

**ALASKA STATE LEGISLATURE
LEGISLATIVE BUDGET AND AUDIT COMMITTEE**

Anchorage, Alaska

May 7, 2015

10:03 a.m.

MEMBERS PRESENT

Representative Mike Hawker, Chair
Representative Kurt Olson
Representative Lance Pruitt
Representative Sam Kito

Senator Anna MacKinnon, Vice Chair
Senator Cathy Giessel
Senator Bert Stedman
Senator Click Bishop

MEMBERS ABSENT

Representative Steve Thompson
Representative Mark Neuman (alternate)

Senator Lyman Hoffman
Senator Pete Kelly (alternate)

OTHER LEGISLATORS PRESENT

Representative Lynn Gattis
Representative Tammie Wilson

COMMITTEE CALENDAR

APPROVAL OF MINUTES
SPECIAL AUDIT REQUESTS
EXECUTIVE SESSION
OTHER COMMITTEE BUSINESS

PREVIOUS COMMITTEE ACTION

No previous action to record

WITNESS REGISTER

KRISTIN CURTIS
Legislative Auditor
Division of Legislative Audit

Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Answered questions during the special audit requests.

SENATOR BERTA GARDNER
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: Presented a request for an audit of the Alaska Scientific Crime Detection Lab under the Department of Public Safety.

ACTION NARRATIVE

[10:03:23 AM](#)

CHAIR MIKE HAWKER called the Legislative Budget and Audit Committee meeting to order at 10:03 a.m. Representatives Hawker, Pruitt, Olson, and Kito and Senators MacKinnon, Giessel, and Bishop were present at the call to order. Senator Stedman arrived as the meeting was in progress. Also in attendance were Representatives Gattis and Wilson.

Approval of Minutes

[10:04:56 AM](#)

CHAIR HAWKER announced that the first order of business would be the approval of the minutes.

[10:05:36 AM](#)

SENATOR MACKINNON made a motion to approve the minutes of March 30, 2015. There being no objection, the minutes from the meeting of March 30, 2015 were approved.

Special Audit Requests

[10:06:05 AM](#)

CHAIR HAWKER announced that the next order of business would be to review three special audit requests.

[10:06:46 AM](#)

SENATOR MACKINNON directed attention to a memo dated March 27, 2015, in which she outlined a request for an audit of the Commercial Passenger Vessel (CPV) tax under the Department of Revenue. [Included in members' packets]. She reported that there was concern that this CPV tax was not being used for its declared purpose. She said that there had been assertions that some Southeast communities were stockpiling these CPV funds, and that some of the money was being spent inappropriately on projects that were inconsistent with the federal mandate for use of these funds. She suggested that the Legislative Auditor review whether the use of these dollars was in an appropriate manner.

[10:08:12 AM](#)

CHAIR HAWKER asked Ms. Curtis if she had worked with the requestor of this audit, and whether she was comfortable with the scope of the audit as it was defined in this document.

KRISTIN CURTIS, Legislative Auditor, Division of Legislative Audit, Alaska State Legislature, replied "yes."

[10:08:30 AM](#)

SENATOR MACKINNON explained that the head [CPV] tax directed \$8 to the Port of Juneau, \$7 to the Port of Ketchikan, and \$5 to each of five additional communities. She relayed that it had been suggested that some of the communities were holding the funds for investment in large, future projects or had pledged the funding for bonds. She stated that there were many other ports of call for cruise ships throughout Alaska that had less than desirable cruise ship passenger facilities. She declared that these dollars were specific and should be used, possibly, in a broader manner than currently proposed in Alaska statute.

SENATOR MACKINNON moved to approve her request for an audit of the Commercial Passenger Vessel Tax under the Department of Revenue. There being no objection, it was so ordered.

[10:09:57 AM](#)

CHAIR HAWKER announced that the next order of business would be an audit request by Senator Giessel for the Board of Game, Alaska Department of Fish & Game, and local advisory committees. He shared his support for the request as he opined that it had been brought to both of their attentions by a constituent.

10:10:08 AM

SENATOR GIESSEL directed attention to a memo to the committee dated April 27, 2015, in which she outlined a request for an audit of the Board of Game and the Local Advisory Committees under the Alaska Department of Fish & Game [Included in members' packets]. She explained the process, noting that the Board of Game regulated hunting and the use of game resources, and that local advisory committees also had some purview over these regulations, the timing of the hunts, and the permitting. She shared that her office had received concerns for the regulatory outcomes and the decision making process. She requested an audit of the decision making process by the Board of Game from 2010 to the present. She listed the specific audit objectives, which included: are the Board of Game (BOG) decisions being made in compliance with state law and legislative intent; are the advisory committee recommendations rooted in Alaska Department of Fish & Game (ADFG) research, as this should include recommendations concerning intensive management actions as supported by ADFG scientific data. If recommendations do not align with the scientific data, what is the reason for this regulatory misalignment? She asked if the BOG, advisory committees, and ADFG consistently follow established procedures and do the participants have a clear and accurate understanding of their respective roles. She questioned whether there was any pre-vetting of proposals, and was this effective and efficient. She queried if these BOG decisions were being upheld by the courts. She asked if the ADFG data, research, and recommendations for intensive management were available to the advisory committees before their recommendations were necessary. She requested to know how the entities were working together.

10:12:30 AM

MS. CURTIS, in response to Chair Hawker, said that she had worked with the audit requestor when drafting the request and she was comfortable with the objectives of the audit.

10:12:57 AM

SENATOR MACKINNON moved to approve Senator Giessel's request for an audit of the Board of Game and Local Advisory Committees under the Alaska Department of Fish & Game. There being no objection, it was so ordered.

