service and a longer list of character references.

"It's not over yet!" Stevens said angrily to his wife as he walked from the courtroom Monday afternoon.

"You've got that right," Catherine Stevens replied as she reached for him through the crowd of supporters rushing past reporters for the door.

"Not over yet," Stevens said.

Neither he nor his lawyers talked to reporters as he left the courthouse and climbed into a waiting white van amid a throng of cameras.

He later issued a statement maintaining his innocence and saying he will continue to fight the charges and accusing prosecutors of misconduct. He remains a candidate for office, he said. Neither his Senate office nor his campaign responded to an e-mail request for an interview.

Stevens is by far the highest profile defendant among nine legislators, businessmen, lobbyists and an state administration official to have been convicted in the massive FBI investigation of corruption in Alaska. Two other legislators await trial in Anchorage.

"This investigation continues, as does our commitment to holding elected officials accountable when they violate our laws," said Acting Assistant Attorney General Matt Friedrich, reading a statement on the courthouse steps after the verdict.

Among those still under investigation are Stevens' son Ben, a former president of the Alaska senate, and U.S. Rep. Don Young, who's standing for election Tuesday with Stevens.

Stevens' defense team has until Dec. 5 to file motions for a new trial and other relief from Judge Emmet Sullivan, who set a hearing date of Feb. 25. Sullivan indefinitely postponed sentencing.

FBI - Stevens-2254

UNREPORTED GIFTS

In convicting Stevens, the jury had to unanimously decide he lied on his financial disclosure by not reporting gifts and benefits.

Though the jurors heard character witnesses for Stevens, including former Secretary of State Colin Powell, none started out with the kind of knowledge of Stevens that most Alaskans could recite: his long history of securing federal money for his homestate, of supporting Alaska's military bases and Native institutions, his connections to fisheries and the trans-Alaska pipeline, or that "Ted Stevens" is part of the name of the biggest international airport in Alaska, the marine research center in Juneau and the science education center in Kenai.

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The judge relayed a message from the jurors that they would not consent to interviews. Their identities were never disclosed in open court and they left the courthouse while Sullivan's court was still in session after the verdict.

The Stevenses were the two final witnesses in a trial that began with jury selection on Sept. 22. Fifty other witnesses testified, many of them from the now defunct oil-field service company Veco. They told of being directed to perform renovations and repairs on Stevens' official residence in Girdwood, turning the modest green A-frame with a loft into a five-bedroom retreat with a new garage and kitchen.

In all, the government said Veco and its chief executive, Bill Allen, provided Stevens with some $250,000 in services, gifts, furnishings and other benefits. Two other friends of Stevens — Bob Penney, the real estate developer and sport fish advocate, and Bob Persons, the owner of Girdwood's Double Musky restaurant — also provided gifts of a $1,000 dog, a $3,200 stained glass window and a $2,700 chair that Stevens didn't disclose, according to evidence in the case.

Stevens and his defense challenged those dollar values on multiple fronts. Stevens said he didn't know that Veco provided a dime's worth of work, and he disputed that any of the gifts were actually his to own, even though they were in his homes in Girdwood and Washington — often for years.

But Senate rules provide a low threshold for reporting gifts — from $260 in 2000 to $305 in 2006 — making it easier for the jury to decide than it might have been if the Senate values were much higher.

For instance, the jury didn't have to determine to the penny the validity of Veco's accounting that the house renovations cost the company $82,000 in 2000 and another $110,000 in 2001. Those were the numbers initially entered into evidence early in the trial, but were later shown to be significantly flawed even before the government rested its case.

Whatever the actual number was for the renovations, the evidence was overwhelming it was more than $260.

Under the law, any gift over the threshold amount had to be listed. Yet Stevens' forms never showed anything from Veco, Allen, Penney or Persons.

'NOT A TYPOGRAPHICAL ERROR'

The jury began deliberations for the day about 9:30 a.m. It was the start of the third day of deliberations for all but Juror 11, an alternate who had just taken the place of another juror who left to attend her father's funeral in California. The judge instructed the jury that they would have to restart their deliberations to accommodate their newest member, a prolific note-taker during the trial who runs a Web site for her church.

Late morning, the jury sent out a note with a "significant question." It turned out they had discovered an error in the indictment that had gotten though the prosecution team, the grand jury, two months of pre-trial wrangling by both sides and a month's worth of trial. None of the 25 or so journalists regularly covering the case noticed it, either.

The issue involved Count 2 and its reference to the fifth set of checkboxes on the front page of Stevens' 2001 report. It was there that Stevens was supposed to check whether he received more than $260 in reportable gifts that year.

FBI - Stevens-2255

The indictment said Stevens checked "No." But the jury discovered from looking at the actual disclosure that Stevens checked "Yes."

They wanted to know how to deal with that discrepancy.

With the jury waiting in their room for an answer, the embarrassed prosecution team said the error in the indictment could be considered a typo, but in any case wasn't significant. The gift Stevens listed in his back-up schedule was a $1,100 gold coin struck to commemorate his honorary chairmanship of the Special Olympics winter games in Anchorage that year. There was nothing in the schedule from Veco, Allen, Persons or Penney, as charged in the indictment.

The defense said that if the jury found there was no proof that Stevens checked "No," that might be reason enough for a not guilty verdict.

The judge decided to send an instruction to the jury that the indictment is not evidence — only the disclosure document itself was. The implication was that the jury could ignore the error.

As for the prosecution, Sullivan was displeased.

"Presumably someone reads these before they are submitted on the docket — it's not a typographical error," he said.

On the other hand, he had high praise for the sharp-eyed jury. By then, the jurors were taking lunch. Unknown to anyone in the courtroom, they were also nearing a verdict.

'GUILTY'

Shortly after 3 p.m. Washington time (11 a.m. in Alaska), the jury foreman, a balding, middle-aged man who works for a drug rehabilitation agency, handed another note to the marshal guarding the door. As Stevens, his lawyers, prosecutors and reporters responded to the summons from court officials, there was no direct word about what the note said. Then Shelton Snook, the court administrator, told reporters that no one would be allowed to dash from the courtroom, movie style, until the judge declared a recess. The marshal ordered everyone to leave their cell phones and Blackberrys outside the courtroom.

At 3:53 p.m., the jury walked in the courtroom door. Everyone in the room stood. The only sound was from people settling back into their seats. The jurors looked toward the judge and each other. None appeared to steal a glance at Stevens or his wife in the front row of the spectator benches.

If they had, they would have seen two grim faces. Stevens' face was slightly flushed, his wife pale.

Brenda Morris, the lead prosecutor, touched her fingers together and closed her eyes, like she was meditating. Prosecutors Joe Bottini and Nicholas Marsh and FBI agent Mary Beth Kepner, the others at Morris' table, held pens in their hands, ready to scrawl on legal pads.

"I will take the verdict," Sullivan told the foreman.

The foreman passed a sealed manila envelope to the marshal, who carried it to the judge. Sullivan ripped open the flap, checked the form to make sure it was complete, then put it back in the envelope. He passed the envelope back to the marshal, who returned it to the foreman.

Sullivan gave no hint of the verdict.

The foreman grabbed a microphone and stood. The only others on their feet where the three marshals guarding the back door.

"As to count one, what is the verdict of the jury?"

In a deep baritone, the foreman replied, "Guilty."

Not a whisper moved through the court. Stevens didn't move.

Count two, asked the judge?

"Guilty," said the foreman.

The gray-haired Brendan Sullivan, Stevens' lead defense attorney, put his arm around Stevens' shoulder.

Count three?

"Guilty," said the foreman.

Stevens closed his eyes.

Count four?

"Guilty."

Catherine Stevens' lips were quivering. Stevens' daughter Beth, who attended every minute of the trial, looked at her feet.

Count five?

"Guilty."

Stevens shook his head from side to side. Morris was stoned face. Bottini, Marsh and Kepner wrote furiously and showed no reaction. .

And so it went for the next two verdicts. Another defense attorney, Robert Cary, requested that the jurors all be polled as to whether they agreed to the verdict, a common request of a losing side in court.

Each juror spoke. The verdict was unchanged.

Contact the reporters: rmauer@adn.com and ebolstad@adn.com

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Stevens plans return to campaign Wednesday

DOUBT: Conviction effects may be unknown until election next week.

By SEAN COCKERHAM and DON HUNTER
Anchorage Daily News
(10/28/08 00:36:21)

A defiant Sen. Ted Stevens is returning to Alaska on Wednesday to resume his re-election campaign, despite being convicted of felonies that carry the potential of years in prison.

Stevens, 84, faces a challenge of historic proportions with just one week before the election. He'd be the first convicted U.S. senator ever elected, on appeal or not.

Alaska pollsters and political consultants were skeptical of Stevens' chances Monday but not prepared to count out the longest serving Republican in Senate history. Several pointed out that, contrary to most predictions, Stevens surged in the polls after his indictment in late July, coming from far behind to what's essentially a tie with Democratic opponent Mark Begich in most recent polls.

"That had to be people rallying to Ted against these Outside influences attacking their senator. It's possible, extremely unlikely, that with the conviction we'll get another backlash against this Outside influence," said Anchorage pollster Marc Hellenthal.

The mood at Stevens' Anchorage campaign headquarters was one of stunned horror immediately after the conviction came down mid-day Monday. People milled inside while two young volunteers stood in the cold guarding the door. One of them looked close to tears.

Hours later, the news had settled in. The guards were gone, the campaign ordered Moose's Tooth pizza for its workers and Stevens' backers started talking about what's next.

"I think it will be a battle but we're going to throw every ounce of effort into doing so," said political consultant Art Hackney, who is working on the Stevens campaign.

Hackney said it's going to be a "nonstop campaigning, very aggressive," once Stevens gets back to Alaska. He said the campaign has to ask people to withhold their judgment.

"And basically what I think most people understand, it's really three words -- prosecutorial misconduct and appeal," he said. "And other than that it's campaigning on the record of what he's done and what he can do."

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SHARP DIVIDE

Larry Sabato, who publishes the nationally watched Crystal Ball forecasts of congressional races, said he can't imagine Alaskans would re-elect a U.S. senator just convicted of seven felonies.

"It would make Alaska a national laughingstock," said Sabato, who directs the Center for Politics at the University of Virginia.

The National Republican Senatorial Campaign Committee appears to have given up on Stevens.

"Ted Stevens served his constituents for over 40 years and I am disappointed to see his career end in disgrace," said NRSC Chairman John Ensign, a senator from Nevada.

Carl Shepro, a political science professor at the University of Alaska Anchorage, said that kind of talk might be premature. Shepro said he believes Stevens still has a real chance to win re-election next week despite the

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conviction.

"Right now I'm in Fairbanks. It's pretty amazing the advertisements for him and the testimonials and stuff," Shepro said. "It's certainly difficult to think they are just going to turn around because of the conviction, and with appeals this could drag out for years."

Stevens' Democratic opponent, Anchorage Mayor Begich, was playing it safe on Monday. Begich read a 14-second statement that said it's been a tough year but time to move on. He then refused to answer any questions from reporters.

Democratic Senate Majority Leader Harry Reid of Nevada, who recruited Begich to run, wasn't feeling so shy. He called on Stevens to "now respect the outcome of the judicial process and the dignity of the United States Senate." The Alaska Democratic party said Stevens should resign.

U.S. Senate Republican Leader Mitch McConnell of Kentucky said Stevens must face the consequences of the verdict and will be held accountable so public trust can be restored.

But Alaska's other U.S. senator, Republican Lisa Murkowski, said the prosecution committed several gaffes during the trial and she'll stand with Stevens as he pursues his appeal.

RURAL SUPPORT

There's nothing in the U.S. Constitution or Senate rules to keep a convicted felon from being a senator.

Stevens' colleagues could expel him with a two-thirds vote if he's re-elected, or even before his current term ends in January.

If Stevens resigned or was expelled, the seat would stay empty until a special election within 90 days.

Todd Larkin of North Pole, who has been active in the state Republican Party, said Stevens could win, and then resign, allowing the Republicans to put up a candidate in the special election. That's a potential scenario state party officials are talking about to keep the seat out of Democratic hands.

Stevens isn't talking about resigning yet. His campaign sent a message to supporters Monday saying "overzealous prosecutors" deprived Stevens of his rights and that 12 jurors who have never been to Alaska shouldn't decide the race.

Stevens is particularly strong in rural Alaska. Matthew Nicolai, president of the Calista Corp., one of 13 regional Native corporations, estimated Stevens represents about $1 billion a year in federal projects to rural Alaska. He said the 40-year senator has visited nearly all of the 56 villages in the Calista region at one time or another. Nicolai said he thinks Stevens can still be re-elected.

Rep. Reggie Joule, who represents Kotzebue in the state Legislature, heard news of the verdict while preparing for a caribou hunt. Joule is a Democrat but has stumped for Stevens during the campaign.

During the Alaska Federation of Natives convention, some rural voters walked to the nearby Anchorage City Hall to cast early ballots last week -- before the verdict, he said. "Sen. Stevens has a lot of loyal backers, and a lot of people have voted already."

Asked if he still plans to vote for Stevens, Joule hadn't decided.

"There's a piece of me that's really torn. So, I guess when I get inside the polling booth, I'll cast my vote," he said.

Alaska Republican Congressman Don Young, who is under federal investigation and facing his own tough re-election battle, said he thinks Stevens can still win next week.

"He's the best thing for that, for the Senate. Alaskans know this. This is a trumped up charge. ... I can remember Richard Nixon, you know, his years of service, what he's done. And everybody were ridiculing him and he ended

up being the greatest president in the history of our century," Young said.

Young, who has not been charged, said the Stevens conviction doesn't make him more concerned about what federal prosecutors might be planning for him.

"I have no problem with anything. I know where I'm going, where I've been and what I've done," he said.

POLLSTERS GET BUSY

Pollsters said a Stevens acquittal could have given Young a needed boost, helping to give voters doubt about the federal investigation of Young. Clem Tillion, a Republican former president of the state Senate, seemed to agree.

"I think it's going to be harder on Don Young than it is on Ted Stevens," Tillion said.

Alaska pollsters will be scrambling in the coming days to test the effect of Monday's conviction on both Young's U.S. House race and Stevens' Senate bid.

Most recent polls have showed Begich and Stevens being statistically tied. But a Craciun Research Group Inc. poll over the weekend put Begich in the lead by 12 percentage points, after the closing arguments but before the jury came in with a verdict.

Pollster Anne Hays said it's been a close race, according to her numbers, but she expects "the dam to open up," following the conviction. Ivan Moore, another Anchorage pollster, said there's no way to know for sure what the conviction will bring.

"This is one of those situations where nothing like this ever happened before," Moore said. "But I think it's pretty clear Ted's going to have a hard time winning next week."

Daily News reporters Lisa Demer, Kyle Hopkins and Tom Kizzia contributed to this story.

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McCain calls on Stevens to step down

By ERIKA BOLSTAD
(10/28/08 07:36:03)

WASHINGTON -- Wasting no time in separating his presidential campaign from what he described as the "corruption and insider dealing that has become so pervasive in our nation's capital," Sen. John McCain called on fellow Republican Sen. Ted Stevens to step down from the U.S. Senate.

Stevens, 84, was convicted Monday by a jury in Washington, D.C., of accepting thousands of dollars in freebies, including renovations that doubled his home in size. Stevens has vowed to appeal the seven felony convictions and press on with his own re-election campaign in the week leading up to the Nov. 4 election. He is only the fifth sitting senator to be convicted of such a serious crime in the history of the Senate.

"It is clear that Senator Stevens has broken his trust with the people and that he should now step down," McCain said in a written statement. "I hope that my colleagues in the Senate will be spurred by these events to redouble their efforts to end this kind of corruption once and for all."

Unlike that of Senate Majority Leader Harry Reid, D-Nevada, McCain's statement offers no niceties about their shared time in the Senate and expresses no sympathy for Stevens' family. Its intensity is somewhat surprising given that McCain is a fellow Republican, but not unexpected given the frosty relations the two men have long had. They have sparred over opening up the Arctic National Wildlife Refuge to oil drilling, McCain's opposition to earmarks and their differing positions on global warming.

Reid, who personally recruited Anchorage Mayor Mark Begich to run against Stevens, called the verdict "a personal tragedy for our colleague Ted Stevens." He also urged Stevens to "respect the outcome of the judicial process and the dignity of the United States Senate" but didn't suggest he step down.

McCain's call for Stevens' resignation also goes well beyond that of his vice-presidential running mate, Alaska Gov. Sarah Palin. Hours after the verdict, Palin released a statement calling Stevens' conviction "a sad day" for Alaska, but she stopped short of demanding he step down.

"The verdict shines a light on the corrupting influence of the big oil service company that was allowed to control too much of our state," Palin said. "That control was part of the culture of corruption I was elected to fight. And that fight must always move forward regardless of party or seniority or even past service."

In her statement, Palin asks Alaskans to "join me in respecting the workings of our judicial system. I'm confident Senator Stevens will do what is right for the people of Alaska."

She would not tell reporters whether she planned to vote for Stevens.

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But if Stevens were to resign from his seat or be expelled by his fellow senators, Palin has a potential -- and complicated -- role in choosing a replacement. No one in Alaska can say for sure how it would work because Alaska's law on senatorial succession was changed twice in 2004 -- once by the Legislature and once by ballot initiative.

Those laws were changed following then-Gov. Frank Murkowski's 2002 appointment of his daughter, Republican Lisa Murkowski, to his vacated U.S. Senate seat.

Both of the 2004 laws call for a special election within 60 to 90 days of the vacancy. But they disagree on whether the governor appoints an interim senator in the meantime. The Alaska Supreme Court would ultimately have to decide which law the state follows.

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Stevens could keep seat in Senate

IF IT'S OPEN: Voters would have 60 days to pick a new senator.

By TOM KIZZIA
tkizzia@adn.com

(10/28/08 00:36:02)

Can Sen. Ted Stevens still run for office after being convicted by a jury on Monday? Yes.

Can a re-elected Stevens keep his seat in the Senate if he loses on appeal? Doubtful, but that would be up to his fellow senators.

If Stevens were to resign from his seat or be expelled, how would a replacement be chosen?

Nobody can say for sure.

That's because Alaska's law on senatorial succession was changed twice in 2004 -- once by the Legislature, and once by ballot initiative. Both laws call for a special election within 60 to 90 days of the vacancy. But they disagree on whether the governor appoints an interim senator in the meantime.

The Alaska Supreme Court would ultimately have to decide which law the state follows.

But first things first.

There's nothing in the U.S. Constitution that says a politician convicted of a crime can't run for re-election to the Senate.

Assistant Attorney Gen. David Jones said Monday the only qualifications for Congress are those spelled out in the U.S. Constitution -- basically, matters of residency. He cited a report by the Congressional Research Service saying no other state or federal requirements can be imposed. That includes any effort to bar someone convicted of a felony, the report said.

The Senate gets to set its own rules about who can serve, however. It can expel a member by a two-thirds vote. Such a vote is unlikely while a criminal case is on appeal, according to the Senate historian's office. In fact, such a vote would be unprecedented. Four senators have been convicted of crimes: two resigned, one died, and one saw his term expire before an expulsion vote could be held.

Last week, two outspoken Stevens defenders, Sen. Lisa Murkowski, R-Alaska, and Sen. Kay Bailey Hutchison, R-Texas, predicted the Senate would surely seat Stevens if he lost his jury trial but won re-election while appealing the verdict. They even spelled out several causes they considered fruitful for an appeal: failure to move his trial to Alaska or prosecutorial misconduct.

If Stevens loses the appeal and his seat is vacated, his successor is chosen by rules set by the state of Alaska.

Each state gets to set its own rules for filling vacancies, according to the 17th Amendment to the U.S. Constitution, ratified in 1913. That amendment said senators are to be elected by popular vote, rather than by the state legislatures. It's up to individual states to decide whether temporary appointments can be made when a vacancy occurs.

Alaska's rules of succession have been changed again and again, each time to benefit the majority party in the Legislature.

Before 1968, the rule was that a newly appointed senator had to be from the same party as the deceased or

departing senator. But when Democrat Bob Bartlett died that year, Republican Gov. Wally Hickel wanted to appoint a Republican, so the Legislature repealed the rule. The appointee was Stevens, who later won a special election in 1970 and has held the seat since.

In 1998, the Legislature put the same-party rule back, ensuring that Democratic Gov. Tony Knowles would have to appoint a Republican if the Stevens or Frank Murkowski seats came open.

In 2002, the Republican Legislature changed the law again so Knowles could not name Murkowski's successor if Murkowski won the governor's race.

Murkowski won and got to name his successor. He chose his daughter, Lisa, touching off a furor. By 2004, with signatures rolling in on an initiative petition, the Legislature changed the law to require a prompt special election unless a vacancy occurs within 60 days of a regular election. But the Legislature allowed the governor to appoint someone to keep the seat warm until that election.

Democrats backing Proposition 4 in 2004 objected to any appointment at all. They said an interim appointment gave the chosen successor an incumbent's edge in the ultimate election.

Opponents of the measure said waiting to fill a U.S. Senate seat would leave Alaska without full representation for months. And they argued the backers were being a touch devilish, reminding voters of the nepotism issue in Lisa Murkowski's first, and ultimately successful, race for the Senate.

The initiative backers, who called themselves Trust the People, had to win a ruling from the state Supreme Court to get on the 2004 ballot. The Murkowski administration argued the new state law was essentially the same, making the ballot measure redundant. The justices said there was an essential difference -- whether a temporary senator gets appointed during those 60 to 90 days.

Since the initiative had yet to pass, however, the Supreme Court declined to rule on an important secondary issue: whether the initiative supplanted the state law. State officials at the time argued that the 17th Amendment gave the decision about succession to legislatures, not to a public vote. But the issue was never settled.

The case was known as State of Alaska v. Trust the People.

Jones said the Department of Law has not drawn up a legal opinion on the matter.

Bottom line: if the Senate seat were to open up, voters would get to choose a new senator in a special election within 90 days. In the meantime, it would be up to Gov. Sarah Palin to decide whether to trigger a quick constitutional test by appointing an interim senator.

Unless, that is, Palin has been elected vice president. In which case the decision would be up to her successor, Lt. Gov. Sean Parnell.

Find Tom Kizzia online at adn.com/contact/tkizzia or call him at 907-235-4244.

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McCain, Palin urge Stevens to quit

SAVING THE SEAT: The Alaska GOP, however, wants voters to support him.

By SEAN COCKERHAM and ERIKA BOLSTAD
Anchorage Daily News

(10/29/08 00:47:50)

Alaska Gov. Sarah Palin on Tuesday joined top Republicans including her running mate, John McCain, and the Senate Republican leader in calling for Ted Stevens to resign from office.

"After being found guilty on seven felony counts, I had hoped Senator Stevens would take the opportunity to do the statesman-like thing and erase the cloud that is covering his Senate seat," Palin said in a written statement. "He has not done so. Alaskans are grateful for his decades of public service but the time has come for him to step aside."

Senate Republican Leader Mitch McConnell of Kentucky said Stevens should resign and, if he doesn't, he could be expelled from the U.S. Senate. It would take a two-thirds vote of the Senate to expel the Alaska senator.

"If he is re-elected and the felony charge stands through the appeals process, there is zero chance that a senator with a felony conviction would not be expelled from the Senate," McConnell said while campaigning in Kentucky.

The Republican Party of Alaska is urging voters to support Stevens anyway as he returns to Alaska today to make a final push before Tuesday's election. The message: If Stevens wins and then resigns or is expelled from the Senate, there would be a special election giving Republicans another opportunity to keep the seat out of Democratic hands.

"If it's not Sen. Stevens, we need the choice to have someone else," said McHugh Pierre, the Alaska party spokesman. "But right now Sen. Stevens is our candidate, we're behind him 100 percent, he says he's innocent, he's going to fight these charges, I believe he's innocent and we're going to make sure that our membership and other conservative Alaskans can find it in them to vote for him and prolong their options." Both the Stevens campaign and the state GOP suggested that Palin, who characterizes herself as a reformer as she campaigns for vice president, is saying what she needs to say to get votes in the Lower 48 and Alaska voters should not listen. Pierre said McCain and Palin are in a tough spot, because they want a Republican in the seat to keep the Democrats from obtaining a 60-seat, filibuster-proof majority.

"They can't come out and endorse him; how's that going to look?" Pierre said. Palin, in her statement, seemed open to the possibility that Stevens could stay in office long enough to win re-election next week and then resign, saying that, "even if elected on Tuesday, senator Stevens should step aside to allow a special election to give Alaskans a real choice of who will serve them in Congress."

Stevens' Democratic opponent, Anchorage Mayor Mark Begich, on Tuesday stopped short of calling on Stevens to resign, saying that "it's up to him to make that decision." He said the issues facing the state are too important to wait months or longer for Stevens' case to be appealed.

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NOT ALL BUY PARTY MESSAGE

McCain said Stevens has broken his trust with the people and should now step down. Other Republican senators calling for Stevens to resign include Sens. Jim DeMint of South Carolina and Norm Coleman of Minnesota, who faces a competitive race against comedian Al Franken. Republican Gordon Smith of Oregon, also in a competitive race, echoed their call for his immediate resignation. McCain's close friend and campaign companion Sen. Lindsey Graham, R-S.C., also asked for Stevens to resign and "pursue his legal rights as a private citizen."

And not all Alaska Republicans were buying their state party's message. Some said Tuesday that Stevens is through and they'll vote next week for Alaskan Independence Party candidate Bob Bird or the Libertarian in the

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race, David Haase.

"Sen. Stevens is an 84-year-old man who needs to find a dignified way to get himself out of this predicament other than depending on the people of Alaska," said Spike Jorgenson of Tok, a state party central committee member who said he won't vote for Stevens this year.

Other prominent Republicans, including Anchorage Baptist Temple pastor Jerry Prevo, said they are sticking with Stevens, who has represented Alaska in the U.S. Senate since 1968.

"Based on all that he's done and being a pastor, pastors are a little bit, their tendency is to extend forgiveness and preach forgiveness, so that would just be a natural thing," Prevo said.

State House Speaker John Harris, a Republican from Valdez, said he's supporting Stevens, but only because there isn't enough time to get another Republican on the ballot.

"Had this trial taken place significantly before the election, I'd say he ought to step down. Now, there isn't enough time," Harris said. "I hope he wins, and we'll see what happens after that."

STEVENS BACK TODAY

Stevens shows no sign of stepping down. He is returning to Alaska today and there's going to be a 5:30 p.m. rally for supporters at the PenAir hangar in Anchorage.

"We think Alaskans are fighting (alongside) the senator and we expect that to continue," said Stevens' campaign spokesman, Aaron Saunders.

Saunders said Stevens is running to win. It's far too early to speculate on whether he might later resign, Saunders said, as Stevens "has a series of legal options and he'll be exploring those."

Frank McQueary of Anchorage, a state Republican Party official, said Stevens doesn't deserve what's happening and Alaskans should support him as he appeals his conviction.

"From what I've seen of the transcripts of the trial, the only criminal activities demonstrated were on the part of the prosecutor and the FBI," McQueary said.

Anyone who is even somewhat conservative needs to back Stevens, he said.

"If Sarah (Palin) were truly conservative, her overriding concern should have been not turning that seat over to a liberal ... other than wanting to stand up and look virtuous and chasing public opinion and chasing polls, there was no reason to (call for his resignation). The process hasn't played out with Stevens," he said.

Stevens' campaign announced endorsements Tuesday from the Alaska Eskimo Whaling Commission and retired Air Force Lt. Gen Tom McInerney, former head of the Alaska Command.

Nick Stepovich of Fairbanks, a Republican Party official and former state legislator, said he thinks voters will fall back on Stevens' years of service next week and elect him to another term.

FBI - Stevens-2265

"I think many Alaskans feel that Stevens is still not done yet," he said.

Sean Cockerham reported from Anchorage and Erika Bolstad from Washington, D.C. Contact them at scockerham@adn.com and ebolstad@adn.com. Daily News reporter James Halpin and the Associated Press contributed to this story.

Palin to return Monday

Gov. Sarah Palin is returning to Alaska on Monday night, her campaign announced Tuesday. It's the first time she's been back to the state since mid-September.

Palin, the Republican nominee for vice president, will vote Tuesday morning in her hometown of Wasilla before leaving for Phoenix, Ariz., to join running mate John McCain for Election Night.

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Anchorage rally welcomes Stevens

Supporters cheer 'lion of Alaska'

By SEAN COCKERHAM
scockerham@adn.com

(10/30/08 01:08:28)

Sen. Ted Stevens returned to Alaska on Wednesday for the first time since his conviction, telling a crowd of supporters he made a mistake but is not a criminal and needs their help to save his re-election.

"Like most people, I'm not perfect. I naively trusted someone I thought was an honest friend. When he was neither honest nor a friend," Stevens said.

Stevens was talking about Bill Allen, former chief executive of the oilfield services company Veco Corp. and the prosecution's star witness against him. A Washington, D.C., jury on Monday convicted Stevens of seven felony counts of lying on financial disclosure forms about thousands of dollars of gifts and home renovations from Veco.

"My future is in God's hands," the Republican told the crowd of roughly 500 gathered in the PenAir hangar at Ted Stevens International Airport. "Alaska's future is in your hands."

Stevens' return marks the beginning of what his campaign says will be an aggressive, whirlwind, effort to persuade Alaskans to re-elect the 84-year-old senator. With the election just five days away, Stevens has little time and a big challenge.

But the crowd at his Anchorage rally seemed to harbor little doubt that Stevens, who showed flashes of both humility and defiance, would beat his challengers. They include Anchorage Mayor Mark Begich, a Democrat, who was holding a dueling rally at a union hall at the same time as Stevens' event.

There was undisguised hostility toward the federal government and the FBI at the Stevens event, with people wearing T-shirts that said "F*#@ the feds, vote for Ted."

"Anyone who thinks you can get a fair trial in the heart of liberalism, Washington, D.C., is smoking dope. He was railroaded," said Mark Kelliher, a retired engineer.

Talk radio host Rick Rydell told the crowd he knows Stevens, a D.C. jury doesn't.

"I don't particularly like it when outsiders tell me what to do," Rydell said, before Stevens took the stage. "You can kiss my Alaska moose-hunting behind."

Stevens reiterated his innocence, assured his supporters that he would be vindicated on appeal, and said he's still the best choice for Alaska. Stevens said that when he filed his financial disclosure forms, he believed they were accurate and complete.

FBI - Stevens-2267

"The verdict was driven by prosecutors who were willing to do anything to win. If I had a fair trial in Alaska, I would have been acquitted," he said.

The crowd cheered and shouted, "We trust you," over and over again as he spoke. Former governor Bill Sheffield, former Anchorage mayor George Wuerch, and mayoral candidate Dan Sullivan were there. So was Alaska's junior U.S. senator, Republican Lisa Murkowski, who told the Stevens supporters they need to get their neighbors and co-workers out to support Stevens.

Republican congressional staffers in suits and stylish glasses came to the rally, but the crowd also included moms and old men in long beards and worn Carhartts. Some had a memorable experience with Stevens or one of his

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staffers helping them with a constituent problem, others just saw him as a lion of Alaska. They seemed to share an unshakeable faith in Stevens, a belief that if he said he didn't do it, he didn't.

Outside of the love and respect for Stevens in that hangar, though, the 40-year senator faces enormous hurdles in getting re-elected. No convicted senator has ever been elected, and a new Rasumusson poll released Tuesday indicates his race went from a statistical tie to an 8-point Begich lead following his conviction.

Several of Stevens' Republican colleagues in the Senate, including Senate Republican Leader Mitch McConnell of Kentucky, have said Stevens broke the public trust and should resign. Alaska Gov. Sarah Palin, the Republican nominee for vice president, and her running mate, John McCain, have also called on Stevens to step down. Palin said Stevens should resign even if he wins next week, to allow a special election to pick his replacement. The McCain-Palin campaign has declined to elaborate on Palin's statement, though, and Palin won't say whom she plans to vote for.

Many Alaska Republicans are conflicted over Stevens, saying they'll vote for a third-party candidate, like Bob Bird of the Alaskan Independence Party or Libertarian David Haase. The state Republican Party's pitch to vote for Stevens is that it would keep Begich from winning, so if Stevens resigns or is expelled from the Senate, there could be a special election allowing another Republican to try and win the seat.

But people who turned out for Stevens' Wednesday rally weren't basing their votes on the hope that a Plan B Republican could emerge in a special election. For them it was all about Stevens, whom many called a "great man," the father of Alaska, a man who built the state and would never break the law.

John Sparaga, an Anchorage dentist, said he believes Stevens will win in Tuesday's election. Alaskans are exceptional, he said, and should turn out for the senator.

"I think Alaskans should prove themselves stronger than other types of people," he said.

Stevens gave an eight-and-a-half minute speech, often interrupted by cheers. He said he was the best person to represent Alaska during this economic crisis, as federal programs important to the state will be in danger of being cut.

"I will represent Alaska in the Senate while my lawyers pursue the appeal to clear my name," Stevens said. " I can advance Alaska's interests regardless of which party is in the majority, or whether I chair a committee."

He criticized the prosecutors in his trial, saying they manipulated evidence and interfered with his defense. On Tuesday, the day after his conviction, Stevens' chief lawyer, Brendan Sullivan, sent a letter to Attorney General Michael Mukasey complaining about misconduct in the case by prosecutors. The trial, the letter says, was "irretrievably tainted by the prosecution team's zeal to convict a high-profile but innocent defendant."

The Justice Department had no comment on the letter.

Meanwhile, Democrats said Wednesday that four main areas of contention raised by Stevens' defense were all brought to light during the trial, which reduces the chance an appeals court would consider them reason for a retrial. That includes an FBI note in which Veco owner Allen said Stevens would probably pay if given a bill, said Meg Simonian, an Anchorage lawyer and Democrat. She also dismissed the contention that the trial should have been held in Alaska, saying the crimes were committed in Washington, D.C., where Stevens lives, and that extensive questioning of the jury pool filtered out any jurors with built-in bias against Congress or Republicans.

"He is not entitled to a jury of supporters," she said.

Stevens is flying to Fairbanks this morning for a rally there as well as meetings with the editorial board of the Fairbanks Daily News-Miner and the local Rotary. He'll be back in Anchorage tonight for a public broadcasting debate. It's the first debate he's had with any of his challengers.

Daily News reporters Tom Kizzia and Erika Bolstad contributed to this story. Find Sean Cockerham online at adn.com/contact/scockerham or call him at 257-4344.

Final debate tonight

All four major candidates for U.S. Senate and U.S. House will debate tonight on statewide public television and radio between 8 and 10 p.m.

U.S. Rep. Don Young and former state Rep. Ethan Berkowitz debate between 8 and 9, and Sen. Ted Stevens and Anchorage Mayor Mark Begich debate between 9 and 10. In Anchorage, it's on KAKM-Channel 7 and KSKA-91.1 FM.

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Stevens can vote until sentencing

JURY DECISION NOT ENOUGH: Penalties start when judge finishes.

By TOM KIZZIA
tkizzia@adn.com

(10/30/08 00:02:15)

Sen. Ted Stevens gets to vote in next Tuesday's election despite being found guilty of seven federal felonies because his conviction won't be final until he's sentenced, the state Department of Law decided late Wednesday.

Alaska law bars felons convicted of crimes involving "moral turpitude" from voting for the duration of their sentence, including any probation period.

Stevens' failure to report gifts is a Class D felony under federal law and constitutes such a crime because it involves willful fraud, said an opinion by Michael Barnhill, a senior assistant attorney general with the state.

But when is a person deemed convicted? Barnhill conceded in his opinion there are two ways to read the law, with a popular interpretation being that the jury's verdict is enough. But most legal precedents lean toward waiting until the judge in the case has entered his formal judgment and sentence, Barnhill said.

No date for sentencing Stevens has been set.

Stevens first has the right to file for a new trial and other relief. The federal judge in the case, Emmet Sullivan, has given Stevens' defense team until Dec. 5 to file those motions, with a hearing set for Feb. 25.

Given the touchy nature of the voting question, it took the state legal department more than two days to sort through the precedents and draw up its four-page opinion for Division of Elections director Gail Fenumiai. Questions about Stevens' right to vote began coming to the division within hours of his conviction Monday.

The state's conclusion jibes with the opinion of several other lawyers, including federal public defender Rich Curtner in Anchorage. But Curtner added that the question of exactly when a felon loses voting rights had never come up in any of his federal cases.

"For most of my clients, that's the least of their worries," he said.

Two lawyers who spoke at a Democratic Party press conference on the Stevens case Wednesday -- Meg Simonian and Jeff Feldman -- agreed, saying the senator will also lose the right to a Permanent Fund dividend check after his sentencing.

In his legal opinion, Barnhill conceded it's a judgment call for the state. He cites a contrary example, in which the state recognizes a jury verdict alone as sufficient when a judge is looking for prior convictions at sentencing for a second crime.

FBI - Stevens-2270

"Given the weight of the authorities, and the Alaska Supreme Court's historical reliance on case law from Washington, Oregon and California, we think that if this question were presented to our courts, they would be more likely than not to adopt the majority case law view, and interpret 'conviction' according to its legal technical meaning," Barnhill concluded.

"Given the high profile nature of this issue, this conclusion may be challenged in court," he added. "If a legal challenge is mounted prior to Senator Stevens casting his ballot, the Division of Elections should provide Senator Stevens with a questioned ballot."

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Kott seeks freedom while he appeals

Anchorage Daily News
(10/25/08 03:49:33)

Former Alaska House Speaker Pete Kott, now serving six years in federal prison on corruption charges, is asking a judge to free him during his appeal.

In court papers filed earlier this month in U.S. District Court, defense attorney James Wendt argued that Kott isn't likely to flee, isn't a danger and has a good chance of winning on appeal.

Prosecutors oppose the motion but haven't filed a detailed response.

U.S. District Judge John Sedwick gave prosecutors until Dec. 9 to respond.

A federal jury convicted Kott in September 2007 of bribery, conspiracy and extortion for his role in advocating an oil tax pushed by Veco Corp. executives and favored by North Slope oil producers. He received nearly $9,000, a political poll for his re-election campaign and the promise of a lobbying job, all from Veco executives, according to trial testimony.

Kott, 59, is serving his sentence at the Federal Correctional Institution in Sheridan, Ore.

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Weimar gets 6 months in prison, fine

(11/12/08 14:52:18)

Private prison advocate Bill Weimar has just been sentenced to six months in federal prison and six months of home confinement plus a $75,000 fine on bribery and conspiracy charges for his part in the ongoing Alaska corruption scandal.

Weimar, who pleaded guilty to the charges, is scheduled to surrender in early January.

We are continuing to report this story and will post further updates as soon as we have them. See tomorrow's newspaper for full details.

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Begich lead over Stevens grows

By SEAN COCKERHAM
(11/18/08 13:12:24)

Anchorage Mayor Mark Begich's lead over Sen. Ted Stevens is growing in today's ballot count in the race for U.S. Senate. The latest numbers, issued just before 1 p.m., show Begich up by 2,374 votes.

The Division of Elections expects to release more numbers between 4 and 5 p.m.

Today's count of about 24,000 absentee and questioned ballots should pretty much decide the race, although there will be a few more overseas absentees to count over the next couple days and a likely recount in early December.

Since the state moved to mostly machine counting, recent Alaska recounts have resulted in little change in the final tally.

The Division of Elections is counting ballots today from Anchorage, Southeast, the Kenai Peninsula and Kodiak. The state finished counting from other parts of the state last week.

If Begich wins, he'll be the first Democrat to represent Alaska in the U.S. Senate in nearly 30 years. His victory would also put the Democrats one step closer to their dream of having the 60 seats needed for a filibuster-proof majority in the U.S. Senate. To get 60 seats, the Democrats would also need Al Franken to beat Republican Sen. Norm Coleman in a Minnesota recount, and for Jim Martin to beat Republican Sen. Saxby Chambliss in a Georgia runoff election.

For Alaskans, the more sweeping impact of today's count is the potential close of the "Uncle Ted" era. Stevens' run started not long after statehood, when Gov. Wally Hickel appointed him to the Senate in 1968. Stevens has never even had a close election since, often drawing just token opposition.

Stevens steered billions of dollars to Alaska and had a hand in most of the major federal legislation that's shaped Alaska. He was honored as "Alaskan of the Century" and the state Legislature named the Anchorage airport after him.

That was before a Washington D.C. jury found him guilty of seven felonies a week before the election for lying on financial disclosure forms about $250,000 of gifts and home renovations from the oilfield services company Veco.

Now Stevens, 85, trying to be the first person ever elected to the Senate following a felony verdict. Stevens is appealing the verdict.

FBI - Stevens-2273

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Jurors says Stevens hurt his case by testifying

By JESSE J. HOLLAND
(11/18/08 09:21:41)

To hear jurors tell it, Alaska Sen. Ted Stevens was his own worst witness during his corruption trial.

Two jurors - one of whom posted a Web log of her jury duty experience - say Stevens undermined his own defense by verbally jousting with Justice Department prosecutors and denying that just because he was given something didn't make it a gift.

"It was kind of weird," said Colleen Walsh, one of the jurors who found Stevens guilty on seven felony counts. "Throughout the case, he was kinda quiet and you know, kinda grandfatherly, but when he was up on stage, he was like a lion, and he was kind of demeaning to the lawyer, so it didn't help his case that much," she told the Associated Press in an interview.

Walsh, 32, and Brian Kirst, 25, an alternate who sat through the trial but did not join the deliberations, said Stevens' combative performance hurt him with the jury.

Kirst described the Justice Department's evidence as "hard-core," difficult to refute. Stevens' stories "just didn't add up," Kirst told the AP.

"The whole thing was just a mess. It was like, 'You're not helping, so why are you up here?'" Kirst said. "It was kinda interesting to see him shoot himself in the foot."

The jury convicted Stevens, the Senate's longest serving Republican, on seven felony counts of lying on Senate financial documents to hide hundreds of thousands of dollars of gifts and home renovations from millionaire businessman Bill Allen. Stevens, who won't be sentenced until early 2009, has said he will appeal.

The jury deliberations were filled with controversy from the start. Jurors complained of stress and violent outbursts from one of their members during deliberations. They asked for her to be replaced, but the judge refused.

Walsh joined the deliberations after a juror claimed her father had died, left for the West Coast and did not return phone calls from the judge. Walsh said the tension was obvious.

One of the jurors asked everyone "to keep their voices down, let everyone else have their say and no swearing and stuff like that," she said. "Basically, act like adults. I was like, 'What the heck happened last week?'"

The judge later discovered that the juror who disappeared, Marian Hinnant, 52, flew to California for the Breeders' Cup, not to her father's funeral.

FBI - Stevens-2274

Kirst and Walsh said most of the jurors decided not to talk to the media about their time in the courthouse. Walsh, however has started a blog about the trial, http://juror11.blogspot.com because of all the questions she was getting from her family and friends about the case.

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Stevens witness says testimony wasn't true

By RICHARD MAUER
(11/21/08 19:11:17)

A key prosecution witness in the trial of Sen. Ted Stevens has told the trial judge that some of his testimony wasn't true and that he suspects prosecutors left him in a room with evidence and grand jury transcripts so he could surreptitiously refresh his memory about six-year-old events.

The witness is David Anderson, a nephew and once-trusted employee of former Veco chief executive Bill Allen, the government's star witness and a convicted briber. Anderson made his comments to U.S. District Court Judge Emmet Sullivan of Washington, D.C., in a letter dated Nov. 15 and made public Friday, the latest twist in a case with no shortage of unusual events.

In his letter, Anderson also said the government lied in a letter to Stevens' defense attorneys in which it described an affidavit he signed March 25. The government told the defense that Anderson himself had acknowledged the March affidavit was false.

A copy of the March affidavit, made public by defense attorneys Friday, showed that Anderson had asserted that government agents promised immunity to him and 12 other friends and relatives, including former state Sen. Jerry Ward, for cooperating in the FBI's investigation of public corruption in Alaska.

Ward has not been charged with wrongdoing, but he has surfaced in connection with the recent guilty plea by private prison advocate Bill Weimar. Ward appeared to be the beneficiary of an illegal $20,000 campaign contribution by Weimar, who was sentenced to six months in prison last week for making the payment. The recipient of Weimar's illegal $20,000 payment was identified in charging documents only as "Candidate A," but the description matched Ward.

For the past few months, Ward has not responded to phone calls or messages seeking comment on the allegations. He again didn't reply to an e-mail sent to him Friday.

MURDER PLOT ALLEGED

In the March 25 affidavit, Anderson said he had learned that he was targeted in a murder plot. He said he prepared the document to ensure his alleged deal with prosecutors would live on even if he didn't.

He didn't name the plotters in the affidavit, but did in the letter to Sullivan: Allen and his son, Mark, Anderson's cousin.

FBI - Stevens-2275

Bill Allen has testified he never tried or threatened to kill Anderson.

Stevens' attorneys demanded a hearing be held to look into the matter. In a court filing Friday, they said the Anderson letter was new evidence of government misconduct in the case. They've already said they planned to try to overturn Stevens' conviction on Oct. 27 of lying on Senate disclosure forms.

Most of the $250,000 the government alleged he failed to report were gifts from Veco and Allen. Anderson supervised the Veco-paid construction that doubled the size of Stevens' home in Girdwood, then fabricated an outdoor steel deck and stairs and helped build a deck for the home, none of which Stevens paid for.

Government prosecutors responded Friday that Anderson's letter, "simply put," is untrue. They said defense lawyers had ample opportunity to question Anderson about the March affidavit when he was on the witness stand, but chose not to.

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Anderson didn't recant any of the his substantive testimony against Stevens, but his letter could cast doubt on his credibility as a witness. And during the trial, the judge rebuked prosecutors for not turning over evidence to the defense as they were required. Anderson's assertion that the government gave false information about him to the defense raises more questions about the prosecution's conduct, though it's unclear how significant they are.

'GENTLEMAN'S AGREEMENT'

In the March affidavit, the main subject of Anderson's Nov. 15 letter to the judge, Anderson said he agreed to cooperate with the government on condition that prosecutors grant immunity to Ward and his wife Margaret, Ward's three daughters and their husbands, Anderson's mother and son, and several others who couldn't be identified. Anderson lives with one of Ward's daughters, Kirsten Deacon. She was once Bill Allen's girlfriend and that fact is the cause of much of the friction between uncle and nephew, Anderson has said.

Anderson was the last prosecution witness in the government case. In his testimony on Oct. 9, Anderson said the affidavit was false and that no formal pledge of immunity was granted.

"It was kind of a gentlemen's agreement, you know," Anderson testified. "A handshake, you know, so, you know, I take it as an immunity, but it was never - that was never said."

On Sept. 9, two weeks before the trial, the government sent a letter to the defense disclosing facts about the government's case that could be beneficial to Stevens. One paragraph of the five-page letter concerned the March affidavit, which prosecutors said was drafted by Ward. "Anderson felt pressured to sign the affidavit because of his relationship with Ward's daughter," the prosecutors told the defense. In reality, Anderson admitted that "he and the other individuals mentioned in the affidavit were not promised, offered, or actually given immunity," prosecutors said.

But in his Nov. 15 letter to the trial judge, Anderson said that paragraph "is not true and completely false."

Reached by phone at his home in the Mat-Su Borough, Anderson said he felt he wasn't "treated right" by the government but declined to go into details.

"I laid it out there on the table so everyone can see what my dispute is," said Anderson, referring to his letter. He said it was like "fighting city hall."

'AN INTERESTED PARTY'

In its filing Friday, government prosecutors challenged Anderson's motives for sending the letter and changing his story.

"The government has now obtained substantial additional evidence, including both documents and video surveillance, that prove the falsity of Mr. Anderson's allegations and that further explicitly prove Mr. Anderson's collusion with an interested party in the preparation and transmission of Mr. Anderson's letter," prosecutors wrote. They said they would describe the additional evidence in a supplemental filing Monday.

Anderson wouldn't say what prompted him to write the letter or how it was drafted and sent.

The letter filed with the court Friday bore a fax header showing it was sent Nov. 16 from the Fed-Ex Kinkos at the corner of Northern Lights Boulevard and Lake Otis Parkway in Anchorage - more than a three-hour round-trip drive from Anderson's home.

A manager at that Kinkos who identified himself only as Jeff said the FBI had been there and spoke to a female employee about the letter. The manager wouldn't identify the woman and said she has since left Alaska. Asked whether the FBI had also viewed or obtained surveillance video from the store, the manager said, "I don't believe I should be talking to you about this" and referred questions to a Fed-Ex security official in Washington state, who wasn't in his office an didn't return a message left on his mobile phone.

FBI spokesman Eric Gonzalez, one of two FBI agents who initially interviewed Anderson in August 2006, declined to comment. In his letter, Anderson identified him as one of two FBI agents who promised to not prosecute his friends and family.

"Without the preparation from the prosecution and the reminders from them about my activities and the agreement I had with them about my family and myself I would not have given the same testimony," Anderson told the judge. "Without a shadow of a doubt I believe this trial would have gone much differently."

Stevens' attorneys said Anderson's allegations could be evidence of "a flagrant constitutional violation warranting a severe remedy, including dismissal of the indictment." They asked Judge Sullivan to convene a hearing in February in which they could question prosecutors and FBI agents under oath to learn what happened.

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Letter adds new twist to Stevens conviction

PROSECUTION WITNESS: Ex-Veco worker says some of his testimony was false.

By RICHARD MAUER
rmauer@adn.com

(11/22/08 02:35:34)

A key prosecution witness in the trial of Sen. Ted Stevens has told the trial judge that some of his testimony wasn't true and that he suspects prosecutors left him in a room with evidence and grand jury transcripts so he could surreptitiously refresh his memory about 6-year-old events.

The witness is David Anderson, a nephew and once-trusted employee of former Veco chief executive Bill Allen, the government's star witness and a convicted briber. Anderson made his comments to U.S. District Court Judge Emmet Sullivan of Washington, D.C., in a letter dated Nov. 15 and made public Friday, the latest twist in a case with no shortage of unusual events.

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FBI - Stevens-2278

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Stevens' attorneys demanded a hearing be held to look into the matter. In a court filing Friday, they said the Anderson letter was new evidence of government misconduct in the case. They've already said they planned to try to overturn Stevens' conviction on Oct. 27 of lying on Senate disclosure forms.

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Find Richard Mauer online at adn.com/contact/rmauer or call 257-4345.

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Stevens concedes Senate race to Begich

Anchorage Daily News
(11/19/08 12:53:09)

Sen. Ted Stevens conceded the election for U.S. Senate to Anchorage Mayor Mark Begich this morning, bringing to an end his 40 years as the dominant force in Alaska politics.

Stevens' office issued a written statement just before noon Alaska time:

"Given the number of ballots that remain to be counted, it is apparent the election has been decided and Mayor Begich has been elected.

"My family and I wish to thank the thousands of Alaskans who stood by us and who supported my re-election. It was a tough fight that would not have been possible without the help of so many Alaskans - people who I am honored to call my friends. I will always remember their thoughts, prayers, and encouragement.

"I am proud of the campaign we ran and regret that the outcome was not what we had hoped for. I am deeply grateful to Alaskans for allowing me to serve them for 40 years in the U.S. Senate. It has been the greatest honor of my life to work with Alaskans of all political persuasions to make this state that we all love a better place.

"I wish Mayor Begich and his family well. My staff and I stand willing to help him prepare for his new position."

Begich claimed victory Tuesday afternoon after the latest count of absentee and questioned ballots widened his lead to 3,724 votes. With only around 2,500 ballots from overseas remaining to be counted, the lead was insurmountable barring a major flaw in the counting. Begich leads by just over 1 percent with more than 315,000 votes cast in the race.

Stevens' statement made no mention of asking for a recount.

Stevens, who turned 85 on Tuesday, is the longest-serving Republican in Senate history.

A week before the election, a Washington, D.C., jury convicted Stevens of seven felonies for lying on his financial disclosure forms about more than $250,000 in gifts, including renovations of his Girdwood home. The gifts came from Bill Allen, chief of the oil-field services company Veco Corp. and the man at the center of the still unfolding federal investigation into corruption in Alaska politics.

Both Sen. Lisa Murkowski and Gov. Sarah Palin issued statements congratulating Begich.

FBI - Stevens-2281

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Alaska Newsreader

Today's news for the Last Frontier

Compiled by Mark Dent
mdent@adn.com

(12/01/08 15:24:37)

STEVENS PARDON BY BUSH HAS SENATE SUPPORT (Politico): Sen. Ted Stevens hasn't yet joined the gallery of notorious felons, small-time crooks and aggrieved innocents seeking pardons from President Bush, but it appears he'll have the support of some of his soon-to-be-former colleagues if he does. "He has served this country for over 50 years," said Sen. Orrin G. Hatch (R-Utah), a widely respected member of the Judiciary Committee. "I think most anybody would probably say, 'Yeah, he should be [pardoned].' "

PALIN A GOP STAR BUT LITTLE LIKED BY CENTER (Politico): Gov. Sarah Palin's flash emergence on the national stage has left her as well positioned as any Republican to make a serious run for the GOP nomination in 2012, yet waning support from the political center may threaten her presidential ambitions, according to a Politico analysis of public polling.

Also: Palin still top GOP pick for 2012 (NewsMax)

EX-ALASKAN PUBLISHES COLLECTION OF SHORT STORIES (The New York Times): **David Vann,** who was born in Adak and spent a good portion of his childhood fishing in Southeast Alaska before moving to the Lower 48, has received a favorable review in The New York Times for his first book of short fiction, "Legend of a Suicide." Most of the stories, some of them semi-autobiographical, are set in Alaska; a nonfiction version of the first story, "Ichthyology," was published in the Daily News in 1992. Read the first chapter of the new book here. Vann's "A Mile Down: The True Story of a Disastrous Career at Sea," a memoir, was published in 2005. His home page is here.

PILING ON PALIN, HATING ON HILLARY (The Daily Beast, Caroline Heldman): Talk of hemlines and hairstyles, child rearing and cookie recipes has dominated media coverage of women in politics since the supposedly post-feminist 1990s. But the sexism directed at Sarah Palin hit a new low. ... As a political scientist who researches sexism in the media, I have studied her pornification and ditzification.

SARAH PALIN: DIGITAL SUPERSTAR (Politico): Four weeks after the Republican ticket suffered a sweeping defeat at the polls, Sarah Palin continues to dominate search engine queries, cable news and online video sites. The only American politician who generates comparable interest is President-elect Barack Obama. No one else is close.

RURAL SCHOOLS LOSE HUNDREDS OF STUDENTS A YEAR (Alaska Newspapers Inc.): State researchers hoping to determine how many people have left rural Alaska for bigger communities report that rural schools lost 1,802 students in the last five years. But hub community schools such as those in Bethel and Kotzebue gained 429 students, and boarding schools increased 109 students.

Also: Counting students a cruel test of reality (Anchorage Daily News)

BIOLOGIST SCARES ALASKA-BOUND SWANS AWAY FROM LEAD (The Associated Press): As the sun set behind Judson Lake near Sumas, Wash., biologist Mike Smith kept vigil in a cramped watchtower with a night-vision scope, a noisemaker and a laser. His mission is to scare trumpeter swans off the lake, away from the shotgun pellets that litter the lake bottom and have killed hundreds of the birds, many of which fly to Alaska in the spring. (with slide show)

NATIVE COMMUNITIES SUE FEDS OVER HOUSING FUNDS (The Associated Press): Metlakatla, which sits on Annette Island south of Ketchikan, says its could lose hundreds of thousands of dollars thanks to a retroactive accounting change made by the Department of Housing and Urban Development.

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Stevens seeks retrial in Alaska

DEFENSE: Separate motion calls for judge to overrule jury.

By RICHARD MAUER
rmauer@adn.com

(12/06/08 03:30:19)

Defense lawyers said that U.S. Sen. Ted Stevens' monthlong trial was unfair, flawed and prejudiced against him in dozens of ways and asked that he be tried anew, this time in Alaska.

The motion for a new trial, filed Friday in Washington, D.C., was accompanied by a separate motion asking the judge in the case to overrule the jury and direct an acquittal. That would go a step further than asking for a new trial -- it would entirely void the verdict in which Stevens was convicted Oct. 27 of seven counts of failure to disclose gifts and other benefits, and let him walk a free man.

Stevens' lawyers also renewed a pretrial motion to dismiss six of the seven counts as duplications of the first. They also asked the judge to allow them to file some exhibits in support of their motions under seal because the exhibits refer to personal information about jurors and to the ongoing investigation by the government into political corruption in Alaska.

Under an earlier schedule set by U.S. District Judge Emmet Sullivan, the government has until Jan. 9 to respond to the defense's post-trial motions. A hearing is set for Feb. 25.

In asking for a new trial, the defense lawyers said Stevens' trial was fatally flawed with false evidence presented by the government, improper hearsay evidence from a witness who was the "linchpin" of the government's case, and by jurors who lied to the court and were prejudiced from the start against politicians.

Such post-trial motions are common in criminal trials but rarely succeed before the trial judge, who has ruled upon most if not all of the arguments before. However, they set out the basis for a likely appeal, and could also be used by advocates seeking a presidential pardon for Stevens to assert he was tried unfairly.

The motion for a new trial, filed by defense attorney Craig Singer, who specialized in motions during the trial, was accompanied by a hefty, 78-page legal memorandum. Singer had to request permission to exceed the district court's 45-page limit, and had gotten an OK for 75 pages.

The only completely new arguments in the document involve jurors and suggest the defense has been investigating the panel.

As it was, the jury had more than its share of drama. There was a disruptive juror whom the others wanted to boot; a juror who disappeared during deliberations after saying her father died, only to later admit she went to a California racetrack; and a replacement juror -- for the thoroughbred fan -- who, after the verdict, started an irreverent blog with snippy comments about the trial participants.

FBI - Stevens-2283

Now the Stevens defense is weighing in with allegations that two jurors lied in their written questionnaires used by the judge and the attorneys to determine whether they'd be fair and impartial. The defense didn't provide details -- juror information is usually kept private -- but suggested the two jurors had undisclosed contacts with the criminal justice system.

If it turns out the jurors lied, Singer wrote in the memorandum, it would "raise particular concerns in this case because jurors may associate or blame their prior personal experiences on government officials, including politicians like Sen. Stevens. The false statements may suggest an attempt to serve on the jury in order to vindicate prejudice toward government, politicians, or political parties."

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Singer asked for a hearing where the jurors could be questioned under oath. The "cumulative effect" of all the

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juror issues "is overwhelming, and a new trial should be granted," he wrote.

The defense also said a new trial was in order because the lead prosecutor, Brenda Morris, inappropriately appealed to "class prejudice" during her cross examinations of Stevens and his wife, Catherine. Morris portrayed the couple "as wealthy, privileged individuals" and equated their wealth with improper conduct, Singer said.

He cited a rapid-fire series of questions that Morris directed at Catherine Stevens concerning her use of her husband's taxpayer-paid Senate staff to walk her dogs, feed her cats, wrap her Christmas presents, pay credit card bills at expensive department stores, pay parking tickets and even write checks from Stevens' account to pay overdue Blockbuster video charges.

Those questions were irrelevant to the charges of whether Stevens failed to disclose gifts from the defunct oil-services firm Veco Corp. and its chief executive, Bill Allen, Singer said.

"The government's blatant appeals to class prejudice were improper, and indeed, intolerable," Singer wrote.

A Washington, D.C., grand jury indicted Stevens, and prosecutors argued that the capital was the proper venue for the trial because Stevens filed his disclosures with the Senate. Stevens sought to move the trial to Alaska because most witnesses were there, and he could campaign for his Senate seat in the run-up to the November election. But Sullivan kept the trial in Washington.

Singer said that was a mistake. More than half the witnesses came from Alaska, and the defense had to spend inordinate time on logistics while the trial was under way, he said.

"Had the trial been in Alaska, the Senator would have requested that the jury be permitted to visit the Girdwood residence so that it could determine whether the value of the renovations exceeded the amount Senator and Mrs. Stevens paid for them," Singer wrote. "The government sought to prove the value of the renovations by introducing the Veco accounting records and by showing the jury photographs of the renovations. The accounting records were utterly unreliable and should have been excluded in their entirety as hearsay. And the snapshots of the residence were no substitute for an actual view of the Stevenses' distinctly modest Girdwood home."

Another cause for a new trial is the most memorable line uttered in the case, Singer said. It happened early in the trial when Allen was on the witness stand and the day's testimony was drawing to a close. Allen was giving evidence about a handwritten note Stevens sent him on Oct. 5, 2002, in which Stevens said he wanted a bill for Veco's work on his home. Allen said he would send another friend to talk to Allen about that -- Bob Persons, the owner of the Double Musky restaurant in Girdwood.

Allen indeed talked to Persons, who told him, "don't worry about getting a bill," Allen testified. "He said, 'Ted is just covering his ass.' "

Singer asserted that Allen made up that quote. In about 20 interviews with the FBI and prosecutors, Singer said, Allen never mentioned such a statement before, according to agent notes the defense received.

"With this bombshell, the government sought not only to erase Senator Stevens' repeated requests for bills, but also to transform these exculpatory requests ... into further evidence of a scheme to deceive the Senate Ethics Committee," Singer wrote. "Mr. Allen's 'CYA' testimony was perhaps the single most important and explosive piece of evidence in the government's case."

Instead, Singer said, it was inadmissible hearsay -- and perhaps a lie told with government approval -- and justification for a new trial.

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Stevens asks for new trial in Alaska

By RICHARD MAUER
(12/05/08 13:47:23)

Defense lawyers today cited 17 reasons that U.S. Sen. Ted Stevens' monthlong trial was unfair, flawed or prejudiced against him and asked that he be tried anew, this time in Alaska.

The motion for a new trial, filed this afternoon in Washington, D.C., was accompanied by a separate motion asking the judge in the case to overrule the jury and direct an acquittal, voiding the verdict in which Stevens was convicted Oct. 27 of seven counts of failure to disclose gifts and other benefits.

Stevens' lawyers also renewed a pretrial motion to dismiss six of the seven counts as duplications of the first. They also asked the judge to allow them to file some exhibits under seal because the exhibits refer to personal information about jurors and the ongoing investigation by the government into political corruption Alaska.

Under an earlier schedule set by U.S. District Court Judge Emmet Sullivan, the government has until Jan. 9 to respond to post-trial motions. A hearing is scheduled for Feb. 25.

In asking for a new trial, the defense lawyers said Stevens' trial was fatally flawed with false evidence presented by the government, improper hearsay evidence from a witness who was the "linchpin" of the government's case, and by jurors who lied to the court and were prejudiced from the start against politicians.

Such post-trial motions are common in criminal trials but rarely succeed before the trial judge, who has heard most if not all of the arguments over the course of the trial. However, they set out the basis for a likely appeal and could also be used by advocates seeking a presidential pardon of Stevens to assert he was tried unfairly.

The motion for a new trial was accompanied by a hefty, 78-page legal memorandum. The defense had to request permission to exceed the district court's 45-page limit and had gotten an OK for 75 pages.

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Judge sides with Stevens lawyers

PAGE COUNT: Defense gets more space to argue for new trial.

By RICHARD MAUER
rmauer@adn.com

(12/04/08 01:12:25)

Sen. Ted Stevens' legal defense team will have a lot to say when it argues he should have a new trial -- so much so, they've asked the judge to allow them to submit a legal memorandum of 75 pages, 30 more than usually allowed in the D.C. district courts.

With a filing deadline of Friday approaching, defense counsel Craig Singer, who specialized in arguing motions during Stevens' trial, told U.S. District Court Judge Emmet Sullivan that the complexities of the case required more than average paper content.

"The trial in this case took an entire month and gave rise to numerous legal disputes, including motions, evidentiary objections, and juror issues," Singer wrote in a filing Tuesday.

In a tongue-in-cheek objection, Brenda Morris, the chief prosecutor in the case, replied Wednesday in what she termed a "brief opposition" -- a response of a single paragraph. She asserted the defense should be able to accomplish what it needed in 45 pages. Most of the issues expected to be raised by Stevens in his argument for a new trial were already argued and ruled upon before and during the trial, she said.

It didn't take Sullivan long to read the government reply. Eight minutes after the government filed, he granted the defense its wish. He also allowed the government to use the long-form approach in its response, due Jan. 9.

A hearing on the motion for a new trial -- a prerequisite to an appeal -- is set for Feb. 25. By then, the question of a pardon by President Bush will be long resolved.

Stevens was convicted in October of seven counts of failing to disclose about $250,000 in gifts and services from 1999 to 2006. A week later, Alaska voters turned him out of office after representing the state for 40 years. A sentencing date has not yet been set.

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Don Young's campaign funds pay for more attorney bills

UNDEFINED: Nature of legal work hasn't been detailed.

By ERIKA BOLSTAD
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(12/09/08 00:02:01)

WASHINGTON -- Rep. Don Young's most recent campaign finance report shows that he continues to pay his sizeable legal bills using his campaign account.

Young's most recent filing with the Federal Election Commission shows that the Alaska Republican spent $20,000 last quarter with the Seattle law firm Siderius, Lonergan and Martin. It's not clear whether those bills were for campaign-related expenses or connected to an ongoing federal criminal probe. Young's campaign spokesman didn't return a phone call seeking comment.

Earlier this year, Young's campaign paid $90,020 to John Wolfe, a Seattle attorney who represented Young's campaign manager, Steve Dougherty, in the investigation.

Since the beginning of 2007, Young has spent more than $1 million in campaign contributions on legal fees related to a Justice Department probe -- which includes an investigation into fundraising.

Federal Election Commission guidelines allow public officials to spend their campaign money on attorneys, as long as the legal work is connected to the lawmaker's role as an officeholder. But Young also set up a separate legal expense fund to pay some legal bills; so far, that fund has raised $77,000 and spent $48,000 on Young's legal bills.

In a debate during the campaign, Young said that his legal defense has been expensive, and that he has used campaign money because he doesn't have his own money to spend defending the inquiry. He has consistently refused to detail the exact nature of the investigation, but Congress has called on the Justice Department to investigate an earmark in Florida that stood to benefit a campaign contributor.

Young has also been tied to a federal probe into corruption in Alaska politics, which included the fundraising practices of the former oil-services company Veco Corp. and Bill Allen, its chief executive. Allen was the star witness in the October trial of Sen. Ted Stevens, who was found guilty on seven counts of failing to disclose gifts on his U.S. Senate financial disclosure forms.

Young's new report also shows that overall he raised $1.1 million in his successful bid to fend off opponents in August's primary and last month's general election. He spent $3.1 million, which included money he had amassed in previous election cycles. More than $1 million went toward his legal bills.

The reports show that his Democratic challenger last month, Ethan Berkowitz, spent all but $17,194 of the $1.6 million he raised for the campaign.

FBI - Stevens-2287

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Weyhrauch seeks rehearing

9TH CIRCUIT COURT: He wants the Nov. 26 decision overturned.

By RICHARD MAUER
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(12/08/08 22:30:20)

Former Alaska Rep. Bruce Weyhrauch is asking the 9th U.S. Circuit Court of Appeals to reconsider a decision two weeks ago that restored key evidence in his corruption indictment.

In a rehearing request to the court Monday, Weyhrauch asked the full appeals court to overturn the Nov. 26 decision of a three-judge 9th Circuit panel.

The three judges had ruled that federal law would require Weyhrauch, a Juneau attorney, to disclose his efforts to seek legal work from the defunct oil-field services company Veco Corp. at the same time he was serving in the Legislature and voting on an oil-tax bill heavily lobbied by Veco's chief executive, Bill Allen.

In his request for a rehearing, Weyhrauch says the decision imposed a higher standard of conduct than state law, which wouldn't have required such a disclosure. The decision represented an improper expansion of federal law over state law, Weyhrauch said, and he asked the full court to overturn it.

Weyhrauch never got the Veco job, though his votes were aligned with Veco.

He was indicted May 3, 2007, with former House Speaker Pete Kott and charged with four counts of bribery, extortion, fraud and conspiracy. Kott has since been convicted and is serving time in federal prison.

Before Weyhrauch's trial began, U.S. District Judge John Sedwick ruled that prosecutors couldn't use Weyhrauch's failure to disclose his job solicitation as evidence of defrauding citizens of his honest services because such a disclosure wasn't required by Alaska state law. Prosecutors appealed the ruling.

Meanwhile, one other pending corruption trial, the two-count conspiracy and bribery case against State Sen. John Cowdery, appeared headed for its second postponement.

Last week, Cowdery's attorney, Kevin Fitzgerald, asked the court for a delay until at least late March because of an overwhelming load of evidence he recently received from the government, including information from 11 months of court-ordered wiretaps. Prosecutors don't oppose a delay, Fitzgerald told the judge, but the two sides couldn't work out a new proposed date.

U.S. District Judge Ralph Beistline set a hearing Dec. 16 to resolve the trial date.

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In arguing for a rehearing at the appellate level for Weyhrauch, his attorney, Doug Pope, said that the three-judge panel decision goes well beyond what two other circuit courts have said about honest services fraud. Those circuits, based in New Orleans and Philadelphia, have limited the application of the federal mail fraud statute only to violations of state law, Pope said.

The San Francisco-based 9th Circuit judges debated and rejected that limitation, noting that other circuits have done so as well. They ruled "that conduct on par with bribery and nondisclosure of material information lies at the heart of public honest services fraud."

Pope said the split among the different appeals courts has created confusion for state and local officials who may wonder what the law actually is.

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But the circuit judges said it was the New Orleans- and Philadelphia-based appellate courts that sowed confusion because they encouraged different enforcement of federal law based on the law of a particular state.

Their own reading of the law, the 9th Circuit judges said, "establishes a uniform standard for 'honest services' that governs every public official," they wrote. Applying that standard to Weyhrauch, they ruled, "the government may proceed on its theory that Weyhrauch committed honest services fraud by failing to disclose a conflict of interest or by taking official actions with the expectation that he would receive future legal work for doing so."

Pope argued the 9th Circuit is creating inappropriate inroads into state law by allowing federal prosecutors to enforce "federal preferences of good government" using the mail fraud statutes.

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Young loses top spot on House committee

By ERIKA BOLSTAD ebolstad@adn.com
(12/10/08 14:00:12)

WASHINGTON -- U.S. Rep. Don Young, who wielded considerable power on the House Committee on Natural Resources in the 1990s as chairman and in recent years as its senior Republican, on Wednesday lost his top spot on the panel.

The move came from fellow Republicans who are determining this week who will take leadership roles on committees when Congress begins its new term next year.

Young said he was "confident that the cloud that hangs over me will eventually clear as I know I have done nothing wrong.

"However, for the good of the Republican Party, the right thing for me to do is temporarily step down from my post as ranking member on the House Committee on Natural Resources while my name is cleared. At that time, I look forward to regaining my post."

Young has been Alaska's sole representative to the House of Representatives since 1973 and is its second-most senior Republican. He squeaked through in the primary election and then went on to a decisive Nov. 4 victory over a Democratic challenger -- despite persistent rumblings of an FBI investigation into fundraising and other potential wrongdoing.

Since 2007, Young has spent over $1.1 million in campaign funds on legal fees connected to the federal probe.

But soon after winning the election, it became clear that despite his win, Young's days were numbered as the ranking member of the Natural Resources panel. Last month, Rep. Mike Simpson, R-Idaho, replaced Young as the small-state representative on the steering committee, a move that left the Alaska Republican without a voice while its 27 members worked out this week who gets what top committee assignments for the next Congress.

Then Tuesday, Young met with Rep. John Boehner of Ohio, the Republican House leader. Boehner told Young he wouldn't support him continuing on as the ranking Republican on the committee. He also told him that the steering committee controlling which Republicans get the top spots on House committees was unlikely to support the Alaska Republican. Still, Young went forward Tuesday with a presentation to the committee, which is a requirement for all of the members seeking top committee post.

Young acknowledged that there remains a cloud hanging over his head because of the criminal probe. But he characterized his move as a temporary one and said he hoped to reassume the top spot on the committee.

FBI - Stevens-2290

As the next session of Congress takes shape, Republicans have worked to rid themselves of the taint of corruption remaining from GOP lawmakers with close ties to convicted lobbyist Jack Abramoff.

House Republicans have also taken Democrats to task for continuing to allow Rep. Charles Rangel, D-N.Y. to chair the powerful Ways and Means Committee despite allegations of ethical lapses. Having Young in a leadership role on an important committee may have undercut those arguments for Republicans, who during the election attacked Democrats who accepted campaign contributions from Rangel.

"I wish all the best to the incoming ranking member" of the committee, Young said. "I look forward to continuing my work as a member of the Committee on Natural Resources this upcoming Congress with my good friend, Chairman (Nick) Rahall, and to resuming my post in the future."

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Boehner issued a statement later Wednesday commending Young for stepping down.

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"Today Congressman Don Young asked that he be relieved of his duties as ranking member on the House Natural Resources Committee so that he can focus on resolving questions he is facing. The Steering Committee granted his request.

"I commend Don Young for putting the interests of the Republican Conference, the House and the American people first by making this decision. In the interests of Don, his family and his constituents, it is my hope that this matter will be resolved as soon as possible."

It is an end of an era, said Deborah Williams, who now heads Alaska Conservation Solutions. Williams worked for then-Interior Secretary Bruce Babbitt as a top aide on Alaska issues when Young headed the Resources Committee, and in that role she often testified about Alaska-related issues at his committee meetings.

"When Don Young sought to advance the public good in that position, it was a pleasure to work with him and he was very effective," Williams said. "But again and again, when he sought to advocate for legislation or interests that were not in the public interest...he was thwarted and spent a lot of energy and political capital on issues that did not advance."

Young took over the committee in 1995 after Republicans regained control of the House of Representatives in the 1994 elections. At that time, the committee was renamed the House Public Lands and Resources Committee -- a signal that its focus would be less on conservation and more on resource development. At one of Babbitt's first meetings with Young at the helm, at a committee hearing on a federal wolf reintroduction program, he told Young: "Mr. Chairman, I have no doubt about who the alpha wolf is in this room."

Young held the chairmanship of the committee until internal House rules on term limits for committee chairmanships forced him to step aside for a Republican he had mentored, Rep. Richard Pombo of California.

Young then took over as chairman of the House Transportation and Infrastructure Committee, where he oversaw the $286.4 billion highway spending bill in 2005 that included money for what became known as Alaska's "bridge to nowhere." It also earmarked $10 million for the now-infamous Coconut Road interchange study in Florida that, this year, prompted Young's colleagues to ask for a federal investigation into how it was inserted in the bill.

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Judge calls hearing for flip-flopping Stevens witness

ALLEN'S NEPHEW: Defense requests for evidentiary hearing will be heard.

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By RICHARD MAUER
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(11/26/08 00:02:57)

The strange developments involving a prosecution witness who said he was untruthful in the case against Sen. Ted Stevens inched forward Tuesday with an order by the trial judge for a "brief hearing" in the matter Dec. 1.

After dealing with cantankerous and AWOL jurors, a lawyer who he thought was signaling a witness, and multiple accusations of prosecutorial misconduct by the defense, U.S. District Judge Emmet Sullivan now has a witness who appears to be recanting at least part of his testimony.

Sullivan, in a one-sentence order to attorneys in the case, indicated he was seeking ideas about how to proceed with the witness, David Anderson, the estranged nephew of former Veco Corp. chief executive Bill Allen. Anderson, a welder by trade, helped supervise Veco-financed improvements made to Stevens' home in Girdwood starting with a clean-up crew that spent about a week there in the spring of 1999.

Stevens' defense team is a seeking a full-blown evidentiary hearing in February so they can question FBI agents and government attorneys under oath about how they prepared Anderson for his testimony. They also want to learn whether Anderson had gotten immunity for himself, his family and friends for cooperating in the FBI's public corruption investigation in Alaska.

Sullivan said next week's hearing will be to discuss the defense requests.

Prosecutors said Anderson lied in his letter claiming he didn't tell the truth on the witness stand about the immunity deal. Instead, the government said he was truthful when he said he had no formal immunity agreement.

Prosecutors said last week they would respond more fully to Anderson's letter on Monday, but nothing has appeared on the public docket.

Anderson has offered multiple versions of what he considered to be his deal with the government, though none are in writing. In March, he signed a sworn statement that he and 13 friends and relatives, including former state Sen. Jerry Ward, the father of his girlfriend, were covered by his immunity agreement.

Prosecutors have said they learned about that affidavit in August but haven't explained what brought it to their attention. However, on Aug. 11, former private prison advocate Bill Weimar pleaded guilty to making illegal payments to assist the campaign of a state Senate candidate in 2004. The candidate wasn't named in Weimar's plea, but the description closely matched Ward.

FBI - Stevens-2292

Two days after Weimar's plea, FBI agents interviewed Anderson about the March statement, according to a copy of the agents' report and a summary that was provided to Stevens' lawyers. Both documents have been publicly filed in the Stevens docket.

According to the documents, Anderson told the agents that the March affidavit was drafted by Ward, and that Ward decided who would be covered by the purported immunity.

The government said that Ward was the subject of an investigation but provided no details.

In the Aug. 13 FBI interview, the government said, Anderson acknowledged that the only agreement he had with prosecutors was that he would not be required to provide direct testimony against any family member. It's unclear whether Ward or even his daughter would fit into that limited a deal, since they are not related to

Anderson by blood or marriage.

"Anderson knew that there had been no agreement relative to immunity or promises of immunity by the government as to anyone," prosecutors said in a pleading Friday.

Anderson, the government's 24th and final witness, was a last-minute addition when he was called to the stand Oct. 9.

Prosecutors previously announced their intention to rest their case the day before, but decided they needed additional testimony on how much work Anderson performed on Stevens' house when evidence of his work hours was stricken from the record because of faulty Veco accounting.

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Misconduct alleged in Stevens trial

UNETHICAL: Agent says prosecutors covered up evidence, corruption investigations tainted.

By RICHARD MAUER
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(12/23/08 00:02:58)

An Alaska FBI agent has accused fellow agents and at least one prosecutor of misconduct and unethical behavior in the public corruption investigation in Alaska and the trial of U.S. Sen. Ted Stevens.

The agent's complaint to internal investigators in the Justice Department was made public Monday in U.S. District Court in Washington, D.C., by the judge in Stevens' case.

The complaint had sharp words about one supervising agent, accused of getting too close to sources, including Allen. It said agents took gifts and accepted favors from sources and revealed confidential grand jury information and investigative practices to sources and reporters.

And the complaint said that prosecutors deliberately withheld and covered up evidence favorable to Stevens during his month-long trial, contradicting their statements to the judge at the time that their errors in not producing material to Stevens were accidental.

The judge, who said he wanted to protect the privacy of the complainant and those who were named, covered up almost all identifying details in heavy black ink, making some allegations difficult to follow.

But the agent who produced the explosive eight-page complaint, drafted in November, was clearly someone with intimate knowledge of the government's investigation in Alaska and the preparation and conduct of its trial of Stevens.

"I have witnessed or learned of serious violations of policy, rules, and procedures as well as possible criminal violations," the whistle-blower asserted in the complaint, which is now before the Justice Department's Office of Professional Responsibility.

The whistle-blowing agent ran at least one of the sources in the investigation who gave grand jury testimony. And the whistle-blower described being in the room on Aug. 30, 2006, when agents were convincing the man who would become their most important witness, former Veco Corp. chief executive Bill Allen, to cooperate in the investigation.

In releasing the complaint, U.S. District Judge Emmet Sullivan made good on a pledge he made in an order Friday following a closed-door hearing with prosecutors, the defense, and the whistle-blower's attorney.

FBI - Stevens-2294

Prosecutors and the whistle-blower sought to keep the document under seal. The defense asked for its release.

Sullivan said the document was too important for the public and the defense to remain secret, though he acknowledged that some of the people named in the complaint have a right to privacy -- at least for now.

In the order Monday that accompanied the redacted complaint, Sullivan said he would entertain a request by the defense to reveal more of the document.

Just 49 minutes after Sullivan put the complaint in the public docket, Stevens' attorneys cited it as the smoking gun in an 18-page motion to dismiss the case, or at least get a new trial.

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The whistle-blower complaint "confirms what the defense has long believed and alleged: the government cheated and lied in order to obtain a verdict against Sen. Ted Stevens," attorney Robert Cary said in the motion.

"This has been a case of prosecution by any means necessary," Cary wrote. "The court should exercise its power to dismiss this indictment."

David Heller, a spokesman for the FBI in Anchorage, referred questions to the Justice Department in Washington. There, a spokeswoman, Laura Sweeney, said the government would only address the matter in court.

"We will continue to litigate in the court all matters, including these allegations, related to the jury's conviction of Senator Ted Stevens," she said in an e-mail.

In his complaint, the whistle-blower described himself as a five-year agent who started working on the public corruption investigation shortly after he came to Anchorage.

The case was code-named "Polar Pen" because it began as an investigation of efforts to build a private prison in Alaska by a private joint venture that included Veco.

But the FBI focus shifted after agents tapped Allen's phones and heard him talking about the extensive remodeling and repair work Veco did on Stevens' home in Girdwood starting in 1989. Then, a hidden FBI camera in the Veco suite in Juneau caught Allen and a vice president bribing legislators with $100 bills.

Stevens was convicted in October of lying on his Senate financial disclosures by failing to report gifts from Veco, Allen and others. Allen, who has pleaded guilty to bribery, was the lead witness against Stevens and two legislators convicted in 2007.

Allen has testified that he agreed to work for the government on Aug. 30, 2006 -- one day before the investigation became public with a series of raids of legislative and business offices in Alaska. The whistle-blower said that the agent working on Allen revealed far too much information about other subjects of the investigation.

Later, with Allen on their team, an agent -- possibly the same one -- told Allen that a source being run by the whistle-blower had testified before a grand jury, a possible violation of federal law. The whistle-blower said Allen or his attorney were also tipped off about an unrelated Anchorage Police investigation of him, probably involving accusations reported earlier this year that he had sexual relations with a minor in the 1990s.

During the Stevens trial, the agent inappropriately met with Allen in a hotel room more than once, the whistle-blower said. During Allen's testimony, the agent dressed in a way that was meant to be a "surprise/present for Allen," the whistle-blower said.

A witness issue erupted during the trial when the government sent home the Veco supervisor at Stevens' home, Rocky Williams, without calling him to the stand. Prosecutors said he was too ill to testify. But Williams was also under subpoena as a defense witness, and the defense team didn't know Williams was back in Alaska until he called from home. That led to a loud objection from Stevens' lawyers and a stern lecture from the judge.

The whistle-blower agreed that Williams was ill and feared that Williams could die in Washington if not treated. But the whistle-blower said the prosecution team ignored his pleas that the defense and the judge be told of the plan to send Williams home.

"The defense and judge found out, were very angry, and suggested prosecutorial misconduct had occurred," the whistle-blower wrote.

The whistle-blower also said that someone from the prosecution team didn't want to send a complete copy of an FBI interview of Allen to the defense because it contradicted information sent earlier in a letter to the lawyers.

The whistle-blower said he initially brought his complaints directly to the agent or agents, and also to Eric Gonzalez, the chief division counsel to the FBI in Anchorage, but the problems were not solved, he said.

He decided to take his complaint to Washington after one of the FBI sources, former Alaska corrections official Frank Prewitt, wrote a self-published book about the investigation that contained information he "should not have known." Another book is being written in prison by one of the people convicted in the case, the whistle-blower said, "and I feared more problems would occur and I would be in the middle of [an agent's] problems again."

The whistle-blower said he was also upset by what happened during Stevens' trial.

On Nov. 21, he wrote, he asked for protection under federal law as a whistle-blower, fearing he would be punished for coming forward. FBI officials, from the Public Corruption Unit in Washington "to the highest levels" are extremely pleased about the Alaska investigation.

"I am concerned about possible retaliation," the whistle-blower wrote.

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Stevens witness affirms immunity offer

TRIAL: Anderson sends judge a letter saying government granted him and 12 friends a deal.

By RICHARD MAUER
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(12/24/08 00:01:31)

David Anderson, the government witness at the center of the storm involving ex-state Sen. Jerry Ward and allegations of misconduct in U.S. Sen. Ted Stevens' trial, has written a new letter to the judge in the Stevens case asserting again that prosecutors promised him and his friends immunity.

In his latest letter, Anderson offered a more detailed explanation about why he prepared an affidavit in March in which he listed 13 people whom he said were promised immunity by the government in exchange for his cooperation.

Ward, the father of Anderson's girlfriend, was on the list.

Prosecutors have denied they ever promised immunity to Anderson or anyone on his list. Anderson testified during the Stevens trial that the March affidavit was false.

The messy controversy, one of several that have erupted since Stevens' conviction Oct. 27 on seven felony disclosure violations, has become one of the grounds for Stevens' defense attorneys to demand dismissal of charges or a retrial. They called on U.S. District Judge Emmet Sullivan, who presided over the Stevens trial in Washington, D.C., to hold evidentiary hearings -- essentially mini-trials -- into the Anderson matter and an FBI whistle-blower complaint that surfaced Friday.

A defense attorney, Robert Cary, filed Anderson's letter in court Tuesday as an exhibit to his request for the hearing. Anderson's letter was dated Dec. 15 and follows up his first letter of a month earlier, in which he asserted his testimony refuting the March affidavit was itself false.

Both letters start the same way: "My name is David Allen Anderson."

Anderson, the estranged nephew of Veco Corp. chief executive Bill Allen, wrote the latest letter in response to the government's opposition to re-open the Stevens case. Prosecutors said that Ward, under scrutiny in the corruption investigation, had a hand in drafting the March affidavit and in sending the November letter. Both documents were tainted by Ward's self-interest, they asserted.

Anderson addressed that point in his latest letter. He said he dictated, then signed, the two letters and the affidavit.

FBI - Stevens-2297

"I am not a typist or an officer worker, but a welder," he said.

Anderson was one of two Veco supervisors at the renovation project that doubled the size of Stevens' Girdwood home from 2000-2001. Anderson built an outdoor staircase and part of a deck out of steel, helped move a generator installed by Veco and fixed things for Stevens when they broke -- all paid by Veco. Anderson was the last witness to testify for the prosecution.

But Anderson said in his first letter, and emphasized in the new letter, that he would not have taken the stand if he thought there was no immunity deal.

"I would like to be perfectly clear," he wrote this month. "I would have pleaded the fifth."

Anderson said he didn't sign the March affidavit to protect Ward or any of the others. He was trying to save

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himself from being killed by Allen and Allen's son, Mark, he said.

"It was to protect ME," he wrote.

Though 11 exhibits accompanied the government's opposition to re-open the case, none even discussed, let alone refuted, "the fact that Bill and Mark Allen had a contract to murder me," Anderson said.

He wrote the March affidavit, he said, because he was traveling to New Mexico, a haunt of Allen and his son, and feared for his safety.

"My thought process was that if it was in writing and anything happened to me, people would know where to look," Anderson said in his letter.

A copy of the affidavit, filed last month, doesn't mention either Allen by name. While it refers to a murder plot, it makes no suggestion about who to question should he be killed.

Rather, the affidavit appears to be an effort to immortalize an immunity deal for Ward and the other 12 named people if Anderson died and couldn't claim it himself.

Bill Allen has denied in testimony that he ever intended to kill Anderson. Mark Allen didn't return a call left at his ranch in Roswell, N.M.

If the judge wanted to confirm the murder plot, Anderson wrote, he should call an Anchorage reporter, Tony Hopfinger, who produces the Web site Alaska Dispatch.

"He has seen the documents under seal regarding the murder-for-hire scheme and is also aware that from day one I believed immunity was granted," Anderson said.

But in an interview Tuesday, Hopfinger said he never saw any such documents.

"I was read something that was regarding an FBI wiretap where some conversation of a kind of cryptic nature of hurting Dave, or hiring somebody to hurt Dave -- I was read that by a source," Hopfinger said. "And I asked Dave about it."

But his source was "very guarded about the material," Hopfinger said.

In a story he wrote about Anderson, Hopfinger said he originally had a paragraph saying that Allen had considered killing Anderson. That paragraph was sourced to "others who have viewed the sealed government affidavit," Hopfinger said, but he cut the paragraph from his story because he couldn't verify it.

On the matter of immunity, though, Hopfinger said Anderson always maintained he had gotten protection from the government. Anderson said something similar in interviews with the Daily News starting in May.

A man answering the phone at Anderson's house Tuesday said he wouldn't deliver a message to Anderson.

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FBI man is Stevens case whistleblower

By RICHARD MAUER
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(12/22/08 13:52:58)

A five-year FBI agent assigned to the Alaska corruption investigation is the whistleblower who brought a complaint of misconduct against other agents and at least one prosecutor involved in the trial of U.S. Sen. Ted Stevens.

The redacted -- meaning partially blacked-out -- complaint was publicly filed this afternoon in Washington, D.C., by the judge in the Stevens trial over the objections of Justice Department lawyers and the attorney for the unidentified whistleblower. Stevens' lawyers wanted the full document released without restrictions.

The whistleblower's name was blacked out, as were the names of nearly everyone else in his complaint. But the whistleblower's explosive allegations about misconduct by other members of the FBI and the prosecution suggest intimate, firsthand knowledge of the full investigation from the start, and of the activities surrounding Stevens' trial.

"I have witnessed or learned of serious violations of policy, rules and procedures as well as possible criminal violations," the whistleblower asserted in his complaint to the Justice Department's Office of Professional Responsibility.

The whistleblower said agents got too close to sources, took gifts and favors from sources, and revealed confidential grand jury and investigation information to sources and reporters.

The whistleblower also said members of the prosecution team intentionally withheld information from Stevens' defense that was required by law to be turned over. In addition, the prosecution deliberately failed to alert the defense that it was sending a key witness back to Alaska without testifying even though that witness was under a defense subpoena.

Prosecutors and agents also failed to properly log and track evidence, the whistleblower said.

In releasing the eight-page complaint, addressed to internal investigators in the Justice Department, U.S. District Judge Emmet Sullivan made good on a pledge he made Friday after a closed-door hearing with prosecutors, the defense and the whistleblower's attorney. Sullivan said the document was too important for the public and the defense to remain secret, though he acknowledged that some of the people named in the complaint have a right to privacy -- at least for now.

FBI - Stevens-2299

In the order today that accompanied the redacted complaint, Sullivan said he would consider a request by the defense to reveal more of the document.

Within an hour of the judge's release of the document, Stevens' attorneys filed a motion to dismiss the case or at least grant the senator a new trial. The whistleblower complaint "confirms what the defense has long believed and alleged: The government cheated and lied in order to obtain a

194A-AN-13620-M

CWS/9

verdict against Sen. Ted Stevens."

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FBI - Stevens-2300

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Whistle-blower adds twist to Stevens case

WHISTLE-BLOWER: Federal employee accuses government of misconduct.

By RICHARD MAUER
rmauer@adn.com
Published: December 21st, 2008 12:00 AM
Last Modified: December 21st, 2008 12:18 AM

A whistle-blower inside the Justice Department has accused members of the team investigating public corruption in Alaska of official misconduct, according to the judge who presided over Sen. Ted Stevens' trial in Washington, D.C.

The whistle-blower's complaint, dated Dec. 2, is now the subject of an internal investigation by the Justice Department's Office of Professional Responsibility, according to a memorandum and order signed Friday by U.S. District Judge Emmet Sullivan of the District of Columbia.

Sullivan revealed the existence of the complaint, and three secret hearings about it last week, in his 29-page order.

Sullivan said little about the nature of the alleged misconduct. Among the allegations was that a government employee accepted "multiple things of value" from sources cooperating in the investigation, Sullivan said.

FBI - Stevens-2301

The judge also reported that the whistle-blower accused at least two federal employees of intentionally violating government policies in the corruption investigation in Alaska and in connection with material that was supposed to be provided to Stevens for his defense, Sullivan said.

Stevens was found guilty Oct. 27 of seven felony counts of failing to report gifts and services on his annual Senate disclosures.

Sullivan said it was premature to say whether the allegations, if true, could have affected the outcome of the trial. But Sullivan said the allegations were clearly relevant to the Stevens case.

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Stevens is asking for a new trial, arguing that his case was tainted by government misconduct, among other issues. The motion will be heard by Sullivan in February.

The whistle-blower is a federal employee "with extensive knowledge of the investigation and trial in this case," Sullivan said. The whistle-blower and the people named in the complaint "are not strangers to these proceedings, but rather were significantly involved in the investigation and prosecution of the defendant."

His order advised lawyers representing the Justice Department, Stevens and the whistle-blower that he intended to make public a redacted version of the complaint Monday at 4 p.m. Eastern Standard Time -- noon in Alaska.

The public version of the document will not reveal the names of the complainant or the subjects of the internal investigation, Sullivan said, but will otherwise disclose the allegations.

Prosecutors had sought to keep the complaint secret since informing the judge of its existence Dec. 11. Sullivan, in his order Friday, soundly rejected that effort, citing the constitutional rights of Stevens to a fair trial and the public to observe the administration of justice. But he acknowledged that the whistle-blower and the officials cited in the complaint had privacy rights, at least in the current stages of the internal investigation.

SECOND INVESTIGATION

Stevens' lawyers, who complained throughout the month-long trial of prosecutorial misconduct, had sought full public disclosure of the document, Sullivan said. The whistle-blower, concerned about the consequences of being exposed, joined with the government in seeking to keep it secret, he said.

The complaint is the second time the Office of Professional Responsibility, which investigates misconduct by Justice Department attorneys and law enforcement personnel, has gotten involved in the Stevens case.

In mid-trial, lead prosecutor Brenda Morris told Sullivan that she and the other members of her team had self-reported that they had failed to turn over material to the defense as required by law.

The material involved FBI agent notes of interviews with the government's chief witness, Bill Allen, the former chief executive of Veco Corp.

At the time, Sullivan said he thought the government was intentionally hiding information and ordered prosecutors to sweep through their files and give everything connected to Stevens to the defense.

With the jury gone from the courtroom Oct. 2, Morris acknowledged the government committed "a gross error" in withholding the material, but denied any intentional misbehavior.

ARTWORK AND A JOB

From the onset, the government sought to keep the latest problem secret, Sullivan said. When it alerted the court to the complaint Dec. 11, it did so in a sealed memorandum, he said.

Prosecutors asserted the complaint bore "no relationship whatsoever" to the Stevens case.

"The court flatly rejects the government's position," Sullivan wrote. The complaint alleged a person involved in the investigation accepted "multiple things of value," including "artwork and employment for a relative" from cooperating sources, the judge noted with some irony.

"Surely the court does not need to remind the government that the defendant in this case was convicted for failing to disclose that he had accepted multiple things of value and, in fact, the trial

included testimony about his receipt of artwork and employment for a relative," Sullivan wrote.

During one of the secret hearings last week, Sullivan said, he was unable to get any kind of answer from a government lawyer to repeated questions about whether the complaint contained favorable information that needed to be disclosed to Stevens. The lawyer's refusal to answer "blinks at reality," Sullivan wrote.

In his order, Sullivan cited a long history of court decisions supporting the public's right to know about government conduct.

"To seal the complaint would be to deprive the public of information that directly addresses courtroom conduct, documents that were introduced at trial, and information that was relied upon by the court for various decisions throughout the proceedings," Sullivan said. "To say that the public's interest in this case was and is significant would be an understatement. In fact, even post-trial, the media has an interest in the case," he said, citing recent reports in the Anchorage Daily News and the Washington Post.

But Sullivan acknowledged the complainant also needed protection, referring to a case involving the Alyeska Pipeline Service Co., where a number of whistle-blowers were subject to reprisals in the 1980s and 1990s.

At the secret hearing Friday, the lawyer representing the whistle-blower "argued that the complainant would not have filed the complaint, at least in the form it was filed, had the complainant known that it might be made public."

But whistle-blower rights don't trump those of Stevens or the public, Sullivan said. Hiding the identities in the document is adequate protection, he said.

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Witness in Sen. Stevens' trial regrets testifying

By JESSE J. HOLLAND
(12/23/08 12:43:49)

A witness in convicted Alaska Sen. Ted Stevens' corruption trial has told the judge he never would have testified if he'd known he did not have immunity from prosecution.

"I would like to be perfectly clear ... I would have pleaded the Fifth," welder David Anderson said in a Dec. 15 letter to U.S. District Judge Emmet Sullivan. Anderson was referring to his Fifth Amendment protection against self-incrimination.

The letter was made public Tuesday in papers from Stevens' lawyers, who have asked Sullivan to hold a hearing on Anderson's charges and to let them investigate. It was unclear when Sullivan would rule.

Anderson says he thought he had an immunity agreement with the Justice Department, even though he tetsified during the trial that he did not have such a deal. The Justice Department previously has said the government never made any agreement of immunity with Anderson or for any of his family or friends.

Department spokeswoman Laura Sweeney declined further comment Tuesday.

Stevens, 85 and the Senate's longest-serving Republican, was convicted in late October on seven felony counts of lying on Senate financial disclosure forms to hide hundreds of thousands of dollars in gifts and home renovations from millionaire businessman and VECO Corp. founder Bill Allen, who is Anderson's uncle.

The senator, who is scheduled to be sentenced next year, has said he will appeal. He lost his Senate seat to Democrat Mark Begich in the November election.

Anderson's allegation is the latest against the Justice Department since Stevens' conviction.

An FBI agent, in a heavily redacted letter released Monday, complained about some of the department's tactics during the trial, including not turning over evidence to the defense and an "inappropriate relationship" between a government representative and the prosecution's star witness.

Stevens' lawyers on Monday asked Sullivan to throw out the conviction or order a new trial because of the allegations. Sullivan has not yet responded to their request.

Anderson supervised the start of the 2000 renovation of Stevens' Girdwood, Alaska, home and later responded to maintenance requests by Stevens and his wife. Anderson complained in an earlier letter to the judge that he thought he had an immunity agreement with the Justice Department for himself, his family and friends.

"I discuss the fact that I would have pleaded the Fifth had I have known that an agreement had not been made for immunity," Anderson said in the most recent letter. "I would like to be perfectly clear ... I would have pleaded the Fifth."

Anderson also told Sullivan that he had told an Alaska reporter about the immunity deal, and accused the government of trying to cover up a plot by Allen to have him killed.

FBI - Stevens-2304

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The BLT: The Blog of Legal Times

December 12, 2008

Ted Stevens' D.C. Bar License Suspended

It's becoming increasingly more unlikely—if there was ever the thought—that convicted felon Alaska Sen. Ted Stevens will work as a lawyer in the District of Columbia, where Stevens has been a member of the bar since April 1951. Chief Judge Eric Washington of the D.C. Court of Appeals today ordered the temporary suspension of Stevens' license—pending further review of the case—at the request of the Office of Bar Counsel.

Bar Counsel Gene Shipp says the D.C. Court of Appeals made its decision after receiving a certified copy of the Stevens conviction on seven counts of filing false financial disclosure forms with the Senate. Justice Department prosecutors accused Stevens of concealing $250,000 in home renovations and gifts to conceal the source of most of the stuff—a longtime friend and Alaska businessman named Bill Allen.

The nine-member Board on Professional Responsibility will take up the Stevens matter to determine whether the crime itself constitutes one of moral turpitude. If the board cannot decide, a three-person committee will examine whether the underlying facts of the charge involve moral turpitude. A finding that the charge itself or the supporting facts involves moral turpitude results in disbarment, Shipp says.

A sentencing date in the U.S. District Court for the District of Columbia has not been set. Stevens, whose wife is a partner at Mayer Brown in D.C., is pushing for a new trial. The Alaska Bar Association has asked the Alaska Supreme Court to suspend his license in that state.

Posted by Mike Scarcella on December 12, 2008 at 12:39 PM in Crime and Punishment, Current Affairs, D.C. Courts and Government, Justice Department, Politics and Government | Permalink
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Comments

I sure hope that the Prosecutors of this case are disbarred as well.

Posted by: AKConstant | December 12, 2008 at 04:28 PM
I'd like to submit that it was revealed in that case that the prosecution (the government) filed false evidence, withheld proof of innocence, and introduced BRIBED (with immunity of prosecution) witnesses into court. And contractors admitted to padding their bills to VECO, and Bill Allen (so the remaining 1/3 of that $250K in question could very well be a price considerably less still) The judge (a democrat?) refused to throw the case out regardless of how the prosecution bungled it.

I think they even filed the indictments wrong too!!!! I could be mistaken, but the fact they indicted a man for 7 counts of corruption without doing their homework first shows fault in the indictments.

This is a perfect example of how someone can be railroaded by the government. The fact the Stevens' had receipts paid in full for over 2/3 of that so called $250 thousand. Were NOT given bills for much of the remaining and very questionable 1/3, so were not aware of them. seems to be completely dismissed by the courts and the press alike! That's the crime of moral turpidude!

They received goods and services they didn't WANT. Ted Stevens and his wife are not construction contractors, they're lawyers. How would they know they got a "gift" in contractual services if they never saw the bill? Sen. Stevens erroneously let his "friend" Bill Allen oversee those renovations...he thought that he could trust him.

But it's obvious that even in D.C. he is the victim of false friends and snakes in the grass. I think the fact this article about the courts revoking his law license can be written proves that. Can't even wait for the results of his appeal can they?

Posted by: Sheilah Blanco | December 12, 2008 at 03:19 PM

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Ward tied to scheme to avoid prosecution

FBI - Stevens-2306

STEVENS TRIAL: Filing describes ex-senator who persuaded witness to lie.

By RICHARD MAUER
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(12/16/08 00:05:21)

Former state Sen. Jerry Ward convinced a key witness in the Ted Stevens trial to invent and then lie about a broad immunity deal because Ward was trying to protect himself from federal prosecution, the Justice Department said in a new court filing Monday.

Ward, though not directly identified in a series of documents filed electronically after hours in Washington, D.C., was unmistakably described by Justice officials as the instigator who sought protection through witness Dave Anderson.

The Justice Department said in the documents it had an active investigation of Ward growing out of his relationship with private prison advocate William Weimar, who pleaded guilty last summer to making illegal payments to benefit Ward's Senate campaign in 2004.

The filings Monday — a pleading to the trial judge in the Stevens case, affidavits by prosecutors and the FBI counsel in Alaska, and investigative reports by FBI agents — were in response to a demand by Stevens' lawyers that Anderson and agents be examined under oath in an evidentiary hearing about Anderson's trial testimony.

Stevens says the hearing could uncover evidence that prosecutors engaged in misconduct with Anderson and result in a new trial for Stevens, or dismissal of charges altogether.

But the government said there was no need for even an evidentiary hearing because the facts in their filing Monday demonstrate Anderson told the truth at the trial — that he had no immunity deal for himself or anyone else.

Anderson testified Oct. 9 as the prosecution's final witness in its case against Stevens. Anderson did extensive work on Stevens' home in Girdwood while on the payroll of the defunct oil-field service company Veco Corp. Stevens was convicted on all seven counts of failing to disclose gifts from Veco, its chief executive Bill Allen and others.

But last month, in letters to the judge, defense and prosecution, Anderson said he lied in his testimony, in particular his repudiation from the witness stand of a sworn statement he signed in March. That March statement said his cooperation with the government was based on a pledge of immunity for Ward and 12 other relatives of Ward and Anderson.

The tangle of characters associated with Veco and Allen gets to its most complicated snarl in the Anderson-Ward matter.

Allen once dated Kirsten Deacon. Deacon is Ward's daughter. Anderson is Allen's nephew, the son of Allen's sister. Anderson now lives with Deacon. Their home is on Ward family property in the Mat-Su Borough.

Allen and Anderson have such animosity toward each other that a defense attorney in another corruption case asked Allen whether he wanted to have Anderson killed. Allen said no — he just wanted to beat him. Anderson's March affidavit purports to be an effort by Anderson to speak from the grave.

"It has come to my attention that I may not be available to confirm this prearranged agreement of immunity for the above listed people on information given to me by the Federal Bureau of Investigation and others that a contract to murder me has been discovered," he wrote. "In the event of my murder I have issued this sworn statement to clarify my arrangements with the Federal Bureau of Investigation." Anderson, in his letter to the

judge and attorneys, said Allen and [illegible]s son Mark — Anderson's cousin — [illegible] taken out the contract on his life.

"The government has given both of them immunity for crimes they have committed and they refuse to honor their agreement with me," Anderson said.

But the government, in its filings Monday, said Anderson's efforts were all about Ward. In some documents, Ward is identified as "Family Member A." In others, his name is blacked out. But the context shows unmistakably that Family Member A or the blacked-out name is Ward.

The government said there was no immunity deal for Anderson, Ward or anyone else in the March affidavit. An investigation shows that Ward and Deacon actually sent Anderson's letter from Anchorage in November and that Ward was actively meddling in an effort to save himself from prosecution.

"Anderson's allegations are factually incorrect, fraudulently presented, and designed to help exculpate from criminal prosecution an individual wholly unrelated to the Stevens trial," the government said, referring to Ward.

Prosecutors said that Ward "substantially" prepared the March affidavit about two weeks after learning "that he was being investigated by the FBI for public corruption offenses." The government said an unidentified state investigation in 2004 had uncovered evidence that Ward "was in a conspiracy to violate federal law." Weimar was described as another member of the conspiracy.

On March 16, 2008, Anderson told an FBI agent over the phone that Ward was growing extremely anxious about the possibility of indictment. Anderson "is concerned because [Ward] has diabetes and has not slept in the past three nights," the agent's notes said.

Anderson said he had suggested to Ward that he cooperate with the FBI.

In another interview two days later, the agent said Anderson reported Ward "wants immunity so he can sleep at night."

In multiple contacts with the FBI in that period, Anderson never asserted he or anyone else had immunity, the government said.

The FBI didn't learn about the immunity affidavit until Weimar pleaded guilty Aug. 12, 2008. His plea described the conspiracy to funnel money to Ward's campaign.

The next day, the FBI was contacted by Ward's attorney, who asserted Ward and the other family members had been protected by Anderson for crimes committed over a 10-year period. The attorney faxed the March document to the FBI.

Two agents immediate drove to Anderson's home. He told them the affidavit was inaccurate, the government said. Of the 13 people listed on it, only one was the subject of an active investigation, the government said.

The matter heated up again after Stevens' trial as a result of Anderson's testimony repudiating the affidavit, the government said.

Anderson helped arrange a meeting with prosecutors, Ward and Ward's attorney on Nov. 14. The meeting lasted all of five minutes when Ward's attorney indicated he was only interested in hearing the evidence against Ward, not in providing information to the government, the pleading said. As a parting shot, the government told Ward of his target status "in the federal criminal investigation."

The next day, Anderson sent his letters to the FBI, the defense and the judge. A surveillance camera at the Kinkos at Northern Lights Bouldvard and Lake Otis Parkway in Anchorage showed that Ward and his daughter faxed the documents, with Anderson standing nearby, the government said.

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Stevens case flares up again

SECRET: Judge received data on Anderson, defense says.

By RICHARD MAUER
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FBI - Stevens-2308

(11/26/08 20:41:22)

Attorneys for Sen. Ted Stevens said in papers filed in court Wednesday that additional information prosecutors promised to provide about a disgruntled government witness had been submitted secretly to the trial judge in the case.

The filing by the defense appears to clear up the mystery of what happened to the government's promise to explain why the witness claimed to have given false testimony. The promise, made by prosecutors in a public filing last week, was made good on Monday with a sealed document to be read only by U.S. District Judge Emmet Sullivan in Washington, D.C., according to the defense.

But the defense filing raised another mystery: Stevens' lawyers said the sealed filing involved an ongoing federal investigation that could involve a wiretap, but they had no more details. They demanded to be let in on the document's contents even while promising to not tell anyone else.

A month after Stevens' conviction on seven counts of failing to disclose gifts and benefits, primarily from the former oil-field service company Veco Corp. and its chief executive Bill Allen, there's no sign that the contentious relationship between defense and prosecution is letting up.

The latest flare-up began last week. David Anderson, Allen's estranged nephew, said in a letter to the trial judge that some of his testimony in the Stevens case was false.

At issue wasn't any evidence of wrongdoing by Stevens, but whether Anderson's testimony had been brokered by an immunity deal for him and more than a dozen of his friends and relatives. Anderson has gone back and forth on that issue, but in his letter appeared to assert that he believed he had such a deal. He had said the opposite in his testimony.

There is nothing in writing, and government lawyers said in court filings their only arrangement with Anderson was that he would not be asked to testify against his relatives. Anderson's girlfriend is the daughter of former Sen. Jerry Ward, a subject of the federal corruption investigation in Alaska.

Stevens' lawyers said the question of immunity is important because they could have used it to discredit Anderson's testimony. Last week, they asked Sullivan to order a hearing in February in which they could question Anderson, FBI agents and prosecutors about whether the deal existed and whether it was improperly withheld from Stevens' defense team.

The government responded Friday with its own filings, asserting that Anderson's claims in his letter were false. Prosecutors promised to provide more information Monday, including descriptions of documents and surveillance video, but the day passed without any new filings. A spokeswoman for the Justice Department in Washington said that if the government's explanation was filed under seal, she couldn't acknowledge its existence.

In the defense pleading filed Wednesday, Stevens' lawyers said they received an e-mail from prosecutors saying the additional information was filed in secret for only Sullivan to view.

The defense lawyers asserted such a filing was inappropriate and violated the law and court rules, saying the circumstances were the same as another case in 2007 that was reversed on an appeal.

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"Just as in this case, the government justified its (private communications with the judge) to protect the secrecy of its investigation -- a wiretap -- in an unrelated case," the defense attorneys wrote.

They said that, at a minimum, the government should have formally notified the defense before the sealed filing to allow it to object.

"Instead, the government took unilateral action, indistinguishable from marching into Chambers and speaking to the judge outside the presence of the defense. As a result, the trial judge in a criminal case apparently has heard evidence, to which the Defendant has no access, regarding a contested motion that affects the Defendant's liberty. Such conduct by the government should not be tolerated," Stevens' team said.

Sullivan had ordered the attorneys into his court Dec. 1 for a "brief hearing" to "discuss" the letter and the defense concerns. But on Wednesday, he changed the brief hearing to a more formal status conference.

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Cowdery pleads guilty to Veco conspiracy

Conspiracy: recommended sentence will be up to a year's confinement served at home.

By RICHARD MAUER
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(12/19/08 22:23:00)

State Sen. John Cowdery pleaded guilty to a federal conspiracy charge Friday and was added to the growing list of public officials who have fallen in a broad corruption investigation in Alaska.

Cowdery, 78, admitted conspiring with top officials of the former oil-field services company Veco Corp. to bribe another state senator into agreeing to take Veco's position on pending oil-tax legislation in 2006. Veco and the other state senator, Donny Olson, never consummated the deal, which would have gotten Olson $25,000 in illegal campaign contributions.

Olson has said he cooperated with the federal investigation.

In return for Cowdery's guilty plea, made in U.S. District Court in Anchorage on Friday morning, the government promised to recommend a sentence of between six and 12 months confinement served at home instead of prison.

The government will also recommend a fine of no more than $25,000, unless a presentence report determines Cowdery has unusual wealth, in which case the government recommendation could rise to $75,000.

Prosecutors agreed to drop a charge of bribery against Cowdery.

Cowdery is the 10th person to be convicted in the federal corruption investigation, with one other legislator awaiting trial. A Republican who spent most of his working life in the construction business, Cowdery has represented parts of the Anchorage Hillside and the Lake Otis Parkway area for 14 years in the Alaska House and Senate.

He has resisted calls to step down and will continue to be paid as a senator until his term expires Jan. 20.

Cowdery's plea means that two freshly convicted felons now represent Alaska constituents. The other is U.S. Sen. Ted Stevens, convicted Oct. 27 of seven counts of submitting false financial disclosures that failed to mention some $250,000 in gifts he received from Veco, Allen and others.

Cowdery's plea deal doesn't require him to testify against anyone else or to cooperate in the ongoing investigation.

FBI - Stevens-2310

U.S. District Judge Ralph Beistline accepted Cowdery's guilty plea in a 32-minute hearing. Beistline set sentencing for March 10.

"I'd like it as soon as possible," Cowdery said, but the judge responded that neither he nor the officials who prepare the pre-sentence report could do it much sooner.

Cowdery, who attended in a wheelchair, said he was concerned that he be allowed to visit his doctor during his confinement.

Beistline said that if Cowdery was in home confinement he would certainly be allowed to go for medical treatment.

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"If you go to jail, that's easy, because the doctors are right there," Beistline said, raising a chuckle from the spectator bench occupied by Cowdery's wife and daughter.

As is usually the case when a defendant pleads guilty, much of the hearing was taken up with the judge ensuring that the defendant understood what he was doing and what rights he was waiving. Defense attorney Kevin Fitzgerald said Cowdery wasn't wearing his hearing aide and asked that people speak a little louder than normal.

"You want to plead guilty to count one, is that right?" Beistline said slowly and clearly.

"That's true," Cowdery said without hesitation.

By agreeing to plea, Cowdery gives up his right to appeal and must accept the sentence he receives, the judge told him.

Cowdery understood, he said.

"You say you've read the plea agreement?" Beistline asked him.

"Yes, several times," Cowdery replied.

As a felon, the judge told him, "you couldn't possess a firearm for the rest of your life."

Cowdery acknowledged the limitation.

You may never be able to vote again, the judge went on, hold public office, sit on a jury or get certain federal grants.

"It's been explained to me," Cowdery said, sounding a little exasperated.

"The law requires me to do it," Beistline said.

"I forgive you," Cowdery said.

For several minutes more, prosecutor James Goeke, an assistant U.S. Attorney in Anchorage, read a six-page statement of facts that accompanied the plea. Cowdery swore they were true.

The document contained a conversation over breakfast at the old Sunrise Grill in Midtown on June 25, 2006, among Cowdery, Allen and Olson, a Nome Democrat who is still in the Legislature. FBI agents had staked out the place -- they knew about the meeting from a wiretap on Allen's phone -- and managed to get part of the talk recorded.

"As I told you there in my home, this (legislation) is important to (Allen)," Cowdery was recorded saying to Olson. "I told him that I thought you would probably go, you guys would probably vote the way we voted."

FBI - Stevens-2311

Allen asked Olson how much he would need for his upcoming primary election bid. Olson said he had $100,000 of his own but would need more.

"How much are you good for?" Olson asked Allen.

"What?"

"How much are you good for?" Olson repeated.

"Oh, we can probably go 25," Allen said.

"That's a good start," Olson said.

After Olson walked away from the table, Allen and Cowdery continued the conversation.

"What do you think?" Cowdery said.

"I think he'll be there, if he gives us his word," Allen said.

"Absolutely," said Cowdery. "That's what he did."

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FBI - Stevens-2312

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA, v. THEODORE F. STEVENS, Defendant.	Criminal No. 08-231(EGS)

FBI - Stevens-2313

ORDER

On the afternoon of December 11, 2008, the government filed a "Sealed Memorandum" accompanied by a motion to seal and for a protective order. The government's pleading notified the Court that the government's attorneys in this case had received a copy of a "self-styled whistleblower complaint" on December 2, 2008. The complaint, authored by a Special Agent with the Federal Bureau of Investigation ("FBI") with extensive knowledge of the investigation and trial in this case, raised allegations of misconduct by certain government employees involved with the investigation and prosecution of the defendant.

In its motion to file ex parte and its motion to seal, the government represented to this Court that it had received the complaint on December 2, 2008 and over the course of the following days "received additional information, guidance and advice *to satisfy itself that any possible statutory and regulatory confidentiality concerns surrounding a request for*

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whistleblower protection had been fuly [sic] explored and addressed, and would not prohibit a disclosure to the Court at a minimum." (emphasis added). Neither the complaint nor the substance of the complaint was filed or revealed to the Court until nine days after its receipt by attorneys in the Office of Public Integrity.

The defendant objected to any sealing of the complaint. In addition to First and Sixth Amendment arguments, the defense argued that any redactions would make it more difficult for the defendant to adequately address and argue the allegations made in the complaint. The government and counsel for the complainant strenuously argued that the complaint should not be made public based on whistleblower and privacy concerns. The government also maintained that publication of the complaint would interfere with an ongoing investigation into the allegations being conducted by the Department of Justice's Office of Professional Responsibility ("OPR"). The Court ordered briefing on the government's motions to file ex parte and to file under seal and, following a hearing on December 19, 2008, the Court issued a 29-page Opinion and Order later that day, ordering that the complaint be filed on the public docket, with identifying information about the complainant's and the individuals named in the complaint redacted. Pursuant to that Opinion and Order, the redacted complaint was made public on December 22, 2008. Also on December

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22, 2008, the defendant filed a Motion to Dismiss the Indictment, or, in the Alternative, Motion for a New Trial, Discovery, and an Evidentiary Hearing, based on the allegations made in the complaint.

On January 14, 2009, the government initiated a call to chambers, with defense counsel on the line, to request that it be permitted to file on the public docket a version of the complaint with fewer redactions. The Court scheduled a hearing for 2:00 p.m. on January 14, 2009 to hear arguments related to that request. At the hearing, held in open court, the government explained that it had found it difficult to respond to the defendant's Motion to Dismiss the Indictment, or, in the Alternative, Motion for a New Trial, Discovery, and an Evidentiary Hearing, without revealing the government employees' identities. Moreover, the government explained, it had contacted the government employees and they did not object to having their identities revealed. Finally, in response to a question from the Court, the government acknowledged that the author of the complaint, Agent Chad Joy, had not been granted whistleblower protection by the Office of Inspector General ("OIG").[1] In response to a follow-up question by the Court, the government then revealed to the Court - *for the first time* - that Agent Joy

[1] Neither government counsel nor the complainant's attorney had strenuous objections to revealing his identity in view of the denial of whistleblower protection.

had been notified as early as December 4, 2008 that he had not been afforded whistleblower protection. That notification came at least seven days before the government filed its motions to file ex parte and to seal the complaint - seven days when, according to the prosecution, it was receiving "additional information, guidance and advice to satisfy itself that any possible statutory and regulatory confidentiality concerns surrounding a request for whistleblower protection had been fully explored and addressed" - and fifteen days before the hearing and the Court's Opinion and Order.

Based on the government's repeated representations, this Court and the defendant proceeded on the understanding that Agent Joy had whistleblower protection or that his status as a whistleblower was as yet undecided due to the ongoing investigation by OIG and/or OPR. Had the Court known that the government had already legally determined that Agent Joy was not entitled to whistleblower protection *by the time it first filed the complaint under seal*, the Court would have proceeded differently.

Therefore, it is hereby

ORDERED that Attorney General Michael B. Mukasey personally sign a declaration under oath to be filed by no later than 12:00 p.m. on Friday, January 16, 2009, and provide copies of all relevant correspondence, detailing precisely (1) who within every

office of the Department of Justice knew about the complaint filed by Agent Joy, (2) what those individuals and offices knew, and (3) when those individuals and offices received the relevant information. That declaration must also address all decisions, correspondence, and communications within the Department of Justice related to Agent Joy's status as a whistleblower and the determination that he was not entitled to whistleblower protection. It is further

ORDERED that the government's request to file on the public docket a version of the Joy complaint with fewer redactions is **GRANTED** and the government shall file that complaint on the public docket by no later than 6:00 p.m. on January 14, 2009. It is further

ORDERED that in view of the information in the complaint that will now be made public, the defendant may file a revised Motion to Dismiss the Indictment, or, in the Alternative, Motion for a New Trial, Discovery, and an Evidentiary Hearing by no later than January 26, 2009. It is further

ORDERED that a status hearing is set for January 29, 2009 at 9:30 a.m. in Courtroom 24A.

SO ORDERED.

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Signed: **Emmet G. Sullivan**
United States District Judge
January 14, 2009

This document contains the identities of FBI Sources, sophisticated techniques, and other sensitive information. This document is sensitive but unclassified.

Background

My name is Chad Joy and I have been a Special Agent with the FBI since August 2003. My first office was Anchorage Division and I have remained there since January 2004. Soon after arriving in Anchorage, I was made co-case agent on a sensitive public corruption case, POLAR PEN [redacted]. The primary case agent was Mary Beth Kepner. My role was to be the Supervising and Administrative Agent on Title III electronic surveillance and to co-manage the case. POLAR PEN involved the investigation and prosecution of federal and state legislators, lobbyists, and corporate officials. The most recent conviction was of United States Senator Ted Stevens. DOJ Public Integrity Section lead the prosecution team.

Summary of Complaints

As the co-case agent on POLAR PEN for the past five years, I have witnessed or learned of serious violations of policy, rules, and procedures as well as possible criminal violations. When the problems initially began to surface, I attempted to rectify the problems by addressing them directly with SA Kepner. My efforts were unsuccessful. My next step was to keep my supervisor aware of all problems/issues that I encountered thereafter. I would also "vent" with two agents that I trusted throughout the years. In addition, on multiple occasions I advised my CDC of some of these issues/problems. Below is a summary of the key areas of concern that I can recall.

Details of Complaints

1. Kepner mishandled her sources
   a. Overall, SA Kepner mishandled her sources by becoming too close to each of them. SA Kepner would meet with sources in her home and have dinner with them and her husband at her home or their home. Kepner unnecessarily disclosed details about FBI investigations, unnecessarily provided information related to FBI techniques and internal workings, and would accept things of value from sources. Kepner documented very little in FBI files.
   b. Sources I am aware of mismanagement:
      i. [redacted]
      ii. [redacted]
      iii. [redacted]
      iv. [redacted]
      v. Rick Smith
      vi. Bill Allen
   c. [redacted]
      i. Source was previously in the state gaming enforcement area.
      ii. Kepner closed the source at some point.
      iii. Source gave Kepner's husband his current job as a security guard at the Port of Anchorage.
      iv. Kepner tried to have me reopen the source as my own source but I refused.
   d. [redacted]

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i. [redacted] met with Kepner at her home in Juneau, AK on multiple occasions.

ii. [redacted] had access to Kepner's home, even when she was not home.

iii. [redacted] met with Kepner and her husband on multiple occasions.

e. [redacted]

i. Kepner told [redacted] details about [redacted] Smith, and Allen's cooperation and status as FBI sources.

ii. Kepner told [redacted] virtually all case details when [redacted] did not have a need to know case and operational details.

iii. Kepner met with [redacted] on many occasions alone or with her husband.

iv. Kepner ate dinner or lunch with [redacted] and [redacted] at their house on many occasions.

v. Kepner provided [redacted] detailed information about my personal background, my [redacted] and [redacted] without my permission and knowing I would not have allowed her to do so.

vi. When Kepner moved from Juneau to Anchorage, Kepner utilized [redacted] to locate homes ([redacted] was a licensed real estate agent).

vii. [redacted] drew and provided Kepner a large original drawing of Kepner's dog as a gift. This artwork is hanging on a wall in Kepner's home near her stairs.

f. [redacted]

i. Kepner attempted to provide [redacted] information about my personal background, my [redacted] and [redacted] without my permission. I had to kick her leg under the table to stop her from revealing personal information about me.

ii. After [redacted] was convicted and sent to prison, Kepner began communicating with [redacted] in writing without documenting the communications in FBI files.

iii. I believe Kepner lied to SSA Seale in my presence on or about 11/20/2008 when she told Seale she did not know she needed to document in FBI files the letters received and sent to [redacted].

g. Smith

i. Kepner went golfing with her husband, Smith, and [redacted] (another individual that was captured on Title III electronic surveillance and was a potential subject).

ii. This information was provided by SA Mary Jo Herrett.

h. Allen

i. Most recently, Kepner met with Allen by herself in her hotel room in Washington D.C. When I found out that occurred, I told AUSA Joe Bottini that if he knew that was going to happen again, to advise me so I could stop that from happening again. I also told Kepner not to do that again. She ignored me.

ii. Kepner wore a skirt for Allen during the recent trial during his testimony. Kepner does not wear skirts. She advised it was a surprise/present for Allen.

iii. Kepner told Allen during the pitch for him to cooperate on or about 08/30/06 that [redacted] accepted bribes from the FBI. Kepner told him details of the case and that [redacted] had cooperated with the FBI. It was unnecessary to reveal all that information. I believed it was absolutely unnecessary to provide details about other cases to someone we were wanting to cooperate. I advised the other agent in the room and he agreed but did not feel comfortable stopping Kepner from revealing further information.

iv. Kepner told Allen my source was cooperating and information that my source provided to the FBI. Kepner told Allen my source testified before the grand jury. Kepner provided Allen with information my source told the FBI.

v. Kepner may have revealed to Allen and/or his attorney the status of an ongoing Anchorage Police Department investigation involving Allen [redacted]

2. Kepner accepted multiple things of value from sources
   a. As referenced above, I am aware of a drawing/artwork, house-hunting assistance, and employment for Kepner's husband. I believe there were more gifts that I do not know about.
3. Kepner may have violated 6E Grand Jury rules
   a. As referenced above, I believe Kepner may have violated grand jury rules when she admitted to me that she told Allen that my source testified before the grand jury. I learned of this because Allen passed on the information to a family member, who passed on the information to my source's mother, who passed it on to my source. My source was upset that Allen knew he testified. I do not recall how much Allen knew about the content of my source's grand jury testimony.
4. Kepner failed to enter large amounts of evidence into FBI systems as 1B or 1C evidence
   a. There is a large amount of records currently in the Squad 4/5 conference room that the FBI has had in it's custody for some time that do not appear to be entered into evidence. Kepner defends herself and others by saying the documents are not originals even though much, if not all of the evidence, was obtained via grand jury subpoena and must be protected.
5. Kepner failed to disclose one or more searches performed in a Title III affidavit
   a. In one of the first Title III affidavits, I discovered that Kepner's affidavit did not reference the fact that the FBI had performed one or more searches. I advised Kepner and she told me not to worry about it, that it was too late to change it, and that it was irrelevant and would not have changed the fact the judge signed the affidavit. I was a new agent and left the issue alone. I don't recall whether I informed anyone else.
6. Kepner provided a variety of sensitive information and a piece of FBI equipment to her husband
   a. I am aware that Kepner keeps her husband up to date with the details and status of FBI investigations, regardless of the sensitivities involved or rules/regulations/laws that are broken.

b. After approaching [redacted] and gaining his cooperation, Kepner either received or made a call on her cell phone and began telling the caller everything that transpired in the approach to [redacted], about our techniques used (details like the shock room), what occurred, and the results of our efforts. I assumed it was her partner from Juneau. After she completed the call, I asked if the caller was her partner, SA Russ Ashenden. She said it was her husband. I chastised her for telling him sensitive information. She said, "Who else am I supposed to tell? He's in law enforcement and I have to tell someone..." I told her I knew he was not in law enforcement and that she should not be doing that. From that point on, Kepner tried to conceal the fact that she continued to keep her husband informed but I knew she did not change her habits.

c. Kepner transferred from Juneau to Anchorage. Kepner had a covert FBI cell phone (obtained [redacted]) to use when communicating with sensitive sources. One day I attempted to contact Kepner on her cover cell phone and her husband answered the phone. I asked Kepner why he answered her covert FBI cell phone and she advised they did not have a home phone yet so she decided to lend him the phone for his personal use.

7. Kepner had inappropriate relationships/communication with members of the media

a. Kepner had relationships and communicated with [redacted], [redacted], and [redacted]. Kepner had extensive communication with [redacted] about Allen and my source.

8. Kepner disclosed sensitive techniques and actions of our technically trained agents to a source

a. On one occasion, Kepner told Allen that our tech agents performed work in his phone box and on his phone line.

9. Kepner and others intentionally redacted Brady/Jenks material that defense counsel was entitled to receive

a. At the recent trial of Ted Stevens, the prosecution was required by the court to turn over redacted FD-302s. Kepner redacted the Allen FD-302s/FD-1023s. The court learned the prosecution redacted information that should not have been redacted. The court openly chastised the government. Later that day, Kepner advised me that she redacted the information and did so because she wanted the FD-302s she was redacting to fit the Brady/Giglio letter that had previously been provided to the defense.

b. Kepner and others decided not to provide defense counsel Allen's bank account documents. During the trial of Ted Stevens, the prosecution decided to use a check of Allen's as an exhibit even though it had not previously been turned over in discovery. Prosecutors decided not to provide that check to the court and defense before using it as a government exhibit. The defense and the judge were upset.

10. SA Kepner's husband may have disclosed the of location and purpose of official travel by SA Kepner to a member of the media

a. Kepner's husband knew details of FBI investigations. Kepner's husband is very outgoing and likes to talk. Kepner's husband played softball with [redacted], a [redacted]. Shortly after Kepner flew to [redacted] to

make the pitch for [redacted] to cooperate, my source advised that [redacted] told [redacted], a subject of our investigation who did not know he was a subject, that the FBI was going after [redacted]. I spoke to Kepner and Kepner's initial response was that her husband plays softball with [redacted] and he may have told [redacted]. Later she told me that she talked to her husband and he did not say anything to [redacted].

11. Nick Marsh, DOJ Public Integrity Section, inappropriately created scheme to relocate prosecution witness that was also subpoenaed by defense during trial
    a. During the trial of Ted Stevens, prosecutors subpoenaed Robert Williams. Williams was brought to Washington D.C. weeks before the trial for multiple trial preparatory sessions. Williams health was very poor. I requested that Williams be the first to testify so he could testify, get home, and continue to receive medical attention as necessary. I did not want him to die while we had him in Washington D.C. After the final preparatory session, which included a mock cross examination, prosecutors decided Williams was not a witness the prosecution wanted to use. Nick Marsh advised he came up with a great plan to send Williams home because he was so "concerned" about Williams' health that it would allow prosecutors to send him back to Alaska, even though Williams was also under a defense subpoena. I advised Nick and others multiple times that they should advise the defense counsel and the judge before executing their plan. I was ignored. They had me send Williams home. The defense and judge found out, were very angry, and suggested prosecutorial misconduct had occurred.
12. Marsh attempted to conceal from defense counsel an FD-302 discovered that had exculpatory information during trial that had not previously been provided to the defense
    a. During the trial of Ted Stevens, prosecutors planned to use SA Michelle Pluta as a witness. This caused the discovery of the fact that one of her Jenks FD-302s contained information that was not previously provided to the defense. The judge had previously required prosecutors to turn over all FD-302s and this was one that was not provided. The information had to be turned over to the defense. Nick Marsh was absolutely against turning over the FD-302 trying to convince the group why it was unnecessary. I left the conference room because I felt very uncomfortable with where the discussion was heading. In the end, the FD-302 was turned over.
13. Marsh or Ed Sullivan, DOJ Public Integrity Section, accepted approximately 30 boxes of paper evidence from defense counsel and did not forward that evidence to FBI to process and enter into databases as 1B or 1C evidence
    a. When I arrived at Public Integrity Section in Washington D.C. to prepare for the trial of Ted Stevens, I found many boxes of documents stacked outside the office of Nick Marsh. The FBI did not have custody of any of the material and the evidence had not been reviewed by FBI personnel. Because of evidence being in the custody and control of Public Integrity Section, discovery for the case had to occur from both Alaska (evidence in the custody and control of the FBI) and Washington D.C. (evidence in the custody and control of Public Integrity Section attorneys).
14. Marsh or Ed Sullivan, DOJ Public Integrity Section, accepted original evidence from one

or more witnesses during grand jury and failed to provide that evidence to the FBI to process and enter into databases as 1B evidence and in one instance temporarily lost that evidence

a. [redacted] provided prosecutors with an original gold key-chain he received from Ted Stevens. He provided it during grand jury. During a trial preparatory session with [redacted] in Alaska, Brenda Morris, DOJ Public Integrity Section, instructed me to provide [redacted] with an FBI receipt for the key-chain because [redacted] advised he wanted to get the key-chain returned to him after the case was completed. I did not provide him with a receipt because that key-chain was never in the custody and control of the FBI. I was previously told that Nick Marsh had lost the key-chain but later found it in a file cabinet within Public Integrity Section.

b. I saw other original evidence at Public Integrity Section that did not appear to have been entered into FBI evidence systems or reviewed by the FBI.

My Motivation to Further Report

I could have kept going with the status quo but I chose to step up and make my concerns known at a higher level because of multiple reasons:

1. There were many serious problems I encountered in the recent trial of U.S. Senator Ted Stevens that frustrated me and I feel many of them stem from case mismanagement that occurred for too long;
2. One of SA Kepner's sources wrote and published a book about [redacted] work with the FBI, which publicly disclosed the mismanagement of that source, provided information about our investigations that [redacted] should not have known, the book mentioned me in multiple places, and because I closed [redacted] as a source and [redacted] wrote a letter complaining to the Director of the FBI;
3. Anchorage Division management recently decided to reassign SA Kepner's sources to others including myself and I believed SA Kepner would continue to have contact and mismanage the sources, causing other agents to be in inappropriate situations as I had been in the past five years;
4. I was scheduled to re-contact [redacted], a source who was convicted and is currently in prison. I found out [redacted] was also in the process of writing a book and I feared more problems would occur and I would be in the middle of Kepner problems again;
5. I recently began sharing my current concerns with two agents and they encouraged me to help everyone on our squad by reporting these problems to rectify the situation for all;
6. My efforts to rectify the problems have not been solved by reporting them to management; and
7. I re-read the FBI's core values and found they have not been upheld in the areas mentioned throughout this document.

Concerns For Myself

I work in the smallest field office within the FBI. In addition, FBIHQ from PCU to the highest levels are extremely pleased with the successes of POLAR PEN. I am concerned about possible retaliation. On 11/21/2008 I requested whistleblower protection status from my ASAC who was my Acting SAC at the time. I don't want to be punished for coming forward. I am absolutely

outside my comfort zone by reporting my concerns beyond my efforts I listed in this document. Because my ASAC was a bit unclear as to whether he granted my request for protection, I request any and all whistleblower protections available again.

Actions I have Taken

Other than the previously noted actions, I recently discussed my many concerns with two other agents within my office. They helped guide and encourage me to report this information to higher authorities. I made a few more attempts to report these violations within my command structure in Anchorage Division. I was unsuccessful in these attempts. I decided I was more comfortable telling a neutral, outside party about my concerns. One of the agents I spoke with provided me with the hotline number to the Office of Integrity and Compliance (OIC). I called on 11/21/2008 at approximately 11:25 a.m. The preamble to the call stated that the hotline was operated by a third party and that if my concerns involved sensitive information, that I should not provide the information to them. I then called OIC directly and spoke with Assistant Director Patrick Kelley [redacted] Kelley was interested in what I had to say but advised that due to the nature of my concerns, I needed to provide the information to Inspection Division or DOJ OIG. Kelley provided me with the contact information for Inspection Division, Internal Investigation Section Chief Linda M. Krieg [redacted]). At approximately 12:12 p.m. I contacted Krieg. Krieg encouraged me to write down my concerns and provide them to Angela Byers (FBIHQ [redacted]), the person responsible for the initial processing of complaints. I hoped my concerns could be looked into without my name being known as the one who started the mess, to avoid any possible retaliation.

During lunch on 11/21/2008, I found out that one of the agents I spoke with met with SSA Seale and informed him that someone was going to report these concerns to OPR. When I returned from lunch, Seale spoke with me in private and told me that to protect myself, I needed to write down everything and provide it to him. Seale affirmed that I kept him informed of problems in the past but that he had forgotten a lot of what I told him. I felt I had to advise him of my contact earlier that day with Kelley and Krieg. I knew Seale was going to go talk to the ASAC and advise him of the situation. I told Seale that I should tell the ASAC my concerns. Shortly thereafter, I was called to the ASAC's office and asked to explain my concerns. I requested whistleblower protection and suggested it might not be appropriate for Seale or the CDC to sit in on this meeting because part of my story included them. ASAC Heller brought SSA Hastie into the office. I advised the ASAC of my contact with Kelley and Krieg. ASAC was not pleased I went outside of my office's chain of command. I explained why I didn't feel comfortable using my office's command structure and how I even got the feeling from him once that made me believe it would not be smart to go to the ASAC with these concerns. ASAC Heller advised me to follow the instructions Krieg had given me but that I should have provided the information to him. Heller told me not to discuss the concerns with others in the office and if anyone else had concerns they were to provide them to him. Heller had me immediately retrieve my notes regarding who at HQ I spoke with so he could call them and let them know he was dealing with the situation.

People Who Could Provide Further Information/Corroboration

SA Steve Forrest

SA Mary Jo Herrett
SA Kerry Sparks
SA Craig Howland
SA Susan Cusack
SA Chad Kadera
SA Mary Beth Kepner
Former SA Gregg Schwalbach
SSA Jim Connolly
IA Jessica Newton
SSA Colton Seale
CDC Eric Gonzalez
ASAC Dave Heller
Former SAC Toni Fogle
TDY agents we used over the years (probably over 50)
SA Mike Thoreson
SA Jolene Bronkhorst
SA Michelle Pluta
AUSA Joe Bottini
AUSA Jim Gocke
PIN Trial Attorney Nick Marsh
PIN Trial Attorney Ed Sullivan
DOJ Jodi Bradison
DOJ Kelli Walker

My Contact Information
SA Chad E. Joy
Anchorage Division
[redacted]

This document contains the identities of FBI Sources, sophisticated techniques, and other sensitive information. This document is sensitive but unclassified.

This document is supplemental to my original letter (file name: "[redacted]").

On 11/24/2008 at approximately 7:57 a.m., SA Mary Beth Kepner called me at my desk. She advised she got into a little trouble with front office. SA Kepner explained she told the ASAC the reason she told [redacted] (a source) so much information about the cases was because he was a "listening ear."

We discussed other matters throughout this conversation. I can provide my notes if necessary. SA Kepner explained that last Friday she couldn't get a hold of anyone. This was the day I felt I had to reveal to my SSA and ASAC that I had called Inspection Division. SA Kepner advised that SSA Colton Seale called SA Kepner while she was walking over to a meeting at the U.S. Attorney's Office (USAO) regarding [redacted] (subject of POLAR PEN) and SSA Seale told her she could no longer participate in the investigation of [redacted] my source) and [redacted] The prosecutors were recommending immediate search warrants. Once SA Kepner reached the USAO, AUSA Bottini advised SA Kepner that he had received a call from ASAC Dave Heller and that ASAC Heller said SA Kepner would not be participating in the [redacted] debrief. Later, ASAC Heller told SA Kepner she needed time to "decompress." SA Kepner believed that the results of her meeting with the ASAC on Thursday was that she only had to back off on her informants. SA Kepner wondered why she was hearing this information from AUSA Bottini.

ASAC Heller had told Kepner she could be involved in trial preparations but not lead any of her sources. SA Mary Jo Herrett was assigned Bill Allen with SA Kepner as the co-handling agent. SA Kerry Sparks was assigned [redacted] with SA Kepner as the co-handling agent.

On Friday afternoon, ASAC Heller asked SA Kepner to meet with him in his office. SA Kepner advised that the day before, she met with ASAC Heller to talk about her sources. SA Kepner thought, "what the hell is going on..." **SA Kepner then said to me, "this is between only us..." SA Kepner said the ASAC told her in the Friday meeting that "something is going on but I can't tell you but I've got your back." SA Kepner further explained that the ASAC said, "it relates to the trial." SA Kepner thought it was probably the Brady issue where she did the redactions.** SA Kepner advised management did not want her in a position to have to testify like an affiant until SA Kepner was interviewed by whoever was investigating the matter. SA Kepner believed the matter was initiated from outside the FBI. The ASAC would not say who it was coming from. SA Kepner asked the ASAC if SA Chad Joy was in same position. ASAC Heller asked SA Kepner, "wasn't Chad in a secondary role?" **The ASAC further told SA Kepner, "Trust me, we've got your back."** SA Kepner asked the ASAC how long it would take for the investigation to be resolved/completed. The ASAC advised that they would try and get it resolved as soon as possible. SA Kepner then told me that it's not our responsibility for Brady material but obviously she was integral. SA Kepner advised that once she got that information out of the ASAC, she felt better.

SA Kepner continued to tell me that she didn't see me having any problems. She said I did everything properly for [redacted] She said I was excellent with [redacted] [We talked further about [redacted] Again, I can provide my notes.] SA Kepner said again that she didn't think I'm in any trouble and that I've done an impeccable job. [We further discussed new transfers and my cubicle that I was moving back into.]

SA Kepner said "[redacted] **told me not to worry about the evidence stuff."** SA Kepner said she was just getting her bearing back from dealing with the [redacted] (source) issue with ASAC on Thursday. [The "evidence stuff" relates to all the boxes of evidence that is in the Squad 4/5 conference room that does not appear to have ever been entered into FBI evidence.]

SA Kepner talked about the letters to and from [redacted] SA Kepner thought SSA Seale should have told her she had to document the letters in FBI files. SA Kepner then said, "I guess I should have known..." At this point I told SA Kepner, "Yes, you definitely should have known..." SA Kepner's response to me was that I should have told her she needed to document the letters. My response was that I assumed she was documenting the letters.

Regarding the Thursday meeting SA Kepner had with the ASAC regarding sources, SA Kepner was told to get with our [redacted] in our office to get a little training on sources and how to be a little more cautious. SA Kepner said, "this is how they [ASAC] wanted to cover their butts..."

We further discussed stress and how we are dealing with it. We discussed a trip we had planned to Oklahoma to present the POLAR PEN case at the WCC conference on December 4, 2008. I informed her that I backed out of that trip and did not feel comfortable presenting.

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UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA	)	
	)	
v.	)	
	)	No. 08-231 (EGS)
THEODORE F. STEVENS,	)	
	)	
Defendant.	)	
	)	

GOVERNMENT'S MOTION FOR RECONSIDERATION AND TO VACATE JANUARY 14, 2009 ORDER DIRECTING THAT THE ATTORNEY GENERAL PERSONALLY SIGN A DECLARATION UNDER OATH

The United States of America, by and through its undersigned attorneys, respectfully asks this Court to vacate its January 14, 2009 order directing that Attorney General Michael B. Mukasey personally sign a declaration under oath detailing precisely (1) who within every office of the Department of Justice knew about the complaint filed by Agent Joy, (2) what those individuals and offices knew, and (3) when those individuals and offices received the relevant information. As explained below, the Court's order was premised on a misstatement by government counsel at the January 14 hearing to the effect that Agent Joy has been denied whistleblower protection and had been so notified as early as December 4, 2008, by the Office of Professional Responsibility (OPR). Government counsel was mistaken; they had misconstrued a letter sent to Agent Joy by OPR. The Department has never determined that Agent Joy is not entitled to whistleblower protection, and has never so advised him. We apologize for this error. A copy of the OPR letter is attached.

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Because the Court's order is premised on a misunderstanding of Agent Joy's status, we respectfully ask the Court to relieve us of the obligation of providing the Court with a complete

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list of every Department of Justice employee who has knowledge of the Joy complaint. Even if the Court is not willing to relieve us of the obligation to provide that information, the Court should vacate its order to the extent that it directs the Attorney General to sign a declaration providing facts about which he lacks first-hand knowledge.

1. Sometime in late November or early December 2008, Special Agent Chad Joy submitted an undated complaint containing allegations of misconduct regarding his co-case agent and federal prosecutors in the above case. In the complaint, Agent Joy explicitly requested "any and all whistleblower protections." Complaint at 7. The complaint was referred to the Office of Professional Responsibility (OPR), which advised Agent Joy, on December 4, 2008, that it intended to investigate the matters raised in his letter about his co-case agent and the *Stevens* prosecutors. OPR further advised Agent Joy that because Agent Joy had not alleged any reprisals resulting from his complaint, OPR lacked "jurisdiction to initiate an investigation pursuant to 28 C.F.R. §27.3 into whether you are entitled to relief as an aggrieved whistleblower." Exh. A.

Meanwhile, on December 1, 2008, Criminal Division officials received a copy of the Joy complaint, and, in the following days, attempted to determine whether, in light of the allegations in the complaint, they were free to provide a copy of the complaint to the trial prosecutors, and, thereafter, to the Court or to counsel. The trial team provided the Court with a copy of the complaint under seal on December 11, 2008, and, as the Court has noted, argued thereafter that the complaint should not be made public based on privacy concerns relating not only to Agent Joy but also to co-case agent Kepner who had not yet been apprised of the complaint. The Court released the complaint on December 22, 2008, after redacting information identifying Agents Joy and Kepner, the prosecutors, and others.

On January 14, 2009, the government asked the Court to lift some of the redactions in the complaint, noting that Agent Kepner and the prosecutors named in the complaint did not object to publication of their names. 1/14/2009 Tr. 2-3. The government further noted that unsealing some of the redacted portions of the complaint would facilitate litigation of defendant's misconduct claims. *Id.* at 3. At this point, the Court advised the parties that it was "the Court's inclination to make public the identity of the complainant." *Id.* at 5. As the discussion continued, government counsel advised the court that the complainant (Agent Joy) "does not qualify for whistleblower status." *Id.* at 8. The Court asked the prosecutors when their "office" had learned that Agent Joy "was denied whistleblower protection," (*id.* at 15), and the prosecutors were unable to identify the date, although they believed it was after the December 19 hearing (*id.* at 17): "because after I apprised OPR of what was going on here, that's when I was informed that there was a – that Mr. Joy had been given a letter as early as December 4th telling him he had been denied whistleblower status." The Court then stated: "If your office knew this man had been denied whistleblower status, it had an obligation to tell me before we had that hearing. * * * if you learned about it afterwards, as soon after you learned about it, you had an obligation to let the Court know." *Id.* at 20. The Court then ordered the government to produce a full accounting of "everything that happened with respect to this whistleblower issue" in the form of a declaration from the Attorney General. *Ibid.*; 1/14/2009 Order at 4-5.

The factual premise on which the Court's order is based – that Agent Joy had been denied whistleblower status – is incorrect. The prosecutors had misconstrued the OPR letter, which merely advised Agent Joy that because he had not alleged retaliation, OPR lacked jurisdiction to

initiate an investigation into whether he was entitled to any relief as an aggrieved whistleblower.[1] OPR had not denied Agent Joy whistleblower status.

Indeed, it would have been inappropriate for OPR – or any component of the Department of Justice – to do so. The Whistleblower Protection Act of 1989, Pub. L. No. 101-12, 103 Stat. 16 (1989) (codified in scattered sections of 5 U.S.C.) (WPA) "provides most federal agency employees with protection against agency reprisals for whistleblowing activity, such as disclosing illegal conduct; gross mismanagement, gross wasting of funds, or actions presenting substantial dangers to health and safety. *See* 5 U.S.C. § 2302(b)(8)." *Stella v. Mineta*, 284 F.3d 135, 142 (D.C. Cir. 2002). Because the FBI is not an "agency" within the meaning of the Act, *see* 5 U.S.C. § 2302(a)(2)(C)(ii), the Department of Justice promulgated a series of regulations that provide similar whistleblower protection to FBI employees. *See* 28 C.F.R. § 27.1 *et seq.* Those protections apply where the disclosing employee "reasonably believes" that the information he is providing evidences:

> (1) A violation of any law, rule or regulation; or
>
> (2) Mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety.

28 C.F.R. § 27.1(a). If the disclosing employee satisfies this threshold, the FBI whistleblower regulations bar his supervisors from taking any personnel action in "reprisal for a protected disclosure." 28 C.F.R. § 27.2(b).

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[1] As prosecutor Brenda Morris advised the Court on more than one occasion, the prosecutors are not versed in whistleblower law. *See, e.g.*, 1/14/2009 Tr. 24: "And if you recall, Judge, when I initially reached out to the Court, I was very ginger because I'm just not familiar with this aspect of the law and what I could and couldn't say, and that was when I first contacted the Court and with Defense counsel to say, 'This issue has come up. I'm just not familiar with the law with what I can't and can't say.'"

At this time, OPR has not completed its investigation of Agent Joy's allegations. Further, it is not the province of the Public Integrity Section or the Criminal Division to determine whether Agent Joy is entitled to protection under the applicable regulations. Moreover, Agent Joy has not alleged any reprisal, and therefore no Justice Department official has yet determined whether his belief in the accuracy of the allegations in his complaint is "reasonable." In short, there has been no formal determination of Agent Joy's whistleblower status, and he is presently entitled to the same prohibition against retaliation as any FBI employee.

We apologize again for the confusion caused by our misinterpretation of OPR's December 4 letter. Accordingly, the facts are as we represented them in our earlier pleadings and at the December 19, 2008 hearing.

In light of the above, we ask that the Court relieve us of the responsibility of identifying everyone within the Department of Justice who knew about the complaint filed by Agent Joy. Such an inquiry is no longer likely to benefit the Court.

2. Wholly apart from the misunderstanding that led to the Court's January 14 order, the Court should vacate its order directing that the Attorney General personally sign a declaration under oath providing detailed information about which Department of Justice employees have knowledge of Agent Joy's complaint. Under well-established principles, there is a strong presumption against compelling high Executive Branch officials to provide testimony in law enforcement proceedings (or be subjected to interrogatories or depositions) absent exceptional circumstances. *See, e.g.*, *In re United States (Reno and Holder)*, 197 F.3d 310, 314 (8th Cir. 2000) (finding that the Attorney General and the Deputy Attorney General could not be compelled to testify because of the absence of "extraordinary circumstances"); *In re United*

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States (Kessler), 985 F.2d 510, 512 (11th Cir. 1993) (per curiam) (defendants were not entitled to subpoena FDA Commissioner because "[t]his case does not present extraordinary circumstances or a special need for the Commissioner's testimony"); *In re Office of Inspector General*, 933 F.2d 276, 278 (5th Cir. 1991) (per curiam) (directing district court to "remain mindful of the requirement that exceptional circumstances must exist before the involuntary deposition of high agency officials are permitted"); *Energy Capital Corp. v. United States*, 60 Fed. Cl. 315, 318 (Fed. Cl. 2004) ("[C]urrent high-ranking government officials may only be deposed and otherwise personally involved in a civil suit if 'exceptional circumstances' exist that required their personal testimony."). The D.C. Circuit has previously applied this rule in affirming a district court's refusal to require top Department of Labor officials to testify. *Simplex Time Recorder Co. v. Sec'y of Labor*, 766 F.2d 575, 586 (D.C. Cir. 1985) ("[T]op executive department officials should not, absent extraordinary circumstances, be called to testify regarding their reasons for taking official actions.") (citing *United States v. Morgan*, 313 U.S. 409, 421-22 (1941)). *See also Peoples v. U.S. Dep't of Agri.*, 427 F.2d 561, 567 (D.C. Cir. 1970) ("[S]ubjecting a cabinet officer to oral deposition is not normally countenanced"). More recently, the Fifth Circuit vacated a district court's discovery order that the Attorney General himself provide a signed letter asserting privilege, refusing to discuss at length its reasons for doing so because the "request was obviously inappropriate." *In re United States (Ashcroft)*, 397 F.3d 274, 286 n.16 (5th Cir. 2005).

The reasons for such a rule are clear. Agency heads are charged with sweeping statutory responsibilities in furtherance of the public interest. At the same time, their agencies are generally involved in litigation in courts across the nation. If agency heads could routinely be

ordered to provide sworn testimony in civil and criminal proceedings, their ability to execute the duties of their offices and thus serve the public interest would be severely impaired. As the Supreme Court explained in *United States v. Morgan*, 313 U.S. 409, 422 (1941), subjecting high officials to regular scrutiny concerning the reasons for their official actions would compromise the "integrity of the administrative process." Such testimony should thus be required only if absolutely necessary, such as when the information sought is not available from any other source or witness. *See Bogan v. City of Boston*, 489 F.3d 417, 423 (1st Cir. 2007) ("[W]ithout appropriate limitations, [high ranking government] officials will spend an inordinate amount of time tending to pending litigation."); *In re United States (Reno)*, 197 F.3d at 314 (exceptional circumstances could not be demonstrated absent showing that discovery sought from Attorney General and Deputy Attorney General "cannot otherwise be obtained"); *In re FDIC*, 58 F.3d 1055, 1062 (5th Cir. 1995) (holding that district court erred by failing to quash deposition subpoenas issued to the Acting Chairman of the FDIC, the Comptroller of the Currency, and the Acting Director of the Office of Thrift Supervision) ("We think it will be the rarest of cases * * * in which exceptional circumstances can be shown where the testimony is available from an alternate witness."); *In re United States (Kessler)*, 985 F.2d at 513 ("Because of the time constraints and multiple responsibilities of high officials, courts discourage parties from calling them as witnesses and require exigent circumstances to justify a request for their testimony."); *id.* at 512 ("The reason for requiring exigency before allowing the testimony of high officials is obvious. High ranking government officials have greater duties and time constraints than other witnesses."); *United States v. Winner*, 641 F.2d 825, 834 (10th Cir. 1981) (finding that the

Assistant Attorney General could not be compelled to testify until it was established that other witnesses could not provide the necessary information).

Finally, the presumption against requiring high-level Executive Branch officials personally to provide information in civil or criminal legal proceedings is even stronger where, as here, the official lacks personal or first-hand knowledge of the detailed information sought. *Bogan*, 489 F.3d at 423 (permitting access to high government officials through the discovery process requires, at a minimum, "first-hand knowledge related to the claim being litigated"); *Simplex Time Recorder Co.*, 766 F.2d at 586 (upholding ALJ's decision to strike top Department of Labor officials from plaintiff's witness list because "any testimony which these officials might provide would be irrelevant since they had no first-hand knowledge of the case"). A requirement that the official have personal knowledge of the information sought complements the principle that high officials should not be forced to testify or submit to discovery if an alternate witness could provide the information requested. *See Buono v. City of Newark*, 249 F.R.D. 469, 470 (D.N.J. 2008) (describing requirement that "the official has first-hand information that could not be reasonably obtained from other sources"). *Accord United States v. Koubriti*, 305 F. Supp. 2d 723, 754 (E.D. Mich. 2003) (finding "no compelling need" for the Attorney General's in-court testimony even though "[t]he conduct at issue here unquestionably is that of the Attorney General himself and his direct staff, as opposed to a more general matter of departmental policy or agency decisionmaking"); *Energy Capital Corp.*, 60 Fed. Cl. At 318 (noting that high-ranking government officials may be subject to depositions "if the party has personal knowledge of the facts in issue"). Here, the court's order compelling an affidavit from the Attorney General would require the Attorney General to issue a sworn statement setting forth detailed facts about which

he lacks personal, first-hand knowledge. *See, e.g.*, Fed. R. Civ. P. 56(e)(1) ("A supporting or opposing affidavit must be made on *personal knowledge* * * *.") (emphasis added); *Wicker v. Oregon ex rel. Bureau of Labor*, 543 F.3d 1168, 1178 (9th Cir. 2008) ("[A]ffiants' assertions about a meeting which they apparently did not attend and about which they had no personal knowledge are not the proper subject of an affidavit.").

We thus respectfully submit that this court's order directed to the Attorney General, who lacks first-hand knowledge of the detailed information sought by the Court, does not present one of the rare situations in which the personal testimony, in the form of a sworn declaration, of a high-level Executive Branch official is necessary or appropriate.

* * *

CONCLUSION

For the foregoing reasons, the Court should vacate its January 14, 2009, order.

Respectfully submitted,

PATTY MERKAMP STEMLER
Chief, Appellate Section

Criminal Division
U.S. Department of Justice
950 Pennsylvania Ave., N.W.
Washington, D.C. 20530
Tel: 202-514-2611
Fax: 202-305-2121

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CERTIFICATE OF SERVICE

I hereby certify that on this 15th day of January, 2009, I caused a copy of the foregoing "GOVERNMENT'S MOTION FOR RECONSIDERATION AND TO VACATE JANUARY 14, 2009 ORDER DIRECTING THAT THE ATTORNEY GENERAL PERSONALLY SIGN A DECLARATION UNDER OATH" to be delivered electronically to the following:

Brendan V. Sullivan, Jr., Esq.
Robert M. Cary, Esq.
Williams & Connolly LLP
725 Twelfth Street, N.W.
Washington, D.C. 20005

Patty Merkamp Stemler

EXHIBIT A

U.S. Department of Justice

Office of Professional Responsibility

Washington, D.C. 20530

DEC 04 2008

VIA PDF E-MAIL

Special Agent Chad Joy
Federal Bureau of Investigation
FBI Anchorage Division
101 East Sixth Avenue
Anchorage, AK 99501

Dear Special Agent Joy:

This Office was referred for handling your undated document (Document) containing complaints about the conduct of a Federal Bureau of Investigation (FBI) Special Agent identified as your co-case agent in the FBI's POLAR PEN investigation.

As you may be aware, the primary jurisdiction of the Office of Professional Responsibility (OPR) is to investigate allegations of misconduct involving Department of Justice (DOJ) attorneys that relate to their authority to investigate, litigate or provide legal advice, as well as allegations of misconduct by DOJ law enforcement personnel when they are related to allegations of attorney misconduct within OPR's jurisdiction. Your Document appears to raise such allegations against the FBI Special Agent and several Department of Justice prosecutors identified in your letter as being involved in the prosecution of *United States v. Theodore Stevens*, No. 08-231 (D.D.C.). We therefore intend to investigate the matters raised in your letter pursuant to this primary jurisdictional authority.

As you may also be aware, pursuant to 28 C.F.R. §27.3, OPR also has jurisdiction to act as an "Investigating Office" regarding allegations of "reprisals" against FBI employees disclosing violations of laws, rules or regulations. Since, however, this secondary jurisdictional authority is limited to instances of alleged reprisal taken against the disclosing employee, and since your Document did not allege any such reprisal, please be advised that we lack jurisdiction to initiate an investigation pursuant to 28 C.F.R. §27.3 into whether you are entitled to relief as an aggrieved whistleblower. Should you come to believe that you have been subjected to or threatened with any such reprisal, please contact either this or any other office identified as a "Receiving Office" in 28 C.F.R. §27.1 for reconsideration of the matter.

The matters alleged in your Document bear heavily on the *Stevens* case which, as you are undoubtedly aware, is the subject of ongoing litigation. Please be further advised, therefore, that attorneys responsible for the litigation of that case or investigating agents acting at their direction may seek to interview you regarding those matters pursuant to their obligation to conduct the *Stevens* litigation.

If you have any questions, please contact this Office at 202-514-3365.

Sincerely,

H. Marshall Jarrett
Counsel

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA, v. THEODORE F. STEVENS, Defendant.	No. 08-cr-231 (EGS)

SENATOR STEVENS'S OPPOSITION TO GOVERNMENT'S MOTION FOR RECONSIDERATION AND TO VACATE JANUARY 14, 2009 ORDER THAT THE ATTORNEY GENERAL PERSONALLY SIGN A DECLARATION UNDER OATH

The government never wanted the public to know that one of its own agents, Chad Joy, had submitted a whistleblower complaint asserting that he "witnessed or learned of serious violations of policy, rules, and procedures as well as possible criminal violations" by members of the team that prosecuted Senator Stevens. Dkt. 262. In its efforts to convince the Court that these allegations should be hidden from the public, the government "strenuously argued that [Agent Joy's] complaint should not be made public based on whistleblower and privacy concerns." Dkt. 261 at 2. The Court disagreed, but redacted Agent Joy's name out of deference to the government's (and Joy's counsel's) representations. Dkt. 256 at 2.

The defense was forced to prepare its motion to dismiss using generic terms and without using Agent Joy's name. When the time came for the government to respond to the motion to dismiss, the government did not want to play by the same rules. It apparently wants to attack Agent Joy in public by name. In order to achieve that end, the government told the Court that Agent Joy "does not qualify for whistleblower status" after all and that he "was denied whistleblower protection." Tr. (Jan. 14, 2009), at 8, 15. Clearly, when it suited its strategic goal

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to try to keep Agent Joy's complaint confidential and hidden from the public, the government relied on Agent Joy's whistleblower status. But when the government wanted to attack Agent Joy by name in public, the government claimed that Agent Joy was not a whistleblower after all.

Justifiably concerned about this inconsistency, the Court ordered the Attorney General to "sign a declaration under oath . . . and provide copies of all relevant correspondence, detailing precisely (1) who within every office of the Department of Justice knew about the complaint filed by Agent Joy, (2) what those individuals and offices knew, and (3) when those individuals and offices received the relevant information." Dkt. 261 at 4-5. The Court further ordered that the "declaration must also address all decisions, correspondence, and communication within the Department of Justice related to Agent Joy's status as a whistleblower and the determination that he was not entitled to whistleblower protection." *Id.* at 5.

After the Court issued its Order, the government changed its position once again, telling the Court on January 15, 2009 that Agent Joy is a whistleblower after all and that he was never denied whistleblower protection. Confronted with the falsity of its representations on January 14, 2009, the government now states that "government counsel was mistaken" and "apologizes" for their "error", Dkt. 264 at 1. This is a familiar refrain from this team of Public Integrity prosecutors, calling to mind the Court's inquiry early in these proceedings, "How does the Court have any confidence that the Public Integrity Section has integrity?" Tr. (Oct. 2, 2008 p.m.) at 29.

