



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Revenue

COMMISSIONER'S OFFICE

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January 30, 2024

The Honorable Bryce Edgmon
House Finance Committee, Co-Chair
Alaska State Legislature
State Capitol, Room 410
Juneau, AK 99801

The Honorable Neal Foster
House Finance Committee, Co-Chair
Alaska State Legislature
State Capitol, Room 511
Juneau, AK 99801

The Honorable DeLena Johnson
House Finance Committee, Co-Chair
Alaska State Legislature
State Capitol, Rooms 505
Juneau, AK 99801

Dear Co-Chairs Edgmon, Foster, and Johnson;

The purpose of this letter is to provide you with responses to the questions asked of the Department of Revenue (DOR) regarding the Saving, Reserves, & Investment Funds presentation to the House Finance Committee on January 23, 2024. Please see the requests for information in *italics* and our responses immediately below the questions.

1. *Provide a full breakdown of the state funds and retirement funds.*

The Treasury Division website contains all Monthly Investment Reports which show the monthly Combined Schedule of Invested Assets, Combined Schedule of Investment Income, and Changes in Invested Assets for all funds managed by the Treasury Division.

Financial reports for all funds, including those under the fiduciary responsibility of the Alaska Retirement Management Board (ARMB), can be found here:

<https://treasury.dor.alaska.gov/home/investments/monthly-investment-reports>.

Detailed financial reports for the ARMB funds can be found here:

<https://treasury.dor.alaska.gov/armb/reports-and-policies/monthly-financial-reports>.

2. Provide information on the Illinois Mine Creek fund.

The Illinois Creek Gold Mine is a remote gold mine located on state land approximately 51 miles south of Galena, Alaska. It is a fly-in mine without road access. USMX of Alaska, Inc. originally permitted the mine in 1996. Construction began in June 1996. After some corporate changes and mergers, the mining companies responsible for the mine eventually went bankrupt, the financier abandoned its ownership rights, and the State of Alaska inherited operating responsibility for the mine in July 1999.

The mining company had provided a \$1,618,209 Reclamation Bond to satisfy the bonding requirements of DNR and DEC. On behalf of those agencies, DNR, upon the company's bankruptcy and default, seized the bond, and used funds from the bond, augmented by proceeds from the sale of gold that continued to be produced by the mine's heap leach facility, to maintain the mine until an operator could be found to reclaim it. DNR also seized equipment at the mine owned by the mining company.

After a series of temporary contracts, DNR entered into a contract with American Reclamation Group, LLC to reclaim the mine. American Reclamation Group was to use a combination of proceeds from further mining and the remaining reclamation bond to reclaim the mine. American Reclamation Group finished reclaiming the site in the fall of 2005. Following reclamation by American Reclamation Group, the agency assumed the responsibility to monitor the site and to fix unexpected post-reclamation problems. To fund the post-closure monitoring and maintenance, the agency established the Illinois Creek Mine Reclamation Trust Fund.

I hope you find this information to be useful. Please do not hesitate to contact me if you have further questions.

Sincerely,



Adam Crum
Commissioner