10:13:25 AM

CHAIR HAWKER announced that the next order of business would be an audit request by Senator Gardner.

SENATOR BERTA GARDNER, Alaska State Legislature, directed attention to a letter to the committee dated March 26, 2015, in which she outlined a request for an audit of the Alaska Scientific Crime Detection Laboratory (ASCDL) [Included in members' packets]. She referenced recent national reports for backlogs of rape kits which had not been tested. She noted that there had been a sustained effort to catch up with this backlog in some areas, which had led to identification of rape suspects who had committed other rapes. She pointed out that, as Alaska had "appalling statistics about rape and sexual assault," she had questioned whether the state also had a backlog of rape kit tests. She reported that a legislative research request with a series of questions had been submitted, which included a request for the number of rape kits typically untested each year, an estimate for the percentage of rape kits tested, were there statutory, regulatory, or police time frames for mandating testing schedules, and were there examples of rape kits that were not tested which had resulted in more hardship or additional rapes. She reported that these responses had all been "unknown, unknown, unknown," which she declared was a shock. She noted that she had then introduced SB 54, which required the Department of Public Safety to conduct an audit on all of the untested sexual assault rape kits that may be in their position, as well as the kits in possession of the ASCDL. She said that, shortly after introduction of SB 54, there was a newspaper story about the proposed bill, and her office then began to receive calls from employees and former employees of the ASCDL. She relayed that there were claims of fear for losing national accreditation because of management failure to maintain a proper chain of custody with evidence and failure to adhere to standards for storage of evidence. She shared that other long term employee technicians reportedly left for similar reasons. She relayed that a high level supervisor employed by DPS had worked for various iterations of the ASCDL, but had been forced out for continual complaints to management for the unkempt nature of the crime lab operation. Another person had stated they were offended by the mismanagement of the lab, stating that this was "the biggest miscarriage of justice the state had ever seen."

CHAIR HAWKER clarified that these were allegations, and not statements of fact.

SENATOR GARDNER expressed her agreement, but noted that, cumulatively, these raised questions. She reported that during that time there had also been an ASCDL employee found guilty of felony theft of drugs and evidence tampering over four years. She acknowledged that the statements were hearsay, but she did not want to disregard all of them. She also expressed questions for the annual budget to the ASCDL, and whether or not the new lab allowed for more in-house testing and better results. She had heard that there were now actually fewer resources for evidence testing, with a lot of the testing being sent out of state.

CHAIR HAWKER pointed out that the specific audit objectives were listed on the aforementioned letter.

[10:18:21 AM](#)

MS. CURTIS, in response to Chair Hawker, said that she had worked with the audit requestor when drafting the request, her staff had visited the ASCDL and done some informal inquiries, and she was comfortable with the objectives of the audit.

[10:19:06 AM](#)

SENATOR MACKINNON moved to approve Senator Gardner's request for an audit of the Alaska Scientific Crime Detection Lab under the Department of Public Safety. There being no objection, it was so ordered.

[10:19:35 AM](#)

CHAIR HAWKER asked for an update on the current status of the audits and the time frame for a response to these three audit requests.

MS. CURTIS reported that there were currently three audits in the queue, which she surmised had not yet started. She relayed that about seven had already begun and would be released this year. She noted that the [M/V] Tustumena audit was being held pending the litigation, and the audit of the Alaska Regional Development Organizations (ARDORS) had been held as they had been de-funded, and then re-funded in Fiscal Year 2015. She reported that her division would hold this for one year, and would then begin in the fall if it was funded again. She mentioned that the audit of the University of Alaska and the State of Alaska travel offices had just started. She expressed

anticipation that one of these audits should be started by mid-summer.

MS. CURTIS, in response, said that completion depended on the nature of the topic, offering her belief that the ASCDL could be time consuming as the questions were fairly complex. She opined that the CPV [tax] audit should be quick, as there was already a reporting process for gathering the information which could be built upon. She suggested that the Board of Game audit could take at least one year.

Executive Session

[10:22:34 AM](#)

CHAIR HAWKER announced that the next order of business would be to move into Executive Session.

SENATOR MACKINNON made a motion to move to executive session under Uniform Rule 22 for the purpose of discussing confidential audit reports and tariff system data under AS 24.20.301. There being no objection, the committee went into executive session at 10:23 a.m.

[10:23:06 AM](#)

MS. CURTIS asked if the audit staff could stay on during the executive session.

CHAIR HAWKER expressed his agreement.

[10:23:44 AM](#)

The committee took an at-ease from 10:23 a.m. to 11:31 a.m.

[11:31:28 AM](#)

CHAIR HAWKER brought the committee back to order at 11:31 a.m. Representatives Kito, Pruitt, Olson, and Hawker and Senators MacKinnon and Giessel were present at the call to order.

[11:32:23 AM](#)

The committee took a brief at-ease.

[11:34:07 AM](#)

SENATOR MACKINNON made a motion for the preliminary audits for the Alaska Public Offices Commission and the Alaska Commission on Aging to be released to the appropriate agencies for response. There being no objection, it was so ordered.

SENATOR MACKINNON made a motion for the RCA Tariff System Data memo to be released to the public. There being no objection, it was so ordered.

Other Committee Business

[11:34:27 AM](#)

CHAIR HAWKER asked if there was any other committee business.

[11:34:40 AM](#)

ADJOURNMENT

There being no further business before the committee, the Legislative Budget and Audit Committee meeting was adjourned at 11:34 a.m.