The pattern is unmistakable. Over and over again the government has been caught in false representations and otherwise failing to perform its duties under the Constitution and the Rules. And over and over again, when caught, the government has claimed that it has simply made good faith mistakes. When the government failed to produce Rocky Williams's

exculpatory grand jury testimony, the government claimed that this testimony was immaterial. Dkt. 105. When the government sent Mr. Williams back to Alaska without advising the defense or the Court, the government asserted that it was acting in "good faith." Dkt. 105-4. When the government affirmatively redacted exculpatory statements from FBI Form 302s, it claimed that "it was just a mistake." Tr. (Oct. 2, 2008, a.m.), at 19; *see also* Tr. (Oct. 2, 2008, p.m.), at 27, 29. When government counsel told the Court that Allen had not been re-interviewed the day before a hearing on its *Brady* disclosures, this was a "mistaken understanding." Dkt. 134 at 15. When the government failed to turn over exculpatory statements from Dave Anderson, it claimed that they were immaterial. Tr. (Oct. 8, 2008, p.m.), at 58, 62, 64, 67. When the government failed to turn over a critical grand jury transcript containing exculpatory information, it claimed that it was "inadvertent." Tr. (Oct. 6, 2008, p.m.), at 95. When the government used "business records" that the government undeniably knew were false, it said that it was unintentional. Tr. (Oct. 8, 2008, p.m.), at 76. When the government failed to produce the bank records of Bill Allen and then sprang them on the defense, it claimed this check was immaterial to the defense. Tr. (Oct. 8, 2008, a.m.), at 3.

The defense (and the Court) was forced to spend hundreds of hours dealing with these "mistakes" in the middle of trial. It strains credulity to believe that these were all good faith mistakes, and the defense submits that an evidentiary hearing will demonstrate that they were not (if the Court is not convinced already). Even after getting caught making one so-called mistaken statement after another, the government as late as Wednesday, January 14, 2009, was still recklessly (at best) making false representations to the Court. The conclusion is clear: neither the defense nor the Court can rely upon the representations of government counsel from the Office of Public Integrity.

The defense submits that the Attorney General should be required to comply with the Court's Order of January 14, 2009. The Court and the defense are entitled to know who knew what and when. The cases cited by the government are not remotely similar to this case. These cases generally involve oral testimony,[1] and none involves a case where the government has been caught violating the Rules and the Constitution repeatedly. This is precisely the sort of situation where a declaration from the Attorney General is appropriate. In *Simplex v. Sec'y of Labor*, which was cited by the government, the Court found that the party seeking testimony from Department of Agriculture officials had "not suggested any information in the possession of these officials . . . that it could not obtain from published reports and available agency documents." 766 F.2d 575, 587 (D.C. Cir. 1985). Here, the defense and the Court have been trying and trying to obtain reliable information from the government. It is unlikely that any government official other than the Attorney General reaches over the myriad of Justice Department offices implicated: the Office of Public Integrity; the Office of the Inspector General; the Office of Professional Responsibility; the Federal Bureau of Investigation; the U.S. Attorney's Office for the District of Alaska, and perhaps others.

In the alternative, the defense would not object (if, but only if, it were acceptable to the Court) if the Court decided to order declarations from the head of each Justice Department office implicated. These officials presumably would have direct knowledge of the government's actions in this matter.

[1] *See, e.g.*, *In re United States (Reno and Holder)*, 197 F.3d 310, 312 (8th Cir. 1999) ("subpoenas were issued to compel testimony by the Attorney General and her deputy" at hearing); *In re United States (Kessler)*, 985 F.2d 510, 511 (1st Cir. 2007) (trial testimony by telephone); *In re Office of Inspector General*, 933 F.2d 276, 278 (5th Cir. 1991) (referring to depositions). *But see*

Dated: January 16, 2009

Respectfully submitted,

WILLIAMS & CONNOLLY LLP

By: /s/ Brendan V. Sullivan, Jr.

Brendan V. Sullivan, Jr. (Bar No. 12757)
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Attorneys for Defendant Theodore F. Stevens

FBI - Stevens-2345

In re United States (Ashcroft), 397 F.3d 274, 286 n.16 (5th Cir. 2005) (holding that Attorney General should not be required to submit letter asserting privilege).

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA v. THEODORE F. STEVENS, Defendant.	))))))))	No. 08-231 (EGS)

FBI - Stevens-2346

GOVERNMENT'S EMERGENCY MOTION FOR A STAY OF THE JANUARY 14, 2009 ORDER DIRECTING THAT THE ATTORNEY GENERAL PERSONALLY SIGN A DECLARATION UNDER OATH BY NOON TODAY

On January 15, the United States of America, by and through its undersigned attorney, respectfully asked this Court to vacate its January 14, 2009 order directing that Attorney General Michael B. Mukasey personally sign by noon today a declaration under oath detailing precisely (1) who within every office of the Department of Justice knew about the complaint filed by Agent Joy, (2) what those individuals and offices knew, and (3) when those individuals and offices received the relevant information. Defendant Stevens filed an opposition to the government's motion this morning. The government's motion is still pending. The government respectfully asks this Court to stay its order pending a decision on the government's motion. Further, if the Court denies the government's motion, the government asks the Court to stay compliance with its order for two weeks for the following reasons:

1. Although we are in the process of collecting the information requested by the Court, we have not yet completed that task. Additional time is also needed to gather all the information requested. The Joy Complaint has now been released to the public with minor redactions. Thus, the number of persons within the Department of Justice with knowledge "of the complaint filed

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by Agent Joy"is potentially quite broad. Even if we narrow our inquiry to individuals who received a copy of the complaint before it was released to the public, we must canvas multiple components within Main Justice, the Office of the United States Attorney for the District of Alaska, and the FBI. We note, however, that because, as the government explained in its filing yesterday, the Department has not determined that Agent Joy "was not entitled to whistleblower protection," we have no documents that are responsive to the portion of the Court's order directing the Attorney General to address "all decisions, correspondence, and communications within the Department of Justice related to "the determination that [Agent Joy] was not entitled to whistleblower protection."

2. As set forth in our Motion for Reconsideration and to Vacate, there is a strong presumption against compelling high Executive Branch officials, such as the Attorney General, to testify or provide information under oath. This is especially true where, as here, the official lacks first-hand knowledge of the information sought. If the Court denies the government's motion, the Solicitor General needs time to review this Court's order directing the Attorney General to provide a sworn declaration, and to decide whether to seek review of that order in the United States Court of Appeals for the District of Columbia. Moreover, should he decide to seek such review, time will be needed to file the appropriate papers and to obtain a decision from the circuit court.

3. Although Attorney General Michael B. Mukasey leaves office shortly, the information the Court has directed us to provide does not turn on his presence.

FBI - Stevens-2347

CONCLUSION

For the above reasons, the Court should stay the portion of the January 14 order directing the Attorney General to submit a declaration by noon until it rules on the government's Motion to Reconsider and to Vacate. If the Court denies the government's motion, we request a stay for two weeks to provide the Solicitor General with time to consider and pursue appellate remedies.

Respectfully submitted,

PATTY MERKAMP STEMLER
Chief, Appellate Section

/s/ Patty Merkamp Stemler
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FBI - Stevens-2348

CERTIFICATE OF SERVICE

I hereby certify that on this 16th day of January, 2009, I caused a copy of the foregoing "GOVERNMENT'S EMERGENCY MOTION FOR A STAY" to be delivered electronically to the following:

Brendan V. Sullivan, Jr., Esq.
Robert M. Cary, Esq.
Williams & Connolly LLP
725 Twelfth Street, N.W.
Washington, D.C. 20005

/s/ Patty Merkamp Stemler
Patty Merkamp Stemler

FBI - Stevens-2349

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA	)	
	)	
v.	)	
	)	No. 08-231 (EGS)
THEODORE F. STEVENS,	)	
	)	
Defendant.	)	
	)	

[PROPOSED] ORDER

The government's Motion for a Stay of the portion of the Court's January 14 order directing the Attorney General to submit a declaration by noon on January 16, 2009, is granted pending further action by the Court.

ORDERED this _____ day of _____ 2009

_____
THE HONORABLE EMMET G. SULLIVAN
UNITED STATES DISTRICT JUDGE

This document contains the identities of FBI Sources, sophisticated techniques, and other sensitive information. This document is sensitive but unclassified.

Background

My name is [redacted] and I have been a Special Agent with the FBI since August 2003. My first office was [redacted] and I have remained there since [redacted] Soon after arriving in [redacted] I was made [redacted] agent on a sensitive public corruption case, POLAR PEN [redacted] The [redacted] agent was [redacted] POLAR PEN involved the investigation and prosecution of federal and state legislators, lobbyists, and corporate officials. The most recent conviction was of United States Senator Ted Stevens. DOJ Public Integrity Section lead the prosecution team.

Summary of Complaints

As the [redacted] agent on POLAR PEN for the past [redacted] years, I have witnessed or learned of serious violations of policy, rules, and procedures as well as possible criminal violations. When the problems initially began to surface, I attempted to rectify the problems by addressing them directly with [redacted] My efforts were unsuccessful. My next step was to keep my supervisor aware of all problems/issues that I encountered thereafter. I would also "vent" with [redacted] agents that I trusted throughout the years. In addition, on multiple occasions I advised my CDC of some of these issues/problems. Below is a summary of the key areas of concern that I can recall.

Details of Complaints

1. [redacted] mishandled [redacted] sources
   a. Overall, [redacted] mishandled [redacted] sources by becoming too close to each of them. [redacted] would meet with sources in [redacted] home and have dinner with them and [redacted] at [redacted] home or their home. [redacted] unnecessarily disclosed details about FBI investigations, unnecessarily provided information related to FBI techniques and internal workings, and would accept things of value from sources. [redacted] documented very little in FBI files.
   b. Sources I am aware of mismanagement:
      i. [redacted]
      ii.
      iii.
      iv.
      v.
      vi. Bill Allen
   c. [redacted]
      i. Source was previously in the [redacted]
      ii. [redacted] closed the source at some point.
      iii. Source gave [redacted] current job as a [redacted] at the [redacted]
      iv. [redacted] tried to have me reopen the source as my own source but I refused.
   d. [redacted]

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i. [redacted] met with [redacted] at [redacted] home in [redacted] on multiple occasions.

ii. [redacted] had access to [redacted] home, even when [redacted] was not home.

iii. [redacted] met with [redacted] and [redacted] on multiple occasions.

e. [redacted]

i. [redacted] told [redacted] details about [redacted] and Allen's cooperation and status as FBI sources.

ii. [redacted] told [redacted] virtually all case details when [redacted] did not have a need to know case and operational details.

iii. [redacted] met with [redacted] on many occasions alone or with [redacted]

iv. [redacted] ate dinner or lunch with [redacted] and [redacted] at [redacted] house on many occasions.

v. [redacted] provided [redacted] detailed information about my personal background, [redacted] without my permission and knowing I would not have allowed [redacted] to do so.

vi. When [redacted] moved from [redacted] to [redacted] utilized [redacted] to locate homes [redacted] was a licensed real estate agent).

vii. [redacted] drew and provided [redacted] a large original drawing of [redacted] dog as a gift. This artwork is hanging on a wall in [redacted] home near [redacted] stairs.

f. [redacted]

i. [redacted] attempted to provide [redacted] information about my personal background, [redacted] without my permission. I had to kick [redacted] leg under the table to stop [redacted] from revealing personal information about me.

ii. After [redacted] was convicted and sent to prison, [redacted] began communicating with [redacted] in writing without documenting the communications in FBI files.

iii. I believe [redacted] lied to [redacted] in my presence on or about 11/20/2008 when [redacted] told [redacted] did not know [redacted] needed to document in FBI files the letters received and sent to [redacted]

g. [redacted]

i. [redacted] went golfing with [redacted] and [redacted] (another individual that was captured on Title III electronic surveillance and was a potential subject).

ii. This information was provided by [redacted]

h. Allen

i. Most recently, [redacted] met with Allen by [redacted] in [redacted] hotel room in Washington D.C. When I found out that occurred, I told [redacted] that if [redacted] knew that was going to happen again, to advise me so I could stop that from happening again. I also told [redacted] not to do that again. [redacted] ignored me.

ii. [redacted] wore [redacted] for Allen during the recent trial during his testimony. [redacted] does not wear [redacted] [redacted] advised it was a surprise/present for Allen.

iii. [redacted] told Allen during the pitch for him to cooperate on or about 08/30/06 that [redacted] accepted bribes from the FBI. [redacted] told him details of the case and that [redacted] had cooperated with the FBI. It was unnecessary to reveal all that information. I believed it was absolutely unnecessary to provide details about other cases to someone we were wanting to cooperate. I advised the other agent in the room and [redacted] agreed but did not feel comfortable stopping [redacted] from revealing further information.

iv. [redacted] told Allen [redacted] was cooperating and information that [redacted] provided to the FBI. [redacted] told Allen my source testified before the grand jury. [redacted] provided Allen with information [redacted] told the FBI.

v. [redacted] may have revealed to Allen and/or his attorney the status of an ongoing Anchorage Police Department investigation involving Allen [redacted]

2. [redacted] accepted multiple things of value from sources
   a. As referenced above, I am aware of a drawing/artwork, house-hunting assistance, and employment for [redacted] I believe there were more gifts that I do not know about.
3. [redacted] may have violated 6E Grand Jury rules
   a. As referenced above, I believe [redacted] may have violated grand jury rules when [redacted] admitted to me that [redacted] told Allen that my source testified before the grand jury. I learned of this because Allen passed on the information to a family member, who passed on the information to my source's [redacted] who passed it on to my source. [redacted] was upset that Allen knew he testified. I do not recall how much Allen knew about the content of [redacted] grand jury testimony.
4. [redacted] failed to enter large amounts of evidence into FBI systems as 1B or 1C evidence
   a. There is a large amount of records currently in the Squad 4/5 conference room that the FBI has had in it's custody for some time that do not appear to be entered into evidence. [redacted] defends [redacted] and others by saying the documents are not originals even though much, if not all of the evidence, was obtained via grand jury subpoena and must be protected.
5. [redacted] failed to disclose one or more searches performed in a Title III affidavit
   a. In one of the first Title III affidavits, I discovered that [redacted] affidavit did not reference the fact that the FBI had performed one or more searches. I advised [redacted] and [redacted] told me not to worry about it, that it was too late to change it, and that it was irrelevant and would not have changed the fact the judge signed the affidavit. I was a [redacted] and left the issue alone. I don't recall whether I informed anyone else.
6. [redacted] provided a variety of sensitive information and a piece of FBI equipment to [redacted]
   a. I am aware that [redacted] keeps [redacted] up to date with the details and status of FBI investigations, regardless of the sensitivities involved or rules/regulations/laws that are broken.

b. After approaching [redacted] and gaining [redacted] cooperation, [redacted] either received or made a call on [redacted] cell phone and began telling the caller everything that transpired in the approach to [redacted] about our techniques used (details like the shock room), what occurred, and the results of our efforts. I assumed it was [redacted] partner from [redacted] After [redacted] completed the call, I asked if the caller was [redacted] said it was [redacted] I chastised [redacted] for telling [redacted] sensitive information [redacted] said, "Who else am I supposed to tell? [redacted] in law enforcement and I have to tell someone..." I told [redacted] I knew [redacted] was not in law enforcement and that [redacted] should not be doing that. From that point on, [redacted] tried to conceal the fact that [redacted] continued to keep [redacted] informed but I knew [redacted] did not change [redacted] habits.

c. [redacted] transferred from [redacted] to [redacted] [redacted] had a [redacted] FBI cell phone [redacted] to use when communicating with sensitive sources. One day I attempted to contact [redacted] on [redacted] cover cell phone and [redacted] answered the phone. I asked [redacted] why [redacted] answered [redacted] cell phone and [redacted] advised they did not have a home phone yet so [redacted] decided to lend [redacted] the phone for [redacted] personal use.

7. [redacted] had inappropriate relationships/communication with members of the media

a. [redacted] had relationships and communicated with [redacted] and [redacted] [redacted] had extensive communication with [redacted] about Allen and [redacted] source.

8. [redacted] disclosed sensitive techniques and actions of our technically trained agents to a source

a. On one occasion, [redacted] told Allen that our tech agents performed work in his phone box and on his phone line.

9. [redacted] and others intentionally redacted Brady/Jenks material that defense counsel was entitled to receive

a. At the recent trial of Ted Stevens, the prosecution was required by the court to turn over redacted FD-302s. [redacted] redacted the Allen FD-302s/FD-1023s. The court learned the prosecution redacted information that should not have been redacted. The court openly chastised the government. Later that day, [redacted] advised me that [redacted] redacted the information and did so because [redacted] wanted the FD-302s [redacted] was redacting to fit the Brady/Giglio letter that had previously been provided to the defense.

b. [redacted] and others decided not to provide defense counsel Allen's bank account documents. During the trial of Ted Stevens, the prosecution decided to use a check of Allen's as an exhibit even though it had not previously been turned over in discovery. Prosecutors decided not to provide that check to the court and defense before using it as a government exhibit. The defense and the judge were upset.

10. [redacted] may have disclosed the of location and purpose of official travel by [redacted] to a member of the media

a. [redacted] knew details of FBI investigations. [redacted] is very outgoing and likes to talk. [redacted] played softball with [redacted] Shortly after [redacted] flew to [redacted] to [redacted]

make the pitch for [redacted] to cooperate, my source advised that [redacted] told [redacted] a subject of our investigation who did not know [redacted] was a subject, that the FBI was going after [redacted] I spoke to [redacted] and [redacted]'s initial response was that [redacted] plays softball with [redacted] and [redacted] may have told [redacted] Later [redacted] told me that [redacted] talked to [redacted] and [redacted] did not say anything to [redacted]

11. [redacted] DOJ Public Integrity Section, inappropriately created scheme to relocate prosecution witness that was also subpoenaed by defense during trial

a. During the trial of Ted Stevens, prosecutors subpoenaed Robert Williams. Williams was brought to Washington D.C. weeks before the trial for multiple trial preparatory sessions. Williams health was very poor. I requested that Williams be the first to testify so he could testify, get home, and continue to receive medical attention as necessary. I did not want him to die while we had him in Washington D.C. After the final preparatory session, which included a mock cross examination, prosecutors decided Williams was not a witness the prosecution wanted to use. [redacted] advised [redacted] came up with a great plan to send Williams home because [redacted] was so "concerned" about Williams' health that it would allow prosecutors to send him back to Alaska, even though Williams was also under a defense subpoena. I advised [redacted] and others multiple times that they should advise the defense counsel and the judge before executing their plan. I was ignored. They had me send Williams home. The defense and judge found out, were very angry, and suggested prosecutorial misconduct had occurred.

12. [redacted] attempted to conceal from defense counsel an FD-302 discovered that had exculpatory information during trial that had not previously been provided to the defense

a. During the trial of Ted Stevens, prosecutors planned to use [redacted] as a witness. This caused the discovery of the fact that one of [redacted] Jenks FD-302s contained information that was not previously provided to the defense. The judge had previously required prosecutors to turn over all FD-302s and this was one that was not provided. The information had to be turned over to the defense. [redacted] was absolutely against turning over the FD-302 trying to convince the group why it was unnecessary. I left the conference room because I felt very uncomfortable with where the discussion was heading. In the end, the FD-302 was turned over.

13. [redacted] or [redacted], DOJ Public Integrity Section, accepted approximately 30 boxes of paper evidence from defense counsel and did not forward that evidence to FBI to process and enter into databases as 1B or 1C evidence

a. When I arrived at Public Integrity Section in Washington D.C. to prepare for the trial of Ted Stevens, I found many boxes of documents stacked outside the office of [redacted]. The FBI did not have custody of any of the material and the evidence had not been reviewed by FBI personnel. Because of evidence being in the custody and control of Public Integrity Section, discovery for the case had to occur from both Alaska (evidence in the custody and control of the FBI) and Washington D.C. (evidence in the custody and control of Public Integrity Section attorneys).

14. [redacted] or [redacted] DOJ Public Integrity Section, accepted original evidence from one

or more witnesses during grand jury and failed to provide that evidence to the FBI to process and enter into databases as 1B evidence and in one instance temporarily lost that evidence

a. [redacted] provided prosecutors with an original gold key-chain [redacted] received from Ted Stevens. [redacted] provided it during grand jury. During a trial preparatory session with [redacted] in Alaska [redacted], DOJ Public Integrity Section, instructed me to provide [redacted] with an FBI receipt for the key-chain because [redacted] advised [redacted] wanted to get the key-chain returned to [redacted] after the case was completed. I did not provide [redacted] with a receipt because that key-chain was never in the custody and control of the FBI. I was previously told that [redacted] had lost the key-chain but later found it in a file cabinet within Public Integrity Section.

b. I saw other original evidence at Public Integrity Section that did not appear to have been entered into FBI evidence systems or reviewed by the FBI.

My Motivation to Further Report

I could have kept going with the status quo but I chose to step up and make my concerns known at a higher level because of multiple reasons:

1. There were many serious problems I encountered in the recent trial of U.S. Senator Ted Stevens that frustrated me and I feel many of them stem from case mismanagement that occurred for too long;
2. One of [redacted] wrote and published a book about [redacted] work with the FBI, which publicly disclosed the mismanagement of [redacted] provided information about our investigations that [redacted] should not have known, the book mentioned me in multiple places, and because [redacted] and [redacted] wrote a letter complaining to the Director of the FBI;
3. [redacted] management recently decided to reassign [redacted] to others including [redacted] and [redacted] believed [redacted] would continue to have contact and mismanage [redacted] causing other agents to be in inappropriate situations as I had been in the past [redacted]
4. I was scheduled to [redacted] contact [redacted], a source who was convicted and is currently in prison. I found out [redacted] was also in the process of writing a book and I feared more problems would occur and I would be in the middle of [redacted] problems again;
5. I recently began sharing my current concerns with two agents and they encouraged me to help everyone on our squad by reporting these problems to rectify the situation for all;
6. My efforts to rectify the problems have not been solved by reporting them to management; and
7. I re-read the FBI's core values and found they have not been upheld in the areas mentioned throughout this document.

Concerns For Myself

[redacted] In addition, FBIHQ from PCU to the highest levels are extremely pleased with the successes of POLAR PEN. I am concerned about possible retaliation. On 11/21/2008 I requested whistleblower protection status from my [redacted] who was my [redacted] at the time. I don't want to be punished for coming forward. I am absolutely

outside my comfort zone by reporting my concerns beyond my efforts I listed in this document. Because my [redacted] was a bit unclear as to whether [redacted] granted my request for protection, I request any and all whistleblower protections available again.

Actions I have Taken

Other than the previously noted actions, I recently discussed my many concerns with two other agents within my office. They helped guide and encourage me to report this information to higher authorities. I made a few more attempts to report these violations within my command structure in [redacted]. I was unsuccessful in these attempts. I decided I was more comfortable telling a neutral, outside party about my concerns. One of the agents I spoke with provided me with the hotline number to the Office of Integrity and Compliance (OIC). I called on [redacted] The preamble to the call stated that the hotline was operated by a third party and that if my concerns involved sensitive information, that I should not provide the information to them. I then called OIC directly and spoke with [redacted] was interested in what I had to say but advised that due to the nature of my concerns, I needed to provide the information to Inspection Division or DOJ OIG. [redacted] provided me with the contact information for Inspection Division, Internal Investigation Section [redacted] At approximately [redacted], I contacted [redacted] encouraged me to write down my concerns and provide them to [redacted] for the [redacted] of complaints. I hoped my concerns could be looked into without my name being known as the one who started the mess, to avoid any possible retaliation.

[redacted] I found out that one of the agents I spoke with met with [redacted] and informed him that someone was going to report these concerns to OPR. When I returned from lunch, [redacted] spoke with me in private and told me that to protect myself, I needed to write down everything and provide it to [redacted] affirmed that I kept [redacted] informed of problems in the past but that [redacted] had forgotten a lot of what I told him. I felt I had to advise [redacted] of my contact earlier that day with [redacted] and [redacted]. I knew [redacted] was going to go talk to the [redacted] and advise him of the situation. I told [redacted] that I should tell the [redacted] my concerns. Shortly thereafter, I was called to the [redacted] office and asked to explain my concerns. I requested whistleblower protection and suggested it might not be appropriate for [redacted] or the CDC to sit in on this meeting because part of my story included them. [redacted] brought [redacted] into the office. I advised the [redacted] of my contact with [redacted] and [redacted] [redacted] was not pleased I went outside of my office's chain of command. I explained why I didn't feel comfortable using my office's command structure and how I even got the feeling from [redacted] once that made me believe it would not be smart to go to the [redacted] with these concerns. [redacted] advised me to follow the instructions [redacted] had given me but that I should have provided the information to [redacted] [redacted] told me not to discuss the concerns with others in the office and if anyone else had concerns they were to provide them to [redacted] had me immediately retrieve my notes regarding who at HQ I spoke with so [redacted] could call them and let them know [redacted] was dealing with the situation.

People Who Could Provide Further Information/Corroboration

[redacted]

[redacted]

TDY agents we used over the years (probably over 50)

[redacted]

My Contact Information

[redacted]

FBI - Stevens-2358

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Ailing Stevens trial witness dies in Anchorage

ROCKY WILLIAMS: He'd been scheduled to testify by both sides.

By RICHARD MAUER
rmauer@adn.com

(12/31/08 21:52:45)

Rocky Williams, the witness whose non-testimony at the trial of Sen. Ted Stevens proved as controversial as the statements of some others who did take the stand, died in Anchorage Tuesday. He was 58.

Williams was a trusted employee of Bill Allen, president of the oil-field service company Veco Corp., and oversaw Veco's extensive renovations to Stevens' home in Girdwood starting in 2000. He told the Daily News in a series of interviews last year that he worked for Veco until around 2004, when he found himself on the outs with the Allen family with little explanation.

Williams said he was approached by the FBI in 2006 and was interviewed extensively by the two main agents on the case, his contact Chad Joy and agent Mary Beth Kepner. He also testified before a federal grand jury in Anchorage, he said. He didn't feel the need to get an attorney, he said, and didn't negotiate an immunity deal.

"I've got nothing to hide. Don't worry about it a whole lot," he said.

Prosecutors flew Williams to Washington in September and announced him as a witness in Stevens' trial. Williams would potentially offer proof that Stevens got gifts from Veco that he failed to disclose on annual financial statements.

But Williams, who often professed admiration and fondness for Stevens, was also listed as a defense witness.

Without ever calling him to the stand, the government sent him to back to Alaska.

The defense said it learned of Williams' departure when he got back to Anchorage and called. They described the government's action as misconduct, but prosecutors said they were concerned about Williams' health. They didn't publicly disclose all his ailments, but Williams had symptoms of serious liver disease.

The judge was skeptical of the government's claims, questioning whether its real motive was that Williams had turned against prosecutors.

The defense cited information provided by Williams in his call to them to argue that the government overstated the hours that Williams and another high-level Veco employee, Dave Anderson, had worked on the Stevens' home.

The judge agreed the evidence was inflated and told the jury to disregard all the hours accounted by Veco for Williams and Anderson. That still left plenty of evidence that Veco had provided tens of thousands of dollars of free services and material for Stevens, who was convicted on all seven counts.

The recently disclosed FBI whistle-blower complaint, filed by an agent in the corruption investigation against at least one other agent and several Justice Department attorneys involved in the case, backs up the contention that Williams was seriously ill in Washington.

"Williams health was very poor," said the whistle-blower, whose name, along with the subjects of the complaint, was blacked out by the judge. "I requested that Williams be the first to testify so he could testify, get home, and continue to receive medical attention as necessary. I did not want him to die while we had him in Washington, D.C."

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194A-AN-13620-m

But following a mock cross-examin[illegible]n, a prosecutor decided against calli[illegible] Williams and used the health issue to send him home, the whistle-blower said.

"I advised ... and others multiple times that they should advise the defense counsel and the judge before executing their plan," the whistle-blower said. "I was ignored. They had me send Williams home. The defense and judge found out, were very angry, and suggested prosecutorial misconduct had occurred."

Williams lived in south Anchorage since 1977 in an old trailer crammed with tools and boxes of personal belongings. A manager at the trailer court said a relative paid the rent on Monday because Williams was hospitalized. The relative said doctors didn't give him long to live.

Find Richard Mauer online at adn.com/contact/rmauer or call 257-4345.

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Bush pardon for Stevens isn't out of the question

UNCLEAR: But so far, the senator hasn't asked for presidential clemency.

By ERIKA BOLSTAD
ebolstad@adn.com

FBI - Stevens-2361

(11/26/08 22:44:50)

WASHINGTON -- With President George W. Bush issuing a round of pardons this week and presumed to grant as many as two more rounds before he leaves office, it raises the question: Will Sen. Ted Stevens ask for one?

The 85-year-old Republican senator was convicted Oct. 27 by a federal jury on seven counts of lying on his financial disclosure forms. After a cliffhanger of an election that took two weeks to count, Stevens last week lost the Senate seat he had held for 40 years. With his sentencing looming sometime early in 2009, Stevens faces as much as five years in prison on each corruption count.

But it's unclear whether Stevens even intends to ask for a pardon -- and the prospect of Bush circumventing his customary clemency procedures to pardon Stevens is unlikely. It's even less likely under a Democratic president.

However, Stevens has pressed forward with an appeal of his conviction. During his farewell speech on the Senate floor last week, Stevens made it clear he intends to continue his appeal, saying he can "still see the day when I can remove the cloud that currently surrounds me." And just last week his lawyers continued their attack on the conduct of prosecutors in the case by asking for a hearing, scheduled for Monday, to examine a claim by one of the witnesses against Stevens that he was lying on the stand about an immunity deal.

Stevens also told a pack of news media, "No, no, no," when asked the day he lost the election whether he would seek a pardon, but his spokesman, Aaron Saunders, said he wasn't saying "no" to the idea. The outgoing Alaska senator was simply declining to answer the question, Saunders said.

Later that same day, when asked by the Daily News to clarify his remarks, Stevens didn't rule out seeking a pardon. "That's something that's beyond me," he said, waving his hands as though to push the question aside. "That's beyond me."

Wev Shea, the U.S. attorney for Alaska between 1990 and 1993 and a Stevens supporter, said he hasn't spoken to him about a pardon. But he encourages Stevens to seek one -- and also urges him to continue to appeal his conviction.

"Should he? He absolutely should seek a pardon," Shea said. "If I were counsel to him, I would encourage him. I strongly believe President Bush should pardon Senator Stevens."

If Stevens were to seek a pardon, it would not be through the traditional path, which can take years. Stevens "hasn't submitted an application for any sort of clemency" to the Justice Department's Office of the Pardon Attorney, said Laura Sweeney, a spokeswoman for the Justice Department. Typically, any applicants start with the Justice Department, although its pardon office doesn't even look at requests from those who have been convicted but not yet sentenced.

However, the president has broad constitutional authority to issue pardons and could act outside the scope of the process if he so chooses.

Bush circumvented the Office of the Pardon Attorney last year when he commuted the sentence of Lewis "Scooter" Libby, Vice President Dick Cheney's former chief of staff. Libby had faced a 2½-year sentence for lying and obstructing justice in the CIA leak case, and by having his sentence commuted, he avoided serving prison time. Bush did not issue Libby a full pardon, though at the time he would not rule out doing so at a later date.

But [redacted] elected official whose conviction and eventual sentencing on corruption charges could be seen as a cautionary tale to other officeholders, Stevens might be out of luck. So far, Bush has been a reluctant pardoner, and lawyers who have been watching the process say that he's unlikely to change his practices in the final days of his presidency. Few of his pardons, with the notable exception of Libby, have been of high-profile people.

The White House wouldn't comment.

"We never comment on pardons," said White House spokeswoman Dana Perino. "People who are eligible to apply for a pardon can do so through the pardon attorney at the Department of Justice. And we don't comment on the deliberations that are under way."

Monday, Bush granted 14 pardons and commuted two sentences. Including the most recent, he has pardoned just 171 people and commuted eight sentences since taking office.

That's fewer than half the pardons granted by former president Bill Clinton, who drew criticism for an undisciplined end-of-term pardon spree that led to congressional investigations. Overall, Clinton pardoned 396 people and commuted 61 sentences.

Of those, Clinton's pardon of former Arizona governor Fife Symington bears comparison with Stevens, said clemency expert Daniel Kobil, a law professor at Capital University in Columbus, Ohio.

Symington resigned after a jury found him guilty in 1997 of having defrauded lenders in his previous career as real estate developer. His conviction was overturned on appeal and Clinton pardoned him in the final days of his administration in 2001.

Kobil said it would be unsurprising for Stevens to pursue multiple avenues to clear his name, including a traditional appeal of his conviction and an attempt to seek a pardon. Forty years as a senator gives him access to decision-makers that ordinary people don't have, Kobil said.

"Given his obvious political connections, he might have a shot at going directly to the White House," Kobil said. "I certainly wouldn't rule it out if I was his attorney. I would try to use back-channel ways. He's got to go right to the top."

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FBI - Stevens-2362

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Is a presidential pardon in the cards for Ted Stevens?

FBI - Stevens-2363

By ERIKA BOLSTAD

(11/26/08 12:24:02)

WASHINGTON - With President George W. Bush issuing a round of pardons this week and presumed to be granting as many as two more rounds before he leaves office, it begs the question: Will Sen. Ted Stevens ask for one?

The 85-year-old Republican senator was convicted Oct. 27 by a federal jury on seven counts of lying on his financial disclosure forms. After a cliffhanger of an election that took two weeks to count, Stevens last week lost the Senate seat he held for 40 years. With his sentencing looming sometime early in 2009, Stevens faces as much as five years in prison on each corruption count.

But it's unclear whether Stevens even intends to ask for a pardon -- and the prospect of Bush circumventing his customary clemency procedures to pardon Stevens is unlikely and even less likely under a Democratic president.

However, Stevens has pressed forward with an appeal of his conviction. During his farewell speech on the Senate floor last week, Stevens made it clear he intends to continue his appeal, saying he can "still see the day when I can remove the cloud that currently surrounds me." And just last week his lawyers continued their attack on the conduct of prosecutors in the case, by asking for a hearing, now scheduled for Monday, to examine a claim by one of the witnesses against Stevens that he was lying on the stand about an immunity deal.

Stevens also told a pack of news media "no, no, no" when asked the day he lost the election whether he would seek a pardon, but his spokesman, Aaron Saunders, said he wasn't saying "no" to the idea. The senator was simply declining to answer the question, Saunders said.

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Cowdery to plead guilty today

Deal: state senator likely to get home confinement for bribery and extortion.

By RICHARD MAUER
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FBI - Stevens-2365

(12/19/08 00:38:56)

State Sen. John Cowdery, elected to six terms in the Alaska Legislature and the state's oldest active lawmaker, announced Thursday he intends to plead guilty Friday to one count of conspiracy to commit bribery and extortion.

Cowdery was facing a two-count indictment and was scheduled to be tried on the federal charges in March.

Kevin Fitzgerald, Cowdery's attorney, said Thursday evening that the government would drop the second count, a bribery charge, in return for the guilty plea.

Cowdery will appear in court this morning to officially enter his change of plea.

As part of the deal, the government will recommend to U.S. District Judge Ralph Beistline that Cowdery, 78, be sentenced to home confinement and not prison, Fitzgerald said. Cowdery is in poor health and appeared at a hearing earlier this week in a wheelchair.

The government will also recommend a fine in the range of $7,500 to $75,000, Fitzgerald said.

Cowdery, a Republican who has represented parts of the Anchorage Hillside and Lake Otis Parkway area, was first elected to a two-year term in the House in 1982 at a time when the Republicans were just beginning a leadership reign that continues today. He ran again in 1996 and was elected to two consecutive two-year House terms. In 2000, he won a two-year Senate seat and was re-elected in 2002 and 2004. Facing the federal investigation and then indictment in July, he chose not to seek re-election this year.

Cowdery was in his legislative office in downtown Anchorage on Aug. 31, 2006, when a squad of federal agents descended on the building. His office was one of the targets of the search warrants being executed by the agents.

Cowdery, then using a walker, met with agents in a conference room, then shuffled back to his own office surrounded by reporters. Asked by one whether he was under investigation, Cowdery replied, "I don't think so."

But Cowdery's name figured prominently in the investigation and in some of the early corruption trials involving other lawmakers. Bill Allen, the government's lead witness, has described him as a friend and a man with a similar background in the construction business.

Allen has pleaded guilty to bribing a host of legislators and is one of Cowdery's alleged coconspirators in an effort to bribe another state senator. That senator, identified in Cowdery's indictment as "State Senator A," didn't take the money -- $25,000 in illegal campaign donations -- and hasn't been charged.

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Senator A has been identified in media accounts as Sen. Donny Olson, D-Nome, who was running for lieutenant governor in 2006. Olson told reporters he was cooperating with the federal investigation.

Like the cases against other state legislators, the charge against Cowdery involved Allen's effort to win favorable oil-tax legislation for the state's oil producers in 2006.

If Cowdery's plea proceeds as planned this morning, he will the 10th person convicted in the federal public corruption investigation with one other legislator, former Rep. Bruce Weyhrauch, R-Juneau, awaiting trial. U.S. Sen. Ted Stevens, R-Alaska, and three legislators have been found guilty by juries, while the rest have pleaded guilty.

The government says its investigation is continuing. One other alleged member of Cowdery's conspiracy, identified in Cowdery's indictment as "State Senator B," has not been charged. His description matches that of a legislator previously identified as a subject of the federal investigation, former Sen. President Ben Stevens, Ted Stevens' son. Ben Stevens has denied wrongdoing.

When Cowdery's indictment was announced July 10, a number of officials, including Gov. Sarah Palin, asked him to resign for the good of the state. He refused and was supported in his defiance by Senate President Lyda Green, R-Wasilla, and other lawmakers.

Find Richard Mauer online at adn.com/contact/rmauer or call 257-4345.

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Weimar goes to prison; Montana spread for sale

ARIZONA: His plan was to bring Alaska prisoners back to serve time closer to home.

By LISA DEMER
ldemer@adn.com

(01/06/09 22:24:46)

Bill Weimar, once king of Alaska's halfway houses, this week began serving a six-month prison sentence in Arizona for two federal felonies.

And back in Montana, where he's lived for years, his estate overlooking Flathead Lake is on the market for $5.25 million.

Weimar, 68, reported to U.S. Penitentiary Tucson on Monday, a spokeswoman for the federal Bureau of Prisons said. The prison is high security, but he's at the nearby minimum-security prison camp, said his attorney, David Bukey of Seattle.

U.S. District Judge John Sedwick had recommended that Weimar serve his time at a federal prison in Sheridan, Ore., the closest one to Alaska. The prison bureau assigned him to Tucson; Weimar never requested to go there, Bukey said.

Weimar pleaded guilty in August to conspiracy and a financial charge related to his funneling money in 2004 to a political consultant for a state Senate candidate, knowing the candidate would back a private prison if he won. The candidate hasn't been named in court documents but matches the description of former Sen. Jerry Ward, who in 2004 made an unsuccessful bid to regain the seat he lost two years before.

In November, Weimar was sentenced to six months in prison, followed by six months of home detention and two years of probation. Sedwick also ordered Weimar to pay a $75,000 fine, noting he had "substantial annual income and net worth." A court filing summarizing his finances was sealed.

Weimar's spread in Big Arm, Mont., includes a six-bedroom home, two-bedroom caretaker's cottage, indoor shooting and archery ranges, equestrian center, two-lane bowling alley, heated swimming pool, racquetball and tennis courts and helipad, all on 60 acres.

"It's definitely an amazing property," said Missoula-based broker Jennifer Bertland, one of the listing agents. "It's set up to be your own little world, which is great because in this part of western Montana, you kind of need that."

Weimar had been living in Montana awhile and was ready to move on, Bertland said. Beyond that, she said, she couldn't talk about his personal life.

The estate has been on the market since early 2008, she said. They originally priced it at $9.75 million but with the economy in a slump, they reduced the price a few weeks ago. It usually takes a few years to sell a multimillion-dollar property, she said.

The Weimar place is at the end of a road with a top-of-the-world view of Flathead Lake, Wild Horse Island and the Mission Mountains.

"People that have these properties, they want to be tucked away," Bertland said.

In Alaska, Weimar was a leader in an effort to build a private prison here. The private prison group said the project would bring home hundreds of Alaska inmates being housed in Arizona because of crowding in state prisons. The project never happened.

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File #194A-AN-13620-WEIMAR
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Ex-state representative Weyhrauch plans appeal of court ruling

By LISA DEMER
ldemer@adn.com
(01/07/09 22:17:58)

Former state Rep. Bruce Weyhrauch plans to appeal an appeals court ruling against him to the U.S. Supreme Court, his lawyer, Doug Pope of Anchorage, said Wednesday.

The issue is whether Weyhrauch should have disclosed his efforts to seek legal work from the defunct oil-field services company Veco Corp. regardless of whether state law specifically required that.

In Weyhrauch's case, prosecutors say, he was soliciting a Veco job at the same time he was voting on an oil tax pushed by Veco's chief executive, Bill Allen. Prosecutors argue that a failure to disclose what they describe as a conflict of interest amounts to honest services fraud, a federal offense.

But the defense says that imposes a higher standard of conduct than in state law, which doesn't specifically require disclosure in those circumstances.

Weyhrauch was indicted in May 2007 on bribery, extortion, fraud and conspiracy charges.

In November, a three-judge panel of the 9th U.S. Circuit Court of Appeals ruled that prosecutors can move forward with their theory of fraud.

Weyhrauch then asked for the entire appeals court to reconsider. On Wednesday, the three-judge panel denied Weyhrauch's petition for a rehearing, setting the stage for him to go to the Supreme Court.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

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Whistle-blower agent ID'd in Stevens case

By ERIKA BOLSTAD
Anchorage Daily News
(01/14/09 12:24:13)

WASHINGTON -- The FBI agent who complained about misconduct and unethical behavior in the investigation and prosecution leading up to Sen. Ted Stevens' conviction on corruption charges is Chad Joy, court officials revealed today.

Joy's name was released during a court hearing to determine whether to release to the public additional blacked-out sections of the agent's whistle-blower complaint about alleged misconduct by federal investigators and prosecutors.

Justice Department prosecutors, who initially fought even allowing the complaint to be made public, during the hearing asked for an even more revealing version of the document to be filed. Their aim was to make it easier to respond to a motion filed by Stevens' lawyers to dismiss the case -- or to win a new trial.

"For practical purposes, it's going to be difficult to respond to the motion to dismiss using pseudonyms," said William Welch, head of the Justice Department's Public Integrity Section.

Stevens' defense team has always sought to make the whole document public, as part of their post-conviction effort to overturn the former senator's conviction.

During Wednesday's hearing, Welch also told U.S. District Judge Emmet Sullivan that Joy's name could be revealed because the agent didn't qualify for whistle-blower status under federal guidelines.

That surprised the judge, who wanted to know when exactly the Justice Department attorney on the case knew that Joy wasn't granted whistle-blower status. Had he known that during a secret hearing last month when they first discussed the matter, Sullivan said, he would have treated it much differently. He would have been less inclined to release a heavily redacted version of the complaint, Sullivan said.

"I would have done things completely differently had I known he'd been denied status," Sullivan said. "It would have made a significant difference."

Brenda Morris, the lead prosecutor in Stevens' case, said she was unaware of the exact date that they learned he didn't have whistle-blower status -- but said she had to seek the information out herself. She also indicated that it was a matter she had some discomfort with, because it was being handled by the Justice Department's internal investigative unit, the Office of Professional Responsibility.

"We didn't have any contact with Agent Joy, we still haven't," Morris said, then covered her mouth with her hand, as though she had revealed too much.

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FBI - Stevens-2369

194A-AN-B620-N

Sullivan, who frequently displayed annoyance with the Justice Department's handling of the case during the trial, ordered Morris and Welch to seek a signed declaration by the attorney general detailing exactly what the attorneys knew -- and when -- about Joy's whistle-blower status.

"I want a paper trail and I want an information trail," he said.

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Prosecutors admit error

STEVENS CASE: "whistle-blower status" causes turmoil.

By LISA DEMER
ldemer@adn.com

(01/15/09 23:46:16)

On Wednesday, federal prosecutors revealed that Anchorage FBI agent Chad Joy was the person alleging misconduct in the Ted Stevens corruption investigation and also said he had been "denied whistle-blower status."

On Thursday, they told the judge they were wrong on the second point.

A document filed in court late Thursday reveals the latest misstep for the prosecution in the case of former U.S. Sen. Stevens, convicted last year of seven felonies for failing to reveal gifts on federal financial disclosure forms.

Joy has accused another agent, Mary Beth Kepner, of becoming too close to witnesses, accepting "things of value," and compromising the investigation by revealing too much information to outsiders, including her husband.

He also accused Nicholas Marsh, a federal trial attorney with the Public Integrity Section, of trying to keep critical evidence and witnesses from the Stevens defense. For example, Joy wrote that Marsh came up with a scheme to send a witness who was ailing and in Washington, D.C., for the trial back to Alaska without telling the defense or the judge, even though the defense had subpoenaed the same witness.

Joy's complaint is quickly becoming a central element of efforts by Stevens for a new trial.

In December, prosecutors alerted U.S. District Judge Emmet Sullivan to Joy's complaint but wanted it withheld from Stevens and his lawyers, as well as the public. The judge ordered that it be provided to the Stevens team in its entirety but ruled that most names and other identifying details should be blacked out from the copy made public.

At Wednesday's hearing, the judge was angered when prosecutors told him that Joy didn't qualify for whistle-blower status. Had he known that earlier, he would have handled the complaint differently last year, he said. He ordered a new version released with most of the deleted information restored.

"I want to know what your office knew and when," Sullivan demanded at the hearing. He ordered that Attorney General Michael Mukasey sign a declaration under oath concerning who knew what when about Joy's whistle-blower status.

But on Thursday, prosecutors admitted they got that part wrong and are asking that the judge back off his order for Mukasey to get involved.

"Government counsel was mistaken; they had misconstrued a letter sent to Agent Joy by OPR," Patty Merkamp Stemler, chief of the U.S. Justice Department's criminal appeals section, wrote. "We apologize for this error."

"OPR" refers to the Justice Department's Office of Professional Responsibility. In the Dec. 4 letter to Joy, the office said it would investigate his complaint but also said it didn't have jurisdiction to investigate whether he was "entitled to relief as an aggrieved whistle-blower."

That authority only kicks in when an employee alleges reprisal, and Joy hadn't done that, H. Marshall Jarrett, counsel for the office, wrote in the letter. If he is subjected to or threatened with reprisal, the office would reconsider, Jarrett wrote.

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An expert in whistle-blower law interviewed later Thursday said that there is no such thing as "whistle-blower status."

Someone who files such a complaint is by definition a whistle-blower, said Michael Kohn, general counsel for the National Whistleblowers Center, in Washington, D.C. The protections don't kick in unless the person suffers retaliation on the job, such as a bad evaluation, demotion or firing, Kohn said.

Whistle-blowers in general tend to get lumped in with the subgroup who are retaliated against because that's what so often happens, Kohn said

"A common misconception is that whistle-blowers get some sort of status and that they can't be discriminated against or harmed in their workplace when, in fact, it's just the opposite," Kohn said.

"Once you are identified as a whistle-blower, you essentially get a target put on your back because the protections are so anemic," he said.

Even if a fired whistle-blower wins a case, the most the employee gets is back pay and the job back -- there are no punitive damages, he said.

He hadn't been following the whistle-blower complaint in the Stevens case, but he said that around the country the FBI has treated whistle-blowers poorly. In fact, FBI agents or officials who retaliate against whistle-blowers tend to be promoted up the ranks, he said. The nonprofit center has represented hundreds of whistle-blowers over the years, including some FBI agents, he said.

Joy had requested "whistle-blower protection status."

"I don't want to be punished for coming forward," Joy wrote in the complaint. He also said, "I hoped my concerns could be looked into without my name being known as the one who started the mess, to avoid any possible retaliation."

There are no specific confidentiality protections for whistle-blowers, though complaints aren't automatically public, either, Kohn said.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390. Reporter Erika Bolstad contributed to this story.

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Stevens trial judge orders explanation from Mukasey

By ERIKA BOLSTAD
ebolstad@adn.com
Published: January 16th, 2009 10:01 AM
Last Modified: January 16th, 2009 10:18 AM

WASHINGTON -- Seemingly stunned by the conduct of the Justice Department in the weeks following former Sen. Ted Stevens' trial, the judge in the case today ordered U.S. Attorney General Michael Mukasey to provide an accounting for how his prosecutors handled a whistle-blower complaint last month.

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By 5 p.m. Saturday, Mukasey or his designate must turn the so-called "declaration" about who knew what and when about the whistle-blower status of an FBI agent who criticized the government's handling of the case, ordered U.S. District Judge Emmet Sullivan on Friday.

"This court is very sensitive to the extremely important, numerous, and competeing demands made on high-level government officials such as the attorney general, and therefore the court does not ordinarily burden officials at that level with matters that can be addressed by others," Sullivan wrote.

"However, based on the record in this case and the appearance that several attorneys in this matter -- in multiple departments within the Department of Justice -- may have intentionally withheld important information from the court, it is the court's view that a declaration from an official at the highest levels of the Department of Justice is appropriate and warranted in this instance."

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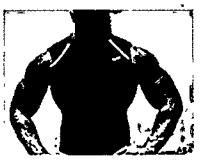

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Kott loses bid to leave prison

Anchorage Daily News
(12/31/08 21:29:02)

A federal judge has turned down former Alaska House Speaker Pete Kott's bid to get out of prison while he appeals his conviction last year on corruption charges.

In his decision, U.S. District Judge John Sedwick wrote that Kott had waited too long to make the request, without good reason.

"To put these concerns in context, it must be noted that if Kott may wait for 10 months after his conviction to file a motion in the trial court without any explanation or justification for the delay, every defendant convicted in any United States District Court could do the same thing," Sedwick wrote.

Kott's lawyer had argued that the former legislator isn't likely to flee, isn't a danger and has a good chance of winning on appeal.

A federal jury convicted Kott in September 2007 of bribery, conspiracy and extortion for his role in advocating an oil tax pushed by Veco Corp. executives and favored by North Slope oil producers. He received nearly $9,000, a political poll for his re-election campaign and the promise of a lobbying job, all from Veco executives, according to trial testimony.

Kott, 59, is serving his sentence at the Federal Correctional Institution in Sheridan, Ore.

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U.S. appeals judge's order in Stevens case

IN LIMBO: Explanation is not filed by attroney general.

Anchorage Daily News
adn.com
Published: January 17th, 2009 07:54 PM
Last Modified: January 17th, 2009 09:31 AM

The 5 p.m. eastern time deadline came and went Saturday and no explanation was filed by the Attorney General in U.S. District Court in Washington about how an Alaska-based FBI agent's complaint was handled by the Justice Department.

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A Justice Department official said nothing was filed because the government appealed the unusual order on Friday by U.S. District Judge Emmet Sullivan directing Attorney General Michael Mukasey to account for the agent's complaint. A stay of Sullivan's order was granted in the District of Columbia Circuit Court of Appeals, said the official, who spoke on the condition of not being identified by name.

A copy of the appeal or the stay couldn't be obtained independently from the court on Saturday. With pre-inaugural plans and events taking over Washington, the normally difficult job of finding official information on a Saturday became nearly impossible.

Sullivan, the trial judge in whose courtroom former Sen. Ted Stevens, R-Alaska, was convicted in October of felony disclosure violations, has been dealing with a number of post-trial issues, including the complaint by FBI agent Chad Joy. Joy, one of the agents investigating political corruption in Alaska, asserted that the lead agent in the case engaged in unethical and possible illegal activities during the investigation. He also charged that Justice Department attorneys intentionally withheld information that Stevens' lawyers were entitled to.

Sullivan said he was dissatisfied with explanations from prosecutors about how Joy's complaint was handled and demanded a sworn statement from Mukasey himself or one of his top deputies.

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Murkowski seeks pardon for Stevens

By RICHARD MAUER / rmauer@adn.com
Published: January 18th, 2009 04:21 PM
Last Modified: January 18th, 2009 01:43 PM

With less than 48 hours left of the Bush presidency, U.S. Sen. Lisa Murkowski's spokesman said today that Murkowski had asked the White House to pardon the former senior senator of Alaska, Ted Stevens. Michael Brumas, Murkowski's communications director, said the pardon request was made earlier this month. He declined to give other details, including whether Stevens himself wanted the pardon and had asked Murkowski to pursue it on his behalf. "It's just a very sensitive issue and a sensitive time - a couple days left," Brumas said. "We're just not saying anything more."

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Stevens, a Republican, was convicted in Washington, D.C., Oct. 27 of seven felony charges of failing to disclose gifts and services he received from 2000 to 2006. A week later, Alaska voters turned him out of office in November after 40 years in the Senate.

Stevens is asking for a new trial, alleging prosecutorial misconduct, juror misconduct and other issues. A hearing is scheduled next month, but would be rendered moot by a pardon.

Stevens, 85, had vowed to continue to fight the charges and said he would appeal if he doesn't get a new trial.

In a recent interview, former Gov. Bill Sheffield said he had heard that several people had asked the White House for a pardon for Stevens, but that Stevens himself wasn't among him.

While Sheffield is a Democrat, he has been close to Stevens over the years and held and participated in numerous fundraisers for him. "I've been told that he said he'll never ask for a pardon," Sheffield said. "I don't think he wants one. I think he's going to want to clear his name with an appeal."

Stevens has maintained a low profile since he lost the election to former Anchorage Mayor Mark Begich.

Sheffield said he hasn't talked to Stevens but has received several notes from him in recent weeks. The only thing Stevens said about his case was that he was working on his appeal, Sheffield said.

"He's living in Washington, D.C. He's trying to go through his papers and everything, because he can't leave there because he's got to be close to his attorneys," Sheffield said. "He's trying to go through his papers, get the boxes out of the office and get them someplace. There's a ton of work, you know."

After his election, Begich said that Stevens shouldn't serve jail time, but wouldn't talk about a possible pardon.

The Constitution grants the president nearly unlimited discretion in asserting his power of pardon and clemency.

President-elect Barack Obama is due to be sworn into office in ceremonies that begin at 10 a.m. Tuesday.

In his final speech to the Senate, Stevens vowed to "remove the cloud" surrounding him. He later told reporters he would not seek a pardon, but also didn't rule out the possibility he would later.

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Sheffield said Stevens was a fighter and would [illegible]ard-pressed to give up his case, especially since his legacy would be forever clouded by the conviction.

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No Bush pardon for Stevens in the works

MURKOWSKI REQUEST: Whether ex-senator wanted one is unclear.

By LISA DEMER and RICHARD MAUER
ldemer@adn.com
Published: January 19th, 2009 01:36 PM
Last Modified: January 19th, 2009 07:46 AM

President Bush does not intend to pardon former U.S. Sen. Ted Stevens, a White House spokesman said Monday.

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"We don't expect any more" pardons and commutations, Stuart Siciliano said.

A pardon essentially erases a crime from a defendant's record, while a commutation of sentence lessens the punishment. Both types of leniency are afforded under the Constitution through a president's clemency powers.

In one of his last acts as president, Bush on Monday commuted the sentences of two former Border Patrol agents convicted in a 2005 shooting.

U.S. Sen. Lisa Murkowski had sought a pardon for her former colleague. Her press secretary, Michael Brumas, said the senator was traveling on Monday and he didn't know whether she had been notified one way or another.

Whether Stevens himself wanted a pardon is unclear. Stevens was convicted in October of seven federal felonies over his failure to report gifts on required Senate disclosure forms. His lawyers are pushing to have the case thrown out or, at the least, win Stevens a new trial. He intends to appeal if those efforts before the trial judge are unsuccessful.

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Former Sen. Ted Stevens

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On Monday, Bob Penney, a close friend of Stevens, said he doubted that the former senator wanted to erase his record through a presidential pardon.

"I don't believe Sen. Stevens is looking for or has asked for a pardon. I believe his intent is to prove himself innocent," Penney said from his winter home in California.

Penney said that's his opinion based his knowledge of "the stature of the man," not on anything specific Stevens has said.

"He's going to prove himself innocent. He feels he's been aggrieved, and I certainly do agree," Penney said.

The criminal case has become mired in allegations of government misconduct. One of the FBI agents in the ongoing federal investigation into political corruption has filed a complaint accusing a prosecutor of withholding information that the defense was entitled to see before the trial. The agent, Chad Joy, also has accused the lead agent in the corruption investigation of becoming too close to sources and accepting "things of value," including a painting of her dog and help with house-hunting.

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Efforts to reach Stevens were unsuccessful. His daughter Beth said in an e-mail that she relayed a request for an interview to her father and "he had no comment."

Brumas declined to say whether Murkowski consulted with Stevens before seeking the pardon. He also wouldn't say how Murkowski communicated the request to the president.

"It's kind of a sensitive time right now so we are not commenting," Brumas said.

The pardon request did not go through the federal Office of the Pardon Attorney, but rather went directly to Bush, as many do.

In his eight years in office, President Bush has been sparing in his use of clemency, granting fewer requests than any two-term president in modern times.

Bush's action Monday commuted the sentences of two former Border Patrol agents. They are serving prison time after being convicted of assault for shooting an unarmed, fleeing drug smuggler in the buttocks, then trying to cover up what they had done, according to news reports. The border agents are now to be released from prison in March when they still had years left to serve, the Justice Department said in a prepared statement.

Technically, Bush could act on clemency matters until 8 a.m. today Alaska time, when Barack Obama is due to be sworn in as president.

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Murkowski initiated failed bid for pardon

UNSOLICITED: Friends of ex-senator say he wants to clear name.

By RICHARD MAUER
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(01/20/09 22:20:33)

The Bush administration came to an end Tuesday, and with it went the chance of a pardon for Alaska's most powerful political figure since statehood, Ted Stevens.

Stevens, the longest-serving Republican senator until his defeat in November, is now left to fight his conviction in the courts.

According to his friends, that's exactly how he wants it.

When Stevens was indicted July 29 on seven counts of lying on his financial disclosures statements, he demanded the earliest trial date possible, asserting he would be declared not guilty in time to face the voters for his seventh full term. That plan collapsed Oct. 27 when a District of Columbia jury convicted him on all counts.

"It's not over yet!" Stevens declared as he walked out of the courtroom. But his 40-year career representing Alaska in Washington, D.C., was doomed. Former Anchorage Mayor Mark Begich, a Democrat, defeated him a week later.

Lisa Murkowski, a Republican who has taken Stevens' place as the senior senator from Alaska, sought the pardon from Bush in a letter to the White House on Jan. 7. Whether others also petitioned the president on behalf of Stevens couldn't be determined.

Murkowski's plea surfaced last weekend, but she declined to make her letter public, fearing it could somehow backfire in the waning hours of the Bush presidency. When a pardon was rendered moot with Barack Obama's swearing-in Tuesday, she released the text. Through her spokesman, she declined an interview request.

"Senator Stevens has indicated that he does not intend to seek a pardon," Murkowski said in her letter. "I am pursuing this request, on my own initiative, in the interest of justice and out of compassion for a man who has served our Nation and the State of Alaska with great distinction for all of his adult life."

Two friends of Stevens, former Gov. Bill Sheffield and developer and sportfishing advocate Bob Penney, said in recent interviews that Stevens wanted to fight to clear his name. They said they believed that Stevens wouldn't want a pardon because it would short-circuit his efforts to get his charges thrown out or to win a new trial. Stevens worried that a pardon would forever cloud his legacy, they said, even as it would keep him safe from prison and spare him a felony record.

Murkowski noted Stevens' desires in her letter to Bush, and explained why she was going ahead anyway.

"Senator Stevens' efforts to protect his rights might cause some to suggest it is premature to consider a pardon. In this instance I submit that the equities weigh heavily in favor of a pardon. Senator Stevens is 85 years old. Further proceedings in the courts will be lengthy and costly. It is not unreasonable to suggest that they could dominate Senator Stevens' attention for the remainder of his life."

Murkowski said Stevens could more productively be engaged with "chronicling his extraordinary life of public service for the benefit of generations to come than continue to pursue justice in an adversarial environment."

With the pardon off the table, Stevens' case continues to bump through the courts. The post-trial phase has been particularly messy, with one FBI agent accusing another agent and Stevens' prosecutors of unethical and possibly illegal conduct, a key witness saying he gave false testimony, and revelations that one juror ducked out of the

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case to attend a horse race in California only to be replaced by another who wrote a tell-all blog with uncomplimentary nicknames for most of the trial participants.

The case is proceeding on at least three tracks. Stevens' lawyers have filed a 78-page motion for dismissal of the charges or a new trial, alleging prosecutorial and juror misconduct, errors by the judge, and other issues. The government responded with an 80-page rebuttal, asserting the trial was fair and the evidence against Stevens compelling. Arguments on those motions are scheduled for Feb. 25 before the trial judge, Emmet Sullivan, though some filing deadlines have already slipped.

Related to the motions is an effort by Stevens to uncover facts about the witness who said he testified falsely, though that testimony, about an alleged deal for his cooperation, didn't bear directly on the case itself. The Stevens legal team also wants to question officials and witnesses under oath about the allegations in the complaint by the FBI agent, Chad Joy. How that will be handled is the subject of another hearing before Sullivan Jan. 29. The defense hopes he orders a full-blown evidentiary hearing that would run like a mini trial.

A third matter is now before the Circuit Court of Appeals for the District of Columbia. The Justice Department is appealing an order from Sullivan directing the attorney general to account for how Joy's complaint was handled in the weeks before it became public. Sullivan complaint about getting conflicting stories from different prosecutors and ordered Michael Mukasey or a deputy to respond by last Saturday with an official account.

In a petition filed Saturday, the Justice Department asked the circuit court to intervene, saying the time allowance was too short and that the attorney general was the wrong person to supply the answers.

The appellate court stayed Sullivan's order and directed a written response by Stevens' lawyers to be hand-filed by noon Friday eastern time and a reply by the government not later than 4 p.m. Monday.

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Stevens judge says statement not needed

Anchorage Daily News
(01/21/09 21:07:02)

WASHINGTON, D.C. -- The judge in Ted Stevens' false-disclosure case reversed himself Wednesday and said neither the attorney general nor any other top level Justice Department official would be required to give a sworn statement about an Anchorage FBI agent's whistle-blower complaint.

Instead, U.S. District Judge Emmet Sullivan ordered in Washington that the Justice Department's Public Integrity Section provide him and Stevens' lawyers with all its communications related to the agent's complaint. The material, due Jan. 29, will be filed under seal, Sullivan ruled, preventing public disclosure.

The FBI complaint, by agent Chad Joy, has clouded Stevens' conviction on seven counts of failing to disclose gifts and services over six years. Joy alleged that the public corruption investigation in Alaska was tainted by another agent's improper source handling, and that prosecutors in Stevens' trial knowingly withheld evidence that Stevens was entitled to see.

Sullivan has complained that he has gotten multiple and contradictory answers from prosecutors as he sought to unravel the status of Joy's complaint. Last week, he demanded answers from the outgoing attorney general himself or one of his top deputies.

The Justice Department appealed Sullivan's order and got an emergency stay Saturday from the District of Columbia Circuit Court of Appeals until the issue could be heard. Prosecutors said that they had no objection to providing Sullivan the information, but that the attorney general had no direct knowledge of the Joy complaint and in any event had his hands full with security and other matters related to the Obama inauguration.

Now that Sullivan has withdrawn his order, the appeal appears to be moot.

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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA, v. THEODORE F. STEVENS, Defendant.	)	No. 08-cr-231 (EGS)

SENATOR STEVENS'S MOTION TO DISMISS THE INDICTMENT; OR, IN THE ALTERNATIVE, MOTION FOR A NEW TRIAL, DISCOVERY, AND AN EVIDENTIARY HEARING

A complaint submitted by FBI Agent Chad Joy now confirms what the defense has long believed and alleged: the government cheated and lied in order to obtain a verdict against Senator Ted Stevens. Agent Joy is in a position to know, as he was the "co-case agent," with responsibility to "co-manage the case." Dkt. 262 at 1. Agent Joy reports "many serious problems . . . encountered in the recent trial of U.S. Senator Ted Stevens" and that he "witnessed or learned of serious violations of policy, rules, and procedures as well as possible criminal violations" by members of the prosecution team. *Id.* These serious violations include fostering an improper relationship with the government's star witness (whom the defense contends fabricated the most important testimony in the case), intentionally withholding exculpatory information from the defense, and scheming to keep an important witness away from the defense after the government's attempts to prepare that witness to testify went badly. Agent Joy's complaint shows unmistakably that government representatives lied to the Court or stood by silently while other members of the prosecution team represented facts to the Court that simply were not true.

Of course, government misconduct was known to the defense and the Court even before Agent Joy's revelations. The Court has already found that the government used "documents that the government [knew were] false, not true." Tr. (Oct. 8, 2008, p.m.), at 57. And the Court has found that the government intentionally violated Rule 16 of the Federal Rules of Criminal Procedure by withholding relevant bank records from the defense. Compl. ¶ 9.b; Tr. (Oct. 8, 2008, p.m.), at 26-29. Indeed, as the defense pointed out in its objection to the government's motion for reconsideration,

> The pattern is unmistakable. Over and over again the government has been caught in false representations and otherwise failing to perform its duties under the Constitution and the Rules. And over and over again, when caught, the government has claimed that it has simply made good faith mistakes. When the government failed to produce Rocky Williams's exculpatory grand jury testimony, the government claimed that this testimony was immaterial. Dkt. 105. When the government sent Mr. Williams back to Alaska without advising the defense or the Court, the government asserted that it was acting in "good faith." Dkt. 105-4. When the government affirmatively redacted exculpatory statements from FBI Form 302s, it claimed that "it was just a mistake." Tr. (Oct. 2, 2008, a.m., at 19; *see also* Tr. (Oct. 2, 2008, p.m.), at 27, 29. When government counsel told the Court that Allen had not been re-interviewed the day before a hearing on its Brady disclosures, this was a "mistaken understanding." Dkt. 134 at 15. When the government failed to turn over exculpatory statements from Dave Anderson, it claimed that they were immaterial. Tr. (Oct. 8, 2008, p.m.), at 58, 62, 64, 67. When the government failed to turn over a critical grand jury transcript containing exculpatory information, it claimed that it was "inadvertent." Tr. (Oct. 6, 2008, p.m.), at 95. When the government used "business records" that the government undeniably knew were false, it said that it was unintentional. Tr. (Oct. 8, 2008, p.m.), at 76. When the government failed to produce the bank records of Bill Allen and then sprang them on the defense, it claimed this check was immaterial to the defense. Tr. (Oct. 8, 2008, a.m.), at 3.

Defense Opposition at 2-3 (quoted by the Court in its Order of January 16, 2009, Dkt. 268). Agent Joy's complaint reveals that the prosecution's misconduct was far more pervasive than previously revealed. It also reveals that the prosecution's misconduct was born of bad faith. As the Court has noted, "[i]f the complaint provides information that was not available to the Court [during trial], and/or information that contradicts the government's representations to the Court

at the time, that information could obviously bear on the integrity or result of the trial." Dkt. 255 at 22. As described below, the Joy complaint provides exactly this kind of new information, showing both that the government's misconduct was worse and more extensive than previously known, and that the government lied to the Court about it.

This has been a case of prosecution by any means necessary, which should not be condoned by the Court. The Court should exercise its power to dismiss this indictment. As Judge Black found in *United States v. Omni International Corporation*, 634 F.Supp. 1414, 1438 (D. Md. 1986), a case litigated by Senator Stevens's senior trial counsel, the supervisory power doctrine "is designed and invoked primarily to preserve the integrity of the judicial system." In this case, though the Court labored to try to provide a fair trial, the Court necessarily had to rely on the integrity of the government, and it is now clear that the government's prosecution of Senator Stevens lacked integrity. A federal election has been irreversibly affected. It is too late to change that. But it is not too late to impose a sanction that lets the government know that this kind of conduct will not be tolerated in the future.

At the very least, Senator Stevens is entitled to a new trial – this time with the benefit of all of the information to which he was entitled the first time. And Senator Stevens is entitled at the least to a new trial in which his defense lawyers are not required to devote enormous amounts of time and other resources to attempting vainly to extract from the government information and materials to which any defendant is entitled.

While Agent Joy's complaint informs the Court of all it should need to know in order to dismiss this case, it would appear that there is still much that the defense and the Court do not know. Only discovery and an evidentiary hearing could hope to uncover the full truth. After such discovery and an evidentiary hearing, the Court could assess whether the defense has

finally received all of the information and materials to which it was entitled or whether the government's failure to maintain proper records and evidence (as reported by Agent Joy) has made it impossible for Senator Stevens ever to receive a fair trial.

AGENT JOY'S COMPLAINT

Agent Joy filed an administrative complaint sometime before December 2, 2008. The complaint sets forth Agent Joy's observations of misconduct by members of the prosecution team, apparently over a long period of time. Though Agent Joy witnessed these events as they happened – and other members of the prosecution team either witnessed or participated in them – Senator Stevens did not learn of his observations or opinion about them until December 11, 2008 – 46 days after the jury returned its verdict. By that time, Agent Joy had submitted his complaint to government officials outside the prosecution team, and the government had no choice but to reveal it to the defense as *Brady* material.[1]

While Agent Joy's complaint speaks for itself, the information highlighted below is particularly noteworthy.

1. **Improper Relationship with Bill Allen**. Bill Allen was the government's star witness. Allen's testimony that Bob Persons told Allen that Senator Stevens was just "covering his ass" when he requested a bill from Allen was the most important evidence in the case. As set forth in Senator Stevens's Motion for a New Trial, Dkt. 249, at pages 36-39, the defense contends that Allen recently fabricated this testimony. There was no reference to it in any government interview memorandum relating to Allen. It is inconsistent with other

[1] Even then, the government saw fit to wait until after Senator Stevens's December 5 deadline for filing post-trial motions had passed before disclosing Agent Joy's complaint. Agent Joy's complaint is undated, but the government admits that the Office of Public Integrity learned of it no later than December 2.

information provided by Allen during the investigation. The government never asked Bob Persons about it, and the government had to prod this testimony out of Allen.

The government knew, but the defense did not know, that a member of the prosecution team had fostered an inappropriate relationship with Allen and was meeting with Allen in a hotel room with nobody else present. Compl. ¶ 1.h.i. Indeed, Agent Joy strongly suggests that the inappropriate relationship was sexual. He reports that "most recently, Kepner met with Allen by herself in her hotel room in Washington D.C.," and Kepner "ignored" Joy's warnings "not to do that again." *Id.* Agent Joy further alleges that Kepner "wore a skirt for Allen" on the day that he was to testify. "Kepner does not wear skirts. <u>She advised it was a surprise/present for Allen.</u>" Compl. ¶ 1.h.ii (emphasis added). What could be more relevant to a defense that Allen's testimony was recently fabricated?

Agent Joy also believes that Agent Kepner violated the grand jury secrecy rule and improperly revealed other information to Allen, including information regarding an investigation of Allen. Specifically, Agent Joy believes that the government representative may have advised Allen of the status of an investigation that [redacted] This information is highly relevant to Allen's motivation to please the government and should have been disclosed to the defense.

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2. **<u>Intentional Redaction of Information Helpful to the Defense</u>**. Agent Joy also reports that, after the Court excoriated the government for concealing crucial

exculpatory material, Kepner admitted to Joy "that she redacted the information [from an FBI Form 302] and did so because she wanted the FD-302s she was redacting to fit the Brady/Giglio letter that had previously been provided to the defense." Compl. ¶ 9.a (emphasis added). The September 9 *Brady/Giglio* letter to which Agent Joy refers was false, *see* Dkt. 249 at 33, and providing the exculpatory information that we now learn was intentionally redacted from the Form 302 would have put the lie to that *Brady/Giglio* letter. The defense believed that this was done intentionally to perpetuate the falsehood of the September 9 *Brady/Giglio* letter, but the government represented to the Court over and over again that it was not engaged in "hide the ball" and that any redaction was an unintentional mistake. *See e.g.*, Tr. (October 2, 2008, a.m.) at 27 ("It wasn't hide the ball); *id.* at 11 ("I think it was – it was an error in not giving it, and judge, I would submit to you too that it was not done intentional[ly] by any stretch of the imagination. . . . It was human error."); Tr. (Oct 2, 2008, p.m.) at 32 ("I can just tell you it was a mistake. Nobody had any, any conscious decision or any malintent (phonetic) to come forward with this Court to try to deliberately deprive this defendant of any, any information or this Court of any order that it issued."); *id.* at 27 ("Judge, it was a mistake. Again, if it was in any way intentional, we could have explained this away or rationalized it away as to why it didn't have to be turned over, and that's not – no, it was a mistake, but again –."). Agent Joy's complaint shows that these government representations were not true.

Agent Joy reports that even after the full prosecution team learned that exculpatory information had been redacted from the Form 302, at least one member of the team – prosecuting attorney Nick Marsh – remained "absolutely against" turning over the exculpatory information. Compl. ¶ 12.a. Joy recounts, "I left the conference room because I felt very uncomfortable with where the discussion was heading." *Id.* Although the exculpatory

information was ultimately revealed to the defense, this episode raises serious questions about the extent to which that particular member of the team honored his obligations to disclose other exculpatory information and material.

3. **Allen's Bank Account Information**. Similarly, Agent Joy's complaint confirms that the government intentionally withheld relevant discovery – Allen's bank account information – and ambushed the defense with it at trial. Kepner and other members of the prosecution team "decided not to provide defense counsel Allen's bank account records," and when "the prosecution decided to use a check of Allen's as an exhibit even though it had not previously been turned over in discovery," "[p]rosecutors decided not to provide that check to the court and defense before using it as a government exhibit." Compl. ¶ 9.b (emphases added). Although the Court imposed a sanction for this deliberate flouting of the discovery rules, again it raises serious questions: What else would have been revealed in the checking account records? What else did the government fail to provide to the defense? How is it possible to give back to the defense the countless hours it spent before and during trial trying to guess at what was contained in documents that the government intentionally did not provide to the defense?

4. **Scheming to Keep a Witness and Brady Information Away from the Defense**. Agent Joy states that Marsh "inappropriately created [a] scheme to relocate [a] prosecution witness that was also subpoenaed by the defense during trial." Compl. ¶ 11 (emphasis added). Agent Joy recounts that the government brought Rocky Williams to Washington, D.C. "weeks before trial for multiple trial preparatory sessions." Compl. ¶ 11.a. What happened next bears quoting at length:

> After the final preparatory session, which included a mock cross examination, prosecutors decided Williams was not a witness the prosecution wanted to use. Nick Marsh advised he came up with a great plan to send Williams home because he was so "concerned" about

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> Williams' health that it would allow prosecutors to send him back to Alaska, even though Williams was also under a defense subpoena. I advised Nick and others multiple times that they should advise the defense counsel and the judge before executing their plan. I was ignored. They had me send Williams home.

Id. Williams had exculpatory information in his possession that had not been disclosed. *See* Dkt. 103 at 1, 5-8, Ex. C. When the defense complained, the government claimed that there was "no Brady-related evidence suppressed by the government, and at no time did the government intend to engage in any type of deception." *See* Dkt. 106 at 1. The government maintained that its decision to send Williams back to Alaska without first notifying the defense or the Court was "made in good faith." *Id.* We now know from Agent Joy that these representations were false.

5. **The Government Investigation**. Agent Joy reports additional mind-boggling violations of the government's obligation to turn over information helpful to the defense. For example, we learn from Agent Joy that lead FBI Agent Kepner "accepted multiple things of value" from potential witnesses including artwork and employment for her husband. Compl. ¶ 2. As the Court has observed, the government at trial offered evidence that Senator Stevens received artwork and employment for relatives. Dkt. 255 at 10. The parallel is stunning. Yet, the government never provided this information to the defense.

Agent Joy also reports information that reflects poorly on the credibility of the government investigation. For example, lead FBI Agent Kepner had inappropriate relationships with a number of other potential witnesses besides Allen, improperly shared information on a number of occasions and engaged in misrepresentations to others in law enforcement and to at least one court.

6. **Improper Documentation and Handling of Evidence**. Agent Joy reveals that lead agent Kepner "documented very little in FBI files" and that large

amounts of records have been mishandled. The Court may recall that the defense's Information Technology specialist found the government's electronic production in this case to be the "most disorganized hardest to figure out electronic production" he had ever seen. Tr. (Oct. 8, 2008, p.m.) at 25; Tr. (Sept. 12, 2008) at 18-21. The defense was forced to come to the Court on multiple occasions to try to rectify the problems, and the defense has no confidence at all that it received the information and the materials that it should have received. *See, e.g.*, Dkt. 60; Dkt. 65. The revelation that records and evidence have been mishandled suggests that it may be impossible ever to have confidence that the government has made a complete production of information and materials. Indeed, the charges in Agent Joy's complaint suggest that the government interview memoranda in this case may well be totally unreliable, which calls into question whether the government can ever now meet its obligation to produce exculpatory information to the defense.

7. **Inappropriate Relationships/Communication with the Media**. Agent Joy reports that lead agent Kepner "had inappropriate relationships/communication with members of the media." Compl. ¶ 7. This allegation warrants further exploration. Any attempt to influence the media which in turn could impact the jury is utterly unethical and improper. In light of this danger, the defense team had no substantive communications with the media.

ARGUMENT

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I. The Indictment Should Be Dismissed.

United States v. Omni International Corporation, 634 F. Supp. 1414 (D. Md. 1986), should be a guidepost to the Court. Senator Stevens's senior trial counsel was defense counsel in that case. *Omni* was a criminal tax prosecution in which the defense asserted before trial that the indictment should be dismissed because the government inappropriately learned of

attorney-client privileged communications. *Id.* at 1416. During the course of a 28-day evidentiary hearing on whether the attorney-client privilege was breached, it was discovered (after considerable work by the defense and Judge Black) that the government had altered interview memoranda in order to strengthen its position that the attorney-client privilege had not been breached. *Id.* at 1423-25. The government produced the memoranda to the defense and the court without indicating that they had been altered.

The government argued in *Omni* that a no-harm, no-foul standard should apply, because, in fact, the attorney-client privilege had not been breached. *Id.* at 1438.

Judge Black rejected the government position:

> Repeated instances of deliberate and flagrant misconduct justify dismissal of the indictment . . . . Court decisions emphasize the unifying premise in all of the supervisory power cases – that although the doctrine operates to vindicate a defendant's rights in an individual case; it is designed and invoked primarily to preserve the integrity of the judicial system. The Court has particularly stressed the need to use the supervisory power to prevent the federal courts "from becoming accomplices to such misconduct." . . . It simply is wrong for Government personnel to act as they have done here. This type of conduct cannot and must not be condoned; in fact it must be strongly condemned.

Omni, 634 F. Supp. at 1438-39 (citation omitted) (*quoting United States v. Payner*, 447 U.S. 727, 745 (1980)).

Here, Agent Joy's complaint, combined with the record developed to date, leaves little doubt that there have been "repeated instances of deliberate and flagrant misconduct," that have gravely jeopardized the "integrity of the judicial system." *Id.* This misconduct includes:

1. [redacted]

2. The government knowingly presented false evidence to the jury. *See* Tr. (Oct. 8, 2008, p.m.) at 54, 89.

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3. The government deliberately "schemed" to remove a witness from the jurisdiction so that the defense would not learn that the evidence was false. *See* Compl. ¶ 11.

4. The government did not tell the Court the truth when it told the Court that it removed the witness from the jurisdiction in "good faith." *Compare* Compl. ¶ 11, *with* Dkt. 106 at 1.

5. The government created a false *Brady/Giglio* letter on September 9, 2008. *See* Dkt. 130, Ex. E, at ¶ 17(c).

6. The government deliberately redacted exculpatory material from a FBI Form 302 so as not to reveal the falsity of its September 9, 2008 *Brady/Giglio* letter. *See* Compl. ¶ 9.a.

7. The government falsely represented to the Court that the redaction of exculpatory material was inadvertent. *Compare* Compl. ¶ 9.a *with* Tr. (Oct. 2, 2008, a.m.) at 11, 27; Tr. (Oct. 2, 2008, p.m.) at 27, 32.

8. Lead FBI Agent Kepner fostered an inappropriate relationship – likely sexual in nature – with the government's star witness, who delivered the blockbuster "Ted's just covering his ass" testimony. *See* Tr. (Oct. 1, 2008, a.m.) at 52; Compl. ¶ 1.h.

9. The government failed to keep appropriate records and failed to maintain evidence properly. *See* Compl. ¶¶ 13-14.

10. The government intentionally withheld bank records to which the defense was entitled under Rule 16 and then intentionally surprised the defense at trial with a check that had not been produced. *See* Compl. ¶ 9.b; Tr. (Oct. 8, 2008, p.m.) at 26-29.

11. The government had inappropriate relationships/communications with members of the media. *See* Compl. ¶ 7.

12. The government failed to turn over large quantities of exculpatory information, including the subject matter of Agent Joy's complaint itself. *See generally* Compl.; ¶ Dkt. 103 at 1-2, 5-7; Dkt. 126 at 1-6; Dkt. 130 at 13-16.[2]

The misconduct in this case is far more pervasive than that which confronted Judge Black in *Omni*. It is also more pervasive and severe than what occurred in *United States v.*

[2] A government witness has also alleged severe government misconduct. *See* Dkt. 243 (Letter from Mr. Anderson). That allegation is the subject of a separate defense motion for discovery and an evidentiary hearing. Dkt. 241.

Chapman, 524 F.3d 1073 (9th Cir. 2008), in which the Ninth Circuit upheld the trial court's dismissal of a criminal prosecution after the prosecution team failed on three occasions to turn over impeachment material in a timely manner. If this is not a case for dismissal, what is?

Not only should the case be dismissed under the supervisory powers doctrine, but it should also be dismissed under the Due Process Clause of the Fifth Amendment. *See United States v. Wang*, No. 98 CR. 199 (DAB), 1999 WL 138930, at *37 (S.D.N.Y. Mar. 15, 1999) (finding a due process violation and dismissing an indictment due to the government's failure to provide defense counsel with "material information" until the "eve of trial," and its delay in disclosing that its key witness was unavailable and would not be called to testify); *United States v. Lyons*, 352 F. Supp. 2d 1231, 1251-52 (M.D. Fla. 2004) (finding a due process violation, dismissing the remaining counts of the indictment, and refusing to order a new trial because of the government's multiple and flagrant *Brady* and *Giglio* violations).

Prosecutors play a special role in our system of justice, and by necessity, courts and defendants rely on the government fulfilling its responsibilities with integrity. The government's "obligation to govern impartially is as compelling as its obligation to govern at all; and [its] interest, therefore, in a criminal prosecution is not that it shall win a case, but that, justice shall be done." *Strickler v. Greene,* 527 U.S. 263, 281 (1999) (*quoting Berger v. United States*, 295 U.S. 78, 88 (1935)). Sadly, that did not happen here. The Court and the public can have no confidence in the integrity of this proceeding, because it can have no confidence in the integrity of the government's conduct in this case. The indictment should be dismissed.

II. A New Trial Should Be Ordered, with Discovery and an Evidentiary Hearing

If the Court is not inclined to dismiss the case at this juncture, Judge Bates's decision in *United States v. Quinn*, 537 F. Supp. 2d 99, 107 (D.D.C. 2008), should guide the Court as it considers whether to grant a new trial. In *Quinn*, the government failed to disclose to

the defense that it had become highly suspicious of the truthfulness of a government witness it intended to call. *Id.* at 109-110. The government decided before trial not to call the witness, but instead of informing the defense of its concerns, allowed the defense to deliver an opening statement based on the assumption that the witness would testify and that the government believed that the witness was truthful. *Id.* at 105. Defense "counsel was left to formulate the defense theme and opening statement on the erroneous belief that the 'critical' government witness would be appearing." *Id.* at 109. When the witness did not in fact testify, the government argued that there was no prejudice to the defendant. *Id.* at 112-13. Judge Bates disagreed. He found that if the information had been disclosed, the defendant "could have presented a very different opening and closing argument and could have conducted stronger cross-examinations, particularly of [a government agent] to great effect." *Id.* at 116. Judge Bates, citing the Supreme Court's decision in *Kyles v. Whitley*, 514 U.S. 419 (1995), found that this information could have been used to conduct a "pointed attack on the government's investigation." *Quinn*, 537 F. Supp. 2d at 115-16. As the Tenth Circuit has observed, "[a] common trial tactic of defense lawyers is to discredit the caliber of the investigation or the decision to charge the defendant, and we may consider such use in assessing a possible *Brady* violation." *Bowen v. Maynard*, 799 F.2d 593, 613 (10th Cir. 1986); *see also Lindsey v. King*, 769 F.2d 1034, 1042 (5th Cir. 1985) (granting new trial because withheld Brady evidence carried with it the "potential . . . [for] the discrediting . . . of the police methods employed in assembling the case.")

Here, a government insider "witnessed or learned of a series of violations of policy, rules and procedure as well as possible criminal violations" by members of the prosecution team. Compl. "Summary of Complaints." In a clear violation of *Brady*, this

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insider's view was not disclosed to the defense until after the trial. Agent Joy's observations contain substantial impeachment material against the government's key witness. The defense also could have used Agent Joy's allegations to raise questions in the jurors' minds about the integrity of the government's investigation, of this prosecution, and of the government's entire case against Senator Stevens. Senator Stevens also needed to have Senator Stevens's information in order to investigate whether additional misconduct occurred. The government has an affirmative duty to disclose evidence that may be the "tip of the iceberg" of other misconduct even if the government has not investigated whether or not that is the case. *See United States v. Burnside*, 824 F. Supp. 1215, 1258 (N.D. Ill. 1993) (government has an affirmative duty to disclose mere indications of improper conduct by witnesses and government personnel "so as to enable defense counsel to undertake the inquiry which the government deliberately avoided"); *see also United States v. Shaffer*, 789 F.2d 682, 691 (9th Cir. 1986) (affirming grant of new trial where failure to disclose the impeachment evidence regarding key government witness undermined confidence in trial outcome, including "tip of the iceberg" evidence).

Furthermore, Senator Stevens's complaint alleges an inappropriate relationship between lead agent Kepner and Bill Allen. It alleges that Agent Kepner revealed confidential information to Allen, and may even have disclosed the existence of other investigations of Allen's criminal conduct. Improper favors to key witnesses are a recognized basis for a new trial. As the Seventh Circuit held in *United State v. Boyd*, 55 F.3d 239 (7th Cir. 1995), "[h]ad the jury known that the prisoner witnesses were receiving favors . . . all with the permission or connivance of the U.S. Attorney's Office, the jury might have wondered whether the witnesses were not receiving implicit assurances of compensation for their testimony going far beyond anything promised in their plea agreements, the terms of which had been revealed to the jury."

Id. at 246. "In short," the court asked, "might not the prosecution's case have collapsed *entirely* had the truth come out about the behavior and the treatment of these witnesses?" *Id.*

At the very least, Senator Stevens is entitled to a new trial with the ability to use this information in his defense.[3] But Agent Joy's complaint also leaves many questions unanswered that can and should be explored through discovery and an evidentiary hearing, if the Court elects not to enter an immediate dismissal. For example, what information was revealed to Allen by the government? What was said during one-on-one meetings with Allen? How many times did government representatives meet with Allen alone? Were these meetings documented consistent with FBI policies and procedures? What government actions were not documented? What do the agents' notes say? Can the government's interview memoranda ever be relied upon? What evidence was not handled properly? What did the government find so troubling about its preparation of Rocky Williams that it schemed to send him to Alaska? Why was the September 9 *Brady/Giglio* letter created with false information in it? How was the redaction of the interview memoranda performed? How is it possible that so much exculpatory information was not disclosed? Why was a government representative "absolutely opposed" to providing exculpatory material to the defense? What else should have been produced to the defense but was not? What were the nature of the inappropriate relationships and communications with the media? Why didn't the government disclose that at least one of its representatives received things of value from potential witnesses?

A district court has discretion to order discovery and an evidentiary hearing post-trial in appropriate circumstances, including when newly discovered information comes to light.

[3] The misconduct in this case far exceeds what the defense understood occurred in the case of *United States v. Oruche*, 484 F.3d 590 (D.C Cir. 2007). The breadth of the misconduct,

United States v. Velarde, 485 F.3d 553, 560 (10th Cir. 2007). "According to the Supreme Court, 'where specific allegations before the court show reason to believe that the petitioner may, if the facts are fully developed, be able to demonstrate that he is' entitled to a new trial, 'it is the duty of the court to provide the necessary facilities and procedures for an adequate inquiry.'" *Id.* (quoting *Harris v. Nelson*, 394 U.S. 286, 300 (1969)). "In fulfilling this duty, a district court has broad discretion to fashion discovery mechanisms suitable to the case before it" and "is required to conduct [an] evidentiary hearing . . . if the admissible evidence presented by the petitioner, if accepted as true, would warrant relief as a matter of law." *Id.*[4] *See also, e.g. See United States v. Kelly*, 790 F.2d 130, 134 (D.C. Cir. 1986) (holding that district court abused its discretion in denying an evidentiary hearing "[i]n the absence of countervailing sworn evidence from the government"); *United States v. Koubriti*, 297 F. Supp. 2d 955, 959, 972 (E.D. Mich. 2004) (court conducted post-trial evidentiary hearing to ascertain the impact of government's failure to disclose a letter containing arguably exculpatory information; Court ordered non-party to produce relevant documents). As the D.C. Circuit has noted, "Factual findings are particularly important where, as here, the governmental misconduct charged is extraneous to the trial and so is not documented in the trial record." *Kelly*, 790 F.2d at 139.

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supported by the complaint of a government insider, undoubtedly impacts the integrity of the entire prosecution.

[4] In *Velarde*, the court found that the petitioner did not satisfy the Tenth Circuit's standard for an evidentiary hearing "because, by his own admission, he was unable to procure the necessary evidence . . . without judicial compulsion." 485 F.3d at 560. As a result, the court granted petitioner's request for judicially compelled discovery. *Id.*; *see 3 Charles Alan Wright et al. Federal Practice and Procedure* § 557 at n.41 (3d ed. 2004 & Supp. 2008) (citing *Velarde*) ("Where the defendant made showing that further investigation would more likely than not lead to facts the defendant could use to effectively cross-examine government witness, it was error to deny defendant's motion for a new trial without granting an opportunity for discovery under the court's subpoena power.").

In *United States v. Espinosa-Hernandez*, 918 F.2d 911 (11th Cir. 1990), a Customs Service agent in charge of the criminal investigation of the defendant was indicted, after the defendant's trial, for making false statements on his job application regarding past use and sale of drugs. *Id.* at 913. The district court refused to conduct an evidentiary hearing, holding that the newly discovered evidence "would be purely impeaching." *Id.* The Eleventh Circuit reversed, asserting that the Customs Agent "stands accused of serious and disturbing breaches of the public trust. Without the benefits of discovery and an evidentiary hearing, it is impossible to say that evidence of [the Agent]'s misconduct is merely impeaching." *Id.* at 914. Thus, even thought the agent was not accused of misconduct in the defendant's trial, the court noted that evidentiary hearing might turn up evidence of "perjury in a proceeding similar to [defendant's] trial. If so, the discovered evidence would be beyond that of mere impeachment and a new trial would be necessary to 'remove the taint' from [defendant's] conviction." *Id.* at 914.

Agent Joy's complaint goes well beyond the allegations in *Espinosa.* It alleges misconduct relating to and fundamentally affecting <u>this</u> defendant's trial. The allegations come from "a federal employee with extensive knowledge of the investigation and trial in this case." Dkt. 255 at 4. Many of them raise additional questions or suggest additional avenues of inquiry. Discovery and an evidentiary hearing are necessary to explore the allegations and to fashion a remedy if the Court is not persuaded to dismiss on the face of the complaint.

In the *Omni* case, Judge Black was reluctant to hold an evidentiary hearing. Most judges, of course, rely on the representations of government representatives, as well they should in appropriate circumstances. But here the government's representations to date have not been reliable. Judge Black found, at the end of the hearing that he had been reluctant to hold, that:

> The AUSA's failure to be fully candid could have had tragic consequences. The Court was faced with the issue of whether or not to permit an evidentiary hearing. If the Court had blindly relied on the AUSA's representations, no hearing would have been held. . . . In light of all the testimony adduced at the [28-day-long] evidentiary hearing, it is clear that this case rises to the high threshold imposed for invocation of the supervisory power [to dismiss]. The Court condemns the manner in which the Government proceeded, and cannot now stand idly by, implicitly joining the federal judiciary into such unbecoming conduct.

Omni Int'l Corp., 634 F. Supp. at 1434, 1438–39.

If the Court has not learned enough to date to dismiss this case, it should hold an evidentiary hearing. Only then will we know the full story.

CONCLUSION

In a case awash with extraordinary revelations, Agent Joy's complaint is perhaps the most shocking and important. An FBI Special Agent has alleged that his colleagues engaged in intentional constitutional violations in the course of investigating and prosecuting this defendant and others. Because of their source, these allegations are highly credible. The misconduct is utterly inexcusable. The Court should dismiss the indictment or, at a minimum, grant a new trial and order discovery and an evidentiary hearing.

FBI -
Stevens-2400

Dated: January 26, 2009

Respectfully submitted,

WILLIAMS & CONNOLLY LLP

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Stevens-2401

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Anchorage Daily News

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Judge says trial evidence against Kott argues against his innocence

Anchorage Daily News
(02/04/09 21:15:13)

The effort of former Alaska House Speaker Pete Kott to get out of prison pending an appeal of his corruption case was dealt a setback when the trial judge said the evidence of Kott's wrongdoing was overwhelming. Last month, Kott, an Eagle River Republican serving a six-year sentence at a minimum security federal facility in Sheridan, Ore., asked the 9th U.S. Circuit Court of Appeals to set him free while he tries to overturn his 2007 conviction. Kott's attorney, Sheryl Gordon McCloud of Seattle, said Kott fit the profile of a candidate for release: He posed no danger to the community, he would stick around, and his appeal raised serious doubts about his trial.

Asked his opinion by the 9th Circuit, U.S. District Judge John Sedwick filed a response last week in which he agreed that Kott was neither dangerous nor likely to run away. But he said Kott faced daunting odds that he would get his conspiracy, extortion and bribery charges overturned, making his release inappropriate.

"The evidence against Kott at trial was overwhelming, including numerous videotapes and recordings, the crime is a very serious one which threatened the integrity of the state legislative process, this court has previously denied a motion for a judgment of acquittal or a new trial, and the government's opposition to the arguments advanced by Kott in support of his appeal are very persuasive," Sedwick wrote.

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194A-AN-13620-m

The BLT: The Blog of Legal Times

February 05, 2009

DOJ Apologizes for Misstatements in Stevens Case

The Public Integrity Section has taken plenty of lumps from U.S. District Judge Emmet Sullivan over the course of the case of former Alaska Sen. Ted Stevens, who was convicted of corruption charges in October. By the looks of these court pleadings filed today, it can expect a few more.

In an attached letter dated Jan. 30, the section's director, William Welch II, told the judge he "deeply regrets the drain on the court's resources and loss of credibility in the court's eyes."

Why the apology? Two things.

First: In a court hearing last month, Welch mistakenly told the judge that an FBI agent did not qualify for "whistleblower status." The agent, Chad Joy, has filed a complaint alleging that the Stevens prosecutors schemed to relocate a witness and attempted to conceal exculpatory evidence. He's also accused another agent of having an inappropriate relationship with the government's chief witness in the case. (Stevens' lawyers at Williams & Connolly allege it was sexual in nature.) Welch actually meant that Joy was not yet entitled to protections as an "aggrieved whistleblower" because the agent has not alleged any reprisal or retaliation, according the government's filing.

The second mistake is more glaring. At the same hearing, Welch told Sullivan that the Anchorage-based government employees named in Joy's complaint "prefer their identities to be known and that essentially they want their story made public." As a result, an unredacted version of the complaint was made available to the public.

Apparently, some of those employees didn't want their names disclosed. Welch said in the letter that he and Brenda Morris, his principal deputy and the lead prosecutor in the case, instructed D.C.-based FBI agents to interview Anchorage personnel named in the complaint and explain to them that their interviews would be converted into public affidavits. But some of the employees "believe that the above described notice was not sufficient to infer or conclude that they had consented to disclosure of their names in the Joy complaint," Welch said.

Welch ended the letter, "I apologize to the court if I misled the court in any way, and certainly did not intend to do so. I believed my representation to the court to be accurate at the time based on the above described facts. I deeply regret any error, particularly in light of the fact that this is my first appearance before this court."

So much for first impressions.

Posted by Joe Palazzolo on February 05, 2009 at 05:14 PM in Justice Department | Permalink
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194A-AN-13620-M

U.S. Department of Justice

Criminal Division

Washington, D.C. 20530

January 30, 2009

Hand-delivered

The Honorable Emmet G. Sullivan
United States District Court Judge
Federal Courthouse
333 Constitution Avenue, N.W.
Washington, D.C. 20001

Re: United States of America v. Theodore F. Stevens
Criminal No. 08-231 (EGS)

Dear Judge Sullivan:

As an initial matter, I apologize for the confusion that I created due to my misunderstanding and misuse of the phrase "whistleblower status" at the January 14th hearing. I deeply regret the drain on the court's resources and loss of credibility in the court"s eyes.

I unfortunately must write to clarify a second representation that I made during the January 14th hearing. At that hearing, I stated that the government had contacted the government employees, and that the government employees "prefer their identities to be known and that essentially they want their story to be made public." In reliance on that representation, you stated in your orders of January 14, January 16 and January 21, that the government had contacted the government employees, and that they did not object to their identities being revealed.

I based that representation on the following set of facts. After the first publication of the redacted Joy complaint on or about December 22, 2008, I and Principal Deputy Morris had several conversations with the FBI Anchorage office management in which they described the negative impact that the Joy complaint was having on the office, and inquired when DOJ would respond publicly to the allegations. Moreover, as the court is well aware, the Joy complaint focuses on allegations of misconduct committed by Special Agent Mary Beth Kepner. Special Agent Kepner has expressed her desire to have her name public and more importantly to release any and all information related to the allegations against her.

During the week of January 5, 2009, pursuant to the protective order, Principal Deputy Morris and I instructed Washington, DC based special agents to interview FBI Anchorage

personnel who had been named in the Joy complaint as having personal knowledge of the alleged misconduct of Special Agent Kepner. We instructed those agents that the FBI Anchorage personnel should be told that their interviews would be converted into affidavits that would be made part of a public court filing. I understood that those instructions had been followed. Based upon my belief that FBI Anchorage management spoke for the office, and my reliance upon the fact that the aforementioned instructions had been followed and the FBI Anchorage personnel were in fact interviewed without objection, I made the aforementioned representation.

I wish to note for the public record that I did not personally contact and canvass each FBI Anchorage employee on the issue of disclosure relating to the Joy complaint itself. Some, but not all, of the FBI Anchorage personnel believe that the above described notice was not sufficient to infer or conclude that they had consented to disclosure of their names in the Joy complaint. To my knowledge, no other government employee has made a similar objection.

I apologize to the court if I misled the court in any way, and certainly did not intend to do so. I believed my representation to the court to be accurate at the time based upon the above described facts. I deeply regret any error, particularly in light of the fact that this is my first appearance before this court.

Finally, as I had to be out of the District on a personal matter, I had someone sign this letter on my behalf. Please know, however, that I personally reviewed this letter and authorized the signature on my behalf.

Sincerely,

William M. Welch by BKraus

William M. Welch II
Chief
Public Integrity Section

cc: Brendan Sullivan, Esq.

FBI - Stevens-2405

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA	)	
	)	**FILED UNDER SEAL**
v.	)	
	)	No. 08-231 (EGS)
THEODORE F. STEVENS,	)	
	)	
Defendant.	)	
	)	

GOVERNMENT'S SUBMISSION IN RESPONSE
TO THE COURT'S JANUARY 21, 2009 ORDER

The Government respectfully submits this memorandum in connection with its response to the Court's January 21, 2009 Order, in which the Court directed the Government to file under seal and provide to the defendant,

> all communications to, from, or between anyone in [the Public Integrity Section ("PIN")], and any other office within DOJ, including but not limited to the Office of Inspector General ("OIG"), the Office of Professional Responsibility ("OPR"), the FBI, and the U.S. Attorney's Office for the District of Alaska, between November 15, 2008 and the present regarding the complaint filed by Special Agent Chad Joy ("the Joy Complaint")[.]

Dkt. 274 ("the January 21 Order") at 1-2.

The Government deeply regrets that the proceedings surrounding the Joy Complaint have escalated to this stage. We submit this memorandum in an attempt to clear up any existing confusion regarding two related but distinct concepts: "whistleblower status" and "whistleblower protection." In prior statements to the Court, Government counsel have sometimes used these two terms imprecisely, and their statements have contributed unnecessarily to the confusion. See January 21 Order at 1 (inquiry focused on the Government's "determination" that Agent Joy "was entitled to *whistleblower protection*, and when any such determination was communicated to [PIN]"); id. at 10 ("none of the four attorneys present for the

government * * * informed the Court that Agent Joy had not been afforded *whistleblower status*,"); id. at 12 (quoting PIN Chief William M. Welch's statement that Agent Joy "does not qualify for *whistleblower status*"); id. (quoting PIN Principal Deputy Chief Brenda K. Morris's agreement that Agent Joy was notified by OPR that he had been "denied *whistleblower protection*"). The Government never intended to mislead the Court. Instead, its misstatements resulted from counsel's failure fully to understand the relevant procedures and protections applied to "whistleblower" complaints.

Because the distinction between "whistleblower status" and "whistleblower protection" is critical to understanding the context for the Government's prior statements to the Court, we turn first to a brief discussion of applicable legal principles and then to an explanation of the nature and timing of the Government's knowledge with respect to Agent Joy's status and protections. We believe that, with these legal principles and this factual background in mind, the Government's submission of materials today fully demonstrates its good faith and truthful dealings with the Court.

APPLICABLE LEGAL PRINCIPLES

The Department of Justice has adopted regulations that establish procedures and protections for Federal Bureau of Investigation (FBI) employees who, as "whistleblowers," make a "protected disclosure." See 28 C.F.R. § 27.1, et seq. ("Whistleblower Protection for Federal Bureau of Investigation Employees"). Under the regulations, a disclosure is "protected" if "the person making it reasonably believes it evidences":

(1) A violation of any law, rule or regulation; or

(2) Mismanagement, a gross waste of funds, an abuse of authority, or substantial and specific danger to public health or safety.

28 C.F.R. § 27.1(a). Once a "protected disclosure" has been received, the regulations protect the "whistleblower" from "reprisal" for the disclosure in the form of an adverse "personnel action." See 28 C.F.R. § 27.2(a).[1] The FBI whistleblower regulations also establish procedures for investigating allegations of a reprisal, and for awarding corrective action and other relief to a whistleblower who has been retaliated against for making a protected disclosure. See 28 C.F.R. §§ 27.3 - 27.6. Accordingly, under the regulations, "whistleblower protection" includes both the protection against retaliation that attaches as soon as the employee makes a protected disclosure and the corrective action and other relief that can be awarded in the event of reprisal.

Unlike the term "whistleblower protection," the term "whistleblower status" does not appear in either the FBI regulations or in the Whistleblower Protection Act of 1989, 5 U.S.C. § 1213 et seq. The courts, however, occasionally use that term to describe the status of someone who has made a protected disclosure, and hence is protected from reprisal. See Horton v. Dep't of Navy, 66 F.3d 279, 284 (Fed. Cir. 1995) (Merit Systems Protection Board erred in finding that employee was not entitled to "whistleblower status" because the disclosed misconduct was not sufficiently serious); Gardner v. Dep't of Treasury, 64 F.3d 671 (Table), 1995 WL 375943 *1 (Fed. Cir. 1995) ("The administrative judge (AJ) concluded that the OSHA complaint constituted a protected disclosure and, therefore, Gardner qualified for whistleblower status."); Marano v. Justice, 2 F.3d 1137, 1143 (Fed. Cir. 1993) (equating the "fact of disclosure" with "the

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1/ "Personnel action," which is defined in 28 C.F.R. § 27.2(b) and 5 U.S.C. § 2302(a)(2)(A), does not, by its plain terms, include disclosure of a whistleblower complaint to a Court for use in a criminal proceeding.

whistleblower's status as a whistleblower"); Fiorillo v. U. S. Dept. of Justice, Bureau of Prisons, 795 F.2d 1544, 1550 (Fed. Cir. 1986) ("[T]o be given 'whistleblower' status and thus the protections under 5 U.S.C. § 2302(b)(8), the *primary* motivation of the employee must be the desire to inform the public on matters of public concern, and not personal vindictiveness.").

As the regulations and the case law make clear, an allegation of an adverse personnel action is not a prerequisite to protection from reprisal. As long as the "whistleblower" reasonably believes that the information he disclosed evidenced a violation of any law, rule, or regulation by another Department of Justice employee, he falls within the protection of the FBI whistleblower regulations – *i.e.*, he is entitled to "whistleblower status."

FACTUAL BACKGROUND[2]

Sometime in late November 2008, Special Agent Chad Joy, one of the two case agents assigned to the *Stevens* trial, submitted a self-styled whistleblower complaint alleging instances of misconduct against his fellow case-agent and the prosecutors. This complaint explicitly requested "any and all whistleblower protections," but made no allegations of reprisals. D.E. 262 at 7. Agent Joy's complaint was referred to the Office of Professional Responsibility (OPR), which advised him on December 4, 2008, that it intended to investigate his misconduct allegations. [redacted] OPR further advised Agent Joy that because he had not alleged any reprisals resulting from his complaint, OPR lacked "jurisdiction to initiate any investigation

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[2] The January 21 Order was prompted by a remark made by PIN Chief William M. Welch at a January 14, 2009 status conference. At this status conference, Chief Welch informed the Court that FBI Agent Chad Joy did not "qualify for whistleblower status." In its subsequent orders on January 14, 2009, January 16, 2009, and January 21, 2009, the Court expressed its concern that, in light of Chief Welch's remark, the Government had previously misled the Court and/or failed adequately to keep the Court informed regarding the whistleblower status of this FBI Agent.

pursuant to 28 C.F.R. §27.3 into whether you are entitled to relief as an aggrieved whistleblower." D.E. 264, Exh. A.

[redacted]

On December 5, [redacted] Later that day, Principal Deputy Chief Morris called to apprise the Court and defense counsel that the Government would be making a filing the following week. [redacted]

Nonetheless, Chief Welch and others at PIN remained concerned about the privacy rights of Agent Joy and others identified in his complaint, including FBI Special Agent Mary Beth Kepner. [redacted] Accordingly, on December 11, 2008, the *Stevens* trial team provided the Court with Agent Joy's complaint *ex parte* and under seal. (Defense counsel were provided

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3/ Notably, the December 4 letter – which Chief Welch did not request and did not receive – does not address Agent Joy's "status" as a whistleblower. In fact, the letter makes no legal determination of any kind regarding Agent Joy's complaint. [redacted]

4/ Accordingly, [redacted] Chief Welch formed the belief that "whistleblower status" is a concept reserved exclusively for those complainants who have alleged reprisal – a belief that he held until only very recently. As the applicable legal principles discussed above reveal, that belief was erroneous.

with a redacted copy.) [redacted] In an accompanying pleading, the Government argued that the complaint should not be made public because disclosure "could threaten or impede ongoing investigations, the rights of innocent third parties, and the privacy interests of individuals and entities." Motion for Leave to File Under Seal and for a Protective Order filed 12/11/08 at 1. Likewise, in a December 15, 2008 teleconference, Principal Deputy Chief Morris expressed uncertainty about whether the Joy complaint could be publicly disclosed and continued to emphasize the privacy interests at stake. 12/15/08 Tr. 7-8.

[redacted]

On December 16, 2008, Agent Joy advised that he did not intend for his complaint to be made public. [redacted] At a hearing on December 19, 2008, Principal Deputy Chief Morris continued to argue that the complaint should not be made public in light of the privacy

interests at stake, including those of Agent Kepner. 12/19/08 Tr. 5-27, 41-54. She did not, however, argue that Agent Joy's status as a "whistleblower" precluded public disclosure of his complaint. Id. Moreover, although Agent Joy's counsel argued that Agent Joy had "intended to invoke whistleblower protections," id. at 37, he acknowledged under questioning from the Court that he knew of no authority that would permit the Court to seal the complaint on this basis alone. Id. at 39.

[redacted]

As the Government turned to the task of responding to the defense motion to dismiss based on Agent Joy's complaint, Chief Welch and Principal Deputy Chief Morris discussed the difficulty of responding based on the redacted complaint that had been publicly released after the December 19, 2008 hearing. They decided to seek to lift certain remaining redactions, while still protecting Agent Joy's identity to avoid allegations or appearances of reprisal or retaliation.

[redacted]

Chief Welch made this proposal at the January 14, 2009 status hearing, identifying several reasons why the existing redactions were cumbersome and unwarranted, but continuing

to adhere to the view that Agent Joy's identity "may still be redacted." 1/14/09 Tr. 4. Chief Welch also noted at that time that Agent Joy "does not qualify for whistleblower status." Id. at 8. In making this statement, Chief Welch was merely relaying his understanding that Agent Joy had still not alleged reprisal or retaliation. [redacted] He did not mean to suggest to the Court that Agent Joy had no protections against any future reprisal or retaliation, that his complaint was no longer pending, or that any legal determination had been made about the merits of that complaint. [redacted]

[redacted]

Chief Welch came to the conclusion that, instead of informing the Court that Agent Joy "does not qualify for whistleblower status," he should have informed the Court that, although Agent Joy had not yet alleged facts sufficient to warrant any remedy as an *aggrieved* whistleblower, there had been no denial of his whistleblower protections against reprisal or retaliation or any legal determination on his claim. [redacted]

* * *

The factual recitation set forth above clarifies several issues highlighted in the Court's previous orders.

First, the Government's December 11, 2008 filings did not misrepresent the relevant facts to the Court. In particular, the Government's Sealed Memorandum correctly represented that, in the days following December 2, 2008, the Government "received additional information, guidance and advice to satisfy itself that any possible statutory and regulatory confidentiality

concerns surrounding a request for whistleblower protection had been fuly [sic] explored and addressed, and would not prohibit a disclosure to the Court at a minimum." Sealed Memorandum filed 12/11/08 at 2. In fact, as the discussion above makes clear, during that period the Government's attorneys did seek and receive guidance regarding whether Agent Joy's request for whistleblower protection precluded disclosure to the Court, and they further considered the privacy interests of those implicated by Agent Joy's complaint, including Agent Joy himself.

Second, the Government did not argue during the December 19, 2008 hearing that "the complaint should not be made public in view of the potential whistleblower protections * * * at stake." January 21 Order at 8. Indeed, the Government did not even mention the word "whistleblower" during this hearing. Instead, the Government argued that Agent Joy's complaint should remain under seal based on Agent Joy's desire to keep his allegations confidential, the privacy interests of Agent Joy and others, and the existence of an on-going OPR investigation. See 12/15/08 Tr. 5-7, 9, 14.

Third, any confusion regarding Agent Joy's "status" as a "whistleblower" was not the result of an intentional attempt to mislead the Court. Based on their interactions with OPR, Chief Welch and Principal Deputy Chief Morris mistakenly linked the term "whistleblower status" to an allegation of reprisal. They did not intend to convey, however, that any component of the Department of Justice had determined that his complaint did not satisfy the requirements for a protected disclosure or that his supervisors were free to retaliate against him. In fact, as we explain above, as long as Agent Joy reasonably believed at the time he filed his complaint that his disclosures evidenced a violation of any law, rule or regulation by another Department of

Justice employee, he was entitled to status as a "whistleblower," and his supervisors could not take adverse personnel action or otherwise retaliate against him on account of his disclosure.

THE GOVERNMENT'S SUBMISSION

Read literally, the January 21 Order would require the disclosure of any communication "to, from, or between anyone in OPI, and any other office within DOJ" between November 15, 2008 and January 21, 2009, that relates in any way to "the complaint filed by Agent Joy." January 21 Order at 18. Other, more specific statements by the Court, however, suggest that the focus of the January 21 Order is more limited.

For example, the January 21 Order makes clear the Court's "determination that an accounting of the communications with OPI regarding Agent Joy's whistleblower status is necessary." January 21 Order at 15; see also id. at 14 ("More importantly, the government does not explain the basis for Mr. Welch's representation to the Court at the January 14, 2009 hearing that [PIN] had ascertained that Agent Joy did not qualify for such protection."); 1/14/09 Tr. at 20 ("THE COURT: I want a declaration from the Attorney General. I want to find out what – how the Government handled this whole matter on whistleblower status * * * . I want to know what your office [i.e., PIN] knew and when it knew it."); id. at 23 ("THE COURT: So what's critical is, did your office know that he'd been denied whistleblower status?"); ibid. ("THE COURT: All right. I want a paper trail and I want the information trail. I need to know. I need to know."); ibid. ("THE COURT: It's completely different if the Government told him, 'You aren't entitled to this status,' and that's something I should have known because I would have done things completely differently had I know, had I known that he'd been denied status.").

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In light of these statements, the Government's submission provides materials relating to what the Government (and specifically attorneys within PIN) knew about Agent Joy's "whistleblower" status and protections, when the Government learned what it knew, and the reasons for the Government's representations to the Court regarding Agent Joy's "whistleblower" status and protections. To that end, the Government hereby submits under seal for *in camera* inspection the following: (1) email communications; (2) declarations from William M. Blier, Paul Colby, Raymond Hulser, Elaine N. Lammert, Patty Merkamp Stemler, and William M. Welch. Collectively, these materials detail communications requested by the Court "related to the Department of Justice's determination as to whether [Special Agent Chad Joy] was entitled to whistleblower protection, and when any such determination was communicated to [PIN]." January 21 Order at 1.

To the extent the Court desires a broader disclosure, the Government respectfully objects. First, in the Government's view, the specific concerns identified in the Court's orders do not require a more sweeping disclosure. Second, in light of one of the defendant's pending motions to dismiss (which focuses on Agent Joy's allegations), attempting to catalogue all of the communications "to, from, or between anyone in OPI, and any other office within DOJ" regarding Agent Joy's complaint would be impossible. Finally, and perhaps most important, requiring the wholesale disclosure of internal Department of Justice communications made during pending litigation would impermissibly intrude on the Department's work product protections. See infra at 12-13 & n. 6.[5]

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[5] To be clear, the Government is compelled to preserve any and all applicable privileges with respect to both the material it submits today as well other materials not provided to the Court – and specifically materials that would reveal the communications and mental impressions

The January 21 Order directed the Government to provide its responsive production "to the defendant pursuant to the protective order already in place in this case." January 21 Order at 18. The Government is nonetheless making its submission *in camera* because, in the process of gathering all potentially responsive materials and information, it has become apparent that compliance would require the production of substantial amounts of privileged and work-product protected materials. For the same reason, the Government is providing defendant (and the Court) with a redacted version of this memorandum.

As noted above, the attached documents outline in detail various communications between and among PIN attorneys and other Department of Justice components regarding Agent Joy's "whistleblower" status, including their knowledge of that status, when they learned what they knew, and what actions they contemplated taking and did take in response to what they learned. These materials reveal core work-product protected material: communications, mental impressions, strategic considerations, and litigation decisions undertaken by attorneys who were at all relevant times (and indeed still are) in the midst of litigation.[6] Under the circumstances, the

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of attorneys currently in the midst of preparing the Government's response to the defendant's Motion to Dismiss based on the Joy Complaint. The latter material, in the Government's view, has no bearing on the concerns expressed by the Court in its January 21, 2009 Order, and thus is not "directly related" to the information the Government provides today. United States v. (Under Seal), 748 F.2d 871, 875 n.7 (4th Cir. 1984); see also Fed. R. Evid. 502(a).

6/ It is beyond dispute that the work product doctrine applies to government attorneys conducting criminal investigations or prosecutions. See Fed. R. Crim. P. 16(a)(2) ("Except as Rule 16(a)(1) provides otherwise, this rule does not authorize the discovery or inspection of reports, memoranda, or other internal government documents made by an attorney for the government."). See also United States v. Koskerides, 877 F.2d 1129, 1133-34 (2d Cir. 1989) ("Rule 16 clearly recognizes the prosecution's need for protecting communications concerning legitimate trial tactics") (internal marks and citation omitted); United States v. Milikowsky, 896

Government – with its filing under seal and with a request for *in camera* review – has sought fully to preserve its rights with respect to the production of privileged or otherwise protected materials.[7]

CONDITIONAL REQUEST FOR A STAY

As noted above, the government has construed the January 21 Order not to require that it produce communications unrelated to Agent Joy's whistleblower status. Should the Court disagree with this construction, we hereby request that the Court stay its January 21 Order for two weeks, a period that would permit the Government to seek reconsideration and/or appellate review. The Government has also objected to the portion of the Court's order directing it to provide the defendant with copies of its internal communications. Likewise, if the Court should overrule the Government's objection to providing its communications to the defendant, the Government asks that it provide notice of this decision before releasing any communications, and that it afford the Government a two-week period in which to evaluate how best to proceed, in light of its concerns that the communications in question are privileged, and not subject to disclosure.

F.Supp. 1285, 1307-09 (D. Conn. 1994) (declining to provide defendants with review of government's "work product," based on prior version of Rule 16), aff'd, 65 F.3d 4 (2d Cir. 1995); United States v. Gangi, 1 F.Supp.2d 256, 263 (S.D.N.Y. 1998); United States v. Fort, 478 F.3d 1099 (9th Cir. 2007) (Rule 16(a)(2) extends to state police reports written prior to federal involvement).

7. The Government's production of these materials to the Court for *in camera* review does not itself waive any applicable privileges. United States v. Zolin, 491 U.S. 554, 568 (1989); In re: Perrigo Co., 128 F.3d 430, 441 (6th Cir. 1997); Burlington N.R. Co. v. Omaha Pub. Power Dist., 888 F.2d 1228, 1232 (8th Cir. 1989); Anderson v. Dep't of Health and Human Services, 907 F.2d 936, 942 (10th Cir. 1990).

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Respectfully submitted,

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Date: January 30, 2009

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Stevens prosecutors admit another error

APOLOGY: Letter says not all federal employees wanted names released.

By RICHARD MAUER
rmauer@adn.com

(02/06/09 01:24:38)

Federal prosecutors have found a new reason to apologize over misleading information they've provided to the judge in former Sen. Ted Stevens' trial, and this time Stevens' lawyers are saying the government should be held in contempt.

In a letter to the judge dated Jan. 30 and made public Thursday, William Welch, head of the Justice Department's Public Integrity Section, said he erred when he said in January that government employees cited in an FBI agent's complaint alleging improprieties by government officials "want their story to be made public."

In fact, he wrote, not all of them gave their consent to having their names released Jan. 14 in a publicly filed copy of the eight-page complaint, though he didn't identify which ones.

In the complaint, agent Chad Joy accused a fellow agent and prosecutors of violating FBI policy and fair-trial rules in the wide-ranging public corruption investigation in Alaska and in Stevens' trial last year.

The new apology comes on top of a series of errors and misstatements made by prosecutors in connection with the complaint and other issues that arose during and after Stevens' trial.

In fact, Welch started his letter with an apology for an earlier "misunderstanding and misuse" of the phrase "whistle-blower" in connection with Joy's complaint -- and that was before he even revealed the newest misstatement.

How serious are the government's current problems? U.S. District Judge Emmet Sullivan hasn't expressed an opinion beyond obvious annoyance.

The basic facts of the case remain largely unassailed: that Stevens got tens of thousands of dollars' worth of gifts and services, primarily from the oil field service company Veco Corp. and its chief executive Bill Allen, didn't report them, then schemed to cover up his omissions.

But in a new motion filed Thursday on the collateral issues, Stevens' lawyers cited the latest material from prosecutors as additional grounds for their demand that Stevens' charges be dismissed over government misconduct, or that he at least get a new trial. And they added a new wrinkle: a request to Sullivan that the government be held in contempt.

"The government still does not get it. Over and over again, it has been caught red-handed making false representations to the Court and the defense," defense attorney Robert Cary said in his motion, filed publicly Thursday after initially having been submitted under seal Monday.

Not only did the government admit another error, Cary said, but it failed to comply with Sullivan's order of Jan. 21 to produce every communication in its files about Joy's complaint and to share that material with the defense.

SHIFTING POSITIONS

In the court documents put on the record Thursday, prosecutors acknowledged they weren't complying with the literal words of Sullivan's order but said they thought "other, more specific statements" by Sullivan required only a disclosure of communications related to whether Joy was a protected government whistle-blower. - 951

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That issue has been a subplot in the ever-growing post-trial din. Initially, when prosecutors sought to keep the complaint secret, they said he was a protected whistle-blower. When they sought to make the complaint public, they said he wasn't.

"The Government deeply regrets that the proceedings surrounding the Joy Complaint have escalated to this stage," said the most recent filing.

In explaining the shifting positions, prosecutors say now that the complaint was the sort that could lead to protection. But since Joy hasn't alleged any reprisals, he doesn't fall within the law that protects whistle-blowers, they said.

If the judge wants a larger disclosure or if he demands that sensitive attorney work-product documents be shared with the defense, the prosecutors asked they be given a two-week stay so they could decide whether to appeal.

In a new order docketed this week, Sullivan said he wasn't ready to determine whether the government filing conformed to his order. But he didn't seem very willing to give prosecutors more time.

"Moreover, for the reasons already stated by the Court in previous Orders and because much of the recent litigation is in response to the government's requests for relief and admitted misrepresentations, intentional or not, the Court will review further requests for extensions of time with disfavor," Sullivan wrote.

TROUBLE EARLY ON

Stevens' trial concluded Oct. 27. Even before the verdict, prosecutors got into trouble with the judge for not turning over evidence to the defense and for producing an inflated accounting of free work done for Stevens by Veco. Sullivan imposed sanctions on the government, stripping it of a small part of its case, but the jury appeared to have found more than ample evidence to convict Stevens on all seven disclosure counts.

Since then, Stevens' attorneys have taken two main approaches. They have said an accumulation of errors by the judge in interpreting the law and by the prosecution in its handling of the case should be sufficient for Stevens to get a new trial. And they've argued that government misconduct was so extreme that the judge should dismiss the case entirely. Now the latest filing adds a contempt citation to Stevens' proposed remedies.

"The government's excuse for this umpteenth alleged misunderstanding makes absolutely no sense," Cary said.

Prosecutors have acknowledged making mistakes but they said none were deliberate.

Joy's complaint, filed with the Justice Department in late November, has fueled the defense's post-trial effort, and Stevens' lawyers are demanding a full accounting in open court -- especially assertions by Joy that the government deliberately hid evidence favorable to Stevens.

Welch's letter also gives some insight about the internal fallout of Joy's complaint when a heavily edited version became public in December. It had a "negative impact" in the Anchorage FBI office, he said.

Many of Joy's complaints were against his co-case agent, Mary Beth Kepner, the lead agent in the corruption investigation.

"Special Agent Kepner has expressed her desire to have her name public and more importantly to release any and all information related to the allegations against her," Welch said.

During the first week in January, FBI agents from Washington, D.C., interviewed personnel in Anchorage, Welch said. The Washington agents told the interviewees that their statements eventually would be submitted publicly in court. But some Alaska personnel complained they didn't consent to their names being used in the Joy complaint when a less-edited version was refiled publicly Jan. 14 with the names of all government officials exposed, Welch said.

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Stevens prosecutors found in contempt

By NEDRA PICKLER
The Associated Press
(02/13/09 11:15:23)

WASHINGTON -- A federal judge held Justice Department attorneys in contempt Friday for failing to deliver documents to former Sen. Ted Stevens' legal team.

U.S. District Judge Emmet Sullivan said it was "outrageous" that government attorneys would ignore his deadline for turning over documents.

Last month, Sullivan ordered the Justice Department to turn over all the agency's internal communications regarding a whistleblower complaint against the FBI agent leading the investigation into the former Alaska senator.

The agent, Chad Joy, bitterly complained about some Justice Department tactics during the trial, including not turning over evidence and an "inappropriate relationship" between another agent working the case and the prosecutor's star witness.

Stevens was convicted in October of lying on Senate disclosure documents about hundreds of thousands of dollars in gifts and home renovations from an Alaska businessman. In November, Stevens lost his bid for re-election to the Senate seat he had held since 1968.

Stevens and his lawyers complained during the trial about prosecutors withholding information. In December, they asked for his conviction to be tossed out. As part of their request, they asked for the documents related to Joy.

During Friday's hearing, Sullivan repeatedly asked three Justice Department attorneys sitting at the prosecution's table whether they had some reason not to turn over the documents. They finally acknowledged they did not, and Sullivan exploded into anger.

"That was a court order," he bellowed. "That wasn't a request. I didn't ask for them out of the kindness of your hearts. ... Isn't the Department of Justice taking court orders seriously these days"

He said he didn't want to get "sidetracked" by deciding a sanction immediately and would deal with their punishment later. But he ordered them to produce the material by the end of the day.

"That's outrageous for the Department of Justice -- the largest law firm on the planet," he said. "That is not acceptable in this court."

Sullivan held all three attorneys sitting at the table in contempt and demanded repeatedly to know who else was involved in withholding the information. Another government attorney sitting in the back of the courtroom stood up and gave her name.

We are continuing to report this story and will post further updates as soon as we have them. See

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Key players contest FBI whistle-blower allegations

STEVENS TRIAL: The defense is using complaint to get a new trial or charges against ex-senator dropped.

By RICHARD MAUER and LISA DEMER
Anchorage Daily News
(02/15/09 21:47:45)

As the Justice Department prepares its official response to the FBI whistle-blower complaint that surfaced in the case of former U.S. Sen. Ted Stevens, people with first-hand knowledge of some of its issues, including some named in the complaint, say it represents overblown concerns of an inexperienced agent.

The unusual complaint was brought by FBI agent Chad Joy, one of the key investigators in the five-year-old federal inquiry into corruption in Alaska politics. He accused the lead agent in the broad investigation and several prosecutors in the Stevens case of wrongdoing.

One former confidential source in the corruption investigation took issue with some of the facts alleged in the complaint by Joy. The source, Frank Prewitt, a former state corrections commissioner, said in an interview recently that he never observed FBI case agent Mary Beth Kepner, the chief target of the complaint, cross the line into improper or unethical conduct.

And the retired second-in-command of the Anchorage FBI office, Robert Burnham, described Kepner as a top-notch, creative investigator. Joy, her co-case agent turned antagonist, was meticulous with numbers but inexperienced and uncomfortable with the discretion that agents in the field sometimes need, Burnham said.

The opinions of Prewitt and Burnham contrast sharply with those of lawyers representing Stevens, the former Alaska senator who was convicted of seven felony disclosure crimes in October in a case investigated by Kepner, Joy and others. Stevens' attorneys cite Joy's complaint as evidence of government misconduct. They are using the complaint in their efforts to win a new trial or outright dismissal of charges against Stevens.

Joy's eight-page complaint, written in late November and made public by the trial judge in Stevens' case on Dec. 22, contains dozens of allegations of rule bending and possible criminal violations by Kepner and the prosecutors who took Stevens to trial.

Joy's charges are under investigation by the Justice Department's Office of Professional Responsibility. The complaint has also interrupted the ongoing corruption investigation, which has so far yielded 10 convictions. While FBI officials won't talk about their management of the investigation, code-named "Polar Pen." Joy said in a supplemental filing to his complaint that several of Kepner's key sources have been reassigned to other agents and that her role has changed.

As the Anchorage bureau office and prosecutors scramble to respond to the post-trial developments in the Stevens case and the Justice Department investigation, it's unclear what the ultimate effect will be. At least three current or former elected officials have been identified as still under investigation: U.S. Rep. Don Young, former state Senate President Ben Stevens and former state Sen. Jerry Ward.

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One or more federal grand juries are still actively involved in the corruption investigation, according to a Jan. 16 court order in the case of Jim Clark, chief of staff for former Gov. Frank Murkowski. Clark is cooperating and awaiting sentencing.

Stevens' lawyers said Joy's complaint contains strong evidence that government misconduct tainted the investigation and the trial, not just by Kepner but prosecutors too.

"On their face these allegations suggest that the entire POLAR PEN investigation -- which Kepner spearheaded as the government's lead case agent, and which led to the Stevens indictment -- was corruptly handled," the defense attorneys said in their motion for a new trial. "If the agent in charge accepted favors from witnesses, did favors for witnesses, inappropriately revealed information to witnesses and the media, and failed to properly catalog and store documents, then the government's factual presentation and its discovery cannot be trusted."

Neither Kepner, Joy, prosecutors in the case, nor other FBI or Justice Department officials would comment directly on the allegations, saying they will answer in court and in the official investigation.

But the investigation doesn't stop others from talking, and some agreed to be interviewed about the complaint.

EVOLUTION OF AN INVESTIGATION

According to his complaint, Anchorage was Joy's first FBI assignment. He wrote that he was assigned to the corruption investigation in 2004, shortly after his arrival. He became deeply involved in managing sources of his own and assisting the prosecution of Stevens.

Kepner served in the field office in Juneau, where her husband, Floyd Spinner, was a city cop. For part of her seven years there, a second agent was assigned to the Juneau office, but by necessity she often worked solo, Burnham said.

Burnham was the assistant special agent in charge in Anchorage from 2000 to 2006. He retired from the FBI in 2007 and is now working in private security in the West. He asked in a telephone interview that his actual location not be disclosed because of his prior law-enforcement work.

Kepner, now a 17-year veteran of the bureau, was responsible for initiating and expanding the corruption investigation, and she pushed hard to get the Alaska FBI headquarters in Anchorage to provide resources for the case, Burnham said. That was difficult until Joy arrived with other transferring agents in January 2004.

While other agents had assisted Kepner from time to time, Joy was the first besides Kepner herself to be assigned to the corruption case full-time, Burnham said.

"He's got a financial background and I'm sure that some of our thinking was that he would be meticulous, which is what we needed to handle some of the admin responsibilities that go with cases like this," said Burnham. "Since Mary Beth was quite experienced and I had complete faith in her direct supervisor (white-collar-crime squad chief Colton Seale), it seemed like a pretty good match as far as what we thought his talents would be and what the need was for."

In his 2008 book "Last Bridge to Nowhere," Prewitt described how he became Kepner's "Confidential Source One" in April 2004. The overall investigation was still small then and focused on an influence scheme to get the state to accommodate a private prison in Alaska -- hence the FBI code name "Polar Pen."

The name seemed incongruous later when the investigation expanded to include illegal efforts by the oil-field service company Veco Corp. and its chief executive Bill Allen to dominate state politics, promote construction of a natural gas pipeline under terms favored by the oil industry, and to influence Washington.

The bigger case materialized "because Mary Beth was so dogged and determined and so creative in developing cooperating witnesses, cooperating subjects," said Burnham, who was her direct supervisor when the inquiry began.

First a target of the investigation then the subject of a search warrant, Prewitt, hired by the companies promoting the private prison, eventually learned he would face no charges. Kepner asked him to voluntarily cooperate. He agreed.

His book describes how the investigation dominated his life over the next four years. He secretly recorded conversations, attempted to turn other witnesses and consulted with agents and prosecutors about the politics, personalities and government of Alaska, he wrote. But Prewitt acknowledges his book embellishes the truth with fiction, making it a less-than-reliable text.

In his complaint, Joy says Kepner became too close to Prewitt and his wife, Vicki, and other confidential sources. He accused Kepner of accepting "multiple things of value from sources," specifically artwork, help with house hunting, and a job for her husband. Kepner also revealed too many of the secrets of the investigation to them, Joy charged.

Allegations concerning Kepner's relationship with Frank and Vicki Prewitt appear on four of the complaint's eight pages.

Veco's Allen is mentioned even more. Allen and Prewitt are among a half dozen confidential sources whom Joy said were mismanaged by Kepner.

For instance, Joy thought it was wrong for Kepner to meet Allen alone in a hotel room when both were in Washington for the Stevens trial. He reported that Kepner wore a skirt instead of her usual pants as a "surprise/present" for Allen when he testified.

Stevens' defense has leaped on those allegations as evidence that Kepner and Allen had a sexual relationship, though Joy made no such claim.

Allen, through his Anchorage attorney Bob Bundy, declined to address any of Joy's allegations. Bundy said it would be inappropriate for him to discuss the complaint because of Allen's status as a cooperating witness. Allen pleaded guilty to conspiracy, bribery and tax charges and is awaiting sentencing.

But overall, said Bundy, a former U.S. Attorney, Joy's complaint appears baseless as it relates to Allen.

"What bothers me tremendously is that I do not believe there was ever any kind of improper relationship between Mary Beth Kepner and Bill Allen, from everything I was ever able to see," Bundy said.

Burnham said there is nothing in FBI policy that would prohibit an agent from meeting a source alone.

Eric Gonzalez, chief counsel for the FBI in Anchorage and the agency's local spokesman, said he couldn't comment on Joy's complaint. But speaking in general terms, there are no restrictions on where agents can meet sources, he said. They can meet one-on-one, can go to the home of a

source, can eat out or share a meal at the source's home, if one is offered.

Successful agents work hard to cultivate good sources, Gonzalez said.

"You need to be very personable. Your sources have to trust you. And, you know, it's a relationship," Gonzalez said.

Prewitt's name was blacked out in the copy of Joy's complaint made public by the judge who heard Stevens' case. But in a recent interview in their South Anchorage home, Frank and Vicki Prewitt said their identities were unmistakable in the document.

CLOSE CONTACT

Among Joy's specific complaints are assertions that Kepner ate dinner or lunch with Prewitt and his wife at their home on many occasions, and met with Prewitt without another agent being present -- facts that would appear to be of no issue based on FBI policies. In any event, the Prewitts dismissed those claims as no big deal.

"Yes, I had lots of meetings with Mary Beth alone," Prewitt said. Sometimes his father-in-law was in his apartment in their home, sometimes Vicki Prewitt was there. And sometimes Kepner's husband picked her up.

"Any suggestion that agent Kepner and I were improperly close was preposterous," he said.

And it's true, he said, that he discussed cases with Kepner -- and with other agents and prosecutors too.

"Of course I discussed details because I was part of the investigative team involved in all of those cases," Frank Prewitt said. "They were always very careful not to say anything more about any ongoing investigation than they needed to get something out of my head."

"Chad was a friend too," Frank Prewitt added.

Joy's complaint included an assertion that Kepner provided the Prewitts with "detailed information about my personal background, my (wife) and (children) without my permission knowing I would not have allowed her to do so."

But the Prewitts said it was Joy himself who revealed those details -- to their teenage daughter while Frank Prewitt was talking to Kepner.

"That's how we knew about his family," Vicki Prewitt said.

As the focus of her work shifted to Anchorage, Kepner was spending increasing amounts of time living out of a suitcase, Prewitt said. In the summer of 2006, she and her husband, Spinner, moved to Anchorage.

"When Kepner moved from Juneau to Anchorage, Kepner utilized (Prewitt's wife) to locate homes," Joy said in his complaint, noting that Vicki Prewitt was a licensed real estate agent.

The allegation contains a partial truth, but the implication that she did professional or business favors for Kepner is wrong, Vicki Prewitt said. When she learned that Kepner was moving, it was natural for her to try to help, she said.

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"I'm an Alaskan. I network," she said. "I just said my favorite builder is selling his home soon." The builder, Larry McBain, builds custom houses, occupies them for a time, then sells them, she said. The Prewitts knew McBain because he had built an addition on their home.

"He's an agent. He lists his own houses," Vicki Prewitt said.

She said she introduced Kepner and Spinner to McBain, but the sides came to terms on their own. Vicki Prewitt said McBain offered her a commission but she turned it down. Though she had a current license, she no longer was an active agent, she said.

Vicki Prewitt said that Joy's assertion that she showed Kepner multiple homes is wrong.

"I knew somebody. I didn't act as an agent. I didn't receive any money," Vicki Prewitt said.

In a telephone interview, McBain said he sold the couple the house on a view lot on the upper Hillside in August 2006 for $445,000. He described the call from Vicki Prewitt as "just a coincidence" a couple weeks before he planned to list the house.

"I didn't pay anything to Vicki. There was no referral fee, nothing," McBain said. And he didn't lower the price of the house because he didn't have the expense of an agent, he said -- Kepner and her husband paid very close to the asking price. It was still a sellers' market then, he said.

"I ended up with all the proceeds from the sale of the house," McBain said. "There was no benefit to (Kepner and her husband) at all." If anyone was done a favor by Vicki Prewitt, he said, it was him.

A few weeks ago, two FBI agents interviewed McBain about the transaction. He told them the "same thing I'm telling you," he said.

Joy also complained about a gift from the Prewitts to Kepner. Vicki Prewitt "drew and provided Kepner a large original drawing of Kepner's dog as a gift. This artwork is hanging on a wall in Kepner's home near her stairs."

Vicki Prewitt, an art major in college, said that after painting part-time over the years, she has found her niche as a painter of dog portraits and wildlife in watercolor. The Prewitts run Rae'vens Brush studio (her middle name is Rae) from their home.

For Christmas 2007, she said, she painted some 30 dog portraits for friends and relatives, "every single person I knew, whether they wanted it or not." She painted Kepner's yellow Lab, Ranger, from a photo, and surprised Kepner and Spinner with the gift.

RELATIONSHIP SOURS

What happened next is the subject of a long passage toward the end of Prewitt's book. Just after the 2008 new year, Kepner asked Prewitt to meet her at a South Anchorage coffee shop. At the table, she said, someone in the FBI learned about the gift and expressed a concern, according to the book.

Kepner wrote a check for the picture. Vicki Prewitt remembers it as $300.

In his complaint, Joy said he was unhappy to have been mentioned several times in Prewitt's book, and he thought that Prewitt revealed too much about the case and named suspects who hadn't been charged. Joy also expressed displeasure that Prewitt complained about him to the FBI after

he formally closed Prewitt as a source.

Prewitt said he felt mistreated in that final encounter with Joy and another agent about two months ago. He said Joy told him the FBI was ending its relationship with him because he "betrayed" the agency with his book.

Prewitt said there was nothing improper in his book, and he felt unceremoniously dumped after the investigation consumed four years of his life.

Prewitt declined to provide a copy of the letter he sent about Joy to FBI director Robert Mueller.

Another claim by Joy, that a different source of Kepner's got Spinner a job after he moved from Juneau, could only be partially checked. The source's name was blacked out in the complaint and his or her identity couldn't be determined.

"Source gave Kepner's husband his current job as a security guard at the Port of Anchorage," Joy complained.

Security at the port is run by an independent contractor, Doyon Universal Services. The port director, former Gov. Bill Sheffield, is a friend of Stevens and has criticized the federal prosecution. Sheffield said Doyon has full authority to hire security guards. He said he asked around, and no one reported interference in the hiring of Spinner, and he said he played no role.

"He was a cop in Juneau and they put out a search for people and he qualified and they hired him," Sheffield said.

Bruce Lester, a Doyon employee and Spinner's supervisor at the port, said there was nothing unusual in his hire. "There was no favoritism. He met our requirements and that's all I'm going to say."

Bob Kean, the Doyon Universal vice president over the security division, said he read a copy Joy's complaint from the Internet and termed its reference to Spinner's hire as "truly one of the most bizarre allegations I've ever seen."

No one lobbied Doyon for or against Spinner, he said.

"There is no credibility to that allegation. Floyd was hired on his own skills and prior job experience. We had no idea Mary Beth was an agent till after he was hired. The hiring authority at this office had no idea his wife was an agent, nor would it have mattered," Kean said.

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Judge lets attorney off hook for contempt in Stevens trial

Anchorage Daily News
(02/14/09 22:35:35)

WASHINGTON, D.C. -- The judge presiding over the aftermath of former Sen. Ted Stevens' trial let one Justice Department attorney off the hook from a contempt citation Saturday.

U.S. District Judge Emmet Sullivan of the District of Columbia said that attorney Kevin Driscoll shouldn't have been among the prosecutors he cited Friday for contempt for failing to turn over documents to Stevens' legal team.

Sullivan, who oversaw Stevens' trial last fall, issued the unusual Saturday order, saying Driscoll was new on the case and handling just one post-trial issue. Sullivan said Driscoll wasn't responsible for not following his earlier order to hand over the material involving an FBI whistle-blower's complaint to Stevens' team.

Sullivan said his order still stands against William Welch, the head of the Justice Department's Public Integrity Section; Brenda Morris, his chief assistant and the lead trial attorney in Stevens case; and the chief of the Justice Department's criminal appeals section, Patty Merkamp Stemler.

Stevens, convicted in October of seven counts of failure to disclose gifts and services, is seeking a new trial, saying that government misconduct denied him a fair trial. The whistle-blower complaint, by an agent who worked on the Stevens investigation, surfaced in December and contains allegations that prosecutors acted improperly during the trial.

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194A-AN-13620-M

Kohring writes from prison, asked for pardon

Posted by Alaska_Politics
Posted: February 9, 2009 - 7:30 pm
Comments

Former Wasilla area Rep. Vic Kohring and his attorney John Henry Browne talk to the media May 8, after a federal judge sentenced the former lawmaker to 3 1/2 years in prison. Bill Roth / Earl, Roth

From Kyle Hopkins in Anchorage --

Former Rep. Vic Kohring asked President Bush for a pardon -- or at least a lesser sentence -- just before Bush left office.

That according to a letter the longtime Valley lawmaker wrote to the Daily News this month.

"I felt my odds were greatly against me with both requests," Kohring wrote. "But needed to ask anyway, otherwise I'll always wonder if they would have been granted."

They weren't.

Kohring's still in a minimum-security prison in Taft, Calif., where he insists he never committed any crime and is awaiting appeal.

A federal judge sentenced him in May to three and a half years for bribery, conspiracy and attempted extortion. The handwritten letter is one of two he wrote to the paper Feb. 2.

In the first, a letter to the editor, Kohring gives an update on his appeal and generally sounds like any inmate would after a few months in prison. He says he misses his family. He says he's been passing the time reading and studying and writing letters, and hopes people will write him back.

"I have been incarcerated for seven months now, although it seems longer," he writes.

In the second letter, he talks about the pardon request.

"If I had succeeded, it would have been akin to winning a million-dollar lottery, as literally thousands of prisoners have applied including high-profile people such as ex-Senator Stevens, ex-Congressman Duke Cunningham and ex-Governor George Ryan."

(Actually, Sen. Lisa Murkowski applied on Stevens behalf.)

When Stevens didn't get a pardon, Kohring knew he wouldn't either, he wrote.

Just as well, he says: "I'd much prefer to win my appeal, be granted a new trial and prove my innocence."

...

Here's a video I shot of Kohring on the day he went to jail:

Alaska Politics Blog

This is the place to talk about Alaska politics -- state, local, national. Public life in the Last Frontier has probably never been more interesting than right now -- the governor as candidate for vice president, the broad and still-evolving corruption investigation, a big election, powerful members of Congress under scrutiny, and the usual hardball Alaska politics. Come here for news, tidbits and information, and join the discussion. **Keep your comments civil and on point. Avoid personal attacks. Do not use profanity. Posts that violate the Terms of Use will be deleted. Repeat offenders will be banned.**

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Stevens' prosecutors removed from misconduct proceedings

TRIAL AFTERMATH: Move comes on heels of contempt ruling.

By RICHARD MAUER
rmauer@adn.com

(02/16/09 21:12:46)

The Justice Department said Monday it has removed the legal team that prosecuted former U.S. Sen. Ted Stevens from further post-trial proceedings that concern allegations of government misconduct.

The terse announcement, made as part of a larger filing by prosecutors, leaves questions unanswered about the scope of the decision. A spokeswoman for the Justice Department declined to elaborate.

The latest turn of events in the increasingly bitter and messy aftermath of Stevens' conviction in October follows the contempt ruling against three Justice Department attorneys last week by U.S. District Judge Emmet Sullivan of the District of Columbia.

Sullivan, who presided over Stevens' trial, cited the lawyers for not following his orders to turn over internal Justice Department files about an FBI whistle-blower to Stevens. Sullivan said he would withhold for the time being a decision about how to punish the government lawyers.

The four-page filing by prosecutors Monday was mainly a public notice that the government had decided to not stand on its claim that the material sought by the defense was protected by attorney work-product privilege, a rule that usually prevents having to turn material over to the other side.

"In deciding to release these materials to the defendant, the government acknowledges the importance of resolving the pending post-trial motions as expeditiously as possible," the prosecution wrote. "By foregoing any further litigation about the release of these documents, it hopes to avoid distractions and remain focused on the post-trial motions defendant has filed -- motions that include claims of prosecutorial misconduct before and during his trial."

The filing announced the replacement of the original team of attorneys led by the Justice Department's Public Integrity Section from "litigation relating to allegations of misconduct in this matter." The team is headed by William Welch, chief of that office, and his main deputy, Brenda Morris, who was the lead attorney in the Stevens trial. Also affected are two other lawyers in that office, Nicholas Marsh and Edward Sullivan, and two on special assignment from the U.S. Attorney's office in Anchorage, Joe Bottini and James Goeke.

Replacing them will be Paul O'Brien, chief of the Narcotic and Dangerous Drug Section, David Jaffe, deputy chief of the Domestic Security Section, and William Stuckwisch, senior trial attorney in the Fraud Section.

Defense arguments of misconduct figure into several demands for a new trial or dismissal of charges by Stevens' attorneys, mainly involving the allegations of Anchorage FBI agent Chad Joy and a witness in the case, Dave Anderson.

194A-AN-13620-M -956

Joy, part of the team investigating political corruption in Alaska since 2004, said the lead agent in the probe grew too close to sources and violated policy then, with prosecutors, worked to prevent Stevens from obtaining favorable evidence before and during the trial. Anderson, the government's final witness, said he gave false testimony about a plea deal he believed he had with the government, and that prosecutors knew it.

The government has denied wrongdoing but hasn't publicly answered the allegations in any detail.

The defense cites other issues in its demand for a new trial that have nothing to do with misconduct by prosecutors, such as a decision by the judge to hold the trial in Washington, D.C., instead of Alaska, or juror misconduct. It is unclear whether the initial prosecution team will continue to work on those issues, or what will happen if the judge orders a new trial.

Find Richard Mauer online at adn.com/contact/rmauer

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Masek pleads guilty to conspiracy, awaits sentencing

By RICHARD MAUER
rmauer@adn.com
(03/12/09 11:21:23)

Former state Rep. Beverly Masek completed her bargain with federal prosecutors this morning, pleading guilty to a conspiracy in which she accepted bribes to kill a bill that would have raised oil production taxes.

U.S. District Judge Ralph Beistline set sentencing for May 28. Under her plea deal with the government, filed on the public docket Wednesday, Masek faces 18 to 24 months in prison and a fine ranging from $4,000 to $40,000. The maximum penalty for a bribery conspiracy is five years in prison and a $250,000 fine.

In court this morning, Masek, 45, was represented by two attorneys from the federal public defender's office. She answered questions from the judge. Aside from her lawyers, she appeared to be alone.

According to the charging document, Masek sent an emissary to a vice president of the oil-field service company Veco Corp., Rick Smith, asking for a meeting with him or his boss, Bill Allen, to complain about her financial condition. Her plea to the Veco executives, known for their generosity to lawmakers who supported their positions, was made during the legislative session in 2003.

Two days later, an Allen relative handed her at least $2,000 in cash, the charge said.

The next month, she introduced a bill that would have eliminated a big tax break for oil companies on Alaska's North Slope. A day later, Allen came to her office and told her it was a terrible idea. She withdrew the bill and accepted another $2,000 in cash.

Masek was defeated in the 2004 Republican primary after serving in the House from Willow starting in 1995.

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Whistle-blowers may get to testify in Stevens trial

INVESTIGATION: Judge wants a status report from the prosecution.

By ERIKA BOLSTAD
ebolstad@adn.com

FBI - Stevens-2435

(03/10/09 20:51:28)

WASHINGTON -- The judge who oversaw former Sen. Ted Stevens' trial said Tuesday he may allow testimony in open court from two of the people who have come forward with complaints about how the investigation and prosecution unfolded.

Stevens, who was found guilty on seven counts of filing false statements on his U.S. Senate financial disclosure forms, was convicted Oct. 27. Since then, though, the former Alaska senator's lawyers have filed several motions to outright dismiss his original indictment or to grant Stevens a new trial. Their motions have been based in part on allegations in a whistle-blower complaint by Anchorage FBI agent Chad Joy, and a witness in the case, Dave Anderson.

"A lot has happened since the verdict was returned in October," said U.S. District Judge Emmet Sullivan, who during Tuesday's hearing largely dealt with housekeeping matters connected to the Joy complaint and a letter submitted to him by Anderson.

The judge on Tuesday agreed to put on hold all other pending motions in the trial until prosecutors give him a written status update about their progress and plan for releasing documents and other materials to the defense. The documents in question are connected to information revealed in Joy's whistle-blower complaint and in Anderson's letter to the court.

Anderson, the government's final witness in the trial, did extensive work on Stevens' home in Girdwood while on the payroll of the defunct oil-field service company Veco Corp. He said in a letter to the court following Stevens' conviction that he gave false testimony about a plea deal he believed he had with the government, and that prosecutors knew it. The government has disputed Anderson's account.

Separately, Joy said the lead agent in the probe grew too close to sources and violated FBI policy. Part of the team investigating political corruption in Alaska since 2004, Joy also alleged that prosecutors worked to prevent Stevens' lawyers from seeing favorable evidence before and during the trial.

"We are mindful the verdict was returned in October and has been lingering before the court," said Paul O'Brien, a Justice Department attorney who was recently assigned to the case.

"It's not been lingering," Sullivan said, adding that the corruption case is "just as active" post-trial as it was before and during the trial.

Justice Department lawyers told the judge Tuesday that they have already begun turning over information, including the results of interviews conducted by the department's internal investigators. They've also been conducting witness interviews with people within the department with knowledge about Joy's complaint and knowledge about the matters he outlined in it.

Tuesday's hearing was the first to feature the Justice Department's new legal team on the case: O'Brien, chief of the Narcotic and Dangerous Drug Section; David Jaffe, deputy chief of the Domestic Security Section; and William Stuckwisch, a senior Fraud Section trial attorney. The three are handling all post-trial matters connected with allegations of attorney misconduct.

The new team took over after Sullivan last month held in contempt the lead attorney during the trial, her

supervisor, and an appellate attorney at the Justice Department for failing to turn over to Stevens' legal team internal Justice Department files about Joy.

The government has until April 9 to file an update on where prosecutors are on releasing information about Anderson and Joy to the court. Stevens' team has until April 14 to file its response. Another hearing is set for April 15.

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Tuesday, March 10, 2009
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Former Alaska State Senator Sentenced on Public Corruption Charges

WASHINGTON – John Cowdery, a former elected member of the Alaska state senate, was sentenced today to three years probation with a special condition requiring him to serve six months of home confinement for conspiring to bribe another Alaska state legislator, Acting Assistant Attorney General Rita M. Glavin of the Criminal Division announced.

U.S. District Judge Ralph Beistline for the District of Alaska also ordered Cowdery to pay a $25,000 fine.

On Dec. 19, 2008, Cowdery pleaded guilty to one count of conspiracy to commit bribery concerning programs receiving federal funds. In court documents, Cowdery admitted to conspiring with Bill J. Allen, the former chief executive officer of VECO Corporation (VECO), a now-defunct multinational oil field services company, and Richard L. Smith, a former VECO vice president, to offer at least $10,000 in purported campaign contributions to State Senator A in exchange for State Senator A's support of a proposed petroleum profits tax, or PPT, that VECO wanted the Alaska state legislature to pass in 2006. Cowdery admitted that he and Allen met State Senator A on June 25, 2006, at an Anchorage restaurant to offer State Senator A the bribe. Cowdery admitted that he and Allen specifically conditioned receipt of the bribe, which State Senator A did not accept, on State Senator A's support for the PPT legislation sought by VECO and Allen. Allen and Smith both pleaded guilty to multiple federal corruption charges in May 2007 and both are awaiting sentencing.

Including Cowdery's guilty plea and those of Allen and Smith, there have been ten criminal convictions to date arising out of the ongoing investigation into public corruption in the state of Alaska. Thomas T. Anderson, a former elected member of the Alaska House of Representatives, was convicted in July 2007 and sentenced to five years in prison for extortion, conspiracy, bribery and money laundering for soliciting and receiving money from an FBI confidential source in exchange for agreeing to perform official acts to further a business interest represented by the source. Peter Kott, a former speaker of the Alaska House of Representatives, was convicted in September 2007 and sentenced to six years in prison for extortion, bribery and conspiracy. Victor H. Kohring, a former elected member of the Alaska House of Representatives, was convicted at trial in November 2007 for attempted extortion, bribery and conspiracy, and was sentenced to three and a half years in prison. In March 2008, James Clark, chief of staff to a former governor of Alaska, pleaded guilty to conspiracy to commit honest services mail and wire fraud. Former Anchorage lobbyist William Bobrick pleaded guilty in May 2007 to felony public corruption charges. U.S. Sen. Theodore F. Stevens was convicted at trial on Oct. 27, 2008, of making false statements regarding his required U.S. Senate financial disclosures for 2001 through 2006. Former Alaska businessman William Weimar was sentenced to six months in prison on Nov. 12, 2008, after pleading guilty on Aug. 12, 2008, to conspiracy to commit honest services mail and wire fraud and structuring financial transactions.

The case was prosecuted by trial attorneys Nicholas A. Marsh and Edward P. Sullivan of the Criminal Division's Public Integrity Section, headed by Chief William M. Welch, II, and Assistant U.S. Attorneys Joseph W. Bottini and James A. Goeke from the District of Alaska. The case was investigated by the FBI and the Internal Revenue Service Criminal Investigative Division.

FBI - Stevens-2437

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Department of Justice

FOR IMMEDIATE RELEASE
Thursday, March 12, 2009
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TDD (202) 514-1888

Former Alaska State Representative Pleads Guilty to Public Corruption Charges

WASHINGTON – Beverly L. Masek, a former elected member of the Alaska House of Representatives, pleaded guilty today to conspiracy to commit bribery, Acting Assistant Attorney General Rita M. Glavin of the Criminal Division announced.

Masek pleaded guilty before U.S. District Judge Ralph Beistline in Anchorage to one count of conspiracy to commit bribery concerning programs receiving federal funds. In court documents, Masek admitted to conspiring with Bill J. Allen, the former chief executive officer of VECO Corporation (VECO), a now-defunct multinational oil field services company, and Richard L. Smith, a former VECO vice president, to soliciting and accepting bribes. Masek admitted that in 2003 she received cash payments from Allen and solicited a consulting position with VECO in exchange for agreeing to perform and actually performing official acts that benefitted Allen and VECO's business interests. Allen and Smith both pleaded guilty to multiple federal corruption charges in May 2007 and both are awaiting sentencing.

At sentencing, Masek faces a maximum of five years in prison and a $250,000 fine. Sentencing has been scheduled for May 28, 2009.

Including Masek's guilty plea and those of Allen and Smith, there have been 11 criminal convictions to date arising out of the ongoing investigation into public corruption in the state of Alaska. Thomas T. Anderson, a former elected member of the Alaska House of Representatives, was convicted in July 2007 and sentenced to five years in prison for extortion, conspiracy, bribery and money laundering for soliciting and receiving money from an FBI confidential source in exchange for agreeing to perform official acts to further a business interest represented by the source. Peter Kott, a former speaker of the Alaska House of Representatives, was convicted in September 2007 and sentenced to six years in prison for extortion, bribery and conspiracy. Victor H. Kohring, a former elected member of the Alaska House of Representatives, was convicted at trial in November 2007 for attempted extortion, bribery and conspiracy, and was sentenced to three and a half years in prison. In March 2008, James Clark, chief of staff to a former governor of Alaska, pleaded guilty to conspiracy to commit honest services mail and wire fraud. Former Anchorage lobbyist William Bobrick pleaded guilty in May 2007 to felony public corruption charges. U.S. Sen. Theodore F. Stevens was convicted at trial on Oct. 27, 2008, of making false statements regarding his required U.S. Senate financial disclosures for 2001 through 2006. Former Alaska businessman William Weimar was sentenced to six months in prison on Nov. 12, 2008, after pleading guilty on Aug. 12, 2008, to conspiracy to commit honest services mail and wire fraud and structuring financial transactions. John Cowdery, a former elected member of the Alaska State Senate, was sentenced to six months home confinement and a $25,000 fine on March 10, 2009, after pleading guilty on Dec. 19, 2008, to conspiring to bribe another Alaska state legislator.

The case was prosecuted by trial attorneys Nicholas A. Marsh and Edward P. Sullivan of the Criminal Division's Public Integrity Section, headed by Chief William M. Welch, II, and Assistant U.S. Attorneys Joseph W. Bottini and James A. Goeke from the District of Alaska. The case was investigated by the FBI and the Internal Revenue Service Criminal Investigative Division.

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Former Young aide is indicted in lobbying scandal

GRATUITY: All-expense paid trip to World Series wasn't reported.

By RICHARD MAUER
rmauer@adn.com

(03/06/09 21:38:12)

A second former high-level committee aide to Rep. Don Young was accused Friday of violating federal anti-corruption laws in the long-running Abramoff lobbying scandal.

A three-count indictment charged Fraser Verrusio, policy director for the House Transportation Committee when Young was chairman of the panel, with conspiracy, accepting an illegal gratuity in the form of an all-expense paid World Series weekend in New York, and failing to report the gift.

In return for the October 2003 trip to see the Yankees host the Florida Marlins in the Bronx, the Washington grand jury charged that Verrusio conspired with lobbyists, a Senate aide and an equipment rental company to change national policy in the committee's federal highway bill.

An amendment inserted in the Senate and then defended by Verrusio in the House would have encouraged public works agencies collecting federal highway money to rent rather than own equipment, the indictment charged. Rather than purchase their equipment, the amendment created incentives for agencies to rent from the leasing company, which wasn't named in the indictment.

Verrusio, 39, was one of Young's first hires when he took over as chairman of the Transportation Committee in 2001. According to the Congress-tracking Web site Legistorm, Verrusio started as director of outreach for the committee on Feb. 16, 2001, a position designed to mobilize constituent groups like contractors or truckers in support of bills. Verrusio was promoted to policy director in April 2002 at an annual salary of more than $130,000.

The other Young aide caught up in the Abramoff scandal, committee lawyer Mark Zachares, pleaded guilty in April 2007 to helping Abramoff and his associates get business and inside information from the committee in exchange for cash, gifts and job favors. His sentencing was postponed indefinitely while he cooperates with the ongoing federal investigation.

Zachares and Verrusio were supervised by Young's chief of staff on the transportation committee, Lloyd Jones, a former Republican state senator from Ketchikan married to another ex-state senator, Jan Faiks of Anchorage. Jones, Zachares and Verrusio had nearby offices in the Rayburn House Office Building.

A call to the Jones and Faiks home in Virginia wasn't returned. Young's office also declined to comment. A phone number listed for Verrusio on a 2008 lobbyist registration form belonged to someone else and he couldn't be reached.

FBI - Stevens-2439

Neither Young nor Jones have answered questions about the Abramoff scandal since Zachares' plea.

There has been no formal indication that Young himself in under investigation in the Abramoff scandal. But Young, who has reporting spending more than $1 million in legal defense fees from his campaign account, is under investigation in Alaska in connection with the wide-ranging FBI corruption probe centered on the defunct oil-field service company Veco Corp.

Young has denied wrongdoing but has never answered specific questions, even when he campaigned for re-election last year. Veco's chief executive, Bill Allen, told the FBI that Veco illegally paid for a Young fundraiser, and that a Veco vice president organized golf outings in which participants paid $100 each to Young as a "thank

you" gratuity, according to documents made public during the trial of Sen. Ted Stevens. Allen indicated to the agents that he didn't consider the payments bribes -- "you can't 'buy' Young," the agents' notes quoted Allen as saying.

Under federal law, a gratuity to a public official is only illegal if it is tied to a specific act. A bill in Congress now would remove that restriction, making it illegal to privately pay someone for being a public official.

The equipment rental conspiracy alleged in the Verrusio indictment has already resulted in guilty pleas from the two Abramoff associates -- Todd Boulanger and James Hirni -- and the Senate aide, Trevor Blackann, who at the time worked for Sen. Christopher Bond, R-Mo.

Term limits forced Young to give up the Transportation Committee in 2006. Young took Jones and several other key staffers with him to the House Resources Committee, where he became ranking Republican member, but Verrusio stayed at Transportation until May 2007, according to Legistorm. Senate records show he then became a lobbyist for an engineering company.

According to the indictment, the highway bill was in committee in both the House and Senate when Boulanger and Hirni began pushing for amendments favorable to their client.

Hirni offered Verrusio the all-expense paid trip to New York on Oct. 17, 2003, the day before the World Series opened in Yankee Stadium. The lobbyists paid for his airfare from Washington to Queens, two days with a chauffeured, seven-passenger limousine, a night in a New York hotel, dinner at a steak joint and the baseball tickets. As they were leaving the Stadium, Verrusio asked Hirni to buy him a souvenir baseball jersey for about $130. The indictment didn't specify the team or player, but Verrusio got his souvenir.

After the game, the party finished up with drinks at a strip club paid for by Hirni. Verrusio's share for entertainment and booze at the club was $150. Altogether, his share of weekend's cost was about $1,300, the indictment charged, but it might as well have been priceless for anyone looking at Verrusio's annual disclosure the next year -- there was no mention of it.

Three days later, Hirni e-mailed Verrusio information about the amendments he wanted in the highway bill. By November, they had been inserted in the Senate version of the highway bill with Blackann's assistance. Over the next months, companies that sold equipment directly to agencies got wind of the measure and mounted a vigorous opposition. Verrusio helped fight off that effort, the indictment charged.

An official from the rental company boasted in an e-mail that he was confident his side would prevail, the indictment said.

"Our guys don't think it is going to be a problem," the official wrote. "We have a much stronger relationship and we are already in the bill, and soon to be in the house bill too."

In January 2004, Verrusio suggested the lobbyists use the "grassroots" techniques he practiced at the Transportation Committee before he became policy director: he told them to organize a letter-writing campaign to Congress by the owners and operators of local affiliates of the rental company.

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Find Richard Mauer online at adn.com/contact/rmauer or call 257-4345.

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Unsealed record shows DOJ response to Stevens whistleblower

by Jill Burke
Tuesday, February 17, 2009

ANCHORAGE, Alaska -- New details have emerged in former Sen. Ted Stevens' corruption case as previously sealed documents are being made public.

Justice Department prosecutors argue that the misconduct allegations of an FBI whistleblower who worked the case are not a basis for a new trial.

The government argues Special Agent Chad Joy's claims of witness and evidence mishandling are based on speculation and inaccurate portrayals.

Based on those allegations, Stevens' defense team has demanded a new trial.

Prosecutors claim the defense is trying to drum up "inflammatory press coverage and embarrass the government."

Prosecutors attempted to keep the whistleblower complaint out of public view, citing the need to protect the rights of government employees, as well as ongoing investigations.

Contact Jill Burke at jburke@ktuu.com

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Sentencing of Veco bosses delayed again

COOPERATION: Allen, Smith still part of an ongoing investigation.

By RICHARD MAUER
rmauer@adn.com
Published: March 4th, 2009 09:25 PM
Last Modified: March 4th, 2009 09:26 PM

More Bill Allen and Veco stories

Sentencing of Veco bosses delayed again
New names emerge in Allen FBI interviews
Bill Allen waiting for 'ax to fall'
From barroom joke to federal warrants
Cowdery part of Veco chief's inner circle

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The two Veco Corp. officials at the center of the Alaska public corruption scandal once again on Wednesday had their sentences for bribery and conspiracy postponed.

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Former Veco chief executive Bill Allen and a Veco vice president, Rick Smith, won't have to worry about prison again until at least June 30, when federal prosecutors will present another status report on their cooperation in the long-running FBI investigation.

U.S. District Judge John Sedwick accepted the most recent status report, filed under seal Tuesday by prosecutors from the U.S. Attorney's office in Anchorage. He agreed to allow the filing in secret "because it relates to on-going investigations," he wrote in an order.

Sedwick's order was the fifth time he has delayed sentencing and asked for status reports since the two men pleaded guilty in May 2007 to corrupting Alaska legislators. Their trial testimony has since led to guilty verdicts against two legislators and former U.S. Sen. Ted Stevens.

Federal guidelines entitle Allen and Smith to shorter sentences if they continue to cooperate until they are no longer needed. The latest delay is the strongest indication yet that the government is still pursuing its investigation despite setbacks following the Stevens conviction, including an FBI agent who claimed another agent and prosecutors violated Justice Department policy and may have broken the law.

The four-month delay before the next status report is substantially shorter than the previous delay, which was seven months. Assistant U.S. Attorney Joe Bottini said there was nothing significant about the disparity other than the belief of prosecutors that the judge preferred a shorter period. Two earlier delays were three months each, and a third was sixth months.

FBI - Stevens-2442

Find Richard Mauer online at adn.com/contact/rmauer or call 257-4345.

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FBI - Stevens-2443

Cowdery gets home confinement, fine

By RICHARD MAUER
rmauer@adn.com
(03/10/09 09:33:59)

Former state Sen. John Cowdery was ordered this morning to serve six months in home confinement and fined $25,000 for conspiring to bribe another senator into supporting the oil-industry position on petroleum production taxes in 2006.

U.S. District Judge Ralph Beistline said Cowdery, 79, could leave home for medical visits or to attend church. The judge reprimanded Cowdery for violating the public's trust. When asked if he had anything to say, Cowdery said no. "My attorney covered everything I was going to cover," he said.

The judge sentenced Cowdery to three years' probation.

"Mr. Cowdery, it will be a miracle if you survive the period of probation," the judge said, based on what he had read in the pre-sentence reports. Cowdery arrived at court this morning in a wheelchair, pushed by his grandson.

Cowdery was still in office last July when the Justice Department charged him in a two-count indictment with conspiring with Veco Corp. chief executive Bill Allen to get as much as $25,000 in illegal campaign contributions to "State Senator A."

Federal prosecutors said the deal was never consummated. Sen. Donny Olson, D-Nome, has said he was State Senator A and that he cooperated with the FBI.

Cowdery says he is in poor health and argued he should get no more than six months of home confinement. Prosecutors agreed that prison wasn't appropriate for him but said his sentence should be a year.

The two sides also disagreed about the size of the fine, with the defense suggesting it should be $7,500 or less and the government asking for $25,000 -- the amount of the alleged bribe.

Cowdery is the 10th person convicted in the wide-ranging FBI corruption investigation in Alaska, begun in secret in 2004. Five of the convicted are lawmakers, including former U.S. Sen. Ted Stevens. A sixth is awaiting trial.

Cowdery's wife, Juanita, and daughter Pamela wrote letters to Beistline stating their belief that Cowdery wasn't guilty and that his decision to enter into a plea bargain was made to avoid the rigors of trial.

"I believe John is innocent," Juanita Cowdery wrote Feb. 14. "He was just trying to help a friend."

"Our family as a unit decided not to fight the charges against my father due to my parents' ages and health issues," Pamela Cowdery said. "Given their ages and health, trial would have been too

194A-AN-13620-M-964

stressful for them."

A Republican who spent most of his working life as a contractor, Cowdery represented parts of the Anchorage Hillside and the Lake Otis Parkway area for 14 years in the Alaska House and Senate. He didn't seek re-election in November.

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Stevens judge ponders new testimony

By Erika Bolstad
ebolstadt@adn.com
Published: March 10th, 2009 08:21 AM
Last Modified: March 10th, 2009 09:36 AM

WASHINGTON -- The judge who oversaw the trial of former Alaska Sen. Ted Stevens may allow testimony in open court from two of the people who have come forward with complaints about how the investigation and prosecution unfolded.

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Stevens, who was found guilty on seven counts of filing false statements on his U.S. Senate financial disclosure forms, was convicted Oct. 27. Since then, his lawyers have filed several motions to dismiss his indictment or grant him a new trial. Their motions have been based, in part, on allegations by Anchorage FBI agent Chad Joy and a witness in the case, Dave Anderson.

Joy, part of the team investigating political corruption in Alaska since 2004, said the lead agent in the probe grew too close to sources and violated the FBI's policy. He also alleged that prosecutors worked to prevent Stevens from obtaining favorable evidence before and during the trial. Anderson, the government's final witness, said he gave false testimony about a plea deal he believed he had with the government, and that prosecutors knew it.

"A lot has happened since the verdict was returned in October," said U.S. District Judge Emmet Sullivan said during a hearing today.

The judge agreed to postpone for 30 days all other pending motions until the government gives him a written status update about where prosecutors are on releasing documents and other materials to the defense. The documents in question are connected to the information revealed in Joy's whistle-blower complaint and Anderson's letter to the court.

The government has until April 9 to file an update on where prosecutors are on releasing such information to the court. They told the judge they have already begun turning over information, including the results of interviews conducted by the Justice Department's internal investigators.

The defense has until April 14 to file a response. A hearing is set for April 15.

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Cowdery prosecutors seek year confinement, fine

RECOMMENDATIONS: Prosecutors want one year; defense seeks six months.

By RICHARD MAUER
rmauer@adn.com
Published: March 3rd, 2009 05:30 PM
Last Modified: March 4th, 2009 10:18 AM

Federal prosecutors on Tuesday asked that former State Sen. John Cowdery be sentenced to a year of home confinement and fined $25,000 for conspiring with oil industry executive Bill Allen to bribe another senator.

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But Cowdery, due to be sentenced next week by U.S. District Judge Ralph Beistline, pleaded that he should get the minimum punishment of six months and a much lower fine due to his failing health, long career in public service and business, and his agreement to admit guilt.

In a sentencing memorandum filed Tuesday morning, Cowdery's attorney, Kevin Fitzgerald, said he and the prosecutors are largely in agreement. The only two unresolved issues for the judge are the length of home confinement -- six months or a year -- and the amount of the fine.

Fitzgerald said the government told him that $25,000 is the amount at issue in the bribery allegation, so that should also be the fine. But Fitzgerald asked Beistline to fine Cowdery at the "lower end" of a range that starts at $2,000.

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Cowdery also filed a stack of 27 letters from politicians, lobbyists, contractors, businessmen, friends and relatives asking for leniency. Most cite Cowdery's age and failing health -- he's 79 and has been hospitalized for numerous ailments -- and his 60-year life in Alaska as a contractor and legislator.

FBI - Stevens-2446

His daughter, Pam, added a letter of her own that she e-mailed to the Daily News and said she would deliver to Beistline at her father's sentencing. In it, she pleaded for leniency and suggested that Cowdery might not have offered up his guilty plea if he hadn't been in ill health.

"Our family as a unit decided not to fight the charges against my father due to my parents' ages and health issues," she wrote. "Please have mercy, your honor, my Dad, Mom and family have been punished enough -- what with the media coverage, people cooking pork in my parents' driveway, reporters banging on the doors, the never-ending phone calls -- all this while my Dad was in the hospital and Mom was home alone."

CALL FOR LENIENCY

Among the other letter writers, his only grandson, Frank McHenry, said Cowdery was a special force in his life. Cowdery taught him how to run heavy equipment at age 8. "He taught me how to fly his plane, how to shoot a gun, how to operate a boat and how to run a snowmobile -- all before

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I was 14."

While Beistline doesn't have to follow the recommendations of the government or the defense, McHenry, who has children of his own, urged that Cowdery not get prison time.

"To speak bluntly, I am very afraid that if you sentence my Grandfather to serve any jail time, I think it will be a death sentence not only for my Grandfather, but also for my Grandmother. With his failing health, he has a hard enough time getting up and down the stairs or getting across the house to use the restroom. ... I am unsure if you are aware about my Grandmother's poor health. She has heart problems, has a pacemaker installed and has issues with her blood -- just to name a few things. She is one tough woman, but I think one of the main reasons she is still with us is to take care of her husband."

Former Anchorage mayor and state legislator Tom Fink also weighed in on behalf of Cowdery, echoing others when he urged leniency: "I believe he has contributed substantially to the well being of the citizens of this city and this state."

PROSECUTORS POINT TO CRIME

But the two prosecutors in the case, Assistant U.S. Attorney Jim Goeke and trial attorney Edward Sullivan of the Justice Department's Public Integrity Section in Washington, said Cowdery was a corrupting force in the Legislature.

"It cannot be disputed that the defendant's crime, particularly given his past leadership roles in the Alaska State Senate, has struck a severe blow to the public's faith in the Alaska State Legislature and their elected leaders," Goeke and Sullivan wrote in the government's memorandum.

In December, while still a member of the state Senate, Cowdery pleaded guilty to conspiring with Allen and a Veco vice president, Rick Smith, to bribe another state senator into agreeing to take Veco's position on pending oil-tax legislation in 2006. Veco and the other state senator, Donny Olson, never consummated the deal, which would have gotten Olson $25,000 in illegal campaign contributions.

In return for the plea, the government dropped a second charge of bribery.

Olson has said he cooperated with the federal investigation.

In describing the case, Goeke and Sullivan said Cowdery tried "to induce another Alaska State Senator to sell his office for personal gain. Fortunately for the State of Alaska and its citizens, the other Alaska State Senator did not agree to sell his office."

Cowdery is the 10th person to be convicted in the broad federal corruption investigation in Alaska, with one other legislator awaiting trial. A Republican who spent most of his working life as a contractor, Cowdery represented parts of the Anchorage Hillside and the Lake Otis Parkway area for 14 years in the Alaska House and Senate.

Veco, an oil field service company, and Allen have been at the center of the investigation. Cowdery said he became friends with Allen years ago when both were contractors with similar backgrounds: poorly educated men who dropped out of school at an early age and turned to construction to support themselves and their families, eventually owning successful businesses.

Home confinements vary, depending on how a judge sees the issues. Some defendants are just given curfews, while others are essentially incarcerated at home. At an earlier hearing, Beistline indicated that Cowdery would be free to come and go for medical treatment.

The federal probation and pretrial services office enforces home confinements with an ankle bracelet and a phone link that dials an officer if the bracelet gets out of range. Some jurisdictions use GPS monitors that can track the location of a defendant.

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FBI - Stevens-2448

Attorney general drops Stevens prosecution

By ERIKA BOLSTAD and RICHARD MAUER
Anchorage Daily News
(04/01/09 04:54:06)

WASHINGTON -- The Justice Department moved to dismiss former Sen. Ted Stevens' indictment this morning, effectively voiding his Oct. 27 conviction on seven counts of filing false statements on his Senate financial disclosure forms.

The decision by U.S. Attorney General Eric Holder comes after a new prosecution team discovered a previously undocumented interview with the star witness in the case that sharply contradicted the most dramatic testimony in the four-week trial. The information had never been turned over to the defense, the Justice Department said in its motion.

"After careful review, I have concluded that certain information should have been provided to the defense for use at trial, Holder said in a statement released this morning. "In light of this conclusion, and in consideration of the totality of the circumstances of this particular case, I have determined that it is in the interest of justice to dismiss the indictment and not proceed with a new trial."

The government is seeking dismissal of the charges "with prejudice," meaning that they cannot be filed again.

U.S. District Judge Emmet Sullivan ordered a hearing on the government's motion for April 7.

"I always knew that there would be a day when the cloud that surrounded me would be removed," Stevens said in a written statement this morning. "That day has finally come. It is unfortunate that an election was affected by proceedings now recognized as unfair. It was my great honor to serve the state of Alaska in the United States Senate for 40 years."

Stevens was reported to be traveling in Alaska today and not immediately available for an interview.

In a written statement, Stevens lawyers decried the "corrupt" conduct of attorneys and the FBI in the case, though it said Holder and the new prosecution team, along with Sullivan, the trial judge, were "heroes" for bringing the information to light.

"This jury verdict was obtained unlawfully," said the statement by Washington-based law firm of Williams & Connolly and the two attorneys who led the defense team, Brendan Sullivan and Robert Cary. "The misconduct of government prosecutors, and one or more FBI agents, was stunning."

It was the lawyers' first statement to reporters since they began representing Stevens at least two years ago.

In a brief news conference this morning in Washington, defense attorney Brendan Sullivan said the former senator should never have been prosecuted.

"It was a bad judgment to have done so in the first place," said Sullivan. "He's a war hero. He served in the Senate for 40 years, and he was the target of prosecutors who wanted to enhance their own reputation."

The action today clears Stevens' name, Sullivan said.

"To us, while this is a joyful day and we're happy that Sen. Stevens can resume a normal life without the burden

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that he's carried over these last years, he said, "at age 85, it's a very sad story too. Because it's a warning to everyone in this country that any citizen can be convicted if the prosecutor ignores the Constitution of the United States."

The dramatic testimony that brought down the case after months of post-trial wrangling came Oct. 1 during the second day on the witness stand for Bill Allen, the chairman of the defunct oil-field services company Veco Corp. It was the fifth day of a trial that would run more than a month.

Allen had described how he had spent tens of thousands of dollars renovating Stevens' home in Girdwood starting in 1999 - gifts that Stevens never disclosed. On Oct. 6, 2002, Stevens sent a handwritten note to Allen asking that it be "done right" - he wanted to pay for Veco's services. He told Allen that their mutual friend in Girdwood, Double Musky restaurant owner Bob Persons, would talk to him about the matter.

"You owe me a bill," the note from Stevens said. "Remember Torricelli, my friend. Friendship is one thing, compliance with the ethics rules entirely different." Robert Torricelli was a New Jersey senator who got into trouble in 2002 for accepting improper gifts from a donor.

Allen testified that he had a conversation a short time later with Persons. But Persons told him the note from Stevens shouldn't be taken seriously, Allen said.

"Don't worry about getting a bill - Ted's just covering his ass," Allen quoted Persons as saying.

The Allen statement came at the close of testimony for the day.

With the jury out of the courtroom, a defense attorney yelled foul, saying that in all the material turned over to the defense by the government under fair-trial rules, there was nothing from Allen quoting Persons like that. The defense accused the government and Allen of conspiring to make up the testimony. Even worse, they said, was that Allen's testimony came at the end of the day, leaving the jury to ponder it, unchallenged, overnight.

The newly discovered interview wasn't transcribed in the usual way, the Justice Department said this morning. Rather, it was discovered in the notes of attorneys who questioned Allen on April 15, 2008.

"The notes of the April 15 interview indicate that Bill Allen said, among other things, in substance and in part, that he (Bill Allen) did not recall talking to Bob Persons regarding giving a bill to the defendant," the Justice Department said in its motion to dismiss the case. "This statement by Allen during the April 15 interview was inconsistent with Allen's recollection at trial where he described a conversation with Persons about the Torricelli note."

The interview notes also say that Allen thought the market value of Veco's work on Stevens' home was about $80,000. The government introduced evidence from Veco's bookkeeping that suggested it was worth about $250,000, though the judge threw out some of that evidence because it proved to be wrong.

"Defendant Stevens was not informed prior to or during trial of the statements by Bill Allen on April 15, 2008," the department's motion for dismissal said. "This information could have been used by the defendant to cross-examine Bill Allen and in arguments to the jury."

In his statement, Holder didn't say precisely what he meant by the "interests of justice" dictating that Stevens not undergo a new trial. But Stevens' lawyers had argued that government misconduct was so extreme that the only remedy for the judge was to completely dismiss the case.

Stevens, who is 85, lost his re-election bid in November to the former Anchorage mayor, Democrat Mark Begich.

Since Stevens' conviction, the former senator's lawyers have filed several motions to outright dismiss his original indictment or to grant Stevens a new trial. Their motions have been based in part on allegations in a whistle-blower complaint by an Anchorage FBI agent, and other allegations of prosecutorial misconduct that emerged after Stevens' conviction.

FBI - Stevens-2449

The complaint by agent Chad Joy said prosecutors deliberately withheld information from Stevens' defense team.

The government appointed a new team of prosecutors when Judge Sullivan held in contempt the chief trial lawyer, Brenda Morris, and her boss at the Public Integrity Section, William Welch, in contempt for failing to turn over material to the defense uncovered in the investigation of Joy's allegations. It was the new team, led by Paul O'Brien, chief of the Narcotics and Dangerous Drugs Section, that last week discovered the April 15 meeting with Allen, the Justice Department said.

The Justice Department immediately turned over the notes of the April 15 meeting to the defense, it said.

Holder said that the Justice Department's Office of Professional Responsibility "will conduct a thorough review of the prosecution of this matter."

"This does not mean or imply that any determination has been made about the conduct of those attorneys who handled the investigation and trial of this case," he said. "The Department of Justice must always ensure that any case in which it is involved is handled fairly and consistent with its commitment to justice. Under oftentimes trying conditions, the attorneys who serve in this department live up to those principles on a daily basis. I am proud of them and of the work they do for the American people."

Stevens' lawyers said Judge Sullivan was key to uncovering the misconduct by the Justice Department in the case.

"Judge Sullivan gave the defense the ability to press for evidence of misconduct," the statement said. "When he did so, more and more evidence came to light, including the most recent revelation about false testimony. Had Judge Sullivan accepted the word of government prosecutors as is done often in our courts, the extraordinary misconduct would never have been uncovered, and the trial verdict might have survived appellate review. Judge Sullivan prevented such a tragic outcome."

Rep. Don Young, who as Alaska's sole congressman spent 30 years working with Stevens, said he thought "justice has finally been served."

"It's a shame that Alaskans lost one of the best lawmakers they've ever had last year over a false conviction, but his legacy in Alaska will always live on," he said. "I join my fellow Alaskans today in standing by Ted and congratulating him and Catherine on the courage they've shown throughout this ordeal and the end of this difficult journey."

Stevens' replacement, Begich, said in a statement that "the decision by President Obama's Justice Department to end the prosecution of Senator Ted Stevens is reasonable."

"I always said I didn't think Senator Stevens should serve time in jail and hopefully this decision ensures that is the case," he said. "It's time for Senator Stevens, his family and Alaskans to move on and put this behind us."

Sen. Lisa Murkowski, now Alaska's senior senator, said in a statement, "I was pleased with the news that the Justice Department will drop all charges against Senator Ted Stevens, but I am deeply disturbed that the government can ruin a man's career and then say 'never mind.' There is nothing that will ever compensate for the loss of his reputation or leadership to the state of Alaska."

Murkowski decried the violation of Steven's rights. "Our nation is governed by the rule of law, and violations of our civil liberties cannot be tolerated," she said. "Prosecutors and law enforcement have the power to bring the full weight of the government to bear on individuals. If they are willing to bend the law, they put all of our civil liberties at risk."

The Senate Republican eader, Mitch McConnell of Kentucky, called the Justice Department's move "a relief to Stevens and his family." But he also said that had the Justice Department acted last year, before the election, Republicans might not have lost the seat. It would give Democrats -- who have 58 seats in the Senate and are likely to gain a 59th -- one less seat toward a 60-vote, filibuster-proof majority.

FBI - Stevens-2450

"It was disappointing to lose the seat, no question about it," McConnell said. "No question that if this decision had been made last year he'd still be in the Senate."

Erika Bolstad reported from Washington, D.C., and Richard Mauer from Anchorage. E-mail them: ebolstad@adn.com and rmauer@adn.com.

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GOP calls for Begich resignation, new election

FBI - Stevens-2452

By ERIKA BOLSTAD
ebolstad@adn.com

(04/02/09 13:06:21)

WASHINGTON -- The head of the Alaska Republican Party today called on Sen. Mark Begich to step down from the U.S. Senate, saying that the state's voters would have re-elected former Sen. Ted Stevens had they known the U.S Department of Justice would abandon its prosecution of him.

The party chairman, Randy Ruedrich, said that the only reason Begich won his race was because "a few thousand Alaskans thought that Senator Stevens was guilty of seven felonies."

He added that he thought Begich should step down "so Alaskans may have the chance to vote for a senator without the improper influence of the corrupt Department of Justice."

Gov. Sarah Palin concurs with Ruedrich and believes a special election is appropriate, said a spokeswoman for Palin's political action committee, Meg Stapleton. "I absolutely agree," Palin said in a statement.

Begich fired back Thursday, saying that although he believed it was clear there was misconduct during the senator's trial, he stepped into the race "long before Senator Stevens' legal troubles began, because Alaskans were looking for a change and a senator as independent as Alaska."

"Today, with our country in a severe recession, it's more important than ever that we have a senator focused on fixing our economy so Alaskans have the jobs they need to support their families," he said. "That is my job in the Senate, and I'm honored to serve Alaskans for the next six years."

Attorney General Eric Holder announced Wednesday that the Justice Department will move to dismiss the indictment against Stevens, who was convicted Oct. 27 on seven counts of failing to disclose gifts, including home renovations, on his U.S. Senate financial disclosure forms.

Holder made the move after Justice Department attorneys handling the post-trial motions in the case discovered that the trial team failed to turn over to Stevens' lawyers notes from an interview conducted with the star prosecution witness in the case.

It was the most recent ethical lapse by some members of the prosecution team, which was repeatedly chided by the judge in the case during the trial, and then cited with contempt after the trial when prosecutors failed to follow a judge's instructions to turn over documents to Stevens' lawyers.

DOJ found discrepancies between the interview and the courtroom testimony of the star witness, Bill Allen, the former oil-services company chief executive officer who plied Stevens with gifts. Those gifts, which went unreported on Stevens' senate financial disclosure forms, included renovations that doubled the size of the senator's residence in Alaska. Allen, who pleaded guilty to bribing state lawmakers in Alaska, is awaiting sentencing in his own case.

Stevens, 85, spent the six weeks leading up to the election on trial in Washington, D.C., and lost the race just days after a jury convicted him.

Begich's victory was a coup for Democrats in Alaska, where he unseated a Republican incumbent who had served for 40 years. But it also was a victory for Democrats in the U.S. Senate, who with Begich's win landed 58 of the

60 votes they need to have a filibuster proof majority.

Despite Ruedrich's call for a new election, the other senior elected Republicans from Alaska said it was time to move on.

"In light of the good news yesterday, I am sure many of us wish we could turn the clock back to last November," said Begich's Senate colleague, Lisa Murkowski, R-Alaska. "Unfortunately, that is not an option."

Rep. Don Young told Fox News Channel after Wednesday's announcement by Holder that although he thought Stevens "would have have won hands-down. I would say by 70 percent had the Justice Department investigation not figured into his re-election campaign.

"The seated senator there, Mark Begich, will be in the Senate, he will do a good job," Young said in the Fox interview. "It's just sad that Alaskans were frankly hoodwinked into malfeasance of office work by the Justice Department itself."

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Holder vows change after Stevens debacle

By NEDRA PICKLER
The Associated Press
(04/09/09 10:24:50)

WASHINGTON -- Attorney General Eric Holder said today he plans changes in response to allegations of prosecutorial misconduct in the case of former Sen. Ted Stevens.

Holder said he's taking "a hard look at a variety of things in the department," including new training and resources, as a result of problems with the high-profile congressional corruption case. He said he soon will publicly announce his assessment.

U.S. District Judge Emmet Sullivan on Tuesday accepted Holder's request to throw out Stevens' conviction and dismiss all charges against the 85-year-old Alaska Republican because the government failed to provide certain evidence to his defense team. Stevens, who had served 40 years in the Senate, lost his seat a few days after a jury found him guilty of corruption charges last fall.

Sullivan said he had never seen such mishandling of a case by prosecutors. He opened an investigation into whether the Justice Department attorneys broke the law by withholding evidence, and he encouraged Holder to increase training for new and experienced prosecutors.

Holder said in response to the case that he's been telling lawyers in his department that their job is to do justice, not just win cases.

"There are things that we have to take into account given what has happened recently, with regard to training, with regard to resources, and I expect that we'll have some announcements to make to you all in the not too distant future," Holder told reporters in a brief news conference at the Justice Department.

Asked whether he was taking another look at the other public corruption prosecutions, such as the conviction of former Alabama Gov. Don Siegelman or cases against others in Alaska, Holder said he didn't have any reviews under way.

"But I always want to ensure that the Justice Department acts in a way that is consistent with the long tradition of this great department -- that we treat people fairly, that if we make mistakes we admit them and that we then take the appropriate action," Holder said.

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Judge dismisses Stevens trial conviction

By NEDRA PICKLER and MATT APUZZO I The Associated Press
(04/07/09 07:17:28)

WASHINGTON -- A federal judge dismissed the corruption conviction of former Alaska Sen. Ted Stevens today and took the rare and serious step of opening a criminal investigation into prosecutors who mishandled the case."In nearly 25 years on the bench, I've never seen anything approaching the mishandling and misconduct that I've seen in this case," U.S. District Judge Emmet Sullivan said.

Sullivan appointed a special prosecutor to investigate Justice Department lawyers who repeatedly mishandled witnesses and withheld evidence from defense attorneys during the monthlong trial. Stevens was convicted in October of lying on Senate forms about home renovations and gifts he received from wealthy friends.

The case cost Stevens a Senate seat he had held for 40 years. Once the Senate's longest-serving Republican, he narrowly lost to Democrat Mark Begich shortly after the verdict.

As Sullivan dismissed the case, Stevens turned to his friends and held up a fist in victory as his wife and daughters broke into loud sobs.

"Until recently, my faith in the criminal system, particularly the judicial system, was unwavering," Stevens told the court in his first public comments since Attorney General Eric Holder announced he would drop the case. "But what some members of the prosecution team did nearly destroyed my faith. Their conduct had consequences for me that they will never realize and can never be reversed."

Sullivan appointed Washington attorney Henry Schuelke as a special prosecutor to investigate contempt and obstruction by the Justice Department team. He said the matter was too serious to be left to an internal investigation by the department, which he said has dragged its feet looking into the misconduct.

In a criminal case, the prosecutors could face prison time and fines. The decision raises the question of whether the prosecutors, who include the top two officials in the department's public corruption unit, can remain on the job while under criminal investigation.

Sullivan repeatedly scolded prosecutors for their behavior during trial. After the verdict, an FBI whistleblower accused the team of misconduct and Sullivan held prosecutors in contempt for ignoring a court order.

FBI - Stevens-2455

The prosecution team was replaced and, last week, new prosecutors acknowledged that key evidence was withheld from Stevens. That evidence included notes from an interview with the government's star witness, contractor Bill Allen.

On the witness stand, Allen said a mutual friend told him not to expect Stevens to pay for the home renovation project because Stevens only wanted the bill to cover himself.

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But in the previously undisclosed meeting with prosecutors, Allen said he had no recollection of such a discussion. And he valued the renovation work at far less than what prosecutors alleged at trial.

"I was sick in my stomach," attorney Brendan Sullivan said Tuesday, recalling seeing the new evidence for the first time. "How could they do this? How could they abandon their responsibilities? How could they take on a very decent man, Ted Stevens, who happened to be a United States senator, and do this?"

With the prosecution team now under the scrutiny Stevens felt for years, the 85-year-old smiled and posed for pictures with his family on the courthouse steps.

"I'm going to enjoy this wonderful day," he said.

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Stevens judge seeks prosecution documents

STILL IN CHARGE: Sullivan issues the orders on his own.

FBI - Stevens-2457

By RICHARD MAUER
rmauer@adn.com

(04/05/09 20:34:25)

The judge who presided over former Sen. Ted Stevens' trial last fall issued two orders Sunday indicating he may not be ready to give up jurisdiction of the case even as the government is asking for all charges to be dismissed.

In the first of the unusual weekend orders, filed at 5:22 p.m. Eastern time (1:22 p.m. Alaska time) in Washington, U.S. District Judge Emmet Sullivan directed federal prosecutors to provide him copies of everything they had gathered in the post-trial reviews and investigations and which they had provided to Stevens' defense attorneys. He also directed them to provide everything they had uncovered and produced related to the complaint by Anchorage FBI agent Chad Joy into the conduct of the Alaska corruption investigation and the prosecution of Stevens' case.

Sullivan also demanded the notes of prosecutors from an April 15, 2008, interview of former Veco Corp. chief executive Bill Allen.

It was the discovery of those notes two weeks ago by a new prosecution team that led Attorney General Eric Holder to seek dismissal of all charges against Stevens "in the interest of justice." The notes directly contradicted a key piece of Allen's testimony six months later at Stevens' trial and should have been turned over to the defense, Holder said.

Sullivan directed prosecutors to produce the information no later than 10 a.m. Eastern time today.

At 8:42 p.m., 3½ hours after filing his first order, Sullivan issued another order directing the Justice Department, the FBI, the IRS "and any and all other government agencies" that investigated or prosecuted Stevens to not destroy any evidence or documents connected to the case. His order demanded preservation of e-mails, notes, memos, investigative files, audio recordings and "any and all electronically stored information."

The orders were issued by Sullivan on his own, without a request by either party.

Stevens was convicted Oct. 27 on six counts of lying on his Senate disclosures and a seventh count of scheming to prevent discovery of his false statements.

Over the course of Stevens' five-week trial, Sullivan grew increasingly frustrated with prosecutors for failing to turn over evidence in a timely manner to Stevens' lawyers, eventually stripping some aspects of the case as a sanction. After the trial, when prosecutors continued to withhold information from Stevens' defense, Sullivan held three of them in contempt. The Justice Department replaced them with another team, and it was those lawyers who discovered and reported the notes of the April 15, 2008, interview with Allen.

Joy's complaint surfaced in late November. It criticized the conduct of the lead agent in the case, and said that prosecutors deliberately withheld information from Stevens' defense during the trial.

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Sullivan had planned to announce a decision at a hearing April 15 about whether to call Joy to testify about his complaint as requested by Stevens' lawyers. The lawyers also wanted to hear from a government witness who said after the trial that he gave false testimony about whether he had gotten immunity for himself and his family and friends.

The Justice Department's motion last week to dismiss all charges against Stevens seemed to render that April 15 hearing moot. But the orders Sunday may indicate Sullivan isn't ready to let go of the matter and will continue to review the government's conduct.

He scheduled a hearing on Tuesday to hear the motion to dismiss the case.

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Biographies of prosecutors facing criminal investigation

The Associated Press
(04/07/09 12:14:31)

Brief biographical sketches of six federal prosecutors under investigation for mishandling the trial of former Sen. Ted Stevens.

BRENDA MORRIS: A longtime prosecutor with the Justice Department's Public Integrity Section, Morris now serves as its principal deputy. She helped supervise the investigation into disgraced lobbyist Jack Abramoff and has prosecuted corruption cases around the country. She teaches corruption investigations within the Justice Department and is a professor at Georgetown Law School. A graduate of Howard University law school, she served as the lead attorney in the Stevens trial, giving the government's opening statement and cross-examining Stevens.

NICHOLAS MARSH: One of two Public Integrity trial attorneys on the case, Marsh handled much of the courtroom work during the trials of Alaska lawmakers caught up in the scandal. He has been part of numerous other public corruption investigations, including a scheme in Mississippi to defraud a $400 million fen-phen settlement. An FBI whistleblower accused Marsh of intentionally withholding evidence from Stevens and sending a witness back to Alaska during trial to prevent potentially damaging testimony. The prosecution team denies those accusations.

JOSEPH BOTTINI: An assistant U.S. attorney in Alaska, Bottini was a key figure in the Stevens case. He questioned the government's star witness, Bill Allen, and delivered the second half of the government's closing argument. Much of Allen's testimony had been discredited. The contempt investigation will look into whether prosecutors knew there was evidence of inconsistencies in Allen's statements but concealed it. Bottini graduated from California Western School of Law.

WILLIAM WELCH: The chief of the Public Integrity section, Welch supervised the Stevens case but did not participate in the trial. He has supervised every major public corruption case brought by the department in the last several years. A former prosecutor in Springfield, Mass., Welch prosecuted former veterans hospital nurse Kristen Gilbert for killing four patients by injecting them with a heart stimulant. A graduate of Northwestern University Law School, Welch has been mentioned as a possible candidate for the U.S. attorney job in Massachusetts.

EDWARD SULLIVAN: The other Public Integrity trial attorney in the case, Sullivan has been part of the trial team that won convictions of several Alaska lawmakers caught up in the corruption scandal. But he played a mostly behind-the-scenes role in the Stevens trial and his role in any mishandling of evidence is unclear.

JAMES GOEKE: An assistant U.S. attorney in Alaska, Goeke also had a largely behind-the-scenes role in the Stevens trial. He has been a key figure in the prosecution of other politicians wrapped up in the Alaska corruption scandal.

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Stevens judge orders prosecution inquiry

By ERIKA BOLSTAD
ebolstad@adn.com
(04/07/09 07:17:28)

WASHINGTON -- A special prosecutor will investigate whether government attorneys broke the law by failing to ensure former Sen. Ted Stevens received a fair trial, a federal judge announced Tuesday as he dismissed corruption charges and a jury's guilty verdict against the Alaska Republican. "In 25 years on the bench, I've never seen anything approaching the mishandling and misconduct that I've seen in this case," U.S. District Judge Emmet Sullivan said. "When the government does not meet its obligation to turn over evidence, the system falters."

U.S. Attorney General Eric Holder had asked Sullivan last week to dismiss the verdict and the indictment after acknowledging that prosecutors had failed to share with Stevens' attorneys notes from an interview with the prosecution's key witness that contradicted the witness's trial testimony. Withholding materials that could be helpful to criminal defendants has become a troubling Justice Department trend, Sullivan said, citing Stevens' case and that of a Guantanamo detainee who fought to have his medical records released to his lawyers.

The Justice Department's Office of Professional Responsibility is investigating the Stevens prosecution team for its handling of evidence during the trial as well as how it handled a post-trial whistleblower complaint from an FBI agent. Sullivan said, however, that he wouldn't be satisfied with an internal investigation that the Justice Department is unlikely to make public.

Sullivan has asked a former military judge, Henry Schuelke III of Washington, D.C., to investigate the conduct of six prosecutors in the case for potential criminal contempt and obstruction of justice.

They are: the head of the Justice Department's Public Integrity Section, William Welch; the lead trial attorney, Brenda Morris; two trial attorneys in the Public Integrity Section, Nicholas Marsh and Edward Sullivan; and two assistant U.S. attorneys in Alaska, Joseph Bottini and James Goeke.

"I have not pre-judged these attorneys for their culpability, and I hope the record will find no intentional obstruction of justice," Sullivan said.

Sullivan will file an order explaining how the special prosecutor will work and what sort of authority he will have. Sullivan said he made the appointment under Rule 42 of the Federal Rules of Criminal Procedure, which allows a judge to appoint an attorney to investigate and prosecute criminal contempt charges.

Sullivan said he reminded prosecutors repeatedly of their obligations to turn over to Stevens' legal team evidence that might help exonerate their client -- requirements that stem from the 1963 Supreme Court case Brady v. Maryland. Tuesday, Sullivan cited 10 missteps on the part of prosecutors during and after the trial and even referred back to his own remarks at the time, including his scold to prosecutors during the trial that "the fair administration of justice does not depend on the luck of the draw, a lucky day or a lucky continuance."

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"We must never forget the Supreme Court's direction that a criminal trial is a search for the truth," Sullivan said. "I urge the president and the attorney general, as they select new U.S. attorneys, to obtain from those appointees their commitment to fulfilling these most important prosecutorial obligations."

Sullivan also announced that he would refer a complaint about the attorney for star witness Bill Allen to the U.S. attorney's office in Washington for investigation. Anchorage lawyer Robert Bundy, who sat in the courtroom while his client testified, was accused by the judge and several of Stevens' attorneys of sending signals to Allen on the stand. Bundy, himself a former U.S. attorney for Alaska, has denied the accusations.

'YOUR ACTIONS HAVE GIVEN ME HOPE'

The 85-year-old Stevens walked out of the courthouse Tuesday surrounded by well-wishers, including his three daughters. As they strode down the sidewalk with their arms draped around one other, they smiled and posed for the throngs of photographers assembled outside the courthouse.

"I'm going to enjoy this beautiful day," Stevens said when asked what he would do next and what message he had for Alaskans. Then, in a reference to his exuberant former Senate colleague, Sen. Robert Byrd of West Virginia, he added, "If I were Senator Byrd, I'd say, 'Hallelujah!' "

Other federal judges, lawyers and Stevens friends and supporters crowded into the courtroom along with dozens of reporters. Among the lawyers: John Dowd, the Washington attorney whose firm has been paid more than $1 million for handling the federal investigation into the office of Rep. Don Young, R-Alaska.

Stevens, whose 40 years in the U.S. Senate made him the longest-serving Republican in the body's history, lost his re-election bid to Democrat Mark Begich within days of the jury verdict.

The former senator spoke briefly at the hearing after his lawyer, Brendan Sullivan, spoke. Stevens thanked his legal team, saying that he was "deeply indebted" to them and is thankful "they were willing to take on this case." He also thanked his friends and family and, in particular, Judge Sullivan for repeatedly holding prosecutors accountable.

"Until recently, my faith in the criminal justice system was unwavering, but what some members of the prosecution team did nearly destroyed my faith," Stevens said, then told Judge Sullivan, "Your actions have given me hope that others may be spared."

Stevens also thanked Alaskans.

"As I traveled around the state, almost every Alaskan said, 'I've said a prayer for you, Ted,' " Stevens said.

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The Justice Department twice on Tuesday apologized for its conduct.

"In analyzing that information, we reached the conclusion that in the interest of justice, the defense was entitled to a new trial," said Paul O'Brien, the head of the Justice Department team that was assigned to the case after Sullivan cited Welch, Morris and another government attorney with contempt for failing to turn over documents connected with a whistleblower complaint by an FBI agent. "We deeply regret this occurred."

O'Brien personally delivered the documents to Brendan Sullivan's law office. But while he was complimentary of the work of O'Brien and his team, no apology will ever be enough sufficient to make up for the wrongs done to Stevens, Brendan Sullivan said.

"Nothing can be done that will give the citizens of Alaska the senator they surely would have elected," he said.

FBI: INVESTIGATION CONTINUES

All 13 of the defense attorneys who worked on the case appeared in court with Stevens -- five at the defense table with him and another eight in a row of chairs lining the courtroom. His family, including his wife, Catherine, and his daughters Beth, Susan and Lily, sat directly behind him in the front row of the spectator section.

A jury found the former Alaska senator guilty on Oct. 27 on seven counts of failing to disclose gifts, including home renovations, on his U.S. Senate financial disclosure forms. The government presented stacks of e-mails and other evidence that Stevens knew about the free services from Allen and Allen's company, Veco Corp.

Stevens was the largest target in an investigation of public corruption in Alaska that began in 2004. Eric Gonzalez, a spokesman for the FBI in Alaska, said Tuesday the inquiry is ongoing.

"For us, nothing's changed," Gonzalez said. "Our investigations are active and continuing."

Stevens' lawyer Brendan Sullivan said he was physically sickened when he learned that prosecutors had failed to turn over notes from an interview last April 15 with Allen.

Allen's company performed much of the work renovating the senator's Alaska home. Stevens' failure to disclose those renovations as gifts in the years they were made was at the heart of the charges against him.

Stevens had written a note to Allen in 2002 asking him to talk to Bob Persons, a mutual friend who'd overseen the work, about giving him a bill for the renovations. That note was to have been the underpinning for Stevens' defense.

Allen undercut that approach, however, when he testified that Persons had told him not to worry about a bill. "Ted's just covering his ass," Allen said Persons told him.

The testimony floored Stevens' legal team, Brendan Sullivan said. When he subsequently learned Allen had told investigators last April that he and Persons had never talked about the billing issue, Sullivan said, he went into "a silent rage."

His team was no match for "corrupt prosecutors" intent on manufacturing evidence from a witness, he said. Allen, who has pleaded guilty to bribing state lawmakers in Alaska, has yet to be sentenced.

"It's prosecution to win at all costs, and wrongdoing can flourish if that's the attitude of a leader," Sullivan said.

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Four prosecutors -- two in Anchorage and two in Washington -- and one FBI agent were aware of the Allen interview, Brendan Sullivan said. But he added on Tuesday that he would be fair and point out that the lead prosecutor "may not have known" about the interview. It's unclear if he was referring to Welch or Morris.

Brendan Sullivan also told the judge that despite writing three times to former Attorney General Michael Mukasey with his concerns about prosecutors, he never heard from the Bush administration appointee -- not even so much as an acknowledgement that his letter was received.

"Shocking," Judge Sullivan said, "but not surprising."

Reporter Richard Mauer contributed from Anchorage.

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Judge lists what he says federal prosecutors did wrong

MISSTEPS: False business records and undisclosed data cited.

By RICHARD MAUER
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(04/07/09 21:41:49)

Judge Emmet Sullivan cited a series of prosecutorial missteps that occurred before, during and after the Stevens trial that warrant further investigation and possible charges of criminal contempt. Among the examples he cited Tuesday:

• The government failed to produce witness Rocky Williams' grand jury testimony.

The testimony would have shown that Williams, a trusted Veco employee, didn't work full time at the Stevens renovation project as his time sheets indicated, often with overtime hours as well. Williams was often at the site but working on other Veco projects. The result was that Veco's gift of services to Stevens was thousands of dollars less in value than the $250,000 asserted by the government, though still substantial.

• When the government sent Williams back to Alaska without testifying, prosecutors didn't inform the judge and asserted they acted in good faith.

Williams, subpoenaed as both a prosecution and defense witness, was suffering from liver and kidney disease. Prosecutors said they sent him back to Alaska because his health was failing and they feared he would die if he wasn't treated by his doctor. The defense said it should have been informed so it would have had the opportunity to call him to the stand. Sullivan agreed, and said he should have been told too. And later, an FBI agent said that another reason Williams was sent back was that he did poorly in a mock examination before the trial.

Prosecutors said that they asked Williams to call the defense law firm of Williams & Connolly before he left Washington, and in fact he did and left a message that wasn't returned. Williams called again from Alaska and told defense attorneys about his timesheets.

Williams was indeed in poor health and died in December.

• The government redacted exculpatory information from FBI interview notes that it provided to the defense.

The government was obligated to provide the defense with any material that tended to exonerate Stevens. But the material it turned over was incomplete and sometimes heavily edited. In one record of an FBI interview, the blacked-out section said that Allen told agents that Stevens would have paid a bill for Veco's services if he had given him one. The government turned over the complete document while Allen was still testifying, and he was questioned about it.

• The government failed to turn over exculpatory information on witness David Anderson.

Like Rocky Williams, David Anderson was a supervisor at the Girdwood project. He was also Bill

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Allen's nephew. And like Williams, all of Anderson's timesheets during the main phase of construction were counted in the benefit Stevens got from Veco. But Anderson told the government that he was in Portland for part of that time, working on a project for his aunt, Bill Allen's sister.

• The government used business records it knew were false.

Again part of the Williams and Anderson controversy. A Veco bookkeeper assembled a summary of the labor and materials used in renovating Stevens' home. She included the full hours of Williams and Anderson when the government knew they had only worked part time. The summary showed expenses of $181,699 from October 2000 to March 2001.

In their defense, the government said thousands of dollars of Veco services were not in the spreadsheet. They also said that they never claimed it was accurate to the penny, only that it exceeded the average $300 annual limit on gifts to senators.

• The government failed to provide the check used by Bill Allen to buy a Land Rover for Stevens' daughter Lily.

In defending the allegation that Stevens got a benefit of about $20,000 in trading an old Mustang for a new Land Rover, Stevens' attorneys spent a long time with witnesses, dealer invoices and window stickers trying to show that Allen didn't pay anywhere near the $44,339 asserted by the government for the Land Rover. When it came time for the government to rebut the defense, it simply produced Allen's check, making the defense effort look ridiculous.

With the jury out, defense lawyers steamed to the judge that the government should have turned over the check before the trial. The prosecutors said they didn't anticipate that the defense would make an issue about the price of the Land Rover. The judge said it wasn't a matter for the government to decide and later directed the jury to ignore all evidence about the vehicles.

• When the government informed the court after the trial that an FBI agent in the case had filed a complaint, it asserted that the matter would have had no effect on the verdict and would be adequately addressed by an internal review.

The complaint, by co-case agent Chad Joy, dealt primarily with the conduct of the corruption investigation in Alaska and his allegations of shortcomings by the chief case agent, Mary Beth Kepner. But Joy also alleged that prosecutors mishandled evidence in the Stevens case and deliberately withheld information from the defense.

• As recently as Feb. 6, the government told the court there was no need for court-ordered discovery or an evidentiary hearing on matters that emerged after the trial.

As recently as last week, new and serious allegations of government misconduct surfaced, demonstrating that not everything had been revealed.

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Stevens judge cites 'pervasive' withholding of evidence

By ERIKA BOLSTAD and MARISA TAYLOR
Anchorage Daily News
(04/07/09 16:52:57)

WASHINGTON - In setting aside former Sen. Ted Stevens' indictment Tuesday, a federal judge declared war on what he said is an increasingly pervasive government tactic in the administration of American justice: the penchant on the part of federal prosecutors to withhold evidence.

U.S. District Judge Emmet Sullivan said he has seen "troubling evidence" across a spectrum of cases where prosecutors have failed to turn over to defense attorneys what's known as exculpatory evidence -- information that might help criminal defendants with their cases. Such problems weren't limited to Stevens' case, Sullivan noted Tuesday. Public officials, private citizens and even Guantanamo Bay detainees have all had their rights trampled on, he said.

"We must not forget the Supreme Court's direction that a criminal trial is the search for the truth," Sullivan said during the hearing to drop Stevens' case.

Last week, Sullivan rebuked the government for not turning over medical records to lawyers for Guantanamo Bay detainees, and ordered Justice Department lawyers to explain why he shouldn't cite them for contempt of court.

"How can this court have any confidence whatsoever in the United States government to comply with its obligations and to be truthful to the court?" he asked.

Sullivan used almost identical language during Stevens' trial, and was equally irate with federal prosecutors. In Stevens' case, though, Sullivan actually did hold three government attorneys in contempt for failing to turn over documents in post-trial matters. And on Tuesday, Sullivan appointed a special prosecutor to investigate whether government attorneys had broken the law by failing to ensure that Stevens received a fair trial.

U.S. Attorney General Eric Holder said in an interview with CBS News Tuesday night that he "took actions as quickly" as he could in the Stevens case and that he will continue an internal review of how prosecutors handled the case. On Tuesday, Sullivan mentioned his "high regard" for Holder as lending weight to his decision to end the case. The two are friendly and overlapped in their time on the District of Columbia Superior Court before moving on to higher office. A spokeswoman for the Justice Department said Tuesday they will review Sullivan's order in the Stevens case and "will continue to cooperate with the court on this matter."

"We take seriously the court's comments regarding the discovery process and will review them for possible future actions," said spokeswoman Laura Sweeney. "As the Attorney General indicated last week, the fact that there is an inquiry into the prosecutors' actions does not mean or imply any determination has been made about their conduct."

Ronald Safer, a white-collar defense lawyer and former head of the criminal division of the U.S. attorney's office in Chicago, called the dismissal "a tremendously powerful statement to make at

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the beginning of the administration."

"It tells prosecutors don't fool around with your constitutional obligations - don't hide evidence you should turn over," Safer said. "If you do, the attorney general will dismiss even the biggest, highest profile cases and see that you are disciplined for your actions."

Guy Singer, a former Justice Department lawyer who prosecuted corruption cases during the last administration, described the dismissal as "a stunning decision."

"Part of Eric Holder's role clearly is to re-instill confidence that the Department of Justice is not being political," Singer said. "I don't think he would take lightly abandoning his prosecutors when there are allegations of misconduct out there. My guess is that he believed it was the right thing to. It's a message to prosecutors that if you're out there committing misconduct you're on an island."

Sullivan suggested Tuesday during Stevens' final court hearing that he would like to see Holder make mandatory training reminding all of his prosecutors that they have an obligation to turn over favorable evidence under the 1963 Supreme Court case, Brady v. Maryland.

Sullivan said Tuesday he may go as far as to enter an order at the beginning of each criminal case reminding federal prosecutors of their Brady disclosure duties. He urged other federal judges to do the same.

The 61-year-old judge, who was appointed to the bench by presidents of both parties, may be in the perfect position to make such suggestions.

President Ronald Reagan first named Sullivan to the Superior Court of the District of Columbia in 1991. President George H.W. Bush appointed him to the District of Columbia Court of Appeals in 1991, and President Bill Clinton named him to the federal bench in 1994.

A Washington D.C. native, Sullivan has an undergraduate and law degree from Washington D.C.'s Howard University. He married his high school sweetheart and has two children and two grandchildren

Sullivan had a relatively mild manner in court during the Stevens trial, unless prosecutors angered him. After blowing his fuse, though, he would retreat to his chambers and then return to the courtroom calmer, and with a clear plan for how to proceed.

He bent over backwards to accommodate jurors during the trial by making sure they had plenty of breaks and scheduling the events of the day around their needs. The trial went on during football season, and on Mondays during the trial, he always had a joke for the jurors about the Washington Redskins.

At one point during Stevens' trial last fall, the chief Justice Department prosecutor in the case, Brenda Morris, told Sullivan that the swift-moving nature of the senator's trial was bound to lead to some snags in turning over information to the defense. Stevens was up for a difficult re-election bid and asked for a speedy trial so he could have a verdict before voters make their decision about his future on Nov. 4.

But Sullivan countered that speed was no excuse.

"It's not about the pace of litigation, it's about the fairness of the proceedings," he said at the time. "We don't sacrifice fairness for expedience."

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Erika Bolstad covers Alaska issues for the Daily News from McClatchy Newspapers' Washington bureau. Marisa Taylor is a reporter for McClatchy's Washington bureau.

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Alaska Bar withdraws motion on license

Anchorage Daily News
(04/08/09 20:23:50)

With the dismissal of all charges against former Sen. Ted Stevens, the Alaska Bar Association on Wednesday withdrew its motion seeking suspension of Stevens' law license.

Bar Counsel Steve Van Goor said he acted as soon as he got a copy of the dismissal order that was filed Tuesday in U.S. District Court in Washington, D.C.

The bar moved against Stevens' license after a jury found him guilty Oct. 27 of seven felony counts for violating Senate ethics rules. The bar argued in its motion to the Alaska Supreme Court that his license should be automatically suspended because of the nature of the crime.

But Stevens fought the interim suspension, saying he was seeking a new trial in Washington or dismissal of the charges because the verdict wasn't reached fairly. And he said there was no practical reason for the bar to go after his license because he was on the bar's inactive list and couldn't practice law in Alaska anyway.

Van Goor said the Supreme Court had not yet acted on Stevens' license, so there was nothing to fix. The court is the discipline body for Alaska lawyers.

Stevens' license was suspended in two other jurisdictions where he had been licensed since 1951, California and Washington, D.C. The Web sites of those bar associations show the suspensions remain in effect.

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Stevens rejected plea deal before trial, transcripts show

By NEDRA PICKLER
The Associated Press
(04/14/09 10:23:02)

WASHINGTON -- Former Alaska Sen. Ted Stevens turned down a plea offer that would have spared him a corruption trial and the possibility of imprisonment, according to newly released transcripts of conversations between attorneys and the judge.

Stevens took his chances that a jury would find him innocent and instead pleaded not guilty on the day of the conversations. Three months later, the jury returned a guilty verdict but Stevens recently was cleared of all charges because of prosecutorial misconduct in the case.

When U.S. District Judge Emmet Sullivan dismissed the charges last week, he also ordered the release of all transcripts of bench conferences held in the case. The plea offer was revealed in the transcript from July 31, 2008.

With prosecutors and defense attorneys gathered in front of him at the bench, Sullivan asked Justice Department attorney Brenda Morris whether the prosecution had offered a plea deal or planned to do so. Stevens attorney Brendan Sullivan interjected that there was a plea offer, but that Morris probably wasn't aware of it because she wasn't present when it was made.

Brendan Sullivan said the offer was for Stevens to plead guilty to one felony count and in exchange serve no jail time. "We turned it down," Steven's attorney said. He didn't elaborate, but even without imprisonment such a plea deal would likely have cost Stevens the Senate seat he had held for 40 years.

Whatever offer may have been on the table in the past, both sides told the judge they wanted to press ahead with trial and were not willing to negotiate.

Morris was not aware the deal had been offered, but told the judge: "I'd like to make clear on the record that there is no offer at this point."

Brendan Sullivan responded, "And if one is made, it will not be accepted."

Stevens was in court that day, but wouldn't have heard the conversation along with the rest of the courtroom since it was held at the bench. Stevens didn't speak publicly that day, but during the hearing Brendan Sullivan told the court that the senator wanted a speedy trial that would clear his name before the November election.

Instead, Stevens would be convicted just a few days before voters went to the polls. He narrowly lost re-election.

Judge Sullivan threw out the conviction at the request of the Justice Department, which found that important evidence had not been turned over to Stevens' defense team.

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The judge took the extraordinary step of opening a criminal investigation into how prosecutors handled the case. Morris is one of the targets of that investigation.

The plea offer was first reported online by Legal Times.

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Kott, Kohring appeal convictions to federal judicial panel

The Associated Press
(04/14/09 12:04:52)

SEATTLE -- A federal appeals panel was asked Tuesday to overturn the corruption convictions of two former Alaska lawmakers.

Lawyers for former House Speaker Pete Kott and former Representative Victor Kohring question the impartiality of U.S. District Judge John W. Sedwick, who presided over their trials.

A three-judge panel of the 9th U.S. Circuit Court of Appeals was told Sedwick was a next-door neighbor of the government's key witness, Veco Corp. principal owner Bill Allen. Kohring's lawyer, John Henry Browne, also said Sedwick should have withdrawn from his client's trial because the judge's wife had been a bitter political opponent of Kohring.

Browne and Kott's lawyer, Sheryl Gordon McCloud, also said Sedwick should not have closed hearings on whether to limit cross-examination of Allen -- a next-door neighbor of the judge.

This is a developing story; check back for updates.

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Kott, Kohring file motions on evidence

Anchorage Daily News
(04/13/09 23:34:55)

Former Alaska legislators Pete Kott and Victor Kohring, in prison on federal corruption charges, on Monday asked the 9th U.S. Circuit Court of Appeals to order federal prosecutors to produce any favorable evidence they may have in their files.

With oral arguments in their appeals scheduled before a circuit court panel this morning in Seattle, Kott and Kohring invoked last week's dismissal of charges against Sen. Ted Stevens in their motions.

The government was already obliged to produce such exculpatory information before and during their 2007 trials. But Kott, a former House speaker from Eagle River, and Kohring, who represented Wasilla, cited the government's failure to turn over favorable information to Stevens as reason to ask again for the material.

If similar information was withheld in their cases, Kott and Kohring could seek new trials or dismissal of their charges.

The judge in Stevens' case dismissed the guilty verdicts and all charges when a new team of prosecutors discovered critical evidence hadn't been turned over by the original prosecutors. The judge also ordered an investigation into misconduct by six of the government attorneys who handled the Stevens prosecution.

At least two of those attorneys, James Goeke and Edward Sullivan, are scheduled to appear today in the Kott appeal. In the Kohring appeal, a Justice Department attorney not associated with the original case or with Stevens, Kevin Gingras, entered the case last week.

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Young now paying lawyers solely from defense fund

DISCLOSURE FORMS: He raised $72,180 in first quarter of 2009.

By ERIKA BOLSTAD
ebolstad@adn.com

(04/15/09 19:45:30)

WASHINGTON -- Rep. Don Young is no longer paying lawyers with his campaign account, federal disclosure forms show, and the Alaska Republican actually got a refund from one attorney who was representing a campaign employee.

A report filed Wednesday with the Federal Election Commission shows that Young raised $72,180 in the first three months of the year, but he also got $30,573 back from attorney John Wolfe. The Seattle lawyer had been representing Young's former campaign manager, Steve Dougherty, as part of a federal investigation into fundraising practices in Alaska politics.

The refund came from a retainer the campaign had paid Wolfe, said Young's chief of staff, Pamela Day. She said she didn't know whether that meant Wolfe's services were no longer needed. Dougherty left the campaign after the November election.

Last year, Young's campaign paid Wolfe $90,020, according to federal filings. Wolfe said Wednesday he was "not in the position to talk about legal fees" and would not discuss why he refunded money to the campaign.

Young set up a legal expense fund last year to help pay for lawyers connected to an FBI probe of his office. The fund was established so that his campaign cash wouldn't have to go toward lawyers, but also so that he could tap a new source of donors, including people who had already given to his campaign. In recent months, Young has been paying his legal bills from the legal expense fund.

Last year, Young raised $1.1 million in his successful bid to fend off opponents in the August primary and the November general election. Over the election cycle, he spent $3.1 million, including money he had amassed in previous years. More than $1 million went toward his legal bills.

Young has had three fundraisers this spring: a Puerto Rico event in February, one in Washington this spring and a third in Anchorage this week. The Puerto Rico fundraiser appears to have netted the congressman about $17,450, according to an analysis of donors with addresses on the island or in Miami. He currently has $120,674 cash on hand.

Find Erika Bolstad online at adn.com/contact/ebolstad or call her in Washington, D.C., at 202-383-6104.

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The Washington Post

Shortfalls Unraveled Stevens's Conviction

Observers Cite Prosecutors' Lack of Time, Other Reasons

By Carrie Johnson
Washington Post Staff Writer
Sunday, April 12, 2009; A01

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The Justice Department team charged with prosecuting former senator Ted Stevens miscalculated by not seeking more time to prepare for the high-stakes corruption trial and fell victim to inexperience and thin staffing, which contributed to its alleged mishandling of witnesses and evidence, according to interviews with more than a dozen lawyers who followed the case.

Last year's compressed trial timeline forced government lawyers to jam their preparations into seven weeks and intensified a series of challenges: the late addition of a new lawyer; an aggressive adversary who deluged them with requests for documents; and a skeptical judge whose behavior turned unpredictable, then punitive.

The difficulties led U.S. District Judge Emmet G. Sullivan last week to dismiss a conviction against Stevens, a Republican who represented Alaska in the U.S. Senate for nearly 40 years, and to turn the tables and initiate a criminal probe of six of the prosecutors.

Former prosecutors, defense lawyers and onetime Justice Department officials also described more chronic liabilities in the department's Public Integrity Section: Once the "A Team" for fighting corruption in state legislatures, judges' chambers and Congress, the unit in recent years lost staffing, strong supervision, some of its varnish and its insulation from politics.

Only days after the case against Stevens collapsed, lawyers inside and outside the department were chronicling its demise and picking apart the skill of the prosecution team, at least one of whose members had watched cases fall apart in the past. But government officials and defense attorneys alike said they do not think that prosecutors in the Public Integrity Section or its leaders acted out of base political motivations.

The Justice Department, already laboring under well-documented episodes of political interference during the Bush years, is now facing intense scrutiny over whether it flouted the rules in one of the highest-profile cases of the past decade.

Prosecutors and FBI agents are hiring their own lawyers and pointing the finger at one another, even as a special prosecutor and the department's ethics watchdogs are trying to determine whether members of the team broke the law to cheat their way to victory or merely succumbed to lapses of incompetence, inexperience or lax supervision.

The six members of the prosecution team declined to comment or did not return phone calls and e-mail

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messages left with them and their friends. But department spokeswoman Laura Sweeney said the unit has a solid record, having secured nearly 400 convictions since 2001.

"For more than 30 years, the Public Integrity Section has been effectively prosecuting public officials, regardless of political affiliation, who abuse their office and their obligation to the American people," Sweeney said. "Every day, in courtrooms nationwide, these prosecutors work under challenging circumstances to hold our public officials accountable for their conduct, and they will continue to do so."

The very nature of the section's mandate, to target corruption across the country, has posed recurrent challenges.

Former department attorneys, for example, cited chronic problems that have plagued the unit: competition and confusion with partner prosecutors in U.S. attorney's offices around the country. Federal prosecutors in the District, for instance, were consulted about the Stevens case starting in 2006 but declined to participate, thinking that the charges were shaky, according to sources familiar with the discussions. The assistant U.S. attorneys also considered overly aggressive the prosecutors' early plan, later abandoned, to get a warrant to search the lawmaker's D.C. area home, the sources said.

The government's path could have been eased had the U.S. attorney's office been part of the case, adding players who were familiar with the courthouse and the personality of the trial judge.

The Stevens case had been handled for years by Joseph W. Bottini and James A. Goeke, two career lawyers from the U.S. attorney's office in Alaska, and two attorneys from the Public Integrity unit, Nicholas A. Marsh and Edward P. Sullivan, whose prosecution of Alaska officials had led to charges that Stevens had failed to report gifts on his Senate ethics forms.

As the indictment loomed against Stevens last summer, authorities in the department's criminal division pondered whether to add a more magnetic courtroom presence to the team. Department officials decided to tap Brenda Morris, a feisty, sharp-tongued trial lawyer who had been serving as deputy chief of the Public Integrity Section, to put Stevens on the hot seat and to build rapport with the jury. But that required the other lawyers to spend hours schooling Morris on the nuances of the case, keeping them from tackling boxes of documents related to the case, according to sources close to the lawyers.

It was to be the most high-profile prosecution of Morris's career.

Four years earlier, Morris had run into trouble in a case she handled when a federal jury in Texas acquitted San Antonio criminal defense lawyer Alan Brown, who had been charged with tax offenses. In a subsequent civil suit filed by Brown, who alleged that FBI agents had wrongfully pursued him based on a sketchy account from his disgruntled secretary, the government ultimately paid Brown $1.34 million to settle the claim.

Brown and his lawyers say that Morris ignored warnings from local federal prosecutors who cast doubt on the credibility of a critical witness, an office assistant who peddled questionable information about Brown in a bid to win a reduction in the prison sentence of her boyfriend. A judge in San Antonio had thrown out the case before it went to trial, but an appeals court revived the prosecution, which Morris led.

"She is the race car driver who blew past the red flag," said Bill Reid, a lawyer for Brown in the civil wrongful prosecution case.

But last week, current and former colleagues of Morris defended her reputation and her ethics, saying they do not think that she would intentionally run afoul of the rules.

The Public Integrity Section has had five chiefs in six years. The latest is William M. Welch II, who was honored three years ago by the attorney general for exposing corruption in the Springfield, Mass., government. Welch, one of the six prosecutors now under investigation, did not play a major role in the courtroom during the Stevens case but took a more active posture after the judge raised questions about sharing evidence.

Indeed, during the presidential transition period, incoming Justice Department officials heard complaints about whether career lawyers properly understood their obligations to hand over materials to criminal defendants, prompting Attorney General Eric H. Holder Jr. last week to call for additional training and oversight. The Stevens case, perhaps the starkest example of the troubles, brought the severity of the problem into the national spotlight.

Former prosecutors described public corruption probes as particularly tricky. Defendants are used to seizing the stage, they generally have the money to pay for top-flight defense lawyers, and they do not hesitate to pick apart the inner workings of cases or to cast aspersions on the motives of prosecutors.

Others said the Stevens case, along with the acquittal of former Puerto Rican governor Anibal Acevedo Vilá (D) last month, exposed deeper problems with a lack of supervision of the Public Integrity Section, which has experienced heavy turnover.

"In high-profile cases, particularly cases involving public officials, the vetting process has fallen down," said Thomas C. Green, a Washington defense lawyer who won Vilá's acquittal. "I think what happens is that they get caught up in the competition and there's no experienced voice of reason who says we cannot do this, we should not do this, we must not do this. These two cases could not have happened if the vetting process was in place and operating as it should."

But Gerald E. McDowell, who ran the Public Integrity unit for a dozen years, said that supervisors typically do not "nitpick" the work of their subordinates because there is not enough time, given caseloads.

In the Stevens case, signs of frustration began emerging early. At one pretrial hearing, defense lawyers hammered prosecutors with requests to produce thousands of pages of electronic evidence. Morris became flustered. "Just because he has 'U.S. Senator' before his name doesn't mean we have to drink out of a fire hose every time they call us," she said in court.

In another unusual twist, the conduct of public corruption unit lawyers was questioned by Chad Joy, an FBI agent from the Anchorage office assigned to help with the trial. In a 10-page whistleblower complaint, Joy reported seeing boxes of unprocessed evidence stacked outside Marsh's D.C. office, asserted that Marsh had misplaced a piece of evidence and lodged more serious allegations about failure to turn over materials to the defense. The complaint became public after the trial, fueling calls by Stevens's lawyers to overturn the senator's conviction.

Among other issues, Joy chronicled internal battles among the prosecutors about whether to turn over notes and argued that lawyers had delegated to his colleague, FBI case agent Mary Beth Kepner, the task of going over interview notes and deciding what should be redacted before handing the papers to the defense team.

Current and former prosecutors said it is highly unusual to delegate that task to an FBI agent because it involves legal questions and sensitive judgment calls for which prosecutors ultimately will be held responsible.

Compared with other Justice Department lawyers, those in the Public Integrity Section generally have been stingier about turning over materials to defense lawyers, former department attorneys said, and the section lacked clear rules on the question. It was a more difficult question in the Stevens case, with much of the evidence 4,000 miles away in Alaska.

One of the key questions now for ethics investigators and Henry F. Schuelke III, the special prosecutor appointed by the trial judge, revolves around a mid-April 2008 interview of the government's key witness, Bill Allen. Notes from that meeting in Alaska were uncovered earlier this month by the new Justice Department team examining the case, raising fresh questions about inconsistencies in Allen's trial testimony and prompting Holder to abandon the conviction.

"I always want to ensure . . . that if we make mistakes that we admit them, and that we then take the appropriate action," Holder said Thursday.

But, in a fashion befitting the strange and troubled course of the Stevens case, the people who are now the subject of "appropriate action" by authorities are the half-dozen men and women who prosecuted him.

Staff writer Del Quentin Wilber and researcher Julie Tate contributed to this report.

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Federal investigations still alive

Anchorage Daily News
(04/20/09 20:33:35)

WASHINGTON, D.C. -- The federal investigation of political corruption in Alaska may have been damaged by allegations of prosecutorial misconduct, but it's still active, according to a court order signed Monday in Washington.

Emmet Sullivan, the U.S. District Court judge who presided over the failed prosecution of Sen. Ted Stevens and who is now pressing ahead on the contempt investigation of the Stevens prosecution team, ordered that any material turned over to the independent prosecutor he appointed be kept secret.

In an order signed at 6:50 p.m. EDT, Sullivan found that "ongoing investigations" could be impeded by disclosure of "certain investigative files, documents, e-mails, grand jury transcripts, interview notes, interview memoranda and other information." Sullivan also said that disclosure could damage the rights and privacy of innocent people and entities.

The protective order had been sought by the attorney representing the Justice Department in the contempt investigation, Deputy Attorney General Gary Grindler of the criminal division.

On April 7, when Sullivan dismissed charges against Stevens, he also appointed Washington lawyer Henry Schuelke to investigate six of the Stevens prosecutors for contempt for failing to turn over information to the defense.

Grindler asked Sullivan for the protective order before turning over Justice Department files to Schuelke. Schuelke did not oppose Grindler's request.

The assertion that one or more investigations are continuing confirms what the FBI office in Anchorage said after the Stevens dismissal: While Stevens can't be retried on charges that he failed to disclose gifts and free services, other crimes are still under investigation. Among the most prominent subjects of the Justice Department and IRS probes are Stevens' son Ben, the former state Senate president, and U.S. Rep. Don Young.

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Commercial fishermen honor Stevens at Kodiak event

By JULIA O'MALLEY
jomalley@adn.com
(04/24/09 11:24:26)

In a rare public appearance since a federal judge threw out charges against him for accepting illegal gifts, former Sen. Ted Stevens was in Kodiak on Thursday to be honored by United Fishermen of Alaska.

At a banquet on the U.S. Coast Guard base, Stevens joined 20 other charter members to become part of UFA's "Seafood Hall of Fame."

Stevens also received a lifetime achievement award for his work on the Magnuson-Stevens Act, originally passed in 1976, which protects fishing within 200 miles of U.S. shores and creates standards for sustainable fisheries management and harvest, said Mark Vinsel, UFA's executive director.

UFA also honored his support of a ban on high-seas driftnets and efforts to stop illegal, unreported and unregulated fishing, he said.

Gov. Sarah Palin spoke as part of the event, Vinsel said.

UFA is an umbrella organization with 37 member groups representing fishing fleets of Alaska and offshore waters. For more information visit: www.ufa-fish.org

Find Julia O'Malley online at adn.com/contact/jomalley or call 257-4591.

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Stevens prosecutor may be removed from another case

JUDGE: U.S. attorney under investigation is lead in lobbyist trial.

The Associated Press

(04/25/09 21:36:57)

A federal judge wants to keep a prosecutor already under investigation for his role in the Ted Stevens case out of a separate congressional corruption trial.

So far, the Justice Department has not explained whether prosecutor William Welch will be removed as the case's supervisor.

U.S. District Judge Ellen Huvelle made it clear that's what she expects at a hearing in the case of Kevin Ring, a former associate to criminal lobbyist Jack Abramoff. Abramoff is in prison for defrauding his clients and bribing public officials, and Ring is fighting charges that he was involved in the corruption conspiracy.

Welch is the chief of the Justice Department's public integrity section, which is prosecuting Ring. Although he's not been in the courtroom litigating the case, he is closely involved. He is supervising attorneys who are in the courtroom, is listed as a lead attorney, has conducted witness interviews and his signature was at the top of government filings as recently as last week.

Welch is himself under criminal investigation, along with four other federal prosecutors, for withholding evidence from defense attorneys in the Stevens trial.

Stevens, who lost his re-election race just days after being convicted on the now-dismissed corruption charges, represented Alaska in the U.S. Senate for 40 years and was the longest serving Republican in Senate history. The guilty verdict was thrown out this month after the Justice Department acknowledged it had improperly withheld evidence.

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Will feds pursue Stevens on fisheries?

By JOHN STROHMEYER
COMMENT
(04/18/09 17:27:41)

The federal authorities who rammed through seven faulty felony convictions against Sen. Ted Stevens should be ashamed of their careless conduct. The attorney general was right in asking for dismissal of the case because federal prosecutors failed to disclose evidence deemed helpful to the defense. And Judge Emmet Sullivan struck a blow for judicial ethics in ordering a criminal investigation into the appalling conduct of the federal prosecution team.

However, the government should feel more ashamed of bringing those pussycat charges in the first place. The feds had a chance to dig much deeper into Alaska corruption, particularly as it involved the senator's twisting of this nation's fishery policies and earmarking taxpayer dollars to benefit private interests.

Not one of the charges against the senator involved abuse of taxpayer money. But the senator had been deeply involved in steering taxpayer money in strange ways, particularly ways that benefited his son, Ben Stevens.

Stevens co-authored the 1976 Magnuson-Stevens Act, which kicked the foreign fleets out of American waters. He deserves to be honored for that. However, the record suggests the senator got greedy as his power grew.

Stevens pushed legislation to help Alaska's $2 billion a year fishing industry. By no coincidence, his son Ben Stevens, handsomely benefited.

A former commercial fisherman and once president of the Alaska Senate, Ben Stevens capitalized on his father's prestige. Once his father started rolling federal money into the Alaska fisheries, Ben Stevens cashed in big by setting up a consultant firm for clients that directly benefited from federal earmarks and changes in fishing regulations directed by his father. Some notable instances:

• When a funding earmark by Ted Stevens created the Alaska Fisheries Marketing Board, son Ben became the first chairman. The board approved grants to companies that paid the younger Stevens consulting fees, according to a state financial disclosure report.

• In 2000, Congress approved a $100 million federal loan program to buy Alaska crab boats to trim the size of the fleet and boost prices. The Bering Sea Crab Effort Reduction Fund, which sought the buyout, hired Ben Stevens' company, Advance North, as a consultant.

• In 2003, an earmark inserted by Ted Stevens gave exclusive pollock fishing rights to Alaska Natives at Adak in the Aleutians. This was a direct political intrusion that revised the boundaries drawn scientifically by the North Pacific Management Council to protect the Steller sea lions. The measure to harvest pollock in once-restricted waters was said to be worth millions for Adak Fisheries.

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That Native company paid Ben Stevens $295,000 between 2000 and 2004, according to the state financial disclosure reports. When the earmark went through, Ben Stevens secretly had held an option to buy into Adak fisheries.

While three Alaska state legislators in the federal bribery investigation had been tried and jailed in 2007, no charges had been brought against Stevens or his son as that year ended. On July 29, 2008, the federal government indicted Sen. Ted Stevens, the longest serving Republican senator, on seven felony charges, but none was related to fisheries.

Alaskans have a right to ask why the federal government concentrated its case on Stevens' failure to report gifts, which did not involve public dollars, rather than pursue his suspicious abuse of taxpayer dollars to benefit private interests.

Did they conclude they didn't have the facts? Or did the federal prosecutors feel they had a slam-dunk case against one of the nation's famous senators and could walk away with a trophy conviction without having to dig deeper?

Was taking Bill Allen's money all there is to the Stevens corruption scandal? Or are we still going to hear more?

John Strohmeyer is a Pulitzer Prize winning journalist and author. His new book, "Empty Nets: Fish, Politics and Avarice," is in the hands of a publisher.

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Stevens legal defense bill tops $1 million

By ERIKA BOLSTAD
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(05/14/09 10:24:52)

WASHINGTON -- Former Sen. Ted Stevens spent at least $1 million on legal bills defending himself against charges he failed to report gifts, according to a final financial disclosure form filed this week with the U.S. Senate.

Stevens owes the Washington, D.C., law firm Williams and Connolly between $1 million and $5 million for his defense, the forms show. In October, a jury found Stevens guilty of seven counts of lying on financial disclosure forms about gifts, including renovations that doubled the size of his home in Girdwood. But in April, a judge dismissed the jury's guilty finding and threw out the indictment, saying the Justice Department withheld evidence that might have been favorable to Stevens at trial.

The disclosure forms don't ask for an exact amount, merely a range, so Stevens checked off the $1 million to $5 million box. He also owes $50,000 to $100,000 to another D.C. law firm, Utrecht and Phillips.

The information about what Stevens owes in legal bills was disclosed in the same disclosure paperwork that was at the heart of the corruption case against Stevens. It is the final disclosure form required of Stevens, who just days after his conviction lost his re-election bid to Democrat Mark Begich. It covers the year 2008.

Stevens attached an unusual document to his final disclosure form, known as a termination report. In it, he notes that the Justice Department in its indictment and at trial took the position that "I either received gifts from Veco Corporation or others or owed money to the Veco Corp. or others."

The indictment was dismissed, Stevens notes, but adds that he is "not in a position at this time to know what, if any, money I owe on account of work performed at my Girdwood home."

Stevens in September set up a legal expense fund with the Senate but never filed any disclosures to it. Since he no longer is a senator, the Senate Ethics Committee no longer requires him to submit such information.

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Is Alaska corruption investigation still alive?

ACTIVITY: Since Stevens case was thrown out, not much has gone on.

By RICHARD MAUER
rmauer@adn.com

FBI - Stevens-2486

(05/23/09 22:31:49)

Does the mess that befell the prosecution of Sen. Ted Stevens create such a cloud over the long-running Alaska corruption investigation that it's all but over?

That's a question heard with some frequency since April, when the Stevens case was thrown out and the FBI agents and Justice Department prosecutors who were part of the broader Alaska corruption inquiry were themselves put under investigation.

The Justice Department continues to say the investigation is moving forward, though as recently as last week a spokeswoman would provide no details. Aside from assigning new prosecutors to its only Alaska case awaiting trial, the department has not demonstrated much activity in public. Before the Stevens case was dismissed, its record in the corruption prosecutions was a perfect 11-for-11.

Most legal experts who discussed the situation said that the team involved in the Alaska cases since the investigation became public in 2006 has been so tainted that they will be unable to play a significant role in any other case arising from the investigation.

But neither that restriction, nor the embarrassment and demoralization from such a public failure, is reason to stop now, said Ken Boehm, chairman of the National Legal and Policy Center in Washington, D.C., a conservative-leaning watchdog group.

"I can see they're a little singed around the edges, but at the same time, they all take the oath to pursue the evidence of crime wherever it leads, and they do have a duty to the public to the degree that there's people out there that are selling their office in one way or another -- they owe it to the public to follow up," Boehm said.

Even if a related case touched Stevens himself, such as one that might result from the investigation of Stevens' son Ben, a former state Senate president, it should be pursued, said Boehm, a former local prosecutor.

"The question to me is, how do they go forward on some of these other issues and things that involve other people if there's a tie-in to Sen. Stevens?" said Boehm.

Should a connection to Stevens amount to a "get-out-of-jail-free card as a result of this bungled thing?" Boehm asked. "By any yardstick of justice, the answer should be no. Nobody should be above the law."

Former U.S. Attorney Wev Shea has sharply criticized the prosecutors and agents in the Stevens case, writing in op-ed columns and blogs that some might have committed crimes. He has been among the many supporters of Stevens in Alaska who assert that political and professional ambition got in the way of justice.

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But he too says the broader investigation should continue to move forward.

"Corruption is corruption," Shea said in an interview Friday. Just because the government "did such a despicable job" with Stevens doesn't mean the investigation shouldn't be taken up by a new team, he said.

"They should absolutely continue with what's going on," said Shea, including examining "the interrelationship of people involved with Ben Stevens."

In October, a jury found Stevens guilty of seven counts of failing to make required disclosures -- the 10th time prosecutors led by the Justice Department's Public Integrity Section got either a guilty verdict or guilty plea in the 10 cases decided to that point.

But things went downhill quickly. In April, Attorney General Eric Holder, himself a former prosecutor in the Public Integrity Section, personally intervened, ordering charges dropped after a series of revelations that prosecutors failed in their obligation to turn over favorable evidence to the defense.

DOMINO EFFECT

Ben Stevens, a former president of the Alaska Senate, was one of several legislators whose offices were raided in 2006 by FBI and IRS agents, though he has not been charged with a crime. While he was a state senator representing Anchorage, he received hundreds of thousands of dollars in "consulting fees" and others from oil and fishing interests seeking favors from the state and from Ted Stevens. His Seattle attorney, John Wolfe, didn't return a call last week seeking comment.

Rep. Don Young, R-Alaska, has also been a subject of the investigation. Through his spokeswoman, he declined to comment last week.

Melanie Sloan, executive director of Citizens for Responsibility and Ethics in Washington, a liberal-leaning Congressional watchdog group, said the errors in the Stevens case were likely the result of a chronically understaffed and overworked public integrity team, not malicious prosecution. The situation was exacerbated when Stevens, hoping for an acquittal before the November election, demanded a speedy trial when he was indicted in July 2008.

Though prosecutors should be ready for trial when they obtain an indictment, the government lawyers on the Stevens case were obviously ill-prepared, said Sloan, who served as an assistant U.S. attorney in Washington for five years. Taking on a high-profile defendant with a top-flight legal defense under such circumstances could have the long-term effect of jeopardizing other cases -- and not just in Alaska, she said.

"I think it could harm all of these prosecutions," Sloan said. "Now that these prosecutors are kind of toxic, it's easy for any defense lawyer to trash the case that they're involved in."

It's like when a police officer is found to have lied under oath, she said. Everyone convicted in a case in which the officer testified begins clamoring for a new trial. Pending prosecutions might be abandoned if that officer's testimony is key.

"Some other team has to go in and start over and look at everything, and make sure we're not repeating these problems," Sloan said.

In fact, all around the country defendants are citing Stevens' case as a reason their charges should be dropped or that they should get a new trial -- even when none of the Stevens prosecutors were involved. One of the most prominent is former Alabama Gov. Don Siegelman, a Democrat

convicted of corruption charges, but he is far from alone.

'A LACK OF OVERSIGHT'

It's not as though Stevens' prosecutors shouldn't have expected push-back from his legal team led by Brendan Sullivan, one of the nation's top defense lawyers, Sloan said.

"Brendan Sullivan is known to cry foul against prosecutors in a heartbeat. They should've been prepared for that," she said. "And it's a super-high-profile case. He's the only senator you've currently got indicted -- how are you not pulling all your staff and letting other things fall by the wayside? How were these choices made? It's incomprehensible. And it does show a lack of oversight."

Anchorage activist Ray Metcalfe, an anti-corruption campaigner who himself made a run for the U.S. Senate in the Democratic primary last August, is so concerned the government might drop the investigation that he's begun a petition drive.

"Let me put it this way: If these investigations were brought to an end, horrific injustices would be being ignored," he said. If Ted Stevens got his charges thrown out because of prosecutorial misconduct, then change the prosecutors, he said.

So far, Metcalfe said, he has about 60 signatures on his petition to Holder and FBI director Robert Mueller, and hopes to get 1,000 in support of continuing the investigation.

"If things are hanging in the balance, I think it could make a difference," he said. "It reminds the people that made the decision to let Stevens go that there really are victims here. This isn't one guy saying this is horrible, this shouldn't happen, you should do something about this; there are about a thousand people saying this -- don't stop because they had had a bad situation."

Find Richard Mauer online at adn.com/contact/rmauer or call 257-4345.

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Weimar reports to halfway house to finish sentence

By RICHARD MAUER
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(05/27/09 13:59:12)

Bill Weimar, once Alaska's halfway house king as the owner of Allvest Inc., has himself reported to a privately-owned, federal halfway house to finish serving his time on corruption charges.

The U.S. Bureau of Prisons reported that Weimar entered a residential re-entry center in Butte, Mont, on May 13. A prisons management official in Seattle, William Brown, said the Butte facility is privately owned and contracts with the government to house qualified federal inmates toward the end of their sentences.

Weimar began serving a six-month sentence Jan. 5 at a federal prison in Arizona.

After his release, due July 3, he'll have another six months of home confinement under the sentence imposed in November by U.S. District Judge John Sedwick of Anchorage. At the time of his sentencing, Weimar lived in a $5 million mansion near Flathead Lake, Mont., but was trying to sell his place.

Weimar pleaded guilty last August to two federal charges stemming from his efforts to get the state to agree to house inmates in a private prison in Alaska. The prison was an outgrowth of his statewide chain of Allvest halfway houses, which he sold to the private prison company Cornell Corrections Inc. in 1998.

Weimar admitted funneling $20,000 to a campaign consultant in 2004 to help a state legislative candidate knowing the candidate would support a private prison. The payment amounted to an unreported, over-the-limit campaign contribution.

The candidate wasn't named in Weimar's charges, but the description matched former Sen. Jerry Ward, an Anchorage Republican who lost the 2004 election. Ward has not been charged.

Find Richard Mauer online at adn.com/contact/rmauer or call 257-4345.

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Convicted legislators may be released

JUSTICE DEPARTMENT: Failure to disclose information is cited.

By RICHARD MAUER, LISA DEMER and SEAN COCKERHAM
Anchorage Daily News

(06/04/09 13:14:52)

In another shocking development in Alaska's political corruption investigation, the U.S. Justice Department on Thursday asked that two former state legislators be released from prison because their trials were tainted by the failure of prosecutors to disclose information favorable to the defense.

In filings with the U.S. 9th Circuit Court of Appeals, the Justice Department said Pete Kott and Vic Kohring should be set free while their cases are sent back to U.S. District Court in Anchorage for further consideration. They were both convicted in that court in 2007.

The Justice Department didn't describe the new information it discovered. But the issue is similar to the problem that led to dismissal of charges against U.S. Sen. Ted Stevens in April after he was convicted on seven counts of failure to disclose gifts and services.

In a written statement issued just after 5 p.m. on the East Coast, Attorney General Eric Holder said he has asked the Justice Department's Criminal Division "to review the department's public corruption investigation in Alaska to ensure that all other discovery obligations have been met."

The move by the Obama administration's reconstituted Justice Department "is enough to make Vic Kohring become a Democrat," lawyer John Henry Browne joked about his arch-conservative client.

Gov. Sarah Palin, who sat in on part of Kott's trial, said this in an e-mail:

"Until I get more information on this newest twist, I can't comment beyond saying I am wildly curious what went on in DOJ back then, and what is going on in DOJ now that's resulted in these stunning turn of events. I agree with the attorney general that the Department of Justice should be about justice, not just about winning cases but I will withhold further comment until we see how this plays out."

"Wow, wow, wow," said Sen. Fred Dyson, the Eagle River Republican who helped the FBI in its investigation. "I'm surprised, to say the least. I sat all the way through the Kott trial and watched the video," said Dyson, referring to secretly made recordings by the FBI.

The videos, secretly taken from a lamp in a Juneau hotel suite in 2006, captured Kott and Kohring talking oil-tax strategy with officials from the now defunct oil-field service company Veco Inc. The government presented evidence that those officials, chief executive Bill Allen and vice president Rick Smith, also made illegal payments to Kott and Kohring. Allen and Smith have pleaded guilty to bribery and are awaiting sentencing.

"Particularly with Kott, I thought the evidence was compelling," Dyson said.

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SIDES IN AGREEMENT

Kott's Seattle attorney, Sheryl Gordon McCloud, said Thursday afternoon she was trying to contact Kott in federal prison to tell him the news. She had earlier sought his release while he appealed his conviction, most recently in April, but the government opposed it at that time.

McCloud said she got a call from a Justice Department attorney shortly before the government filed its motions with the 9th Circuit in San Francisco. It will take an order from the 9th Circuit -- most likely from the three judges

hearing the appeals -- to get the men out of prison. She said she expected the court to act quickly, given the fact that all sides are in agreement.

Kott and Kohring, both Republicans, were convicted by Anchorage juries in 2007. Kott, a former House speaker from Eagle River, began serving a six-year prison sentence in January 2008. He is being held at the Federal Correctional Institution in Sheridan, Ore. Kohring, from Wasilla, was sentenced to 3 1/2 years and reported to prison in June 2008. He is being held at the privately run Taft Correctional Institution in California.

Both filed their appeals before the collapse of the Stevens case in Washington. When the government admitted it had violated Stevens' rights to receive information that was favorable to him, Kott and Kohring demanded the government turn over information that might have been favorable to them as well and that wasn't disclosed at trial. Kott and Kohring argued their appeals April 14, just a week after Stevens' case was dropped. At the time, prosecutors said they hadn't had a chance to review their files for Brady material and that issue was left unresolved.

In the call, McCloud said the Justice Department attorney told her the review was still continuing, but enough undisclosed information had already been found to warrant release of Kott and Kohring and to send the cases back to the trial court to sort out what happens next.

McCloud said she hadn't seen the new documents, but they were being sent to her overnight. She was under an order to not publicly reveal the information, she said.

"It's always a good development when the government comes forward, discloses materials, is transparent, admits when it was wrong, tries to correct its errors and comes forward with evidence of innocence," McCloud said. "Of course, it's even better when they don't hide the ball in the first place and cause a man to spend time in prison on flaky evidence. But I certainly applaud the current government lawyers on the case for doing what they've done so far."

NEW INFORMATION

So far, the Justice Department's actions in the Kott and Kohring cases are more limited than what it did in the Stevens case. Rather than seek a new trial for Stevens, Attorney General Holder asked that all charges be permanently dismissed in the "interest of justice." Stevens' age -- he was 85 -- was frequently cited in commentary at the time to explain Holder's decision.

With Kott and Kohring, the government has not moved to dismiss the indictments, though presumably the defense lawyers will seek dismissal when they get back to U.S. District Court in Anchorage. The more common remedy in this kind of situation is a new trial.

"I don't know what 'sort everything out there' is going to mean," McCloud said, referring to her conservation with the Justice Department attorney. "It's an odd procedure because it's odd for the government to come forward with this sort of evidence this late in the game."

Kohring's attorney Browne, also of Seattle, said that if the government doesn't seek full dismissal of charges, he will. He also wants a new judge, someone other than U.S. District Judge John Sedwick, who heard Kohring's and Kott's cases.

After Kohring's trial, Browne accused Sedwick of having a conflict because the judge's wife, a former state commissioner, had an "extremely antagonistic relationship" with Kohring when he was in the Legislature. Kohring didn't realize that Judge Sedwick was married to Deborah Sedwick until after the trial, Browne has said.

The four Justice Department attorneys who prosecuted Kott and Kohring were also involved in the Stevens case. They, and two supervisors in the Justice Department's Public Integrity Section, are the subject of a criminal contempt investigation ordered by U.S. District Judge Emmet Sullivan, who presided over the Stevens case.

Sullivan's order establishing the contempt investigation by a special prosecutor, Henry Schuelke, deals solely with potential violations of his own orders to prosecutors, so the Kott and Kohring cases would be outside his

jurisdiction.

The Justice Department's Office of Projection Responsibility, which does have jurisdiction, is also looking at the conduct of the prosecutors and of FBI agents involved in all the cases.

REPUTATIONS 'TATTERED'

Family members and friends of Kott and Kohring stressed, in interviews after Thursday's announcement, that the news doesn't mean the cases are dismissed outright.

No matter what happens now, Kohring has lost everything, said Robert Hall, a witness for Kohring at his trial, owner of Gorilla Fireworks in Houston and a lawyer.

"His reputation has been pretty tattered. He cashed in all his retirement. His parents sold half the property they had to pay for his defense. He's broke. And his wife has divorced him," Hall said.

Kott's daughter, Pamela, said she didn't want to say too much with the case still pending. She is visiting her father at Sheridan this weekend on an already planned trip.

"That would be so nice if I could just take him home," Pamela said.

Meanwhile, lawyers for two defendants who pleaded guilty in the long-running corruption investigation say they want to re-examine their clients' cases in light of the latest twists.

Bob Bundy, a former U.S. attorney who represents Allen, said he needs to learn more about the new developments. Allen pleaded guilty to bribery and conspiracy charges in May 2007 and testified for the government against Kott, Kohring and Stevens. Allen is awaiting sentencing.

Former state Rep. Bev Masek is the most recent to plead guilty, admitting in federal court in March that she accepted a bribe to kill a bill that would have raised oil production taxes.

"We'll have to review what's going on now. This is breaking news for today, so I'll have to look at it and see," said Rich Curtner, Masek's federal public defender. Curtner said he will need to talk with government lawyers about the substance of the information being newly disclosed to Kott and Kohring's defense. "I don't know if there is anything there that pertains to our case or not."

Masek is scheduled to be sentenced June 25. That could be delayed in light of Thursday's developments, Curtner said.

Amid everything else, the FBI's investigation remainS ongoing, said Eric Gonzalez, the FBI's chief division counsel in Alaska.

"Just know that this case continues. We'll address these issues as they come up," he said.

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Contact the reporters at rmauer@adn.com, ldemer@adn.com, scockerham@adn.com.

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Feds seek release of jailed legislators

Anchorage Daily News
(06/04/09 13:14:52)

The U.S.Justice Department this afternoon asked that two former Alaska state legislators imprisoned after convictions in public corruption cases be released, saying their trials were tainted by the failure of prosecutors to disclose favorable information.

In filings with the U.S. 9th Circuit Court of Appeals, the Justice Department asked that the Pete Kott and Vic Kohring be set free while their cases are sent back to U.S. District Court, where they were convicted in 2007.

The Justice Department didn't immediately disclose what new information has come to light. But the issue is the same general problem that led to dismissal of charges against U.S. Sen. Ted Stevens in April after he was convicted on seven counts of failure to disclose gifts and services.

In a written statement issued this afternoon, Attorney General Eric Holder said he has asked the Justice Department's Criminal Division "to review the Department's public corruption investigation in Alaska to ensure that all other discovery obligations have been met."

"After a careful review of these cases, I have determined that it appears that the Department did not provide information that should have been disclosed to the defense," the statement says. "Department of Justice prosecutors work hard every day and perform a great service for the American people. But the Department's mission is to do justice, not just win cases, and when we make mistakes, it is our duty to admit and correct those mistakes. We are committed to doing that."

This is a developing story. Check back for updates.

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Most respondents say Kott and Kohring should not be released

by Channel 2 News staff
Thursday, June 4, 2009

ANCHORAGE, Alaska -- In a poll conducted by Channel 2 News Thursday, June 4, 2009, respondents were asked if former state Reps. Pete Kott and Vic Kohring should be released from prison.

Here is the official question and results of the 998 people who voted:

Should former state Reps. Pete Kott and Vic Kohring be released from prison?

Yes	25%
No	**75%**

All polls conducted by Channel 2 News and KTUU.com are unscientific.

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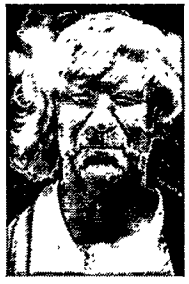
Despite his lockup, Kohring still supports private prisons

REFORM: If the freed ex-legislator ever gets re-elected, he says he would work to improve conditions.

By RICHARD MAUER
rmauer@adn.com
Published: June 13th, 2009 07:59 PM
Last Modified: June 14th, 2009 09:02 PM



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Vic Kohring

Former Rep. Vic Kohring says he still supports private prisons even as his enthusiasm clashes with his own observations from inside one, where he said equipment went unrepaired, meals lacked fresh produce and prisoner welfare appeared to take a back seat to saving money.

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"That's the downside of the private-run facility," said Kohring, two days after he left the privately run Taft Correctional Institution in Taft, Calif. "There was a certain amount of indifference there."

Kohring spent about 10 months at the low-security camp at Taft following his conviction on federal corruption charges in 2007. He and former House Speaker Pete Kott were freed last week while they argue that their bribery convictions should be overturned because prosecutors failed to give them favorable evidence uncovered by the FBI.

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Their first court hearing will be Wednesday, though it will mainly deal with their conditions for release, not the substance of their arguments.

Kott was held in a prison camp owned and operated by the U.S. Bureau of Prisons at Sheridan, Ore. Kott hasn't responded to interview requests.

Kohring was in the process of transferring from Taft to Sheridan when release orders were issued Thursday by U.S. District Judge John Sedwick of Anchorage. On Friday, after reporting to probation officers in Anchorage, Kohring spoke extensively with a reporter about his year inside the federal corrections system.

Taft is a federally owned facility in the California desert. It opened in 1997 as a demonstration project to test how private companies could operate a federal prison. Wackenhut Corrections and Geo Group Inc. held contracts there. In 2007, Management & Training Corp., a privately held company based in Centerville, Utah, took over operations under a four-year, $144 million contract.

"It seemed pretty apparent they were cutting -- they were trying to be ultra-efficient, cutting back as much as they could," Kohring said. "If things would break down, they'd stay broken down for a long time -- exercise equipment, telephones."

Meals were loaded with carbohydrates, "too many processed foods, not enough fresh produce," he said. "There was a lot of complaints that the food there wasn't up to par, at least not in comparison to, say, Sheridan."

Kohring also said that medical care was inadequate.

"I witnessed some pretty bad injuries when I was in Taft there. Guys falling over, one guy broke his femur, another broke his hip, one guy was punched in the face and he had glass embedded in

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his eye and it took him about a day before they finally took him to the doctor, at Bakersfield, in the hospital. It was horrid."

His own pre-existing back and neck injury, from a car accident, got him neither sympathy nor care, he said.

"My back didn't get any kind of attention at all, other than ibuprofen. I was told by the director of medical to shut up ... They said no to everything." He was warned that if he kept complaining, he'd wind up cleaning the kitchen, he said.

Carl Stuart, communication director for Management & Training Corp., said Saturday that his company does what's required under its federal contracts. Bureau of Prisons officials regularly inspect its operations, and some contract prisons have full-time, on-site government monitors, though he didn't know if that was the case in Taft.

Management & Training operates county, state and federal facilities in five states.

Kohring said that his experiences in Taft haven't shaken his belief in private prisons and said inmates' needs can be met in a profit-making environment. "They certainly have a moral obligation, perhaps even a legal obligation, to meet the basic needs in terms of health and welfare," he said.

And Kohring, who backed private prisons as a legislator, insisted he may play a political role again in the debate and be in a position to advance his ideas.

"One of the priorities for me, if I were ever able someday to be lucky enough to get in the Legislature in some elected capacity, would be to engage in prison reform," he said. "I'd like to conduct some investigations to determine exactly what the needs are in these facilities."

Kohring, a Republican, was first elected to the House from Wasilla in 1994 and was serving there when efforts to build a private prison began embroiling the state two years later. House Republicans first won passage of a private prison bill in 1996, but the effort was opposed by Democrats, including then-Gov. Tony Knowles, and also by local communities targeted for the facility -- at different times South Anchorage, Delta Junction, Kenai and Whittier, among others.

The issue stuck around for years, with backers shifting from community to community and keeping up pressure from the Legislature. Several of the promoters would become familiar names in the federal corruption investigation that surfaced in 2006. Though that investigation came to focus mainly on bribes and extortion related to oil-tax and gas-pipeline measures, it started out in 2004 as "Operation Polar Pen," looking at corruption in the private-prison effort.

While Veco Corp. and its chief executive, Bill Allen, mainly operated in the oil fields, for a time they were partners in the consortium seeking to build the private prison. So was Bill Weimar, the Anchorage businessman who owned a string of private halfway houses. Lobbyist Bill Bobrick and former State Corrections Commissioner Frank Prewitt were also part of the team.

Ultimately, Weimar and Bobrick pleaded guilty to corruption charges related to the prison effort and have completed their prison terms -- Bobrick at Taft. Former Rep. Tom Anderson, R-Anchorage, was convicted of taking bribes to advance the private prison and is serving five years in Sheridan. Allen has pleaded guilty to paying bribes, but in the legislative effort to hold down oil taxes. He's awaiting sentencing. Prewitt assisted the FBI in its investigation.

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Kott, Kohring remain free pending evidence review

CONVICTED LAWMAKERS: Government expected to complete review of evidence by end of July.

FBI - Stevens-2497

By RICHARD MAUER
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(06/17/09 12:27:37)

Former legislators Pete Kott, looking trim, and Vic Kohring, his hair freshly styled and stubbly beard shaved off, said Wednesday they were relishing their freedom from prison after a judge confirmed their continued release without cash bond.

Their back-to-back hearings in U.S. District Court behind them, Republicans Kott, a former House speaker from Eagle River, and Kohring, elected six times from Wasilla, told reporters they were looking forward to going fishing and spending time with family and friends. Both said they planned to work, Kohring selling fireworks at a friend's stand in Houston and Kott in the family flooring business.

Kott and Kohring appeared to be in no danger of missing the Fourth of July -- or Labor Day, for that matter -- even if they eventually fail in their bids to get their 2007 corruption convictions voided and charges thrown out.

James Trusty, the prosecutor speaking for the new Justice Department team on the Alaska corruption cases, said in court that the government doesn't expect to complete its review of evidence in the case until July 31, an essential step before anything else can proceed.

Prosecutors are searching through FBI and attorney files going back at least to 2004, looking for evidence that should have been turned over to the defense before their trials.

Kohring's lawyer, John Henry Browne of Seattle, told reporters he's already gotten about 1,000 pages of such material in the last week or so.

"There was a lot of evidence that should've been turned over to us that pointed directly at his innocence," Browne said. He couldn't say why the evidence was relevant -- a protective order prohibits him and Kott's lawyers from disclosing anything about it. Prosecutors were not talking publicly about the material either.

The former legislators, convicted of bribery and conspiracy for selling their votes on an oil-tax bill in 2006, were freed from federal prisons last week after the government admitted it failed to adhere to one of the central tenets of a fair trial: providing defendants with evidence that could help convince a jury they were not guilty.

Talking to reporters at the courthouse, Kohring said his good friend, Gorilla Fireworks owner Robert Hall, offered him a job at one of the fireworks stands on the Parks Highway. Kohring said he may have an offer from another friend as well. He wouldn't describe that other job, except that it was in an office.

Kohring, notorious for claiming poverty, said he mooched a free haircut this week from a friend at

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the Beehive Beauty Shop in Wasilla, the same place that helped Sarah Palin develop her "updo." Kohring said he was so busy accepting lunch invitations and seeing visitors at home that he hasn't had a chance yet to go fishing. When he does, he said, he'll dipnet for salmon on the Copper River.

"I'm going to sit on the rocks and find a good eddy," Kohring said.

"He told me he's going to pay me in fish," Browne added.

Kott, standing beside his girlfriend and two grown children, said he has been taking it easy since getting back.

"It's been a tough year and half. It's just nice to be back with all the supporters, family and friends," he said.

Kott said he planned to return to his business, now run by his son.

"I'm still a flooring contractor by trade," Kott said. "I've had several people already approach me and ask me to work for them around the state. At this point, I'm just going to relax for a few days and maybe do some fishing this weekend and enjoy some of the Alaska outdoors that I've missed for the last year and half."

During the hearings, which each lasted less than 20 minutes, U.S. District Judge John Sedwick ordered defense and prosecution to file suggestions by Aug. 31 about how the cases should proceed. Sedwick could determine the material wasn't prejudicial and send the men back to prison; he could order new trials; or he could dismiss charges outright. Prosecutors haven't said yet what they will ask for.

When a similar situation arose after a jury found U.S. Sen. Ted Stevens guilty of lying on his financial disclosures, U.S. Attorney General Eric Holder moved to dismiss charges "in the interest of justice," widely interpreted to be a reference to Stevens' advanced age -- 85.

Browne said Holder and the Justice Department should do the same for Kohring.

Kott declined to characterize his case for reporters.

"It's going to be left up to the government to determine what course of action they want to pursue and I think until they review all the information, and we have an opportunity to review all the information, nobody can really say one way or other how this is going to end up," Kott said.

"It's a positive step for me, regardless, that we're at this point, this juncture."

Kott's trial attorney, Jim Wendt, announced in court he was leaving the case in favor of Kott's appeals attorney, Sheryl Gordon McCloud of Seattle, who listened to the hearing by telephone.

Kott said he could no longer afford an attorney and asked the court to pick up McCloud's fees. Sedwick said he would take that matter under advisement once Kott provided a financial statement.

In the hearings, Sedwick said he planned to impose the same minimal restrictions on Kott and Kohring as he did prior to their trials: no need for cash bail, freedom to move about the state, no curfew. At Kott and Kohring's requests, he loosened the rules even further. Rather than require them to get a judge's permission before leaving the state, they now only have to provide an itinerary to the federal probation office.

Kohring said he planned to go to the Mayo Clinic in Rochester, Minn., to continue treatment on an injured neck and back.

In one other development, interim U.S. Attorney Karen Loeffler sat at the prosecution table for the first time in any of the corruption cases, signalling that the Anchorage office is once again part of the corruption case. Though she was one of the supervising attorneys in the very early stages of the corruption investigation, she and the Alaska U.S. Attorney's office were taken off the case by the Justice Department.

While two lawyers from the U.S. Attorney's office were assigned to the corruption investigation, they were supervised long-distance by the Justice Department's Public Integrity Section. Experts have cited poor supervision as one reason the Stevens case went so badly awry.

Loeffler, a career prosecutor who has specialized in white-collar cases, didn't give a reason in court why her office was back on the case and wouldn't talk about it afterward.

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First batch of papers delivered

KOHRING, KOTT: Government's hefty packet surprises attorney.

FBI - Stevens-2500

By RICHARD MAUER
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(06/05/09 20:39:12)

A day after the U.S. Justice Department admitted it failed to provide two Alaska legislators with favorable evidence prior to their trials, the two men remained in federal custody awaiting an order that would release them pending hearings in Anchorage.

Attorneys for former Reps. Pete Kott and Vic Kohring said they received the first packages of fresh material from the Justice Department in express shipments Friday.

"I got an amazing amount of stuff," said Kohring's attorney, John Henry Browne of Seattle. "I was expecting maybe four, five to 10 pieces. And I got volumes of stuff that they think we should've had and were not given."

Browne and Kott's Seattle attorney, Sheryl Gordon McCloud, declined to provide details about what they received. They said they agreed to abide by protective orders drafted by the Justice Department to prevent disclosure of the material, some of which may involve privacy matters, grand jury testimony, or other investigations.

"I'm about a tenth of the way through the material that I got, and all of it is material that we should have had and would've been helpful to Vic's defense, and did not have," Browne said.

On Thursday, attorneys representing the Justice Department in Kott's and Kohring's appeals on corruption convictions told the 9th U.S. Circuit Court of Appeals that the department had discovered information that should have been disclosed to the defendants before trial. They asked the appeals court to send the cases back to district court in Anchorage to determine how to proceed next.

Until the matter is resolved, the government said, it wouldn't object to releasing Kott and Kohring from prison on their own recognizance.

Kott, a former House speaker from Eagle River, is serving a six-year sentence and Kohring, who represented Wasilla in the state House, is serving 3½ years. Both men were convicted in 2007 and appealed their cases to the 9th Circuit. An appeals panel heard oral arguments April 14, but that was before the government acknowledged it had failed to turn over potentially relevant information.

Meanwhile, in Washington, D.C., the criminal contempt investigation of the prosecutors who took Sen. Ted Stevens to trial inched forward Friday. The issue in the Stevens case is similar to that of Kott and Kohring -- whether prosecutors failed to turn over favorable evidence to Stevens' lawyers in violation of orders by the trial judge, Emmet Sullivan. Four of the Stevens prosecutors also tried the Kott and Kohring cases; the other two supervised.

Stevens was found guilty on seven counts of failure to disclose goods and services, but the Justice

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Department dropped all charges in April.

The Justice Department's Office of Professional Responsibility began an internal investigation of the prosecution team before the Stevens trial ended in October. As part of its investigation, it took statements from the six prosecutors and others.

When Sullivan appointed special prosecutor Henry Schuelke to determine if the Stevens prosecutors should be held in criminal contempt, he directed the Justice Department to turn over its internal investigative files.

The six prosecutors themselves have not had access to the material, including their own statements. On Friday, the Justice Department sought to remedy that situation by asking Sullivan to sign a secrecy order that would allow it to give the material to the six prosecutors, their attorneys and to witnesses on condition they not disclose it to anyone else. It said uncontrolled disclosure of the material "could impact the rights of innocent third parties and the privacy interests of individuals and entities, impede ongoing investigations," and reveal secret information presented to a grand jury or obtained from wiretaps.

The Justice Department said the proposed protective order was not opposed by Schuelke.

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Judge clears way for release of Kott, Kohring from prison

MARSHALS SERVICE: Sedwick can set conditions for their release.

By RICHARD MAUER
rmauer@adn.com

(06/10/09 11:31:08)

A federal judge in Anchorage on Wednesday ordered the U.S. Marshals Service to bring former Alaska Reps. Pete Kott and Vic Kohring from prison into his court "as soon as reasonably possible" to set their release pending further hearings.

U.S. District Judge John Sedwick filed his orders shortly after the 9th U.S. Circuit Court of Appeals in San Francisco sent the corruption cases back to his court with directives that both men be released from prison. The three-judge appeals panel left it to Sedwick to determine conditions of release, though they noted that prosecutors had recommended the men be set free without bond. In a pair of one-paragraph orders, Sedwick said he would schedule hearings for both men as soon as the Marshals Service told him when Kott and Kohring would be in Anchorage. An official for the Marshals Service in Anchorage said she hadn't seen a copy of Sedwick's order yet and couldn't comment on the specific situation but said it sometimes takes weeks to arrange transportation for a prisoner from the Lower 48 to Anchorage.

Kott is serving a six-year sentence at the federal correctional institution in Sheridan, Ore. Kohring is doing 3 ½ years in Taft, Calif.

Late Wednesday afternoon, Kott's trial attorney, Jim Wendt, asked Sedwick to clarify whether he wanted a marshal to escort Kott back to Alaska. He said Kott would prefer to be released in Oregon and given a ticket for a flight back to Alaska.

"Doing so would save the government the funds required to transport a U.S. marshal along with the defendant," Wendt said. He said Sedwick had already determined that Kott was neither a flight risk nor a danger to others.

The remand follows a motion to the 9th Circuit brought last week by a new team of federal prosecutors requesting the return of the cases to the lower court in Anchorage. The prosecutors said the Justice Department had recently discovered favorable evidence that should have been turned over to Kott and Kohring before their trials in 2007. The new prosecutors have not said yet what the evidence is, nor have they suggested a remedy.

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Both legislators were convicted on bribery and other charges.

In cases when undisclosed favorable evidence could have had a significant effect on a trial, the usual remedy is a new trial, though in the recent case of U.S. Sen. Ted Stevens, all his charges were dismissed at the request of the Justice Department.

Unlike Stevens' case, secretly recorded videos by the FBI showed Kott and Kohring accepting money from former oil services company executive Bill Allen, who was the chief witness against all three men.

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In sending the cases back to Sedwick's courtroom, the 9th Circuit panel resoundingly rejected one point of Kohring's appeal -- that Sedwick should have removed himself from the case because of alleged bad blood between Sedwick's wife, a former state official, and Kohring.

Kohring raised that issue months after he was convicted and demanded a new trial with a different judge. Kohring said he didn't get a fair trial because of a public feud that began in the late 1990s with the judge's wife, Deborah Sedwick, a former state commissioner whose agency budget he tried to cut and whose department and job he said he eliminated.

Sedwick asked another federal judge for help, but that judge sent it back to him. Sedwick then ruled Kohring's complaint was late and without merit.

The 9th Circuit judges said Sedwick was right. "Kohring did not make this motion when the district judge was assigned the case, nor before the commencement of his criminal trial, nor at the conclusion of it," the 9th Circuit panel wrote. "He waited until three months after the jury entered its verdict, just prior to the sentencing date."

That was too late, the judges said.

"The underlying facts were known to Kohring many years before the trial. He claims he did not understand the significance of the facts until the last day of the trial. Nonetheless, with the exercise of the slightest amount of diligence, he could have ascertained the significance long before trial."

As for the substance of Kohring's complaint, the appellate panel said that Sedwick "handled all matters judiciously and fairly" and that a reasonable person with knowledge of the facts "would not reasonably question the judge's impartiality."

In sending both cases back to Anchorage, the 9th Circuit judges said Sedwick should rule only on the matters related to the undisclosed evidence. In doing so, they asked Sedwick to conduct a three-part test: to determine whether the government breached its obligation to provide favorable evidence; if so, whether the defendants were prejudiced by the violation; and if the defendants were prejudiced, what the remedy should be.

If the remands to District Court don't result in new trials or dismissal of charges, the cases go back to the 9th Circuit on other points of appeal raised by both defendants.

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Judge orders swift release of Kott, Kohring

By RICHARD MAUER
rmauer@adn.com
(06/11/09 13:06:36)

U.S. District Judge John Sedwick put more urgency this morning into the release from prison of two former state legislators, directing corrections officials to immediately set them free and U.S. marshals to give them plane tickets back to Alaska.

The new orders, filed in U.S. District Court, expand on orders Sedwick issued Wednesday to the U.S. Marshals Service that it arrange for the return to Alaska of former Reps. Pete Kott and Vic Kohring "as soon as reasonably possible."

The 9th U.S. Circuit Court of Appeals ordered the release of Kott and Kohring when the Justice Department said their 2007 corruption trials were tainted by the failure of prosecutors to turn over favorable evidence. The appellate court directed Sedwick, the trial judge for both defendants, to set the conditions for release.

In his most recent orders, Sedwick said Kott and Kohring must be "immediately released from the custody of the Bureau of Prisons." He directed the Marshals Service to give both men plane tickets to Anchorage "at the earliest possible time."

And he ordered Kott and Kohring to immediately contact the U.S. Probation and Pre-trial Services Office in Anchorage as soon as they arrive in town. That office monitors federal defendants on parole, probation and home detention.

Kott was being held in Oregon and Kohring in California.

Sedwick also set back-to-back hearings for Kott and Kohring for June 17 "so the court may set terms and conditions" for their continued release.

He has not yet set a time to hear the substantive case involving the withheld evidence. The 9th Circuit directed Sedwick to determine whether the material was serious enough to prejudice their trials. If so, he could order new trials or dismiss charges entirely.

Kohring's lawyer, John Henry Browne of Seattle, said the material he's seen so far shows Kohring did not get a fair trial, and he hasn't gotten everything yet.

"There are many, many smoking guns," Browne said by cell phone from Yakima, Wash., where he had been in court. "There's hundreds of pages."

Browne said he was restricted from disclosing any details about the material but said he looked forward to having the matter heard in open court -- along with the possibility of putting prosecutors on the stand to testify about why they didn't turn it over in the first place.

The Justice Department's Office of Professional Responsibility is conducting just such an inquiry, -996

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but it has not disclosed anything publicly. Separately, a special prosecutor in Washington, D.C., is looking at a similar issue involving the same prosecutors as a result of the collapse of the case against former U.S. Sen. Ted Stevens. The special prosecutor was appointed by the trial judge in Stevens' case after the Justice Department admitted it violated law and the judge's orders in failing to turn over favorable evidence.

Find Richard Mauer online at adn.com/contact/rmauer or call 257-4345.

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Bankruptcy trustee demands to see Weimar's financial papers

HALFWAY HOUSES: He used to run them, now he's in one.

By LISA DEMER
ldemer@adn.com
(06/19/09 21:44:30)

Bill Weimar, who once was the king of Alaska halfway houses and now is a convicted felon, should be forced to reveal recent financial documents to a bankruptcy trustee, the trustee argues in recent court filings.

The bankruptcy trustee, Ken Battley, is seeking the information to determine whether Weimar hid assets when he settled a bankruptcy case back in 2002. Weimar, who himself is serving time in a halfway house and is scheduled for release July 3, is fighting the effort. His lawyer argues too much time has passed, and that the information is private.

The financial information at issue was provided last year to the judge in Weimar's federal corruption case. But the information was filed under seal and the bankruptcy trustee has been unable to get it.

Weimar started and owned Allvest Inc., which operated the state's only chain of private halfway houses, provided drug treatment, and ran other services including animal control. In 1998, he sold five halfway houses in 1998 to Cornell Corrections for more than $20 million. But taxes took a large chunk.

In 2002, Allvest was forced into bankruptcy because of unpaid judgments in civil suits against the company. One case involved a man who died after being injured by workers in the community service patrol when Allvest ran it; the other involved five women who had been sexually harassed or assaulted by an Allvest worker, according to court records.

Weimar claimed the company had no assets by then, but eventually agreed to pay close to $3 million in a bankruptcy settlement, according to court papers. He said in a sworn statement that he was worth about $6 million at the time.

Now Battley is questioning whether Weimar had more to give.

At Weimar's sentencing in the corruption case last year, U.S. District Judge John Sedwick ordered him to pay a $75,000 fine, based on the sealed financial report. That was more than prosecutors asked for and above what federal guidelines call for. But Sedwick said Weimar could afford it.

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When he reported to prison in January, Weimar's home in Big Arm, Mont., was on the market for more than $5 million.

Battley said Friday that he has a duty to compare what Weimar said he was worth in early 2003 to what was reported to the judge in 2008.

In the criminal case, Weimar admitted illegally funneling $20,000 in 2004 to a state legislative candidate, knowing that if elected the candidate would support his interest in a private prison. He

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was sentenced to serve six months in prison -- and is doing the tail end of that in a halfway house -- then six months of home confinement.

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Feds will pick up Kott's legal bills

Anchorage Daily News
(06/22/09 23:33:52)

The federal government will pay the legal bills of former House Speaker Pete Kott over the next several months while a judge explores what to do about evidence that was improperly withheld from Kott's defense.

After a review of Kott's finances provided in a private filing to the court, U.S. District Judge John Sedwick said Monday that the ex-legislator and flooring contractor from Eagle River was only borderline indigent.

"However, the expansion of this case arising from the United States' admitted, and remarkable, failure to timely provide all of the discovery required . . . stretches Mr. Kott's modest means too far," Sedwick wrote. He ordered the government to pay Kott's appellate attorney, Sheryl Gordon McCloud of Seattle, for work she does after July 1. Kott is responsible for her fees up to then, the judge said.

Kott and former legislator. Vic Kohring were freed from prison two weeks ago when prosecutors agreed the government failed to provide evidence favorable to the defendants prior to their 2007 trials, though they haven't publicly disclosed any details.

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Allen delays try judge's patience

SENTENCING: He wants the corruption figure to be punished.

By RICHARD MAUER
rmauer@adn.com

(07/07/09 21:40:57)

Declaring that enough is enough, U.S. District Judge John Sedwick said Tuesday it is high time for former Veco Corp. chief executive Bill Allen to come to terms with his crimes and face sentencing for corrupting Alaska's political system.

Sedwick rejected suggestions made in secret filings last week by federal prosecutors that Allen and former Veco Vice President Rick Smith should continue to enjoy freedom indefinitely. In reporting that the government had asserted the two men were still needed for ongoing corruption investigations, Sedwick expressed displeasure at how long the matter was dragging out.

"The community has substantial interest in seeing the imposition of punishment for these crimes without undue delay," Sedwick wrote in a pair of matching orders filed Tuesday.

Unless prosecutors can convince him to the contrary with strong and detailed arguments, Sedwick said, he will sentence the men on Oct. 28 -- at 8:30 a.m. for Allen and 10 a.m. for Smith.

Sedwick also put prosecutors on notice that he was considering imposing the maximum fine on Allen regardless of prison-time reductions for his cooperation or any credit provided by federal sentencing guidelines. If Sedwick follows through, Allen would have to write a check for $750,000, a substantial chunk of his $6.5 million share of the 2007 sale of Veco to the international engineering and construction firm CH2M Hill.

On May 7, 2007, Allen and Smith each pleaded guilty to three felonies: conspiracy to commit extortion, bribery and fraud; bribery; and conspiracy to impede the Internal Revenue Service. Within months, each gave damning testimony in the corruption trials of former Reps. Pete Kott and Vic Kohring. Allen was also a central witness against former Sen. Ted Stevens, then became a central figure in the demise of Stevens' case.

In October, a jury found Stevens guilty of seven counts of filing false disclosures. But the government's case collapsed following revelations that prosecutors had failed to turn over favorable evidence to Stevens, including a statement by Allen five months before the trial that he couldn't recall a meeting he later testified about.

Kott and Kohring were released from prison last month while Sedwick considers the significance of favorable evidence they too did not receive before trial.

At the time of Allen's and Smith's guilty pleas, prosecutors asked that their sentences be delayed while the investigation of Alaska politicians continued. By cooperating, they could earn substantial reductions in their prison sentences -- two of the counts carry five-year terms, while the bribery charge is punishable by 10 years.

Sedwick agreed, and directed prosecutors to file a status report five months later. Since the pleas,

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prosecutors have filed six status reports, all under seal, asking for continuances. Their latest, filed June 30, asked Sedwick to agree to a seventh status report, on Sept. 30.

No way, Sedwick shot back.

"The court finds that it is no longer in the interest of justice to continue a seemingly endless series of status reports which push the imposition of punishment further and further into the future," Sedwick wrote. "Allen's sentencing date has been extended to the point that more than two years have now passed since he pled guilty, and some of the conduct which underlies his pleas of guilty took place as much as seven years ago."

While federal prosecutors have charged 12 former lawmakers, lobbyists and businessmen since the first indictment was handed up Dec. 6, 2006, only one person has been charged since Stevens' trial -- former Rep. Bev Masek, who agreed to plead guilty March 12 to a single count of conspiracy to commit bribery.

The investigation was disrupted by the fallout from the Stevens case and accusations by an FBI agent that investigators got too cosy with witnesses, including Allen. With an internal review by the Justice Department and a criminal contempt investigation by a special prosecutor in Washington, an entire new team of agents and prosecutors has taken over.

Where the Alaska investigation was once handled by two relatively junior attorneys in the Justice Department's Public Integrity Section and two lawyers on loan from the U.S. Attorney's office in Anchorage, seven government attorneys have recently entered appearances in the Alaska cases. One is interim U.S. Attorney Karen Loeffler, a career Alaska prosecutor, and another is Kendall Day, a trial attorney in Washington involved in the Abramoff lobbying scandal.

Sedwick recognized that the new team could stumble over his order and he offered them one out: They could file under seal a special request no later than Oct. 12 giving a detailed list of every suspect whom Allen and Smith are witnesses against, where the prosecutions of those suspects would take place, the date a grand jury is expected to bring charges, and whether Allen or Smith would testify at trial.

But Sedwick said he was strongly leaning toward imposing sentences on Oct. 28. The government could still come back up to a year later and ask for a reduction in sentence based on Allen's and Smith's cooperation.

"Until now, the court has been of the view that providing for the investigation of other persons warranted delay in the imposition of Allen's sentence," Sedwick wrote. "That view is necessarily (a) ffected by the passage of time. The United States has now had more than two years in which to use Allen's cooperation to present charges to a grand jury involving the remainder of those who are under investigation. What is more, it does not appear to the court that the likely remaining potential targets include anyone whose identity was not known at the time Allen entered his guilty pleas."

The names of a number of potential targets have surfaced in trials and elsewhere, and include Stevens' son Ben, a former Alaska Senate president; U.S. Rep. Don Young, who has spent more than $1 million of campaign funds on legal fees over the last three years; and former state Sen. Jerry Ward.

Find Richard Mauer online at adn.com/contact/rmauer or call 257-4345.

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Kott, Kohring released from prison, return to Anchorage

FREED: Former legislators sat next to each other on plane trip from Oregon.

By RICHARD MAUER and LISA DEMER
Anchorage Daily News

(06/11/09 13:06:36)

Former state Reps. Vic Kohring and Pete Kott were back in Anchorage on Thursday night after being released from prison, reuniting with family and friends at Ted Stevens Anchorage International Airport.

Reached in a friend's car as they headed north to his family's home in Wasilla, Kohring joked:

"This is Vic 'Jailbird' Kohring."

Kohring said he and Kott sat next to each other on the plane trip from Oregon.

"When we touched down at the airport there, we looked at each other and we clasped our hands together in joy that we were finally home after this awful ordeal," Kohring said.

Kohring, sporting hair long enough for a ponytail he grew to protest his targeting by federal corruption fighters, and Kott were released under extraordinary orders issued Wednesday and Thursday by courts in San Francisco and Anchorage. He said he might cut his hair soon.

Kohring left prison in Taft, Calif., earlier Thursday with a Greyhound bus ticket to Oregon in his hand, his lawyer said. He had been in prison about a year.

After Kohring climbed down from the bus at Sheridan, in Oregon, officials gave him a ride to Portland International Airport and handed him a plane ticket to Anchorage, according to his Seattle attorney, John Henry Browne.

"I'm a free man and it's just the greatest feeling in the world after being down as they say, in prison terms, for a full year," Kohring said.

Kott was in prison at the federal correctional institution in Sheridan. He's been confined nearly a year and a half.

Reached Thursday before her father landed, Kott's daughter Pamela Kott said: "Excitement isn't the right word. No one can take away my happiness right now." Efforts to reach Kott directly weren't successful.

Pamela Kott was pregnant during her father's trial in 2007 on corruption charges. Now her little girl, Trinity, is nearly 17 months old. Pamela Kott said she and Trinity visited her father at Sheridan prison every few months last year and were there again last weekend. They planned a welcome-home celebration in Alaska with family and close friends.

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Kohring said the worst part was being away from family.

"That separation was a killer," Kohring said. He said he heard family and friends were tying yellow ribbons around spruce trees in Wasilla.

He said he got through the ordeal with his faith in God, and the support of his family and his attorney.

Kohring, famous for his big appetite, said he lost 47 pounds in prison. He said he was famished when he arrived in Alaska.

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"The first thing I did when I got out of the airport was make a beeline for Kentucky Fried Chicken," he said.

Now he's looked forward to dipnetting for salmon on the Copper River, something he's done since he was a kid.

"I thought about that every single day of my incarceration," Kohring said. "That's where I'm headed, just to get away for a while."

On Wednesday, the 9th U.S. Circuit Court of Appeals in San Francisco ordered both men released from prison when the Justice Department acknowledged it had failed to turn over favorable evidence before their 2007 trials on bribery, extortion and conspiracy. The Appeals Court left it to U.S. District Judge John Sedwick in Anchorage to actually set the men free pending resolution of the evidence issues.

Shortly after getting the 9th Circuit order on Wednesday, Sedwick directed U.S. marshals to get the two men to Anchorage "as soon as reasonably possible."

But Sedwick turned up the heat with new orders telling the U.S. Bureau of Prisons to release the men immediately.

Sedwick also ordered Kohring and Kott to contact the U.S. Probation and Pre-trial Services Office in Anchorage as soon as they arrived in town. That office monitors federal defendants on bail, probation and home detention.

Sedwick also set back-to-back hearings for Kott and Kohring for June 17 "so the court may set terms and conditions" for their continued release.

He has not yet set a time to hear the substantive case involving the withheld evidence. The 9th Circuit directed Sedwick to determine whether the material was serious enough to prejudice their trials. If so, he could order new trials or dismiss charges entirely.

Browne, Kohring's attorney, said the material he's seen so far shows Kohring did not get a fair trial, and he hasn't gotten everything yet.

"There are many, many smoking guns," Browne said by cell phone from Yakima, Wash., where he had been in court. "There's hundreds of pages."

Browne said he was restricted from disclosing any details about the material, but said he looked forward to having the matter heard in open court -- along with the possibility of putting prosecutors on the stand to testify about why they didn't turn it over in the first place.

The Justice Department's Office of Professional Responsibility is conducting just such an inquiry, but it has not disclosed anything publicly. Separately, a special prosecutor in Washington, D.C., is looking at a similar issue involving the same prosecutors as a result of the collapse of the case against former U.S. Sen. Ted Stevens. The special prosecutor was appointed by the trial judge in Stevens' case after the justice department admitted it violated law and the judge's orders in failing to turn over favorable evidence.

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Young announces he'll seek 20th term in Congress

By DAN JOLING
Associated Press
(06/29/09 11:39:57)

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Rep. Don Young, Alaska's sole representative in the U.S. House, announced today he will seek re-election in 2010.

Young, 76, filed with the state Division of Elections and said he wanted to make it clear to potential challengers that he is in the race.

"We decided it was best to get it out on the table," he said.

The Republican was re-elected last year as he faced federal investigations of his connections to an Alaska businessman convicted of bribing state lawmakers and of an earmark in a spending bill that benefited a campaign supporter.

He easily defeated former House Minority Leader Ethan Berkowitz, an Anchorage Democrat, in the 2008 race. He faced a stiffer challenge in the Republican primary, beating Lt. Gov. Sean Parnell by 304 votes.

Young has been Alaska's congressman for 36 years.

He was the Republican candidate in the general election 1972 against popular incumbent U.S. Rep. Nick Begich. Three weeks before the election, Begich's plane disappeared on a flight from Anchorage to Juneau. Alaskans re-elected the Democrat anyway.

Begich was declared dead in December 1972 and Young won a close special election in March 1973.

Young is a conservative who defends gun rights, stands up for the military and brags about the earmarks he's been able to send back to Alaska to help build infrastructure.

He also has spent more than $1 million on legal fees, but has refused to answer questions about the investigations, on the advice of lawyers.

Both the House and Senate have requested an investigation into an earmark that made its way into the highway spending bill Young oversaw as chairman of the House Transportation Committee. The bill included $10 million to widen a Florida highway. The final version, until revised, redirected that money to an interchange that benefited a developer who did some fundraising for Young.

Young also is being investigated for his connections to Veco Corp., a former Anchorage oil services company headed by Bill Allen, who has pleaded guilty to bribing Alaska state lawmakers.

Allen has been the key witness in several federal corruption cases against Alaska lawmakers.

However, the conviction against U.S. Sen. Ted Stevens was vacated this year because of prosecutorial misconduct. The same federal prosecution team won convictions against two Alaska state representatives, Pete Kott and Vic Kohring.

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But both men were freed from prison this month when prosecutors agreed the government failed to provide

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evidence favorable to the defendants before their 2007 trials.

The federal prosecutors now are under investigation themselves. That could threaten to derail the investigations into Young since the same team of prosecutors were handling the probes.

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Weyhrauch case to be heard in front of Supreme Court

Posted by Alaska_Politics
Posted: June 29, 2009 - 9:26 am

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From Erika Bolstad in Washington D.C. --

The U.S. Supreme Court has agreed to review part of **former Alaska Rep. Bruce Weyhrauch's** pending criminal case.

The court will look at one specific area: whether prosecutors must prove Weyhrauch violated a state disclosure law to convict him on federal mail-fraud statutes.

Weyhrauch, awaiting trial on federal corruption charges, has asked the Supreme Court to overturn an appeals court decision that directly applied the federal mail-fraud statute to his case. At issue is one count in Weyhrauch's 2007 indictment. It charged him with violating the federal mail fraud statute by depriving Alaskans of his honest services when he served as a legislator in 2006.

According to the charges, Weyhrauch, a Juneau Republican, solicited legal work from the oil-field service company Veco Corp. at a time when Veco was pushing hard to win support for lower oil taxes in the Legislature.

Prosecutors said Weyhrauch never disclosed his conflict of interest. Weyhrauch said he didn't have to because state law didn't specifically require such disclosure.
A trial court in Anchorage agreed with Weyhrauch, but prosecutors appealed just before the start of his trial.
The 9th U.S. Circuit Court of Appeals sided with prosecutors, saying legislators had a duty to disclose such conflicts. The court reasoned that even if a state has weak ethics laws, it was no reason for its citizens to be deprived of the honest services of their public officials.

Weyhrauch acknowledged that two other circuit courts had made similar rulings, but said that another two had a different standard: They required a state law violation before the mail fraud statute could be used in a criminal case.

Alaska Politics Blog

This is the place to talk about Alaska politics -- state, local, national. Public life in the Last Frontier has probably never been more interesting -- the governor is a national figure in the wake of her 2008 run for vice president, Anchorage faces a heated mayoral race, we have a new U.S. senator, and the usual hardball Alaska politics. Come here for news, tidbits and information, and join the discussion. We encourage lively debate, but please keep it civil and stay on point. Don't use profanity, make crude comments or attack other posters. Posts that violate the **Terms of Use** will be deleted. Repeat offenders will lose their ability to post comments.

Contributors

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Erika Bolstad covers Alaska issues, including the congressional delegation, from Washington, D.C., for McClatchy Newspapers. Before joining the bureau in 2007, she spent seven years as a reporter at the Miami Herald, where she covered politics, government and the state legislature. E-mail Erika at ebolstad@adn.com.

Sean Cockerham
Sean Cockerham writes about Alaska state politics and is covering the 2009 legislative session. He's worked for the ADN in Anchorage and Juneau, covered the legislature for the Fairbanks Daily News-Miner, and covered Washington state politics for the Tacoma News Tribune. E-mail Sean at scockerham@adn.com

Kyle Hopkins
Kyle Hopkins covers rural affairs, general assignments and politics for the ADN. He covered the 2006 campaign for governor, has blogged extensively about Alaska politics, covered Anchorage city government and was a reporter based in the Mat-Su. He grew up in Southeast Alaska and previously wrote for the Fairbanks Daily News-Miner and Anchorage Press. E-mail Kyle at khopkins@adn.com and also find him on our rural Alaska blog, The Village.

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Weyhrauch asked the Supreme Court to clear up the "confusion" between the different circuits -- which the court agreed to today. It's unclear when his case will be heard.

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David Hulen
David Hulen, the ADN's assistant managing editor for news, is responsible for state and local news coverage in the ADN, including politics. He has been an editor and reporter at the ADN for more than 20 years. E-mail David at dhulen@adn.com

Features

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Alaska political corruption

The FBI raided state legislature offices in Aug. 2006, and the fallout since has been epic in Alaska's political world.

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Young continues to pay legal bills from campaign funds

REPORTS: Payments made to law firms in the quarter were more than $37,000.

By ERIKA BOLSTAD
ebolstad@adn.com

(07/15/09 13:38:25)

WASHINGTON -- Rep. Don Young, R-Alaska, continues to have sizeable legal bills, and he continues to pay them out of his campaign finance account, according to disclosure forms filed this week with the Federal Election Commission.

The reports show that Young's campaign spent at least $37,267 on lawyers over the past three months. The payments went to several law firms, but the disclosures don't say whether all three have been handling a federal probe of his fundraising and other matters, including an earmark that benefited a campaign contributor in Florida. The expenses include $5,000 to Akin, Gump, Strauss and Hauer of Washington D.C., which is representing Young in criminal investigations; $10,000 to the Seattle firm Siderrius, Lonergan and Martin; and $22,267.17 to Tobin, O'Connor, Ewing and Richard, also of Washington D.C.

Young's campaign also owes Tobin O'Connor $46,042, the FEC reports show.

Since early 2007, Young has spent $1.15 million from his campaign fund on legal bills connected to federal investigations. He also has spent an additional $73,415 on lawyers out of a separate legal expense fund he has created. Last year, about $77,000 was donated to that fund, according to the "gifts" section of his annual financial disclosure to the House.

Young raised $116,749 for his campaign in the last quarter, bringing his total fundraising for the 2010 election cycle to $232,108.

Young, who recently announced he was seeking his 20th term in office in 2010, has far less in his re-election account than previous election years, when he went into the campaign season with over $1 million. He has just $129,263 cash on hand this election cycle.

So far, no challengers have emerged to run against Young in 2010. Democrat Ethan Berkowitz, who ran against Young last year, has said he won't seek a rematch and is considering a run for governor instead. Young defeated Berkowitz by over 16,000 votes. Young had a more difficult contest in the Republican primary, beating Lt. Gov. Sean Parnell by just 304 votes.

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Allen delays try judge's patience

SENTENCING: He wants the corruption figure to be punished. FBI - Stevens-2520

By RICHARD MAUER
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(07/07/09 21:40:57)

Declaring that enough is enough, U.S. District Judge John Sedwick said Tuesday it is high time for former Veco Corp. chief executive Bill Allen to come to terms with his crimes and face sentencing for corrupting Alaska's political system.

Sedwick rejected suggestions made in secret filings last week by federal prosecutors that Allen and former Veco Vice President Rick Smith should continue to enjoy freedom indefinitely. In reporting that the government had asserted the two men were still needed for ongoing corruption investigations, Sedwick expressed displeasure at how long the matter was dragging out.

"The community has substantial interest in seeing the imposition of punishment for these crimes without undue delay," Sedwick wrote in a pair of matching orders filed Tuesday.

Unless prosecutors can convince him to the contrary with strong and detailed arguments, Sedwick said, he will sentence the men on Oct. 28 -- at 8:30 a.m. for Allen and 10 a.m. for Smith.

Sedwick also put prosecutors on notice that he was considering imposing the maximum fine on Allen regardless of prison-time reductions for his cooperation or any credit provided by federal sentencing guidelines. If Sedwick follows through, Allen would have to write a check for $750,000, a substantial chunk of his $6.5 million share of the 2007 sale of Veco to the international engineering and construction firm CH2M Hill.

On May 7, 2007, Allen and Smith each pleaded guilty to three felonies: conspiracy to commit extortion, bribery and fraud; bribery; and conspiracy to impede the Internal Revenue Service. Within months, each gave damning testimony in the corruption trials of former Reps. Pete Kott and Vic Kohring. Allen was also a central witness against former Sen. Ted Stevens, then became a central figure in the demise of Stevens' case.

In October, a jury found Stevens guilty of seven counts of filing false disclosures. But the government's case collapsed following revelations that prosecutors had failed to turn over favorable evidence to Stevens, including a statement by Allen five months before the trial that he couldn't recall a meeting he later testified about.

Kott and Kohring were released from prison last month while Sedwick considers the significance of favorable evidence they too did not receive before trial.

At the time of Allen's and Smith's guilty pleas, prosecutors asked that their sentences be delayed while the investigation of Alaska politicians continued. By cooperating, they could earn substantial reductions in their prison sentences -- two of the counts carry five-year terms, while the bribery charge is punishable by 10 years.

Sedwick agreed, and directed prosecutors to file a status report five months later. Since the pleas,

prosecutors have filed six status reports, all under seal, asking for continuances. Their latest, filed June 30, asked Sedwick to agree to a seventh status report, on Sept. 30.

No way, Sedwick shot back.

"The court finds that it is no longer in the interest of justice to continue a seemingly endless series of status reports which push the imposition of punishment further and further into the future," Sedwick wrote. "Allen's sentencing date has been extended to the point that more than two years have now passed since he pled guilty, and some of the conduct which underlies his pleas of guilty took place as much as seven years ago."

While federal prosecutors have charged 12 former lawmakers, lobbyists and businessmen since the first indictment was handed up Dec. 6, 2006, only one person has been charged since Stevens' trial -- former Rep. Bev Masek, who agreed to plead guilty March 12 to a single count of conspiracy to commit bribery.

The investigation was disrupted by the fallout from the Stevens case and accusations by an FBI agent that investigators got too cosy with witnesses, including Allen. With an internal review by the Justice Department and a criminal contempt investigation by a special prosecutor in Washington, an entire new team of agents and prosecutors has taken over.

Where the Alaska investigation was once handled by two relatively junior attorneys in the Justice Department's Public Integrity Section and two lawyers on loan from the U.S. Attorney's office in Anchorage, seven government attorneys have recently entered appearances in the Alaska cases. One is interim U.S. Attorney Karen Loeffler, a career Alaska prosecutor, and another is Kendall Day, a trial attorney in Washington involved in the Abramoff lobbying scandal.

Sedwick recognized that the new team could stumble over his order and he offered them one out: They could file under seal a special request no later than Oct. 12 giving a detailed list of every suspect whom Allen and Smith are witnesses against, where the prosecutions of those suspects would take place, the date a grand jury is expected to bring charges, and whether Allen or Smith would testify at trial.

But Sedwick said he was strongly leaning toward imposing sentences on Oct. 28. The government could still come back up to a year later and ask for a reduction in sentence based on Allen's and Smith's cooperation.

"Until now, the court has been of the view that providing for the investigation of other persons warranted delay in the imposition of Allen's sentence," Sedwick wrote. "That view is necessarily (a) ffected by the passage of time. The United States has now had more than two years in which to use Allen's cooperation to present charges to a grand jury involving the remainder of those who are under investigation. What is more, it does not appear to the court that the likely remaining potential targets include anyone whose identity was not known at the time Allen entered his guilty pleas."

The names of a number of potential targets have surfaced in trials and elsewhere, and include Stevens' son Ben, a former Alaska Senate president; U.S. Rep. Don Young, who has spent more than $1 million of campaign funds on legal fees over the last three years; and former state Sen. Jerry Ward.

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Special prosecutor in Stevens case can force testimony

PROBE: Judge also OKs subpoenaing FBI agent, Allen and attorney.

By RICHARD MAUER
rmauer@adn.com

(07/28/09 20:27:12)

FBI - Stevens-2522

A special prosecutor in Washington, D.C., was granted authority Tuesday to compel testimony from the Justice Department team that took Sen. Ted Stevens to trial. He was also authorized to subpoena the former lead FBI agent in the Alaska corruption investigation and key witness Bill Allen and his attorney.

The subpoena authority was approved by U.S. District Judge Emmet Sullivan, who presided over Stevens' trial last year. When the Stevens case fell apart over charges of prosecutorial misconduct, Sullivan appointed the special prosecutor, Henry Schuelke III, to investigate the prosecutors for criminal contempt.

The matter is also being investigated by the Justice Department's Office of Professional Responsibility, which is cooperating with Schuelke. The Justice Department investigation is expected to run at least into the fall.

The filings in Washington Tuesday -- Schuelke's two-page request and its quick approval by Sullivan -- show his investigation continues to move ahead even as little has shown above the surface.

Schuelke had been directed by Sullivan to only investigate the six prosecutors. With those orders unchanged, it's most likely Schuelke is seeking the testimony of the agent, Allen and Allen's attorney as witnesses.

During the trial, Sullivan accused Allen's attorney, former U.S. Attorney Bob Bundy, of sending signals from the spectators' benches to Allen on the witness stand. Sullivan asked the U.S. Attorney's office in Washington to look into the matter, not Schuelke. Bundy has denied sending any kind of message to Allen during the trial.

The agent, Mary Beth Kepner, was accused of getting too close to sources, including Allen, in a complaint made by a fellow agent after the Stevens trial. While she hasn't made any public statements, other agents have come to her defense.

Sullivan appointed Schuelke April 7 during the same hearing in which he dismissed all charges against Stevens. Attorney General Eric Holder had asked the charges be dropped and acknowledged the truth of a long-running complaint of the judge and of Stevens' defense attorneys: that the prosecution team failed in its constitutional obligation to turn over favorable evidence in its possession.

Among the information cited by Holder was a meeting between Allen, four of the prosecutors and Kepner in which Allen couldn't recall a meeting with one of Stevens' friends that he later testified about. Allen's failed recollection should have been relayed to the defense, Holder acknowledged.

194A-AN-13620-M-1005

In his request for the subpoenas, Schuelke said they were a natural extension of his appointment by Sullivan. It's unclear whether the six prosecutors will agree to depositions, since their own Fifth Amendment rights protect them against self-incrimination. Most, if not all, have given statements to Justice Department investigators.

The six are William Welch, chief of the public integrity section; Brenda Morris, chief trial attorney in the Stevens case; and Nicholas Marsh, Edward Sullivan, Joseph Bottini and James Goeke.

A jury found Stevens guilty in October of lying on financial disclosure forms covering six years in office. Sullivan later dismissed the charges.

Allen, former chief executive of the oil-field services company Veco, was the lead witness against Stevens. He testified to spending tens of thousands of dollars renovating and furnishing Stevens' Girdwood home -- gifts that Stevens never reported.

Asked under oath why he never sent Stevens a bill for the work despite Stevens' e-mailed request for one, Allen testified that one of Stevens' closest friends said the e-mail was just Stevens "covering his ass." That was the conversation that Allen couldn't initially recall in the meeting with Kepner and the prosecutors.

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Ted Stevens a draw for Don Young's fundraiser

Posted by Alaska_Politics
Posted: August 19, 2009 - 11:24 am

Comments (20) | Recommend (1)

From Sean Cockerham in Anchorage –

Ted Stevens is the featured guest at tonight's annual fundraiser for Don Young.

The event used to be known as the pig roast back when it was hosted by then-Veco chief Bill Allen, the star witness in the bungled federal prosecution of Stevens. Now it's called "Taste of Alaska" and is being held at the Anchorage home of former governor and fundraiser extraordinaire Bill Sheffield.

You can check out the details of the event at **Don Young's campaign website.**

Young will also be giving a noon speech today at the Anchorage Sheraton, sponsored by the World Trade Center Alaska.

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Alaska corruption figure wins long delay in sentencing

TRIAL: Ex-Murkowski chief of staff to testify in Weyhrauch case.

By RICHARD MAUER
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(08/06/09 13:10:08)

Jim Clark, former Gov. Frank Murkowski's chief of staff, now has a date for his sentencing on corruption charges, but it's not until Oct. 15, 2010.

Expressing frustration over the pace of the Alaska corruption investigation but acknowledging there were legitimate reasons for delays, U.S. District Judge John Sedwick on Thursday said Clark will face prison only after the expected trial of former Rep. Bruce Weyhrauch, R-Juneau.

Clark, who pleaded guilty in March 2008 to conspiring to violate Alaska's campaign finance laws, is expected to testify for the government in Weyhrauch's case.

Clark was one of the core players in the Murkowski administration's efforts to change oil taxes and promote construction of a gas line from the North Slope. He will likely testify about the politics and legislative maneuvers that surrounded those matters in 2006.

Sedwick ordered Thursday's hearing after federal prosecutors filed a motion to delay Clark's sentencing for the fourth time. Most of the hearing was held in secret at the request of trial attorney Kendall Day of the Justice Department's Public Integrity Section to allow him to discuss pending cases that might require Clark's testimony.

Sedwick opened the doors to his courtroom after about 20 minutes and acknowledged the public's concern "about the passage of time" in the investigation, which became public with a series of raids on legislative offices on Aug. 31, 2006. Twelve people have since been charged, though the most prominent, former U.S. Sen. Ted Stevens, had his indictment dismissed for prosecutorial misconduct after a jury found him guilty of lying on his Senate disclosures.

Clark, a Juneau resident, didn't attend the Thursday morning hearing in Anchorage, though his attorney, Patrick Gilmore, was there.

In his guilty plea, Clark admitted taking an unreported, $68,550 contribution from the oil-field service company Veco to help Murkowski's failed re-election bid in 2006. Clark has offered to help prosecutors and has apologized to the citizens of Alaska for his misdeeds, which he said were done without Murkowski's knowledge.

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Prosecutors wanted to delay Clark's sentencing until he was no longer needed in any future case. That would allow them leverage to ensure he stuck to his bargain and would also allow Clark to get full credit for his assistance when Sedwick decides on his punishment.

But Sedwick has been growing impatient with the pace of the cases. He recently rejected a similar prosecution bid to grant blanket delays in the sentencings of two former Veco officials who also pleaded guilty, chief executive Bill Allen and vice president Rick Smith. They are currently scheduled for sentencing Oct. 28, though Sedwick said he might grant an additional delay if

prosecutors could present him with a firm justification.

In the case of Clark, Sedwick acknowledged that prosecutors faced extenuating circumstances. Pre-trial appeals by prosecutors and Weyhrauch over the scope of one of his charges have landed the case in the U.S. Supreme Court, which won't rule on the matter until its next session. Sedwick has scheduled Weyhrauch's trial for September 2010, anticipating a Supreme Court decision by then.

Sedwick also recognized that a new team of federal prosecutors and agents have taken over the case "who don't have the benefit of what was learned by their predecessors."

The prior team was taken off the case after they became the focus of an internal Justice Department investigation and a criminal contempt investigation by a special prosecutor hired by the judge in the Stevens case. Those investigations are not expected to be resolved until the fall.

The first team -- especially lead FBI agent Mary Beth Kepner -- saw the events of the 2006 legislative debate on oil taxes unfold before their eyes with a peeper scope secretly installed at corruption central: Suite 604 at the Baranof Hotel in Juneau, rented by Veco. Allen and Smith were videotaped handing out cash and favors to legislators in return for support in holding down oil taxes.

Find Richard Mauer online at adn.com/contact/rmauer or call 257-4345.

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With new attorney, Anderson will try to get out of prison

LIKE KOTT, KOHRING: His sentence has nearly 3 years to run.

By RICHARD MAUER
rmauer@adn.com

(07/31/09 21:46:14)

Former state Rep. Tom Anderson, the only Alaska corruption defendant currently in prison, has a new attorney and is about to seek release from federal custody nearly three years before his sentence is complete.

Anchorage lawyer Fred Dewey filed notice last week in U.S. District Court that he was now representing Anderson. In a brief interview Friday, Dewey said he planned to follow the lead of two other former legislators who served time in prison, Pete Kott and Vic Kohring, in trying to get Anderson out.

"It's similar to Kott and Kohring but unique to his case," Dewey said. He declined to provide details, saying Anderson's positions will be made clear in motions next week.

After he was found guilty in 2007, Anderson admitted he had broken the law and deserved punishment, so it's unclear what options he might have now. Kott and Kohring appealed their convictions to the 9th U.S. Circuit Court of Appeals, while Anderson did not.

Kott and Kohring, convicted of bribery and conspiracy, were freed in June when the government admitted it had failed to turn over favorable evidence before and during their trials. A similar issue resulted in dismissal of charges against Sen. Ted Stevens after a jury found him guilty of lying on his Senate disclosures.

Anderson's case involved a different set of circumstances and witnesses than most of the others caught up in the FBI's corruption investigation. He was convicted of scheming with the lobbyist of a private prison company to take secret payments in return for his pushing the company's interests in Alaska.

Bill Allen, the former Veco Corp. chief executive with the wide-open wallet, played no role in Anderson's case. Allen was the chief witness against Stevens, Kott and Kohring, and some of the evidence improperly withheld from defense attorneys involved contradictory statements Allen had made to the FBI and prosecutors.

Allen pleaded guilty to conspiracy in May 2007 but has not yet been sentenced.

Meanwhile, other cases continue to plod on. U.S. District Judge John Sedwick must eventually decide whether the withheld evidence in the Kott and Kohring cases is significant enough to warrant new trials, or even dismissal of all charges.

Prosecutors told Sedwick during a hearing in June that they expected to complete a review of all their files by the end of July to determine the scope of withheld evidence. But on the eve of that deadline, prosecutors asked for a break.

"The government has worked diligently and industriously and has completed the bulk of its review, but respectfully requests a two-week extension to file its disclosure certification, from July 31, 2009, to August 14, 2009, purely out of an abundance of caution and in order to guarantee the thoroughness of its review," Peter Koski, a trial attorney in the Justice Department's Public Integrity Section, wrote Sedwick.

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On Friday, Sedwick agreed to the delay.

There have also been recent developments in the case of Jim Clark, former Gov. Frank Murkowski's chief of staff, who is awaiting sentencing on his March 4, 2008, guilty plea to conspiracy to commit mail and wire fraud. He an

Allen joined together to illegally spend $68,550 of Veco's money on Murkowski's failed re-election bid in 2006. Clark has said Murkowski was not part of the effort to foil Alaska's campaign spending laws.

Sedwick, also the judge in Clark's case, had agreed to hold off on sentencing Clark because he was cooperating with the FBI. But Sedwick has been growing impatient with the pace of the investigation.

In an order signed Wednesday, Sedwick ordered government prosecutors to a closed hearing on Aug. 6, where they could explain to him why they want Clark to remain free.

"The court must determine how best to accommodate the tension between defendant Clark's assistance in on-going investigations and possible upcoming trials with the need to bring the case against Mr. Clark to a conclusion," Sedwick wrote. It's possible that Clark could continue to cooperate from prison, Sedwick said.

Reached in Juneau, Clark declined to comment.

Clark has been assisting the FBI and prosecutors in explaining the complex events surrounding the 2006 debate in the Legislature over oil taxes and a possible gas pipeline. Kott and Kohring were convicted in part for their actions during that session, and pending charges against another former legislator, Bruce Weyhrauch, concern the same subject. Former Senate President Ben Stevens, Ted Stevens' son, has also been under investigation for his actions during 2006 session but has not been charged.

The Justice Department has replaced the FBI agents and prosecutors who led the investigation in its first four years, requiring a new team to become familiar with the issues and personalities.

Weyhrauch also was the subject of a Sedwick order issued from chambers Thursday. With the U.S. Supreme Court agreeing to hear arguments concerning the scope of one of the four counts of his indictment, Sedwick set a trial date of Sept. 13, 2010 -- enough time, the judge suggested, for the Supreme Court to resolve the issue.

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Lu Young, wife of Rep. Don Young, dies at 67

By ELIZABETH BLUEMINK
ebluemink@adn.com
(08/02/09 13:21:17)

Lu Young, Rep. Don Young's wife of more than four decades, died overnight Saturday, according to his press secretary.

Friends and colleagues said the pair had an extremely close relationship -- both personal and professional -- that began deep in Interior Alaska on the Yukon River where they still owned a home.

The 67-year-old Gwich'in Athabascan from Fort Yukon was a daily fixture at the Alaska Republican's Washington, D.C., office, where she worked with him and greeted guests.

She died -- apparently of natural causes -- after falling asleep at the couple's Great Falls, Va., home, but the specific cause of death remains unknown, according to the congressman's press secretary, Meredith Kenny.

The couple was married more than 46 years. When they met, Lu was a bookkeeper in Fort Yukon, according to Young's congressional biography.

Her death was a big shock, said Curtis Thayer, a former aide to Don Young.

"She was such a part of (Don)'s life, always at his side," Thayer said.

"Everyone should strive each and every day to love each other as much (as) Don and Lu loved one another," said Art Nelson, their son-in-law.

a tight bond

The congressman in the mid-1990s told a crowd assembled at an Alaska Federation of Natives conference that Lu was his buddy, his wife, his mistress and his lover.

"They had the classic love affair," said former Anchorage Mayor George Wuerch.

"No question, the two of them were devoted to each other for many, many years," said Wuerch, who knew the couple for decades.

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"They were the closest couple I have ever seen," said Steve Hanson, a Young aide for 21 years. "Don on the campaign trail was always saying, 'Look, you get a two-for-one deal.' "

Those weren't empty words because Lu worked hard on Capitol Hill, Hanson said. "She would be going in and out of other congressional offices, saying 'Don needs this for Alaska,'" he said.

"She was a tough bird, too," said Hanson, explaining that Lu wasn't shy about letting other people know if they were failing her husband in some way.

condolences

Fort Yukon village chief Mike Peter said he was sorry to hear about her death, and the community will be grieving

for the congressman's loss.

He said the couple was always friendly when they were in town -- usually during moose hunting season.

"I've known both of them since I was a kid," he said. "Everyone is pretty close here."

Gov. Sean Parnell ordered flags to be lowered to half staff for Lu on Tuesday.

"Lu and Rep. Young have been a team for decades," Parnell said in a news release. "Sandy and I have admired their bond of friendship in marriage and the years of volunteer service Lu put into his congressional office."

"She was a very gracious and giving individual," said Matthew Nicolai, chief executive of Calista Corp., a regional Native corporation with Yup'ik shareholders based in Anchorage.

He recalled that she was heavily involved in her husband's political career from its beginnings in the 1970s. "She was an ambassador on Native issues. Whenever Don needed help, she reached out and got information," Nicolai said.

health concerns

In the summer of 2003, Don Young refuted rumors that he was leaving Congress because of Lu's health. He said she had experienced a "slight stroke" that winter.

"We're here as long as possible. I just want to let you know, the Youngs do not retire," he said during a press conference announcing his run for re-election. He has served in Congress since 1973.

Wuerch said there was never any question that Young would have given up his position to take care of Lu if she became ill.

In 2005, Young dubbed a $284 billion transportation bill that he steered -- the Safe Accountable Efficient Transportation Act: A Legacy for Users -- SAFETEA-LU. The bill was most famous for its inclusion of funds for Ketchikan's so-called "bridge to nowhere," linking the mainland to the city's airport on a nearby island.

She also has an Alaska road named after her: Lu Young Lane, off Point MacKenzie Road.

Thayer said the couple had been scheduled to return to Alaska in a few days.

In addition to the congressman, Lu Young's survivors include two daughters and 14 grandchildren. Information on funeral arrangements was not available Sunday night.

Find Elizabeth Bluemink online at adn.com/contact/ebluemink or call 257-4317.

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Cowdery given travel permission

Anchorage Daily News / adn.com
Published: August 26th, 2009 09:48 PM
Last Modified: August 26th, 2009 09:48 PM

Former State Sen. John Cowdery will get his passport back and be allowed to travel to Minnesota to get medical treatment at the Mayo Clinic, according to a judge's order filed Wednesday. U.S. District Judge Ralph Beistline temporarily relieved Cowdery of his home confinement to leave this week for eight days in Minnesota. Cowdery didn't ask for permission to leave the country.

Cowdery, 79, pleaded guilty in December to conspiring with oil-field company chief Bill Allen to bribe another legislator and is serving three years probation, including six months in home confinement. Cowdery sought mercy because of ill health and Beistline agreed not to send him to prison.

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Judge to decide what happens next with Kott and Kohring

STATUS REPORTS: Justice department won't go for dismissal.

By RICHARD MAUER
rmauer@adn.com

(08/28/09 22:03:25)

The Justice Department has apparently decided to not dismiss charges against convicted legislators Pete Kott and Vic Kohring as it did for U.S. Sen. Ted Stevens earlier this year, and may fight efforts by the men to get new trials.

In status reports filed Friday in Anchorage, the prosecution and defense said they couldn't agree on how the cases against Kott and Kohring should proceed, leaving it for U.S. District Judge John Sedwick to decide later this year or in 2010.

Attorneys for Kott and Kohring had sought dismissal of all charges based on the failure of prosecutors to turn over evidence favorable to the men. The status reports show the Justice Department is not acquiescing to that dismissal demand, as it did for Stevens earlier this year.

The reports show that even on the question of whether the government's conduct prejudiced the jury against Kott and Kohring, prosecutors and defense attorneys are not in agreement.

The corruption cases ran into a wall when the Justice Department admitted it had broken court rules on the favorable evidence question in the trials of Stevens, Kott and Kohring.

Stevens was found guilty by a jury of failing to disclose tens of thousands of dollars of gifts from an oil-field contractor and others. But the Justice Department dismissed his charges in April when the trial judge in Washington, D.C., accused prosecutors of misconduct.

Such a ruling has not been made in the cases of Kott and Kohring, convicted in Anchorage in 2007 of taking bribes from the same oil-field contractor, former Veco chief executive Bill Allen, who by then was helping the FBI. In June, with their cases before the 9th U.S. Circuit Court of Appeals, the Justice Department asked Sedwick to release Kott and Kohring from prison pending a determination of whether the government's failure to fully disclose information about Allen and others had tainted the trials.

Sedwick directed the sides to come up with a plan on how to proceed by the end of August.

The status reports, signed by all sides, suggest to Sedwick that he order Kott and Kohring to file motions arguing their cases by Sept. 30. Prosecutors would have a month to respond, with final defense replies by Nov. 13. The sides would then make oral arguments before Sedwick in November or December.

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Based on instructions from the 9th Circuit, Sedwick would first have to rule on whether the government breached its obligations to turn over evidence, and, if so, whether the defendants were prejudiced. If the answer is no to either question, he could order the men back to prison. If yes, Sedwick would have to determine a remedy -- most likely new trials or dismissal of charges.

-1011

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Law used to indict Blagojevich challenged

HONEST SERVICES: Former Rep. Bruce Weyhrauch among those taking vague fraud statute to task.

By MIKE ROBINSON
The Associated Press
(09/12/09 23:13:14)

CHICAGO.-- Among the corruption charges faced by former Illinois Gov. Rod Blagojevich is a statute of just 28 words with enough pop to send big names to prison for corruption, but it's under attack by those who consider it vague and unfair.

Former Illinois Gov. George Ryan, ex-newspaper mogul Conrad Black and one-time Enron CEO Jeffrey Skilling have all been convicted of what's known as honest-services fraud. The law makes it illegal for officials, executives and others to scheme to deprive those they serve and possibly others of "the intangible right to honest services."

"It causes fear. It causes confusion," said Chicago attorney and former federal prosecutor Zachary T. Fardon. "And that's the heart of the problem."

There are two separate cases challenging the law pending before the U.S. Supreme Court. Justice Antonin Scalia recently described the 21-year-old measure as so poorly defined it could be used to prosecute "a mayor for using the prestige of his office to get a table at a restaurant without a reservation."

Congress adopted the statute in 1988 after the Supreme Court held that prosecutors could not merely assume wire fraud and mail fraud statutes -- the workhorse laws in corruption prosecutions -- covered lost honest services. The mail and wire fraud laws require a defendant to obtain money or property from the wrongdoing; merely depriving a victim of honest services wasn't enough to win a guilty verdict.

In the years since, prosecutors have used the honest services law to bolster the more conventional charges of mail and wire fraud. But experts say aggressive federal prosecutors, such as Patrick J. Fitzgerald, the U.S. Attorney in northern Illinois, appear to be using it both more often and as a lead charge in an indictment.

In Blagojevich's case, honest-services fraud holds a prominent place in a 19-count indictment that accuses the impeached governor of depriving Illinois residents of his honest services through a wide-ranging scheme involving kickbacks, campaign money and a host of other misdeeds.

"The statute is very vague, and because it is vague, it is a pet statute of prosecutors," said Chicago attorney and former federal prosecutor Julian Solotorovsky. "They're stretching it to the fullest extent possible."

Among those challenging the law is former Alaska state Rep. Bruce Weyhrauch, who prosecutors say illegally failed to disclose that he was in job negotiations with oil-field service company Veco Corp. at the same time the state Legislature was also considering an oil tax bill heavily lobbied by the company. The case hasn't gone to trial as the high court considers whether the government can charge him with failing to make a disclosure not required by state law.

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Weyhrauch faces three other felony counts that don't rely on the "honest services" provision of the federal fraud statutes, including bribery and the lead charge, conspiracy.

Black and two of his three co-defendants were convicted of depriving the Hollinger International media empire of their faithful services as corporate officers. The offense includes pocketing $5.5 million the government said belonged to the company's shareholders.

The executives initially said the money represented fees from companies that bought community newspapers

from Hollinger. But Black and his co-defendants now say the money was really management fees the company owed them and which were "recharacterized" to avoid Canadian income tax.

They say that since they were trying to avoid Canadian taxes and not harm Hollinger, they didn't deprive the shareholders of their honest services and the charges should be thrown out.

The high court has yet to decide whether to take up Skilling's appeal, which argued the honest services law is so vague that it is simply unconstitutional.

"The Supreme Court's decisions to hear two appeals challenging the law in the same term could mean the justices have concerns about prosecutors extending the statute's reach," said Lisa Casey, a Notre Dame University law professor who has written about the law and its recent expanded use against corporate executives.

Just prior to accepting Black's case, the Supreme Court refused to hear the appeal of Chicago Mayor Richard M. Daley's patronage chief, Robert Sorich, who was convicted in 2006 in a City Hall hiring fraud scandal. But it was that case that prompted Scalia to say the time has come to clarify confusion over just what the law means.

"Indeed, it seems to me quite irresponsible to let the current chaos prevail," he said.

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Feds recommend prison time for former Rep. Masek

Anchorage Daily News / adn.com
(09/09/09 20:59:32)

Federal prosecutors are recommending that former Rep. Bev Masek serve up to two years in prison on her conviction on corruption charges. In a sentencing memorandum filed Wednesday, trial attorney Marc Levin from the Justice Department's Public Integrity Section said Masek violated her public trust in accepting $4,000 from former Veco chief Bill Allen and spiking an oil tax bill Allen opposed.

"Crimes such as the defendant's have eroded the public's faith in the Alaska State Legislature and their elected leaders," Levin wrote. He urged U.S. District Judge Ralph Beistline to fine her $4,000 and sentence her to 18 to 24 months in prison followed by three years probation.

Federal Public Defender Rich Curtner has not yet submitted a sentence recommendation on behalf of Masek.

Masek was to appear for sentencing next week, but she's asked for a delay until October because of scheduling difficulties for one of her witnesses. Beistline will hear that request at a hearing this morning.

Masek, a Republican who represented parts of the Mat-Su Borough for nearly a decade in the Legislature, pleaded guilty in March to one count of conspiracy to commit bribery.

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Masek sentencing for corruption delayed

By RICHARD MAUER
rmauer@adn.com
(09/10/09 12:09:07)

A federal judge granted former state Rep. Bev Masek a one-week delay in her sentencing on corruption charges this morning even as he admonished her for violating the terms of her release at least twice by getting drunk.

In granting the reprieve to Sept. 24, U.S. District Judge Ralph Beistline rejected Masek's plea for a delay of at least another six weeks. And he stiffened her release conditions, ordering her to live with her parents in Anchorage and not touch a drop of alcohol. He directed federal probation officials to test her for booze as often as daily and authorized them to immediately throw her in jail if she tested positive for alcohol.

Her public defender, Rich Curtner, had sought the longer delay so Masek could complete an evaluation "process" for substance abuse treatment as part of her sentencing, but Beistline said she has had more than ample time since her guilty plea for conspiracy to commit bribery in March.

Federal prosecutors are seeking a prison sentence of 18 to 24 months, while Curtner said he will probably ask that she be sent to a residential treatment facility. The judge said he will give her some prison time.

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Masek asks for delay in sentencing

WITNESS: Doctor unavailable for hearing; he's for treatment.

By RICHARD MAUER
rmauer@adn.com

(09/06/09 20:44:15)

Former Rep. Bev Masek has asked to have her sentencing on a bribery charge delayed because a witness won't be available for the hearing.

Masek, who pleaded guilty in March to conspiring to accept a bribe from former Veco chief executive Bill Allen, was due to learn her punishment on Sept. 16. Her plea bargain provides a range of 18 to 24 months in prison and a $4,000 to $40,000 fine, though U.S. District Judge Ralph Beistline can go outside that range if he finds cause to.

The maximum penalty is five years in prison and a $250,000 fine.

In a motion filed last week, Masek's public defender said a key witness, Dr. Ted Mala, can't make it to the Sept. 16 hearing and asked that sentencing be delayed until the last week of October. If the delay is granted, it would be the third time Masek's sentencing, originally set for May, has been postponed.

Mala, one of three witnesses the defense expects to present at sentencing, is director of tribal relations at the Alaska Native Medical Center in Anchorage and an expert in combining traditional and Western medicine.

Federal Public Defender Rich Curtner said in his motion that Mala has known Masek for years and considers her a good candidate for the Southcentral Foundation's "Circle of Recovery" program.

The program, for Alaska Natives who have low incomes and little or no medical insurance, helps clients obtain mental health and substance abuse counseling, employment services and other support, Curtner said.

In June, Beistline delayed Masek's sentencing at Curtner's request so she could complete psychiatric and substance abuse evaluations.

Masek, a Republican who represented the Matanuska-Susitna area from 1995 to 2004, pleaded guilty in March to participating in a bribery conspiracy by accepting at least $4,000 from Allen.

In return for one of those payments, she killed a bill in 2003 that would have raised oil taxes after Allen told her it was "harmful" to his oil industry clients. Veco's main line of business was construction and specialized services in oil fields.

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Find Richard Mauer online at adn.com/contact/rmauer or call 257-4345.

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Young on watchdog group's "most corrupt" list for third time

Posted by Alaska_Politics
Posted: September 15, 2009 - 9:56 am

Comments (16) | Recommend (3)

From Erika Bolstad in Washington D.C. --

Republican Rep. Don Young has made his third annual appearance on the **"Most Corrupt"** list of the watchdog group Citizens for Responsibility and Ethics in Washington. The group references an ongoing **FBI investigation**, saying that "ethics violations stem from the misuse of his position to benefit family and friends and to steer millions of dollars in earmarks to corporations in exchange for contributions to his campaign committee and political action committee."

The other lawmakers on this year's list, after the jump:
Rep. Vern Buchanan, R-Fla.
Sen. Roland Burris, D-Ill.
Rep. Ken Calvert, R-Calif.
Rep. Nathan Deal, R-Ga.
Sen. John Ensign, R-Nev.
Rep. Jesse Jackson, Jr., D-Ill.
Rep. Jerry Lewis, R-Calif.
Sen. Mitch McConnell, R-Ky.
Rep. Alan Mollohan, D-W.Va.
Rep. John Murtha, D-Pa.
Rep. Charles Rangel, D-N.Y.
Rep. Laura Richardson, D-Calif.
Rep. Pete Visclosky, D-Ind.
Rep. Maxine Waters, D-Calif.

Alaska Politics Blog

This is the place to talk about Alaska politics, state, local, national. Public life in the Last Frontier has never been more interesting -- Sarah Palin, a new governor, a new Anchorage mayor, the political corruption investigation, the usual hardball Alaska politics. Come here for news, tidbits and information, and join the discussion. We encourage lively debate, but please keep it civil and stay on point. Don't use profanity, make crude comments or attack other posters. Posts that violate the **Terms of Use** will be deleted. Repeat offenders will lose their ability to post comments.

Contributors

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Erika Bolstad covers Alaska issues, including the congressional delegation, from Washington, D.C., for McClatchy Newspapers. Before joining the bureau in 2007, she spent seven years as a reporter at the Miami Herald, where she covered politics, government and the state legislature. E-mail Erika at ebolstad@adn.com.

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Sean Cockerham writes about Alaska state politics. He's worked for the ADN in Anchorage and Juneau, covered the legislature for the Fairbanks Daily News-Miner, and covered Washington state politics for the Tacoma News Tribune. E-mail Sean at scockerham@adn.com

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Kyle Hopkins covers rural affairs, general assignments and politics for the ADN. He covered the 2006 campaign for governor, has blogged extensively about Alaska politics, covered Anchorage city government and was a reporter based in the Mat-Su. He grew up in Southeast Alaska and previously wrote for the Fairbanks Daily News-Miner and Anchorage Press. E-mail Kyle at khopkins@adn.com and also find him on our rural Alaska blog, The Village.

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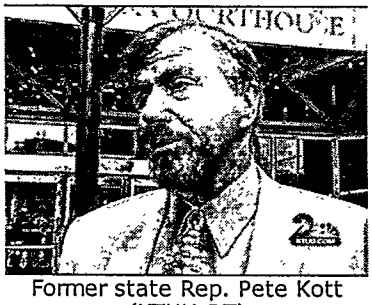
Kott motion to dismiss details witness's involvement in sex scandal

Posted: Sep 25, 2009 12:56 PM ADT
Updated: Sep 25, 2009 2:50 PM ADT


Former state Rep. Pete Kott (KTUU-DT)

Former VECO CEO Bill Allen (KTUU-DT)

by Casey Grove and Leyla Santiago
Friday, September 25, 2009

ANCHORAGE, Alaska -- Attorneys for former state Rep. Pete Kott filed a motion to dismiss his corruption case Thursday night, and the filing includes allegations of sexual trysts with underage girls set up by the federal government's key witness in a wide-reaching investigation of corruption in Alaska politics.

Kott was released from prison in June after the Justice Department learned that evidence may have been withheld from his defense team during his trial for taking bribes from VECO Corp. CEO Bill Allen.

The release came after the dismissal of the criminal case against former Sen. Ted Stevens based on withheld evidence.

Now, in a 58-page motion to dismiss, Kott's lawyers are now asking that his conviction be thrown out because of prosecutorial misconduct.

Kott's attorney listed nine ways the federal prosecutors covered up evidence, including the credibility of Allen and his No. 2 -- Rick Smith -- and Kott's exchange of political favors for benefits.

Kott's attorney, Sheryl Gordon McCloud, also links Allen to a sex scandal and underage prostitution ring from which five victims are referenced. The four victims mentioned in the filing ranged in age from 14 to 16 years of age.

A victim who was 16 years old at the time told detectives that Allen flew her up from Seattle to have sex.

The same victim gave what McCloud called "specific and detailed information about a physical characteristic of Bill Allen that would be considered extremely embarrassing, and that most men would seek to shield from public knowledge."

Another victim told detectives she exchanged gifts like condos and cars for sex.

The victims were interviewed as an offshoot of a complex probe into a sex and drug ring involving Anchorage businessman Josef Boehm.

The attorney states that federal agents were present during the victims' interviews and tried to cover up the evidence to protect the credibility of its key witness -- Allen.

Because of that case's complexity, federal prosecutors said they asked police to suspend their investigation of Allen. The Anchorage Police Department re-opened its investigation of Allen's alleged sex crimes in February.

McCloud claims the information should have been presented in court because it "showed prior acts of criminality and it showed Bill Allen's desperate attempts to convince his victims to lie to protect him."

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During Kott's trial, the prosecutors said it was not relevant.

194-A-AN-13620-m-1017

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Kott seeks dismissal of corruption charges

By RICHARD MAUER
rmauer@adn.com
(09/25/09 16:08:30)

Former Alaska House Speaker Pete Kott says his 2007 trial on corruption charges was so tainted with prosecutorial misconduct that charges should be dismissed.

In a 59-page motion field in U.S. District Court yesterday, Kott's lawyer said the government deliberately hid information from Kott's trial team, including stunning details of lead witness Bill Allen's sexual activity with underaged girls and his efforts to get at least one to perjure herself to protect him.

Kott's Seattle lawyer, Sheryl Gordon McCloud, said the material casts sharp doubts on Allen's credibility, including his explanations of videotaped and eavesdropped conversations concerning alleged bribes to Kott.

The new information, provided over the last several months to Kott and former Rep. Vic Kohring, who also was tried and convicted on corruption charges in 2007, also casts doubt on other key parts of the government's case against Kott. Some of the new material corroborates assertions made by Kott on the witness stand that money and favors he got from Allen were not evidence of bribery or extortion but rather loans or other more innocuous transactions.

"Certainly there were recordings," McCloud wrote. "But the witnesses differed as to the meaning of those recordings. The government's witnesses -- testifying pursuant to plea agreements -- testified that those recordings showed bribery and extortion, that is, payments in exchange for favors."

But the new evidence suggests otherwise, she wrote.

The material stems from events following the trial of U.S. Sen. Ted Stevens on charges that he failed to report hundreds of thousands of dollars of gifts and benefits from Allen, once the chief executive of the oil-field service company Veco Corp.

A Washington, D.C., jury found Stevens guilty on all counts in October, but the case began to unravel when an FBI agent said the investigation and trial were tainted by misconduct. By April, with investigations into the allegations under way, the Justice Department admitted it failed to give Stevens favorable evidence he was entitled to and asked that all charges be dismissed.

At the same time, it began a review of the convictions of Kott and Kohring, then serving time in federal prisons, and in June said similar problems occurred in their trials. At the government's request, Kott and Kohring were freed on their own recognizance pending resolution of the matter.

Lawyers for the two men were originally supposed to file motions by Monday, with the government response due in October and oral arguments, if necessary, in November. But Kohring's lawyer won a one-month delay because of other trials he is engaged in.

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The trial judge in both cases, U.S. District Judge John Sedwick, hasn't said when he'd make a ruling. He could dismiss the charges or order new trials. It's also possible he could rule the new evidence wasn't significant, but given the weight and questions it poses, that possibility appears to be receding.

Information about Allen's sexual activity with a minor arose briefly in a closed hearing in Kott's case. In her motion, McCloud said it caught Kott's trial attorney, Jim Wendt, by surprise. When prosecutors assured the judge

the information was irrelevant to Kott's trial, the matter didn't go further.

The matter played out similarly in Kohring trial.

Several months later, in early 2008, the Daily News and the Anchorage Press reported that an Anchorage police detective uncovered evidence in an unrelated 2003 case that Allen had sexual relations with a 14- or 15-year-old girl in the mid-1990s. The detective, Kevin Vandegriff, originally suspended his investigation in 2004 at the request of federal prosecutors, but had reopened it.

The case remains active, and information provided to Kott contained both evidence known at the time of Kott's trial and also new material recently unearthed by Vandegriff. There is no statute of limitations on those crimes.

The 2008 stories focused on Bambi Tyree, who by then was 27. Since then, another woman has come forward and said she had sex with Allen when she was underaged, and that Allen paid for her to fly to Anchorage from the Lower 48 to have sex.

But the new material goes much further, identifying five female victims.

"Its newly released documents contain allegations and evidence that Bill Allen committed a multitude of primarily sex crimes against children, and that he sought to have them swear that he never committed such acts," McCloud wrote in her motion.

One of the underaged victims said she signed an affidavit at Allen's request that falsely said she didn't have sex with him. The affidavit was presented to her by one of Allen's lawyers at the time, according to the motion.

This is a developing story. Check back for updates.

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Judge shows leniency in Masek sentence for corruption

CORRUPTION: Former state representative must serve 3 years' probation after prison.

By RICHARD MAUER
rmauer@adn.com
(09/24/09 09:24:17)

Former state Rep. Beverly Masek was sentenced to six months in federal prison Thursday on corruption charges, a lenient punishment that sliced a year from the minimum confinement recommended by federal guidelines.

In handing down the sentence, U.S. District Judge Ralph Beistline said Masek betrayed the public trust and the oath of office she took five times in Juneau -- once for each of the two-year terms she served representing the Willow area in the Legislature as a Republican.

Masek admitted to a felony charge of conspiracy to commit bribery by taking two illegal payments in 2003 of $2,000 each from former Veco Corp. chief executive Bill Allen. The second payment was a gift for spiking an oil-tax bill that Allen, an oil-field contractor, was concerned would hurt his clients.

In dealing her a sentence substantially below the 18- to 24-month recommendation in federal guidelines, Beistline cited the long delay between the commission of the crime and its prosecution by federal authorities, who didn't charge Masek until March. He also said he believed she had a good opportunity to rehabilitate herself, especially if she can control her alcohol dependency.

Masek, a former Iditarod musher, cried throughout the 80-minute hearing, including when she promised to obtain sobriety treatment after her prison sentence.

"I feel I've been operating on a broken sled runner," Masek said, recalling her days as a dog musher. "I feel I've been on that broken sled runner for quite a while. I'd really like to fix it."

Beistline said Masek would have to serve three years' probation after her prison time, during which she would be barred from consuming any alcohol or even entering a bar, nightclub or other place alcohol was served other than a "bona fide restaurant." The judge said federal probation officials could order Masek to enter a residential treatment facility for alcohol addiction for up to six months after prison as long as the facility was culturally sensitive for Alaska Natives.

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Beistline said Masek was too broke to also be fined.

Masek's attorney, public defender Rich Curtner, had asked for even lighter treatment than she got -- six months of home confinement, the same punishment Beistline had given former state Sen. John Cowdery. Curtner said Cowdery's crime was worse than Masek's because it was "much more sophisticated, much more far reaching than Ms. Masek's."

Cowdery pleaded guilty for conspiring with Bill Allen to get $25,000 to another state senator's campaign to buy his support for oil legislation. The deal was never consummated, and the other senator cooperated with federal authorities.

Beistline disagreed -- Masek's crime was worse, though both were bad.

"He was guilty of facilitating a meeting or two -- he never took any money," Beistline said. Masek, on the other hand, solicited cash from Bill Allen and his vice president, Rick Smith.

"You sought them out when you were sober," he said. After she got the $4,000, "you sought more." She even raised the possibility of masking Veco payments as consulting fees and discussed a complex scheme where Allen would pay to sponsor her dog kennel as a way to get money to her.

"You engaged in this clearly illegal conduct," Beistline said.

Masek said she has "hurt, embarrassed and humiliated" herself and let her friends down.

"I know I have done things I should not have done. I know I need help. I'm ready to get back on track and get off this cliff that I fell off of," she said.

In a sentencing memo filed on behalf of Masek, Curtner said Masek accepted responsibility for her actions, but also blamed her ex-husband for being controlling and abusive and the environment in Juneau for depressing and confusing her.

Jan Masek, now an entrepreneur living in Panama, where his and Beverly's son Michael also lives, said the main thing he tried to control was the presence of alcohol in the family home. In an e-mail Thursday, he said that he would allow none. He denied being abusive.

"All my life I never put (a) hand on Bev, even when she got drunk," Jan Masek said. "I think this is (a) great insult."

"She start drinking in Juneau, with nice Republican rednecks," he added.

Beistline, from the bench, acknowledged that Masek may have been a "pawn in the hands of several legislators (and) her husband," but it didn't excuse her conduct. He said the idea that a legislator incapable of acting on her own and frequently drunk was "kind of scary, when you think about it."

Beistline said he was hopeful Masek could conquer her alcohol problems and become a useful member of society. But he also expressed skepticism because she hadn't gotten treatment despite her heavy drinking over the last decade and a driving while intoxicated charge. Under court supervision since her guilty plea in March, she's still been drinking to excess, the judge said.

"Up until two weeks ago you were disrupting the neighborhood with your drunken tirades," Beistline said.

FBI - Stevens-2543

Masek asked that she be allowed to serve her prison sentence in Alaska so she could be close to friends. But Beistline said prison wasn't supposed to be "fun," and besides, he added, there's no federal facility in the state. He allowed her to remain free on bond until a minimum-security prison slot was available, and said she could either report on her own, or if she couldn't afford the airfare, be transported to prison by the U.S. Marshals Service.

A spokeswoman for the U.S. Bureau of Prisons in Washington, D.C., said a spot is usually found for a convict within 48 hours of the agency receiving case documentation from the district court and the local pretrial services office.

Masek was the sixth state lawmaker and 12th person overall charged in the wide-ranging FBI

investigation of corruption in Alaska politics. The investigation, while still ongoing, has been on hold while the Justice Department and a special prosecutor in Washington investigates the conduct of prosecutors and the FBI as a result of the collapse of its biggest case, the corruption trial of former U.S. Sen. Ted Stevens.

Though a jury found Stevens guilty, the government agreed to dismiss all charges because prosecutors failed to turn over favorable evidence to Stevens' attorneys. Two Alaska lawmakers were released from prison on similar issues in June while a judge decides whether their trials were unfair, and if so, if they should be tried again or have their charges dismissed.

Find Richard Mauer online at adn.com/contact/rmauer or call 257-4345.

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Masek excuses sound hollow, sentence disappoints

Posted by adn_jomalley
Posted: September 24, 2009 - 11:54 pm

Comments (80) | Recommend (7)

Beverly Masek's sentencing Thursday morning was a chance for her to take responsibility for pocketing $4,000 from an oil services company executive in exchange for her vote. And she told the judge she did. But what I heard in the courtroom was a long list of reasons why it wasn't really her fault.

The five-time elected member of the Alaska House of Representatives took a bribe in 2003 from Veco Corp. chief executive Bill Allen because she was depressed and going through a divorce, her attorney, Rich Curtner, explained to the judge. She was cash-strapped and desperate and drinking too much. The defense sentencing document -- built on letters from public figures and a psychiatric evaluation -- painted a picture of her that seemed fragile, like a besotted Victorian heroine wandering the halls of the capitol.

Masek was vulnerable and prone to relationships with domineering people, it said, a passive, dependent personality. She was unsophisticated and from a village, childlike, overwhelmed and adrift in Juneau when she had no one to tell her what to do. She was powerless to the pull of the Legislature's culture of corruption. Not to mention she had a habit of drinking too much. Reading all that, one might have expected her to faint right there in the courtroom. But instead she just sniffled, dabbing her eyes with a wadded Kleenex.

Masek was looking at 18 to 24 months under federal sentencing guidelines. But she didn't want to go to jail, her lawyer told the judge. She wanted to go to alcohol treatment.

In my seat in the front row, I was unmoved. Masek navigated the Iditarod Trail four times. Did she really have such a hard time, no matter how stressed or broke or hung-over she might have been, navigating the difference between right and wrong in Juneau? She had taken the oath of office five times, and been in the Legislature nearly 10 years when she deposited Allen's money in her bank account. The defense was reaching for heart-strings, playing a cloying victim tune. But it relied on a musty stereotype about Native women I don't buy. Masek was no naive village girl. She was an adult and an elected official. It seemed reasonable, even if she had an alcohol problem, that she should be expected to act like one.

I thought about the Saturday afternoons I spent down at the jail courthouse, watching less prominent defendants sitting in lines behind Plexiglas, waiting to hear their charges read for the first time. It was likely every one of them had problems with alcohol or dysfunction or divorce or desperation. Many were unsophisticated. But most of them ended up in jail. Why? Because being drunk or sad or dumb didn't make their crimes go away.

It was humiliating for Masek to walk through the Federal Building on Thursday morning followed by cameras. And certainly her life has not been easy. She was the first in her family to graduate from high school. Her attorney argued she had a difficult marriage to a controlling husband. Alcohol has

Julia O'Malley

Julia O'Malley writes a general interest column about life and politics in Anchorage and around Alaska. She grew up in Anchorage and has worked at the ADN on and off as a columnist and reporter since 1996. She came back full time as a reporter in 2005.

As a reporter, she covered the court system and wrote extensively about life in Anchorage, including big changes in the city's ethnic and minority communities.

In 2008, she won the Scripps-Howard Foundation's Ernie Pyle award for the best human-interest writing in America. She has also written for the Oregonian, the Juneau Empire and the Anchorage Press.

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Masek excuses sound hollow, sentence

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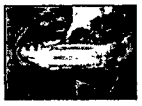
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been an ongoing struggle. But holding public office means meeting high standards. And there were others with similar stories who managed in Juneau just fine.

I might have had more sympathy had this been an isolated irresponsible decision. But there were others. There was her problem with using the campaign funds to pay personal bills. And the time she made her aide give her money or risk losing his job. And the Legislative session where she barely showed up. And, most serious, a drunken driving incident in 2005.

She told the judge she was sorry for what she did and that she was ready to change. Like a musher on a broken sled runner, she said, she wanted to get fixed and move on. But I couldn't help thinking that she'd known for months this day was coming. She was out of jail and could have entered any number of alcohol treatment programs. She could have found a 12-step program. But only two weeks before the sentencing, she was drunk despite a court order, causing a ruckus in her neighborhood. Was she really ready to change?

Soon it was Judge Ralph Beistline's turn to deliver the sentence. He said all the right things. She abused the public trust, stumbling significantly over the last 10 years. Her personal problems didn't mean she could commit crimes. Lots of fancy friends speaking on her behalf wasn't going to sway him.

But then he delivered the sentence: six months, a third of the minimum under court guidelines. And mandated alcohol treatment. He called it "compassionate," and it maybe was, but I couldn't help feeling it wasn't enough.

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amendment1
wrote on 09/25/2009 02:50:43 PM:

Do the crime, do the time, like all the rest of us. How this person got elected is mind boggling. But then the people who elected her also first elected She Who Must Not Be Named.

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Masek pleads for leniency in sentencing for conspiracy

CORRUPTION: Her attorney calls her "an inspiring figure in alaska."

By RICHARD MAUER
rmauer@adn.com

(09/22/09 22:06:10)

Former state legislator Bev Masek says she shouldn't get prison time for her guilty corruption plea, blaming her failings on an overbearing husband, the retirement of her mentor in the Legislature, and her inability to fathom her elected office despite a decade in the job.

Masek is due to be sentenced Thursday by U.S. District Judge Ralph Beistline on her conviction of conspiracy to commit bribery. She admitted accepting $4,000 in 2003 from former Veco Corp. chief executive Bill Allen, an oil-field contractor. According to the charge, she begged for money from Allen and another Veco official, at one point killing a tax bill after Allen complained it would hurt his oil-industry clients, then collecting $2,000 for her effort.

In her bid for leniency, contained in a sentencing memo filed by her public defender last week, Masek argued against the suggestion of prosecutors that she be ordered to prison for 18 to 24 months, the standard sentence for her crime. The conspiracy charge carries a maximum penalty of five years in prison, but prosecutors said Masek shouldn't be considered for worst-offender status under federal sentencing guidelines.

"Beverly Masek has been an inspirational figure in Alaska," asserted Rich Curtner, her attorney. He cited her completion of the Iditarod Trail Sled Dog Race four times, her graduation from high school in Anvik, and her election by Mat-Su voters as a Republican to the Alaska House for five terms.

But Masek was also "vulnerable" to the suggestions of others, Curtner said.

"At the time of this offense, Ms. Masek was going through a divorce, suffering from major depression, economically devastated, and drinking heavily," Curtner wrote in his memorandum to Beistline.

Masek isn't looking for an excuse, Curtner said, and she has taken responsibility for her crime by pleading guilty and agreeing to interviews with the FBI and prosecutors. At the same time, her personal travails would be better dealt with through home confinement and treatment in a facility like the Ernie Turner Center run by the Cook Inlet Tribal Council in Anchorage, rather than a federal prison in the Lower 48.

Still, Masek blamed much of her troubles on her ex-husband Jan, now a businessman in Panama promoting environmentally sensitive development projects.

"Many of those who knew Jan and Beverly Masek as a couple describe Mr. Masek as a controlling and abusive husband," Curtner wrote. Jan Masek encouraged his wife to take up dog mushing and suggested she run for the state Legislature, Curtner said, but when they divorced he cut off her money.

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Jan Masek didn't respond to an e-mail request for comment.

In addition to blaming her husband for her heavy drinking and depression, Curtner cited excerpts from a sealed psychiatric report to bolster his efforts to keep Bev Masek out of prison.

"During Ms. Masek's early years in the Legislature, her mentor was Rep. Ramona Barnes. They formed a close relationship and Ms. Masek took considerable guidance from Ms. Barnes," wrote Dr. Aron Wolf. When voters sent Barnes into retirement in 2000, Masek felt adrift, Wolf said.

Sarah Tugman, an Anchorage lawyer who has known Masek since the early 1990s, said in a letter submitted by

Curtner that Masek was lost in Juneau.

"In the legislature, I also think that Beverly was largely controlled by other people," Tugman wrote. "I witnessed her reliance on her aides and other legislators as the job was unfamiliar to her and she was neither sophisticated nor did she have the background education or skills to allow her to be very independent with respect to the issues that she was presented with and with which she was somewhat overwhelmed."

Curtner didn't offer an explanation about why Masek continued to run for an elective office she was apparently unqualified for, but said it was in that atmosphere that she became susceptible to pressure from Allen, a close friend of Barnes.

The attorney described Masek's crimes as less severe than those of other defendants in the wide-ranging Alaska corruption scandal -- in particular those of former Sen. John Cowdery, who also pleaded guilty to a conspiracy charge.

Cowdery received six months of home confinement, a term just ended, and three years' probation. Prosecutors didn't object to home confinement because of Cowdery's age -- 79 -- and health so poor he had difficulty getting out of a wheelchair.

Curtner said Masek was sick too -- with depression and "a serious alcohol problem."

Raising the issue of race and gender, Curtner added, "It would be a tragic footnote in the Alaska corruption scandal that amidst the storm of corruption in Alaska's legislature, at this point the one person who is serving time in a federal prison is a Native Alaskan woman who was suffering from depression and alcoholism, who accepted four thousand dollars from Bill Allen."

Curtner wasn't entirely correct, though. While other defendants have finished their terms or are free pending resolution of their cases, one other former legislator, Tom Anderson, is about midway through a five-year prison sentence for conspiracy, bribery and money laundering. Two other former legislators, Pete Kott and Vic Kohring, were released from prison in June as they appeal their convictions but could be ordered back or face new trials.

In another development, Kohring's lawyer is seeking a delay in filing a motion on how Kohring's case should proceed. Kott and Kohring were supposed to file their motions by Sept. 28, but Kohring's attorney, John Henry Browne of Seattle, said he is involved in other cases that are demanding his attention. On Tuesday, he asked for a month's delay. U.S. District Judge John Sedwick hasn't yet ruled on that request.

Find Richard Mauer online at adn.com/contact/rmauer or call 257-4345.

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Masek sentenced to 6 months in prison

By RICHARD MAUER
rmauer@adn.com
(09/24/09 09:24:17)

Former state Rep. Beverly Masek was sentenced to six months in federal prison this morning for her part in the Alaska political corruption scandal.

Masek, a former Iditarod musher who served five terms representing the Willow area of the Matanuska-Susitna Borough, pleaded guilty this year to conspiracy to commit bribery. She accepted $4,000 in 2003 from former Veco Corp. chief executive Bill Allen, an oil-field contractor.

Judge Ralph Beistline placed Masek on three years' probation after her prison term is complete. He also directed the federal probation office to find a facility where she could undergo residential treatment for alcohol abuse for up to six months after prison.

Under the terms of the probation, Beistline ordered her to not consume alcohol and said she is not allowed to go anyplace where alcohol is served other than "a bona fide restaurant." She's not allowed to own a firearm for the rest of her life.

Addressing the court, Masek said she accepted responsibility for what she did. The judge, however, said her behavior was especially egregious because it involved violating the oath of office that she took five times as a state representative.

According to the charge, she begged for money from Allen and another Veco official, at one point killing a tax bill after Allen complained it would hurt his oil-industry clients, then collected $2,000 for her efforts.

Prosecutors asked that she be sentenced to prison for 18 to 24 months, the standard sentence for the crime.

Masek's public defender lawyer asked the for leniency. In a pre-sentence filing, the attorney, Rich Curtner, described her as "an inspirational figure in Alaska," noting that she had completed the Iditarod four times.

This is a developing story. Check back for updates.

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Supreme Court sets date for former legislator's appeal

WEYHRAUCH: Juneau Republican says statute doesn't apply in case.

By RICHARD MAUER
rmauer@adn.com
(09/29/09 17:53:11)

The U.S. Supreme Court has set Dec. 8 as the date for oral arguments in the appeal of former Rep. Bruce Weyhrauch, who is seeking to reinstate a court order that sharply limited the federal government's mail fraud case against him.

Weyhrauch, a Juneau Republican, is the only defendant awaiting trial in the wide-ranging federal corruption investigation in Alaska. He was originally supposed to be tried in 2007 alongside former House speaker Pete Kott, but his case was separated over the mail-fraud issue.

Kott was convicted and had served about two years of a six-year sentence when he was released in June. His prison term is on hold while U.S. District Judge John Sedwick decides whether his trial was tainted by prosecutors who withheld favorable evidence from his attorneys.

Before the cases were separated, Sedwick had ruled against prosecutors on one count of a four-count indictment charging Weyhrauch with conspiracy, extortion, bribery and fraud.

At issue was a job Weyhrauch sought from the oil-field services company Veco Corp. In 2006, while the Alaska Legislature was still in session, Weyhrauch, a lawyer, asked Veco to give him legal services work later in the year. At the same time, Veco was actively lobbying the Legislature in opposition to increased oil taxes.

Prosecutors said that Weyhrauch should have disclosed his job-seeking as a conflict of interest. But Weyhrauch's attorneys argued that because nothing in state law required such a disclosure, the federal fraud statute couldn't be used to charge him with defrauding Alaskans of his "honest services."

Sedwick agreed with Weyhrauch, but the government appealed and won in the 9th Circuit U.S. Court of Appeals. Weyhrauch then appealed to the U.S. Supreme Court. Though the Supreme Court rarely intervenes before a trial, it agreed to take Weyhrauch's case.

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Prosecutors again delay Zachares' sentencing

LOBBYING SCANDAL: Former Young aide pleaded guilty to conspiracy in April 2007.

By RICHARD MAUER
rmauer@adn.com

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(10/09/09 21:40:57)

For the eighth time since Mark Zachares' guilty plea to a felony conspiracy charge in April 2007, prosecutors have gotten approval to delay the sentencing of a former top committee aide to U.S. Rep. Don Young.

Zachares, a lawyer and ex-Alaskan who rose to the position of special counsel to Young when the Alaska Republican was chairman of the House Transportation Committee, is continuing to cooperate with federal authorities "in several ongoing investigations," prosecutors said in a motion filed Thursday in federal court in Washington.

"The government anticipates that Mr. Zachares' cooperation will continue for the foreseeable future," prosecutors with the Justice Department's criminal division said. As is normally the case, they provided no details.

Zachares had been scheduled to appear before U.S. District Judge Ellen S. Huvelle for a status conference on Oct. 16. But in an order filed Friday, Huvelle canceled that hearing and ordered another for Jan. 8, indefinitely forestalling Zachares' sentencing.

Under his plea deal, he faces 18 to 24 months in prison, though the judge is not bound by the agreement. The charge carries a maximum sentence of five years.

Zachares' charge arose out of the Jack Abramoff lobbying scandal that has so far led to charges against 20 people, mainly public officials and lobbyists. Abramoff is now serving a four-year prison sentence for defrauding American Indian tribe clients and corruption of public officials.

Zachares admitted using his position in Young's committee to tip off Abramoff and his team of lobbyists to transportation projects, maritime issues and homeland-security matters.

In return, Zachares admitted, he accepted more than $30,000 in tickets to sporting events, a luxury golf trip to Scotland, and $10,000 in cash from Abramoff or his associates.

Abramoff got Zachares his job with Young around 2002, then told a fellow lobbyist that Zachares was "pulling our load inside" the committee.

Young, under investigation over unrelated matters in Alaska and Florida, was not named in Zachares' charge. But Abramoff has had several connections to Young over the years. In 2000, when Zachares was an official in the government of the Northern Mariana Islands and Abramoff was lobbying for the island government and the local garment industry, Young spiked a bill that would have imposed U.S. labor laws there.

That bill had been a pet project of a fellow Alaska Republican, then-Sen. Frank Murkowski, who said he was trying to stop near-slavery conditions in the Marianas, a U.S. territory in the Pacific.

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The bill didn't surface again until Abramoff was sentenced to prison. It passed Congress and was signed into law in 2008.

Starting in 1999, Indian tribes with gambling interests that were represented by Abramoff gave about $20,000 to Young's re-election efforts and his political action committee. Young's campaign used Abramoff's skybox at Washington's MCI Center for several fundraisers. And former Young aide Duane Gibson later went to work for one of Abramoff's firms.

In March, the former policy director on Young's transportation committee, Fraser Verrusio, was charged in a three-count indictment with conspiring to change a federal highway bill to benefit an Abramoff client. The charges said he accepted an illegal payment from Abramoff and associates: an expense-paid World Series trip to New York in 2003 that included a visit to a strip club, dinner at a steak joint and a night in a Manhattan hotel.

Verrusio was one of Young's first hires when he took over as chairman of the committee in 2001.

A trial date for Verrusio has not been set, but the judge in his case has ordered a status conference for Nov. 6.

Zachares and Verrusio were supervised by Young's chief of staff on the transportation committee, Lloyd Jones, a former Republican state senator from Ketchikan married to another ex-state senator, Jan Faiks, who was from Anchorage. Zachares, Verrusio and Jones -- now retired -- had nearby offices in the Rayburn House Office Building.

Young has refused to answer media questions about the federal investigations in which he's involved, and on Friday his spokeswoman said he continues to have no comment.

Public records show that since 2007 Young has spent more than $1 million from his campaign account and a legal defense fund on lawyers.

Zachares left Young's committee in 2005, the year of Young's massive transportation bill with its infamous "Bridges to Nowhere" funding for Alaska.

Since Zachares' plea, Judge Huvelle has twice allowed him to travel to Korea for business, the latest from Sept. 23 to Oct. 2. He hasn't had to publicly report what he does for a living, but his lawyer said in 2007 that he was working in sales.

Zachares' plea agreement also included a promise by the government to not charge his wife, Cynthia, in return for her cooperation. The couple have twin daughters and live in the Washington, D.C., area.

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Sentencing for key bribe witnesses may be soon

VECO: Delay deadline has passed for Allen, Smith, but request might be under seal.

By RICHARD MAUER
rmauer@adn.com
Published: October 13th, 2009 09:44 PM
Last Modified: October 14th, 2009 09:33 PM

The deadline has come and gone for prosecutors to seek a delay of the Oct. 28 sentencing of former Veco chief executive Bill Allen, the FBI's key informant in the Alaska public corruption investigation.

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No motion for a stay was filed in the public docket of U.S. District Court by the cutoff day Monday -- a federal holiday -- or on Tuesday. There was no way to determine whether motions to delay the sentencing of Allen and former Veco Vice President Rick Smith were filed under seal.

If nothing was filed in the sealed docket, Allen and Smith will soon learn their punishment for their influence-buying spree among the ranks of Alaska's elected Republican officials.

It's been nearly two and a half years since U.S. District Judge John Sedwick accepted Allen's and Smith's guilty pleas to bribery, conspiracy and tax violations. In the intervening time, Sedwick agreed to stay their sentencings seven times while the pair testified in trials and held extensive debriefings with federal agents and prosecutors.

But Sedwick said the delays have gone on long enough.

"Allen's crimes are significant ones which involve the integrity of the political process in the State of Alaska," Sedwick wrote in his July 7 order accepting the previous government-proposed delay but suggesting it should be the last. "The community has a substantial interest in seeing the imposition of punishment for these crimes without undue delay."

In that order, he told prosecutors and defense attorneys to prepare for sentencing by the end of October. If prosecutors felt they needed an additional delay, they would have to comply with a much tougher standard than before: They would have to file a detailed statement by Oct. 12 in which they would identify the potential defendants against whom Allen and Smith were providing information, the date by which a grand jury would indict the defendants, the districts in which they would tried, and the likelihood that Allen or Smith would be called to testify.

Because that information would be sensitive, he told prosecutors they could file a new delaying motion under seal.

Normally, a prosecutor has to ask a judge before submitting a sealed filing, a request that shows up in the public docket. It's unclear whether that same process would occur in this case because Sedwick already told prosecutors they could file under seal. It's possible they have asked for a delay and that only Sedwick knows about it.

A spokeswoman for the Justice Department declined to comment. Sedwick didn't respond to a message left in his chambers.

Prosecutors often like to delay the sentencing of government witnesses as an incentive for their cooperation. By helping the government, a defendant can get a substantial reduction in prison time.

In his July order, Sedwick noted that the law also allows prosecutors to seek reduced prison time for a cooperating witness for up to a year after sentencing.

And in the case of Allen, the government has an additional hammer: Under Allen's plea deal, the

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government agreed to not charge his son, Mark, with crimes the FBI uncovered in the corruption investigation. If Allen stopped cooperating, his son could be in jeopardy.

In testimony about his plea deal in the 2008 trial of former Sen. Ted Stevens, R-Alaska, Bill Allen admitted his son paid off a legislator. While Allen didn't name the politician, former Rep. Beverly Masek, R-Willow, pleaded guilty in March to accepting an illegal cash payment of "several thousand dollars" from a relative of Allen's.

In addition to facing charges, a felony conviction would cost Mark Allen his New Mexico racehorse license. He is co-owner of 2009 Kentucky Derby winner Mine That Bird and has a stable of race horses in Roswell, N.M.

Allen was the lead witness in Stevens' trial, and he and Smith testified in the trials of former House speaker Pete Kott, R-Eagle River, former Rep. Vic Kohring, R-Wasilla. Former Rep. Bruce Weyhrauch, R-Juneau, is awaiting trial on charges he conspired with Veco officials.

Allen has testified he made illegal payments to former state Senate President Ben Stevens, R-Anchorage. Ben Stevens, a son of Sen. Ted Stevens, has not been charged and has denied wrongdoing. U.S. Rep. Don Young, R-Alaska, has also been under investigation over his connections to Veco, but has not been charged and has also denied wrongdoing.

Charges against Ted Stevens were thrown out when the Justice Department admitted it failed to turn over evidence favorable to the defense prior to trial. The same issue has led to the release of Kott and Kohring from prison while Sedwick decides whether to order new trials or dismiss charges.

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Young's campaign fund not as hefty as in years past

CAMPAIGN: Legal fees take toll on congressman's money for next election.

By SEAN COCKERHAM and ERIKA BOLSTAD
Anchorage Daily News
Published: October 14th, 2009 09:08 PM
Last Modified: October 15th, 2009 07:40 AM

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Young's campaign fund not as hefty as in years past

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U.S. Rep. Don Young is writing checks to his lawyers and continues to pay out more money from his campaign account than he's taking in. The result is a campaign war chest that's far less than he's had going into previous election campaigns.

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Disclosure forms Young filed this week with the Federal Election Commission show the 19-term congressman spent $54,793 from his campaign account on lawyers during the past three months.

Young's chief of staff, Pamela Day, said the bulk of those expenses went to pay his $46,042 in reported debt to the Washington, D.C., law firm of Tobin, O'Connor, Ewing and Richard. "It's no new action, just old debt that was paid," she said.

Young is left with $123,037 in the bank just over a year before the election. That compares with the almost $1.5 million he had at this point in his last campaign for Congress.

Since early 2007, Young has spent $1.2 million from his campaign fund on legal bills connected to federal investigations of his fundraising and other matters. He also has spent an additional $73,415 on lawyers out of a separate legal expense fund he created last year.

Young has declined to discuss details of the legal issues, other than to say he's done nothing wrong and is frustrated they have dragged on for so long. Day said she's not involved in the legal matters and does not know exactly what the bills are for.

Young brought in a total of $86,725 in contributions the past three months. The period included his big annual fundraiser, featuring former U.S. Sen. Ted Stevens and held at the home of former Alaska Gov. Bill Sheffield. He spent $93,264 during the same period, on campaign expenses as well as the legal fees.

Former state legislator Andrew Halcro said he plans to file by the end of the month to challenge Young in next summer's Republican primary. Halcro said Young's numbers do not look good.

"If you raise 86 grand, spend 93, and 55 of that is for legal fees, that tells me you've got some problems," Halcro said.

Harry Crawford, a Democratic state representative running against Young for Congress, said his treasurer is working on his Federal Election Commission disclosure forms and he'll be filing them by tonight's deadline.

"We've just started on the fundraising, and it's going to reflect that," Crawford said. "I don't know how much we raised but it's somewhere in the neighborhood, I think, of $25,000."

He said he's had virtually no campaign expenses to this point. "I haven't had any legal expenses, if that's what you're asking," Crawford said.

Day said it is always tough to raise money in a non-election year and this has been a difficult time for Young, whose wife died in early August.

But she said people have been supportive of Young and that she's pleased with the recent fundraising. "He's committed to the race. He believes he can win it and is running to win. That's the only way he knows how to do it," she said.

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Feds work to avoid another Stevens prosecution fiasco

(10/15/09 10:07:33)

Link: The Washington Post "Justice Department leaders are pressing ahead with reforms to prevent lapses by prosecutors in sharing evidence in criminal cases, spurred by failures that led the federal government to abandon the conviction of former Alaska Sen. Ted Stevens. The reforms come as new allegations emerge that cast doubt on the credibility of the key witness in the Alaska political corruption scandals."

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Stevens still popular with oil industry

OVATIONS: Former senator continues to carry pro-development torch.

By RICHARD MAUER
rmauer@adn.com

(10/01/09 21:54:37)

Former Sen. Ted Stevens on Thursday broke the public silence he has maintained since his election defeat in November, delivering a vintage pro-development speech to the Alaska Industry Support Alliance that steered clear of the issues that cost him his job.

Introduced to a standing ovation that lasted most of a minute, Stevens urged the business group to organize to fight "extreme environmentalists," whom he said would prevent Alaska from assuming its role in providing the world with energy and other resources.

He said Alaska still has huge potential to develop oil, gas and coal reserves. As for a gasline, he said the state wasted time and effort bickering over a route and in debating new taxation. In the meantime, other projects are coming to fruition elsewhere -- often in places that created tax incentives.

The friendly crowd of oil-industry related businessmen and women interrupted his speech once with applause, then stood and cheered him for another minute when he finished his 20-minute address.

Stevens, 85, the longest serving Republican senator, ran for re-election last year under the shadow of a long-running corruption investigation. A week before the election, he was found guilty by a jury in Washington, D.C., of failing to disclose gifts from a person who would have been one of the main figures in the room in earlier days -- Bill Allen, the ex-chief executive of the state's once leading oil-field contractor, Veco Corp.

Charges against Stevens were thrown out in April when the Justice Department admitted it failed to turn over favorable evidence to his lawyers. Now the prosecutors and perhaps some FBI agents are themselves under investigation by the Justice Department and a special prosecutor looking into possible criminal contempt.

In between handshakes and well wishes as he made his way to the podium, Stevens said he wouldn't talk about his personal situation while those investigations are pending.

"Well, I'll talk about that sometime -- I don't think it's time to talk about that yet," Stevens said.

In the brief interview, Stevens said he was spending more time commuting between his homes and offices in Washington and in Alaska than he did while asenator.

"I'm still trying to (go over) all the things I have accumulated over almost 52 years of government service," he said. "We call it memorabilia. Everything has a memory. The question is, what do you do with all this stuff?"

Stevens said his health is good, and he walked easily and swiftly through the room. He said he still works out every day.

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"This is the first time I've made comments since I left the Senate. Then I'm going to fly back and take my wife on a trip for her birthday." He wouldn't say where they were going, only that it was in a different country. He said he just told his wife, Catherine, about the 10-day vacation.

"It's really a trip of a lifetime and I'm looking forward to it. We haven't had such a trip ever in our marriage. Got some time now."

Of the last year or so, Stevens would only give a quote from someone else.

"Winston Churchill once said, 'If you're going through Hell, keep going,' " he said.

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Allen asks that sentencing be postponed until February

ALLEN: Prosecutors have delayed decision 7 times but don't back this one.

By RICHARD MAUER
rmauer@adn.com
(10/20/09 16:39:29)

Former Veco chief executive Bill Allen is asking that his Oct. 28 sentencing on corruption charges be postponed four months because his cooperation in ongoing criminal cases is "incomplete," as is a contempt investigation of federal prosecutors in which he is also assisting.

Though prosecutors have previously initiated postponements seven times to encourage his cooperation, this time Allen is on his own.

According to Allen's motion, filed Tuesday afternoon, prosecutors believe Allen's request for a delay is not "meritorious" and were prepared to go ahead with his sentencing as scheduled.

Rick Smith, a former Veco vice president, is also scheduled to be sentenced on Oct. 28. He has not filed for a continuance and his attorney didn't return a call asking if one would still be sought.

U.S. District Judge John Sedwick told prosecutors to file a formal response to Allen's request by Thursday. Without saying how he would rule, he told both sides to be prepared for sentencing to go ahead Oct. 28.

Both Allen and Smith pleaded guilty in May 2007 to charges of corrupting public officials in Alaska to hold down oil production taxes.

Veco was a construction and maintenance company that mainly operated in oil fields in Alaska and around the world. Allen used his political operation, fueled with a mix of legal and illegal campaign money, undisclosed gifts and outright bribes, to improve the business climate for himself and his clients.

Allen's motion for a stay and an additional motion for an unusually quick resolution were initially filed under seal Tuesday. But Sedwick, who has grown increasingly wary of secret filings in the Alaska corruption cases, ordered Allen's attorneys to "immediately refile the motions on the public record."

Under federal sentencing guidelines, Allen and Smith can get time off an eventual prison sentence for cooperating with investigators and testifying truthfully. Both men have been working with the FBI since August 2006 and have testified in the trials of two former legislators, Pete Kott and Vic Kohring, who were both convicted. Allen was also the key witness against U.S. Sen. Ted Stevens, who was found guilty of failing to disclose tens of thousands of dollars of gifts, mainly from Allen and Veco.

But Stevens' case fell apart when the Justice Department admitted it didn't turn over favorable evidence to Stevens, and charges were dismissed.

Among the unprovided evidence were Allen's statements to FBI agents and prosecutors that

194A-AN-13620-M;1029

contradicted his later testimony at trial. One of the most serious was whether Stevens was honest when he sent a note to Allen asking him to send invoices for Veco renovations at the Stevens home in Girdwood.

During the trial, Allen said Stevens didn't really mean it when he asked for the bills. Stevens' attorneys asserted Allen was coached to lie on that point by prosecutors, an allegation the prosecutors denied.

In his motion to delay sentencing, Allen said he is now cooperating in the criminal contempt investigation of Stevens' prosecutors ordered by the Washington, D.C., judge who presided over Stevens' trial. In the last two days, there's been a flurry of activity in the docket of that investigation, though all six new filings have been under seal.

In July, Sedwick said he had seen enough delays and ordered Allen and Smith to appear for sentencing Oct. 28. He told prosecutors they could make one last appeal for delay if they acted by Oct. 12, but that date came and went.

Pre-sentence reports were prepared for both men. Those reports are normally under seal because of the private information they contain, but the fact they were prepared showed up on the dockets last week.

Sedwick said in his July order that Allen and Smith could still get credit for additional work with prosecutors under a federal rule that allows him to review sentences for up to a year after they are issued.

But in his motion for delay, Allen said he may be involved in investigations and prosecutions for more than one additional year. In addition, there is no procedural way for the special prosecutor in the contempt case -- a private attorney appointed by the judge -- to provide a complete evaluation of Allen's cooperation to Sedwick while that investigation is still ongoing, Allen's attorney said.

Allen proposed that his sentencing be delayed until Feb. 28, 2010, and said that even that date could be moved back by "new relevant developments."

"The degree of credit to which Defendant is entitled can only be properly evaluated when his cooperation is complete," the motion said.

Allen said it would also be improper for him to be sentenced while questions about his credibility remain unanswered. In addition, a noted Washington neurologist who has examined Allen, Richard Restak, would be unavailable to testify on Oct. 28 about Allen's "cognitive and communicative functions."

Allen suffered some brain damage in a motorcycle accident in 2001 and has difficulty with speech, though he has testified his recall of events is good.

"Dr. Restak can describe aspects of Defendant's mental and physical condition and functioning that bear directly on material aspect of Defendant's cooperation, including his statements to investigators and subsequent testimony," Allen's motion said, an apparent reference to the issue about bills that arose in the Stevens trial.

Allen's motion also describes additional cases he might be called to testify in. It's likely, he said, that those trials wouldn't be completed in the one-year time frame.

One is the bribery and conspiracy case of former Rep. Bruce Weyhrauch, who is currently appealing the basis for one of his charges to the U.S. Supreme Court.

FBI - Stevens-2560

Like Stevens, Kott and Kohring didn't get favorable evidence they were entitled to and they may get new trials, which may require Allen's testimony again.

And there are uncharged cases still under investigation, the motion noted.

"The government has not yet advised Defendant (Allen) of other investigations or prosecutions regarding which Defendant could provide further cooperation, but it is clear that there are other individuals who fall within the scope of the ongoing investigation and against whom Defendant might still be called to testify," Allen's motions said. "For example, the public official identified as State Senator B in Defendant's (charges) has not yet been charged with any criminal offenses, nor has Veco Executive A or Veco Executive B."

State Sen. "B" matched the description of former Alaska Senate President Ben Stevens, Ted Stevens' son. The Veco executives match the descriptions of Veco Corp. President Pete Leathard and Chief Financial Officer Roger Chan.

Attorneys for all three have denied their clients engaged in criminal conduct.

Find Richard Mauer online at adn.com/contact/rmauer or call 257-4345.

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Veco men stand for sentencing today

ALLEN: Prosecutors ask 46 months for executives guilty in corruption cases involving alaska officials.

By RICHARD MAUER
rmauer@adn.com
Published: October 27th, 2009 09:50 PM
Last Modified: October 29th, 2009 03:06 PM

enlarge
Erik Hill / Anchorage Daily News
Bill Allen arrives in Anchorage federal court on Wednesday morning October 28 2009 for his sentencing

With his delays exhausted, Bill Allen, the central figure in Alaska's public corruption scandal, is due to be sentenced this morning on bribery, conspiracy and tax charges.

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Allen, 72, once ran the leading oil-field business in Alaska, Veco Corp. He used that position and his wealth to help elect politicians and keep them on his side whenever issues important to him -- oil taxes, resource development and labor matters -- arose in the state Legislature.

But court-ordered wiretaps and a tiny FBI camera in his hotel suite in Juneau laid bare his efforts to go beyond verbal persuasion by giving cash, jobs, vehicles and other illegal benefits to elected officials.

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Five state legislators and U.S. Sen. Ted Stevens were charged with crimes related to their dealings with Allen. Three were convicted by juries, two pleaded guilty and one is awaiting trial. Stevens, one of those convicted, was freed when a judge said prosecutors engaged in misconduct in his trial.

Whatever punishment he and a former Veco vice president, Rick Smith, will receive in the federal courtroom of District Judge John Sedwick will be tempered by their extensive cooperation with prosecutors and the FBI. In 2007, when Allen testified against one of the legislators he bribed, former Rep. Pete Kott of Eagle River, he said he expected to get 10 to 11 years in prison.

But last week, prosecutors said they would ask for only 46 months, and Allen's lawyers said they would ask for six months.

Prosecutors are seeking 42 months for Smith, while Smith's lawyers said he should get a year.

Allen and Smith pleaded guilty May 7, 2007, but their sentencings were delayed to allow them to give evidence against others and reap the benefits of their cooperation. But in July, Sedwick called a halt to the delays and said it was time for the men to face justice.

Veco ceased to exist when Allen and his family sold most of its assets to the international engineering and construction company CH2M Hill in September 2007.

Allen's sentencing hearing is scheduled to start at 8:30 a.m. and Smith's at 10 a.m.

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Allen gets 3 years in prison, $750,000 fine

FBI - Stevens-2563

By RICHARD MAUER, LISA DEMER and SEAN COCKERHAM
Anchorage Daily News / adn.com
(10/28/09 09:29:11)

As some of his family dabbed tears from their eyes, Bill Allen, a one-time Alaskan of the Year and employer of thousands of Alaskans, at last stood before a judge to face his punishment Wednesday.

Now 72, Allen once saw himself as the proxy for the state's petroleum industry through his oil-field service company Veco Corp. But the FBI caught him paying bribes and gratuities to elected officials and treating campaign finance laws like they were written for someone else.

"I'd like to apologize to you, to the people here in Alaska," Allen said haltingly, the effects of his 2001 motorcycle accident still making it hard for the words to emerge. "Instead of me really helping them, I pushed them down, really. I thought I was doing right, but I pushed too -- I went over the line, too far."

"Your honor, go ahead and sentence me," he concluded at the end of a 12-minute version of his life story and how he came to be in the dock of a federal courtroom in Anchorage. "But kind of remember, I done some good."

Three years, said U.S. District Judge John Sedwick, and a $750,000 fine. The prison sentence was substantially less than the 41-month maximum suggested by federal guidelines, but the fine was the biggest Sedwick could assess, and the judge said he would have levied a larger one if he could because Allen's crimes were partly motivated by greed.

The hearing over, portions of the Allen clan -- son Mark, daughter Tammy, two of her children, Tammy's lawyer -- left the courtroom, scuffled with a blogger with a video camera on the sidewalk, then hauled out to the Million Air fixed-base operation at the airport in three black SUVs protected by a beefy security detail. They boarded the private jet they bought with the millions they got from the forced sale of Veco in 2007 and left Alaska for points south.

Allen will be free until the U.S. Bureau of Prisons finds him a spot, probably in a low-security facility in Oregon or Arizona, the two such places closest to his children.

It could be awhile. Former Rep. Beverly Masek was sentenced Sept. 24 to six months for taking cash from Allen and his son Mark, and she's still not incarcerated, according to the Bureau of Prisons Web site.

As the Allen family was preparing for departure, Rick Smith, Allen's former vice president, took his turn in Sedwick's courtroom. Smith had pleaded guilty the same day as Allen -- May 7, 2007 -- to the same crimes -- conspiracy, bribery and tax violations. While Smith was culpable, Sedwick said, it was not to the degree of his boss, and he certainly wasn't as wealthy. Smith got 21 months and a $10,000 fine.

Polar Ken
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At 11:16 a.m., Sedwick's court adjourned and a long chapter in Alaska's political corruption saga came to an end.

Allen learned he was caught on Aug. 30, 2006, when the FBI showed him evidence they had gathered over three years of investigation, including video filmed with a camera hidden in a lamp in his hotel suite in Juneau.

"They gave me a tape that really embarrassed me," Allen said in his monologue to the judge. "I can't talk anyway, and when they were taping it, hell I can tell I was half drunk and I didn't like what I looked like to myself. So I made two decisions -- I was going to do the right thing, 'cause I did do wrong, I was trying to make it right. And I quit drinking. ... I'm not an alcoholic, it's just that you do a lot of drinking down there in Juneau, and that's the stupidest thing you can do with me or any of the legislators, because your reasoning is not as good as it should be."

That turned out to be a key decision. The next day, he convinced Smith to work with prosecutors too, and over the next eight months they wore wires to meetings with legislators, made recorded phone calls and gave numerous debriefings. On Wednesday, it emerged for the first time that Allen permitted the FBI to make video recordings on 11 occasions in his Anchorage home.

After their guilty pleas and their cooperation became known, blowing their cover, they testified at trials.

Under the federal sentencing guidelines, Allen would have faced more than eight years in prison had he not cooperated, prosecutor James Trusty told the court. Smith would have been looking at more than five years, prosecutor Kendall Day said.

Sedwick took pains to explain the disparities between the sentences for Allen and Smith -- the men with the money -- and two legislators who took the money, former Reps. Pete Kott and Vic Kohring. Kott got six years, Kohring 42 months.

"Mr. Allen has cooperated; he began cooperating the very day he learned he was subject to the investigation," Sedwick said. "They not only refused to cooperate, they refused to take responsibility for their crimes." He said Kott's own testimony appeared to have been disbelieved by the jury, Sedwick said.

Trusty noted that Allen was a polarizing figure. On one side was "a picture of a man who loves family, loves friends," and who engaged in "extraordinary acts of charity," an "admirable person who rose from nothing."

On the other side were "actions committed over a period a years that were very destructive," a "swath of harm created by Mr. Allen's corruption of others and tarnished political institutions," Trusty said.

Often, when there are such mixed descriptions of a defendant, the truth usually lies somewhere in between. Not so with Allen, he said, a man who instead embraces both extremes.

At one point in the proceedings, a question arose over whether Allen's payments of more than $200,000 over six years to "State Senator B" -- a reference to former Senate President Ben Stevens -- were bribes or gratuities. The distinction could have added or subtracted several months from the sentences that Allen or Smith could face.

Prosecutors argued they were bribes -- payments to achieve legislative goals, even if the goals weren't specified with each payment. Sedwick ruled they were gratuities -- payments to purchase influence that are less damning than bribes but also illegal. But he also said he didn't know all the

evidence the government had.

Stevens, the son of former U.S. Sen. Ted Stevens, has been under investigation for years but has not been charged. He has denied wrongdoing.

Sedwick also recognized Smith's cooperation during his sentencing.

"As damaging and as corrosive as his crimes were, he did everything we ever asked," prosecutor Day told the judge.

Smith's attorney argued that Smith played a minor role in the scandal and the sentence should reflect that. He neither devised the strategy to corruptly influence Alaska politicians, nor could he vote on legislation like lawmakers. Organizing meetings doesn't amount to controlling legislators, Smith's attorney, Michael Keenan, told the judge.

"In the scheme, clearly Allen and the legislators had a dominant and superior role," Keenan said.

Sedwick took the middle ground, ruling Smith was neither insignificant nor the ringleader but bore responsibility as Allen's loyal lieutenant.

"He should have questioned what he was told," Sedwick said. "He should have quit."

For Allen's sentencing, the courtroom was packed with family and friends, lawyers and activists, reporters and bloggers. Spectators trying to catch a glimpse of Alaska history in the making stood in a line in the back the large courtroom.

By the time Smith's hearing began a few minutes later, most of the people had cleared out. Smith walked out with one of his lawyers and a man who wouldn't give his name but said he was a friend. Smith and his friend got in a pickup truck and drove away.

Contact the reporters: scockerham@adn.com, rmauer@adn.com and ldemer@adn.com

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FBI - Stevens-2565

Leader of Detroit mosque killed, 11 charged in FBI raids," by Paul Egan for the Detroit News, October 28:

Detroit -- The leader of a Detroit mosque was shot and killed Wednesday during a series of FBI raids that resulted in charges against 11 **and the death of an FBI dog.**

At least six of those charged were in federal custody late Wednesday afternoon.

The case involves the Joint Terrorism Task Force and prosecutors from the national security unit of the U.S. Attorney's Office.

A complaint filed Wednesday in U.S. District Court in Detroit names Luqman Ameen Abullah, imam of the Masjid Al-Haqq mosque in Detroit, as "a highly placed leader of a nationwide radical fundamentalist Sunni group." He was killed in the raid, according to a joint statement by federal officials.

More than three people were arrested on charges including conspiracy to commit federal crimes, receipt of stolen goods, providing firearms to felons and changing vehicle identification numbers, said Special Agent Sandra Berchtold, a spokeswoman for the FBI in Detroit. Berchtold also confirmed that an FBI dog was shot and killed in one of the raids.

The operation involved locations in Detroit and Dearborn.

Yellow police tape was put up outside a trucking and warehouse firm on Miller Road just north of Michigan Avenue, and a Dearborn police car was parked outside.

Another site involved in the raids was on Tireman near Interstate 96 on the city's west side.

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Unsealed documents portray seamier side of Veco's Allen

SENTENCING: Supporters seeking leniency effusive with praise, but sexual abuse allegations resurface.

By RICHARD MAUER
rmauer@adn.com
Published: October 26th, 2009 10:10 PM
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Asking for leniency and a sentence of only six months in prison, Bill Allen wants a federal judge to look beyond his corruption of Alaska politics to a life of charity and job creation in the state.

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Bill Allen

In pleadings in advance of his sentencing Wednesday, attorneys for Allen, the former chief executive of Veco Corp., described a man who came a long way from humble, hardscrabble beginnings. Letters from family and friends speak of Allen's Depression-era childhood in a narrative that could have emerged from the pages of a Steinbeck novel.

"Clearly, the crimes to which he pled guilty were an aberration -- prior to his actions which led to his guilty plea, Mr. Allen led a law-abiding life full of kindness and charity," his attorneys wrote.

But that narrative ignores allegations that he maintained sexual relationships with underaged girls and asked two women to lie under oath about his sexual relationship with them, or that he first got caught violating laws governing political campaign finance in 1985.

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Even as Allen prepared to learn his punishment for bribery and conspiracy from U.S. District Judge John Sedwick, newly unsealed documents in a related case provide a more detailed look at the ongoing police investigation of Allen's relationship with underage girls.

Allen has denied the accusations surrounding the girls and has told the FBI he never asked anyone to give false testimony. Because Allen hasn't been charged with a crime in connection with those allegations, they won't figure in Sedwick's sentencing decisions.

Allen, 72, is the central figure in the Alaska public corruption investigation begun by the FBI in 2003. Allen and a former vice president, Rick Smith, pleaded guilty in May 2007. Since then, Allen's testimony has been instrumental in convicting two legislators and U.S. Sen. Ted Stevens in trials, though charges against Stevens were later dismissed due to bungling by prosecutors. Evidence Allen and Smith provided was instrumental in the guilty pleas of two other legislators and the chief of staff to former Gov. Frank Murkowski, prosecutors said.

FBI - Stevens-2567

At the time of their pleas, they had already been cooperating with federal authorities for more than eight months. Prosecutors have asked that they get reductions in sentences that they might have otherwise received -- a 46-month recommendation for Allen and 42 months for Smith -- but attorneys for both men say that is still too tough and want to slash their time even more.

In their recommendations, neither Allen's attorneys nor federal prosecutors refer to documents that were unsealed last week in the case of Pete Kott, the former state representative from Eagle River sent to prison for taking bribes from Allen. Kott is asking that his case be dismissed because prosecutors failed to provide him with favorable evidence before his trial. He could have used the allegations against Allen to challenge Allen's credibility, he said.

Among the documents are reports of interviews of two women by city and federal investigators. One of the women said she had sex with Allen when she was 15. The other said she was 19 and

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working as a prostitute in the mid-1990s when Allen asked her to be his steady date, but she said she observed him having sex several times with 15-year-old girls.

One of the investigators, Anchorage Police Sgt. Kevin Vandegriff, said the Allen sexual abuse case remains active but wouldn't comment further.

Jeff Feldman, an Anchorage lawyer with an extensive federal practice and no involvement in the Allen case, said it's unlikely a judge would consider allegations in deciding how to sentence a defendant.

"If the conduct was uncharged, it remains unproven and the court cannot consider facts that have not been established," Feldman said. Prosecutors could attempt to prove allegations at sentencing, he added, but in Allen's case there was no sign that would happen.

SEX WITH TEENAGERS?

In February 2008, the Daily News published a story describing allegations that Allen had a sexual relationship with an Anchorage woman, Bambi Tyree, when she was 14 or 15, and that Allen provided her and her family with expensive gifts.

At the time the story was published, Allen denied there had been a sexual relationship and Tyree refused to grant an interview. Vandegriff said he had reopened the case after suspending it in 2004 but wouldn't provide details.

The material unsealed in the Kott case last week shed light both on Tyree's relationship with Allen and on Vandegriff's reopened investigation.

On Oct. 28, 2004, an FBI agent and assistant U.S. attorney interviewed Tyree at a federal detention center near Seattle, according to interview notes filed in the Kott case. Tyree, then 23, was a witness in another case, but she also gave the authorities information on Allen.

She said she "had sex with Bill Allen when she was 15 years old," the notes say, then signed an affidavit at Allen's request claiming she did not have sex with him.

Tyree's name was blacked out of the document except for one place. The same copy was filed separately by by Kott's lawyer and prosecutors.

Also in 2004, another woman whose name was also blacked out said that around 1996 or 1997, when she was a 19-year-old prostitute, she had an "arrangement" with Allen: "She said that he made her agree to have sex only with him. In exchange she got a car, a condo and money."

The 19-year-old said she watched a 15-year-old girl engage in sex with Allen in a car, according to Vandegriff's report. "She admitted to participating in threesome sex with a 15-year-old girl and Allen," according to another Vandegriff report.

She told Vandegriff she documented the relationship in her diary and saved copies of credit card receipts, plane tickets that Allen bought for her and her family, and other evidence. One of the trips was designed by Allen to get her out of state so she couldn't testify in an unrelated criminal case, but which could have revealed her relationship with him, she told Vandegriff.

When they broke up, Allen's attorney asked her to swear in a document it never happened and offered her $5,000, but she refused. She said she thought she could get more money from him, according to Vandegriff's 2004 report.

In January 2008, when he re-opened the case, Vandegriff got back in touch with that woman and asked her where the evidence was. She told him she turned it over during another interview with federal authorities in 2004 and never got it back. Vandegriff checked with an assistant U.S. Attorney who remembered getting documents from the woman in 2004 and thought they were turned over to the FBI.

There was nothing in the Kott file to indicate the documents had been found.

ANOTHER SIDE OF ALLEN

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A far more poignant and benign picture of Allen was painted by his friends and relatives.

Addie Chancellor, an older sister -- Allen had eight siblings -- said when Allen was born in 1937, the family was living in a tent along the Rio Grande in Socorro, N.M.

"We were definitely the 'have nots,' the 'ragamuffins' at school, and that hurt," she wrote. She enclosed an old picture of Allen at age 8, with a horse.

"As you can see, he was a skinny kid, long skinny arms, and his pants were held up with a belt wrapped around him twice," his sister wrote.

That picture marked the end of Allen's childhood, Chancellor said. From there, the family moved to Oregon as migrant farmworkers, then picked cotton in California.

"The family lived in fruit picker shacks with no running water or electricity," wrote brother Joe W. Allen Sr. "Bill and Mom would pick until they were exhausted. ... Every since I can remember, Bill

was the main support of our family."

Allen only sporadically attended school, sister Addie said, and dropped out altogether when he was 16 to work in the oil fields of northwestern New Mexico. He became a welder and loved the work.

"He appreciated the oil industry because a person could get a job and move up," she said. "His last goal before he retired was to help get the (gas) pipeline because of how it would be good for Alaska and the country. It would create jobs beyond the oil industry and there would be growth in Alaska."

She and others described him as generous brother, uncle and boss.

Granddaughter Ashleigh Allen said he just wanted to break the cycle of poverty for the family.

"It seems to be that the backhanded plotting, greedy and unethical oil contractor portrayed in the media and newspaper, is entirely different from the well respected Republican featured as one of the most influential men in Alaska every year for 10 years straight," Ashleigh Allen said.

"In taking responsibility and cooperating, all while bearing the constant stress of testifying, my dad has become a pariah in the very state that once named him Alaskan of the year," said daughter Tammy Todd Allen of Grand Junction, Colo. "Many of his lifelong friends no longer acknowledge him."

"Perhaps his greatest pain is the fact that he has been ostracized from the very community he dedicated his life to building," said Ken Marzocco, who once ran Veco's engineering section out of an office in Bellingham, Wash. "While I am a firm believer in the need to pay for crimes committed, I have seen the heavy price Mr. Allen has paid to date."

While the letter file is bulging with notes from Allen's relatives and former employees, few public figures came to the defense of the man who once was a major financier of Alaska election campaigns and who lobbied hard on behalf of the oil industry. One who made an appearance was John Shively, once an official in the Democratic administrations of Govs. Bill Sheffield and Tony Knowles. He described Allen as an enigma.

"He became an extremely successful businessman -- a multi-millionaire -- but I don't think he ever forgot that he came from a very poor background," Shively said. "He learned by doing and getting things done. He decided where he wanted to go and then set about getting there, and in the end that philosophy was probably his undoing."

Find Richard Mauer online at **adn.com/contact/rmauer** or call 257-4345. Reporter Lisa Demer contributed to this story.

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Judge allows Kohring new lawyer, more time

Published: October 26th, 2009 10:09 PM
Last Modified: October 26th, 2009 10:09 PM

Former state Rep. Vic Kohring is getting a new lawyer -- and more time to argue that his conviction on federal corruption charges was tainted. U.S. District Judge John Sedwick on Monday granted a request by Seattle lawyer John Henry Browne to withdraw from Kohring's case because of conflicts stemming from a civil lawsuit. Kohring has sued Browne in state Superior Court over injuries he said were caused in a wreck in which Kohring was the passenger and Browne the driver.

Kohring was convicted in 2007 of bribery, conspiracy and attempted extortion related to an effort by then-Veco Corp. executives for a new oil tax scheme sought by the industry. But after his trial, prosecutors acknowledged they had not provided Kohring's defense with evidence that could have helped him. Prosecutors eventually turned over thousands of pages of additional materials.

With those materials in hand, Kohring had faced a Friday deadline to file court papers to dismiss the case or seek a new trial.

Sedwick's order says a new deadline will be set after Kohring gets another lawyer. The judge gave the former legislator until Nov. 6 to get a lawyer on his own or apply for a court-appointed one.

More Vic Kohring stories »

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Kohring sues his lawyer

PERSONAL INJURY: He seeks money for wreck that happened while his attorney was driving.

By LISA DEMER
ldemer@adn.com

(10/23/09 22:34:27)

Days before a critical deadline in his corruption case, former state Rep. Vic Kohring has sued his own lawyer, who now wants out.

In the lawsuit, Kohring is seeking damages from Seattle lawyer John Henry Browne over injuries he contends were suffered in an Anchorage car crash in which Browne was the driver.

As a legislator, Kohring championed limiting awards in civil cases. But now he wants more than the $300,000 limit of Browne's insurance policy, according to Browne.

The suit in state Superior Court creates "an actual conflict of interest," Browne said. Since they are now adversaries in court, he cannot represent Kohring, Browne said.

The former legislator from Wasilla may be looking for a new lawyer as he has a chance to wipe away the federal criminal case that's dogged him since the FBI raided his office in August 2006.

A deadline of Oct. 30 is looming for Kohring to file a motion to dismiss the charges or seek a new trial because of the prosecutors' failure to turn over favorable evidence before his 2007 trial.

"This is not a situation wherein counsel is attempting to shirk his responsibilities in the final hours, but rather counsel's response to the fact that he was just last week named as the defendant in a personal injury complaint filed by Mr. Kohring," Browne wrote in his motion to withdraw.

As of Friday evening, U.S. District Judge John Sedwick hadn't ruled on Browne's motion or set aside the Oct. 30 deadline.

Efforts to reach Kohring were unsuccessful.

The lawyer handling his civil suit, Michael Flanigan, doesn't discuss pending cases, his paralegal said.

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RUNNING A STOP SIGN

The wreck happened during the lunch hour on Oct. 17, 2007, a few days before the start of the trial that resulted in Kohring's conviction on bribery, conspiracy and attempted extortion charges.

Kohring's suit said that Browne ran the stop sign at Barrow Street and Eighth Avenue in downtown Anchorage, and his car was then T-boned by a vehicle with the right-of-way.

Browne said he was driving a rental car and wasn't familiar with Anchorage roads. He acknowledged that he ran the stop sign and said he got a ticket.

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He said he knew Kohring's medical issues from the accident were unresolved and was unsure at first about taking the appeal of Kohring's conviction.

"I don't know what Vic's thinking is. I went ahead and did the appeal with the understanding from me and his attorney that they'd settle for (insurance) policy limits and there wouldn't be any problem," Browne said. "Of course, Vic is entitled to recover whatever his injuries were. There didn't seem to be any injuries when the thing happened."

The personal-injury suit, filed Oct. 13 just before the two-year statute of limitations runs out, said Kohring is facing medical bills as a result of injuries from the wreck but doesn't give specifics.

Kohring had previous neck and back injuries, Browne said in his motion. His injuries came up during his trial. He had been treated at the Mayo Clinic in Minnesota and once told Veco Corp. executives he was in debt for medical bills.

Wayne Anthony Ross, an Anchorage attorney who represented Kohring early in the corruption case, said Browne should have anticipated a lawsuit. Browne is putting Kohring "in a terrible position," Ross said.

"You don't leave your clients in the lurch like that," Ross said. "Basically Browne had the keys to Vic's jail cell in his pocket and he could have gotten the keys to Vic and maybe this whole terrible thing for Vic could be over with."

LEGAL ETHICS

Browne said he consulted with the bar association and ethics experts, and they agreed that once Kohring sued, he needed to step aside.

"Generally when this happens, the best course of action for a lawyer is to withdraw from the representation," said Steve Van Goor, counsel to the Alaska Bar Association. Lawyers who believe they can still represent the client competently could still do so, if the client agrees, but most times, the lawyer will withdraw, Van Goor said.

Kohring was convicted in November 2007 and sentenced to 3 1/2 years in federal prison. Jurors said later they were convinced he sold his office to Veco executives who wanted legislators' support on a 2006 oil tax bill.

That conviction came under review in June, when the government admitted it failed to provide Kohring's attorney with evidence that could have helped him convince a jury his client was not guilty. Kohring was freed from prison until the issues can be aired in court. Former House Speaker Pete Kott, also convicted in the Alaska corruption investigation, was freed at the same time for similar reasons.

The defense lawyers received thousands of pages of additional evidence since June. Browne said his staff has spent weeks going through it. He wanted to see the case through.

"Once I realized the government was hiding all this stuff, I was doing it as a matter of principle," Browne said. "I would have given everything of value that I own other than my family to cross-examine four U.S. attorneys."

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"It's just a shame," he said.

Kohring had back surgery after his conviction but before reporting to the private prison in California

to serve his sentence. He has said he didn't get treatment for his injured neck and back in prison. After he got out in June, he said he planned to return to the Mayo Clinic.

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Justice Dept.: Kott verdict should stand

REJECT MOTION: They say evidence against ex-legislator is overwhelming.

By RICHARD MAUER
rmauer@adn.com

(10/23/09 17:28:23)

After months of backtracking in its prosecutions of the Alaska corruption cases, the Justice Department said Friday that former House Speaker Pete Kott received a proper trial in 2007 and his conviction on bribery, extortion and conspiracy charges should stand.

The government's response was a flat-out rejection of a motion filed last month by Kott's attorney seeking dismissal of charges because prosecutors failed to turn over favorable evidence before his trial.

"Kott has not established a constitutional discovery violation warranting a new trial, much less dismissal," the Justice Department said in its reply to Kott. "This court should therefore deny his motion."

The Justice Department has been on the defensive since it won guilty verdicts in October in its seven-count corruption case against former U.S. Sen. Ted Stevens.

That had been the government's 11th consecutive success at that point in its Alaska investigation, with no failures. But even as prosecutors were cheering their success in Washington, their case was unraveling.

Weeks later, a key Stevens prosecution witness said his testimony wasn't truthful and that prosecutors had mischaracterized some evidence. Then, an FBI agent in Anchorage complained the investigation had been conducted improperly and that Stevens was unfairly tried. Finally, under unrelenting pressure from Stevens' defense team and an increasingly skeptical judge, the Justice Department acknowledged it failed to provide favorable evidence to Stevens and asked for all charges to be dismissed.

The Stevens judge impaneled a special prosecutor to investigate the government lawyers for criminal contempt and the Justice Department began an internal investigation. Both investigations are ongoing.

Kott, an Eagle River Republican, and another former legislator convicted in Anchorage, Vic Kohring, a Wasilla Republican, were told by the Justice Department that they also didn't get all the favorable evidence they should have had before their trials. They were released from prison in June while U.S. District Judge John Sedwick considered what to do.

The 9th U.S. Circuit Court of Appeals in San Francisco directed Sedwick to review the evidence and decide whether to dismiss the cases entirely, retry them or declare the original trials were fair, likely sending the men back to prison.

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'KOTT'S OWN ADMISSIONS'

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With its new filing Friday afternoon, the Justice Department signaled it is not backing down and and is gearing up for a fight if Kott wants to bring one.

The prosecutors asserted that the evidence against Kott at trial, including secretly recorded video, was so overwhelming it took the Alaska jury but one day to convict him.

"Even though some of the information that the government recently disclosed could be considered favorable to the defendant, none of this information would have affected the jury's verdict when weighed against the compelling evidence introduced at trial, including Kott's own admissions," prosecutors said. "The undisclosed information therefore was not material to either guilt or punishment, and Kott could not have been prejudiced by any nondisclosure of the information upon which he now relies."

The 48-page response was jointly submitted by the Justice Department's criminal division in Washington and the U.S. Attorney's office in Alaska.

For much of the investigation, started in 2003, and for all the trials, the U.S. Attorney's office here was excluded out of concern that the powerful Alaska politicians being targeted could present a conflict of interest. But after the collapse of the Stevens investigation, partly blamed on poor supervision, the U.S. Attorney's office was brought into the still-active cases.

Over the last few months, the prosecutors said they turned over thousands of pages of documents, handwritten notes and other material to Kott and Kohring. In a normal case, much of that material would be properly withheld, they said. But they cited "unique circumstances" that made it necessary "to assure the defendant, the Court, and the public that the Department of Justice takes its discovery obligations seriously and to allow Kott the fullest possible opportunity to evaluate the fairness of his trial."

Under Supreme Court decisions, the Justice Department said "the prosecutor is not required to deliver his entire file to defense counsel, but only to disclose evidence favorable to the accused that, if suppressed, would deprive the defendant of a fair trial."

'TITILIATING HEADLINES'

While some of the previously undisclosed evidence was capable of producing "titillating headlines" -- a reference to an open Anchorage police investigation of government witness Bill Allen for sexual abuse of a minor -- it wouldn't have changed the outcome of the case, the prosecutors said.

"Indeed, the jury observed Kott on no less than 56 audio and video recordings brazenly taking money from oil executives in exchange for official acts," they said, referring to Allen and Rick Smith, former executives of Veco Corp. "The jury heard Kott boasting that he 'had to cheat, steal, beg, borrow, and lie,' and would 'sell his soul to the devil' in order to pass legislation favorable to a company whose two principals had promised him a future job, and had given him over $11,000 in cash and other things of value. The jury also heard Kott admit that he and one of these oil executives ordered hats with the emblem, 'CBC,' which stood for 'Corrupt Bastards Club.'"

Kott, in his motion to dismiss, said he could have done a better job challenging Smith's credibility if he had suppressed evidence of Smith's heavy drinking. But the prosecutors said Smith's drinking should have been no surprise to Kott.

"Kott had personal knowledge of Smith's drinking habits because he was one of Smith's drinking partners," they wrote. "The tapes, which the government provided to Kott before trial, reveal numerous instances of Allen, Smith, and others, including Kott, drinking heavily in Room 604 of the Baranof Hotel (in Juneau), where much of the corruption at issue in this case took place. Therefore,

Kott already knew about Smith's drinking habits -- likely in better detail than the government -- and Kott could have cross-examined Smith on that point if he wished to do so."

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Kott lawyer suggests perjury in corruption trial

LEGISLATOR: Judge to rule later; prosecutor says conviction proper.

By RICHARD MAUER
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(11/17/09 11:39:05)

The lawyer for former Rep. Pete Kott said in court Tuesday that federal prosecutors might have knowingly used perjured testimony to send Kott to prison on corruption charges.

But a Justice Department lawyer argued that Kott's 2007 trial was fair and that a jury properly convicted him on overwhelming evidence, including more than 50 secretly recorded conversations.

The opposing oral arguments before U.S. District Judge John Sedwick capped two months in which both sides filed hundreds of pages of motions, briefs and exhibits about whether Kott, an Eagle River Republican, should be retried, have his charges dismissed altogether, or be sent back to prison. The post-trial wrangling stems directly from the collapse in Washington, D.C., of the corruption case of former U.S. Sen. Ted Stevens months after he was found guilty by a jury.

After hearing about 15 minutes of arguments from each side, Sedwick took the case under advisement. He didn't give a hint how he was leaning or even when he would decide, but he cautioned those in the courtroom to not expect an instant ruling.

"It may take awhile," Sedwick said.

Charges against Stevens were dismissed in April when the Justice Department admitted it hadn't turned over information that would've helped Stevens in his case.

While the charges against Stevens were not related to those against Kott or other Alaska legislators caught up in an FBI corruption investigation, there was a common thread: Bill Allen.

Allen, former chief executive of the oil-field service company Veco Corp. and an admitted briber about to start three years in prison, has been the government's central witness in its corruption cases.

Some reports of FBI and prosecutor interviews with Allen show him to start out saying one thing, only to end up saying another. But in their pretrial disclosures to defendants, the prosecutors sometimes failed to provide the contradictory statements and only showed the ones that bolstered their case.

Prosecutors by law are required to turn over favorable evidence to defendants, and that could include inconsistencies in what a witness has said to authorities.

Agents have attributed Allen's occasional difficulties in immediately recalling facts to a brain injury he suffered in a 2001 motorcycle crash. Defense lawyers -- especially Stevens' team -- suggested prosecutors planted the answers they wanted to get. By not getting a peek at the contradictions, they were hamstrung in their ability to cross-examine Allen, they said.

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Six prosecutors are now under investigation for criminal contempt and a new team has taken over the Alaska cases.

After Stevens' charges were dismissed, the Justice Department turned over some 4,500 pages of FBI interviews and other documents to lawyers for Kott and another former legislator, Vic Kohring of Wasilla, who were already appealing their convictions.

In the hearing Tuesday, Sedwick asked the lawyers to limit their arguments to the central issues in the charges: for instance, the above-invoice $7,993 Allen paid Kott for floor work. Was the money an illegal payment that would allow Kott's son to take time off from the family flooring business to work on Kott's political campaign? Or was it a legitimate bonus for work well done at Allen's house?

Sheryl Gordon McCloud, Kott's lawyer, said she discovered Allen himself branded the payment as a bonus and not a bribe in part of an early interview with the FBI, but that information had not been turned over to Kott's trial lawyers. Had they had that information, they could have used Allen's own words to contradict his testimony that it was an illegal payment, instead of having to call Kott and Kott's son to testify on the matter and appear to be telling self-serving lies.

James Trusty, a trial attorney in the Justice Department's gang section in Washington assigned to help repair the Alaska cases, agreed that "in an abundance of caution" Kott should have gotten full disclosure. But if the entire interview of Allen is read instead of just the part cited by McCloud, it becomes clear that Allen intended the payment to be a "corrupt" transaction, he said.

At a minimum, McCloud said that Kott should get a new trial. While she stopped short of accusing prosecutors and agents of misconduct, she suggested that Sedwick hold a hearing where she could question them under oath about why the material wasn't turned over. If such a hearing showed federal authorities acted in bad faith and knew that Allen was providing false testimony, the charges should be dismissed, she said.

Trusty said Kott was tried fairly and that the new information doesn't "materially" affect his case, the standard for a new trial.

Questions have also been raised about the government's other chief witness, former Veco vice president Richard Smith. Like Allen, Smith pleaded guilty to corrupting legislators, but was less culpable than his boss and received 21 months.

McCloud has complained prosecutors suppressed information that Smith drank to extremes and suffered memory losses.

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But Sedwick expressed skepticism that McCloud could make that issue stick.

"I'm sure that Mr. Kott knew that as well as anyone in the courtroom," said the judge, who viewed numerous secret videotapes of the heavy drinking in Veco's Juneau suite that often involved Kott.

Smith is apparently still involved in ongoing investigations. At his sentencing Oct. 28, Smith's lawyer, Michael Keenan, asked Sedwick to delay Smith's appointment with prison until mid-January.

"As the court is aware, the government has some matters scheduled next month for Mr. Smith," Keenan said, without elaborating.

After the hearing, Kott chatted with reporters outside the courtroom. Since his release from prison in June, in the middle of his six-year sentence, he's been trying to stay active, though the possibility he will return to prison limits his options, he said.

"I'm just working at staying busy, playing the grandpa role a little bit," he said. "I do a little work. I'm retired, but I do a little bit here and there."

Kohring was tried a month after Kott, found guilty, and sentenced by Sedwick to 42 months in prison. He was released the same time as Kott, and the two men were originally on identical filing schedules in their appeals.

But Kohring's lawyer asked for a delay because of a heavy trial schedule, then had to drop out of the case entirely because Kohring sued him over a car accident that occurred around the time of the trial.

Kohring only got his new lawyers Nov. 9, six weeks after his motion to dismiss was initially due. They are the Federal Public Defender in Seattle, Thomas Hillier, and Hillier's first assistant, Michael Filipovic. Sedwick ordered them to file notice by Monday about when they will be able to prepare their motion for Kohring.

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Politics

Child sex-trafficker wanted Bill Allen as trial witness

Jill Burke

Nov 8, 2009

Documents unsealed in federal court last week show that a wealthy businessman charged in a 2003 child sex-trafficking case had wanted to subpoena former VECO chief executive Bill Allen to testify on his behalf.

The case against Josef Boehm and his associates is more than five years old, but issues kept secret during the trial are now coming to light at the request of the U.S. Attorney's office in Anchorage. It appears the request was made, in part, to try to dispel the notion that statutory rape allegations lodged against Allen were kept quiet to maintain momentum in a growing political corruption probe that was already under way by the Justice Department.

Assistant U.S. Attorney Frank Russo said last week that his office asked for the records to be unsealed since there was no longer a reason to keep them secret. Because of recent filings in one of the corruption cases, the allegations contained in the Boehm motions are already part of the public record, Russo said, adding that the policy manual for U.S. attorneys directs prosecutors to unseal records when the reasons for keeping them secret no longer exist.

It's one more twist in the ongoing saga of whether federal prosecutors and FBI agents suppressed potential evidence that could have helped defense lawyers discredit Allen, the government's star witness, during his testimony against Alaska politicians.

Allen became a target of the feds' corruption probe in December 2004, according to the FBI, and he pleaded guilty in May 2007 to bribing state lawmakers. He's cooperated in the investigation, including testifying against former U.S. Sen. Ted Stevens, and last month was sentenced to three years in prison.

Withheld impeachment evidence ultimately botched the government's case against Stevens and it is now an issue in the pending review of the 2007 convictions of former state Reps. Vic Kohring and Pete Kott.

In a recent motion to have Kott's case dismissed, his lawyer, Sheryl Gordon McCloud, argues that Allen's potential exposure in one or more sex-crimes investigations, along with allegations that he tried to cover his tracks by getting an underage girlfriend to deny their relationship, should have been disclosed during Kott's trial two year ago. McCloud says those facts could have influenced Allen's credibility with the jury and his motivation for cooperating with the government.

McCloud wants more information about why an Anchorage Police detective investigating statutory rape allegations against Allen was told by the feds to back off. Among her questions: Was it because of the Boehm case, the budding corruption probe, or something else?

A federal judge will hear arguments Nov. 17 on whether to dismiss the charges against Kott or hold a new trial.

The documents unsealed last week were originally filed with the court over a four-month period in 2004 - July to October - and appear to relate to Bambi Tyree, a co-defendant and witness in the Boehm case. Tyree was cutting a plea deal with the government in return for testifying against Boehm, including to say Boehm was the ringleader of a scheme to trade drugs for sex with underage girls at his South Anchorage home.

At the time, Boehm's lawyers aimed to discredit Tyree, claiming she was a ringleader herself, and wanted a judge to allow them to question her about certain subjects during Boehm's upcoming trial. But a federal prosecutor argued successfully to limit their questioning about her alleged sexual relationship with Allen when she was a teenager.

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At that point in 2004, Tyree had already allegedly admitted that she started having sex with Allen when she was 15, according to notes from an interview with Tyree by the government. Fearing exposure, court records allege Allen asked Tyree to sign a statement saying she never had sex with him. When Boehm's attorneys learned she had signed the false statement, they pushed to use that fact to discredit her.

The government didn't dispute the allegations but wanted any discussion on the matter in open court limited to Tyree having made a false statement, without disclosing her alleged relationship with Allen. The documents show prosecutors felt Tyree's relationship with Allen was irrelevant to the Boehm case.

The documents also seem to show that prosecutors were not actively trying cover up any criminal wrongdoing by Allen.

"To be clear, the United States does not have any interest in protecting Allen from what he did," wrote Russo in the previously sealed motion, which was first filed July 26, 2004. "Indeed, he may still face charges for statutory rape. However, the United States is concerned about the potential distraction introduction of such evidence may create. Because Allen is a well-known figure in the community, there is danger of 'the sideshow taking over the circus.'"

Tyree's credibility was relevant, Russo concluded, but not her sexual history prior to her involvement with Boehm. Disclosing Allen's name would serve only to confuse the issues and result in "waste of time," he argued.

Still, the unsealed court documents leave one question unanswered: Why did Russo ask Anchorage Police detective Kevin Vandegriff to back off investigating Allen in 2004 over his alleged relationship with Tyree?

Documents filed by Kott's lawyer show Vangedriff was advised in March 2004 "to not actively investigate the case as it might interfere with a federal investigation involving Allen and Boehm."

By then Boehm had already been indicted (January 2004), a former mistress of Allen's had reported Allen's relationship with Tyree to police, and within one month (April 2004) the FBI was debriefing at least one witness in the political corruption probe.

In an interview last week, Russo said that during spring 2004 he wanted to make sure that any investigation of Allen focused on looking for connections to the larger sex and drug case related to Boehm. A single statutory rape allegation was outside the scope of the larger case at hand, he added.

As for any crossover between the Boehm case and the corruption probe, Russo said that in spring 2004 his office had no knowledge of any federal investigations of Allen, including the corruption probe that was about to gain steam later that same year.

Contact Jill Burke at jill_alaskadispatch.com

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Alaska Ear
The divine appendage

(10/24/09 21:27:23)

A FUGUE STATE ... Darlings, were you as amused as Ear by news that Bill Allen wanted his sentencing postponed so he could get credit for helping a special prosecutor go after the regular prosecutors who roped him in and aimed him at Uncle Ted? Is it very wrong for the Divine Appendage to imagine a courtroom moment when Bill testifies against the regular prosecutors -- his former handlers -- and they argue that he's an untrustworthy witness, a corrupt liar with possible brain damage whose testimony should not be believed?

Whenever Ear is tempted to feel sorry for Allen (on the third Tuesday of every month with an X in it), he does something to remind us that the rest of the corrupt bastards might be suffering, but the man who financed their corruption is still rich and free. Like reportedly strutting his stuff earlier this month at the latest Barrett-Jackson collectible car auction in Las Vegas, snapping up maybe 30 old cars for, what, $1 million plus? Ear didn't see it, but several earwigs say they caught Bill all over the live feed, where announcers were still asking, "Who is that guy?"

THE RIGHT BOOKS ... In a rather quixotic move for them, The Nation magazine is publishing a book of essays about Sarah Palin on Nov. 17, the same day Sarah's book "Going Rogue: An American Life" goes on sale. The Nation book is called "Going Rouge (not a typo): An American Nightmare" and has a cover very much like Sarah's tome. It features opinion pieces by progressive writers like Naomi Klein and Jim Hightower.

That's interesting, but here's the really cool part: Among the more than 20 noted writers invited to contribute are our own political bloggers Shannyn Moore (shannynmoore.wordpress.com) and Jeanne Devon (themudflats.net). Don't know about you, but Ear is totally impressed.

A FEW QUESTIONS ... Is Sen. Tom Wagoner, a Kenai Republican currently in the minority, negotiating to join the Senate majority?

... Is Gov. Parnell hiring the Connecticut consultant who ran Gabrielle LeDoux's congressional campaign to run his re-election campaign? And if so, why?

... Is Frank Bailey the only ex- Palin aide writing a book? Are several collaborating on a tell-all called "the View from Under the Bus?" (Ear assumes this one's a joke).

ON THE MOVE ... Earwigs report former Anchorage School Board president Jake Metcalf has replaced John Cyr as executive director of the Public Safety Employees Association, the troopers' union. Cyr became one of the best known union leaders in the state during the Troopergate flap.

-- Anchorage prosecutor John Skidmore, currently waiting for a verdict in the Sammy Cohen trial, will take over the top job in OSPA -- the state Office of Special Prosecutions and Appeals. He replaces Monica Janicek, who returns to the special assistant's job she held under Talis Colberg, this time for The Other Dan Sullivan, our invisible attorney general who, BTW, has been less invisible lately.

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HOPE SPRINGS ETERNAL ... Rep, Harry Crawford, the latest Democrat seized by the unfathomable desire to throw himself against Don Young's unshakeable majority in next year's election, was reported back in D.C. this past week, making the rounds, lining up support.

True, that stuff in Bill Allen's motion to delay his sentencing that hints at legal problems waiting in the wings for Darling Don looks encouraging to opponents, but after what happened to Ted, Ear seriously doubts Alaskans will throw Don out even if he gets convicted of something.

OUT AND ABOUT ... Maybe. A couple of earmites claim to have seen Sarah tooling around her sister Molly's neighborhood recently in a big new yellow Dodge Ram pick-up. But the reported vanity plate raises doubts, with Ear anyhow: DRTDVA.

Dirt diva? Does that sound like She-who-was-governor?

One of the spotters suggested DRMAQN would be more convincing.

MYSTERY TUNE ... Well, maybe not so much. "Hurricane Dave," a local musician, has written and produced a song titled "Please Don't Ask Me About Her." He won't say who it might be about, but it's got lines like: "our love was a bridge to nowhere," and "she left me in the middle of our song."

"It's a country song about love gone bad," is how he puts it.

NEW NORTH STAR ... Have you seen the new Mariah Carey commercial for AT&T? Actually, Mariah is hardly in it. The character, dubbed "the assistant" by the ad agency, is the real star. And he is played by actor Dan Bittner, son of Anchorage lawyer Bill Bittner and nephew of Catherine Stevens. The kid looks like he's on his way. Ear is told he lives in NYC and has a part in the just released Jamie Foxx flick, "Law Abiding Citizen."

JUST KIDDING ... Ear is hurt not to have been invited to the Boss's Day bash at the Department of Law, criminal division's Anchorage office, pulled together by the secretaries. It was a "Woodstock" theme party, office neighbors report, featuring tie-dyed tee shirts, headbands, fake marijuana plants and goodie bags with drug paraphernalia and blotter acid -- also fake, Ear assumes.

FAMILIAR FACE ... Was that our Michael O'Callaghan, front and center in an Oregonian newspaper photo, camped in front of Portland City Hall, protesting an anti-homeless law that bans unauthorized camping. Yes, it was, although they apparently call him "Mike" in Oregon.

Compiled by Sheila Toomey Find Ear online at and.com/ear Find Sheila at ear@and.com or 257-4341.

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Prosecutors seek 46-month sentence for Bill Allen

By RICHARD MAUER
rmauer@adn.com
(10/21/09 22:00:32)

Former Veco chief executive Bill Allen should be sentenced to just fewer than four years in prison and fined $750,000 for his role as Alaska's corrupter in chief, federal prosecutors say.

"The actions of Bill Allen were corrupt, sustained, and damaging to the integrity of the legislative process," prosecutors said.

The government's recommendation was filed late Wednesday, a week before Allen and another Veco executive involved in a wide-ranging corruption scheme, Rick Smith, are due to be sentenced on their 2007 guilty pleas to conspiracy, bribery and tax charges.

The two men worked extensively with the FBI and prosecutors, giving detailed evidence in multiple debriefings about their illegal activities and making recorded phone calls at the government's request in an effort to elicit admissions from politicians. They also testified at trials.

Smith, once Veco's vice president and its unofficial lobbyist, should be dealt a 42-month prison sentence and a fine of $7,500 to $75,000, prosecutors recommended in a separate filing Wednesday.

Lawyers for Allen and Smith are asking for significantly lighter prison sentences and fines. The sentencing recommendations were accompanied by dozens of pages of documents filed by prosecutors and defense attorneys. Some of those documents revealed long-secret evidence involving U.S. Rep. Don Young, who has been known for more than two years to be under investigation by federal authorities.

In a 2007 "confession of additional criminal activity," signed a few days before he pleaded guilty, Allen spoke of 13 years worth of gift-giving by him and Smith to "United States Representative A," a thinly veiled reference to Young, as well as former Alaska U.S. Sen. Ted Stevens.

Prosecutors described those efforts by Allen and Smith as an effort "to corruptly influence and reward two federal public officials for official action beneficial to VECO."

"For instance, in or around June, 2006, Smith obtained a set of golf clubs, costing approximately $1,000, that Smith gave to United States Representative A. Smith used Allen's credit card."

Allen, 72, and Smith, 64, also admitted breaking federal campaign finance laws on Young's behalf, using corporate funds to pay the expenses of a yearly fund-raiser from 1993 to 2006. The illegal corporate donations were not reported.

"Each year, Allen and Smith arranged for the purchase of catering expenses, liquor, equipment rentals, and other associated costs," Allen's confession said. "These expenses were paid using Veco's corporate funds, and amounted to approximately $10,000 to $15,000 each year." The total

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spent by Veco over the years was between $130,000 and $195,000.

Young has issued general denials of wrongdoing, but has refused to answer specific questions from the news media about the corruption investigation. He has reported spending more than $1 million in campaign funds on attorneys' fees over the last two years.

Most of the admissions in Allen's 2007 confession concern Stevens and were aired in Stevens' month-long trial in 2008 that resulted in a guilty verdict on all seven counts. But Stevens' charges were dismissed earlier this year when the Justice Department admitted it failed to turn over favorable evidence to Stevens' defense team.

In making their sentencing recommendations, prosecutors said they were not taking into consideration Allen's crimes involving Stevens and Young, only the state legislators mentioned in Allen's 2007 charging document. Illegal payments to state officials total "just over $395,000" between 2002 and 2006.

Not all of that money was pure bribes -- payments for specific legislative action -- prosecutors said. But all of it was used by Allen to purchase influence, they said.

"The defendant was the pivotal figure in a conspiracy that lasted from 2002 to 2006, which included a series of corrupt acts that were designed to, and did, influence the Alaska legislature, particularly during and around its 24th Session in 2006," prosecutors said. "In sum, defendant Allen, representing VECO, curried favor with various state and federal legislators and awarded them with cash and other items of value so they would be favorably disposed toward voting for legislation that was of interest to VECO and the oil industry."

But the 46-month sentence recommended for Allen by prosecutors is substantially less than the six-year sentence former Rep. Pete Kott got on his conviction for accepting illegal payment in the thousands of dollars from Allen. Former Rep. Vic Kohring got 42 months for even less.

Still, Allen and Smith assert the government is being too harsh.

"Mr. Allen deeply regrets his actions and cooperated with the government to the best of his ability," Allen's lawyer wrote in a filing Wednesday. Allen should only get six months in prison and six months of community service, he said, and a fine of $150,000. Smith's attorneys are asking for a year and a day in prison for their client and 100 hours of community service.

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Alaska Ear
The divine appendage

(10/31/09 21:44:12)

TIME ON HIS HANDS ... Well, darlings, it's done. The corrupter gets three years in a federal summer camp. And a fine he probably had in his wallet during his sentencing in federal court Wednesday. Ear agrees **Bill Allen** is less culpable than those guys we elected, the ones who promised to be honest and represent us, then sold us out. Still, Ear finds Allen annoying -- all that conspicuous consumption and hobnobbing with C List celebs. Being a felon isn't what it used to be.

There were numerous Allen family sightings around town in the days before the sentencing. One earwig spotted **Mark**, owner of this year's Kentucky Derby winner, at the Pantry restaurant in the lobby of the Captain Cook with his "get-out-of-jail-free card" -- Daddy Bill. Another caught the whole gang, including Mark in his black cowboy hat, at a big-table dinner Saturday night at the Corsair.

A bunch of Allen family and friends were in the courtroom Wednesday, but, unlike most such events, the FBI agents who put the corruption case together were noticeably absent. Guess they were busy.

Among the "media" present was blogger **Dennis Zaki**, who likes to cut through the high grass. As one reporter tells it, Allen's bodyguard had to save Zaki from Mark after Zaki -- video camera in position -- asked questions like, "How does it feel to know your father corrupted Alaska?" and "How does it feel to be the guy who wanted to kill Dave Anderson (his cousin)?" Or words to that effect. Over the top? Check out the video at www.alaskareport.com.

Ear loves political theater, but when the sentencing was over, the big questions remained unanswered: What about **Ben**? What about **Don**?

PSSSST ... Want a super deal on **Sarah**'s book, the one that hasn't even been released yet? A local activist got an offer in the mail recently from Newsmax magazine: $4.97, compared to the list price of $28.99. And you get a free introductory subscription to the magazine with it. And who was the activist who got this special offer? **Andree McLeod**.

Doncha just love it?

'TIS THE SEASON ... The Omniscient Orifice suspects several hundred people had to consult Google Maps to find the Crowne Plaza Hotel, the location of **Gov. Parnell**'s kickoff fundraiser Tuesday. (Do you know where it is?)

Ear wonders how guests who dropped $500 to get in felt about the no-host bar, but there was plenty of finger food and the crowd seemed to be in a good mood. Seen munching and crunching: Providence CEO **Al Parish**, former Gov. **Bill Sheffield**, Palinista photog **Judy Patrick**, former School Board member **Macon Roberts**, Rep. **Craig Johnson** and a gaggle of the usual lobbyists. Oddly, no commissioners were spotted. Maybe earwigs just missed them.

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11/4/09

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Young silent on links to corruption probe

ALLEN: Former Veco exec alleges 13 years of favors.

By SEAN COCKERHAM and ERIKA BOLSTAD
Anchorage Daily News

(10/22/09 18:26:46)

Rep. Don Young on Thursday would not talk about new court filings that for the first time directly tie him to the Alaska corruption investigation through gifts and illegal campaign contributions by Bill Allen and his oil-field service company Veco Corp.

"Don't bother me, don't bother me," Young said, with a wave of his hand, when asked by a reporter about the court filings as he entered the Alaska Federation of Natives convention.

The documents were filed late Wednesday as part of the preparations for the sentencing next week of former Veco chief Bill Allen, who is at the heart of the investigation into corruption in Alaska politics.

It included a 2007 "confession of additional criminal activity," made public for the first time in filings Wednesday, in which Allen alleged 13 years worth of gift-giving by him and fellow Veco executive Rick Smith to "United States Representative A," described as Alaska's representative in the House. Only Don Young fits that description.

Allen's confession said Veco spent between $130,000 and $195,000 on illegal corporate donations to Young by paying for his annual "pig roast" fundraiser in Anchorage from 1993 to 2006.

Another example offered in the same document signed by Allen in May 2007 was a gift of $1,000 golf clubs which prosecutors said Smith purchased with Allen's credit card for Young.

Young reported no gifts on his disclosure forms from 1995 until last year, when he disclosed $77,000 in donations that he received for his legal defense fund.

It was lack of disclosure on those same forms that led the Justice Department to indict then-Alaska Republican Sen. Ted Stevens on corruption charges also related to Veco. A jury convicted Stevens, but those charges were withdrawn earlier this year by the Justice Department after defense attorneys questioned the way prosecutors and the FBI handled witnesses and evidence.

Young was at the AFN convention in Anchorage Thursday to speak and attend a ceremony honoring his wife of more than 46 years, who died in August. Lu Young, a Gwich'in Athabascan from Fort Yukon, was lovingly recalled by Native leaders and her family as a mother, friend and advocate for her people.

The congressman appeared deeply touched throughout much of the morning, weeping during the speeches honoring his wife.

Young was warmly received at the convention, with no mention of the legal issues that have followed him for over two years without charges being filed.

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Prosecutors wrote in a separate sentencing document filed Wednesday in Allen's case that the former Veco chief "curried favor with various state and federal legislators and awarded them with cash and other items of value so they would be favorably disposed toward voting for legislation that was of interest to Veco and the oil industry." Young's lawyer in Washington D.C., John Dowd, did not return a phone call or an e-mail regarding the latest filings.

There have been some media accounts tying Young to Allen and Veco, but the documents filed Wednesday were the first time that information came directly from government documents.

Harry Crawford, an Anchorage Democratic state representative running against Young for Congress in next year's election, questioned why charges have not been filed.

"I guess you get the kind of justice you can afford," Crawford said. "He's been taking campaign contributions and paying for the best legal help that you can find."

Since early 2007, Young has spent more than $1.2 million from his campaign account and legal expense fund on lawyer bills connected to federal investigations of his fundraising and other matters.

Former Anchorage state Rep. Andrew Halcro, who plans to run against Young in next summer's Republican primary, said he's not running because of legal issues but that the latest filings "just kind of add more context to the fact that maybe it is time for a change."

Young has said he did not do anything wrong. But he has consistently refused to discuss details of what's going on, saying that's on the advice of his lawyers.

Young won re-election last year despite the legal bills, barely winning the Republican primary and going on to beat Democrat Ethan Berkowitz by 16,379 votes.

An FBI spokesman in Anchorage, Eric Gonzalez, would not comment on Young, citing the agency's policy of refusing to talk about ongoing investigations.

Sean Cockerham reported from Anchorage and Erika Bolstad from Washington, D.C. Contact them: scockeram@adn.com and ebolstad@adn.com.

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Masek starts her term at California desert prison

SIX MONTHS: Ex-legislator was convicted in corruption probe.

Anchorage Daily News / adn.com

(11/11/09 21:17:02)

Former Alaska state Rep. Beverly Masek began serving her six-month prison sentence this week at the minimum-security Federal Correctional Institution-Victorville in Adelanto, Calif.

The prison camp for women is in the desert south of Barstow and about 85 miles northeast of Los Angeles. A medium-security facility for men is in the same U.S. Bureau of Prisons complex.

Masek, 46, a Republican who served five terms in the Legislature from Willow, pleaded guilty to a felony charge of bribery conspiracy for accepting more than $4,000 in illegal payments from former Veco Corp. Chief Executive Bill Allen and his son Mark. She was sentenced by U.S. District Judge Ralph Beistline in September.

She is now one of only two felons convicted in the federal corruption investigation in Alaska to be behind bars. The other is former Rep. Tom Anderson of Anchorage, who is at a federal prison camp in Sheridan, Ore., with a release date of April 9, 2012.

Two other former legislators, Pete Kott and Vic Kohring, are free while they appeal their 2007 convictions. Allen and a former Veco vice president, Rick Smith, have been sentenced but do not yet have spaces assigned in the federal prison system, according to the Bureau of Prisons. Allen got three years and Smith 21 months.

Eleven people in all have pleaded guilty or have been found guilty by juries in the investigation, while a twelfth is scheduled to be tried in Anchorage next September.

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Kott's attorney requests judge reject 'no-harm' argument

Anchorage Daily News / adn.com
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Last Modified: November 5th, 2009 07:54 AM

The attorney for former Rep. Pete Kott asked a judge Wednesday to reject a Justice Department argument that no harm was done when favorable evidence was withheld from Kott at his trial. Sheryl Gordon McCloud, Kott's appeals attorney, said that if the judge refuses to dismiss charges against Kott or grant him a new trial, he should allow a special evidentiary hearing for her to question Justice Department officials about why the evidence was withheld.

Kott was convicted of corruption charges in 2007, but was released from prison in June when prosecutors acknowledged they failed to turn over favorable evidence. In a brief last month, they argued that the withheld material was insignificant.

U.S. District Judge John Sedwick will hear arguments on the issues Nov. 14. He hasn't said when he will make his ruling.

More Pete Kott stories »

Kott's attorney requests judge reject 'no-harm' argument
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Weyhrauch case goes to Supreme Court

FRAUD: Question involves "honest services" officials owe to citizens.

By ERIKA BOLSTAD
ebolstad@adn.com

(12/06/09 22:57:12)

WASHINGTON -- A case with roots in the Alaska political corruption investigation has worked its way up to the U.S. Supreme Court, which this week will take a look at it and another case in which an anti-corruption statute is now in question.

The Supreme Court on Tuesday will be looking at a narrow piece of former Alaska Rep. Bruce Weyhrauch's pending criminal case: whether prosecutors need to prove that Weyhrauch violated a state disclosure law to gain a conviction on federal mail-fraud statutes. Weyhrauch's case has not yet gone to trial.

The high court will be looking at the use of the 28-word "honest services fraud" statute adopted by Congress in 1988. The law governing such fraud is often used in the cases of public officials where federal prosecutors can't prove they accepted bribes -- but where they have enough evidence to show that those officials took freebies such as tickets or jobs.

The statute is based on the idea that people are entitled to the honest services of elected officials and executives in charge of big companies. But it often has very liberal applications, said Shana Regon, director of white collar crime policy at the National Association of Criminal Defense Lawyers, which filed a friend of the court brief in the case.

"The statute is 28 words, and no one knows what it means," Regon said.

Weyhrauch's case landed at the Supreme Court after the 9th U.S. Circuit Court of Appeals ruled against him and his case came to the attention of several high-profile criminal defense attorneys concerned about abuse of the honest services statute. They contacted his attorney, Doug Pope of Anchorage, who began working with a team that includes a veteran of 17 Supreme Court arguments, Washington, D.C., attorney Don Ayer.

On Tuesday, Pope and attorney Ray Brown, also of Alaska, will sit at the counsel bench at the Supreme Court while Ayer argues the case.

"I feel good about getting the case there, that was the important thing," Pope said. "My view is that this case should never have been brought against Bruce."

Weyhrauch's case is one of three similar honest services fraud cases the justices have chosen to hear this year, as they take a look at how prosecutors have been interpreting the statute. Tuesday, they'll first hear the case of former newspaper magnate Conrad Black, whose 2007 conviction was based in part on the assertion he deprived his company of his honest services. Next year, they'll take a look at how the law was applied in the case of Jeffrey Skilling, former CEO of the now-bankrupt energy giant, Enron.

Weyhrauch's case involves much lower stakes, but also is probably more straightforward, Pope

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said.

"The law is the law, but you win and lose cases on the facts," Pope said. "And the facts are really good here."

Weyhrauch, a Juneau Republican, solicited legal work from the oil-field service company Veco Corp. at a time when Veco was pushing hard to win support for lower oil taxes in the state Legislature. Federal prosecutors said Weyhrauch should have disclosed his job search as a conflict of interest.

But Weyhrauch's attorneys argued that state law didn't specifically require such disclosure and as a result, the federal fraud statute couldn't be used to charge him with defrauding Alaskans of his "honest services."

A District Court judge in Alaska agreed with Weyhrauch, but the government appealed and won in the 9th Circuit U.S. Court of Appeals. The appeals court sided with prosecutors, saying legislators had a duty to disclose such conflicts. The court reasoned that even if a state has weak ethics laws, it was no reason for its citizens to be deprived of the honest services of their public officials.

Other circuit courts, though, have made contradictory rulings, hence the Supreme Court's willingness to step in to clear up the confusion.

Even some former federal prosecutors question the use of honest services fraud in corruption cases. Often, they use honest services fraud because it reduces the burden of proof prosecutors must meet, said Richard Craig Smith, a former federal prosecutor who now heads up the white collar crime practice at Fulbright & Jaworski in Washington, D.C.

Speaking at a seminar on the matter held last week by the Washington Legal Foundation, Smith said that it is difficult for prosecutors to prove bribery.

"Who wants to prove a quid pro quo?" he said. "Who wants that burden of really proving corrupt intent when you can simply say, 'he had a duty, he breached your duty, therefore he should be guilty.'"

But Smith acknowledges that he is "kind of torn" on the subject. Prosecutors have used the law to prosecute people in places where state law is weak and there is clear evidence of wrongdoing on the part of people in power.

"When you have the inability or lack of political will by state and local officials to address a corruption problem in their community," he said, "this statute allows the government to get its hands around it."

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Alaska Ear
The divine appendage

(11/28/09 19:35:21)

PAGE 102 . . . Darlings, Ear really is trying to resist **Sarah** items, being personally sick of them, but the suction is irresistible. For instance, Slate, the online magazine, is publishing excerpts from "Going Rogue," including what they have labeled the book's single worst sentence.

It's strictly a matter of opinion of course, but Ear finds their choice eminently cringeworthy:

"As the soles of my shoes hit the soft ground, I pushed past the tall cottonwood trees in a euphoric cadence, and meandered through willow branches that the moose munched on."

"Euphoric cadence?" Ecstatic Ear would like a hit of whatever she's using. Anyhow, you can try your hand at purple prose and enter Slate's "Write like Sarah Palin" contest.

STARWATCH, NOT . . . In case you missed the "Entertainment Tonight" report, **Levi Johnston** reportedly had Thanksgiving dinner at the home of his attorney and agent, **Rex Butler**, with the cameras rolling.

How long do we think it will take for outlets like "Entertainment Tonight" to turn on Levi?

THE SUM OF ALL THINGS . . . It's admittedly early, and Ear is obviously biased in favor of Our Favorite Good Morning Newspaper, but a headline on www.adn.com Wednesday summed up 2009 in a way unlikely to be topped:

"Poll: Public wants more health care coverage, less Palin"

THE WHOLE TRUTH . . . When **Uncle Ted** was in the Senate, he had long coattails. And now that he's a former felon, he still has a long reach.

Recently, in a pretty routine meth/gun case, federal prosecutors in Anchorage -- seeming a little woebegone according to one earwig -- carefully questioned prospective jurors about whether the behavior of other federal prosecutors in the Stevens corruption case would prejudice them against the government.

You'll remember that prosecution misconduct led to dismissal of Ted's conviction and to an ongoing investigation of the people who charged him.

Anyhow, juror response was all over the board. One lady said she'd have to listen really carefully to the prosecution's claims. A bunch nodded in agreement but a few hailed the feds for taking Stevens down and said it should have happened years ago.

When the trial was over, the defendant was acquitted on the major counts, convicted on a minor charge.

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12/2/09

GO WEST YOUNG BREW . . . A returning junketer reports there's a sign in the window of an unoccupied commercial space in Kona that says **Humpy's of Alaska** is coming soon. The alehouse's Web site says its Kailua-Kona bar could open as soon as January.

ONE FOR THE HOME TEAM . . . People with letters after their names say **Bernice Joseph**, vice chancellor at UAF, is one of the finalists for president of Alaska's most invisible university, APU. She's the only finalist from Alaska. Of course, Bernice currently manages five or six rural colleges and may not be attracted by an offer to run just one campus.

RSVP. . . Local activist **Chris Constant** is organizing a "training" campaign aimed at electing an openly gay or lesbian candidate to office. In its 50-year history, Alaska has certainly had more than one gay or lesbian legislator or assembly member, but apparently none who was out of the closet.

Anyhow, Ear noticed the press release about a fundraiser Monday because it came with a request that supporters send an invitation to **Jim Minnery** of the anti-gay Alaska Family Council.

Hey, folks. Better be careful. He might show up.

OUT AND ABOUT . . . It was a dark and stormy night in Port Hadlock, Wash., last Saturday. **Simon Lisiecki**, a former BP vice president here, now learning a new trade at the North West School of Wooden Boat Building, was dining with his wife, **Petra**, Anchorage Rep. **Mike Doogan** and his wife, **Kathy**. They chose the Ajax Cafe for its seafood, not for the funny hats it encourages customers to wear.

The four of them were enjoying a quiet, hatless meal when a large group arrived, headed by none other than Anchorage radio ranter **Eddie Burke**, who was soon wearing a hat earwigs described as a black clown wig.

Now, Port Hadlock is a tiny burgh on the Olympic Peninsula. It's not the end of the world but, like Fairbanks, you can see nowhere from there.

"Of all the gin joints ... in all the world. . ."

Compiled by Sheila Toomey. Contact Sheila at ear@and.com. Find Ear on line at www.adn.com/ear.

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Supreme Court hears Weyhrauch arguments

By ERIKA BOLSTAD
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FBI - Stevens-2595

(12/08/09 14:28:41)

WASHINGTON -- One of the attorneys urging the U.S. Supreme Court to strike down an anti-corruption statute told the justices on Tuesday that the law used in the case against a former Alaska lawmaker is "vague, amorphous," and "open-ended."

"Essentially," attorney Miguel Estrada said, it is "not very helpful."

The justices -- who heard two related honest services fraud cases Tuesday and will hear a third, similar case next year - appeared to agree. Prosecutors are "all over the place" in their application of the law in corruption cases, said Justice Antonin Scalia.

"And if the Justice Department can't figure out what is embraced by this statute," he said, "I don't know how you can expect the average citizen to figure it out."

The Supreme Court is taking a look at three cases in which prosecutors made use of the 28-word "honest services fraud" statute adopted by Congress in 1988.

The first case, an appeal by the newspaper magnate Conrad Black, focused on the law's application in cases against executives who defraud shareholders. The other, the federal case against former Alaska Rep. Bruce Weyhrauch, focused on how the law is used as a weapon against corrupt political figures. The court will take a look next year at how the law was applied in the case of Jeffrey Skilling, former CEO of the now-bankrupt energy giant Enron.

Prosecutors often use the honest services fraud law to go after public officials and executives when they can't prove they accepted bribes -- but where they have enough evidence to show that those officials deprived their constituents or stockholders of their "honest services" by accepting freebies or engaging in self-dealing that lined their own pockets while on someone else's payroll.

In Weyhrauch's case, the court is considering whether prosecutors need to prove the former Juneau Republican violated a state disclosure law to gain a conviction on federal mail-fraud statutes. Weyhrauch's case hasn't yet gone to trial.

The attorney for the government, Deputy Solicitor General Michael Dreeben, told the justices that in Weyhrauch's case, the government aims to prove that the residents of Alaska were entitled to the former lawmaker's honest services. Officeholders are well aware they live in a "dual system in which citizens are governed by and accountable both by their states and by the federal government," Dreeben said.

He acknowledged to the justices that in some cases, the "core understanding of what honest services is may have been strayed from," but added that it "doesn't mean that the statute is vague."

But Justice Alito posed the question: Don't lawmakers have to vote on "all sorts of things that have an impact on their own financial interests or the financial interests of their family or associates," such as tax codes?

"Don't you need some kind of a disclosure code to separate the things that have to be disclosed from the things that don't have to be disclosed, because they are just too common?" Alito asked.

-1046

Federal prosecutors allege Weyhrauch solicited legal work from the oil-field service company Veco Corp. at a time when Veco was pushing hard to win support for lower oil taxes in the state Legislature. Federal prosecutors said Weyhrauch should have disclosed his job search as a conflict of interest.

Weyhrauch's attorneys argued that state law didn't specifically require such disclosure and as a result, the federal fraud statute couldn't be used to charge him with defrauding Alaskans of his "honest services."

A District Court judge in Alaska agreed with Weyhrauch, but the government appealed and won in the 9th Circuit U.S. Court of Appeals. The appeals court sided with prosecutors, saying legislators had a duty to disclose such conflicts. The court reasoned that even if a state has weak ethics laws, it was no reason for its citizens to be deprived of the honest services of their public officials.

In court Tuesday, Weyhrauch's attorney, Don Ayer of Washington, D.C., argued to the justices that there was absolutely no duty for his client to disclose his job search under state law.

"He is a part-time legislator in a state that has a citizen legislature that has made a decision specifically not to have its disclosure rules be unduly burdensome," Ayer said. "That's their own specific language. They don't want them to be unduly burdensome. They have required certain disclosures. They have not required others."

Both of Weyhrauch's Alaska attorneys said they were pleased with the direction the case appeared to be headed on Tuesday, based on the questions asked by the justices. If the Supreme Court decides in their favor, his lawyers said they expect the rest of the case against Weyhrauch to disintegrate quickly.

"There is no evidence," Ray Brown, one of Weyhrauch's lawyers, said in front of the Supreme Court Tuesday once the arguments had concluded.

"The evidence that we confronted the government over, a couple of weeks before trial, was a videotape that they'd taken, where they allege that the deal was made," said Doug Pope, another of Weyhrauch's attorneys. "And once they produced it and we looked at it, there was no deal on the videotape. So tell me where they're going to get the evidence."

Several cases in a wide-ranging federal corruption probe into Alaska politics began falling apart this year during the trial of former Sen. Ted Stevens, R-Alaska. Stevens, who was convicted in late 2008 of filing false financial disclosure forms, saw his indictment dismissed after defense attorneys questioned the way that prosecutors and the FBI handled witnesses and evidence in Stevens' case and others.

In two related cases, former Alaska state lawmakers Pete Kott and Vic Kohring were freed from prison in June when the government acknowledged they may not have gotten fair trials because favorable evidence was withheld from them. But prosecutors now say the favorable evidence wasn't material to their cases and have argued that their convictions should stand. The matter is before a federal district judge in Anchorage.

In Stevens' case, the Justice Department acknowledged that it had failed to share with the former senator's lawyers notes from an interview with the prosecution's key witness. Those notes contradicted the witness's trial testimony and could have been favorable to Stevens at trial.

Pope said his true thoughts on Weyhrauch's case were unprintable, "because I would use some bad language."

"This case should never have been brought because they didn't have the evidence," he said. "It was brought because some very ambitious prosecutors - who revealed their true side in the Stevens case -- thought that they had a theory that they could prevail on in trial. That's the reason we're here, right in front of the U.S. Supreme Court."

Based on questions the justices raised about the Skilling case, both Brown and Pope said they expect the court to rule on the Weyhrauch and Black cases after the Supreme Court hears the former Enron executive's case next year.

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Alleged cover-up cuts into Allen credibility

CORRUPTION INVESTIGATION: Lawyer says juries should know if star witness tried to hide relationships with underage girls.

(7)

By RICHARD MAUER
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(12/13/09 22:24:35)

Anchorage resident Lisa Moore says she traded sex with then-Veco boss Bill Allen in 1996 for an apartment, money and jewelry. He was 59; she was 19.

She also says she introduced him to a 15-year-old girl who became his sex partner.

But the next year, an ex-boyfriend of Moore's got into legal trouble and threatened to blow the whistle on Allen's relationship with Moore and other teens, including the 15-year-old, Moore said, triggering a string of alleged cover-ups that now threaten to undermine the Alaska political corruption investigation.

Allen's conduct with that underage girl and at least one other has been the subject of an active Anchorage police investigation since 2008. That inquiry developed more urgency last spring when a prosecutor with the Justice Department's Child Exploitation and Obscenity Section joined local detectives in the case and began traveling to Anchorage to interview witnesses, including a visit just last week.

But long before the authorities got involved, Allen reportedly went to great lengths to keep his sexual activities secret. When Moore told Allen she expected to be called as a witness at her ex-boyfriend's trial and forced to reveal Allen's seamy and possibly criminal private life, Allen immediately sent her, her brother and her fiance on the lam to California to prevent her from being subpoenaed, Moore told an Anchorage police detective and elaborated in recent interviews with the Daily News.

That trip, characterized as a "potential obstruction of justice" when first made public in a federal court filing last month, are among the issues cited by former state House Speaker Pete Kott in his effort to throw out his conviction on corruption charges. Allen was a key witness in Kott's case, but Kott's lawyers weren't told by prosecutors about the California trip, which could have undermined Allen's credibility under cross-examination by a defense attorney.

Kott's lawyer has also said Allen's credibility could have been challenged by other allegations that were known by the government at the time of Kott's trial but only recently revealed to the defense. Among them: new details about assertions by the underaged girl, Bambi Tyree, now 28, that she lied under oath about her relationship with Allen at Allen's request, and that Moore was asked by Allen's attorney to swear that Allen did not have sex with Tyree when she was 15, even though she said she observed it.

Allen has told FBI agents he never asked anyone to lie under oath or tried to hide witnesses to avoid subpoenas. Messages left with his attorney in Anchorage this week weren't returned.

DISCREDITING INFORMATION FBI - Stevens-2597

Allen, after pleading guilty in 2007 to bribery and other corruption charges, was also the key witness in the trials of former state Rep. Vic Kohring and U.S. Sen. Ted Stevens. Stevens' charges were thrown out in April after his conviction. Kott and Kohring are saying they were likewise unfairly tried, and have been released from prison while their cases are sorted out. All said that prosecutors failed to provide them with discrediting information they knew about Allen and other witnesses as required by law.

For instance, in a letter to Stevens' defense team on the eve of his trial in 2008, prosecutors asserted "the government is aware of no evidence to support any suggestion that Allen asked the 'other female' (Tyree) to make a false statement under oath." But in 2004, Tyree told a federal prosecutor and an FBI agent from Alaska precisely that, and Allen's attorney admitted in a 2004 letter to the U.S. Attorney's Office in Anchorage that he had the statement in his files, though he refused to turn it over.

Defense attorneys in the corruption cases weren't allowed to raise the issue of Allen's sexual conduct. The judges in those cases agreed with prosecution arguments that even if Allen had a sexual relationship with a 15-year-old girl, a felony under state law, it was irrelevant to whether he gave bribes and illegal gifts to public officials. Just mentioning such a sensational allegation could inflame the jury against Allen and divert attention from the evidence, the judges ruled.

But the new material raises questions about how far Allen would go to protect himself. If Allen schemed to prevent a witness from testifying about his sexual conduct or tried to get two witnesses to lie under oath, that could give defense attorneys new ammunition to attack his credibility.

Kott's attorney is already making those arguments after reviewing the new material.

"It showed prior acts of criminality, and it showed Bill Allen's desperate attempts to convince his victims to lie to protect him," Sheryl Gordon McCloud said in her motion to dismiss the charges or at least get a new trial. "Its newly released documents contain allegations and evidence that Bill Allen committed a multitude of primarily sex crimes against children, and that he sought to have them swear that he never committed such acts."

The six prosecutors in the Stevens case, including the four who tried Kott and Kohring, are under investigation for criminal contempt by a special prosecutor appointed by Stevens' trial judge. The Washington Post reported Dec. 3 that the special prosecutor will wrap up his investigation over the next two months with interviews of the prosecutors.

Moore, now 32, originally told her story in 2004 to Anchorage police, the FBI and prosecutors in the Anchorage U.S. Attorney's office. She and her mother said they were led to believe that Allen would be prosecuted for sexual abuse of a minor or federal child exploitation violations. When nothing happened, Moore said in the interview, she figured Allen was so powerful he could avoid prosecution.

But the case against Allen remains active. Moore said she has met several times in Anchorage with the Washington-based trial attorney in the Justice Department's Child Exploitation and Obscenity Section, which specializes in sex crimes involving minors.

Last month, Allen was sentenced to three years in prison on his bribery plea, though he remains free while the U.S. Bureau of Prisons determines where he will go.

With Allen headed to prison, Moore said she is more comfortable talking about him than before.

ALASKA POWERHOUSE

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In March 1997, the Anchorage Chamber of Commerce hailed Allen as one of the five most powerful individuals in Alaska. Allen was the only person on that list not holding elective office (the other four were Stevens, Sen. Frank Murkowski, Gov. Tony Knowles and Anchorage Mayor Rick Mystrom).

Allen regularly socialized with the state's top political and business leaders. He was the oil industry's most visible advocate, a power broker in Juneau and a major fundraiser for state and national Republicans. The chamber took note of the help he provided presidential aspirant Sen. Bob Dole and said his role as publisher of the Voice of the Times, his opinion section in the Daily News, "enhanced his credibility in Alaska."

A picture dated 1999 shows Allen with Rita Ivanova, a Russian woman he dated, at Murkowski's annual fishing event in Ketchikan. Allen is at the center of the picture, his arm draped around Ivanova, and on either side are Sens. Thad Cochran, R-Miss., Rep. Dennis Hastert, R-Ill., Murkowski, Sen. Larry Craig, R-Idaho, Sen. Kit Bond, R-Mo., and Sen. Don Nickles, R-Okla.

Allen's power and access continued to grow. He and Stevens, the most senior Republican in the Senate, would rendezvous at a desert resort in Arizona for annual "boot camps" where they would forswear whiskey and beer, eat healthy and take long walks to shed extra pounds.

In 2000, Allen began renovating Stevens' Girdwood home, a multi-year project that cost him and Veco about $250,000 -- and which Stevens, limited by Senate rules to accepting no more than about $300 a year in gifts, failed to disclose.

As active as his public life was, Allen's private life, by Moore's description, looked like a low-rent imitation of Playboy's Hugh Hefner.

Moore said she met Allen in September or October, 1996. Her roommate worked for a 24-hour escort service called Silk Stockings, and Allen, who was divorced, was a client, Moore said. She remembers the timing because it happened shortly after her own arrest for prostitution on Sept. 5, 1996. (Moore pleaded guilty and paid a $250 fine.)

The roommate called from Allen's house and asked Moore to pick her up.

"She said, 'You got to come in and see this guy's house,' " Moore recalled. "I was like, 'No, no, no,' and she was like, 'Just come on.' So I went in, met him, and he was like, 'Oh, I would just love to date you.' "

Moore said she wasn't interested in working as a prostitute after her arrest, and she told Allen no. But she said Allen kept calling her roommate.

"Just go out to eat with him," the roommate said. "He's the owner of Veco -- he's loaded."

FBI - Stevens-2599

Moore accepted a dinner date.

"What is it going to take to get you in bed?" Allen asked at the meal, Moore recalled.

"A lot," Moore said she responded.

"What's your motivation in life?" Allen asked.

"My whole goal in life right now is to get my own apartment, get a good job and get my daughter back," replied Moore, whose 3-year-old was living with her parents.

"By the next day, he had me in an apartment," Moore said. It was at the Castle Apartments on West 27th Avenue, a block and a half from Veco's then-headquarters on West Northern Lights Boulevard. The proximity allowed Allen to visit over lunch, she said.

Moore said Allen insisted she be monogamous with him and he promised the same with her. But that arrangement didn't last long, she said.

'TYREE MEETS ALLEN'

When she was 15, Moore was ordered to McLaughlin Youth Center after she stole her mother's credit card and used it to rent a limousine for the evening. One of the smartest, most streetwise girls at the juvenile hall was someone three years her junior, Bambi Tyree, Moore said. Tyree was especially adept at manipulating counselors, saying precisely what they wanted to hear at group sessions so she could do as she pleased at other times, Moore said. The girls became friends and continued the relationship after they got out.

When Moore moved into the Castle Apartments in 1996, Tyree, then 15, was struggling with a crack cocaine addiction and spending time at the home of Josef Boehm, the owner of Alaska Industrial Hardware, himself a cocaine addict, Moore said. Boehm, now 65 and in federal prison in Texas, was known to Tyree and other addicted girls as "Joe Millionaire" for the crack he traded for sex.

Moore said Allen was no friend of Boehm and strongly opposed illegal drug use. She thought Allen could help her friend Tyree by paying for her rehabilitation. Around October or November 1996, Moore introduced Allen to Tyree. A few days later, when she went to Allen's home on a "date," she brought Tyree, who wouldn't turn 16, the age of consent, until Dec. 17. The three had sex in Allen's hot tub, she said. Tyree stayed with her at the Castle Apartments, and would be there when Allen came over. There were times when Moore, Tyree and two other friends would join Allen in bed. Another time, Moore said, she witnessed a different friend who was 15 have oral sex with Allen in Allen's car.

Whenever Allen had sex with one of her friends, Moore said, he gave the friend $100 and Moore $500.

Allen knew Tyree was 15 because he helped her celebrate her 16th birthday, Moore said. Among the birthday and Christmas presents he handed Moore and Tyree were rings worth about $5,000 each, Moore said.

Moore's relationship with Allen began to sour in the spring of 1997. Tyree had moved out, and Moore found out Allen was still seeing Tyree behind her back.

"As long as I was there, or I knew about it, it wasn't that big of an issue," Moore said. But now it felt like Allen wasn't upholding his end of the bargain.

"The day I broke up with him, I was like, 'I don't want to see you any more, I'm done with you, you're a pervert!' is what I told him. The next day, there was an eviction notice on the door, my phone was already off and my cable -- and I'm like, why would you do that? You say you love me, you want to take care of me for the rest of my life, just because I get mad and break up with you because you're sleeping with a 15-year-old and all my other friends -- he slept with all of my friends, all of them."

FBI - Stevens-2600

'WHAT IF YOU GUYS LEFT THE STATE?'

Moore, still 19, began dating a man her own age, Aaron Pinsly. But then she learned that a

different 15-year-old girl -- a runaway -- was staying at Pinsly's house and having sex with him. Moore called the cops. The girl was taken into custody at Pinsly's house.

A few weeks later, Anchorage police Det. Lorraine Shore persuaded the 15-year-old girl to call Pinsly to see if he would admit having had a sexual relationship with her. He did.

Pinsly was arrested July 31, 1997, for sexual abuse of a minor.

While Pinsly awaited trial, Moore said, she got a call from Shore looking for an address to serve her with a subpoena. Moore also got a call from Pinsly in jail.

"He was mad because he knew I was the one that called in -- I never hid that fact," Moore said. "He was like, 'If you go through with this and you testify against me, then I'm going to bring up everything that happened between you and Bill and I'll make a deal with them to testify against him.' "

Moore figured that Pinsly was trying to prevent her from testifying, a goal Allen seemed to share when she told him about Pinsly's threat, she said.

"What if you guys left the state?" Allen suggested, according to Moore. As he thought about it, he recommended she involve her brother Jeremy, who had a spotless criminal record and could pass a drug test for a new job. Jeremy could get the tickets, rent the hideout apartment, and provide support with a job.

"It was obstructing justice if you're avoiding a subpoena, so he put everything in my brother's name and we left the next day," Moore said.

"(Allen) told me I was the key to the whole thing," Jeremy Moore said in an interview.

Lisa Moore, by then 20, had an 18-year-old boyfriend, a man she would eventually marry. He went along as well. Jeremy Moore was 21.

Their destination would be Bakersfield, Calif., an oil town in the desert north of Los Angeles. As the payment for uprooting their lives, Allen promised them an apartment, a car and jobs on a drilling rig run by his brother, Roger Allen, Jeremy Moore said. Jeremy Moore quit his job at Walmart in Alaska, believing Allen that he'd be making $3,000 a month on the rig.

Jeremy Moore said Veco paid to fly them to Seattle; he said Allen identified them as Veco employees on expense documents. To reduce the chances of their destination being traced, he said, Allen gave them cash for bus tickets from there to Bakersfield. Allen was in Seattle when they got there, and met them in Bakersfield, he said.

Allen told them to not call any friends back in Alaska. He bought pagers for them to communicate with their mother in Anchorage.

Allen wasn't only concerned about legal issues, but also his reputation, Jeremy Moore said. "He even told me he'd be mortified if this ever got out into the papers," Jeremy Moore said.

But Roger Allen didn't have a job for him or Moore's fiance. And there was no car, only two mountain bikes. The house he got them was roach infested, Jeremy and Lisa said.

Instead of the rig, Jeremy Moore said, Allen got him work packing drilling mud at a Bakersfield company called GEO Drilling, a dusty, dirty job. Two weeks later, when his first paycheck showed

he was making $8 an hour, less than he was making at Walmart, he quit, withdrew the money from the bank account Allen opened in his name, and flew home.

"Bill was really mad that I came back," Jeremy Moore said. His sister and her fiance abandoned the hideout after another month or two. They sold everything that Allen had bought them, bought train tickets to Seattle and flew from there to Anchorage.

When she ran into Allen a few days later, he was shocked they had returned, she said. "What the hell are you doing here?" he said, according to Lisa Moore.

Pinsly ended up not going to trial. Offered a plea bargain by the Anchorage district attorney's office, he pleaded guilty to a reduced charge of coercion and served about a year in prison, then moved to Las Vegas, where his mother and father live. He didn't respond to letters sent to him and his father by the Daily News.

Pinsly's 15-year-old victim is now married and living in the South. In a telephone interview, she said she knew that Moore had been Pinsly's girlfriend but didn't know Moore had turned her in and knew nothing about a threat from Pinsly to expose Allen. She also remembered Tyree from McLaughlin, but didn't know that Tyree was connected to the Pinsly case.

Shore, the detective, is retired and living in Washington state. She recalled Pinsly's case but said she investigated too many crimes to remember many of the details.

In their Sept. 9, 2008, pretrial disclosure letter to Sen. Stevens' lawyers, the Justice Department prosecutors characterized the 1997 Bakersfield trip this way:

"The adult female (Lisa Moore) also alleged that Allen provided her with a trip outside Alaska for the purpose of preventing the adult female to testify in an unspecified proceeding." When asked about the matter, the prosecutors continued, Allen "denied ever causing anyone to leave the state of Alaska to prevent testimony in any type of proceeding."

Two years after Bakersfield, Allen again tried to move Moore and her family out of state, this time paying $10,000 to get them all to Kennewick, Wash., Moore and her brother said. But that also didn't go well, and the family struggled to make ends meet. Moore's mother, Maryann Bright, said Allen had promised to buy the family a house but didn't. Lisa Moore and her mother returned to Alaska in June 1999 to ask Allen for more money.

"This man's up here, has all this money, living lavish, and we're down there like struggling our butts off to make it and we're there because he wants us there," Moore said. But Allen wouldn't give them anything and told them to talk to his attorney, she said.

Moore and Bright said the attorney offered them $5,000 if Moore would sign a sworn statement that Allen never had a sexual relationship with Tyree or any other underage girl.

Lisa Moore said she refused to sign. The money wasn't enough to buy her silence and conspire in perjury, nor would it pay their bills in Kennewick, she said. That same month, Tyree signed such a statement, according to an interview she gave to an FBI agent and an assistant U.S. Attorney in 2004.

In that interview, according to an FBI record given to Kott's lawyer and filed in his case, Tyree acknowledged having had sex with Allen when she was 15. (Tyree's name was blacked out in the filed document, though her identity was unmistakable.)

"(Tyree) previously signed a sworn affidavit claiming she did not have sex with Allen," according to

the FBI agent's report of the 2004 interview, as filed in Kott's case. "(Tyree) was given the affidavit by Allen's attorney, and she signed it at Allen's request. (Tyree) provided false information on the affidavit because she cared for Allen and did not want him to get into trouble with the law."

THE BOEHM CASE

The matter lay dormant until early 2004, when details of a joint city-state investigation of Boehm, the cocaine-addicted hardware-store owner, emerged in a federal criminal case. Boehm, two cr ack dealers and Tyree, then 23, were charged with conspiracy to distribute cocaine to persons under 21 and multiple counts of sexual trafficking of children.

In media accounts of the case, Moore said, she thought Tyree was inappropriately characterized as a victim, not an active perpetrator. She called up one of Boehm's attorneys, Rex Butler, and left a message offering to provide information on Tyree.

Butler called back but said he didn't think he could use her information. A few days later, Moore said, she was visited by two FBI agents who asked her if she would cooperate in an investigation of Allen. She said she would.

On Feb. 10, 2004, they brought her to the FBI building, where she sat down with them and two Anchorage police detectives, including Det. Kevin Vandegriff, who also was involved in the Boehm case. Only Vandegriff's notes of the interview have emerged, filed last month in the Kott case. While all the names of witnesses and victims were blacked out in the report, Moore filled them in during an interview with the Daily News.

The report spans Moore's entire story, from how she met Tyree and Allen, her introduction of them to each other, the Bakersfield trip, and more. She said Vandegriff's report mischaracterized the affidavit she was asked to sign by Allen's lawyer. The report said she was asked to swear that she didn't have sex with Allen, while Allen's lawyer actually wanted her to say that she didn't observe an underage Tyree have sex with Allen, Moore said.

After that interview, she returned one more time to the FBI office, this time with her diary detailing her relationship with Allen, plane tickets and receipts for things he had bought her, photographs, and other evidence. Moore said she never got it back. In a later report, Vandegriff said it all disappeared.

The assistant U.S. attorney who attended the Moore interview and prosecuted the Boehm case, Frank Russo, has said he asked Vandegriff to suspend his investigation in 2004 to avoid being distracted in the complicated run-up to Boehm's trial. But in the end, there was no trial -- all the defendants pleaded guilty. No one has said why the Allen sex case continued to lay dormant even as he fell under suspicion, later in 2004, for the massive corruption of Alaska politics.

In September 2007, four months after Allen pleaded guilty to bribery, the Daily News began investigating his connection to Tyree. Around December, a little more than a month before the paper published its first story on the subject, Vandegriff reopened the Allen investigation. He left his card at every known residence where Moore had stayed. She found one of the cards and called him. On Jan. 2, 2008, she consented to a long videotaped interview with him, once again giving her whole story. A portion of that report was also filed in the Kott case last month.

In February 2008, Vandegriff and the FBI agent who had interviewed Moore in 2004, John Eckstein, searched through all the files from the Boehm case looking for Moore's diary and the other evidence, but came up empty, according to another report. Vandegriff also reported that an assistant U.S. attorney recalled seeing the material Moore brought in and thought it had been left for safekeeping with an FBI agent or police officer.

FBI - Stevens-2603

Months later, with the looming Stevens case hanging on Allen's credibility, the lead FBI agent, Mary Beth Kepner, held a Sunday interview session with her star witness. The notes of that Allen interview, as filed in the Kott case, show it was conducted Sept. 7, 2008, two weeks before Stevens' trial opened and more than two years after Allen agreed to cooperate in the corruption investigation.

Kepner asked Allen about Moore. He acknowledged having a sexual relationship with Moore, describing her as "an adult prostitute." No details of the relationship were reported. There was no indication Kepner asked him about Bakersfield. There's no way to know, using records that have been publicly filed, whether or when Kepner questioned Allen about Tyree.

EXTORTION?

But Allen offered a much harsher account of the 1999 request for additional financial support in Kennewick, Wash. He told Kepner that Moore and her mother were seeking $25,000 and termed it extortion. They threatened to expose his relationships with Moore and the underage Tyree, Allen said. Allen said he refused to pay and referred the matter to his attorney, Jim Gilmore.

Later, after Boehm was arrested, Allen said, Moore again tried to extort him. Tyree volunteered to handle it with Allen's lawyer, Allen said. That would be five years after Moore and Tyree initially reported being asked to sign affidavits.

Tyree, in her own interview with Kepner in 2007, said she came up with the idea to "sign a document to prevent further extortions." But the report of that interview, filed by prosecutors in the Kott case, was heavily redacted and its context unclear.

Allen told Kepner he didn't know what happened after he turned the matter over to his attorney, but he denied ever asking Tyree to make a false statement or offering money to anyone to lie under oath. He also denied he sent the Moore family to Washington state to hide them, but rather to help them "make a fresh start in a new area."

Gilmore, Allen's former attorney, now retired and living in Gig Harbor, Wash., didn't return messages left on his home message machine or with his wife. His former Anchorage partner, Brian Doherty, hung up on a Daily News reporter asking about the Moore matter.

In a letter to the U.S. Attorney's Office filed under seal in the Boehm case in 2004 but unsealed last month at the government's request, Gilmore acknowledged possessing a "recorded statement" taken from Tyree in his office on June 19, 1999. He refused to disclose the statement, saying it was covered by attorney-client privilege and the privacy afforded to attorney work product. The letter was signed by Doherty on behalf of Gilmore.

Tyree didn't respond to a request for an interview made through her attorney. After pleading guilty in the Boehm case and cooperating with federal authorities, she was sentenced to three years in prison and was released in 2006.

Moore denied trying to squeeze Allen, though she believes he owed her then and still owes her.

"I was his girlfriend," she said. "He promised to take care of me for the rest of my life. I never blackmailed him, though -- I never extorted him, never, nothing. I just walked away from it all."

Contact reporter Richard Mauer at 257-4345.

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Weyhrauch lawyers optimistic after high court hearing

QUESTIONS: Justices seem inclined to see law as inconsistent.

By ERIKA BOLSTAD
ebolstad@adn.com

(12/08/09 21:46:07)

WASHINGTON - One of the attorneys urging the U.S. Supreme Court to strike down an anti-corruption statute told the justices on Tuesday that the law used in the case against a former Alaska lawmaker is "vague, amorphous," and "open-ended."

"Essentially," attorney Miguel Estrada said, it is "not very helpful."

The justices -- who heard two related honest services fraud cases Tuesday and will hear a third, similar case next year -- appeared to agree. Prosecutors are "all over the place" in their application of the law in corruption cases, said Justice Antonin Scalia.

"And if the Justice Department can't figure out what is embraced by this statute," he said, "I don't know how you can expect the average citizen to figure it out."

The Supreme Court is taking a look at three cases in which prosecutors made use of the 28-word "honest services fraud" statute adopted by Congress in 1988.

The first case, an appeal by the newspaper magnate Conrad Black, focused on the law's application in cases against executives who defraud shareholders. The other, the federal case against former Alaska Rep. Bruce Weyhrauch, focused on how the law is used as a weapon against corrupt political figures. The court will take a look next year at how the law was applied in the case of Jeffrey Skilling, former CEO of the now-bankrupt energy giant Enron.

Prosecutors often use the honest services fraud law to go after public officials and executives when they can't prove they accepted bribes -- but where they have enough evidence to show that those officials deprived their constituents or stockholders of their "honest services" by accepting freebies or engaging in self-dealing that lined their own pockets while on someone else's payroll.

In Weyhrauch's case, the court is considering whether prosecutors need to prove the former Juneau Republican violated a state disclosure law to gain a conviction on federal mail-fraud statutes. Weyhrauch's case hasn't yet gone to trial.

The attorney for the government, Deputy Solicitor General Michael Dreeben, told the justices that in Weyhrauch's case, the government aims to prove that the residents of Alaska were entitled to the former lawmaker's honest services. Officeholders are well aware they live in a "dual system in which citizens are governed by and accountable both by their states and by the federal government," Dreeben said.

He acknowledged to the justices that in some cases, the "core understanding of what honest services is may have been strayed from," but added that it "doesn't mean that the statute is vague."

But Justice Samuel Alito posed the question: Don't lawmakers have to vote on "all sorts of things that have an impact on their own financial interests or the financial interests of their family or associates," such as tax codes?

"Don't you need some kind of a disclosure code to separate the things that have to be disclosed from the things that don't have to be disclosed, because they are just too common?" Alito asked.

Federal prosecutors allege Weyhrauch solicited legal work from the oil-field service company Veco Corp. at a time when Veco was pushing hard to win support for lower oil taxes in the state Legislature. Federal prosecutors said Weyhrauch should have disclosed his job search as a conflict of interest.

Weyhrauch's attorneys argued that state law didn't specifically require such disclosure and, as a result, the federal fraud statute couldn't be used to charge him with defrauding Alaskans of his "honest services."

A District Court judge in Alaska agreed with Weyhrauch, but the government appealed and won in the 9th Circuit U.S. Court of Appeals. The appeals court sided with prosecutors, saying legislators had a duty to disclose such conflicts. The court reasoned that even if a state has weak ethics laws, it was no reason for its citizens to be deprived of the honest services of their public officials.

In court Tuesday, Weyhrauch's attorney, Don Ayer of Washington, D.C., argued to the justices that there was absolutely no duty for his client to disclose his job search under state law.

"He is a part-time legislator in a state that has a citizen legislature that has made a decision specifically not to have its disclosure rules be unduly burdensome," Ayer said. "That's their own specific language. They don't want them to be unduly burdensome. They have required certain disclosures. They have not required others."

Both of Weyhrauch's Alaska attorneys said they were pleased with the direction the case appeared to be headed on Tuesday, based on the questions asked by the justices. If the Supreme Court decides in their favor, his lawyers said, they expect the rest of the case against Weyhrauch to disintegrate quickly.

"There is no evidence," Ray Brown, one of Weyhrauch's lawyers, said in front of the Supreme Court Tuesday once the arguments had concluded.

"The evidence that we confronted the government with, over a couple of weeks before trial, was a videotape that they'd taken, where they allege that the deal was made," said Doug Pope, another of Weyhrauch's attorneys. "And once they produced it and we looked at it, there was no deal on the videotape. So tell me where they're going to get the evidence?"

Several cases in a wide-ranging federal corruption probe into Alaska politics began falling apart this year during the trial of former Sen. Ted Stevens, R-Alaska. Stevens, who was convicted in late 2008 of filing false financial disclosure forms, saw his indictment dismissed after defense attorneys questioned the way that prosecutors and the FBI handled witnesses and evidence in Stevens' case and others.

In two related cases, former Alaska state lawmakers Pete Kott and Vic Kohring were freed from prison in June when the government acknowledged they may not have gotten fair trials because favorable evidence was withheld from them. But prosecutors now say the favorable evidence wasn't material to their cases and have argued that their convictions should stand. The matter is before a federal district judge in Anchorage.

In Stevens' case, the Justice Department acknowledged that it had failed to share with the former senator's lawyers notes from an interview with the prosecution's key witness. Those notes contradicted the witness's trial testimony and could have been favorable to Stevens at trial.

Pope said his true thoughts on Weyhrauch's case were unprintable, "because I would use some bad language."

"This case should never have been brought because they didn't have the evidence," he said. "It was brought because some very ambitious prosecutors -- who revealed their true side in the Stevens case -- thought that they had a theory that they could prevail on in trial. That's the reason we're here, right in front of the U.S. Supreme Court."

Based on questions the justices raised about the Skilling case, both Brown and Pope said they expect the court to rule on the Weyhrauch and Black cases after the Supreme Court hears the former Enron executive's case next year.

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Element of Weyhrauch case goes to Supreme Court

FRAUD: Question involves "honest services" officials owe to citizens.

By ERIKA BOLSTAD
ebolstad@adn.com

(12/06/09 22:57:12)

WASHINGTON -- A case with roots in the Alaska political corruption investigation has worked its way up to the U.S. Supreme Court, which this week will take a look at it and another case in which an anti-corruption statute is now in question.

The Supreme Court on Tuesday will be looking at a narrow piece of former Alaska Rep. Bruce Weyhrauch's pending criminal case: whether prosecutors need to prove that Weyhrauch violated a state disclosure law to gain a conviction on federal mail-fraud statutes. Weyhrauch's case has not yet gone to trial.

The high court will be looking at the use of the 28-word "honest services fraud" statute adopted by Congress in 1988. The law governing such fraud is often used in the cases of public officials where federal prosecutors can't prove they accepted bribes -- but where they have enough evidence to show that those officials took freebies such as tickets or jobs.

The statute is based on the idea that people are entitled to the honest services of elected officials and executives in charge of big companies. But it often has very liberal applications, said Shana Regon, director of white collar crime policy at the National Association of Criminal Defense Lawyers, which filed a friend of the court brief in the case.

"The statute is 28 words, and no one knows what it means," Regon said.

Weyhrauch's case landed at the Supreme Court after the 9th U.S. Circuit Court of Appeals ruled against him and his case came to the attention of several high-profile criminal defense attorneys concerned about abuse of the honest services statute. They contacted his attorney, Doug Pope of Anchorage, who began working with a team that includes a veteran of 17 Supreme Court arguments, Washington, D.C., attorney Don Ayer.

On Tuesday, Pope and attorney Ray Brown, also of Alaska, will sit at the counsel bench at the Supreme Court while Ayer argues the case.

"I feel good about getting the case there, that was the important thing," Pope said. "My view is that this case should never have been brought against Bruce."

Weyhrauch's case is one of three similar honest services fraud cases the justices have chosen to hear this year, as they take a look at how prosecutors have been interpreting the statute. Tuesday, they'll first hear the case of former newspaper magnate Conrad Black, whose 2007 conviction was based in part on the assertion he deprived his company of his honest services. Next year, they'll take a look at how the law was applied in the case of Jeffrey Skilling, former CEO of the now-bankrupt energy giant, Enron.

Weyhrauch's case involves much lower stakes, but also is probably more straightforward, Pope

said.

"The law is the law, but you win and lose cases on the facts," Pope said. "And the facts are really good here."

Weyhrauch, a Juneau Republican, solicited legal work from the oil-field service company Veco Corp. at a time when Veco was pushing hard to win support for lower oil taxes in the state Legislature. Federal prosecutors said Weyhrauch should have disclosed his job search as a conflict of interest.

But Weyhrauch's attorneys argued that state law didn't specifically require such disclosure and as a result, the federal fraud statute couldn't be used to charge him with defrauding Alaskans of his "honest services."

A District Court judge in Alaska agreed with Weyhrauch, but the government appealed and won in the 9th Circuit U.S. Court of Appeals. The appeals court sided with prosecutors, saying legislators had a duty to disclose such conflicts. The court reasoned that even if a state has weak ethics laws, it was no reason for its citizens to be deprived of the honest services of their public officials.

Other circuit courts, though, have made contradictory rulings, hence the Supreme Court's willingness to step in to clear up the confusion.

Even some former federal prosecutors question the use of honest services fraud in corruption cases. Often, they use honest services fraud because it reduces the burden of proof prosecutors must meet, said Richard Craig Smith, a former federal prosecutor who now heads up the white collar crime practice at Fulbright & Jaworski in Washington, D.C.

Speaking at a seminar on the matter held last week by the Washington Legal Foundation, Smith said that it is difficult for prosecutors to prove bribery.

"Who wants to prove a quid pro quo?" he said. "Who wants that burden of really proving corrupt intent when you can simply say, 'he had a duty, he breached your duty, therefore he should be guilty.'"

But Smith acknowledges that he is "kind of torn" on the subject. Prosecutors have used the law to prosecute people in places where state law is weak and there is clear evidence of wrongdoing on the part of people in power.

"When you have the inability or lack of political will by state and local officials to address a corruption problem in their community," he said, "this statute allows the government to get its hands around it."

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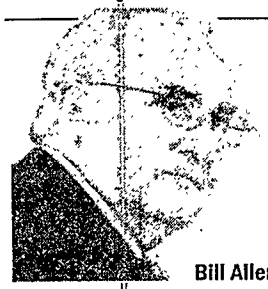
Sex, lies and investigations

A timeline of events



Bill Allen

1992 or 1993
Lisa Moore, about 15, meets Bambi Tyree, about 12, at McLaughlin Youth Center. Tyree has the [illegible]t smarts of a much older kid, Moore says.

Lisa Moore

1996
September 5
Lisa Moore arrested for prostitution in Spenard. She pleads guilty.
September or October
Lisa Moore's roommate, an escort service worker, invites Lisa to meet Bill Allen at Allen's house.
October or November
Lisa Moore introduced Bambi Tyree, then 15, to Bill Allen.
December 17
Bambi Tyree turns 16.

Bambi Tyree

1997
July 31
Aaron Pinsly is arrested for having sexual relations with a 15-year-old girl. Moore had tipped off the police, and Pinsly tells her he will get even by blowing the whistle on Bill Allen.
Early August
Lisa Moore, her brother Jeremy and her fiancé are sent on the lam to California by Bill Allen, Moore says. Jeremy comes back before the end of the month, Moore and her fiancé by October.
December 16
Aaron Pinsly pleads guilty to coercion, avoiding a trial.

1999
June
Bill Allen's lawyer asks Lisa Moore to sign sworn statement that Allen didn't have sex with Tyree. Moore refuses. Tyree signs such a statement at Allen's request.

2004
January 22
Joe Boehm, Bambi Tyree and two others are indicted on federal charges of trafficking cocaine. Sex trafficking charges are later added.
February 10
Lisa Moore talks to two Anchorage police detectives, an FBI agent and a federal prosecutor about Bill Allen. Moore comes in at a later date and provides a diary, photographs and other evidence, which are lost.
July 22
An FBI agent and federal prosecutor interview Tyree. Tyree says she had sex with Allen at age 15, then said she swore under oath she hadn't at Allen's request.

2007
Mid December
Anchorage police reopen the dormant sexual abuse of a minor case against Bill Allen.

2008
January 2
APD Det. Kevin Vandegriff reinterviews Lisa Moore and reconfirms her 2004 account. She also tells Vandegriff about the evidence she provided the FBI but was never returned.
February 11
At U.S. Attorney's office, Vandegriff and an FBI agent go through the Boehm files looking for Lisa Moore's documents, but they can't find them. They do find the interview that Bambi Tyree gave in Seattle, admitting that she falsely signed the affidavit. A former assistant U.S. attorney tells Vandegriff she remembers Moore bringing in the material but doesn't know what happened to it.

Last week
Trial attorney from the Justice Department's Child Exploitation and Obscenity Section returns to Anchorage to interview witnesses and confer with police in the ongoing sexual misconduct investigation of Allen.

2008 cont.
August
Anchorage police interview another woman who says she was underage when Allen first had sex with her. He also transported her across state lines for sexual purposes, she says.
September 7
In FBI interview Allen acknowledges relationship with Lisa Moore. He says Moore tried to extort $25,000 from him and denies asking that Moore or Tyree sign false sworn statements.
September 13
Anchorage police execute search warrant in the Allen sex case at a location only identified as "Suite B" in court filings.

RON ENGSTROM / Anchorage Daily

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(12/12/09 22:05:45)

LISA MOORE

Introduced to Bill Allen as a teenager in 1996 by her hooker roommate, says she traded sex with him for an apartment, jewelry and money. Broke off the relationship when Allen had sex behind her back with her friends. Says Allen tried to cover up his relationships, but she went to police in 2004 and is now a witness in the revised investigation of Allen.

JEREMY MOORE

Lisa Moore's brother. Because of his clean record, says that Allen put him charge when he wanted to get Lisa Moore out of state when Allen's sexual activities were threatened to be exposed in an Anchorage criminal case.

BAMBI TYREE

Lisa Moore says she introduced Allen to Tyree, a friend from McLaughlin Youth Center, when Tyree was 15. Moore said she hoped Allen would send Tyree to treatment for cocaine addiction, but they became sexual partners instead -- before Tyree turned 16. In 1999, Tyree said she signed a sworn statement denying the relationship with Allen at his request.

AARON PINSLY

Lisa Moore's boyfriend after Allen. When she found out Pinsly was sleeping with an underaged girl, she called the cops and Pinsly was arrested. Pinsly, who knew about Allen's sexual activities with prostitutes and minors, threatened to blow the whistle on Allen if Moore testified against him, she said, leading Allen to move her to California. Pinsly pleaded guilty to

a lesser charge and there was no trial.

UNNAMED CHILD VICTIM

Another former prostitute who said she had sex with Allen when she was 15, and that after she moved to Seattle, Allen paid to fly her back to Alaska about five times. This victim, who has not been publicly identified by name, has given interviews to police, a federal prosecutor and reporters.

BILL ALLEN

Once a leading member of Alaska's business community and chief executive of the oil-field service company Veco Corp., he's now awaiting assignment to a U.S. Bureau of

Prisons facility to begin serving three years for bribery. He cooperated with the Justice Department

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in the FBI

investigation of political corruption, but prosecutors are now under fire for failing to tell defendants information helpful about their cases, including all they knew about Allen. He's currently under investigation by local and

federal authorities over allegations that he had sex with at least two girls under 16, the minimum age of consent in Alaska.

JOSEF BOEHM

While not a friend of Bill Allen, the two had something in common: Bambi Tyree. When Boehm was charged in 2004 with conspiracy to provide cocaine to women under 21

and with sex trafficking, Tyree, a cocaine addict, was a

co-defendant. When Tyree's lawyers portrayed her as a victim, Moore decided to come forward -- to set the record straight, she said. The Allen sexual misconduct case became a spinoff of the Boehm investigation.

ANCHORAGE POLICE SGT. KEVIN VANDEGRIFF

Now a patrol sergeant, he was one of the police detectives to investigate Boehm for trading cocaine to women and girls for sex. When Moore came forward, he opened an investigation of Allen, but was asked by federal prosecutors to suspend it so it wouldn't distract him from the complex prosecution of Boehm. Vandegriff reopened the case in 2008.

ASSISTANT U.S. ATTORNEY FRANK RUSSO

Lead prosecutor in the Boehm case, he was the one who asked Vandegriff to suspend his investigation of Allen. Russo was present at the 2004 interviews of Moore and of Tyree, when she admitted lying in the sworn statement Allen asked her to sign.

FORMER U.S. SEN. TED STEVENS

Found guilty in 2008 by a jury of failing to disclose thousands of dollars of gifts he received from Bill Allen, but his charges were dismissed in April when prosecutors admitted they failed to turn over favorable evidence to the defense. The judge brought in a special prosecutor to investigate whether the Justice Department attorneys should be charged

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FORMER REPS. PETE KOTT AND VIC KOHRING

Convicted of corruption charges in 2007 in part on the testimony of Allen, they were freed from prison in June to allow a judge to

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SHERYL GORDON MCCLOUD

Kott's appeals lawyer from Seattle. She said Kott was

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unfairly tried because of withheld information, including

evidence that could have been used to challenge Allen's credibility: a possible effort to obstruct justice and to encourage perjury.

FBI SPECIAL AGENT MARY BETH KEPNER

Lead case agent in the corruption cases, she helped persuade Allen to cooperate with the investigation on the strength of the evidence against him. But another agent said in a formal complaint that she became too close to Allen.

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Bambi Tyree

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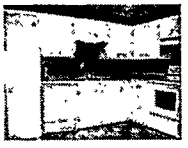

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mauer wrote on 12/14/2009 01:41:46 PM:

You got it wrong. He was promoted to patrol sergeant from detective.

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sgrantland wrote on 12/13/2009 07:40:38 AM:

This story just gets worse and worse. The term "Hatchet Job" on Sen. Ted Stevens does an injustice to all axmen. I'm still questioning the political motivation of the prosecutor and lead FBI agent. It needs to be investigated how often they were in contact with operatives for the Democrat party and Mark Begich's campaign. Did I get it right in this story. A detective was re-assigned as a patrolman after investigating BA's activities? Looks like BA's influence extended into the APD.

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Alleged cover-up cuts into Allen credibility

CORRUPTION INVESTIGATION: Lawyer says juries should know if star witness tried to hide relationships with underage girls.

By RICHARD MAUER
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(12/13/09 22:24:35)

Anchorage resident Lisa Moore says she traded sex with then-Veco boss Bill Allen in 1996 for an apartment, money and jewelry. He was 59; she was 19.

She also says she introduced him to a 15-year-old girl who became his sex partner.

But the next year, an ex-boyfriend of Moore's got into legal trouble and threatened to blow the whistle on Allen's relationship with Moore and other teens, including the 15-year-old, Moore said, triggering a string of alleged cover-ups that now threaten to undermine the Alaska political corruption investigation.

Allen's conduct with that underage girl and at least one other has been the subject of an active Anchorage police investigation since 2008. That inquiry developed more urgency last spring when a prosecutor with the Justice Department's Child Exploitation and Obscenity Section joined local detectives in the case and began traveling to Anchorage to interview witnesses, including a visit just last week.

But long before the authorities got involved, Allen reportedly went to great lengths to keep his sexual activities secret. When Moore told Allen she expected to be called as a witness at her ex-boyfriend's trial and forced to reveal Allen's seamy and possibly criminal private life, Allen immediately sent her, her brother and her fiance on the lam to California to prevent her from being subpoenaed, Moore told an Anchorage police detective and elaborated in recent interviews with the Daily News.

That trip, characterized as a "potential obstruction of justice" when first made public in a federal court filing last month, are among the issues cited by former state House Speaker Pete Kott in his effort to throw out his conviction on corruption charges. Allen was a key witness in Kott's case, but Kott's lawyers weren't told by prosecutors about the California trip, which could have undermined Allen's credibility under cross-examination by a defense attorney.

Kott's lawyer has also said Allen's credibility could have been challenged by other allegations that were known by the government at the time of Kott's trial but only recently revealed to the defense. Among them: new details about assertions by the underaged girl, Bambi Tyree, now 28, that she lied under oath about her relationship with Allen at Allen's request, and that Moore was asked by Allen's attorney to swear that Allen did not have sex with Tyree when she was 15, even though she said she observed it.

Allen has told FBI agents he never asked anyone to lie under oath or tried to hide witnesses to avoid subpoenas. Messages left with his attorney in Anchorage this week weren't returned.

DISCREDITING INFORMATION

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Allen, after pleading guilty in 2007 to bribery and other corruption charges, was also the key witness in the trials of former state Rep. Vic Kohring and U.S. Sen. Ted Stevens. Stevens' charges were thrown out in April after his conviction. Kott and Kohring are saying they were likewise unfairly tried, and have been released from prison while their cases are sorted out. All said that prosecutors failed to provide them with discrediting information they knew about Allen and other witnesses as required by law.

For instance, in a letter to Stevens' defense team on the eve of his trial in 2008, prosecutors asserted "the government is aware of no evidence to support any suggestion that Allen asked the 'other female' (Tyree) to make a false statement under oath." But in 2004, Tyree told a federal prosecutor and an FBI agent from Alaska precisely that, and Allen's attorney admitted in a 2004 letter to the U.S. Attorney's Office in Anchorage that he had the statement in his files, though he refused to turn it over.

Defense attorneys in the corruption cases weren't allowed to raise the issue of Allen's sexual conduct. The judges in those cases agreed with prosecution arguments that even if Allen had a sexual relationship with a 15-year-old girl, a felony under state law, it was irrelevant to whether he gave bribes and illegal gifts to public officials. Just mentioning such a sensational allegation could inflame the jury against Allen and divert attention from the evidence, the judges ruled.

But the new material raises questions about how far Allen would go to protect himself. If Allen schemed to prevent a witness from testifying about his sexual conduct or tried to get two witnesses to lie under oath, that could give defense attorneys new ammunition to attack his credibility.

Kott's attorney is already making those arguments after reviewing the new material.

"It showed prior acts of criminality, and it showed Bill Allen's desperate attempts to convince his victims to lie to protect him," Sheryl Gordon McCloud said in her motion to dismiss the charges or at least get a new trial. "Its newly released documents contain allegations and evidence that Bill Allen committed a multitude of primarily sex crimes against children, and that he sought to have them swear that he never committed such acts."

The six prosecutors in the Stevens case, including the four who tried Kott and Kohring, are under investigation for criminal contempt by a special prosecutor appointed by Stevens' trial judge. The Washington Post reported Dec. 3 that the special prosecutor will wrap up his investigation over the next two months with interviews of the prosecutors.

Moore, now 32, originally told her story in 2004 to Anchorage police, the FBI and prosecutors in the Anchorage U.S. Attorney's office. She and her mother said they were led to believe that Allen would be prosecuted for sexual abuse of a minor or federal child exploitation violations. When nothing happened, Moore said in the interview, she figured Allen was so powerful he could avoid prosecution.

But the case against Allen remains active. Moore said she has met several times in Anchorage with the Washington-based trial attorney in the Justice Department's Child Exploitation and Obscenity Section, which specializes in sex crimes involving minors.

Last month, Allen was sentenced to three years in prison on his bribery plea, though he remains free while the U.S. Bureau of Prisons determines where he will go.

With Allen headed to prison, Moore said she is more comfortable talking about him than before.

ALASKA POWERHOUSE

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In March 1997, the Anchorage Chamber of Commerce hailed Allen as one of the five most powerful individuals in Alaska. Allen was the only person on that list not holding elective office (the other four were Stevens, Sen. Frank Murkowski, Gov. Tony Knowles and Anchorage Mayor Rick Mystrom).

Allen regularly socialized with the state's top political and business leaders. He was the oil industry's most visible advocate, a power broker in Juneau and a major fundraiser for state and national Republicans. The chamber took note of the help he provided presidential aspirant Sen. Bob Dole and said his role as publisher of the Voice of the Times, his opinion section in the Daily News, "enhanced his credibility in Alaska."

A picture dated 1999 shows Allen with Rita Ivanova, a Russian woman he dated, at Murkowski's annual fishing event in Ketchikan. Allen is at the center of the picture, his arm draped around Ivanova, and on either side are Sens. Thad Cochran, R-Miss., Rep. Dennis Hastert, R-Ill., Murkowski, Sen. Larry Craig, R-Idaho, Sen. Kit Bond, R-Mo., and Sen. Don Nickles, R-Okla.

Allen's power and access continued to grow. He and Stevens, the most senior Republican in the Senate, would rendezvous at a desert resort in Arizona for annual "boot camps" where they would forswear whiskey and beer, eat healthy and take long walks to shed extra pounds.

In 2000, Allen began renovating Stevens' Girdwood home, a multi-year project that cost him and Veco about $250,000 -- and which Stevens, limited by Senate rules to accepting no more than about $300 a year in gifts, failed to disclose.

As active as his public life was, Allen's private life, by Moore's description, looked like a low-rent imitation of Playboy's Hugh Hefner.

Moore said she met Allen in September or October, 1996. Her roommate worked for a 24-hour escort service called Silk Stockings, and Allen, who was divorced, was a client, Moore said. She remembers the timing because it happened shortly after her own arrest for prostitution on Sept. 5, 1996. (Moore pleaded guilty and paid a $250 fine.)

The roommate called from Allen's house and asked Moore to pick her up.

"She said, 'You got to come in and see this guy's house,' " Moore recalled. "I was like, 'No, no, no,' and she was like, 'Just come on.' So I went in, met him, and he was like, 'Oh, I would just love to date you.' "

Moore said she wasn't interested in working as a prostitute after her arrest, and she told Allen no. But she said Allen kept calling her roommate.

"Just go out to eat with him," the roommate said. "He's the owner of Veco -- he's loaded."

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Moore accepted a dinner date.

"What is it going to take to get you in bed?" Allen asked at the meal, Moore recalled.

"A lot," Moore said she responded.

"What's your motivation in life?" Allen asked.

"My whole goal in life right now is to get my own apartment, get a good job and get my daughter back," replied Moore, whose 3-year-old was living with her parents.

"By the next day, he had me in an apartment," Moore said. It was at the Castle Apartments on West 27th Avenue, a block and a half from Veco's then-headquarters on West Northern Lights Boulevard. The proximity allowed Allen to visit over lunch, she said.

Moore said Allen insisted she be monogamous with him and he promised the same with her. But that arrangement didn't last long, she said.

'TYREE MEETS ALLEN'

When she was 15, Moore was ordered to McLaughlin Youth Center after she stole her mother's credit card and used it to rent a limousine for the evening. One of the smartest, most streetwise girls at the juvenile hall was someone three years her junior, Bambi Tyree, Moore said. Tyree was especially adept at manipulating counselors, saying precisely what they wanted to hear at group sessions so she could do as she pleased at other times, Moore said. The girls became friends and continued the relationship after they got out.

When Moore moved into the Castle Apartments in 1996, Tyree, then 15, was struggling with a crack cocaine addiction and spending time at the home of Josef Boehm, the owner of Alaska Industrial Hardware, himself a cocaine addict, Moore said. Boehm, now 65 and in federal prison in Texas, was known to Tyree and other addicted girls as "Joe Millionaire" for the crack he traded for sex.

Moore said Allen was no friend of Boehm and strongly opposed illegal drug use. She thought Allen could help her friend Tyree by paying for her rehabilitation. Around October or November 1996, Moore introduced Allen to Tyree. A few days later, when she went to Allen's home on a "date," she brought Tyree, who wouldn't turn 16, the age of consent, until Dec. 17. The three had sex in Allen's hot tub, she said. Tyree stayed with her at the Castle Apartments, and would be there when Allen came over. There were times when Moore, Tyree and two other friends would join Allen in bed. Another time, Moore said, she witnessed a different friend who was 15 have oral sex with Allen in Allen's car.

Whenever Allen had sex with one of her friends, Moore said, he gave the friend $100 and Moore $500.

Allen knew Tyree was 15 because he helped her celebrate her 16th birthday, Moore said. Among the birthday and Christmas presents he handed Moore and Tyree were rings worth about $5,000 each, Moore said.

Moore's relationship with Allen began to sour in the spring of 1997. Tyree had moved out, and Moore found out Allen was still seeing Tyree behind her back.

"As long as I was there, or I knew about it, it wasn't that big of an issue," Moore said. But now it felt like Allen wasn't upholding his end of the bargain.

"The day I broke up with him, I was like, 'I don't want to see you any more, I'm done with you, you're a pervert!' is what I told him. The next day, there was an eviction notice on the door, my phone was already off and my cable -- and I'm like, why would you do that? You say you love me, you want to take care of me for the rest of my life, just because I get mad and break up with you because you're sleeping with a 15-year-old and all my other friends -- he slept with all of my friends, all of them."

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'WHAT IF YOU GUYS LEFT THE STATE?'

Moore, still 19, began dating a man her own age, Aaron Pinsly. But then she learned that a

different 15-year-old girl -- a runaway -- was staying at Pinsly's house and having sex with him. Moore called the cops. The girl was taken into custody at Pinsly's house.

A few weeks later, Anchorage police Det. Lorraine Shore persuaded the 15-year-old girl to call Pinsly to see if he would admit having had a sexual relationship with her. He did.

Pinsly was arrested July 31, 1997, for sexual abuse of a minor.

While Pinsly awaited trial, Moore said, she got a call from Shore looking for an address to serve her with a subpoena. Moore also got a call from Pinsly in jail.

"He was mad because he knew I was the one that called in -- I never hid that fact," Moore said. "He was like, 'If you go through with this and you testify against me, then I'm going to bring up everything that happened between you and Bill and I'll make a deal with them to testify against him.' "

Moore figured that Pinsly was trying to prevent her from testifying, a goal Allen seemed to share when she told him about Pinsly's threat, she said.

"What if you guys left the state?" Allen suggested, according to Moore. As he thought about it, he recommended she involve her brother Jeremy, who had a spotless criminal record and could pass a drug test for a new job. Jeremy could get the tickets, rent the hideout apartment, and provide support with a job.

"It was obstructing justice if you're avoiding a subpoena, so he put everything in my brother's name and we left the next day," Moore said.

"(Allen) told me I was the key to the whole thing," Jeremy Moore said in an interview.

Lisa Moore, by then 20, had an 18-year-old boyfriend, a man she would eventually marry. He went along as well. Jeremy Moore was 21.

Their destination would be Bakersfield, Calif., an oil town in the desert north of Los Angeles. As the payment for uprooting their lives, Allen promised them an apartment, a car and jobs on a drilling rig run by his brother, Roger Allen, Jeremy Moore said. Jeremy Moore quit his job at Walmart in Alaska, believing Allen that he'd be making $3,000 a month on the rig.

Jeremy Moore said Veco paid to fly them to Seattle; he said Allen identified them as Veco employees on expense documents. To reduce the chances of their destination being traced, he said, Allen gave them cash for bus tickets from there to Bakersfield. Allen was in Seattle when they got there, and met them in Bakersfield, he said.

Allen told them to not call any friends back in Alaska. He bought pagers for them to communicate with their mother in Anchorage.

Allen wasn't only concerned about legal issues, but also his reputation, Jeremy Moore said. "He even told me he'd be mortified if this ever got out into the papers," Jeremy Moore said.

But Roger Allen didn't have a job for him or Moore's fiance. And there was no car, only two mountain bikes. The house he got them was roach infested, Jeremy and Lisa said.

Instead of the rig, Jeremy Moore said, Allen got him work packing drilling mud at a Bakersfield company called GEO Drilling, a dusty, dirty job. Two weeks later, when his first paycheck showed

he was making $8 an hour, less than he was making at Walmart, he quit, withdrew the money from the bank account Allen opened in his name, and flew home.

"Bill was really mad that I came back," Jeremy Moore said. His sister and her fiance abandoned the hideout after another month or two. They sold everything that Allen had bought them, bought train tickets to Seattle and flew from there to Anchorage.

When she ran into Allen a few days later, he was shocked they had returned, she said. "What the hell are you doing here?" he said, according to Lisa Moore.

Pinsly ended up not going to trial. Offered a plea bargain by the Anchorage district attorney's office, he pleaded guilty to a reduced charge of coercion and served about a year in prison, then moved to Las Vegas, where his mother and father live. He didn't respond to letters sent to him and his father by the Daily News.

Pinsly's 15-year-old victim is now married and living in the South. In a telephone interview, she said she knew that Moore had been Pinsly's girlfriend but didn't know Moore had turned her in and knew nothing about a threat from Pinsly to expose Allen. She also remembered Tyree from McLaughlin, but didn't know that Tyree was connected to the Pinsly case.

Shore, the detective, is retired and living in Washington state. She recalled Pinsly's case but said she investigated too many crimes to remember many of the details.

In their Sept. 9, 2008, pretrial disclosure letter to Sen. Stevens' lawyers, the Justice Department prosecutors characterized the 1997 Bakersfield trip this way:

"The adult female (Lisa Moore) also alleged that Allen provided her with a trip outside Alaska for the purpose of preventing the adult female to testify in an unspecified proceeding." When asked about the matter, the prosecutors continued, Allen "denied ever causing anyone to leave the state of Alaska to prevent testimony in any type of proceeding."

Two years after Bakersfield, Allen again tried to move Moore and her family out of state, this time paying $10,000 to get them all to Kennewick, Wash., Moore and her brother said. But that also didn't go well, and the family struggled to make ends meet. Moore's mother, Maryann Bright, said Allen had promised to buy the family a house but didn't. Lisa Moore and her mother returned to Alaska in June 1999 to ask Allen for more money.

"This man's up here, has all this money, living lavish, and we're down there like struggling our butts off to make it and we're there because he wants us there," Moore said. But Allen wouldn't give them anything and told them to talk to his attorney, she said.

Moore and Bright said the attorney offered them $5,000 if Moore would sign a sworn statement that Allen never had a sexual relationship with Tyree or any other underage girl.

Lisa Moore said she refused to sign. The money wasn't enough to buy her silence and conspire in perjury, nor would it pay their bills in Kennewick, she said. That same month, Tyree signed such a statement, according to an interview she gave to an FBI agent and an assistant U.S. Attorney in 2004.

In that interview, according to an FBI record given to Kott's lawyer and filed in his case, Tyree acknowledged having had sex with Allen when she was 15. (Tyree's name was blacked out in the filed document, though her identity was unmistakable.)

"(Tyree) previously signed a sworn affidavit claiming she did not have sex with Allen," according to

the FBI agent's report of the 2004 interview, as filed in Kott's case. "(Tyree) was given the affidavit by Allen's attorney, and she signed it at Allen's request. (Tyree) provided false information on the affidavit because she cared for Allen and did not want him to get into trouble with the law."

THE BOEHM CASE

The matter lay dormant until early 2004, when details of a joint city-state investigation of Boehm, the cocaine-addicted hardware-store owner, emerged in a federal criminal case. Boehm, two cr ack dealers and Tyree, then 23, were charged with conspiracy to distribute cocaine to persons under 21 and multiple counts of sexual trafficking of children.

In media accounts of the case, Moore said, she thought Tyree was inappropriately characterized as a victim, not an active perpetrator. She called up one of Boehm's attorneys, Rex Butler, and left a message offering to provide information on Tyree.

Butler called back but said he didn't think he could use her information. A few days later, Moore said, she was visited by two FBI agents who asked her if she would cooperate in an investigation of Allen. She said she would.

On Feb. 10, 2004, they brought her to the FBI building, where she sat down with them and two Anchorage police detectives, including Det. Kevin Vandegriff, who also was involved in the Boehm case. Only Vandegriff's notes of the interview have emerged, filed last month in the Kott case. While all the names of witnesses and victims were blacked out in the report, Moore filled them in during an interview with the Daily News.

The report spans Moore's entire story, from how she met Tyree and Allen, her introduction of them to each other, the Bakersfield trip, and more. She said Vandegriff's report mischaracterized the affidavit she was asked to sign by Allen's lawyer. The report said she was asked to swear that she didn't have sex with Allen, while Allen's lawyer actually wanted her to say that she didn't observe an underage Tyree have sex with Allen, Moore said.

After that interview, she returned one more time to the FBI office, this time with her diary detailing her relationship with Allen, plane tickets and receipts for things he had bought her, photographs, and other evidence. Moore said she never got it back. In a later report, Vandegriff said it all disappeared.

The assistant U.S. attorney who attended the Moore interview and prosecuted the Boehm case, Frank Russo, has said he asked Vandegriff to suspend his investigation in 2004 to avoid being distracted in the complicated run-up to Boehm's trial. But in the end, there was no trial -- all the defendants pleaded guilty. No one has said why the Allen sex case continued to lay dormant even as he fell under suspicion, later in 2004, for the massive corruption of Alaska politics.

In September 2007, four months after Allen pleaded guilty to bribery, the Daily News began investigating his connection to Tyree. Around December, a little more than a month before the paper published its first story on the subject, Vandegriff reopened the Allen investigation. He left his card at every known residence where Moore had stayed. She found one of the cards and called him. On Jan. 2, 2008, she consented to a long videotaped interview with him, once again giving her whole story. A portion of that report was also filed in the Kott case last month.

In February 2008, Vandegriff and the FBI agent who had interviewed Moore in 2004, John Eckstein, searched through all the files from the Boehm case looking for Moore's diary and the other evidence, but came up empty, according to another report. Vandegriff also reported that an assistant U.S. attorney recalled seeing the material Moore brought in and thought it had been left for safekeeping with an FBI agent or police officer.

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Months later, with the looming Stevens case hanging on Allen's credibility, the lead FBI agent, Mary Beth Kepner, held a Sunday interview session with her star witness. The notes of that Allen interview, as filed in the Kott case, show it was conducted Sept. 7, 2008, two weeks before Stevens' trial opened and more than two years after Allen agreed to cooperate in the corruption investigation.

Kepner asked Allen about Moore. He acknowledged having a sexual relationship with Moore, describing her as "an adult prostitute." No details of the relationship were reported. There was no indication Kepner asked him about Bakersfield. There's no way to know, using records that have been publicly filed, whether or when Kepner questioned Allen about Tyree.

EXTORTION?

But Allen offered a much harsher account of the 1999 request for additional financial support in Kennewick, Wash. He told Kepner that Moore and her mother were seeking $25,000 and termed it extortion. They threatened to expose his relationships with Moore and the underage Tyree, Allen said. Allen said he refused to pay and referred the matter to his attorney, Jim Gilmore.

Later, after Boehm was arrested, Allen said, Moore again tried to extort him. Tyree volunteered to handle it with Allen's lawyer, Allen said. That would be five years after Moore and Tyree initially reported being asked to sign affidavits.

Tyree, in her own interview with Kepner in 2007, said she came up with the idea to "sign a document to prevent further extortions." But the report of that interview, filed by prosecutors in the Kott case, was heavily redacted and its context unclear.

Allen told Kepner he didn't know what happened after he turned the matter over to his attorney, but he denied ever asking Tyree to make a false statement or offering money to anyone to lie under oath. He also denied he sent the Moore family to Washington state to hide them, but rather to help them "make a fresh start in a new area."

Gilmore, Allen's former attorney, now retired and living in Gig Harbor, Wash., didn't return messages left on his home message machine or with his wife. His former Anchorage partner, Brian Doherty, hung up on a Daily News reporter asking about the Moore matter.

In a letter to the U.S. Attorney's Office filed under seal in the Boehm case in 2004 but unsealed last month at the government's request, Gilmore acknowledged possessing a "recorded statement" taken from Tyree in his office on June 19, 1999. He refused to disclose the statement, saying it was covered by attorney-client privilege and the privacy afforded to attorney work product. The letter was signed by Doherty on behalf of Gilmore.

Tyree didn't respond to a request for an interview made through her attorney. After pleading guilty in the Boehm case and cooperating with federal authorities, she was sentenced to three years in prison and was released in 2006.

Moore denied trying to squeeze Allen, though she believes he owed her then and still owes her.

"I was his girlfriend," she said. "He promised to take care of me for the rest of my life. I never blackmailed him, though -- I never extorted him, never, nothing. I just walked away from it all."

Contact reporter Richard Mauer at 257-4345.

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Allen, Smith begin federal prison terms

CALIFORNIA: Meanwhile, his former Veco VP reports to a federal facility in Oregon.

By LISA DEMER
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(01/13/10 07:44:43)

Bill Allen, the central player in Alaska's long-running political corruption scandal, reported to a federal prison in California on Tuesday morning, according to a Bureau of Prisons spokesman.

Allen, former chief executive of oil field services company Veco Corp., pleaded guilty in 2007 to conspiracy, bribery and tax violations.

Also on Tuesday, former Veco vice president Rick Smith reported to federal prison in Sheridan, Ore. Smith, 64, who pleaded guilty to the same charges as Allen, was sentenced to serve 21 months. He's been assigned to serve his time in Sheridan's minimum security work camp, according to Sheridan spokesman John McCafferty.

Two more Alaskans, both former legislators, are in prison on federal corruption charges. Two others were sent to prison after convictions for corrupt acts involving oil tax legislation, but they are out while a judge evaluates whether they got a fair trial.

Allen, 72, has begun serving his three-year sentence at the Terminal Island federal correctional institution. Allen surrendered at the prison at about 10 a.m. Pacific time, said Edmond Ross, a Bureau of Prisons spokesman in Washington, D.C.

Terminal Island is a low-security facility for men located between Long Beach and San Pedro, at the entrance to the Los Angeles Harbor. It's not one of the federal system's three designated medical facilities, but it does offer specialized and long-term health care short of hospitalization, Ross said.

The prison is in an industrial area on a man-made rectangle of land near shipyards and rail yards, canneries and the old Long Beach Naval Complex.

Inmates can glimpse the sea and watch ships go past. When cruise ships go by, "it's a special treat for the inmates," Ross said.

"It's not beachfront property," he said. But "it's a beautiful location, as prisons go."

The Terminal Island prison has been home to famous criminals and characters over the years: Al Capone and Charles Manson, Timothy Leary and G. Gordon Liddy.

Allen may not have to serve all three years. Under federal law, inmates get 54 days a year off their sentence for good behavior, provided they have a high school diploma or GED, or are working toward it. They get less credit for good behavior if they don't have that minimal education. Allen is a high school dropout.

Certain inmates also can get a year off their sentence if they complete residential drug or alcohol

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treatment, though there's a long waiting list for that program, according to Allen's federal probation officer, Karen Brewer.

Right after the FBI confronted Allen on Aug. 30, 2006, he agreed to cooperate and eventually testified against state lawmakers and then-U.S. Sen. Ted Stevens. But the Stevens case became a tangle and the conviction was thrown out last year.

Allen's sentencing was delayed until October 2009, when he also was ordered to pay a $750,000 fine, the biggest the judge could assess. He was allowed to remain out of custody until his report date.

Allen is an avid car collector and on Oct. 9, less than three weeks before he was sentenced, he was at a Las Vegas auction with daughter Tammy Allen as she bid on a limited-edition Mustang, according to a video of the event on an Iacocca Web site, www.ilegacy.com. Her winning bid was $320,000, which, counting a 10 percent fee, put the total price for the No. 5 Iacocca Silver 45th Anniversary Edition Mustang at $352,000. In the video, Allen and Tammy can be seen huddling in the front row during the bidding. Information on the Web site says the buyer was from Colorado, where Tammy lives.

Also in federal prison on corruption charges are:

• Tom Anderson, 42, a former legislator from Muldoon who is serving a five-year sentence at the Sheridan work camp. His tentative release date is April 9, 2012, according to the Bureau of Prisons' inmate locator.

• Bev Masek, 46, a former legislator from Willow who is serving a six-month sentence at a minimum security work camp for women in Victorville, Calif. Her tentative release date is May 8.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

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New Kott court filing for dismissal cites federal cases

CORRUPTION: He uses them to show how his case should end.

By LISA DEMER
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(01/13/10 07:46:24)

Pete Kott, the former state House speaker awaiting a court decision in the federal corruption case against him, has made a new filing to support his request to get the charges tossed or a new trial.

In a court filing Monday, Kott cites recent dismissals of two federal cases -- including that against Blackwater guards accused of killing unarmed civilians in Baghdad -- as examples of how his case should turn out.

Kott also points to a Jan. 4 directive from the U.S. attorney general's office detailing what materials prosecutors nationwide must give to the defense to ensure a fair trial.

"... It includes not just material from the U.S. Attorney's files but from all those associated with the prosecution team, and it includes not just information memorialized in written statements but also evidence favorable to the accused that is transmitted in a 'conversation,' " Sheryl Gordon McCloud, Kott's lawyer, wrote.

U.S. District Judge John Sedwick is considering whether Kott, an Eagle River Republican, should be retried, have his charges dismissed or be sent back to prison.

In 2007, Kott was convicted of bribery, extortion and conspiracy and went to prison the next year. But after the collapse of the corruption case against former U.S. Sen. Ted Stevens last year, prosecutors took another look at the cases of Kott and former Rep. Vic Kohring. Last summer, both were released from prison while issues of a fair trial are hashed out in court.

Kott's appeals lawyer has argued that prosecutors failed to turn over contradictory statements by Bill Allen, star witness in the oil-tax corruption case. Prosecutors say Kott got a fair trial even if the defense didn't have access to everything and that the evidence of corruption was overwhelming, including dozens of secretly recorded conservations.

Kott's new filing refers to fresh developments in other cases and the week-old Justice Department memorandum.

In the Blackwater case, a federal judge in Washington, D.C., on Dec. 31 dismissed the indictment of Blackwater guards on the grounds that prosecutors improperly relied on what the guards told State Department investigators after the killings, a violation of their rights against self-incrimination.

In the other case, a federal judge in California earlier in December dismissed securities-fraud charges against executives of chipmaker Broadcom Corp. after finding that the prosecutor had intimidated witnesses.

As to the Jan. 4 guidance for federal prosecutors, it says they should document all witness

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interviews and save their rough notes, McCloud says.

But prosecutors in Kott's case have yet to provide rough notes, finished notes, FBI reports or other materials from the initial Aug. 30, 2006, interview with Allen that would explain why he so cooperated so quickly, according to McCloud.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

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Judge rules Kott received a fair trial

STILL OUT OF PRISON: Ex-lawmaker says prosecutors withheld key information.

By LISA DEMER
ldemer@adn.com

(01/13/10 22:35:02)

A federal judge ruled late Wednesday that former Alaska House Speaker Pete Kott received a fair trial in 2007 on corruption charges and that the "court has not found a sufficient basis" to order a new trial or dismiss the case.

Kott is trying to get his conviction thrown out on the grounds that prosecutors failed to turn over critical information to the defense before the trial -- the same basis upon which another federal judge threw out the case against former U.S. Sen. Ted Stevens.

A federal jury found Kott guilty of conspiracy, extortion and bribery in a trial that relied heavily on secretly recorded conversations. He was sentenced to six years in federal prison and had served about a year and half of that when he was freed while questions over whether he received a fair trial are sorted out.

Until the 9th U.S. Circuit Court of Appeals considers the matter, Kott will continue to remain out of prison, under Wednesday's ruling by U.S. District Judge John Sedwick.

Sedwick agreed with the defense that prosecutors did in fact wrongly withhold evidence that Kott should have received. But, he said in the 20-page order, the mistakes likely would not have changed the trial's outcome in light of what he at one point called "very damning evidence from the audio/video recordings." Sedwick presided over Kott's trial.

The order still is a setback to Kott's effort to throw out the corruption case -- a case that grew out of maneuvering around oil tax legislation in 2006. Unlike in the Stevens case, prosecutors have argued that Kott's conviction should stand.

The key prosecution witness against Kott was former Veco Corp. chief executive Bill Allen, who pleaded guilty in 2007 to bribery, conspiracy and tax charges. Allen, who reported to a federal prison in California on Tuesday, was also the chief witness in the trials of former state Rep. Vic Kohring and Stevens.

Kott contends prosecutors failed to provide him with discrediting information they knew about Allen and other witnesses, including former Veco vice president Rick Smith, who was suicidal as Kott's trial date approached and later admitted to memory problems.

"That is what we have been saying all along -- that the government knew about information favorable to Pete, and suppressed it," Kott's lawyer, Sheryl Gordon McCloud, said in an e-mail Wednesday night.

"I am glad that the judge recognized that the government attorneys who prosecuted Pete violated the constitution and suppressed evidence that was favorable to him," McCloud wrote. "I am disappointed -- and, following the questions at oral argument, surprised -- that the judge did not follow that finding through to its logical conclusion. The logical conclusion would have been to throw the guilty verdict out because it's not trustworthy."

In his order, Sedwick wrote that Allen's testimony played an important role in the prosecution. Many of the withheld materials related to an Anchorage police investigation into allegations that Allen was sexually exploiting minors, the judge wrote. Kott contends he should have had access to that information, which he could have used to discredit Allen's testimony.

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Sedwick said that even though Kott's trial team knew that Allen made a deal with prosecutors in the corruption case, the defense didn't know that Allen might also have been cooperating because of the sex crimes investigation.

"While there is no direct evidence that Allen's cooperation with the government in the corruption trials was motivated by his desire to avoid charges for his alleged sexual crimes, Kott was deprived of knowledge of the potential additional benefit Allen may have hoped to receive in exchange for his cooperation," the judge said in his order.

But even with that, Sedwick wrote that he would have not allowed jurors to hear about such "sordid and reprehensible acts" because such evidence "creates a serious danger of confusing the issues which the jury actually needs to decide -- whether Kott is guilty of the crimes charged, not whether Allen is guilty of sex crimes."

Kott didn't need that evidence, Sedwick wrote, because the defense showed "Allen's bias based on the substantial value of Allen's co-operation concerning punishment for the public corruption crimes to which he had pled guilty."

As to Kohring, he also was convicted at a 2007 trial and imprisoned. He was released from last year along with Kott.

Kohring also is trying to get his case thrown out because of prosecutorial missteps but he sued his trial lawyer over a car crash. His new lawyer hasn't yet filed a request for a new trial or dismissal of the charges. Kohring has until late March to do so.

Find Lisa Demer online at adn.com/contact/ldemer or call 257-4390.

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Legislative roundup

The Associated Press
(02/15/10 21:32:56)

Senator speaks to recognize state corruption fighter who died in '09

JUNEAU -- State Sen. Johnny Ellis took to the Senate floor Monday morning to recognize the behind-the-scenes work of a former state legislative aide who died last year.

Dee Hubbard became a confidential source to the FBI back in 2003 as it began to investigate influence peddling in the state Legislature. Most people think of the federal corruption investigation in Alaska as a probe of bribery associated with oil taxes, but it began as "Operation Polar Pen" -- a private prison investigation. And Hubbard was a crusader against private prisons.

"She is the person who very quietly with no fanfare remained anonymous throughout the FBI investigation, the Veco scandal, the private prison scandal," said Ellis, an Anchorage Democrat. She explained how the legislative process worked to FBI agents and told them "who's who," Ellis said.

"She was just a person there who was interested in, as she always said, 'cleaning up Alaska politics,'" Ellis said. "She was motivated by the right kinds of factors."

If prosecutors later made mistakes in pursuing cases, "it wasn't because of Dee," Ellis said. She gave impeccable advice, he said.

Hubbard was diagnosed with liver and kidney failure in March and died in August. Her husband, Charlie, and two grown sons are still struggling to cope with her death, Ellis said.

Her contributions may not be fully revealed for years, the senator said.

-- Anchorage Daily News/adn.com

Lawmaker to propose legislation on personnel board changes

JUNEAU -- An Alaska lawmaker plans to file legislation that would change how members of the state personnel board are chosen.

The board looks into ethics complaints against executive branch employees. Governors appoint the members. But Rep. Bob Lynn, R-Anchorage, said that leaves the board open to criticism that it's too much a creature of the governor.

He wants a governor choose from nominees submitted by the chief justice of the state Supreme Court.

He also wants to increase the number of board members from three to five and have the governor

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Bunde won't run for re-election

Posted by Alaska_Politics
Posted: March 11, 2010 - 11:14 am

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From Richard Mauer in Juneau --

After 18 years in the Alaska Legislature representing South Anchorage and the Hillside and more recently as the Senate's minority leader, Sen. Con Bunde announced his retirement this morning.

A retired educator, Bunde, a Republican, said he's been frustrated by his status in the Senate's four member minority caucus and by the policies of the ruling Senate bipartisan coalition with its majority of Democrats. He also cited unspecified medical problems in his family.

Sen. Con Bunde to leave Senate: [illegible] announced his retirement after 18 years at the Alaska Legislature at a news conference of the Senate minority on Thursday March 11. Photo by Richard Mauer

Bunde made his announcement at the end of a news conference by his caucus. Bunde is the Senate's minority leader.

He earlier expressed his concern that the state isn't doing enough to prepare for the day when the oil runs out and the trans-Alaska pipeline and must be dismantled. At the current rate of state spending, each Alaskan would have to pay $13,000 in state taxes to make up for a complete cut off of oil revenue, he said.

Bunde has indicated for months that he might not run this year, and that's attracted a lot of interest the seat. Cathy Giessel, a nurse practitioner and Republican Party activist who was field coordinator for Sean Parnell's 2008 run for Congress, has filed with the division of elections to run.

Mark Moronell, a cardiologist and partner at Alaska Heart Institute, has also announced plans to run in the August Republican primary. Janet Reiser, a member of the Chugach Electric Association Board of Directors and the former president of NANA Pacific, is running for the seat as a Democrat.

Senate District P includes the Hiland Road area of Eagle River and the Anchorage Hillside, then runs south along Turnagain Arm through Indian, Girdwood, Whittier and Hope.

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Judge denies Kott second chance for a new trial

NO NEW TRIAL: Information that came to light "insignificant."

By RICHARD MAUER
rmauer@adn.com
Published: February 9th, 2010 10:44 PM
Last Modified: February 9th, 2010 10:45 PM

Former Rep. Pete Kott won't get a second chance to ask for a new trial on corruption charges, a federal judge ruled this week.

Click to enlarge
Pete Kott

U.S. District Judge John Sedwick on Monday told Kott he won't reconsider his Jan. 13 ruling denying Kott a new trial or dismissal of charges. New information that surfaced the day after his January ruling was insignificant and won't change his mind, Sedwick said in a one-page, unsigned order from chambers.

Kott has been arguing for months that federal prosecutors improperly withheld information that he could have used in his defense. But in his Jan. 13 ruling, Sedwick said the withheld evidence wouldn't have made a difference in Kott's 2007 conviction. And he told Kott his decision was final: "This court will not entertain any motion for reconsideration," Sedwick said.

But then came a surprise: Prosecutors came into possession of 105 pages of handwritten notes by the attorney who represented Bill Allen, the former oil-services company chief who admitted bribing Kott and others. Allen was the government's chief witness. The notes were made by Anchorage attorney Bob Bundy as he sat through several debriefings of Allen by the FBI and Justice Department lawyers.

The notes were provided by Allen and his attorney in December to the Justice Department's Office of Professional Responsibility, which is investigating the six prosecutors who brought former U.S. Sen. Ted Stevens to trial for failing to disclose house renovations and other gifts from Allen. Stevens was found guilty, but charges were dismissed when the Justice Department admitted it failed to provide favorable information in its files to Stevens -- the same claim that Kott and another convicted ex-legislator, Vic Kohring, have made.

Four of the Stevens prosecutors under investigation also conducted the Kott and Kohring trials.

According to a Justice Department brief, the government's Public Integrity Section, which has been managing the Alaska corruption cases, received Bundy's notes Jan. 6, and provided them to Kott's lawyer Jan. 14, the day after Sedwick denied Kott a new trial. Two weeks later, Kott asked Sedwick to reconsider his Jan. 13 order.

Sedwick said at least some of the notes "are not particularly helpful to Kott" and that none "are material in the context of all the evidence." In any event, the government had no duty to disclose them to Kott before the trial because prosecutors didn't possess them, Sedwick said.

Kott remains free while he appeals his case to the 9th U.S. Circuit Court of Appeals. Kohring is free while his attorneys prepare a motion for a new trial due in March.

Find Richard Mauer online at **adn.com/contact/rmauer** or call 257-4345.

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FBI paid Prewitt $200,000 during corruption probe

UNDERCOVER: He didn't think Kohring was dirty, lawyers say.

By LISA DEMER
ldemer@adn.com
Published: March 23rd, 2010 10:21 PM
Last Modified: March 24th, 2010 07:30 AM

Frank Prewitt, Alaska's former corrections commissioner and a key undercover source for the federal government as it investigated political corruption in Alaska, was paid $200,000 by the FBI for his assistance, a new court filing asserts.

Click to enlarge
Vic Kohring

Prewitt, who become a private prison consultant after his stint as commissioner in the Hickel administration ended in 1994, began working undercover for the FBI in 2004 and testified in federal trials of two Alaska lawmakers in 2007.

On Tuesday, lawyers for former state Rep. Vic Kohring, a Republican from Wasilla, filed a 72-page motion in federal court seeking to dismiss the case against Kohring or win a new trial for him.

The defense cited a variety of reasons, including allegations that the government failed to turn over damaging information about another key witness, former Veco Corp. chairman Bill Allen, accused of having sexual relations with underage girls. Kohring's defense also contends that the government intentionally hid information about Allen's poor memory.

The case against Kohring was marginal, weaker than the case against former House Speaker Pete Kott, Kohring's defense asserted.

For starters, Prewitt, whom prosecutors considered a valuable and credible witness, "did not think Mr. Kohring was dirty or corrupt, and ... had the overall impression that if Mr. Kohring were corrupt he may not realize it," according to Tuesday's court filing by Michael Filipovic, a Seattle-based assistant federal public defender.

Jurors never heard that characterization.

The defense suggests that Prewitt could have been a character witness for Kohring.

But Prewitt in an interview Tuesday indicated that would have backfired. Regarding the defense contention that he didn't believe Kohring was corrupt, Prewitt said that "I would call that a mischaracterization."

That assessment came after a dinner with Kohring in February 2005 that Prewitt secretly recorded. But later, surreptitious FBI recordings from 2006 showed Kohring accepting cash in a hotel room from Allen and audio tapes documented Allen talking about providing Kohring cash at other times.

Prewitt said he thought Kohring had been justly convicted: "I think the evidence that was presented in court speaks for itself, particularly the video and tapes."

The U.S. Justice Department has admitted that it failed to provide Kott's and Kohring's defense teams with favorable evidence before their trials. Both were convicted of bribery, conspiracy and other charges. Prosecutors contended they sold their offices to oil

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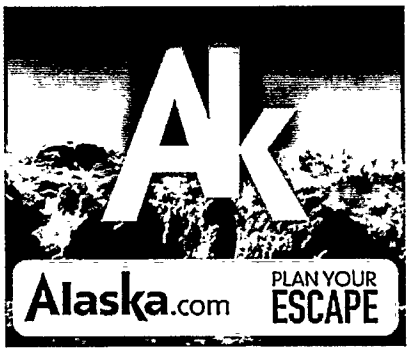

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field services contractor Veco. Both were sent to prison.

Then, in June, the 9th U.S. Circuit Court of Appeals directed they be released while questions related to the evidence are sorted out. Prosecutors have since turned over thousands of pages of additional documents.

Both Prewitt and FBI spokesman Eric Gonzalez said they could not confirm he received a reward.

"I voluntarily assisted the Department of Justice with no expectation or promise of compensation, and neither occurred during the entirety of my service and personal sacrifice during these unfortunate affairs," Prewitt said in an e-mail.

Speaking generally, Gonzalez said, the FBI does "pay sources for their services." And the amount could be a couple of hundred thousand, he said.

"Certainly it can reach that high. It depends on the case," Gonzalez said. "There are a lot of factors that go into weighing something like that, (such as) the significance of the investigation."

During the trial, Kohring's then-defense lawyer John Henry Browne of Seattle questioned Prewitt about whether he had asked the FBI to pay him. Prewitt said about a year and a half into his undercover work, he made such a request.

Browne: "Have you reached any agreement with the government to pay you in exchange for your work?"

Prewitt: "No, the government said that they couldn't make any commitments to that whatsoever, and I agreed to continue working."

Prewitt wasn't paid until after his testimony in the Kohring trial, according to the new court filing.

Among the other issues asserted in the new court filing:

• Eleven days before Kohring's trial, prosecutor Joe Bottini and lead FBI case agent Mary Beth Kepner interviewed Bambi Tyree. Allen has been accused of having a sexual relationship with her when she was 14 or 15 and providing her family with expensive gifts. Allen has denied that. The new document did not name Tyree but she previously has been publicly identified.

The defense asserts that Allen's testimony was tainted by his desire to keep information about sexual relations with underage girls secret. The seriousness of the issue is illustrated by the timing of that interview with Tyree on, as the defense called it, "the eve of the Kohring trial."

Jurors should have heard from Allen that he knew he was under investigation for alleged sex crimes and also under investigation for getting Tyree to lie under oath about their relationship, the defense said.

• Allen was the main witness against Kohring but his memory was faulty. Jurors heard he had suffered a brain injury in a motorcycle crash but were told his memory was fine. For example, Allen didn't remember how much money he had given Kohring at various times, the court filing says. Once, Smith recalled that he gave Allen $100 to give to Kohring so that he could stuff it into a plastic Easter egg for his stepdaughter. But Allen testified that he gave Kohring hundreds of dollars during that same episode.

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daleah wrote on 03/24/2010 07:17:38 AM:

maybe my coffee hasn't kicked in yet, however, seems to be like if one side bribes another with money, they go to jail. but if the gov't pays off the witness, and 200K is not small change, well, then, that's okay.

Recommend (0)

SugarFreePopsicle wrote on 03/24/2010 06:56:55 AM:

ADN: "The case against Kohring was marginal."

What does that mean? That the video tape of Kohring taking money from Bill Allen's hand was of poor quality, "marginal?"

Give me a break.

Recommend (3)

BlurryVision wrote on 03/24/2010 06:46:03 AM:

$200,000...?

How many zeros there?

Hard to see...

And he didn't even have to rat out any D.E.A. agents?

Sign me up.

Oh wait... never mind.

I'll wait til tomorrow to see if my disability benefits have been approved yet.

(And yes, I AM using my real name for this user-id. My vision was damaged during a vacation, in a way that has left me with permanent disabilities that adversely affect my chances for success in endeavors to seek and retain gainful employment.)

Recommend (0)

steveconn wrote on 03/24/2010 06:14:23 AM:

Kohring didn't understand that seeking cash from Allen was corrupt.
He thought Allen was his sweet, old grandfather, giving him money for movies and candy. It's the famous regression or "time travel" defense!

Recommend (4)

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ohnsmithjohnsmithjohnsmith5 wrote on 03/24/2010 06:08:45 AM:

Closer wrote "I need to start hanging out with criminal elements so that I can receive "...a reward.""

Bump it up a notch and commit your OWN crimes... then ask the F.B.I. (or D.E.A. etc etc) to pay you for helping them catch the "criminal".

Hmmmmm.....

I wonder if Theodore Kaczynski has a computer in his cell?

He supposedly killed three people and injured a couple dozen more, so he is probably capable of committing crimes offline.

Maybe he should be executed before nanotechnology develops computers that can be smuggled into SuperMaxes, like the one in Florence Colorado.

He could make a FORTUNE in Alaska... until he got caught by someone with a gun... lol

I wonder what his email address is... (its a JOKE!!!!!!!!!!!!!!!!!!!!)

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Probe could permanently alter Alaska politics

The FBI's public corruption probe, which expanded Monday to include a search of Sen. Ted Stevens' home, appears to have the potential to go on for years. (NBC NEWS)

University of Alaska Anchorage history professor Stephen Haycox said a new Alaska might be forged in the fire of the federal investigation. (Phil Walczak/KTUU-TV)

"Anchorage Edition" host Michael Carey said that Alaskans might have suspected unethical or illegal actions by government officials. (Phil Walczak/KTUU-TV)

Former state legislator Tom Anderson was recently found guilty of seven

by Bill McAllister
Wednesday, August 1, 2007

ANCHORAGE, Alaska -- The FBI's public corruption probe, which expanded Monday to include a search of Sen. Ted Stevens' home, appears to have the potential to go on for years.

So what will Alaska's political culture look like at the end of it? Is the state already changing because of it?

As a group, Alaska politicians have never been under so much national scrutiny. While state residents once didn't care how they Alaska politicians did it Outside, it seems as though the time has come to start caring.

The investigation revolving largely around ties to oil services company VECO Corp. shows no signs of slowing down. A new Alaska might be forged in the fire of the federal investigation.

"I don't know if things are changing in Alaska; I hope they are. But it's apparent to me that somebody else is doing our work for us, for the most part, if they are changing," Haycox said.

Haycox noted it took a federal investigation to bring to light numerous questions about the ethical behavior of state lawmakers and members of Alaska's congressional delegation.

Alaska is a small state, with many overlapping connections among the key players.

"Anchorage Edition" host Michael Carey said that Alaskans might have suspected unethical or illegal actions by government officials.

"For Alaskans, it is very troubling, because they don't like it. They know there are abuses of the system, but I think, this has been my experience, people don't want to have their faces rubbed in it," Carey said.

FBI - Stevens-2644

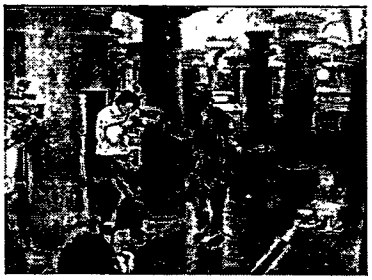
He said Alaskans now have no choice but to pay attention.

"It seems to me the federal government's message is clear: 'We're here to put Ted Stevens in jail.' I don't think you can read any of this any other way. There's not going to be some apology if they get this wrong. I mean, this is a very serious matter. It's as serious as it gets," Carey said.

Carey and Haycox agree that the billions of dollars in federal funding that Stevens represents is causing Alaskans turmoil as they ponder the future of the state.

194A-AN-13620-M;1059

felony counts in connection with a public corruption investigation. (KTUU-TV)



Last night in a KTUU.com poll question, 65 percent of respondents said Sen. Stevens should step down from his committee seats. (NBC NEWS)

Channel 2 News sampled public opinion today at the Midtown post office, where there were mixed feelings about the expansion of the FBI investigation to Stevens' home.

Mark Pipkin said Stevens should stay put for now.

"I don't think he should resign from his post on the appropriations committee or anything like that. It's interesting. It'd be interesting to know who the FBI and the IRS are investigating -- him, or somebody else?" Pipkin said.

Ernest Thomas said he thinks more scandals are forthcoming.

"I'm terribly embarrassed over the actions of our congressional delegation in Washington, with some of their past antics, and I think the tip of the iceberg is starting to be exposed. I'd like to see it all resolved and the image of the state of Alaska restored," Thomas said.

Jessica Sanchez said people should not rush to judgments.

"I think it's unfortunate; I think people are innocent until proven guilty. And I think he's (Stevens) guilty by association, unfortunately, right now ... his association with VECO," Sanchez said.

Despite the recent investigations, indictments, raids and the conviction of former state legislator Tom Anderson, Haycox said there is some good news for Alaska, notably Gov. Sarah Palin.

"Certainly her election and the way that she's conducted herself as governor have shown Alaskans that there is another way. That perhaps by appealing to their better natures, they can have their cake and eat it too. They can have good government and ethical government and effective government," Haycox said.

Carey said serious change is inevitable.

"I think we have to be a different place," Carey said.

He said in addition to Anderson, he's convinced other Alaskans are going to jail. But assuming that Alaskans are no more inherently corrupt than other Americans, what circumstances might have led to the multiple investigations of Alaska politicians?

Carey and Haycox agree that the state's serious reliance on federal funds and the oil industry, combined with our low population, created a concentration of influence and power that in other states would be countered by other political forces.

Last night in a KTUU.com poll question, we asked if Sen. Stevens should heed the call by outside groups to step down from committees in the Senate.

FBI - Stevens-2645

We had 883 people respond and nearly 2 out of 3 said yes, Stevens should surrender his committee assignments. The poll is unscientific, but it could be that Alaskans are viewing events differently than they would have a few years ago.

Longtime pollster Dave Dittman said he's skeptical of the results, he still thinks Alaskans want Stevens in a powerful position.

But as to whether there has been change, Haycox said it's possible, given Alaska's unusually high rate of in-migration, potentially bringing with it different attitudes about ethics in government.

Begich said his election in 2003 and Palin's last year are beginning a generational shift in political leadership that is also giving rise to a new outlook.

Contact Bill McAllister at bmcallister@ktuu.com

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FBI - Stevens-2646

Stevens asked to step down from committees - RESPONSE: Colleagues on both sides say request is premature.

xxxx: xxxxx

Anchorage Daily News (AK)
August 1, 2007
Author: ERIKA BOLSTAD
ebolstad@adn.com
Staff

Estimated printed pages: 3

A day following the federal raid on his Girdwood home, two nonpartisan watchdog groups called on U.S. Sen. Ted Stevens to step down from any Senate committees where he oversees appropriations.

Both Taxpayers for Common Sense and Citizens for Responsibility and Ethics in Washington asked Republican leaders on Tuesday to request that Stevens at least temporarily step down until the FBI investigation is resolved.

Stevens is "entitled to due process and remains innocent until proven otherwise," wrote Ryan Alexander, president of Taxpayers for Common Sense. "But the standard for holding a powerful committee position should not hinge on the absence of a criminal conviction. Even the appearance of using public office for personal profit undermines public confidence in Congress."

Yet both Democratic and Republican Senate leaders stuck by Stevens on Tuesday.

"My personal feeling is that we have to be very careful about punishing people during an investigation," said Senate Majority Leader Harry Reid, D-Nevada. "Many investigations go nowhere. I don't know anything about the Stevens investigation, but I'm not going to be in the position where just because someone's under investigation, that they're punished here in the Senate."

The Senate's Republican leader, Mitch McConnell of Kentucky, said he also had no intention of acting while an investigation was in progress. The leaders of both parties decide committee assignments.

"He is, as we all know, the longest-serving Republican senator in history," McConnell said of the 83-year-old Stevens. "I'll certainly be discussing the matter with my conference, but I don't have any announcements today to make with regard to that."

Stevens is the only sitting U.S. senator known to be under active federal investigation. He sits on the powerful Appropriations Committee, as well as Commerce, Homeland Security and other committees.

Stevens received dozens of phone calls from friends and colleagues offering their support. Fellow Alaskan Sen. Lisa Murkowski and his longtime colleague Sen. Trent Lott, R-Miss., stepped out early.

FBI - Stevens-2647

"How far does this go?" Lott said. "If you're accused in a newspaper article that maybe you're doing some wrongdoing, maybe do you step down at that point? Where are we? At least I thought in the past that at least those considerations didn't come into play until at least you were indicted. Let the investigation run itself out."

For most of the day, Stevens was Washington's most sought-after senator.

In the morning, reporters lingered outside a subcommittee meeting where former Vice Adm.

194A-AN-13620-M;

Thomas Barrett awaited a confirmation vote for a key spot in the Department of Transportation overseeing pipelines. Stevens, a committee member, did not attend.

Dozens of reporters shifted to Stevens' Senate office and tracked his movements in hope he would say something -- anything -- about Monday's raid on his house. Stevens did not emerge to make a statement.

Many reporters also waited for him to exit a meeting with other Senate Republicans, who meet on Tuesdays to outline their policy goals.

About a half-dozen reporters chased Stevens as he left the meeting and strode quickly with his press aide toward his small office in the Capitol, known as a hideaway. He refused to respond to questions in any way.

Stevens finally stopped at a "no admittance" sign. Still silent and with pursed lips, he turned to the reporters. He motioned abruptly to the sign as though wordlessly ordering a car to stop, then he resumed walking down the private hallway.

A few minutes later, though, he had a few choice words for a CNN reporter who followed him down a stairway in the Capitol. "I put out a statement and I'm not saying anything to anybody beyond that statement," he told reporter Dana Bash.

When Bash asked what federal agents were looking for in the raid, Stevens responded:

"Can you understand English? That's the only statement I'm going to make."

Find Erika Bolstad online at adn.com/contact/ebolstad or call 202-383-6104

FBI - Stevens-2648

Stevens scrutiny mounts - Interior Department investigates SeaLife Center appropriation

Anchorage Daily News (AK)
August 1, 2007
Author: ERIKA BOLSTAD and RICHARD MAUER
Anchorage Daily News
Staff

Estimated printed pages: 5

An ever-widening federal corruption probe into Alaska politics has zeroed in on a land sale involving the SeaLife Center in Seward and a former aide to U.S. Sen. Ted Stevens.

Federal investigators are looking into earmarks that the state's senior senator steered to the research and tourist attraction near Seward's waterfront.

They are specifically focusing on a $1.6 million Stevens-driven allocation to the SeaLife Center, which spent $558,000 of the money to buy a lot owned by lobbyist and former Stevens aide Trevor McCabe last year.

Investigators with the Inspector General's office of the U.S. Interior Department have spoken to National Park Service employees in Alaska about the purchase, said Marcia Blaszak, the Alaska regional director for the Park Service. Originally, parks officials wanted McCabe's lot for a visitor center, but balked at his asking price.

Blaszak said it's "an ongoing investigation and I'm not discussing the particulars" of what investigators were in search of. But she did say it was connected to the SeaLife Center purchase, and that local Park Service employees were cooperating with the investigation.

McCabe, who worked for Stevens from 1991 to 1999, did not return a phone message left at his Anchorage law office. His lawyer also did not return a message left with his assistant.

Stevens has long been a benefactor of the SeaLife Center, sending more than $50 million in federal money to the private nonprofit since it opened in 1998.

BROAD INVESTIGATION

The investigation adds to the list of federal inquiries that involve specific actions Stevens may have taken in Congress. Last summer, the FBI raided the offices of Stevens' son, former state Senate President Ben Stevens. In their raid, FBI agents seized documents involving the Alaska Fisheries Marketing Board, which was created in 2003 in legislation by the elder Stevens to provide federal grants to companies to promote Alaska seafood.

Monday, federal law enforcement agents raided Stevens' home in Girdwood, hauling off undisclosed items from inside and taking extensive pictures and video inside and out.

FBI - Stevens-2649

Federal investigators and grand juries in Anchorage and Washington, D.C., have been seeking information about a 7-year-old remodeling project at the house. The project more than doubled the size of the house and was overseen by Veco Corp. CEO Bill Allen. In May, Allen pleaded guilty to bribing state lawmakers and agreed to cooperate with authorities in further corruption probes. Veco vice president Richard Smith has also pleaded guilty to identical charges. Allen and Smith resigned from Veco.

It's not clear whether the FBI's investigation into Veco is connected to the investigation into the Seward land transaction. The Washington Post reported that the FBI is working with the Interior Department on the SeaLife Center deal.

But the land deal first piqued the interest of federal investigators after an April 2006 article in the Daily News detailed the transaction and the resulting community uproar.

LAND DEAL IN SEWARD

McCabe, a Seward native who is now a high-profile fishing lobbyist, was looking for a buyer for the Arcade Building, a rundown waterfront property that had housed a pawn shop. McCabe bought the Arcade in 2003, when the National Park Service was looking for downtown land to build a new $20 million visitor center. Kenai Fjords National Park is nearby.

The federal government eventually bought several other parcels, including a second one McCabe owned. But negotiations reached a dead end in July 2005 after the government balked at McCabe's asking price.

A month later, Stevens used his power over congressional appropriations to transfer all $1.6 million left in the visitor center's land-purchase fund to the SeaLife Center. The move surprised officials with the city of Seward, which had been slated to receive the money.

The SeaLife Center then agreed to spend $558,000 of the federal windfall to buy the Arcade building from McCabe and his partner, Dale Lindsey, a Seward businessman.

At the time, Stevens' office and the SeaLife Center said the money was diverted and spent to help the marine facility as well as to revitalize downtown Seward. They said it was not to bail out McCabe.

But the transaction opened a rift between the SeaLife Center and city administrators. City officials did not return calls Tuesday.

At the time, the city manager wrote the SeaLife Center, saying city approval of such purchases was necessary "to avoid future problems and possible allegations of impropriety." He never said publicly what he meant by "impropriety" and refused to be interviewed at the time of the original Daily News report.

MIDTOWN ANCHORAGE LAND

Meanwhile, Roll Call also reported that a Senate subcommittee has asked questions about a Stevens earmark for a National Archives Building in Anchorage. A subcommittee of the Senate Homeland Security and Government Affairs Committee met with National Archives staffers Friday for an explanation of how the federal agency bought land for a new regional archives building.

"My understanding was that they just went over the whole timeline of the purchase of the land, and it's really quite straightforward," said Susan Cooper, a Washington-based spokeswoman for the archives.

The Midtown Anchorage land for the archives was sold to the government by Anchorage developers John Rubini and Leonard Hyde.

FBI - Stevens-2650

Stevens had a lucrative investment with Rubini and Hyde but gave it up in 2004, saying media scrutiny of the arrangement made it too difficult to hold on to. He put about $1 million in profit from his investment into a blind trust.

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STEVENS' TIES

These three projects tied to Sen. Ted Stevens have come under question:

Alaska SeaLife Center

Trevor McCabe, a former aide to Sen. Ted Stevens and a business partner of Stevens' son Ben, was able to sell the derelict Arcade building to the federally funded SeaLife Center when Ted Stevens earmarked a special appropriation to the science center and aquarium in 2005. The matter is now under investigation by the Interior Department's inspector general.

Stevens' Girdwood home

In 2000, Stevens more than doubled the size of his official residence. The main contractor said the oil field service company Veco reviewed more than $100,000 in invoices prior to Stevens paying them. On Monday, the FBI and IRS spent 12 hours inside the home under a search warrant as part of an investigation into whether Stevens paid for the entire project.

National Archives site

A Senate subcommittee is asking questions about the National Archives' purchase in 2004 of an Anchorage lot for $3.5 million, according to Capitol Hill publication Roll Call. The sellers, Leonard Hyde and Jonathan Rubini, two former business partners of Sen. Ted Stevens, more than doubled their investment in a year. Stevens earmarked the appropriation to purchase the site, though there was no indication he personally benefited.

Official ties with Big Oil now bind in uncomfortable ways - Line between industry, Alaska politics blurred

Anchorage Daily News (AK)
August 2, 2007
Author: STEVE QUINN
The Associated Press
WIRE

Estimated printed pages: 4

One former state representative is guilty of bribery. Three more await trial on similar charges. The state's lone congressman is under federal investigation for corruption. A U.S. senator just had his home searched by the FBI.

This is not what Vic Fischer envisioned when he and about 50 others drafted the state's constitution 50 years ago.

Now in the wake of the most recent development -- Sen. Ted Stevens' Girdwood home being searched by the feds -- Fischer, current lawmakers and political analysts say the state is reaping what it sowed from years of lax oversight and a cozy relationship with the oil industry.

"Greed is rampant," said Fischer, who helped draft the state's constitution in 1956. "The character of the politicians has changed a lot.

"I'm very disgusted. It's not so much a matter of betrayal. It's more a matter of sadness and concern, but most of all disgust."

The common denominator in all but one case is former oil field services executive Bill Allen, who recently pleaded guilty to bribing lawmakers who were considering an oil tax bill. He remains at the center of emerging corruption probes.

Allen's company, Anchorage-based Veco Corp., has long been a heavy-hitting player in North Slope oil and gas operations. But Allen and former company vice president Rick Smith, who pleaded guilty with Allen, became political activists as well.

Allen was once a fixture in the state's capital. His presence was so strong he was credited as the driver behind a legal change in the definition of a lobbyist. It went from someone who does four hours of dedicated lobbying a month to 40 hours a month. The change essentially meant Allen no longer had to register as a lobbyist.

BLURRING LINES

But Allen was still pushing his agenda with meetings in the Baranof Hotel and in the Capitol, lawmakers and court records say. He was even spotted improperly passing notes to lawmakers over a railing during a House floor session last year.

FBI - Stevens-2652

Eventually, the lines between the industry and politics became blurred, said former House minority leader Ethan Berkowitz. He said the state's checks-and-balances system eroded into something that is now broken.

"We've been a one-party state and a one-industry state for too long," he said. "The economic and political power has consolidated into just a few hands and that breeds contempt. That kind of concentration of power gives rise to fascist tendencies."

Berkowitz is fast becoming known for a sound bite captured during a May 2006 floor session questioning the lobbyist-lawmaker relationship.

"This is our floor. Our floor," Berkowitz said, addressing House Speaker John Harris. "No telephone call's supposed to change what we're doing.

"No lobbyist is supposed to peer over the railing and tell us to change our mind. Never should happen."

It was ultimately a precursor of things to come a few months later when the FBI raided the offices of several state lawmakers, including Stevens' son, former Senate President Ben Stevens.

The probe has widened to include two of Washington, D.C.'s most senior and outspoken lawmakers who have directed billions in federal funding to Alaska: Stevens and Don Young.

It's brought national attention to a state that touts its beauty and rugged landscapes, wild salmon and spectacular Northern Lights. But if things progress, its reputation for political corruption could become akin to that of New Jersey or Louisiana, some political analysts said.

"I don't think anybody is going to cancel a summer cruise because of Ted Stevens," said John Pitney, political science professor at Claremont McKenna College in Southern California. "But it does hurt the brand.

"It's difficult to quantify, but that tarnish probably carries a price. It makes it more difficult to press the state's rights or needs when arguing with the federal officials and general public."

This potential predicament is not lost on Republican Gov. Sarah Palin, who last year ran her campaign on ethics reform and recently signed into law a 43-page ethics reform bill, a document originally introduced as an eight-page offering in January.

PALIN PUSHES

In 2004, as chairwoman of the Alaska Oil and Gas Conservation Commission, she exposed Alaska Republican party chairman Randy Ruedrich for ethical violations when he was a fellow commissioner.

He was fined $12,000, the largest civil fine in a state ethics case, for conducting partisan political activity from his state office and leaking a confidential memo to an energy company lobbyist.

Now Palin is trying to convince federal officials that Alaska can foster the right development for a multibillion-dollar pipeline she hopes will ship trillions of cubic feet of natural gas from the North Slope to market.

"We should be a leader in energy policy," she said "The only way we can lead is if the rest of the nation is confident our leaders are willing to serve for the right reasons."

FBI - Stevens-2653

Monday's raid on Stevens' home comes as he and Young ramp up for another election in 15 months; meanwhile, former state lawmakers Bruce Weyhrauch and Pete Kott prepare for a September trial, and Vic Kohring braces for an October trial on bribery charges.

At 48 years, Alaska may be a young state -- young enough for some constitution framers to still be around -- but it's also old enough to know better.

How the state responds, only time will tell.

"It's a wake-up call for Alaska to demand better from its elected and appointed officials," Palin said. "It's a wake-up call that we cannot continue to go down the path that we're on.

"My concerns -- and I don't hear enough of talk about this -- are that any culture of corruption that exists, what does this do to our kids?

"I'm worried about what it's doing to our next generation of leaders who will be voting soon. What will they think?"

The change starts with that next generation, says Fischer, who is among four remaining constitutional drafters alive and still touting the state's virtues.

"I hope people or Alaska respond and don't just start voting, but think about whom they are voting for and not just the people who will bring home the bacon," he said.

"The presumption was that elected officials and public servants will be ethical. There was no fear of that not happening. Sadly, that's not the case right now."

FBI - Stevens-2654

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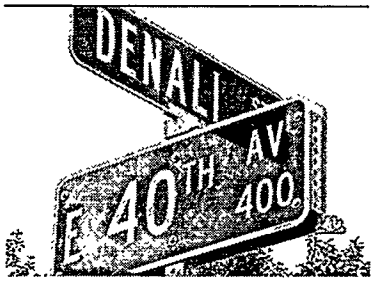
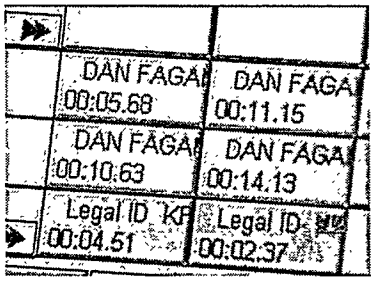
inAlaska.com

Begich and Metcalfe square off

Ray Metcalfe has raised allegations that Begich acted improperly in his actions to support the rezoning of a property in 2004. (KTUU-TV)



Begich advocated rezoning the property at the corner of Denali and 40th Streets from residential to commercial. (Scott Jensen/KTUU-TV)



The mayor made the rounds and scored airtime on just about every radio talk show in the city. (Scott Jensen/KTUU-TV)

Metcalfe called into k-whale's "Bob and Mark Show" to continue the public dialogue on Begich's real estate investments. (Scott Jensen/KTUU-TV)

by Jason Moore
Thursday, August 2, 2007

ANCHORAGE, Alaska -- There was no hype for the debate that unfolded this morning on KWHL 106.5 fm radio. In fact, listeners might call it spontaneous combustion, as Anchorage Mayor Mark Begich and Ray Metcalfe found themselves lobbing verbal bombs at each other.

Metcalfe has raised allegations that Begich acted improperly in his actions to support the rezoning of a property in 2004.

Begich hit back this morning.

It was a busy day for the mayor, who was making the rounds and scoring airtime on just about every radio talk show in the city, defending his actions from the 2004 rezoning vote.

Begich advocated rezoning the property at the corner of Denali and 40th Streets from residential to commercial just before the National Archives Administration bought it from local real estate developers John Rubini and Leonard Hyde, who more than doubled their money on the property after owning it for just one year.

At the time, Begich was an investment partner with the pair in a separate property, the Calais buildings in midtown.

Metcalfe, who has spent years criticizing Sen. Ted Stevens and his son, former State Senate President Ben Stevens, now claims Begich too worked to help his business partners.

Metcalfe called into k-whale's "Bob and Mark Show" to continue the public dialogue on Begich's real estate investments.

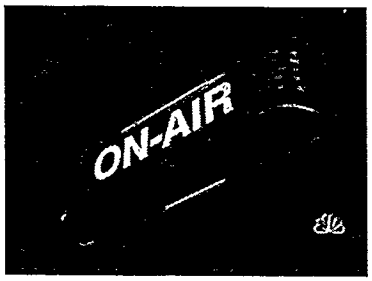
Begich immediately called in as well, and the debate was on.

"Your facts don't fly ... Mark this is not a debate ... Yes it is because you questioned my character and I don't appreciate it Ray, when you're not telling the truth."

FBI - Stevens-2655

"He was opposed to it when the former owners owned it. He became an advocate of it when his business partner owned it."

"Somehow you infer that I manipulated the process (and) suddenly got the Spenard Community Council, got the Assembly, got the Planning and Zoning Commission, got everybody, including the park advocates to support this rezoning, one that's false."



Anchorage Mayor Mark Begich and Ray Metcalfe squared off on a morning radio talk show. (Scott Jensen/KTUU-TV)

Bob and Mark sat back and let the sparks fly.

"It's great radio, absolutely. The great thing about it is they talked for a good 20 minutes and I think mark and I probably interjected twice, we just let them go at it," Bob Lester said.

Ultimately, Begich theorized why Metcalfe was bringing up the allegations.

"Your real agenda here Ray, and be frank you should answer it to Bob and Mark, the real agenda is here that you are considering a run for U.S. Senate against Ted Stevens and you think I might be in that race and all you're doing is shooting. The difference is I don't hide behind lawyers, I don't hide behind fancy spokespeople, I'm direct," Begich said.

If accurate, Begich's assumption could mean Anchorage will be hearing a lot more exchanges between these two.

Metcalfe said he has not decided whether or not to run for Stevens' seat, but did say, "From the reaction I've gotten from the public, I'd be crazy not to."

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FBI - Stevens-2656

Keller sworn in to replace Kohring in House - 'INTEGRITY AND HONOR': New lawmaker says he'll spend the rest of the summer getting up to speed.

Anchorage Daily News (AK)
August 3, 2007
Author: RINDI WHITE
rwhite@adn.com
Staff

Estimated printed pages: 2

Lt. Gov. Sean Parnell administered the oath of office July 27 to Wes Keller of Wasilla, the man chosen by Gov. Sarah Palin to fill the legislative seat vacated by Vic Kohring.

"I have known him to live a life of integrity and honor in Juneau," Parnell said.

Palin pinned the state seal on Keller's tan lapel after the official documents were signed. While Mat-Su Republicans were choosing a candidate to replace Kohring after he resigned his District 14 House seat in July, Palin said she wanted a candidate with integrity, someone who could help shed the image of "politics as usual" in the state.

The legislative majority affirmed Keller last week to serve out the remainder of Kohring's term. Kohring resigned after being arrested and charged with federal bribery and corruption charges for taking money from oil field services company Veco in return for support on oil issues. Kohring has said he is innocent and resigned to focus his efforts on his defense.

Keller, a legislative aide to state Sen. Fred Dyson since 1999, said he'd use the summer to get up to speed on Valley issues.

"We're right down to it," Keller said. "I'm hiring staff and getting the office in order. It's going to be a busy fall."

Keller's swearing-in came at the tail end of a military appreciation service at the governor's picnic held July 27 in Wasilla. At the event, 46 people, 42 from the Valley, lined up to get a Blue Star banner signifying that they had a family member on active duty.

Bert Hall, who coordinated the Blue Star banner distribution, said his research showed that the tradition of hanging a blue star in the windows of homes with a soldier serving in war began during World War I.

"It's representative of our way to show recognition to those who are serving," Hall said.

Blue Star banners can be obtained at the Wasilla Chamber of Commerce at 415 E. Railroad Ave. Chamber offices are open from 9 a.m. to 5 p.m., or military family members can contact executive director Cheryl Metiva by e-mail at cherylm@wasillachamber.org.

FBI - Stevens-2657

Find Rindi White online at www.adn.com/contact/rwhite or call 352-6709.

Caption:
Photo courtesy of Gayle Keller

Wes Keller has worked as a teacher, building contractor, oil field hand and pilot in the Alaska National Guard, and as chief of staff to Alaska state Sen. Fred Dyson.

Divisive Pebble mine project gets a new big-bucks backer - INVESTMENT: London-based mining giant now on board.

Anchorage Daily News (AK)
August 1, 2007
Author: ELIZABETH BLUEMINK
ebluemink@adn.com
Staff

Estimated printed pages: 4

One of the world's largest mining companies said Tuesday it will pump up to $1.425 billion into Alaska's massive and controversial Pebble prospect.

Under a new 50-50 joint venture, the Pebble copper-and-gold project near Iliamna in Southwest Alaska will have new leadership, composed of executives from London-based mining giant Anglo American and Northern Dynasty Minerals Ltd., the company that owns the deposit.

Anglo and Northern Dynasty said their agreement will not change the ownership of Pebble, though the companies will have equal rights in developing the deposit.

If it is developed, Pebble could become one of the world's largest mines. The controversy stems from Pebble's location in the headwaters of two rivers that feed Bristol Bay, one of the world's biggest salmon fisheries. The project faces intense opposition from environmental groups, fishermen and some villages in the Bristol Bay region.

"There's going to be a mine," Bruce Jenkins, Northern Dynasty's chief operating officer, said Tuesday. The companies will prove it can be done responsibly, without harming fish, he said.

Though Northern Dynasty is still drilling to determine the full extent of Pebble's riches, its executives said this year that they believe Pebble could be the largest mineral deposit of its kind in the world. It could be developed with underground and/or open-pit mining methods.

The companies said Tuesday their targeted production start date at Pebble is 2015, though they will have to acquire state and federal permits.

Pebble's opponents said they are hopeful that Pebble will be stopped. "The strength of the opposition in the (Bristol Bay) region is growing. If we band and work together, there's probably a way, I'm hoping, to prevent it from happening," said Bobby Andrew, a Dillingham resident and president of Aleknagik Natives Ltd.

COMPANY HAS WORLDWIDE REACH

Anglo chief executive Cynthia Carroll said in a press release that Anglo is looking forward to working closely with Alaskans, specifically the communities of the Bristol Bay area and the Kenai Peninsula. Pebble has a potential to be a "world-class operation," she said.

FBI - Stevens-2658

Anglo, based in London, was formed in South Africa. Last year it earned $6.4 billion in profit on $33 billion in revenue. It has operations in 45 countries, spanning Europe, Africa, Australia, North and South America and Asia. In North America, Anglo owns two Canadian diamond mines and the Cripple Creek and Victor Gold Mine in Colorado.

Anglo is involved in two large copper mines and is developing others as well, Jenkins said.

Anglo and Northern Dynasty said they will create a new company to explore and develop Pebble. Jenkins said the company will be based in Anchorage and its chief executive will live

194A-AN-13620-m; 1060

here.

The companies signed their agreement Tuesday after notifying regulators. Northern Dynasty said it stopped trading of its stock on the Canadian and U.S. stock exchanges at midafternoon in anticipation of signing the deal.

ANGLO MAKES A COMMITMENT

The deal was reached after the Vancouver, British Columbia-based junior mining company negotiated for more than a year with roughly 15 other large mining companies, Jenkins said.

Many observers had anticipated that Northern Dynasty would partner with Rio Tinto, another London-based mining giant, which already owns nearly 20 percent of Northern Dynasty.

It remained unclear Tuesday whether the new agreement will have direct consequences for Rio Tinto's involvement. The stock ownership in Northern Dynasty will not change, and there will be no dilution of shareholder stock, Jenkins said.

In the past, Northern Dynasty had publicly discussed forming a consortium -- comprising a number of companies or other investors -- to develop and run Pebble. That idea could be re-evaluated in the future, Jenkins said.

Anglo is committing to spending $125 million to finish a pre-feasibility study for the mine, targeted for the end of next year.

To retain its 50 percent partnership, Anglo will then have to commit $325 million for a feasibility study, targeted for 2011. If a decision then is made to develop a mine, Anglo must commit $975 million to build it.

ANGLO'S TRACK RECORD

Though its critics are running an ad campaign against Pebble, warning of environmental disaster and pollution, Northern Dynasty says it would build a sound mine, with no net loss to the region's fisheries.

Some local business leaders said Tuesday they were pleased to hear about the new joint venture at Pebble. "It's important to send the proper message to companies contemplating investment in Alaska -- that we are open for business," said Jason Brune, executive director of the Anchorage-based Resource Development Council, a business booster group.

He said Anglo appears to have a track record of doing responsible development around the world.

Like many other global mining companies, Anglo has encountered sharp criticism from environmental and human rights groups. In 2005, for example, the international group Human Rights Watch complained about Anglo's activities in Africa's Democratic Republic of Congo. The same year, Anglo said it was ramping up its human rights activities around the world, with a special focus on conflict zones.

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Feds: error didn't affect Kohring's conviction

The Associated Press
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ANCHORAGE, Alaska - Federal prosecutors say in court papers that the government erred in failing to turn over evidence favorable to former Rep. Vic Kohring before his corruption trial but the mistake didn't affect his conviction.

Kohring was convicted of accepting bribes in 2007. He was released on bail last year in the middle of his 3 1/2-year prison sentence while he pursued an appeal.

The Anchorage Daily News reports a new team of prosecutors made in a filing Friday in U.S. District Court in Anchorage. In papers, they say mistakes in handling discovery before the trial were "regrettable" but Kohring received a fair trial.

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Feds say error did not affect Kohring verdict

By RICHARD MAUER
rmauer@adn.com
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Federal prosecutors admitted Friday the government erred in failing to turn over favorable evidence to former Rep. Vic Kohring before his 2007 corruption trial, but asserted the mistakes made no difference in the outcome of the case: guilty verdicts on three of four felony counts.

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Kohring, a Wasilla Republican, was released on bail last year in the middle of his 3 1/2-year prison sentence while he pursued an appeal. He argued that the charges should be dismissed because of prosecutorial misconduct, or at a minimum that he get a new trial.

But a new team of prosecutors said in a filing Friday evening in U.S. District Court in Anchorage that the jury correctly found that Kohring was a "corrupt public official who betrayed the public trust in exchange for cash handed to him by businessmen seeking to buy his official acts." While it was "regrettable" that the original trial team made mistakes in handling discovery, Kohring received a fair trial, they said.

Under court rules, Kohring will get the last word in the written arguments, then U.S. District Judge John Sedwick will rule on the motion for dismissal.

In a similar appeal in February, Sedwick ruled that former House Speaker Pete Kott, an Eagle River Republican, had received a fair trial in 2007 when he was convicted on three corruption charges. Kott remains free while he appeals his case to the 9th U.S. Circuit Court of Appeals.

Find Richard Mauer online at **adn.com/contact/rmauer** or call 257-4345.

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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ALASKA

UNITED STATES OF AMERICA v. VICTOR H. KOHRING, Defendant.	Case No. 3:07-cr-00055-JWS

GOVERNMENT'S RESPONSE TO KOHRING'S MOTION TO DISMISS, OR IN THE ALTERATIVE, FOR AN ORDER GRANTING A NEW TRIAL

On June 10, 2009, the Ninth Circuit charged this Court with determining: "(1) whether the government breached its obligation of full disclosure under *Brady* [*v. Maryland*, 373 U.S. 83 (1963),] and *Giglio v. United States*, 405 U.S. 150, 154 (1972); (2) if so, whether the defendant was prejudiced by the violation; and (3) if the defendant was prejudiced, what the remedy should be." *United States* v. *Kohring*, 9th Cir. No. 08-30170 (Doc. 41). Defendant Victor Kohring has now asked this Court to vacate his convictions and dismiss the indictment, or in the alternative, for an order granting a new trial. Doc. 269. For the reasons set forth below, however, Kohring has not established a constitutional discovery violation warranting a new trial, much less dismissal. This Court should therefore deny Kohring's motion.

I. INTRODUCTION

A jury convicted Kohring of three public corruption-related felony counts after being presented with several incriminating audio and video recordings, including one video capturing him approaching Bill Allen in the heart of the legislative session and asking for $17,000. In his motion, Kohring scarcely mentions this evidence, and instead asserts that he is entitled to a new trial or

dismissal based on bits of information he has selectively picked from the prosecutors' files. As we explain below, in light of the incriminating recordings, none of the information produced post-trial about which Kohring now complains would have affected the jury's verdict. Furthermore, each item focused on by the defendant was either in fact disclosed to him, merely cumulative to other information known to him, inadmissible at trial, or so immaterial when considered in the full context of all the evidence against Kohring, that there is no reasonable probability that, had it been disclosed, it would have made a difference in the jury's verdict. As a result, there are no grounds under either *Brady* or *Giglio* to discard the jury's verdict and require a new trial.

The government does not dispute, however, that some of the information Kohring identifies was favorable to him, and that while it was not material — as this Court has already found in *United States* v. *Kott*, 3:07-cr-056, Doc. 429 — prudence dictates that it should have been provided to him before trial. Indeed, it is clear that there were regrettable missteps in this case with respect to discovery. Beyond the narrow confines of this case, the missteps here and in other cases have had a nation-wide effect. As a result, the Department of Justice has taken significant steps to improve training for all federal prosecutors, has mandated written discovery policies in each United States Attorney's Office and litigating Division, and has established discovery points of contact both at headquarters and in each Office, to help monitor and improve routine practices nationwide.

Nevertheless, as in *Kott*, the mistakes in this case do not warrant either a new trial or, more drastically, dismissal of the indictment. The focus of a materiality analysis under *Brady* is "whether[,] [in the absence of the undisclosed information, the defendant] received a fair trial, understood as a trial resulting in a verdict worthy of confidence." *Kyles* v. *Whitley*, 514 U.S. 419, 434 (1995). Thus, while the government accepts responsibility and represents to this Court its regret

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and commitment to improvement, it nevertheless contends that under the law and the facts of this case, Kohring received a fair trial and the jury's verdict should stand. *Cf. United States* v. *Lloyd*, 71 F.3d 408, 410 (D.C. Cir. 1995) ("The purpose in *Brady* is not to punish a wrongdoing prosecutor, but rather to assure that the defendant was not convicted without due process of law.").

II. APPLICABLE LAW

In *Brady* v. *Maryland*, the Supreme Court held that "the suppression by the prosecution of evidence favorable to an accused upon request violates due process where the evidence is material either to guilt or punishment, irrespective of the good faith or bad faith of the prosecution." 373 U.S. at 87. In *Giglio*, the Supreme Court extended this principle to include evidence that impeaches a witness's credibility. 405 U.S. at 154; *Silva* v. *Brown*, 416 F.3d 980, 985, 988 (9th Cir. 2005). "[E]vidence is material only if there is a reasonable probability that, had the evidence been disclosed to the defense, the result of the proceeding would have been different." *United States* v. *Bagley*, 473 U.S. 667, 682 (1985). A "reasonable probability" is "a probability sufficient to undermine confidence in the outcome." *Id.*; *see also id.* at 678 (conviction should be reversed "only if the evidence is material in the sense that its suppression undermines confidence in the outcome of the trial").

In cases decided since *Brady*, the Court has explained its limits, emphasizing repeatedly that the relevant focus is to be whether the nondisclosure of particular information resulted in the denial of a fair trial by undermining confidence in the reliability of the jury's finding of guilt. For example, in *United States* v. *Agurs*, 427 U.S. 97 (1976), the Court emphasized as a "critical point" that "the prosecutor will not have violated his constitutional duty of disclosure unless his omission is of sufficient significance to result in the denial of the defendant's right to a fair trial." *Id.* at 108. The

Court further explained that, because "[t]he proper standard of materiality must reflect our overriding concern with justice of the finding of guilt," a prosecutor's failure to disclose exculpatory evidence violates the Constitution only "if the omitted evidence creates a reasonable doubt that did not otherwise exist." *Id.* at 112. The Court emphasized that "there is, of course, no duty to provide defense counsel with unlimited discovery of everything known by the prosecutor." *Id.* at 106. The *Agurs* Court expressly rejected the notion that a trial court should set aside a conviction where "the error did not influence the jury, or had but very slight effect." *Id.* at 112.

The facts of *Agurs* make it clear that the Supreme Court meant what it said; in that case, the female defendant was charged with stabbing a male companion with whom she had enjoyed "a brief interlude," and her defense was that she had been attacked by the victim and acted in self-defense. *Id.* at 98-100. Agurs discovered after trial that the victim had two criminal convictions for assault involving knives. *Id.* at 100-01. Nevertheless, the Supreme Court agreed that the evidence was not material because after a "thorough and entirely reasonable" appraisal of the entire record, the district court "remained convinced of [Agur's] guilt beyond a reasonable doubt." *Id.* at 114.

Similarly, in *Bagley*, the Court considered and rejected the expansion of *Brady* to reach nonmaterial, inadmissible information. The Court explained that the purpose of the *Brady* rule "is not to displace the adversary system . . . but to ensure that a miscarriage of justice does not occur." 473 U.S. at 675. For that reason, "the prosecutor is not required to deliver his entire file to defense counsel, but only to disclose evidence favorable to the accused that, if suppressed, would deprive the defendant of a fair trial." *Id.* A rule that *all* information favorable to a defendant must be disclosed, regardless of its materiality or admissibility, "would impose an impossible burden on the prosecutor and would undermine the interest in the finality of judgments." *Id.* at 675 n.7. The Court

then reiterated that "[c]onsistent with our overriding concern with the justice of the finding of guilt, a constitutional error occurs, and the conviction must be reversed, only if the evidence is material in the sense that its suppression undermines confidence in the outcome of the trial." *Id.* at 678 (citation and internal quotation marks omitted).

Again, the facts of *Bagley* are telling with respect to clarifying the Court's standard; *Bagley* was a *Giglio* case in which the government's agreement to pay two of its witnesses for their cooperation was not disclosed. *Id.* at 676. Even in such a case, the Court held, the information is not material unless there is a reasonable probability that had it been disclosed, the jury's verdict would have been affected.

Subsequently, in *Kyles* v. *Whitley*, the Court explained that "the Constitution is not violated every time the government fails or chooses not to disclose evidence that might prove helpful to the defense." 514 U.S. at 436-37. A constitutional violation occurs only "when the government's evidentiary suppression undermines confidence in the outcome of the trial." *Id.* at 434 (citation and internal quotation marks omitted). Thus, the fact that information might be "favorable" to the defense, or that the defense might be able to make some use of it in cross-examination is only the beginning of the analysis; the issue is whether the information is so significant that the fact the defense was unable to make use of it actually undermines confidence in the jury's verdict. As the Court observed in *Strickler* v. *Greene*, 527 U.S. 263 (1999), there is "never a real '*Brady* violation' unless the nondisclosure was so serious that there is a reasonable probability that the suppressed evidence would have produced a different verdict." *Id.* at 281.

Because materiality is defined by measuring the degree to which suppressed evidence "undermine[s] confidence in the outcome," *Bagley*, 473 U.S. at 678, a materiality analysis typically

demands that the probative value of the suppressed evidence be weighed against the government's evidence at trial, because the stronger the government's evidence is at trial the less probable it is that suppressed evidence favorable to the accused would have affected the jury's verdict. *See Agurs*, 427 U.S. at 112-13 ("[T]he omission must be evaluated in the context of the entire record. If there is no reasonable doubt about the guilt whether or not the additional evidence is considered, there is no justification for a new trial."). In cases where the Supreme Court or the Ninth Circuit have overturned a verdict based on a *Brady* violation, the Courts have attached considerable significance to the weakness of the government's evidence, which made the issue of guilt a close call at trial. *See, e.g.*, *Kyles*, 514 U.S. at 454 ("This is not the 'massive' case envisioned by the dissent; it is a significantly weaker case than the one heard by the first jury, which could not even reach a verdict.") (citation omitted); *United States* v. *Chapman*, 524 F.3d 1073, 1080 (9th Cir. 2008) ("[T]he government's case to date had been quite weak . . . ."); *id.* at 1087 ("[T]he case as originally prosecuted appeared to the district court to have been faltering."); *United States* v. *Kojayan*, 8 F.3d 1315, 1322 (9th Cir. 1993) ("This case was close, and we find a 'reasonable probability' that, had this evidence been disclosed, the result would have been different; the evidence was therefore material."); *see also id.* at 1323 ("This was a close case: The jury deliberated for over two days after a one-and-a-half-day trial.").[1]

While a *Brady* analysis requires a court to view suppressed evidence "collectively," *Hein* v. *Sullivan*, 601 F.3d 897, 906 (9th Cir. 2010), and to evaluate it "in the context of the entire record," *Agurs*, 427 U.S. at 112-13, a *Brady* analysis nonetheless must proceed count by count. *See e.g.*,

[1] The overall strength of the evidence against Kohring will be detailed later, but it is worth noting that the jury had no difficulty reaching its verdict in this case; following an eight-day trial, it deliberated for just over a day before returning its verdict.

United States v. *Johnson*, 592 F.3d 164 171 (D.C. Cir. 2010) ("A *Brady* violation with respect to the defendant's conviction on one count does not necessarily affect his conviction on any other count."). For each count, then, a court must evaluate each of the three components of a *Brady* violation: "The evidence at issue must be favorable to the accused, either because it is exculpatory, or because it is impeaching; that evidence must have been suppressed by the State, either willfully or inadvertently; and prejudice must have ensued." *Strickler*, 527 U.S. at 281-82.

III. SUMMARY OF THE EVIDENCE AT TRIAL AND THE JURY'S VERDICT

The case against Kohring was based on evidence that Kohring had a corrupt relationship with Bill Allen, and included evidence that Kohring received cash payments and other financial benefits from Allen in exchange for official acts benefitting VECO, including working to pass the PPT. The government does not dispute that in this case, as this Court found in the *Kott* case, "Allen's testimony was a major part of the government's case." *United States* v. *Kott*, Doc. 429, at 12. However, as was the case in *Kott*, there was other ample evidence to support the convictions in addition to Allen's testimony, foremost being "the most significant evidence . . . [the] audio-visual recordings of activities in Suite 604 of the Baranof Hotel in Juneau, whence Allen and Smith orchestrated the effort to control the outcome of legislative action on the PPT." *Id.* at 2. Certainly, the most powerful evidence at trial was the March 30, 2006, video recording showing Kohring in Suite 604 asking Allen for $17,000, receiving cash in hand from Allen, and barely having finished stuffing the cash in his pocket before asking how he could help Allen to pass the PPT bill. In addition, Kohring's own admissions to the FBI corroborated much of Allen's testimony.

A. Background of Kohring's Relationship with Allen

In 2006, the Alaska legislature was considering legislative proposals to encourage development of a natural gas pipeline. Tr. 4:23-31, 5:114. The success of that venture held the promise of hundreds of millions of dollars of revenue for Allen's company, VECO. Tr. 4:116. As a result, Allen and Rick Smith spent the entire 2006 legislative session in Juneau, seeking to influence the passage of legislation affecting the pipeline. Tr. 4:31, 5:114. They targeted several key legislators to assist their efforts, including Kohring and Kott. Tr. 4:34-36, 6:58-59.

Kohring had been cultivated by Allen for several years. Tr. 4:50, 5:115-118, 123. Allen testified that starting in 2002, he had made a number of cash payments to Kohring to help him out when Kohring ran short of cash; Kohring was chronically short of money. Tr. 5:123-124; Tr. 6:62. The indictment charges that Allen made "several" such payments, between $500 and $1000 each time; Allen testified specifically about three separate occasions. Tr. 5:123-127. Smith likewise testified that he knew Allen was making payments to Kohring prior to 2006, and that they were intended to buy influence with him. Tr. 4:49-50. Although the rules of the legislature required disclosure of all gifts, Kohring never filed a gift disclosure form about any these payments. Tr. 12:64-66.

While lining Kohring's pockets, Allen asked Kohring for help and official action on a number of issues, ranging from firing an aide that had incurred Allen's displeasure, Tr. 5:132-135, to not running for a Senate seat against an Allen ally, *id.* at 131-132, to stalling a bill in Committee, *id.* at 128-130. The indictment did not charge and the government made no effort to prove that any specific payment was directly linked to any specific legislative act, and the pre-2006 events do not constitute substantive charges in the indictment of Kohring; rather, they are incorporated as part of

the conspiracy charge, providing background about the development of the corrupt relationship among Kohring, Allen and Smith, leading up to the events of 2006.

B. The Events of 2006 and the Surreptitious Recordings

At trial, the jury heard testimony and listened to a number of surreptitious audio and video recordings demonstrating Kohring's corrupt relationship with Allen and Smith in 2006.

Kohring's legislative posture was strongly anti-tax. Tr. 4:57, 6:33. However, in 2006 the passage of legislation to facilitate the building of the gas pipeline required the passage of a tax bill, and Allen was worried that Kohring might balk. Tr. 5:118. Allen testified that a few days after the PPT bill was introduced, he and Smith were worried about Kohring, because Kohring did not want to support any tax and he was angry that the bill was not introduced through the House Oil and Gas Committee, of which Kohring was the chair. *Id.* at 5:118-122.

The government played a telephone conversation between Smith and Kohring, recorded on February 21, 2006, after the PPT tax bill had just been introduced in the Alaska legislature. *See* Gov't Exh. 2a. In the conversation, Kohring discussed how supporting the PPT would go against his anti-tax philosophy. Smith responded saying, "I know your philosophy[,]" and "[p]ersonally I agree 100 percent with you on those issues[,]" but he also told Kohring to "stay with the program" and warned Kohring, "don't you dare take this as an opportunity to go crazy.... To go wacko." *Id.* at 7. Kohring replied that he would "reluctantly go along," saying "I don't want to screw you guys over nothing, that's for sure, and hurt you guys." *Id.* at 8. During the conversation, they made plans to meet two nights later on February 23, 2006. *Id.* at 11-12.

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1. The Island Pub Dinner and the Following Weeks

Two nights later, the scheduled meeting took place at the Island Pub restaurant. In a recording of a subsequent telephone conversation, on March 1, 2006, Kohring called Smith to thank him for "that nice dinner the other night." Gov't Exh 3a, at 6. Allen testified about what happened at the "nice" dinner. Tr. 5:118-121. He testified that Rick Smith "took off and had a cigarette or something" and that, during Smith's absence, Allen gave Kohring $1000. *Id.* at 121. Smith testified that he left the dinner table because he had "a feeling that [Allen] wanted to give Vic some cash," and he "didn't want Vic to know that [Smith] knew that . . . he might get some cash." Tr. 4:47.

This testimony was corroborated by the recording of Allen and Smith talking about the Island Pub dinner in Suite 604 of the Baranof Hotel on March 4, 2006. Both men had been drinking, and they were discussing that they had to "get dirty" and "kiss ass" "to produce" for their clients. Gov't Exh. 4a, at 2-3; *see also id.* at 4 (Allen saying, "I don't make a f[---] who you gotta kiss anybody's ass. Pete Kott, or who's ever ass, we gotta f[---]in' do it."). Allen offered Smith an "example" of getting dirty to produce — the Island Pub dinner a week earlier where he had given Kohring $1000:

> Allen: You know, just like ol' Vic the other night.
> Smith: S – who?
> Allen: Vic Kohring. Vic Kohring.
> Smith: I know.
> Allen: You know, you – take off and – I gave him a – a – a thousand.
> Smith: Well, you told me you, ah – that's why I left you.
> Allen: I know you did. I know you did. But that's what I – you know, that's what I gotta do.
> Smith: I know. That – that's the reason I left you guys alone!
> Allen: I know you did! I f[---]in' know that! I'm just givin' you an example. And he wo – he – he would kiss our ass. . . .

Id. at 5.

Also during dinner at the Island Pub, Kohring asked Smith about the possibility of a summer job for his nephew. Tr. 4:89-90. Smith told Kohring about VECO's internship program, and encouraged Kohring to have his nephew apply. *Id.* at 90-91. Smith testified that he mentioned the job to Kohring because "[Kohring] was important to us in Juneau and we were hoping that [he] would continue to support our – political issues as we saw them." *Id.* at 90.

Over the next month, Kohring was in constant contact with Smith, discussing the things he could do for Smith and Allen to advance the bill. Tr. 4:59-62. He offered to lobby other legislators on behalf of the bill, *id.* at 53, 59-62, he agreed to put in modifications to the legislation that might ease its passage, *id.* at 54, he agreed to raise points in caucus discussions, *id.* at 53, and he offered to pass on inside information about the legislature's deliberations, *id.* at 59. The confidence Allen and Smith had that Kohring would indeed "kiss their ass" is demonstrated by a recorded conversation on March 20 among Allen, Smith and Pete Kott, in which Kott expresses concern about Kohring's rigid anti-tax history, pointing out that he had not "voted for a tax bill since he was born." Gov't Exh. 6a, at 3. Smith reassured Kott that Kohring was on board, and would vote for the bill. *Id.*

Also during the following month, Kohring called Smith again about a job for his nephew. Tr. 4:90-92. Smith asked for a copy of the boy's résumé, and then forwarded it to VECO's headquarters, without even making an effort to hide the reason he wanted him hired: "He's Rep. Vic Kohring's nephew." *Id.* at 91-94. VECO hired Kohring's nephew, despite his youth and inexperience, and he went on to earn over $3000 for his summer's work. *Id.* at 95-98.

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2. Kohring's $17,000 Solicitation (Count Three)

One of the strongest examples of Kohring's corruption, his solicitation of $17,000 from Allen and Smith, was captured entirely on videotape and provided the factual basis for Count Three ("Attempted Interference With Commerce By Extortion Induced Under Color of Official Right"). The day before the solicitation, Kohring explained to Smith in a recorded phone call that he was "very tired and getting kinda stressed" from his work as a legislator. Gov't Exh. 10a, at 1-2. Kohring then mentioned various VECO employees that he had recently met who lived in his legislative district. *Id.* at 3-4. Finally, he asked Smith whether he could drop by the next day to discuss with Allen and Smith "a relatively serious matter." *Id.* at 5.

The video recording of the meeting the next day in Suite 604, revealed to the jury that Kohring approached Allen — in the heart of the legislative session — and asked Allen for $17,000 to pay off his credit card debt. Gov't Exh. 11a. Kohring began the conversation by saying that he had a "situation . . . it's a financial matter" that he thought "potentially, could hurt [him] politically." *Id.* at 2. Kohring described the $17,000 credit card debt as "potentially . . . a court situation . . . gone to collections," and that he was "worried" "it could hurt [him] politically, it will be a public record, and [he did]n't want there to be any – any evidence of any public issue goin' on." *Id.*

Kohring then explained why he was coming to Allen and Smith:

> So what I wanted to do is ask you guys, ah, for your, um, recommendations as to how I can deal with this. And I wanted to suggest – a couple of, ah, things, with all due respect, and, please don't feel like I'm applying any pressure. I come to you guys 'cause you're friends. . . . and I was wondering if there'd be a possibility of perhaps, ah, doin' some kind of a project, ah, to – to make some money with you guys, or you can refer me to somebody that could help me with that. Or, as another option, maybe you could help me with, ah, some financing, like a modest loan, or something, so I can get this paid off and have it behind me, and then get it paid off to you folks, or to whoever you can help me with. . . .

Id. at 2-3.

Kohring further explained that with his "legislative salary," he was just "livin' paycheck-to-paycheck." *Id.* at 4. He also claimed that he was "not tryin' to come to the well": "I'm only – only here just to, ah, ask if you guys would, ah, consider helping me and suggest some options to me as to what could be done." *Id.* at 4. Smith, Allen, and Kohring then discussed a variety of options. Kohring acknowledged that he would have to be "discreet" because of the Alaska Public Offices Commission and the "criticism . . . because of [their] relationships, and all that." *Id.* at 4-5.

After Smith and Allen asked for a little time "to chew on it," Kohring claimed, "and, I – I wanna do everything, ah, completely above board, of course. . . I don't want anybody gettin' in any kind of hot water, or get criticized by . . . anybody. . . [A]nd, again, please don't feel like I'm abusing my relationship with you guys." *Id.* at 6. Kohring also later offered that he "would make sure that everything was, ah, done in accordance to law too":

> I would research that, as well, and I could present a hypothetical scenario to say that – ethics committee, and they give ya' a private confidential response. But, again, it would be completely hypothetical without any names mentioned, or anything, so. So nobody would . . . know who I'm associated with. But, ah, I would do that, just to make sure everything is done in accordance, ah, with law, so nobody gets, ah, embarrassed later down the road.

Id. at 11. Allen balked at the suggestion that Kohring would consult the legislative ethics advisor and remarked, "I don't know if that's real smart." In response, Kohring quickly withdrew the suggestion: "Yeah, it might be better for me to simply to, ah – to research the statute and just come to – draw to a conclusion of some kind. . . . No red flags are raised, right?" *Id.* at 12.

Kohring and Allen then discussed possible job opportunities with VECO that would allow Kohring to earn money to pay off his debt. Kohring stated that he was not after "any freebie" from Allen: "I would wanna make sure, Bill, that, ah, if you did have me do something for it, that it was,

ah, something you truly can benefit from – from me. . . . I'd have to bust my butt." *Id.* at 14. Kohring said, "I want it to be above board, and. . . . I don't want anybody to ever criticize our relationship and imply that somehow you're givin' me some big benefit . . . that I don't deserve." *Id.* at 15.

3. The "Easter Egg" Payment

Immediately following the discussion about Kohring's $17,000 credit card debt, Allen and Kohring began discussing the upcoming Easter holiday. Kohring mentioned that it was the first Easter he would spend with his daughter, and when Allen suggested that Kohring get some Easter eggs for her, Kohring interjected, "With money in it?" Gov't Exh. 11a, at 18. Allen said, "yeah" and then turned to Smith and asked him whether he had any "hundreds." *Id.* Smith replied, "Yep." *Id.* Allen then handed several bills to Kohring.

Kohring next mentioned that he had just sent money to his daughter's mother to buy a Girl Scout uniform, along with a card and "20 bucks." *Id.* at 19. Allen replied, "All right. Well, then, let me – let me help you on – on that little, ah . . . on her little uniform." *Id.* Allen then handed more cash to Kohring. The video clearly depicts Allen twice handing several bills to Kohring, although the actual amount of money is not clear from the video.

Immediately after Allen gave Kohring the cash, Kohring stuffed the bills into his breast pocket and looked over his left shoulder before leaning in slightly and asking, "What can I do at this point to help you guys? Any – anything? . . . Just keep lobbying my colleagues for a governor's, ah, plan, right?" Gov't Exh. 11a, at 20. Allen, Kohring, and Smith then discussed whom Kohring should try to lobby about the PPT, how he should go about it, and how he would report back to Smith and Allen. Kohring then explained his plan: "My first effort will be to figure out where

they're at, and then secondly, I'll politely and gently and carefully as I can, to influence them, ah, in a positive way to see that the governor's bill is the vehicle that they consider." *Id.* at 22. Kohring also explained that he would do this for Allen and Smith despite his anti-tax position. *Id.*

The following day, Kohring left Smith a voicemail updating him on what Kohring was doing to carry out the plan they had made in Suite 604 the previous day. *See* Gov't Exh. 12a, at 2 ("[A]s far as, uh, meeting with, uh, House Finance members that I mentioned I would, uh, do. I mentioned this to you and Bill yesterday. I have . . . scheduled appointments for me to meet individually with House Finance members to encourage, uh, them to consider . . . passage of [the bill] that's as close to the Governor's version as possible. So, anyway, just wanted to make those, uh, give you that report. . . ."). A few hours later, Kohring called Smith again, reaching him this time, to provide Smith another update. *See* Gov't Exh. 13a ("I just want you to, uh, let you know I'm, uh, doing what I can to help you guys out over here. I know you're concerned about the, uh, what's happenin' on the Senate side with that PPT thing and, uh, I will do the best I can as one legislator here to, uh, lobby, uh, for the Governor's bill.").

4. The McDonald's Payment

On June 8, 2006, the final day of the special legislative session for passing the PPT, the legislature was going to pass a tax rate at 22.8%, a result unacceptable to VECO. Tr. 4:98-99, 5:153. With only a few hours left before the final vote was set to occur, Allen, Smith and Kott met in the hotel suite to try to think of a way to stall the final vote. Tr. 4:99-100; Gov't Exh. 21a. Allen had come up with a plan to persuade Kohring to leave town so that he wouldn't be present, in an effort to stall the vote. Tr. 4:100. He called Kohring to arrange a meeting at the McDonald's in Juneau to "just take off." Gov't Exh. 21a, at 2.

Before Allen left to meet Kohring, though, Smith and Kott persuaded Allen that the plan wouldn't work. *See, e.g.*, Gov't Exh. 21a ("KOTT: It'll just get Vic in trouble for dodgin' a vote."; "SMITH: And it'll be . . . Bill Allen and Vic drivin' away from McDonald's."). Allen went to fetch Kohring and bring him back to the hotel suite. Tr. 5:160. The two bought food at McDonald's and walked back to the hotel together. *Id.* Allen testified that on the walk back to Suite 604, he gave $600-$700 "to Vic right there by the liquor store." *Id.* at 160-61.

When they arrived back at the hotel, the men continued their discussion about the pending vote on videotape, which showed Allen and Kohring entering Room 604 on June 8, 2006, with food from McDonald's. Gov't Exh. 21a. After discussing with Kott and Allen how Kohring might have gotten in "trouble" for trying to stall and kill the bill, Kohring said to Allen: "But I want you to know, I – I would have done, ah, what you requested Bill. . . . I would have helped – I would have helped you out. Really." *Id.* at 6-7.

C. Other Evidence

1. Kohring's Statements to the FBI

At trial, the jury heard evidence that on August 31, 2006, Kohring's office was searched pursuant to search warrant, and Kohring agreed to be interviewed. Tr. 12:71-95. When federal agents asked Kohring if he had taken money or other things of value from VECO, Allen or Smith, Kohring conceded that he had done so. *Id.* at 74. He said that he had asked for and received money and other things, both for his own personal benefit and also for campaign contributions. *Id.* at 74-75. Pressed about what he meant when he said that he had asked for money for himself, he responded that he "preferred . . . to think about that question further." *Id.* at 75.

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Later in the interview, Kohring acknowledged receiving what he called "personal gifts" from Allen, "in the range of maybe hundreds of dollars[,]" and that he "had not kept track" of the total amount. Tr. 12:75. He conceded that he had asked Allen for "some sort of strategy" to help him pay off his credit card debt of $17,000, and that he was afraid that if he went to a financial institution instead the publicity would "affect his political standing." *Id.* at 76. He also conceded that at the same time, Allen and Smith had given him "some money for his daughter," but claimed that it was only about $100. *Id.* at 77. In contrast to his earlier concession that he had received "gifts" totaling "maybe hundreds of dollars," Kohring then claimed that this gift for his daughter was the only time he had received cash from Allen or Smith. *Id.* He also claimed that it was his impression that these "gifts" were given to him out of friendship. *Id.* at 83.[2]

2. Alaska State Public Disclosure Requirements

The administrator for the Select Committee on Legislative Ethics testified that part of the job of the Committee staff was to give advice, both formal and informal, to legislators with questions. Tr. 12:51-54. She explained that while legislators may accept gifts that are related to their legislative status of up to $250 total within a calendar year, no gifts at all are permitted from lobbyists during the legislative session, with the limited exceptions of food or beverage for immediate consumption, and tickets to approved charity events. *Id.* at 60-62. If not related to the legislator's legislative status, the legislator may accept gifts cumulating over $250, but such gifts must be disclosed, with an explanation of why the gift was unrelated to the legislator's position. *Id.* at 62.

[2] Kohring also conceded that he had asked Allen for a job for his nephew, and that the job was a "great deal" for the boy because he was paid $16 an hour. Tr. 12:77-78.

She described Kohring as frequently seeking her informal advice on a variety of issues, including whether various gifts he had received required disclosure. *Id.* at 63-64. In fact, Kohring had filed gift disclosure forms detailing gifts of travel and hospitality. *Id.* at 65. However, she testified, he never sought any advice with respect to gifts or payments from VECO, Bill Allen, or Smith, and never submitted any gift disclosure forms with respect to anything received from them. *Id.* at 64-66.

3. Evidence from Kohring's Computer

The government also presented at trial evidence from Kohring's office computer. Tr. 12:96-106; Gov't Exh. 109. A search of that computer revealed a list of names entitled the "Red Carpet Club." Tr. 12:98. The list was divided into four categories: "Lobbyists," "Personal Friends," "Supporters," and "Other." *Id.* Bill Allen and Rick Smith were not listed as "personal friends." *Id.* Rather, they were listed as "supporters." *Id.* at 99.

D. The Jury Convicts Kohring of Counts One, Three and Four

Based on this evidence, the jury convicted Kohring of Count One, conspiracy to commit extortion and attempted extortion under color of official right and bribery, in violation of 18 U.S.C. § 371; Count Three, attempted interference with commerce by extortion induced under color of official right, in violation of 18 U.S.C. § 1951(a); and Count Four, bribery concerning programs receiving federal funds, in violation of 18 U.S.C. § 666(a)(1)(B). The jury acquitted Kohring of Count Two, interference with commerce by extortion induced under color of official right, in violation of 18 U.S.C. § 1951(a), which, as we explain below, was the only count that did *not* charge Kohring's $17,000 solicitation. *See, e.g.*, Tr. 8:28-30.

IV. ANALYSIS

Kohring claims that information in the government's possession that was not disclosed to him before trial was favorable to him and that there is a reasonable probability that had this information been disclosed, the jury's verdict would have been different. He also argues that rather than grant a new trial, this Court should dismiss the indictment because of "egregious, calculated and intentional" discovery violations. Both of these claims are without merit and should be rejected.

A. The Undisclosed Information Was Not Material to Kohring's Convictions

Kohring contends that the government suppressed favorable information and that there is a reasonable probability that if he had this information at trial, the jury's verdict would have been different. Specifically, he complains throughout his motion about information relating to Allen's memory and inconsistent statements, as well as the following categories of information: Smith's previous statements about the amount of money exchanged in the Easter egg conversation (Mot. 22-23); Allen's relationship with Kohring, including Allen's motivation of friendship and sympathy towards him (Mot. 37-47); the fact that the FBI's surveillance of the Island Pub dinner did not reveal the "transfer" of "financial benefits" (Mot. 32-34); Smith's previous statements about Kohring's state of mind (Mot. 47-49); Smith's relationship with an FBI agent and her impressions about his state of mind (Mot. 49-52); Frank Prewitt's previous statements about whether he thought Kohring was corrupt (Mot. 52-56); and information about allegations of Allen engaging in criminal sexual misconduct (Mot. 56-63).

As we explain below, information concerning Bill Allen's memory was generally cumulative to information known to Kohring, on display at trial, or of minor additional relevance. Kohring's argument that Rick Smith had stated that the Easter egg payment was only $200 is based on a

misreading of the email at issue, the facts on which Smith's speculation was based were known to the defense, and the entire exchange was on videotape for the jury. His contention that a prosecutor's impressions about his witnesses should have been disclosed is legally insupportable. Information that Bill Allen was motivated in part by friendship and sympathy for Kohring was disclosed to the defense, and Allen was thoroughly cross-examined on the issue. Furthermore, the notion that friendship and pity were the sole reasons for the payments is so implausible in light of the evidence that it could not have influenced the jury. The fact that the surveillance of the Island Pub dinner was unsuccessful was disclosed to the defense. Rick Smith's comments that he did not know Kohring's state of mind were not inconsistent with his testimony and were not exculpatory. Smith's relationship with the FBI agent and her subjective impressions about his state of mind were not appropriate impeachment information and were immaterial. Frank Prewitt's subjective view of whether or not Kohring was corrupt, expressed a year before the central events of this case and without any knowledge of Kohring's $17,000 solicitation, or the exchange of cash and favors between Kohring and Allen, was not relevant and could not have affected the jury's verdict. Finally, information about allegations of sexual misconduct by Bill Allen could not have affected the jury's verdict because, as this Court ruled in *Kott*, it would not have been admitted under the Rules of Federal Evidence, and hence was not material.

Thus, none of the information Kohring cites, whether considered individually or together, supports the argument that there is a reasonable probability that the jury's verdict would have been affected when it is considered in light of all the evidence at trial. That is, even if the information was favorable, it was not material to any of the counts of conviction.

Furthermore, none of this information could remotely impeach or call into question the jury's verdict on Count Three, the underlying facts of which were captured entirely on videotape. The government's strongest evidence against Kohring has always been the audio-visual recording of Kohring's meeting with Allen and Smith on March 30, 2006, in the Baranof Hotel. The majority of that 20-minute recording consisted of Kohring asking Allen and Smith for $17,000 to pay off his credit card debt. At the conclusion of that meeting, Kohring received cash in hand from Allen, after which Kohring immediately began discussing ways in which he could help Allen with the PPT bill. Indeed, that solicitation was the only act charged in Count Three, "Attempted Interference With Commerce By Extortion Induced Under Color of Official Right."

The elements of Count Three, from this Court's jury instructions, required the jury to find unanimously beyond a reasonable doubt that: (1) "during the period between on or about January 2006 and August 2006, [Kohring] attempted to obtain property which he knew he was not entitled to, with [the jury] agreeing on what that property was"; (2) Kohring "knew that the property would be given in return for his agreement or understanding, whether explicit or implicit, for taking some official action"; and, (4) Kohring "did something that was a substantial step toward committing the crime of extortion under color of official right, with [the jury] agreeing as to what constituted the substantial step." Tr. 8:88-8:89. As the government summarized for the jury in its closing argument, "[t]his [count] specifically relates to that $17,000 request, the payment that [Kohring] was seeking in suite 604." Tr. 8:30.

Again, the transaction underlying Count Three is entirely on videotape, and that tape speaks for itself. It does not depend on testimony from Bill Allen or Rick Smith. Allen's credibility as a witness, his memory, and his mixed motive for giving cash to Kohring over the years are immaterial

with respect to this count; the only question for the jury was Kohring's corrupt motive in asking for the money, and that question could be answered by the numerous audio and visual recordings, as well as other uncontested evidence, such as Kohring's own statements to the FBI.

It is telling that in the 71 pages of Kohring's motion, one has to search for any mention of Count Three, much less any analysis of how the undisclosed information he complains of might have affected the verdict as to that Count. Instead, the motion seeks to deflect attention from the evidence in Count Three. Kohring points to several overt acts for Count One and things of value for Count Four, such as the Island Pub payment, the Easter egg payment, and the McDonald's payment, that he claims were the "the centerpieces" (Mot. 10) of the government's case. He then spends almost the entire motion focusing on those events. Strikingly, in a summary of the evidence that Kohring claims the government is "left with" without Bill Allen's testimony (Mot. 14), Kohring fails to mention the powerful videotaped evidence capturing his solicitation of thousands of dollars from Allen and Smith in a darkened hotel room during the heart of the legislative session, which is followed by Kohring's receipt of cash and then a discussion as to how Kohring could help Allen and Smith advance their legislative agenda.

The reason for Kohring's decision to ignore this evidence, as well as his refusal to analyze it, should be obvious. When weighed against the information about which he complains, it is clear that Kohring cannot show a reasonable probability that the jury's verdict would have been affected.

Kohring also cannot show a reasonable probability that the jury's verdict would have been affected on Counts One and Four. While we believe that the information about which Kohring now complains was either in fact disclosed to him, merely cumulative to other information known to him, inadmissible at trial, or so minor when considered in the full context of all the evidence against

Kohring, we acknowledge that some of the information is relevant to acts included in Counts One and Four, such as the pre-2006 payments, the Island Pub payment, the Easter egg exchange, and the McDonald's payment. Nonetheless, those acts were, as we will demonstrate, corroborated by evidence other than Allen's and Smith's testimony, such as Kohring's own statements to the FBI, *see* Tr. 12:75 (admitting that he received "personal gifts" from Allen, "in the range of maybe hundreds of dollars"), and various surreptitious recordings, *see, e.g.*, Gov't Exhs. 4a, 11a.

Even if the information about which Kohring now complains could have affected the jury's determination as to certain *transactions* — i.e., certain overt acts in Count One, or to certain things of value in Count Four — the jury's unanimous verdict as to the facts underlying Count Three demonstrates that the information would not have affected the jury's ultimate verdicts with respect to Counts One and Four.[3] That is because the $17,000 solicitation underlying Count Three also

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[3] Count One charged Kohring with "Conspiracy to Commit Extortion and Attempted Extortion Under Color of Official Right and Bribery." The government had to show that: (1) "there was an agreement between Bill Allen, Rick Smith and Victor Kohring to commit at least one crime as charged in the indictment"; (2) "the defendant became a member of the conspiracy knowing at least one of its objects and intending to help accomplish it"; and (3) "one of the members of the conspiracy performed at least one overt act for the purpose of carrying out the conspiracy with [the jury] agreeing on a particular overt act that you find was committed." Tr. 8:85. In closing, the government made it clear this charge "specifically relate[d] to that $17,000 request, the payment that [Kohring] was seeking in suite 604." *Id.* at 30.

Count Four charged Kohring with "Bribery Concerning Programs Receiving Federal Funds." For this count, the government had to prove that: (1) " the defendant corruptly solicited or demanded for the benefit of any person or accepted or agreed to accept from a person something of value, with [the jury] agreeing on what that thing was, intending to be influenced or rewarded in connection with a business transaction or series of transactions of the state of Alaska"; and (2) "the business transaction or series of transactions involved something with a value of $5,000 or more." Tr. 8:89-8:90. In closing, the government outlined the following evidence of "things of value" for this count: "the thousand at the Island Pub, the money outside the McDonald's, the money in suite 604 on March 30th, the $17,000 payment that he solicited in suite 604, and the $3,000 job for Aaron Kohring." Tr. 8:31.

constitutes an overt act and object of the conspiracy charged in Count One, and a thing of value in Count Four.[4] While the cash payments Kohring identifies as the "most significant" to the government's case are included in the indictment as part of the ongoing corrupt relationship between Allen and Kohring, none is charged as a standalone substantive offense like Kohring's $17,000 solicitation. Each cash payment contributed only a handful of overt acts out of dozens of acts involved in the conspiracy charge, and only a portion of the "things of value" referenced in Count Four. As a result, both Count One and Count Four are amply supported by the jury's verdict on Count Three even if the cash payments are disregarded entirely.

In other words, this is not a case where "there is no way to know which objects the jury relied on in its decision to convict [the defendant] of conspiracy." *United States* v. *Manarite*, 44 F.3d 1407, 1413 (9th Cir. 1995). Given the jury's unanimous verdict on Count Three, it is readily discernable that the jury agreed at least as to the $17,000 solicitation, and that there is an adequate basis for the conviction on Counts One and Four. *See Hedgpeth* v. *Pulido*, 129 S. Ct. 530, 532 (2008) (a conviction based on a general verdict supported by alternative theories of guilt, one of which is improper, is reviewed for harmless error); *cf. Griffin* v. *United States*, 502 U.S. 46, 49-50 (1991) (general verdict of guilty on count charging multiple-object conspiracy can be sustained even if evidence was insufficient to prove one object); *United States* v. *Lopez*, 803 F.2d 969, 976 (9th Cir. 1986) (judge's dismissal of one count does not undermine conspiracy verdict when jury convicted on other substantive counts constituting overt acts); *see also Brennan* v. *United States*, 867 F.2d 111, 115 (2d Cir. 1989) (convictions on substantive counts "operated like special verdicts" supporting

[4] In contrast, the $17,000 solicitation was *not* included as part of the conduct charged in Count Two, the acquitted count. *See, e.g.*, Tr. 8:28-30.

RICO conviction even though some predicate acts invalidated; court not left to speculate as to the grounds for the conviction); *United States* v. *Zvi*, 168 F.3d 49, 60 (2d Cir. 1999) (same); *United States* v. *Angiula*, 897 F.2d 1169, 1198-1200 (1st Cir. 1990) (same). Thus, even if Kohring could demonstrate that some of the information about which he now complains was material as to certain transactions forming part of Counts One and Four, given the jury's verdict on Count Three, it is clear that he cannot establish a "reasonable probability that the suppressed evidence would have produced a different verdict," on those two counts. *Strickler*, 527 U.S. at 281.

In any event, none of the information Kohring cites, whether considered individually or together, supports the argument that there is a reasonable probability that the jury's verdict would have been affected on *any* of the counts of conviction. We address Kohring's specific allegations *seriatam*.

1. Information Concerning Allen's Memory

Kohring complains that the documents the government has provided to him in post-trial discovery suggest that over the course of many months of cooperation, interviews and debriefing sessions, Allen's memory of the details of some events was at times poor, that he recalled additional details as time went on, and that he at times became confused about time frames. For example, Kohring highlights notes suggesting that, at times, Allen could not recall the specific reason for the $1000 payment he made to Kohring at the Island Pub dinner, and that he estimated varying amounts between $500 and $1000 in cash that he provided to Kohring during the March 30 "Easter egg" exchange. He places particular emphasis on Allen's attorney's notes taken during debriefings to

suggest that the attorney thought Allen's memory of the McDonald's payment was "vague," and that at times Allen did not remember the context of certain meetings.[5]

Allen's memory issues were already on full display at trial, exploited by the defense and argued to the jury. This Court is of course well aware of Allen's demeanor at trial. Based on a reading of the transcript, however, Allen appears to have come across as what he was: a 70-year-old man with a significant communication obstacle as a result of his injury, and with little patience for details of dates or dollar amounts. Again, the government does not dispute that Allen was an important witness in this case and that he testified to certain key pieces of information about some of the transactions, but his memory issues came through clearly at trial.[6] Indeed, it was repeatedly necessary to refresh Allen's memory with documents in the course of both his direct and cross-examination. To the extent that inconsistencies and other failings in his memory were valuable for cross-examination, they were fully evident in the course of his direct testimony and readily available for that purpose. *See, e.g.*, Tr. 5:154-55, 184-86. They were also highlighted by Kohring

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[5] It is worth noting that much of the "information" to which Kohring refers is hardly that; rather, most of the documents upon which he relies are scattered rough notes, and do not purport to represent a verbatim exchange of questions and answers. Both the context and the meaning of the notes are ambiguous hearsay, with much of the context missing. In certain instances, the notes may simply reflect the author's mental impressions and thoughts about areas that he feels needs further exploration, but they do not necessarily accurately reflect what Allen was saying. The rough notes are not admissible evidence, and given the restrictions on use of extrinsic evidence for impeachment, likely would be of limited value for that purpose.

[6] As a result, much of Allen's testimony involved rough estimates. *See, e.g.*, Tr. 5:123 ("I think three to four times"); *id.* ("usually six hundred to seven hundred"); *Id.* at 127 ("three or four is about as close as I can get"); *Id.* at 142 ("I think it was a couple of weeks after"); *Id.* at 147-148 ("So I give that and then I give him six to seven hundred – six hundred – seven hundred dollar bills – or not dollar bills but I think I had a – I think I had twenty – twenty-dollar bills"); *Id.* at 153 ("April, May. Might have been March.").

in closing argument.[7] Thus, additional information concerning his recall and memory would have been largely cumulative.

Moreover, even if the defense had been able to use the undisclosed information concerning Allen's memory for cross-examination, there is no reasonable probability that such cross-examination would have influenced the jury's verdict. Allen admitted that he was a corrupt businessman who gave cash to a number of legislators, including Kohring, *see, e.g.*, Tr. 5:139; lapses of memory about the circumstances and purpose of some of the payments is not surprising or particularly impeaching. Indeed, courts have typically found little impeachment value in a witness's initial lack of recollection, even when it is in contradiction with the witness's later testimony (or vice versa). For example, in *United States* v. *Collins*, 551 F.3d 914 (9th Cir. 2009), there was an undisclosed taped conversation between a cooperating witness ("CW") and another person in which the CW was told about a threat against him. *Id.* at 917-18, 923. At trial, the CW testified that he did not recall knowing about any such threat. *Id.* at 924. The defense argued that the threat gave the CW a motivation to lie, and that the CW was lying about not recalling the threat. *Id.* at 923, 925. The Ninth Circuit found that the tape did little to impeach the CW's claimed lack of memory, and the theory that the tape established a motive for the CW to lie was "attenuated at best," especially in light of the fact that there was substantial evidence that the CW was receiving benefits from the government for his testimony; additional evidence of motive to lie and bias in favor of the government was cumulative. *Id.* at 925.

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[7] In closing, Kohring's counsel argued: "Mr. Allen's demeanor on the stand was rather pathetic. Now, he has – and I don't mean to make fun of it – but he has memory problems, he has a brain injury. He obviously drinks too much. His demeanor on the stand – and remember his brain injury predated any of this that we're talking about here – but his demeanor on the stand was completely self-serving and pathetic." Tr 8:48; *see also id.* at 57 (highlighting that Allen's plea agreement did not mention payments to Kohring prior to 2006).

See also United States v. *Amato*, 540 F.3d 153, 163 (2d Cir. 2008) (finding that witness initially said in undisclosed interviews that he did not recall writing a fraudulent invoice but at trial testified affirmatively that he had nothing to do with the invoice was a "minor point" and not material); *Johnson* v. *Mitchell*, 585 F.3d 923, 933-34 (6th Cir. 2009) (while initial failure to recall observations later testified to at trial was potential impeachment, nondisclosure did not undermine reliability of jury verdict).

Conley v. *United States*, 415 F.3d 183 (1st Cir. 2005), provides as a useful contrast a case in which an initial failure to recall *was* material. In that case, a police officer was charged with perjury and obstruction of justice with respect to a police brutality investigation; a group of officers had mistaken an undercover policeman for a fleeing suspect and beat him brutally. *Id.* at 185. There were only three witnesses at trial; the officer victim, the man he had actually been chasing, and one other officer who testified about his observations at the scene. *Id.* at 186. However, an undisclosed FBI-302 of an earlier interview stated that when he was interviewed, the officer "could not say what happened and therefore convinced himself that he actually saw someone or something." *Id.* The officer went on to "suggest that perhaps if he was hypnoti[z]ed he might truly recall what was going on versus what he indicates was tunnel vision." *Id.* The First Circuit concluded that this information was "highly impeaching," and given the importance of the witness's memory of what he observed during the incident to the conviction, was material. *Id.* at 190-91. The differences between, on the one hand, the dramatic "failure to recall" in contrast with the officer's later crucial testimony at trial in *Conley*, and, on the other, Allen's memory issues noted in some of the notes and memoranda cited by Kohring, are stark.

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This view from the courts is consistent with the reality of human memory; it is widely understood by layperson and expert alike that details of events are often recalled only after thinking or talking about them, or, in the common trial practice, having one's recollection refreshed. It would be a rare juror who would significantly discount a refreshed recollection that is consistent with other evidence in the case, and thus, typically evidence of an initial failure to recall does little to impeach. Such evidence is thus not material, in that there is no reasonable probability that its disclosure could have affected the jury's verdict.

For similar reasons, in *Kott*, addressing identical memory concerns about the same witness during the same time period, this Court had little trouble rejecting the claim that the information about Allen's poor recall was material:

> In the court's view, the government easily has the better of the argument regarding this evidence. Evaluated within the totality of the materials produced, taken in the context of an entire interview or document, considered in the proper time sequence, and compared to the very substantial evidence at trial from the surreptitious recordings, the newly disclosed evidence in this category is not material, because there is no reasonable probability that its timely production and use by the defense would have resulted in different verdicts.

Kott, Doc. 429, at 8-9. The result should be the same here.

In any event, at best, even if the defense had been able to use the undisclosed information concerning Allen's memory for cross-examination, there is no reasonable probability that such cross-examination would have influenced the jury's verdict on Count Three. Kohring has not even attempted to explain in his motion how it could have. Allen's memory had no relevance to the video of Kohring approaching Allen during the legislative session, as the PPT bill was being debated, and asking for $17,000 to settle a "financial matter" that Kohring thought "potentially, could hurt [him] politically." Gov't Exh. 11a.

2. *Information about Allen's Videotaped Easter Egg Money Payment to Kohring on March 30, 2006*

Kohring's complaint about the information concerning the March 30, 2006, "Easter egg" payment is a single e-mail sent by one of the prosecutors to his supervisors during trial preparation. Kohring argues (Mot. 22-23) that this e-mail contains *Brady* information because it suggests that the cash handed over to Kohring may have been only $200, rather than the $600 to $700 Allen testified to at trial, and thus arguably supports his "gift" defense. He also contends (Mot. 23) that it impeaches Allen's testimony generally about the sums of money he was paying to Kohring. More seriously, he argues (Mot. 3-5) that this e-mail demonstrates that the government first hid its "knowledge" of how little money was involved by "carefully" avoiding asking Smith the question, and then knowingly permitted false information to be presented to the Court by allowing the defense to introduce Smith's plea agreement. Kohring uses this traducement — which ignores what the e-mail actually says — to bolster an otherwise unsupported claim of willful misconduct. This argument is meritless.

First, the e-mail does not say that only $200 was paid by Allen in the course of the Easter egg exchange, or that Smith knew how much cash was involved. While the author of the e-mail indicates that Smith and Allen had "different recollections" as to the total amount of the exchange, and opines that Smith had a "somewhat better recall on the issue[,]" Bates No. 4672, in fact, the e-mail simultaneously establishes that Smith could not testify as to those facts because he had no knowledge of how much Allen handed to Kohring. The e-mail says that Smith's estimate of the amounts involved "speculati[on]" and "assump[tion.]" *Id.* Smith "believes" that he only gave Allen a single $100 bill. *Id.* He "speculat[es] to a certain degree" that Allen "may have asked him for money b[ecause Allen] didn't have any [$100 bills] on him." *Id.* Smith "assumes" Allen may only have had

"$20 bills if [Allen] did not have any hundreds with him." *Id.* The author of the e-mail then opines that "[i]f [Smith]'s assumptions are right," then Allen "may" only have paid Kohring $200. *Id.*

In fact, however, Smith's speculation and assumptions did not amount to knowledge of how much was paid, and Allen — the one who counted out the money and handed it over — was the only witness (apart from the tape itself) who could offer testimony on the point. This was made clear during Smith's testimony, when he was cross-examined by the defense about his knowledge of the amount of money involved during the Easter egg payment. Tr. 4:151. The obvious reason Smith was not asked about this by the government at Kohring's trial was not to obscure some conflict between Smith's recollection and Allen's recollection, but because, as the e-mail makes clear, Smith had no personal knowledge of how much Allen actually paid Kohring and could merely speculate.

The actual exchange on cross-examination between defense counsel and Smith about the plea agreement, which Kohring neglects to quote in his motion, makes this clear:

Q: [Reading from the plea agreement] "Two separate cash payments totaling as much as one thousand one hundred dollars was given by Allen and Smith to A in the hotel room."
Correct?
A: Correct.
Q: And that was the day when you were talking about Easter eggs and the loan, correct?
A: Correct.
Q: Okay. And we're – we're say – the reason you say approximately is – *or do you know for a fact how much was given?*
A: *No, I do not.*

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Tr. 4:151 (emphasis added).[8] Thus, on cross-examination Kohring exploited Smith's lack of specific knowledge of the amount of money involved, seeking to emphasize that Allen provided the only evidence of how much money was actually involved on the videotaped exchange, which shows Smith counting off what are apparently $100 bills. There was nothing improper about the government permitting the defense to seek to make this point, and in doing so, the government did not violate *Napue* v. *Illinois*, 360 U.S. 264 (1959), as Kohring claims. Mot. 64-67.[9]

Furthermore, the facts upon which Smith's speculation was based were known to the defense and brought out at trial. Indeed, from the tape itself, the defense (and the jury) knew that Allen asked Smith if he had any "hundreds." Gov't Exh 11a, at 18. This is the information Smith relied on to "speculat[e] to a certain degree" that Allen may not have had any $100 bills. Bates No. 4672. Allen

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[8] Allen had estimated that he paid Kohring as much as $1000, Smith acknowledged handing over an additional $100 bill, and that is what Smith's plea agreement reflected. Smith's plea agreement states as part of the factual basis that the government would be able to offer evidence that during the Easter egg exchange, Kohring was given payments "totaling as much as one thousand one hundred dollars." *United States* v. *Smith*, 3:07-cr-00058, Doc. 8, Attach. A, at 3.

[9] Kohring also claims (Mot. 64-67) that when the government permitted his attorney to offer Smith's plea agreement in evidence, it was a violation of *Napue*. In *Napue*, the Supreme Court set aside a verdict after the State's principal witness testified, in response to questioning by the prosecutor, that he had received no promise of consideration from the State in connection with his testimony, when in fact that same prosecutor had made such promises. The Court held that it is a violation of due process for the State to knowingly use false testimony to obtain a conviction. 360 U.S. at 269.

In this case, the government did not use, knowingly or otherwise, false testimony to obtain a conviction. Kohring's attorney used Smith's plea agreement in cross-examination to make it clear to the jury that Smith did not know how much money was involved in the Easter egg payments, and therefore could not corroborate Allen's testimony that it was "about $600 to $700." The plea agreement does not state a fixed sum and it does not identify the source of the estimated amount ("as much as $1100"). The government already made clear that the sum was an estimate when Allen testified. Thus, there is nothing false about the estimate in Smith's plea agreement.

testified at trial that this was probably the case. Tr. 5:147.[10] The more important point is that this entire exchange was on tape for the jury to consider. Whatever the amount of money involved, the corrupt nature of the exchange — the cash handed to a legislator by a lobbyist during a legislative session, ostensibly for his children, but never reported as gifts, followed by an immediate offer from the legislator to do whatever the lobbyist wanted — was up to the jury to assess.

Kohring also suggests (Mot. 22-23) that the prosecutor's impression articulated in this e-mail — that Smith had "somewhat better recall" about the Easter egg episode — was *Giglio* impeachment information that should have been turned over. But, a prosecutor's opinions and mental impressions about witnesses generally are not discoverable under *Brady*. *Morris* v. *Ylst*, 447 F.3d 735, 742-43 (9th Cir. 2006) (memorandum stating opinion that state's witness had perjured herself not *Brady/Giglio*); *Williamson* v. *Moore*, 221 F.3d 1177, 1182 (2d Cir. 2000) ("opinion work product enjoys almost absolute immunity" from discovery, and prosecutor's impressions in notes not discoverable under *Brady*). In any event, Smith's recall of the Easter egg incident, and how it compared to Allen's, was on full display for the jury, as each of them testified about the event.

Kohring's citation (Mot. 23) of *United States* v. *Brumel-Alvarez*, 991 F.2d 1452 (9th Cir. 1993), in support of the proposition that the prosecutor's impression should have been disclosed in fact only reveals the weakness of his argument; *Brumel-Alvarez* involved an undisclosed document covered by the *Jencks* Act (because it was written by an agent who was a witness at trial about the investigation underlying the case), and contained information that the confidential informant in the case had lied during the investigation, had seized control of the investigation from the government

[10] In contrast to Smith's "belie[f]" as recounted in the e-mail that he only passed Allen a $100, Bates No. 4672, Smith can be seen on the video counting out a number of bills, which he hands to Allen; Allen in turn hands the bills to Kohring.

agents and was manipulating them, and had thwarted the agents from taking investigative steps that might have developed exculpatory evidence. 991 F.2d at 1461-62. This is a far cry from a prosecutor's e-mail reflecting his view that one witness had a *somewhat* better recall of a particular event than another witness.

More fundamentally, nothing about the information in the e-mail could have affected the jury's verdict with regard to Count Three, which is based on Kohring's solicitation of assistance with a $17,000 credit card debt preceding the Easter egg exchange. Indeed, Kohring does not claim otherwise. Nor could he. Given the videotape evidence, it would make little sense for Kohring to claim that if the amount of money involved in this videotaped transaction was $200 as opposed to $600, the jury would have somehow viewed the preceding request for $17,000 differently. Thus, there is no reasonable probability that information about Smith's speculation on the amount of cash exchanged on the videotape would have influenced the jury's verdict that Kohring's solicitation of $17,000 immediately preceding that exchange was a criminal act. The e-mail was therefore immaterial to Kohring's conviction on Count Three.

3. Information About Allen's Relationship with Kohring

Kohring complains (Mot. 37-47) that he did not receive rough notes suggesting that at times during the course of the investigation, Allen may have characterized the payments to Kohring as having been made out of friendship or pity. The jury, however, heard Allen describe on tape his power and control over Kohring in the crudest terms, Gov't Exh. 4a, at 5 ("he would kiss our ass"), and Allen specifically cited his corrupt payment to Kohring at the Island Pub as an "example" of "getting dirty" in order "to produce." *Id.* That evidence was corroborated by Kohring's $17,000 solicitation for a debt that could "hurt [him] politically" and Kohring's offer to "help you guys" after

he stuffed cash into his pocket. There was no history of friendship or much socializing, other than Allen paying for Kohring's meals in Juneau, between the two men; if Kohring had ever been in Allen's home it was during fundraisers. Tr. 5:117. Allen had never been in Kohring's home and had never met his family, *id.*, and when Kohring called Allen, it was at the office, *id.* at 118. Allen did not even know where Kohring lived. *Id.* Indeed, Kohring did not list Allen and Smith as "personal friends" on his own computer, he listed them as "supporters." Tr. 12:96-106; Gov't Exh. 109. Given such evidence, it is implausible to suggest that had the defense been in possession of ambiguous rough notes suggesting that at times in interviews Allen said he paid Kohring out of friendship and pity — statements he repeated in his testimony at trial — the jury's verdict would have been affected.[11]

In addition, as in *Kott*, the government provided a *Brady* letter before trial disclosing Allen's mixed motives for providing money to Kohring. *See* 10/12/2007 Letter from Edward P. Sullivan to John Henry Browne, Gov't App. at 2 ("Mr. Allen has advised the government that his motivation in providing these financial benefits to Mr. Kohring was partly because he felt sorry for Mr. Kohring regarding his personal financial situation and partly so that Mr. Kohring world take official acts on the part of VECO Corporation."). Kohring also made extensive use of Allen's pity and friendship for Kohring on cross-examination, Tr. 6:35, 39, 56-58, 61-64, and in closing, Tr. 8:56-57. Thus,

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[11] Equally implausible is Kohring's complaint (Mot. 42-43) that information that his "signature sign off" was to offer others help and that he did so without expecting anything in return was suppressed material information. Besides the fact that this Court ruled this habit evidence inadmissible, the jury saw and heard an example of Kohring's "signature sign off" as he pocketed the Easter egg payment, before plotting with Allen and Smith on how he could best help them with the PPT. Gov't Exh. 11a, at 20 ("What can I do at this point to help you guys? Any – anything? . . . Just keep lobbying my colleagues for a governor's, ah, plan, right?").

although Kohring could arguably have used information in the 302s and notes to cross-examine Allen further, it is unlikely that it would have altered the outcome of the trial.

Finally, this is another category of prior inconsistent statements that Kott raised and this Court rejected. Kott made the same argument based on similar — indeed, often the same — jottings in rough notes indicating that Allen made payments based on friendship. Essentially the same *Brady* disclosure letter was sent to Kott. Furthermore, there was a far stronger argument in *Kott* that the two men had a relationship that could plausibly be characterized as "friendship." As quoted above, *supra* at 29, this Court had no trouble disposing of this argument in *Kott*. Doc. 429, at 8-9. The result should be the same here. Indeed, the notion that Allen was handing cash to Kohring solely because he regarded him as a friend or out of pity, rather than at least in part because of his position as a legislator, is incredible and it is unpersuasive to argue that the jury would have changed its verdict based on these notes.

4. Information Regarding the FBI's Surveillance of the Island Pub Dinner

Kohring claims (Mot. 32-34) that the FBI's failure to observe the handover of cash while surveilling the Island Pub dinner on February 23, 2006, was favorable and material information that the government withheld. He is incorrect as a matter of law and fact.

Kohring concedes (Mot. 32) that he was provided information in the form of a Title III "re-up" affidavit for the monitoring device in the Baranof suite, and that the affidavit states that the surveillance of the Island Pub dinner "provided limited evidence to further the investigation." Mot. App. F. This in and of itself put Kohring on notice that the surveillance had not observed Allen hand Kohring cash (because obviously that would have "further[ed] the investigation"), and information known to the defense cannot be *Brady*. *See, e.g.*, *United States* v. *Jeffers*, 570 F.3d 557, 573 (4th Cir.

2009) ("[W]here exculpatory information is not only available to the defendant but also lies in a source where a reasonable defendant would have looked, a defendant is not entitled to the benefit of the *Brady* doctrine. Additionally, there is no *Brady* violation if the defense is aware of the evidence in time to reasonably and effectively use it at trial.") (citations and internal quotation marks omitted); *United States* v. *Gaggi*, 811 F.2d 47, 59 (2d Cir. 1987) ("[N]o *Brady* violation occurs if the defendant knew or should have known the essential facts permitting him to take advantage of any exculpatory evidence.").

In fact, the government provided Kohring even more detailed information about the surveillance, which he fails to acknowledge to the Court. In the Title III "re-up" affidavit for the Baranof suite monitoring device, filed at the end of March 2006, and provided to Kohring before trial, paragraph 55 states:

> On February 23, 2006, the FBI surveilled a meeting between ALLEN, SMITH, and KOHRING at the Island Pub in Juneau, Alaska. Although the surveillance was able to confirm the existence of the meeting, based upon the location of the FBI personnel and the configuration of the establishment, the surveillance was unable to yield any information about the subject matter of the conversation.

App. at 7. Thus, contrary to his claim, Kohring was informed that the FBI surveilled the Island Pub dinner, and was unable to gather any significant evidence — such as the observation of a monetary exchange — to further the investigation.

In any event, the most powerful evidence of the payment is the surreptitiously videotaped conversation a week later between Allen and Smith in which Allen told Smith that after Smith left the table, Allen "gave him a 1000." Gov't Exh. 4a, at 5. The videotape also contains Smith's confirmation that he knew of Allen's payment, and that such knowledge was the reason he left the two men alone. *Id.* Kohring offers no reason why Allen would have lied to Smith about having made

a payment to Kohring. And, indeed, the recording pre-dated any decision by Allen to cooperate with the government, so he would not have had any motive to fabricate any aspect of the conversation.

Finally, even if it could be argued that the FBI's unsuccessful surveillance of the Island Pub dinner on February 23, 2006, somehow calls into question the videotaped conversation a week later between Allen and Smith, it would not have influenced the jury's verdict on Count Three. The FBI's surveillance had no relevance to the video of Kohring brazenly approaching Allen during the legislative session, as the PPT bill was being debated, and asking for $17,000 to settle a "financial matter" that Kohring thought "potentially, could hurt [him] politically." Gov't Exh. 11a.

5. Information About Smith

Kohring claims (Mot. 47-52) that the government failed to disclose two categories of information about Smith that he argues would have been useful fodder for cross-examination. First, he points (Mot. 47-49) to rough notes indicating that Smith stated that he did not know what Kohring thought Allen's payments were for, and that Smith thought Kohring was beholden to Allen and VECO because of campaign contributions, not the cash gifts. Second, he focuses (Mot. 49-52) on the fact that Smith and the lead FBI agent in this case played golf together once, and that that agent indicated in a post-trial interview that she was spending time with Smith because she was concerned about his psychological state. These claims are without merit.

Smith testified that Allen's intent in making cash payments to Kohring was to "keep [him] on board on political issues that we were in favor of." Tr. 4:49-50. In contrast, the interview notes (which appear to be notes of a trial-prep session) indicate that Smith stated that he did not "know" what Kohring thought; the notes went on to state that he should not "speculate" about that, and that he should instead focus on his and Allen's intent. Bates No. 243. This is not, as Kohring claims,

"inconsistent" with Smith's testimony. Mot. 48. The notes merely reflect that Smith did not have personal knowledge about Kohring's intent, that he therefore could not speculate about it when he testified, and that instead, he should focus on his own intent and that of Allen. Bates No. 243. Entirely consistent with the notes, and similar to his speculation regarding the Easter egg exchange, Smith never testified about his own speculation regarding what Kohring thought. And, he was not asked to do so; as the notes suggest, he testified about his own intent (and that of Allen) in making the payments. Tr. 4:49-50.

Nonetheless, information about what Smith believed Kohring thought about cash payments does not create a reasonable probability that the jury's verdict would have been different, and certainly not as to Count Three, where Smith's beliefs and speculation have no bearing on Kohring's videotaped request for $17,000. Nor does information that Smith once golfed with the lead FBI agent and her spouse, or that she was concerned about Smith's mental state bear on Kohring's convictions. Nothing in the notes even hints that Smith was unable to understand, observe or recall the events about which he testified. His testimony was coherent and straightforward, and it is implausible to suggest that the jury's verdict would have been affected had it been informed that in the months leading up to the trial, Smith was upset and depressed about the criminal case pending against him. The FBI agent's interview does not contain information — and the government is aware of none — that Smith was hospitalized, receiving treatment for a psychiatric condition involving hallucinations or inability to perceive reality, or even that he was in fact suicidal. The interview shows only that she was concerned about that possibility. In any event, while this Court has already held that the

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latter information should have been produced to the defense, the failure to do so was not material, in that it "does not undermine confidence in the jury verdict." *Kott*, Doc. 429, at 10-11.[12]

6. Information About Prewitt's Opinion of Kohring

Kohring contends (Mot. 52-56) that the government failed to disclose information that Frank Prewitt — an individual who was not involved in the investigation of this case — expressed his own subjective opinion that Kohring did not appear to be corrupt a year before the events that formed the centerpiece of this case even occurred, and that this failure amounted to a *Brady* violation. That claim is without merit.

Frank Prewitt, a former consultant for the prison industry, was not involved in the investigation of Kohring during 2006. Instead, Prewitt was cooperating with the government in a

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[12] The government notes, with all due respect, that, unlike this case, the cases cited by the Court in *Kott*, and those that Kohring cites in his motion, involve information directly related to a witness's credibility or competency, rather than what are typical worries that prosecutors and investigators have about witnesses in their cases, whether they are victims of violent crimes, victims who are fearful of the defendant, or cooperating coconspirators who are concerned about their own criminal exposure. *See United States* v. *Pryce*, 938 F.2d 1343, 1345-46 (D.C. Cir. 1991) (witness having hallucinations); *United States* v. *Smith*, 77 F.3d 511, 516 (D.C. Cir. 1996) (witness hospitalized for year and a half for severe depression); *United States* v. *Heath*, 528 F.2d 191, 192-93 (9th Cir. 1975) (improper to restrict defense cross-examination as to competency of deaf-mute, allegedly mentally handicapped witness). Indeed, the government is aware of no previous decision holding that the government is required to disclose to the defendant the prosecution team's mental impressions about its witnesses, and there are extremely sensitive issues of personal privacy and dignity created by the notion that the prosecution team's impressions of stress, nervousness and anxiety must be reported to the defense. *Cf. United States* v. *Butt*, 955 F.2d 77, 82-83 (1st Cir. 1992) (finding no abuse of discretion to exclude cross-examination about depression and suicide attempt several years before, and stating "[W]e are aware of no court to have found relevant an informally diagnosed depression or personality defect. Rather, federal courts appear to have found mental instability relevant to credibility only where, during the time frame of the events testified to, the witness exhibited a pronounced disposition to lie or hallucinate, or suffered from a severe illness, such as schizophrenia, that dramatically impaired her ability to perceive and tell the truth."); *United States* v. *Antone*, 981 F.2d 1059, 1061 (9th Cir. 1992) (in absence of evidence of psychosis, mental defect or addiction, or serious mental condition at time of events about which witness testified, no error in non-disclosure of psychiatric records).

separate ongoing investigation over a year earlier into allegations that consulting contracts were being offered to legislators in exchange for official acts, primarily in relation to a private prison proposal. *See* Tr. 12:22-46. In the course of that investigation, Prewitt ate dinner with Kohring in February of 2005, in order to sound him out. During that dinner, the conversation turned to Bill Allen and VECO. *See* Gov't Exh. 27a. Kohring told Prewitt that they were "very aggressive," and that "when they need something, they really let me know loud and clear." *Id.* at 75. On tape, Kohring specifically described Allen's request that Kohring release a bill from his committee, which was one of the legislative favors Allen testified he had asked Kohring for during the pre-2006 period. *Id.* at 76.

Although the government called Prewitt as a witness, and put on the surreptitious recording of his conversation with Kohring in order to corroborate Allen and Smith's testimony about asking Kohring to move a bill out of committee, Prewitt was not an important witness in this case. Indeed, Kohring concedes in his motion that he is "not entirely clear why the government called Mr. Prewitt as a witness." Mot. 53. Nevertheless, as part of the government's attempt to proceed in an abundance of caution following remand from the Ninth Circuit, it has provided broad disclosure of all information — even of, at times, tenuous relevance — to Kohring. This included the disclosure that after the dinner meeting in February 2005, Prewitt expressed the belief that Kohring was not dirty or corrupt, and that if he were corrupt, he may not realize it. Mot. App. D.

Kohring claims (Mot. 54) that this was "admissible exculpatory evidence" that would have been a "powerful element" in Kohring's defense had it been disclosed pretrial. It is unlikely that Prewitt's view would have been admissible because Rule 704(b) bars opinion testimony about "whether the defendant did or did not have the mental state or condition constituting an element of the crime charged or of a defense thereto. Such ultimate issues are matters for the trier of fact alone."

Even if it were admissible character evidence, however, there is no probability that the jury's verdict would have been affected. Prewitt's subjective belief about Kohring, expressed a year before the events that were the centerpiece of this indictment, and thus without any knowledge of Kohring's later solicitation of $17,000, is not relevant to Kohring's guilt, including on Count Three. *See United States* v. *Fernandez*, 559 F.3d 303, 319 (5th Cir. 2009) (subjective belief of IRS investigator who concluded after an earlier investigation of defendant that he was not engaged in money-laundering or tax evasion not relevant to guilt of defendant, and even if favorable, not material).

7. Information About Allegations of Allen Engaging in Sexual Misconduct

Kohring next argues (Mot. 56-63) that the fact that Allen was under investigation for sexual exploitation of minors, and that Allen procured an allegedly false affidavit from one of his minor victims, was favorable and material information. As Kohring acknowledges in his motion, this claim is a reprise of one already raised and rejected by this Court in *Kott*. It should be rejected here as well.

Allen's alleged sexual misconduct and the investigations related to it were explored in detail in this Court's opinion in *Kott*. This Court concluded that information about Allen's "impeachable past" should have been disclosed to Kott, because it was relevant to potential bias on Allen's part; if Allen had known of the investigation into his conduct with minors, he may have hoped that his cooperation with the government might be "beneficial in connection with that criminal exposure." Doc. 429 at 16. Nevertheless, the Court concluded that it would have excluded the evidence under Rule 403 because it created a serious risk of confusion of the issues:

> Thus, admission of the evidence creates a serious danger of confusing the issues which the jury actually needs to decide – whether Kott is guilty of the crimes charged, not whether Allen is guilty of sex crimes. It also risks misleading the jury by causing them to focus on Allen's escapades at the expense of their evaluation of all the other evidence.

> Finally, it bears emphasis that Kott had ample opportunity to show, and at trial did show, Allen's bias based on the substantial value of Allen's co-operation concerning punishment for the public corruption crimes to which he had pled guilty. A difference of many years in prison turned on the value of Allen's cooperation, a consideration which made the jury well aware of the powerful incentive Allen had to shade his testimony in favor of the government. Thus, evidence regarding Allen's involvement with the minors has much less probative value than it would were it the only incentive for Allen to assist the government. Put another way, evidence of Allen's involvement with the minors may be described as needlessly cumulative on the question of Allen's incentive to help the prosecution. All things considered, it is this court's view that the probative value of the evidence was substantially outweighed by the risks just discussed. The evidence would have been excluded under Rule 403.

Id. at 17. The same facts and analysis apply here, and the result should be the same.[13] Even if the information about the allegations had been disclosed, this Court would have barred its admission, and thus it could not have affected the jury's verdict.

Kohring seeks to distinguish the Court's holding in *Kott* by arguing that the case against Kott was stronger than the case against him. However, nothing in this Court's analysis of the admissibility of the child-sex information involving Allen hinged on the strength of the case; rather, the Court properly focused on the probative value of the evidence (minimal in light of the substantial bias information about Allen already available for cross-examination) against its potential for confusing

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[13] An FBI-302 indicates that in 2004, the child victim initially alleged that she had signed a false affidavit at Allen's request saying that she had not had sex with him. Bates No. 4666. In 2007, shortly before Kohring's trial, she recanted that allegation, stating that the affidavit was her idea, in an effort to help Allen fight an extortion attempt by another woman. Bates No. 4668. Allen had also denied ever having asked anyone, including the child victim, to make a false statement under oath. Bates Nos. 974, 948.

Although Kohring refers to this information in his motion (Mot. 60-62), he does not develop the argument, and offers no rebuttal to this Court's conclusion in *Kott* that the information was not material because it could not be proven extrinsically. *Kott*, Doc. 429, at 18. Therefore, at most, Allen could have been asked about it in cross-examination, and he "surely would have repeated the denial." *Id.* As a result, this Court concluded that this line of inquiry would not have been of significant assistance to the defense, and therefore it was not material. Again, Kohring offers no reason why the result should not be the same here.

the issues and misleading the jury (substantial in light of its inflammatory nature). Here, the Court should reach the same result. Moreover, separate and apart from the Rule 403 analysis, Kohring's argument fails under a straightforward materiality analysis. "[E]vidence is material only if there is a reasonable probability that, had the evidence been disclosed to the defense, the result of the proceeding would have been different." *Bagley*, 473 U.S. at 682. Because the evidentiary significance of the child-sex information is minimal in light of the substantial impeachment information already available to Kohring on the issue of Allen's incentive to curry favor with the government, any failure to disclose such information was not "material" under *Bagley*.[14]

B. The Remedy for any *Brady* Violation Should Be a New Trial, Not Dismissal of the Indictment

Kohring argues (Mot. 64-70) that the indictment against him should be dismissed by this Court because of "egregious, calculated and intentional" discovery violations. Even assuming that Kohring could demonstrate that favorable and material evidence was suppressed in violation of *Brady*, which he cannot, such a showing would warrant only a new trial, not a dismissal of the indictment. In other words, Kohring's allegations about the government's conduct in this case, even if they were true, do not provide grounds for dismissing the indictment; he has not shown how he has been prejudiced, much less *substantially* prejudiced, and he has not explained how a new trial would not remedy any alleged *Brady* violation.

The "*Brady* right . . . is a *trial* right." *United States* v. *Moussaoui*, 591 F.3d 263, 285 (4th Cir. 2010) (emphasis original). It exists "to preserve the fairness of a trial verdict and to minimize the

[14] Indeed, given Rule 403's disposition towards inclusion, the Rule 403 balancing test is substantially less restrictive than *Bagley*'s materiality test. Therefore, if Rule 403 precludes the admission of this information, then, *a fortiori*, the information cannot be material.

chance that an innocent person would be found guilty." *Id.*; *Weatherford* v. *Bursey*, 429 U.S. 545, 559 (1977) ("There is no general constitutional right to discovery in a criminal case and *Brady* did not create one."). The purpose of *Brady*, and the Supreme Court's later cases applying it, is to protect the fairness of the *trial* and to guard against the risk that an innocent person might be found guilty because the government withheld evidence. For that reason, when a "defendant's right to a fair trial has been prejudiced" by a *Brady* violation, the "remedy" is a new trial. *Monroe* v. *Blackburn*, 748 F.2d 958, 960 (5th Cir. 1984); *Giglio*, 405 U.S. at 153-54 (explaining when the suppression of material evidence or the solicitation of false testimony justifies a new trial).

In the Ninth Circuit, however, if a district court finds that a *Brady* violation is the result of willful, flagrant, or bad faith behavior on the part of the prosecution, *Chapman*, 524 F.3d at 1085, and when the defendant suffers "*substantial* prejudice," and where "no lesser remedial action is available," *id.* at 1087 (emphasis added; citations and quotations omitted), the court can exercise its supervisory powers to dismiss the indictment with prejudice. *Id.* at 1086 ("*Brady* violations are just like other constitutional violations. Although the appropriate remedy will usually be a new trial, a district court may dismiss the indictment in the Ninth Circuit when the prosecution's actions rise . . . to the level of flagrant prosecutorial misconduct."); *see also United States* v. *Simpson*, 927 F.2d 1088, 1091 (9th Cir. 1991) (explaining that dismissing an indictment with prejudice "encroaches on the prosecutor's charging authority," and therefore dismissal is only permitted "in cases of flagrant prosecutorial misconduct"); *Kojayan*, 8 F.3d at 1318 ("In determining the proper remedy, we must consider the government's willfulness in committing the misconduct and its willingness to own up to it."). "[A]ccidental or merely negligent governmental conduct," however, "is insufficient to establish flagrant misbehavior." *Chapman*, 524 F.3d at 1085.

Given that the due process right in *Brady* is a trial right, the violation of which is remedied by granting a new trial, *Chapman*'s rationale for dismissing an indictment based on a *Brady* violation is questionable. Indeed, no other circuit has employed a similar rationale. Even assuming, as this Court must, that *Chapman*'s rationale is sound, the case is clear that a court may dismiss an indictment under its supervisory powers only in extremely limited circumstances: (1) in a case involving "flagrant prosecutorial misconduct," and (2) when the defendant suffers "*substantial* prejudice," and, significantly, where "no lesser remedial action is available." *Id.* at 1087 (emphasis added) (citations and internal quotation marks omitted); *cf. United States* v. *Welborn*, 849 F.2d 980, 985 (5th Cir. 1988) ("The supervisory authority of the district court includes the power to impose the extreme sanction of dismissal with prejudice only in extraordinary situations and only where the government's misconduct has prejudiced the defendant.").

While Kohring asks this Court to dismiss the indictment essentially to punish the government for what he claims are "egregious, calculated and intentional" *Brady* violations, Kohring fails to offer any evidence to support his overheated rhetoric. Nowhere in all the thousands of pages of ordinarily privileged notes and emails that have been provided to him does he point to any evidence of any plot to violate his rights or deliberate decision to withhold known *Brady* information.[15] Nor does he explain anywhere in his 71-page motion why the normal remedy for a *Brady* violation, a new trial,

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[15] As in *Kott*, the government has given Kohring extraordinary access to the prosecutors' files since the time it moved to remand this case. The government provided Kohring not only materials that appeared at the time of the remand to be information that it may have been required to disclose before trial (thus prompting the government's motion to remand), but also a significant amount of additional material that lay beyond any obligation of disclosure. The government did so, given the unique circumstances of this case, in order to assure the defendant, the Court, and the public that the Department of Justice takes its discovery obligations seriously and to allow Kohring the fullest possible opportunity to evaluate the fairness of his trial.

is insufficient to cure any prejudice he suffered. Instead, he asserts only that the government acted in bad faith and that had the information about which he complains been available to him, it would have led the jury to a different verdict. Of course, a *Brady* violation, by definition, means that "there is a reasonable probability that, had the evidence been disclosed to the defense, the result of the proceeding would have been different," *Bagley*, 473 U.S. at 682. But, again, the remedy for such a violation is a new trial. *See, e.g.*, *Giglio*, 405 U.S. at 153-54 (explaining when the suppression of material evidence or the solicitation of false testimony justifies a new trial). Were a "different result" the only prejudice required for the "extreme" step of dismissing an indictment, as Kohring suggests, every *Brady* violation would result in the dismissal of the indictment. That cannot be the case. *See Welborn*, 849 F.2d at 985 (district court "exceeds the proper bounds of its power to order dismissal of an indictment with prejudice when it fails to consider whether less extreme sanctions might maintain the integrity of the court without punishing the United States for a prosecutor's misconduct"); *United States* v. *Hasting*, 461 U.S. 499, 506 (1983) (remedies should be "narrowly tailored to deter objectionable prosecutorial conduct").[16]

Chapman, the only reported court of appeals case we have found upholding the dismissal of an indictment for a *Brady* violation, is clear on this point. Whatever the merits of *Chapman*'s

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[16] Nor is it simply enough to establish "egregious, calculated and intentional" conduct by the government. *See Cooper* v. *Brown*, 510 F.3d 870, 924 (9th Cir. 2007) ("Under *Brady*, the prosecution's suppression of evidence favorable to an accused 'violates due process where the evidence is material either to guilt or to punishment *irrespective of the good faith or bad faith of the prosecution*.'" (emphasis added) (quoting *Brady*, 373 U.S. at 87) (emphasis added)); *United States* v. *Reyes*, 577 F.3d 1069, 1077-79 (9th Cir. 2009) (finding that the prosecutor committed "misconduct" by making "prejudicial" "deliberate false statements" to the jury in his closing argument, but concluding that the conduct was not so egregious as to warrant dismissal). Indeed, even in the face of the egregious misconduct in *Napue*, the Supreme Court did not order dismissal of the indictment, but simply reversed the conviction. 360 U.S. at 272.

rationale, the Ninth Circuit in that case found that the defendant suffered "substantial prejudice," and a retrial would not remedy that prejudice because it would allow the government to "salvage" a "poorly conducted prosecution" with "myriad weaknesses" and which was "faltering." 524 F.3d at 1087. By contrast, here, the government presented a strong case against Kohring, based largely on videotaped evidence. Thus, a new trial would cure any prejudice Kohring suffered from the alleged *Brady* violations.

United States v. *Lyons*, 352 F. Supp. 2d 1231 (M.D. Fla. 2004), which Kohring cites in his motion (Mot. 68), is instructive on this point. In that case, the district court found not only "a prosecution run amuck," *id.* at 1233, responsible for "numerous and flagrant *Brady* and *Giglio* violations," *id.* at 1243, but also that the government engaged in "unconscionable delay" in complying with the district court's post-trial orders to produce certain documents, which resulted in serious prejudice to the defendant who had "already served the maximum sentence the Government has called for. . . ," *id.* at 1251. The court underscored the importance of the prejudice the defendant suffered by the delay, acknowledging that "[i]f, within a reasonable period after trial, the Government had revealed its *Brady* and *Giglio* violations, a new trial order may have been an appropriate remedy." *Id.*

Kohring cites to a number of other inapposite outrageous government conduct cases, many of which uphold the denial of dismissal as a remedy and all of which involve facts strikingly different than those alleged here. *See* Mot. 67-69 (citing *United States* v. *Linton*, 502 F. Supp. 861, 865-66 (D. Nev. 1980) (denying motion to dismiss premised on alleged misconduct before the grand jury)); *United States* v. *Boone*, 437 F.3d 829, 841-42 (8th Cir. 2006) (upholding denial of motion to dismiss premised on alleged threatening and intimidating conduct by FBI agent); *United States* v. *Voigt*, 89

F.3d 1050, 1064-65 (3d Cir. 1996) (upholding denial of motion to dismiss premised on alleged deliberate intrusion into the attorney-client relationship); *United States* v. *Wang*, 1999 WL 138930, at *35-37 (S.D.N.Y. Mar. 15, 1999) (dismissing indictment where government's actions resulted in unavailability of crucial defense witness at trial); *Government of Virgin Islands* v. *Fahie*, 419 F.3d 249, 258 (3d Cir. 2005) (reversing the district court's dismissal of the indictment for prejudice where the government failed to disclose a significant ATF report that it knew about three months before trial); *United States* v. *Restrepo*, 930 F.2d 705, 712 (9th Cir. 1991) (affirming district court's denial of motion to dismiss where a government cooperator engaged in sexual activity with the defendant and introduced her to cocaine and trafficking cocaine); *United States* v. *Marshank*, 777 F. Supp. 1507, 1529-30 (N.D. Cal. 1991) (upholding dismissal of indictment where government actively collaborated with cooperator's defense attorney in developing criminal case against one of defense attorney's other clients); *Kojayan*, 8 F.3d at 1325 (vacating convictions where the government asserted there was no agreement with its star witness, a co-conspirator whose testimony was critical to the defendants' convictions, when the government had in fact entered into a cooperation agreement with him)). If anything, these cases highlight that Kohring's case is easily distinguishable from cases where district courts have dismissed indictments based on the prosecution's discovery violations — those cases all involved more egregious conduct than that *alleged*, let alone proven, by Kohring in this case.

V. CONCLUSION

Kohring was a corrupt public official who betrayed the public trust in exchange for cash handed to him by businessmen seeking to buy his official acts, exchanges captured on tape for the jury. He received a fair trial that established his guilt beyond a reasonable doubt. The government

does not dispute that the trial team made mistakes in handling discovery in this case. There are many reasons for those errors, but the government does not seek to offer excuses here. In an effort to avoid these problems in the future, the Department has taken significant steps to establish clear guidelines and better training. We respectfully submit that in this case, despite any mistakes, Kohring received "a fair trial," *Agurs*, 426 U.S. at 108; that there is no "reasonable probability that the suppressed evidence would have produced a different verdict," *Strickler*, 527 U.S. at 281; and that "confidence in the outcome of the trial" remains. *Bagley*, 473 U.S. at 678.

Respectfully submitted,

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/s/ James M. Trusty
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Assistant United States Attorney
United States Attorney's Office
District of Alaska

Dated: June 4, 2010

FBI - Stevens-2711

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that on this date, I caused a true and correct copy of the foregoing Response to Defendant's Motion to Dismiss, or in the Alternative, for an Order Granting a New Trial be electronically filed and it is available for viewing and downloading from the ECF system.

/s/ Kevin R. Gingras
Attorney
Appellate Section, Criminal Division
United States Department of Justice
950 Pennsylvania Ave., N.W.
Washington, D.C. 20530

Dated: June 4, 2010

FBI - Stevens-2712

APPENDIX

U.S. Department of Justice

Criminal Division
Public Integrity Section

Washington, DC 20530

October 12, 2007

John Henry Browne, Esq.
Law Offices of John Henry Browne PS
821 Second Avenue, Suite 2100
Seattle, WA 98104

Sent via Facsimile Transmission to:
206-388-0780

Re: United States v. Victor H. Kohring
3:07-cr-00055-JWS

Dear Mr. Browne:

As previously discussed, we are making available to you today additional Jencks materials. We had also earlier indicated that we would disclose any Brady / Giglio material involving government witnesses at this time as well. The following information is provided to you in that regard.

JAMES FRANK PREWITT

Mr. Prewitt was acting as a cooperating individual at the direction of the Federal Bureau of Investigation (FBI) when he met with Mr. Kohring in late 2004 and early 2005. Mr. Prewitt had himself been the subject of an earlier criminal investigation by the FBI which started in 2003 and which related to possible public corruption issues involving the "private prison" initiative in Alaska pursued by Cornell Corrections. Prewitt was employed as a lobbyist by Cornell at this time.

During the course of that investigation, Prewitt interacted with a Deputy Commissioner of the State of Alaska Department of Corrections and made statements to him suggesting that the Commissioner might be able to secure future employment by Cornell. Prewitt, however, specifically declined to make a cash payment to the Commissioner when he was solicited to do so. That investigation also documented Prewitt's involvement in "conduit" campaign contributions.

The earlier investigation lead to Mr. Prewitt being contacted by the government in April of 2004. As a result of that contact, Mr. Prewitt agreed to cooperate in an ongoing investigation involving public corruption in Alaska. His cooperation understanding with the government is set out in the letters which are attached hereto as "Attachment 1" and "Attachment 2".

FBI - Stevens-2714

During the spring of 2005, Mr. Prewitt, through his attorney at the time, Michael R. Spaan, Esq., requested that the government reevaluate its agreement with him. Specifically, Mr. Prewitt requested that, based upon his assistance to the government up to that point, the government consider agreeing that he would not be charged with any criminal offense(s) stemming from the earlier investigation of his conduct. The government declined to modify the terms of the agreement with Mr. Prewitt.

Mr. Prewitt has also requested that, considering the time and effort he has expended as a cooperating individual in this investigation, the government consider whether some form of financial compensation to him is appropriate. In Mr. Prewitt's view - as communicated by his present attorney, Marc June, Esq. - he has sacrificed a great deal and has suffered and will continue to suffer financially as a result of his assistance to the government. No promises to Mr. Prewitt - other than that the government has taken his request into consideration - have been made in this regard. Nevertheless, we believe that his present mindset is such that he is expecting the FBI to advocate for some sort of financial reward for him due to his cooperation and assistance in the investigation.

In 1994, while Frank Prewitt was employed as Commissioner of the Department of Corrections for the State of Alaska, he accepted approximately $30,000 from William Weimar, a businessman involved in providing contractual services to the State of Alaska in the area of corrections. That matter was the subject of a criminal investigation which began in 1997. Prewitt was not charged with any criminal offense as a result of this investigation.

BILL J. ALLEN

As you are no doubt aware, Mr. Allen has advised the government that Mr. Kohring was provided a number of financial benefits between approximately January of 2002 through late 2006, including cash payments on a number of occasions. Mr. Allen has advised the government that his motivation in providing these financial benefits to Mr. Kohring was partly because he felt sorry for Mr. Kohring regarding his personal financial situation and partly so that Mr. Kohring world take official acts on the part of VECO Corporation.

Very truly yours,

WILLIAM WELCH, II
Chief, Public Integrity Section

NICHOLAS A. MARSH
EDWARD P. SULLIVAN

FBI - Stevens-2715

Trial Attorneys
Public Integrity Section
U.S. Department of Justice

JOSEPH W. BOTTINI
JAMES A. GOEKE
Assistant U.S. Attorneys
District of Alaska

FBI - Stevens-2716

U.S. Department of Justice

Criminal Division

Washington, D.C. 20530

July 23, 2007

BY FEDERAL EXPRESS

John Henry Browne, Esq.
821 2nd Avenue, Suite 2100
Seattle, Washington 98104

Re: United States v. Victor H. Kohring, No. 3:07-cr-00055-01-JWS (D. Alaska)

Dear Mr. Browne:

As we mentioned to you during yesterday's conference call, we are enclosing copies of the applications, affidavits, and orders relating to the electronic surveillance conducted in this case. Please note that this material is being produced to you subject to the Court's May 18, 2007, protective orders, which authorized the limited disclosure of wire communications and oral and visual nonverbal communications that were lawfully intercepted by the government.

In your e-mail message dated July 22, 2007, you indicated that there are two items that may be missing from the discovery that we previously provided to you. Specifically, you have suggested that CD 0008 is missing "Item 4," while CD 009 is missing "Item 17." Our staff is looking into this issue, and we will provide you with a response as soon as we are able.

You have also requested "[t]he initial authorization – affidavit of probable cause and warrant application under the federal wiretapping statute – for sending the wired informant, Frank Prewitt, to meet with [Mr. Kohring]." Please note that, at the time that Mr. Prewitt recorded conversations with your client, Mr. Prewitt was cooperating with the government's investigation. The recordings are therefore consensual and, as such, the government did not have to submit an application to the Court.

For similar reasons, the government did not have to receive Court authorization for the consensual recordings made by Tom Anderson. At the time of these recordings, Mr. Anderson was cooperating with the government's investigation.

Your e-mail message also seeks "the affidavit of probable cause supporting the application for the search warrant for [Mr. Kohring's] legislative offices." As you may recall, Mr. Kohring consented to the search of his legislative offices, thereby negating any need to execute

the warrant. Your client is therefore not entitled to any affidavits used to support our application to obtain the warrant.

Your final request seeks "any investigative report the government is willing to provide us notwithstanding the Jenks Act." Although this request is not altogether clear to us, we informed you during our conference call that Mr. Kohring is not entitled to receive copies of the FBI's interview or "302" reports relating to Messrs. Smith or Allen when those two individuals have not reviewed and adopted the reports as their own statements. In other words, the FBI "302" report is to be considered the notes of the Special Agent who conducted the interview and is not a statement adopted or prepared by the witness.

We will continue, of course, to provide you with any discovery material that we are obligated to disclose pursuant to Rule 16 of the Federal Rules of Criminal Procedure, the Court's Order dated May 4, 2007, and the discovery obligations of the United States under the Jencks Act, Brady, Giglio, and their progeny.

Very truly yours,

William M. Welch, II
Chief, Public Integrity Section

Nicholas A. Marsh
Edward P. Sullivan
Trial Attorneys, Public Integrity Section

Joseph W. Bottini
James A. Goeke
Assistant U.S. Attorneys
District of Alaska

FBI - Stevens-2718

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Court ruling on anti-corruption law affects Alaska cases

Less precise conflict-of-interest statute thrown out by justices.

By ERIKA BOLSTAD
ebolstad@adn.com

(06/25/10 18:51:01)

WASHINGTON -- The U.S. Supreme Court on Thursday scaled back an anti-corruption law used by federal prosecutors to bring to justice crooked politicians and executives, including some cases connected to the Alaska public corruption probe.

The decision threatens the prosecution of former Alaska state Rep. Bruce Weyhrauch for his role in a wide-ranging federal investigation of the state's politics, and also raises questions about the high-profile convictions of former Enron CEO Jeffrey Skilling and newspaper magnate Conrad Black.

In a unanimous opinion on the Skilling case, Justice Ruth Bader Ginsburg wrote that it's clear Congress in 1988 intended to address bribes and kickbacks in 28-word honest-services statute, which is based on the idea that people are entitled to the honest services of their elected officials and the executives in charge of big companies.

But the statute covers only bribery and kickback schemes, the justices determined, and not the less precise conflict-of-interest cases that prosecutors also have brought against those same officials, including Weyhrauch.

Skilling's conduct "entailed no bribe or kickback," Ginsburg wrote. "Construing the honest-services statute to extend beyond that core meaning, we conclude, would encounter a vagueness shoal."

Three of the justices - Anthony Kennedy, Antonin Scalia and Clarence Thomas - said they would have found the honest services law unconstitutional and would have overturned it.

Criminal defense attorneys called the decision a "huge narrowing of a very broad statute," but it may mean a more difficult time for prosecutors pursuing white collar and corruption cases. The law was often used when federal prosecutors couldn't prove someone accepted bribes -- but where they had enough evidence to show they took freebies such as tickets or jobs.

"I feel vindicated on so many levels," said Weyhrauch's attorney, Doug Pope of Anchorage. "I used to be a prosecutor, and I understand the heavy power of the government. If you're going to have a statate that makes it a felony, ordinary people have to understand what it is, where the line is. The court drew this bright line."

FBI - Stevens-2721

Often, prosecutors had a "very abstract and indefinite standard" in honest services cases, particularly those where they sought to prove conflicts of interest, said Don Ayer, a Washington, D.C., lawyer who argued Weyhrauch's case in front of the Supreme Court.

"They can't continue to build on that kind of a theory, they've got to have something they can call a bribe or a kickback," Ayer said.

Federal prosecutors alleged Weyhrauch solicited legal work from the oil-field service company Veco

194A-AN-13620-M:1062

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Corp. at a time when Veco was pushing hard to win support for lower oil taxes in the state Legislature. Federal prosecutors said Weyhrauch should have disclosed his job search as a conflict of interest.

Weyhrauch's attorneys argued that state law didn't specifically require such disclosure and, as a result, the federal fraud statute couldn't be used to charge him with defrauding Alaskans of his honest services.

A federal judge in Alaska agreed with Weyhrauch, but the government appealed and won in the 9th U.S. Circuit Court of Appeals. The appeals court sided with prosecutors, saying legislators had a duty to disclose such conflicts. The court reasoned that even if a state has weak ethics laws, that was no reason for its citizens to be deprived of the honest services of their public officials.

But on Thursday, the Supreme Court vacated the 9th Circuit's decision and sent the Weyhrauch case back for reconsideration in light of the Skilling decision. Weyhrauch has not yet gone to trial in Alaska. He still faces two other counts in the case, but neither apply the honest services statute.

Justice Department spokeswoman Tracy Schmaler said Thursday the government would continue to "vigorously defend" its successful prosecutions in the Skilling and Black cases as they return to a lower court for review. She wouldn't say how the government plans to proceed in the Weyhrauch case.

Anticipating the Supreme Court would curtail the use of the statute, one government watchdog group said Thursday it already has suggested legislation to make it more specific when it comes to conflicts of interest.

"Federal law currently prohibits executive branch employees from taking any official action that affects their personal financial interest, said Melanie Sloane of Citizens for Responsibility and Ethics in Washington. "This statute could easily be extended to cover members of Congress and state and local officials to ensure Americans are protected from government officials who sacrifice the public interest for their own private gain."

Schmaler said the Justice Department is disappointed the Supreme Court narrowed the honest services law, and is determining whether "the court's interpretation leaves us with all the tools we need to ferret out corruption."

"The American people are entitled to the honest services of both public servants and corporate executives, and the Department will continue to bring all appropriate cases in order to hold corrupt officials accountable for their actions," she said.

The head of the Senate Judiciary Committee, Sen. Patrick Leahy, D-Vt., said the decision undermined congressional efforts to "protect Americans from abuses by powerful corporate and political interests."

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"By issuing decisions benefitting corrupt officials who violate the peoples' trust, and corrupt business people who disregard fairness and risk, the court has once again undermined the government's ability to protect the interests of hardworking Americans," Leahy said.

But many criminal defense lawyers argue the decision could improve prosecutions by forcing attorneys for the government to be more precise in their indictments. Relying on the vague dishonest services statute has resulted in an "intellectual laziness" on the part of the Justice Department, said Cory Andrews of the Washington Legal Foundation.

"I think it's going to improve them and force them to sharpen their indictments, to sharpen their

cases," Andrews said. "Part of the culture there, and even the mentality among the U.S. attorney's office, is that this very blunt instrument doesn't require them to have good aim."

A jury in 2006 convicted Skilling of 19 counts of conspiracy, insider trading and lying to auditors in his role at Enron. Black is serving a 6 1/2 year prison term for depriving shareholders of the Hollinger International media company of his honest services when he and other executives schemed to pay themselves a $5.5 million management fee.

Black's attorney, Miguel Estrada, said that they were confident lower courts "will quickly conclude that the errors that the Supreme Court has now conclusively found tainted every aspect of this case."

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Supreme Court sides with former state lawmaker Bruce Weyhrauch

Posted by Alaska_Politics
Posted: June 24, 2010 - 8:08 am

Comments (10) | Recommend (1)

From Erika Bolstad in Washington D.C. --

The U.S. Supreme Court has thrown out a lower court ruling in the corruption case of a former Alaska state lawmaker, a small part of three decisions issued today that cover the wide use by federal prosecutors of an anti-corruption statute.

The decision, wrapped up in the fraud cases of former Enron CEO Jeffrey Skilling and newspaper magnate Conrad Black, means it's likely that at least a portion of federal case against former Alaska Rep. Bruce Weyhrauch will fall apart.

In the opinion on the Skilling case, Justice Ruth Bader Ginsburg wrote that Congress intended to address bribes and kickbacks in the 28-word honest-services statute, which is based on the idea that people are entitled to the honest services of elected officials and executives in charge of big companies.

But the statute covers only bribery and kickback schemes, not the less precise conflict-of-interest prosecution pursued in Weyhrauch's case, the justices wrote.

"Construing the honest-services statute to extend beyond that core meaning, we conclude, would encounter a vagueness shoal," Ginsburg wrote.

The decision was sought by criminal defense attorneys across the country, means prosecutors might have a difficult time pursuing corruption cases using the honest services statute. The law governing such fraud was often used in the cases of public officials where federal prosecutors can't prove they accepted bribes -- but where they have enough evidence to show that those officials took freebies such as tickets or jobs.

Federal prosecutors alleged Weyhrauch solicited legal work from the oil-field service company Veco Corp. at a time when Veco was pushing hard to win support for lower oil taxes in the state Legislature. Federal prosecutors said Weyhrauch should have disclosed his job search as a conflict of interest.

Weyhrauch's attorneys argued that state law didn't specifically require such disclosure and, as a result, the federal fraud statute couldn't be used to charge him with defrauding Alaskans of his honest services.

A federal judge in Alaska agreed with Weyhrauch, but the government appealed and won in the 9th Circuit U.S. Court of Appeals. The appeals court sided with prosecutors, saying legislators had a duty to disclose such conflicts. The court reasoned that even if a state has weak ethics laws, it was no reason for its citizens to be deprived of the honest services of their public officials.

But on Thursday, the Supreme Court vacated the 9th Circuit's decision and sent the Weyhrauch case back for reconsideration, in light of the Skilling decision.

Alaska Politics Blog

This is the place to talk about Alaska politics, state, local, national. Public life in the Last Frontier has never been more interesting -- Sarah Palin, a new governor, a new Anchorage mayor, the political corruption investigation, the usual hardball Alaska politics. Come here for news, tidbits and information, and join the discussion. We encourage lively debate, but please keep it civil and stay on point. Don't use profanity, make crude comments or attack other posters. Posts that violate the **Terms of Use** will be deleted. Repeat offenders will lose their ability to post comments.

Contributors

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Erika Bolstad covers Alaska issues, including the congressional delegation, from Washington, D.C., for McClatchy Newspapers. Before joining the bureau in 2007, she spent seven years as a reporter at the Miami Herald, where she covered politics, government and the state legislature. E-mail Erika at ebolstad@adn.com.

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Sean Cockerham writes about Alaska state politics. He's worked for the ADN in Anchorage and Juneau, covered the legislature for the Fairbanks Daily News-Miner, and covered Washington state politics for the Tacoma News Tribune. E-mail Sean at scockerham@adn.com

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Kyle Hopkins covers rural affairs, general assignments and politics for the ADN. He covered the 2006 campaign for governor, has blogged extensively about Alaska politics, covered Anchorage city government and was a reporter based in the Mat-Su. He grew up in Southeast Alaska and previously wrote for the Fairbanks Daily News-Miner and Anchorage Press. E-mail Kyle at khopkins@adn.com and also find him on our rural Alaska blog, The Village.

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Features

SECTION
Sarah Palin

Follow the former Alaska governor's actions as she embarks on life outside of office.

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The FBI raided state legislature offices in Aug. 2006, and the fallout since has been epic in Alaska's political world.

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Per Curiam

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SUPREME COURT OF THE UNITED STATES

No. 08–1196

BRUCE WEYHRAUCH, PETITIONER *v.* UNITED STATES

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

[June 24, 2010]

PER CURIAM.

The judgment is vacated, and the case is remanded to the United States Court of Appeals for the Ninth Circuit for further consideration in light of *Skilling* v. *United States*, *ante*, p. ___.

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194A-AN-13620-M-1064 WJS 6/25/10

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Prosecutors won't call Allen in former legislator's trial

WEYHRAUCH: Case went to high court, is now back for trial.

By RICHARD MAUER
rmauer@adn.com

(07/28/10 23:40:02)

Imprisoned Veco chief executive Bill Allen will not be a government witness in the trial of former Juneau state Rep. Bruce Weyhrauch, according to a court memorandum filed Wednesday by Weyhrauch's attorney.

In his 13-page filing in U.S. District Court in Anchorage, Doug Pope said he was told by federal prosecutors that they had no intention of calling Allen, whose credibility has suffered since he was the chief government witness in three prior federal corruption trials.

Allen's most prominent role was in the 2008 trial of former U.S. Sen. Ted Stevens, where Allen told how he renovated Stevens' Girdwood home and bought him numerous gifts, none of which were disclosed by Stevens. His testimony was also crucial in sending former state Reps. Pete Kott and Vic Kohring to prison in 2007.

But much has changed for both the government's corruption investigation and Allen since then.

After a jury found Stevens guilty, the case against him fell apart when the Justice Department admitted it failed to turn over significant evidence to Stevens' attorneys, including FBI reports showing Allen's statements evolving over time. Allen's statements to FBI agents generally became more damning of Stevens as Stevens' trial date approached, according to interview notes that became public.

As a result of the Stevens' debacle, six prosecutors are themselves under investigation for criminal contempt by a special prosecutor. They, and FBI agents involved in the Alaska corruption investigation, are also under internal Justice Department investigation. That status of both investigations is unknown, except they appear to still be underway.

Allen pleaded guilty to bribery and tax violations before he testified in any trial, but he wasn't sentenced until a year after the Stevens trial. He's now serving three years at a federal facility in California, with a projected release date of Aug. 22, 2012.

It's unclear how the government would prosecute Weyhrauch without Allen, but there are other Veco officials they could call. Chief among them is Rick Smith, Allen's lieutenant for political affairs. Smith also pleaded guilty to bribery and was sentenced the same day as Allen, but only to 21 months. He's due for release July 20, 2011.

The government also has eavesdropped recordings of Weyhrauch, which they could validate using FBI agents.

Weyhrauch, a Juneau attorney and two-term Republican member of the House, had initially been charged with bribery, extortion, fraud and conspiracy in the same indictment as Kott. Among Weyhrauch's alleged criminal acts was his failure to disclose that he had solicited legal work from

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Veco before the end of the 2006 legislative session. Veco, a now defunct oil-field services company, was extremely active in that session, promoting petroleum tax changes beneficial to the industry.

Weyhrauch's case was separated from Kott's on the eve of trial when the government announced it would appeal a decision by the trial judge, U.S. District Judge John Sedwick, that Weyhrauch did not violate state law when he failed to disclose his solicitations of Veco.

The appeal went all the way to the Supreme Court. In June, the Supreme Court indirectly sided with Weyhrauch, making its final ruling in another case involving similar issues. It then sent the Weyhrauch case back to the 9th U.S. Circuit Court of Appeals to apply the related ruling, which is where that matter sits now.

The 9th Circuit told both sides to submit their briefs by Aug. 9.

Meanwhile, Weyhrauch's trial date of Sept. 13 has been pending in Sedwick's court. The judge scheduled a status conference for Friday so prosecutors and defense could argue whether the trial date should be vacated indefinitely.

Pope's filing was made in advance of the status conference. He argued for postponement until the 9th Circuit relinquishes jurisdiction. The government wants the case to proceed.

Pope said prosecutors told him about their decision to not call Allen in the course of discussions by way of e-mail, telephone and in person.

Pope also said he learned from prosecutors that they would not call the lead FBI agent in the corruption investigation, Mary Beth Kepner. Kepner hasn't testified in any of the other cases, but sat at the prosecution table during the trials. She has since been reassigned to other matters, the FBI says.

Pope said he might want to call both Allen and Kepner as defense witnesses. But he said in his memo to Sedwick that Kepner, still under investigation herself, might assert her 5th Amendment rights and refuse to testify.

Pope also said he has learned that after Weyhrauch's case was severed from Kott in 2007, the government continued to get grand jury testimony about Weyhrauch. Pope said he suspected prosecutors were unfairly trying to overcome issues they learned from evidence Weyhrauch's defense team shared with prosecutors when both sides believed they were going to trial with Kott.

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Kohring conviction should stand, federal judge rules

By RICHARD MAUER
rmauer@adn.com

Published: August 11th, 2010 12:43 PM
Last Modified: August 11th, 2010 12:43 PM

A federal judge in Anchorage today said former Rep. Vic Kohring's 2007 corruption conviction should stand because the evidence in his case was overwhelming.

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While U.S. District Judge John Sedwick faulted prosecutors for withholding important information from Kohring's defense, "this court does not believe that even if all of it had all been disclosed there is a reasonable probability that the jury would have returned different verdicts in the context of the entire record."

Sedwick's order, issued at noon today, also allows Kohring to remain free on his recognizance as he continues his appeal to the 9th U.S. Circuit Court of Appeals.

Kohring had sought dismissal of his charges or at least a new trial because of the withheld information.

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Federal judge puts corruption trial off

The Associated Press
Published: July 30th, 2010 11:35 AM
Last Modified: July 30th, 2010 01:45 PM

ANCHORAGE, Alaska - A federal judge has put off indefinitely former state Rep. Bruce Weyhrauch's corruption trial.

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The Anchorage Daily News reports that Judge John Sedwick in Anchorage made the move during a brief hearing Friday morning while an appeals court decides what to do with one of the felony charges against Weyhrauch.

Sedwick set aside Weyhrauch's Sept. 13 trial date. The judge says the soonest the appellate court could be expected to rule would be around Sept. 20.

Weyhrauch was indicted in 2007 on conspiracy, attempted extortion, bribery and fraud over his relationship with the now-defunct oil-field services company Veco and its officials.

A decision in a similar case by the U.S. Supreme Court has put the fraud allegation in doubt. The high court's ruling narrowed the scope of "honest services" fraud, in which an official is accused of depriving others of honest service through hidden conflicts of interest and other self-serving behavior.

The Supreme Court directed the 9th Circuit to reconsider Weyhrauch's fraud charge in light of its decision.

Prosecutors say Weyhrauch failed to disclose that he was in job negotiations with Veco at the same time the state legislature was also considering an oil bill.

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Judge puts Weyhrauch's corruption trial on hold

WAIT: A ruling in the 9th Circuit could affect the corruption case.

By RICHARD MAUER
rmauer@adn.com
Published: July 30th, 2010 09:48 PM
Last Modified: July 31st, 2010 02:02 AM

Former state Rep. Bruce Weyhrauch's corruption trial has been put off indefinitely while an appeals court decides what to do with one of the felony charges against him.

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In a brief hearing Friday morning, U.S. District Judge John Sedwick indicated he wanted nothing to do with a prosecution suggestion that he hear other issues in Weyhrauch's case that have nothing to do with the matter before the 9th U.S. Circuit Court of Appeals. It didn't make sense to spend time generating briefs and doing legal research when a ruling by the 9th Circuit could spill into other parts of the case, "rendering what we do incomplete or wrong," Sedwick said.

Sedwick set aside Weyhrauch's Sept. 13 trial date. With briefs due by both sides to the 9th Circuit on Aug. 9, the soonest the appellate court could be expected to rule would be around Sept. 20, the judge said.

Sedwick didn't say what he would do in a related matter -- the sentencing of former Gov. Frank Murkowski's chief of staff, Jim Clark, on a conspiracy charge. Clark pleaded guilty in 2008, but his sentencing has been delayed so he could get credit for cooperating, including testifying against Weyhrauch. Sedwick had originally scheduled Clark's sentencing for Oct. 15.

Both Weyhrauch and Clark are Juneau attorneys. Clark's license has been suspended because of his guilty plea, but Weyhrauch continues to practice. Just this week, Weyhrauch argued a commercial fishing appeal in Anchorage before a visiting panel of 9th Circuit judges on a case that originated before Sedwick.

Weyhrauch was indicted in 2007 on conspiracy, attempted extortion, bribery and fraud charges over his relationship with the now-defunct oil-field services company Veco and its officials. But the fraud count, which is also part of the conspiracy charge, was thrown in doubt by a U.S. Supreme Court decision in a similar case in June.

That ruling narrowed the scope of so-called "honest services" fraud, in which an official is accused of depriving others of honest service through hidden conflicts of interest and other self-serving behavior. The Supreme Court directed the 9th Circuit to reconsider Weyhrauch's fraud charge in light of its decision.

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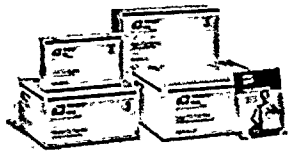

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Rep. Young says he's been cleared by feds

By RICHARD MAUER
rmauer@adn.com
Published: August 4th, 2010 03:27 PM
Last Modified: August 4th, 2010 03:28 PM

Rep. Don Young's office has announced that the long-running criminal investigation of him by the FBI and the U.S. Justice Department's Public Integrity Section has concluded and that no charges will be filed. Meredith Kenny, the press secretary for Young, R-Alaska, said Young's attorneys in Washington received a call this morning that the Justice Department had decided against prosecuting Young.

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Rep. Young says he's been cleared by feds
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A Justice Department spokeswoman declined to comment. The agency rarely announces publicly when it drops a case, though it will sometimes tell potential defendants and the victims of its decisions.

Young is in Kenai today. Kenny said he wouldn't comment until he's cleared to talk by his attorneys.

"I'm waiting for guidance from the legal team about what he can do and what he can say," Kenny said. "They were notified this morning and that is all we can say. This all happened in the last couple hours."

A statement e-mailed from Young's office this afternoon said:

"Congressman Young's legal team has been notified that after full cooperation from the Congressman, the Public Integrity Section of the Department of Justice has concluded their investigation and declined prosecution of Congressman Young."

Young's lead attorney, John Dowd, has not responded to telephone and e-mail messages.

Young has been under scrutiny since at least 2006 in the Alaska corruption investigation. In 2009, federal prosecutors disclosed that two former officials from the defunct oil field service company Veco admitted giving Young gifts that he did not disclose and giving his campaign illegal contributions for years.

In his confession, Bill Allen, Veco's ex-chief executive, said Veco sent between $130,000 and $195,000 in illegal corporate donations to Young by paying for his annual pig-roast fundraisers from 1993 to 2006. Rick Smith, another Veco official, confessed to using Allen's credit card to buy Young $1,000 in golf clubs as a gift. Young never reported the gift.

Young was also under investigation for the mysterious appearance of an earmark in the 2005 Transportation Bill for an interchange in South Florida sought by a developer who arranged a fundraiser for Young. The earmark was placed in the bill after it passed the House and Senate, a possible violation of the U.S. Constitution.

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Kohring ruling coming 'soon'

Anchorage Daily News
Published: August 5th, 2010 10:54 PM
Last Modified: August 5th, 2010 10:55 PM

U.S. District Judge John Sedwick said Thursday he would rule "as soon as I can" on former Rep. Vic Kohring's request to have his corruption charges dismissed for alleged misconduct by prosecutors.

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Sedwick spoke at the conclusion of a 45-minute hearing in which Kohring's attorney, Michael Filipovic, from the Seattle federal public defender's office, asserted that Kohring's trial was tainted by federal prosecutors. He alleged they manipulated the testimony of their lead witness, Bill Allen, the former chief executive of Veco Corp., and hid evidence from Kohring's defense.

Kevin Gingras, a Justice Department appellate attorney, acknowledged that federal prosecutors should have turned over more of their evidence to Kohring, but he rejected assertions that they acted in bad faith. He said the case against Kohring was overwhelming and that his 2007 trial and conviction was fair. A secretly recorded video, in which Kohring took money from Allen and then asked what he could do for him in the Legislature, was particularly damning, Gingras said.

Kohring was sentenced to 42 months in prison on his conviction by a federal jury of conspiracy, extortion and bribery. After serving about a year, he was freed in June 2009 while he appealed his case.

Sedwick declined to say precisely when he would rule. But in a similar appeal by another former legislator, Pete Kott, Sedwick delivered his ruling against Kott about two months after oral arguments.

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GOP rival, ethics watchdog seek results of Young investigation

FISHER: Opponent points out no danger of criminal charges.

By RICHARD MAUER
rmauer@adn.com
Published: August 5th, 2010 11:03 PM
Last Modified: August 6th, 2010 03:59 AM

enlarge
MARK THIESSEN / The Associated Press
Republican congressional candidate Sheldon Fisher, says Rep. Don Young should publicly address the Department of Justice probe, which reported ended with no charges filed.

Republican congressional candidate Sheldon Fisher on Thursday called on the Justice Department to disclose the results of its investigation of Rep. Don Young's Coconut Road earmark because Congress itself took the unprecedented step of seeking the inquiry.

A day after Young announced that the Justice Department had dropped its corruption investigation of him, Fisher said he had no intention of easing off his pressure to get answers about the case.

Young, 77, has been Alaska's sole representative in the House since 1973. He's facing Fisher in the Aug. 24 Republican primary.

With Young no longer facing the possibility of criminal charges, Fisher said, the congressman has no reason to remain silent about the earmark or his ties to the defunct oil services company Veco Corp. and two of its executives now serving prison time for bribery and tax violations.

The Justice Department, as is typical in investigations that end without prosecution, has declined comment on Young's assertions. But Fisher said the Coconut Road matter is different because it was requested by a vote of Congress in 2008. With the earmark being inserted into the bill after it passed the House and Senate, it also represents a grave violation of the Constitution, he said.

Fisher also said in a press conference Thursday that he was filing a Freedom of Information Act request to the Justice Department seeking verification of Young's assertion that the investigation is over.

In Washington, the nonprofit watchdog group Citizens for Responsibility and Ethics in Washington called on the House Ethics Committee to pick up where the Justice Department left off.

"There is strong evidence that Rep. Young received improper benefits through his relationship with Veco, and it is disappointing that he will not have to answer for them in a court of law," CREW's director, Melanie Sloan, said in a statement sent to reporters. "The fact that Rep. Young will not be criminally prosecuted does not mean he did nothing wrong."

Young's office issued a one-sentence statement Wednesday announcing the end of

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the federal investigation, under way for at least three years, but Young declined further comment.

"This is still a matter between the Congressman and his attorneys," his press secretary, Meredith Kenny, said in an e-mail message Thursday.

Young, avoiding specifics, said in an interview with KTVA on Thursday that he was disappointed with critics who "would mud-rake things."

"They should congratulate me, very frankly," Young said, "because I've always said that if I had anything to worry about, I would never run (for office). I'm confident in what I've been able to do and where I was from the beginning."

Congress asked the Justice Department to investigate the Coconut Road earmark when it appeared in Young's 2005 highways bill after passing the House and Senate. The earmark shifted $10 million to study an interchange in Florida sought by a developer who raised $40,000 for Young's campaign.

Former Veco chief executive Bill Allen and vice president Rick Smith admitted making more than $130,000 in illegal contributions to Young and to giving him gifts and cash.

Fisher, a practicing attorney before he became a telecommunications executive, said lawyers will typically advise their clients to not answer questions while an investigation is ongoing because their answers could be used against them.

"But now that Mr. Young has been told that there's no threat of prosecution, I think it's appropriate for him to stand up and start to answer some of these questions," Fisher said.

Fisher said Young might not have been helped in his re-election campaign by the Justice Department announcement because "it is reminding people of the facts of the scandal."

Prof. Larry Sabato, director of the University of Virginia's Center for Politics and a frequent media analyst, said it's logical that reporters and others should be grilling Young. "After all, he is your one elected member of the House and he clearly has had some ethical difficulties in the past," Sabato said. "Why shouldn't people know what he was investigated for?"

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joelie10 wrote on 08/06/2010 09:50:46 AM:

Yes loyd, Don is irascible. He always has been and that will not change as he "matures". :)

I don't necessarily disagree with your other points; but Don has worked very hard for Alaska for many years,. Because of that, he shouldn't be kicked into the dust bin with the trash. He doesn't deserve the "venal attacks" being perpetrated on him -- no one does! They speak to the character of the attacker(s) rather than the person being attacked . . and there are so many of "those black fly people" swarming everywhere. It is becoming more and more toxic.

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As to the "ethical issues" -- the "horse-trading negotiations" and "power plays" that occur in any body of people working together is rife with odoriferous dealings. That is nothing new and taints politics and other aspects of lives everywhere. No politician in Washington or elsewhere is immune to that, and there is no inoculation against it. However, without these dealings, nothing would get done, and that is a fact too.

We have always been a country of "can do" people. However, the atmosphere we live in now is being fouled by these people whose mission in life appears to be "pull it down and assume a fetal position" rather than "stand up straight and build something worthwhile". That is pretty sad.

I hope someday a good replacement for Don will come along so he can retire and enjoy this Alaska he loves so much. However, I have not seen a promising candidate lately . . . have you?

Recommend (2)

hpabjc8 wrote on 08/06/2010 09:47:29 AM:

@joelie10: To answer your question: all the time. Yes, the loudmouths on the fringes will always rant and rave, even after they've been proven wrong. But if you don't put the real facts out there, then the mainstream will actually listen to them, because nobody else is talking.
The way to deflate irresponsible speculation is to put the real facts out there. The nuts on the fringe will still holler, but once the facts are on the table, they'll mostly just be talking to themselves.

Again, unless the actual facts don't make you look any better than your enemies' speculation.

Recommend (0)

mediaak wrote on 08/06/2010 09:44:50 AM:

I'm not necessarily a Don supporter but I'm not a big supporter of anyone in Congress right now. That said, Mr. Fisher needs to learn a little about privacy, liability, and a policy of the Justice department to not incriminate the innocent.

Recommend (1)

loyd wrote on 08/06/2010 09:17:06 AM:

joelie10: Normally, I would agree with you. However, there are some serious ethical questions relating to Representative Young. And the way he treats people that he feels oppose him is way over the top. Remember comments like "I represent the people who voted for me...", not the whole Alaska? He has taken donations to his campaign to pay lawyers. He has missed more House votes than any other representative over the last few years. He was relieved of key committee chairmanships and memberships because of his actions. He seems to have little as far as interactions with other representatives.

Given the choices this election year, he'll probably be reelected. Fisher is no good, and we sure don't need another "yes man" to Obama like Crawford would be. Dismal, to say the least.

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joelie10 wrote on 08/06/2010 09:17:03 AM:

hpabjc8 wrote on 08/06/2010 08:55:53 AM: "Of course they will. Sadly, that's routine in politics regardless of what side you're on (as you can see here - most of the flak he's taking right now is coming from within his own party).

That's exactly why you put the actual facts out there. At least, you do if they make you look any better."

Excuse me hpabjc8, but when have facts ever gotten in the way of an "opinion" and a good rant? They do NOT. Facts are twisted to suit the bias of the person viewing them -- you already know that. The "muck-raking nit-pickers" of ALL persuasions are out in full force 24/7 and coming from all directions. "No comment." is entirely appropriate and a matter of self-preservation in this poisonous atmosphere. If Don Young is anything, he is NOT stupid and for that I am grateful. Why he still cares enough to represent and work for so many ungrateful Alaskans, especially after the loss of his beloved wife, is beyond me. I would not have his courage or perseverance in the face of all this animosity. I'm not sure many of us would.

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Anchorage Daily News
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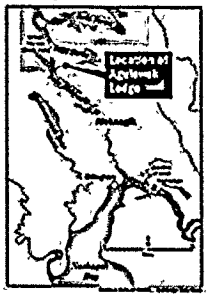
Ted Stevens confirmed dead in plane crash

By BECKY BOHRER
The Associated Press
Published: August 10th, 2010 11:54 AM
Last Modified: August 10th, 2010 11:54 AM

A plane carrying former Alaska Sen. Ted Stevens and eight others crashed Monday in remote Southwest Alaska, killing the longtime Republican lawmaker and four other people, authorities said this morning.



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Ex-NASA chief Sean O'Keefe was also aboard, and the NASA Watch website is reporting that he and his son survived the crash.

Stevens' family has been notified that the 86-year-old was among those killed in the crash, family spokesman Mitch Rose said..

Rescuers arrived on helicopter early Tuesday and were giving medical care to survivors, Alaska National Guard spokesman Maj. Guy Hayes said.

Click to enlarge
Ted Stevens

Three survivors are being taken in two helicopters this morning to Dillingham, where a U.S. Coast Guard C-130 will fly them to Anchorage for treatment, said Alaska National Guard spokeswoman Kalei Brooks.

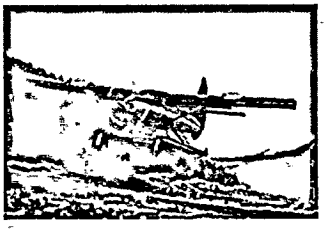
Brooks said she didn't know the identities of the three survivors or if anyone else survived the crash. She said the 11th Air Force Rescue Coordination Center could not confirm reports from the National Transportation Safety Board this morning that five people died in the accident.

Click to enlarge
Sean O'Keefe

Rescuers arrived on helicopter early Tuesday, Brooks said. "There's less than a quarter-mile visibility and less than 100 feet of ceiling ... between the clouds and the ground."

Alaska officials reported that nine people were aboard the aircraft and that "it appears that there are five fatalities," NTSB spokesman Ted Lopatkiewicz told The Associated Press in Washington.

Lopatkiewicz said the NTSB is sending a team to the crash site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John Olafson / Associated Press
This April 29, 2005 photo released by John Olafson, shows an aircraft with tail number N455A, leaving Vernon, British Columbia, Canada and headed to Alaska. The National Transportation Safety Board reports that at about 8:00 p.m. Alaska Daylight Time on Monday, Aug. 9, 2010, a DeHavilland DHC-3T with tail number N455A crashed 10 miles northwest of Aleknagik, Alaska.

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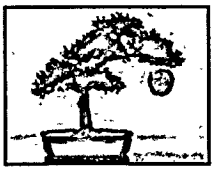
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outside Dillingham, located in the northern Bristol Bay region about 325 miles southwest of Anchorage. The aircraft is a DeHavilland DHC-3T Otter registered to Anchorage-based GCI.

Ethics complaint against Bundy dismissed
Feds choose new leaders for anti-corruption unit

Federal Aviation Administration spokesman Mike Fergus said the plane took off at 2 p.m. Monday from a GCI corporate site on Lake Nerka, heading to the Agulowak Lodge on Lake Aleknagik. He didn't know if that was the final destination or a refueling stop.

The GCI lodge is made of logs and sits on a lake, and photos show a stately main room with an imposing stone fireplace, a leather sofa and a mounted caribou head on the wall.

Fergus said the plane was flying by visual flight rules and was not required to file a flight plan.

Stevens and O'Keefe are fishing buddies, and the former senator had been planning a fishing trip near Dillingham, friend William Canfield said. The flights at Dillingham are often perilous through the mountains, even in good weather.

Hayes said the Guard was called to the area about 20 miles north of Dillingham around 7 p.m. Monday after a passing aircraft saw the downed plane. But severe weather has hampered search and rescue efforts.

The National Weather Service reported rain and fog, with low clouds and limited visibility early Tuesday. Conditions ranged from visibility of about 10 miles reported at Dillingham shortly before 7 p.m. Monday to 3 miles, with rain and fog later.

At least three crash victims were being airlifted to Anchorage, Guard spokeswoman Kalei Brooks Rupp said. She said volunteers hiked into the crash site Monday night and provided medical aid until rescuers arrived.

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Stevens, a moderate Republican, was appointed to the Senate in 1968 and served longer than any other Republican in history. He was beloved as a tireless advocate for Alaska's economic interests.

The White House said Obama administration officials were closely watching news out of Alaska.

Sen. Lisa Murkowski, R-Alaska, asked Alaskans to join her in prayer for all those aboard the aircraft and their families, as did Sen. Mark Begich, D-Alaska. He called the plane crash tragic. Begich's father, Nick Begich, who was Alaska's only congressman in 1972, was killed when his plane disappeared over the Gulf of Alaska with then-House Majority Leader Hale Boggs of Louisiana.

Stevens was one of two survivors in a 1978 plane crash at Anchorage International Airport that killed his wife, Ann, and several others. He remarried several years after the crash -- he and his second wife, Catherine, have a daughter, Lily.

Over the years, Stevens directed billions of dollars to Alaska.

But one of his projects -- infamously known as the "Bridge to Nowhere" -- became a symbol of pork-barrel spending in Congress and a target of taxpayer groups who challenged a $450 million appropriation for bridge construction in Ketchikan.

Stevens' standing in Alaska was toppled by corruption allegations and a federal trial in 2008. He was convicted of all seven counts -- and narrowly lost his Senate seat to Begich in the election the following week.

But five months after the election, Attorney General Eric Holder sought to dismiss the indictment against Stevens and not proceed with a new trial because of prosecutorial misconduct by federal prosecutors.

O'Keefe, 54, was NASA administrator for three tumultuous years. He was deputy director of the Office of Management and Budget when President George W. Bush asked him in late 2001 to head NASA and help bring soaring space station costs under control.

But budget-cutting became secondary when the shuttle Columbia broke apart during re-entry in 2003.

O'Keefe's most controversial action at NASA was when he decided to cancel one last repair mission by astronauts to the Hubble Space Telescope. He said the mission was too risky. His successor overturned the decision. The Hubble mission was carried out last year.

O'Keefe left NASA in 2005 to become chancellor of Louisiana State University. He is now the CEO

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of defense contractor EADS North America and oversees the bid for the hotly contested Air Force refueling jet contract.

The company said O'Keefe was a passenger on the plane. The company said it had no further information about O'Keefe's status.

The contract competition, which pits EADS against rival plane maker Boeing Co., is for a piece of what could eventually be $100 billion worth of work replacing the military's fleet of aging tankers.

Additional information from Daily News reporter Kyle Hopkins. Associated Press writers Mark Thiessen in Anchorage, and Pauline Jelinek, Matt Apuzzo and Natasha Metzler in Washington, D.C., also contributed.

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Marie99501 wrote on 08/10/2010 11:52:10 AM:
I agree - Thanks ADN for posting a much better picture.

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cscott wrote on 08/10/2010 11:51:31 AM:
I will always remember my husband's birthday several years ago when we ran into Uncle Ted at Sullivan's. We were honored that day to meet him, and we are honored today to live in this beautiful state that Ted Stevens loved and fought for. Rest in Peace Uncle Ted, we will miss you and will always remember your legacy.

Recommend (0)

cbrown2 wrote on 08/10/2010 11:51:26 AM:
After I posted that the ADN had a picture of Ted frowning, it suddenly changed to this one now of him smiling. Thanks for changing it...we would prefer to remember this man who did so much for Alaska with a smile then your way...the frown.

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sharonal wrote on 08/10/2010 11:51:10 AM:
Very sad.

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PatrickStar wrote on 08/10/2010 11:50:36 AM:

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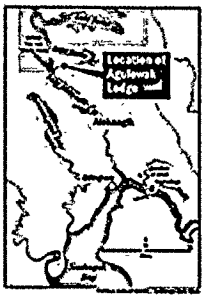
Victims in crash that killed Stevens identified

By RICHARD MAUER, LISA DEMER and KYLE HOPKINS
Anchorage Daily News
Published: August 10th, 2010 03:49 PM
Last Modified: August 10th, 2010 04:03 PM

Former U.S. Sen. Ted Stevens, a political icon who helped steer Alaska from its frontier territorial days to its modern present, was among five people killed in the crash of a lodge floatplane near Dillingham on Monday.



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Four people survived the crash into a steep, remote hillside 17 miles north of Dillingham, and at least three were flown to an Anchorage hospital in a Coast Guard C-130 aircraft. The bodies of Stevens, 86, and the other victims were still at the site. Extrication tools were being flown there Tuesday afternoon.

Among the survivors was former NASA chief Sean O'Keefe and his son, Kevin.

Click to enlarge
Ted Stevens

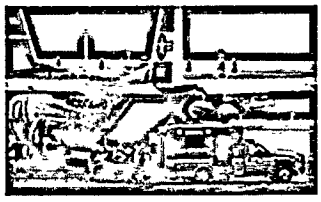
Besides Stevens, Alaska State Troopers identified the victims as Dana Tindall, 48, of Anchorage, a senior vice president for the Alaska telecommunications company GCI; Tindall's daughter Corey, 16; Washington, D.C., lobbyist Bill Phillips, a former Stevens chief of staff; and the pilot, Terry Smith, 62, of Eagle River.

The other survivors were Phillips' son Willy, 13, and lobbyist Jim Morhard of Alexandria, Va.

Click to enlarge
Dana Tindall

The plane, a vintage, single-engine de Havilland Otter, was reported missing about 7 p.m. Monday, some five hours after it took off for a fishing site. The plane was owned by the Alaska telecommunications company GCI, which also owns a guest lodge near Lake Aleknagik on the Agulowak River in prime fishing country. Stevens and the other passengers were the guests of GCI.

Poor weather hampered rescue efforts. The wreckage was discovered about 7:30 p.m. by a local pilot searching for the Otter, but fog soon covered the area. Local residents flown to a nearby ledge by a commercial helicopter pilot got to



More photos
Bill Roth / Anchorage Daily News
A survivor of the plane crash near Dillingham that killed former Sen. Ted Stevens is transferred from a Coast Guard C-130 to an Anchorage Fire Department rig on Tuesday, August 10, 2010. Three survivors were on the flight to Kulis Air National Guard Base.

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Sean O'Keefe

the site in time to provide some aide and comfort to the victims and communicate the situation to state officials, but National Guard and Coast Guard air rescue crews sent to the area were unable to approach the crash site in helicopters and fixed-wing aircraft until about 7 a.m. today.

Alaska National Guard spokeswoman Kalei Brooks said the 11th Air Force Rescue Coordination Center reported that conditions were marginal when rescuers arrived by helicopter. "There's less than a quarter-mile visibility and less than 100 feet of ceiling ... between the clouds and the ground."

At a late-morning news conference in Anchorage, Maj. Gen. Tom Katkus, the Alaska National Guard commander, said the plane didn't send an automatic locator signal when it crashed, but he could not explain why. Katkus and other officials at the news conference said it was too early in the event to suggest a cause for the crash.

The wreckage was discovered on a 40-degree slope amid scree and brush. "There was no secondary fire," Katkus said. But he, Public Safety Commissioner Joe Masters and Gov. Sean Parnell said they had very little information about the events leading up to the crash or the rescue itself.

The National Transportation Safety Board was sending a high-level team to investigate, led by NTSB chairwoman Deborah Hersman. She was scheduled to brief reporters at Ted Stevens Anchorage International Airport in Anchorage at 4 p.m. today.

Most of the information about the crash was coming from witnesses and others in the Dillingham region. Robin Samuelsen, chief executive of the Bristol Bay Economic Development Corp., said Stevens and the others were headed to the Nushagak River to fish for silver salmon.

They apparently took off from the GCI lodge, on the headwaters of the Agulowak River. Before it became a corporate lodge for entertaining company officials, clients, friends and others, it was known as the Wood River Lodge and was open to the public, Samuelsen said.

John Bouker, owner of Bristol Bay Air Service in Dillingham, said he found the wreckage Monday night.

"I was in the air last night about 7:30 p.m., flying an air-taxi trip," Bouker said in a telephone interview. "Dillingham flight service station told me that GCI was concerned about the location of their Otter. They hadn't seen or heard from their Otter since 2 o'clock in the afternoon. So I got the information where they were going from and where they were going to and I backtracked their flight path."

Bouker he saw the wreckage just below the cloud line.

"The fog kind of cleared and I found the airplane in the side of the mountain," he said. He didn't know the mountain name, or even if it had one, but it was in the Muklung Hills, about a third of way to way to their destination.

The Otter had plowed into the hill, Bouker said. "He bounced up the mountain. He looked like he was in a full power climb. ... He looked like he was climbing when he hit."

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Former governor's aide wants corruption case dismissed

RULING: Former governor's aide says he admitted guilt to what now isn't a crime.

By LISA DEMER
ldemer@adn.com

(09/16/10 12:00:48)

Jim Clark, former Gov. Frank Murkowski's chief of staff and one of the Alaskans caught up in the federal corruption investigation, says in new court papers that the criminal case against him should be dismissed based on a new U.S. Supreme Court ruling, even though he pleaded guilty more than two years ago.

Clark's motion filed Wednesday says a recent U.S. Supreme Court ruling scaled back an anti-corruption law to the point that it no longer applies to his case. The criminal case against Clark sprung out of what prosecutors said were his illegal efforts to get Murkowski re-elected.

Clark pleaded guilty in March 2008 to a charge of "conspiracy to commit honest services mail and wire fraud," a federal law that prosecutors used to target crooked politicians and business executives. At times prosecutors applied it broadly to situations in which officials essentially deprived others of their honest services through hidden conflicts of interest and self-serving behavior.

Clark admitted to conspiring with former officials of Veco Corp., the defunct oil-field services company, to secretly channel $68,550 from Veco into Murkowski's re-election effort. Prosecutors said the money for polls and a political consultant was illegal because it was both a corporate donation and excessive and also wasn't reported to the state.

In June the U.S. Supreme Court ruled in the case of former Enron Corp. chief executive Jeffrey Skilling that a charge of "honest services fraud" can only be brought in cases involving bribery and kickbacks, not those involving more abstract theories of deception. A jury had found Skilling guilty of 19 charges including conspiracy to commit honest services fraud and numerous counts of securities fraud for a scheme to mislead investors about Enron's true financial performance. The Supreme Court ruling sent his case to the 5th U.S. Circuit Court of Appeals to determine what convictions if any should stand.

Clark never admitted to receiving any bribes or kickbacks, and the charging document doesn't assert that he took any such payoffs, his attorney, Bruce Gagnon, said in the new court filing.

"Therefore, the (charging document) filed against Mr. Clark does not allege a crime and should be dismissed," the motion says.

U.S. Attorney Karen Loeffler said her office had just been notified of the new motion and she wasn't ready to say what position prosecutors would take.

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"We're going to take a look at it," she said.

Clark is scheduled to be sentenced on Oct. 15, but his motion says that shouldn't happen because "he has pled guilty to a charge that is not a crime." Instead, the case should be dismissed, his motion argues.

Clark has been cooperating with prosecutors and is supposed to testify in the trial of former state Rep. Bruce Weyhrauch, but similar questions have arisen in Weyhrauch's case.

Weyhrauch was indicted in 2007 on charges of conspiracy, attempted extortion, bribery and fraud charges over his relationship with Veco and its officials. But the fraud count, which is also part of the conspiracy charge, was thrown in doubt as a result of the Skilling decision.

194A-AN-13620-M -1073

Weyhrauch's attorneys had challenged the honest services fraud statute before the U.S. Supreme Court, which sent Weyhrauch's case to the 9th U.S. Circuit Court of Appeals for a decision in light of the Skilling ruling. Lawyers on both sides have submitted new briefs to the appeals court, which hasn't yet ruled.

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Memo labels Young 'rogue' after gas tax plans

FORMER AIDE: E-mail shows GOP leaders turning against U.S. representative.

By RICHARD MAUER
rmauer@adn.com
Published: July 18th, 2010 04:43 PM
Last Modified: July 18th, 2010 04:44 PM

A document filed in the corruption case of a former top aide to U.S. Rep. Don Young offers an inside glimpse into Young's fall from favor with fellow Republicans in 2003 over his push to nearly double the federal tax on gasoline.

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Memo labels Young 'rogue' after gas tax plans

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Don Young

The e-mailed memo was an "Intel" report from a transportation lobbyist to his client in Missouri. The memo quoted staff from the Republican House leadership describing Young as a "rogue member" even as he chaired a major committee. At the same time, the memo said, the Bush White House was trying to beat back the tax increase without publicly embarrassing Young but was growing increasingly upset "with the way he keeps pushing forward."

The memo was filed July 8 in U.S. District Court in Washington, D.C. It dates back to the third year of Young's six-year reign over the House Transportation and Infrastructure Committee. At the time, Young was preparing a colossal, pork-filled highways bill and believed he could pay for it by increasing the gas tax.

The memo was dated March 13, 2003, eight months before Young released the first, $375 billion version of his transportation bill.

A spokeswoman for Young, Meredith Kenny, said Young wouldn't comment on the memo. In 2003, he said the huge bill was necessary because the U.S. highway system was becoming outmoded and clogged. According to Kenny, Young was concerned that the means for paying for road construction, the Highway Trust Fund, was being depleted because cars were getting better gas mileage. For each mile driven, less tax -- Young called it a "user fee" -- was being collected.

"Rep. Young is in favor of providing long-term highway trust solvency (in) whichever manner is most efficient to accomplish that," Kenny said.

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SURROUNDED BY SCANDAL

In 2003, Young was vocal in his belief that the particular manner was the gas tax -- so vocal that Republican Rep. Marilyn Musgrave, a conservative opponent from Colorado, said in June 2003 that he screamed in her face and jabbed her with his finger as she gathered signatures on the House floor for a letter opposing the increase.

The "Intel" e-mail was written by Todd Boulanger, a former Republican Senate aide who then was a "Team Abramoff" lobbyist for Greenberg Traurig, the Washington law firm that employed disgraced super lobbyist Jack Abramoff, now in federal prison.

Boulanger pleaded guilty in 2009 to lavishing congressional aides with meals and tickets in exchange for help with legislation sought by his

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clients. Boulanger sent the 2003 e-mail about Young
to a new client, Jay Wunderlich, government affairs director for the Missouri Transportation Department.

Boulanger also sent a copy to Trevor Blackann, then a committee aide to U.S. Sen. Kit Bond, R-Missouri. Blackann pleaded guilty in 2008 to income tax violations for not reporting gifts from Abramoff's associates, including a trip to New York for the 2003 World Series.

Fraser Verrusio, Young's policy director on the Transportation Committee, is facing three felony charges for taking that same World Series trip and not reporting it.

Verrusio was the second senior committee aide on Young's committee charged in the Abramoff scandal. Mark Zachares, special counsel to Young, pleaded guilty to conspiracy in 2007. He is cooperating with prosecutors and the FBI and has not yet been sentenced.

Verrusio is fighting his charges. A trial date has not been set but is approaching as U.S. District Judge Richard Roberts hears a series of pretrial motions. Among them is a request by Verrusio to exclude more than a dozen proposed federal exhibits, including the 2003 Boulanger memo.

Nothing filed in the Zachares or Verrusio cases implicates Young with wrongdoing. He has been under scrutiny in the Alaska corruption investigations over alleged illegal campaign donations and gifts from Veco Corp. and its allies. Young says he has done nothing wrong, but also hasn't been told he has been cleared.

In his argument, Verrusio's attorney said the Boulanger "intel" memo is "impermissible character evidence" that makes Verrusio look bad because Boulanger describes him as a source about Young and the Transportation and Infrastructure Committee.

Speaking about the gas tax increase, Boulanger said: "In the past two days I've had discussions with both Fraser Verrusio (Political/Outreach) and Graham Hill (professional staffer) on the T&I Committee and they seemed determined to push this matter. When I asked if this is a proposal just to get the dialogue moving forward, they said no. While I still think Chairman Young is huffing and puffing, his heels are dug in for the moment."

'STUFFED LIKE A TURKEY'

In January 2003, the Associated Press first reported Young's idea to index the 18.4-cent-a-gallon tax to past and future inflation so that it would reach 33 cents by 2009. The AP quoted Young's spokesman as saying that White House Chief of Staff Andrew Card didn't take a position on the tax when he met with Young.

But in his memo, Boulanger said the White House was firmly opposed.

"I spoke with both White House Legislative Affairs and (Bush political adviser) Karl Rove's office the morning. They are 100% opposed to increasing taxes for funding, especially a regressive tax like the gas tax," Boulanger said. "Staff has been told by the White House CoS, Andrew Card, to play nice and not to embarrass the Chairman, however, they are upset with the way he keeps pushing forward. According to the Leg Affairs office, the Chairman has been warned, but he seems to be moving forward nonetheless. They suspect that if Chairman Young keeps insisting on the gas tax increase that the President will say something on the issue."

Republican leaders in the House, hearing complaints that they were promoting big spending, were even more upset, according to Boulanger.

Majority Leader Tom DeLay's deputy chief of staff, Brett Loper, told Boulanger he was confident that the leadership would turn back Young's tax increase.

The office of Majority Whip Roy Blunt, R-Missouri, was "more forthcoming with intel" than DeLay's staff, Boulanger said.

"They said that leadership is very upset with Chairman Young's proposal to raise gas prices for many reasons, but they were even more upset with his tactics -- i.e., using selective leaks to push his agenda. They also said they are viewing him as a rogue member right now."

Even some members of Young's committee, all of whom benefited by pork to their districts, were concerned, Boulanger wrote.

"I know conservatives on the T&I Committee don't feel that the letter they signed supporting the Chairman bound them to the gas tax," Boulanger said. "They are uneasy about the situation."

When Young finally presented the transportation bill in November 2003, he didn't include a method of paying for his $375 billion program. That would have been up to the tax committees, anyway. Young's bill would have spent $128 billion more than the highway proposal from the Bush administration.

Back in Anchorage a month later, Young boasted about the size of the bill in a news conference. "I stuffed it like a turkey," he said.

Young's bill got nowhere until 2005, when he scaled it back and got the House to pass a $284 billion version. The bill included Alaska's notorious "Bridges to Nowhere" and eventually, inserted

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after it passed both the House and Senate, the Coconut Road interchange in Florida that benefited a developer who raised $40,000 for Young.

The controversy over the massive bill and its earmarks were frequently cited by liberal and conservative commentators as one of the reasons why Republicans lost the House to Democrats in the 2006 election. With the switch in power, all the Republican committee chairs lost their jobs.

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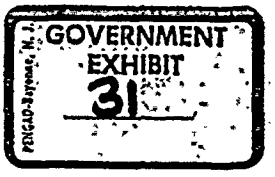
From: Boulanger, Todd (Dir-DC-Gov)
Sent: Thursday, March 13, 2003 9:15 AM
To: 'trevor_blackann@bond.senate.gov'; 'wundej1@mail.modot.state.mo.us'
Subject: TEA-3: Intel (Snapshot on Young Proposal)

House Leadership:
Majority Leader, Tom DeLay: I talked to Brett Loper (Deputy Chief of Staff) in Majority Leader DeLay's office regarding this proposal this morning. His exact quote was they are "confident we can win (beat) this fight."
Speaker, Denny Hastert: Waiting for feedback
Majority Whip, Roy Blunt: Pat Wilson from my office met with Majority Whip Blunt's office last night. They were more forthcoming with intel. They said that leadership is very upset with Chairman Young's proposal to raise gas prices for many reasons, but they are even more upset with his tactics....i.e. using selective leaks to push his agenda. They also said that they are viewing him as a rogue member right now.
Conference Chair, Deborah Pryce: Talked to the House Republican Conference staff about this and they said they haven't really been focused on it as a conference issue, but the Speaker's office has told them it is a non-starter. They also said that the Chamber of Commerce has decided to back the gas tax, which is highly unusual.

White House:
I spoke with both White House Legislative Affairs and Karl Rove's office this morning. They are 100% opposed to increasing taxes for funding, especially a regressive tax like the gas tax. Staff has been told by the White House CoS, Andrew Card, to play nice and not to embarrass the Chairman, however, they are upset with the way he keeps pushing forward. According to the Leg Affairs office, the Chairman has been warned, but he seems to be moving forward nonetheless. They suspect that if Chairman Young keeps insisting on the gas tax increase that they President will say something on the issue.

House T & I Committee:
In the past two days I've had discussions with both Fraser Verussio (Political/Outreach) and Graham Hill (Professional Staffer) on the T & I Committee and they seemed determined to push this matter. When I asked if this a proposal just to get the dialogue moving forward, they said no. While I still think Chairman Young is huffing and puffing, his heels are dug in for the moment... I assume until leadership gives him something he wants. I know conservatives on the T & I Committee don't feel that the letter they signed supporting the Chairman bound them to the gas tax. They are uneasy about the situation. Developing.
Budget:
Senator Nickles (Chairman of Senate Budget) will not have this in his blueprint. Nussle left room for a tax increase to fund highways, but not a gas tax.
Ways and Means:
My coworker Pat Wilson talked Manning Feraci with Rep. Hulshof (who is MO and on Ways and Means) and with Shahira Knight, Senior Budget Analyst for Chairman Thomas on the Ways and Means. She said the Chairman was not aware of the negotiations between leadership and Young and said the Chairman will be upset that he wasn't included and with the direction the leaks in the press have him pointing. This is interesting.
I also talked with several offices on the Ways and Means Committee (Rep. Camp and Hayworth) and they "just don't see how a gas tax will pass" because it will "severely split the caucus. They were concerned that the T & I Committee members were moving too aggressively with this proposal. I'm now checking to see if T & I is working to peel off some moderate R members to side with the D-side in Ways and Means. I haven't heard this as of yet.
Other:
House Republican Study Committee (formally CATs): The 50 or so House Republican Study Committee Member are not surprisingly, apoplectic.



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DOJ lawyer who prosecuted former Sen. Ted Stevens commits suicide

Posted by Alaska_Politics
Posted: September 27, 2010 - 7:49 am

Prosecutors Brenda Morris, Nicholas Marsh, left, and Joseph Bottini leave the U.S. District Court in Washington Wednesday Oct. 1, 2008, after the trial of Alaska Sen. Ted Stevens. (AP Photo/Jose Luis Magana)

From Erika Bolstad in Washington D.C. --

NPR **is reporting** that one of the lead federal prosecutors in former Sen. Ted Stevens' 2008 corruption trial, Nick Marsh, committed suicide this weekend.

Assistant Attorney General Lanny A. Breuer of the Justice Department's Criminal Division released this statement: "Our deepest sympathies go out to Nick's family and friends on this sad day. The Department of Justice is a community, and today our community is mourning the loss of this dedicated young attorney."

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Contributors

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Features

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Alaska political corruption

The FBI raided state legislature offices in Aug. 2006, and the fallout since has been epic in Alaska's political world.

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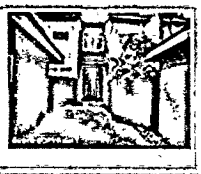

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Bruce Weyhrauch, a former Alaska state representative indicted on corruption charges in 2007, won a federal appeals court ruling preventing prosecutors from offering evidence at trial that he concealed a conflict of interest in seeking a job with an oil contractor.

The U.S. Court of Appeals in San Francisco upheld a judge's pre-trial order in Weyhrauch's criminal case, citing a U.S. Supreme Court ruling in June involving Jeffrey Skilling, Enron Corp.'s former chief executive officer, that limited some fraud prosecutions.

Under the Supreme Court's ruling in the Skilling case, "nondisclosure of a conflict of interest is no longer a basis for prosecution," the appeals court in San Francisco said today.

Weyhrauch, the former Republican state lawmaker, was indicted by a federal grand jury in May 2007 on bribery and conspiracy charges for allegedly seeking a job with Veco Corp., an oilfield-services company, in return for his support of oil tax legislation favored by the firm's former owner, Bill Allen.

Weyhrauch's attorney, Douglas Pope, said he was pleased with the appeals court ruling because the government had argued that court should allow the trial judge to decide the conflict of interest issue. Pope said in a telephone interview that he planned to seek dismissal of the case.

M. Kendall Day, an attorney at the Justice Department's public integrity section, didn't immediately return a voice-mail message seeking comment.

Weyhrauch's trial, which had been scheduled to start Sept. 13, was postponed, according to court filings.

The case is U.S. v. Weyhrauch, 07-30339, U.S. Court of Appeals for the Ninth Circuit (San Francisco).

To contact the reporter on this story: Karen Gullo in San Francisco at kgullo@bloomberg.net.

To contact the editor responsible for this story: David E. Rovella at drovella@bloomberg.net.

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Judge lifts contempt penalty against Stevens prosecutors

By NEDRA PICKLER
The Associated Press
Published: October 12th, 2010 11:27 AM
Last Modified: October 12th, 2010 11:28 AM

WASHINGTON -- The prosecutors in the Ted Stevens case are not going to be penalized for failing to comply with a judge's order. U.S. District Judge Emmet Sullivan has lifted his contempt finding against three Justice Department attorneys.

Sullivan held them in contempt in February 2009 after they missed a deadline to give documents to Stevens' attorneys. On Tuesday, Sullivan ruled that the prosecutors will not be punished because they later turned over the documents.

A Republican, Stevens represented Alaska in the U.S. Senate for 40 years but lost the seat after his conviction on corruption charges. He died in a plane crash two months ago.

Sullivan later dismissed the conviction and ordered a criminal investigation into the prosecution's handling of the case.

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US to drop Jim Clark corruption conviction

DISMISS: Court narrowed law to which official pleaded guilty.

By RICHARD MAUER
rmauer@adn.com
Published: October 8th, 2010 11:00 PM
Last Modified: October 9th, 2010 11:22 PM

The U.S. attorney's office said Friday that it will agree to toss the corruption conviction of Jim Clark, wiping out the criminal record of the man who was once the most powerful unelected official in Alaska.

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Jim Clark

Clark, former chief of staff to Gov. Frank Murkowski and before that a Juneau lobbyist and attorney, last month sought to have his charge thrown out under a recent U.S. Supreme Court ruling that narrowed the law barring conflicts of interest under which he, and many other public and corporate officials around the country, have been convicted.

In his filing Friday in U.S. District Court in Anchorage, assistant U.S. attorney Kevin Feldis agreed that Clark's 2008 guilty plea was to a felony that no longer exists.

But Feldis said that prosecutors will hold Clark to his plea-bargain pledge to cooperate in any future corruption trials and investigations. If he fails to cooperate, it would void the plea bargain and it would subject him to other charges.

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Jim Clark, former chief of staff to Gov. Frank Murkowski, pleaded guilty in 2008 to defrauding Alaska citizens of their right to honest services, but a recent Supreme Court decision weakened the law, and the U S attorney's office agreed to dismiss his conviction.

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Former governor's aide wants corruption case dismissed

Reached in the Lower 48, where he is attending a wedding, Clark said he has no intention of wavering in that pledge.

"My obligation to cooperate with the government and everything else that was in the plea agreement stands," he said.

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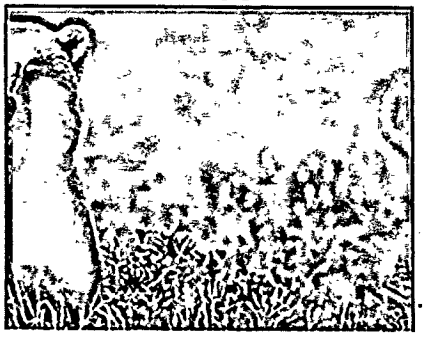

Clark is expected to be a witness in a possible future trial of former state Rep. Bruce Weyhrauch on bribery, extortion and conspiracy charges. Weyhrauch, a Juneau Republican, is also challenging his charges.

Last month, Clark asked a federal judge to dismiss his case despite his guilty plea in 2008 to a single count of defrauding Alaska citizens of their right to his honest services as a public official. Clark admitted conspiring with former officials of the defunct oil-field services company Veco Corp. to channel $68,550 in illegal contributions to Murkowski's political campaign -- without Murkowski's knowledge, he said.

FBI - Stevens-2750

194A-AN-13620-M -1078

But last summer, in cases brought by former public and corporate officials, including Weyhrauch, the Supreme Court narrowed the scope of the honest services fraud statute. Where once it covered undisclosed conflicts of interest and self-dealing, the justices said it could only apply when bribery or kickbacks were involved. Neither was alleged in the Clark case, and both Clark and prosecutors agreed he was no longer in violation of the weakened law.

U.S. District Judge John Sedwick accepted Clark's guilty plea on March 4, 2008, and he will have to formally rule on the dismissal, which he almost certainly will agree to. He has not yet set a hearing date. Clark's law license was suspended after his plea. Alaska Bar counsel Steve Van Goor said that when he gets official notice that the charge is dismissed, he'll inform the Alaska Supreme Court, which will likely reinstate Clark's license.

Van Goor said Clark's license was suspended solely on the basis of his conviction. He said a new ethics complaint against Clark could still be brought by a citizen or the bar association itself based on the facts in the plea, which still stand.

The Justice Department has gone to Congress to restore the original breadth of honest services fraud, which assistant attorney general Lanny Breuer said has been an essential tool for decades in the prosecution of public corruption and corporate misdeeds.

"A public official who conceals his financial interest and then takes official action to advance those interests engages in behavior every bit as corrupt as if he accepts a clear bribe from a third party," Breuer said in testimony before the Senate Judiciary Committee last month. Honest services fraud has been used by prosecutors "because corrupt individuals could be very creative, and the schemes that they devised included a wide range of dishonest conduct that was not always susceptible to definition as a bribe or extortion."

An official who steered public contracts to a company he or she secretly owned didn't engage in bribery or kickbacks, but still violated the public trust and should be prosecuted, Breuer told the senators.

Dismissal of the charge against Clark would be yet another blow to the Alaska corruption cases, which erupted in public view with massive searches of legislative offices and the offices of Veco on Aug. 31, 2006. At one point early in 2009, the government had won jury verdicts or guilty pleas in all 11 cases it had brought, including a seven-count guilty verdict against U.S. Sen. Ted Stevens, with investigations still ongoing against Stevens' son Ben, a former state senator, and U.S. Rep. Don Young, among others.

But the massive case began to unravel with allegations of prosecutorial misconduct in Stevens' case, and those charges were eventually dismissed. Clark's would be the second dismissal, though there were no allegations of misconduct in his case.

Last month, one of the six prosecutors in the Alaska case committed suicide while he was being investigated by a special prosecutor for contempt, and earlier this year Young announced he had been told by the Justice Department that no charges would be brought against him.

Two of those convicted, former Reps. Pete Kott and Vic Kohring, are appealing their cases, citing similar misconduct as Stevens did, while Weyhrauch says his charges should be dismissed before he even goes to trial.

FBI - Stevens-2751

adn.com
Anchorage Daily News

Print Page Close Window

Date set in Weyhrauch corruption trial

Anchorage Daily News / adn.com
(11/03/10 20:59:10)

The long-delayed corruption trial for former state Rep. Bruce Weyhrauch inched forward Wednesday when a time was set for a jury to start hearing his case -- 9 a.m. on May 9, four years and six days after his indictment. But before the 10- to 15-day trial can begin, Weyhrauch's attorneys say they have plenty of issues left for U.S. District Judge John Sedwick to rule on. Among them are allegations that the investigation and indictment were so tainted by government misconduct that charges should be dismissed.

Weyhrauch, a Republican who last represented Juneau in the state House in 2006, was indicted the following year with former House Speaker Pete Kott over their roles in helping Veco Corp., an oil-field contractor, try to limit oil taxes. Initially facing four charges including conspiracy and bribery, Weyhrauch successfully appealed one count to the U.S. Supreme Court, joining other defendants nationwide in limiting the role of the federal fraud statute in corruption cases.

Kott was convicted and sentenced in 2007, though he is out of prison while he appeals.

In court Wednesday morning, Ray Brown, one of Weyhrauch's attorneys, said he hopes to prove government misconduct by compelling testimony from the FBI agent originally in charge of the Alaska corruption investigation, Mary Beth Kepner.

Kevin Driscoll, the latest in a list of 11 federal prosecutors to appear in the case -- most have been from the Justice Department's Public Integrity Section -- told Sedwick that he believed many of the pre-trial arguments he expects to be raised by Weyhrauch's defense are irrelevant to the charges.

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FBI - Stevens-2752

194A-AN-13620-M ~~WEYHRAUCH~~ -1079

FEDERAL BUREAU OF INVESTIGATION
FOI/PA
DELETED PAGE INFORMATION SHEET
FOI/PA# 1392090-1

Total Deleted Page(s) = 4
Page 2 ~ b1;
Page 3 ~ b1;
Page 5 ~ b1;
Page 6 ~ b1;

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X   Deleted Page(s)    X
X   No Duplication Fee X
X   For this Page      X
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(S) [redacted]

Memorandum ~~SECRET~~ wrtx 8869

~~SECRET~~

To : SAC, SAN FRANCISCO (105A-SF-87280)(P)(SQ8) Date 8/6/90

From : SA [redacted] (SQ.8)

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED EXCEPT WHERE SHOWN OTHERWISE

b1
b6
b7C

(S) Subject: [redacted]
FCI-SU (MISC.)
OO: SAN FRANCISCO

DATE: 07-06-2011
CLASSIFIED BY 65179 DMH/LSG
REASON: 1.4 (c)
DECLASSIFY ON: 07-06-2036

1152065-001

All markings, notations, and items of information contained in this communication are classified ~~"Secret"~~.

(S) [redacted]

(S) For information of recipients, the attached documents/information were obtained through [redacted] and are to be considered part of this communication.

(S) **ACTION:**

The attachments were obtained on 8/3/90 and are furnished for information and use, as deemed necessary.

~~SECRET~~
~~Classified by G-3~~
~~Declassify on OADR~~

AUG 13 1990
FBI — SAN FRANCISCO

3 - San Francisco
1 - 105A-SF-87280 Sub 2 (ELSUR)
1 - 105A-SF-87280 Sub A (FCI rotor SQ 8): Route thru IIS.
1 - SF 105A-16284 Sub KK (SQ.14; SA [redacted]
JJR/kkb
(3)

FBI - Stevens-10964

~~SECRET~~

Memorandum

~~SECRET~~

~~SECRET~~

To : SAC, SAN FRANCISCO (105A-~~SF~~-87280)(P)(SQ8) Date 10/9/90

From : SA [redacted] (SQ.8)

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED EXCEPT WHERE SHOWN OTHERWISE

DATE: 07-06-2011
CLASSIFIED BY 65179 DMH/LSG
REASON: 1.4 (c)
DECLASSIFY ON: 07-06-2036

(S) Subject: [redacted]
FCI-SU (MISC.)
OO: SAN FRANCISCO

b1
b6
b7C

All markings, notations, and items of information contained in this communication are classified "~~Secret~~".

(S) [redacted]

(S) For information of recipients, the attached documents/information were obtained through [redacted] and are to be considered part of this communication.

(S) ACTION:

The attachments were obtained on 10/8/90 and are furnished for information and use, as deemed necessary.

~~SECRET~~
~~Classified by G-3~~
~~Declassify on OADR~~

SEARCHED ✓ INDEXED ✓
SERIALIZED ✓ FILED
OCT 1 1990
FBI - SAN FRANCISCO

3 - San Francisco
1 - 105A-SF-87280 Sub 2 (ELSUR)
1 - 105A-SF-87280 Sub A (FCI rotor SQ 8): Route thru IIS.
1 - SF 105A-16284 Sub KK (SQ.14; SA [redacted]
JJR/kkb
(3)

FBI - Stevens-10967

~~SECRET~~

HENRY M. JACKSON, WASH., CHAIR[illegible]
CLINTON P. ANDERSON, N. MEX.
ALAN BIBLE, NEV.
FRANK CHURCH, IDAHO
FRANK E. MOSS, UTAH
QUENTIN N. BURDICK, N. DAK.
GEORGE MC GOVERN, S. DAK.
GAYLORD NELSON, WIS.
LEE METCALF, MONT.
MIKE GRAVEL, ALASKA
GORDON A[illegible]
LEN B. JO[illegible]
PAUL J. FANNIN, AR[illegible]
CLIFFORD P. HANSEN, WYO.
MARK O. HATFIELD, OREG.
TED STEVENS, ALASKA
HENRY BELLMON, OKLA.
JERRY T. VERKLER, STAFF DIRECTOR

United States Senate

COMMITTEE ON
INTERIOR AND INSULAR AFFAIRS
WASHINGTON, D.C. 20510

Mr. Tolson
Mr. DeLoach
Mr. Mohr
Mr. Bishop
Mr. Casper
Mr. Callahan
Mr. Conrad
Mr. Felt
Mr. Gale
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Tele. Room
Miss Holmes
Miss Gandy

March 20, 1969

Mr. J. Edgar Hoover
Director
Federal Bureau of Investigation
Department of Justice
Washington, D. C.

Dear Mr. Hoover:

Thank you for your letter of March 14, concerning Senate Concurrent Resolution 50.

Sincerely yours,

TED STEVENS, U.S.S.

REC 44
MCT-30

N 94-64562

MAR 27 1969

EXP. PROC.
MAR 31 1969

FBI - Stevens-3478

Reply - no action

APR 29 1969

REC-9 94-64562-2
~~63-0 25198~~

March 14, 1969

Honorable Ted Stevens
United States Senate
Washington, D. C. 20510

My dear Senator:

I received your letter and the enclosed copy of Senate Concurrent Resolution 50 on March 12th.

With respect to your request, the FBI is certainly not opposed to the use of one uniform nationwide fire reporting telephone number and one uniform nationwide police reporting telephone number for local police or any other agency which desires to use it. However, this system requires that all calls be handled by a local dispatcher manually and in emergency situations where a large number of calls are received simultaneously, an insufficient number of operators or lines could make it difficult for a caller to secure an open line immediately. This could delay a critical call. For this reason, as well as the confidential nature of our work, this Bureau does not care to participate in this system but prefers to encourage the public to contact us directly. The telephone number of the nearest FBI office is usually located on the first page of telephone directories in cities throughout the country.

I trust that the above will be of some assistance to you in this matter.

FBI - Stevens-3479

MAILED 22
MAR 14 1969
COMM-FBI

Sincerely yours,

J. Edgar Hoover

1 - Anchorage - Enclosures (2)

NOTE: Senator Stevens was named to succeed the late Senator Bartlett and will serve until a special election in 1970 to fill remainder of term to 1972. While attending United State Attorneys Conference in 1954, he stated FBI declined to participate in investigation of case where a criminal broke out of jail in Fairbanks. It was determined it was not within our jurisdiction and was apparent Stevens had spoken out of turn. As a result, Anchorage Office was instructed to be discreet and circumspect in dealing with him. We have received inquiries in the past

FMG:hak (5)

NOTE CONTINUED PAGE TWO

Tolson
DeLoach
Mohr
Bishop
Casper
Callahan
Conrad
Felt
Gale
Rosen
Sullivan
Tavel
Trotter
Tele. Room
Holmes
Gandy

MAIL ROOM ☐ TELETYPE UNIT ☐

APR 29 1969

NOTE continued: regarding similar resolutions particularly the utilization of number "911," and our response has been in line with above.

FBI - Stevens-3480

HENRY M. JACKSON, WASH., CHAIRMAN
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GAYLORD NELSON, WIS.
LEE METCALF, MONT.
MIKE GRAVEL, ALASKA
GORDON ALLOTT, COLO.
LEN B. JORDAN, IDAHO
PAUL J. FANNIN, ARIZ.
CLIFFORD P. HANSEN, WYO.
MARK O. HATFIELD, OREG.
TED STEVENS, ALASKA
HENRY BELLMON, OKLA.

JERRY T. VERKLER, STAFF DIRECTOR

United States Senate

COMMITTEE ON
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WASHINGTON, D.C. 20510

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Mr. Callahan
Mr. Conrad
Mr. Felt
Mr. Gale
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Tele. Room
Miss Holmes
Miss Gandy

March 6, 1969

Mr. J. Edgar Hoover
Director
Federal Bureau of Investigation
Department of Justice
Washington, D. C.

Dear Mr. Hoover:

In the last session of Congress, Senator Ernest Gruening submitted S. Con. Res. 50. I am enclosing a copy of that resolution for your review.

It is my understanding that the Federal Bureau of Investigation supports steps which make it possible to centralize incoming emergency calls. I am considering the introduction of a similar resolution in this session of Congress. I would appreciate your opinion concerning this resolution.

With best wishes,

Cordially,

Ted Stevens

TED STEVENS, USS

94-64562-2

REC-9

~~63-0 25128~~

2 MAR 19 1969

MAR 12 1969

ENCLOSURE

ack 1 mnl
3/14/69
FMG/lak

FBI - Stevens-3481

90TH CONGRESS
1ST SESSION

S. CON. RES. 50

IN THE SENATE OF THE UNITED STATES

NOVEMBER 1, 1967

Mr. GRUENING submitted the following concurrent resolution; which was referred to the Committee on Commerce

CONCURRENT RESOLUTION

1 *Resolved by the Senate (the House of Representatives*
2 *concurring)*, That it is the sense of Congress that the United
3 States should have one uniform nationwide fire reporting
4 telephone number and one uniform nationwide police report-
5 ing telephone number.

V

FBI - Stevens-3482

94-64562-2

~~63-0 25128~~

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA GEN. REG. NO. 27

5010-106

UNITED STATES GOVERNMENT

Memorandum

Tolson
Sullivan
Mohr
Bishop
Brennan, C.D.
Callahan
Casper
Conrad
Dalbey
Felt
Gale
Rosen
Tavel
Walters
Soyars
Beaver
Tele. Room
Holmes
Gandy

TO : Mr. Mohr

DATE: 6/30/71

FROM : J. J. Casper

SUBJECT: TED STEVENS
SENATOR (REPUBLICAN)
ALASKA
FBI NATIONAL ACADEMY GRADUATION

10-1

By memorandum dated 6/16/71, I furnished a list of Senators and Congressmen who had been invited to attend the National Academy graduation exercises 6/30/71. An invitation to attend the National Academy graduation exercises was extended to captioned individual by Chief of Police Lawrence E. Carley, Jr., Sitka, Alaska, a member of the graduating class. Senator Stevens did not advise that he would attend the exercises. Apparently, he decided this morning to attend the exercises and arrived at the lobby of the Departmental Auditorium at approximately 20 minutes to 11:00 a.m., while the Marine Corps band was playing "Ruffles and Flourishes," indicating the arrival of the President on the podium. Secret Service representatives had issued specific instructions that no one was to be admitted to the auditorium after the arrival of the President. This was explained to Senator Stevens, and he indicated that he understood perfectly.

He commented, however, that he felt the FBI had a responsibility to advise invited guests that the program would begin on time. He was advised that the invitations clearly set forth the starting time and that FBI functions always begin at the specified time. He was further advised that accommodations could be made for him after the President left, and he indicated that he did not want to wait.

EX-114 REC-36 94-64562-3

Bureau files reflect that Senator Stevens made remarks regarding the FBI which caused us to treat him circumspectly in 1954 (94-1-10873, Serial 794). Bureau Files further indicate he is a "drinker." (62-102128-2)

7 JUL 7 1971

ACTION:

None...for information.

54 JUL 12 1971

FBI - Stevens-3483

1 - Mr. Mohr 1 - Mr. Bishop

WMM:llp (4)

COPY MADE FOR MR. TOLSON

COPY ORIGINAL SENT TO DIRECTOR

Form DJ-150
(Ed. 4-26-65)

UNITED STATES GOVERNMENT

Memorandum

DEPARTMENT OF JUSTICE

Mr. Tolson
Mr. Felt
Mr. Sullivan
Mr. Mohr
Mr. Bishop
Mr. Brennan C.D.
Mr. Callahan
Mr. Casper
Mr. Conrad
Mr. Dalbey
Mr. Gale
Mr. Ponder
Mr. Rosen
Mr. Tavel
Mr. Walters
Mr. Soyars
Tele. Room
Miss Holmes
Miss Gandy

TO : Heads of Divisions, Offices and Bureaus

DATE: July 17, 1971

FROM : L. M. Pellerzi
Assistant Attorney General
for Administration

SUBJECT: Travel through Alaska

The attached letter from Senator Stevens is self-explanatory. Please give his request consideration if and when traveling to the Far East.

If it is convenient and appropriate, his office should be advised if you or your staff are traveling to or through Alaska.

Attachment

EXP. PROC.
JUL 19 1971
34

EX-117

REC-13 94-64562-4

ENCLOSURE

JUL 23 1971

FBI - Stevens-3484

60 JUL 29 1971

TED STEVENS
ALASKA

United States Senate

WASHINGTON, D.C. 20510

June 16, 1971

The Honorable John M. Mitchell
Attorney General
Department of Justice
Washington, D. C. 20530

Dear John:

An increasing number of government officials are traveling to the Far East. I found it rather amazing that many of these people do not know that there is a route through Anchorage to Tokyo and then on to other points in the area.

This letter is sent to you for two reasons: First, I would like to encourage you to point out to your people that there is a route through Anchorage. Second, it would be quite helpful to me if I could know in advance if any of your people are going through my state so that I might alert the news media there. Our people in the news media get quite disturbed when they hear after the fact that an important government official has gone through our state without their having the opportunity to talk with him.

FBI - Stevens-3485

Cordially,

Ted

TED STEVENS
United States Senator

94-64562-4
ENCLOSURE

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA GEN. REG. NO. 27
5010-106

UNITED STATES GOVERNMENT

Memorandum

Tolson
Felt
Rosen
Mohr
Bishop
Miller, E.S.
Callahan
Casper
Conrad
Dalbey
Cleveland
Ponder
Bates
Tavel
Walters
Soyars
Tele. Room
Holmes
Gandy

TO : Mr. Tolson

DATE: 10/20/71

FROM : D. J. Dalbey

SUBJECT: SENATOR TED STEVENS
REQUEST FOR STATISTICS ON
CRIMES INVOLVING FIREARMS

On October 20, 1971, at 12:50 p.m., an individual identifying herself as [redacted] in Senator Stevens' office (R-Alaska), telephone number [redacted] telephonically advised the Office of Legal Counsel that Senator Stevens would like to receive, if possible, statistics concerning crimes involving the use of firearms, committed prior to the enactment of Federal gun control laws, statistics concerning crimes involving other weapons prior to the enactment of such laws, statistics concerning crimes involving firearms subsequent to the enactment of such laws, and statistics concerning crimes involving other weapons committed subsequent to the enactment of the Federal gun control laws. She said that Senator Stevens would like this information informally.

b6
b7C

She was advised that we would return her call or have our liaison representative contact her in person.

RECOMMENDATION:

That the Crime Records Division furnish on an informal basis the statistics requested, if possible, and that [redacted] be contacted in person through our liaison.

UNRECORDED COPY FILED IN 6 2175

1 - Mr. Bishop
1 - Mr. Dalbey
1 - Mr. Mintz

JAM:mfd
(4)

EX-101

94-64562-5

REC- 28

8 NOV 11 1971

8369

NOV 23 1971

NOV 12 1971

CR. REP.

~~LEGAL COUNSEL~~

FBI - Stevens-3486

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA GEN. REG. NO. 27

5010-106

UNITED STATES GOVERNMENT

Memorandum

Tolson
Felt
Rosen
Mohr
Bishop
Miller, E.S.
Callahan
Casper
Conrad
Dalbey
Cleveland
Ponder
Bates
Tavel
Walters
Soyars
Tele. Room
Holmes
Gandy

TO : Mr. Bishop

DATE: 10/27/71

FROM : J. J. Daunt

SUBJECT: SENATOR TED STEVENS
REQUEST FOR STATISTICS ON
CRIMES INVOLVING FIREARMS

Reference Dalbey to Tolson memo captioned as above, dated 10/20/71.

Referenced memo recommended that statistics concerning crimes involving the use of firearms committed prior to the enactment of Federal gun control laws and statistics on crimes involving other weapons be provided Senator Stevens' office on an informal basis.

Submitted herewith is statistical information relative to the estimated use of weapons in the offenses of murder, aggravated assault, and robbery by years, 1967 - 1970.

ACTION RECOMMENDED:

It is recommended the Crime Records Division furnish the attached crime statistics through liaison contact to [redacted] in Senator Stevens' office (R-Alaska).

Enclosures (3)

1 - Mr. Bishop
1 - Mr. Dalbey
1 - Mr. Daunt
AM/fjt
(4)

RECORDED COPY FILED IN 62-2 1975

b6
b7C

REC- 28 94-64562-6

EX-101

8 NOV 11 1971

NOV 12 1971

60 NOV 23 1971

FBI - Stevens-3487

FEDERAL BUREAU OF INVESTIGATION
COMMUNICATIONS SECTION

NOV 29 1971

TELETYPE

Mr. Tolson
Mr. Felt
Mr. Rosen
Mr. Mohr
Mr. Tamm
Mr. Miller, E.S.
Mr. Callahan
Mr. Casper
Mr. Conrad
Mr. Dalbey
Mr. Cleveland
Mr. Ponder
Mr. Bates
Mr. Jravel
Mr. Walters
Mr. Soyars
Tele. Room
Miss Holmes
Miss Gandy

NR003 AN PLAIN

522 PM NITEL 11-29-71 SJJ

TO DIRECTOR

(ATTENTION CRIME RECORDS)

FROM ANCHORAGE (80-0)

UNSUB; POSSIBLE UNAUTHORIZED ENTRY INTO OFFICE OF ALASKA SENATOR TED STEVENS, ROOM FOUR ZERO THREE, FEDERAL BUILDING, JUNEAU, ALASKA, NOVEMBER TWENTY TWO LAST.

[redacted] JUNEAU, ALASKA PRESS REPRESENTATIVE FOR SENATOR TED STEVENS TODAY ADVISED THAT ON NOVEMBER TWENTY TWO LAST AT ABOUT FIVE PM [redacted] AND A FREQUENT VISITOR TO SENATOR STEVENS'S OFFICE OBSERVED FROM HER HOME WITH BINOCULARS, FLASHING LIGHTS SIMILAR TO EXPLODING FLASH BULBS IN OR NEAR WHAT SHE BELIEVED TO BE SENATOR STEVENS'S OFFICE ON THE FOURTH FLOOR OF THE JUNEAU FEDERAL BUILDING. SHE NOTIFIED [redacted] ASSISTANT TO SENATOR STEVENS AT JUNEAU, WHO UPON INVESTIGATION OBSERVED WHAT SHE BELIEVED TO BE MALE FOOTPRINTS ON THE RUG BY SENATOR STEVENS'S DESK IN HIS OFFICE. IT WAS INDICATED THIS IS A DEEP PILE CARPETING WHICH HOLDS FOOTPRINTS AND THAT NO MALES WERE KNOWN TO HAVE BEEN IN SENATOR STEVENS'S OFFICE WITHIN A REASONABLE PERIOD OF THIS ALLEGED INCIDENT.

END PAGE ONE

b6
b7C

EX 101 REC-66 94-64562-7

17 DEC 1 1971

51 DEC 7 1971

MR. FELT FOR THE DIRECTOR

CHAR FORCE AND MAINTENANCE PERSONNEL IN THE FEDERAL BUILDING APPARENTLY ACCOUNTED FOR DURING PERTINENT PERIOD.

[redacted] ADVISED THERE WAS NO SIGN OF FORCIBLE ENTRY, NOTHING MISSING AND NO CONFIDENTIAL MATERIAL MAINTAINED IN THIS OFFICE. THIS INFORMATION WAS FURNISHED TO COMMISSIONER EMERY CHAPPLE, ALASKA DEPARTMENT OF PUBLIC SAFETY, JUNEAU, BY [redacted], FOREGOING SUBMITTED FOR INFORMATION. SINCE [redacted] INDICATED HE WAS GOING TO REPORT INCIDENT TO LOCAL PRESS SO THAT IF THERE WAS AN ACTUAL ENTRY THE INTRUDER WOULD KNOW THE ENTRY HAD BEEN DETECTED.

b6
b7C

END

BJM FBI WASH DC

FBI - Stevens-3489

CC: Mr. Bishop

February 22, 1972

1 - ~~Mr. Felt~~
1 - ~~Mr. Rosen~~
1 - ~~Mr. Bates~~
1 - [redacted]
1 - [redacted]
1 - ~~Mr. Bishop~~

94-64562

b6
b7C

Honorable Ted Stevens
United States Senate
Washington, D. C. 20510

My dear Senator:

Reference is made to your letter dated February 14, 1972, regarding [redacted] who was recently interviewed by the FBI Anchorage, Alaska, Office.

b6
b7C

I have caused an inquiry to be made into this matter and have determined [redacted] was not informed by any agent of the FBI the alleged charges against him were not valid and the matter would be closed.

The initial complaint involving an allegation that [redacted] attempted to bribe a Government employee was furnished in confidence. Copies of our investigative reports are being furnished to Assistant U. S. Attorney [redacted] Fairbanks, Alaska, for his consideration as to whether prosecution is warranted.

Sincerely yours,

J. Edgar Hoover

1 - SAC, Anchorage (58-89) (Attached for your information is a copy of the letter received from Senator Ted Stevens). (Enclosure)

JDP:bjp
(10)

SEE NOTE PAGE 2.

MAILED 21
FEB 22 1972
FBI

Mr. Tolson
Mr. Felt
Mr. Rosen
Mr. Mohr
Mr. Bishop
Mr. Miller, E.S.
Mr. Callahan
Mr. Casper
Mr. Conrad
Mr. Dalbey
Mr. Cleveland
Mr. Ponder
Mr. Bates
Mr. Walkart
Mr. Walters
Mr. Soyars
Tele. Room
Miss Holmes
Miss Gandy

MAIL ROOM ☐ TELETYPE UNIT ☐

66 MAR 7 - 1972

ORIGINAL FILED IN 58-89

FBI - Stevens-3490

Honorable Ted Stevens

NOTE: Senator Stevens (R - Alaska) in letter dated 2/14/72, advised he received information that [redacted] when interviewed by the FBI, was allegedly informed that charges against him were not valid and the matter would be closed and he desires name of complainant. In affidavit Special Agent [redacted] Anchorage, categorically denies [redacted] was told at any time that "FBI charges against him not valid and matter would be closed". b6 b7C

Our investigation is based on information furnished in confidence on 1/21/72, by [redacted] Fort Wainwright, Alaska, that [redacted] furnished an acre of land to [redacted] Fort Wainwright, in return for promoting [redacted] in their civil service position at Fort Wainwright. Investigation verified [redacted] gave land to [redacted] and [redacted] in fact up-graded GS position of [redacted] Anchorage has submitted initial report dated 2/10/72, and has been instructed to complete remaining investigation by 3/1/72. b6 b7C

Senator Stevens, former U. S. Attorney, Fairbanks, Alaska, while attending a U. S. Attorney's Conference in 1954 was critical of FBI refusal to conduct investigation of a jail break not within our jurisdiction. As a result our Anchorage Office was instructed to be discreet and circumspect in dealing with Stevens. Our contacts with Stevens since becoming a U. S. Senator have been very limited and he is not on the special correspondence list.

FBI - Stevens-3491

GALE W. McGEE, WYO., CHAIRMAN
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DAVID MINTON, STAFF DIRECTOR AND COUNSEL
ROD CROWLIE, ASSOCIATE STAFF DIRECTOR

United States Senate

COMMITTEE ON
POST OFFICE AND CIVIL SERVICE
WASHINGTON, D.C 20510

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Mr. Felt
Mr. Rosen
Mr. Bishop
Mr. Miller, T.S.
Mr. Callahan
Mr. Cooper
Mr. Conrad
Mr. Dalbey
Mr. Cleveland
Mr. Bender
Mr. Jones
Mr. Wickhart
Mr. Walters
Mr. Sowers
Tele. Room
Miss Holmes
Miss Gandy

February 14, 1972

Hon. J. Edgar Hoover
Director
Federal Bureau of Investigation
Department of Justice
Washington, D. C.

Dear Mr. Hoover:

[redacted] of the AFGE Local No. 1834 in Fairbanks, Alaska has written me in behalf of [redacted] who was recently called into the office of the CID at Fort Wainwright where he was questioned by the FBI.

Subsequent to questioning [redacted] the FBI informed him that the alleged charges against him were not valid and the matter would be closed.

[redacted] has since then initiated efforts to determine what allegations were made against him and by whom which would warrant an investigation by the FBI. He is of the opinion that the person who made the allegations should be identified and subject to legal action for defamation of character.

I would appreciate receiving your comments on this situation and advising me what recourse is available to [redacted].

b6
b7C

94-64562

NOT RECORDED
191 MAR 1 1972

With best wishes,

Cordially,

TED STEVENS
United States Senator
(R-ALASKA)

EXP. PROC.
ORIGINAL FILED IN 94-64562
37 FEB 15 1972

Yet to Director Attorney
2/23/72
JDP. bye

CORRESPONDENCE
THREAT

March 16, 1972

REC-47 94-64562-8

EX-105

Honorable Ted Stevens
~~United States Senate~~
~~Washington, D. C. 20510~~

My dear Senator:

I have received your letter of March 9th. In response to your request, the crime rate statistics for the first nine months of 1971 for Alaska and Anchorage area are being prepared and will be forwarded to you under separate cover. The total figures for 1971 will be received and compiled in the near future. The final figures for 1971 will be released later this summer and arrangements have been made for you to receive this data as soon as it is available.

MAILED 23
MAR 16 1972
FBI

Sincerely yours,

J. Edgar Hoover

1 - Anchorage - Enclosure
1 - Administrative Review Unit - Enclosure
1 - Mr. Jerome J. Daunt - Enclosure
Attention: SA Andrew McKean
Under Separate Cover Material:
Crime statistics for the first nine months of 1971 re Alaska and Anchorage area.

NOTE: We have furnished Senator Stevens crime statistics in the past. Answer coordinated with Uniform Crime Reporting Section, Crime Records Division, which will forward the statistics to the Senator.

JJH:ped (7)

Mr. Tolson
Mr. Felt
Mr. Rosen
Mr. Mohr
Mr. Bishop
Mr. Miller, E.S.
Mr. Callahan
Mr. Casper
Mr. Conrad
Mr. Dalbey
Mr. Cleveland
Mr. Ponder
Mr. Bates
Mr. Waikart
Mr. Walters
Mr. Soyars
Tele. Room
Miss Holmes
Miss Gandy

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FBI - Stevens-3493

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FREDERICK J. LORDAN, STAFF DIRECTOR
MICHAEL PERTSCHUK, CHIEF COUNSEL

United States Senate

COMMITTEE ON COMMERCE
WASHINGTON, D.C. 20510

March 9, 1972

Mr. Tolson
Mr. Felt
Mr. Rosen
Mr. Mohr
Mr. Bishop
Mr. Miller, ES
Mr. Callahan
Mr. Casper
Mr. Conrad
Mr. Dalbey
Mr. Cleveland
Mr. Ponder
Mr. Bates
Mr. Walkart
Mr. Walters
Mr. Soyars
Tele. Room
Miss Holmes
Miss Gandy

Mr. J. Edgar Hoover
Director
Federal Bureau of Investigation
Department of Justice
Washington, D. C.

Dear Mr. Hoover:

I would appreciate your assistance in obtaining the crime rate statistics for the State of Alaska for 1971. I particularly am interested in the gains and losses in the numbers of felonies committed in the Anchorage area.

Thank you for your assistance in this matter. This information will be particularly useful to my staff and me.

With best wishes,

Cordially,

TED STEVENS
United States Senator
(R-ALASKA)

EXP. PROC.
MAR 13 1972

EX-105

REC-47 94-64562-8

MAR 13 1972

CORRESPONDENCE

FBI - Stevens-3494

REC-110

April 5, 1972

94-64562-9

Honorable Ted Stevens
United States Senate
Washington, D. C. 20510

My dear Senator:

In response to your letter of March 27th, information necessary to complete crime rate statistics of the type you requested is currently being compiled. Final figures and crime rates will be released in the summer of this year and arrangements have been made for you to receive this data as soon as it is available.

MAILED 8
APR 5 - 1972
FBI

Sincerely yours,

FBI - Stevens-3495

J. Edgar Hoover

1 - Anchorage - Enclosure
1 - [redacted] - Enclosure
Attention SA [redacted]
1 - Administrative Review Unit - Enclosure (detached)

b6
b7C

NOTE: We have furnished Senator Stevens crime statistics in the past. Above coordinated with Uniform Crime Reporting Section, Computer Systems Division. Senator Stevens is being added to the Uniform Crime Reports bulletin mailing list.

JWD:msd (7)

Tolson
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Rosen
Mohr
Bishop
Miller, E.S.
Callahan
Casper
Conrad
Dalbey
Cleveland
Ponder
Bates
Waikart
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Soyars
Tele. Room
Holmes
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APR 13 1972

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United States Senate

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Mr. Ponder
Mr. Bates
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Mr. Sovars
Tele. Room
Miss Holmes
Miss Gandy

March 27, 1972

The Honorable J. Edgar Hoover
Director
Federal Bureau of Investigation
U.S. Department of Justice
Washington, D. C. 20537

Dear Mr. Hoover:

Thank you for the information you sent me regarding the crime rate statistics for Alaska during 1971. I do appreciate your assistance in this matter.

I also would appreciate it if you could send me crime rate statistics per capita for Alaska for 1971 and the crime rate statistics per capita for other selected states and the nation as a whole for this period. I have been informed that the crime rate for Alaska in 1971 was higher than that for other states, and I am particularly concerned about this development. Accordingly, comparison of the per capita crime statistics for Alaska and other states would assist me in evaluating this matter.

Thank you again for your assistance in this matter.

Cordially,

TED STEVENS
United States Senator
(R-ALASKA)

EXP. PROC.
MAIL ROOM
MAR 31 1972
REC 110
94-64562-9
8 MAR 31 1972
CORRESPONDENCE
Mailing List
4/4/72
Change Noted
add
FBI - Stevens-3496

May 30, 1972

Honorable Ted Stevens
United States Senate
Washington, D. C. 20510

Dear Senator Stevens:

I thought you might be interested in the splendid article, "Air Disaster Recovery Operations in Remote Areas," by Honorable Emery W. Chapple, Jr., Commissioner, Alaska Department of Public Safety, Juneau, Alaska, which begins on page 16 of the June, 1972, FBI Law Enforcement Bulletin. Two advance copies are enclosed for your information.

We are grateful for Commissioner Chapple's cooperation in making this manuscript available to the FBI, and we know that his presentation will be of great interest to law enforcement personnel throughout the country.

Sincerely yours,

REC-7 94-64562-10
EX-116

L. Patrick Gray III

L. Patrick Gray, III
Acting Director

Enclosures (2)

19 MAY 31 1972

1 - Mr. Bishop

NOTE: Senator Stevens (R-Alaska) is on the Bureau mailing list to receive the Uniform Crime Reports Bulletin. This letter is in compliance with a suggestion approved in M. A. Jones to Bishop memo dated 12-18-67 that each month two copies of the Bulletin be sent to friendly Congressmen whose districts or states cover localities of by-line articles by authors in law enforcement.

JHC:bhm
(7)

Felt
Mohr
Rosen
Bates
Bishop
Callahan
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Cleveland
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Miller, E.S.
Ponder
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FBI - Stevens-3497

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WM. W. WOODRUFF, COUNSEL

United States Senate

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WASHINGTON, D.C. 20510

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Mr. Armstrong
Ms. Herwig
Mrs. Neenan

August 11, 1972

Honorable Patrick Gray
Director
Federal Bureau of Investigation
U.S. Department of Justice
Washington, D. C.

Mahnfeldt

Dear Mr. Gray:

I do want to thank you for sending me the recent copy of FBI Magazine with its enclosed article by the Honorable Emery W. Chapple, Jr. concerning the recovery operation associated with the Alaska Airlines crash near Juneau, Alaska in 1971.

I do believe that this was a most interesting article regarding this difficult operation. Accordingly, I decided to insert it into the Congressional Record.

Thank you again for your consideration.

With best wishes,

Cordially,

Ted Stevens

TED STEVENS
United States Senator
(R-Alaska)

EXP. PROC.
AUG 14 1972

REC-88 EX-104

94-64562-11

AUG 14 1972

FBI - Stevens-3498

CORRESPONDENCE

56 AUG 24 1972

[redacted] G. MAGNUSON, WASH., CHAIR[redacted]
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WILLIAM B. SPONG, JR., VA.

NORRIS COTTON, N[redacted]
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United States Senate

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WASHINGTON, D.C. 20510

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Tele. Room
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Mr. Armstrong
Ms. Herwig
Mrs. Neenan

September 5, 1972

Hon. Patrick Gray
Director
Federal Bureau of Investigation
U.S. Department of Justice
Washington, D.C.

Dear Mr. Gray:

Thank you for your recent letter with the enclosed crime statistics for the years 1970 and 1971 for Anchorage and the State of Alaska.

I do appreciate your assistance. These figures will be of great help to me.

With best wishes,

Cordially,

Ted Stevens

TED STEVENS
United States Senator

Malmfeldt

EXP. PROC.
SEP 11 1972

EX-115

FBI - Stevens-3499

REC-33 94-6456-12

4 SEP 11 1972

57 SEP 5 1972

FD-36 (Rev. 5-22-64)

FBI

Date: 2/21/73

Transmit the following in _____ (Type in plaintext or code)

Via AIRTEL _____ (Priority)

TO: ACTING DIRECTOR, FBI
ATT: LABORATORY

FROM: SAC, WFO

U.S. SENATOR TED STEVENS,
Alaska
REQUEST FOR ELECTRONIC
SWEEP OF OFFICE.

On 2/21/73 [redacted] Office of U.S. Senator TED STEVENS, Alaska, Room 411, Old Senate Office Building, phone 180-3004, advised SA [redacted] the Senator requests that an electronic sweep be conducted of his personal office for possible "bugs".

He plans to hold very sensitive meetings their in the near future.

b6
b7C

SA [redacted] advised Lab-personnel will do security sweep 2/27/73 WSS

ST-105

94-64562-13

REC-67

20 FEB 22 1973

2-Bureau
1-WFO
MGA:pmt
(3)

FBI - Stevens-3500

Approved: MAR 7 1973 Special Agent in Charge

Sent _____ M Per _____

U.S.Government Printing Office: 1972 — 455-574

April 9, 1974

94-64562

Honorable Ted Stevens
United States Senate
Washington, D. C. 20510

Dear Senator Stevens:

In reply to your letter of March 29th, I regret that I am unable to be of assistance in connection with your request as information contained in the investigative files of the FBI is available only to duly authorized law enforcement officials and agencies of the Executive Branch of the United States Government, and is not disclosable, even under the provisions of the Freedom of Information Act.

Sincerely yours,

C. M. Kelley

Clarence M. Kelley
Director

MAILED 22
APR 09 1974
FBI

1 - Anchorage - Enclosure
1 - Congressional Services - Enclosure
1 - Legal Counsel - Enclosure
Attention: FOIA

FBI - Stevens-3501

NOTE: We have had prior constituent correspondence with Senator Stevens (R-Alaska). By outgoing of 3-25-74 to Senator Stevens, we advised him that the Bureau, at the specific request of the Department on 4-16-73, conducted an investigation into the Arctic Slope Native Association, No. N-6, in connection with claims filed by the Association under Section 20(g) of the Alaska Native Claims Settlement Act, Public Law 92-203, 85 Stat 688. Senator Stevens was advised that results of our investigation were furnished to the Civil Division of the Department on 6-6-73. Current reply coordinated with Freedom of Information Act Unit, Office of Legal Counsel.

RCD:nlm (7)

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Dep. AD Adm.
Dep. AD Inv.
Asst. Dir.:
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Comp. Syst.
Ext. Affairs
Files & Com.
Gen. Inv.
Ident.
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Intell.
Laboratory
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Spec. Inv.
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Legal Coun.
Telephone Rm.
Director Sec'y

5 APR 18 1974

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ORIGINAL FILED IN 63-16007-10

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United States Senate

COMMITTEE ON COMMERCE
WASHINGTON, D.C. 20510

RCD 4

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Comp. Syst. ____
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Legal Coun. ____
Telephone Rm. ____
Director Sec'y ____

March 29, 1974

Honorable Clarence M. Kelley
Director
Federal Bureau of Investigation
U. S. Department of Justice
Washington, D. C. 20535

Dear Director Kelley:

This is in further reference to my letter of March 14 regarding the FBI investigation into the Arctic Slope Native Association.

I wonder if it would be possible to obtain a copy of the results of your investigation.

With best wishes,

Cordially,

TED STEVENS
United States Senator

94-64562-

NOT RECORDED
152 APR 16 1974

63-16007

12 APR 4 1974

EXP. PROC.
31 APR 4 1974 #31
63-16007-19

ORIGINAL FILED IN

ack 4-9-74
RCD:rlm

CORRESPONDENCE

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA FPMR (41 CFR) 101-11.6

UNITED STATES GOVERNMENT

Memorandum

Assoc. Dir. ____
Dep. AD Adm. ____
Dep. AD Inv. ____
Asst. Dir.:
Adm. Serv. ____
Ext. Affairs ____
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Rec. Mgnt. ____
Spec. Inv. ____
Training ____
Telephone Rm. ____
Director Sec'y ____

TO : Assistant Director
Intelligence Division

DATE: 3/30/77

FROM : Legal Counsel

SUBJECT: REQUESTED BRIEFING FOR
SENATOR TED STEVENS (ALASKA)

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 11-30-82 BY SP1GSKJC
#232.722

The purpose of this memorandum is to advise of a request on the part of Senator Ted Stevens for a briefing concerning foreign counterintelligence matters and the efforts of foreign intelligence agents with regard to the U. S. Senate.

DETAILS:

On 3/28/77, [redacted] Office of Legislative Counsel, Central Intelligence Agency (CIA), advised SA Danny O. Coulson, Office of Congressional Affairs, Legal Counsel Division, that he had received a request from Senator Stevens for a briefing concerning the efforts of foreign intelligence agents to obtain information from members and employees in the U. S. Senate. [redacted] requested that SA [redacted] contact [redacted] telephone number [redacted] of the Senate Appropriations Committee, regarding the Senator's request. On 3/29/77, [redacted] was contacted by SA [redacted] who advised that the Senator due to his position on the Appropriations Committee and due to his responsibilities as Minority Whip, comes in frequent contacts with embassy officials from various Communist-bloc countries. He advised that the Senator is also concerned with possible efforts to contact staff personnel for intelligence purposes. The Senator is interested in the

b3 Per CIA
b6 Per FBI
b7C

1 - Mr. Leavitt
1 - Mr. Cregar
1 - Mr. Mintz
2 - Mr. Daly
1 - Mr. Coulson

REC 68 94-64562-14
OCT 14 1977

DOC:jsr
(7)

ST-124

CONTINUED - OVER

LEGAL COUNSEL

FBI - Stevens-3503

OCT 20 1977

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

5010-108

FBI/DOJ

Legal Counsel to Assistant Director,
Intelligence Division
RE: REQUESTED BRIEFING FOR
SENATOR TED STEVENS (ALASKA)

Bureau's policy regarding notification of Senators regarding contacts with their staff personnel by foreign intelligence officers. He is also interested in the possibility of viewing any photographs of known foreign intelligence officers in the event that he comes into contact with one of these individuals through his official duties.

RECOMMENDATION:

That the Intelligence Division prepare an appropriate briefing for Senator Stevens pursuant to his request and coordinate this briefing with the Office of Congressional Affairs, Legal Counsel Division.

APPROVED:			
Director	Adm. Serv.	Legal Coun.	
Assoc. Dir.	Ext. Affairs	Plan. & Insp.	
Dep. AD Adm.	Fin. & Pers.	Rec. Mgt.	
Dep. AD Inv.	Gen. Inv.	S. & T. Serv.	
	Ident.	Spec. Inv.	
	Intell.	Training	

4/5/77 [redacted] contacted [redacted] who indicated schedule field contact 4/15/77. He will advise of proposed date then EGP

10/3/77 [redacted] under Counsel Congress ordered Senate on legal Bureau briefing

b6
b7C

March 7, 1978

FEDERAL GOVERNMENT

Honorable Ted Stevens
United States Senate
Washington, D. C. 20510

Dear Senator Stevens:

The March, 1978, issue of the FBI Law Enforcement Bulletin contains an article, beginning on page 16, entitled "A 'Dear' on Safety," by Staff Sergeant [redacted], Community Services Bureau, Alaska Department of Public Safety, Anchorage, Alaska. I thought you might be interested in seeing this excellent article. Enclosed are two advance copies for your information.

b6
b7C

The distribution of our magazine, without charge, to sworn law enforcement officers is one of the cooperative services of the FBI designed to improve the standards of our profession by fostering an exchange of information about proven law enforcement programs.

Sincerely yours,

William H. Webster
Director

Enclosures (2)

1 - Office of Congressional Affairs

JLS:daw
(7)

MAILED 14
MAR 3 - 1978
FBI

REC-46 94-64562-15

EX-111

MAR 7 1978

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Dep. AD Adm.
Dep. AD Inv.
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FBI - Stevens-3505

FBI/DOJ

TED STEVENS
ALASKA

United States Senate

FEDERAL GOVERNMENT

OFFICE OF
THE ASSISTANT MAJORITY LEADER
WASHINGTON, D.C. 20510

July 13, 1983

Mr. Roger S. Young
Chairman
FBI 75th Anniversary Gala
Room M956
J. Edgar Hoover F.B.I. Building
10th Street & Pennsylvania Avenue, N.W.
Washington, D.C. 20535

Dear Mr. Young:

Thank you for your recent letter inviting me to attend the FBI's 75th Anniversary celebration on July 23rd. Unfortunately, I will be unable to attend because of a previous commitment that evening.

94-64562-16

I am sure that the celebration will be a great success, and I do regret having to miss it.

With best wishes,

NOV 21 1983

Cordially,

TED STEVENS
United States Senator

NO ACK NEC.
11/14/83

FILE

FBI - Stevens-3506

MARK O. HATFIELD, OREG., CHAIRMAN

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DALE BUMPERS, ARK.

J. KEITH KENNEDY, STAFF DIRECTOR
FRANCIS J. SULLIVAN MINORITY STAFF DIRECTOR

United States Senate

COMMITTEE ON APPROPRIATIONS
WASHINGTON, D.C. 20510

January 24, 1984

FEDERAL GOVERNMENT

William P. Haynes, Jr.
Chief Counsel
Office of Congressional Affairs
Federal Bureau of Investigation
9th and Pennsylvania Ave., N.W.
Washington, D.C. 20535

Dear Mr. Haynes:

I have been contacted by a constituent who has heard that the FBI is expanding investigation files to "suspicious" citizens as well as those who have criminal records. I realize the guidelines governing the FBI have been expanded, but I would appreciate your comments on the necessity for this expansion.

With best wishes,

Cordially,

Ted Stevens

TED STEVENS

94-64562-17

2 FEB 6 1984

FBI - Stevens-3507

ack: ESH:ddb 2/1/84

February 1, 1984

FEDERAL GOVERNMENT

Honorable Ted Stevens
United States Senate
Washington, D. C. 20510

Dear Senator Stevens:

Your January 24th letter regarding your contact with a constituent who has heard that the FBI is expanding its investigative files has been brought to my attention.

I believe your constituent's concern relates to "The New York Times" article concerning suggested enhancements of the National Crime Information Center (NCIC). The article was based on a report submitted to the NCIC Advisory Policy Board by a subcommittee of that Board tasked with soliciting suggested improvements of NCIC from its thousands of users. The Board is made up of individuals from state, county and local law enforcement, and the subcommittee, having canvassed NCIC users, came up with about 300 proposals, including adding new files on individuals such as drug traffickers, violent offenders, firearms offenders, foreign fugitives, persons on probation or parole, terrorists, foreign counterintelligence operatives and members of organized crime. Several of the proposals have already been rejected by the Advisory Policy Board.

94-64562-18

The other proposals will be considered at the NCIC region level and by NCIC Staff and again presented to the Advisory Policy Board. Following those procedures, the Board will make recommendations to Judge Webster. He has neither evaluated nor approved any of the proposals as yet. Any proposals being considered would also require legal opinions

1 - Anchorage - Enclosure
1 - Congressional Affairs Section - Enclosure

ESH:ddb (7)

FEB 02 1984 FBI

Exec AD Adm. ___
Exec AD Inv. ___
Exec AD LES ___
Asst. Dir.:
Adm. Servs. ___
Crim. Inv. ___
Ident. ___
Insp. ___
Intell. ___
Lab. ___
Legal Coun. ___
Off. Cong. & Public Affs. ___
Rec. Mgnt. ___
Tech. Servs. ___
Training ___
Telephone Rm. ___
Director's Sec'y ___
MAIL ROOM ☐

FBI/DOJ

Honorable Ted Stevens

from the Department of Justice and input will be solicited from a variety of interested parties. Congress will be kept fully informed and any new files approved will be described and published in the Federal Register before implementation. As you can note, these procedures will permit debate by all interested parties, and the most important consideration will be that we do not violate the privacy of our citizens.

I hope I have been responsive to your interest.

Sincerely,

William M. Baker
Acting Assistant Director
Office of Congressional
and Public Affairs

NOTE: Above response has previously been furnished to similar inquiries by members of Congress.

APPROVED: Adm. Serv. ____ Legal Coun. ____
Crim. Inv. ____ Plan. & Insp. ____
Director ____ Rec. Mgmt. ____
Exec. AD Adm. ____ Ident. ____ Tech. Servs. ____
Exec. AD Inv. ____ Intell. ____ Training ____
Off. of Cong. & Public Affs. ____
Exec. AD LES ____ Laboratory ____

FBI - Stevens-3509

FEDERAL GOVERNMENT

August 13, 1985

Honorable Ted Stevens
United States Senate
Washington, D. C. 20510

Dear Senator Stevens:

Your July 18th letter has been received and I appreciate the opportunity to address your concern and that of your constituent regarding the interview of people traveling to and from Nicaragua.

In accordance with the Attorney General's guidelines and in furtherance of our responsibilities as set forth in Executive Order 12333, we have conducted a small number of interviews of Americans who have traveled to foreign countries. The purposes of these interviews are to determine whether those interviewed can provide information relating to the capabilities, intentions and activities of foreign governments or organizations that may adversely affect the Government of the United States or its citizens, and to solicit their cooperation in assisting the FBI in meeting its investigative responsibilities. It is not our intent to discourage or interfere with anyone's right to travel to a foreign country, nor is it our intent to intimidate or otherwise influence those persons who may have a legitimate disagreement with U. S. foreign policy.

94-64562-19

I hope this information will assist you in corresponding with your constituent.

Sincerely,

William M. Baker
Assistant Director
Office of Congressional and Public Affairs

APPROVED: Director; Exec. AD Adm.; Exec. AD Inv.; Exec. AD LES; Adm. Serv.; Crim. Inv.; Ident.; Intell.; Laboratory; Legal Coun.; Plan. & Insp.; Rec. Mgnt.; Tech. Servs; Training; Off. Cong. & Public Affs.

Exec AD Adm. ___ Exec AD Inv. ___ Exec AD LES ___ Asst. Dir.: Adm. Servs. ___ Crim. Inv. ___ Ident. ___ Insp. ___ Intell. ___ Lab. ___ Legal Coun. ___ Off. Cong. & Public Affs. ___ Rec. Mgnt. ___ Tech. Servs. ___ Training ___ Telephone Rm. ___ Director's Sec'y ___ MAIL ROOM

1 - Anchorage - Enclosure
1 - Congressional Affairs Office
NOTE: Substance of above response has previously been used in reply to similar inquiries and coordinated with SA [redacted] Legal Counsel Division.
ESH:mfw (6)

AUG 26 1985

SEP 10 1985

UNRECORDED COPY FILED IN 94-0

b6 b7C

54 DEC 17 1985

SEP 10 1985

MARK O HATFIELD OREGON CHAIRMAN

TED STEVENS ALASKA
LOWELL P WEICKER, JR CONNECTICUT
JAMES A McCLURE IDAHO
PAUL LAXALT NEVADA
JAKE GARN UTAH
THAD COCHRAN MISSISSIPPI
MARK ANDREWS NORTH DAKOTA
JAMES ABDNOR SOUTH DAKOTA
ROBERT W KASTEN JR WISCONSIN
ALFONSE M D'AMATO NEW YORK
MACK MATTINGLY GEORGIA
WARREN RUDMAN NEW HAMPSHIRE
ARLEN SPECTER PENNSYLVANIA
PETE V DOMENICI NEW MEXICO

JOHN C STENNIS MISSISSIPPI
ROBERT C BYRD WEST VIRGINIA
WILLIAM PROXMIRE WISCONSIN
DANIEL K INOUYE HAWAII
ERNEST F HOLLINGS SOUTH CAROLINA
LAWTON CHILES FLORIDA
J BENNETT JOHNSTON LOUISIANA
QUENTIN N BURDICK NORTH DAKOTA
PATRICK J LEAHY VERMONT
JIM SASSER TENNESSEE
DENNIS DeCONCINI ARIZONA
DALE BUMPERS ARKANSAS
FRANK R LAUTENBERG NEW JERSEY
TOM HARKIN IOWA

J KEITH KENNEDY STAFF DIRECTOR
FRANCIS J SULLIVAN MINORITY STAFF DIRECTOR

United States Senate

COMMITTEE ON APPROPRIATIONS
WASHINGTON DC 20510

July 18, 1985

FEDERAL GOVERNMENT

Emil Moschella
Legislative Counsel, Congressional Affairs
Federal Bureau of Investigation
Ninth and Pennsylvania Avenue, N.W.
Washington, D.C. 20536

TED Stevens

Dear Mr. Moschella:

One of my constituents from Anchorage has some questions concerning the interrogation of people traveling to and from Nicaragua. Please send me information outlining these policies and procedures.

Thanks for your assistance.

With best wishes,

Cordially,

Ted Stevens
TED STEVENS

94-64562-20

AUG 26 1985

Ack
8-13-85
ESH:jw

FBI - Stevens-3511

4 DEC 17 1985

SEP 10 1985

UNRECORDED COPY FILED IN 246-0-653

By Courier 2-6-89 PM

February 6, 1989

Honorable Ted Stevens
United States Senate
Washington, D.C.

FEDERAL GOVERNMENT

Dear Senator Stevens:

I would like to take this opportunity to extend to you an invitation to join the FBI in the dedication of our new dormitory and conference center at the FBI Academy, Quantico, Virginia, at 2 p.m. on February 19, 1989.

With continued congressional support, we have developed at Quantico a modern and sophisticated training facility which has earned an enviable reputation for its program excellence and commitment to enhancing the delivery of law enforcement services to the American citizenry. The addition of this new multipurpose building, which will be named Jefferson Dormitory, will allow us to further solidify joint Federal and local efforts to address our Nation's crime problems.

I recognize there are many demands on your time, but I hope that you and your family can join us for what I trust will be an enjoyable day at the Academy. Please advise Supervisory Special Agent [redacted] of our Congressional Affairs Office at telephone number [redacted] if you plan to join us.

Sincerely yours,

b6
b7C

William S. Sessions
Director

1 - Congressional Affairs Office
ARW:dlt (3)

94-64562-21

SSA [redacted]
Room 7236, TL #245

Exec AD Adm ___
Exec AD Inv ___
Exec AD LES ___
Asst Dir
Adm Servs ___
Crim Inv ___
Ident ___
Insp ___
Intell ___
Lab ___
Legal Coun ___
Off Cong & Public Affs ___
Rec Mgmt ___
Tech Servs ___
Training ___
Telephone Rm ___
Director s Sec y ___

APPROVED

Director ___
Exec AD Adm ___
Exec AD Inv ___
Exec AD LES ___

Adm Servs ___
Crim Inv ___
Ident ___
Inspection ___
Intell ___
Laboratory ___
Legal Coun ___

Off of Cong & Public Affs
Off of Lia & Intl Affs ___
Rec Mgmt ___
Tech Servs ___
Training ___

MAIL ROOM

FBI - Stevens-3512

FBI/DOJ

FEDERAL BUREAU OF INVESTIGATION

March 6, 1989

Honorable Ted Stevens
United States Senate
Washington, D.C. 20510

Dear Senator Stevens:

This is to advise you of the status of your inquiry dated February 7, 1989, which was forwarded to the FBI by the Department of Justice, in regard to the feasibility of having the Department of Justice issue an identification card to civilians that would be recognized worldwide, similar to what the Department of Defense does now for military personnel. For your information, the FBI has learned that the Office of Justice Programs at the Department of Justice has been considering this issue. Therefore, the Department of Justice is now assuming responsibility for an appropriate response to your inquiry. In this regard, the FBI has returned your inquiry to the Department of Justice for appropriate action.

Sincerely yours,

J. Kevin O'Brien
Chief Counsel
Congressional Affairs Office

MAILED 19
11AR 8 1989
FBI

1 - Congressional Affairs Office

dlt (4)

[redacted]
Room 7240, TL #245

94-64562-22

APR 17 1989

b6
b7C

APPROVED

Director
Exec AD Adm
Exec AD Inv
Exec AD LES

Adm Servs
Crim Inv
Ident
Insp
Intell
Lab
Legal Coun

Off Cong & Public Affs
Rec Mgmt
Tech Servs
Training

Exec AD Adm
Exec AD Inv
Exec AD LES
Asst Dir
Adm Servs
Crim Inv
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Intell
Lab
Legal Coun
Off Cong & Public Affs
Rec Mgmt
Tech Servs
Training
Off Liaison & Int Affs
Telephone Rm
Director s Sec y

MAIL ROOM

FBI - Stevens-3513

AMBC 3 171654Z

PP HQ

DE AN

P 171654Z JAN 86

RECEIVED
TELETYPE UNIT

17 JAN 86 06 35Z

U.S. DEPARTMENT OF JUSTICE

FM ANCHORAGE (89A-53)(P)

TO DIRECTOR PRIORITY

SI

UNCLAS

UNSUB; TELEPHONIC THREAT AGAINST U.S. SENATOR TED STEVENS (R) ALASKA, FAIRBANKS, ALASKA, JANUARY 16, 1986; CCCCAKA-MEMBER OF CONGRESS-THREAT; OO: AN

male

AT APPROXIMATELY 2:40 PM, JANUARY 16, 1986, [redacted] TO SENATOR STEVENS, FEDERAL BUILDING AND THE U.S. COURT-HOUSE, 101 12TH AVENUE, FAIRBANKS, ALASKA, PERSONALLY ADVISED THAT SOMETIME BETWEEN NOON AND 1:00 PM THIS DATE, A TELEPHONE CALL CAME INTO HER OFFICE AND WAS RECORDED ON THEIR CODE-A-PHONE 2500. MESSAGE APPEARED TO BE A MALE CALLER WHO STATED, "SENATOR STEVENS IS A DEAD MAN", CALLED THEN HUNG UP. MESSAGE RECORDED AS EVIDENCE BY FBI.

[redacted] ADVISED THAT SHE IS NOTIFYING SENATOR STEVENS WHO IS PRESENTLY IN THE STATE OF ARIZONA. STEVENS IS NOT EXPECTED TO BE IN

FD217

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b7C

DE-120

N 89-6020-1

4 JAN 21 1986

1 copy sent to WFO (mps)

1acb4555
1-17-86 7PM/RWB

1986

FAIRBANKS UNTIL SOMETIME IN MARCH, 1976. NO SUSPECTS DEVELOPED.

LHM FOLLOWS.

U.S. SECRET SERVICE NOT AVAILABLE. WILL BE NOTIFIED AS SOON AS POSSIBLE.

BT

#

FD-36 (Rev. 8-26-82)

FBI

TRANSMIT VIA:
- ☐ Teletype
- ☐ Facsimile
- ☒ AIRTEL

PRECEDENCE:
- ☐ Immediate
- ☐ Priority
- ☐ Routine

CLASSIFICATION:
- ☐ TOP SECRET
- ☐ SECRET
- ☐ CONFIDENTIAL
- ☐ UNCLAS E F T O
- ☐ UNCLAS

Date 1/27/86

TO: DIRECTOR, FBI

FROM: SAC, ANCHORAGE (89A-83)(C)

UNSUB;
TELEPHONIC THREAT AGAINST
U.S. SENATOR TED STEVENS (R) ALASKA;
FAIRBANKS, ALASKA,
1/17/86;
CCSCAKA-MEMBER OF CONGRESS-THREAT
OO: ANCHORAGE

Re Anchorage teletype to the Bureau dated 1/16/86.

Enclosed for the Bureau are the original and four copies of a LHM dated and captioned as above. One copy of the LHM is being disseminated to U.S. Secret Service, Anchorage, to confirm information previously furnished that office.

Special Agents, Federal Bureau of Investigation mentioned in LHM are identified as SAs [redacted] and [redacted], Fairbanks, Alaska, Resident Agency.

For information FBIHQ, delay in notifying U.S. Secret Service due to fact that no Secret Service personnel were available on 1/16/86 and a message was left with their answering service to contact the Fairbanks Resident Agency. Message was returned to Fairbanks Resident Agency by SA [redacted], U.S. Secret Service, at 2:20pm, 1/17/86, at which time notification was made.

Inasmuch as no suspects have been developed and Senator Stevens is not expected to return to the State of Alaska until March, 1986, no additional investigation is being conducted and this matter is closed, JACB

b6
b7C

89-6020

JAN 31 1986

ENCLOSURE

2 - Bureau (Enc. 5)
1 - Anchorage
PAK/mr
(3)

Approved: _____ Transmitted _____ (Number) (Time) Per _____

FBI - Stevens-2999

2 APR 30 1986

1c & 4 LHM - 5042
1c LHM to USSS
1-31-86 TPM/RNB

U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to
File No.

Anchorage, Alaska
January 27, 1986

UNKNOWN SUBJECT;
TELEPHONIC THREAT AGAINST
U.S. SENATOR TED STEVENS (R) ALASKA;
FAIRBANKS, ALASKA,
JANUARY 16, 1986
CONGRESSIONAL, CABINET, AND
SUPREME COURT ASSINATION,
KIDNAPPING, AND ASSAULT - MEMBER
OF CONGRESS - THREAT

At approximately 2:40 pm, January 16, 1986, [redacted] to Senator Stevens, Federal Building and U.S. Courthouse, 101 12th Avenue, Fairbanks, Alaska, personally advised Special Agents of the Federal Bureau of Investigation that sometime between noon and 1:00 pm that same date, a telephone call had come into her office and was recorded on her code-a-phone 2500. The message appeared to be from a male caller who stated, "Senator Stevens is a dead man". The caller then hung up.

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[redacted] advised that at that time she was notifying Senator Stevens who was in the State of Arizona. She further commented that Senator Stevens was not expected to return to the State of Alaska until sometime during March, 1986.

On January 21, 1986, [redacted] advised that no additional threats to Senators have been received.

No suspects have been developed.

Special Agent [redacted] U.S. Secret Service, Anchorage, Alaska, notified on January 17, 1986.

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

89-6028-2

FBI - Stevens-3000

ENCLOSURE

June 8, 1998

MEMORANDUM:

TO: Federal Bureau of Investigation Liaison

FROM: U.S. Capitol Police, Threat Assessment Section

SUBJECT: Request for Information-FBI CASE#: 89A-__-_____/Senator Ted Stevens (AK)

The U.S. Capitol Police Threat Assessment Section (TAS) is presently investigating the below listed subject for a threat related offense (e-mail) involving Senator Stevens (AK), that occurred on April 1, 1998. The TAS is hereby requesting all information available regarding the subject at this time. This information is being requested so the TAS can make a final case determination in regard to the subject's threat potential.

NAME: Unknown, AKA: [redacted] RACE: Unknown SEX: Male

DOB: Unknown SSN: Unknown ADDRESS: [redacted]

b6
b7C

Please answer the following questions:

Did the FBI open an investigation? _____

Was the subject interviewed and when? _____

Did the subject deny or admit making the threat? _____

Who was the AUSA? _____

Will he be prosecuted? If not, why? _____

What date did the FBI close its Investigation? _____

Is a photograph available? _____

[redacted]
AKA [redacted]
U.S. Senator Ted Stevens;
CCSCAKA;
00:WFO

Thank you,

MPT

S/A [redacted]

MPT:mpt
TAS #: 98-T-0551

b6
b7C

O+A 7/2/98
07/02/98
[redacted]

11/12/98 List Collected Item ICMIML01
12:45:13

Type a valid action code, then press Enter.
A=Add B=Check-in C=Chain D=Dispose M=Modify P=Print S=Split V=View T=Transfer

Action	Cat/Num	OO	Location	Description
.	1A1	WF	FILE	FEDERAL GRAND JURY SUBPOENA
.	1A2	WF	FILE	ORIGINAL NOTES RE INTERVIEW OF

****** End of Data ******

Case ID . . : 89A-WF-212511 Category . > .. Number > .....
Acquired . > ..... Thru . . > ..... Contributor > .....
Location . > .... Description > .....

Command . . > ..... +
F1=Help F3=Exit F4=Prompt F12=Cancel F15=Print F21=Case

FBI - Stevens-2929

FD-340b (Rev. 2-5-93)

Universal Case File Number 89A-WF-212511

Field Office Acquiring Evidence WFO

Serial # of Originating Document _____

Date Received 04/02/1998

From U.S. Attorney's Office
(Name of Contributor)

(Address of Contributor)
Washington, D.C.

By [redacted]
(Name of Special Agent)

b6
b7C

To Be Returned ☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e), Federal Rules of Criminal Procedure

☐ Yes ☒ No

Title:

Reference: _____
(Communication Enclosing Material)

Description: ☐ Original notes re interview of

Federal Grand Jury Subpoena

FBI - Stevens-2930

CO 293 (Rev. 8/91) Subpoena to Testify Before Grand Jury

United States District Court

DISTRICT OF

TO:

[redacted]

SUBPOENA TO TESTIFY BEFORE GRAND JURY

b3

SUBPOENA FOR:

☐ PERSON ☒ DOCUMENT(S) OR OBJECT(S)

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

PLACE	COURTROOM
UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA United States District Courthouse Third and Constitution Avenue, NW Washington, D.C. 20001	Grand Jury 97-5 Third Floor DATE AND TIME [redacted] b3

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):*

[redacted]

COMPLIANCE MAY BE MADE BY FACSIMILE OR MAILING THE REQUESTED DOCUMENTS VIA CERTIFIEDMAIL BY APRIL 9, 1998, TO SPECIAL AGENT [redacted] FEDERAL BUREAU OF INVESTIGATION (FBI), 601 FOURTH STREET, N.W., WASHINGTON, D.C. 20535-0002, [redacted] b3 b6 b7C

FBI - Stevens-2931

☐ *Please see additional information on reverse.*

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

U.S. MAGISTRATE OR CLERK OF COURT	DATE
Nancy M. Mayer-Whittington, Clerk (BY) DEPUTY CLERK Margaret A. Cipier	APRIL 2, 1998

This subpoena is issued upon application of the United States of America

[redacted]

NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY
[redacted] Assistant United States Attorney United States Attorney's Office, Criminal Division 555 Fourth Street, NW, Room 5257 Washington, D.C. 20001 [redacted] b6 b7C

*If not applicable, enter "none."

*U.S.GPO:1993-0-350-792/80398

FD-340 (Rev. 7-29-92)

(1A2)

Universal Case File Number 89A-WF-212511

Field Office Acquiring Evidence MP

Serial # of Originating Document _____

Date Received 7/20/98

From AGENT
(Name of Contributor)

_____
(Address of Contributor)

_____
(City and State)

By [redacted]
(Name of Special Agent)

b6
b7C

To Be Returned ☐ Yes ☒ No
Receipt Given ☐ Yes ☒ No
Grand Jury Material - Disseminate Only Pursuant to Rule 6 (e)
Federal Rules of Criminal Procedure
☐ Yes ☒ No

Title: [redacted]

AKA [redacted]
UNITED STATES SENATOR TED STEVENS;
CCSCAKA
OUIWFO

b6
b7C

Reference: _____
(Communication Enclosing Material)

Description: ☒ Original notes re interview of

[redacted] + TWO COLOR PHOTOS

FBI - Stevens-2932

[redacted]

b6
b7C

06715125318-2W 0839 0058
COPIES & ENLARGEMENTS CALL 800-421-1030

DATE OF PHOTO 7/20/98 89A-WF-212511

FBI - Stevens-2934

[redacted]

b6
b7C

06715125318-2W 0839 0056
COPIES & ENLARGEMENTS CALL 800-421-1030

DATE OF PHOTO 7/20/98 89A-WF-212511

(12/3[illegible]/1995)

FEDERAL BUREAU OF INVESTIGATION

Precedence: PRIORITY **Date:** 07/05/1998

To: Criminal Investigative **Attn:** VC/FU
SSA [redacted]

Minneapolis

From: WFO
C-4
Contact: SA [redacted]

b6
b7C

Approved By: [redacted]

Drafted By: [redacted]:jcb

Case ID #: 89A-WF-212511 (Pending)

Title: [redacted]
AKA [redacted]
UNITED STATES SENATOR TED STEVENS;
CCSCAKA;
OO: WFO

Synopsis: Request for subject interview.

Enclosures: One copy of threatening e-mail message.

Details: For information of receiving divisions, on 04/01/1998, the enclosed electronic mail (e-mail) message was received by the office of U.S. Senator Ted Stevens, which contains the following statement in part, "...make sure you check out the grassy knolls in any town you might visit. It would be tragic to lose a Senator..." The originating e-mail address associated with this message is: [redacted]

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WFO Squad C-4 conducted a preliminary investigation to determine the identity of originator of this e-mail message. At the request of WFO, the United States Attorney's Office issued a Federal Grand Jury Subpoena to [redacted]

b3

[redacted] with the subpoena and has provided the information contained in the Descriptive Data section of this report as [redacted] further identified as [redacted] and [redacted] further indicated that this [redacted]

b3

89A-WF212511-2

No further information available.

FBI - Stevens-2938

7-6-98
JSK

JCB18602.EC

Descriptive Data:

Main Subject
Name -
Last:
First:
Middle:
DDN:
Race:
Sex:
Address -
House #:
Street Name:
Street Suffix:
City:
State:
Postal Code:
Phone:
Phone:
Miscellaneous -
E-mail:

b6
b7C

FBI - Stevens-2939

LEAD (s):

Set Lead 1:

MINNEAPOLIS

AT INTERNATIONAL FALLS, MN

Conduct appropriate investigation. Identify, locate and interview the captioned subject and determine his exact intentions pertaining to the enclosed e-mail message received by Senator Stevens' (Washington, D.C.) office. The following information is being requested in order to conduct a comprehensive threat assessment pertaining to the captioned subject: Identifying information; any additional Internet accounts or e-mail addresses; criminal and mental history; motor vehicle registration and description; ownership, possession or access to firearms, explosives or incendiary devices; financial status (i.e. mobility); interview of individuals who may have knowledge of the subject's propensity for violence; photograph (from department of motor vehicles, local law enforcement or other logical source). Advise WFO of any investigative developments for dissemination to the United States Capitol, United States Capitol Police and the United States Attorney's Office.

♦♦

Author: [redacted] [redacted] at internet
Date: 4/1/98 6:56 AM
Priority: Normal
TO: senator stevens at Stevens-DC
Subject: Why bother?

b6
b7C

No one reads this message according to your electronic response to my last message. That means I can tell you anything without fear of retaliation.

I was just one of the many shooters on that grassy knoll in Dallas November '63.

And you are the Senator who stated with pride that 75% of the time you voted against big government. To me that meant you voted for big government 25% of the time.

Heard that an audit was conducted which concluded that the U.S government could not account for billions of taxpayer's money. Gee, what a surprise!

I think we should have a grassy knoll in every U.S. town! And I have also come to this conclusion: Motorcades filled with politicians should go from grassy knoll to grassy knoll until we have none of you vermin left! But gee, were would we send our hard earned money if we didn't have a big government to squander it? Maybe I would be able to afford to have a family? Maybe afford to have a wife who could be with the children instead of working a second income family type job to pay taxes?

Golly Ted, if the children were supervised by some one who loved them, instead of child molestors in some day care, maybe drug use and other crime statistics would go down.

I could go on and on but what's the sense if no one will read this.

To set the record straight, I was attending a program in the school gymnasium as a second grade student in 1963 when Kennedy was assasinated. I still like the grassy knoll idea as a solution to big government!

Ted I just want to thankyou for this great way to vent frustrations with April 15 just around the corner. And Ted make sure you check out the grassy knolls in any town you might visit. It would be tragic to lose a senator who only votes for big government 25% of the time!

From The Keyboard Of [redacted]

b6
b7C

THREAT ASSESSMENT SECTION
INFORMATION AND NOTIFICATION SHEET

CLASSIFICATION: Implied Threat **TAS#:** 98-T-0551

COMPLAINANT: Senator Ted Stevens

OFFICE ADDRESS: CAP: SH- S22 **DIST:**

Wash. D.C.

TELEPHONE: 4-3004

SPECIAL AGENT NOTIFIED: [redacted] **PIN#:** [redacted] **DATE:** 4/01/98 **TIME:** 1330

b6
b7C

NOTIFIED BY: [redacted] **POSITION:** Administrative Director

REPORTED BY: Same **POSITION:** Same

DATE OF THREAT: 4/1/98 **TIME:** 0656 **LOCATION:** Washington, DC

TYPE OF THREAT: TEL: **LETTER:** **VERBAL:** **OTHER:** E-Mail

THREATENING STATEMENT: "...make sure you check out the grassy knolls in any town you might visit. It would be tragic to lose a Senator..."

SUSPECT: **UNKNOWN/ approx 42 yrs of age**

NOTIFICATIONS:

OFFICE:	TELE:	DATE:	TIME:	NAME:	INT:
TAS Official	[redacted]	4/01/98	1335	SSA [redacted]	MPT
PID Captain		4/01/98		In BOX	MPT
PSB Commander		4/01/98	1345	D/C [redacted]	MPT
DPD Official		4/01/98	1419	SSA [redacted]	JAH
Watch Commander		4/01/98	1348	Ofc. [redacted]	MPT
Chief's Office		4/01/98	1345	Sgt. [redacted]	MPT
FBI Liaison		4/01/98	1430	FAXED	JAH
USSS Liaison		4/01/98	Faxed	Paged/Faxed	MPT
STAFF		4/01/98	1330	Notified By	MPT
SSA		4/01/98	1345	Ms. [redacted]	MPT
GSS/FAX		4/01/98	Faxed	FAXED	MPT
Senate Division		4/01/98	1420	Sgt. [redacted]	MPT

b6
b7C

Investigative status:Investigation continuing.
MPT:jah:7472

FBI - Stevens-2942

This notification is the property of the United States Capitol Police, Washington, D.C.
Neither it nor its contents may be disseminated to unauthorized personnel or agencies.

98-T-0551

Ted Stevens
U.S. Senator for Alaska

FAX TRANSMITTAL

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To: [redacted] fax 4-0917

Location: Capitol Police

From: [redacted] tel. 4-1023

Page 1 of: 3

Message: Per our conversation.

FBI - Stevens-2943

This fax was sent from the office marked below:

✓ WASHINGTON	° ANCHORAGE	° FAIRBANKS	° JUNEAU	° KENAI	° KETCHIKAN
(202) 224-3004	(907) 271-5915	(907) 456-0261	(907) 586-7400	(907) 283-5808	(907) 225-6880
Fax: 224-2354	Fax: 258-9305	Fax: ~~456-0288~~ 451-7296	Fax: 586-~~7582~~ 8922	Fax: 283-4363	Fax: 225-0390

Author: [redacted] at internet
Date: 4/1/98 6:56 AM
Priority: Normal
TO: senator stevens at Stevens-DC
Subject: Why bother?

Received: from mailsys.senate.gov (156.33.203.41) by mailexc2.senate.gov with SMTP
(IMA Internet Exchange 2.11 Enterprise) id 004AB8E2; Wed, 1 Apr 98 10:57:42 -0500
Received: from mailsorter-105.bryant.webtv.net by mailsys.senate.gov; (8.8.5/SC05) id KAA23687; Wed, 1 Apr 1998 10:56:25 -0500 (EST)
Received: from mailtod-122.bryant.webtv.net (mailtod-122.iap.bryant.webtv.net [207.79.35.90]) by mailsorter-105.bryant.webtv.net (8.8.8/ms.gso.08Dec97) with ESMTP id HAA25199; Wed, 1 Apr 1998 07:56:26 -0800 (PST)
Received: (from production@localhost) by mailtod-122.bryant.webtv.net (8.8.5/mt.gso.26Feb98) id HAA24362; Wed, 1 Apr 1998 07:56:26 -0800 (PST)
Message-Id: <199804011556.HAA24362@mailtod-122.bryant.webtv.net>
From: [redacted]
Date: Wed, 1 Apr 1998 06:56:25 -0900
To: senator_stevens@stevens.senate.gov
Subject: Why bother?
Content-Type: TEXT/PLAIN; CHARSET=US-ASCII
Content-Transfer-Encoding: 7BIT
MIME-Version: 1.0 (WebTV)

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Federal Bureau of Investigation
Washington Field Division
Washington, D.C. 20535-0002

PRECEDENCE: *ROUTINE*
CLASSIFICATION: *UNCLASSIFIED*

TO: [redacted]

ATTN: [redacted]
[redacted] / Telephone
/ Facsimile

FROM: SA [redacted] C-4
[redacted] / Telephone
/ Facsimile

DATE: 04/07/1998

PAGE(S): 002 (Including this cover sheet)

RE: Reference telephone call between SA [redacted] and [redacted] on 04/07/1998 at 2:12 PM/EDST.

Attached to this cover sheet is a United States District Court Grand Jury Subpoena for [redacted] required in an ongoing investigation being conducted by the FBI pertaining to a threat directed toward a U.S. Government official.

Thank you for you cooperation.

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89A-WF-212511-4

FBI - Stevens-2946

7-6-98
JSR

********** -IND. XMT JOURNAL- ********** DATE APR-07-1998 ***** TIME 14:25 ********

DATE/TIME = APR-07-1998 14:22

JOURNAL No. = 32

COMM.RESULT = OK

PAGE(S) = 002

DURATION = 00:00'54

FILE No. =

MODE = TRANSMISSION

DESTINATION = [redacted] b3

RECEIVED ID = / 4153265276

RESOLUTION = STD

-FBI-WFO SQUAD C-4 -

********** -0000000000000 - ***** - 202 278 2360- *********

FBI - Stevens-2947

[redacted]

FAX

Date: April 8, 1998

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To: S. P. [redacted]
FBI

Phone: [redacted]
Fax:

From: [redacted]

Total pages including this cover page: 3

NOTE

Dear [redacted]

Please find the attached [redacted] response to the subpoena dated April 2, 1998. regarding [redacted]

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Thanks,

[redacted]

[redacted]

If you receive this fax by mistake, please telephone us (collect) at the above voice number to let us know of the error. If this fax contains privileged or otherwise legally protected information, disclosure of the information to anyone other than the named recipients(s) is not authorized, and you may not lawfully read, copy, or otherwise use this fax unless you are a named recipient or a named recipient's authorized representative.

b3

[redacted]

April 8, 1998

Assistant United States Attorney
United States Attorney's Office, Criminal Division
555 Fourth Street, NW, Room 5257
Washington, D.C. 20001

By Facsimile: (202) 278-2609

Dear [redacted]

This letter is [redacted] formal response to the United States District Court Grand Jury Subpoena for information pertaining to [redacted] as forwarded to [redacted] on April 7, 1997 by special Agent [redacted]

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This information has been retrieved from [redacted] and so we have directed no requests or notification [redacted] and none shall be (unless you indicate to me that there is sufficient evidence of criminal behavior to [redacted]

Answers to your inquiries are as follows:

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

FBI - Stevens-2950

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[redacted]

[redacted]

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I certify that the above information is true and complete according to [redacted] Please feel free to call me if you have any questions regarding the information provided above.

Sincerely,

[redacted]

FD-302 (Rev. 10-6-95)

c/m

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 7/29/98

[redacted] was interviewed at his place of employment, [redacted] International Falls, Minnesota, in the presence of Sergeant [redacted] [redacted], Koochiching County Deputy Sheriff, concerning an e-mail received by Senator TED STEVENS. [redacted] furnished the following information:

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[redacted] was shown a copy of the e-mail to Senator STEVENS, dated April 1, 1998. After looking at the copy of the e-mail, he advised that he, in fact, had sent the e-mail to Senator STEVENS via his computer. When it was pointed out to [redacted] that the comments concerning the grassy knoll and the KENNEDY assassination could be construed as being threatening, he advised that the grassy knoll had nothing to do with the assassination of President KENNEDY and so there was no threat implied in that statement. He advised that he wanted to point out to Senator STEVENS that he had stated that he voted 75 percent of the time against big government, but that would mean that he votes for big government 25 percent of the time. [redacted] was advised that the purpose of the interview was not to discuss political philosophy, only to determine if he posed a threat to Senator STEVENS or to any other government official. He advised that he would be more than happy to cooperate and furnish any information.

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[redacted] made available his driver's license which is for the State of Alaska.

[redacted] is described as follows:

Name	[redacted]
Aliases	None
Sex	Male
Race	White
Date of birth	[redacted]
Place of birth	

FBI - Stevens-2952

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Investigation on 7/20/98 at International Falls, Minnesota

File # 89A-WF-212511-7 Date dictated 7/24/98

by SA [redacted] lbm

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

Height	6'0"
Weight	172 pounds
Eyes	Blue
Hair	Brown, balding with gray
Marital Status	Single
Social Security Account Number	[redacted]
Address	International Falls, Minnesota
Telephone Number	[redacted]
Parents	[redacted] with whom he lives
Additional relatives	[redacted] sister [redacted] brother-in-law [redacted] International Falls, Minnesota [redacted] the City of International Falls as a Police Officer while [redacted] is a [redacted] for the Police Department and the Koochiching County Sheriff's Department)
Scars/marks/tattoos	A tracheotomy scar at the base of his neck and ten inch scar on the outside upper right arm
Arrests	No prior arrest acknowledged. Has received traffic tickets.
Work History	[redacted] advised that he graduated from Remer High School, Remer, Minnesota, in [redacted] From [redacted] through [redacted] he was employed as a logger, a lumberyard worker, and at the [redacted] at East Grand Forks, Minnesota. In addition, he was a bartender in Longville, Minnesota. From

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[redacted] through [redacted] he was in the United States Navy with military service number [redacted]. He worked in the foundry of a repair ship and received an honorable discharge. From [redacted] to [redacted] he was in Alaska. He lived in Seward, Alaska, for eight years and Anchorage, Alaska, for two years. While he was in Alaska, he was employed as a security guard. He stated that he was employed from [redacted] as a security guard at the [redacted] in Anchorage and, in fact, had met Senator STEVENS at the Federal Building in Anchorage. He also worked as a security guard at Kulus Air National Guard Facility while he was employed by [redacted] From December of [redacted] lived in International Falls. He attended Rainy River Community College, graduating in [redacted] as a [redacted] In August [redacted] he was employed at the [redacted] at Prescott, Arizona, as a [redacted] In April [redacted] he went back to Alaska. On [redacted], he returned to International Falls, Minnesota.

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He has been unemployed until July 20, 1998, which is his first day as a [redacted] at the [redacted] in International Falls. He advised that he will be employed in that position until an opening occurs for a [redacted]

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Miscellaneous Information

[redacted] advised that he does not have a Minnesota driver's license, but plans to obtain one. His driver's license is for the State of Alaska which shows an address of Post Office Box [redacted] Alaska. He advised that the e-mail address used in the communication to Senator STEVENS is his only e-mail address. He further advised that he does have a handgun and a shotgun at his residence. When he was employed as a security guard, he was an armed security guard. However, he advised that he has no training or knowledge of explosives or in demolition. [redacted] volunteered that he has approximately $1,500 in savings at the FIRST AMERICAN BANK in International Falls and that he has no checking account. He advised that he is not a violent person and that while he was in Anchorage, Alaska, he received a [redacted] from then Governor JAMES WATT while he was

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a security guard. He advised the facts were that in [redacted] he [redacted] stated that he is not involved in any protest group or is in any way affiliated with any right or left wing political group that advocates violence or any anti-government sentiment. [redacted] claims to have a 1994 four wheel drive Mitsubishi which had it's license plates stolen in June 1998 in International Falls. Since the license has been taken from the vehicle, it is parked in a garage until he obtains another license plate.

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Subsequent to the end of the interview with [redacted] he consented to and Polaroid photographs were taken.

It is noted that doing the initial part of the interview, [redacted] advised that he was not under arrest and that he did not have to speak with the interviewing Agent if he did not want to. At some point during the interview, [redacted] asked if he needed to be advised of his rights, but that he would continue to be interviewed. He was advised again that he was not under arrest and that no arrest was contemplated and, therefore, advising of his rights was not necessary.

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It is also noted that [redacted] advised that he has never received any counseling or treatment for any kind of mental illness and that he is not on any type of medication.

(01/26/1998)

FEDERAL BUREAU OF INVESTIGATION

Precedence: PRIORITY **Date:** 09/04/1998

To: WFO **Attn:** C-4, SA [redacted]

From: Minneapolis
Bemidji RA
Contact: SA [redacted]

Approved By: [redacted]

Drafted By: [redacted] lbm

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Case ID #: 89A-WF-212511 (Pending)

Title: "Changed Interoffice;"
[redacted] aka
United States Senator Ted Stevens,
CCSCAKA

Synopsis: Subject interviewed and background obtained for threat assessment.

Reference: 89A-WF-212511 Serial 2

Administrative: Title marked "Changed Interoffice" to show full name of subject.

Enclosures: Enclosed for WFO are the interview notes of [redacted] along with two Polaroid photographs and the original and two copies of and FD-302 of Seidel.

Details:

On 07/20/1998, subject was located and interviewed regarding his e-mail correspondence with Senator Ted Stevens on 04/01/1998. The information from that interview is contained in the enclosed FD-302.

♦♦

89A-WF-212511

W 09/16/98

L: 34508.EC

-8

FD-320 (Rev. 4-11-86)

In Reply, Please Refer to

File No. 89A-WF-212511

FBI CASE STATUS FORM

Date: 11/04/1998

To: United States Attorney for the District of Columbia
(Name and Address of USA)

From: J. Barrett, SAC-C, FBI, WFO
(Name of Official in Charge and Field Division)

(Signature of Official in Charge)

RE: [redacted]
(Name of Subject) Age Sex M

You are hereby advised of action authorized by AUSA [redacted]
(Name of USA or AUSA)

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on information submitted by Special Agent SA [redacted] on 10/16/98
(Name) (Date)

(Check One)

- [X] Request further investigation
- [ ] Immediate declination
- [ ] Filing of complaint
- [ ] Presentation to Federal Grand Jury
- [ ] Filing of information
- [ ] Other

For violation of Title 18, USC, Section(s) 875

Synopsis of case:

On 10/16/1998, the captioned matter was presented to Assistant United States Attorney (AUSA) [redacted], United States Attorney's Office, District of Columbia, for a prosecutive review. AUSA [redacted] advised that the USAO will decline prosecution of the captioned subjects in this matter based upon lack of criminal intent. AUSA [redacted] advised that the USAO would conduct a revised prosecutive review of this matter if additional pertinent information becomes available.

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Due to the aforementioned information, no further investigation will be conducted by WFO and it is requested that the captioned investigative matter be closed.

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JCB3070320

Automated Serial Permanent Charge-Out
FD-5a (1-5-94)

Date: 01/15/99 Time: 10:08

Case ID: 89A-WF-212511 Serial: 11

Description of Document:

Type : INSERT
Date : 11/05/98
To : WASHINGTON FIELD
From : WASHINGTON FIELD
Topic: INDICIES SEARCH (SUBJECTS)

Reason for Permanent Charge-Out:

IMA WAS GIVEN WRONG FILE NIMBER.

Transferred to:

Case ID: 282A-WF-213511 Serial: 18

Employee: [redacted]

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(01/26/1998)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE Date: 11/04/1998

To: WFO Attn: C-4

From: WFO
C-4
Contact: SA [redacted]

Approved By: [redacted]

Drafted By: [redacted] jcb

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Case ID #: 89A-WF-212511 (Closed)

Title: [redacted] aka
UNITED STATES SENATOR TED STEVENS-VICTIM;
CCSCAKA;
OO: WFO

Synopsis: Case closing / Prosecutive declination.

Details: On 10/16/1998, the captioned matter was presented to Assistant United States Attorney (AUSA) [redacted] United States Attorney's Office, District of Columbia, for a prosecutive review. AUSA [redacted] advised that the USAO will decline prosecution of the captioned subjects in this matter based upon lack of criminal intent. AUSA [redacted] advised that the USAO would conduct a revised prosecutive review of this matter if additional pertinent information becomes available.

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Due to the aforementioned information, no further investigation will be conducted by WFO and it is requested that the captioned investigative matter be closed.
♦♦

FBI - Stevens-2960

Close C.S 11/12/98 ne
11/11/98
JK

JCB30821.EC

Automated Serial Permanent Charge-Out
FD-5a (1-5-94)

Date: 01/15/99 Time: 09:57

Case ID: 89A-WF-212511 Serial: 12

Description of Document:

Type : INSERT
Date : 11/05/98
To : WASHINGTON FIELD
From : WASHINGTON FIELD
Topic: CRIMINAL HISTORY (SUBJECTS)

Reason for Permanent Charge-Out:

IMA WAS GIVEN WRONG FILE NUMBER.

Transferred to:

Case ID: 282A-WF-213511 Serial: 17

Employee: [redacted] b6 b7C

Automated Serial Permanent Charge-Out
FD-5a (1-5-94)

Date: 01/15/99 Time: 09:56

Case ID: 89A-WF-212511 Serial: 13

Description of Document:

Type : INSERT
Date : 11/05/98
To : WASHINGTON FIELD
From : WASHINGTON FIELD
Topic: INDICIES SEARCH (SUBJECTS)

Reason for Permanent Charge-Out:

IMA WAS GIVEN WRONG FILE NUMBER.

Transferred to:

Case ID: 282A-WF-213511 Serial: 16

Employee: [redacted]

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FBI - Stevens-2962

Automated Serial Permanent Charge-Out
FD-5a (1-5-94)

Date: 01/15/99 Time: 09:53

Case ID: 89A-WF-212511 Serial: 14

Description of Document:

Type : INSERT
Date : 11/30/98
To : WASHINGTON FIELD
From : WASHINGTON FIELD
Topic: ON 11/30/1998, SA [redacted] CONDUCTED A SEARCH OF FBI

Reason for Permanent Charge-Out:

WRONG FILE NUMBER WAS GIVEN TO IMA.

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Transferred to:

Case ID: 282A-WF-213511 Serial: 15

Employee: [redacted]

Automated Serial Permanent Charge-Out
FD-5a (1-5-94)

Date: 01/15/99 Time: 12:14

Case ID: 89A-WF-212511 Serial: 15

Description of Document:

Type : INSERT
Date : 11/30/98
To : WASHINGTON FIELD
From : WASHINGTON FIELD
Topic: CRIMINAL HISTORY (VICTIM)

Reason for Permanent Charge-Out:

IMA WAS GIVEN WRONG CASE NUMBER.

Transferred to:

Case ID: 282A-WF-213511 Serial: 19

Employee: [redacted]

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(Title) [redacted]

(File No.) 89A-AN-8663-1A5

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Item	Date Filed	To be returned Yes	To be returned No		Disposition
1	3/12/93			Orig. notes re interview of [redacted] photo	
				of [redacted]	

FBI - Stevens-3119

89A-AN-8663-1

SEARCHED ... INDEXED ... FILED ...
MAR 12 1993
FBI - ANCHORAGE

FD-340 (Rev. 4-2-85)

Field File No. 89A-AN-8663

Serial # of Originating Document _____

OO and File No. AN

Date Received 12-14-92

From [redacted]
(Name of Contributor)

[redacted]
(Address of Contributor)

[redacted] AK
(City and State)

By [redacted]
(Name of Special Agent)

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To Be Returned ☐ Yes ☐ No Receipt Given ☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rule 6(e), Federal Rules of Criminal Procedure ☐ Yes ☐ No

Title:

Reference: _____
(Communication Enclosing Material)

Description: ☒ Original notes re interview of

FBI - Stevens-3120

[redacted]

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Photo of [redacted] IDB [redacted]

02/14/92 [redacted] AK

[redacted] W, AA, DOB - [redacted]
Pub - Tumwater, WA
[redacted], W, F, [redacted]
Pub Portland, Oregon

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FBI

Home address [redacted] is a veteran US Navy - [redacted] honorable discharge [redacted] - is on disability - was [redacted] residence is [redacted] mom - [redacted]
They were venting their frustrations about not getting any type VA or any type of loans - [redacted] gets disability payment of 15,143 per month - [redacted] mom is trying to get them moving out of here.
[redacted] is [redacted], sister & works for [redacted]
Daughter - [redacted] did not intend to threaten the gals in the Congressional office - they weren't trying to be belligerent or intend any personal harm

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Drivers Lic [redacted] expires [redacted]

Memorandum

To : SAC, ANCHORAGE (89A-AN-8663) (P) Date 10/16/92

From : SA [redacted]

Subject: [redacted]
nee [redacted]
TED STEVENS, U.S. SENATOR - VICTIM; Multiple references
FRANK H. MURKOWSKI, U.S. SENATOR - VICTIM; Multiple reference
DON YOUNG, U.S. REPRESENTATIVE - VICTIM; 194C-33-C-261P3
10/14/92;
CCSCAKA (MEMBER OF CONGRESS - ASSAULT)
OO: ANCHORAGE

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On 10/15/92, [redacted] U.S. Congressional Delegation Office, Juneau, Alaska, telephone [redacted], telephonically advised the following:

[redacted] advised that the U.S. Congressional Delegation Office is located in the Federal Building, Juneau, Alaska. On Thursday, 10/14/92, a man and wife, [redacted] both disabled and he a disabled veteran, came into the Delegation Office to lodge a complaint. They were both very angry and agitated. The [redacted] had been living with his mother in Juneau and she was threatening to evict the [redacted] and their [redacted] child. The [redacted] were trying to purchase housing in Juneau through the Veterans Administration (VA). They want $125,000.00, but the VA was only qualifying them for $40,000.00. They felt it was the fault of the Alaska Congressional Delegation and demanded something be done. They were very threatening and threatened all of the Delegation, saying "someone was going to get hurt" and that "it was not a threat, but a promise." The [redacted] said they were giving the Delegation 24 hours to get something done. [redacted] trying to be patient with the [redacted] explained to them that they may be eligible for some assistance from the State of Alaska and suggested they talk to the Governor's Office. The [redacted] left her office en route to the Governor's Office. [redacted] later talked to the Governor's Office and found out that the Governor's Office had previous dealings with the [redacted] during the Cowper administration. That same afternoon, [redacted] received a

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② - Anchorage
KM/krs
(2)

FOIMS

89A-AN-8663-1

SEARCHED INDEXED
SERIALIZED FILED
OCT 19 1992
FBI — ANCHORAGE

OeA [redacted] 10/19/92

FBI - Stevens-3124

telephone call from [redacted] at the Delegation Office. He was very angry and said "that was it, he had no choice but to take action of some sort" October 15, 1992. "Someone would be hurt and it was not a threat, but a promise."

Today, October 15, 1992, when [redacted] arrived at work, she found a message on the office telephone answering machine. The male voice stated, "Tell MURKOWSKI he has bad memory and YOUNG it ain't his town no more, that's all they need to know." [redacted] stated that although the caller did not identify himself on tape, she believes the caller to be [redacted]

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[redacted] advised that Senator MURKOWSKI would be in Juneau, Alaska, on October 16, 1992, and that Senator STEVENS and Representative YOUNG would be in Juneau for a rally at the airport on Tuesday, October 20, 1992.

[redacted] described [redacted] as follows:

Name:	[redacted]
Race:	White
Sex:	Male
Age:	Adult, early 40s
Height:	5 feet 7 inches
Hair:	Blond
Build:	Husky
Miscellaneous:	Family lived in Anchorage, Alaska; possible criminal record for assault

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Name:	[redacted] nee [redacted]
Race:	White
Sex:	Female
Age:	Adult, late 30s
Height:	5 feet 5 inches
Hair:	Blond
Build:	Husky
Miscellaneous:	[redacted]

[redacted] was advised to call local law enforcement officials in Juneau to advise them of the possible threats and that the FBI Agents assigned to the Southeast (currently on assignment in Ketchikan) would be notified and contact her at their first opportunity.

A review of the records of the Alaska Public Safety Information Network (APSIN) revealed identifying data on persons believed to be identical with [redacted]

Name:	[redacted]
Race:	White
Sex:	Male
Date of Birth:	[redacted]
Place of Birth:	Juneau, Alaska
Height:	5 feet 6 inches
Weight:	220 pounds
Hair:	Blond
Eyes:	Blue
Last Known Address:	[redacted] Anchorage, Alaska (12/21/89)
Social Security Account Number:	[redacted]
Alaska Driver's License Number:	[redacted]
Criminal History:	[redacted]

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FELONY	CONV. CT.	CONV. DATE	CHARGE	COURT DOCKET	POSS. I.D.	DISP.
Yes	SJU	[redacted]	Fraud	[redacted]	Yes	Dismissal
Yes	DJU		Assault		Yes	Guilty
Yes	SJU		Sexual Assault	Carnal Abuse	Yes	Nolo
No	DJU		Assault	[redacted]	Yes	Guilty

Name:	[redacted] aka (nee) [redacted]
Race:	White
Sex:	Female
Date of Birth:	[redacted]
Place of Birth:	Portland, Oregon
Height:	5 feet 4 inches
Weight:	192 pounds

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FBI - Stevens-3126

Hair:	Blond
Eyes:	Blue
Social Security Account Number:	[redacted]
Alaska Driver's License Number:	[redacted]
Last Known Address:	[redacted] Anchorage, Alaska (5/30/86)

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FBI - Stevens-3127

Indices Search Slip
FD-160 (Rev. 7-28-89)

Date	
Requested by:	
Ext.	Squad: / File No.
Social Security Account #	

To: Office Services Manager

Subject [redacted]

Aliases

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Address	Birth Date	Birth Place	Race	Sex ☐ Male ☐ Female

☐ Exact Spelling
☐ All References
☐ Main Security Case Files Only
☐ Security References Only
☐ Main Criminal Case Files Only
☐ Criminal References Only
☐ Main Security *(If no Main, list all Security References)*
☐ Main Criminal *(if no Main, list all Criminal References)*
☐ Restrict Locality of

☐ **General Indices:** ☐ NEG ☐ POS	Searched by / Date	☐ **ISIS:** ☐ NEG ☐ POS	Searched by / Date
☐ **Confidential Indices:** ☐ NEG ☐ POS	Searched by / Date	☐ **OCIS:** ☐ NEG ☐ POS	Searched by / Date
☐ **ELSUR Indices:** ☐ NEG ☐ POS	Searched by / Date	☐ **IIS:** ☐ NEG ☐ POS	Searched by / Date
☒ **FOIMS:** ☐ NEG ☒ POS	Searched by: [illegible] / Date: 10/19/92	☐ **MICRO:** ☐ NEG ☐ POS	Searched by / Date
☐ **GLOBAL:** ☐ NEG ☐ POS	Searched by / Date	☐ **REGIONAL:** ☐ NEG ☐ POS	Searched by / Date

Place an "X" by the Field Office(s) to Query for Regional Searches.

Northeast	Mid-Atlantic		Central		Western
☐ Albany	☐ Atlanta	☐ New Orleans	☐ Buffalo	☐ Little Rock	☐ Albuquerque
☐ Bern Switzerland	☐ Baltimore	☐ Norfolk	☐ Chicago	☐ Louisville	☐ Anchorage
☐ Bonn Germany	☐ Birmingham	☐ Quantico	☐ Cincinnati	☐ Milwaukee	☐ Butte
☐ Boston	☐ Charlotte	☐ Richmond	☐ Cleveland	☐ Minneapolis	☐ Honolulu
☐ London England	☐ Jackson	☐ San Juan	☐ Dallas	☐ Oklahoma City	☐ Las Vegas
☐ Mexico City Mexico	☐ Jacksonville	☐ Savannah	☐ Denver	☐ Omaha	☐ Los Angeles
☐ New York City	☐ Knoxville	☐ Tampa	☐ Detroit	☐ Pittsburgh	☐ Phoenix
☐ Newark	☐ Memphis	☐ Washington Field	☐ El Paso	☐ San Antonio	☐ Portland
☐ Paris France	☐ Miami	☐ All above	☐ Houston	☐ Springfield	☐ Sacramento
☐ Philadelphia	☐ Mobile		☐ Indianapolis	☐ St. Louis	☐ Salt Lake City
☐ Rome Italy			☐ Kansas City	☐ All above	☐ San Diego
☐ All above					☐ San Francisco
					☐ Seattle
					☐ All above

File & Serial Number	Remarks	File & Serial Number	Remarks
62-0-5990A P2	Not Identifiable?		

FBI - Stevens-3128

Consolidated by — Date

Reviewed by [signature] — Date 10/19/92

File Review Symbols
I - Identical
NI - Not identical
? - Not identifiable
U - Unavailable reference

PSTD300P TERMID: YATO BASIC PERSON RECORD 10/15/92 10:27:10.6

PERSON NAME: [redacted]
DOB: [redacted] SSN: [redacted] PERM ID:
SEX: M HGT: 5 06 WGT: 220 HAIR: BLN EYE COLOR: BLU RACE: W
BIRTH PLACE CITY: [redacted] STATE: AK MONIKER:
MEDICAL CODE: FP ON FILE: Y FELON: Y

	STREET/EXTRA LINE	CITY/COUNTRY	ST	LAST CHG
MAILING ADDR:	[redacted]	ANCHORAGE	AK	[redacted]
RES ADDR:		ANCHORAGE	AK	[redacted] 1989
ID/LIC NUM:	[redacted]	STATUS:		

CLASS	EXPIRES	CLASS	EXPIRES	CLASS	EXPIRES	CLASS	EXPIRES
D	[redacted]	S	[redacted]	ID	[redacted]		

RESTRICTIONS:

b6
b7C

PF2 MULT PER PF3 FWP HST PF6 VEH DISP PF7 DRIV HST
PF8 CRIM HST PF9 CITN UPD PF10 NCIC W/W PF11 ADDR DISP

PSTD800P TERMID: YATO CRIMINAL CONVICTIONS 10/15/92 10:27:20.6

PERSON NAME: [redacted]

UPDATED: Y AST NUM: [redacted] ID/LIC NUM: [redacted] FBI NUM: [redacted]
CRIMINAL HISTORIES MAY EXIST IN: CA

CONV COURT	CONV DATE	CONVICTING CHARGE	COURT DOCKET	POS ID	DISPOSITION	FEL	ATN
SJU	[redacted]	FRAUD	[redacted]	Y	SIS/DIS	Y	
DJU		ASSAULT		Y	GUILTY	Y	
SJU		SEX ASLT CARN ABUS		Y	NOLO CONTENDRE	Y	
DJU		ASSAULT		Y	GUILTY	N	

FBI - Stevens-3129

* NOT ALL CRIMINAL RECORDS MEET CCH DISSEMINATION CRITERIA *
* CONTACT R&I FOR FULL INFORMATION *
PF2 MULT PERSON PF8 FULL HIST * AT END *

89A-AN-8663-2

SEARCHED ___ INDEXED ___
SERIALIZED ___ FILED ___

OCT 19 1992

FBI — ANCHORAGE

PSTD300P TERMID: YATO BASIC PERSON RECORD 10/15/92 10:28:43.7

PERSON NAME: [redacted]
DOB: [redacted] SSN: [redacted] PERM ID:
SEX: F HGT: 5 04 WGT: 192 HAIR: BLN EYE COLOR: BLU RACE: b6 b7C
BIRTH PLACE CITY: [redacted] STATE: OR MONIKER:
MEDICAL CODE: FP ON FILE: FELON: N

	STREET/EXTRA LINE	CITY/COUNTRY	ST	LAST CHG
MAILING ADDR:	[redacted]	ANCHORAGE	AK	[redacted]
RES ADDR:	[redacted]	ANCHORAGE	AK	[redacted]
ID/LIC NUM:	[redacted]	STATUS:		

CLASS	EXPIRES	CLASS	EXPIRES	CLASS	EXPIRES	CLASS	EXPIRES
ID	[redacted]						

RESTRICTIONS:

PF2 MULT PER PF3 FWP HST PF6 VEH DISP PF7 DRIV HST
PF8 CRIM HST PF9 CITN UPD PF10 NCIC W/W PF11 ADDR DISP

FBI - Stevens-3130

PSTD300P TERMID: YATO BASIC PERSON RECORD 10/15/92 10:52:43.9

PERSON NAME:
AKA:
DOB: SSN: PERM ID:
SEX: F HGT: 5 04 WGT: 192 HAIR: BLN EYE COLOR: BLU RACE:
BIRTH PLACE CITY: STATE: OR MONIKER:
MEDICAL CODE: FP ON FILE: FELON: N

b6
b7C

	STREET/EXTRA LINE	CITY/COUNTRY	ST	LAST CHG
MAILING ADDR:		ANCHORAGE	AK	
RES ADDR:		ANCHORAGE	AK	
ID/LIC NUM:		STATUS:		

CLASS	EXPIRES	CLASS	EXPIRES	CLASS	EXPIRES	CLASS	EXPIRES
ID							

RESTRICTIONS:

PF2 MULT PER PF3 FWP HST PF6 VEH DISP PF7 DRIV HST
PF8 CRIM HST PF9 CITN UPD PF10 NCIC W/W PF11 ADDR DISP

FBI - Stevens-3131

PMSU200P TERMID: YATO SEND NCIC MESSAGE 10/15/92 10:30:09.0

NCIC MESSAGE TYPE: 2 NCIC TRANS. CODE: QR__ DESTINATION: ____
REQUESTOR: [redacted] Q TYPE: _

b6
b7C

AKFBIAN00.FBI[redacted].ATN/SA[redacted]PUR/C

MESSAGE NUM: DATE: TIME:
PF2: RETAIN MESSAGE

FBI - Stevens-3132

FM: NCIC ON 10/15/92 AT 10:31:12
NL01AKPSM3$ADT19242
AKFBIAN00
NO IDENTIFIABLE RECORD IN THE NCIC INTERSTATE IDENTIFICATION INDEX (III) FOR FBI [redacted] PUR/C. b6 b7C
NOTICE -- THIS DOES NOT PRECLUDE THE POSSIBLE EXISTENCE OF MATCHING RECORDS IN LOCAL, STATE, OR FBI IDENTIFICATION DIVISION FILES THAT ARE NOT INDEXED IN THE NCIC III. IF YOU DESIRE A SEARCH OF THE FBI IDENTIFICATION DIVISION FILES, A FINGERPRINT CARD SHOULD BE SUBMITTED.
END

FD-36 (Rev. 8-29-85)

FBI

TRANSMIT VIA:	PRECEDENCE:	CLASSIFICATION:
[X] Teletype	[ ] Immediate	[ ] TOP SECRET
[ ] Facsimile	[X] Priority	[ ] SECRET
[ ] AIRTEL	[ ] Routine	[ ] CONFIDENTIAL
		[X] UNCLAS E F T O
		[ ] UNCLAS

Date 10/19/92

FM FBI ANCHORAGE (89A-AN-8663) (P) (JRA)

TO DIRECTOR FBI/PRIORITY/

FBI WMFO/PRIORITY/

BT

UNCLAS E F T O

FBI - Stevens-3134

CITE: //3030//

PASS: SSA [redacted] CID, VCMOS, VCU.

SUBJECT: [redacted] NEE [redacted] [redacted] TED STEVENS, U.S. SENATOR - VICTIM; FRANK H. MURKOWSKI, U.S. SENATOR - VICTIM; DON YOUNG, U.S. REPRESENTATIVE - VICTIM; 10/14/92; CCSCAKA (MEMBER OF CONGRESS - ASSAULT); OO: ANCHORAGE.

b6
b7C

RE TELCALL BETWEEN SSA [redacted] ANCHORAGE, AND SSA [redacted], FBIHQ, 10/19/92.

ON 10/15/92, [redacted] U.S. CONGRESSIONAL DELEGATION OFFICE, JUNEAU, ALASKA, TELEPHONE [redacted]

89A-AN-8663-3 bc

1 - Anchorage
KF/krs
(1)

Searched
Serialized
Indexed
Filed

Approved: BGP/117 Original filename: KRS001W.294

Time Received: Telprep filename: KRS001S0.294

MRI/JULIAN DATE: 169/294 ISN: 003

FOX DATE & TIME OF ACCEPTANCE: 10/19/92 0247Z

TELEPHONICALLY ADVISED THE ANCHORAGE OFFICE OF THE FBI THAT THE U.S. CONGRESSIONAL DELEGATION OFFICE IS LOCATED IN THE FEDERAL BUILDING, JUNEAU, ALASKA. ON WEDNESDAY, 10/14/92, A MAN AND WIFE, [redacted], CAME INTO THE DELEGATION OFFICE TO LODGE A COMPLAINT. THE [redacted] WERE TRYING TO PURCHASE HOUSING IN JUNEAU THROUGH THE VETERANS ADMINISTRATION (VA). THEY WANTED A LOAN FOR $125,000.00, BUT THE VA WAS ONLY QUALIFYING THEM FOR $40,000.00. THEY FELT IT WAS THE FAULT OF THE ALASKA CONGRESSIONAL DELEGATION AND DEMANDED SOMETHING BE DONE. THEY WERE VERY THREATENING AND THREATENED ALL OF THE DELEGATION, SAYING "SOMEONE WAS GOING TO GET HURT" AND THAT "IT WAS NOT A THREAT, BUT A PROMISE." THE [redacted] SAID THEY WERE GIVING THE DELEGATION 24 HOURS TO GET SOMETHING DONE. [redacted] EXPLAINED TO THEM THAT THEY MAY BE ELIGIBLE FOR SOME ASSISTANCE FROM THE STATE OF ALASKA AND SUGGESTED THEY TALK TO THE GOVERNOR'S OFFICE. THE [redacted] LEFT HER OFFICE EN ROUTE TO THE GOVERNOR'S OFFICE. [redacted] LATER TALKED TO THE GOVERNOR'S OFFICE AND FOUND OUT THAT THE GOVERNOR'S OFFICE HAD PREVIOUS DEALINGS WITH THE [redacted] DURING THE COWPER ADMINISTRATION. THAT SAME

b6
b7C

b6
b7C

AFTERNOON, [redacted] RECEIVED A TELEPHONE CALL FROM [redacted] [redacted] AT THE DELEGATION OFFICE. HE WAS VERY ANGRY AND SAID "THAT WAS IT, HE HAD NO CHOICE BUT TO TAKE ACTION OF SOME SORT," AND "SOMEONE WOULD BE HURT AND IT WAS NOT A THREAT, BUT A PROMISE." b6 b7C

ON OCTOBER 15, 1992, WHEN [redacted] ARRIVED AT WORK, SHE FOUND A MESSAGE ON THE OFFICE TELEPHONE ANSWERING MACHINE. THE MALE VOICE STATED, "TELL MURKOWSKI HE HAS BAD MEMORY AND YOUNG IT AIN'T HIS TOWN NO MORE, THAT'S ALL THEY NEED TO KNOW." [redacted] STATED THAT ALTHOUGH THE CALLER DID NOT IDENTIFY HIMSELF ON TAPE, SHE BELIEVES THE CALLER TO BE [redacted] [redacted]. b6 b7C

[redacted] HAS ADVISED THE DELEGATIONS OF SENATOR STEVENS, SENATOR MURKOWSKI, AND REPRESENTATIVE YOUNG OF THE THREATS.

THE U.S. SECRET SERVICE AND U.S. MARSHALS WERE ADVISED OF THESE THREATS BY ANCHORAGE ON 10/19/92.

A REVIEW OF THE RECORDS OF THE ALASKA PUBLIC SAFETY INFORMATION NETWORK (APSIN) REVEALED IDENTIFYING DATA ON PERSONS BELIEVED TO BE IDENTICAL WITH [redacted] b6 b7C

NAME: [redacted]

RACE: WHITE

SEX: MALE

DATE OF BIRTH: [redacted]

PLACE OF BIRTH: JUNEAU, ALASKA

HEIGHT: 5 FEET 6 INCHES

WEIGHT: 220 POUNDS

HAIR: BLOND

EYES: BLUE

b6
b7C

LAST KNOWN ADDRESS: [redacted]

ANCHORAGE, ALASKA (12/21/89)

SOCIAL SECURITY ACCOUNT NUMBER: [redacted]

ALASKA DRIVER'S LICENSE NUMBER: [redacted]

CRIMINAL HISTORY:

AST # [redacted]

FBI #

1980 AND 1982 CONVICTIONS FOR ASSAULT.

NAME: [redacted] (NEE) [redacted]

RACE: WHITE

SEX: FEMALE

DATE OF BIRTH: [redacted]

PLACE OF BIRTH: PORTLAND, OREGON

HEIGHT: 5 FEET 4 INCHES

WEIGHT: 192 POUNDS

HAIR: BLOND

EYES: BLUE

SOCIAL SECURITY ACCOUNT NUMBER: [redacted]

ALASKA DRIVER'S LICENSE NUMBER: [redacted]

LAST KNOWN ADDRESS: [redacted] ANCHORAGE, ALASKA (5/30/86).

b6
b7C

BT

[illegible] 01259

[illegible] UNTR FBIAN

[illegible] 10019 3002335

[illegible] UUUUU

[illegible] 221512 OCT 92

FM FBI WMFO (89A-AN-8663) (P) (C-4)

TO DIRECTOR FBI/ROUTINE/

FBI ANCHORAGE (JRA)/ROUTINE/

BT

UNCLAS

CITE: //3920//

PASS: 89A [redacted] CID, VCMOS, VCU.

SUBJECT: [redacted] NEE [redacted] b6 b7C

[redacted] TED STEVENS; U.S. SENATOR-VICTIM; DON YOUNG U.S. REPRESENTATIVE-VICTIM; 10/14/92; CCSCAKA (MEMBER OF CONGRESS-ASSAULT), OO:ANCHORAGE.

REFERENCE ANCHORAGE TELETYPE TO THE DIRECTOR DATED 10/20/92

WMFO IS IN RECEIPT OF REFERENCED TELETYPE AND HAS DISSEMINATED ITS CONTENTS TO THE UNITED STATES CAPITOL POLICE

FBI - Stevens-3139

FOIM'S

89A-AN-8663-4

SEARCHED ____ INDEXED ____
SERIALIZED 6 FILED 8

OCT 20 1992

FBI--ANCHORAGE

PAGE TWO DE FBIWMFO 0019 UNCLAS

THE USCP, HAVE RESPECTFULLY REQUESTED AN UPDATE REGARDING MENTIONED MATTER SO THAT THEY MAY MAKE A THREAT ASSESSMENT AND DETERMINATION WHETHER INCREASED PROTECTION FOR THE VICTIMS WILL BE NECESSARY.

WMFO WILL AWAIT AN UPDATE FROM ANCHORAGE AND WILL IMMEDIATELY DISSEMINATE TO USCP.

BT

#0019

WINN

0203 WFI 00104

PP RUCNFB FBIAN

DE FBIWMFO #0014 3312333

ZNR UUUUU

P 302333Z NOV 92

FM FBI WMFO (89A-AN-8863) (P C-4)

TO DIRECTOR FBI/ROUTINE/

FBI ANCHORAGE (JRA)/ROUTINE/

BT

UNCLAS

CITE: //3910//

PASS: 89A [redacted] CID, VCMOS, VCU,

b6
b7C

SUBJECT: [redacted] NEE [redacted]

[redacted] TED STEVENS; U.S. SENATOR-VICTIM; DON YOUNG, U.S.

REPRESENTATIVE-VICTIM; 10/14/92; OOSCAMA (MEMBER OF CONGRESS-

ASSAULT); OO;ANCHORAGE.

REFERENCE WMFO TELETYPE TO THE DIRECTOR DATED 10/26/92.

WMFO RESPECTFULLY REQUESTS AN UPDATE REGARDING CAPTIONED

INVESTIGATION, WHICH UPON RECEIPT WILL BE DISSEMINATED TO THE

UNITED STATES CAPITOL POLICE.

FBI - Stevens-3141

11/27
Have one of the teletypes
be from Desmond this matter
with WMFO case digest
RP

89A-AN-8863-5
NOV 25 1992

FOIMS

PAGE TWO DE FBIWMFO 0014 UNCLAS

BT

#0014

NNNN

FBI - Stevens-3142

11/27
Please cover of the teletype
be sure document the matter
with WMFO cover digest
BJP

SAA AN-8663-5

FD-302 (Rev. 3-10-82)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 12/21/92

[redacted], white female, date of birth [redacted] place of birth Portland, Oregon, was located at her residence, [redacted] Alaska. [redacted] was apprised of the identity of the interviewing Agent and of the fact that the interview concerned a visit she and her husband, [redacted] made to the U.S. Congressional Delegation Office located in the Federal Building, Juneau, Alaska, on October 14, 1992. [redacted] then provided the following information:

b6
b7C

She related that she is on disability because of a [redacted] condition she has and that for the past few months she and her husband, without success, have been attempting to obtain VA financing for a residence they were hoping to buy. [redacted] related that because of she and her husband's frustrations over not being able to obtain VA financing, they paid a visit to the U.S. Congressional Delegation Office in Juneau on October 14, 1992, and complained to the ladies staffing that office. She added that neither she nor her husband intended any harm to the ladies staffing the office and apologized for their abrasive manner and actions on October 14, 1992. She related that she and her husband would not recontact that office and would continue trying to obtain VA financing in an appropriate fashion.

[redacted] stated that because of her disability she is unemployed and cannot operate a motor vehicle. She stated that she and her husband have one child, a daughter named [redacted] who is [redacted] years old.

The following background and descriptive information regarding [redacted] was obtained through interview and observation:

NAME: [redacted], nee [redacted]
RACE: White
SEX: Female
DATE OF BIRTH: [redacted]

b6
b7C

FBI/Stevens-3143

Investigation on 12/14/92 at [redacted], Alaska File # 89A-AN-8663

by SA [redacted] Date dictated 12/21/92

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

FD-302a (Rev. 11-15-83)

89A-AN-8663

Continuation of FD-302 of [redacted], On 12/14/92, Page 2

PLACE OF BIRTH: Portland, Oregon
HEIGHT: Approximately 5'2"
WEIGHT: Approximately 160
HAIR: Light brown/dishwater blond
HOME ADDRESS: [redacted] Alaska

b6
b7C

FD-302 (Rev. 3-10-82)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 12/21/92

[redacted] white male, date of birth [redacted] place of birth Juneau, Alaska, was located at his residence, [redacted] Alaska. [redacted] was apprised of the identity of the interviewing Agent and of the fact that the interview concerned a visit he and his wife, [redacted] made to the U.S. Congressional Delegation Office located in the Federal Building, Juneau, Alaska, on October 14, 1992. [redacted] then provided the following information:

b6
b7C

He related that he is a Navy veteran, having served in the U.S. Navy from [redacted] through [redacted] and received an honorable discharge. He stated that he and his wife paid a visit to the U.S. Congressional Delegation Office in Juneau to vent their frustrations over not being able to qualify and obtain any type of a VA home loan. [redacted] related that his wife gets disability payments regarding her [redacted] condition totalling around $15,000 a year, and this amount of money disqualified them from obtaining the VA loan they were seeking.

[redacted] advised that he did not intend to threaten the individuals who were working in the U.S. Congressional Delegation Office and was sorry if he and his wife came across in a belligerent and threatening manner. He stated that they did not intend to cause any personal harm to the ladies with whom they spoke. [redacted] was advised that because of their actions on October 14, 1992, they possibly were in violation of the assault on a member of Congress Federal Statute. [redacted] advised that he did not intend to assault or impede any member of Congress and their representatives and was most apologetic for his actions.

The following background and descriptive information regarding [redacted] was obtained through interview and observation:

NAME: [redacted]
RACE: White
SEX: Male

b6
b7C

FOIMS

Investigation on 12/14/92 at [redacted], Alaska File # 89A-AN-866302

FBI - Stevens-3145

by [redacted] Date dictated 12/21/92

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

FD-302a (Rev. 11-15-83)

89A-AN-8663

DATE OF BIRTH: [redacted]
PLACE OF BIRTH: Juneau, Alaska
HEIGHT: 5'7"
WEIGHT: 180 lbs.
HAIR: Sandy colored
BUILD: Stocky.
HOME ADDRESS: [redacted] Alaska
HOME TELEPHONE: [redacted]
RELATIVE: [redacted] (the [redacted] address is owned by [redacted]
EMPLOYMENT: Unemployed/on disability
DRIVERS LICENSE [redacted] (Expiration [redacted]
WIFE: [redacted] nee [redacted]

b6
b7C

FD-36 (Rev. 8-29-85)

FBI

TRANSMIT VIA:	PRECEDENCE:	CLASSIFICATION:
[X] Teletype	[ ] Immediate	[ ] TOP SECRET
[ ] Facsimile	[ ] Priority	[ ] SECRET
[ ] AIRTEL	[X] Routine	[ ] CONFIDENTIAL
		[ ] UNCLAS E F T O
		[X] UNCLAS

Date 12/22/92

FM FBI ANCHORAGE (89A-AN-8663) (P)

TO DIRECTOR FBI/ROUTINE/

FBI WMFO (89A-AN-8663)/ROUTINE/

BT

UNCLAS

CITE: //3030//

PASS: SSA JOHN UDA, CID, VCMOS, VCU.

SUBJECT: [redacted] NEE [redacted] 6

[redacted] TED STEVENS, U.S. SENATOR - VICTIM; DON YOUNG, U.S. REPRESENTATIVE - VICTIM; 10/14/92; CCSCAKA (MEMBER OF CONGRESS-ASSAULT); OO: ANCHORAGE.

b6
b7C

REFERENCE WMFO TELETYPE TO THE DIRECTOR, DATED 10/26/92, AND TELCALLS BETWEEN SA [redacted] JUNEAU RESIDENT AGENCY, AND DETECTIVE [redacted] - U.S. CAPITOL POLICE, ON 10/28/92 AND 11/3/92, AND TELCALL OF SA [redacted] TO SA [redacted] WMFO, ON 12/22/92.

FBI - Stevens-3147

89A-AN-8663-6

Searched
Serialized
Indexed
Filed

1 - Anchorage
JG/krs
(1)

Approved: BGP/lz Original filename: KR5001W.358

Time Received: Telprep filename: KR50015O.358

MRI/JULIAN DATE: 199/358 ISN: 001

FOX DATE & TIME OF ACCEPTANCE: 12/22/92 0358Z

FOR INFORMATION OF WMFO, SUBJECTS [redacted] LOCATED AND INTERVIEWED AT JUNEAU, ALASKA, RE THEIR 10/14/92 VISIT TO THE OFFICES OF SENATOR STEVENS AND REPRESENTATIVE DON YOUNG. BOTH APOLOGIZED FOR THEIR BELLIGERENT BEHAVIOR EXHIBITED DURING THIS VISIT AND INDICATED THEY MEANT NO HARM TO EITHER YOUNG OR STEVENS, OR OFFICE PERSONNEL. [redacted] [redacted] STATED THEIR VISIT WAS PROMPTED BY THEIR INABILITY TO OBTAIN A HOME LOAN IN EXCESS OF $100,000.00, DUE IN PART TO INCOME RECEIVED BY [redacted] WHO IS A VETERAN ON PERMANENT DISABILITY. THE [redacted] WERE ADVISED THAT THREATS TO ELECTED OFFICIALS AND THEIR STAFF WERE IN VIOLATION OF FEDERAL LAW.

b6
b7C

PERIODIC VISITS TO THE OFFICES OF YOUNG AND STEVENS HAVE REVEALED THAT THE [redacted] HAVE HAD NO FURTHER CONTACT WITH THOSE OFFICES.

THE [redacted] CURRENTLY RESIDE AT [redacted] [redacted] JUNEAU, ALASKA, TELEPHONE [redacted]

ANCHORAGE DIVISION, AT ANCHORAGE, ALASKA:

1. WILL PRESENT THIS MATTER TO THE UNITED STATES ATTORNEY'S OFFICE RE PROSECUTIVE OPINION.

2. WILL FORWARD PHOTOGRAPH OF [redacted] TO WMFO FOR DISSEMINATION TO USCP.

b6
b7C

BT

Record Request
FD-125 (Rev. 1-30-75)

Date 12-22-92

☐ Birth ☐ Credit ☒ Criminal ☐ Death ☐ INS ☐ Marriage * ☐ Motor Vehicle ☐ Other _____
☒ Driver's License photo

To [redacted] Buded

Return to SA [redacted] File number 89A-AN-8663

b6
b7C

Name and aliases of subject, applicant, or employee, and spouse

[redacted] L

Addresses
Residence
Business
Former

* Date and place of marriage (if applicable)

Race	Sex	Age	Height	Weight	Hair	Eyes
W	☒ Male ☐ Female	[redacted]	5'6	200		

Birth da[redacted] Birthplace

Arrest Number | Fingerprint classification | Criminal specialty

b6
b7C

Specific information desired: Photo & Criminal Record

Social Security Number

Results of check

[redacted] AK Dri Lic [redacted]

FBI - Stevens-3150

(Use reverse side, if necessary)

FBI/DOJ

PSTD300P TERMID: YATO - BASIC PERSON RECORD 12/22/92 14:51:31.4

PERSON NAME: [redacted]
DOB:
SSN: [redacted] PERM ID:
SEX: M HGT: 5 06 WGT: 220 HAIR: BLN EYE COLOR: BLU RACE: W
BIRTH PLACE CITY: [redacted] STATE: AK MONIKER:
MEDICAL CODE: FP ON FILE: Y FELON: Y

b6
b7C

	STREET/EXTRA LINE	CITY/COUNTRY	ST	LAST CHG
MAILING ADDR:	[redacted]	ANCHORAGE	AK	[redacted]
RES ADDR:		ANCHORAGE	AK	
ID/LIC NUM:	[redacted]	STATUS:		

CLASS	EXPIRES	CLASS	EXPIRES	CLASS	EXPIRES	CLASS	EXPIRES
D	[redacted]	S	[redacted]	ID	[redacted]		

RESTRICTIONS:

PF3 FWP HST PF6 VEH DISP PF7 DRIV HST
PF8 CRIM HST PF9 CITN UPD PF10 NCIC W/W PF11 ADDR DISP

PSTD800P TERMID: YATO CRIMINAL CONVICTIONS 12/22/92 14:51:43.6

PERSON NAME: [redacted]

UPDATED: Y AST NUM: [redacted] ID/LIC NUM: [redacted] FBI NUM: [redacted]
CRIMINAL HISTORIES MAY EXIST IN: CA

CONV COURT	CONV DATE	CONVICTING CHARGE	COURT DOCKET	POS ID	DISPOSITION	FEL	ATN
SJU	[redacted]	FRAUD	[redacted]	Y	SIS/DIS	Y	
DJU		ASSAULT		Y	GUILTY	Y	
SJU		SEX ASLT CARN ABUS		Y	NOLO CONTENDRE	Y	
DJU		ASSAULT		Y	GUILTY	N	

b6
b7C

FBI - Stevens-3151

* NOT ALL CRIMINAL RECORDS MEET CCH DISSEMINATION CRITERIA *
* CONTACT R&I FOR FULL INFORMATION *
PF8 FULL HIST * AT END *

PSTD410P TERMID: YATO CRIMINAL HISTORY 12/22/92 14:51:55.0

PERSON NAME: [redacted]

AST NUMBER: [redacted] ID/LIC NUMBER: [redacted] FBI NUMBER [redacted]
ARRESTING AGENCY: DOCJ DATE: [redacted] CHARGE: 2699 FRAUD
CONVICTING COURT: SJU DATE: CHARGE: 2699 FRAUD
COURT DOCKET: [redacted] POS ID: Y FELONY: Y DISP: SIS/DIS
ATN: CONSOLIDATED ATN:

CONDITION: LARCENY BY CHECK.

SENTENCE	YEARS	DAYS	AMOUNT	DATE TO COMPLETE
JAIL	3			
JAIL SUSP	3			
RESTITUTIO				

PF8 CONVICTIONS MORE...

PSTD410P TERMID: YATO CRIMINAL HISTORY 12/22/92 14:52:03.9

b6
b7C

PERSON NAME: [redacted]

AST NUMBER: [redacted] ID/LIC NUMBER: [redacted] FBI NUMBER: [redacted]
ARRESTING AGENCY: DOCJ DATE: [redacted] CHARGE: 1313C ASLT/NON AGGRAVATED
CONVICTING COURT: DJU DATE: [redacted] CHARGE: 1399C ASSAULT
COURT DOCKET: [redacted] POS ID: Y FELONY: Y DISP: GUILTY
ATN: CONSOLIDATED ATN:
CONDITION:

SENTENCE	YEARS	DAYS	AMOUNT	DATE TO COMPLETE
JAIL		90		
JAIL SUSP		50		

PF8 CONVICTIONS MORE...

PSTD410P TERMID: YATO CRIMINAL HISTORY 12/22/92 14:52:10.1

b6
b7C

PERSON NAME: [redacted]

AST NUMBER: [redacted] ID/LIC NUMBER: [redacted] FBI NUMBER: [redacted]
ARRESTING AGENCY: SJU DATE: [redacted] CHARGE: 1117 SEX ASLT CARN ABUSE
CONVICTING COURT: SJU DATE: [redacted] CHARGE: 1117 SEX ASLT CARN ABUSE
COURT DOCKET: [redacted] POS ID: Y FELONY: Y DISP: NOLO CONTENDRE
ATN: CONSOLIDATED ATN:
CONDITION: RESTIT FOR VICTIMS COUNSELLING HALFWAY HOUSE AFTER JAIL
ATTEND MENTAL HEALTH COUNSELLING NO CONTACT VICTIM

SENTENCE	YEARS	DAYS	AMOUNT	DATE TO COMPLETE
JAIL	4			
JAIL SUSP	2			
PROBATION	4			

PF8 CONVICTIONS MORE...

PSTD410P TERMID: YATO CRIMINAL HISTORY 12/22/92 14:52:20.5

PERSON NAME: [redacted]

b6
b7C

AST NUMBER: [redacted] ID/LIC NUMBER: [redacted] FBI NUMBER: [redacted]
ARRESTING AGENCY: DOCJ DATE: [redacted] CHARGE: 1313 ASLT/NON AGGREVATED
CONVICTING COURT: DJU DATE: [redacted] CHARGE: 1313 ASLT/NON AGGREVATED
COURT DOCKET: [redacted] POS ID: Y FELONY: DISP: DISMISSED
ATN: CONSOLIDATED ATN:
CONDITION: 2CTS.

SENTENCE	YEARS	DAYS	AMOUNT	DATE TO COMPLETE

PF8 CONVICTIONS MORE...

PSTD410P TERMID: YATO CRIMINAL HISTORY 12/22/92 14:52:27.2

PERSON NAME: [redacted]

b6
b7C

AST NUMBER: [redacted] ID/LIC NUMBER: [redacted] FBI NUMBER: [redacted]
ARRESTING AGENCY: JUNE DATE: [redacted] CHARGE: 1399D ASSAULT
CONVICTING COURT: DJU DATE: [redacted] CHARGE: 1399D ASSAULT
COURT DOCKET: [redacted] POS ID: Y FELONY: N DISP: GUILTY
ATN: CONSOLIDATED ATN:
CONDITION:

SENTENCE	YEARS	DAYS	AMOUNT	DATE TO COMPLETE
JAIL		10		

FBI - Stevens-3153

PF8 CONVICTIONS * AT END *

PSTD200P TERMID: YATO WANT/WARRANT INFORMATION 12/22/92 14:52:46.5

PERSON NAME: [redacted]

b6
b7C

DOB: [redacted] SSN: [redacted] SEX: M
WEIGHT: 220 HEIGHT: 5 06 HAIR: BLN
EYE COLOR: BLU RACE: W SKIN: MED

ID/LIC NUM: MARKS:
FBI NO: AST NO:

b6
b7C

TEMPERAMENT: MEDICAL:
DR LIC NO: STATE: COUNTRY:

* * * * * * * * * * * * * * * * WANTS/WARRANTS * * * * * * * * * * * * * * *

C.O. NUM./ C.O. DATE	WARRANT SUB TYPE/ BAIL AMT	AGENCY ID	ATN	OFFENSE DESCRIPTION (& OPTIONAL COMMENTS)

NO WANT/WARRANTS FOUND FOR THIS PERSON

* AT END *

PF10 NCIC INQUIRY

FBI - Stevens-3154

FM: NCIC ON 12/22/92 AT 14:52:53
1L01AKPSM3$ADT15795
AKFBIAN00
NO NCIC WANT FBI/[redacted]
NO NCIC WANT SOC/[redacted]
NO NCIC WANT DOB/[redacted] NAM/[redacted] SEX/M RAC/W

b6
b7C

HQ X2222 Ordered 12/22/92 ppo attn SA [redacted]

FM: NCIC ON 12/22/92 AT 14:53:55
NL01AKPSM3$ADT15805
AKFBIAN00
NO IDENTIFIABLE RECORD IN THE NCIC INTERSTATE IDENTIFICATION INDEX
(III) FOR FBI[redacted].PUR/C.
NOTICE -- THIS DOES NOT PRECLUDE THE POSSIBLE EXISTENCE OF MATCHING
RECORDS IN LOCAL, STATE, OR FBI IDENTIFICATION DIVISION FILES THAT ARE
NOT INDEXED IN THE NCIC III. IF YOU DESIRE A SEARCH OF THE FBI
IDENTIFICATION DIVISION FILES, A FINGERPRINT CARD SHOULD BE SUBMITTED.
END

2215 MRI 00905

RR FBONFB FBIAN

DE FBINMFO #0009 0651408

ZNR UUUUU

R 102403Z MAR 93

FM FBI NMFO (89A-AN-8663) (P) (C-4

TO DIRECTOR FBI/ROUTINE/

FBI ANCHORAGE/ROUTINE/

BT

UNCLAS

CITE: //3920/

PASS: SEA [redacted] VCY CID.

SUBJECT: [redacted] TED STEVENS, U.S. SENATOR - VICTIM; DON YOUNG, U.S. REPRESENTATIVE - VICTIM; OCTOBER 14, 1992; OSOSAKA (MEMBER OF CONGRESS - ASSAULT); OO: ANCHORAGE.

b6
b7C

REFERENCE ANCHORAGE TELETYPE TO THE DIRECTOR DATED DECEMBER 23, 1992

NMFO RESPECTIVELY REQUESTS AN UPDATE REGARDING CAPTIONED MATTER. SPECIFICALLY, THE PROSECUTIVE OPINION OBTAINED FROM

89A-AN-8663-17
SEARCHED INDEXED
SERIALIZED FILED
MAR 10 1993
FBI—ANCHORAGE
[redacted]

W.T.

THE UNITED STATES ATTORNEY'S OFFICE AT ANCHORAGE.

WMFO WILL REMAIN PENDING IN CAPTIONED MATTER AND WILL DISSEMINATE INFORMATION OBTAINED FROM ANCHORAGE TO THE UNITED STATES CAPITOL POLICE UPON ITS RECEIPT.

IF ANCHORAGE HAS CLOSED ITS INVESTIGATIONS AND INADVERTENTLY FAILED TO NOTIFY WMFO. IT IS REQUESTED THAT ANCHORAGE FORWARD A COPY OF ITS CLOSING COMMUNICATION ON WHICH WMFO WILL RUN ITS INVESTIGATION

BT

#0009

NNNN

FD-36 (Rev. 11-17-88)

FBI

TRANSMIT VIA:
- [ ] Teletype
- [ ] Facsimile
- [x] AIRTEL

PRECEDENCE:
- [ ] Immediate
- [ ] Priority
- [ ] Routine

CLASSIFICATION:
- [ ] TOP SECRET
- [ ] SECRET
- [ ] CONFIDENTIAL
- [ ] UNCLAS E F T O
- [ ] UNCLAS

Date 3/19/93

TO : WMFO (89A-AN-8663) (C-4)

FROM : SAC, Anchorage (89A-AN-8663) (P)

SUBJECT : [redacted]
TED STEVENS, U.S. Senator - Victim,
DON YOUNG, U.S. Representative - Victim;
October 14, 1992
CCSCAKA (Member of Congress - Assault)
00: Anchorage

b6
b7C

Re WMFO teletype to the Director and Anchorage Division dated 3/10/93, and telecalls between SA [redacted] Juneau, Alaska, RA, and Detective [redacted] Capitol Police Department, in November and December, 1992.

For the information of WMFO, subjects [redacted] and [redacted] who currently reside at [redacted] Alaska, were both located and interviewed regarding their visit to the Congressional Delegation Office in Juneau, Alaska, on 10/14/92. Both [redacted] advised that they did not intend any personal harm to come to the Congressional Delegation in Juneau, but were venting their frustrations over not being able to obtain proper financing for a residence they were seeking. Both [redacted] apologized for their actions, which they displayed on 10/14/92.

b6
b7C

SA [redacted] Resident Agent, Juneau, Alaska, has had nearly daily contact with the Congressional Delegation in Juneau and has learned that the [redacted] have had no further contact with the Congressional Delegation office.

2 - Anchorage
2 - WMFO
JGAG:jgag
(4)

89A-AN-8663-8

Searched
Serialized
Indexed
Filed

Approved: Transmitted (Number) (Time) Per

On 3/4/93 AUSA [redacted] United States Attorney's Office, Anchorage, Alaska, was contacted regarding this matter and stated that she would decline prosecution in this matter in view of the fact that the [redacted] have had no further contact with the Congressional Delegation in Juneau, Alaska, and apparently did not intend to cause any personal harm for members of the Alaska Congressional Delegation located in the Federal Building, Juneau, Alaska. b6 b7C

The Burnetts are described as follows:

NAME: [redacted]
RACE: White
SEX: Male
DATE OF BIRTH: [redacted]
PLACE OF BIRTH: Juneau, Alaska
HEIGHT: 5'7"
WEIGHT: 180 lbs.
HAIR: Sandy colored
BUILD: Stocky
HOME ADDRESS: [redacted] Alaska
HOME TELEPHONE: [redacted]
RELATIVE: [redacted] (the [redacted] address is owned by [redacted]
EMPLOYMENT: Unemployed/on disability
DRIVERS LICENSE: # [redacted] (Expiration [redacted]
WIFE: [redacted] nee [redacted]

b6 b7C

NAME: [redacted], nee [redacted]
RACE: White
SEX: Female
DATE OF BIRTH: [redacted]
PLACE OF BIRTH: Portland, Oregon
HEIGHT: Approximately 5'2"
WEIGHT: Approximately 160 lbs.
HAIR: [redacted] Alaska

b6 b7C

LEADS

WMFO DIVISION

AT WASHINGTON, D.C. Will contact Capitol Police Officer, Detective [redacted] telephone number [redacted] and advise him of the status of this case and of the fact that a photograph of subject [redacted] will be forthcoming.

FBI - Stevens-3160

ANCHORAGE DIVISION

AT ANCHORAGE, ALASKA. Will provide AUSA [redacted] [redacted] United States Attorney's Office, with a Letter of Declination, confirming her prosecutive opinion rendered on 3/4/93 regarding this matter.

b6
b7C

FBI - Stevens-3161

0004 MRI 00164

RR RUCNFB FBIAN

DE FBIWMFO #0006 0920341

ZNR UUUUU

R 020226Z APR 93

FM FBI WMFO (89A-AN-8663) (C-4 RUCN

TO DIRECTOR FBI/ROUTINE/

FBI ANCHORAGE/ROUTINE/

BT

UNCLAS

CITE: //3920/

SUBJECT: [redacted] TED STEVENS U.S. SENATOR - VICTIM DON YOUNG, U.S. REPRESENTATIVE-VICTIM· OCTOBER 14, 1992· DOEDAKA

b6
b7C

OO:ANCHORAGE.

AS SET FORTH IN ANCHORAGE LEAD TO WMFO, ALL INFORMATION REGARDING CAPTIONED MATTER HAS BEEN DISSEMINATED TO THE JSCP.

WMFO RUC'S ON THIS COMMUNICATION.

BT

#0006

FBI - Stevens-3162

NNNN

89A-AN-8663-9

SEARCHED ____ INDEXED ____
SERIALIZED ____ FILED ____

APR 01 1993

FBI—ANCHORAGE

U.S. Department of Justice

Federal Bureau of Investigation

P.O. Box 100560
Anchorage, AK 99510
May 2, 1993

In Reply, Please Refer to
File No. 89A-AN-8663

Mr. Joseph W. Bottini
United States Attorney
District of Alaska
222 West 7th Avenue #9, Room 253
Anchorage, Alaska 99513-7567

Dear Mr. Bottini:

For your information, the Anchorage office of the Federal Bureau of Investigation was contacted by the U.S. Congressional Delegation Office located in Juneau, Alaska, on 10/14/92. During this contact [redacted], who is with the U.S. Congressional Delegation Office advised that [redacted] and his wife, [redacted] had just visited their office and were very angry and threatening during the visit. Apparently, the [redacted] were venting their frustrations over the fact that they were unable to obtain financing they were seeking with regards to a residence they were attempting to buy. [redacted] advised that they were not physically harmed during the visit, but were concerned with the way the [redacted] acted while they were in the U.S. Congressional Delegation Office.

b6
b7C

Special Agent [redacted] who is assigned to the Juneau Resident Agency, located and interviewed the [redacted] regarding their visit to the U.S. Congressional Delegation Office in October of 1992. The [redacted] apologized for their behavior during the October visit and they vowed they would not recontact the U.S. Congressional Delegation Office in the manner previously displayed. The [redacted] both reside in Juneau, Alaska, and have been in periodic contact with Agent [redacted] since the October, 1992, incident.

Agent [redacted] has maintained periodic contact with the members of the U.S. Congressional Delegation Office in Juneau and has learned that they have had no further contact with the [redacted].

b6
b7C

AUSA [redacted] was contacted regarding this matter and she stated that she would decline prosecution of the [redacted] in view of the fact that they have had no further contact with the U.S. Congressional Delegation in Juneau and apparently, did

89A-AN-8663-10

Searched
Serialized
Indexed
Filed

FBI - Stevens-3163

C.S. 6/2/93

not intend to cause any personal harm to the members of that delegation.

In view of the above information, the Anchorage office of the Federal Bureau of Investigation is conducting no further investigation into this matter.

Sincerely yours,

BURDENA G. PASENELLI,
Special Agent in Charge

BY: [redacted]
Supervisory Special Agent

b6
b7C

1 - Addressee
1 - Anchorage (89A-AN-8663)
JGAG:jgag
(2)

FBI - Stevens-3164

U.S. Department of Justice

Federal Bureau of Investigation

Post Office Box 100560
Anchorage, Alaska 99510

In Reply, Please Refer to
File No. AN 89A-90

March 31, 1987

SA [redacted]
United States Secret Service
701 "C" Street, Box 26
Anchorage, Alaska 99513

Re: Unknown Caller to Senator Ted Stevens
March 13, 1987

numerous cfs, NOT pertinent to this case

b6
b7C

Dear [redacted]

On March 27, 1987, [redacted] of Senator Stevens' office furnished the enclosed cassette tape which contains the contents of a telephone call to their office on March 13, 1987. The call was recorded on their after hours answering machine.

The tape was reviewed by Special Agent [redacted] of this office and, although there is no apparent violation over which the FBI has jurisdiction, the caller does appear irrational and hostile.

It is requested that you review the tape to determine if any similar calls have been referred to your office. It is also requested that you return the tape to [redacted] when it has been reviewed.

Very truly yours,

Charles Lontor
Special Agent in Charge

Enclosure

O/A & close #4 to Lee

Make 1A & attach Tape

1 - Addressee
1 - Anchorage (89A-90) (Dead)
RHL:vlp
(2)

SEARCHED
SERIALIZED
INDEXED
FILED

89A-90-1

FD-340a (Rev. 10-3-77)

(Title) _____

(File No.) AN 89A-90-1A

Item	Date Filed	To be returned Yes	To be returned No.		Disposition
1	4/2/87			Copy of tape recording of calls 3/13/87	

FBI - Stevens-2966

SEARCHED ____ INDEXED ____
SERIALIZED ____ FILED ____
APR 2 1987
FBI—ANCHORAGE

89A-90-1A

FD-340b (Rev. 12-6-83)

(1)

Field File No. 89 A 90 (1A)

00 and File No.

Date Received 3-27-87

From [redacted]
(NAME OF CONTRIBUTOR)

Senator Stevens Office
(ADDRESS OF CONTRIBUTOR)

Fed Bldg, Anchorage, AK

By [redacted]
(NAME OF SPECIAL AGENT)

b6
b7C

To Be Returned ☐ Yes ☑ No

Receipt Given ☐ Yes ☑ No

☐ Yes ☑ No

Grand Jury Material-Disseminate Only Pursuant to Rules 6(e), Federal Rules of Criminal Procedure

Description: ☐ Original notes re interview of

Copy of tape recording of Caller 3/13/87

FBI - Stevens-2967

FD-30 (Rev. 8-26-82)

FBI

TRANSMIT VIA:
- [X] Teletype
- [ ] Facsimile
- [ ] _____

PRECEDENCE:
- [ ] Immediate
- [X] Priority
- [ ] Routine

CLASSIFICATION:
- [ ] TOP SECRET
- [ ] SECRET
- [ ] CONFIDENTIAL
- [ ] UNCLAS E F T O
- [X] UNCLAS

Date 1/16/86

FM ANCHORAGE (89A-83)(P)

TO DIRECTOR PRIORITY

BT

UNCLAS

cfs not pertinent to this case

UNSUB; TELEPHONIC THREAT AGAINST U.S. SENATOR TED STEVENS (R) ALASKA; FAIRBANKS, ALASKA; JANUARY 16, 1986; CCSCAKA MEMBER OF CONGRESS. THREAT; OO: AN

AT APPROXIMATELY 2:40 PM, JANUARY 16, 1986, [redacted] ASSISTANT TO SENATOR STEVENS, FEDERAL BUILDING AND THE U.S. COURTHOUSE, 101 12TH AVENUE, FAIRBANKS, ALASKA, PERSONALLY ADVISED THAT SOMETIME BETWEEN NOON AND 1:00 PM THIS DATE, A TELEPHONE CALL CAME INTO HER OFFICE AND WAS RECORDED ON THEIR CODE-A-PHONE 2500. MESSAGE APPEARED TO BE A MALE CALLER WHO STATED, "SENATOR STEVENS IS A DEAD MAN", CALLER THEN HUNG UP. MESSAGE RECORDED AS EVIDENCE BY FBI.

[redacted] ADVISED THAT SHE IS NOTIFYING SENATOR STEVENS WHO IS PRESENTLY IN THE STATE OF ARIZONA. STEVENS IS NOT EXPECTED TO BE IN

b6
b7C

89A-83-1

1 - Anchorage
PAK/mr
(1)

Approved: _____ Transmitted 0023 8:46 (Number) (Time) Per _____

FD-36 (Rev. 8-26-82)

FBI

TRANSMIT VIA:
- ☐ Teletype
- ☐ Facsimile
- ☐ _____

PRECEDENCE:
- ☐ Immediate
- ☐ Priority
- ☐ Routine

CLASSIFICATION:
- ☐ TOP SECRET
- ☐ SECRET
- ☐ CONFIDENTIAL
- ☐ UNCLAS E F T O
- ☐ UNCLAS

Date _____

PAGE TWO AN (89A, 83) UNCLAS

FAIRBANKS UNTIL SOMETIME IN MARCH, 1986. NO SUSPECTS DEVELOPED.

LHM FOLLOWS.

U.S. SECRET SERVICE NOT AVAILABLE. WILL BE NOTIFIED AS SOON AS POSSIBLE.

BT

FBI - Stevens-3542

Approved: _____ Transmitted _____ (Number) (Time) Per _____

FD-340a (Rev. 10-3-77)

(Title) 89A-83-1A

(File No.)

Item	Date Filed	To be returned Yes	To be returned No		Disposition
1	1-26		X	TAPED THREAT (dm)	

FBI - Stevens-3543

89A-83-1A

SEARCHED ____ INDEXED ____
SERIALIZED dm FILED dm

JAN 26 1986

FD-340b (Rev. 12-6-83)

Field File No. 89A-83-141

00 and File No. ANCHORAGE

Date Received 1/16/86

From FBI - ANCHORAGE
(NAME OF CONTRIBUTOR)

(ADDRESS OF CONTRIBUTOR)

FAIRBANKS RESIDENT AGENCY
(CITY AND STATE)

By [redacted]
(NAME OF SPECIAL AGENT)

b6
b7C

To Be Returned ☐ Yes ☒ No

☐ Yes ☒ No

Receipt Given ☐ Yes ☒ No

Grand Jury Material-Disseminate Only Pursuant to Rules 6(e), Federal Rules of Criminal Procedure

Description: ☐ Original notes re interview of

TAPED THREAT

FBI - Stevens-3544

VZCZCHQ02093 0250315
PP AN

DE WF0009 024 0334

ZNR UUUUU

P 230334Z JAN 86

FM FBI, WASHINGTON FIELD (89A-997) (P) (C-4)

TO FBI, ANCHORAGE (89A-83) (P) PRIORITY

BT

UNCLAS

UNSUB; TELEPHONIC THREAT AGAINST U.S. SENATOR TED STEVENS (R), ALASKA, FAIRBANKS, ALASK, JANUARY 16, 1986; CCSCAKA-MEMBER OF CONGRESS-THREAT; 00;ANCHORAGE.

REFERENCE ANCHORAGE TELETYPE TO THE DIRECTOR DATED JANUARY 16, 1986.

FOR THE INFORMATION OF ANCHORAGE, ON JANUARY 21, 1986, OFFICER [redacted], UNITED STATES CAPITOL POLICE, INTELLIGENCE UNIT, WAS NOTIFIED REGARDING ABOVE CAPTIONED THREAT. OFFICER [redacted] WAS ADVISED OF THE CONTENTS OF THE THREAT AND REQUESTED TO PROVIDE WFO WITH ANY ADDITIONAL INFORMATION WHICH USCP INTELLIGENCE UNIT MAY HAVE REGARDING PRIOR THREATS AGAINST SENATOR STEVEN.

b6
b7C

FBI - Stevens-3545

RECEIVED FBIS 1/23

89A-83-2
SEARCHED INDEXED
SERIALIZED FILED
JAN 24 1986
FBI—ANCHORAGE

LEADS. ANCHORAGE DIVISION. AT FAIRBANKS, ALASKA. CONDUCT LOGICAL EXTORTION INVESTIGATION. IF POSSIBLE, ANCHORAGE DIVISION IS REQUESTED TO PROVIDE ANY ADDITIONAL INFORMATION REGARDING THE IDENTITY OF THE PERSON MAKING THE THREAT INCLUDING PHOTOGRAPH AND ADDITIONAL IDENTIFYING INFORMATION AND LHM OF RESULTS OF INVESTIGATION SUITABLE FOR DISSEMINATION TO USCP UPON COMPLETION.

BT

ØØ9

NNNN

THATS AL

U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to
File No.

Anchorage, Alaska
January 27, 1986

UNKNOWN SUBJECT;
TELEPHONIC THREAT AGAINST
U.S. SENATOR TED STEVENS (R) ALASKA;
FAIRBANKS, ALASKA,
JANUARY 16, 1986
CONGRESSIONAL, CABINET, AND
SUPREME COURT ASSINATION,
KIDNAPPING, AND ASSAULT - MEMBER
OF CONGRESS - THREAT

At approximately 2:40 pm, January 16, 1986, [redacted] Assistant to Senator Stevens, Federal Building and U.S. Courthouse, 101 12th Avenue, Fairbanks, Alaska, personally advised Special Agents of the Federal Bureau of Investigation that sometime between noon and 1:00 pm that same date, a telephone call had come into her office and was recorded on her code-a-phone 2500. The message appeared to be from a male caller who stated, "Senator Stevens is a dead man". The caller then hung up.

[redacted] advised that at that time she was notifying Senator Stevens who was in the State of Arizona. She further commented that Senator Stevens was not expected to return to the State of Alaska until sometime during March, 1986.

b6
b7C

On January 21, 1986, [redacted] advised that no additional threats to Senators have been received.

No suspects have been developed.

89A-83-3

Special Agent [redacted], U.S. Secret Service, Anchorage, Alaska, notified on January 17, 1986.

Searched
Serialized
Indexed
Filed

5 - Bureau
1 - Anchorage U.S. Secret Service
1 - Anchorage (89A-83)(C)
PAK/mcc
(7)

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

2cc WFO 1/31/86

FD-36 (Rev. 8-26-82)

FBI

TRANSMIT VIA:
- ☐ Teletype
- ☐ Facsimile
- ☒ AIRTEL

PRECEDENCE:
- ☐ Immediate
- ☐ Priority
- ☐ Routine

CLASSIFICATION:
- ☐ TOP SECRET
- ☐ SECRET
- ☐ CONFIDENTIAL
- ☐ UNCLAS E F T O
- ☐ UNCLAS

Date 1/27/86

TO: DIRECTOR, FBI

FROM: SAC, ANCHORAGE (89A-83)(C)

UNSUB;
TELEPHONIC THREAT AGAINST
U.S. SENATOR TED STEVENS (R) ALASKA;
FAIRBANKS, ALASKA,
1/17/86;
CCSCAKA-MEMBER OF CONGRESS-THREAT
OO: ANCHORAGE

Re Anchorage teletype to the Bureau dated 1/16/86.

Enclosed for the Bureau are the original and four copies of a LHM dated and captioned as above. One copy of the LHM is being disseminated to U.S. Secret Service, Anchorage, to confirm information previously furnished that office.

Special Agents, Federal Bureau of Investigation mentioned in LHM are identified as SAs [redacted] and [redacted] [redacted] Fairbanks, Alaska, Resident Agency.

b6
b7C

For information FBIHQ, delay in notifying U.S. Secret Service due to fact that no Secret Service personnel were available on 1/16/86 and a message was left with their answering service to contact the Fairbanks Resident Agency. Message was returned to Fairbanks Resident Agency by SA [redacted] U.S. Secret Service, at 2:20pm, 1/17/86, at which time notification was made.

Inasmuch as no suspects have been developed and Senator Stevens is not expected to return to the State of Alaska until March, 1986, no additional investigation is being conducted and this matter is closed, UACB.

Searched
Serialized
Indexed
[redacted]

(2) - Bureau (Enc. 5)
(1) - Anchorage
PAK/mr
(3)

Release 1/27/91 Col. 6

89A-83-4

Approved: _____ Transmitted _____ (Number) (Time) Per _____

2cc to WFO 1/31/86

Routing Slip
FD-4 (Rev. 4-20-81)

Date 1/31/86

To: ☐ Director
Att.:

XXSAC WFO
☐ ASAC
☐ Supv.
☐ Agent
☐ SSS
☐ Rotor #
☐ Steno
☐ Typist
☐ M
Room

FILE # WFO 89A-997
Title UNSUB; Telephonic Threat Against U.S. Senator Ted Stevens (R) Alaska, Fairbanks, Ak. 1/16/86
CCSC AKA-Member of Congress
~~BX~~ Threat
OO: Anchorage

☐ Acknowledge
☐ Assign ☐ Reassign
☐ Bring file
☐ Call me
☐ Correct
☐ Deadline
☐ Delinquent
☐ Discontinue
☐ Expedite
☐ File
☐ For information
☐ Handle
☐ Initial & return
☐ Leads need attention
☐ Open case
☐ Prepare lead cards
☐ Prepare tickler
☐ Recharge file ☐ serial
☐ Send to
☐ Return assignment card
☐ Return file ☐ serial
☐ Return with action taken
☐ Return with explanation
☐ Search and return
☐ See me
☐ Type

Re WFO tel to An, 1/23/86.

Enclosed are 2 copies each of Anchorage Airtel to Bureau and LHM, both dated 1/27/86.

ENC: 4

CONSOLIDATED 4/13/86

See reverse side

SAC LAWRENCE J. NELSON
Office ANCHORAGE

GPO : 1983 O - 424-154

89A-83-5
SEARCHED
SERIALIZED dm
INDEXED
FILED dm

1-WFO
1-Anchorage (89A-83)
PAK:mec
(2) mec

FEDERAL BUREAU OF INVESTIGATION

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 08-18-2011 BY 65179/DMH/BAW/STP/bls

Date of transcription 07/18/2006

(U) THEODORE F. "TED" STEVENS, United States Senator, Alaska, Republican, was interviewed in 522 Hart Senate Office Building, Washington, D.C. Also present at the interview were Senate Appropriations Committee [redacted] Senate Counsel PATRICIA MACK BRYAN, and from the Department of Justice (DOJ), attorney [redacted] was present at the request of STEVENS, having previously [redacted] Advised of the identity of the interviewing Special Agents, the interviewee provided the following information:

b6
b7C

(U) STEVENS was briefed into the Terrorist Surveillance Program (TSP) that was acknowledged publicly by the Administration in December 2005. STEVENS stated he was read in late in 2001. STEVENS was read in because he was the Chairman of the Defense subcommittee on the "black budget" – funding for the Intelligence Community. General MICHAEL HAYDEN, then Director of the National Security Agency (DIRNSA) invited STEVENS out to the NSA in Ft. Meade, Maryland. STEVENS thought that Senator DANIEL INOUYE, the ranking member on the subcommittee, also went to the briefing. No other staff or members of Congress were present. No documents were provided during the briefing. STEVENS did not ask about the number or persons covered by the program and it never came up. There was some discussion of operational success stories.

(U) STEVENS was familiar with the December 16, 2005, *New York Times* article written by JAMES RISEN and ERIC LICHTBLAU that disclosed the TSP. STEVENS was asked if he or his Senate office had any contact with RISEN or LICHTBLAU about the TSP. STEVENS replied, "Not that I can recall." STEVENS could not recall any one on one contact, but noted that reporters will often swarm senators "like piranhas" as they emerge from meetings and it is hard to know exactly what reporters are in the group. One such times that reporters wait for members was after Wednesday policy lunches on Capitol Hill. STEVENS stated that he was old, and as a veteran of Capitol Hill, "These guys don't screw around with me much." STEVENS stated that he had a straight forward policy with reporters: "Don't let them ask questions about classified [information]."

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(U) STEVENS checked with [redacted] now at [redacted] and there is no indication that the *New York Times* tried to contact STEVENS about the TSP.

Investigation on 07/10/2006 at Washington, D.C.

File # 65T-HQ-1516536-302 Date dictated not dictated

by SSA [redacted] SA [redacted] pmm

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(U) STEVENS was asked if he had any information about a government official approaching a Congressional official about the TSP, as described on page 57 of RISEN's book State of War. STEVENS had no information on this passage.

(U) STEVENS stated that he had no information of any personnel from the Central Intelligence Agency (CIA), DOJ, Federal Bureau of Investigation (FBI), Department of Defense (DOD) or National Security Agency (NSA), complaining to Congress about the TSP. STEVENS was unaware of any controversy within the DOJ over the legality of the program until he read about it in the newspaper.

(U) STEVENS was asked if he had any insight into the timing of the leak since Congress was engaged in November and December of 2005 in renewing and expanding parts of the Patriot Act, and the December 16, 2005, article was published in the midst of the debate. STEVENS stated he had no insight on the timing of the *New York Times* story.

(U) STEVENS was told that the *New York Times* had the story about the TSP by October 2004 and possibly sooner. STEVENS was asked if he knew anyone who left government in the fall or summer of 2004 that was disaffected in a manner that could have led them to seek out the media about the TSP. STEVENS did not know anyone who fit that description.

(U) STEVENS volunteered that he was always, "very supportive of the program." STEVENS stated that had to "push money at them," namely then Director of Central Intelligence (DCI) GEORGE TENET and General HAYDEN, as a reflection of his support for the capability of the TSP. STEVENS stated he fully funded the TSP and added money beyond what was requested.

(U) STEVENS was confident that there was no spillage about the program amongst his staff or Senate Appropriations Committee staff. STEVENS never discussed the TSP with staff. Likewise, STEVENS did not see any spillage among members of Congress. No senator came to STEVENS and asked him about the TSP before the story leaked. STEVENS was close to the Senators PAT ROBERTS (R.-Kansas) and JAY ROCKEFELLER (D.-West Virginia), the Chairman and Vice Chairman respectively of the Senate Select Committee on Intelligence (SSCI), and he never had a discussion with them about the TSP.

(U) STEVENS was acquainted with the May 11, 2006, and June 30, 2006, *USA Today* articles reported by LESLIE CAULEY and JOHN DIAMOND claiming that several U.S. telephone companies were providing raw telephone call toll records to the NSA for analysis in counterterrorism efforts. Some days before June 30, 2006, STEVENS was approached by LESLIE CAULEY. STEVENS stated that *USA Today*, *Wall Street Journal*, and *New York Times* are just not relevant to his constituents so STEVENS has little incentive to deal with those newspapers. CAULEY asked STEVENS if the federal government had the right to intercept calls, for example family calls, within the United States. STEVENS stated that the response attributed to him in the June 30, 2006, *USA Today* article was correct and reflected his recollection of her question. STEVENS stated that he did not believe anything he said

was classified. STEVENS searched his memory for the day CAULEY approached him, and concluded that it must have been the Tuesday (June 27, 2006) or Wednesday (June 28, 2006) before the article came out because. CAULEY approached him after a lunch on Capitol Hill and it must have been the party caucus lunch (Tuesday) or steering committee lunch (Wednesday). CAULEY asked no other questions, and did not characterize her sources in any manner.

(U) STEVENS knows LESLIE CAULEY primarily because he has jurisdiction over telecommunications as Chairman of the Commerce Committee. CAULEY writes on telecommunications issues. STEVENS was asked if anyone else on the Commerce Committee talked to CAULEY. STEVENS said that Senator INOUYE serves as "co-Chair" on the Commerce Committee may have had contact with CAULEY.

(U) STEVENS was asked if other *New York Times* reporters, or other media outlets, called him with questions about the TSP before the December 16, 2005 leak of the information. STEVENS stated that no reporters contacted him, and this was not surprising since he has not served on the Senate Select Committee on Intelligence (SSCI) since the 1980's and early 1990's.

(U) At the conclusion of the interview, STEVENS reviewed and voluntarily executed without hesitation a statement and waiver form regarding claims of reporter-source privilege provided by interviewing agents. Attorney BRYAN offered STEVENS to discuss the statement and waiver form apart from interviewing agents, but STEVENS said he was comfortable with the form. [Agent note: After departing the interview, late in the afternoon of July 10, 2006, [redacted] [redacted] faxed a two page document, including the cover page, that contained a transcribed exchange between STEVENS and *USA Today* reporter LESLIE CAULEY. The faxed document has been serialized to the file separately, and a copy of the faxed document is enclosed in a 1A envelope.]

b6
b7C

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 06/26/2009

[redacted]

[redacted]

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[redacted]

Investigation on 6/22/2009 at Huntsville, AL

File # 58C-WF-238487-302 Date dictated n/a

b6
b7C

by SA [redacted]

FBI - Stevens-14249

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[redacted]

When asked if [redacted] ever told the defense contractors that they were not meeting their milestones in a project being worked under contract funded by a Congressional earmark, [redacted] said his main example of when he tried to do that was with a Senator TED STEVENS earmark in 1996 or 1997. STEVENS had requested an earmark for a [redacted] launch facility on some deserted island in Alaska. [redacted] who used to work for U.S. Representative DON YOUNG, was also involved. [redacted] was told this money would come to SMDC to support this launch. [redacted] and some others went to see the location covered by this earmark and wanted to see if the [redacted] up there could support simulation work. When they visited the site they discovered that there was nothing there. [redacted] fought the earmark at first but their [redacted] military budget was cut $30 Million as a result, and the General was asked why [redacted] was "f---ing" with STEVENS' money. The General told [redacted] to sign off to get the earmark funds allocated. [redacted] refused to sign the MIPR (Military Inter-departmental Procurement Request) to the Alaska National Guard because all of the AK National Guard's money goes to the same pot. This would mean the contractor, through the AK National Guard, could use that money for whatever they wanted, and not just what it had been originally budgeted for. [redacted] ended up having to sign the MIPR because [redacted] would not do it.

[redacted]

b6
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b7C

58C-WF-238487

[redacted]

[redacted]

The [redacted] range mark that [redacted] described earlier in the e-mail was put in by STEVENS after the conference report had been completed.

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 04/15/2009

[redacted] date of birth [redacted] home telephone number [redacted] cell phone number [redacted] was advised of the identity of Special Agent [redacted] and Anchorage Police Department Detective [redacted] Also present for the interview was [redacted] attorney, [redacted] [redacted] was interviewed the office of [redacted] was advised of the nature of the interview and voluntarily provided the following information:

Prior to working at VECO Corporation, [redacted] worked as a [redacted] also worked [redacted] years at [redacted]

In [redacted] began working for VECO Corporation while she was working for [redacted] was hired as [redacted] by VECO on [redacted] employee of VECO. [redacted] predecessor, moved to [redacted]

[redacted] initially worked for [redacted] was [redacted] confidante at VECO. [redacted] also worked with [redacted].

In the [redacted] quit, so [redacted]

During the [redacted] worked at VECO, [redacted] traveled frequently. [redacted] never asked [redacted] to do anything that made her feel uncomfortable.

[redacted] if [redacted] traveled out of town, but most of the time, the travel agency made the arrangements. If people came to Anchorage from out of town, someone else may have made the reservations at hotels. [redacted] in Anchorage.

[redacted] did not know [redacted] outside of work except occasionally, [redacted] parties VECO hosted after working

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Investigation on 02/05/2009 at Anchorage, Alaska

File # 31E-AN-15071-11

Date dictated N/A

FBI - Stevens-10585

by SA [redacted]

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31E-AN-15071-11

5/18/09

[redacted]

[redacted] had a corporate credit card that [redacted] used for work expenses and it was paid by VECO's accounting department. [redacted] sent the bill for payment to the accounting office. [redacted] worked in the [redacted] section of VECO. She also covered answering [redacted] phone calls. [redacted] currently works for [redacted]

b6
b7C

[redacted], such as his house payment, utility bills and credit card bills on his personal checking account at Key Bank. [redacted] had an American Express card and a Visa card, which may have been through Wells Fargo. [redacted] had two personal credit cards and two corporate credit cards.

[redacted] occasionally ordered flowers on Valentine's Day for a standard list of people that [redacted] wanted to send to. Occasionally, [redacted] is not aware of [redacted] receiving cash from [redacted] occasionally wrote checks on [redacted]

[redacted]

Mark Tyree was an employee of VECO and a friend of [redacted] M. Tyree was a plumber in Nome, Alaska when [redacted] met him. When M. Tyree became sick, [redacted] him to go to the University of California - Los Angeles (UCLA) Medical Center. [redacted] M. Tyree's [redacted] to come to Alaska to stay with him when he was sick. [redacted] for M. Tyree's funeral expenses. [redacted]

[redacted] does not recall paying regular expenses for the [redacted] family. [redacted] may have paid for an expense on their [redacted] recalls writing a check for [redacted] to pay for [redacted] When [redacted] turned over [redacted] checkbook to [redacted] helped him with it.

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b7C

[redacted] worked for a non-profit organization prior to working at VECO. Ted Stevens asked [redacted] worked for VECO, she and [redacted] occasionally traveled together. [redacted]

[redacted] believes [redacted] gave money to people because he was generous. If he went to dinner with someone, he usually paid for it. He went to fund-raising auctions and usually purchased items. [redacted] gave cash to people if he thought they needed it. [redacted] recalls wiring money from [redacted] to individuals on a couple of occasions, however, [redacted] does not recall to whom.

[redacted] physicals and [redacted] had laboratory work done at her office. [redacted] reminded him to take his [redacted] kit with him when he traveled. [redacted]

[redacted] Last Name Unknown (LNU) was a passenger. [redacted] LNU currently lives in [redacted]

b6
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Automated Serial Permanent Charge-Out
FD-5a (1-5-94)

Date: 02/02/10 Time: 16:29

Case ID: 31E-AN-15071 Serial: 21

Description of Document:

Type : REPORT
Date : 08/18/08
To : ANCHORAGE
From : APD
Topic: SEXUAL ABUSE OF MINOR

Reason for Permanent Charge-Out:

added to wrong file

Transferred to:

Case ID: 31E-AN-15071-TRANSCRIPT Serial: 29

Employee: [redacted] b6 b7C

21

Automated Serial Permanent Charge-Out
FD-5a (1-5-94)

Date: 09/24/10 Time: 19:52

Case ID: 31E-AN-15071-TRANSCRIPT Serial: 29

Description of Document:

Type : REPORT
Date : 08/18/08
To : ANCHORAGE
From : APD
Topic: SEXUAL ABUSE OF MINOR

Reason for Permanent Charge-Out:

TRANSFER TO REPORT SUBFILE

Transferred to:

Case ID: 31E-AN-15071-APD REPORT Serial: 13

Employee: [redacted] b6 b7C

31E-AN-15071-Transcript - 29

Incident Report
ANCHORAGE POLICE DEPARTMENT

[redacted]

Supplement No
ORIG

4501 BRAGAW ST

ANCHORAGE, AK 99507

907-786-8600

Reported Date
[redacted]

Nature of Call
SAM

DSN
[redacted]

Administrative Information

Agency	Report No	Supplement No	Reported Date	Reported Time	Status
ANCHORAGE POLICE DEPARTMENT	[redacted]	ORIG	[redacted]	16:00	REPORT

Nature of Call: SEXUAL ABUSE OF MINOR [redacted]

Location: [redacted] City: ANCHORAGE Rep Dist / Area / Beat: [redacted]

From Date / From Time / DSN: [redacted]

Assignment	Entered by	Assignment	RMS Transfer
DETECTIVES CYBER CRIMES	[redacted]	DETECTIVES CYBER CRIMES	Successful

Approving Officer	Approval Date	Approval Time
[redacted]	[redacted]	08:45:14

b6
b7C

Person Summary

Invl	Invl No	Type	Name	MNI	Race	Sex	Date of Birth
MEN	1	I	[redacted]	[redacted]	W	M	[redacted]
MEN	2	I			I	F	
SUS	3	I			W	M	

1,2,3,4

-13

31E-AN-15071-~~TRANSCRIPT 29~~ APD REPORT

~~31E-AN-15071-21~~

Incident Report
ANCHORAGE POLICE DEPARTMENT

Supplement No
ORIG

MENTIONED 1

Involvement	Invl No	Type	Name	MNI	Race
MENTIONED	1	INDIVIDUAL			WHITE

Sex	Date of Birth	Age	Juvenile?
MALE			No

MENTIONED 2:

Involvement	Invl No	Type	Name	MNI
MENTIONED	2	INDIVIDUAL		

Race	Sex	Date of Birth	Age	Juvenile?
	FEMALE			No

SUSPECT 3:

Involvement	Invl No	Type	Name	MNI	Race	Sex
SUSPECT	3	INDIVIDUAL			WHITE	MALE

Date of Birth	Age	Juvenile?
		No

Narrative

INFORMATION: On I received a phone call from a male that identified himself as He advised that he was working with a female named She told He further advised me that had advised him to get her in touch with me. He told me she wasn't on drugs and that had described her as a "good" witness. I arranged to conduct an interview with at 1000hrs.

INTERVIEW WITH arrived at APD Headquarters at 1000hrs. I met him in the lobby of APD, I asked him if he had any weapons on him and he advised me that he had a knife. I placed the knife in the lobby office for safe keeping and escorted to an interview room. I noticed that he carried a digital recorder in his hands. I asked for his identification and started my digital recorder. He provided me with his Alaska Operators License and I observed that his name was which I previously believed. advised me early in the interview that He said he had promised to come in and talk with me about this incident which he was going to honor.

b6
b7C

I asked him to tell me why we were here. He advised me that he worked at the there. He said he started there about ago and he talked to the supervisor whom he met in prison and was on parole. He let him know he was also on parole and the supervisor started ticking off names of other employees that were also on probation or parole. He said the supervisor mentioned that

He said that struck an interest for him so he talked with again, and told her tha He asked her if she had gone to the police with the information and she told him she had not. He advised her He

EBI - Stevens-10592

Incident Report
ANCHORAGE POLICE DEPARTMENT

Supplement No
ORIG

Narrative

said he called and told him what he had learned. He said that He said that he has been personal friends with years. He said that also gave him the phone number of He told that she should file a police report

He said that she agreed to an interview with and he went with her and sat in on the interview. He said they met at about a week ago. He said he got ahold of a few days ago and he interviewed her on

He explained tha

I asked him what the purpose of his digital recorder was. He advised me it was for the

b6
b7C

He then provided me with some pictures of He also provided me with a transcript of the questions He also gave me which he pulled off of the Internet.

He went on to tell me that in a white Land Rover. He told me that he knows gave a Land Rover to Senator TED STEVENS as a gift. He said the Land Rover was worth 44 thousand dollars and STEVENS gave him a Mustang in exchange. He showed me a picture of and she said she did not.

He said that asked her how much

I asked him how he knew the He said that he was interviewed by him

He also told me that the reporters asked

Incident Report
ANCHORAGE POLICE DEPARTMENT

Supplement No
ORIG

Narrative

He also outlined some information he said he was providing to

He said he did not want and had no other motivations regarding his involvement in this case. He said for once it felt good to do something for the right reasons, despite his past.

b6
b7C

He mentioned again

I advised him that any interview would be conducted one on one with out him being present. He indicated he understood.

See digital recording for additional.

CASE STATUS: Attach to original.

Anchorage Police Department

Service Since 1921

Case Number: [redacted]

Type Crime:
SAM

Statement of: [redacted]

Q - [redacted]
A - [redacted]
U - Unknown Person

Q. This is Detective [redacted] the year [redacted] 1006 hours by my watch. We're at APD headquarters, um, Case Number [redacted] Sir, you have an ID card I can look at?
A. Yes, sir.
Q. Thank you.
A. Uh-huh.
Q. With, uh, [redacted] Um...
A. [redacted]
Q. [redacted] I need to write that down. All right, did you tell me your name was [redacted]
A. No [redacted]
Q. [redacted]
A. People always think that when I'm talking on the telephone.
Q. Okay, 'cause that's why – that's why it's like...
A. It sounds like [redacted]
Q. [redacted]
A. (Chuckles).
Q. So you're with the [redacted] you sa
A. Yes, sir.
Q. And typically [redacted] are
A. No, that – that's why I said, this is This (chuckles) I just...
Q. Thank you.
A. I agreed to talk to you, sir. I don't brea
Q. Okay, well, I appreciate that.
A. First thing, I have nothing to do with t
Q. All right, well, tell me why we're here lady...

b6 b7C

3:E-AN-1507 1-transcript; 27
AMK/at
01/19/2010

[redacted] MO

Anchorage Police Department

Service Since 1921

Case Number: [redacted]

Type Crime:
SAM

Statement of: [redacted]

A. Uh, yes, sir. [redacted]

Q. [redacted]
A. [redacted]
Q. [redacted]
A. [redacted]
Q. Okay.
A. Kinda hidden behind the trees there but, uh, the actual address is [redacted]
Q. Okay.
A. Um, whenever [redacted] supervisor is [redacted] (phonetic) which is – I've known him [redacted]
Q. Right.
A. And, uh, so it's like, ya know, are they gonna care [redacted]

b6
b7C

Q. When did you meet her? I mean, how long ago was that?
A. Uh, [redacted] ago maybe.
Q. Oh, okay.
A. Is when I talked to her. I – we – wherever they have issues, like [redacted]
Q. Right.
A. [redacted]
Q. Okay.

Anchorage Police Department

Service Since 1921

Case Number:

Type Crime:
SAM

Statement of:

A.

Q. Right.
A.

b6
b7C

Q.
A.

Q.
A.

Type Crime:
SAM

Statement of:

uh...

Q. When was this?

A. I'm gonna guess about a

Q. Okay.

A. Um, interviews her, I guess and the questions that he asked her _____ go ahead and give to ya.

Q. Thank you.

A. Uh, than a few days ago I got a hold of I said, yeah, ya know, ya know. Basically, I told her,

Q. Yeah.

A. Um, and so she said, okay, well, I'll – I'll go ahead and do it. Again,

Q.

A.

Q. I don't know him.

A. Um, but, uh, I told 'em I took her to the, uh, uh,

Q.

A.

b6
b7C

Type Crime:
SAM

Statement of:

Q. What's his name...
A. ...gonna talk to him.
Q. What was his name again, I'm sorry?
A.
Q. How long...
A. I was there...
Q. ...have you –
A. Uh, since
Q.
A. Uh, for, uh Um, and you agreed – you promised me that you were gonna get a hold of him, correct?
Q. Um, well, I'm curious as to why That has me concerned.
A. Okay.
Q.
A. Yeah.
Q. That – that concerns me so, I mean, uh, from that perspective, I
A. Well, I'd rather have it that...
Q. Unless your...
A. ...you...
Q. ...not telling me something. I mean, did he...?
A. No.
Q. Okay.
A.
Q. Yeah, that's fine.
A.

b6
b7C

Q. Right.
A. Ya know, but, uh...
Q. You don't have any idea why
A. Um...
Q. I mean...
A. ..
Q. Uh-huh.
A. (Coughs) nothing to do with
Q. Uh-huh.
A. Um...
Q. Okay.
A.
Q.
A. Yeah, exactly, ya know, called you and, ya know, told ya that I – to find out some more.
Q. What's the purpose of your recorder?
A.
Q. So you're gonna give a copy of this whole...
A. Only...
Q. ...interview to the...
A. .
Q. .
A.
Q.
A. No, that's ours.

b6
b7C

Service Since 1921

Case Number:

Type Crime:
SAM

Statement of:

Q.
A.
Q.
A. Yeah.
Q. Okay.
A.

b6
b7C

Q. And so did that happen?
A. Yes. He talked to her
Q.
A.
Q. Right.
A.
Q. What's this in material in?

Anchorage Police Department

Service Since 1921

Case Number: [redacted]

Type Crime:
SAM

Statement of:
[redacted]

A. [redacted]

Q. This is in, uh, [redacted]

A. This is in the [redacted] in Anchorage.

Q. Oh, in Anchorage, okay.

A. Yes, sir. Uh, this one was taken in [redacted]

Q. Um...

A. [redacted]

Q. Yeah, okay.

A. ...things. Uh, this is a list of questions, that, uh, they had asked. And '99 is when [redacted] in a white Land Rover. Uh, I did a little research on [redacted] since then, ya know, [redacted] uh, Ted STEVENS a 1999 Land Rover as a gift for STEVEN's [redacted] so I was like, humph, that's kinda interesting (chuckles). The Land Rover's worth forty-four thousand dollars, they did a little trade with a Mustang and stuff like that.

Q. [redacted]

A. Exactly.

Q. ...articles.

A. Exactly. And so when I, uh, _____ [redacted] what kinda vehicle was it, she says, it was a white Land Rover and it was [redacted] and I saw that their, uh, Land Rover, and I said, worth forty-four thousand and he gave it to STEVENS as a gift to [redacted] or something like that. And I was like, humph, kinda _____ (chuckles).

Q. [redacted]

A.

Q. Okay.

b6
b7C

FBI - Stevens-10602

[redacted] 8

Type Crime:
SAM

Statement of:

A.

BACKGROUND NOISE

A.

Q. Okay.

A.

Q. It sure is.

A.

b6
b7C

Q. In

A.

Q. Right, right.

A.

Q.

A.

Type Crime:
SAM

Statement of: [redacted]

Q. That's all right.
A. [redacted]
bad.
Q. (Chuckles).
A. [redacted]

b6
b7C

Q. And he did.
A. Oh, he did?
Q. Yeah, he did.
A. Did he, print it (chuckles)?
Q. [redacted] Did a lot of work on it. Did a good job actually.
A. Oh, really? I didn't, uh, I just happened to look on [redacted] that's similar, I guess, to...
Q. Okay.
A. ...to, uh, [redacted] ya know, that...
Q. Now, what's [redacted]
A. [redacted]
Q. And her – a good contact number for her?
A. She just – she had a cell phone number that I gave you...
Q. Yeah.
A. [redacted]

Type Crime:
SAM

Statement of: [redacted]

Q. Oh.
A. ...phone, uh, but she gave me _____ her home phone number, [redacted]
Q. Uh-huh.
A. [redacted]
Q. Okay. And, uh...
A. She has, uh, [redacted] she stays at, too. Um, that number is [redacted]
Q. Uh-huh.
A. [redacted]
Q. Okay. [redacted]
A. [redacted]
Q. [redacted]
A. [redacted]

b6
b7C

Q. Right.
A. ...around that, ya know, it's, uh...
Q. That's okay.
A. ...like the only thing, uh...
Q. [redacted] If I wanna try to get a hold of her there.
A. I don't know. I don't know (chuckles).
Q. _____.
A. (Chuckles) I – I might have one their business...
Q. That's okay.
A. ...cards here, uh, but, uh, I never call the number. Stupid ass things. Uh, it was – it – it's, like I say [redacted]
Q. [redacted]
A. [redacted]
Q. Uh-huh.

Type Crime:
SAM

Statement of:

A.
Q.
A. Correct, correct.
Q. Okay.
A. Um, (coughs) also the
Q. Wow.
A.
Q. Wow.
A.
Q.
A.
Q. I understand.
A.
Q. Uh-huh.
A.
Q. Right.
A.
Q.
A.
Q. Uh-huh.
A.
Q. Right.

b6
b7C

Type Crime:
SAM

Statement of:

A. Um, never

Q. Right.
A.

Q. Yeah.
A.

Q.

b6
b7C

A. No. Not at all.
Q. Okay.
A.

Q. Yeah.
A.

Q. Yeah.
A.

Q. That's the sentiment that a lot of people share.
A.

Type Crime:
SAM

Statement of:

Q. (Chuckles).
A.

Q. Right.
A.

b6
b7C

Q. Uh-huh.
A. But, uh, other than that, I don't care.
Q. All right.
A. Ya know, I – I'm...
Q. _____...
A.

Q. Positive thing.
A. Positive thing, exactly. I don't...
Q. I appreciate you doing that.
A. ...ya know, I don't, uh, I have no ulterior motives, I don't care, ya know what I mean. It's just, uh...

Type Crime:
SAM

Statement of:
[redacted]

Q. I have to ask ya though. I mean, y-you're telling me that...
A. And – and I totally understand that.
Q. ...and, uh, you've...
A. I totally understand.
Q. [redacted]
A. I do. That's the thing...
Q. [redacted]
A. ...and – and there are.
Q. [redacted]
A.
Q.
A.
Q.
A. [redacted]
Q. I mean, we all got something – we all share jointly.
A. Ex-exactly. Exactly.
Q. We have children, we wanna look out for 'em.
A. And that's true.
Q. The truth it's gotta override...
A. And we don't like _____, ya know.
Q. [redacted]
A.
Q. Sure.
A. [redacted]

b6
b7C

Q.
A. Exactly. Exactly.
Q. We're all human, so, I mean...
A. Yeah, and, I mean, we just have our different things.
Q. Yeah.
A.
Q. All right.
A.

b6
b7C

Q. All right. I think I have your cell phone number. Um, it's still a good way to get a hold of ya if I come...
A. Oh, yeah.
Q. ...up with another question?
A.
Q.
A.
Q.
A. Uh-huh.
Q.
A. I understand.
Q.
A. Yeah.
Q. I talk to people everyday so I mean...
A. Yeah.
Q.
A. And this way...
Q. I'm sorry _____...

Type Crime:
SAM

Statement of:

A.
Q. Yeah.
A. Ya know, that's...
Q. Absolutely.
A.
Q.
A. Ya – ya know what I mean?
Q.
A.
Q.
A.
Q. (Chuckles).
A.
Q. Right
A.

b6
b7C

Type Crime:
SAM

Statement of:

Q.

A.

Q. Right, um, simply because...

A.

Q.

A. Right.

Q. And – and, ya know, it's not

A.

Q.

A. Exactly.

Q.

A.

Q.

A.

Q. Yeah, we're all human. We all make bad decisions especially...

A. Ya know, exactly.

Q. ...in the, ya know...

A.

b6
b7C

Type Crime:
SAM

Statement of: [redacted]

Q. Right.
A. [redacted]
Q. The...
A. [redacted]
Q. Yeah.
A. She's right here.
Q. [redacted] Um, ya know...
A. Yeah.
Q. [redacted]
A.
Q.
A.
Q.
A. No.
Q. Will you – can you, um...
A. I'm – I'm – well, as long as you let me outta here, uh...
Q. ... _____. Yeah, I'll go a grab a card and give ya – oh, you got my number, so. [redacted].
A. If – if you have a card that'd be great.
Q. Yeah, I'll go grab a card and, uh...
A. If you could hold off on that...
Q. ...get back to...
A. ...I'd really appreciate it.
Q. Yeah, copy.
A. Um, because...
Q. [redacted]
A.

b6
b7C

Type Crime:
SAM

Statement of: [redacted]

Q. Yeah, no need for me to mess with that right now.
A. I would appreciate it.
Q. _____.
A. If you can let me know beforehand, um...
Q. Yeah, if...
A. ...if I don't wanna...
Q. ... _____...
A. ...in other words...
Q. I tell – I tell ya what...
A. ...
Q. [redacted]
A. I appreciate.
Q. [redacted]

b6
b7C

A. Yeah.
Q. Uh, but those are not my primary concerns right now...
A. And I like I say...
Q. ya know
A. [redacted]
Q. Who?
A. [redacted]
Q. Okay.
A. [redacted]

Type Crime:
SAM

Statement of:

Q.
A.
A.
Q.
A.
Q. I don't know her...
A.
Q.
A.

b6
b7C

Q. I understand.
A.
Q. I'm not familiar..
A. I'm doing a hundred percent...
Q. ...with that. What is that?
A.
Q. Oh, wow.
A.
Q. Absolutely.
A. .
Q. Congrats.

Type Crime:
SAM

Statement of:

A.

Q. Good.
A.

Q.
A.

Q.
A.
Q.
A.
Q. Yeah, okay.
A. Yeah,
Q. All right.
A.

Q. Wow.
A. t
t
is...
Q. You read that book?
A.
Q. Yeah.
A. There's a lot of...
Q. Misinformation in there?
A. Lots.
Q. Yeah.
A.

Q. Right, right.

b6
b7C

Type Crime:
SAM

Statement of:

A.

Q. Wow.

A.

Q. Right.

A.

b6
b7C

Q. All humans have that side.

A.

Q. _____, yeah.

A. But, uh, no remorse, no – none of that. But, uh, hell I...

Q. It's difficult to comprehend, isn't it?

A. It is.

Q. Ya know, and...

A. It really is, ya know, and, uh...

Type Crime:
SAM

Statement of:

Q.

A. Yes.

Q. Some... some synapse

A.

Q. Wow.

A.

b6
b7C

Q. Floats.

A. ...and floating...

Q. Right.

A.

Q. _____.

A.

Q. Right, yep.

A.

Q. Yeah. That's right.

A.

Q. Yeah.

A.

Q. Wow.
A.
Q. Right.
A. ..
Q. _____.
A. ...to close, ya know.
Q. Yeah, some...
A. Yeah.
Q. ..
A. Exactly. So, it's like – like I said, if there's a pile a shit, I'll step in it (chuckles).
Q. (Chuckles).
A.
Q. All right.
A. Ya know, I have done nothing wrong on this.
Q.
A. No problem.
Q. Um, yeah, I'll – I'll step outside and I'll go a grab a card 'cause I don't have one on me.
A. Okay, and if I can...
Q.
A.
Q.
A. Great. Great.
Q.
A. Great.
Q. Um...
A. I – I appreciate it.

b6
b7C

Anchorage Police Department

Service Since 1921

Case Number:

Type Crime:
SAM

Statement of:

Q.

A.

Q. Yeah

A.

Q. I understand.

A.

Q. Yeah.

A.

b6
b7C

Q.

A. Exactly.

Q. A vulnerable kid.

A. Exactly.

Q. Ya know?

A.

Type Crime:
SAM

Statement of: [redacted]

[redacted]

Q. Yeah.
A. [redacted]
Q. [redacted].
A. That's what they said.
Q. ...so that's good.
A. [redacted]
Q. And thank you for bringing this stuff in. I appreciate it. It's helpful.
BACKGROUND NOISE
A. This obviously will not be repeated to these.
Q. Okay.
A. (Sighs) 'cause I – I was hesitant on that, but I figured instead of my word, there ya go.
Q. Right.
A. Ya know?
BACKGROUND NOISE
Q. All right. Well, thanks a bunch.
A. No problem.
Q. Appreciate it.
BACKGROUND NOISE
A. [redacted]
Q. Okay.
A. ...and talk to her and _____...
Q. Yeah, lemme, um, I'll let ya out and run down and grab you a card.
BACKGROUND NOISE
A. _____?
Q. Yep.
A. Okay, thanks.
U. Ah, here ya go.
Q. Thanks.
U. [redacted]
Q. Yeah.
U. [redacted]

b6
b7C

Anchorage Police Department

Service Since 1921

Case Number: [redacted]

Type Crime:
SAM

Statement of: [redacted]

Q. [redacted]
U.
Q. Coming right up.
U. All right.
BACKGROUND NOISE
Q. This is Detective [redacted] The time by my watch is _____ – is, uh, 1045 hours, uh, and I am now off tape.

END OF STATEMENT

b6
b7C

Anchorage Police Department

Service Since 1921

Case Number: [redacted]

Type Crime: **SAM**

Statement of: [redacted]

Q – DETECTIVE [redacted]
A – [redacted]
L – DETECTIVE [redacted]

Q. This is Detective [redacted] the year [redacted] I'm with, uh, Detective [redacted]. We're about to contact [redacted] uh, in Anchorage. This is reference the [redacted] investigation. We'll remain on tape during contact.

BACKGROUND NOISE

A. Hello.
Q. Hi [redacted]
A. Good morning.
Q. Sergeant [redacted]
A. Hi.
Q. ...APD.
A. Nice to see you.
Q. Likewise.
A. Hi. Come in.
Q. This is, uh [redacted]
A. Hello. Cleaning house.
Q. Oh, goodness.
A. Come on, we'll go this way.
Q. Thank you.
A. (Clears throat)
Q. You have a beautiful home.
A. Thank you. The – the setting is so
Q. Oh, yeah.
A. You can sit there if you like.
Q. Okay.
A. Move that out of the way.
Q. Yeah. Well, I appreciate you taki
A. Oh, no problem. I've got lots of t
Q. Okay.

1,2,3,4,5,6,7,9,10,12,13,15,17,22,23,25,29,30,31,32,36 JAO

b6 b7C

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gmk 2/9/2010

[redacted]

A. (Chuckles)
Q. Um, the – the reason that I wanted to chat with you is I understand [redacted]
A. That's okay.
Q. [redacted]
A. I did.
Q. [redacted]
A. Yeah. I started, um – I went to [redacted]
Q. Uh-huh.
A. [redacted]

b6
b7C

Q. Okay.
A. [redacted]
Q. Okay.
A. But I didn't work...
Q. So, that's...
A. [redacted]
Q. Okay.
A. I don't remember the exact dates.
Q. And what – [redacted]

A. [redacted]
Q. Okay. And as, um...
A. [redacted]
Q. Okay.
A. ...but, uh, that's what I did.
Q. [redacted]
A. Yes.
Q. [redacted]
A. Yes. Throughout the whole time that I was there, um – uh – uh, they're still here, uh – it, uh – it'll come to my mind.
Q. I – oh...
A. Uh, but...
Q. ...no problem.
A. ...but remind me...
Q. Okay.
A. ...that I need to think about that.
Q. Okay.
A. It's, uh – uh, they're over on [redacted] and it's, uh – I'll remember it.
L. [redacted]
A.
L. Okay.
A. Yes.
Q. Oh, okay.
A. And – and, uh – but if I look in the phone book I'll see it and, uh...
L. [redacted]
A.
Q.
A. I was gonna say...
Q. Sounds right.

b6
b7C

A. [redacted]

L. Oh.

A. ...or something...

Q. Humph.

A. [redacted]

Q. Uh-huh.

A. [redacted]

Q. Oh, I see. Okay.

A. [redacted]

Q. Okay.

A. [redacted]

Q. Right. But just...

A. But she had...

Q. ...for convenience...

A. She had all the...

Q. [redacted]

A. [redacted]

Q. Okay.

L. Did you know her name?

A. [redacted]

L. Humph. Okay.

Q. [redacted]

or...

A. Oh, other...

b6
b7C

Anchorage Police Department

Service Since 1921

Case Number: [redacted]

Type Crime: **SAM**

Statement of: [redacted]

Q. [redacted]
A.
Q.
A.
Q. Usually?
A.

Q. Uh-huh.
A.

Q.
A.

b6
b7C

Q. Oh, okay.
A.

Q. Okay.
A.

Q. Right.
A.

Q.
A.
Q. ...that you recall.

Anchorage Police Department

Service Since 1921

Type Crime: **SAM**

Case Number:

Statement of:

A.

Q.

A. Um...

Q.

A.

Q. Uh-huh.

A.

b6
b7C

Q. Uh-huh

A.

but...

Q. Uh-huh.

A. ...I don't – I – I – I don't remember

Q.

A. Um, I never understood it

Q. Uh-huh.

A. And, um, I don't know, uh – I – I – I don't know how, uh, just

Q. Humph.

A.

Q.

A.

Q. Uh-huh.

A. I could have been '96. I think it was '97.

Q. Okay.

A. I think.

Q.

A.

Q.

A.

b6
b7C

Q. Uh-huh.

A.

Q.

A.

Q. Uh-huh.

A. _____.

Q. Okay.

A.

Q.

FBI Stevens 10629

Anchorage Police Department

Service Since 1921

Case Number: [redacted]

Type Crime: **SAM**

Statement of: [redacted]

A. [redacted]
Q. Yes.
A. The – I – I...
Q. [redacted]
A. Yes.
Q. [redacted]
A. I don't know.
Q. [redacted]
A. [redacted]
Q. [redacted]
A. I have no idea.
Q. Okay.
A. [redacted]
Q. Uh-huh.
A. [redacted]
Q. Uh-huh.
A. [redacted]
Q. Uh-huh.
A. [redacted]

b6
b7C

Anchorage Police Department

Service Since 1921

Case Number [redacted]

Type Crime: **SAM**

Statement of [redacted]

Q. [redacted]

L. Were you ever...

A. Not to my knowledge.

L. [redacted]

A. Um...

L. .. [redacted] like, uh...

A. [redacted] and – and I don't – I don't know who she was, I didn't know then...

Q. Uh-huh.

A. [redacted]

b6
b7C

Q. Uh-huh.

A. [redacted]

Q.

A.

Q. Oh.

L. [redacted].

Q. Okay.

L. . [redacted] (Phonetic)?

Q. Well...

L. [redacted]

A.

L. Oh, okay.

A. ...because I can't remember.

FBI - Stevens-10631

Q. Yeah.
L. Okay.
Q. I think it was [redacted] (Phonetic)
A. Oh, that's right. Yes. [redacted]
Q. Humph.
A. [redacted]
Q. Uh-huh.
A. ...uh – uh, arm.
Q. Subsidiary, huh?
L. Uh-huh.
A. [redacted]
Q. Wow.
A. [redacted]
Q. U-Haul truck or...
A. U-Haul truck or trailer...
Q. Okay.
A. [redacted]
Q. Uh-huh.
A. [redacted]
Q. Right.

b6
b7C

A.
Q. Right.
A.
Q.
A. Uh, I did.
Q. ...somebody's not – okay.
A. Ye – yes. And...
Q. And he told you...
A. And...
Q. ...that he had...
A. ..._____.
Q.
A.
Q.
A. I did.
Q.
A.
Q. Uh-huh.
A.
Q. Okay.
A.
Q.
A.
Q. Okay.

b6
b7C

L. [redacted]

A.

L. For any uses...

A. ...any use?

L. ...that he might have.

Q. [redacted]

L.

A. Oh...

L. ...use or...

Q. [redacted]

L. ...any ____.

Q. Yeah.

A. [redacted]

L.

A. Um, they...

L. [redacted]

A. .

L. Uh-huh.

A. [redacted]

Q. Uh-huh.

A. [redacted]

Q. Uh-huh.

b6
b7C

Anchorage Police Department

Service Since 1921

Case Number

Type Crime: **SAM**

Statement of:

A.

Q. Uh-huh.

A.

Q. Uhm.

A. Will never know.

b6
b7C

L.

A.

L. Do you remember that number?

A. Uh, no, I do not. I don't.

Q.

A. Um, I – I – I don't remember, but they could've been there...

Q. Uh-huh.

A. ...uh, without my _____.

Q. Okay.

FBI - Stevens-10635

Anchorage Police Department

Service Since 1921

Case Number:

Type Crime: **SAM**

Statement of

A.

L.

A.

Q.

A.

Q.

b6
b7C

L. In the lobby or...

Q. ...the building was set up or

A.

Q. Uh-huh.

A.

Q. Right.

A.

FBI - Stevens-10636

Anchorage Police Department

Service Since 1921

Case Number [redacted]

Type Crime: **SAM**

Statement of: [redacted]

Q. What...
A. ...I couldn't...
Q. [redacted]
A.
Q. Okay.
A. [redacted]
Q. Uh-huh.
A. [redacted]
L.
A.
Q. Yeah.
A. And...
L. [redacted]
A.
Q. Uh-huh.
A. [redacted]
Q. Humph.

b6
b7C

A.

t

Q.

A.

Q. Was...

A.

Q.

A. Uh-huh.

L.

b6
b7C

A.

FBI - Stevens-10638

Q. Oh, okay.

A.

b6
b7C

Q. Oh, that they were there.

A.

Q. Humph.

A. ...um, I don't know the result of that. So...

L. About when was that would you say?

A. Oh, I – you – I don't know, uh – a – as these questions have come up I have – would've give – I wou – I keep thinking I would give my

L. (Chuckles)

A.

b6
b7C

Q. They still have...

A. ...they have...

Q. ...the original?

A.

L. So...

A. And...

L.

A.

L. Okay.

A.

Q.

A. ..._____.

Q. ...that was returned to you, it doesn't have the date on it that...

A. It has every...

Q. ...it did before?

A. It has...

Q. It does?

A. ...everything on it.

Q.

A.

Q. Uh-huh.

A. ...and that they would not erase it, so when I say to you that it still has the data...

Q. Uh-huh.

A.

Q. Uh-huh..

b6
b7C

Anchorage Police Department

Service Since 1921

Case Number: [redacted]

Type Crime: **SAM**

Statement of: [redacted]

A. [redacted]

Q. I see. Okay. So, you had...

A. [redacted]

Q.

A. That's...

Q. ...was it [redacted] Phonetic) that was...

A. [redacted]

Q. Okay. [redacted]

A. That's right.

Q. [redacted]

A. No. No.

Q. ...or...

A. [redacted]

Q. Uh-huh.

A. [redacted]

Q. That's correct.

A. [redacted]

Q.

A. [redacted].

Q. Yeah.

b6
b7C

FBI - Stevens-10642

Anchorage Police Department

Service Since 1921

Case Number: [redacted]

Type Crime: **SAM**

Statement of: [redacted]

A. [redacted]
Q.
A. Yes
Q. [redacted]
A.
Q.
A. That's right.
Q. So...
A. [redacted]
Q. And you still have the...
A. I do.
Q. .. [redacted]
A. ..
Q. ..
L. [redacted]
A.
L.
A.
L. Uh-huh.
A. [redacted]
Q. Right
A. [redacted]

b6
b7C

Anchorage Police Department

Service Since 1921

Case Number [redacted]

Type Crime: **SAM**

Statement of: [redacted]

Q. [redacted]

A.

Q.

A. [redacted]

I have a...

Q. Yeah.

A. [redacted]

Q. Uh-huh.

A. [redacted]

b6
b7C

Q. Right.

A. ...questions.

Q. Do you mind if I ask who that was? Was it...

A. [redacted]

Q.

A. Don't – but don't tell anybody.

Q. Oh, okay.

A. Alright? (Chuckles)

Q. Alright.

L. [redacted]

Q. Yeah.

L. ...too.

Q. There's somebody...

A. Oh, really?

Q. [redacted]

L. Yeah, so we...

A. Can you – can you tell me that?

Q. [redacted]

[redacted]

L.
A.
Q.
A. I don't know him.
L.
A. Okay.
Q.
A.
Q.
A. ...reporting on it and stuff like that.
Q. You mentioned, um – uh Who was that?
A.
Q.
A.
Q. Right.
A.
Q. (Chuckles) Oh...
A. ...I'd recall. I'm sorry.
Q. Oh, that's okay. You know, I – I completely understand.
A.
Q.
A. Yeah.
Q. Okay. And as you go through life you meet so many people it's hard sometimes to recall their names (chuckles)...
A. Uh-huh.
Q. ...which is embarrassing at times for me.
L.

b6
b7C

Anchorage Police Department

Service Since 1921

Case Number

Type Crime: **SAM**

Statement of:

A.

b6
b7C

Q. Right.

L.

A.

L. Uh-huh.

A.

L.

FBI - Stevens-10646

Anchorage Police Department

Service Since 1921

Case Number [redacted]

Type Crime: **SAM**

Statement of: [redacted]

A. [redacted] d

Q.

A. _____.

Q. [redacted]

A.

Q. Okay. Alright.

A. [redacted]

b6
b7C

Q. Oh, wow.

A. [redacted]

Q. Wow.

A. ...and went down to see her, um, do...

Q. [redacted]

A. [redacted]

L. Do you know where...

Q. Yeah.

L. [redacted]

FBI - Stevens-10647

[redacted]

A. I don't know. Um, I haven't seen her in a long time. I don't know, um – I don't know, uh...

L.

A.

b6
b7C

Q. Humph.

A.

Q. Humph.

L.

A.

L. Humph.

A. his relationship with Ted STEVENS and he – a – and he wanted p work for Ted STEVENS,

Anchorage Police Department

Service Since 1921

Case Number:

Type Crime: **SAM**

Statement of:

Q.
A.

Q.
A.

Q.

A.
Q. Yeah.
A. I didn't know that. Did she...
Q. Yeah.
A.
Q.

A. I – I – I just, uh – I – I was tired of, uh –
Q. Uh-huh.
A. That's it in a nutshell.
Q. Well...
A.

b6
b7C

FBI - Stevens-10649

Anchorage Police Department

Service Since 1921

Case Number: [redacted]

Type Crime: **SAM**

Statement of: [redacted]

L. [redacted]
A.
L. Yeah, I ___.
Q. How – and how – you say [redacted] can you, like, give me an example...
A. Oh...
Q. ...of how it wouldn't...
A. Just all [redacted]
L. I know what you're...
A. It was just...
L. ...talking about.
A. [redacted]
Q. Humph.
A. It was – the – there was just – it was jus [redacted]
Q. Oh.
A. ...is what it turned out to be.
L. [redacted]
A.
L.
A. When I first went there – oh, was – yes, that's true.
L. And then where did they move the build – and then...
A. [redacted]

b6
b7C

[redacted]

FBI Stevens 10650

L. Uh-huh.

A.

L. Uh-huh.

A. ...moved in there, but I was never there.

Q.

A. Oh, yes.

Q.

A. Yes.

Q. ...and...

A. Oh – oh, yes.

Q. Okay.

A.

Q. Uh-huh.

A.

Q. Okay.

A.

Q. Okay.

b6
b7C

Anchorage Police Department

Service Since 1921

Case Number: [redacted]

Type Crime: **SAM**

Statement of: [redacted]

A. [redacted]

Q. I can s...

A. . [redacted]

Q. ...see where that would be...

A. Not...

L. [redacted]

A. Yes.

Q. I can see that.

A. [redacted]

Q.

A.

Q. Okay. Anybody else?

A. Um, well, uh – uh, all of the – all – all – well, [redacted] (Phonetic), um...

Q. Uh-huh.

A. [redacted]

Q.

A.

Q. Uh-huh.

A. Uh, and [redacted] and...

Q. I see.

A. [redacted]

Q. Uh-huh.

A. [redacted]

Q.

A. Uh-huh.

Q. Okay.

b6
b7C

FBI - Stevens-10652

Anchorage Police Department

Service Since 1921

Case Number:

Type Crime: **SAM**

Statement of:

A.

Q. Separate from...
A. The – yes.
Q.
A. Yes.
Q. ...private, uh...
A.

b6
b7C

L.

A. Uh-huh.
L.

A.

Q. Investigation.
A. ...trial.
Q. Uh-huh.

FBI - Stevens-10653

A.

Q. Humph. Okay.

L.

A.

L.

A.

b6
b7C

L. Okay.

A. And – a – and, uh, somebody believed that – somebody believed that I didn't know that he was. I don't know that he was.

L.

A. Not to – not that I know of.

L. You never knew of any kind of...

A. No.

L. ...intersection...

A. Uh-uh.

L. ...in social...

A. No.

L. ...gatherings or...

A. They could have...

L. ...whatever?

A. ...known each other, but I – if they do I didn't know it.

L. Humph.

Q.

A. He – he hasn't.
Q. ...for any reason?
A. No. He hasn't.
Q. Okay.
L. [redacted]
A. I didn't. I asked not to.
L. Okay.
A. [redacted]
L. I see.
A. [redacted]
L. During the...
A. [redacted]
L.
A. No direct knowledge.
L. I see.
A. [redacted]
L.
A. I – I don't know that.
L. Okay.
A. [redacted]
Q.

b6
b7C

A.

Q. Uh-huh.

A. al

L.

A. No.

L. ...person?

A.

b6
b7C

Q.

A. _____...

Q. ...over the other?

A. .

Q. Okay.

A. ...for things like that.

Q. Uh-huh.

A.

Q. Hum, okay.

L.
A. Um, no, I do not. I don't remember any.
Q.
A. No, I don't think so.
Q. Uh-huh.
A. I, uh – uh...
Q.
A. No, uh...
Q. ...what crime...
A. ...I didn't mention it, she mentioned it.
Q. Well, when she mentioned it to you...
A. Uh-huh.
Q.
A.
Q. Okay.
A. That was how...
Q. Okay.
A. ...it came up.
Q. Okay.
A.
Q. I see.
A.
Q. Uh-huh.
A.

b6
b7C

Q. Okay.

L. I think that's it.

Q.

A.

b6
b7C

Q. Uh-huh.

A.

that.

Q. Uh-huh.

A.

L. Uh-huh.

A. ...but I don't believe that it happened.

Q. Okay. Well, I appre...

L.

Q. I appreciate that.
L. You – you...
A. Oh – oh, yes. [redacted]
L. And you...
A. [redacted]
L. [redacted]
A. No.
L. [redacted]
A. No.
L. ...anything like that?
A. Absolutely not.
L. [redacted]
A. It...
L. ...____...
A. [redacted]
L.
A.
Q. Right.
L. Okay. And...
A. It was just my – that was just what my thought that that's...
L. But I guess...
A. ...what they ____.
L. [redacted]

b6
b7C

Anchorage Police Department

Case Number:

Service Since 1921

Type Crime: **SAM**

Statement of:

A. No. No.
L.
A. Yes.
L. ...over here?
A. Yes.
Q. Okay.
A.
L. Okay. That's kinda what I was...
A. Yeah.
L. ...getting at, I guess. Obviously you wouldn't be able to – to state that, but that's why we're _____.
Q. Okay. Well, we certainly appreciate you takin' the time to talk with us about this. Um, we have been talkin' to numerous people from lots of different walks of life, um, regarding these allegations and,

b6
b7C

A. Well, I'm sorry my...
Q. ...to share this with us.
A. ...my – my memory's not so good.
Q. Oh...
A. Well since...
Q. ...I think it's...
A. ...it's just we don't co...
Q. ...wonderful.
A.
Q. Right.
A.

Anchorage Police Department

Service Since 1921

Case Number: [redacted]

Type Crime: **SAM**

Statement of: [redacted]

[redacted]

BACKGROUND NOISE

A. _____.

Q. Yeah. I'll give you a – one of my business cards so you know, and I'll write – do you have a card with you Detective [redacted]

L. I do.

Q. 'Kay. We'll just leave our cards...

L. What's funny...

Q. ...with you.

L. [redacted]

A. Oh.

L. ...and so (chuckles) I was over there for – [redacted] so...

A. Oh.

L. [redacted]

A. Yes. Um, I remember her. Um...

L. I can't remember her name now, but, I was over there _____...

A. Well, I'm glad I'm not the only one who can't remember...

Q. (Chuckles)

A. ...names (chuckles).

L. Yes.

A. ____.

L. [redacted]

A. Uh-huh.

L. [redacted]

A. Yes.

L. [redacted]

A. Uh-huh.

L. ...place and...

A. [redacted]

L. Uh-huh.

b6
b7C

FBI - Stevens-10661

[redacted]

A. ...middle of that...
L. Uh-huh.
A.
L. Uh-huh.
A. Her name was, uh...
L.
A.
L.
A. Uh-huh.
Q. Hum.
L. Okay. I'll think of later (chuckles).
A. (Chuckles) Yeah, I will too.
L. But I'm just saying that's – I mean, I'm familiar when you're – when you're describing that. I was...
A. Uh-huh.
L.
A. Uh-huh.
L.
A. Yeah.
L.
A.
Q. Well, if you think of anything else, you have our cards, please give us a call...
A. Okay.
Q. ...if you think it'll be helpful. And would it be okay if we, um, call you if we have any additional questions that we want to clarify?
A.
Q. (Chuckles)
A. (Chuckles)
Q. I got that message (chuckles).
L. (Chuckles)
A. Yes, you can call me on the telephone any time (chuckles).
Q. Okay.
A.

b6
b7C

L.

A.

L. Uh-huh.

A.

um...

Q.

A.

b6
b7C

Q. Okay.

A. I don't know...

L. 'Kay. That's just...

A.. I don't know what he did.

L. We like to throw that question out 'cause it gives us other...

A. Yeah.

L. But that's okay.

A.

Q. Okay.
L. Alright.
Q. Well thank you very much. If...
A. ____.
Q. [redacted]
A. Okay.
Q. ...let us know.
A. [redacted]
Q.
A. Oh, really? _____ (chuckles) don't tell me that...
Q. I – I don't say that to alarm you. I just, uh...
A. [redacted]

b6
b7C

L. Well, sometimes...
A. See, what – I'm – I'm not...
L. [redacted]
A. Sure.
L. ...on...
Q. [redacted]
L.
A. Uh-huh.
L. [redacted]
A. Oh.
L. ...let's go follow up.
Q. [redacted]
A.
Q.
L.
Q.

Anchorage Police Department

Service Since 1921

Case Number:

Type Crime: **SAM**

Statement of:

L.

A. Yeah.

L.

A.

Q.

A.

Q.

L.

A. Uh-huh.

Q.

A. Uh-huh.

Q.

L. And this could – this might never happen.

Q. And it might.

L. We're just letting you know so you...

Q. Right.

L. ...won't be...

A. Well, I'm glad you told me...

b6
b7C

FBI - Stevens-10665

L. ...taken aback.
A. ...so that I can say...
L. (Chuckles)
A. ...whatever I'm gonna say.
L. (Chuckles)
Q. Right
A. Okay.
Q. Alright. Well, thank you very much for your time, ma'am.
A. Okay.
Q. It was a pleasure talking with you.
A. Alright. Thank you.
BACKGROUND NOISE
Q. Have a good afternoon.
A. 'Bye.
L. Thank you.
Q. 'Bye-'bye.
L. 'Bye-'bye.
BACKGROUND NOISE
L. _____.
Q. This is Detective [redacted] it's 1114 hours by my watch and I'm off tape.
END OF STATEMENT

b6
b7C

Anchorage Police Department

Service Since 1921

Type Crime: **SAM**

Case Number: [redacted]

Statement of: [redacted]

Q – DETECTIVE [redacted]
A – [redacted]
L – DETECTIVE [redacted]
K – [redacted]
U – UNIDENTIFIED PERSON

Q. This is Detectiv [redacted] It is th [redacted] uh, the year [redacted] 1351 hours by my watch, case numbers her [redacted] uh [redacted] This – we are at, uh [redacted] uh, myself and Detective [redacted] for the purposes of an interview with a Miste [redacted] We'll remain on tape during the interview.

BACKGROUND NOISE

U. _____.

Q. Oh, that'd be fine.

BACKGROUND NOISE

Q. These are some long hallways. I was up at [redacted].

L. ____ walk outside ____.

Q. ...to do a search warrant. It was the same thing, these giant hallways.

BACKGROUND NOISE

L. ___ have to walk outside.

U. _____.

L. _____.

BACKGROUND NOISE

Q. _____.

BACKGROUND NOISE

K. _____.

A. Yes.

K. Hello. You – you...

A. Hi.

K. ...must – [redacted]

A. [redacted] Yeah.

1,2,4,5,7,[illegible] b6 b7C
14,16,18,19
25,26,33,37
JBD

3IE-AN-15071-transcript-59

amf 2/9/2010

FBI - Stevens-10667

[redacted] **9/16/08** **K**

K. [redacted]

Q.

K. [redacted] They're both from the Anchorage Police Department. They just...

A. Oh, great.

K. ...want to talk.

Q. How ya doin', sir? [redacted]

A. Good.

K. Be downstairs...

Q. Nice to meet you.

K. ...when you guys are done.

A. Hi.

L. Hi. [redacted]

Q. Hopefully you'll have a few minutes to chat with us.

A. Oh, absolutely. I was just, uh – I just got some, uh – or I was supposed to call [redacted]

Q. Okay. That mighta been because we were comin' to visit ya.

A. Oh, okay.

Q. Um – uh, but I'm not sure, so (chuckles) if – if you...

L. You might still want to call him.

Q. ...need to call him.

A. Well, I just did. He was on the phone.

Q. Okay. Um, let me grab somethin' to write with here. We are conducting an investigation, um, that involves, um [redacted]

A. Really?

Q. Yeah. So...

A. Humph.

Q. Our hopes today were to, uh, be able to chat with you a little bit...

A. That was a...

Q. ...about...

A. . [redacted]

b6
b7C

Q. It was. And, uh, our hopes today is just to be able to chat with you about that time period and...
A. Sure.
Q. ...try and pick your brain a little bit about some of the things that went on there and hopefully we'll be able to, you know, get some information that's helpful to the case [redacted]
A. [redacted]
Q. Okay.
A. So, it was either late [redacted]
Q. Okay. So, for abou [redacted]
A. [redacted]
Q. ...or somethin'?
A. (Coughs)
Q. Uh, do you – do you want to see some credentials or anything before we get goin' or you – you trust that TSA and everybody else probably (chuckles)...
A. The people that...
Q. ...identified us?
A. ...just brought you in...
Q. (Chuckles)
A. ...I mean, I'd be glad to see it, but the people that brought you in I know know that you're the real deal.
Q. Okay.
L. (Chuckles)
Q. Uh...
L. Who was the, uh...
A. Anchorage. Okay, great.
L. Yeah. Anchorage PD.
Q. Yeah. Same
L. [redacted]
A. [redacted]

b6
b7C

[redacted]

Q. Okay.
A. And, um – God, who – oh [redacted] um – I'll think about that.
L. He was after you, then?
A. Yeah.
L. Okay.
A. [redacted]
Q. Nice assignment.
A. It was.
Q. (Chuckles)
A. [redacted]
Q. Oh, that's...
A. ...it was a good move.
Q. That's perfect, yeah.
A. Yeah.
Q. [redacted]
A. Really?
Q. [redacted]
A. Huh.
Q. [redacted]
A. Yeah.
Q. [redacted]
A. Very, very good. Uh-huh.
Q. [redacted]
A. Uh-huh.
Q. [redacted]

b6
b7C

A. Yeah, I think – I haven't been [redacted]

Q. Sure.

A. I'm thinking about their protocol but, you know, I've been out of ____ quite a few years. [redacted] um – let's see, how do I explain it. [redacted]

Q. Uh-huh.

A. [redacted]

Q. Uh-huh.

A. [redacted]

b6
b7C

Q. From his...

A. .. [redacted]

Q. ...organization?

A. [redacted]

L. Uh-huh.

A. [redacted] Phonetic) or somethin'.

L. Yeah.

Q. [redacted]

A. Yeah.

L. Yeah. [redacted]

A. (Coughs)

L. [redacted]

A. Don't know [redacted] That's a new one. [redacted]

Q. Uh-huh.

A. [redacted]

Q. Oh, wow.
A. [redacted]
Q. What was the...
A. ...and...
Q. ...name of the [redacted]
A. I think it was [redacted]
Q. [redacted]
A. Yeah. Uh-huh. [redacted] well, you're from Anchorage.
Q. Right. Yeah, I've...
A. The big...
Q. ...seen it.
A. [redacted]
Q. And then...
A. [redacted]
Q. Oh, okay.
A. [redacted] the original ____. (Coughs) [redacted]
Q. Uh-huh.
A. ...but they – I would have to – I'd have to say they we – [redacted]
Q. [redacted]
A. Yeah.
Q. [redacted]

b6
b7C

A.

Q. Uh-huh.

A.

Q. Uh-huh.

A.

Q.

A.

Q. Oh, I see. Okay.

A. And he was the one that was direct contact with the...

Q.

A.

b6
b7C

Q. Okay. So, need...

A.

Q.

A. He was.

Q.

A. Yeah.

Q.

A. You know, he was already

Q.

A.

Q. Uh-huh.

Anchorage Police Department

Service Since 1921

Case Number: [redacted]

Type Crime: **SAM**

Statement of: [redacted]

A. [redacted]

Q. Right.

A. [redacted]

Q. That's good.

A. [redacted]

Q. Right.

A. [redacted]

Q.

b6
b7C

A. Yeah...

Q. ..[redacted]

A. ...no, I don't think so.

Q. ..[redacted]

A. No.

Q. [redacted]

A.

L.

A.

Q. Uh-huh.

A.

Q. Right. Right.

A.

Q. Right. Okay.

L.

Q. What'd be the mechanics?

L. For...

A. There was, um...

L.

A. Right.

L.

A.

Q.

A.

Q.

A.

Q.

A. Yeah.

Q. Kay.

b6
b7C

A.

Q.

A.

Q.

A. ...all that stuff...

Q. A lotta things have changed.

A.

Q. Okay.

A. Yeah.

Q.

b6
b7C

A. No. No, I have to say no.

Q. Okay. Well, did you ever hear that? You know, you – you ever hear any information to that effect?

A.

Q. So, you're familiar with that just from a news story that you...

A. Yeah.

Q. ...read, nothin', um...

A.

Q. Right. As do...

A. And...

Q. ...most of us (chuckles).

A. (Chuckles) Right. When I lived there...

Q. It's the only paper.

A.

Q. Oh, it is? No, I didn't...

A. Yeah, I'm just shocked...

Q. I didn't know that.

A.

Q.

A. Humph.

Q.

A. That's the first time I've heard that.

Q. Um, and there's some pretty compelling evidence that that occurred.

b6
b7C

A. Humph.

Q.

A.

Q.

A. Humph.

Q.

A. No.

Q.

A.

Q. Okay.

A. Um...

Anchorage Police Department

Service Since 1921

Case Number: [redacted]

Type Crime: **SAM**

Statement of [redacted]

Q. [redacted]
A. Yeah.
Q. [redacted]
A.
Q. Uh-huh.
A. [redacted]
Q. Hum.
A. [redacted] (Phonetic).
L. Uh-huh.
A. He was on the thing and it was about...
L. [redacted] Phonetic)?
A. [redacted]
Q. Sure.
A. Uh, I mean, I had...
Q. That would be...
A. [redacted]
Q. [redacted] (chuckles).
A. [redacted]
Q. Humph.
A. ...a try. [redacted]
Q. So, just...
A. [redacted]

b6
b7C

Anchorage Police Department

Service Since 1921

Type Crime: **SAM**

Case Number: [redacted]

Statement of: [redacted]

[redacted]

Q. Right.
A. ...everybody else.
Q. A whole host of...
A. Uh-huh.
Q. [redacted]
L.
A.
Q. Right.
A. [redacted]n
Q. Your plate...
A. ...you know, I had a...
Q. ...full I'm...
A. ...horde of people...
Q. ...I'm sure.
A. ...workin' for me.
Q. Right.
L. [redacted]
A.
L. [redacted]
A.
Q. [redacted]
L.
Q.
L.
A. [redacted]
Q. Uh-huh.
A. [redacted]

b6
b7C

[redacted]13

L.

A. Uh-huh.

L. There's two of 'em?

A. Yep.

L.

A. Boy, that's gonna be a tough one, and I'll be glad to explain it to you.

L.

A. Well, it's – it's more complicated.

L. Okay.

A.

Q. Uh-huh.

A.

Q.

A.

Q. Uh-huh.

L. Uh-huh.

A.

b6
b7C

Anchorage Police Department

Service Since 1921

Type Crime: **SAM**

Case Number:

Statement of:

Q.
A.
Q.
A. Um...
Q.
A.
Q. Uh-huh.
A.
Q. Wow.
A.
Q.
A.
Q. Humph.
A.
Q. Right.
A.
Q.
A.
Q. Humph.
L.
A. ...
L.
A.
Q. Humph.

b6
b7C

A. [redacted]

Q. Ah.

A. [redacted]

Q. Oh, okay.

A. [redacted]

L. Kay.

A. That's a tough one.

L. [redacted]

b6
b7C

A. Sure.

L. [redacted]

A. Right.

L. ...and that sort of thing.

A. No, I – again, I'm just – I'm taken back a little bit.

Q. Yeah. I don't – don't mean to startle you or anything...

A. No, I haven't thought...

Q. ...it's just...

A. [redacted]

Q. [redacted]

A. [redacted] l it,

L. Well, his next – his next thing will be this Ted STEVENS...

FBI Stevens 10682

A. Right.
Q. [redacted]
L. .. [redacted].
A. Uh-huh.
L. [redacted]
A. Hum.
L. ...they're good enough to let us know that, you know, this is gonna be a story, so we're havin' to find people fast and...
A. Right.
L. ...before they hear stories and then what's my memory and what's – you know, like you said, you heard on the Internet – or you read on the Internet that there was a – so we gotta try to get the story or get some – what they remember before that.
A. [redacted] b6 b7C
Q. Right.
A. [redacted]
Q. Uh-huh.
A. [redacted]
Q.
A. [redacted]
Q. I understand.
A. Yeah.
Q. Yeah, I understand. I'm not trying to insinuate anything...
A. No-no.
Q. ...else, I'm just...
A. I'm...

Anchorage Police Department

Case Number [redacted]

Service Since 1921

Type Crime: **SAM**

Statement of: [redacted]

Q. [redacted]

A.

Q. Okay.

A. [redacted]

Q.

A. Uh-huh.

Q. So...

A. And...

Q. ...that's fine.

A. [redacted]

b6
b7C

but...

Q. Right.

A. ...were we...

Q. [redacted]

A. [redacted] No. Never.

Q. [redacted]

A. Oh, yeah.

Q. [redacted]

A. Uh-huh.

Q. ...but, you know...

A. I understand.

Q. .. [redacted] you know...

L. [redacted]

Q.

L. [redacted]

A. Oh, absolutely.

Anchorage Police Department

Service Since 1921

Type Crime: **SAM**

Case Number

Statement of:

L.
A. Yeah.
L.
A.
L. (Clears throat)
A.

Q. Uh-huh.
A.

Q. Okay.
A.
Q.
A.

Q.
A.
Q. Right.
A.

Q. Humph.
A.

Q. Humph.
A.

b6
b7C

Q. Right. Okay.
A.
Q. So, there's some oversight to that...
A. Oh, absolutely.
Q. ...____? Okay.
A. Yep. Um, less in an independent environment.
Q. Uh-huh.
A.
Q. A lotta scrutiny? Well...
A. Oh, I've...
Q. ...if it's...
A.
Q. If it's money.
A.
Q. Wow.
A.
Q. Right.
L.
A.
L.
Q. When you, uh – sorry, excuse me...
L. Go ahead.
Q.
A. Right.

b6
b7C

Anchorage Police Department

Service Since 1921

Case Number: [redacted]

Type Crime: **SAM**

Statement of: [redacted]

Q. [redacted].
A. Yeah. I go back...
Q. [redacted]
A.
Q.
A. Oh, no.
Q. [redacted]
A. I don't – I don't think so. No.
Q. [redacted]
A. Nobody.
L. [redacted]
A. Oh.
L. [redacted]
A. He can...
L. [redacted]
A. Yeah.
Q. Right.
A. [redacted]
Q. Ah, okay.
A. [redacted]
Q. Right.
A. [redacted]
Q. Okay.
A. [redacted]
Q.
A. Right.
Q. ...set up that – okay.
A. Yeah, he definitel – I mean, it's a relationship thing.

b6
b7C

[redacted]

L. Right.
Q. Okay.
A.

Q. (Chuckles)
A. I don't know who you're talkin' with.
Q. Who is this guy?
A. Right.
Q.

A.

Q. Uh-huh.
A.

Q. Sure.
A. Wouldn't last very long, we'd know.
Q. Right. Eventually somebody would catch on.
A.
Q.

b6
b7C

A. No.
Q. [redacted]
A. [redacted]
Q. [redacted]
A. Uh-uh.
Q. Okay.
A. [redacted]
Q. [redacted]
A. [redacted]
Q. I read that, too.
A. Yeah.
Q. Okay.
A. I mean, that's as much...
Q. So...
A. [redacted]
Q. [redacted]
A. No.
Q. [redacted]
A. The most...
Q. [redacted]
A. [redacted]
Q. [redacted]
A. No.
Q. 'Kay.
A. No.
L. Um...
A. [redacted]
Q. Right.

b6
b7C

A. ...(coughs

Q. It is indeed.

A. Uh-huh.

L.

A.

L. ____.

A.

b6
b7C

L. Uh-huh.

A. ...'cause it's really different now.

L. Uh-huh.

A.

L.

A.

L. Okay.

A.

Q. Absolutely.

L.

A.

Anchorage Police Department

Service Since 1921

Case Number:

Type Crime: **SAM**

Statement of:

Q. Oh, wow.
A. That's why I'm so surprised...
Q. Yeah.
A. ...that...
L. Yeah.
A.

b6
b7C

Q. Wow.
A.
Q. I – where...
L. _____.
Q. Where's your residence? You live in
A. I live in...
Q. ...somewhere?
A.
Q.
A.
Q.
A.
Q. Okay.
A. (Coughs)
Q.
A.
Q. Oh, okay.

Anchorage Police Department

Service Since 1921

Case Number [redacted]

Type Crime: **SAM**

Statement of: [redacted]

A. [redacted]

Q. Right.

A. [redacted]

Q. Okay.

L. [redacted]

A. Yeah.

L. ...about that.

A. Uh-huh.

L. _____.

A. [redacted]

b6
b7C

L. Uh-huh.

A. [redacted]

L.

A.

Q. Humph.

A. [redacted]

L.

A.

FBI - Stevens-10692

Anchorage Police Department

Service Since 1921

Case Number: [redacted]

Type Crime: **SAM**

Statement of: [redacted]

[redacted]

Q. Humph.
A. [redacted]
L. Humph.
Q. Humph.
A. [redacted]
L. (Clears throat)
A. [redacted]
Q. [redacted]
A.

b6
b7C

Q. (Whistles)
A. [redacted]
Q. Holy cow, that's huge.
A. [redacted]
Q.
A. I think so.
Q. ...period of growth. Yeah.
A. Yeah.
Q. Absolutely.
L. [redacted]
A. He does.
L. 'Kay.
A. Uh, my alternate.
L. [redacted]
A. Uh-huh.
L. [redacted]

Anchorage Police Department

Service Since 1921

Case Number [redacted]

Type Crime: **SAM**

Statement of [redacted]

A. [redacted]

Q. Uh-huh. [redacted]

A. [redacted]

Q. [redacted]

A. [redacted]

Q. Interesting

A. [redacted]

Q. Yeah

A. [redacted].

Q. Yeah. We, uh...

A. ...and...

Q. [redacted]

A. Yeah

Q. [redacted]

A. Right.

Q. [redacted]

A. [redacted]

Q. Uh-huh.

A. It's one of those, uh, things about - [redacted]

Q. [redacted]

b6
b7C

A. Sure. That's...

Q.

A. Humph.

Q. Um...

L.

A.

L. No, I have not.

A.

Q. It's huge.

A.

L.

A. Oh, okay.

L. ...that it, you know...

A. Yeah, some people, I don't know what they are expecting, but some...

L. Uh-huh.

A. ...people are, like, oh, my God, because the...

L. Uh-huh.

A.

Q. Wow.

A. ..

b6
b7C

Q. Wow (chuckles).
L. (Phonetic)?
A. Yes.
L.
A. Oh, my God.
L.
A.
L.
A. Uh-huh.
L.
A.
L. Yeah. And then she said...
A.
L.
A.
L.
A. Yeah.
Q. Humph.
L.
A. (Clears throat)
L. .
Q. It's a small state, yeah.
A.
Q. Most likely yeah, I...
A. Do I have...

b6
b7C

Anchorage Police Department

Service Since 1921

Case Number: [redacted]

Type Crime: **SAM**

Statement of: [redacted]

Q. I don't think...
A. [redacted]
Q. Uh...
A. [redacted]
Q. A...
L. Oh, none. Absolutely not.
Q. Absolutely not.
L. We told him...
Q. [redacted]
L. They know what's the...
Q. [redacted].
A. I'm not trying to be selfish, but I'm here...
Q. (Clears throat)...
A. [redacted]

b6
b7C

Q. I – I don't foresee...
L. Oh, no.
Q. [redacted]
A. Down in...
Q. ..[redacted]..
A. Yeah.
Q. ..[redacted]
A. Well, I...
Q. ...um, but because...
A. The only reason why I say that is the...
Q. ..[redacted].
A. [redacted]
L. (Chuckles)
A. [redacted]

Anchorage Police Department

Case Number: [redacted]

Service Since 1921

Type Crime: **SAM**

Statement of: [redacted]

[redacted]

Q. Well, we're trying to be thorough. Um...
A. No, that's...
Q. Tryin' to get...
A. You guys have...
Q. ... a better understanding what's goin' on...
A. Uh-huh.
Q. [redacted]
A. (Coughs)
Q. [redacted]
A. Wow.
Q. So, I mean, we're able to corroborate a lot of what they said, and so we're trying to just understand how this whole process worked, um, and, you know, uh, as we talk to folks we – we – we say hey, do you know anybody else who might have any knowledge of, you know, these type of...
A. Sure.
Q. [redacted] and you'd be surprised what people remember.
A. Uh-huh.
Q. And, you know...
A. [redacted]
L. [redacted]
A. Right.
L. [redacted]
A. I'm fine.
L. ...second guess. We're just gonna...
Q. Right.

b6
b7C

FBI - Stevens-10698

[redacted]

L. [redacted]...
A. You're not...
L. [redacted] (chuckles)
A. You're not doing – yeah, you're not doing a traffic violation. You – I mean, we're talking about serious stuff.
L. Uh-huh.
A. Yeah. I can understand the importance of what you're doing.
Q. [redacted]
A. [redacted]
Q. Humph.
A. [redacted]

b6
b7C

Q. Humph.
A. Why?
Q. I'm just curious.
A. Yeah.
L. [redacted]
A.
L.
A. Uh-huh.
Q. [redacted]
A. Yes.
Q. [redacted]
A. Uh-huh.
Q. [redacted]
A.
Q.
A. I got...

Anchorage Police Department

Service Since 1921

Case Number:

Type Crime: **SAM**

Statement of:

Q.
A.

Q. Wow.
A. ...yes, sir.
Q. Okay.
A. That's what – that's what we did.
Q. Right.
A.

Q. Right.
A.

Q. Wow.
A.

Q. Hum. I think that's a better deal _____.
A. Right.
Q. Humph.
L.

A.

or...
Q. Right.

b6
b7C

FBI - Stevens-10700

A.

Q. This would be.

A.

Q. Right.

A.

Q. Yeah.

A. So...

Q.

A. Uh-huh.

Q.

A.

Q.

A. I – I can't...

Q. That is a good thing.

A.

Q.

A.

Q. Right.

A. I'm excited about it.

Q. That's good. Alright, sir, well we won't take up more of your time. I – I'll leave my card with you. Um...

A. 'Kay. I would give you...

Q. I'd appreciate if you...

A. ...mine, but I don't have it.

Q. Right.

A. (Chuckles)

Q. (Chuckles) Okay. If, um, you know – if you think of anybody else that might be helpful to this type of investigation from that, you

b6
b7C

know – that chunk of time – uh, time period, I certainly would appreciate if you give me a call so we could follow up. We're...

A. Well...

Q. We're trying to be as thorough as we can and, um...

A. [redacted]

Q. Yeah.

L. (Chuckles)

Q. [redacted]

A. [redacted]

Q. Humph.

A. And I was tasked to do some pretty tough things. I...

Q. Uh-huh.

A. I'm not real proud it.

Q. [redacted]

A. [redacted]

Q. Sure.

L. [redacted]

A. [redacted]

L. Humph.

A. [redacted]

L. [redacted]

A. Yeah. Uh-huh.

L. Okay.

A. [redacted]

Q. Yeah. We might have...

b6
b7C

L. Which ones...
Q. We mighta...
L. ...would those be?
Q. ...met some of those guys.
A. I wouldn't be surprised. Yeah.
L.
A.
L.
A.
L.
A.
L.
A. Yeah.
L. ...hair, that's
A.
L.

b6
b7C

A. Yeah.
L. ...over there.
A. (Phonetic) maybe.
L. (Phonetic)?
A.

L. And would they know information – do you think they would know things about...
A.

Q. Right.
A.
L. Well, thank you for your time.
Q. Alright, sir.
L. And, um, I think hopefully you understand our explanation of why we just showed up at your door.
A. I understand. Yeah.
Q. Alright.
A.
L. Okay.
Q. Thank you very much.
A. I'll walk you out.
Q. 'Kay.

b6
b7C

BACKGROUND NOISE

A. And I personally hope you guys get to the bottom of this.
Q. Um, I...
L. That's our...
Q. I think...
L. ...objective.
Q. ...we will.
A. Good.
Q. That's our goal.
L. _____.
A. _____.

BACKGROUND NOISE

A.

BACKGROUND NOISE

L.
A.

[redacted]

L. (Chuckles)
Q. (Chuckles)
BACKGROUND NOISE
A. [redacted]
Q.
A. Totally.
Q. . [redacted]
A. [redacted]
Q. Wow.
A. [redacted]
Q.
A.
L. _____.
A. Well, no, actually...
L. _____.
A. ..._____.
L. _____.
A. [redacted]
Q. Humph.
BACKGROUND NOISE
L. _____.
A. Oh, yeah.
L. (Chuckles)
A. And very little _____.
BACKGROUND NOISE/INDISCERNIBLE
A. 4:00 o'clock?
U. Yep. I'll be by your office.
A. Okay. Great.
U. [redacted]

b6
b7C

A. Yes, sir.

BACKGROUND NOISE/INDISCERNIBLE

Q. I think our ride is out here.

BACKGROUND NOISE

A. _____.

L. _____.

Q. The lieutenant that we were with, he was gonna meet us out here in the lobby.

L. _____.

Q. I think he's on the computer in there.

A. Are you driving these folks back?

U. ____.

A. Oh, no, I – I thought you said it was...

Q. Uh, there was a lieutenant that dropped us off. I don't remember his...

b6
b7C

U. [redacted]

Q.

U. Was he supposed to meet you here?

Q. Yeah. He's gonna pick us up here in the lobby, so...

U. Okay.

Q. ...we'll just hang out 'til he shows up. Alright. Thank you, sir.

L. Thank you, ____.

A. You're welcome. Yeah. _____...

L. Good luck with you...

A. ...successful.

L. Yeah.

Q. Thank you.

L. _____.

A. Thank you.

Q. These snaps are...

BACKGROUND NOISE

Q. It is 1450 hours and I'm off tape.

END OF STATEMENT

FD-36 (Rev. 8-26-82)

FBI

066

TRANSMIT VIA:
- ☐ Teletype
- ☐ Facsimile
- ☐ _____

PRECEDENCE:
- ☐ Immediate
- ☐ Priority
- ☐ Routine

CLASSIFICATION:
- ☐ TOP SECRET
- ☐ SECRET
- ☐ CONFIDENTIAL
- ☐ UNCLAS E F T O
- ☐ UNCLAS

Date 7/9/85

066

FM: SAC, WASHINGTON FIELD (9A-NEW)

TO: DIRECTOR, FBI ROUTINE

ATTN: PERSONAL CRIMES UNIT, CID

FBI, ANCHORAGE ROUTINE

FBI, BALTIMORE ROUTINE

FBI, PHOENIX ROUTINE

BT

U N C L A S

UNSUB(S); SENATOR CHARLES MCC. MATHIAS, JR.-VICTIM; SENATOR TED STEVENS-VICTIM; EXTORTION; OO:PHOENIX

ON 7/9/85, DETECTIVE [redacted], SPECIAL INVESTIGATIONS DIVISION (SID), U.S. CAPITOL POLICE (USCP) TURNED OVER TO THE FBI A LETTER RECEIVED ON 7/8/85, AT THE WASHINGTON, D.C. OFFICE OF SENATOR MATHIAS. THE ENVELOPE IS POSTMARKED TUCSON, ARIZONA, ON 7/1/85, AND ADDRESSED TO SENATORS STEVENS AND MATHIAS. THE

ARMED AND DANGEROUS

b6
b7C

2-WFO

KDP:las
(2)

9A-528

Approved: _____ Transmitted _____ (Number) _____ (Time) Per _____

FBI - Stevens-3197

FD-36 (Rev. 8-26-82)

FBI

TRANSMIT VIA:
- ☐ Teletype
- ☐ Facsimile
- ☐ _____

PRECEDENCE:
- ☐ Immediate
- ☐ Priority
- ☐ Routine

CLASSIFICATION:
- ☐ TOP SECRET
- ☐ SECRET
- ☐ CONFIDENTIAL
- ☐ UNCLAS E F T O
- ☐ UNCLAS

Date _____

PAGE TWO DE WF #0066 U N C L A S

ONE PAGE LETTER WAS ATTACHED TO A PAGE FROM THE NEWSPAPER "HUMAN EVENTS" DATED 6/15/85. THE LETTER READS AS FOLLOWS

"SENATORS STEVENS + MATHIAS:

A FEW BULLETS WISTLING (SIC) BY YOUR HEAD AND PERHAPS ONE HITTING YOUR TEMPLES WILL SAVE THIS U.S. NATION WITH ITS PEOPLE MORE GRIEVE (SIC) FROM YOU! WHAT DO YOU THINK YOU ARE? YOU BETTER WORK TO RESTORE DIVINE (SIC) - OR ELSE!!! YOUR LOOKS SHALL SHOW!!! WE WILL NOT WAIT FOREVER!!!

THE U.S. WILL NOT BE MISSING YOU!!!

THE FRONT PAGE FROM "HUMAN EVENTS" CONTAINS AN ARTICLE ENTITLED "REPUBLICAN SENATORS TORPEDO DON DEVINE"

USCP CONTACTED THE HEADQUARTERS OF "HUMAN EVENTS" AND DETERMINED THERE ARE APPROXIMATELY 170 SUBSCRIBERS IN THE TUCSON AREA. THE NAMES OF THOSE SUBSCRIBERS ARE UNAVAILABLE AT THIS TIME.

BOTH SENATORS WERE NOTIFIED OF THE THREAT THROUGH USCP CHANNELS. U.S. SECRET SERVICE PROVIDED A COPY OF LETTER AND ENCLOSURE.

LEADS. ANCHORAGE DIVISION. AT ANCHORAGE, FAIRBANKS, JUNEAU, KETCHIKAN, NOME, KENAI, AND KODIAK, ALASKA.

Approved: _____ Transmitted _____ Per _____
(Number) (Time)

FD-36 (Rev. 8-26-82)

FBI

TRANSMIT VIA:
- ☐ Teletype
- ☐ Facsimile
- ☐ _____

PRECEDENCE:
- ☐ Immediate
- ☐ Priority
- ☐ Routine

CLASSIFICATION:
- ☐ TOP SECRET
- ☐ SECRET
- ☐ CONFIDENTIAL
- ☐ UNCLAS E F T O
- ☐ UNCLAS

Date _____

PAGE THREE DE WF #0066 U N C L A S

NOTIFY LOCAL AUTHORITIES OF THREAT SINCE SENATOR STEVENS HAS OFFICES IN THOSE CITIES.

BALTIMORE DIVISION. AT BALTIMORE, CUMBERLAND, AND LANHAM, MD.

NOTIFY LOCAL AUTHORITIES OF THREAT SINCE SENATOR MATHIAS HAS OFFICES IN THOSE CITIES.

PHOENIX DIVISION. AT TUCSON, ARIZONA.

CONDUCT APPROPRIATE EXTORTION INVESTIGATION AND CONTACT UNITED STATES ATTORNEY FOR PROSECUTIVE OPINION.

WASHINGTON FIELD. AT WASHINGTON, D.C.

WILL FORWARD EVIDENCE TO FBI LABORATORY FOR APPROPRIATE ANALYSIS. WILL ATTEMPT TO OBTAIN LIST OF SUBSCRIBERS TO "HUMAN EVENTS" NEWSPAPER IN THE TUCSON, ARIZONA AREA. WILL MAINTAIN CONTACT WITH USCP.

ARMED AND DANGEROUS

BT

#0066

NNNN

FBI - Stevens-3199

Approved: _____ Transmitted _____ Per _____
(Number) (Time)

C4

PXO 002 198 1247Z

RR WFO

DE PX

R 17 1247Z JUL 85

ERH:DPT (L) FM PHOENIX (9A-2397) (P)

TO DIRECTOR (ROUTINE)

ANCHORAGE (ROUTINE)

BALTIMORE (ROUTINE)

WASHINGTON FIELD OFFICE (ROUTINE)

BT

UNCLAS

ATTN: PERSONAL CRIMES UNIT, CID.

UNSUB(S); SENATOR CHARLES MCC. MATHIAS, JR. - VICTIM; SENATOR TED STEVENS - VICTIM; EXTORTION. OO: PX.

RE WASHINGTON FIELD OFFICE TELETYPE TO BUREAU, JULY 9, 1985.

ON JULY 15, 1985, CAPTIONED MATTER COORDINATED WITH SECRET SERVICE, PIMA COUNTY SO - INTELLIGENCE UNIT, AND TUCSON PD - SPECIAL INVESTIGATIONS UNIT, ALL IN TUCSON, ARIZONA, WITHOUT EFFECTING IDENTITY OF ANY POSSIBLE SUSPECTS WHO COULD HAVE WRITTEN THE EXTORTION LETTER.

9-5281-2

ON JULY 16, 1985, AUSA [redacted] TUCSON, ADVISED THAT ARMED AND DANGEROUS.

JUL 17 9 25 AM '85

[redacted]

USCP notified 7-18-85

[redacted]

b6
b7C

FBI - Stevens-3200

FACTS OF CAPTIONED MATTER MERIT FEDERAL PROSECUTION IF UNSUBS CAN BE IDENTIFIED.

RECEIVING OFFICES IN WHICH SENATOR STEVENS AND MATHIAS HAVE OFFICES REQUESTED TO ADVISE PHOENIX IF ANY SIMILAR LETTERS HAVE BEEN RECEIVED.

LEADS

WASHINGTON FIELD OFFICE AT WASHINGTON, D.C. WILL FORWARD COPY OF LETTER TO PHOENIX. WHEN OBTAINED, FORWARD COPIES OF TUCSON SUBSCRIBERS TO HUMAN EVENTS.

ARMED AND DANGEROUS.

BT

FD-36 (Rev. 8-26-82)

FBI

TRANSMIT VIA:
- ☐ Teletype
- ☐ Facsimile
- ☒ Airtel

PRECEDENCE:
- ☐ Immediate
- ☐ Priority
- ☐ Routine

CLASSIFICATION:
- ☐ TOP SECRET
- ☐ SECRET
- ☐ CONFIDENTIAL
- ☐ UNCLAS E F T O
- ☐ UNCLAS

Date 7/16/85

TO: DIRECTOR, FBI
(Attn: Personal Crimes Unit, CID, and FBI Laboratory, Document Section, Attn: [redacted]

b6
b7C

FROM: SAC, WFO (9A-5281) (P) (C-4)

SUBJECT: UNSUB(S);
SENATOR CHARLES MCC. MATHIAS, JR. - VICTIM;
SENATOR TED STEVENS - VICTIM;
EXTORTION;
OO: PHOENIX

Reference: WFO teletype to Director, et al, 7/9/85.

Enclosed for the Laboratory Division are an envelope, letter, and newspaper clipping received at the Washington, D.C. office of Senator MATHIAS.

Enclosed for Anchorage, Baltimore, and Phoenix are xerox copies of the envelope, letter, and news clipping.

Enclosures to the Laboratory should be forwarded to the Office of Origin upon completion of laboratory examinations.

Copies of the enclosures have been provided to the U. S. Capitol Police (USCP) and the U. S. Secret Service (USSS), Washington, D.C.

WFO is in contact with the management of Human Events newspaper and is attempting to obtain a list of subscribers in the Tucson area.

ARMED AND DANGEROUS

FBI - Stevens-3202

6 - Bureau (4 - FBI Laboratory, Document Section) (Encl. 3)
(2 - Personal Crimes Unit, CID)
2 - Anchorage (Encl. 3)
2 - Baltimore (Encl. 3)
2 - Phoenix (Encl. 3)
2 - WFO
KDP/kdp (14)

9A-5281 3

Approved: _____ Transmitted _____ Per _____
(Number) (Time)

U.S. GOVERNMENT PRINTING OFFICE : 1984 O - 449-465

REQUEST OF THE BUREAU:

Document Section: Compare enclosed letter with the anonymous letter file and conduct laboratory examinations for watermarks, indented writings, or any other physical characteristics deemed appropriate. Forward copy to [redacted] for psychological and demographic profiling of author and to determine validity of threat. b6 b7C

Latent Fingerprint Section: Develope any latent prints for future comparisons with known prints.

WASHINGTON FIELD OFFICE:

At Washington, D.C.: Will continue attempts to obtain a list of subscribers to the newspaper Human Events in the Tucson area. Will maintain contact with USCP and victim's office to determine if further letters are received.

FBI - Stevens-3203

ARMED AND DANGEROUS

TUCSON, AZ 857
PM
1 JUL
1985

MAIL EARLY-NOON
TOD

Senators
Stevens & Mathias
THE Senate
Washington, D.C. 20

Senators Stevens & Mathias:
A few bullets writing
to your head and perhaps
overwhelming your temples
will save this U.S.
Nation with its people
more grief from your
what do you think you
are? For letter where
to address Dinner-or
the...!!!
Fuck-Cocks!!!
Vaut Vaw...!!!

FBI - Stevens-3204

We will not wait for-
ever!!!
The U.S. will not be
missing you!!!

3.70	3.90	
4.50	4.70	
5.30	5.50	
6.10	6.30	
6.90	7.10	
7.70	7.90	
8.50	8.70	
9.30	9.50	
10.10	10.30	
10.90	11.10	

7-9-85
KB

112 FD

Human Events

THE NATIONAL CONSERVATIVE WEEKLY

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VOL. XLV No. 24 JUNE 15, 1985 75 cents

Republican Senators Torpedo Don Devine

The decision of Dr. Donald J. Devine last week to withdraw from consideration for a second term as director of the U.S. Office of Personnel Management was understandable from a personal perspective. To have subjected himself, his wife, family and loyal aides any longer to the Star Chamber type of abuse dished out by the Senate Governmental Affairs Committee would have been more than should properly be expected of any man. For President Reagan, however, whom he served uncommonly well, and for the nation as a whole, Devine's withdrawal represents a profound loss.

At a time when the federal deficit is a pressing threat to the national economy, Devine can take credit for having reduced the size of the non-defense federal bureaucracy by 10 per cent. He turned a $440-million deficit in the federal employes health insurance program into a $2-billion surplus, ended what had been scandalous abuse of disability retirement in the federal workforce, and initiated a policy of pay and promotion for federal employes based on performance, and not merely the length of time in the job.

As a result of these and other reforms many believed impossible before he took office, Devine has already saved the taxpayers $6.4 billion administratively, and $2 billion more when you count reforms approved by Congress at his urging. Over the next five years, the savings directly attributable to changes wrought by Devine will total more than $20 billion. And a Devine proposal to reform the Civil Service retirement system would have cut the system's unfunded liability by $142 billion, while saving many billions more in future taxes.

Ironically, it was Devine's very success in carrying out the President's policies that made him an object of partisan political attack by congressional Democrats.

Senators Stevens (left) and Mathias (center) were instrumental in blocking the reconfirmation of Donald Devine (right) as director of the Office of Personnel Management.

But what is most outrageous—and should not be forgotten come future elections—is that Devine's withdrawal need never have happened save for the inexcusable failure of Republican committee members—with the notable exception of Mississippi's Thad Cochran—to defend the former University of Maryland professor against the absurd charge that he had clandestinely continued to run the OPM after his term as director expired March 25.

Under the law, as previously reported, OPM Deputy Director Loretta Cornelius became the interim acting director upon the expiration of Devine's term. Expecting that Devine would be confirmed within a few days, Devine and Cornelius sought to minimize the disruption at the agency by having Devine serve briefly as Cornelius' executive assistant.

Under an agreement between Cornelius and Devine, Devine, as executive assistant, was to have complete authority to perform all functions normally handled by the director, but his decisions were subject to approval by Cornelius.

After serving in the interim position for four weeks, Devine was asked to resign by Cornelius. She subsequently complained publicly that Devine, before leaving office, had delegated to himself far broader authority in the temporary post than she had been aware of when the position was created.

For Devine's Democratic foes on the senate committee, led by Senators Thomas F. Eagleton (Mo.) and Carl Levin (Mich.), Cornelius' charge was like manna from heaven. They quickly used it to claim that Devine had illegally sought, by deliberate subterfuge, to retain control of the agency.

But, as Devine, along with others,

(Continued on page 10)

LUGAR

Many GOP Lawmakers Undermine South Africa

See page 3

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7-9-85

FBI - Stevens-3206

Capital Briefs

★ Vice President **George Bush** holds a strong lead in the California Field Poll for the 1988 GOP presidential nomination. Bush is the first choice of 39 per cent of those surveyed, comfortably ahead of Sen. **Bob Dole** (14 per cent), former Senate Majority Leader **Howard Baker** (11), California Gov. **George Deukmejian** (10), Rep. **Jack Kemp** (9), and former U.N. Ambassador **Jeane Kirkpatrick** (6.).

★ California Democrats give **Ted Kennedy** an early lead over **Gary Hart** in the race for the Democratic nomination. Kennedy is the choice of 33 per cent of those surveyed with Hart second at 27 per cent and New York Gov. **Mario Cuomo** third at 21 per cent. Trailing are Chrysler boss **Lee Iacocca** (8 per cent), Sen. **Bill Bradley** (2) and Arizona Gov. **Bruce Babbitt** and Sen. **Joe Biden** (1 per cent each).

★ A Libyan diplomat to the U.N. was expelled by the State Department last week for activities "incompatible with his status and illegal." That was a polite way of saying that **Farhat Tibar**, an administrative attache at Libya's U.N. mission, was involved in a plot to assassinate anti-Communist Libyans in the United States. Libyan dictator **Muammar Qaddafi** has set up groups to go abroad to "chase traitors, fugitives and stray dogs wherever they are and liquidate them physically."

★ White House strategists were beaming last week after reading the results of the latest New York *Times*/CBS poll. The survey showed 60 per cent of adult Americans believe the **Reagan tax plan** is fair and the President's popularity has jumped three points to 59 per cent. Forty-five per cent of voters now identify themselves as **Democrats**, 44 per cent as **Republicans**. Among 18-to-29-year olds, the GOP holds a clear 51-to-42 edge. And by nearly 2-to-1, voters say the GOP is doing a better job than Democrats in reducing the deficits.

★ Department of media bias: **James Wieghart**, national political correspondent for the Scripps-Howard papers, recently told a Polish government official: "There's a movement in Washington to let Reagan be Reagan. We're [the press] doing all we can to prevent that." Asked by *New York* magazine to elaborate, Wieghart explained: "There are people like **Pat Buchanan** who would let Reagan be Reagan, and that's a scary thought."

★ Rep. **James Scheuer** (D.-N.Y.) is a co-sponsor of legislation to impose economic sanctions on **South Africa**. That didn't stop him from holding stock last year in that country's largest diamond mining company and 18 U.S. companies which do business there. Asked if there was a contradiction between his support of economic sanctions and his own holdings, Scheuer answered: "Sure it is. Life is full of contradictions."

★ Sen. **Al D'Amato** appears to be in good political shape as he revs up his re-election drive. A New York *Daily News* poll shows D'Amato leads **Geraldine Ferraro** by eight percentage points, Atty. Gen. **Robert Abrams** by 18, Brooklyn District Attorney **Elizabeth Holtzman** by 21 and former Gov. **Hugh Carey** by 37. D'Amato runs well among Irish-Catholics, Italians, Jews and independents and even carries New York City over Ferraro.

★ The Senate last week rejected four attempts to slash next year's $3-billion budget for the **Strategic Defense Initiative** (dubbed "Star Wars" by foes). First it voted 78-to-21 against an amendment introduced by Sen. John Kerry (D.-Mass.) to freeze the SDI budget at this year's level of $1.4 billion. By 57-to-38, it voted down an amendment offered by Sen. William Proxmire (D.-Wis.) to increase the SDI budget to only $1.8 billion. And by margins of 59-to-36, it rejected amendments by Senators Al Gore Jr. (D.-Tenn.) and John Glenn (D.-Ohio) to hold the SDI budget to $2.5 billion and $2.8 billion.

★ Only in New York (one hopes): Teen-age homosexuals can now attend their own public high school in Manhattan. Twenty students — 14 boys and six girls — are now enrolled in the school, which is named for the late San Francisco gay activist **Harvey Milk**. The New York City Board of Education is operating the school in conjunction with the **Institute for the Protection of Gay and Lesbian Youth**, a homosexual advocacy group financed in part by city and state taxpayers.

★ **Charles M. Lichenstein**, who was Jeane Kirkpatrick's deputy to the **United Nations**, said last week that U.S. taxpayers are paying the salaries of large numbers of Soviet intelligence agents. Lichenstein estimated that of the $200 million contributed each year by the United States to the U.N., between $5 and $10 million goes to pay Soviet employes whose primary task is espionage.

★ Rep. **Jack Kemp** (R.-N.Y.) is not the only lawmaker who wants to lower the 35 per cent maximum rate in the Administration's tax package. Sen. **Bob Packwood** (R.-Ore.), influential chairman of the Senate Finance Committee, last week told President Reagan he would like to see the top rate reduced to 25 per cent. Packwood said that could be done by changing exemptions and exceptions in "three or four places" in the tax code.

★ Interest rates show no sign of levelling off. "Rates will continue to decline through 1986," predicts Deborah Johnson of Prudential-Bache Securities, Inc. "By the third quarter of next year, 30-year Treasury bonds will be down to about 8.5 per cent [from the current 10 per cent]." Conventional 30-year mortgages are expected to drop to 11.5 per cent and bank auto loans to 8.8 per cent.

Human Events

THE NATIONAL CONSERVATIVE WEEKLY

FOUNDED IN 1944

Frank C. Hanighen (1899-1964) • James L. Wick (1897-1964)
Milton I. Wick, Publisher Emeritus

The Declaration of Independence begins: "When in the course of *Human Events*...." In reporting the news, *Human Events* is objective; it aims for accurate presentation of all the facts. But it is not impartial. It looks at events through eyes that are biased in favor of limited constitutional government, local self-government, private enterprise and individual freedom. These principles represented the bias of the Founding Fathers. We think the same bias will preserve freedom in America.

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FBI - Stevens-3207

506

FEDERAL BUREAU OF INVESTIGATION WASHINGTON, D.C.

FD-36 (Rev. 8-26-82)

FBI

TRANSMIT VIA:
- ☐ Teletype
- ☐ Facsimile
- ☒ Airtel

PRECEDENCE:
- ☐ Immediate
- ☐ Priority
- ☐ Routine

CLASSIFICATION:
- ☐ TOP SECRET
- ☐ SECRET
- ☐ CONFIDENTIAL
- ☐ UNCLAS E F T O
- ☐ UNCLAS

Date August 5, 1985

TO: DIRECTOR, FBI
(Attn: Personal Crimes Unit, CID)

FROM: SAC, WFO (9A-5281) (C-4) (P)

SUBJECT: UNSUB(S);
SENATOR CHARLES MCC. MATHIAS, JR. - VICTIM;
SENATOR TED STEVENS - VICTIM;
EXTORTION;
OO: PHOENIX

Reference: WFO airtel dated 7/16/85.

Enclosed for Phoenix is a computer printout containing 170 names of subscribers to HUMAN EVENTS newspaper.

Phoenix' attention is directed to the last name appearing on page 13 of the printout. It is [redacted] Number [redacted], Inmate Correspondence, 10000 S. Wilmont Rd., Tucson, Az., 85777. b6 b7C

Contact with the U. S. Capitol Police reflects no further threatening letters have been received by either victim.

A copy of the list of subscribers has been provided to the U. S. Capitol Police.

WFO indices are negative re [redacted].

WFO will maintain contact with Victims and U. S. Capitol Police for any further letters.

ARMED AND DANGEROUS

FBI - Stevens-3208

2 - Bureau (Personal Crimes Unit)
2 - Phoenix (Enclosure - 1)
1 - WFO
KDP/kdp
(5)

9A-5281-4

Approved: _____ Transmitted _____ (Number) (Time) Per _____

Indices Search Slip
FD-160 (Rev. 7-21-83)

TO: OFFICE SERVICES MANAGER	Date
Subject [redacted]	Social Security Account #
~~Aliases~~ # [redacted], Inmate Correspondence	b6 b7C

Address	~~Birth Date~~	Birthplace	Race	Sex
10000 S. Wilmont Rd. Tucson,	AZ			☐ Male ☐ Female

☐ Exact Spelling
☐ All References
☐ Main Security Case Files Only
☐ Security References Only
☐ Main Criminal Case Files Only
☐ Criminal References Only
☐ Main Security (If no Main, list all Security References)
☐ Main Criminal (If no Main, list all Criminal References)
☐ Restrict Locality of

File & Serial Number	Remarks	File & Serial Number	Remarks

Requested by	Squad	Extension	File No.
SA [redacted] WFO			

b6 b7C

☐ **General Indices:** Searched by ____ Date ____
☐ **Confidential Indices:** Searched by ____ Date ____
☐ **ELSUR Indices:** Searched by ____ Date ____
☐ **ISIS:** Searched by ____ Date ____
☐ **OCIS:** Searched by ____ Date ____
☐ **IIS:** Searched by ____ Date ____

Consolidated by ____ Date ____

Reviewed by ____ Date ____

FBI - Stevens-3235

File Review Symbols
I - Identical
NI - Not identical
? - Not identifiable
U - Unavailable reference

0-9 (Rev. 8-16-79)

TRANSMIT VIA: AIRTEL

CLASSIFICATION:

DATE: 8/19/85

FROM: Director, FBI

TO: SAC, Washington Field Office (9A-5281) (C-4)

UNSUB(S);
SENATOR CHARLES "MAC" MATHIAS, JR. - VICTIM;
SENATOR TED STEVENS - VICTIM;
EXTORTION

OO: Phoenix

(Laboratory #50723042 D VW VF)

Reference: Airtel dated 7/16/85

LABORATORY LINGUISTICS ANALYSIS

This will supplement the forthcoming Laboratory report wherein the submitted specimens, Q1 and Q2, are further described and their disposition set forth.

A forensic linguistic examination was conducted on photocopies of Q1 and Q2. It was concluded that there is insufficient material upon which to draw either demographic or psychological profiles or upon which to make a threat assessment. The specimens are, therefore, not being forwarded to [redacted] as requested. Photocopies of Q1 and Q2 are being retained for future comparisons in the event further extortion notes are received in this case. A reevaluation will be made at that time regarding psycholinguistic examination. b6 b7C

FBI - Stevens-3236

2 - Phoenix

info provided to Agt. [redacted], USCP and SA [redacted] USSS, 9/12/85

9A-5281-5

SEARCHED ___ INDEXED ___
SERIALIZED ___ FILED ___
AUG 19 1985
FBI - WASHINGTON FIELD OFFICE

FBI/DOJ

7-1b

REPORT of the

FEDERAL BUREAU OF INVESTIGATION
WASHINGTON, D. C. 20535

To: SAC, Washington Field Office (9A-5281) (C-4) August 20, 1985

FBI FILE NO. 9-69057

LAB. NO. 50723042 D VW VF

Re: UNSUB(S);
SENATOR CHARLES MCC. MATHIAS, JR. - VICTIM;
SENATOR TED STEVENS - VICTIM;
EXTORTION

OO: Phoenix

Examination requested by: Washington Field Office

Reference: Communication dated July 16, 1985

Examination requested: Document - Fingerprint

Specimens received July 22, 1985

Specimens:

Q1 Envelope postmarked "TUCSON, AZ 857 PM 1 JUL 1985," bearing hand printed address "Senators Stevens & Mathias The Senate Washington, D.C. 20"

Q2 Accompanying slip of paper bearing handwritten and hand printed note beginning "A few bullets wistling..."

ALSO SUBMITTED:

Newspaper clipping from "Human Events" newspaper dated 6/15/85

Result of examination:

As a result of a search through the Anonymous Letter File, handwriting similarities were observed which indicate specimens Q1 and Q2 could have been written by the subject of the following case:

b6
b7C

UNSUB,aka

[redacted]

9A-5281-

2 - Phoenix

FBI/DOJ

DEATH THREAT AGAINST CONGRESSMAN
CHRISTOPHER H. SMITH AND ASSASSINATION
THREAT AGAINST PRESIDENT RONALD REAGAN,
EXTORTION (A)
OO: NK (9A-new)
WFO file 9A-4810
Bufile 9-66875

In the absence of known and sufficiently comparable writing, no meaningful handwriting examination could be conducted. It is therefore recommended a sufficient amount of known writing comparable in lettering (hand printing and cursive) and format as that of Q1 and Q2 be obtained from [redacted] and submitted for examination.

Specimens Q1 and Q2 were examined for watermarks and indented writing of value with negative results. b6 b7C

The Identification Division, Latent Fingerprint Section, has been requested to compare any prints found on Q1 and Q2 with the known prints of [redacted], FBI #[redacted].

Submitted specimens were photographed for record and will be returned with the results of the latent fingerprint examination. You will be advised separately concerning the disposition of the ALSO SUBMITTED item.

FBI - Stevens-3238

1-336 (Rev. 10-26-79)

FEDERAL BUREAU OF INVESTIGATION

Washington, D. C. 20537

REPORT

of the

LATENT FINGERPRINT SECTION
IDENTIFICATION DIVISION

YOUR FILE NO. 9A-5281 (P) (C-4)
FBI FILE NO. 9-69057
LATENT CASE NO. C-49178

9/12/85

TO:
SAC, WFO

RE:

UNSUB(S);
SENATOR CHARLES MCC. MATHIAS, JR.-
VICTIM;
SENATOR TED STEVENS - VICTIM;
EXTORTION

REFERENCE: Airtel 7/16/85
EXAMINATION REQUESTED BY: WFO
SPECIMENS:
Q1, envelope
Q2, slip of paper
Newspaper clipping

The listed specimens are further described in the Laboratory report, which is being furnished separately.

No latent prints of value were developed on the specimens, which are being forwarded to the Phoenix Division, as requested.

2 - Phoenix - Enc. (3)

9A-5281-7

SEP 13 1985

b6
b7C

FBI - Stevens-3239

FD-36 (Rev. 8-26-82)

FBI

TRANSMIT VIA:
- ☐ Teletype
- ☐ Facsimile
- ☒ Airtel

PRECEDENCE:
- ☐ Immediate
- ☐ Priority
- ☐ Routine

CLASSIFICATION:
- ☐ TOP SECRET
- ☐ SECRET
- ☐ CONFIDENTIAL
- ☐ UNCLAS E F T O
- ☐ UNCLAS

Date 9/20/85

TO: DIRECTOR, FBI
(Attn: Personal Crimes Unit, CID, and FBI Laboratory, Document Section, Lab. No. 50723042 D VW VF)

FROM: SAC, WFO (9A-5281) (C-4) (P)

SUBJECT: UNSUB(S);
SENATOR CHARLES MCC. MATHIAS, JR. - VICTIM;
SENATOR TED STEVENS - VICTIM;
EXTORTION;
OO: PHOENIX

Reference: FBI Lab report dated 8/20/85.

WFO file 9A-4810 was reviewed to determine if handwriting samples were available for submission to the Laboratory for comparison.

Evidence previously submitted by WFO in the case entitled UNSUB, aka [redacted], WFOfile 9A-4810, has undergone laboratory treatment which has rendered the handwriting quite blurry.

b6
b7C

Unless requested by the Office of Origin this evidence will not be resubmitted in this case.

WFO will leave the request to Newark Division to attempt to recontact [redacted] and obtain additional handwriting to the discretion of Phoenix.

ARMED AND DANGEROUS

4 - Bureau (2-Personal Crimes Unit)
(2-Document Section, Laboratory)
2 - Phoenix
1 - WFO
KDP/kdp
(7)

FBI - Stevens-3240

10/2/85

Approved: 10/1/85 Transmitted _____ (Number) (Time) Per 9-5281-8

SEARCHED
SERIALIZED
INDEXED
FILED 9/20/85

x Airtel

2/5/86

TO: DIRECTOR, FBI
(ATTN: PERSONAL CRIMES UNIT)

FROM: SAC, WASHINGTON FIELD OFFICE (9A-5281) (P) (C-4)

UNSUB(S);
SENATOR CHARLES MCC. MATHIAS, JR. - VICTIM;
SENATOR TED STEVENS - VICTIM;
EXTORTION;
(OO:PX)

ReWFOtel to Director, dated 7/9/85; WFO airtel to Director, dated 8/5/85; and WFO airtel to Director, dated 9/20/85.

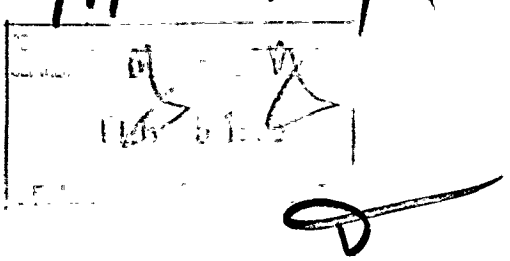
U.S. Capitol Police have requested status of investigation regarding [redacted] and [redacted] b6 b7C

FBI - Stevens-3241

2-Bureau
2-Phoenix
(L)-Washington Field Office

WTR:pag
(5) pag

9A-5281-9



FD-36 (Rev. 8-26-82)

FBI

TRANSMIT VIA:
- ☐ Teletype
- ☐ Facsimile
- ☒ AIRTEL

PRECEDENCE:
- ☐ Immediate
- ☐ Priority
- ☐ Routine

CLASSIFICATION:
- ☐ TOP SECRET
- ☐ SECRET
- ☐ CONFIDENTIAL
- ☐ UNCLAS E F T O
- ☐ UNCLAS

Date 3/7/86

TO: DIRECTOR, FBI (ATTN: PERSONAL CRIMES UNIT)

FROM: SAC, WFO (9A-5281)(C-4)(P)

UNSUB(s);
SENATOR CHARLES MC MATHIAS, JR.- VICTIM;
SENATOR TED STEVENS- VICTIM;
EXTORTION
(OO:PX)

Re WFO airtel to Bureau dated 2/5/86.

The United States Capitol Police has requested the status of the investigation so they can conclude their threat assessment for Senators STEVENS & MC MATHIAS.

2-Bureau
2-Phoenix
1-WFO

FBI - Stevens-3242

WTR:pep (5)
WTR

9A-5281-10

Approved: _____ Transmitted _____ (Number) _____ (Time) Per _____

FD-36 (Rev. 8-26-82)

FBI

TRANSMIT VIA:
- ☐ Teletype
- ☐ Facsimile
- ☒ AIRTEL

PRECEDENCE:
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- ☐ Routine

CLASSIFICATION:
- ☐ TOP SECRET
- ☐ SECRET
- ☐ CONFIDENTIAL
- ☐ UNCLAS E F T O
- ☐ UNCLAS

Date 2/19/86

TO: DIRECTOR, FBI

FROM: SAC, PHOENIX (9A-2397) (C)

SUBJECT: UNSUB;
SENATOR CHARLES MCC. MATHIS, JR. - VICTIM;
SENATOR TED STEVENS - VICTIM;
EXTORTION;
OO: PX

Re PX teletype to Director 7/16/85.

Enclosed is copy of FD-302 interview of [redacted].

b6
b7C

On 7/9/85, U.S. Capitol Police, Washington, D.C., turned over to the FBI a letter received on 7/8/85 at the Washington, D.C., Office of Senator MATHIS. The one-page letter was attached to a page from the newspaper "Human Events" dated 6/15/85. The front page from "Human Events" contained an article entitled "Republican Senators Torpedo Don Devine". The letter contained threats to both Senators STEVENS and MATHIS. The letter was postmarked Tucson, Arizona, dated 7/1/85.

U.S. Secret Service, Washington, D.C., was provided a copy of the letter.

On 7/15/85, captioned matter was coordinated with U.S. Secret Service, Pima County Sheriff's Office-Intelligence Division, Tucson Police Department-Special Investigations Unit, all at Tucson, without effecting the identity of any possible suspect who could have written the extortion letter.

C-6
3/1/86

DESTRUCTION DATE 2/19/91 3/1/91

2 - Bureau
1 - PX
ERH/seb
(3)

REVIEWED FOR INDEXING

Approved: _____ Transmitted _____ (Number) _____ (Time) Per 9-5381-13

Hall

9-2397-20

U.S. GOVERNMENT PRINTING OFFICE : 1984 O - 449-465

PX 9A-2397
ERH/seb

A computer printout of 170 Arizona subscribers was furnished by "Human Events". Attention was drawn to the name [redacted] [redacted] inmate [redacted] Arizona State Prison, 10000 S. Wilmot, Tucson, Arizona. The file of [redacted] was reviewed and handwriting exemplars were obtained. A visual comparison of [redacted] handwriting was compared to the extortion letter which reflected that these handwritings did not appear identical.

b6
b7C

A forensic linguistic examination was conducted on the envelope and extortion letter and it was concluded there was insufficient material upon which to draw either demographic or phychological profiles or upon which to make a threat assessment.

FBI Latent Fingerprint Division processed the envelope and extortion letter and no latent prints of value were developed.

As a result of a search through the anonymous letter file, handwriting similarities were observed which indicated that the envelope and extortion letter could have been written by the subject of the following case:

UNSUB, aka
[redacted]
DEATH THREAT AGAINST CONGRESSMAN CHRISTOPHER H. SMITH, AND ASSASSINATION THREATS AGAINST PRESIDENT RONALD REAGAN;
EXTORTION (A);
OO: NEWARK
(9A-NEW)
WFO file 9A-4810
Bufile 9-66875

b6
b7C

The FBI Lab requested a sufficient amount of known handwriting comparable in lettering and format as that of the envelope and extortion letter be obtained from [redacted] and submitted for examination.

The envelope and extortion letter were examinedfor water marks and indented writing of value with negative results.

Newark Division advised on 1/6/86 that [redacted] was interviewed by Buagents on 12/17/85. [redacted] refused to furnish handwriting samples, denied writing the letter to Senators MATHIS and STEVENS, and stated he had never been to Tucson, Arizona.

FBI - Stevens-3244

PX 9A-2397
ERH/seb

[redacted] had previously been interviewed by agents of the Trenton RA and the results are contained in FD-302 interview on 7/30/82 at Trenton, New Jersey. A review of the interview will provide insightful view of [redacted] b6 b7C

No further letters have been received by any offices of Senators STEVENS or MATHIS.

In that no subject has been identified, the Phoenix Division of the FBI is conducting no further investigation concerning captioned matter.

FBI - Stevens-3245

FD-302 (REV. 3-8-77)

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 8/9/82

[redacted], also known as (aka) [redacted] [redacted] Trenton, New Jersey, telephone # [redacted], was interviewed at his residence and furnished the following information: b6 b7C

He advised he is a Polish immigrant having come to the U.S. at age 15. He thereafter became a naturalized American citizen. He completed his high school education at Trenton, New Jersey, and attended college in the State of Maryland where he graduated with an Engineering Degree. He advised he is currently unemployed.

He advised that from March of 1959 to the present, individuals he refers to as "boolas" have been using psychosis against him which has changed his entire psychology "from being a very big man in everything to a big punk in everything." He advised that boolas are the tycoons and are the individuals who are the richest of the rich. He advised these boolas communicate to him through the media, such as television and the newspapers, and have changed him into someone who is always tired, disinterested, and incapable of thinking things out completely.

He commented that he considers himself to be a "small-timer," which he stated means anyone who has small success or a small business. He advised that small-timers are at the mercy of the boolas who are in control of everything in this country. He advised in this regard he has written numerous letters stating his views and beliefs to the Pentagon, Washington officials, the New York Times, and Mayor Koch of New York City.

He recalled recently writing two letters to the Mayor of Washington, D.C. In the first, he explained his personal philosophy as indicated above and also requested the mayor to have the small-timers in Washington dispose of his [redacted] congressman, Christopher H. Smith, by killing him. In the second letter, he described U.S. President Ronald Reagan as a criminal, who is no good to the country, and requested the mayor to have the Council of Churches hit the President and have him assassinated.

He advised, in his opinion, all of the U.S. Presidents are the tycoons' lackeys and that the justices of the U.S. Supreme Court are their covert lackeys. He advised, in his opinion, the President is not enforcing the laws of the U.S. of America and is, therefore, committing crimes against the people, and he should, therefore, be killed by him or

b6 b7C

Investigation on 7/30/82 at Trenton, New Jersey File # Newark 175-123

by SA [redacted]/pfs Date dictated 8/5/82

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

someone else. He advised, however, at the present time he had no intention of assassinating the President in that he felt he could rectify the current political situation by writing letters to various officials, requesting their cooperation in changing things. In this regard, he is in the process of composing a letter to the U.S. Congress explaining his views which he plans on sending in the near future.

[redacted] stated he is not a communist or a socialist, but strongly felt that no one in the U.S. should be permitted to have personal wealth in excess of $10 million. He stated it was his aim to change the current situation in which a large amount of money is in the hands of a few and distribute it more equitably among the small-timers. b6 b7C

The following descriptive information was obtained through observation and interview:

Name	[redacted], aka [redacted]
Sex	Male
Race	White
Date of Birth	[redacted]
Place of Birth	Russia
Height	6'
Weight	190
Hair	Gray
Eyes	Green
Social Security #	[redacted]
State Bureau Identification #	New Jersey [redacted]
FBI #	[redacted]
Vehicles	None
Arrests	[redacted] New Jersey, Police Department, Disorderly Conduct
	[redacted] New Jersey, Police Department, Disorderly Conduct/ Molesting
Naturalized	[redacted] in U.S. District Court, Trenton, New Jersey, under # [redacted] (changed name at this time from [redacted] to [redacted]

b6 b7C

NK 175-123

Prior Residences	From birth to 1934, resided in Russia
	From 1934-1950, resided in Germany
	From 1950-Present, resides in Trenton, New Jersey
Education	Graduated [redacted] receiving an Associate of Arts Degree
	Graduated University of Maryland in [redacted], with a Bachelor of Arts in Engineering
Wife	[redacted] (married [redacted] but currently divorced)

b6
b7C

Also present during the interview of [redacted] was U.S. Secret Service Agent [redacted].

FBI - Stevens-3248

AIRTEL

6/23/86

TO: DIRECTOR, FBI (ATTN: PERSONAL CRIMES UNIT)

FROM: SAC, PHOENIX (9A-2307) (RUC)

SUBJECT: UNSUBS;
SENATOR CHARLES MC MATHIAS, JR. -
VICTIM;
SENATOR TED STEVENS - VICTIM;
EXTORTION;
OO: PHOENIX

Re Phoenix airtel to the Director, dated 2/19/86, and Washington Field Office airtel to the Director, dated 4/29/86.

Enclosed for Washington Field Office is a copy of Phoenix airtel to the the Director, dated 2/19/86, and a copy of an FD-302 reflecting interview of [redacted] at Trenton, New Jersey on 7/30/82.

The enclosed airtel and FD-302 are self-explanatory and at the present time, this matter is considered RUC.

Rec'd #6
7/21/86

b6
b7C

FBI - Stevens-3249

2 - Bureau
2 - Washington Field Office (9A-5281) (Enc. 2)
1 - Phoenix
DRN/lpk
(5)

DET
SCB
7/21/86

retain for 6 months

FD-340a (Rev. 10-3-77)

(Title) UNSUB;
REPRESENTATIVE DON YOUNG-VICTIM;
SENATOR TED STEVENS-VICTIM;
~~EXTORTION~~

(File No.) 9A-5229-1A

Item	Date Filed	To be returned Yes	To be returned No		Disposition
1	3/13/85		x	one page handwritten letter. (mdl)	

9-5229-1A
SEARCHED ___ INDEXED ___
SERIALIZED ___ FILED ___
MAR 13 1985
FBI — WASH. FIELD OFFICE

Consol. lab. w/ 9A-5230

FD-340 (Rev. 12-6-83)

Field File No. (1)

OO and File No. 9-5229-1A

Date Received

From

(Name of Contributor)

(Address of Contributor)

(City and State)

By

(Name of Special Agent)

b6
b7C

To Be Returned ☐ Yes ☐ No

Receipt Given ☐ Yes ☐ No

☐ Yes ☐ No

Grand Jury Material - Disseminate Only Pursuant to Rules 6(e), Federal Rules of Criminal Procedure

Description: ☐ Original notes re interview of

handwritten letter - one page

FBI - Stevens-2850

Senator Ted Stevens

[illegible] trophy hunting

[illegible]

[illegible] twenty-third

[illegible]

[illegible]

[illegible]

Memorandum

SEARCHED ____ INDEXED ____
SERIALIZED ____ FILED ____

FEB 15 10 42 AM '86
FBI

To : SAC, WASHINGTON FIELD (9A-5230)(C-4) Date 2/11/86

From : SAC, LOS ANGELES (9A-7813)(C-1)(C)

Subject : SENATOR TED STEVENS - VICTIM;
REPRESENTATIVE DON YOUNG - VICTIM;
EXTORTION
OO: Los Angeles

Re Washington Field airtel to Los Angeles dated 1/23/86.

For information of Washington Field, on 5/6/85, AUSA [redacted] Los Angeles, declined prosecution and recommended no further investigation in view of the fact that a Federal violation had not been established and as the writer and/or suspect has not been identified.

b6
b7C

Los Angeles inadvertently failed to notify Washington Field of the above.

Los Angeles is conducting no further investigation at this time.

Officer [redacted] United States Capitol Police Intelligence Unit 2/20/86 WTR

b6
b7C

FBI - Stevens-2869

2 - Washington Field
1 - Los Angeles

JMB/hmw
(3)

9A-5230-13

SEARCHED ____ INDEXED ____
SERIALIZED ____ FILED ____
FEB 19 1986
FBI WASHINGTON FIELD OFFICE
WTR

return for 6 months

RECEIVED
TELETYPE UNIT
17 JAN 85 16 31Z
FEDERAL BUREAU
OF INVESTIGATION

VZCZCWFO 046

RR HQ

DE WF 0046 0170940

ZNR UUUUU

E R 160322Z JAN85

FM: SAC, WFO (9-NEW)

TO: DIRECTOR, FBI (ROUTINE)

(ATTN: PERSONAL CRIMES UNIT)

FBI, LOS ANGELTS (ROUTINE)

FBI, ANCHORAGE (ROUTINE)

BT

UNCLAS

UNSUB; SENATOR TED STEVENS,-VICTIM; EXTORTION; OO:LA

ON 1/14/85, THE UNITED STATES CAPITOL POLICE (USCP) PICKED UP A LETTER FROM THE OFFICE OF SENATOR TED STEVENS WHICH WAS RECEIVED ON 1/15/85. THE LETTER WAS POSTMARKED 1/11/85 AT MARINA DEL REY: CALIFORNIA AND READS AS FOLLOWS$

SENATOR TED STEVENS$ "SPORT AND TROPHY HUNTING IN ALASKA".

WILDLIFE IS A BEAUTY THAT EXISTS FOR ITS OWN SAKE.

YOU SCUM EUNUCHS SHOOT WILDLIFE BECAUSE IT IS THE ONLY THING YOU CAN SHOOT.

DUE TO THE NATURE OF THE THREAT, CONSIDER UNKNOWN SUBJECT ARMED AND DANGEROUS.

9-68722
9-68165

26 FEB 6 1985

53 MAY 17 1985

FBI - Stevens-3295

PAGE TWO DE WFO #0046 UNCLAS

WELL, WHITE TRASH BOY, YOU ARE NOW A TROPHY.

A CURSE IS ON YOU AND YOURS.

YOU WILL KNOW YOU ASKED FOR THIS.

WFO WILL FORWARD THE LETTER AND ENVELOPE TO THE FEDERAL BUREAU OF INVESTIGATION LABORATORY UNDER SEPARATE COVER AND PROVIDE A COPY TO OFFICE OF ORIGIN

ARMED AND DANGEROUS.

BT

#0046

NNNN

FD-36 (Rev. 8-26-82)

FBI

TRANSMIT VIA:
- ☐ Teletype
- ☐ Facsimile
- ☒ Airtel

PRECEDENCE:
- ☐ Immediate
- ☐ Priority
- ☐ Routine

CLASSIFICATION:
- ☐ TOP SECRET
- ☐ SECRET
- ☐ CONFIDENTIAL
- ☐ UNCLAS E F T O
- ☒ UNCLAS

Date 1/19/85

TO: DIRECTOR, FBI
(Attn: Personal Crimes Unit, CID, and FBI Laboratory Division, Document Section)

FROM: SAC, WFO (9A-NEW) (P) (C-4)

SUBJECT: UNSUB;
Representative DON YOUNG - VICTIM;
EXTORTION;
(OO: Los Angeles)

50124002

Re WFO teletype to Director, 1/19/85.

Enclosed for the Laboratory Division are a letter to victim and an envelope addressed to victim postmarked 1/11/85 at Marina Del Rey, California.

Enclosed for Los Angeles and Anchorage are xerox copies of the letter and envelope.

Enclosures to Lab should be forwarded to Los Angeles upon completion of laboratory examinations.

Copies of the letter were provided to U. S. Capitol Police (USCP) and U. S. Secret Service (USSS).

5-Bureau (3-FBI Laboratory, Document Section) (Encl. 2)
(2-Personal Crimes Unit, CID)
2-Los Angeles (Encl. 2)
2-Anchorage (Encl. 2)
2-WFO
KDP/kdp
(11)

9-68722-1

12 JAN 25 1985

Approved: DAZ Transmitted _____ (Number) _____ (Time) Per _____

117 JUL 27 1985

FBI - Stevens-3299

It is noted that a nearly identical letter was received at the office of Senator Ted Stevens and this letter has been forwarded to the laboratory under the caption, "UNSUB; Senator Ted Stevens-Victim; Extortion; OO:LA. 150124005-D-9-,

REQUEST OF THE BUREAU:

Document Section: Compare enclosed letter with the anonymous letter file and conduct laboratory examinations for watermarks, indented writings, or any other physical characteristics deemed appropriate. Also compare enclosed letter with the letter submitted under caption, "UNSUB; Senator Ted Stevens-Victim; Extortion; OO:LA" to determine if written by the same person.

Latent Fingerprint Section: Develope any latent prints for future comparisons with known prints and compare with any prints developed on letter to Ted Stevens, supra.
Upon completion of examinations return evidence to office of origin.

WASHINGTON FIELD OFFICE:

At Washington, D.C.: Will await results of laboratory examinations and advise appropriate authorities.

ARMED AND DANGEROUS

VZCZCWF0022

RR HQ LA AN

DE WF 0002 0201310

ZNR UUUUU

R 200500Z JAN 85

20 JAN 85 31Z

FEDERAL BUREAU OF INVESTIGATION

FM: WASHINGTON FFIELD OFFICE (9A-NEW)

TO: DIRECTOR, FBI (ROUTINE)

(ATTN: PERSONAL CRIMES UNIT)

FBI, LOS ANGELES (ROUTINE)

FBI, ANCHORAGE (ROUTINE)

BT

UNCLAS

UNSUB; REPRESENTATIVE DON YOUNG-VICTIM; EXTORTION; OO:LA.

REFERENCE WFO TELETYPE 1/16/85 CAPTIONED UNSUB; SENATOR TED STEVENS-VICTIM; EXTORTION; OO:LA.

ON 1/18/85 THE UNITED STATES CAPITOL POLICE (USCP) TURNED OVER A LETTER RECEIVED IN THE WASHINGTON OFFICE OF REPRESENTATIVE DON YOUNG ON 1/16/85 WHICH IS NEARLY IDENTICAL TO THE ONE RECEIVED BY SENATOR TED STEVENS ON 1/15/85. THE LETTER RECEIVED BY REPRESENTATIVE YOUNG WAS ALSO POSTMARKED 1/11/85 AT MARINA DEL REY, CALIFORNIA.

USCP RECIEVED THE LETTER ON 1/17/85 FROM [redacted] TO REPRESENTATIVE YOUNG.

cc to USSS

9- 08722-1/11/85

12 JAN 24 1985

b6
b7C

57 MAY 2 1985

cc-RMSolz

WFO WILL FORWARD THE LETTER AND ENVELOPE TO THE FBI LABORATORY UNDER SEPARATE COVER AND PROVIDE A COPY TO OO.

DUE TO THE NATURE OF THE THREAT, CONSIDER UNSUUB ARMED AND DANGEROUS.

ØØØ2

NNNN

FD-36 (Rev. 8-26-82)

FBI

TRANSMIT VIA:
- ☐ Teletype
- ☐ Facsimile
- ☒ Airtel

PRECEDENCE:
- ☐ Immediate
- ☐ Priority
- ☐ Routine

CLASSIFICATION:
- ☐ TOP SECRET
- ☐ SECRET
- ☐ CONFIDENTIAL
- ☐ UNCLAS E F T O
- ☒ UNCLAS

Date 1/19/85

TO: DIRECTOR, FBI
(Attn: Personal Crimes Unit, CID, and FBI Laboratory Division, Document Section)

FROM: SAC, WFO (9A-NEW) (P) (C-4)

SUBJECT: UNSUB;
Senator TED STEVENS - VICTIM;
EXTORTION;
(OO: Los Angeles)

50124005

Re WFO teletype to Director, 1/16/85.

Enclosed for the Laboratory Division are a letter to victim, a blank sheet of paper included in the letter, and an envelope addressed to victim postmarked 1/11/85 at Marina Del Rey.

Enclosed for Los Angeles and Anchorage are xerox copies of the letter and envelope.

Enclosures to Lab should be forwarded to Los Angeles upon completion of laboratory examinations.

Copies of the letter were provided to U. S. Capitol Police (USCP) and U. S. Secret Service (USSS).

It is noted that a nearly identical letter was received at the office of Representative Don Young and this letter and envelope will be forwarded to the Laboratory under the caption, "UNSUB; Representative Don Young-Victim; Extortion; OO:LA.

50124002-1D

5-Bureau (3-FBI Laboratory, Document Section) (Encl. 3)
(2-Personal Crimes Unit, CID)
2-Los Angeles (Encl.2)
2-Anchorage (Encl.2)
2-WFO
KDP/kdp
(11)

Approved: Transmitted _____ Per _____
(Number) (Time)

FBI - Stevens-3303

SEP 11 1985

U.S. GOVERNMENT PRINTING OFFICE : 1984 O - 449-465

REQUEST OF THE BUREAU:

Document Section: Compare enclosed letter with the anonymous letter file and conduct laboratory examinations for watermarks, indented writings, or any other physical characteristics deemed appropriate. Also compare enclosed letter with the letter submitted under caption, "UNSUB; Representative Don Young-Victim; Extortion; OO:LA" to determine if written by the same person.

Latent Fingerprint Section: Develope any latent prints for comparison with known prints and compare with any prints developed on the letter to Don Young, supra.

Upon completion of examinations return evidence to office of origin.

WASHINGTON FIELD OFFICE:

At Washington, D.C.: Will await results of laboratory examinations and advise appropriate authorities.

ARMED AND DANGEROUS

FBI - Stevens-3304

7-1b

REPORT of the FBI LABORATORY

1 - [redacted]

b6
b7C

FEDERAL BUREAU OF INVESTIGATION
WASHINGTON, D. C. 20535

To: SAC, Washington Field Office (C-4) February 22, 1985

FBI FILE NO.

LAB. NO. 50124002 D WN
50124005 D WN

Re: UNSUB;
REPRESENTATIVE DON YOUNG - VICTIM;
SENATOR TED STEVENS - VICTIM;
EXTORTION

DC AL

Examination requested by: Washington Field Office

Reference: Communications dated January 19, 1985

Examination requested: Document - Fingerprint

Specimens received: January 24, 1985, from SAC, Washington Field Office, under cover of communication dated January 19, 1985 (50124002 D WN):

Q1 Envelope postmarked "MARINA DEL REY, CA 902 3A PM 11 Jan 1985" bearing handwritten address beginning "Representative Don Young..."

Q2 Accompanying one-page handwritten letter beginning "Rep Don Young: "Sport and trophy hunting in Alaska"..."

Specimens received January 24, 1985, from SAC, Washington Field Office, under cover of communication dated January 19, 1985 (50124005 D WN):

Q3 Envelope postmarked "MARINA DEL REY, CA 902 PM 11 JAN 1985" bearing handwritten address beginning "Senator Ted Stevens..."

Q4 Accompanying one-page handwritten letter beginning "Senator Ted Stevens: "Sport and trophy hunting in Alaska"..."

Enclosure
2 - Los Angeles

(over)

CLH:trb #38 1985

MAIL ROOM

FBI/DOJ

FBI - Stevens-3305

Result of examination:

Specimens Q1 through Q4 were searched in the appropriate section of the Anonymous Letter File without effecting an identification. Copies have been added to this file for future reference.

It was determined that the questioned handwriting on Q1 through Q4 was written by the same person.

The 20¢ postage stamps on Q1 and Q3 were removed from a sheet or sheets of stamps.

Indented writing of undetermined value was observed on Q4. No watermark or other physical characteristics were observed. A photograph depicting the indented writing is enclosed.

No watermarks, indented writing or other physical characteristics were observed on Q1 through Q3 which would further assist in determining their immediate origin.

The results of the requested latent fingerprint examination and the disposition of the submitted items will be the subject of a separate report. Photographs are retained.

FBI - Stevens-3306

7-2 (5-12-82)

RECORDED
1-25-85
mrp

1-24-85

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

Laboratory Work Sheet

To: SAC, Washington Field Office (C-4)

FBI FILE NO. 9-687202-2

LAB. NO. 50124002 D WN

Re: UNSUB;
Representative DON YOUNG - VICTIM;
EXTORTION

YOUR NO.

b6
b7C

OO: Los Angeles

Examination by: [redacted] 2/13/85

[redacted] 2/13/85

Examination requested by: Washington Field Office

Reference: Communication dated January 19, 1985

Examination requested: Document - Fingerprint

Specimens received: January 24, 1985

Specimens:

Q1 Envelope postmarked "MARINA DEL REY, CA 902 3A PM 11 JAN 1985" bearing handwritten address beginning "Representative Don Young..."

Q2 Accompanying one-page handwritten letter beginning "Rep Don Young: "Sport and trophy hunting in Alaska"..."

See Attached Notes

2- Los Angeles

FBI - Stevens-3307

7-1b
2-19-85
CLH:tm

FBI/DOJ

50124002 (Q1+Q2)
+
50125005 (Q3+Q4)

TO: WFO

2/13/85

Notes:
Request:
1) Search ALF
2) Photograph
3) Note physicals
4)

1 Encl - 1
MC Envelope needed

Result of Exam.

Specs Q1 — Q4 were searched in the appropriate sections of the ALF w/o effect. an ident. Copies have been added to this file for future req.

It was determined that the questioned ol.wl. on Q1 — Q4. was written by the same person.

The 20¢ stamps on Q1 + Q3 were removed from a sheet or sheets of stamps.

Indented writing of undetermined value was observed on Q4. No other physical characteristics were observed. Photo depicting the indented writing is enclosed. No other meaningful physical characteristics were observed on Q1 — Q3 which would further assist in determining their immediate origin.

The results of the requested LFP Exam and the disposition of the submitted Evid will be the subj of a separate rpt. Photos are returned.

Evidence Files Searched

	Section(s) Searched	Date Searched	Section(s) Added	Date Added
Art				
Bank Robbery Note File				
Motor Vehicle Title				
Anonymous Letter File:				

Motive

State(s)

VIP

Bombing

Other

Typewriter Information:

Q1- Envelope & Q2 letter
Searched HW- VIP file,
WASH, CA, VA & MO. N.S.D.
Q1- Envelope 6.46 ± x 3.63 ±, .0054 ± ~~mt~~
blue printed interior, No indented
writing no watermarks ESDA neg.
Sheet stamp 1 (20#) stamp.

Standards Files Searched

	Date Searched
Tire Tread	
Shoe Print	
Typewriter	
Watermark	
Office Copier	
Safety Paper	
Computer Print Out	

Q2- Sheet of white paper .00
6.0 ± x 8.82 ± .0044 ±
No watermarks No sign. indented
writing - ESDA Neg.

Remarks:

7-6 (Rev. 1-13-82)

Examiner's Name _____ Date _____ Lab # 50124062

Recognition Section:

1.	10.	19.	28.
2.	11.	20.	29.
3.	12.	21.	30.
4.	13.	22.	31.
5.	14.	23.	32.
6.	15.	24.	33.
7.	16.	25.	34.
8.	17.	26.	35.
9.	18.	27.	36.

National Fraudulent Check File

Date Searched	Date Added	
		Signature Section
		Company Name File
		Checkwriter Section - Classified as _____
		Gimmick Section
		Master Check Section
		Counterfeit Travelers Checks
		Counterfeit Money Orders
		Counterfeit Checks
		Altered Travelers Checks
		Altered Money Orders
		Raised Bank Checks
		Checks prepared with False "Certified" Impressions
		Checks prepared with Press-On Letters

Stolen Money Orders & Travelers Checks Section:

Travelers Checks - Type	# From	To #

Money Orders - Type

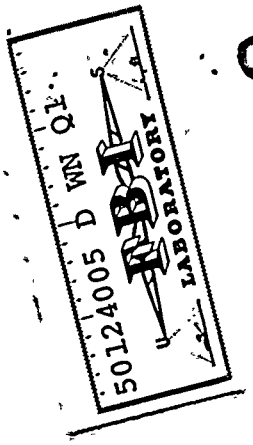
Photographed: 1/30/85

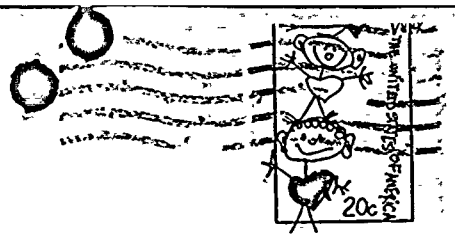
Date: _____

Roll #: #132

FBI - Stevens-3310

FBI/DOJ





Senator Ted Stevens
United States Senate
Senate Office Building
Washing D.C. 20510

personal
please forward

Senator Ted Stevens:

"Sport and trophy hunting in Alaska"

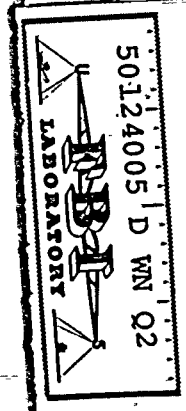
Wildlife is a beauty that exists for its own sake.

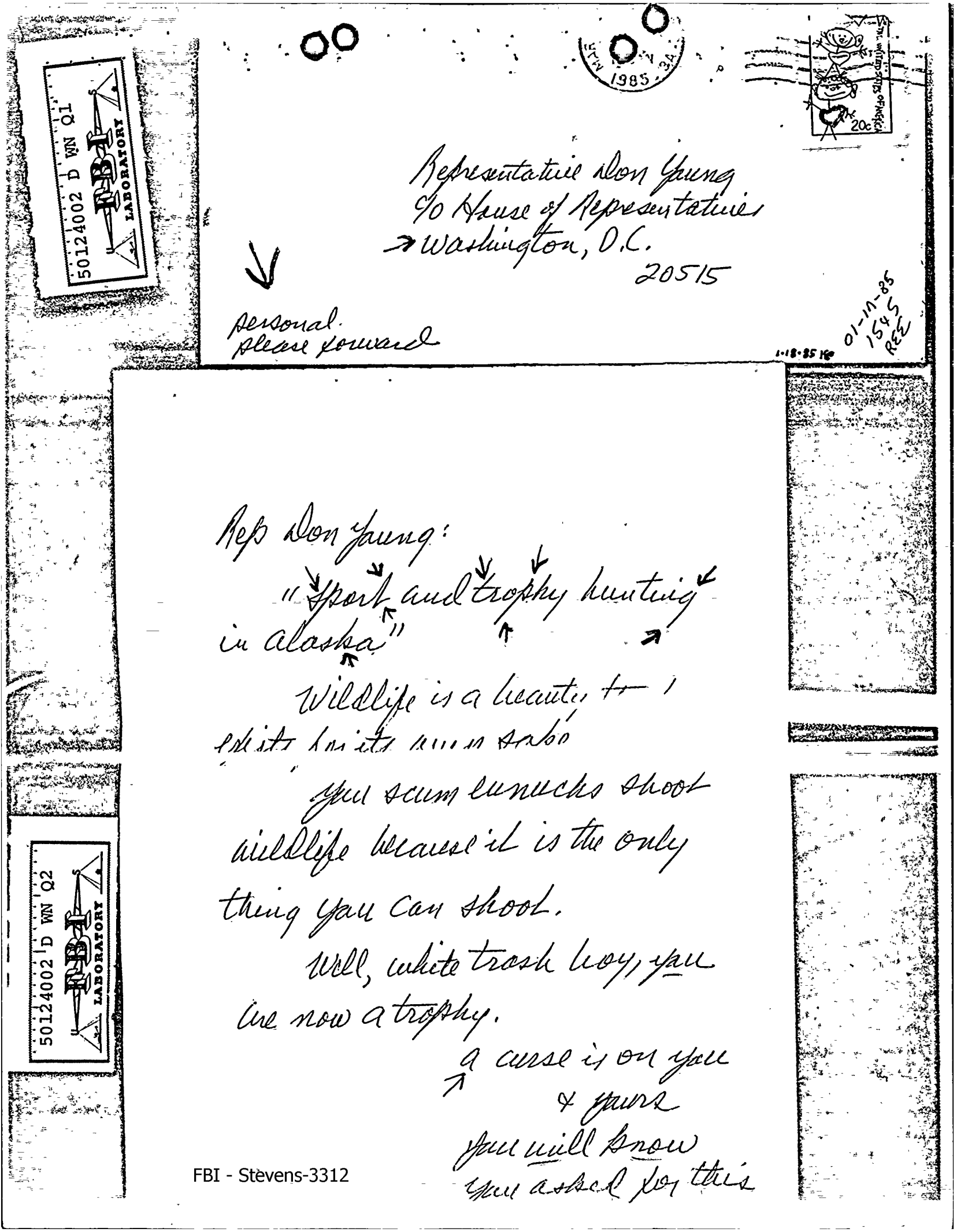
You scum eunuchs shool wildlife because it is the only thing you can shool.

Well, white trash boy, you are now a trophy.

a curse is on you & yours

you will know





50124002 D WN Q1 FBI LABORATORY

1985

20c

Representative Don Young
c/o House of Representatives
Washington, D.C.
20515

personal
please forward

01-11-85
1545
REE

1-18-85

Rep Don Young:

"Sport and trophy hunting in alaska"

Wildlife is a beauty to exist in its own sake

you scum eunuchs shoot wildlife because it is the only thing you can shoot.

Well, white trash boy, you are now a trophy.

a curse is on you & yours
you will know
you asked for this

50124002 D WN Q2 FBI LABORATORY

FBI - Stevens-3312

7-2 (5-12-82)

RECORDED
1-28-85
mrp

1-24-85

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

Laboratory Work Sheet

To: SAC, Washington Field Office (C-4)

FBI FILE NO. 9-68722-2

LAB. NO. 50124005 D WN

YOUR NO.

Re: UNSUB;
Senator TED STEVENS -VICTIM;
RXTORTION

OO: Los Angeles

Examination by [redacted] 2/13/85

[redacted] 2/13/85

b6
b7C

Examination requested by: Washington Field Office

Reference: Communication dated January 19, 1985

Examination requested: Document - Fingerprint

Specimens received: January 24, 1985

Specimens:

Q3 Envelope postmarked "MARINA DEL REY, CA 902 PM 11 JAN 1985" bearing handwritten address beginning "Senator Ted Stevens..."

Q4 Accompanying one-page handwritten letter beginning "Senator Ted Stevens: "Sport and trophy hunting in Alaska"..."

ALSO SUBMITED:
1 - Sheet of white paper

See note attached to Lab # 50124002 D WN

2- Los Angeles

FBI - Stevens-3313

7-1b
2-19-85
CLH:tm

FBI/DOJ

Evidence Files Searched

	Section(s) Searched	Date Searched	Section(s) Added	Date Added
Art				
Bank Robbery Note File				
Motor Vehicle Title				
Anonymous Letter File:				

Motive

State(s)

VIP

Bombing

Other

Typewriter Information:

Q1 - Envelope & Q2 letter.
Searched HQ - VIP file,
Wash, CA, VA, MD, N.S.N.
Q1. Envelope 6.5± x 3.60±
.0055± thickness 1 (20¢) stamp
blue printed interior of envelope
No indented writing no watermarks
ESDA neg. Sheet stamp 20¢
Q2 - Sheet of paper from a pad
6.0± x 8.82± .0044±
Indented writing, no watermarks.

Also Sus. - Sheet of paper like above
indented writing of above.

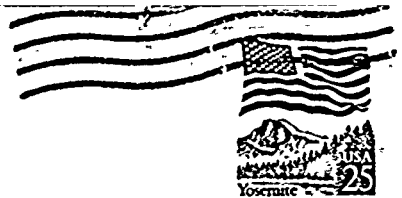
Standards Files Searched

	Date Searched
Tire Tread	
Shoe Print	
Typewriter	
Watermark	
Office Copier	
Safety Paper	
Computer Print Out	

Remarks:

Plate 1/30/85
#132

MARINA DEL REY CA 90292
PM
29 AUG
1988
3A



Rep. Don Young, R. Alk
c/o The House of Representatives
Washington, D.C.
20515

FBI - Stevens-3315

personal
please forward

RJH 9/12/88

Young:

H.R. 3834 Hunter Protection Act?

The land belongs to all Americans, & the majority are against the murder of what is left of truly magnificent wildlife.

You white-trash boys are "just" all criminal killers addicted to the smell of blood. You turn the land into a charnel house, an abattoir.

You too stupid & slow to do anything else with your time? Too much in-breeding boy? Your father "marry" his sister?

You a eunuch boy? Can't shoot anything else so you shoot defenseless animals? Everyone knows the sexual connotations of "hunting", boy.

Are you trying to discharge your homosexual urges by shooting with the boys with guns?

You afraid to shoot at something that can shoot back?

Now it is your turn, boy,

a curse is (:) on you & yours

you will know

you asked for this

RJH 9/12/88

7-97 (Rev. 6-14-82)

b6
b7C

Photographic Work Request & Evidence Receipt

Examiner [redacted] Ext. 4495 Rm. 3176

Date Recd. 1/31 Lab # S01240005 D WD

Deadline _____ File # _____

Justification for Deadline _____

Items Recd. Q2 - handwritten letter

Recd. From [redacted] Recd. By DEM

Latent Yes ☒ No ☐

Request Photocopy for indented writing

Work Performed Ultraviolet lighting
Ektapan 8x10 #1.1
Prints

b6
b7C

Photographer [redacted]

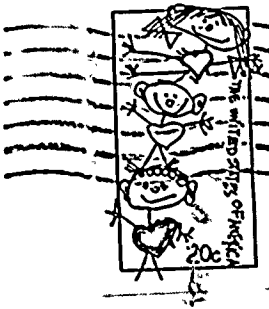
Evidence Recd. [redacted] Date 2/11/85

Photographs Recd [redacted] Date 2/11/85

SPU # 85322

50124002 D WN 01

ANNA DEL REY, CALIF. 92
FM 1
11 JAN 1985
34



Representative Don Young
C/O House of Representatives
Washington, D.C.
20515

Personal
Please forward

FBI - Stevens-3318

01-11-85
1545
REE

1-18-85 16

Rep Don Young:

"Sport and trophy hunting in alaska"

Wildlife is a beauty that exists for its own sake.

you scum eunuchs shoot wildlife because it is the only thing you can shoot.

Well, white trash boy, you are now a trophy.

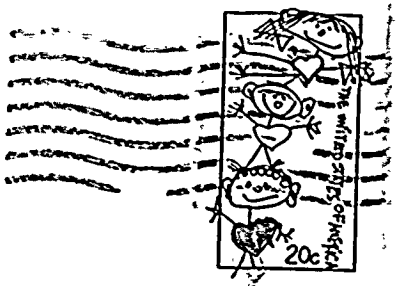
a curse is on you
& yours
you will know
you asked for this

01-17-85
1545
RGG

FBI Stevens 3319

50124002 D WN Q2

MARINA DEL REY, CA 902 PM 11 JAN 1985



Senator Ted Stevens
United States Senate
Senate Office Building
Washing D.C.
20510

FBI - Stevens-3320

personal
please forward

03

50124005 D WN ~~01~~

Senator Ted Stevens:

"Sport and trophy hunting in Alaska".

Wildlife is a beauty that exists for its own sake.

You scum eunuchs shoot wildlife because it is the only thing you can shoot.

Well, white trash boy, you are now a trophy.

a curse is on you
& yours
you will know
you asked for this

FBI - Stevens-3321

1-336 (Rev. 10-26-79)

FEDERAL BUREAU OF INVESTIGATION

Washington, D. C. 20537

REPORT
of the
LATENT FINGERPRINT SECTION
IDENTIFICATION DIVISION

YOUR FILE NO.
FBI FILE NO. 9-68722
LATENT CASE NO. C-43871

March 11, 1985

TO: SAC, WFO

RE: INSUB.;
REPRESENTATIVE DON YOUNG - VICTIM
EXTORTION

INSUB.;
SENATOR TED STEVENS - VICTIM
EXTORTION

REFERENCE: Airtele 1/19/85
EXAMINATION REQUESTED BY: WFO
SPECIMENS: Two envelopes, Q1 and Q3
Two letters, Q2 and Q4
Sheet of white paper

The Q specimens are further described in a separate laboratory report.

9-68722-3

Five latent fingerprints of value were developed on the envelope, Q1, and letter, Q2, which were sent to Representative Don Young. No latent prints of value were developed on the remaining items which were sent to Senator Ted Stevens.

Searches were conducted in the single fingerprint file without effecting an identification.

The specimens are being forwarded to the Los Angeles Division as requested.

2 - Los Angeles - Enc. (5)
1 - Office of Congressional and Public Affairs, Room 7116, TL #235

HOR:geb
(7)

MAILED 3
MAR 08 1985
FBI

FBI - Stevens-3322

MAIL ROOM

THIS REPORT IS FURNISHED FOR OFFICIAL USE ONLY

UNRECORDED COPY FILED IN

7-2 (5-12-82)

RECORDED
1-25-85
mrp

1-24-85

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

Laboratory Work Sheet

Recorded 2/15/85 anr Received 2/14/85

To: SAC, Washington Field Office (P) (C-4)

b6
b7C

FBI FILE NO. 9-68722 (3)

LAB. NO. 50124002 D WN

Re: UNSUB;
Representative DON YOUNG - VICTIM;
EXTORTION

YOUR NO. LC# C-43871

OO: Los Angeles

Examination by:
Noted by:

Examination requested by: Washington Field Office

Reference: Airtel dated January 19, 1985

Examination requested: Document - Fingerprint

Specimens received: January 24, 1985

Specimens:

Q1 Envelope postmarked "MARINA DEL REY, CA 902 PM 11 JAN 1985" bearing handwritten address beginning "Representative Don Young..."

Q2 Accompanying one-page handwritten letter beginning "Rep Don Young: "Sport and trophy hunting in Alaska"..."

— 2/19/85 —

Q1 + Q2 examined V + L. No latent prints noted.
Q1 + Q2 proc NIN,

(Over)

2- Los Angeles - Enclosures (2)

Examination Completed 10:50A 3/5/85 Dictated 3/5/85
Time Date Date

1- Office of Congressional and Public Affairs
Room 7116, TL235

FBI - Stevens-3323

Ansd.
3-11-85
HOR:geb

FBI/

— 2/20/85 —

Specs re proc NIN. TO photo.

— 3/1/85 —

3 - fgpts value dev (N) Q_1.
2 - fgpts value dev (N) Q_2.

Q_1 + Q_2 proc SN. No latent prints dev. Destained.

— 3/4/85 —

2 - fgpts searched EXT. sect S file. no ∅'s.

No latent prints dev on specs in case captioned "UNSUB.; SENATOR TED STEVENS - VICTIM; EXTORTION" to compare with latent prints this case.

Specs being forwarded to LA (OO) per request.

2/19/85 cfl
Proc'd laser - no lats

2/20/85 cfl
Specs proc'd (N) - Lat set (AM)
Respraved (N) - Q4 to photo (PM)
No lats of val Q3 or A/S

2/28 cfl
No lats of val Q4 - Proc'd zinc chloride - no lats of val
Q3+A/S proc'd (N) - No lats of val Dev. - destroyed
Specs forwarded to LA Div as requested. - Encls (3)

FD-36 (Rev. 8-26-82)

FBI

TRANSMIT VIA:
- ☐ Teletype
- ☐ Facsimile
- ☒ Airtel

PRECEDENCE:
- ☐ Immediate
- ☐ Priority
- ☐ Routine

CLASSIFICATION:
- ☐ TOP SECRET
- ☐ SECRET
- ☐ CONFIDENTIAL
- ☐ UNCLAS E F T O
- ☐ UNCLAS

Date 9/16/85

TO: DIRECTOR, FBI
(Attn: Personal Crimes Unit, CID, and FBI Laboratory Division, Document Section)

FROM: SAC, WFO (9A-5229) (P) (C-4)

SUBJECT: UNSUB;
Representative DON YOUNG - VICTIM;
Extortion;
(OO: Los Angeles)

Re FBIHQ Laboratory report dated 2/22/85.

Referenced Laboratory report advised a latent fingerprint examination would be the subject of a separate report.

To date WFO has not received the latent fingerprint report.

REQUEST OF THE BUREAU:

Forward copy of latent fingerprint report to WFO so that appropriate authorities can be advised of results.

ARMED AND DANGEROUS

6 - Bureau (3-FBI Laboratory) (Lab No. 50124005 DWN)
(2-Personal Crimes Unit, CID)
2 - Los Angeles
1 - WFO [redacted] EXT. 7874 CASE AGENT
KDP/kdp
(8)

SEP 20 1985

b6
b7C

NO ACTION NECESSARY IN LFPS. LFPS REPORT DATED 2/11/85 TO WFO SETS OUT RESULT OF LFPS EXAM. FBI file # 9-68722
SA [redacted] advised by tel call 10/1/85 WFO [redacted]

Approved: _____ Transmitted _____ Per _____
(Number) (Time)

FBI - Stevens-3326

7 0 DEC 5 1985

FBI

TRANSMIT VIA:
- ☐ Teletype
- ☐ Facsimile
- ☒ AIRTEL

PRECEDENCE:
- ☐ Immediate
- ☐ Priority
- ☐ Routine

CLASSIFICATION:
- ☐ TOP SECRET
- ☐ SECRET
- ☐ CONFIDENTIAL
- ☐ UNCLAS E F T O
- ☐ UNCLAS

Date 1/23/86

ST SDS

TO: DIRECTOR, FBI (ATTN: PERSONAL CRIMES UNIT, CID)

FROM: SAC, WFO (9A-5230) (C-4) (P)

SUBJECT: CHANGED UNSUB;
SENATOR TED STEVENS-VICTIM;
REPRESENTATIVE DON YOUNG-VICTIM;
EXTORTION
OO:LA

Reference WFO airtel to Director, 9/16/85.

Title marked "Changed" to incorporate the following matter into instant case:

Unsub; Representative DON YOUNG- Victim; Extortion; OO:LA, (WFO #9A-5229).

A review of evidence collected in this matter tends to indicate that the same individual authored both threatening letters. It would, therefore, seem that the investigation might be more efficiently conducted under one file number, 9A-5230.

ARMED AND DANGEROUS

2-Bureau (Personal Crimes Unit)
2-LA
2-WFO (9A-5230) (9A-5229)
WTR:cjc
(6)

9-68722-16

11 JAN 27 1986

Approved: _____ Transmitted _____ (Number) (Time) Per _____

FBI - Stevens-3328

26APR 18 1986

WFO 9A-5320

LEAD:

LOS ANGELES DIVISION

AT MARIA DEL RAY, CALIFORNIA

Provide WFO with an update on any additional investigation conducted in order that U.S. Capitol Police might be apprised and WFO can place in RUC status.

ARMED AND DANGEROUS

FBI - Stevens-3329

FORMS.TEXT HAS 1 DOCUMENT

INBOX.30 (#5424)

TEXT:
VZCZCWF036

PP HQ LA

DE WF036 227 0158

ZNR UUUUU

P 150158Z AUG 86

FM: FBI, WASHINGTON FIELD OFFICE (9A-NEW) (P) (C-4)

TO: DIRECTOR, FBI PRIORITY

(ATTN: PERSONAL CRIMES UNIT)

FBI, LOS ANGELES PRIORITY

BT

U N C L A S

UNSUB; MR. FRANK DUNKLE, DIRECTOR OF THE FISH AND WILDLIFE SERVICE, U.S. DEPARTMENT OF THE INTERIOR - VICTIM; EXTORTION; OO:LA

USE CAUTION DUE TO PERSON'S MENTAL INSTABILITY.

FOR THE INFORMATION OF THE BUREAU AND LOS ANGELES DIVISION, ON 8/15/86, THE WASHINGTON FIELD OFFICE (WFO) RECEIVED A LETTER, DATE STAMPED AUGUST 11, 1986, FROM ROBERT A. SMOAK, CHIEF, DIVISION OF ENFORCEMENT AND SECURITY MANAGEMENT, UNITED STATES DEPARTMENT OF THE INTERIOR, WASHINGTON, D.C., REQUESTING THE BUREAU'S

RECEIVED
TELETYPE UNIT
16 AUG 86 17 47 Z
FEDERAL BUREAU
OF INVESTIGATION

Exec. AD-Adm.
Exec. AD-Inv.
Exec. AD-LES
Asst. Dir.:
Adm. Serv.
Crim. Inv.
Ident.
Inspection
Intell.
Laboratory
Legal Coun.
Off. of Cong.
& Public Affs.
Rec. Mgmt.
Tech. Serv.
Training
Telephone Rm.
Director's Sec'y

9-68722-6X

Dept of Interior
8/17/86
NDO, MB

SEP 18 1986

JAN 27 1987

APR 08 1987

FBI/DOJ Stevens-3330

ASSISTANCE REGARDING AN ANONYMOUS THREAT LETTER ADDRESSED TO CAPTIONED FRANK DUNKLE, THE DIRECTOR OF THE U.S. FISH AND WILDLIFE SERVICE.

THE LETTER WAS POSTMARKED AUGUST 1, 1986, MARINA DEL REY, CALIFORNIA, AND THE TEXT OF THE LETTER READ AS FOLLOWS:

"DUNKLE:

"MONTANA WHITE TRASH.

"YOU SCUM DEMAND YOUR RIGHTS TO DESICCATE WHAT IS LEFT OF THIS LAND, PAVE IT, TURN IT INTO A DESERT.

"WILDLIFE IS A BEAUTY THAT EXIST FOR ITS OWN SAKE. YOU EUNUCH BOY? CAN'T SHOOT ANYTHING ELSE SO YOU SHOOT AT DEFENSELESS ANIMALS BOY? EVERYONE KNOWS THE SEXUAL CONNOTATIONS OF 'HUNTER' BOY. YOUR TURN, GARBAGE.

"A CURSE IS ON YOU AND YOURS YOU'LL KNOW YOU ASKED FOR THIS."

LETTER DATED AND INITIALED AND SEALED AS EVIDENCE FOR TRANSMITTAL TO FBI LABORATORY FOR APPROPRIATE ANALYSIS.

LEADS. LOS ANGELES DIVISION. AT MARINA DEL REY, CALIFORNIA. CONDUCT LOGICAL EXTORTION INVESTIGATION AND ADVISE WFO OF RESULTS IN ORDER THAT THE U.S. FISH AND WILDLIFE SERVICE MIGHT BE APPROPRIATELY APPRISED.

BT

#ØØ36

NNNN

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0-73 (Rev. 3-31-82)

Monday A
230/0004 E

004

MESSAGE RELAY VIA TELETYPE
(RESTRICTED USE)

Date: 8/17/86 PRECEDENCE: ☐ IMMEDIATE ☑ PRIORITY ☐ ROUTINE

FM: DIRECTOR, FBI

TO: Dep't. of Interior

FEDERAL GOVERNMENT

- ☐ White House/WH/
- ☐ Bureau of Alcohol Tobacco Firearms/BATF/
- ☐ Central Intelligence Agency/CIA/
- ☐ CIA DCD/DCD/
- ☐ Dept. of Energy HQS/DOEHQ/
- ☐ Dept. of Energy Germantown DIV/DOE/
- ☐ Dept. of Justice/DOJ/
- ☐ Dept. of State/DOS/
- ☐ Dept. of the Army/DA/
- ☐ Dept. of Treasury/DOT/
- ☐ Defense Intelligence Agency/DIA/
- ☐ Director National Security Agency/NSA/
- ☐ Director Naval Investigative Service/DIRNAVINSERV/
- ☐ Drug Enforcement Admin./DEA/
- ☐ FAA Washington HQ/FAA/
- ☐ HQ AFOSI Bolling AFBDC/AFOSI/
- ☐ INSCOM Ft. Meade/INSCOM/
- ☐ Nuclear Regulatory Commission/NRC/
- ☐ U.S. Customs Service/UCS/
- ☐ U.S. Immigration & Naturalization Service/INS/
- ☑ U.S. Secret Service/USSS/
- ☐ Other:

BT

Classification: UNCLAS EFTO

9-68722-6X1

Addressee Internal Distribution

For:

V127 9-69805-X

Subject:

2 SEP 15 1986

☑ See Attached

Approved By:	Originator:	Tele Ext.	Room/Div.:
	mb	2805	5027 / CID

FEDERAL BUREAU OF INVESTIGATION
COMMUNICATIONS CENTER
14 AUG 18 1986

FBI - Stevens-3333

D6 NOV 4

DO NOT FILE WITHOUT COMMUNICATIONS STAMP

FBI/DOJ

RECEIVED
AUG 1 8 1989
COMMUNICATIONS SERVICE
FEDERAL BUREAU OF INVESTIGATION

USE AND PREPARATION OF FORM 0-73

Restrictions on Use

1. Only incoming teletype messages within the categories listed in MIOG Section 1631.7 pages 1251 & 1252 may be prepared using form 0-73.

2. Use of Form 0-73 is restricted to incoming teletype messages received at FBIHQ Communications Center within the last 72 hours.

3. Addressees must be Bureau Offices (LEGAT/Field) or other Government Agencies. **Geographical location must be indicated if other Government Agency is located outside the Washington, D.C. area.**

4. Editing of message text is restricted to typed or printed changes of a word or two. Changes to the existing text involving more than a word or two will require the originator to initiate a new message using Form 0-93. Administrative data may be added immediately following the text and must be identical for all addressees.

5. Teletype meesages received by the Communications Center that do not meet the above criteria shall be returned to the originator for preparation using Form 0-93.

Preparation of 0-73 Form (Yellow)

1. **Date & Precedence** - Type or print date and indicate precedence by checking the appropriate box.

2. **Addressee(s)** - Type or print addressee(s) immediately following the "TO:" or place a check mark in the appropriate box. Note: When using block "Other," indicate geographical location if addressee(s) is located outside Washington, D.C. If addressee(s) is a military installation, the name of the base, fort, or station must be listed to ensure delivery.

3. **Classification** - Type or print the classification and if appropriate the caveat and warning notices.

4. **Addressee Internal Distribution** - Complete when the originator wishes the message to be distributed to a known entity within a Headquarters Agency (i.e. Division, Section, Unit, etc.). List the addressee(s) abbreviation and the internal distribution, i.e. a message to Dept. of State, Dept. of Justice, and Defense Intelligence Agency; list on the "For" line(s) as follows:
Example: For: DOS For SY/TAG; DOJ for Asst. AG Criminal Div.; DIA For DSOR.
Messages which do not list internal distribution shall be delivered to the agency headquarters where their analyst will effect in-house distribution.

5. **Subject** - Type or print the subject in the space provided or check "see attached" if subject is identical to attached message.

6. **Originator's Boxes** - Type or print the originator's name, telephone extension, room number, and division.

7. **Approved By Box** - Indicate approval for transmission by initialing the approved by box. Note: The person approving the message is solely responsible for assuring all necessary editing changes are accurate and are legible.

Preparation of Message To Be Transmitted

1. **Duplicate Copy & Notations** - Xerox 1 copy of the incoming teletype message. A notation shall be made on the original incoming teletype indicating one copy made for relay to SACS _____, (or LEGATS) _____, (or Government Agencies) _____.

2. **Editing of Duplicate Copy (Heading)** - Using a lead pencil ONLY draw single lines through the first and last lines of the message heading; connect these lines from top right to bottom left forming a "Z" figure. **(Do Not Obliterate the Heading)**

3. **Editing Changes to the Text** - (See Restrictions on Use, item 4)

4. **Administrative Data** - Type or print administrative data immediately following the text.

FEDERAL CONFIDENTIAL

FD-36 (Rev. 8-26-82)

FBI

TRANSMIT VIA:
- ☐ Teletype
- ☐ Facsimile
- ☒ AIRTEL

PRECEDENCE:
- ☐ Immediate
- ☐ Priority
- ☐ Routine

CLASSIFICATION:
- ☐ TOP SECRET
- ☐ SECRET
- ☐ CONFIDENTIAL
- ☐ UNCLAS E F T O
- ☐ UNCLAS

Date 8/20/86

TO: DIRECTOR, FBI
ATTENTION: PERSONAL CRIMES UNIT
QUESTIONED DOCUMENT UNIT

FROM: SAC, WASHINGTON FIELD (9A-NEW) (P) (C-4)

UNSUB;
Mr. FRANK DUNKLE,
DIRECTOR OF THE FISH AND
WILDLIFE SERVICE,
UNITED STATES DEPARTMENT OF
THE INTERIOR-VICTIM;
EXTORTION
(OO:LA)

60826051

USE CAUTION DUE TO SUBJECT'S MENTAL INSTABILITY.

Re WFO teletype to the Director, and Los Angeles, 8/15/86.

Enclosed for the Bureau are the following items:

(1) One page hand written letter, on unlined white paper, beginning, "DUNKLE".

(2) Envelope, addressed to FRANK DUNKLE, Director of the U.S. FISH AND WILDLIFE SERVICE, Washington, D.C. (WDC).

9-68722-6X2

NY-69805-1

6 - Bureau (Enc. 2)
(4 - Questioned Document Unit)
(2 - Personal Crimes Unit)
2 - Los Angeles (Enc. 2)
1 - Washington Field Office

6 SEP 2 1986

WTR:cdd
(9)

ORIGINAL
Copy & Specs Detached

INDEX FOR

Approved: _____ Transmitted _____ Per _____
(Number) (Time)

FBI - Stevens-3335

20 DEC 4 1986

APR 08 1987

For the information of the Bureau and Los Angeles Division, on 8/15/86, WFO received a cover letter from ROBERT A. SMOAK, Chief, Division of Enforcement and Security Management, Office of the Secretary, UNITED STATES DEPARTMENT OF THE INTERIOR, WDC, requesting the Bureau assistance in an anonymous threat letter mailed to the Director of the U.S. FISH AND WILDLIFE SERVICE.

The letter was postmarked 8/1/86, Marina Del Rey, California, and the text read as follows:

"DUNKLE: Montana white trash. You scum demand your rights to disermate what is left of this land, pave it, turn it into a desert.

Wildlife is a beauty that exists for its own sake. You a unick boy? Can't shoot anything else so you shoot at defenseless boy? Everyone knows the sexual confrontations of "hunter" boy. Your turn, gargabe.

A curse is on you and yours, you will know you asked for this."

REQUEST OF FBIHQ

QUESTIONED DOCUMENT UNIT

Compare enclosed letter with annonymous letter file and conduct laboratory examinations for water marks, indented writings, or any other physical characteristics deemed appropriate. Forward copy to [redacted] for psychological and demographic profiling of author and to determine validity of threat. b6 b7C

LATENT FINGERPRINT SECTION

Develop any latent prints for future comparison with known prints.

FORMS.TEXT HAS 1 DOCUMENT

INBOX.22 (#8216)

TEXT:

LA0031 234 0503Z

RR HQ
WF

RECEIVED
TELETYPE UNIT
23 AUG 86 21 52
FEDERAL BUREAU
OF INVESTIGATION

Exec. AD-Adm.
Exec. AD-Inv.
Exec. AD-LES
Asst. Dir.:
Adm. Servs.
Crim. Inv.
Ident.
Inspection
Intell.
Laboratory
Legal Coun.
Off. of Cong.
& Public Affs.
Rec. Mgmt.
Tech. Servs.
Training
Telephone Rm.
Director's Sec'y

E

DE LA

R 23 AUG 0503 86

FM LOS ANGELES (9A-8093)(C-1)(P)

TO DIRECTOR, FBI (ROUTINE)

WASHINGTON, FIELD (C-4)(ROUTINE)

BT

UNCLAS

ATTN: PERSONAL CRIMES UNIT

UNSUB; MR. FRANK DUNKLE, DIRECTOR OF THE FISH AND WILDLIFE SERVICE, U.S. DEPARTMENT OF THE INTERIOR - VICTIM; EXTORTION;

CO: LOS ANGELES.

RE WASHINGTON FIELD TELETYPE TO THE BUREAU DATED AUGUST 15, 1986.

CONTACT WAS MADE WITH THE MARINA DEL REY, CALIFORNIA POST OFFICE. THEY ADVISED THAT THERE IS NO WAY OF DETERMINING THE LOCATION FROM WHICH A LETTER HAS BEEN MAILED FROM A POSTMARK WITH THE DATE AND "MARINA DEL REY, CALIFORNIA" ON IT. THEY STATED THAT MAIL FROM MANY LOCATIONS IN WEST LOS ANGELES, CALIFORNIA IS SENT TO THE MARINA DEL REY, PROCESSING CENTER AND POSTMARKED "MARINA DEL REY".

9-68722-6X3

4 NOV 2 1986

FBI - Stevens-3337

105 APR 14 1987

UPON RECEIPT OF THE RESULTS OF THE EVIDENCE ANALYSIS FROM FBI LABORATORY, LOS ANGELES WILL DETERMINE THE APPROPRIATE COURSE OF ACTION TO TAKE IN THIS MATTER.

BT

#

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FD-36 (Rev. 8-26-82)

FBI

TRANSMIT VIA:
- ☐ Teletype
- ☐ Facsimile
- ☒ Airtel

PRECEDENCE:
- ☐ Immediate
- ☐ Priority
- ☐ Routine

CLASSIFICATION:
- ☐ TOP SECRET
- ☐ SECRET
- ☐ CONFIDENTIAL
- ☐ UNCLAS E F T O
- ☐ UNCLAS

Date 12-8-86

TO: DIRECTOR, FBI (ATTN: PERSONAL CRIME UNIT; QUESTION DOCUMENT UNITS) 9-68722

FROM: SAC, WASHINGTON FIELD OFFICE (9A-5488)(P)(C-4)

UNSUB; U.S. REPRESENTATIVE, JOHN D. DINGELL-VICTIM; EXTORTION; OO:LOS ANGELES

Re WFO teletype to Director, and Los Angeles Division, dated 11/17/86. CAUTION-Consider Emotionally Unstable.

61218065

Enclosed for the Bureau are the following items:

1. Anonymous one page hand-written letter beginning:

"DINGELL, a white trash hunter...":

2. Accompanying envelope, addressed to Congressman DINGELL, postmarked MARINA DEL REY, California, 10/29/86.

Enclosed for the Los Angeles Division are both the FD-302 pertaining to the acquisition of evidence and a copy of the anonymous threat letter and accompanying envelope.

V-147

6-Bureau (Enc. 2)
(4-Questioned Document Unit)
(2-Personal Crime Division)
2-Los Angeles
1-WFO

DE-275 9-68722

WTR:tmc
(9)

ORIGINAL Copy & Specs Detached

UNRECORDED COPY FILED IN 9-68722

Approved: _____ Transmitted _____ (Number) _____ (Time) Per _____

DEC 8 1986

SEARCHED

FBI - Stevens-3339

JAN 12 1987

Record: Place in 9-68722

INDEX-ECS

61 MAR 9

For the information of the Bureau, on 11/13/86, Detective [redacted] Threats Squad, Criminal Investigations Unit, United States Capitol Police, 331 1st Street, N.E., Room 607P, Washington, D.C., telephone number [redacted] provided the Washington Field Office (WFO) with the aforementioned enclosures, the text of which reads as follows: b6 b7C

"DINGELL, a white trash hunter. you a eunuch boy? Can't shoot anything else so you shoot at defenseless animals? Everyone knows the sexual connotations of "hunter" boy.

You scum are working to destroy our linkage with this earth and make yourselves more alien and aliens don't survive, boy.

The arid west-ditched, diked, drained, overgrazed, overplowed, poisoned, shot, trapped and on and on and on. It is all coming back to you. Your turn.

A curse is on you.

And yours.

You will know.

"You asked for this."

The anonymous letter was received at Congressman DINGELL's Capitol Hill office, 2221 Rayburn Office Building, Independence and South Capitol Street, S.W., Washington, D.C., telephone number (202) 225-4071.

For the information of the Bureau, on 11/7/86, the Office of Congressman ELDON RUDD, 2465 Rayburn House Office Building, was the recipient of an almost identical anoynomous letter, also postmarked MARINA DEL REY. This material is currently being forwarded to the FBI Laboratory.

Previous to that, on 8/15/86, Director FRANK DUNKLE, U.S. Fish and Wildlife Service, received an almost identical anonymous letter, postmarked MARINA DEL REY, California. The laboratory number of that incident was 60826051 D WN BF; the Latent Fingerprint Section, latent case number C-59265.

Bufile 9-69805

WFO 9A-5488

On 1/15/85, Senator TED STEVENS received an almost identical anonymous letter from MARINA DEL REY, California; on 1/16/85, Congressman DON YOUNG received yet another anonymous letter from MARINA DEL REY also believed to be authored by the same unknown individual. The lab numbers in these cases were 50124002 D WN and 50124005 D WN; the Latent Fingerprint Section's latent case number was C 43871.

9-68722

9-68722

REQUEST OF FBIHQ:

QUESTION DOCUMENT UNIT:

Compare enclosed letter with anonymous letter file and conduct laboratory examinations for water marks, indented writings or any other physical characteristics deemed appropriate. If appropriate, forward copy to Doctor MURRAY MIRON, for the psychological and demographic profiling of author and to determine the validity of threat.

LATENT FINGERPRINT SECTION:

Develop any latent prints for future comparison with known prints. Compare those developed prints with suitable latent prints on earlier referenced submitted items in an attempt to determine if the same individual has offered all the letters.

1 - [redacted]
1 - [redacted]

b6
b7C

AIRTEL

Routine 9/15/86

Director, FBI

SAC, Washington Field Office (C-4)

UNSUB;
MR. FRANK DUNKLE, Male
DIRECTOR OF THE FISH AND
WILDLIFE SERVICE, U.S.
UNITED STATES DEPARTMENT OF
THE INTERIOR-VICTIM;
EXTORTION

OO: Los Angeles

(Laboratory 60826051 D WN VF)

LABORATORY LINGUISTICS ANALYSIS

This is in reference to your airtel of 8/20/86 and will supplement the forthcoming Laboratory report wherein the submitted specimens are described and their disposition set forth.

A forensic linguistic examination was conducted on photocopies of Q1 and Q2 relative to this case. It was determined that Q1 and Q2 provide insufficient material, even when combined with the letters and envelopes in the Los Angeles case entitled, "UNSUB; SENATOR TED STEVENS - VICTIM; REPRESENTATIVE DON YOUNG - VICTIM; EXTORTION" (Bufile #9-68722), upon which to draw demographic and/or psychological profiles that might be helpful to the field offices. Accordingly, photocopies of these specimens are not being forwarded to the FBI's outside consultant for psycholinguistics examination.

MAILED 22
SEP 15 1986

9-68722-8
~~9-68805-3~~

OCT 14 1986

POP:srg (5) #86

Exec AD Adm.
Exec AD Inv.
Exec AD LES
Asst. Dir.:
Adm. Servs.
Crim. Inv.
Ident.
Insp.
Intell.
Lab.
Legal Coun.
Off. Cong. & Public Affs.
Rec. Mgmt.
Tech. Servs.
Training
Telephone Rm.
Director's Sec'y
MAIL ROOM

FEB 25 1987

APR 08 1987

FBI - Stevens-3342

(5-12-82)

RECORDED
8/28/86
lak#15

8/26/86

b6
b7C

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

Laboratory Work Sheet

To: SAC, Washington Field (C-4)

FBI FILE NO. 9-68722-8 ~~9-69805-2~~

LAB. NO. 60826051 D WN VF

YOUR NO.

Examination by:

Re: UNSUB;
Mr. FRANK DUNKLE,
DIRECTOR OF THE FISH AND
WILDLIFE SERVICE,
UNITED STATES DEPARTMENT OF
THE INTERIOR-VICTIM;
EXTORTION

OO: Los Angeles

Examination requested by: Addressee

Reference: Communication dated August 20, 1986

Examination requested: Document - Fingerprint

Specimens received: August 26, 1986

Specimens:

Q1 Envelope postmarked "MARINA DEL REY, CA 902 B1 PM 1 AUG 1986," bearing handwritten address "Frank H. Dunkle Chairman U.S. Fish & Wildlife Service Washington, D.C. 20242"

Q2 Accompanying one-page handwritten letter beginning "Montana white trash ..."

2 - Los Angeles

7-1b

REPORT of the

FEDERAL BUREAU OF INVESTIGATION
WASHINGTON, D. C. 20535

To: SAC, Washington Field (C-4) September 16, 1986

FBI FILE NO.

LAB. NO. 60826051 D WN VF

Re: UNSUB; Mr. FRANK DUNKLE, DIRECTOR OF THE FISH AND WILDLIFE SERVICE, UNITED STATES DEPARTMENT OF THE INTERIOR-VICTIM; EXTORTION

OO: Los Angeles

Examination requested by: Addressee

Reference: Communication dated August 20, 1986

Examination requested: Document - Fingerprint

Specimens received August 26, 1986

Specimens:

Q1 Envelope postmarked "MARINA DEL REY, CA 902 B1 PM 1 AUG 1986," bearing handwritten address "Frank H. Dunkle Chairman U.S. Fish & Wildlife Service Washington, D.C. 20242"

Q2 Accompanying one-page handwritten letter beginning "Montana white trash ..."

Result of examination: 9-68722

Through a search of the Anonymous Letter File, specimens Q1 and Q2 were associated with previously submitted specimens Q1 through Q4 in FBI file #9-68722, submitted by the Washington Field Office (WFO file #9A-530) in January, 1985.

Due to variations in the absence of known writing and because all the questioned writings are not sufficiently comparable, a definite conclusion was not reached whether Q1 and Q2 and previously submitted Q1 through Q4 (FBI file #9-68722) were written by the same person. However,

Enclosure

2 - Los Angeles

6 SEP 22 1986

FBI - Stevens-3344

Page 1 (over)

dsd #20 (7)

MAILED 22 SEP 17 1986 FBI

FBI/DOJ

significant similarities in handwriting characteristics were observed between these writings indicating they were probably written by the same person.

The 22¢ postage stamp on Q1 was removed from a coil of stamps.

Limited indented writing of undetermined value was observed on Q2. A photocopy of this writing is enclosed.

No watermarks or other physical characteristics were observed on Q1 or Q2 which would further assist in determining their immediate origin.

The results of the requested psycholinguistics examination, the latent fingerprint examination and the disposition of the submitted evidence will be the subject of separate reports. Photographs are retained.

FBI - Stevens-3345

Notes

60826051 D WN VF
TO: WFO (9A-New) (C-4)

9/10/86

CC - Los Angeles

Request:
- Search ALF
- ~~Do M's & indent. w'tng~~

Result of exam.

Through a search of the ALF, Specs Q1 & 2 were associated with prev. submitted specs Q1-Q4 in FBI File # 9-68722, submitted by WFO (WFO File # 9A-530) in January, 1985.

Due to variations in the absence of known writings & because all the G'lions w'tings are not sufficient comp, a def conclu was not reached, whether Q1 & Q2 & prev. submitted Q1-Q4 (FBI File # 9-68722) were written by the same person. However, sign sim's in hw. characteristics were observed between these writings indicating they were probably written by the same person.

The 22 cents postage stamp on Q1 was removed from a coil of stamps.

Ink indented w'tng of evidentiary value was observed on Q2. A photocopy of this writing is attached.

No w m's or other physical characteristics were observed on Q1 & Q2 which would further assist in determining their immediate origin.

Psycholinguistic exam &

The results of the requested LFP exam & the despos. of the submitted would well be the subj of sep. rpts. Photos are returned.

Physical Characteristics:

Q1 - White envelope 6.49 x 3.61 x .0046
Blue plaid design inside
22¢ stamp from sidewise cal
No watermark or indented writing

Q2 - White paper 6.00 x 8.92 x .0034
No watermark
Limited indented writing at top of page
(Not able to read - see ESDA results)

7-6 (Rev. 1-13-82)

Examiner's Name _____ Date 8/28/86 Lab # 60826051 b6 b7C

Recognition Section:

1.	10.	19.	28.
2.	11.	20.	29.
3.	12.	21.	30.
4.	13.	22.	31.
5.	14.	23.	32.
6.	15.	24.	33.
7.	16.	25.	34.
8.	17.	26.	35.
9.	18.	27.	36.

National Fraudulent Check File

Date Searched	Date Added	
		Signature Section
		Company Name File
		Checkwriter Section - Classified as _____
		Gimmick Section
		Master Check Section
		Counterfeit Travelers Checks
		Counterfeit Money Orders
		Counterfeit Checks
		Altered Travelers Checks
		Altered Money Orders
		Raised Bank Checks
		Checks prepared with False "Certified" Impressions
		Checks prepared with Press-On Letters

Stolen Money Orders & Travelers Checks Section:

Travelers Checks - Type	# From	To #

Money Orders - Type

Photographed: _____

Date: _____

Roll #: _____

CT# 107114 (Q1-2)

CT# (50124005) 107117

FBI - Stevens-3350

FBI/DOJ

Evidence Files Searched

	Section(s) Searched	Date Searched	Section(s) Added	Date Added
Art				
Bank Robbery Note File				
Motor Vehicle Title				
✓ Anonymous Letter File:	Group III	8/28/86	Same	10/1/86

Motive Hate

Typewriter Information: 9-68722 called

State(s) CA & surrounding states to DC

VIP (No Folder)

Bombing

Other

Standards Files Searched

	Date Searched
Tire Tread	
Shoe Print	
Typewriter	
Watermark	
Office Copier	
Safety Paper	
Computer Print Out	

Remarks:

WTR
11/12/86

DEL REY, CA 902 9A
PM
4 NOV
1986

NOV 7 1986

USA 22

Rep. Dalon Rudd R-Ag.
c/o The House of Representatives
Washington D.C.
20515

personal
please forward

61205006 D WN Q5 ~~Q1~~

FBI
LABORATORY

FBI - Stevens-3352

MARINA DEL REY, CA 902
PM
1 AUG
1986

USA
22

Frank H. Dunkle
Chairman
U.S. Fish & Wildlife Service
Washington, D.C.
20242

personal
please forward

UTR
9/15/86

60826051 D WN Q1

FBI - Stevens-3353

Dunkle:

Montana white trash.
You scum demand your rights
to decimate what is left of
this land, pave it, turn it
into a desert.

Wildlife is a beauty that
exists for its own sake. You
a cunuch boy? Can't shoot
anything else so you shoot at
defenseless animals boy? Every-
one knows the sexual conno-
tations of "huntin" boy. Your
turn, gar bage.

— a curse is on you
& yours
you will know
you asked for this

W.W.

95/5/80
WTR

FBI - Stevens 3354

60826051 D WN Q2

WR
11/13/86

MARINA DEL REY, CA 90294
PM
29 OCT
1986

USA 22

John Dingell
Representative, Michigan
c/o The House of Representatives
Washington, D.C.
20515

FBI - Stevens-3355

Personal
please forward

Dwight:

a white trash hunter. You a eunuch boy? Can't shoot anything else so you shoot at defenseless animals? Everyone knows the sexual connotations of "hunting" boy.

You scum are working to destroy our linkage with this earth and make yourselves more alien and aliens don't survive, boy.

The evil west - ditched, diked, drained, over grazed, over-plowed, poisoned, shot, trapped + on + on + on. It is all coming back to you. Your turn

- a curse is on you
+ yours

you will know
you asked for this

OTP 11/13/86

FBI - Stevens-3356

61218065 D WN Q8
FBI LABORATORY

Rudd:

"Hunter Harassment Act"?

you like to shoot at, maim, mutilate, kill defenseless animals? You a eunuch, boy? Can't shoot anything else, boy? Everyone knows the sexual connotations of "hunter" boy. You white trash are 'jest too stupid' to do anything else with your time.

Your turn boy—

— a curse is "on" you & yours

you will know you asked for this

WTR
11/12/86

FBI - Stevens-3357

61205006 D WN
FBI
LABORATORY

605006 WN 9-68722

Q5-Q6
(photo'd as Q1 and Q2)

60826051 WN 9-69805

9-68722 61218065 WN

Q7-Q8

1-336 (Rev. 10-26-79)

FEDERAL BUREAU OF INVESTIGATION

Washington, D. C. 20537

REPORT

of the

LATENT FINGERPRINT SECTION
IDENTIFICATION DIVISION

YOUR FILE NO.
FBI FILE NO.
LATENT CASE NO. C-59265

10/7/86

TO: SAC, WFO

RE: UNSUB;
MR. FRANK DUNKLE,
DIRECTOR OF THE FISH AND
WILDLIFE SERVICE,
U. S. DEPARTMENT OF
THE INTERIOR - VICTIM;
EXTORTION

REFERENCE: Airtel 8/20/86
EXAMINATION REQUESTED BY: WFO
SPECIMENS: Envelope, ~~Q1~~ Q1
Letter, Q2 Q2

The Q specimens are further described in a separate Laboratory report.

The specimens were examined and one latent fingerprint and two latent palm prints of value were developed on Q2.

The specimens are enclosed.

Enc. (2)

2 - Los Angeles

TJC:hne (6)

9-68728-9X

MAILED 19
OCT 6 1986
FBI

2 NOV 4 1986

FBI - Stevens-3359

108 APR 28 1987
MAIL ROOM

THIS REPORT IS FURNISHED FOR OFFICIAL USE ONLY

-2 (5-12-82)

RECORDED
8/28/86
lak#15

8/26/86

b6
b7C

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

Laboratory Work Sheet

Recorded 9/12/86 jcc Received 9/11/86

To: SAC, Washington Field (9-NEW) (P) (C-4)

FBI FILE NO. 9-68722-9X

LAB. NO. 60826051 D WN VF

YOUR NO. LC#C-59265

Re: UNSUB;
Mr. FRANK DUNKLE,
DIRECTOR OF THE FISH AND
WILDLIFE SERVICE,
UNITED STATES DEPARTMENT OF
THE INTERIOR-VICTIM;
EXTORTION

Examination by: Conge

Noted By: Hyde

OO: Los Angeles

Examination requested by: Addressee

Reference: Airtel dated August 20, 1986

Examination requested: Document - Fingerprint

Specimens received: August 26, 1986

Specimens:

Q1 Envelope postmarked "MARINA DEL REY, CA 902 B1 PM 1 AUG 1986," bearing handwritten address "Frank H. Dunkle Chairman U.S. Fish & Wildlife Service Washington, D.C. 20242"

Q2 Accompanying one-page handwritten letter beginning "Dunkle: "Montana white trash ..."

2 - Los Angeles

9/16/86 -
Specs exam'd laser - No lats val
Specs pro N
9/30/86 -
Q2 ~~to photo~~ N
10/1/86 -
1 lat fgpt + 2 lat pps val dw N - Q2
Specs ret'd enc
Enc (2)

FBI - Stevens-3360

Examination Completed 10:30 am Time 10/1/86 Date Dictated 10/1/86 Date

FBI/DOJ

FD-36 (Rev. 8-26-82)

FBI

TRANSMIT VIA:
- ☐ Teletype
- ☐ Facsimile
- ☒ Airtel

PRECEDENCE:
- ☐ Immediate
- ☐ Priority
- ☐ Routine

CLASSIFICATION:
- ☐ TOP SECRET
- ☐ SECRET
- ☐ CONFIDENTIAL
- ☐ UNCLAS E F T O
- ☐ UNCLAS

Date 12/01/86

TO: DIRECTOR, FBI
(ATTN: PERSONAL CRIMES UNIT; QUESTIONED DOCUMENT UNIT)

FROM: SAC, WASHINGTON FIELD OFFICE (9A-5487) (P) (C-4)

Re: Don Young - Victim

UNSUB;
U.S. REPRESENTATIVE ELDON RUDD - VICTIM;
EXTORTION; VIO
OO:LA

61205006

RE: WFO teletype to Director and Los Angeles Division, dated 11/17/86.

CAUTION: CONSIDER EMOTIONALLY UNSTABLE

Enclosed for the Bureau are the following items:

1. Anonymous one page handwritten letter, beginning:

"Rudd:

Hunter Harassment Act?";

9-68722-10

2. Accompanying envelope, addressed to Representative ELDON RUDD, Washington, D.C., postmarked Marina Del Rey, California, 11/4/86.

DE-167

Enclosed for the Los Angeles Division are both the original FD-302 pertaining to the acquisition of the evidence and a copy of the anonymous threat letter and the accompanying envelope.

6-Bureau (Enclosures 2)
(4-Questioned Document Unit)
(2-Personal Crimes Unit)
2-Los Angeles (Enclosures 3)
1-WFO

WTR:kam
(9)

DEC 11 1986

ORIGINAL
Copy & Specs Detached

Approved: _____ Transmitted _____ Per _____
(Number) (Time)

Consolidation: Place in 9-68722

FBI - Stevens-3361

INDEXED
RLS

MAR 23 1987

WFO 9A-5487

b6
b7C

For the information of the Bureau, on 11/12/86, [redacted] Administrative Aid to U.S. Representative ELDON RUDD, 2465 Rayburn House Office Building, Independence and South Capitol Street, S.W., Washington, D.C., telephone number (202) 225-3361, provided the Washington Field Office (WFO) with the aforementioned enclosure, the text of which reads as follows:

"Rudd:

Hunter Harassment Act"?

You like to shoot at, maim, mutilate, kill defenseless animals? You eunuch, boy? Can't shoot anything else, boy? Everyone knows the sexual connotation of "hunter" boy. You white trash are "jest too stupid" to do anything else with your time.

Your turn boy -

- a curse is on you

and yours

you will know

you asked for this."

NRICC

For the information of the Bureau, on October 30, 1986, an almost identical anonymous letter, also postmarked Marina Del Rey, California, was received at the Office of U.S. Representative JOHN D. DINGELL, 2221 Rayburn House Office Building; the WFO case number is 9A-5488 and the items in that investigation are also currently being forwarded to the lab.

Bufile 9-69805

Previously, Director FRANK DUNKLE, Director of the U.S. FISH AND WILDLIFE SERVICE, received an almost identical anonymous letter, postmarked Marina Del Rey, on August 15, 1986. The FBI Laboratory number in that examination is 60826051 D WN VF; the Latent Fingerprint Section, latent case number for that incident is C-59265.

On January 15, 1985, Senator TED STEVENS received an almost identical anonymous letter postmarked Marina Del Rey; on January 16, 1985, U.S. Representative DON YOUNG received an almost identical anonymous letter postmarked Marina Del Rey, California. The lab numbers for the last two cases are 50124002 D WN and 50124005 D WN; the Latent Finger Print Section, latent case number is C-43871.

Bufile 9-68722

Bufile 9-68765

REQUEST OF FBIHQ:

QUESTIONED DOCUMENT UNIT:

Compare enclosed letter with anonymous letter file and conduct laboratory examinations for water marks, indented writings or any other physical characteristics deemed appropriate. If appropriate, forward copy to [redacted] for the psychological and demographic profiling of author and determine validity of threat.

b6
b7C

LATENT FINGERPRINT SECTION:

Develop any latent prints for future comparison with known prints. If suitable latent prints are developed, compare with those prints submitted on earlier related items in an attempt to determine if all letters may have been written by the same individual.

7-1b

REPORT of the

1 - [redacted] b6 b7C

FEDERAL BUREAU OF INVESTIGATION
WASHINGTON, D. C. 20535

To: SAC, Washington Field Office (9A-5487)(C-4) January 16, 1987

FBI FILE NO. 9-68722

LAB. NO. 61205006 D WN
61218065 D WN

Re: UNSUB;
U.S. REPRESENTATIVE ELDON RUDD -
VICTIM;
EXTORTION

OO: Los Angeles

Examination requested by: Addressee

Reference: Communication dated December 1, 1986

Examination requested: Document - Fingerprint

Specimens received December 5, 1986

Specimens received December 5, 1986, under cover of communication dated December 1, 1986 (61205006 D WN):

Q5 Envelope postmarked "MARINA DEL RAY, CA 9026A PM 4 NOV 1986," bearing handwritten address "Rep. Eldon Rudd R-Az. c/o The House of Representatives Washington D. C. 20515"

Q6 Accompanying one-page handwritten letter beginning "'Hunter Harassment Act'? ..."

Specimens received December 18, 1986, under cover of communication dated December 8, 1986 (61218065 D WN):

Q7 Envelope postmarked "MARINA DEL REY, CA 902 8A PM 29 OCT 1986" bearing handwritten address "John Dingell Representative, Michigan c/o the House of Representatives Washington, D.C. 20515"

Q8 Accompanying one-page handwritten letter beginning "A white trash hunter ..."

ALSO SUBMITTED:

Sheet of paper

2 - Los Angeles

MAILED 22 JAN 16 1987 FBI

9-68722-11 MAR 11 1987

Page 1 (over)

klj#68 (6) FBI - Stevens-3364

b6 b7C [redacted] 3372

FBI/DOJ

MAIL ROOM MAR 23 1987

Result of examination:

Specimens Q5 through Q8 were associated with previously submitted Q1 through Q4; and previously submitted Q1 and Q2, FBI file #9-69805, which are redesignated Q9 and Q10 and consolidated with this file.

Due to variations, in the absence of known writing, and because all the questioned writings on Q1 through Q10 are not sufficiently comparable, a definite conclusion was not reached whether all of these writings were written by the same person. However, significant similarities in handwriting characteristics were observed between these writings indicating they were probably written by the same person.

The 22 cents postage stamps on Q5 and Q7 were removed from a coil or coils of stamps.

Limited indented writing of undetermined value was observed on Q8. No indented writing was observed on Q5 through Q7.

No watermarks or other physical characteristics were observed on Q5 through Q8 which would further assist in determining their immediate origin.

The results of the requested latent fingerprint examination and the disposition of the submitted evidence will be the subject of a separate report. Photographs are retained by the Laboratory.

FBI - Stevens-3365

7-2 (5-12-82)

b6
b7C

RECORDED
12/10/86
klj#68

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

12/5/86

Laboratory Work Sheet

To: SAC, WASHINGTON FIELD OFFICE (9A-5487)(C-4)

FBI FILE NO. 9-68722-11

LAB. NO. 61205006 D WN

YOUR NO.

Re: UNSUB;
U.S. REPRESENTATIVE ELDON RUDD -
VICTIM;
EXTORTION

Examination b

OO: Los Angeles

Examination requested by: Addressee

Reference: Communication dated December 1, 1986

Examination requested: Document - Fingerprint

Specimens received: December 5, 1986

Specimens:

Q5
~~Q1~~ Envelope postmarked "MARINA DEL RAY, CA 9026A PM 4 NOV 1986," bearing handwritten address "Rep. Eldon Rudd R-Az. c/o The House of Representatives Washington D. C. 20515"

Q6
~~Q2~~ Accompanying one-page handwritten letter beginning "'Hunter Harassment Act'? ..."

See attached Note

2 - Los Angeles

7-16
1/16/87
CLH:klj#68

FBI - Stevens-3366
CT # 108671

FBI/DOJ

Notes

61205006 D WN
61218065 D WN

1/13/87

TO: SAC WFO (9A-5487) (C-4)

LC — Los Angeles

Result of exam:

Specs Q5 - Q8 were associated with previously submitted Q1 — Q4; and previously submitted Q1 + Q2, FBI File #9-69805, which have been redesignated as Q9 and Q10 and consolidated with the file.

Due to variations in the absence of known writing, and because all the questioned writings on Q1 — Q10 are not suff. comp., a definite conclusion was not reached whether all these writings were written by the same person. However, sign similar characteristics were observed between these writings, indicating they were probably written by the same person.

Distinct indelible writing of undetermined value was observed on Q8. No indelible writing was observed on Q5 - Q7.

No watermarks or other physical characteristics were observed on Q5 — Q8 which would further assist in determining their immediate origin.

The 22 cents postage stamps on Q5 + Q7 were removed from a cover or envelope.

The results of the requested LFP exams + the disposition of the submitted evidence will be the subject of a sep. rpt. Photos are returned by the laboratory.

7-6 (Rev. 1-13-82)

Examiner's Name _____ Date 12/30/86 Lab # 61205006 b6 b7C

Recognition Section:

1.	10.	19.	28.
2.	11.	20.	29.
3.	12.	21.	30.
4.	13.	22.	31.
5.	14.	23.	32.
6.	15.	24.	33.
7.	16.	25.	34.
8.	17.	26.	35.
9.	18.	27.	36.

National Fraudulent Check File

Date Searched	Date Added	
		Signature Section
		Company Name File
		Checkwriter Section - Classified as _____
		Gimmick Section
		Master Check Section
		Counterfeit Travelers Checks
		Counterfeit Money Orders
		Counterfeit Checks
		Altered Travelers Checks
		Altered Money Orders
		Raised Bank Checks
		Checks prepared with False "Certified" Impressions
		Checks prepared with Press-On Letters

Stolen Money Orders & Travelers Checks Section:

Travelers Checks - Type	# From	To #

Money Orders - Type

Photographed: _____

Date: _____

Roll #: _____

FBI - Stevens-3368

FBI/DOJ

Evidence Files Searched

	Section(s) Searched	Date Searched	Section(s) Added	Date Added
Art				
Bank Robbery Note File				
Motive Vehicle Title				
Anonymous Letter File:				

Motive _____ **Typewriter Information:**

State(s) _____

✓ VIP Elden Rudd folder

Bombing _____

Other _____

Standards Files Searched

	Date Searched
Tire Tread	
Shoe Print	
Typewriter	
Watermark	
Office Copier	
Safety Paper	
Computer Print Out	

Remarks: _____

Not searched in ALF-ident with 9-69805 and 9-68722 previously added (Photo to be added to file)

Physical Characteristics:

Q5 - White envelope - blue plaid design inside
No watermark or indented writing
22¢ stamp from coil
6.47 x 3.64 x .0047

Q6 - White paper
No watermark or indented writing
5.97 x 8.98 x .0029

7-2 (5-12-82)

RECORDED
12/30/86
vr #25

3,1

12/18/86 [redacted]

b6
b7C

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

Laboratory Work Sheet

To: SAC, Washington Field Office (9A-5488) (C-4)

FBI FILE NO. 9-68722 11

LAB. NO. 61218065 D WN

Re: UNSUB; U.S. REPRESENTATIVE, JOHN D. DINGELL-VICTIM; EXTORTION

YOUR NO.

OO: Los Angeles

Examination by: [redacted]

Dect 1/13/87

Examination requested by: Addressee

Reference: Communication dated December 8, 1986

Examination requested: Document - Fingerprint

Specimens received: December 18, 1986

Specimens:

Q7 Envelope postmarked "MARINA DEL REY, CA 902 8A PM 29 OCT 1986" bearing handwritten address "John Dingell Representative, Michigan c/o The House of Representatives Washington, D.C. 20515"

Q8 Accompanying one-page handwritten letter beginning "A white trash hunter ..."

ALSO SUBMITTED:

Sheet of paper

See Notes attached to Lab # 61205006 D WN

7-16
1/16/87
CLH:KLJ #68

(No VIP folder on Dingell)

FBI - Stevens-3371

FBI/DOJ

Physical Characteristics:

Q7 - white envelope
No watermarks or indented writing
Blue-plain design inside envelope

Q8 - White paper
No watermark
5.97 x 8.94 x .0028
Indented writing top of page - unable to read and no results with ESDA

ALSO SUBMITTED: White paper
No watermark
5.98 X 8.98 X .0028
Indented writing - appears to be same text as Q8 (no results with ESDA)

RECEIVED
TELETYPE
UNIT
20 Nov 86 03 32

F B I
DEPT OF JUSTICE

FORMS.TEXT HAS 1 DOCUMENT

INBOX.35 (#11284)

TEXT:
VZCZCWF042

PP HQ LA

DE WF042 323 2306

ZNR UUUUU

P 192306Z NOV 86

FM FBI, WASHINGTON FIELD (9A-5487) (P) (C-4)

TO DIRECTOR, FBI PRIORITY

FBI, LOS ANGELES PRIORITY

BT

UNCLAS

ATTENTION: PERSONAL CRIMES UNIT

UNSUB; U.S. REPRESENTATIVE ELDON RUDD-VICTIM; EXTORTION; ØØ:LOS ANGELES.

CAUTION: CONSIDER EMOTIONALLY UNSTABLE.

FOR THE INFORMATION OF THE BUREAU, AND LOS ANGELES DIVISION, ON NOVEMER 12, 1986, [redacted], ADMINISTRATIVE AID TO CONGRESSMAN ELDON RUDD, 2465 LONGWORTH BUILDING, WASHINGTON, D.C. (WDC), TELEPHONE NUMBER (202) 225-3361, PROVIDED THE WASHINGTON FIELD OFFICE (WFO) WITH AN ORIGINAL LETTER, RECEIVED AT CONGRESSMAN RUDD'S

UNCLAS

b6
b7C

FBI - Stevens-3373

CAPITOL HILL OFFICE, WHICH READ:

"RUDD:

"HUNTER HARASSMENT ACT?

YOU LIKE TO SHOOT AT MAIM, MULITATE, KILL DEFENSELESS ANIMALS? YOU A EUNUCH BOY? CAN'T SHOOT ANYTHING ELSE, BOY? EVERYONE KNOWS THE SEXUAL CONNOTATIONS OF "HUNTER" BOY. YOU WHITE TRASH ARE "JEST TOO STUPID" TO DO ANYTHING ELSE WITH YOUR TIME.

YOUR TURN BOY-A CURSE IS ON YOU AND YOURS.

YOU WILL KNOW.

YOU HAVE ASKED FOR THIS."

THE LETTER IS POSTMARKED MARINA DEL REY, CALIFORNIA, NOVEMBER 4, 1986.

THE LETTER AND ACCOMPANYING ENVELOPE WERE BOTH INITIALED, DATED AND SEALED AS EVIDENCE FOR TRANSMITTAL TO THE FBI LABORATORY FOR EXAMINATION FOR INDENTED WRITING, PROCESSING FOR LATENT PRINTS, AND PSYCHOLINGUISTIC PROFILING OF AUTHOR.

ON NOVEMBER 12, 1986, DETECTIVE [redacted], THREAT

b6
b7C

SQUAD, CRIMINAL INVESTIGATIONS UNIT, UNITED STATES CAPITOL POLICE, 331 FIRST STREET, N.E., WDC, ROOM 607P, TELEPHONE NUMBER [redacted], WAS APPRISED OF THE RECEIPT OF THE LETTER AND WAS PROVIDED WITH A COPY OF THE ANONYMOUS LETTER AND ENVELOPE.

ON NOVEMBER 17, 1986, SPECIAL AGENT (SA) [redacted], PROTECTIVE INTELLIGENCE SQUAD, UNTED STATES SECRE SERVICE (USSS), 1050 CONNECTICUT AVENUE, N.W., SUITE 1000, WDC, TELEPHONE NUMBER [redacted] WAS APPRISED OF THE RECEIPT THE ANONYMOUS WRITTEN THREAT AGAINST CONGRESSMAN RUDD. SA [redacted] WAS REQUESTED TO RUN THE PHRASING OF THE ANONYMOUS THREAT THROUGHT THE U.S. SECRET SERVICE'S [redacted]

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WFO INDICES REFLECT THT NEARLY IDENTICAL ANONYMOUS LETTERS,LL POSTMARKED MAINA DEL REY, CALIFORNIA, WERE RECEIVED BY SENATOR TED STEVENS (JANUARY 15, 1985), CONGRESSMAN DON YOUNG (JANUARY 16, 1985), DIRECTOR FRANK

DUNKLE, UNITED STATES FISH AND WILDLIFE SERVICE (AUGUST 15, 1986) AND CONGRESSMAN JOHN DINGLE (OCTOBER 30, 1986).

TO DATE, THE AUTHOR OF THE LETTERS HAS NOT BEEN IDENTIFIED; HOWEVER, LATENT FINGERPRINTS SUITABLE FOR COMPARISON HAVE BEEN DEVELOPED BY THE FBI LABRATORY DIVISION.

LEADS. LO ANGELES DIVISION. AT MARINA DEL REY, CALIFORNIA.

CONDUCT LOGICAL EXTORTION INVESTIGATION AND ADVISE WFO OF RESULTS IN ORDER THAT USCP MIGHT BE APPROPRIATELY APPRISED.

UNCLAS

BT

#0042

NNNN

-->

FORMS.TEXT HAS 1 DOCUMENT

INBOX.24 (#10368)

TEXT:
VZCZCWF029

PP HQ LA

DE WF029 321 0344

ZNR UUUUU

P 170344Z NOV 86

FM WASHINGTON FIELD (9A-5488) (P) (C-4)

TO DIRECTOR FBI PRIORITY

ATTENTION: PERSONAL CRIMES UNIT

FBI LOS ANGELES PRIORITY

BT

UNCLAS

UNSUB; UNITED STATES REPRESENTATIVE JOHN D. DINGELL - VICTIM;
EXTORTION; OO:LOS ANGELES.

FOR THE INFORMATION OF THE BUREAU AND LOS ANGELES DIVISION, ON NOVEMBER 13, 1986, DETECTIVE [redacted], THREATS SQUAD, CRIMINAL INVESTIGATIONS UNIT, UNITED STATES CAPITOL POLICE, 331 FIRST STREET, N. E., ROOM 607P, WASHINGTON, D. C. TELEPHONE [redacted] ADVISED WASHINGTON FIELD OF THE FOLLOWING INFORMATION:

ON OCTOBER 31, 1986, [redacted] FOR CONGRESSMAN JOHN DINGELL, 2221 RAYBURN HOUSE OFFICE BUILDING, CONSIDER EMOTIONALLY UNSTABEE

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WASHINGTON, D. C., TELEPHONE (202) 225-4071, ADVISED THE UNITED STATES CAPITOL POLICE THAT THEIR CAPITOL HILL OFFICE HAD RECEIVED AN ANONYMOUS LETTER, POSTMARKED, "MARINA DEL REY, CALIFORNIA, 10/29/86." THE TEXT OF THE LETTER READ AS FOLLOWS:

"DINGELL:

"A WHITE TRASH HUNTER. YOU A EUNUCH BOY? CAN'T SHOOT ANYTHING ELSE, SO YOU SHOOT AT DEFENSELESS ANIMALS. EVERYONE (UNDERLINED) KNOWS (UNDERLINED) THE SEXUAL CONNOTATIONS OF 'HUNTER' BOY.

"YOU SCUM ARE WORKING TO DESTROY OUR LINKAGE WITH THE EARTH AND MAKE YOURSELVES MORE ALIEN AND ALIENS DON'T SURVIVE, BOY.

"THE ARID WEST-DITCHED, DIKED, DRAINED, OVER-GRAZED, OVER-CLOUD, POISONED, SHOT, TRAPPED, AND ON AND ON AND ON. IT IS ALL COMING BACK TO YOU. YOUR TURN.

"-CURSE IS (UNDERLINED) ON YOU AND YOURS.

"YOU WILL (UNDERLINED) KNOW YOU ASKED FOR THIS."

THE LETTERAND ACCOMPANYING ENVELOPE WERE BOTH INITIALED, DATED AND SEALED AS EVIDENCE FOR TRANSMITTAL TO THE FEDERAL

BUREAU OF INVESTIGATION (FBI) LABORATORY FOR EXAMINATION FOR INDENTED WRITING, LATENT PRINTS, AND PSYCHO-LINGUISTIC PROFILING OF AUTHOR.

ON NOVEMBER 17, 1986, SA [redacted] PROTECTIVE INTELLIGENCE SQUAD, UNITED STATES SECRET SERVICE (USSS), 1050 CONNECTICUT AVENUE, N. W., SUITE 1000, WASHINGTON, D. C., TELEPHONE [redacted] WAS ADVISED OF THE RECEIPT OF THE LETTER. SA [redacted] RAN THE PHRASIOLOGY THROUGH THEIR COMPUTERIZED MASCOT SYSTEM-A STORAGE BANK WHERE [redacted] -WITH NEGATIVE RESULTS.

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FOR THE INFORMATION OF THE BUREAU AND LOS ANGELES, CONGRESSMAN ELDENRUD REPORTED A RECEIPT OF AN ALMOST IDENTICAL LETTER ON NOVEMBER 7, 1986.

FURTHERMORE, WASHINGTON FIELD INDICES REFLECT THAT ALMOST IDENTICAL ANONYMOUS LETTERSWERE RECEIVED BYDIRECTOR FRANK DUNKLE, UNITED STATES FISH AND WILDLIFE SERVICE (AUGUST 15, 1986); SENATOR TED STEPHENS (JANUARY 15, 1985); AND CONGRESSMAN DON YOUNG (JANUARY 16, 1985).

LEADS: LOS ANGELES DIVISION: AT MARINA DEL REY, CALIFORNIA:

CONDUCT LOGICAL EXTORTION INVESTIGATION AND ADVISE WASHINGTON

FOUR DE WF 0029 UNCLAS

FIELD OF RESULTS, IN ORDER THE UNITED STATES CAPITOL POLICE MAY BE APPROPRIATELY APPRISED.

CONSIDER EMOTIONALLY UNSTABLE.

BT

#0029

NNNN

FORMS.TEXT HAS 1 DOCUMENT

INBOX.23 (#9475)

TEXT:

LA0030 343 0456Z

RR HQ WF

DE LA 030

R 09 0456Z DEC 86

FM LOS ANGELES (9A-8136) (C-1) (RUC)

TO DIRECTOR (INFO) ROUTINE

WASHINGTON FIELD (C-4) ROUTINE

BT

UNCLAS

ATTN: PERSONAL CRIMES UNIT

UNSUB, UNITED STATES REPRESENTATIVE JOHN D. DINGELL - VICTIM; EXTORTION, OO: LOS ANGELES (9A-8134) (WASHINGTON FIELD FILE NUMBER 9A-5488)

UNSUB; U.S. REPRESENTATIVE ELDON RUDD - VICTIM; EXTORTION, OO: LOS ANGELES, (LOS ANGELES 9A-8136) (WASHINGTON FIELD 9A-5487).

9-68722-13

RE WASHINGTON FIELD TELETYPES TO DIRECTOR DATED NOVEMBER 17 AND 19, 1986.

FOR THE INFORMATION OF WASHINGTON FIELD THE POSTMARK MARINA DEL REY, CALIFORNIA IS A POSTAL CLEARING CENTER FOR WESTERN LOS ANGELES AND WESTERN LOS ANGELES SUBURBS. IT IS IMPOSSIBLE TO DETERMINE WHERE LETTERS WERE MAILED FROM AS IT IS MERELY A POSTAL CANCELLATION STATION.

LOS ANGELES UNABLE TO LOCATE ANYTHING IDENTICAL WITH CAPTIONED PHRASEOLOGY.

9-68722-13X

CAUTION CONSIDER EMOTIONALLY UNSTABLE.

BT

#

RECEIVED TELETYPE UNIT 10 DEC 86 11 24 FEDERAL BUREAU OF INVESTIGATION

FEB 2 1987

58 NOV 17 1987

FBI - Stevens-3381

RECEIVED
TELETYPE
UNIT

FORMS.TEXT HAS 1 DOCUMENT

13 DEC 86 21 43

INBOX.33 (#11453)

TEXT: VZCZCWFO 031

FBI
U.S. DEPT. OF JUSTICE

RR HQ LA

DE WF 031 3460417

ZNR UUUUU

R 120347Z DEC 86

FM WASHINGTON FIELD (9A-5444) (P) (C-4)

TO DIRECTOR FBI ROUTINE

ATTENTION: PERSONAL CRIMES UNIT; LATENT FINGERPRINT SECTION

FBI LOS ANGELES ROUTINE

BT

UNCLAS

UNSUB; MR. FRANK DUNKLE, DIRECTOR OF THE FISH AND WILDLIFE SERVICE, UNITED STATES DEPARTMENT OF THE INTERIOR - VICTIM; EXTORTION; OO:LOS ANGELES.

RE LATENT FINGERPRINT SECTION REPORT, NUMBER C-59265, TO LOS ANGELES, DATED OCTOBER 7, 1986.

REFERENCED LATENT FINGERPRINT SECTION REPORT INDICATES THAT ONE LATENT FINGERPRINT AND TWO LATENT PALM PRINTS OF VALUE WERE DEVELOPED ON THE ANONYMOUS LETTER TO CAPTIONED

USE CAUTION DUE TO PERSON'S MENTAL INSTABILITY

9-68722

FEB 23 1987

11 MAY 13 1987

1-5042

9-69805

FBI - Stevens-3382

ANSd. 1-7-87 TJC:geb

DIRECTOR FRANK DUNKLE. LATENT FINGERPRINT SECTION IS REQUESTED TO PROVIDE WASHINGTON FIELD WITH PHOTOSTATIC COPIES OF THE DEVELOPED LATENT PRINTS IN ORDER THAT THEY MAY BE SUBMITTED TO THE METROPOLITAN POLICE DEPARTMENT'S (MPD) COMPUTERIZED FINGERPRINT SEARCH FILE. THIS MEASURE IS TAKEN IN THE EVENT UNKNOWN SUBJECT HAS BEEN ARRESTED BY THE UNITED STATES PARK POLICE OR THE UNITED STATES CAPITOL POLICE FOR DEMONSTRATIONS OR CIVIC DISORDERS IN THE WASHINGTON, D. C., METROPOLITAN AREA.

USE CAUTION DUE TO PERSON'S MENTAL INSTABILITY.

BT

#0031

NNNN

1-336 (Rev. 10-26-79)

FEDERAL BUREAU OF INVESTIGATION

Washington, D. C. 20537

REPORT

of the

LATENT FINGERPRINT SECTION
IDENTIFICATION DIVISION

YOUR FILE NO. 9-5444 (P) (C-4) 1/7/87
FBI FILE NO. 9-69805
LATENT CASE NO. C-59265

MG

TO: SAC, WFO

RE: UNSUB;
MR. FRANK DUNKLE
DIRECTOR OF THE FISH AND WILDLIFE SERVICE
UNITED STATES DEPARTMENT OF THE INTERIOR - VICTIM;
EXTORTION

REFERENCE: Teletype 12/13/86
EXAMINATION REQUESTED BY: WFO
SPECIMENS:

The requested photographic copies of the latent prints previously reported in the captioned case are enclosed.

Enc. (3)

2 - Los Angeles

9-68022-15

FEB 23 1987

MAILED 22
JAN 07 1987
FBI

TJC:geb geb
(6)

11 MAY 13 1987
72

FBI - Stevens-3384

MAIL ROOM

THIS REPORT IS FURNISHED FOR OFFICIAL USE ONLY

Operator JAJ

Federal Bureau of Investigation
Latent Fingerprint Section Work Sheet

FBI File No....: 9-69805 -15 Latent Case No: C-59265
Laboratory No.: Reference No: 9-5444 P C-4

Recorded... ..: 12-16-86 JAJ Received.....: 12-16-86

Examination By: [redacted] b6 b7C

Evidence Noted By:

Answer To.....: SAC, WFO

RE..... .:UNSUB;
MR. FRANK DUNKLE, DIRECTOR OF THE FISH AND
WILDLIFE SERVICE
UNITED STATES DEPARTMENT OF THE INTERIOR - VICTIM;
EXTORTION

Communication: TELETYPE 12-13-86

Exam Req By...: Addressee

Copy To... ..: 2 LA
Assoc Ref Nos:

Specimens....:

Result of Examination:

— 12/18/86 —
Req copies of lat prts prev reported this case
enc for WFO
Enc (3)

Ansd.
1-7-87
TJC:geb

FBI - Stevens-3385

Examination Completed 7:00am 12/18/86 Dictated 12/18/86

1/19/87

FD-36 (Rev. 8-29-85)

FBI

TRANSMIT VIA:
- [ ] Teletype
- [ ] Facsimile
- [x] AIRTEL

PRECEDENCE:
- [ ] Immediate
- [ ] Priority
- [ ] Routine

CLASSIFICATION:
- [ ] TOP SECRET
- [ ] SECRET
- [ ] CONFIDENTIAL
- [ ] UNCLAS E F T O
- [ ] UNCLAS

Date 1/29/87

TO : DIRECTOR, FBI (9-69805)
ATTENTION: PERSONAL CRIMES UNIT

FROM : SAC, LOS ANGELES (9A-8093)(C-1)(C)

SUBJECT: UNSUB;
MR. FRANK DUNKLE,
DIRECTOR OF THE FISH AND WILDLIFE SERVICE,
U.S. DEPARTMENT OF THE INTERIOR - VICTIM;
EXTORTION
OO: Los Angeles

For information of the Bureau and Washington Field Office (WFO), investigation to date has failed to develop any suspects in captioned matter. In view of the negative developments, Los Angeles is not conducting any further investigation at this time and will administratively close this matter. Should any positive information or additional contacts be made, Los Angeles will re-open this case at that time.

USE CAUTION DUE TO PERSON'S MENTAL INSTABILITY

9-68722-16

2 - Bureau
2 - Washington Field (9A-5444)
1 - Los Angeles

LGB/jmz
(5)

1c FEB 2 1987

L-5012

Approved: RTB/JP Transmitted _____ Per _____
(Number) (Time)

FBI - Stevens-3386

52 MAY 15 1987

1-336 (Rev. 10-26-79)

FEDERAL BUREAU OF INVESTIGATION

Washington, D. C. 20537

REPORT
of the
LATENT FINGERPRINT SECTION
IDENTIFICATION DIVISION

YOUR FILE NO. 9-5487 (C-4) (P)
FBI FILE NO. 9-68722
LATENT CASE NO. C-43871

2/25/87

TO: SAC, WFO

RE: UNSUB;
U.S. REPRESENTATIVE ELDON RUDD - VICTIM;
EXTORTION

UNRECORDED COPY FILED IN

REFERENCE: Airtel 12/1/86
EXAMINATION REQUESTED BY: WFO
SPECIMENS: Envelope, Q5
Letter, Q6

The Q specimens are further described in a separate Laboratory report.

Eleven latent fingerprints of value were developed on Q5 and Q6.

The latent fingerprints do not meet the necessary criteria to conduct an automated fingerprint search in the LFPS fingerprint file.

9-68722-17

(Continued on next page)

MAILED 22
FEB 25 1987
FBI

Enc. (2)

2 APR 6 1987

2 - Los Angeles
4 - WFO (1-9-5229) (1-9-5230) (1-9-5488) 1 - (UNSUB; MR FRANK DUNKLE, DIRECTOR OF THE FISH AND WILDLIFE SERVICE, UNITED STATES DEPARTMENT OF THE INTERIOR - VICTIM; EXTORTION)
1 - Office of Congressional and Public Affairs, Room 7116, TL #235
1 - Bufile (9-698809)

HOR:sw
(12)

FBI - Stevens-3387

MAIL ROOM

THIS REPORT IS FURNISHED FOR OFFICIAL USE ONLY

FBI/DOJ

No latent prints of value were previously reported in connection with the case entitled "UNSUB; SENATOR TED STEVENS - VICTIM; EXTORTION," FBI file #9-68722, latent case #C-43871, WFO file #9-5230, to compare with the currently developed latent prints.

The latent prints developed on Q5 and Q6 were compared, insofar as possible, with the latent prints reported in connection with the following cases without effecting an identification:

UNSUB;
REPRESENTATIVE DON YOUNG - VICTIM;
EXTORTION
FBI file #9-68722, latent case #C-43871,
WFO file #9-5229

UNSUB;
U.S. REPRESENTATIVE JOHN D. DINGELL - VICTIM;
EXTORTION
FBI file #9-68722, latent case #C-43871,
WFO file #9-5488

UNSUB;
MR. FRANK DUNKLE
DIRECTOR OF THE FISH AND WILDLIFE SERVICE
UNITED STATES DEPARTMENT OF THE INTERIOR - VICTIM;
EXTORTION
FBI file #9-69805, latent case #C-59265

The specimens are enclosed.

7-2 (5-12-82)

RECORDED 12/10/86 klj#68

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

12/5/86 [redacted] 4434

Laboratory Work Sheet

Recorded 1/15/87 mec Received 1/14/87

To: SAC, WASHINGTON FIELD OFFICE (9A-5487)(C-4)(P)

FBI FILE NO. 9-68722-17

b6
b7C

LAB. NO. 61205006 D WN

Re: UNSUB;
U.S. REPRESENTATIVE ELDON RUDD - VICTIM;
EXTORTION

YOUR NO.

LC #C-43871

Examination by:

OO: Los Angeles

Noted by: [redacted]

Examination requested by: Addressee

Reference: Airtel dated December 1, 1986

Examination requested: Document - Fingerprint

Specimens received: December 5, 1986

Specimens:

Q5 Q1 Envelope postmarked "MARINA DEL RAY, CA [redacted] PM 4 NOV 1986," bearing handwritten address "Rep. Eldon Rudd R-Az. c/o The House of Representatives Washington D. C. 20515"

Q6 Q2 Accompanying one-page handwritten letter beginning "'Hunter Harassment Act'? ..."

— 1/20/87 —

Specs exam V & L. No latent prints noted. Proc NIN.

— 1/21/87 —

Specs reproc NIN. No photo (N).

Ansd 2-25-87 HOR/sw

2 - Los Angeles
1 - Office of Congressional and public affairs, Room 7116, TL# 235

Examination completed 9:40 AM (Time) 2/10/87 (Date) Dictated 2/10/87 (Date) /jor

(over) 4 - WFO (1-9-5229) (1-9-5230) (1-9-5488)
(1 - Unsub.. Mr. Frank Dunkle, Director of the Fish and Wildlife Service, United States Dept of the Interior - Victim; EXTORTION)
1 - Buffalo (9-69805)

IRH
Eku

FBI/DOJ

— 1/30/87 —

6-fgpts value dev (N) Q5.

5-fgpts (1 is extreme side) value dev (N) Q6.

— 2/10/87 —

Q5 & Q6 prov SN. No latent prints dev. Desired.

~~Latent fgpts do not meet necessary criteria to conduct automat~~ fgpt search in LFPS fgpt file.

No latent prints prev reported in connection with case entitled "UNSUB.; SENATOR TED STEVENS - VICTIM; EXTORTION"; Q3 & Q4 in Bufile 9-68722, LC# C-43871, WFO file # 9-5230.

Latent prints dev on Q5 & Q6 compared, insofar as possible, with latent prints previously reported in following cases, no ⊄.

Unsub.;
Representative Don Young - Victim;
Extortion
FBI file # 9-68722, LCC-43871, WFO file # 9-5229

Unsub.;
U.S. Representative
John D. Dingell - Victim;
Extortion
FBI file # 9-68722, LCC-43871, WFO file # 9-5488

Unsub.;
Mr. Frank Dunkle
Director of the Fish and
Wildlife Services
United States Department of the Interior - Victim;
Extortion FBI file # 9-69805, LCC-59265

FBI - Stevens-3390

9-68722
C-43871
Page 2

— 2/10/87 —

Specs enclosed. (2)

1-336 (Rev. 10-26-79)

FEDERAL BUREAU OF INVESTIGATION

Washington, D. C. 20537

REPORT
of the
LATENT FINGERPRINT SECTION
IDENTIFICATION DIVISION

YOUR FILE NO. 9-5488 (C-4) (P) 2/25/87
FBI FILE NO. 9-68722
LATENT CASE NO. C-43371

TO: SAC, WFO

RE: ~~UNSUB~~;
U. S. REPRESENTATIVE
JOHN D. DINGELL - VICTIM;
EXTORTION

REFERENCE: Airtel 12/8/86
EXAMINATION REQUESTED BY: WFO
SPECIMENS: Envelope, Q7
Letter, Q8
Sheet of paper

The Q specimens are further described in a separate Laboratory report.

Two latent fingerprints of value were developed on Q8. No latent prints were present or developed on Q7 or the sheet of paper.

The latent fingerprints do not meet the necessary criteria to conduct an automated fingerprint search in the LFPS fingerprint file.

No latent prints of value were previously reported in connection with the case entitled "UNSUB; SENATOR TED STEVENS - VICTIM; EXTORTION," 9-68722-18

(Continued on next page)

MAILED 22
FEB 27 1987
FBI

Enc. (3)

APR 6 1987

2 - Los Angeles
4 - WFO (9-5229) (1 - 9-5230) (1 - 9-5487) (1 - UNSUB; MR. FRANK DUNKLE, DIRECTOR OF THE FISH AND WILDLIFE SERVICE, U. S. DEPARTMENT OF THE INTERIOR - VICTIM; EXTORTION)
1 - Office of Congressional and Public Affairs, Room 7116, TL #235
1 - File (9-69805) C4 9-68722 cc obsolete

08 NOV 06 1987

MAILROOM

THIS REPORT IS FURNISHED FOR OFFICIAL USE ONLY

HOR:hne (12)

FBI/DOJ

FBI file #9-68722, LC #C-43871, WFO file #9-5230, to compare with the currently developed latent prints.

The latent prints developed on Q8 were compared, insofar as possible, with the latent prints previously reported in the following cases without effecting an identification:

UNSUB;
REPRESENTATIVE DON YOUNG - VICTIM;
EXTORTION
FBI file #9-68722, LC #C-43871, WFO file #9-5229

UNSUB;
U. S. REPRESENTATIVE ELDON RUDD - VICTIM;
EXTORTION
FBI file #9-68722, LC #C-43871, WFO file #9-5487

UNSUB;
MR. FRANK DUNKLE
DIRECTOR OF THE FISH AND WILDLIFE SERVICE
U. S. DEPARTMENT OF THE INTERIOR - VICTIM;
EXTORTION
FBI file #9-69805, LC #C-59265

The specimens are enclosed.

FBI - Stevens-3396

— 1/30/87 —

TOTALS
2-fgpts on Q8.

2-fgpts value dev (N) Q8.

Q7 & Q8 prev SN. No latent prints dev. Destroyed.
No latent prints dev N or SN on Q7 or sheet of paper.

— 2/2/87 —

Latent prints do not meet necessary criteria to conduct an automated fgpt search in LFPS fgpt file.

No latent prints value prev reported in connection with case entitled "UNSUB.; SENATOR TED STEVENS - VICTIM; EXTORTION"; Q3 & Q4 under Bufile 9-68722, LC# C-43871, WFO file # 9-5230

Latent prints developed on Q8 compared, insofar as possible with latent prints prev reported following cases, no ⊕:

Unsub.;
Representative Don Young - Victim;
Extortion
FBI file # 9-68722, LC# C-43871, WFO file # 9-5229

Unsub.;
U.S. Representative Eldon Rudd - Victim;
Extortion
FBI file # 9-68722, LC# C-43871, WFO file # 9-5487

Unsub.;
Mr. Frank Dunkle
Director of the Fish and Wildlife Service
United States Department of the Interior - Victim;
Extortion
FBI file # 9-69805; LC# C-59263

FBI - Stevens-3398

Page 2
9-68722
LCC-43871

— 2/2/87 —

Specs (3) enclosed. (3)

X Airtel

12-8-86

TO: DIRECTOR, FBI (ATTN: PERSONAL CRIME UNIT; QUESTION DOCUMENT UNITS)

FROM: SAC, WASHINGTON FIELD OFFICE (9A-5488)(P)(C-4)(P)

UNSUB; U.S. REPRESENTATIVE, JOHN D. DINGELL-VICTIM; EXTORTION; OO:LOS ANGELES

Re WFO teletype to Director, and Los Angeles Division, dated 11/17/86. CAUTION-Consider Emotionally Unstable.

Enclosed for the Bureau are the following items:

1. Anonymous one page hand-written letter beginning:

"DINGELL, a white trash hunter...":

2. Accompanying envelope, addressed to Congressman DINGELL, postmarked MARINA DEL REY, California, 10/29/86.

Enclosed for the Los Angeles Division are both the FD-302 pertaining to the acquisition of evidence and a copy of the anonymous threat letter and accompanying envelope.

6-Bureau (Enc. 2)
(4-Questioned Document Unit)
(2-Personal Crime Division)
2-Los Angeles
1-WFO

WTR:tmc
(9)

For the information of the Bureau, on 11/13/86, Detective [redacted], Threats Squad, Criminal Investigations Unit, United States Capitol Police, 331 1st Street, N.E., Room 607P, Washington, D.C., telephone number [redacted] provided the Washington Field Office (WFO) with the aforementioned enclosures, the text of which reads as follows:

b6
b7C

"DINGELL, a white trash hunter. you a eunuch boy? Can't shoot anything else so you shoot at defenseless animals? Everyone knows the sexual connotations of "hunter" boy.

You scum are working to destroy our linkage with this earth and make yourselves more alien and aliens don't survive, boy.

The arid west-ditched, diked, drained, overgrazed, overplowed, poisoned, shot, trapped and on and on and on. It is all coming back to you. Your turn.

A curse is on you.

And yours.

You will know.

"You asked for this."

The anonymous letter was received at Congressman DINGELL's Capitol Hill office, 2221 Rayburn Office Building, Independence and South Capitol Street, S.W., Washington, D.C., telephone number (202) 225-4071.

For the information of the Bureau, on 11/7/86, the Office of Congressman ELDON RUDD, 2465 Rayburn House Office Building, was the recipient of an almost identical anoynomous letter, also postmarked MARINA DEL REY. This material is currently being forwarded to the FBI Laboratory.

Previous to that, on 8/15/86, Director FRANK DUNKLE, U.S. Fish and Wildlife Service, received an almost identical anonymous letter, postmarked MARINA DEL REY, California. The laboratory number of that incident was 60826051 D WN BF; the Latent Fingerprint Section, latent case number C-59265.

On 1/15/85, Senator TED STEVENS received an almost identical anonymous letter from MARINA DEL REY, California; on 1/16/85, Congressman DON YOUNG received yet another anonymous letter from MARINA DEL REY also believed to be authored by the same unknown individual. The lab numbers in these cases were 50124002 D WN and 50124005 D WN; the Latent Fingerprint Section's latent case number was C 43871.

REQUEST OF FBIHQ:

QUESTION DOCUMENT UNIT:

Compare enclosed letter with anonymous letter file and conduct laboratory examinations for water marks, indented writings or any other physical characteristics deemed appropriate. If appropriate, forward copy to Doctor [redacted] for the psychological and demographic profiling of author and to determine the validity of threat. b6 b7C

LATENT FINGERPRINT SECTION:

Develop any latent prints for future comparison with known prints. Compare those developed prints with suitable latent prints on earlier referenced submitted items in an attempt to determine if the same individual has offered all the letters.

FD-36 (Rev. 8-26-82)

FBI

TRANSMIT VIA:
- ☐ Teletype
- ☐ Facsimile
- ☒ AIRTEL

PRECEDENCE:
- ☐ Immediate
- ☐ Priority
- ☐ Routine

CLASSIFICATION:
- ☐ TOP SECRET
- ☐ SECRET
- ☐ CONFIDENTIAL
- ☐ UNCLAS E F T O
- ☐ UNCLAS

Date 6/2/87

TO: DIRECTOR, FBI ~~(9-69805)~~
ATTENTION: PERSONAL CRIMES UNIT

FROM: SAC, WASHINGTON FIELD (9A-5444) (C-4) (RUC)

SUBJECT: UNSUB;
MR. FRANK DUNKLE,
DIRECTOR OF THE FISH AND WILDLIFE SERVICE,
U.S. DEPARTMENT OF THE INTERIOR-VICTIM;
EXTORTION
OO: Los Angeles

Re Los Angeles airtel to Bureau, dated 1/29/87.

For the information of the Bureau, and Los Angeles Division, on 6/2/87, [redacted] Automated/Manual Fingerprint Operations, Identification Branch, Identification and Records Division, Technical Bureau, Metropolitan Police Department (MPD), 300 Indiana Avenue, N.W., Washington, D.C., Room 168, telephone number [redacted] advised Washington Field that a computer search of known record prints against the unknown latent prints developed in instant case was conducted with negative results; however, MPD would compare new incoming record prints with those in instant case, for an indefinite period of time, and would advise WFO in the event an identification is made.

b6
b7C

On 6/2/87, ROBERT SMOAK, Chief, Division of Enforcement and Security Management, U.S. Department of the Interior, 1800 & C Street, N.W., Room 5426, Washington, D.C., telephone number (202)343-8357, was apprised of the results of the investigation.

WFO considers this matter RUC.

USE CAUTION DUE TO PERSON'S MENTAL INSTABILITY

2 - Bureau (9-69805)
2 - Los Angeles (9A-8093)
2 - Washington Field (9A-5444) (RUC)

9 JUN 2 1987

WTR: wtr
(6)

Approved: DG Transmitted _____ (Number) (Time) Per _____

FBI - Stevens-3403

108 AUG 14 1987

FORMS.TEXT HAS 1 DOCUMENT

INBOX.19 (#10808)

TEXT:
VZCZCWF006

RR HQ LA

DE WF006 345 0410

ZNR UUUUU

R 110410Z DEC 86

FM: FBI, WASHINGTON FIELD OFFICE (9A-5488) (RUC) (C-4)

TO: DIRECTOR, FBI ROUTINE

FBI, LOS ANGELES (9A-8136) ROUTINE

BT

U N C L A S

ATTENTION: PERSONAL CRIMES UNIT

UNSUB; U.S. REPRESENTATIVE JOHN D. DINGELL-VICTIM; EXTORTION; OO:LA

CAUTION: CONSIDERED EMOTIONALLY UNSTABLE

RE LOS ANGELES TELETYPE TO BUREAU DATED 12/9/86.

UNITED STATES CAPITOL POLICE HAVE CLOSED IT'S INQUIRING INTO THIS MATTER ACCORDINGLY WFO WILL RUC CASE ABSENT POSITIVE IDENTIFICATION OF SUBJECT. IN THE EVENT THAT, AT A LATER DATE, LOS ANGELES SUCCEEDS IN IDENTIFYING A SUBJECT IT IS REQUESTED THAT THEY ADVISE WFO IN ORDER THAT USCP MAY BE APPROPRIATELY APPRAISED.

U N C L A S

BT

#0006

NNNN

RECEIVED TELETYPE UNIT 12 Dec 86 13 04 FBI DEPT OF JUSTICE

Exec. AD-Adm.
Exec. AD-Inv.
Exec. AD-LES

FEB 2 1987

FBI - Stevens-3404

FD-36 (Rev. 8-26-82)

FBI

TRANSMIT VIA:
- ☐ Teletype
- ☐ Facsimile
- ☐ Airtel

PRECEDENCE:
- ☐ Immediate
- ☐ Priority
- ☐ Routine

CLASSIFICATION:
- ☐ TOP SECRET
- ☐ SECRET
- ☐ CONFIDENTIAL
- ☐ UNCLAS E F T O
- ☐ UNCLAS

Date 9/19/88

9-21

SSP

CLASS
SRC'D
SER
REC

TO: DIRECTOR, FBI
(ATTN: QUESTIONED DOCUMENT UNIT;
PERSONAL CRIMES UNIT)

FROM: SAC, WMFO (89A-1122)(P)(C-4)

UNSUB;
CONGRESSMAN DON YOUNG; VICTIM
U.S. HOUSE OF REPRESENTATIVE
CCSCAKA
OO:WMFO

80921028

EXT vio

Re WMFO teletype to the Bureau, dated 9/12/88.

Enclosed for the Bureau is an original threat letter and envelope postmarked "Marina Del 902 dated August 29, 1988". The letter was received at the Office of Congressman YOUNG in Washington, D.C. The letter is unsigned and there is no return address on the envelope.

Enclosed for the Los Angeles Division are two xerox copies of the threat letter and envelope.

6-Bureau (Enc. 4)
(4-Questioned Document Unit)
(2-Personal Crimes Unit)
2-Los Angeles (Enc. 2)
2-WMFO

RJH:rlw
(10)

9-68722-21

SEP 29 1988

ORIGINAL
Copy & Specs Detached

Approved: _____ Transmitted _____ Per _____
(Number) (Time)

9-68722

67 FEB 17 1989

FBI - Stevens-3405

REQUEST OF FBIHQ:

QUESTIONED DOCUMENT UNIT

The Questioned Document Unit is requested to compare enclosure with samples in the Anonymous Letter File and conduct examinations for watermarks, indented writing or any other characteristics deemed appropriate.

LATENT FINGERPRINT SECTION

The Latent Fingerprint Section is requested to process enclosure for latent prints.

7-1b

SSP

CLASS
SRC'D
SER
REC

REPORT of the FBI LABORATORY

1 - [redacted]

b6
b7C

FEDERAL BUREAU OF INVESTIGATION
WASHINGTON, D. C. 20535

To: SAC, Washington Metropolitan Field Office
(89A-1122)(C-4)

December 16, 1988

FBI FILE NO. 9-68722

LAB. NO. 80921028 D WN

Re: UNSUB;
CONGRESSMAN DON YOUNG - VICTIM;
U.S. HOUSE OF REPRESENTATIVE;
CCSCAKA

OO: Washington Metropolitan Field Office

Examination requested by: Addressee

Reference: Communication dated September 19, 1988

Examination requested: Document - Fingerprint

Specimens received September 21, 1988

Specimens:

Q11 Envelope postmarked "MARINA DE _____902 3A PM 29 AUG 1988" bearing handwritten address "Rep. Don Young...."

Q12 Accompanying handwritten letter beginning "Young: H. R. 3834 Hunter Protection Act?...."

ALSO SUBMITTED:

Accompanying blank sheet of paper

Result of examination:

The questioned handwriting on Q11, Q12 and previously submitted Q1 through Q10 was probably written by the same person. Although this is not a definite conclusion, there are sufficient similarities to establish a strong likelihood that the questioned writing on these specimens was written by the same person.

9-68722-D2

The 25 cents postage stamp on Q11 was removed from a coil of stamps.

MAILED 39
DEC 16 1988
FBI

9 DEC 20 1988

(over)

b6
b7C

CRS: kwh#42 (4)

[redacted]

3236

FBI/DOJ

FBI - Stevens-3407

4 MAR 1989

No watermarks, indented writing of value or other physical characteristics were observed on Q11 or Q12 which would further assist in determining their immediate origin.

The results of the requested latent fingerprint examination and the disposition of the submitted evidence will be subjects of a separate report. Photographs are retained by the Laboratory.

FBI - Stevens-3408

7-2 (5-12-82)

RECORDED
9/23/88
mw#9

9/21/88 [redacted]

FEDERAL BUREAU OF INVESTIGATION
UNITED STATES DEPARTMENT OF JUSTICE

Laboratory Work Sheet

To: SAC, Washington Metropolitan Field Office
(89A-1122)(C-4)

b6
b7C

FBI FILE NO. 9-68722-22

LAB. NO. 80921028 D ~~VK~~ WN

Re: UNSUB;
CONGRESSMAN DON YOUNG - VICTIM;
U.S. HOUSE OF REPRESENTATIVE;
CCSCAKA

YOUR NO.

Examination by: [redacted]

OO: Washington Metropolitan Field Office

dwt 12/9/88

Examination requested by: Addressee

Reference: Communication dated September 19, 1988

Examination requested: Document - Fingerprint

Specimens received: September 21, 1988

Specimens:

Q1 Envelope postmarked "MARINA DE [redacted] 902 3A PM 29 AUG 1988" bearing handwritten address "Rep. Don Young[illegible]"

Q2/2 Accompanying handwritten letter beginning "Young: HR 3834 Hunter Protection Act?[illegible]"

ALSO SUBMITTED:

Accompanying blank sheet of paper

See attached Notes

1-1B
12/16/88
CLH: kwh #42

FBI - Stevens-3409

586
SEP 28 1988
photo'd

FBI/DOJ

Evidence Files Searched

	Section(s) Searched	Date Searched	Section(s) Added	Date Added
Art				
Bank Robbery Note File				
Motor Vehicle Title				
Anonymous Letter File:	CONNECTED SCRIPT	9/23/88	CONNECTED SCRIPT	9/23/88

Motive: HATE

State(s): D.C.

VIP:

Bombing:

Other:

Typewriter Information:

- Called Bufile 9-68722 (WFO 9A-5488)
- HW similarities but instant case is CCSCAKA classification (WMFO 89A-1122)
- INDENTED WRITING: The indented writing of the Q2 letter appears on the ALSO SUBMITTED blank sheet of paper

Standards Files Searched

	Date Searched
Tire Tread	
Shoe Print	
Typewriter	
Watermark	
Office Copier	
Safety Paper	
Computer Print Out	

WATERMARKS: Negative

Remarks: TRANSFERRED TO [redacted] 9/28/88

b6
b7C

Bufile 9-68722 also to ALF Computerization Unit on 9/27/88
Q1-Q2 to ALF Computerization Unit on 9/27/88 - Returned 9/28/88
80921028 D VK

CT# 201977

Notes

80921028 0 WN
TO: SAC WMFO (89A-1122)(C-4)

12/8/88

Request
— Search AF
— Examine for WMSA indented writing

Result of examination:
~~Specs Q11 + Q12 have been associated with previously submitted Q1—Q10.~~

The questioned writing on Q11, Q12 + prev submitted Q1—Q10 was probably written by the same person. Although there is not a def. conclusion, there are sufficient sims. to establish a strong likelihood that the questioned writing on these specs were written by the same person.

The 25 cents postage stamp on Q11 was removed from a coil of stamps.

No watermark or indented writing of value or other physical characteristics were observed on Q11 or Q12 which would further assist in determining their immediate origin.

The results of the requested LFP exam + the disposition of the submitted evidence will be subj of a sep. rpt. Photographs are retained by the Laboratory.

FBI - Stevens-3411

1-336 (Rev. 10-26-79)

FEDERAL BUREAU OF INVESTIGATION

Washington, D. C. 20537

REPORT

of the

LATENT FINGERPRINT SECTION
IDENTIFICATION DIVISION

SSE
CLASS
SRC'D
SER
REC

YOUR FILE NO. 89A-1122 (P) (C-4) 2/22/89
FBI FILE NO.
LATENT CASE NO. C-79181

TO: SAC, WMFO

RE: UNSUB;
CONGRESSMAN DON YOUNG - VICTIM
U. S. HOUSE OF REPRESENTATIVES;
~~GCSCAKA~~ omit EXT.

REFERENCE: Airtel 9/19/88 9-68722-21
EXAMINATION REQUESTED BY: WMFO
SPECIMENS: Envelope and letter, Q1 and Q2
Sheet of blank paper (not mentioned in referenced airtel)

The listed Q specimens are further described in a separate Laboratory report.

Three latent fingerprints of value were developed on the letter, Q2 and on the sheet of paper. No identifiable latent prints were developed on the envelope, Q1.

The latent fingerprints do not meet the necessary criteria to conduct an automated fingerprint search in our Identification Division file.

The specimens are enclosed. 9-68722-23

Enc. (3)

1 - Congressional Affairs Office, Room 7240, TI #245

BRB:wdr
(4)

MAILED 40
FEB 24 1989

MAR 1 1989

FBI - Stevens-3412

2 MAY 30 1989
MAIL ROOM

THIS REPORT IS FURNISHED FOR OFFICIAL USE ONLY

— 2/15/89 ——

Process Phy. Dev. — no Lats. val.

1 Lat. fgpt. dev. win. Q2

2 Lat. fgpts. dev. win A/S sheet of paper

no Lats. val dev. env.

Lat. fgpts. too frag. to conduct comp. search and no description of unsub given

Spec. encl.

(J)
DRD

FD-26 (Rev. 8-26-82)

FBI

TRANSMIT VIA:
- ☐ Teletype
- ☐ Facsimile
- ☐ Airtel

PRECEDENCE:
- ☐ Immediate
- ☐ Priority
- ☐ Routine

CLASSIFICATION:
- ☐ TOP SECRET
- ☐ SECRET
- ☐ CONFIDENTIAL
- ☐ UNCLAS E F T O
- ☐ UNCLAS

Date 9/19/88

TO: DIRECTOR, FBI
(ATTN: QUESTIONED DOCUMENT UNIT;
PERSONAL CRIMES UNIT)

FROM: SAC, WMFO (89A-1122)(P)(C-4)

UNSUB;
CONGRESSMAN DON YOUNG-VICTIM
U.S. HOUSE OF REPRESENTATIVES;
CCSCAKA
OO:WMFO

809 21028-D

Re WMFO teletype to the Bureau, dated 9/12/88.

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6-Bureau (Enc. 4)
(4-Questioned Document Unit)
(2-Personal Crimes Unit)
2-Los Angeles (Enc. 2)
2-WMFO

RJH:rlw
(10)

C-7918
Transmitted 12-12-88

Approved: _____ Transmitted _____ Per _____
(Number) (Time)

FBI - Stevens-3414

LEO/Bud 2/22/89

REQUEST OF FBIHQ:

QUESTIONED DOCUMENT UNIT

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LATENT FINGERPRINT SECTION

The Latent Fingerprint Section is requested to process enclosure for latent prints.